

County Funds Overview

Placer County's FY 2019-20 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 to our Departmental cost centers, are legal limits on how much a department can spend and may not be exceeded unless additional funding is authorized through Board of Supervisor 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. 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 fifteen operating and two capital and infrastructure funds (Figure 1) that make up the FY 2019-20 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*, *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 in the CAFR.

FY 2019-20 PROPOSED BUDGET

Placer County's FY 2019-20 Budget is recommended at \$1,033,296,224, representing an increase of \$62.3 million or 6.4% compared to the FY 2018-19 Budget.

- Funding for the FY 2019-20 Operating Budget includes:
 - \$317.1 million in *General Fund* revenues
 - \$219.5 million in *HHS Special Revenue Fund* revenues
 - \$425.1 million in other fund revenues
 - \$8.4 million in reserve cancellations
 - \$64.1 million in fund balance carryover (all operating funds):
 - \$41.9 million *General Fund*
 - \$18.8 million *Capital Projects Fund*
 - \$12.7 million *Lake Tahoe Tourism and Promotions Fund*
 - -\$18.8 million *Public Ways and Facilities Fund*
 - \$9.5 million among other operating funds

Fund balance, defined as available assets and revenues not already designated for a specific appropriated purpose, is carefully estimated throughout the budget process and plays an important role as a planned, budgeted resource. In the County's multi-year budget approach, ongoing reliance on carryover fund balance as a primary budgetary source is reduced. The Budget contains \$182.7 million in Capital and Road Infrastructure Fund financing uses, a decrease of \$19.4 million or 9.6% compared to the FY 2018-19 Budget. Capital and Road Infrastructure Funds are dedicated to capital construction and maintenance of county buildings and infrastructure to ensure public access to services, road and bridge infrastructure, storm maintenance, and snow removal and are supported by \$182.7 million in revenues and \$20,746 in fund balance.

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 indicated in Figure 1 below, the FY 2019-20 Budget is \$62.3 million higher than in FY 2018-19 Budget, an increase of 6.4%. This increase is comprised of several components, including a \$19.4 million (9.6%) decrease in the *Public Ways and Facilities Fund and Capital Projects Fund combined*; an increase of \$69.8 million (13.3%) in the *General Fund, HHS Fund, Child Support Fund split* (all previously General Fund); an increase of \$8.6 million (4.4%) in the *Public Safety Fund*; and other operating fund adjustments (all discussed below).

Figure 1. Operating & Capital Budgets, Financing Requirements Comparison

Financing Requirements	Final Budget FY 2018-19	Final Budget FY 2019-20	\$ Change FY 2018-19 to FY 2019-20	% Change
Operating Budget				
General Fund	\$ 524,797,937	\$ 364,114,089	\$ (160,683,848)	-30.6%
Housing Authority Fund	2,695,651	3,124,718	\$ 429,067	15.9%
Community Revitalization Fund	390,342	745,942	\$ 355,600	91.1%
Low & Moderate Income Housing Asset Fund	1,103,772	1,113,973	\$ 10,201	0.9%
Special Aviation Fund	18,714	13,458	\$ (5,256)	-28.1%
Public Safety Fund	196,701,377	205,261,767	\$ 8,560,390	4.4%
DMV Special Collections Fund	2,079,097	2,469,624	\$ 390,527	18.8%
HHS Special Revenue Fund	-	222,547,130	\$ 222,547,130	NA
Child Support Services Fund	-	7,016,921	\$ 7,016,921	NA
Fish & Game Fund	12,806	33,485	\$ 20,679	161.5%
Tahoe Tourism & Promotion	19,815,095	23,536,564	\$ 3,721,469	18.8%
Open Space Fund	2,819,141	2,012,829	\$ (806,312)	-28.6%
County Library Fund	8,968,877	8,928,758	\$ (40,119)	-0.4%
Fire Control Fund	5,268,145	5,468,467	\$ 200,322	3.8%
Debt Service Fund	4,169,152	4,175,497	\$ 6,345	0.2%
Subtotal Operating Funds	\$ 768,840,106	\$ 850,563,222	\$ 81,723,116	10.6%
Infrastructure Budget				
Capital Projects Fund	\$ 99,799,467	\$ 74,706,923	\$ (25,092,544)	-25.1%
Public Ways & Facilities Fund	102,304,142	108,026,079	\$ 5,721,937	5.6%
Subtotal Infrastructure Funds	\$ 202,103,609	\$ 182,733,002	\$ (19,370,607)	-9.6%
Total Financing Requirements:	\$ 970,943,715	\$ 1,033,296,224	\$ 62,352,509	6.4%
*Provision for Reserves includes:				
FY 2018-19: \$1.4 million in General Fund; and \$885,070 in other funds				
FY 2019-20: \$17.6 million in General Fund; and \$10.6 million in other funds				

