

COUNTY OF SACRAMENTO CALIFORNIA



FISCAL YEAR 2005-06

BUDGET IN BRIEF

BOARD OF SUPERVISORS

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County Executive Office
Office of Budget and Debt Management
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LETTER FROM CHAIR, BOARD OF SUPERVISORS



**CHAIR
BOARD OF SUPERVISORS
COUNTY OF SACRAMENTO**
700 H STREET, SUITE 2450 • SACRAMENTO, CA 95814

**ROGER DICKINSON
SUPERVISOR, FIRST DISTRICT**
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TO THE RESIDENTS OF SACRAMENTO COUNTY:

October 17, 2005

The Sacramento County Board of Supervisors is proud to present to you the county's 2005-06 Adopted Final Budget. The County Budget is the financial and operating plan for the provision of services to you by the County and by the special districts governed by the Board of Supervisors. For 2005-06 the County Budget also includes a Five-Year Capital Improvement plan which will guide the development of county facilities including an airport terminal, roads, and buildings.

The County Budget was developed through an open and public process. The Board heard a budget forecast, adopted resource allocation obligations and priorities, and made early, tentative resource allocations in February. Budget workshops were held in May and June. Budget hearings were held in June and September.

Unlike prior years, the county did not face massive program and staff reductions in order to balance the FY 2005-06 Final Adopted Budget. In fact, the Board was able to provide some additional funding to address the most pressing needs of our communities (i.e. gang suppression, expanded law enforcement presence in the American River Parkway, illegal dumping, and expansion of the Mather Community Campus). These service augmentations were made possible largely by increased property tax collections (fueled by the historic rise in assessed valuations from the sales of new and existing homes) and the passage of Prop 1A which limits the States ability to pass their continuing budget difficulties on to local governments. Additionally the State Budget had some positive news for the County with the return of Proposition 42 Transportation funds and the early repayment of \$26.9 million in FY 2003-04 Vehicle License Fees. These funds will be used to fund needed transportation projects and bolster reserves.

The public availability of the budget documents, both printed version and internet versions, coupled with the open and public budget process assures the rights of interested and involved county residents to participate in budget decision-making and to examine the operations of our County Government.

Should you desire further information regarding the FY 2005-06 County Budget or the county's budget process, please contact with your Supervisor (874-5411) or the Office of the County Executive (874-5833).

Sincerely,

ROGER DICKINSON
Chair, Board of Supervisors
Supervisor, District One



BUDGET OVERVIEW

The annual budget for Sacramento County is an operational plan, a fiscal plan, a capital (building) expenditure plan, and a staffing plan for the provision of services to the residents of Sacramento County. The Fiscal Year 2005-06 Adopted Budget including reserve increases totals \$4,479,516,369 and consists of the following components:

Operating Funds	\$2,404,849,841
Internal Service Funds	615,103,651
Enterprise Funds	258,065,851
Special Revenue Funds	494,665,649
Public Service Enterprise Funds	<u>706,831,377</u>
TOTAL	\$4,479,516,369

The Operating Budget total includes the General Fund requirement of \$2,014,715,863, which accounts for 45.0 percent of the total budget.

Resource allocation and budget decision making for the General Fund are guided by the following obligations/priorities adopted by the Board of Supervisors:

A. **Mandated Countywide Obligations**

Jails, prosecution, juvenile detention, health care for the poor, and welfare payments to eligible clients.

B. **Mandated Municipal Obligations**

Core requirements for providing for the public safety of the citizens living in the Unincorporated Area (Sheriff's patrol and investigations).

C. **Financial Obligations**

Maintenance of the public trust through a sound fiscal policy that focuses on financial discipline, including funding programs that provide for revenue collection and payment of county debts.

