



PLACER COUNTY

FY 2013-14 – Fiscal Update

FY 2014-15 Budget Development Overview

David Boesch
County Executive Officer

March 25, 2014



FY 2013-14 Fiscal Update

FY 2014-15 Budget Development Overview

Requested Actions

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

- FY 2013-14 revenue and expenditure projections for the County's main operating funds
- General Fund / Public Safety Fund 5-Year Strategic Budget Framework
- FY 2014-15 budget development process



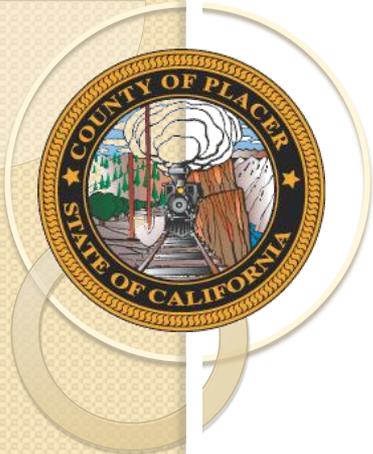
FY 2013-14 Fiscal Update

FY 2014-15 Budget Development Overview

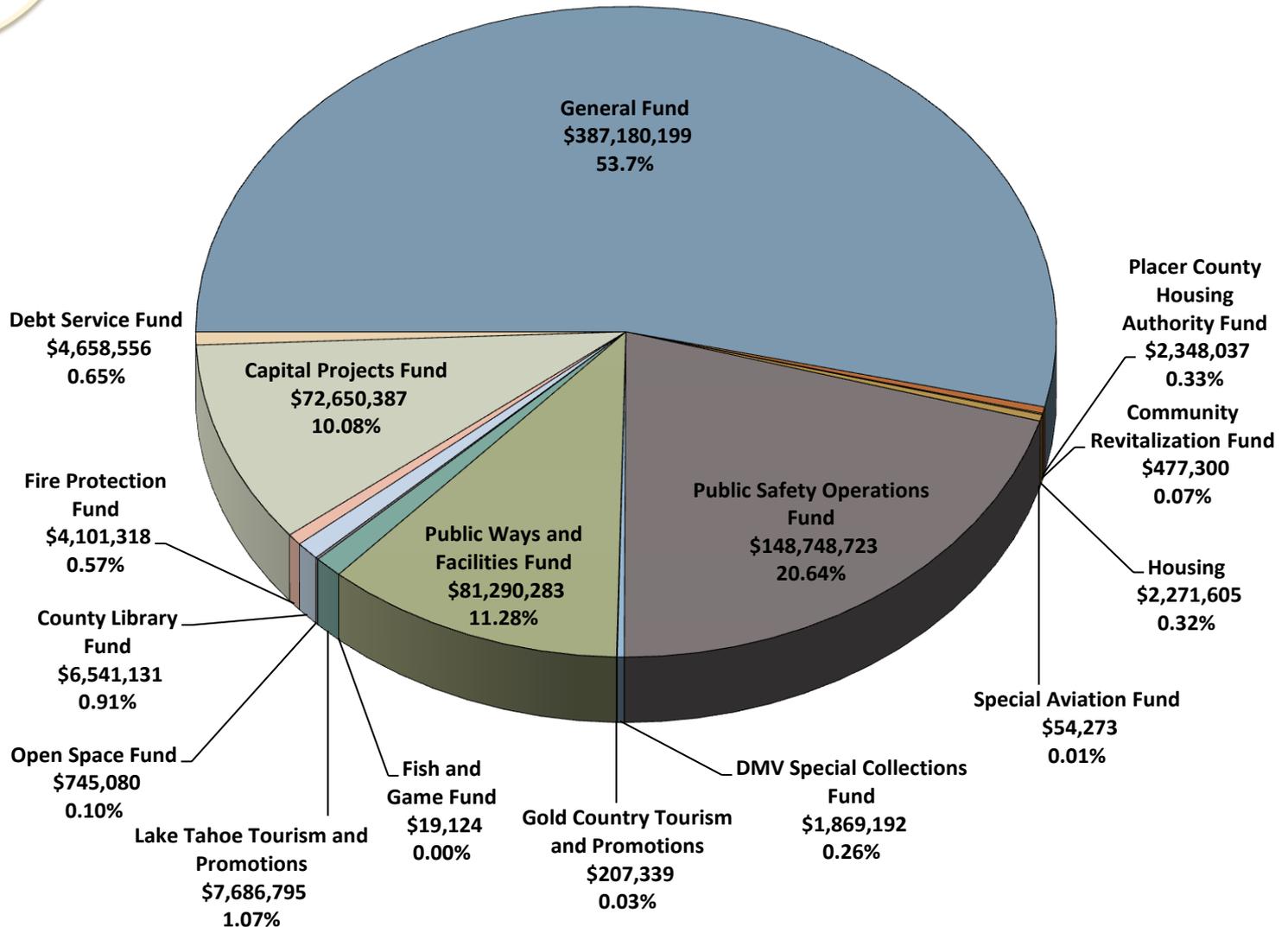
Budget and Financial Policy Guides Fiscal Health