County Workforce

As a service driven provider, salary and benefit costs remain the largest expenditure category in the county budget, representing \$356.5 million (34.5%) of the \$1.034 billion budget. The FY 2019-20 Budget includes 2,669 funded positions, an increase of 17 from FY 2018-19. This net increase is primarily due to (7) State/Federally funded positions in HHS, (1) additional Deputy Sheriff position, (2) grant funded Probation Officers, (3) positions in Community Development and (2) positions added to both Assessor and the Agricultural Commissioner Departments.

County Funds Overview

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 cost centers for general government, finance, planning and building inspection, and facilities. The *General Fund* makes contributions to other funds for public safety services, fire protection services, capital construction, road maintenance and construction, library services, health and human services, and debt service.

The *General Fund* includes the following departments:

- Agricultural Commissioner
- Assessor
- Auditor – Controller
- Community Development Resource Agency
- County Clerk-Recorder
- County Counsel
- County Executive Office
- Facilities Management
- Human Resources
- Public Works
- Treasurer – Tax Collector

General Fund allocated positions in the FY 2019-20 Budget have decreased by three when compared to FY 2018-19 Budget at 631 positions (when excluding Health and Human Services). Funded *General Fund* positions total 560, a decrease of one from the FY 2018-19 Budget.

Figure 2 below displays the *General Fund* budget for FY 2018-19 compared to FY 2019-20.

Figure 2. General Fund Financing Uses and Reserves

Financing Requirements	Final Budget FY 2018-19	Final Budget FY 2019-20	\$ Change FY 2018-19 to FY 2019-20	% Change
Financing Uses	\$ 344,191,791	\$ 346,510,886	\$ 2,319,095	0.7%
Provisions to Reserves	1,430,854	17,603,203	\$ 16,172,349	0.0%
Total Financing Requirements:	\$ 345,622,645	\$ 364,114,089	\$ 18,491,444	5.4%

The FY 2019-20 *General Fund* operating budget (total financing uses and provisions to reserves) is recommended at \$364.1 million, an increase of \$18.5 million or 5.4% from the FY 2018-19 Budget. The increase is due to an overall reduction in salaries and benefits (\$0.3 million) primarily attributable to the removal of retiree health and dental premium payments from Departments budgets and increased budgeted salary savings; increased cost in services and supplies (\$6 million), increased contribution to Public Safety (\$6.7 million); reduced contribution the Road Fund (\$13.8 million); increased contribution to the Capital Fund (\$6.5 million), reduced budgeted operating contingency (\$2.6 million); increased provisions to reserve (\$16.2 million) and offset by the removal of prior year one-time expenditures, new one-time expenditures and adjustments to county-wide overhead charges. Property Tax, the County’s largest discretionary revenue source, continues to increase due to the recovery in property values in the wake of the recently experienced recession. 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 a

