

County Funds Overview

Placer County's FY 2018-19 Proposed 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, 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. Placer County's 89 appropriations are listed in the Index on page 440. 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 13 operating and two capital and infrastructure funds (Figure 1) that make up the FY 2018-19 Proposed 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. Further detail about the basis of budgeting and annual reporting can be found under the Budget Process on page 40.

FY 2018-19 PROPOSED BUDGET

Placer County's FY 2018-19 Proposed Budget is recommended at \$939,591,349, representing an increase of \$73.4million or 8.5% compared to the FY 2017-18 Final Budget.

- Funding for the FY 2018-19 Operating Budget includes:
 - \$473.3 million in *General Fund* revenues
 - \$416.4 million in other fund revenues
 - \$3.9 million in reserve cancellations
 - \$46.0 million in fund balance carryover (all operating funds):
 - \$24.6 million *General Fund*
 - \$9.1 million *Lake Tahoe Tourism and Promotions Fund*
 - \$8.8 million *Capital Projects Fund*
 - \$1.5 million *DMV Special Collections Fund*
 - \$870,311 *Public Safety Fund*
 - \$1.1 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 Proposed Budget contains \$202.0 million in Capital and Road Infrastructure Funds, an increase of \$67.3 million or 50.0% compared to the FY 2017-18 Final 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

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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and bridge infrastructure, storm maintenance, and snow removal and are supported by \$193.1 million in revenues and \$8.8 million in fund balance.

As indicated in Figure 1 below, the Proposed Budget is \$73.4 million higher than in FY 2017-18 Final Budget, an increase of 8.5%. This increase is comprised of several components, including an increase (1.6%) of \$7.8 million in the *General Fund*; an increase (0.4%) of \$679,032 in the *Public Safety Fund*; and a \$67.3 million increase (50.0%) in the *Public Ways and Facilities Fund and Capital Projects Fund combined*; and other operating fund adjustments (all discussed below).

Figure 1. Operating & Capital Budgets, Financing Requirements Comparison

| Financing Requirements | Final Budget FY 2017-18 | Proposed Budget FY 2018-19 | \$ Change FY 2017-18 to FY 2018-19 | % Change |
|--|----------------------------|-------------------------------|--|--------------|
| Operating Budget | | | | |
| General Fund | \$ 493,562,371 | \$ 501,398,644 | \$ 7,836,273 | 1.6% |
| Housing Authority Fund | 2,568,861 | 2,670,969 | \$ 102,108 | 4.0% |
| Community Revitalization Fund | 598,140 | 390,331 | \$ (207,809) | -34.7% |
| Low & Moderate Income Housing Asset Fund | 1,094,088 | 1,091,993 | \$ (2,095) | -0.2% |
| Special Aviation Fund | 35,401 | 12,503 | \$ (22,898) | -64.7% |
| Public Safety Fund | 190,380,409 | 191,059,441 | \$ 679,032 | 0.4% |
| DMV Special Collections Fund | 2,119,795 | 2,298,257 | \$ 178,462 | 8.4% |
| Gold County Tourism & Promotion | 66,603 | - | \$ (66,603) | -100.0% |
| Fish & Game Fund | 11,535 | 11,873 | \$ 338 | 2.9% |
| Tahoe Tourism & Promotion | 20,689,215 | 19,890,945 | \$ (798,270) | -3.9% |
| Open Space Fund | 2,720,138 | 1,071,023 | \$ (1,649,115) | -60.6% |
| County Library Fund | 8,471,341 | 8,405,267 | \$ (66,074) | -0.8% |
| Fire Control Fund | 5,036,786 | 5,164,987 | \$ 128,201 | 2.5% |
| Debt Service Fund | 4,161,902 | 4,167,544 | \$ 5,642 | 0.1% |
| Subtotal Operating Funds | \$ 731,516,585 | \$ 737,633,777 | \$ 6,117,192 | 0.8% |
| Infrastructure Budget | | | | |
| Capital Projects Fund | \$ 66,725,643 | \$ 98,990,010 | \$ 32,264,367 | 48.4% |
| Public Ways & Facilities Fund | 67,928,597 | 102,967,562 | \$ 35,038,965 | 51.6% |
| Subtotal Infrastructure Funds | \$ 134,654,240 | \$ 201,957,572 | \$ 67,303,332 | 50.0% |
| Total Financing Requirements: | \$ 866,170,825 | \$ 939,591,349 | \$ 73,420,524 | 8.5% |
| *Provision for Reserves includes: | | | | |
| FY 2017-18: \$11.4 million in General Fund; and \$2.4 million in other funds | | | | |
| FY 2018-19: \$475,000 in General Fund; and \$1.8 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 \$348.9 million (37.1%) of the \$939.6 million budget. The FY 2018-19 Proposed Budget includes 2,649 funded positions, an increase of 3 from FY 2017-18. This net increase is primarily due to (9) administrative and fiscal positions being added for the Workday project and post support implementation team and (5) new community development positions added for anticipated increases in development projects and Placer County Conservation Plan implementation and administration. The increases in positions previously described are offset, in part, by the reduction of (7) mPower program positions being excluded from the budget as the mPower program is in the process of transitioning to a newly established Joint Power Authority, Pioneer Community Energy.

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

The *General Fund* includes the following departments:

- Administrative Services
- Agricultural Commissioner
- Assessor
- Auditor - Controller
- Child Support Services
- Community Development Resource Agency
- County Clerk-Recorder
- County Counsel
- County Executive Office
- Farm Advisor
- Health and Human Services
- Human Resources
- Public Works and Facilities
- Treasurer – Tax Collector
- Veterans Services

General Fund allocated positions in the Proposed Budget have increased by five when compared to FY 2017-18 Final Budget at 1,490 positions. Funded *General Fund* positions total 1,348, an increase of 14 (1.0%) from the FY 2017-18 Final Budget.

Figure 2 below displays the *General Fund* budget for FY 2017-18 compared to FY 2018-19.