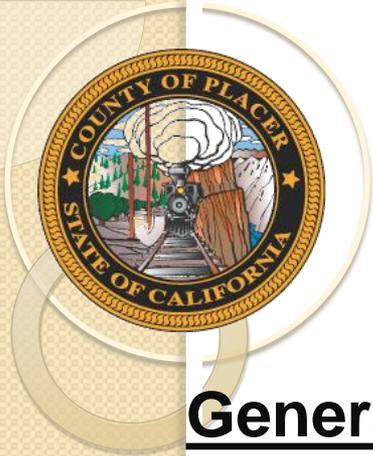
Review of fiscal activity and development of budget considers:

- Economic analysis and long-term planning
- Promotion of cost transparency
- Review and understanding of budget variances
- Establishment and maintenance of reserves
- Development of spending plan supported by sustainable resources



FY 2013-14 Fiscal Update





FY 2013-14 Fiscal Update

General Fund

	FY 2013-14 Final Budget	FY 2013-14 Revised Budget	FY 2013-14 Estimated Actuals
Carryover Fund Balance	\$ 28,404,235	22,733,245	26,167,781
Revenues	358,775,964	358,998,774	360,455,617
Total Revenues and Carryover	\$ 387,180,199	381,732,019	386,623,398
Provision to Reserves	\$ 5,670,990	-	-
Expenditures	381,509,209	385,166,555	361,538,838
Total Expenditures and Reserves	\$ 387,180,199	385,166,555	361,538,838
Estimated Carryover / (Used) Fund Balance	\$ -	(3,434,536)	25,084,560



FY 2013-14 Fiscal Update

General Fund

- *Revenues anticipated to be \$1.45 million over budget*
 - Property Taxes / Sales Taxes / Real Estate Transfer Taxes / Construction Permits
 - Lower collections of A-87 revenue resulting from State-approved Cost Plan

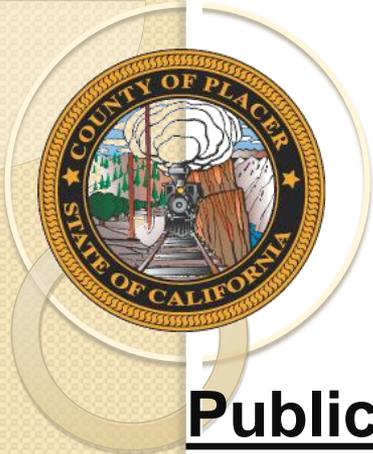
- *Expenditures anticipated to be \$23.63 million under budget*
 - Salaries and benefits savings – Vacant / Funded positions (\$17.7 million)
 - General Fund contingency savings (\$5.6 million)
 - Other expenditure savings offset by Public Safety Fund contribution true-up (\$0.3 million)