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

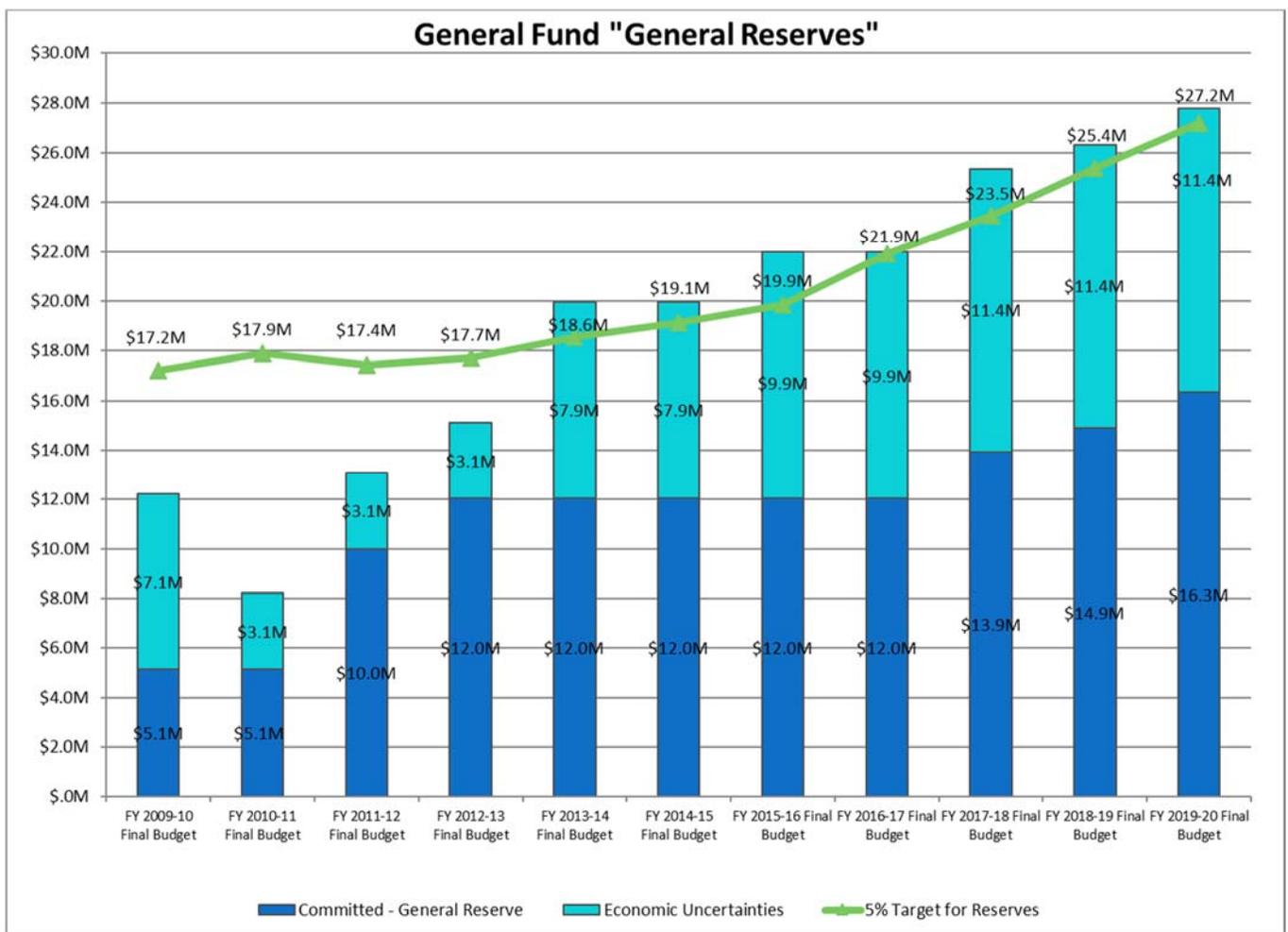
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majority of base budget cost increases for *General Fund* departments. This approach, coupled with the goal to decrease annual carryover fund balance attributable to vacant funded positions by integrating salary savings into departmental base budgets, works to maintain a sustainable budgetary model consistent with the multi-year budget framework.

