

California Constitution & Government Code

Basic provisions for the government of counties are contained in the California Constitution and the California Government Code. A county is the largest political subdivision of the State and is vested by the Legislature with the powers necessary to provide for the health and welfare of the people within its borders. The distinction between a county and a city is that legislative control over counties is more complete than it is over cities. The Legislature may delegate to the counties any of the functions that belong to the State itself, unless specifically restricted by the State Constitution, and the State may take back functions previously delegated to counties.

State laws and county ordinances prescribe the manner and form in which the budget is presented. The Office of the State Controller sets forth the Government Code that specifies the content of the budget, budget adoption procedures and dates by which actions must be taken. A county may include additional detail, providing the financial detail and the classification of items required to be included in the budget are set forth.

Fund and account titles to be used by counties in the preparation of the operating budget are set forth in the publication "Accounting Standards and Procedures for Counties." The general operating group of funds are budgeted and accounted for under the modified accrual basis of accounting, and are summarized on the County of Placer - All Funds Summary schedule of the budget document. Internal service and enterprise funds are budgeted under the modified accrual basis and accounted for under the full accrual basis of accounting as required by the State Controller, Governmental Generally Accepted Accounting Principles and the Governmental Accounting Standards Board.

Placer County Charter

The California Constitution recognizes two types of counties: general law counties and charter counties. General law counties adhere to state law as to the number and duties of county elected officials. Placer County, as a charter county, has a limited degree of "home rule" authority that may provide for the election, compensation, terms, removal, and salary of the governing board. Responsibilities and the delegation for preparation, review and approval of the budget are established by statute and ordinance and by policies coordinated through the Board of Supervisors, the County Executive Officer and the Auditor-Controller. Under the County Charter, the County Executive Office is responsible for providing systematic planning of the budget, recommending long-range capital planning, and must recommend an annual budget after reviewing requests of all departments and agencies for which the Board is responsible or which request County funds.

Budget Process

In accordance with provisions of Sections 29000 through 29144 of the California Government Code and other statutory provisions known as the County Budget Act, the County prepares and legally adopts a balanced budget each fiscal year. A balanced budget is defined as total sources, including estimated revenues and fund balance, equal to total uses, which are the estimated expenditures and contributions to reserves for the budget year. In balancing the budget each year, revenues shall be conservatively estimated pursuant to the County Financial Policies.

The budget is prepared using the modified accrual basis of accounting. The preparation of the County's financial statements conform to generally accepted accounting principles applicable to counties. The County's governmental funds use the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Expenditures generally are recorded when a liability is incurred, except for debt service and compensated absence related expenditures, which are recorded only when payment is due. Proprietary funds use the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded when the liability is incurred.

The County's Major Funds and Non-Major funds as reported in the County's Annual Comprehensive Financial Report (Annual Report) are determined annually using established criteria. For financial reporting purposes in the Annual Report, the General Fund, as a Major Governmental Fund, includes the General, Public Safety, Tahoe Economic and Community Enhancement, and Open Space Funds. Other Major Governmental Funds include the Capital Improvements Fund, Low and Moderate Income Housing Asset Fund, Road Funds, and Health and Human Services Funds.

The Adopted Budget is prepared based on the Board adopted County Financial Policies and after receiving direction from the Board of Supervisors regarding County priorities and goals to address long-term concerns and issues. Following this direction, the County Executive Office prepares budget procedures and forms for use by departments and establishes targets for Department budgets. All Departments then submit their requested budgets for the upcoming fiscal year. County Executive Office staff review budget requests, which are balanced against the County's overall

priorities and fiscal resources. Board meetings and workshops are held during the budget development process to review the County's fiscal position for the current and upcoming year including requests from departments, and to receive Board direction. The meetings and workshops are also intended as a forum to communicate County priorities, and challenges and choices in order to foster public input.

A budget document with narratives and accompanying schedules is prepared and submitted to the Board of Supervisors by June 30 of each year. The Board adopts the County's Budget, which consists of a balanced budget for operating, enterprise and internal service funds. Reserves and estimated carryover fund balance / retained earnings may be added to estimated revenues to fund the estimated budget expenditures and other uses in each fund. The Board of Supervisors must adopt a balanced Budget by October 2 of each year.

The Board may make supplemental appropriations through budget revisions during the year, upon a four-fifths vote. Management cannot amend the budget without the Board's approval, unless the adjustments are between accounts that do not change appropriation totals. Amendments and transfers of appropriations between budget units that increase an appropriation, or that involve the addition of and augmentation to a capital/road project and/or fixed assets, must have Board approval. In addition to budget revisions during the fiscal year, the Board of Supervisors also approves budget adjustments at fiscal year-end. Budgetary control is exercised at the cost center or budget unit level, except for fixed asset equipment and capital/road projects which are separately appropriated and for allocated positions, which must be approved by the Board.

The FY 2022-23 budget book is intended to communicate county priorities and the distribution of available resources in a clear and meaningful way including the following elements:

County Profile: Provides broader context for residents and businesses including history, population, local economy, housing, and tourism.

Budget Overview and County Financial Policies: Compares year over year changes to resources, costs, and staffing for all funds, highlights significant fiscal and policy issues to ensure sustainability of operations, and outlines the guiding policies that provide the foundation for building the budget.

Spotlight on Strategic Plan Priorities: Provides a summary of major policy and operational priorities addressed in the County's Strategic Plan and reflected in the County's operating budget.

Department Budgets and Cost Center Detail: Directly communicate to residents about what we do, include a summary of critical issues, followed by detailed fiscal, staffing, and services information.

FY 2022-23 Budget Development Auditor/CEO Integrated Calendar

Budget Date	Item	Involves
July 01, 2021	Beginning of Fiscal Year	N/A
October 2021 - January 2022	Complete Internal Service Fund Recommendations; Develop Proposed Budget Fiscal Assumptions and Guidelines; Issue Budget Instructions and Forms to Departments	CEO / Departments
November 2021	Board of Supervisors Budget Workshop to receive direction for upcoming Fiscal Year	Public / Board / CEO
January 2022	Analysis of Governor's Budget Proposal	Departments / CEO
January 2022	Departmental Pre-Budget Meetings	Departments / CEO
February 2022	Board of Supervisors Mid-Year Budget Update - Presentation to the Board on Status of Current Year Budget with Information	Public / Board / Departments / CEO
March 2022	Submit Operating and Enterprise Budget Requests and Narratives	Departments / CEO
March - May 2022	Analysis and Discussion with Departments in Context of Board Priorities, Financial Policies, and Multi-Year Sustainability; Develop CEO Budget Recommendations	Departments / CEO
April 2022	Departmental Budget and Budget Policy Presentations	Public / Board / CEO
May / June 2022	Finalize Proposed Budget Recommendations; Analyze Governor's May Revise	Public / Board / CEO
June 14, 2022	Board of Supervisors Conducts Public Hearing on Recommended Budget	Public / Board / Departments / CEO
June 28, 2022	Board of Supervisors Adopts the Budget	Auditor / CEO / Departments
August 2022	Current Fiscal Year Closes	Auditor / CEO
August 2022	Balance State Controller Budget Schedules with Auditor	Auditor / CEO

Budget Office Message

Placer County's FY 2022-23 Budget was developed based upon the policy considerations outlined in this section and included in the County Executive Officer's Budget Message. The FY 2022-23 budget reflects the County's long-standing efforts to meet ongoing demand for public services while maintaining vigilance for long-term fiscal sustainability.

This budget addresses the growing economic landscape in Placer County. A solid level of economic growth is anticipated to continue in the upcoming fiscal year and this budget includes priority increases in staffing to meet demand for services in the land use development environment, increases in health and human services support, and providing law enforcement services for the growing population.

The budget includes continued funding of pension and Other Post-Employment Benefits (OPEB) liabilities and contributions for current capital projects and long-term capital planning. The County maintains strong reserve levels and has attained a general reserve of 10% of annual expenditures. The FY 2022-23 budget continues to implement the financial management policies of the Board of Supervisors to set aside funds, as available, to improve the County's funded ratio for pension obligations.

Since the start of the COVID-19 pandemic in FY 2019-20, the County has utilized federal CARES and ARPA funds, in accordance with federal rules, to support a response to the pandemic and also address infrastructure, broadband, and affordable housing needs. The FY 2022-23 budget will address ARPA spending in support of these initiatives.

The FY 2022-23 Adopted Budget for Placer County continues to support current and future County operations by including financial objectives of the County's Strategic Plan Priorities.

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 amendments. 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 15 operating and 2 capital and infrastructure funds (Figure 1) that make up the FY 2022-23 Budget⁴. The funds are consistent with the County's organizational and operational structure and differ from how they are reported on the Annual Report. The *Public Safety Fund*, *Tahoe Economic and Community Enhancement Fund*, and the *Open Space Fund* are combined into the *General Fund* in the Annual Report for reporting purposes per standard accounting practice. The infrastructure funds are reported separately.

FY 2022-23 ADOPTED BUDGET

Placer County's FY 2022-23 Budget is recommended at \$1,221,251,032, representing an increase of \$196.8 million or 19.2% compared to the FY 2021-22 Budget.

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.