D. **Budget Priorities**

When funding of the County's mandated services and obligations are met, the following priorities govern the budget process:

1. **Law Enforcement**: Provide the highest level of discretionary law-enforcement municipal and countywide services possible within the available county budget.
2. **Safety Net**: Provide the safety net for those disadvantaged citizens, such as the homeless, mentally ill, and others who receive no services from other government agencies.
3. **Quality of Life**: Provide the highest possible quality of life for our constituents within available remaining resources.
4. **General Government**: General Government functions shall continue at a level sufficient to support the direct services to citizens.
5. **Prevention**: Continue prevention/intervention programs that can demonstrate that they save the county money over the long-term, such as alcohol and drug programs.

The General Fund is the principal fund of the County, and is used to account for all activities of the County not included in other specified funds. The General Fund also accounts for most general government activities.

Financing for the General Fund comes from a variety of sources as listed below:

<u>FINANCING TYPE</u>	<u>AMOUNT</u>	<u>PERCENT</u>
Property Taxes-Current	\$176,073,000	8.7
Property Tax In Lieu of Vehicle License Fees	97,456,370	4.8
Sales Taxes	61,500,000	3.1
Other Taxes	53,412,540	2.7
Licenses and Permits	10,723,209	0.5
Fines, Forfeitures, and Penalties	23,660,902	1.2
Use of Money and Property	20,354,617	1.0
Aid from Other Government Agencies (state and federal)	1,319,122,141	65.5
Charges for Current Services	95,002,686	4.7
Other Revenues	48,220,430	2.4
Non-Departmental Fund Balance	61,784,715	3.1
Department Fund Balance	40,775,761	2.0
Reserve Release	<u>6,629,492</u>	<u>0.3</u>
TOTAL FINANCING	\$2,014,715,863	100.0

The largest source of financing for the General Fund is Aid from Other State and Federal Government Agencies which accounts for 65.5 percent of the total financing.

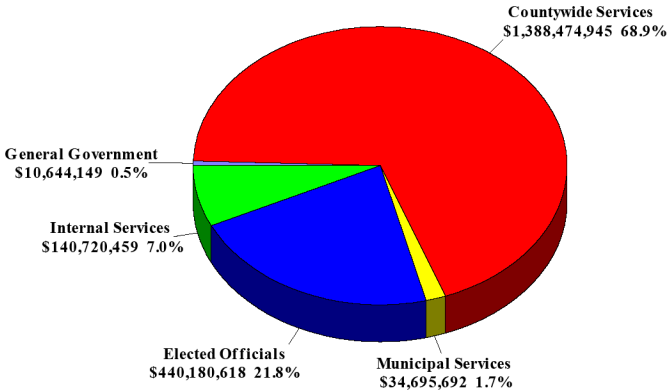
Property Taxes- Currently constitutes the second largest source of General Fund financing and accounts for 8.7 percent of the total financing. Property Taxes is a 1.0 percent tax on real property under acquisition value basis of California’s Proposition 13. The Assessor’s secured property tax roll for Fiscal Year 2005-06 totals \$101.8 billion, a 15.2 percent increase over the prior fiscal year.

Property Tax In Lieu of Vehicle License Fees is the third largest source of General Fund financing with 4.8 percent of the total financing. This revenue source emerged as a result of the State’s “swap” deal.

Sales Taxes account for 3.1 percent of the total General Fund financing. With minimal growth anticipated, sales tax is expected to reach \$61.5 million.

Other Taxes constitute 2.7 percent of the total financing. Other Taxes include In Lieu Local Sales and Use Tax (\$18.9 million), Utility User Tax (\$14.0 million), and other non-current property taxes including unitary, delinquent, penalties, and transfer tax (\$20.5 million).

The General Fund accounts for 45.0 percent of the total budget and is comprised of the following agencies.