Figure 2. General Fund Financing Uses and Reserves

| Financing Requirements | Final Budget FY 2017-18 | Proposed Budget FY 2018-19 | \$ Change FY 2017-18 to FY 2018-19 | % Change |
|--------------------------------------|----------------------------|-------------------------------|--|-------------|
| Financing Uses | \$ 493,562,371 | \$ 501,398,644 | \$ 7,836,273 | 1.6% |
| Provisions to Reserves | - | - | \$ - | 0.0% |
| Total Financing Requirements: | \$ 493,562,371 | \$ 501,398,644 | \$ 7,836,273 | 1.6% |

The FY 2018-19 *General Fund* operating budget (total financing uses and provisions to reserves) is recommended at \$501.4 million, an increase of \$7.8 million or 1.6% from the FY 2017-18 Final Budget. The increase is mostly attributable to several factors: general inflation of salaries and benefits (about \$8.0 million), increased cost in services and supplies (\$3.7 million), increased contribution to Public Safety (\$10.9 million), and offset by a significant reduction in provisions to reserves (-\$10.9 million), 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. Targeted revenue sources continue to improve, primarily in the Health and Human Services Department, reflecting State program expansions that increase County service responsibilities. 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 majority of base budget cost increases for *General Fund* departments. This approach, coupled

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

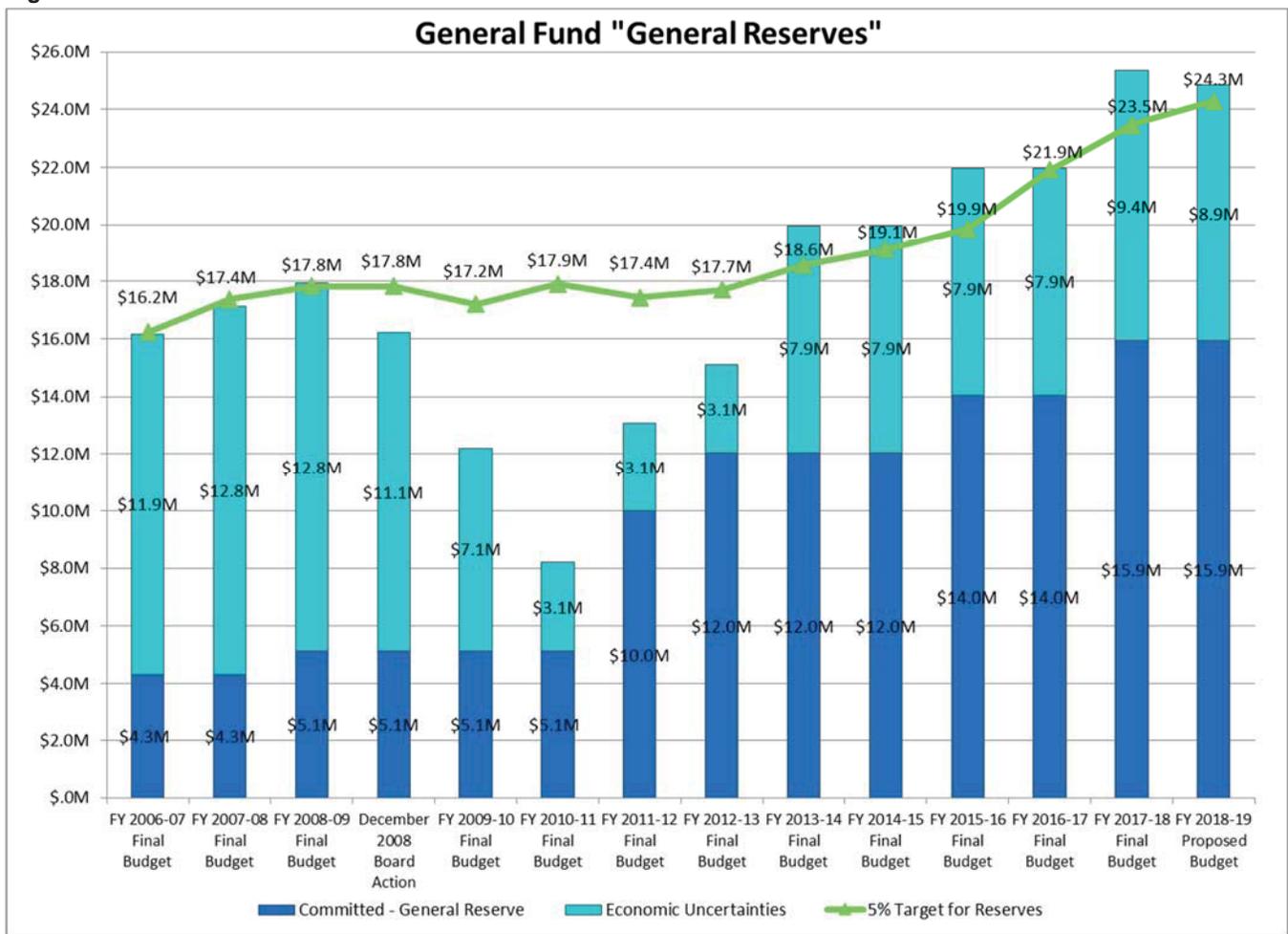
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with the goal to decrease annual carryover fund balance attributable to vacant funded positions by integrating salary savings into departmental base budgets, works to maintain a sustainable budgetary model consistent with the multi-year budget framework.

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 \$7.27 million for FY 2018-19. The current operating contingency funding included in the proposed budget is \$7.38 million, or about \$106,000 (1.5%) more than the recommended amount. These funds may be used for operating costs and / or unanticipated revenue decreases.

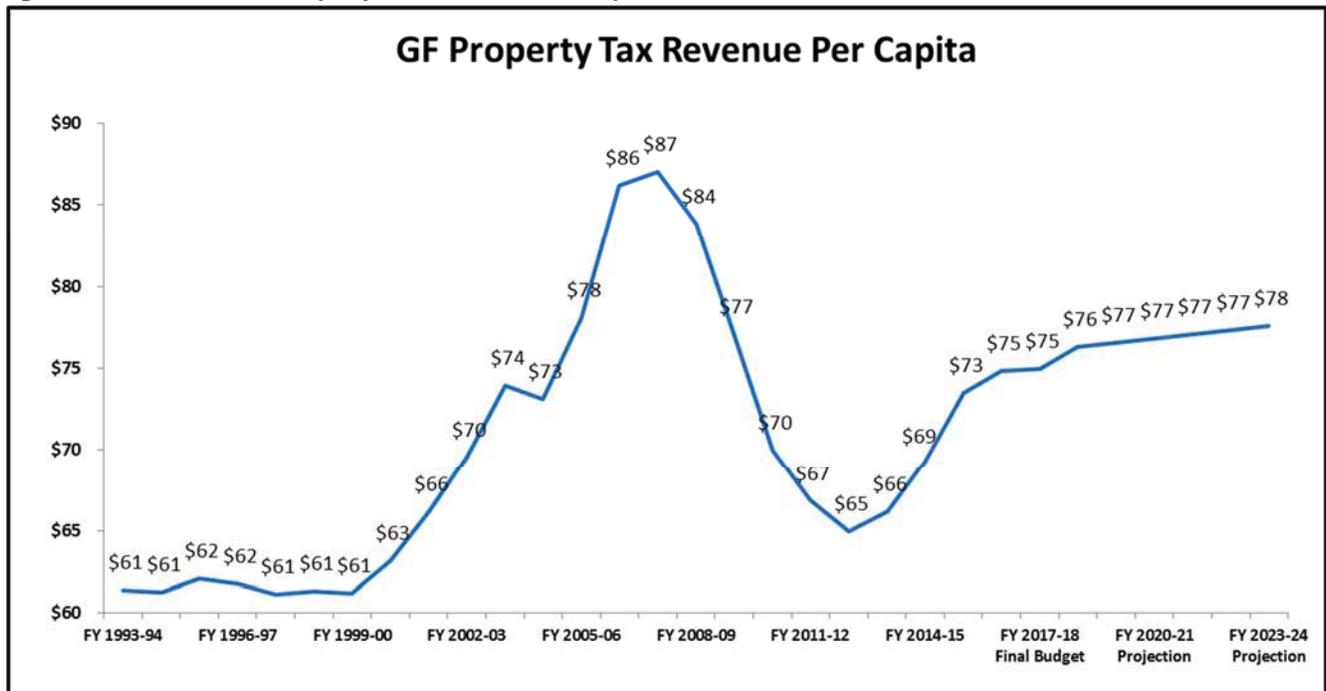
The 5% General / Economic Contingency Reserve and 1.5% operating contingency funds will be recommended to be slightly adjusted at Final Budget to maintain the balances consistent with County policy.