Figure 1. Operating & Capital Budgets, Financing Requirements Comparison

Financing Requirements	Adopted Budget FY 2021-22	Adopted Budget FY 2022-23	\$ Change FY 2021-22 to FY 2022-23	% Change
Operating Budget				
General Fund	\$ 369,600,477	\$ 421,915,871	\$ 52,315,394	14.2%
Housing Authority Fund	4,074,314	4,104,071	29,757	0.7%
Community Revitalization Fund	404,652	403,347	(1,305)	-0.3%
Low & Moderate Income Housing Asset Fund	1,094,657	1,091,891	(2,766)	-0.3%
Special Aviation Fund	12,515	12,570	55	0.4%
Public Safety Fund	223,522,936	253,366,186	29,843,250	13.4%
DMV Special Collections Fund	2,056,708	2,074,999	18,291	0.9%
HHS Special Revenue Fund	243,065,397	269,077,155	26,011,758	10.7%
Child Support Services Fund	7,543,158	7,265,524	(277,634)	-3.7%
Fish & Game Fund	11,336	10,847	(489)	-4.3%
Tahoe Economic and Community Enhancement Fund	20,118,330	17,082,091	(3,036,239)	-15.1%
Open Space Fund	417,529	1,411,160	993,631	238.0%
County Library Fund	10,000,561	10,253,578	253,017	2.5%
Fire Control Fund	5,856,988	6,388,577	531,589	9.1%
Debt Service Fund	4,189,813	7,072,843	2,883,030	68.8%
Subtotal Operating Funds	\$ 891,969,371	\$ 1,001,530,710	\$ 109,561,339	12.3%
Infrastructure Budget				
Capital Projects Fund	54,535,949	153,693,401	99,157,452	181.8%
Road Fund	77,972,187	66,026,921	(11,945,266)	-15.3%
Subtotal Infrastructure Funds	\$ 132,508,136	\$ 219,720,322	\$ 87,212,186	65.8%
Total Financing Requirements:	\$ 1,024,477,507	\$ 1,221,251,032	\$ 196,773,525	19.2%

*Provision for Reserves includes:

FY 2021-22: \$12.9 million in General Fund; and \$2.0 million in other funds

FY 2022-23: \$43.4 million in General Fund; and \$21.7 million in other funds

Total financing requirements for FY 2022-23 are \$1,156,093,468 in budgeted expenditures and \$65,157,564 in contributions to reserves. Total financing requirements are supported by \$1,115,217,320 in projected revenues, \$94,052,390 of estimated available fund balance and \$11,981,322 in reserve cancellations.

The Budget contains \$219,720,322 in Capital Fund and Road Fund financing uses, an increase of \$87.2 million, or 65.8% compared to the FY 2021-22 Budget. Capital and Road Funds are dedicated to the construction and maintenance of county-owned facilities/infrastructure and to ensure public access to services through road and bridge infrastructure, storm maintenance, and snow removal.

Expenditures

Total budgeted expenditures for FY 2022-23 are estimated at \$1,156,093,468, an increase of \$146.4 million or 14.5% compared to the FY 2021-22 Budget as shown in Figure 2 below:

Figure 2. Expenditures

Description	Actuals FY 2020-21	Adopted Budget FY 2021-22	Adopted Budget FY 2022-23	\$ Change FY 2021-22 to FY 2022-23	% Change
Operating Expenditures Budget					
Salaries and Benefits	361,120,821	384,138,838	398,887,758	14,748,920	3.8%
Services and Supplies	250,760,519	335,477,944	447,210,816	111,732,872	33.3%
Transfers and Other Financing Uses	178,412,200	211,586,096	218,143,490	6,557,394	3.1%
Capital Asset Expenditures	6,053,986	4,508,504	6,496,182	1,987,678	44.1%
Appropriation for Contingencies	0	5,015,000	5,493,000	478,000	9.5%
Other Charges	76,466,139	68,928,688	79,862,222	10,933,534	15.9%
Total Operating Expenditures Budget:	\$ 872,813,664	\$ 1,009,655,070	\$ 1,156,093,468	\$ 146,438,398	14.5%

The increase in budgeted expenditures for the overall County budget is primarily attributable to an increase of \$14.7 million or 3.8%, in salaries and benefits, an increase of \$111.7 million or 33.3%, in services and supplies, an increase of \$6.6 million, or 3.1%, in transfer and other financing uses, an increase of \$2.0 million, or 44.1%, in capital assets expenditures and an increase of \$10.9 million, or 15.9%, in other charges. Variances in each of these expenditures are briefly explained below:

Salaries and benefits are adjusted annually based on the estimated costs for each funded position within the County. Increases or decreases in budgeted salary and benefit expenditures are due to changes in the overall count of funded positions (see county workforce section on page 58), changes due to bargaining unit negotiations, general wage increases, pension contribution rate changes, health care rates, taxes and changes in other benefits received by each individual employee.

Services and supplies primarily consist of professional services contracts, services provided by other County Departments, Capital and Road Fund project costs, insurances, inventory purchases, fuel and other supplies required in operations to service the public. Changes in services and supplies is attributable to increases or decreases in contractor costs associated with major facility or infrastructure projects, general inflation and/or changes in service levels provided by the County and third-party vendors. Significant changes in services and supplies are highlighted in the Departmental sections of this budget book.

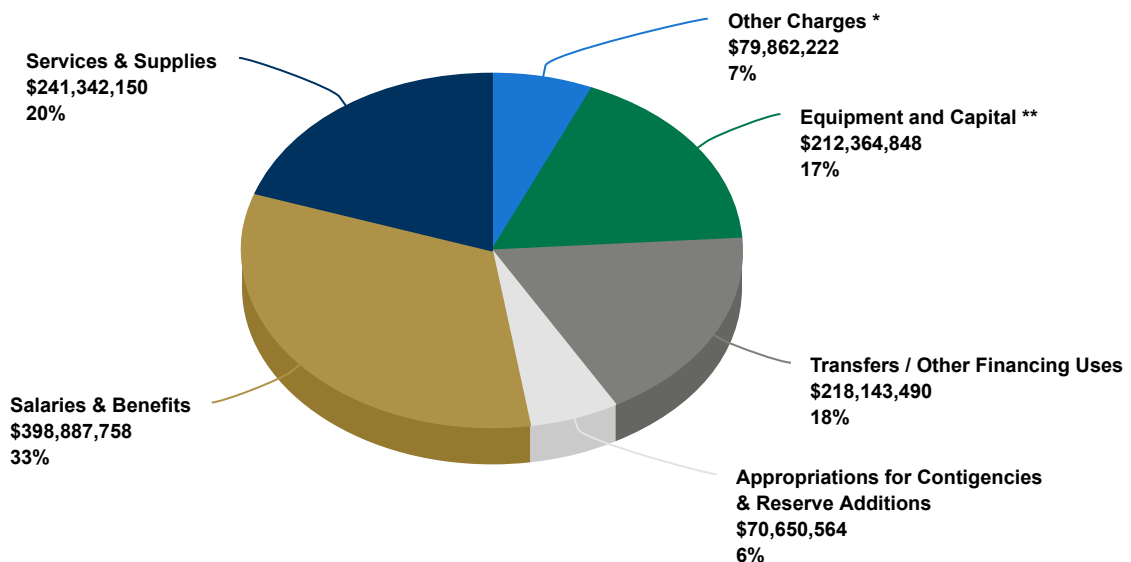
Transfers and Other Financing Sources consists mostly of transfers from the General Fund to other operating funds of the County. The transfers are adjusted annually at the direction of the Board of Supervisors, as needed, to support the operations of other County Departments that exist outside of the General Fund. General Fund transfers are discussed in detail on page 65.

Capital Asset Expenditures are purchases of equipment, software, and other intangible assets. Fluctuations in expenditures are dependent on need for any given year. See the fixed asset list on page 127 for budgeted FY 2022-23 Capital Asset purchases.

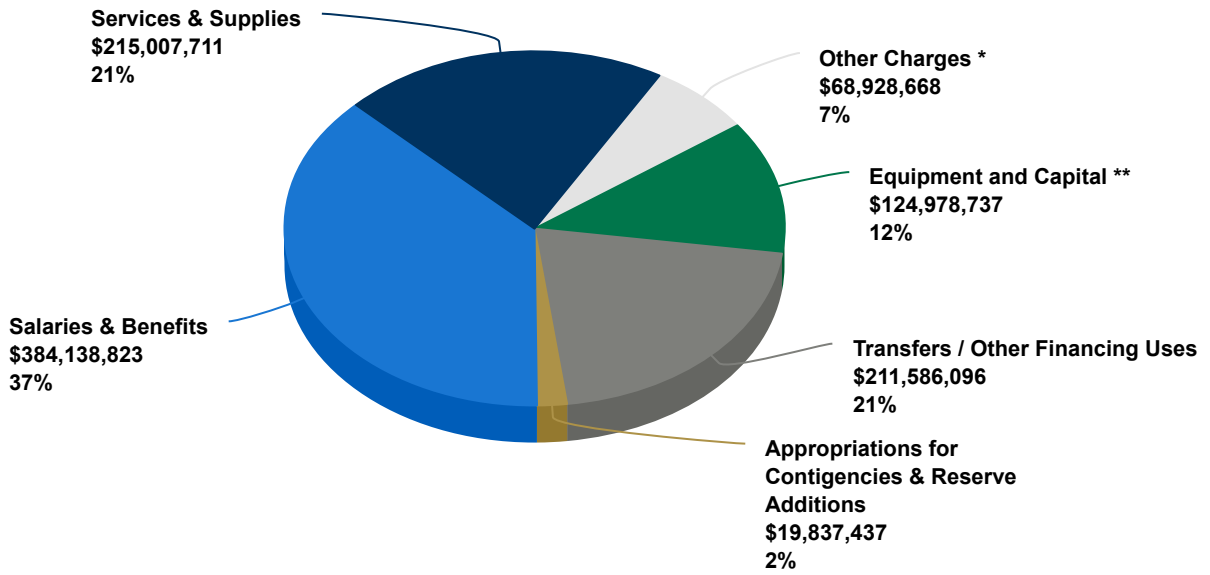
Other Charges are primarily central service Department cost allocations to other Departments (A-87) and support and care of persons in Health and Human Services programs. A-87 expenditures and support and care of persons expenditures are budgeted at \$45,717,097 and \$32,596,853, respectively for FY 2022-23. A-87 costs escalate based on expenditure growth in the central services Departments. Support and care of persons expenditures vary based on demand for services and legislative changes in mandated entitlement programs.