The individual departments/budget units within each agency are detailed below:

	FISCAL YEAR <u>2005-06</u>	<u>POSITIONS</u>
Assessor	16,286,043	179.5
Board of Supervisors	3,896,661	37.0
Correctional Health Services	34,083,849	159.5
District Attorney	57,440,377	457.8
Emergency Operations	10,060,733	3.0
Sheriff	<u>318,412,955</u>	<u>2,386.0</u>
Subtotal Elected Officials	440,180,618	3,222.8
Civil Service Commission	341,982	3.0
Contribution to Local Agency Formation Commission (LAFCo)	195,000	0.0
County Counsel	5,370,456	77.0
County Executive	2,245,745	19.5
County Executive Cabinet	1,597,285	23.6
Labor Relations	<u>893,681</u>	<u>5.0</u>
Subtotal General Government	10,644,149	128.1

OPERATING FUNDS-GENERAL FUND

REQUIREMENTS

	FISCAL YEAR	
	<u>2005-06</u>	<u>POSITIONS</u>
Contingencies	\$3,951,152	0.0
County Clerk/Recorder	8,714,742	67.0
Data Processing-Shared Systems	16,046,497	0.0
Department of Finance	16,241,368	151.0
Department of Revenue Recovery	4,324,290	105.0
Employment Records and Training	5,787,827	46.2
Employment Services and Risk Management	11,833,282	112.8
Financing-Transfers/Reimbursement	1,572,770	0.0
Non-Departmental Costs/General Fund	14,527,189	0.0
Non-Departmental Revenues/General Fund	10,145,665	0.0
Reserve Increase	<u>47,575,677</u>	<u>0.0</u>
Subtotal Internal Services	\$140,720,459	482.0
Ag. Comm.-Sealer of Weights & Measures	\$3,206,038	29.8
Care in Homes and Institutions	1,391,504	0.0
Child Support Services	34,043,747	432.5
Cooperative Extension	365,967	3.0
Conflict Criminal Defenders	7,668,463	7.0
Contribution to Human Rights/Fair Housing	93,529	0.0
Contribution to Law Library	746,748	0.0
Coroner	6,699,798	42.0
Court/County Contribution	31,068,746	0.0
Court/Non-Trial Court Funding	19,891,664	0.0
Court Paid County Services	0	0.0
Criminal Justice Cabinet	151,553	0.0
Department of Compliance	28,155	3.0
Dispute Resolution Program	390,500	0.0
Grand Jury	188,632	1.0
Health and Human Services	440,829,104	2,661.7
Health-Medical Treatment Payments	38,417,293	0.0
Human Assistance-Administration	248,717,162	2,136.1
Human Assistance-Aid Payments	364,054,350	0.0
In-Home Support Services Provider Payments	48,478,673	0.0
Juvenile Medical Services	9,591,323	50.6
Probation	97,857,916	872.5
Public Defender	22,022,614	154.5
Veteran's Facility	16,400	0.0
Voter Registration and Elections	12,463,596	37.0
Wildlife Services	<u>9,1470</u>	<u>0.0</u>
Subtotal Countywide Services	\$1,388,474,945	6,430.7
Animal Care and Regulation	\$4,995,948	51.0
Contribution to Paratransit	66,600	0.0
Environmental Review	4,383,431	32.0
Neighborhood Services	1,546,174	9.0
Regional Parks, Recreation & Open Space	10,540,082	81.0
Planning and Community Development	<u>13,163,457</u>	<u>102.0</u>
Subtotal Municipal Services	\$34,695,692	275.0
TOTAL GENERAL FUND	\$2,014,715,863	10,538.6

OPERATING FUNDS-OTHER FUNDS

Fish and Game Fund -- \$54,818 **0.0 Positions**

Financing for this fund comes from fish and game fines. The funds are used for education programs. Requirements include reserve increase of \$1,066.

Health Care for the Uninsured Fund -- \$1,000,000 **0.0 Positions**

Funding came from Tobacco Litigation Settlement Revenue received before the securitization of this revenue stream. Projected use of this fund is to provide seed funding for the extension of health benefits to that portion of the population currently uninsured.

Park Construction Fund -- \$9,195,734 **0.0 Positions**

Funding comes from grants, donations, state bond sales, and contributions from the County Transient-Occupancy Tax Fund. Parks acquisition, development, and rehabilitation projects are financed from this fund. Requirements include reserve increase of \$1,047,425.