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Revenue Estimates

FY 2018-19 budgeted *General Fund* revenues have increased by approximately \$26.9 million overall when compared to amounts budgeted for FY 2017-18, attributable to the continuing economic recovery. FY 2018-19 budgeted revenues include increases for current secured and unsecured property taxes (\$5.1 million); other property taxes (\$4.6 million); charges for services (\$3.4 million); sales tax (\$2.2 million); transient occupancy taxes (\$1 million); intergovernmental revenues (\$6 million); and Redevelopment Property Tax Trust Fund (RPTTF) residual distributions and pass-throughs (\$860,000). 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

As previously noted, the *General Fund* often indirectly supports county operations through direct contributions of discretionary general fund revenue sources. The operating impact on the FY 2018-19 Proposed Budget for notable contributions is highlighted below:

- Contribution to Debt Service:** The *General Fund* is currently obligated to fund a portion of the bi-annual debt service payments on the 2014 refunding of the 2006 (Administrative and Emergency Services Building Refinance Project) and 2007 (South Placer Justice Center Courthouse Financing Project) certificates of participation and other administrative costs relating to the Other Debt Service Fund. The principal and interest payment on the 2014 refunding of the certificates of participation is \$4.2 million in the FY 2018-19

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Proposed Budget. The *General Fund* contribution towards the debt and administrative costs is \$3.4 million for the FY 2018-19 Proposed Budget.

- **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 2018-19 Proposed Budget is \$114.7 million and represents approximately 60.3% of all *Public Safety Fund* Revenues.

General Fund Contribution to Public Safety Fund

| Financing Requirements | Final Budget FY 2017-18 | Proposed Budget FY 2018-19 | \$ Change FY 2017-18 to FY 2018-19 | % Change |
|-------------------------------|----------------------------|-------------------------------|--|-------------|
| Contribution to Public Safety | \$ 108,568,100 | \$ 114,661,173 | \$ 6,093,073 | 5.6% |

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* (Fund 140) to support capital and major maintenance projects and the *Public Ways and Facilities Fund* (Fund 120) to support the cost of operations for road resurfacing and overlay projects. The *General Fund* contribution in total for the FY 2018-19 Proposed Budget is \$11.3 million, of which, \$3.8 million has been designated as a contribution to the *Public Ways and Facilities Fund*, \$7.5 million as a contribution to the *Capital Fund*, and no contributions currently recommended to undesignated capital project reserves. The largest discretionary revenues source (\$6.3 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).
- **Community and Agency Support:** The *General Fund* is obligated to pay for county-wide initiatives, unanticipated expenditures not appropriately budgeted in departmental appropriations and to make contributions to outside entities or other County departments. The community and agency support appropriation in the *General Fund* covers these budgeted expenditures. The total budget for the community and agency support appropriation for the FY 2018-19 Proposed Budget is \$9.9 million. Major spending categories include: \$2.2 million to sustain and stabilize countywide library services, \$1.2 million in uninsurable defense costs for general liability claims and \$870,000 for economic development projects.

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 2018-19 *Public Safety Fund* operating budget is recommended at \$191.1 million, an increase of \$679,032 or 0.4% over FY 2017-18. Revenue estimates for public safety are \$190.2 million, \$8.8 million or 4.9% higher than FY 2017-18. Included in these estimates are the following major revenues:

- \$114.7 million in *General Fund* contribution. The discretionary *General Fund* share supporting public safety has been increased over FY 2017-18 Final Budget level to sustain status-quo operations. The discretionary *General 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 2018-19 Final Budget.

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

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- \$46.9 million in public safety sales tax (Proposition 172 funding), an increase of \$2.7 million or 6.2% above FY 2017-18 reflecting a higher trend in receipts.
- \$6.5 million in Public Safety Realignment (AB 109) funding, remaining flat from FY 2017-18.
- The *Public Safety Fund* is balanced with \$870,311 in estimated fund balance carryover (includes amounts to be funded by increased discretionary *General Fund* contribution at Final Budget) from FY 2017-18.

Figure 5. Public Safety Fund Financing Uses and Reserves

| Financing Requirements | Final Budget FY 2017-18 | Proposed Budget FY 2018-19 | \$ Change FY 2017-18 to FY 2018-19 | % Change |
|--------------------------------------|----------------------------|-------------------------------|--|-------------|
| Financing Uses | 190,380,409 | 191,059,441 | \$ 679,032 | 0.4% |
| Provisions to Reserves | - | - | \$ - | 0.0% |
| Total Financing Requirements: | \$ 190,380,409 | \$ 191,059,441 | \$ 679,032 | 0.4% |

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 and Facilities. 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 1,058 miles of roads, and include road-related storm maintenance, and snow removal. The net budget of \$103.0 million represents an increase of \$35.0 million as compared to the FY 2017-18 Final Budget. This difference is mostly attributed to an increase in budgeted bridge projects (\$9 million), funding for the Bell Road roundabout project (\$1.5 million) and scheduled projects related to the Road Maintenance and Rehabilitation Act (\$7.2 million). The 2018-19 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 Public Works and Facilities 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. A Capital Financing Plan for major capital projects is planned to accompany this year's budget development, which may result in final budget adjustments in September 2017.

