

County Funds Overview

Placer County's FY 2016-17 Final Budget was developed based upon the policy considerations outlined in this section and the sections to follow. The County Funds Overview section provides a summary of the total Final Budget with an emphasis on each fund and its components.

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 88 appropriations are listed in the Index on page 673. 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 2016-17 Final 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*, *Gold Country Tourism and Promotion 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 section on page 39.

FY 2016-17 FINAL BUDGET

Placer County's adopted FY 2016-17 Final Budget is \$815,780,738; representing a decrease of \$922,694 or -0.1% compared to the FY 2015-16 Final Budget.

- Funding for the FY 2016-17 Operating Budget includes:
 - \$418.7 million in General Fund revenues
 - \$331.4 million in other operating fund revenues;
 - \$53.1 million in fund balance carryover (all operating funds):
 - \$33.3 million General Fund
 - \$5.6 million Public Safety Fund
 - (\$1.4) million Public Ways & Facilities (Road) Fund
 - \$8.8 million Capital Projects Fund
 - \$3.4 million Lake Tahoe Tourism & Promotions Fund
 - \$3.4 million total other operating funds
 - \$12.6 million in reserves and assigned fund balances (all operating funds)

Of the \$815.8 million FY 2016-17 Final Budget, \$53.1 million is funded by FY 2015-16 year-end fund balance carryover. Projected fund balance carryover 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 is reduced, recognizing the one-time nature and annual volatility of this resource. Countywide departmental budgets continue to be "right-sized" due to the integration of salary savings last year, which reduced reliance on projected carryover fund balance. To compare, the carryover fund balance in FY 2015-

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. Additionally, the Gold Country Tourism and Promotions Fund has not been included in this count as it is being dissolved this fiscal year.

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16 for the General Fund and Public Safety Fund combined was \$46.9 million, and the carryover fund balance for FY 2016-17 is \$38.9 million.

As indicated in Figure 1 below, the total FY 2016-17 Final Budget is \$922,694 less than in FY 2015-16, a decrease of less than 1%. This decrease is comprised of several components, including a net increase of \$14.5 million in the General Fund and \$16.5 million in the Public Safety Fund. (Note: The increase includes the transfer of \$13.9 million from the General Fund to the Public Safety Fund and is counted as a use of funds in both funds). The combined net increase of \$17.1 million is primarily driven by continued upward growth in countywide assessed valuation, growth in discretionary revenues tied to the economy, State and Federal funding for mandated programs, one-time cancellations of reserves for public safety information technology systems, and a required county match of a grant funded construction project at the South Placer Adult Correctional Facility; offset by a \$35.8 million decrease in final budgets for capital and roads due to major capital projects winding down, such as the Mid-Western Regional Sewer and Kings Beach Commercial Core Improvements.

Figure 1. Operating & Capital Budgets, Financing Requirements Comparison

Financing Requirements	Final Budget FY 2015-16	Final Budget FY 2016-17	\$ Change FY 2015-16 to FY 2016-17	% Change
Operating Budget				
General Fund	\$ 437,415,125	\$ 451,927,218	\$ 14,512,093	3.3%
Housing Authority Fund	2,404,521	2,452,192	\$ 47,671	2.0%
Community Revitalization Fund	656,000	630,504	\$ (25,496)	-3.9%
Low & Moderate Income Housing Asset Fund	151,621	843,835	\$ 692,214	456.5%
Special Aviation Fund	19,354	27,500	\$ 8,146	42.1%
Public Safety Fund	163,902,034	180,428,666	\$ 16,526,632	10.1%
DMV Special Collections Fund	2,042,562	2,007,570	\$ (34,992)	-1.7%
Gold County Tourism & Promotion	283,095	91,482	\$ (191,613)	-67.7%
Fish & Game Fund	10,673	13,213	\$ 2,540	23.8%
Tahoe Tourism & Promotion	8,551,462	10,944,943	\$ 2,393,481	28.0%
Open Space Fund	1,608,516	1,961,931	\$ 353,415	22.0%
County Library Fund	6,907,203	7,448,243	\$ 541,040	7.8%
Fire Control Fund	4,697,675	4,726,185	\$ 28,510	0.6%
Debt Service Fund	4,156,894	4,145,943	\$ (10,951)	-0.3%
Subtotal Operating Funds	\$ 632,806,735	\$ 667,649,425	\$ 34,842,690	5.5%
Infrastructure Budget				
Capital Projects Fund	\$ 92,325,381	\$ 70,589,797	\$ (21,735,584)	-23.5%
Public Ways & Facilities Fund	91,571,316	77,541,516	\$ (14,029,800)	-15.3%
Subtotal Infrastructure Funds	\$ 183,896,697	\$ 148,131,313	\$ (35,765,384)	-19.4%
Total Financing Requirements:	\$ 816,703,432	\$ 815,780,738	\$ (922,694)	-0.1%
*Provision for Reserves includes: FY 2015-16: \$12.9 million in General Fund; \$711,543 in Public Safety Fund; and \$3.5 million in other funds; FY 2016-17: \$2.4 million in Tahoe Tourism & Promotion; and \$833,677 in other funds.				

