

Placer County wrestles with declining revenues

The Placer County Board of Supervisors adopted a proposed 2012-13 budget this month, a move that ensures the county will have a balanced spending plan in place when the next fiscal year begins July 1.

Development of the five-year strategy is part of the board's ongoing efforts to protect the county's fiscal health and preserve core services despite revenue losses caused by the economic slowdown and state budget crisis. The strategy also will seek to ensure that board priorities are met over the next five years.

A draft strategy will be presented to the board in the coming weeks.

The plan will look at ways to:

Reprioritize revenues to more fully implement board priorities;

Pursue strategies that will allow the county to best meet resident needs with limited resources;

Reduce the use of one-time revenues for ongoing operations;
and

Increase the General Fund reserve to position the county to withstand the next economic downturn.

By adopting the proposed budget, board members completed the first of the county's two-phase budget-development process. The board is scheduled to have budget workshops Aug. 16-17, have a public hearing on a proposed final budget Sept. 11 and adopt a final budget Sept. 25.

Interim County Executive Officer Holly Heinzen emphasized the \$690.1 million proposed budget will preserve core services to the public, but notes the county continues to face budget challenges in such areas as library services, fire protection, deferred building maintenance and capital infrastructure needs.

The proposed budget is \$59.2 million or 7.9 percent lower than the 2011-12 budget, largely due to a \$53.9 million reduction in the county infrastructure budget. Infrastructure funding was higher a year ago because of two major projects: a seismic retrofit and paint job under way on the Foresthill Bridge and construction of a jail at the county's Bill Santucci Justice Center in Roseville.

Property tax revenue, the county's leading source of discretionary revenue, is projected to drop by 1.1 percent next fiscal year. That would result in a cumulative loss of \$16.4 million, or 12.4 percent, in property tax revenue since the 2007-08 fiscal year.

Since 2007, the general fund budget has dropped \$17.8 million, or 4.8 percent, and the size of the county workforce is down 15.4 percent to approximately 2,150 filled positions as a result of the hiring freeze.