The charts provided below shows the distribution of budgeted expenditures by category for FY 2022-23 and FY 2021-22 for comparative purposes:

FY 2022-23 ADOPTED BUDGET \$1,221,251,032



FY 2021-22 ADOPTED BUDGET \$1,024,477,472



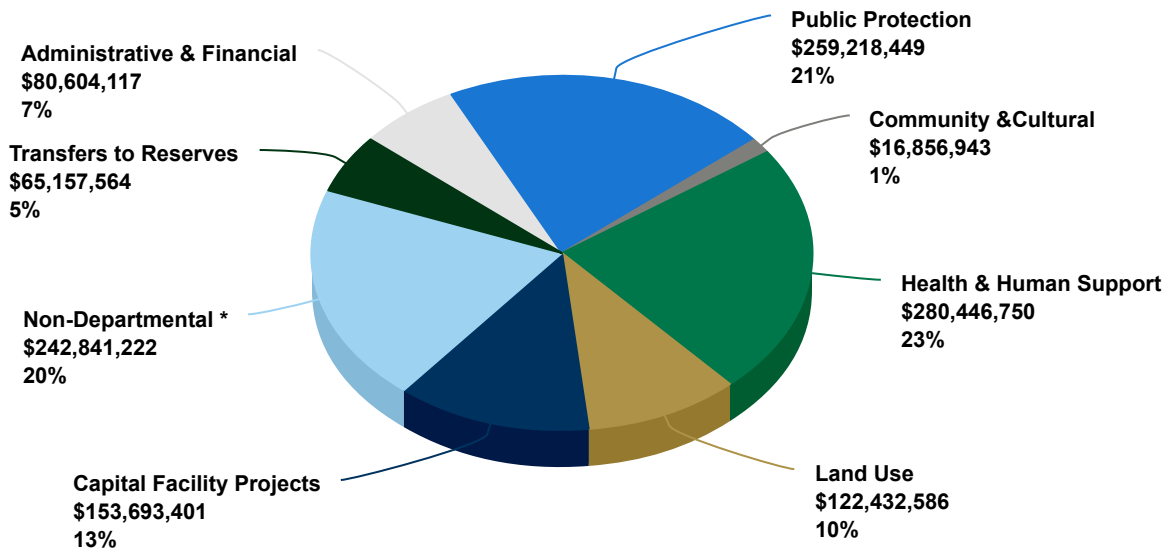
*Includes Client Aid and A-87 transfers

**Includes Capital and Road Fund Services and Supplies for projects

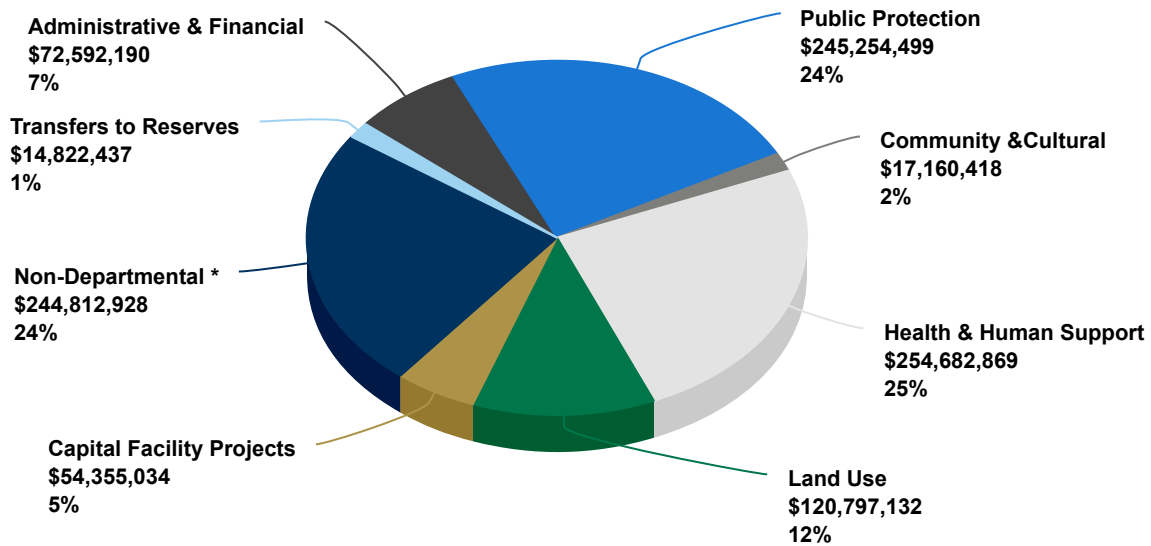
Salaries and benefit expenditures represent the largest expenditure category in the County at \$398,887,758, comprising 33% of the total FY 2022-23 operating budget.

For the FY 2022-23 the two largest service systems budgeted are Public Protection and Health and Human Support at \$259,218,449 and \$280,446,750, respectively. Public Protection and Health and Human Support represent about 44% of the total operating budget combined as shown below:

FY 2022-23 ADOPTED BUDGET \$1,221,251,032



FY 2021-22 ADOPTED BUDGET \$1,024,477,507



* Non-departmental includes General Fund support for departments and other countywide priorities.

Public Protection includes the Placer County Sheriff’s Office, Probation Department, District Attorney’s Office, Unincorporated County fire services, the County public defender contract and emergency services. Health and Human Support includes our Health and Human Services Department and Child Support Services. Non-departmental expenditures are primarily General Fund contributions to other funds to support services provided to constituents by other Departments outside of the General Fund.

Revenues

Total budgeted revenues for the FY 2022-23 are estimated at \$1,115,217,320, an increase of \$147.1 million or 15.2% compared to the FY 2021-22 Budget as shown in Figure 3 below:

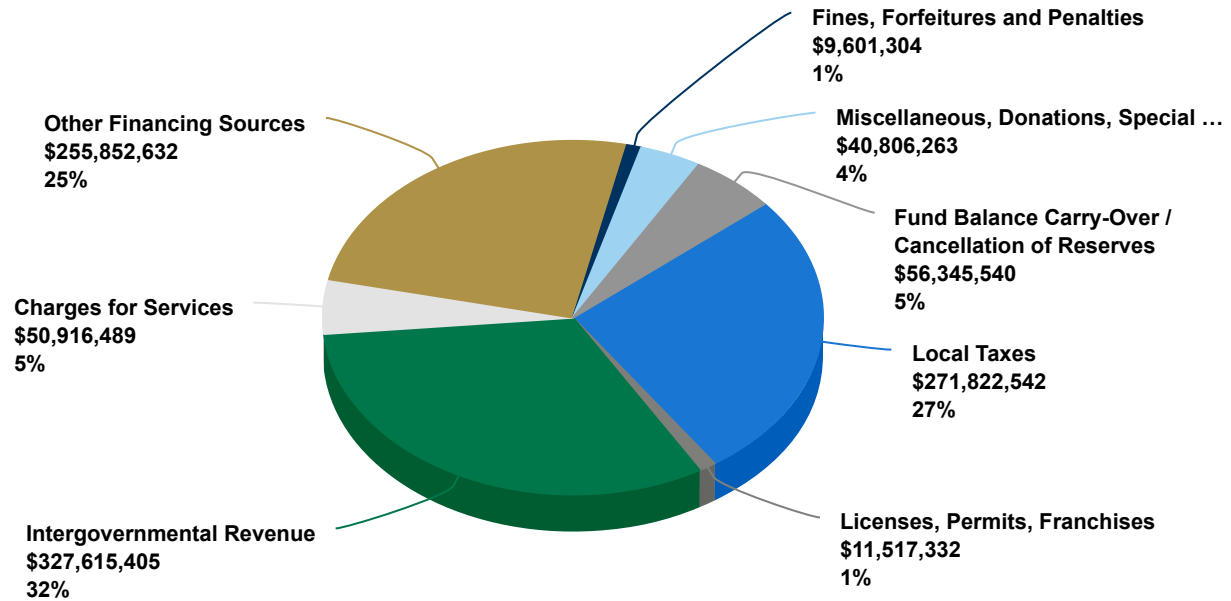
Figure 3. Revenues

Description	Actuals FY 2020-21	Adopted Budget FY 2021-22	Adopted Budget FY 2022-23	\$ Change FY 2021-22 to FY 2022-23	% Change
Operating Revenue					
Taxes	270,163,722	271,822,542	294,127,812	22,305,270	8.2%
Intergovernmental Revenues	303,882,315	327,615,405	380,451,591	52,836,186	16.1%
Transfers in and Other Financing Sources	234,341,904	255,852,632	313,325,235	57,472,603	22.5%
Charges for Services	58,151,739	50,916,489	59,669,016	8,752,527	17.2%
Licenses, Permits, Franchises	12,171,309	11,517,332	12,364,820	847,488	7.4%
Other Revenues	44,451,614	50,407,567	55,278,846	4,871,279	9.7%
Total Operating Revenue:	\$ 923,162,602	\$ 968,131,967	\$ 1,115,217,320	\$ 147,085,353	15.2%

The increase in budgeted revenues for the overall County budget is primarily attributable to an increase of \$22.3 million, or 8.2%, in taxes, an increase of \$52.8 million, or 16.1%, in intergovernmental revenue, an increase of \$57.5 million, or 22.5%, in transfers-in and other financing sources, an increase of \$8.8 million, or 17.2%, in charges for services and an increase of \$5.7 million, or 9.2%, in licenses, permit, fees and other revenues. Variances in each of these revenues are briefly explained below:

Taxes are primarily property taxes, sales taxes and transient occupancy taxes (hotel taxes). Property tax, the County’s largest discretionary revenue source, is adjusted annually based on changes in assessed valuations included in the property tax assessment role. For the FY 2022-23 operating budget, current secured and unsecured property taxes are \$163,954,469 combined, which represents a \$7.8 million or 5.0% increase from the FY 2021-22 Adopted

FY 2021-22 ADOPTED BUDGET \$1,024,477,507



Excluding transfers (other financing sources), local taxes and intergovernmental revenues represent the largest revenue categories in the County at \$294,127,812 or 24% and \$380,451,591 or 31%, respectively. Together they comprise 55% of the total FY 2022-23 operating budget.