County Workforce

- FY 2016-17 Final Budget Personnel Allocations
 - As a service provider, Placer County's employee salary and benefit costs remain the largest expenditure, representing \$315.3 million, or 38.6%, of the total \$815.8 million budget.
 - A total of 2,898 personnel allocations are included in the County Budget, and 2,653 are funded.

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The Final Budget includes an increase in funded personnel allocations primarily due to the 30 positions added with the approval of the FY 2016-17 Proposed Budget for the phased opening of the remaining beds at the South Placer Adult Correctional Facility. Additional funded positions are added at Final Budget for Administrative Services revenue collections, Community Development Resource Agency planning division, and an earmark of funds available pending Board of Supervisor direction on outdoor marijuana regulation and enforcement.

THE GENERAL FUND

The **General Fund** is the largest countywide fund and is a Major Governmental⁵ fund. It underwrites most countywide operations either directly as the “net county cost”⁶ 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 planning and infrastructure maintenance, 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 funded positions in the FY 2016-17 Final Budget have decreased when compared to FY 2015-16 Final Budget, from 1,355 to 1,347 mostly due to the Building Maintenance appropriation moving from the *General Fund* to a new Internal Service Fund, and include an increase associated with added funding for Administrative Services and Community Development Resource Agency departments.

Figure 2. General Fund Financing Uses and Reserves

Financing Requirements	Final Budget FY 2015-16	Final Budget FY 2016-17	\$ Change FY 2015-16 to FY 2016-17	% Change
Financing Uses	\$ 424,539,401	\$ 451,927,218	\$ 27,387,817	6.5%
Provisions to Reserves	12,875,724	-	\$ (12,875,724)	-100.0%
Total Financing Requirements:	\$ 437,415,125	\$ 451,927,218	\$ 14,512,093	3.3%

Figure 2 displays the General Fund FY 2015-16 Final Budget compared to FY 2016-17 Final Budget.

The General Fund operating budget (total financing uses and provisions to reserves) is \$451.9 million, an increase of \$14.5 million, or 3.3%, from the FY 2015-16 Final Budget. The year over year increase of \$14.5 million includes increased General Fund support to the Public Safety Fund of \$13.9 million compared to FY 2015-16 and reflects the diminished use of General Fund revenues for one-time capital and road projects budgeted in

⁵ A fund whose revenues, expenditures/expenses, assets or liabilities are at least 10 percent of the total for the fund category (governmental or enterprise) and 5 percent of the aggregate of all governmental and enterprise funds in total.

⁶ 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.

