PLACER COUNTY

FY 2012-13
August Budget Workshop *Day 1*

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County Executive Officer

August 16-17, 2012

Menu: Day 1

- ✓ Why we're here
- ✓ What we're going to do
- ✓ Department Budget Presentations
- ✓ Next Steps – Day 2
  - Department Budget Presentations
  - Final Budget Adjustments/Open Issues
  - Board Direction

Policy/Fiscal Priorities

- ✓ Sustainability of Budget/Operations
- ✓ Infrastructure
  - Consolidated Plan/Priorities/Financing
- ✓ Regional Sewer Policy/Fiscal Support
- ✓ Dissolution of Redevelopment
- ✓ Land Use – West Placer
  - Service delivery, new proposed projects
- ✓ Middle Fork policy priorities
- ✓ AB 109 implementation plan/SPACF
  - Build upon evidence-based practices
- ✓ Labor Negotiations
- ✓ Succession Planning

Development of County Budget

- ✓ **December:**
  - Mid-Year Update/Future Outlook
- ✓ **January:**
  - State Budget Update
- ✓ **Feb\March:**
  - Initial Budget Planning/Strategy
- ✓ **April:**
  - Library, Fire Protection Policy/Fiscal Issues
- ✓ **June:**
  - Proposed Budget; AB 109 Update
- ✓ **July:**
  - Infrastructure; 5-Year Budget Model & Strategy

County Landscape

- ✓ County is financially healthy
  - County positioned relatively well
  - Prior Board actions & long term planning
- ✓ No magic formula
  - Economy tiptoeing around corner
  - Out-year pressures remain
  - 5-Year Budget Strategy
    - ✓ Guide to sustainable budget/operations

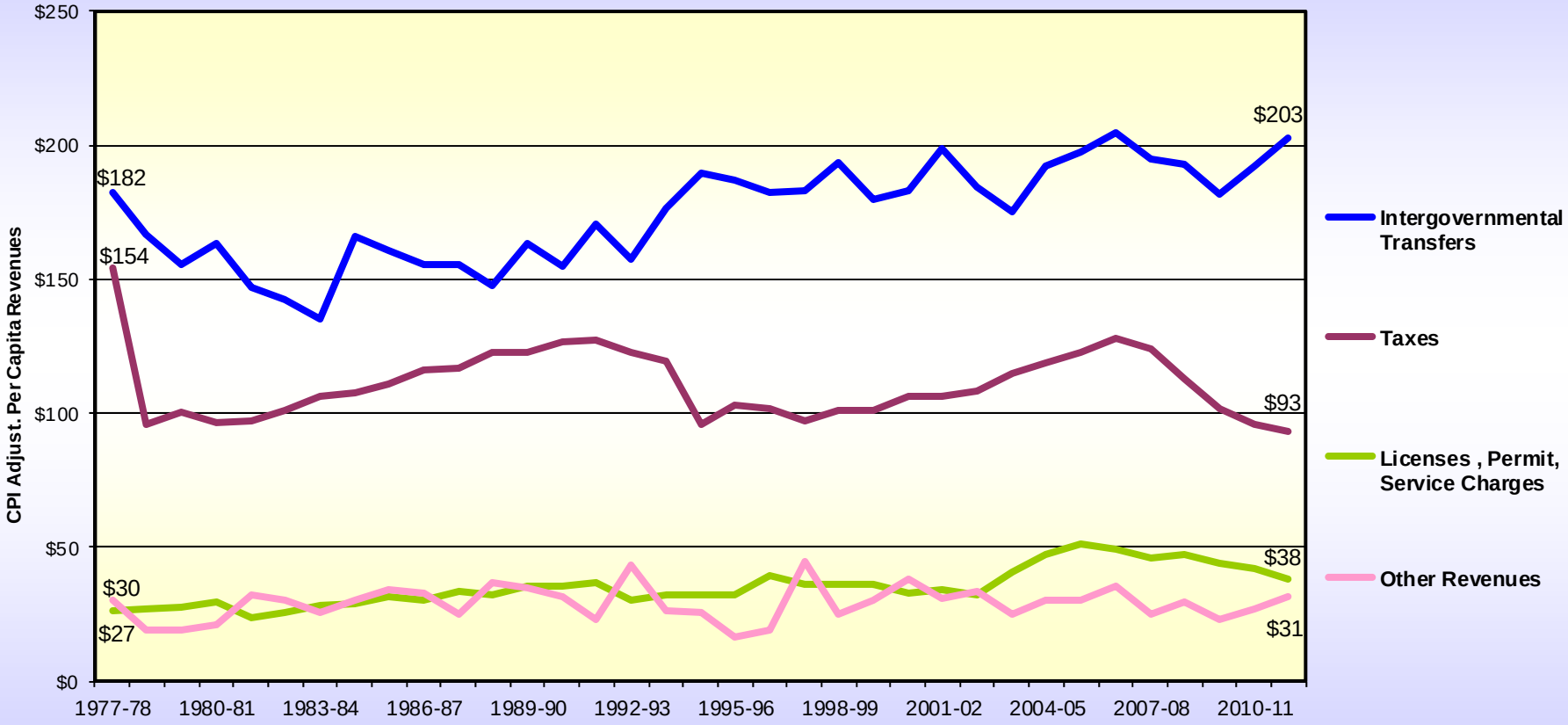
Fiscal Context

- ✓ Board actions and County Financial Policies have mitigated many potential service and staffing impacts

