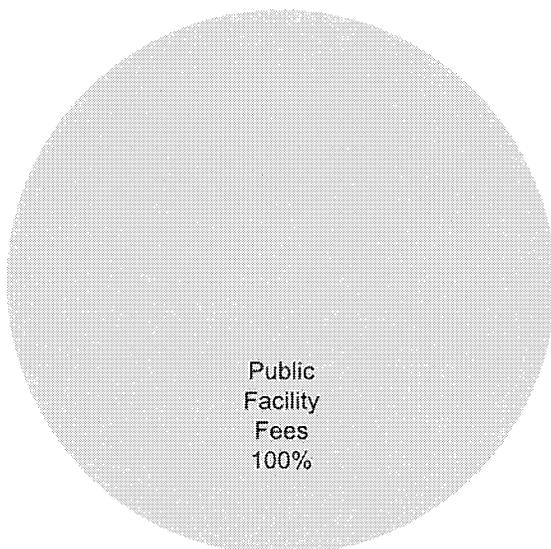


**PURPOSE**

The purpose of the program is to finance, through development fees, public facilities and improvements for fire, law enforcement, libraries, parks and general government in order to reduce the impacts caused by new development projects within the unincorporated area of the county. The public facility fee program was established in 1991 (libraries in 1996).

<u>Financial Summary</u>	2005-06 <u>Actual</u>	2006-06 <u>Actual</u>	2007-08 <u>Requested</u>	2007-08 <u>Recommended</u>	2007-08 <u>Adopted</u>
Revenues	\$ 3,756,811	\$ 3,693,300	\$ 3,058,726	\$ 3,058,726	\$ 3,058,726
Fund Balance Available	\$ 0	\$ 207,394	\$ 0	\$ 0	\$ 386,207
Cancelled Reserves	6,057,730	1,225,882	618,591	618,591	887,544
Total Financing Sources	<u>\$ 9,814,541</u>	<u>\$ 5,126,576</u>	<u>\$ 3,677,317</u>	<u>\$ 3,677,317</u>	<u>\$ 4,332,477</u>
Salary and Benefits	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Services and Supplies	13,400	0	0	0	0
Other Charges	4,036,582	1,937,553	2,066,800	1,889,600	1,889,600
Fixed Assets	0	0	0	0	0
Gross Expenditures	<u>\$ 4,049,982</u>	<u>\$ 1,937,553</u>	<u>\$ 2,066,800</u>	<u>\$ 1,889,600</u>	<u>\$ 1,889,600</u>
Contingencies	0	0	0	0	0
New Reserves	<u>8,762,729</u>	<u>2,356,526</u>	<u>1,610,517</u>	<u>1,787,717</u>	<u>2,442,877</u>
Total Financing Requirements	<u>\$ 12,812,711</u>	<u>\$ 4,294,079</u>	<u>\$ 3,677,317</u>	<u>\$ 3,677,317</u>	<u>\$ 4,332,477</u>

**Source of Funds**



**SERVICE PROGRAMS**

**Public Facilities**

Funding for new facilities for fire, law enforcement, libraries, parks and general government to meet increasing service level demands in the unincorporated areas of the county.

Total Expenditures: \$1,889,600 Total Staffing (FTE): 0.0

**COUNTY ADMINISTRATOR'S COMMENTS AND RECOMMENDATIONS**

This fund center tracks the revenue and expenditures of Public Facility fees. The Board of Supervisors established the Public Facility Fee Program in 1991 to assure that new development projects contribute to the cost of providing public facilities and services. Library fees were established in 1996. Since that time, public facility fees have contributed funds for a variety of County facilities.

The recommended 2007-08 budget reflects expenditures of approximately \$1.9 million for general government, fire and parks projects. Information about these projects can be found in the Capital Improvement Projects budget, Fund Center 230.

Recommended projects include:

**General Government**

- A contribution of \$500,000 to the Debt Service budget, Fund Center 277, to partially offset debt service payments for the new Government Center.
- A contribution of \$500,000 to the Capital Projects budget, Fund Center 230, to partially offset the cost of completing the North County Regional Center.

**Fire**

- \$466,800 to the Capital Projects budget to add a third vehicle bay to the Avila Fire Station.
- \$350,000 to the Fire budget, Fund Center 140, to purchase a fire rescue vehicle.

**Parks**

- \$72,800 to the Capital Projects budget to augment an existing playground equipment project in Nipomo.

Revenues collected but not expended are placed into reserves until such time they are needed to fund additional facilities. It is recommended that approximately \$1.6 million be placed in Public Facility reserves for 2007-08.

Public Facility fee revenues are projected to drop overall by 4% or \$177,000, in 2007-08. These fees are tied to the amount of building activity in the unincorporated areas of the County. Over the last year, building activity has been declining, resulting in a drop in fee revenue for libraries, general government, parks and law enforcement. Although fees were increased during the current year a 30 to 40% drop in revenue is anticipated for 2007-08 for the four areas listed above due to the declining building activity. Conversely, your Board adopted a new method of calculating fire fees and it is expected that these fees will increase by 65% in 2007-08.

**BOARD ADOPTED CHANGES**

None.

**PURPOSE**

This reserve was established in order to offset a potential loss of property tax revenue related to the depreciation of the Diablo Canyon Nuclear Power Plant.

	2005-06	2006-07	2007-08	2007-08	2007-08
<u>Financial Summary</u>	<u>Actual</u>	<u>Actual</u>	<u>Requested</u>	<u>Recommended</u>	<u>Adopted</u>
Revenues	\$ 425,798	\$ 604,870	\$ 0	\$ 0	\$ 0
Fund Balance Available	\$ 224,389	\$ 425,798	\$ 0	\$ 0	\$ 608,870
Cancelled Reserves	0	0	0	0	9,250,000
Total Financing Sources	<u>\$ 650,187</u>	<u>\$ 1,030,668</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 9,858,870</u>
Salary and Benefits	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Services and Supplies	0	0	0	0	0
Other Charges	0	0	0	0	9,250,000
Fixed Assets	0	0	0	0	0
Gross Expenditures	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 9,250,000</u>
Contingencies	0	0	0	0	0
New Reserves	<u>224,389</u>	<u>425,798</u>	<u>0</u>	<u>0</u>	<u>608,870</u>
Total Financing Requirements	<u>\$ 224,389</u>	<u>\$ 425,798</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 9,858,870</u>

**COUNTY ADMINISTRATOR'S COMMENTS AND RECOMMENDATIONS**

This fund was established a number of years ago when changes were made to the depreciation method for the Diablo Canyon Nuclear Power Plant, which resulted in lower property tax revenue for the County. In order to help offset this change in methodology, the County was allocated additional funds. These funds were placed into this reserve for future use.

**BOARD ADOPTED CHANGES**

The Board adopted item S-16 of the Supplemental Budget, which designated \$9.25 million from this Tax Reduction Reserve to the Airport for use in financing a new parking structure.