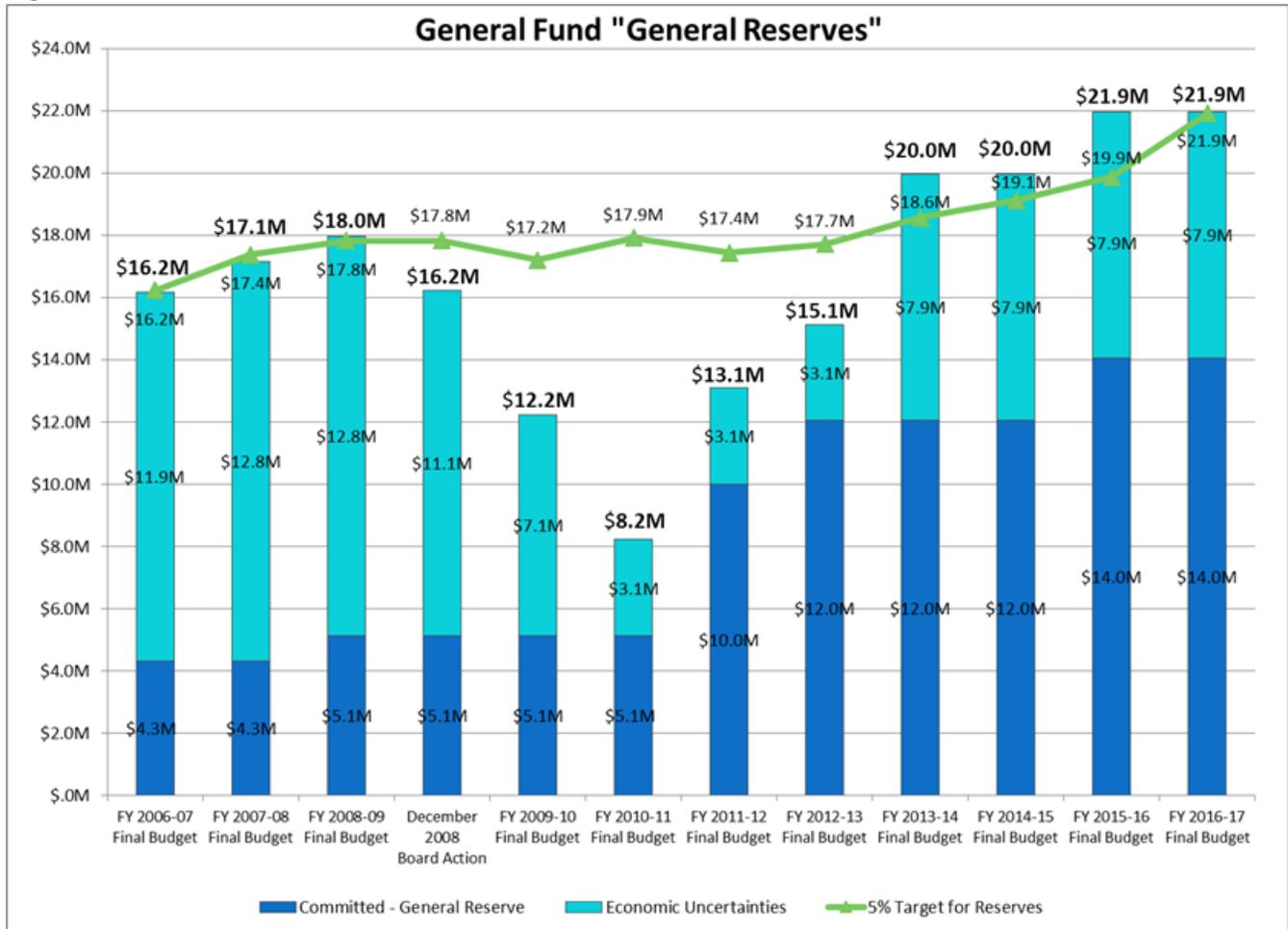
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FY 2015-16, and reduced one-time designations to General Fund reserves and contingencies in FY 2015-16. Targeted revenue sources continue to improve, primarily in the Health and Human Services area, reflecting mandated State program expansions that increase County service responsibilities. The General Fund also includes a higher level of discretionary revenues including property and related taxes; and sales tax to support Board prioritized services. General Fund financing requirements maintain essential services and programs and reflect prioritizing discretionary revenue to cover the majority of cost increases for General Fund appropriations.

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 Budget and Financial Policy has enabled Placer County to set aside resources for difficult budget years, and has provided a solid foundation for the approach to budgeting countywide revenues. Although reserves were previously used to mitigate impacts of the "Great Recession," the County has again achieved the 5% General and Economic Contingency Reserve minimum target in accordance with Budget and Financial Policy. Additionally, consistent with the Budget and Financial Policy, the *General Fund* contingency funding set-aside for unanticipated expenditures or revenue shortfalls is 1.5% of *General Fund* operating costs, or \$6.75 million for FY 2016-17. These funds may be used for operating costs and / or unanticipated revenue decreases. The following figure displays General Reserve levels:

Figure 3 – General Fund "General Reserves"