Use of Reserves and Contingencies

Maintenance of adequate levels of reserves has been part of the County’s fiscal planning process for many years. Continued implementation of the Budget and Financial Policy has enabled Placer County to set aside resources for difficult budget years, and has provided a solid foundation for County revenues. Although reserves were used for several years to mitigate impacts of the recently experienced “Great Recession,” the County has since consistently achieved the 5% General / Economic Contingency Reserve minimum target in accordance with Budget and Financial Policy. General Reserve levels are noted below:

Figure 3 – *General Fund* “General Reserves”



The recommended *General Fund* contingency funding set-aside for unanticipated expenditures or revenue shortfalls is 1.5% of *General Fund* operating costs, or \$4.8 million for FY 2019-20. The current operating contingency funding included in the proposed budget is \$4.8 million, the recommended amount. These funds may be used for operating costs and / or unanticipated revenue decreases.

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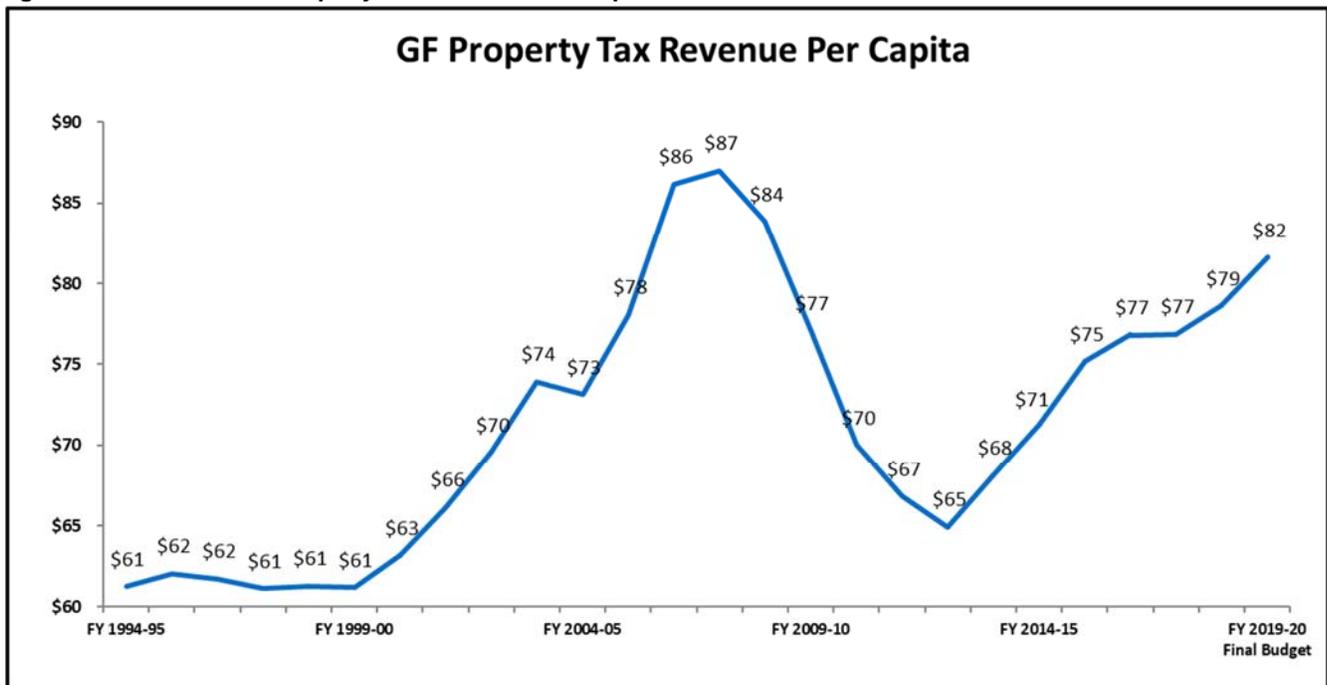
The 5% General / Economic Contingency Reserve and 1.5% operating contingency funds have been adjusted in the FY 2019-20 Budget to maintain the balances consistent with County policy.

Further, the budget and accounting structure of the County changed significantly from the prior year. Most notably, the Health and Human Services Department moved into its own special revenue fund. The figures presented above represent Health and Human Services as part of the 5% reserve calculation. The reserve policy will be reviewed in FY 2019-20 and subsequent changes to county reserve policies may be recommended.