FY 2013-14 Fiscal Update

General Fund

- *Anticipated Carryover Fund Balance of \$25.08 million*
 - Forecast as of Month 7 (July 2013 – February 2014 activity)
 - Considered one-time funding source towards FY 2014-15 General Fund Budget



FY 2013-14 Fiscal Update

Public Safety Fund

	FY 2013-14 Final Budget	FY 2013-14 Revised Budget	FY 2013-14 Estimated Actuals
Carryover Fund Balance	\$ 10,171,938	7,957,070	9,592,917
Revenues	138,487,691	138,600,020	142,246,644
Total Revenues and Carryover	\$ 148,659,629	146,557,090	151,839,561
Net Provision to Reserves	\$ 2,214,868	-	-
Expenditures	146,444,761	148,192,937	142,729,107
Total Expenditures and Reserves	\$ 148,659,629	148,192,937	142,729,107
Estimated Carryover / (Used) Fund Balance	\$ -	(1,635,847)	9,110,454



FY 2013-14 Fiscal Update

Public Safety Fund

- *Revenues anticipated to be \$3.76 million over budget*
 - Public Safety Sales Taxes, Middle Fork Project MOA funds
 - Contribution to Public Safety Fund true-up consistent with Multi-Year Framework

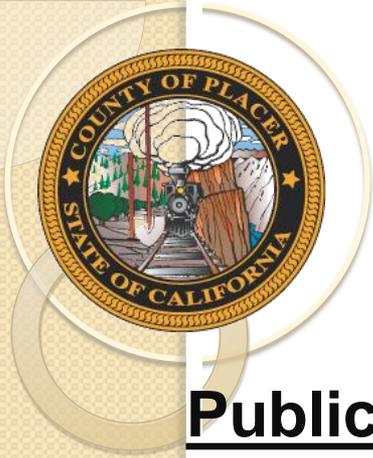
- *Expenditures anticipated to be \$5.35 million under budget*
 - Salaries and benefits savings – Vacant / Funded positions (\$2.9 million)
 - Other expenditure savings (\$2.4 million)



FY 2013-14 Fiscal Update

Public Safety Fund

- *Anticipated Carryover Fund Balance of \$9.11 million*
 - Forecast as of Month 7 (July 2013 – February 2014 activity)
 - Considered one-time funding source towards FY 2014-15 Public Safety Fund Budget



FY 2013-14 Fiscal Update

Public Ways and Facilities (Road) Fund

FY 2013-14 Budget: \$81.29 million

Assigned / Committed Reserves: \$7.17 million

Major Road Projects completed or underway:

- Foresthill Bridge Seismic Retrofit / Painting
- Kings Beach Commercial Core Improvement Project
- Cook / Riolo Bridge Replacement
- Maintenance of over 1,000 miles of roadway



FY 2013-14 Fiscal Update

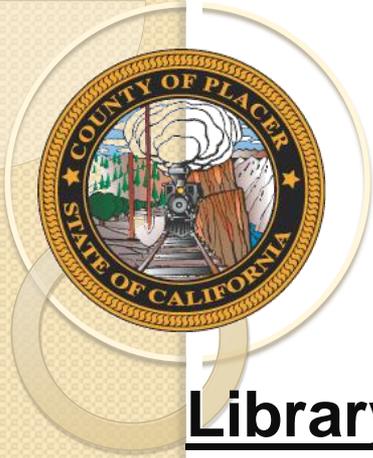
Capital Projects Fund

FY 2013-14 Budget: \$72.65 million

Assigned / Committed Reserves: \$2.64 million

Major Capital Projects completed or considered:

- Regional Sewer activities – SMD #1 / SMD #3 / Applegate Sewer
- Sheridan Water Supply and Distribution
- Auburn Animal Shelter
- Placer County Government Center planning and projects