County Workforce

As a service driven provider, salary and benefit costs remain the largest expenditure category in the county budget, representing \$398.9 million (32.7%) of the \$1.22 billion budget. The FY 2022-23 Budget includes 2,795 funded positions, an increase of 91 from FY 2021-22. The following table shows changes in funded positions by Department for the FY 2022-23 Budget:

Figure 4. Funded Position by Department

Department Name	2020-21 Funded Positions	2021-22 Funded Positions	2022-23 Funded Positions	Change 2022-23 vs. 2021-22
Agricultural Commissioner/Sealer	19	19	21	2
Assessor	79	79	83	4
Auditor-Controller	55	55	56	1
Child Support Services	47	47	47	-
Community Dev Resource Agency	121	141	153	12
County Clerk-Recorder-Registrar	52	52	53	1
County Counsel	26	26	28	2
County Executive Office	117	117	116	(1)
District Attorney	118	119	127	8
Health & Human Services	743	756	783	27
Human Resources	52	51	51	-
Information Technology	83	83	85	2
Library Services	49	49	49	-
Parks and Open Space		21	24	3
Probation	149	149	149	-
Public Works	299	263	279	16
Facilities	72	73	73	-
Sheriff-Coroner-Marshal	566	570	584	14
Treasurer-Tax Collector	33	34	34	-
Total Funded Positions	2,680	2,704	2,795	91

Included in the ordinance are reclassifications to existing allocations. This net increase in funded positions is due to 1 Accountant added in the Auditor Controller’s Office to aid increased workload for GASB requirements, 2 Appraiser Associates and 2 Supervising Appraisers to assist in increased assessment workload, 1 Executive Secretary added to support the Board of Supervisors as a result of redistricting, 1 Elections Supervisor added for the County Clerk Recorder to assist with CPRA requests, supervision and outreach, 1 Chief Assistant County Counsel and 1 Deputy County Counsel to meet existing workloads, and 8 total new allocations in the District Attorney’s office to support the Body Worn Camera program and increased caseload. Public Works has increased 16 allocations in total, 15 of which are returning Western Placer Waste Management Authority employees previously removed from the County’s allocation ordinance and 1 Environmental Resources Specialist to support reduction of organic waste. Information Technology added 2 Technicians to replace service desk contractors. A Project Manager, an Accounting Technician and an Administrative and Fiscal Officer have been added for Parks and Open Space to form the new Department. 14 total allocations have been added to the Sheriff’s office to support the Body Worn Camera program and replace roles previously assumed by retired annuitants. Our CDRA Department has added 12 allocations to support increased demand in development and compliance. Health and Human Services has added a total of 27 allocations in response to increased workload and program expansions primarily as a result of Covid-19 response efforts. 2 allocations transferred from our CEO’s office to our Agriculture Commissioner and Sealer Department.

The figure below provides a year over year breakdown of budgeted salaries and benefits cost for the entire operating budget:

Figure 5. Salaries and Benefits - Operating Budget

Description	Actuals FY 2020-21	Adopted Budget FY 2021-22	Adopted Budget FY 2022-23	\$ Change FY 2021-22 to FY 2022-23	% Change
Salaries and Benefits					
Salaries and Wages	226,099,410	227,229,824	234,920,761	7,690,937	3.4%
Retirement	95,507,319	114,271,222	116,879,260	2,608,038	2.3%
Employee Group Insurance	34,918,442	38,445,802	40,349,583	1,903,781	5.0%
Workers Comp Insurance	3,944,921	4,163,467	6,709,631	2,546,164	61.2%
Other Salaries and Benefits	650,729	28,523	28,523	0	0.0%
Total Salaries and Benefits:	\$ 361,120,821	\$ 384,138,838	\$ 398,887,758	\$ 14,748,920	3.8%

The increase in budgeted salaries and benefits for the overall County budget is primarily attributable to an increase of \$7.7 million or 3.4%, in salaries and wages, an increase of \$2.6 million, or 2.3%, in retirement, an increase of \$1.9 million, or 5.0%, in employee group insurance, and an increase of \$2.5 million, or 61.2%, in workers compensation insurance costs. Variances in each of the salary and benefit categories are briefly explained below:

Salaries and Wages are adjusted annually for known general wage increases, individual merit increases for County employees, changes in employment (employee turnover) and for changes in funded positions counts throughout the County. Salaries and benefits are budgeted for each employee based on their position, step, range, and benefits received. The fully loaded costs of each position are partially offset by an assumed vacancy rate built into each Department’s budget. The assumed vacancy rate included in the FY 2022-23 budget is 4% countywide.

Retirement is the pension and post-employment health/dental benefits earned by County employees. Pension obligations are budgeted at \$92,191,330 for FY 2022-23, an increase of \$5. million or 5.8% from the FY 2021-22 budget. Post-employment health and dental benefits (OPEB) are budgeted at \$7,587,323 for FY 2022-23, a decrease of \$2.7 million or 26.3% from the FY 2021-22 budget.

Employee group insurance expenditures represent the health, dental, life and disability insurance premiums for each funded employee. Increases or decreases in employee group insurance are driven by changes in the funded position count, the mix of plans selected by each individual employee and annual changes in rates for each plan.

Workers compensation insurance is the annual premiums paid for insurance held to cover medical expenses and/or compensate employees in the event of a work-related injury. Premium increases or decreases are driven by changes in the funded position count and changes to the risk rate assigned to each position group within the County.

Post-Employment Obligations

Pension and retiree health/dental benefits earned by County employees create significant long-term obligations for the County. Annually, the County Board of Supervisors has committed the necessary resources to contribute the full actuarially determined contribution (ADC) towards these post-employment obligations. As previously mentioned, pension obligations are budgeted at \$92,191,330 and post-employment health and dental benefits (OPEB) are budgeted at \$7,587,323 for FY 2022-23. These amounts budgeted are sufficient to cover the contributions rates calculated by our independent actuaries.

The figure below provides a historical look at funded status of both the pension and OPEB obligations as determined by independent actuaries:

Figure 6. Pension and OPEB Funded Ratio

Financing Requirements	CalPERs Misc. Plan	CalPERs Saftey Plan	OPEB
Fiscal Year End			
June 30th, 2017	65.6%	63.1%	77.1%
June 30th, 2018	63.9%	61.9%	91.0%
June 30th, 2019	63.8%	61.9%	91.0%
June 30th, 2020	63.1%	61.5%	99.8%
June 30th, 2021			114.8%

The County's OPEB plan is considered fully funded. Actuary reports for pension obligations are available through June 30th, 2020 and actuary reports for our County OPEB plan are available through June 30th, 2021. The funded status of post-employment liabilities are sensitive to changes in actuarial assumptions, such as the assumed rate of return in investment assets (discount rate), health care growth rates, assumed payroll growth, and estimated life expectancies. Market performance can also greatly affect the funded status of each plan. Changes in actuarial assumptions or poor portfolio performance could significantly increase the County's annual required contributions in subsequent budget periods. The County has been contributing to our IRC Section 115 pension trust fund (PARs Trust) for the past several year to mitigate the impact in future changes to our actuarially determined contribution. As of June 30th, 2021, the balance of our PARs Trust was \$18,748,178.

Long-term Debt

Annual debt service of long-term bonds and certificates of participation (COPs) obligations are serviced through the County's Debt Service Fund. Currently, the County has limited outstanding debt obligations. The County's 2014 Revenue Bonds and 2010 COPs finance the juvenile hall, the Finance and Administration Center located in the Placer County Government Campus and the Bill Santucci Justice Center. Future debt obligations are anticipated to be issued for major County facilities and infrastructure projects, including the 2022 Revenue Bonds for the new Health and Human Services Center. The estimated debt service on the Health and Human Services Center bonds is included in the FY 2022-23 budget. The figure below provides a summary of outstanding debt obligations with annual debt service amounts:

Figure 7. Annual Debt Service

Annual Debt Service	2014	2010	2022	Total
	Revenue Bonds	COPS	Lease Revenue Bonds	
Fiscal Year				
FY 2022-23	\$ 3,349,500	\$ 409,104	\$ 4,394,763	\$ 8,153,367
FY 2023-24	\$ 2,493,625	\$ 411,743	\$ 4,396,263	\$ 7,301,631
FY 2024-25	\$ 2,491,250	\$ 413,785	\$ 4,395,263	\$ 7,300,298
FY 2025-26	\$ 2,483,625	\$ 411,905	\$ 4,391,763	\$ 7,287,293
FY 2026-27	\$ 2,480,500		\$ 4,395,513	\$ 6,876,013
FY 2027-28			\$ 4,396,263	\$ 4,396,263
FY 2028-29			\$ 4,394,013	\$ 4,394,013
FY 2029-30			\$ 4,393,638	\$ 4,393,638
FY 2030-31+			\$ 101,056,352	\$ 101,056,352
Total Debt Service	\$ 13,298,500	\$ 1,646,537	\$ 136,213,831	\$ 151,158,868

Annual debt service has been paid for using designated fees and other sources outside of the General Fund for the past several years; however, limited General Fund support is expected moving forward. In the FY 2022-23 budget, the estimated General Fund contribution to the Debt Service Fund for debt service is \$3,267,425.