- ✓ Revenue outlook improving, but continues to be outpaced by cost pressures

PER CAPITA REVENUE

FY 1977-78 through FY 2011-12

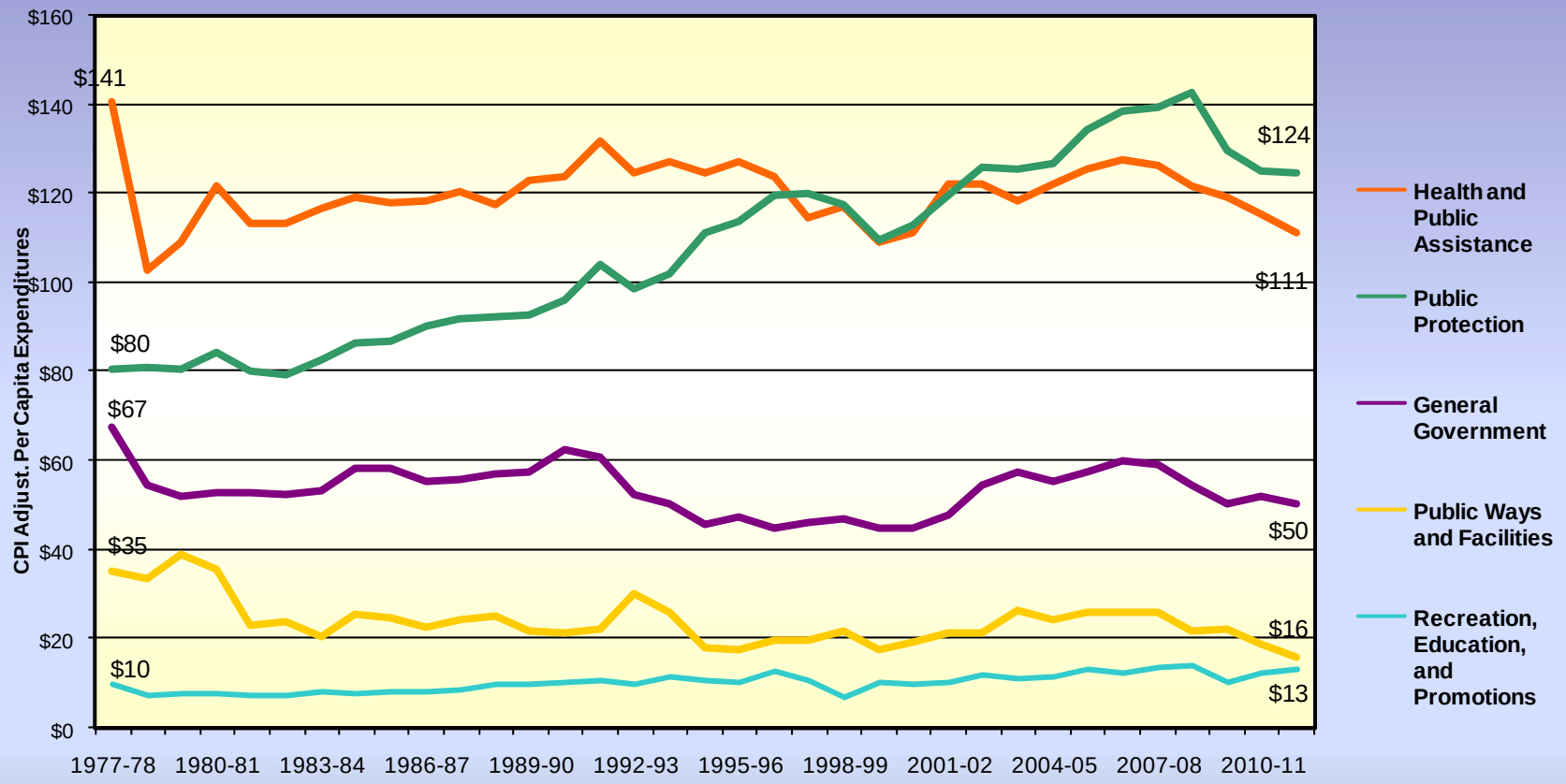


Placer County revenues are by major type, on a per capita basis, and CPI adjusted from FY 1977-78 through FY 2009-10. County taxes have never returned to the 1977-78 pre-Proposition 13 level on a per capita, CPI adjusted basis.