The FY 2018-19 **Capital Projects Fund** budget is recommended at \$99.0 million, an increase of \$32.3 million from FY 2017-18 Final Budget. The net increase is mostly attributable to the total project expenditures for the SB844 Medium Security Housing jail facility (\$32.7) being included in the budget; however, many other project budgets are also adjusted. The FY 2018-19 Proposed Budget *General Fund* contribution to capital projects is \$7.5 million and provides a budgetary resource for capital and major maintenance projects. In addition to the *General Fund* contribution, funding sources include the *Public Safety Fund*, Health and Human Services, *Solid Waste Fund* reserves, and Park Dedication Fees.

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

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OTHER COUNTY OPERATING FUNDS

The Proposed Budget includes 13 operating and two capital and infrastructure funds, the largest of which have been summarized above. Other County operating funds include the *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 ***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 \$2.7 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 Proposed Budget for this fund is \$390,331, or \$207,809 less than FY 2017-18.

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 Proposed Budget for this fund is \$1,091,993 or \$2,095 less than FY 2017-18.

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 \$12,503, funded by a state grant (\$10,000) and carryover fund balance (\$2,503).

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 2018-19 financing requirements of \$2.3 million are supported by revenue (\$826,039) and by carryover fund balance (\$1.5 million). The recommended Proposed Budget for this fund is \$288 more than FY 2017-18.

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 2018-19 which will balance the

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

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approximately \$11,873 in financing requirements with \$5,200 in revenues and \$673 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 \$19.9 million is supported by estimated revenue (\$10.8 million) and carryover fund balance (\$482,781). The recommended Proposed Budget for this fund is \$798,270 less than FY 2017-18.

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 \$1.1 million are supported by developer fees, a United Auburn Indian Community contribution, a General Fund contribution and other revenue. The recommended Proposed Budget for this fund is \$1.6 million less than FY 2017-18.

The **Library Fund** is Non-Major Governmental – Special Revenue fund managed by the Library 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 66% of total operating revenues. Although they increase \$154,598 (3.1%) over the FY 2017-18 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 2018-19 Proposed Budget, the *General Fund* contribution stayed flat at \$2.1 million. The FY 2018-19 recommended financing requirements of \$8.4 million are supported by \$8.0 million of revenue and *General Fund* support, and \$425,997 in carryover fund balance.

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 \$5.2 million are supported by \$4.6 million in estimated revenue, and \$97,227 in carryover fund balance. In FY 2018-19 the fund will continue to receive a contribution for fire services from the *General Fund* of just over \$1.6 million. The General Fund contribution is being increased by \$517,431 (47% increase) in FY 2018-19 to sustain fire services in unincorporated Placer County as the County Executive Office explores 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 \$128,201 higher than FY 2017-18 primarily due to increases for contracted CalFIRE services.

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

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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 *General Fund* contributes the net cost of the County's annual debt service to this fund, less reimbursements paid by other funds and revenue received. The budget is balanced with \$4.2 million in estimated revenue. The recommended Proposed Budget for this fund is \$5,642 more than FY 2017-18.

The **Gold Country Advertising and Promotions Fund** has been dissolved and merged into the *General Fund* appropriation for Economic Development to eliminate redundancy in capturing revenues separately from their designated expenditures for western slope Transient Occupancy Tax and the associated contract.

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 \$342,459 to \$17.2 million compared to \$314,696 to \$18.0 million in the prior year. Additions to internal service fund reserves in the Proposed Budget total \$811,476. Cancellations of reserves included in the Proposed Budget total \$609,381.

Placer County internal services funds are:

- Building Maintenance
- Central Services
- Correctional Food
- Countywide Radio Project
- Countywide Systems
- Dental and Vision Insurance
- Employee Benefits
- Fleet Operations
- General Liability Insurance
- Information Technology
- Placer County Government Center Campus
- Special District Services
- State Unemployment
- Telecommunication Services
- 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 enterprise funds in FY 2018-19:

- 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 \$703,951 to \$7.5 million. Cancellations to enterprise fund reserves in the Proposed Budget total \$4,423.

County Funds Overview

Budgets By System

| System | FY 2017-18 Final Adopted Budget | FY 2017-18 Position Allocations | FY 2018-19 Recommended Proposed Budget | Percent Change | FY 2018-19 Recommended Position Allocations | Percent Change |
|--|---------------------------------------|---------------------------------------|---|-------------------|--|-------------------|
| Administration and Financial System | \$ 71,827,838 | 397 | \$ 71,355,076 | -0.7% | 399 | 0.5% |
| Public Protection System | 325,599,277 | 861 | 332,949,059 | 2.3% | 864 | 0.3% |
| Community and Cultural System | 15,150,613 | 92 | 15,835,280 | 4.5% | 90 | -2.2% |
| Health & Human Support System | 206,278,799 | 855 | 218,543,532 | 5.9% | 860 | 0.6% |
| Land Use System | 99,665,148 | 318 | 136,909,379 | 37.4% | 316 | -0.6% |
| Capital Facility Projects | 77,730,697 | 16 | 111,065,453 | 42.9% | 16 | 0.0% |
| Non-Departmental Operations | 56,174,919 | 0 | 50,698,464 | -9.7% | 0 | n/a |
| Total Appropriations | \$ 852,427,291 | 2,539 | \$ 937,356,243 | 10.0% | 2,545 | 0.2% |
| Proprietary Funds (positions) | | 365 | | | 349 | -4.4% |
| Provision for Reserves or Designations | 13,743,534 | | 2,235,106 | | | |
| Total Budget | \$ 866,170,825 | 2,904 | \$ 939,591,349 | 8.5% | 2,894 | -0.3% |