Revenue Estimates

FY 2019-20 budgeted *General Fund* revenues have increased by approximately \$18.9 million overall when compared to amounts budgeted for FY 2018-19. FY 2019-20 budgeted revenues include increases for current secured and unsecured property taxes (\$7.4 million); other property taxes (\$1.7 million); sales tax (\$342,000) and Redevelopment Property Tax Trust Fund (RPTTF) residual distributions and pass-throughs (\$850,000). Collections of property tax represent the largest single source of discretionary revenue available in the *General Fund*. Adjusting for county population and inflation, the per capita amount of property tax collected is anticipated to be at levels experienced in FY 2005-06, as shown in Figure 4 below (note: amounts are adjusted for inflation). Real property assessed valuations have recovered to peak levels experienced just before the onset of the “Great Recession” and are expected to grow modestly at a rate of approximately 3.0% - 5.0% for the next several years

Figure 4 – *General Fund* Property Tax Revenue Per Capita



Per capita property tax revenue amounts calculated based on actual or projected property tax revenue divided by population estimates and adjusted for inflation.

General Fund Contributions and Obligations

The *General Fund* often supports county operations through direct contributions of discretionary general fund revenue sources. The operating impact on the FY 2019-20 Budget for notable contributions is highlighted below:

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- **Contribution to Public Safety:** Annually, the *General Fund* makes a direct contribution to the *Public Safety Fund* to support current public safety operations. The contribution for the FY 2019-20 Budget is \$122.5 million and represents approximately 60.3% of all *Public Safety Fund* Revenues.

General Fund Contribution to Public Safety Fund

Financing Requirements	Final Budget FY 2018-19	Final Budget FY 2019-20	\$ Change FY 2018-19 to FY 2019-20	% Change
Contribution to Public Safety	\$ 116,068,915	\$ 122,460,464	\$ 6,391,549	5.5%

The contribution to the *Public Safety Fund* represents approximately 51% of the *General Fund* discretionary spending.

- **Contribution to Facilities and Infrastructure:** Annually, the *General Fund* makes a direct contribution to the *Capital Fund* to support capital and major maintenance projects and the *Public Ways and Facilities Fund* to support the cost of operations for road resurfacing and overlay projects. The *General Fund* contribution in total for the FY 2019-20 Budget is \$17.5 million, of which, \$3.8 million has been designated as a contribution to the *Public Ways and Facilities Fund*, \$13.8 million as a contribution to the *Capital Fund*, and a net of \$13.3 million in contributions currently recommended to undesignated capital project reserves. The largest discretionary revenues source (\$6.4 million) supporting the contributions to these funds are depreciation charges on existing County infrastructure recovered by the *General Fund* through the countywide cost allocation plan (A-87).
- **Contribution to Health and Human Services:** The *General Fund* makes a direct contribution to the *Health and Human Services Special Revenue Fund* to support homelessness initiatives, animal control and adoption services, veteran services and other safety net services. In the FY 2019-20 Budget the *General Fund* contribution is budgeted at \$41.8 million.
- **Community and Agency Support:** The *General Fund* is obligated to pay for county-wide initiatives, unanticipated expenditures not appropriately budgeted in departmental cost centers and to make contributions to outside entities or other County departments. The community and agency support cost center in the *General Fund* covers these budgeted expenditures. The total budget for the community and agency support cost center for the FY 2019-20 Budget is \$14.9 million. Major spending categories include: \$4.9 million for Middle Fork projects, \$1.8 million contribution to Library Services, and \$700,000 for uninsurable defense costs.

PUBLIC SAFETY FUND

The **Public Safety Fund** is a Major Governmental Fund⁶ made up of four departments: Sheriff, District Attorney, Probation and the County Executive Office. The FY 2019-20 *Public Safety Fund* operating budget is recommended at \$205.3 million, an increase of \$8.6 million or 4.4% over FY 2018-19. Revenue estimates for public safety are \$202.8 million, an increase of \$10.4 million, or 5.4% above FY 2018-19. Included in these estimates are the following major revenues:

- \$122.5 million in *General Fund* contribution. The discretionary *General Fund* share supporting public safety has been increased over FY 2018-19 Budget level to sustain status-quo operations. The discretionary *General*

⁶ These Major Governmental funds are combined with the *General Fund* for CAFR purposes.