Capital and Fixed Assets

For the purposes of the FY 2022-23 budget, all facilities, roads, bridges and infrastructure projects included in the Capital Fund and the Road Fund are considered to be capital projects. Detailed schedules of planned projects in the Capital Fund and Road Fund can be found on pages 251 and 366 of this budget, respectively. In the FY 2022-23 budget, planned Capital Fund expenditures are \$153,693,401, an increase of \$99.3 million, or 182.8% compared to the FY 2021-22 budget. Planned Road Fund expenditures are \$66,026,921, a decrease of \$11.9 million, or 15.3% compared to the FY 2021-22 budget. At any given time, the County can have dozens of capital projects ongoing; however, several major capital projects included in the Capital Fund and Road Fund budgets have been highlighted in the chart below:

Figure 8. Major Capital Projects

Capital Project	2020-21 Actuals	2021-22 Adopted Budget	2022-23 Recommended Budget	2022-23 Adopted Budget
Capital Fund				
PJ00084 SB863 Acute Mental Health Housing	\$ 82,548	\$ 2,250,000	\$ 9,810,146	\$ 9,810,146
PJ00110 SB844 Medium Security Housing	\$ 275,567	\$ 1,715,000	\$ 26,900,042	\$ 26,900,042
PJ00113 HHS Office Building	\$ 1,988,204	\$ 22,568,000	\$ 68,240,835	\$ 68,240,835
PJ00755 Clerk Recorder Elections Building	\$ 772,599	\$ 1,220,853	\$ 8,480,442	\$ 8,480,442
PJ00955 PCGC Infrastructure	\$ 166,615	\$ 5,570,000	\$ 7,627,681	\$ 7,627,681
PJ01833 Hidden Falls Regional Park Trails and Open Space Expansion Project, Twilight Ride Access and Parking/Trailhead Area phase	\$ -	\$ -	\$ 3,886,290	\$ 3,886,290
Road Fund				
PJ00498 Highway 89 Fanny Bridge Project	\$ 167,596	\$ 500,000	\$ 1,550,000	\$ 1,550,000
PJ00507 Placer Parkway Phase I	\$ 283,960	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000
PJ00509 Yankee Jim's Bridge Replacement	\$ 722,097	\$ 5,000,000	\$ 3,000,000	\$ 3,000,000
PJ00515 Watt Ave @ Dry Creek Bridge	\$ 412,356	\$ 3,000,000	\$ 5,000,000	\$ 5,000,000
PJ00526 North Tahoe Share Use Trail	\$ 286,557	\$ 730,000	\$ 1,500,000	\$ 1,500,000
PJ00669 Rollins Lake Rd/ Barb Wire Ln Slide Area	\$ 25,555	\$ 750,000	\$ 1,500,000	\$ 1,500,000
PJ00933 Foresthill Road High Friction Surface Treatment Project	\$ 82,103	\$ 650,000	\$ 2,100,000	\$ 2,100,000

Fixed asset capitalization thresholds are defined in Placer County's Policies and Procedures Guide for Capital Assets prepared internally by our Auditor-Controller's Office. For FY 2022-23 the capitalization thresholds are defined below:

Figure 9. Capital Asset Threshold Table

Asset Type	Ledger Account	Capitalization Threshold
Land	54410	Any
Land Improvements	54480	\$ 100,000
Infrastructure / Infratstructure Improvements	54470	\$ 100,000
Buildings and Building Improvements	54430	\$ 100,000
Equipment	54450	\$ 5,000
Intangible Assets (Software)	54490	\$ 100,000
Intangible Assets - Non Depreciable	54500	Any

Assets that meet the capitalization threshold as defined above have been recorded in the appropriate ledgers of our budget and are considered capital assets. A detailed list of capital asset (equipment) purchases has been provided in page 127 of this document.

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”¹ 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
- Parks and Open Space
- Public Works
- Treasurer – Tax Collector

Funded *General Fund* positions total 618, an increase of 22 from the FY 2021-22 Budget.

Figure 2 below displays the *General Fund* budget for FY 2021-22 compared to FY 2022-23.

Figure 2. General Fund Financing Uses and Reserves

Financing Requirements	Adopted Budget FY 2021-22	Adopted Budget FY 2022-23	\$ Change FY 2021-22 to FY 2022-23	% Change
Expenditures and Other Uses	\$ 356,741,456	\$ 378,495,847	\$ 21,754,391	6.1%
Transfers to Reserves	12,859,021	43,420,024	30,561,003	237.7%
Total Financing Uses:	\$ 369,600,477	\$ 421,915,871	\$ 52,315,394	14.2%

The FY 2022-23 *General Fund* operating budget (total financing uses and provisions to reserves) is recommended at \$421.9 million, an increase of \$52.3 million or 14.2% from the FY 2021-22 Budget. The increase is primarily due to a year-over-year growth in services and supplies for professional service contracts and Tahoe Business Improvement District (TBID) disbursements (\$11.1 million), increased salaries and benefit expenditures (\$5 million) and increased provisions to reserve (\$30.6 million). Increased *General Fund* transfers to the *Public Safety Fund* and *Health and Human Services Special Revenue Fund* are offset by reduced contributions to the *Capital Fund*. The budget also includes the removal of other prior year one-time expenditures, additional new one-time expenditures, and adjustments to other services, supplies and countywide overhead charges. The FY 2022-23 *General Fund* operating expenditures are balanced with FY 2022-23 operating revenues.

¹ Net county cost is the portion of a cost center that is funded from general-purpose revenue or available fund balance; total cost center costs less direct fees, grants or reimbursements.

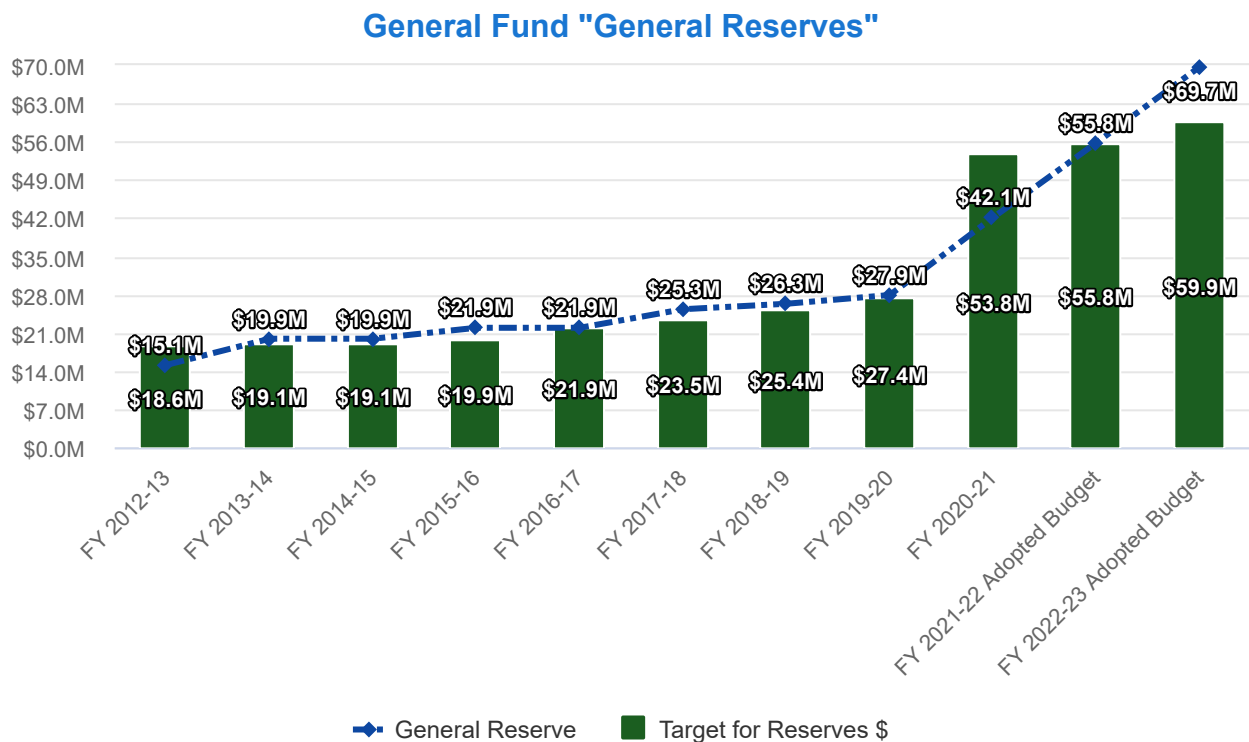
Property Tax, the County’s largest discretionary revenue source, continues to increase due to increased property values and development in Placer County. Sales taxes, transient occupancy “hotel” taxes, and other revenue sources tied to the economy have all recovered following the COVID-19 pandemic and related stay-at-home orders and are expected to remain stable in the 2022-23 fiscal year.

General Fund financing requirements maintain essential services and programs and reflect prioritizing discretionary revenue to cover a 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. In FY 2021-22, the Placer County Board of Supervisors increased the required reserves to 10% of budgeted operating expenditures in the General Fund and Public Safety Fund, combined. General Reserve levels are noted below:

Figure 3 – General Fund “General Reserves”