FY 2013-14 Fiscal Update

Library Fund

FY 2013-14 Budget:	\$6.54 million
Assigned / Committed Reserves:	\$450,000

Library Fund fiscal operations:

- Estimated use of \$137,000 in reserves to balance budget for FY 2013-14
- Operational cost increases outpacing property tax growth
- Continue to work with Library to develop fiscally sustainable operating model
- Estimated carryover fund balance to FY 1415 - \$224,000



FY 2014-15 Budget Development Overview

MULTI-YEAR MODEL: General Fund / Public Safety Fund

3/12/14

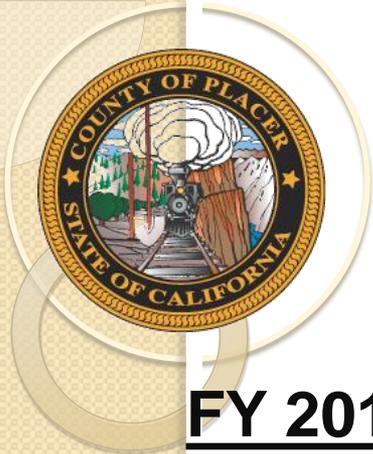
	2013-14 Final Budget	2013-14 Year-End Projection	2014-15 Model	2015-16 Model	2016-17 Model	2017-18 Model	2018-19 Model
Est. Fund Balance Carryover:	\$ 28,404,235	\$ 26,167,781	\$ 25,000,000	\$ 24,000,000	\$ 23,000,000	\$ 22,000,000	\$ 21,000,000
Revenues:							
Taxes	\$ 151,513,706	\$ 157,191,010	\$ 156,383,510	\$ 158,734,696	\$ 160,947,798	\$ 164,884,837	\$ 166,920,703
Intergov't Revenues	160,687,077	159,519,931	161,947,777	164,626,476	167,617,097	170,706,053	173,897,426
Other	46,575,181	43,744,676	47,230,802	46,591,846	47,454,978	46,806,727	47,847,296
Total Revenue & Carryover:	\$ 387,180,199	\$ 386,623,398	\$ 390,562,089	\$ 393,953,017	\$ 399,019,873	\$ 404,397,617	\$ 409,665,425
Expenditures:							
General Fund Salaries & Benefits	\$ 167,102,679	\$ 150,298,857	\$ 166,376,295	\$ 171,225,788	\$ 176,758,739	182,449,230	188,312,670
Retiree Health & Dental	13,168,996	12,231,501	13,695,777	14,244,947	14,817,456	15,414,296	16,036,503
General Fund Other	118,146,593	112,770,886	119,452,543	120,219,946	121,018,638	121,512,941	122,027,017
Contribution to Public Safety	74,820,045	77,966,698	78,032,376	79,186,469	80,275,961	82,166,506	83,166,738
Capital Improvement & Roads	8,270,896	8,270,896	8,270,896	8,270,896	8,270,896	8,270,896	8,270,896
Total Uses of Funds:	\$ 381,509,209	\$ 361,538,838	\$ 385,827,887	\$ 393,148,047	\$ 401,141,689	\$ 409,813,869	\$ 417,813,823
Cumulative Dept Absorbed Costs			\$ (1,187,637)	\$ (3,011,356)	\$ (5,448,212)	\$ (7,972,518)	\$ (10,586,798)
Add to General / Client Aid Reserves	\$ 5,670,990						
GENERAL FUND BOTTOM LINE:	\$ 0	\$ 25,084,560	\$ 5,921,839	\$ 3,816,327	\$ 3,326,396	\$ 2,556,265	\$ 2,438,400
Solutions Required to Balance General Fund (cumulative reduction - Dept operating margin):	\$ -		\$ 627,626	\$ 1,255,252	\$ 1,255,252	\$ 1,255,252	\$ 1,255,252
Potential Redirect to SPACF					\$ (2,000,000)	\$ (3,700,000)	\$ (8,100,000)
ADJUSTED BOTTOM LINE: GENERAL FUND	\$ 0		\$ 6,549,465	\$ 5,071,579	\$ 2,581,648	\$ 111,517	\$ (4,406,348)
Public Safety Fund Balance		\$9,110,463	\$4,278,547	(\$1,981,828)	(\$5,054,523)	(\$6,103,537)	(\$8,186,654)
Public Safety Reserve		\$0	\$0	\$1,900,000	\$3,000,000	\$2,400,000	\$0
Potential Solutions		\$0	\$0	\$0	\$2,000,000	\$3,700,000	\$8,100,000
ADJUSTED BOTTOM LINE: PUBLIC SAFETY FUND		\$9,110,463	\$4,278,547	(\$81,828)	(\$54,523)	(\$3,537)	(\$86,654)



