

**MEMORANDUM**  
OFFICE OF THE  
COUNTY EXECUTIVE  
COUNTY OF PLACER

**TO:** Honorable Board of Supervisors

**FROM:** Thomas M. Miller, County Executive Officer  
By Linda Oakman, Administrative Services Manager

**DATE:** May 18, 2010

**SUBJECT:** Approve a budget revision in the amount of \$9,500,000 transferring a portion of the Proposition 1A securitization proceeds to fund capital projects

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**ACTION REQUESTED**

Approve a budget revision in the amount of \$9,500,000 transferring a portion of the Proposition 1A securitization proceeds to fund capital projects.

**BACKGROUND**

For fiscal year 2010-11 the State passed an emergency suspension of Proposition 1A allowing the borrowing of property taxes from Counties. At the same time they passed a bill allowing for the securitization of the borrowed property taxes. On October 20, 2009 your Board adopted a resolution allowing the County to securitize the receivable from the Proposition 1A borrowing. The fiscal year 2009-10 budget had been prepared assuming reduced revenues from the property tax borrowing, therefore the receipt of funding from the securitization of the receivable resulted in a "one time" increase in revenues for the fiscal year.

During the budget update at the December 8, 2009 Board meeting, the recommendation was made and accepted that the Proposition 1A securitization revenue would be used to assist in the funding of the South Placer Adult Detention Facility (SPADF) with the remainder to fall to fund balance to help mitigate impacts of continued revenue declines on the budget for FY 2010-11.

Although the budgeted property taxes will be higher for fiscal year 2010-11 (since there will be no additional borrowing by the State) the revenues will not be fully restored to pre Prop 1A levels since property tax roll values continue to decline, particularly in the area of commercial properties, limiting the amount of the increase.

Although funding has been identified to pay for the SPADF there remains a projected funding need of \$14 million as of the end of FY 2010-11. The additional one time funding from the prop 1A securitization will reduce that need and the pressure on the General Fund.

**FISCAL IMPACT**

The budget revision allows the transfer of \$9,500,000 from the General Fund to the Capital Projects Fund to help pay for the SPADF currently under construction. Transferring this one time funding will help reduce pressure on the general fund to fund the SPADF.

Attachment: Budget Revision

279

PLACER COUNTY

BUDGET REVISION

PAS DOCUMENT NO.

POST DATE:

DEPT NO.	DOC TYPE	Total \$ Amount	TOTAL LINES
09	BR	19,000,000.00	3

Cash Transfer Required

Reserve Cancellation Required

Establish Reserve Required

Auditor-Controller

County Executive

Board of Supervisors

ESTIMATED REVENUE ADJUSTMENT											APPROPRIATION ADJUSTMENT										
DEPT NO.	T/C	Rev	Fund	Sub Fund	OCA	PCA	OBJ 3	PROJ.	PROJ. DTL	AMOUNT	DEPT NO.	T/C	Rev	Fund	Sub Fund	OCA	PCA	OBJ 3	PROJ.	PROJ. DTL	AMOUNT
10	006		100		999992	99992	6100			8,000,000.00	10	014		100		991079	91079	3778			9,500,000.00
	006		100		999992	99992	6287			1,500,000.00											
<b>TOTAL</b>										<b>9,500,000.00</b>	<b>TOTAL</b>										<b>9,500,000.00</b>

REASON FOR REVISION: Increase GF property tax revenues for the Prop 1A securitization and increase expenditures to transfer prop 1A one time revenue to fund the South Placer Adult Detention Facility (SPADF)

Prepared by Linda Oakman Ext 4681  
 Department Head Linda Oakman for Tom Vitler  
 Board of Supervisors \_\_\_\_\_

Date: 5/11/10  
 Page: \_\_\_\_\_

Budget Revision # \_\_\_\_\_ FOR INDIVIDUAL DEPT USE

480