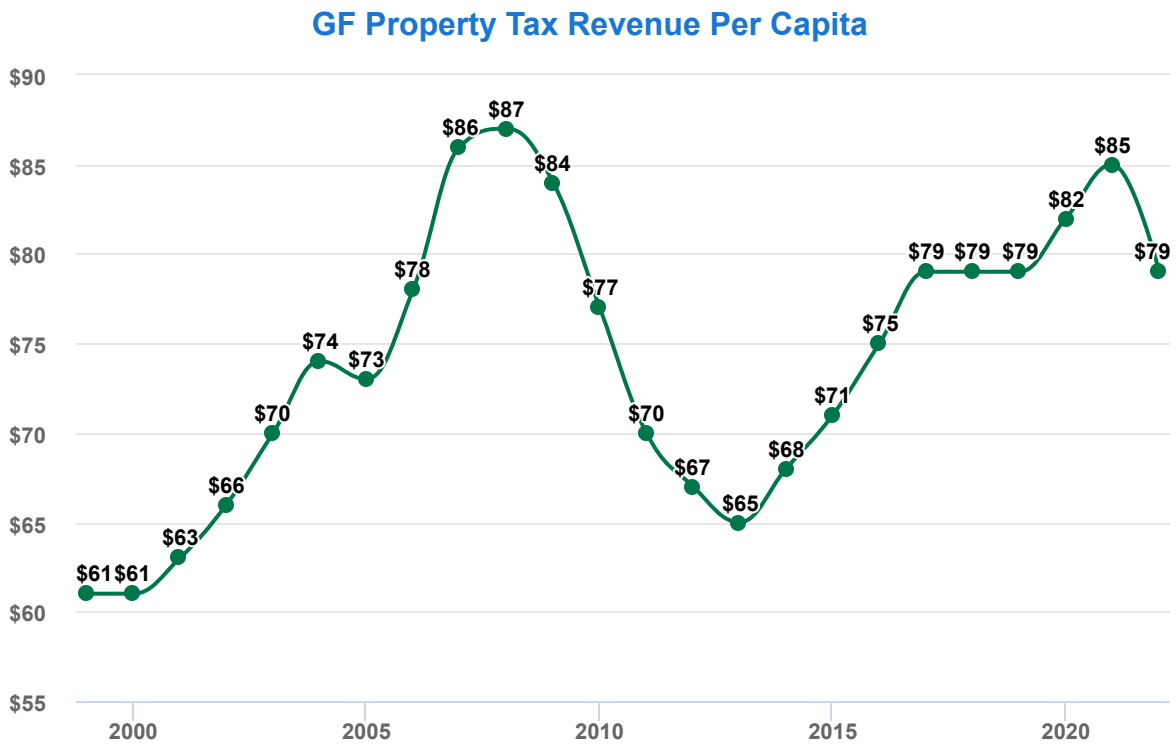
The recommended General Fund operating contingency funding set-aside for unanticipated expenditures or revenue shortfalls is 1.5% of General Fund operating costs, or \$5.5 million for FY 2022-23. The current operating contingency funding included in the Adopted Budget is \$5.5 million, the recommended amount. These funds may be used for operating costs and / or unanticipated revenue decreases.

The 10% General / Economic Contingency Reserve and 1.5% operating contingency funds have been adjusted in the FY 2022-23 Budget to maintain the balances consistent with County policy.

Revenue Estimates

FY 2022-23 budgeted General Fund revenues have increased by approximately \$42 million overall when compared to amounts budgeted for FY 2021-22. FY 2022-23 budgeted revenues include increases for current secured and unsecured property taxes (\$7.5 million); other property taxes (\$4.3 million); hotel tax (\$2.6 million); A-87 charges to other departments (\$7.6 million); TBID collections (\$5.5 million); transfers in (\$5.5 million) and sales taxes (\$2.8 million). Other minor revenue adjustments and removal of one-time revenue sources account for the remaining year-over-year variance. 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 has declined slightly in FY 2021-22, as shown in Figure 4 below. The decrease is due to year over year inflation outpacing the growth in assessed property values within the County. Real property assessed valuations are expected to grow at a rate of approximately 5.0% in the 2022-23 fiscal year.

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 2022-23 Budget for notable contributions is highlighted below:

- **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 2022-23 Budget is \$141.1 million and represents approximately 58.7% of all *Public Safety Fund* Revenues.

General Fund Contribution to Public Safety Fund

Financing Requirements	Adopted Budget FY 2021-22	Adopted Budget FY 2022-23	\$ Change FY 2021-22 to FY 2022-23	% Change
Contribution to Public Safety	\$ 135,245,640	\$ 141,076,706	\$ 5,831,066	4.3%

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 *Road Fund* to support the cost of operations for road resurfacing and overlay projects. The *General Fund* contribution in total for the FY 2022-23 Budget is \$9.3 million, of which \$3.8 million has been designated as a contribution to the *Road Fund* and \$5.5 million as a contribution to the *Capital Fund*. \$19.6 million in transfers to *General Fund* capital reserves for future facilities and infrastructure projects have been recommended in this budget. The largest discretionary revenues source (\$9.7 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 2022-23 Budget the *General Fund* contribution is budgeted at \$45.1 million.
- **Contribution to Library:** The *General Fund* makes a direct contribution to the *Library Fund* to support countywide library services. In the FY 2022-23 Budget the *General Fund* contribution is budgeted at \$1.87 million.
- **Contribution to Fire:** The *General Fund* makes a direct contribution to the *Fire Fund* to support unincorporated county fire services via the CAL FIRE contract. In the FY 2022-23 Budget the *General Fund* contribution is budgeted at \$2.1 million.
- **Community and Agency Support:** The *General Fund* is obligated to pay for countywide 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 2022-23 Budget is \$8.2 million.

Public Safety Fund

The **Public Safety Fund** is a Major Governmental Fund made up of four departments: Sheriff, District Attorney, Probation, and one cost center in the County Executive Office. The FY 2022-23 *Public Safety Fund* operating budget is recommended at \$253.4 million, an increase of \$29.8 million or 13.4% over FY 2021-22. Revenue estimates for public safety are \$240.4 million, an increase of \$16.5 million, or 7.4% above FY 2021-22. Included in these estimates are the following major revenues:

- \$141.1 million in *General Fund* contribution. The discretionary *General Fund* share supporting public safety has been increased over FY 2021-22 Budget level to sustain status-quo operations.
- \$61.2 million in Public Safety Sales Tax (Proposition 172 funding), an increase of \$7.3 million, or 13.5% above FY 2021-22, reflecting a higher trend in receipts. This is primarily attributable to an increase in Placer County’s share of the statewide allocation.
- \$10.7 million in Public Safety Realignment (AB 109) funding, increased from FY 2021-22.
- The *Public Safety Fund* is balanced with \$- in reserve cancellations and estimated fund balance carryover surplus of \$12.9 million from FY 2021-22.

Figure 5. Public Safety Fund Financing Uses and Reserves

Financing Requirements	Adopted Budget FY 2021-22	Adopted Budget FY 2022-23	\$ Change FY 2021-22 to FY 2022-23	% Change
Expenditures and Other Uses	\$ 223,522,936	\$ 236,092,550	\$ 12,569,614	5.6%
Transfers to Reserves	-	17,273,636	17,273,636	100.0%
Total Financing Uses:	\$ 223,522,936	\$ 253,366,186	\$ 29,843,250	13.4%

Health and Human Services Fund

The **Health and Human Services Special Revenue Fund**, commonly referred to as the *HHS Fund*, is a Major Governmental fund maintained by the Health and Human Services Department. This fund was formerly included in the *General Fund*. The 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 operating budget of \$269.1 million represents a \$26.0 million increase from FY 2021-22. The FY 2022-23 budgeted *General Fund* contribution is \$45.1 million.

Road Fund

The **Road Fund** is a Major Governmental fund 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 1,054 miles of roads, and include road-related storm maintenance, and snow removal. The operating budget of \$66.0 million represents a decrease of \$11.9 million as compared to the FY 2021-22 Budget. This difference is attributed to a decrease in budgeted bridge and transportation projects. The 2022-23 budgeted *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 fund 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.

The FY 2022-23 **Capital Projects Fund** budget is recommended at \$153.7 million, an increase of \$99.2 million from FY 2021-22 Budget. Major capital facility projects have been highlighted in the Budget Summary section of this budget book. The FY 2022-23 budgeted *General Fund* contribution to capital projects is \$5.5 million and provides a budgetary resource for capital and major maintenance projects.

Other County Operating Funds

The Budget includes 15 operating and 2 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 *Tahoe Economic and Community Enhancement 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, revenues 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 budgeted financing requirements are \$7.3 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 \$4.1 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 ABx1 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 Budget includes only those projects with approved grant revenue or other in-hand sources. The recommended financing requirements for this fund are \$403,347.

The **Low and Moderate Income Housing Asset Fund** is a Major Governmental fund 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 ABx1 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 \$12,570, funded by a state grant.

The **DMV Special Collections Fund** is a Non-Major Governmental – Special Revenue fund managed by the Sheriff's Department, and 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 2022-23 financing requirements of \$2.1 million are supported by revenue of \$904,200 and by carryover fund balance of \$1.2 million.

The **Fish and Game Fund** is a Non-Major – Special Revenue fund managed by the Agricultural Commissioner, and is used to support wildlife and fish propagation and conservation efforts. Revenues from fish and game violations have declined in prior years. As a result, a *General Fund* contribution of \$6,000 in FY 2022-23 is required. The \$10,847 in financing requirements is balanced with \$11,200 in total revenues, including the *General Fund* contribution and \$(353) in Fish and Game fund balance carryover.

The **Tahoe Economic and Community Enhancement Fund** is a Major Governmental fund 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 \$17.1 million is supported by estimated revenue of \$15.1 million and carryover fund balance of \$2.0 million.

The **Open Space Fund** is a Major Governmental fund 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 \$1.4 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 23.4% of total operating revenues and are, at this time, sufficient to sustain operations at the current service level. The Library has taken actions to reduce operating costs, and the County continues to study the appropriate balance of sustainable services to available revenues. In FY 2019-20, the County introduced the 2020-2025 Strategic Plan for Library Services and made several investments in Library infrastructure and automation projects. Additionally, a Library Services Study Report was completed and presented to the Board of Supervisors on May 10, 2022. Financial outcomes of that report will be considered in future budget years. The General Fund has historically provided direct contributions for salary and benefit support of the County Librarian and funding support for centralized county services (A-87).

With the FY 2022-23 Budget, the *General Fund* contribution is \$1.9 million. The FY 2022-23 recommended financing requirements of \$10.3 million are supported by \$9.1 million of revenue and *General Fund* support, \$1.2 million in carryover fund balance, and \$0 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 (CAL FIRE) and provides hazardous material response (HAZMAT) capability. Budgeted financing requirements of \$6.4 million are supported by \$5.3 million in estimated revenue, \$1.0 million in carryover fund balance, and \$0 in reserve cancellations. In FY 2022-23 the fund will continue to receive a contribution for fire services from the *General Fund* of just under \$2.1 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 **Debt Service Fund** is a Non-Major Governmental – Debt Service fund and housed within the CEO’s Office 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 \$7.1 million in estimated revenue.