Revenue Estimates

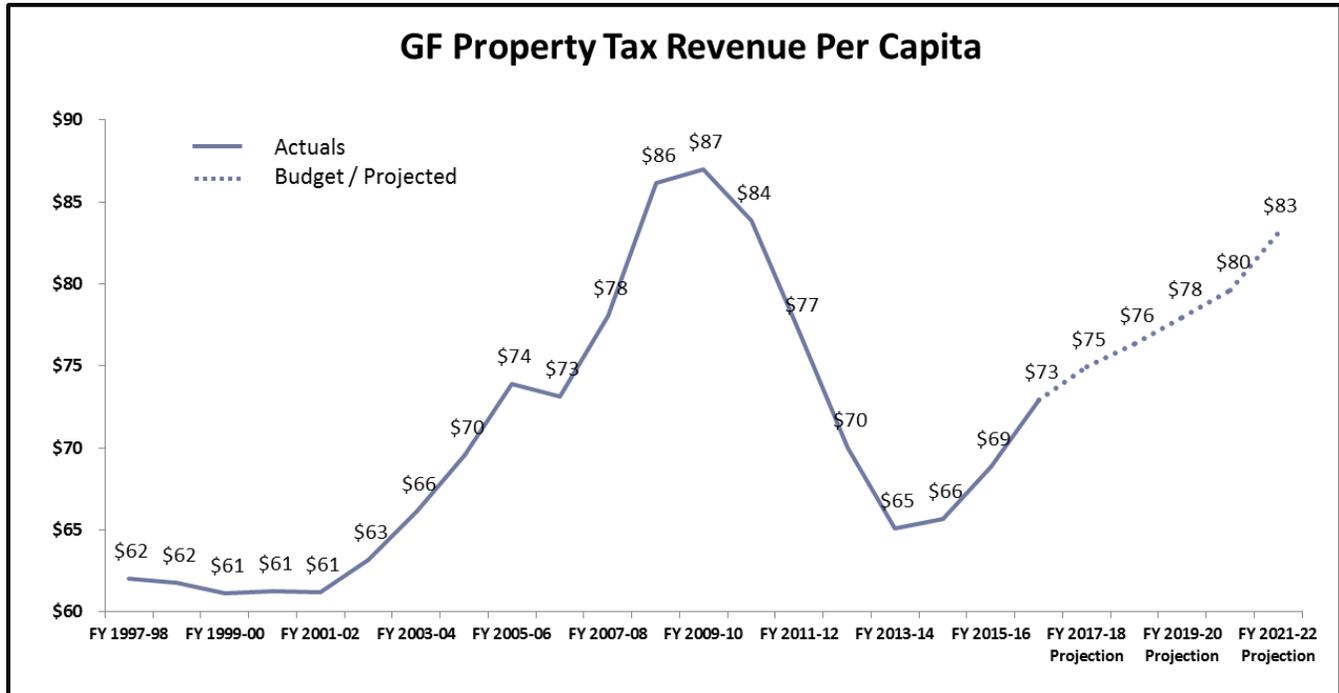
The FY 2016-17 Final Budget discretionary *General Fund* revenues have increased by approximately \$19.0 million overall when compared to amounts budgeted for FY 2015-16, attributable to the continuing economic recovery. FY 2016-17 budgeted revenues include increases for property taxes (\$8.0 million); intergovernmental

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and subvention revenues (\$9.0 million); sales tax (\$2.7 million); and Redevelopment Property Tax Trust Fund (RPTTF) residual distributions and pass-throughs (\$537k).

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 (note: amounts are adjusted for inflation). Real property assessed valuations have recovered to levels experienced just before the onset of the “Great Recession” and are expected to grow modestly at a rate of approximately 2.0% - 2.5% consistent with Proposition 13 valuation growth limits and continued recovery of “below base” property valuation adjustments.

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.

PUBLIC SAFETY FUND

The **Public Safety Fund** is a Major Governmental fund made up of four departments: Sheriff, District Attorney, Probation and the County Executive Office. The FY 2016-17 Public Safety Fund operating budget is \$180.4 million, an increase of \$16.5 million or 10.1% over FY 2015-16, as displayed in Figure 5.