Note: Public Safety Sales Tax is included in Intergovernmental Transfers

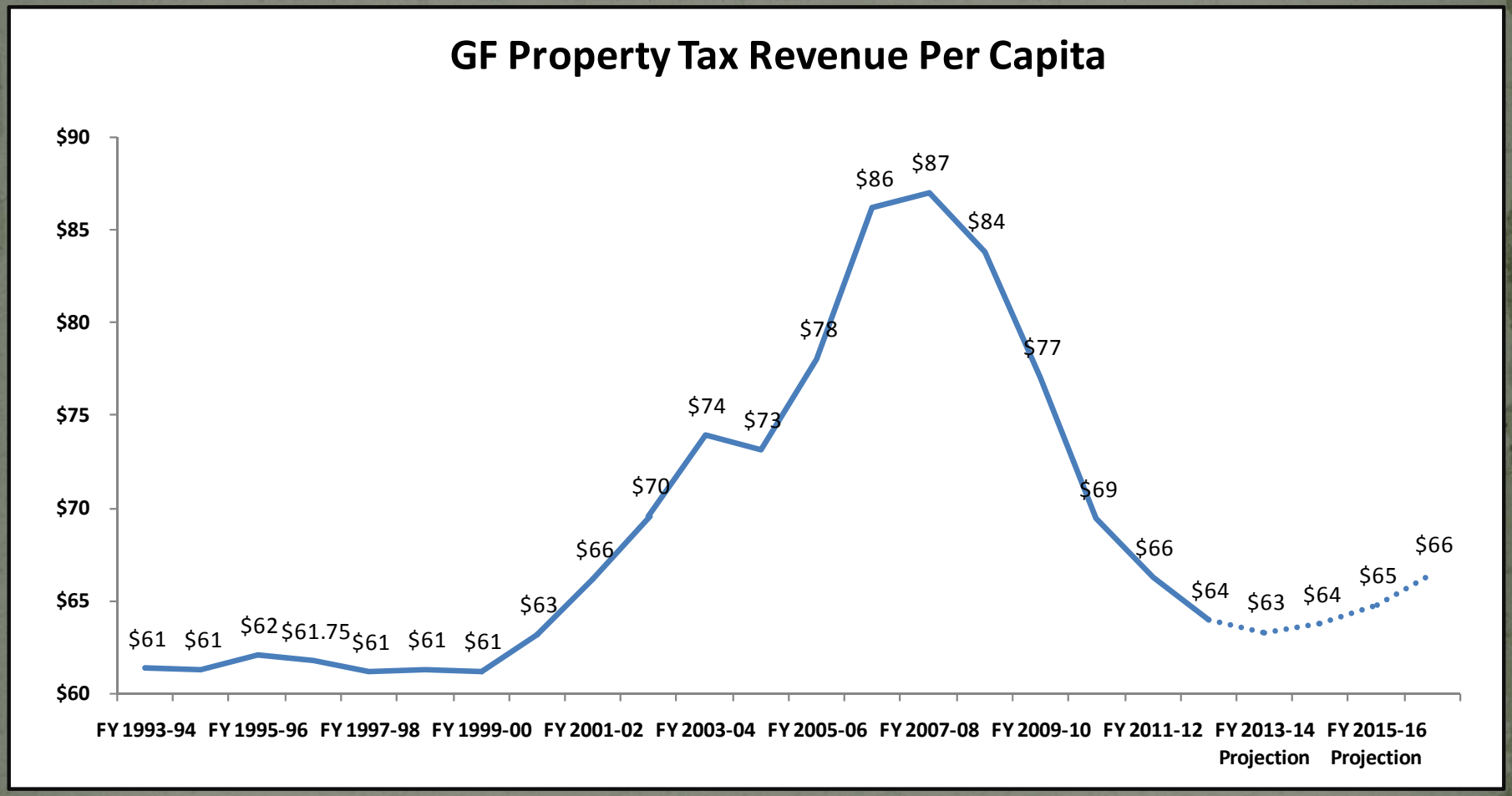
PER CAPITA OPERATING EXPENDITURE

FY 1977-78 through FY 2011-12



Placer County expenditures are by major government function on a per capita basis, adjusted for CPI. Only two functional categories, public protection and recreation, education and promotions are higher today than in 1977-78.
Health and Public Assistance includes Veteran's Services and Community Grants and Loans

General Fund Property Tax Revenue



Status Quo Change?

- ✓ Economy – let's go already!
  - Unemployment remains historically high
    - ✓ Statewide: 10.7% in June
    - ✓ Placer: 10.0%; 6% four years ago
- ✓ Sales Taxes – slow but steady
- ✓ Changing State-County relationship
  - Redevelopment
  - 2011 Realignment – AB 109, HHS, other
  - Future anticipated changes from State
- ✓ Measuring our success
  - Rebased economy – current benchmarks
    - ✓ Communicating compelling public value today, tomorrow

Changes since Proposed Budget

- ✓ Updated Carryover Fund Balance for all funds
- ✓ Updated revenues and expenditures
- ✓ Re-budgets of grants/projects and other one-time priorities within departments
- ✓ Provisions to reserves in some funds

Fund Balance

- ✓ Result of long standing Board policies
  - Budget conservatively
  - Fill mandated or critically needed positions – primarily through redirection of existing staff
  - Move towards less reliance on one-time fund balance for ongoing operations
- ✓ How is Carryover Fund Balance used?
  - Critical resource to balance budget
  - Largely one-time fund source intended for one-time priorities

FY 2011-12 Fund Balance

Fund	Assumed Carryover FY 2012-13 Proposed Budget	Achieved Carryover	Difference	Comments
General Fund	27,000,000	30,513,172	3,513,172	1. Maintaining vacant funded positions ($10.3 million) 2. Professional services contracts and services and supplies not fully spent ($10.7 million) 3. Budget and Financial Policy required annual contingencies not accessed during year ($5.3 million) 4. Other revenue/expenditure savings
Public Safety Fund	6,119,340	9,915,662	3,796,322	1. Public Safety Sales Tax revenues over budget ($2.2 million) 2. Maintaining vacant funded positions ($3.0 million) 3. Professional services contracts and services and supplies not fully spent ($2.2 million) 4. Other revenue/expenditure savings