FY 2014-15 Budget Development Overview

FY 2014-15 Budget Development Process

- Working closely with departments to develop base budgets and review supplemental requests
- FY 2014-15 Proposed Budget to consider the following:
 - Continued modest discretionary revenue recovery
 - Proposed service delivery models that account for increasing short- and long-term cost drivers
 - Alignment of direct and indirect costing methodologies
 - Expanded capital / infrastructure fiscal information with budget document
 - Priority Based Budgeting - Inventory of departmental programs and services



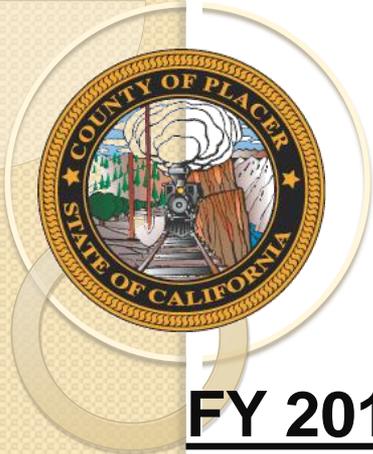
FY 2014-15 Budget Development Overview

FY 2014-15 Budget Development Process

FY 2014-15 Initial Supplemental Requests

Fund	Supplemental Requests		
	Expenditures	(Revenue)	NCC
General Fund	10,422,600	(1,082,379)	9,340,221
Public Safety Fund	2,996,875	(512,014)	2,484,861
Public Ways and Facilities	1,003,000	(1,003,000)	-
Capital Improvements	4,205,000	-	4,205,000
ISF and ENT Funds	594,088	(165,738)	428,350
Total	19,221,563	(2,763,131)	16,458,432