Internal Service Funds

Placer County operates 12 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. Placer County internal services funds are:

- Building Maintenance
- Document Solutions
- Correctional Food
- Countywide Radio Project
- Dental and Vision Insurance
- Employee Benefits
- Fleet Operations
- General Liability Insurance
- Information Technology / Telecom
- 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 2022-23:

- Eastern Regional Landfill
- Environmental Utilities
- 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.

Summary

In summary, the FY 2022-23 budget reflects Placer County's goals and initiatives, addresses emerging issues and priorities and continues the county's trend of providing exceptional services to Placer County constituents. The CEO Budget Office hopes that you found this budget overview helpful. The charts below provide a final, high level overview of the operating budget by system and by fund:

Budgets By System

System	FY 2021-22 Adopted Budget	FY 2022-23 Adopted Budget	Percent Change
Administration and Financial System	\$ 72,592,190	\$ 80,604,117	11.04%
Public Protection System	245,254,499	259,218,449	5.69%
Community and Cultural System	17,160,418	16,856,943	-1.77%
Health & Human Support System	254,682,869	280,446,750	10.12%
Land Use System	120,797,132	122,432,586	1.35%
Capital Facility Projects	54,355,034	153,693,401	182.76%
Non-Departmental Operations	244,812,928	242,841,222	-0.81%
Total Appropriations	\$ 1,009,655,070	\$ 1,156,093,468	14.50%
Transfers to Reserves	14,822,437	65,157,564	339.59%
Total Budget	\$ 1,024,477,507	\$ 1,221,251,032	19.21%

Budgets by Fund

Fund	FY 2021-22 Adopted Budget	FY 2022-23 Adopted Budget	Percent Change
General Fund	\$ 356,741,456	\$ 378,495,847	6.10%
Health and Human Services Fund	243,065,397	269,077,155	10.70%
Public Safety Fund	223,522,936	236,092,550	5.62%
Road Fund	77,972,187	66,026,921	-15.32%
Capital Project Funds	54,355,034	153,693,401	182.76%
Fire Fund	5,519,018	5,366,912	-2.76%
Library Fund	8,653,559	8,020,222	-7.32%
Other Operating Funds	39,825,483	39,320,460	-1.27%
Subtotal	\$ 1,009,655,070	\$ 1,156,093,468	14.50%
Transfers to Reserves	14,822,437	65,157,564	339.59%
Total Budget	\$ 1,024,477,507	\$ 1,221,251,032	19.21%

Overview

Placer County's Strategic Plan is established to guide future growth of the County over the next three to five years. The action-oriented plan outlines the specific outcomes, expected results, and related strategies on which the County will work collaboratively to deliver what our community needs.

- Communicate the County's vision and show the intended direction and emphasis over the next three to five years
- Align County employees, services, and programs with County goals
- Demonstrate the County's commitment to customer service
- Create a baseline to show progress over time and demonstrate accountability
- Guide decisions about policy, operations, and budget
- Define a roadmap that ensures efficiencies and commitment to improvement

Critical Success Factors

The Strategic Plan encompasses eight strategic initiatives, called Critical Success Factors (CSFs). The County's CSFs represent eight primary focus areas. Each CSF represents a priority that has been identified by the Board of Supervisors through strategic workshops led by the County Executive Officer. These CSFs lay the foundation for continued progress towards the County vision and act as a guide for budget priorities.

Each CSF has a set of strategic initiatives that is used to measure progress along the way with a corresponding work plan to guide staff and to inform the Board and public. Input from elected leaders and department directors has been instrumental in developing these initiatives. The work plan is intended as a flexible document that the County Executive Office manages to ensure accountability and timely completion of board-supported initiatives. The eight CSFs are:

1. Strategic Relationships and Community Engagement
2. Diversity of Achievable Housing Throughout the County
3. Public Serving Infrastructure and Amenities
4. Outcome-Focused Economic Development
5. Prudent and Comprehensive Financial Planning
6. Fiscally Sustainable Public Safety Services
7. Innovative, Integrated County Services
8. Balanced Land Use Planning and Environmental Stewardship

The following CSF sections outline completed, ongoing, and future efforts for FY 2022-23.

Strategic Relationships and Community Engagement

Redistricting

The redistricting process is initiated in the year following the U.S. Census, which happens once every 10 years as required by the U.S. Constitution. Census data allows County officials to realign supervisorial districts, accounting for shifts in population growth since the last Census and assuring equal representation for their constituents. Following months of public meetings and community input, the Board adopted the final supervisorial district map on December 14, 2021.

Board of Supervisors Outreach Alternatives

During FY 2021-22, the County continued efforts to expand the Board's outreach alternatives by updating the menu of outreach options to afford residents greater convenience without impacting outreach efficacy. A report back to the Board with recommendations will occur in FY 2022-23.

Community Townhalls

With the emergence and popularity of virtual meeting forums, the Board and County staff have held numerous, well-attended virtual townhalls to update community members on various items ranging from development, public safety, and County programs and services. Townhalls and virtual meeting forums will continue to be a key component to the County's continuous engagement with our communities moving forward.

Homelessness Response Project

The Board approved a contract for \$195,000 (FY 2021-22) with MIG for facilitation, planning, and technical assistance in the development of a regional framework for working with homeless populations, resulting in a multi-jurisdictional Homelessness Response Project. Phase one of the project was presented to the Board on May 10, 2022, outlining benefits and concerns associated with desired outcomes within key areas. Next steps include identifying initiatives and actions that can be implemented to bring about improved outcomes in response to homelessness.

Implementation of the District Attorney Community Outreach Division

The District Attorney's (DA) Office implemented several new programs in the Community Outreach Division. Due to the expansion of the division, the DA requires an additional Full-Time Equivalent (FTE) Deputy DA position which is included in the FY 2022-23 budget.

Future Efforts

Looking ahead to FY 2022-23, future strategic community engagement initiatives include the deployment of a County-wide citizen survey to better understand and align the needs of County residents with County services and programs.

Diversity of Achievable Housing Throughout the County

Affordable Housing

Affordable housing continues to be a top priority of the Board, ensuring housing opportunities for all residents within the County. The Board of Supervisors has supported the use of \$8 million of American Rescue Plan Act funds to support affordable housing efforts. Recent efforts are outlined below:

Mercy North Auburn

The Mercy North Auburn project consists of a 79-unit affordable housing development located in North Auburn at the future Placer County Government Center. A grand opening was held on May 11, 2022. The Board contributed three acres of county-owned property, along with housing vouchers and funding from two state grants totaling more than \$4.5 million. Mercy North Auburn is in direct alignment with the County's vision to redevelop the Placer County Government Center with a variety of mixed-uses.

Expansion of the Workforce Preservation Program

The Board allocates up to \$500,000 annually to preserve local workforce housing in Eastern Placer through a down payment assistance program, in which the County contributes 16% of a home's purchase price. In return, the buyer volunteers to limit future use of their home for affordable housing through a deed restriction. The program launched in July 2021, and to date, five buyers have utilized the program. In May 2022, staff received direction from the Board to expand the program with the intent to increase the use of the program. Options to expand the program will return to the Board in summer 2022.

Dollar Creek Crossing

Development of the Dollar Creek Crossing site for 150 units of affordable rental and homeownership housing is underway. The project description is currently being finalized for environmental review. The project is funded by a \$2.5 million grant that the County was awarded through the State's Permanent Local Housing Allocation grant program.

Hopkins Village

Development is underway on Hopkins Village, a 40-unit development for local workers in the Tahoe-Truckee region. Buyers are currently in contract to purchase homes in summer 2022.

California Tahoe Conservancy Kings Beach Site

The County is collaborating with the California Tahoe Conservancy (CTC) to purchase a 1.5-acre parcel that CTC owns in Kings Beach to potentially develop achievable housing (up to 15 dwelling units per acre).

Housing Element Update

The Board approved the General Plan Housing Element update in May of 2021. The Housing Element is the guiding document for the development of housing in the unincorporated area of the County. The Housing Element also accommodates the County's fair share of the State-mandated regional housing needs.

Housing Related Code Amendments

The County is in-process of updating housing related County Code sections for mixed-use and multi-family residential development. The Board received a presentation on May 10, 2022, providing a high-level summary of the process and to receive direction of specific points raised at the November 16, 2021, meeting. The code amendments will ensure consistency and standardize language throughout code sections, provide additional development potential for multi-family and mixed-use residential development, update development standards, and streamline the approval process, to in-turn, encourage attainable housing within the County. The housing amendments were presented to the Board June 14, 2022 for adoption.

Public Service Infrastructure and Amenities

Library Services Study

In Fall of 2021, the Board of Supervisors directed the County Executive Office alongside Library executive leadership to hire a consultant to study the Placer County Library Services System. Goals of the study include the review of the current library service models and facilities, identify trends in alternative services, identify alternative service locations in and around North Lake Tahoe, and explore collaboration partnership with Nevada County and the Town of Truckee. On May 10, 2022, the results of the study were presented to the Board. Staff received direction to conduct public workshops and continue to work with Placer County Library groups. Staff will conduct further outreach and will return to the Board with a proposal for next steps based on the study recommendations.

Parks and Trails Master Plan

In October 2016, the Board of Supervisors directed staff to proceed with the production of its first-ever comprehensive Parks and Trail Master Plan. The 5-year planning process included online surveys, public meetings, focus group input, benchmarking research, inventory of existing park and trail facilities, and demographic and trends analysis. On May 24, 2022, the Board adopted the Parks and Trails Master Plan. The master plan will better inform the Board on future budget decisions related to parks and trails within the County.