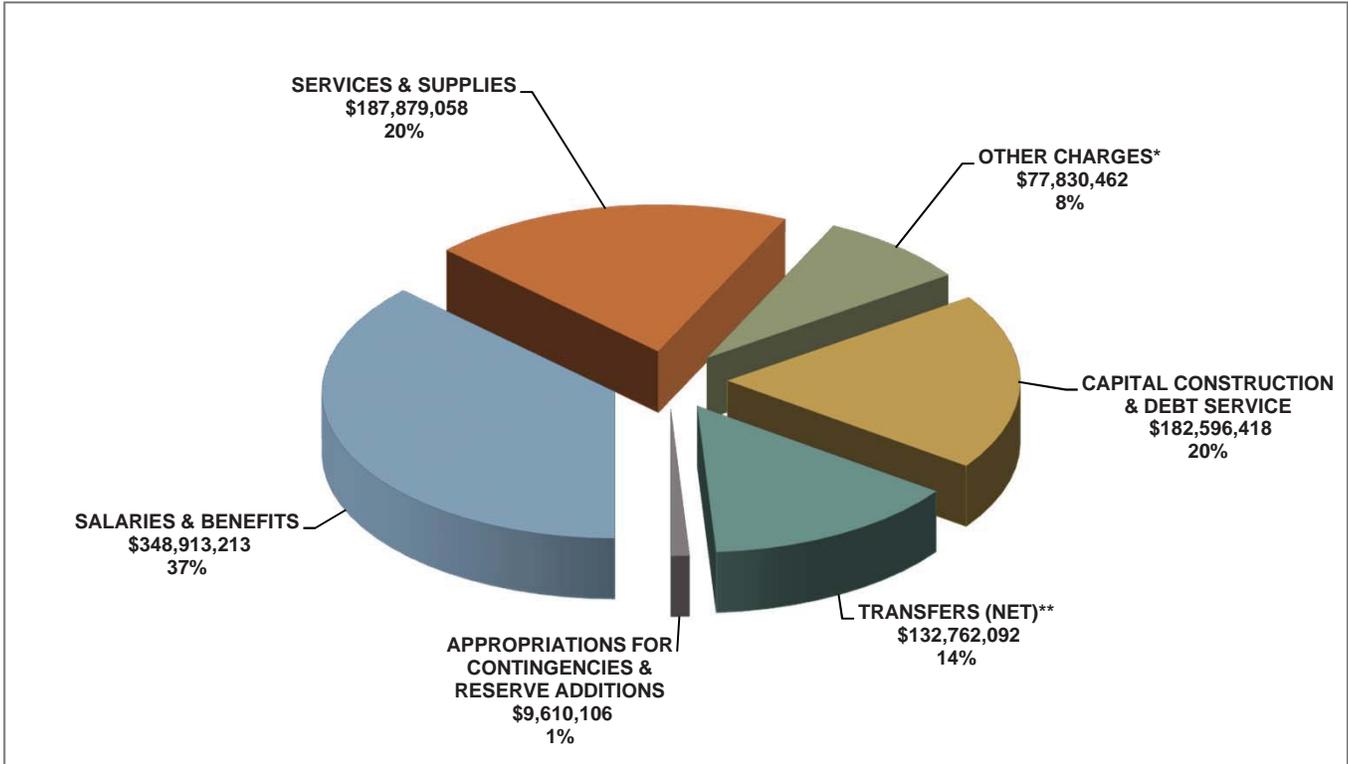
Note: Systems as displayed on page 10.

Budgets by Fund

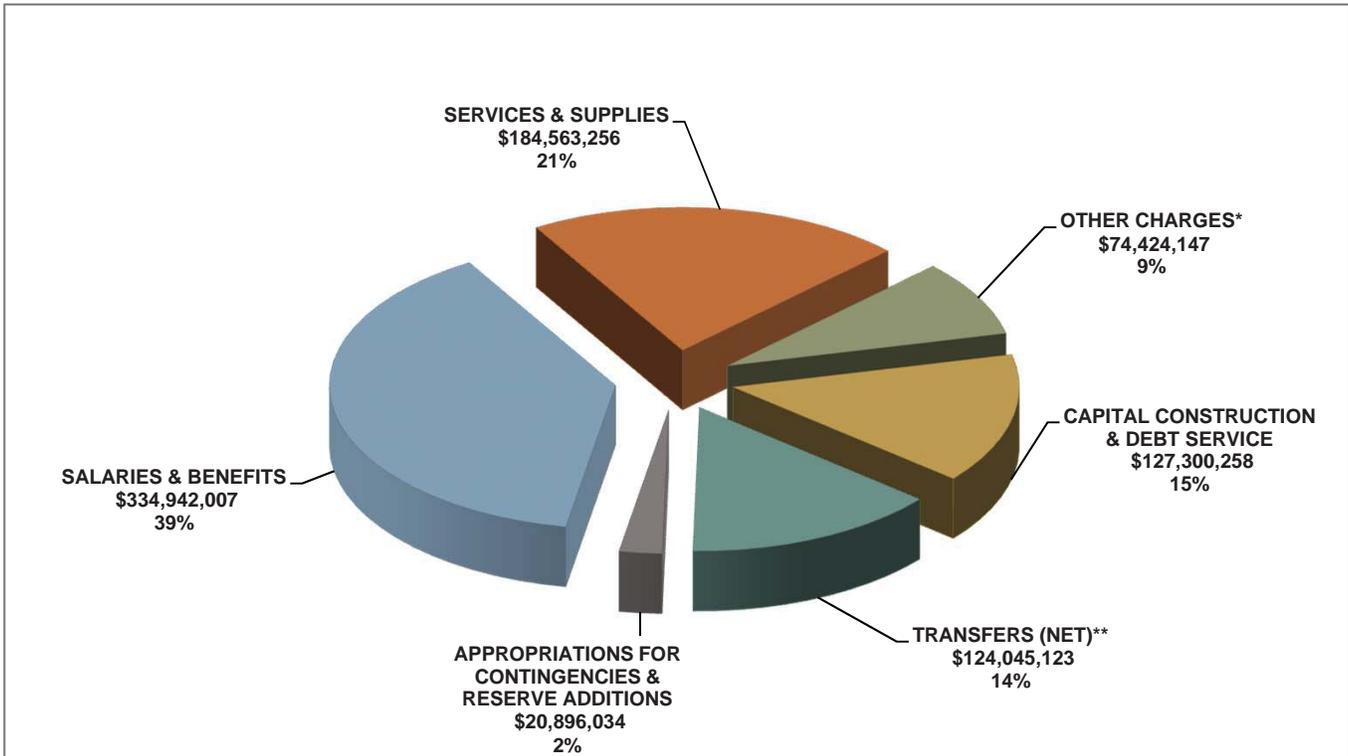
| Fund | FY 2017-18 Final Adopted Budget | FY 2017-18 Position Allocations | FY 2018-19 Recommended Proposed Budget | Percent Change | FY 2018-19 Recommended Position Allocations | Percent Change |
|---|---------------------------------------|---------------------------------------|---|-------------------|--|-------------------|
| General Fund | \$ 482,168,723 | 1485 | \$ 500,923,644 | 3.9% | 1490 | 0.3% |
| Public Safety Fund | 190,380,409 | 856 | 190,272,987 | -0.1% | 859 | 0.4% |
| Public Ways and Facilities Fund | 67,718,990 | 128 | 101,993,910 | 50.6% | 128 | 0.0% |
| Capital Project Funds | 66,725,643 | 16 | 98,990,010 | 48.4% | 16 | 0.0% |
| Other Operating Funds | 45,433,526 | 54 | 45,175,692 | -0.6% | 52 | -3.7% |
| Subtotal | \$ 852,427,291 | 2,539 | \$ 937,356,243 | 10.0% | 2,545 | 0.2% |
| Proprietary Funds | | 365 | | | 349 | |
| Total Operating, Capital and Proprietary | \$ 852,427,291 | 2,904 | \$ 937,356,243 | 10.0% | 2,894 | -0.3% |