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Fund contribution to the *Public Safety Fund* will be “trued-up” to balance the fund consistent with resulting carryover fund balance and approved program expenditures to be considered with the FY 2019-20 Budget.

- \$49.3 million in public safety sales tax (Proposition 172 funding), an increase of \$2.4 million or 5.1% above FY 2018-19 reflecting a higher trend in receipts.
- \$6.5 million in Public Safety Realignment (AB 109) funding, remaining flat from FY 2018-19.
- The *Public Safety Fund* is balanced with \$3.1 million in reserve cancellations to cover the fund balance carryover deficit of \$0.7 million from FY 2018-19 and supplemental funding requests.

Figure 5. Public Safety Fund Financing Uses and Reserves

Financing Requirements	Final Budget FY 2018-19	Final Budget FY 2019-20	\$ Change FY 2018-19 to FY 2019-20	% Change
Financing Uses	195,914,923	205,261,537	\$ 9,346,614	4.8%
Provisions to Reserves	786,454	230	\$ (786,224)	0.0%
Total Financing Requirements:	\$ 196,701,377	\$ 205,261,767	\$ 8,560,390	4.4%

HEALTH AND HUMAN SERVICES FUND

The **Health and Human Services Special Revenue Fund**, commonly referred to as the *HHS Fund*, is a Major Governmental fund⁷ maintained by the Health and Human Services Department. This fund is new in FY 2019-20 and was formerly included in the *General Fund*. This fund provides the budgetary resources for safety net services, homelessness, animal control and adoption services and veteran services. The activities of the fund provide case management for mental health and substance abuse services as well as employment and nutritional services for our residents through various State and federal funded programs. The net budget of \$212.2 million represents a \$4.9 million increase from FY 2018-19 due to minor changes in various contracted services. The 2019-20 Budget General Fund contribution is \$41.8 million.

PUBLIC WAYS AND FACILITIES FUND

The **Public Ways and Facilities Fund**, commonly referred to as the *Road Fund*, is a Major Governmental fund⁷ maintained by the Department of Public Works. This fund provides the budgetary resources for road engineering and maintenance service costs for design, construction and contract administration for both the County and private land development projects. The activities of the fund also maintain, protect, and improve approximately 1,057 miles of roads, and include road-related storm maintenance, and snow removal. The net budget of \$108.0 million represents an increase of \$5.7 million as compared to the FY 2018-19 Budget. This difference is mostly attributed to an increase in budgeted bridge projects (\$6.3 million). The 2019-20 Proposed Budget *General Fund* contribution is \$3.8 million to pay the cost of operations for road resurfacing and overlay projects.

CAPITAL PROJECTS FUND

The **Capital Projects Fund** is a Major Governmental fund⁷ maintained by the Department of Facilities Management and provides resources for the planning, improvement, major maintenance, and construction of county buildings, sewer and solid waste systems, parks, and trails. New projects are considered based on economic development and return on investment, mitigation of health and safety needs, improvement of departmental operations, or maintenance of existing infrastructure. Significant Final Budget adjustments are typical for this fund, reflecting fiscal year-end close and project schedules.

⁷ These Major Governmental funds are combined with the *General Fund* for CAFR purposes.

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The FY 2019-20 **Capital Projects Fund** budget is recommended at \$74.7 million, a decrease of \$25.1 million from FY 2018-19 Budget. The net decrease is attributable to the removal of grant-funded jail projects project temporarily due to timing (\$36.4 million decrease), offset by the scheduled progression for the new Coroner Facility (\$16.9 million increase), and other project adjustments. The FY 2019-20 Proposed Budget *General Fund* contribution to capital projects is \$13.8 million and provides a budgetary resource for capital and major maintenance projects.