Figure 5. Public Safety Fund Financing Uses and Reserves

Financing Requirements	Final Budget FY 2015-16	Final Budget FY 2016-17	\$ Change FY 2015-16 to FY 2016-17	% Change
Financing Uses	\$ 163,190,491	\$ 180,428,666	\$ 17,238,175	10.6%
Provisions to Reserves	711,543	-	\$ (711,543)	-100.0%
Total Financing Requirements:	\$ 163,902,034	\$ 180,428,666	\$ 16,526,632	10.1%

In addition to providing departments with important resources for the provision of public safety, the Final Budget cancels Public Safety Fund Reserves of \$6.4 million to fund information technology systems (\$3.1 million), an Acute Mental Health Housing Unit at the South Placer Adult Correctional Facility (\$3.1 million required county match), and

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helicopter repairs (\$170,000). Other one-time uses include a \$700,000 Mobile Command Vehicle purchase, \$500,000 for rebudgeted Rural Counties (RURALC) and Justice Assistance (JAG) grant program expenditures, and \$250,000 towards the Santucci Justice Center master plan.

The Final Budget operating revenues for the Public Safety Fund are \$168.4 million, \$14.5 million or 9.4% higher than FY 2015-16. Fund balance carry over balances the Public Safety Fund at \$5.6 million.

Major revenue sources for the Public Safety Fund are detailed below:

- \$99.2 million General Fund contribution, an operational increase of \$13.9 million or 16% above FY 2015-16.
- \$39.9 million Public Safety Sales Tax (Proposition 172 funding), an increase of \$783,000 or 2% above FY 2015-16 reflecting a higher trend in receipts.
- \$6.6 million Public Safety Realignment (AB 109) funding, an increase of \$233,000 or 3.7%, reflecting increased statewide funding allocations.

The FY 2016-17 Final Budget for the Public Safety Fund includes the continued implementation of the Criminal Justice Master Plan, including the transition to full utilization of the South Placer Adult Correctional Facility, as well as the award of a grant from the California Board of State and Community Corrections to provide funding to assist in the construction of an Acute Mental Health Housing Unit. The Placer Re-Entry Center also continues to provide educational and vocational training to offenders both in-custody and out-of-custody.

PUBLIC WAYS AND FACILITIES FUND

The ***Public Ways and Facilities Fund (Road Fund)***, is a Major Governmental fund maintained by the Department of Public Works and Facilities. The fund includes capital and maintenance projects plus the operational staff that support county bridges, roads, pedestrian facilities, and projects for water quality, storm water runoff, and snow removal. Projects are recommended based on a series of criteria such as traffic analysis, maintenance schedules, emergencies, regulatory requirements, and ability to leverage external funding. The *Road Fund* will continue to produce projects that address aging roadway infrastructure, new development, and ongoing maintenance of approximately 1,046 miles of roads.

The FY 2016-17 *Public Ways and Facilities Fund (Road Fund)* budget is \$77.5 million, a decrease of \$14 million from FY 2015-16 Final Budget. The decrease is mostly attributed to the winding down of major projects such as Kings Beach Commercial Core Improvements, and the reallocation of state and federal funding. The *General Fund* contribution to the *Road Fund* is \$3.8 million, which is the proposed budget base level contribution. Road Fund carryover fund balance is negative \$1.4 million due to state revenues that did not yet materialize for approved projects. As a result to balance the Final Budget, a contingency reserve of \$1.4 million is used, plus a scheduled cancellation of capital asset reserves of \$1 million, and further cancellation of \$3.3 million to tentatively offset the State gas tax revenue loss.

CAPITAL PROJECTS FUND

The ***Capital Projects Fund*** is a Major Governmental fund maintained by the Department of Public Works and Facilities. The fund includes capital and major maintenance projects plus the operational staff that provide for planning, improvement, and construction of county buildings, sewer and solid waste systems, parks, and trails. Projects are recommended based on a series of criteria such as replacement schedules, emergencies, investment in economic development, maintaining health and safety, quality of life for the community and employees, and the ability to leverage other opportunities.

The FY 2016-17 *Capital Projects Fund* infrastructure budget is \$70.6 million, a decrease of \$21.7 million from FY 2015-16 Final Budget. The decrease is mostly attributed to the winding down of major capital projects such as

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Regional Sewer Maintenance District 1 and 2, and the Animal Services Center. The *General Fund* contribution to the *Capital Projects Fund* is \$6.2 million, which includes the proposed budget base level contribution of \$4.5 million, plus an additional Final Budget adjustment of \$1.7 million for Sunset Area Planning. Capital project accounts funded by the General Fund are adjusted to reflect reallocation of general funding and fund balance carryover (\$8.8 million) as a source for active projects in FY 2016-17.