FY 2012-13 Final Budget Adjustments

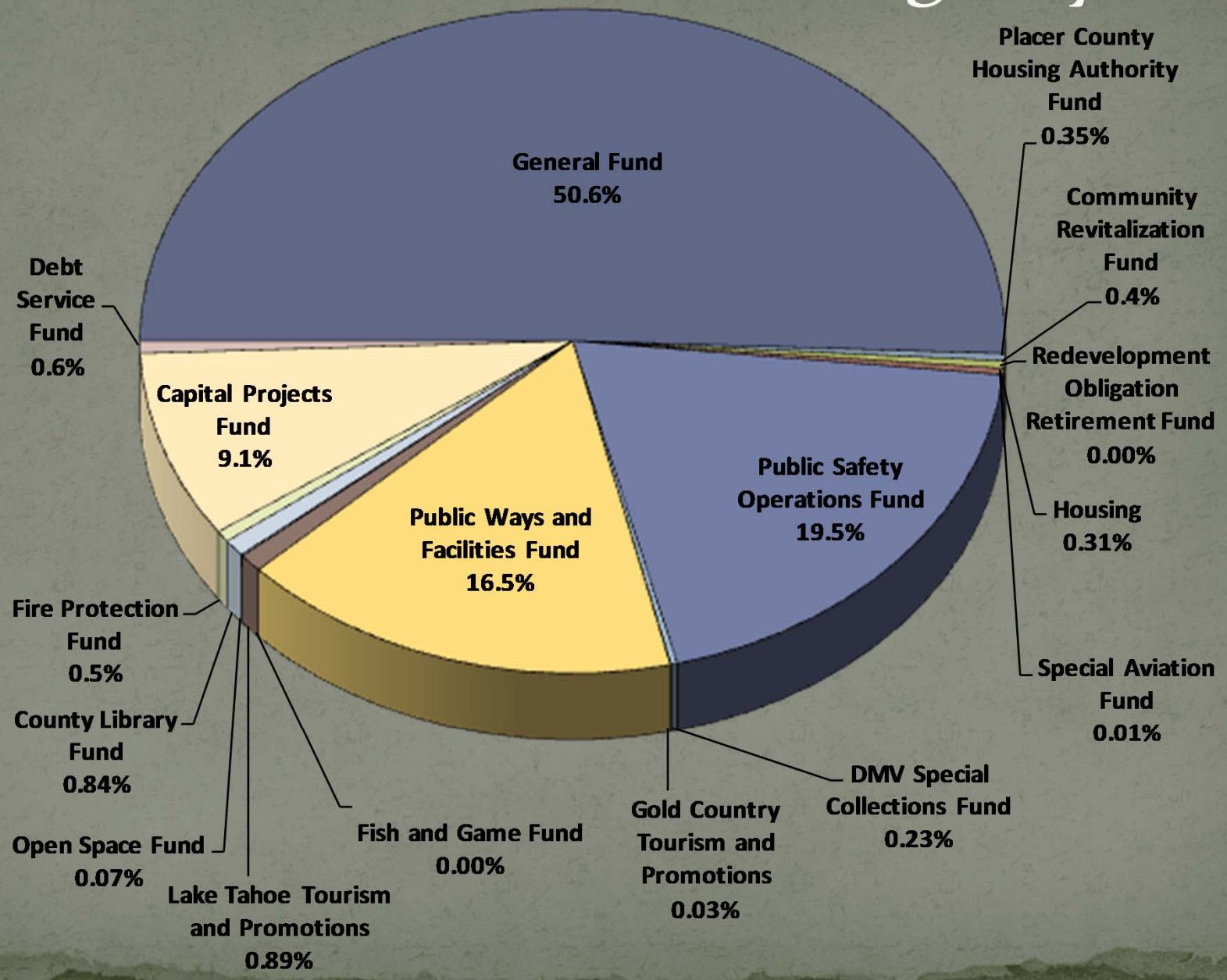
- ✓ **Recommended**
  - General Fund ($9.5 million exps)
  - Public Safety Fund ($1.6 million exps)
  - Road Fund ($20.3 million exps)
  - Capital Projects ($543k exps)
  - Other Operating Funds ($2.9 million exp decreases)
- ✓ **Not Recommended**
  - General Fund ($51k expenditures - Up-Front OPEB, parks)
  - Public Safety Fund ($1.6 million revs/$534k exps for Sheriff)