Mental Health and Vocational Training and Medium Security Facility

On May 24, 2022, the Board approved a Design-Build Contract for SB863 and SB844 located at the South Placer Jail. SB863 is a 16,555 square-foot, 45-bed addition to provide housing, programming, and treatment space. SB844 is a 38,966 square-foot, 120-bed facility with educational, vocational, behavioral, and life-skills training space. The total cost of SB863 is \$22,585,040 and SB844 is \$43,543,234. Funding for these projects comes from multiple sources. Board of State and Community Corrections (BSCC) Jail Construction Financing Program will provide a total of \$39,500,000, the American Rescue Plan Act (ARPA) funding contributes \$5,000,000, and the County will fund \$26,628,274. Project costs and offsetting revenues in the amount of \$33,215,098 is included in the FY 2022-23 budget.

Sunset Area and Placer Ranch Sewer Investments

On August 10, 2021, the Board committed to \$28 million in American Rescue Plan Act (ARPA) funds for sewer extension projects in East Placer's Sunset Area and Placer Ranch Specific Plan Area to provide backbone infrastructure for entitled, mixed-use development projects in West Placer.

HHS Building at the Placer County Government Center

Groundbreaking of the new Health and Human Services (HHS) Center at the Placer County Government Center commenced on February 23, 2022. The HHS Center will consolidate existing staff and services from six divisions in a 142,000-square-foot facility. The HHS Center is anticipated to be open by fall of 2023 and cost approximately \$90.5 million. The HHS Center is being funded with Capital Facilities Improvement Fees (\$14,022,883), lease revenue bonds (\$72,000,000), and Tobacco Securitization proceeds (\$4,457,117). Planned expenses in the Fiscal Year 2022-23 are budgeted at \$68,240,835.

Outcome-Focused Economic Development

Eastern Placer Transient Occupancy Tax

On March 26, 1996, Placer County voters approved an increase in the rate of the transient occupancy tax (TOT) from 8% to 10% for a portion of Placer County legally described as the "North Lake Tahoe Transient Occupancy Tax Area." The TOT increase became effective October 1, 1996. It was renewed by the voters in 2002 and again in 2012 and is set to expire on September 30, 2022. On February 22, 2022, the Board adopted a resolution placing a County measure on the June 7, 2022 Ballot to reauthorize the additional 2% TOT. Approximately \$4 million is generated annually by the 2% differential in TOT. In the past and through resolution from the Board, this money has been spent for projects and programs in the North Lake Tahoe area.

Placer Crime Lab at CSUS Placer Center

On November 5, 2019, the Board approved an amendment to the Five-Year Facilities Capital Improvement Plan (CIP) to add Placer Crime Lab as a project with construction anticipated to commence in FY 2024-25. The County and the California State University Sacramento (CSUS) are exploring a partnership to construct and operate a new crime lab at the future, 300-acre campus at Placer Center to streamline and improve the investigation, prosecution, and resolution of crimes. The total cost to construct the facility is approximately \$30 million. The County is actively working with CSUS and other stakeholders to discuss operational and lease agreements. The CSUS campus master plan and Environmental Impact Report (EIR) will be presented to the CSUS Board of Trustees for adoption in 2023.

Placer County Government Center Private Sector Investments

Work on the Placer County Government Center (PCGC) is underway with a feasibility report prepared and an exclusive right to negotiate executed. Conceptual designs of the PCGC will be presented to the Board in summer of 2022.

Future Efforts

Looking ahead to FY 2022-23, future economic development initiatives include the preparation of a small business revolving loan fund to assist new and existing businesses within the County and a business retention expansion plan.

Prudent and Comprehensive Financial Planning

Multi-Year Budget Framework

The County Budget Office develops multi-year fiscal forecasts to project revenues and expenses for multiple years. With a purpose of developing fiscally sustainable budgets and managing long-term liabilities the multi-year model is used to anticipate economic changes and adjust budgets accordingly.

Post-Employment Obligations

Placer County is fully funded for the purpose of meeting its obligations to support retiree health programs. The Fiscal Year 2022-23 budget continues to fund annual retiree health programs. In addition, the County Board of Supervisors supports efforts to increase funding of pension obligations. The FY 2022-23 budget includes efforts to fund the annual required contributions as well as some advanced funding of the County's pension trust fund.

Asset Replacement Plan

Staff continue to work with departments, including Public Works, Sheriff, Parks and Open Space, and Facilities, on asset replacement plans that will be presented to the Board in FY 2022-23. The plans will include existing funding and status of assets, along with the necessary funding to meet useful life best practices.

Future Efforts

Looking ahead to FY 2022-23, financial planning initiatives include the initiation of an integrated financing plan for County capital projects and the preparation of maintenance plans for County facilities and parks.

Fiscally Sustainable Public Safety Services

Implementation of the Community Prosecution Unit

The Community Prosecution Unit involves a long-term, proactive partnership among the prosecutor's office, law enforcement, the community, and public and private organizations, whereby the authority of the prosecutor's office is used to solve problems, improve public safety, and enhance the quality of life of community members. Currently, there is one Supervising Deputy District Attorney (DDA) and a DDA assigned to the unit. There is a need for expansion of the program. Additional staffing is included in the FY 2022-23 budget and funded by Public Safety Sales Tax.

Placer County Fire

Fire services in Placer County are provided through a combination of municipal and independent Fire Districts, the US Forest Service, the State, and Placer County Fire. Placer County Fire is provided under contract with CAL FIRE and encompasses seven separate zones of benefit with widely varying property tax funding structures. To maintain existing County fire services, the FY 2022-23 Fire Fund budget includes a \$2.1 million General Fund contribution, \$2.5 million in Property Taxes, \$800,000 in other revenues and use of fund balance/reserves of \$28,000 to primarily fund the CAL FIRE contract (total cost of \$4.4 million). The work of the Board-appointed Placer County Fire Ad Hoc Committee continued through FY 2021-22 on the evaluation of alternatives to improve the long-term fiscal sustainability of our Placer County-CAL FIRE partnership. The Committee presented the Fire Services Fiscal Sustainability Blueprint which included recommendations for a more sustainable and effective fire/emergency medical services system for the County.

Criminal Justice Policy Committee

The Criminal Justice Policy Committee (CJPC) is in-process of setting a retreat to update CJPC priorities in context of legislation and funding challenges. Other initiatives include a behavioral health crisis service pilot housed at Cirby Hills with approved funding of \$6.7 million. Health and Human Services is working to establish an external evaluation of the pilot program when complete.

Office of Emergency Services (OES)

A new Staff Services Analyst position is being added to OES in FY 2022-23. This position would be responsible for supporting the various Firewise Communities and Fire Safe Councils within the County. This position will be funded by a grant from the California Fire Safe Council.

Innovative, Integrated County Services

Last Mile Broadband Program

The focus of the Placer County Last Mile Broadband Grant program is to provide resources to new and existing internet service providers to invest in building broadband infrastructure that supports economic development, public safety, remote learning, telehealth services, and overall community prosperity in Placer County. The Board has committed \$10 million of American Rescue Plan Act (ARPA) funds towards county-wide broadband infrastructure projects. On October 12, 2021, the Board awarded an initial \$500,000 to Wave Broadband for a \$2.2 million project to expand high-speed internet service to serve approximately 1,500 residences and businesses in Auburn, North Auburn, and Penryn. Deployment of the broadband fiber commenced spring of 2022.

Idea Innovator Program

The Idea Innovator Program allows the opportunity for staff throughout the organization to submit ideas that provide innovative solutions to enhance County services and programs. This program was created to challenge and engage County employees to submit service improvement ideas that would compete for grant awards for a total of \$150,000. In 2022, a total of 40 ideas were submitted that are currently under review by a cross-functional team of department leaders to receive grant funding. The selection review process is underway and anticipated to be completed by summer of 2022. Ideas that are chosen will then progress through the implementation phase throughout FY 2022-23. The program provides an opportunity to foster a culture of innovation and improvement that will lead to cost-savings and enhanced services.

Atherton Improvements

In October 2019, the County acquired the 54,503 square foot office/warehouse facility in the South Placer area. This facility will allow the Clerk-Recorder-Elections to relocate most of its operations from Auburn to South Placer, where the majority of Placer County's population resides. A total of \$13.7 million is required for improvements to the facility and \$8 million is budgeted in the FY 2022-23 budget. Once completed, the facility will offer expanded services to the region and allows for the consolidation of equipment storage.

Balanced Land Use Planning and Environmental Stewardship

Forest Health and Wildfire Prevention

The Regional Forest Health (RFH) program was established in May 2021 in recognition of the Board's commitment to improving forest health and reducing the risk and negative impacts of large, damaging wildfires in the County. The RFH program is designed to integrate forest management and wildfire risk reduction strategies and activities across County departments. It also coordinates the County's forest health and wildfire resilience-related work with stakeholders such as State and Federal agencies, and local partners to preserve vital resources while reducing the risk of catastrophic wildfire impacts on County residents, property, and critical infrastructure. Funding in the FY 2022-23 Parks and Open Space budget includes \$884,000 to continue hazardous vegetation abatement on County-owned properties. This funding for FY 2022-23 is the second year of a three-year commitment to support this work.

General Plan Update

The Board approved \$100,000 to initiate an update to the County's General Plan adopted in 2013. In FY 2022-23 staff will present a draft scope of work and public outreach strategy to receive direction to begin the update.

Regional Groundwater Sustainability Plan

On January 11, 2022, the Board approved a regional groundwater sustainability plan (GSP) to protect groundwater resources in a portion of western Placer. In coordination with multiple regional agencies, the GSP details a long-term management plan for groundwater to avoid depletion of the resource. The GSP details several projects that will help protect the region's groundwater levels and dependent ecosystems. The plan also calls for proactive coordination with land use agencies and improvement of well permitting processes so that new wells do not impact the water flow of existing wells. In FY 2022-23 the County General Fund will fund \$250,000 for administration of the West Placer Sustainable Groundwater Agency.

Open Space and Placer County Conservation Program (PCCP)

The Board of Supervisors has been asked to support a \$1 million contribution to the Open Space Fund and to approve the addition of a Property Manager for the PCCP. Both of these investments will foster the acquisition and land use planning related to the County's efforts to preserve open space and mitigate impacts from development.