**PLACER COUNTY OPERATING AND CAPITAL FUNDS
EXPENDITURES BY CATEGORY**

FY 2018-19 PROPOSED BUDGET \$939,591,349



FY 2017-18 FINAL BUDGET \$866,170,825

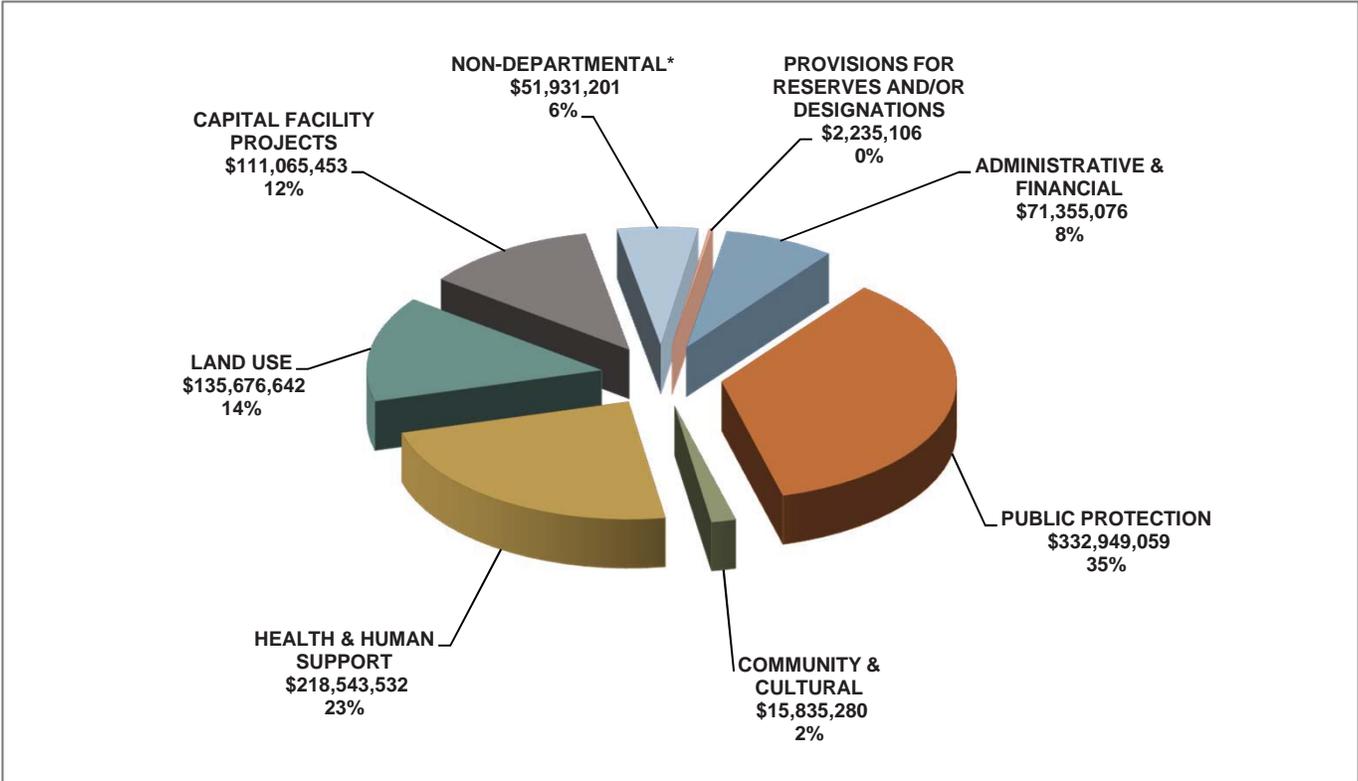


*Includes Client Aid and A-87 transfers

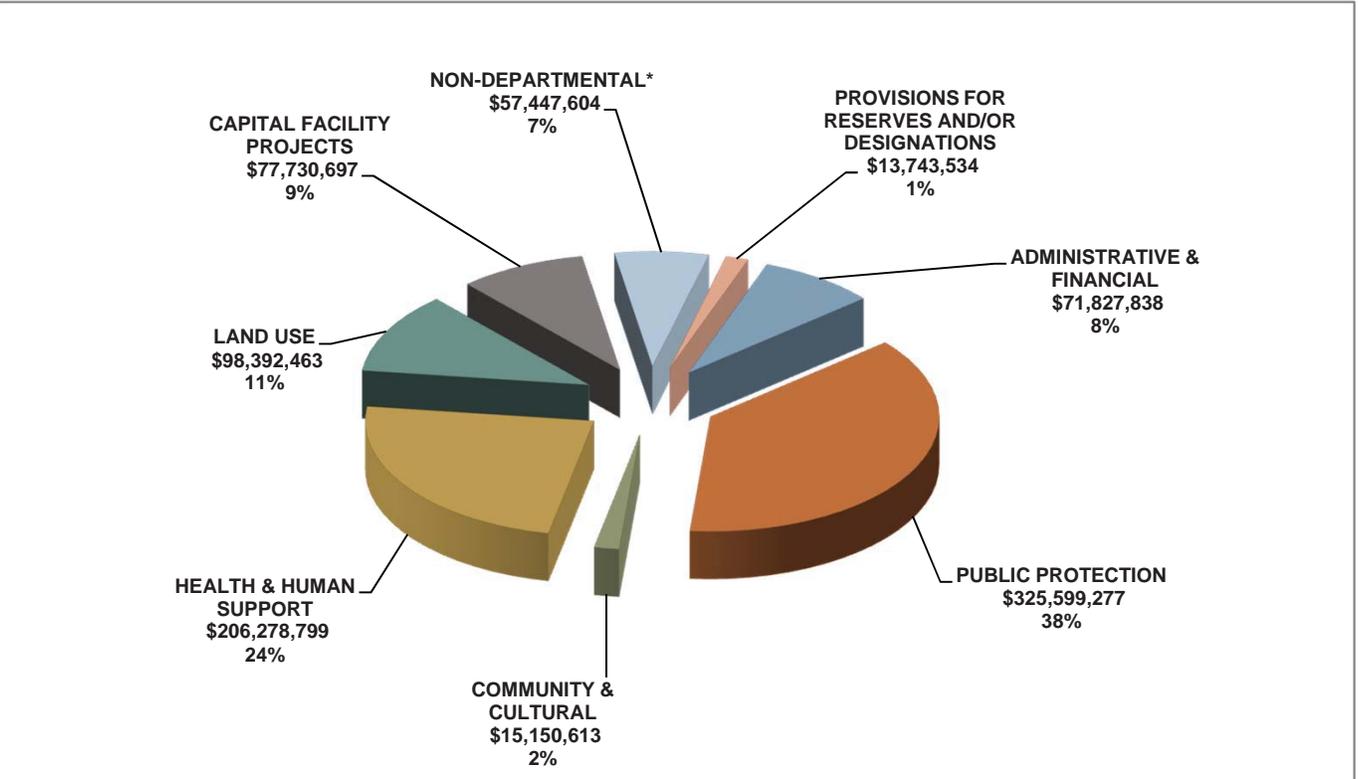
**Includes Charges from/to departments and Contributions to Other Funds