OTHER COUNTY OPERATING FUNDS

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 *Gold Country Advertising Fund* (to be dissolved); 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 Governmental⁷ – Special Revenue fund managed by the Health and Human Services Department to account for the Section 8 housing program. Funding provides direct and contracted social services to low income and high-risk target populations. The Final Budget financing requirements of \$2.5 million includes a cancellation of \$409,000 in reserves.

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 Final Budget includes projects with approved grant revenue or other in-hand sources. The Final Budget for this fund is \$630,504.

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 AB1X 26. Funding for loans and administration come from the Redevelopment Property Tax Trust Fund (RPTTF). The Final Budget for this fund is \$843,835.

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 Final Budget for this fund is \$27,500.

The ***DMV Special and 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 2016-17 financing requirements of \$2.0 million are supported by revenue of \$778,202 and fund balance carryover of \$1.2 million intended to cover rebudgeted one-time costs for multiple Mobile ID devices and equipment.

The ***Gold Country Advertising and Promotions Fund*** is transitioning into the General Fund within Economic Development in FY 2016-17. The Fund is for the purpose of displaying Western Slope Transient Occupancy Tax

⁷ A fund whose revenues, expenditures/expenses, assets or liabilities are less than 10 percent of the total for the fund category (governmental or enterprise) and less than 5 percent of the aggregate of all governmental and enterprise funds in total.

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in its own account and the transition to the General Fund will instead display the revenue as a line-item in Economic Development's appropriation. Carryover fund balance of \$91,482 is transferred to Economic Development for an increased expenditure authority of equal amount to offset costs associated with managing Western Slope Transient Occupancy Tax, including the Placer County Visitor's Bureau contract.

The **Fish and Game Fund** is a Non-Major Governmental – 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 2016-17.

The **Lake Tahoe Tourism and Promotion 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 that encourage tourism are funded from the TOT taxes under a contract with the North Lake Tahoe Resort Association. In 1995, the Board of Supervisors approved the formation of the North Lake Tahoe Resort Association and appointed a Board of Directors, comprised of representatives from various North Lake Tahoe tourism related industries to recommend funding for the Tahoe community. Resort Association activities include marketing and promotions, visitor services, public improvements and infrastructure projects. Final Budget financing of \$10.9 million is supported by estimated revenue (\$7.5 million), and fund balance carryover (\$3.4 million). The Final Budget for this fund is \$2.4 million more than FY 2015-16, with \$2.5 million designated to the reserve for capital assets.

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. Final Budget funding requirements of \$2 million are primarily supported by a contribution from the United Auburn Indian Community, developer fees, and a \$1 million one-time contribution from the *General Fund*.

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 is funded to serve all of Placer County except for the cities of Roseville and Lincoln, which have their own library systems. Financing requirements of \$7.4 million are supported by \$6.9 million of revenue and \$575,000 in fund balance carryover.

The County Library System continues its focus on reducing the erosion in services that occurred during the Great Recession, as well as building capacity and modernizing its system-wide operations consistent with the Strategic Plan approved by the Board of Supervisors. The General Fund contribution to the Library Fund increases by \$415,101 to offset A87 Cost Plan increases as day lighted during the proposed budget. Final Budget includes a reserve designation of \$25,000 towards material handling automation (RFID – radio frequency identification).

The **Fire Protection Fund** is a Non-Major Governmental – Special Revenue fund managed by the County Executive Office and provides fire protection services both through a contract with the California Department of Forestry and Fire Protection (CalFIRE) while funding hazardous material response (HAZMAT) capability. Final Budget financing requirements of \$4.7 million are supported by \$3.8 million in revenue, and \$917,000 in fund balance carryover. The Final Budget includes a designation of \$360,000 into reserves for contingencies. The General Fund contribution to the Fire Protection Fund for FY 2016-17 continues at \$1.1 million.

The North Auburn Ophir Fire County Service Area (CSA 28, Zone 193), the largest of seven fire zones of benefit governed by the Board of Supervisors, includes Final Budget financing requirements of \$3.2 million, supported by

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\$2.6 million in revenues, and \$1 million in fund balance carryover to provide continued operation of the Ophir fire station.