OTHER COUNTY OPERATING FUNDS

The Proposed Budget includes 15 operating and two capital and infrastructure funds, the largest of which have been summarized above. Other County operating funds include the *Child Support Services Fund*, *Housing Authority Fund*, the *Community Revitalization Fund*, the *Low and Moderate Income Housing Asset Fund*, the *Special Aviation Fund*, the *DMV Special Collections Fund*, the *Fish and Game Fund*, the *Lake Tahoe Tourism and Promotion Fund*, the *Open Space Fund*, the *Library Fund*, the *Fire Control Fund*, and the *Debt Service 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.

The **Child Support Services Fund** is a Non-Major Governmental – Special Revenue fund managed by the Child Support Services Department, used to account for child support services in the county. The recommended financing requirements are \$7.0 million.

The **Housing Authority Fund** is a Non-Major Governmental – Special Revenue fund managed by the Health and Human Services Department, 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). The recommended financing requirements are \$2.8 million.

The **Community Revitalization Fund** is a Non-Major Governmental – Special Revenue fund managed by the Community Development and Resources Agency (CDRA), and 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 recommended Proposed Budget includes only those projects with approved grant revenue or other in-hand sources. The recommended financing requirements for this fund are \$390,372.

The **Low and Moderate Income Housing Asset Fund** is a Major Governmental fund⁸ managed by the Community Development and Resources Agency (CDRA), and 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 recommended financing requirements for this fund are \$1.1 million.

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 \$10,000, funded by a state grant.

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

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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 generated through the collection of Department Of Motor Vehicles (DMV) Licensing Fees assessed for vehicles registered in Placer County. FY 2019-20 financing requirements of \$2.1 million are supported by revenue (\$842,951) and by carryover fund balance (\$1.2 million).

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. This results in a *General Fund* contribution of \$6,000 in FY 2019-20 which will balance the approximately \$11,903 in financing requirements with \$5,200 in revenues and \$703 in Fish and Game fund balance carryover.

The **Lake Tahoe Tourism and Promotion Fund** is a Major Governmental fund⁹ managed by the County Executive Office and 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 and public improvements that encourage tourism are funded with TOT revenues. Marketing and promotions activities are provided by the North Lake Tahoe Resort Association, comprised of representatives from various North Lake Tahoe tourism-related industries. Recommended required financing of \$23.4 million is supported by estimated revenue (\$10.8 million) and carryover fund balance (\$12.6 million).

The **Open Space Fund** is a Major Governmental fund⁹ managed by the County Executive Office and 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 \$1.7 million are supported by developer fees, a United Auburn Indian Community contribution, a General Fund contribution and other revenue.

The **Library Fund** is Non-Major Governmental – Special Revenue fund managed by the Library Services Department and 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 challenge continues for the County Library System to provide modern services to a growing population within the limited revenues and reserves of the Library Fund. Dedicated Library property taxes are 61% of total operating revenues. As they were held flat from the FY 2018-19 Final Budget, cost increases are projected to outpace this dedicated revenue source into the foreseeable future. The Library has taken actions to reduce operating costs, and the County continues to study the appropriate balance of sustainable services to available revenues. The *General Fund* has historically provided direct contributions for salary and benefit support of the County Librarian (\$243,757) and funding support for centralized county services that are not charged directly (A-87). With the FY 2019-20 Budget, the *General Fund* contribution is \$1.9 million. The FY 2019-20 recommended financing requirements of \$8.9 million are supported by \$7.9 million of revenue and *General Fund* support, \$884,199 in carryover fund balance, and \$98,320 in reserve cancellations.

The **Fire Control Fund** is a Non-Major Governmental – Special Revenue fund managed by the County Executive Office and 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 \$5.5 million are supported by \$4.3 million in estimated revenue, \$958,194 in carryover fund balance, and \$174,065 in reserve cancellations. In FY 2019-20 the fund will continue to receive a contribution for fire services

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

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from the *General Fund* of just under \$1.1 million. The County Executive Office continues to explore alternative service delivery models and additional funding sources for fire services for the County as a whole. Other financing sources include dedicated property tax, public safety sales tax and other miscellaneous revenue. The recommended operating budget for this fund is \$200,322 higher than FY 2018-19 primarily due to increases for contracted CalFIRE services.