**PLACER COUNTY OPERATING AND CAPITAL FUNDS
EXPENDITURES BY SERVICE SYSTEMS**

FY 2018-19 PROPOSED BUDGET \$939,591,349



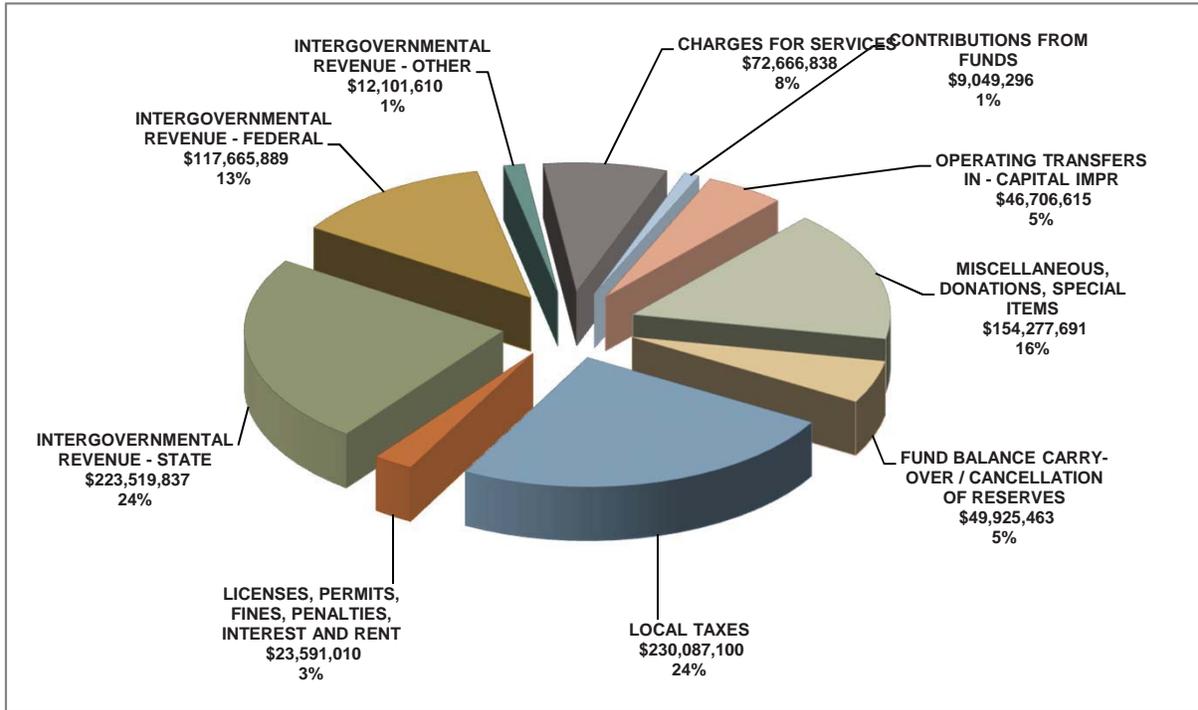
FY 2017-18 FINAL BUDGET \$866,170,825



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

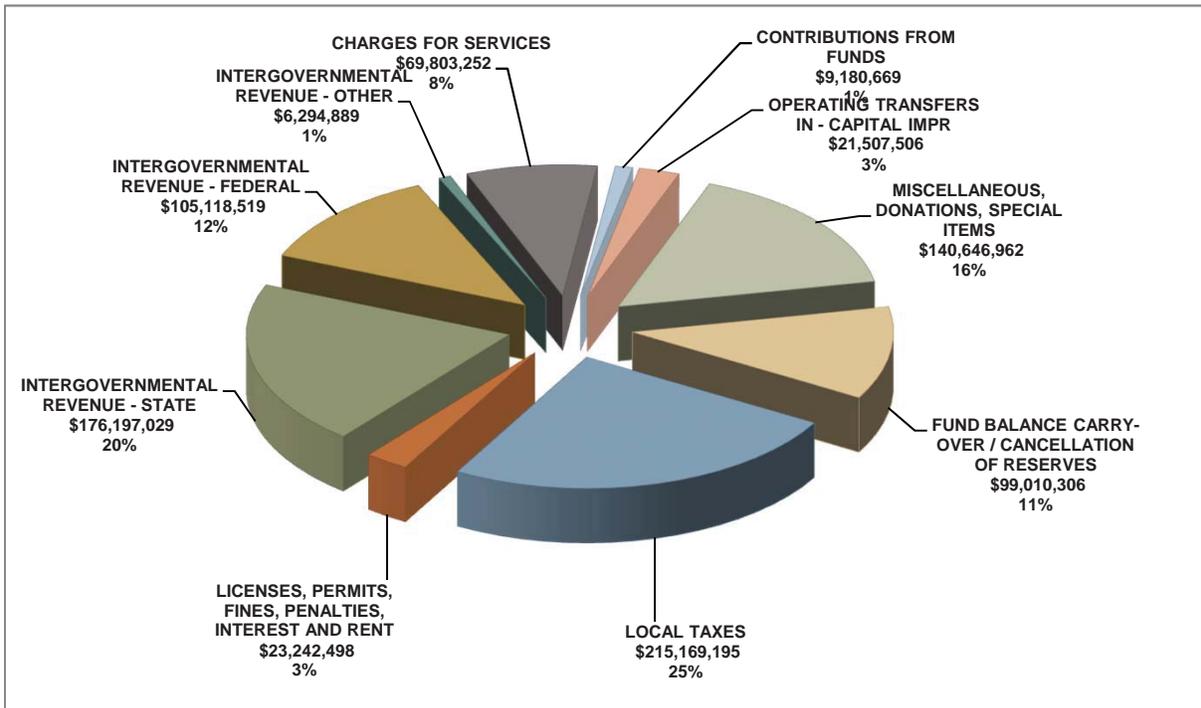
PLACER COUNTY OPERATING AND CAPITAL FUNDS REVENUES AND SOURCES OF FUNDS

FY 2018-19 PROPOSED BUDGET \$939,591,349



Note: Fund balance is comprised of \$24.6 million General Fund; \$9.1 million Lake Tahoe Tourism Fund; \$8.8 million Capital Projects Fund; \$870,311 Public Safety Fund; \$2.6 million Other Funds.

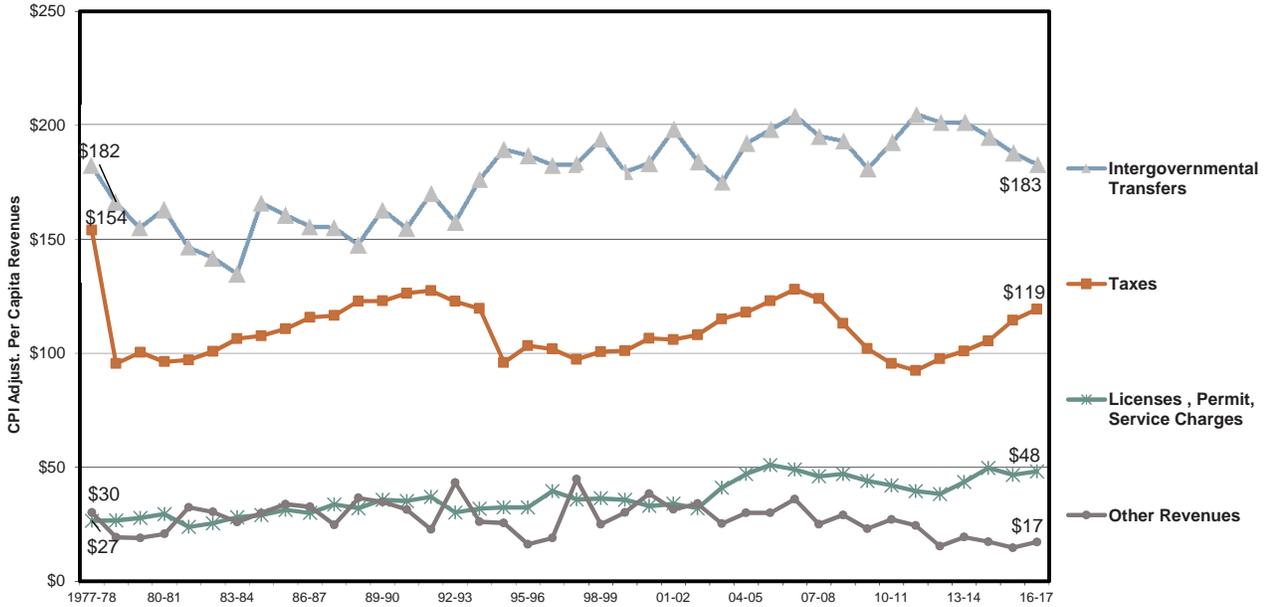
FY 2017-18 FINAL BUDGET \$866,170,825