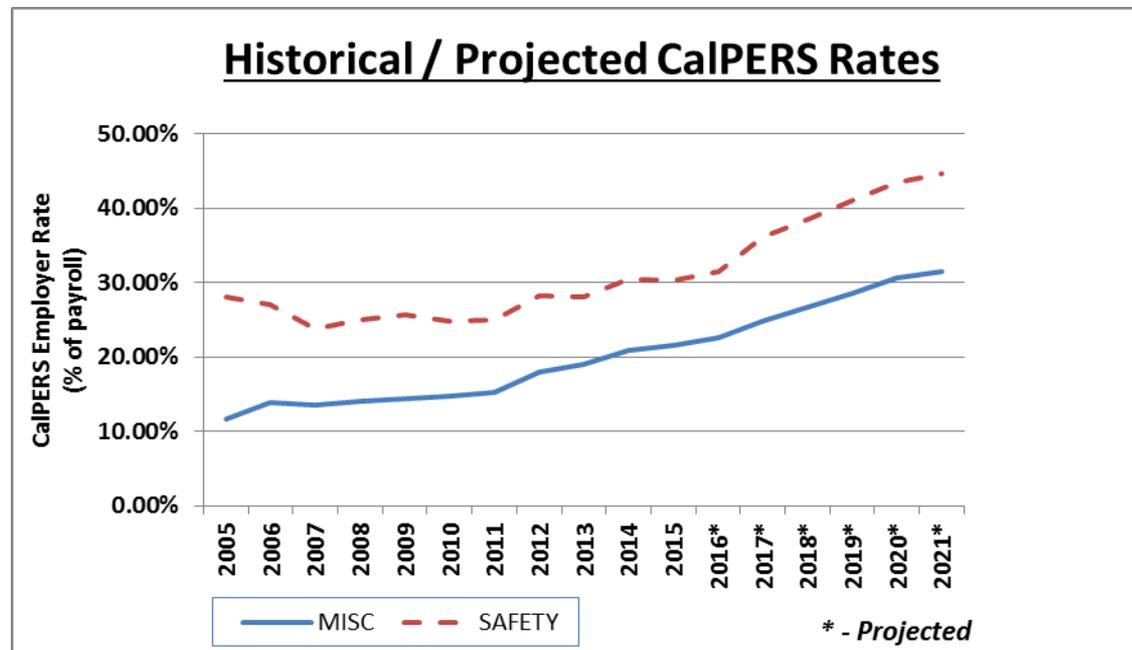
- Supplemental requests total \$9.0 million in “net” ongoing costs / \$7.4 million in one-time costs
 - Requests to restore and fund positions
 - Land development and facilities-related costs



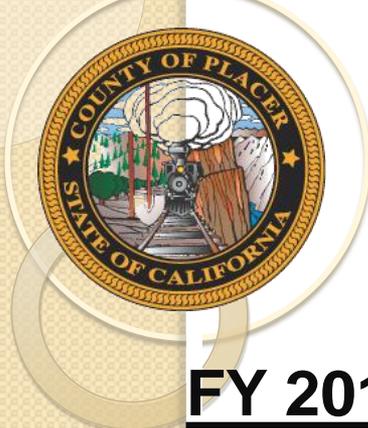
FY 2014-15 Budget Development Overview

FY 2014-15 Budget Development Process

CalPERS Retirement Future Rate Increases



- CalPERS rates projected to increase up to 50% over next 5-7 years

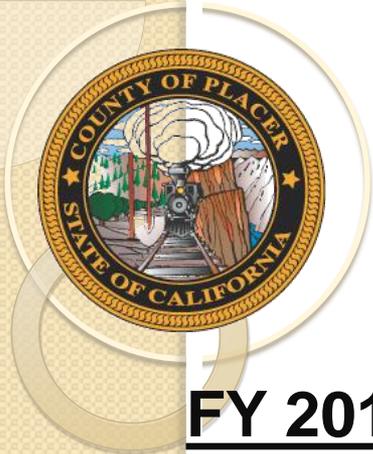
The seal of the County of Placer, State of California, is located in the top left corner. It features a circular design with a gold border. Inside the border, the words "COUNTY OF PLACER" are at the top and "STATE OF CALIFORNIA" are at the bottom, separated by two stars. The central image depicts a steam locomotive on a track, with a mountain range and a river in the background.

FY 2014-15 Budget Development Overview

FY 2014-15 Budget Development Process

FY 2014-15 State of California Governor's Proposed Budget

- No significant impacts to local government finances
- Sets plan to pay down State's "Wall of Debt"
- Funds State's "Rainy Day Reserve"
- Includes allocation to deferred maintenance infrastructure projects



FY 2014-15 Budget Development Overview

FY 2014-15 Budget Development Process

Board reviews of budget development:

- | | |
|---------------|-------------------------------------------------------------------------------|
| May 6, 2014 | Presentation of departmental program and services inventory |
| June 3, 2014 | Consideration of FY 2014-15 Proposed Budget and Position Allocation Ordinance |
| Sept. 9, 2014 | Public Hearing and Board adoption of FY 2014-15 Final Budget |