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 COP's 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 Final Budget is balanced with \$4.1 million in estimated revenue.

INTERNAL SERVICE FUNDS

Placer County operates 15 internal service funds that are primarily used to provide services to other county departments. County departments are charged for services they receive. One new internal service fund, *Building Maintenance*, is established for functions that were previously maintained in the General Fund. Internal service funds are not intended to make a cumulative profit, nor should they indefinitely sustain operating losses. The total amount of financing uses and reserve additions for the enterprise funds for the FY 2016-17 Final Budget is \$90 million, an increase of \$15.3 million from FY 2015-16 due to the inclusion of Building Maintenance.

Placer County internal services funds are:

- Building Maintenance
- Central Services
- Correctional Food Services
- 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 2016-17:

- 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. New this year, the Kings Beach Center fund provides for the operation, maintenance and disposition costs associated with the Kings Beach Center properties, which were transferred by the Placer County Successor Agency to the County. The total amount of financing uses and reserve additions for the enterprise funds for the FY 2016-17 Final Budget is \$25.9 million, a decrease of \$12.9 million from FY 2015-16.

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SPECIAL DISTRICTS

The FY 2016-17 Final Budget for Special Districts is \$64,090,363. The Special Districts' final expenditure budgets and additions to reserves have been balanced through a combination of estimated revenues, fund balance carryover, and cancellation of reserves for each fund. In most cases, Final Budget adjustments are required to reflect year-end fund balance carryover, revenue estimate adjustments, and occasionally for re-budgeted costs or changes in expenditure categories.

Significant Final Budget Adjustments since Proposed Budget include adjustments to recognize a state funded loan for Sewer Maintenance District #3 Regional Sewer (\$4.5 million) and Sewer Maintenance District #1 Regional Sewer (\$10.8 million). Aside from these major adjustments, the overall funding uses increase by \$8 million which consists of \$4 million in new expenditures and an additional \$4 million in contributions to reserves spread across various CSA zones and districts.

Budgets By System

System	FY 2015-16 Actuals	FY 2015-16 Position Allocations	FY 2016-17 BOS Adopted Budget	Percent Change	FY 2016-17 Recommended Position Allocations	Percent Change
Administration and Financial System	\$ 55,478,168	464	\$ 62,729,026	13.1%	402	-13.4%
Public Protection System	262,791,163	817	303,122,295	15.3%	857	4.9%
Community and Cultural System	12,440,358	82	13,829,781	11.2%	84	2.4%
Health & Human Support System	183,974,614	853	206,231,652	12.1%	852	-0.1%
Land Use System	81,345,765	312	105,752,566	30.0%	313	0.3%
Capital Facility Projects	57,849,788	16	81,005,930	40.0%	16	0.0%
Non-Departmental Operations	33,966,382	0	39,791,607	17.1%	0	n/a
Total Appropriations	\$ 687,846,238	2,544	\$ 812,462,857	18.1%	2,524	-0.8%
Proprietary Funds (positions)		297			374	25.9%
Provision for Reserves or Designations	17,094,316		3,317,881			
Total Budget	\$ 704,940,554	2,841	\$ 815,780,738	15.7%	2,898	2.0%

Note: Systems as displayed on page 11.

Budgets by Fund

Fund	FY 2015-16 Actuals	FY 2015-16 Position Allocations	FY 2016-17 BOS Adopted Budget	Percent Change	FY 2016-17 Recommended Position Allocations	Percent Change
General Fund	\$ 417,869,936	1544	\$ 451,927,218	8.2%	1482	-4.0%
Public Safety Fund	160,985,511	812	180,428,666	12.1%	852	4.9%
Public Ways and Facilities Fund	57,421,824	128	77,541,516	35.0%	128	0.0%
Capital Project Funds	42,102,833	16	70,589,797	67.7%	16	0.0%
Other Operating Funds	26,560,450	44	31,975,660	20.4%	46	4.5%
Subtotal	\$ 704,940,554	2,544	\$ 812,462,857	15.3%	2,524	-0.8%
Proprietary Funds		297	3,317,881		374	
Total Operating, Capital and Proprietary	\$ 704,940,554	2,841	\$ 815,780,738	15.7%	2,898	2.0%