FY 2012-13 Recommended Budget

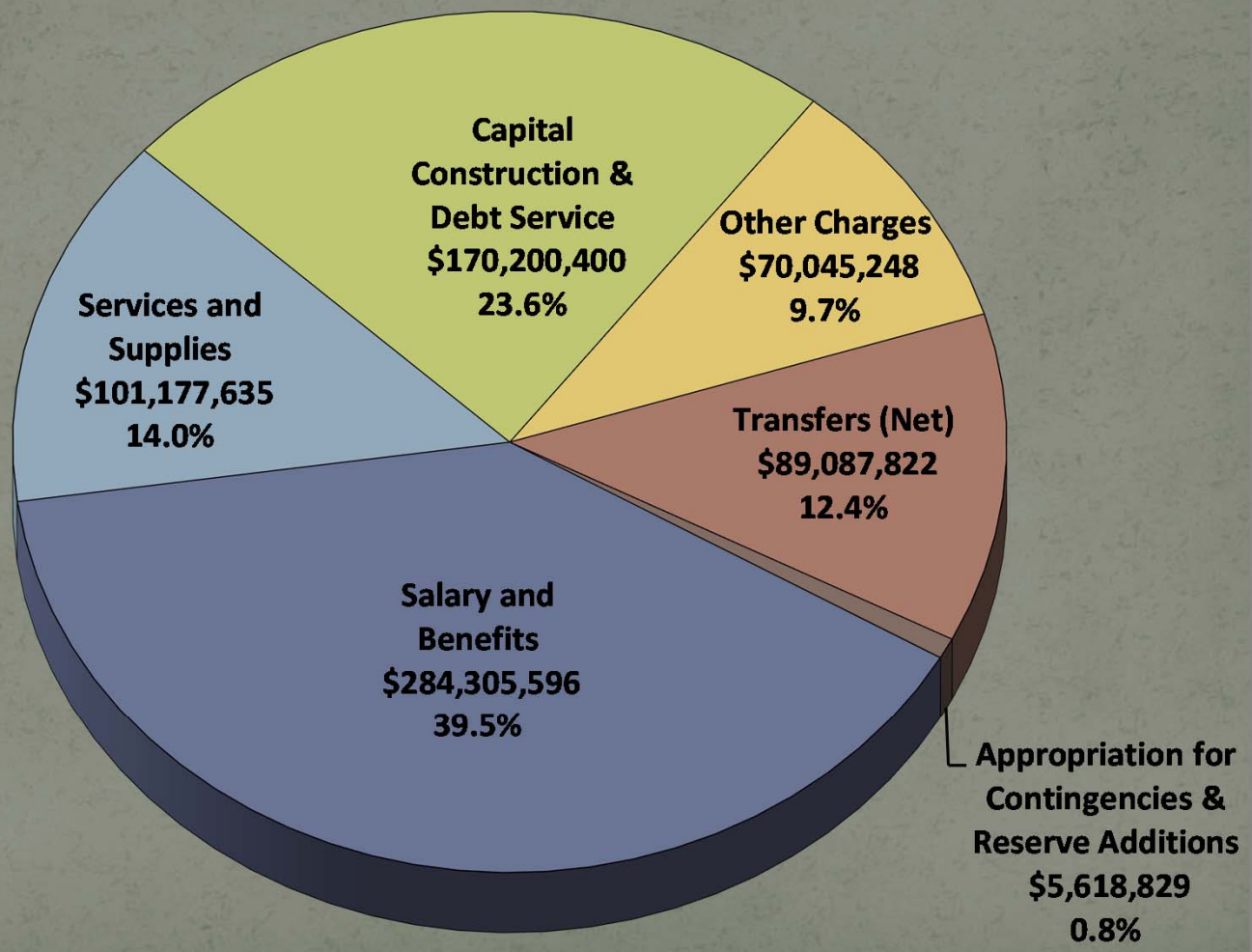
Changes **from prior year:**

FY 2011-12 Budget	**$749.3 million**
FY 2012-13 Rec Budget	**$730.1 million**
$ Change:	**$ -19.2 million**
% Change:	**-2.6%**

FY 2012-13 Recommended Budget by Fund



FY 2012-13 Appropriations by Category Recommended Budget



FY 2012-13 Recommended Budget
Key Changes – All Funds

Expenditures	Revenues	Funded Positions
Decrease $21.1 Million (-2.8%)	Decrease $31.6 Million (-4.5%)	Increase by 37.5 (1.6%)

- ✓ **Public Safety**
  - +40 positions
- ✓ **All Other Funds**
  - -3.5 positions

Total Budget Comparison

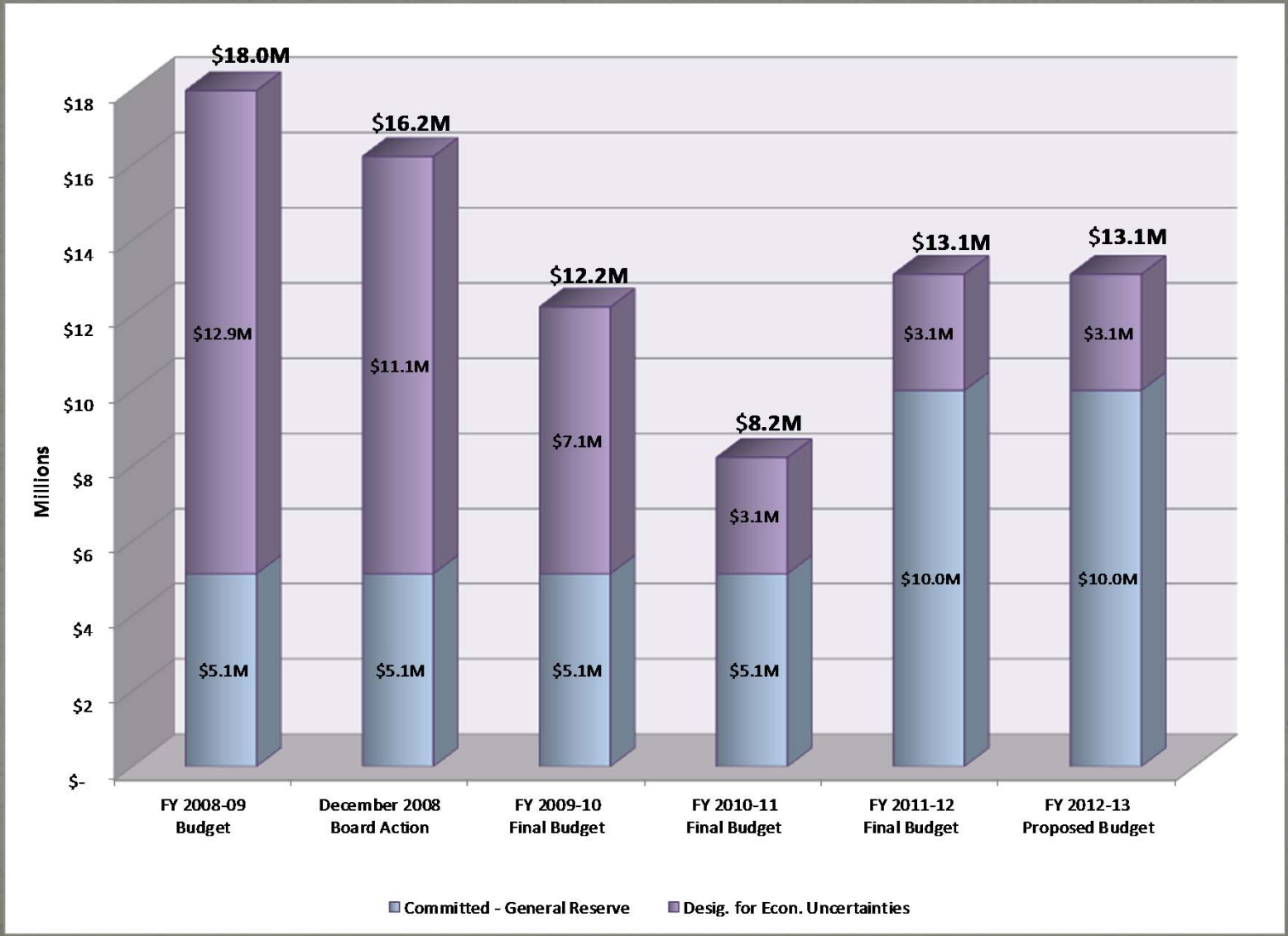
Financing Uses	FY 2011-12 Budget	FY 2012-13 Recommended Budget	$ Change	% Change
Funds:				
General Fund	$ 359,188,479	$ 364,203,653	$ 5,015,174	1.4%
Public Safety Fund	$ 133,909,571	$ 140,495,718	$ 6,586,147	4.9%
Capital Projects Fund	$ 74,648,702	$ 66,735,979	$ (7,912,723)	-10.6%
Public Ways & Facilities Fund	$ 144,093,972	$ 120,720,650	$ (23,373,322)	-16.2%
Other Funds	$ 29,718,302	$ 28,279,530	$ (1,438,772)	-4.8%
Increase to Reserves / Designations	$ 7,732,615	$ 9,664,057	$ 1,931,442	25.0%
Total Financing Requirements:	**$ 749,291,641**	**$ 730,099,587**	**$ (19,192,054)**	**-2.6%**