The **Debt Service Fund** is a Non-Major Governmental – Debt Service fund and housed within the Auditor-Controller's budget. This fund accounts for principal, interest and fees on County debt service issued for certificates of participation (COP). The County's current COPs finance the juvenile hall, the Finance and Administration Center at the Placer County Government Center and the Bill Santucci Justice Center. The County's annual debt service to this fund is paid by other funds and revenue received. The budget is balanced with \$4.2 million in estimated revenue.

INTERNAL SERVICE FUNDS

Placer County operates 15 internal service funds that are primarily used to provide services to other county departments. County departments are charged for services they received. Internal service 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 \$255,927 to \$18.4 million compared to \$342,459 to \$17.2 million in the prior year. Additions to internal service fund reserves in the Budget total \$16.4 million. Cancellations of reserves included in the Budget total \$7.7 million.

Placer County internal services funds are:

- Building Maintenance
- Document Solutions
- Correctional Food
- Countywide Radio Project
- Countywide Systems
- Dental and Vision Insurance
- Employee Benefits
- Fleet Operations
- General Liability Insurance
- Information Technology / Telecommunications
- Placer County Government Center Campus
- Special District Services
- State Unemployment
- Workday Support
- Workers Compensation Insurance

Internal service fund charges to county departments for services received result in duplicative budgetary figures; these funds are classified separately from the operating budget as Proprietary – Internal Service funds.

ENTERPRISE FUNDS

Placer County will operate and manage the following six enterprise funds in FY 2019-20:

- Eastern Regional Landfill
- Kings Beach Center
- Placer County Transit
- Placer mPOWER Fund
- Solid Waste Management
- Tahoe Area Regional Transit (TART)

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 \$786,607 to \$7.6 million. Additions to enterprise fund reserves in the Budget total \$7.2 million. Cancellations of reserves included in the Budget total \$3.5 million.

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Budgets By System

System	FY 2018-19 Final Adopted Budget	FY 2018-19 Position Allocations	FY 2019-20 Final Budget	Percent Change	FY 2019-20 Final Budget Position Allocations	Percent Change
Administration and Financial System	\$ 71,548,759	406	\$ 82,203,377	14.9%	398	-2.0%
Public Protection System	338,196,351	864	360,921,650	6.7%	864	0.0%
Community and Cultural System	16,855,498	90	16,010,198	-5.0%	86	-4.4%
Health & Human Support System	221,232,794	860	262,210,770	18.5%	862	0.2%
Land Use System	137,495,133	316	138,935,613	1.0%	317	0.3%
Capital Facility Projects	125,435,823	16	92,072,541	-26.6%	15	-6.3%
Non-Departmental Operations	57,863,433	0	53,682,884	-7.2%	0	n/a
Total Appropriations	\$ 968,627,791	2,552	\$1,006,037,033	3.9%	2,542	-0.4%
Proprietary Funds (positions)		350			370	5.7%
Provision for Reserves or Designations	2,315,924					
Total Budget	\$ 970,943,715	2,902	\$1,006,037,033	3.6%	2,912	0.3%

Budgets by Fund

Fund	FY 2018-19 Final Adopted Budget	FY 2018-19 Position Allocations	FY 2019-20 Final Budget	Percent Change	FY 2019-20 Final Budget Position Allocations	Percent Change
General Fund	\$ 310,180,686	708	\$ 346,510,886	11.7%	693	-2.1%
Health and Human Services Fund	213,186,397	789	217,517,093	2.0%	795	0.8%
Public Safety Fund	195,914,923	859	205,261,537	4.8%	860	0.1%
Public Ways and Facilities Fund	102,304,142	128	105,831,904	3.4%	128	0.0%
Capital Project Funds	99,799,467	16	73,746,589	-26.1%	15	-6.3%
Other Operating Funds	47,242,176	52	57,169,024	21.0%	51	-1.9%
Subtotal	\$ 968,627,791	2,552	\$1,006,037,033	3.9%	2,542	-0.4%
Proprietary Funds		350			370	
Total Operating, Capital and Proprietary	\$ 968,627,791	2,902	\$1,006,037,033	3.9%	2,912	0.3%