Note: Fund balance is comprised of \$47.1 million General Fund; \$6.6 million Public Safety Fund; \$27.6 million Capital Projects Fund; \$10.2 million Lake Tahoe Tourism Fund; \$4.2 million Other Funds.

PER CAPITA REVENUE

FY 1977-78 through FY 2016-17

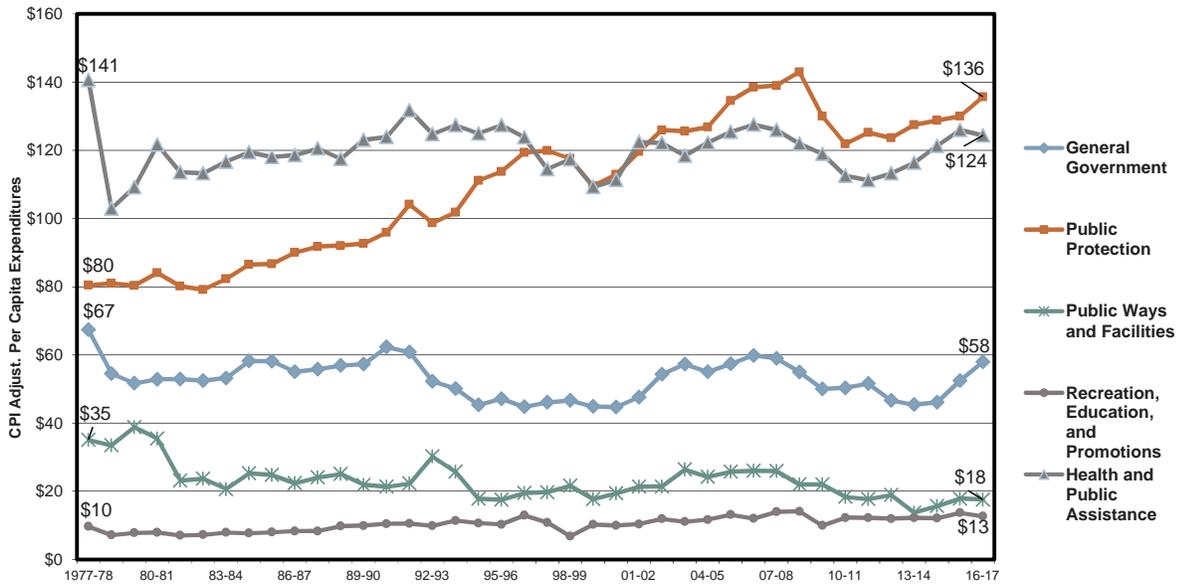


Placer County revenues are by major type, on a per capita basis, and CPI adjusted from FY 1977-78 through FY 2016-17. County taxes have never returned to the 1977-78 pre-Proposition 13 level on a per capita, CPI adjusted basis.

Note: Public Safety Sales Tax is included in Intergovernmental Transfers

PER CAPITA OPERATING EXPENDITURE

FY 1977-78 through FY 2016-17



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