FY 2011-12 Final Budget as approved September 27, 2011 was $765.8 million. Above amounts reflect final enactment of the Governor's 2011 Realignment resulting in a March 27, 2012 technical accounting change for an effective FY 2011-12 budget of $749.3 million.

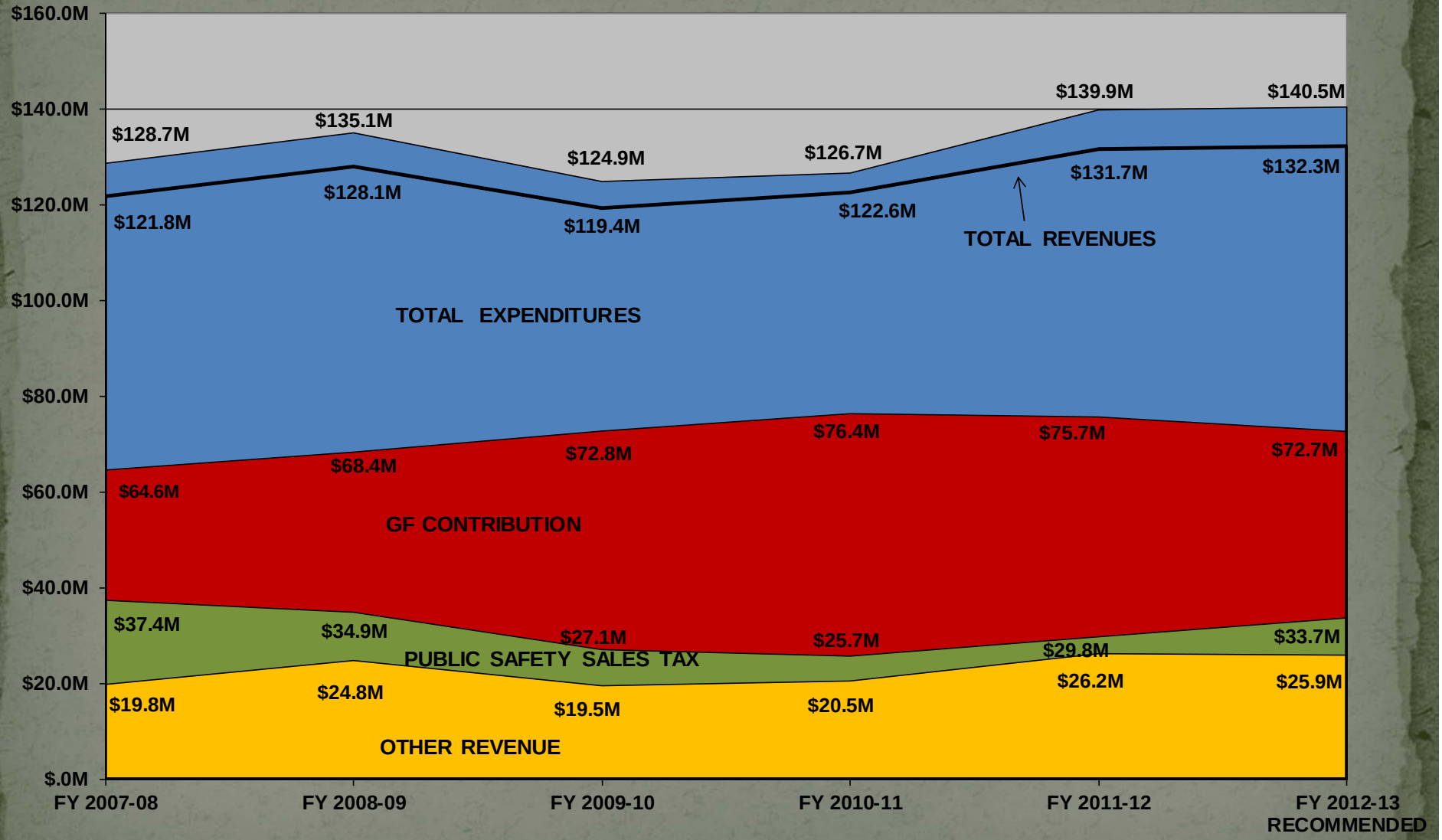
General Fund

- ✓ Revenues: ⇧ $6.9 million (2.1%) from FY 2011-12
  - $7 million due to HHS – MCE Federal leveraging
- ✓ Expenditures: ⇧ $5.0 million (1.4%) from FY 2011-12
  - Salaries/Wages: reduced by $1.0 million
  - Benefits: increase $4.3 million due to health benefits ($1.7 million), pension benefits ($549k), Up-Front OPEB ($1.5 million)
  - HHS-MCE costs
- ✓ GF $8.9 million smaller than FY 2007-08 (-2.4%)
  - 295 fewer funded positions (-18.3%)

General Fund "General Reserve"



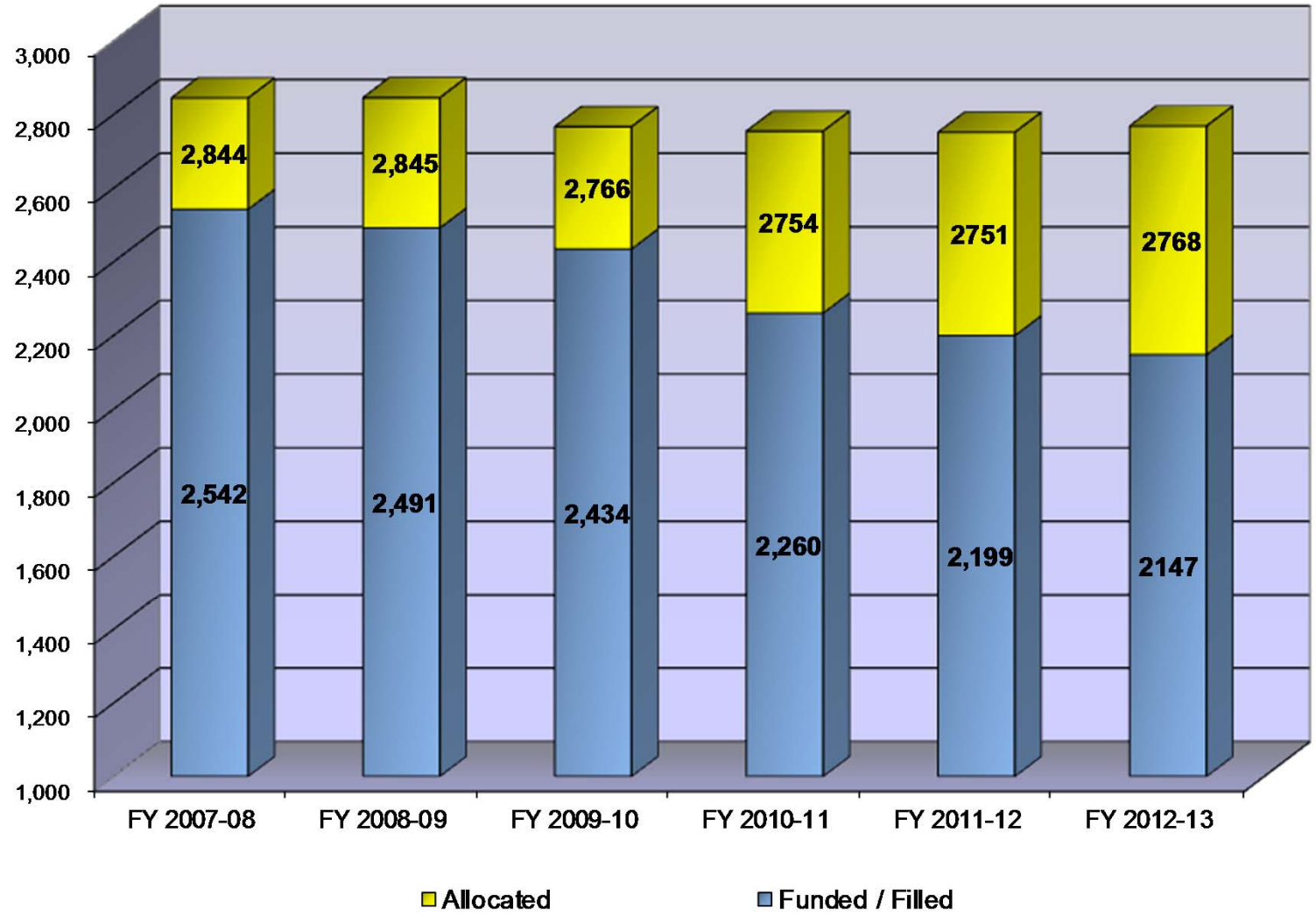
Public Safety Fund Budget

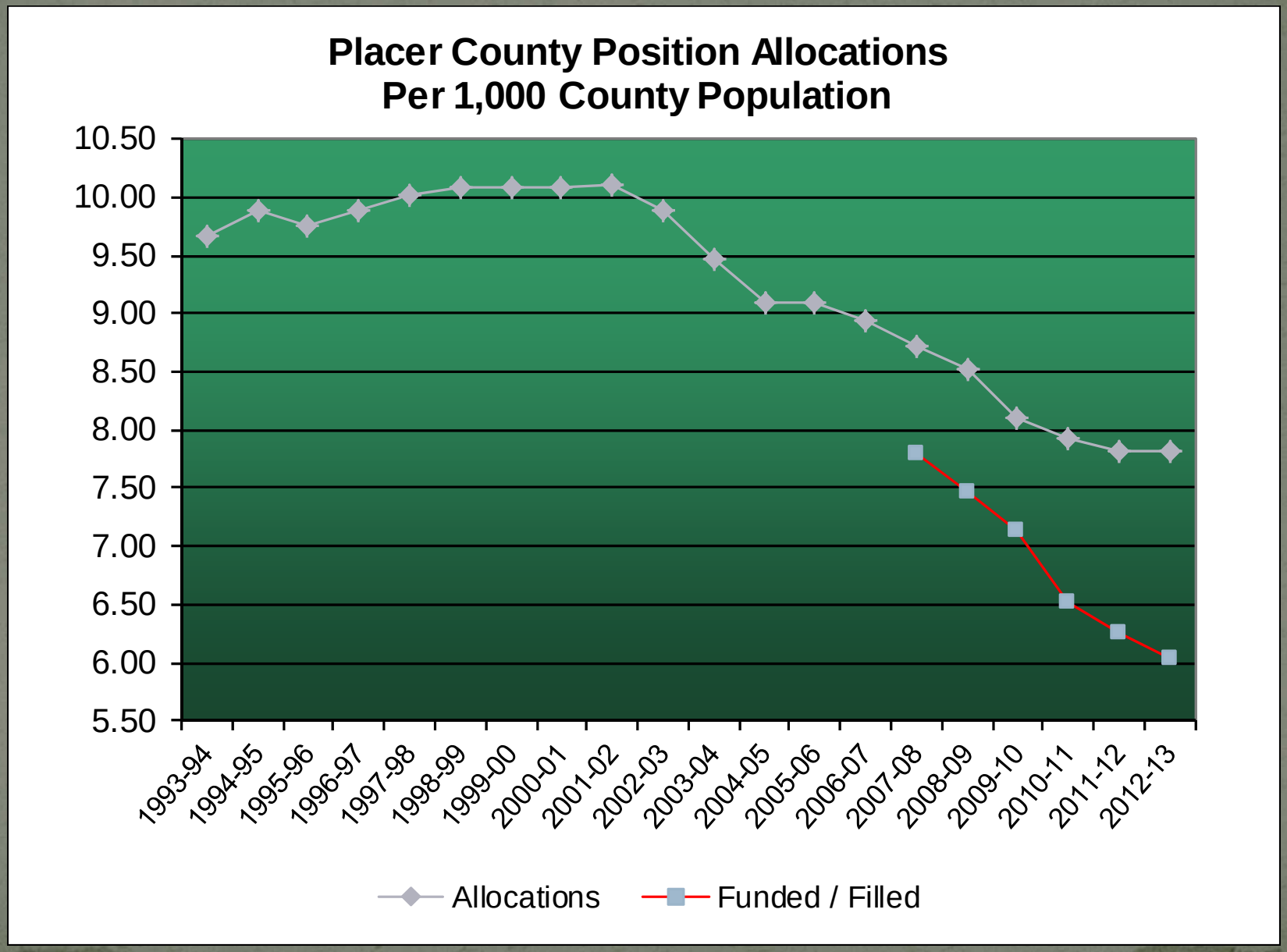


Other Funds

- ✓ **Public Safety Fund:**
  - **$6.6 million increase (4.9%) due to increased staffing levels, Measure F salary changes, and one-time equipment purchases for IT projects**
- ✓ **Road Fund:**
  - **$23.4 million decrease due to timing of various road, bridge, bike, and pedestrian transportation projects**
- ✓ **Capital Projects:**
  - **$7.9 million total decrease due to completion or near completion of projects**
  - **GF contribution increased to $4.5 million per Capital Facilities Financing Plan**

County Workforce


County Positions
3,000
2,800
2,600
2,400
2,200
2,000
1,800
1,600
1,400
1,200
1,000
2,844
2,845
2,766
2754
2751
2768
2,542
2,491
2,434
2,260
2,199
2147
FY 2007-08
FY 2008-09
FY 2009-10
FY 2010-11
FY 2011-12
FY 2012-13
Allocated
Funded / Filled


Placer County Position Allocations
Per 1,000 County Population
10.50
10.00
9.50
9.00
8.50
8.00
7.50
7.00
6.50
6.00
5.50
1993-94
1994-95
1995-96
1996-97
1997-98
1998-99
1999-00
2000-01
2001-02
2002-03
2003-04
2004-05
2005-06
2006-07
2007-08
2008-09
2009-10
2010-11
2011-12
2012-13
Allocations
Funded / Filled

Funded Positions

Funded Positions by Functional Area				
Functional Area	**FY 2007-08 Funded**	**FY 2011-12 Funded**	**FY 2012-13 Funded**	**% change since FY 2007-08**
General Government[1]	356	312	334	-6.2%
Finance	156	138	138	-11.5%
Health & Human Services[1]	853	713	697	-18.3%
Land Use	630	497	487.5	-22.6%
Public Safety	734	681	722	-1.6%
Total Funded Positions	**2,729**	**2,341**	**2,378.5**	**-12.8%**

[1] IT/MIS consolidation, approved by the Board of Supervisors on August 9, 2011, moved 23 funded positions from the Health and Human Services Department to the Administrative Services Department

Filled Positions

Filled Positions by Functional Area				
Functional Area	**FY 2007-08 Filled**	**FY 2011-12 Filled**	**FY 2012-13 Filled**	**% change since FY 2007-08**
General Government[1]	333	291	304	-8.7%
Finance	145	130	131	-9.7%
Health & Human Services[1]	831	647	608	-26.8%
Land Use	581	479	451	-22.4%
Public Safety	685	635	652	-4.8%
Total Filled Positions	**2,575**	**2,182**	**2,146.0**	**-16.7%**

[1] IT/MIS consolidation, approved by the Board of Supervisors on August 9, 2011, moved 23 filled positions from the Health and Human Services Department to the Administrative Services Department

Questions?