Capital Construction Fund -- \$23,287,756 **0.0 Positions**

Financing comes from a use allocations charge to the departments occupying county owned facilities, debt financing, and grants. The acquisition, construction, and major maintenance of county facilities are financed from this fund.

Tobacco Litigation Settlement Fund -- \$8,884,462 **0.0 Positions**

Financing for this fund comes from the proceeds of the tobacco revenue bond sale (securitization). Included in the bond sale was an amount that together with interest earnings could provide \$6.3 million in funding for health, youth, and community programs. The Board of Supervisors approves allocations to community based organizations on a competitive basis and on a three-year funding cycle.

First Five Sacramento Commission Fund -- \$31,899,077 **18.0 Positions**

Funding comes from the State of California under the terms of a voter-approved statewide initiative. The funding is restricted to services to youths and may not be used for basic county operations. Allocations are approved by a Commission consisting of elected officials and appointed members. Requirements include reserve increase of \$4,729,751.

Teeter Plan -- \$30,067,265 **0.0 Positions**

The County utilizes the Teeter Plan of property tax distribution. All secured tax delinquencies are advanced to those public agencies in the County which receive property taxes. The County borrows the funds to advance the delinquent taxes from the Treasury Pool in an annual five-year note. The borrowed funds are repaid with delinquent tax principal, redemption charges, and interest (18.0 percent per year).

Economic Development & Intergovernmental Affairs-- \$34,072,591 **22.8 Positions**

County economic development activities are financed from this fund. Major projects include the conversion of two former air force bases from military to mixed private and public use. Funding comes from the sale of land and facilities, grants, and a contribution from the General Fund of \$0.3 million.

Golf Fund -- \$8,030,645 **19.0 Positions**

The operations and maintenance of three county golf courses is financed from this fund. Major financing sources include user fees and concession charges.

OPERATING FUNDS-OTHER FUNDS

Environmental Management Fund -- \$13,845,054 **114.0 Positions**

Environmental Management provides countywide regulatory services that protect public health and the environment. The primary source of financing for this fund comes from fees and contracts associated with the various regulatory activities of the Environmental Health, Hazardous Materials, and Water Protection Divisions. Requirements include reserve increase of \$1,071,900.

County Library -- \$19,635,022 **0.0 Positions**

The primary source of financing for this fund comes from a dedicated share of property taxes collected in the Unincorporated Area and the cities of Sacramento, Elk Grove, Citrus Heights, Galt, Rancho Cordova, and Isleton. Library services are provided by a joint City of Sacramento – Sacramento County Joint Powers Authority with a separate Authority Board. Funding allocated to this fund is transferred to the Library Authority for services and materials.

Community Services Fund -- \$24,700,592 **117.3 Positions**

Housing and homeless programs are financed from this fund. Major funding sources include redevelopment project allocations, grants, state allocations, and transfers from the General Fund. The purpose of this fund is to segregate the restricted housing revenues.

Transient-Occupancy Tax Fund -- \$8,696,895 **0.0 Positions**

This fund is a subset of the General Fund. The county's hotel tax accrues to this fund, and this revenue is general purpose financing and may be expended on any county activity. The Board of Supervisors holds special hearings to allocate financing from this fund to community organizations, facilities and programs jointly funded with the City of Sacramento, and County Departments. Requirements include reserve increase of \$100,000.

Road Fund -- \$59,834,356 **0.0 Positions**

Gas tax and restricted state road funding accrue to this fund. Street and road acquisition, construction, and maintenance are financed from this fund. The purpose of this fund is to segregate the gas tax revenue.

Building Inspection Fund -- \$21,963,203 **0.0 Positions**

Primary financing comes from building inspection charges. The County is responsible for building inspection in the Unincorporated Area. Requirements include reserve increase of \$1,196,827.

Roadways Fund -- \$14,884,064 **0.0 Positions**

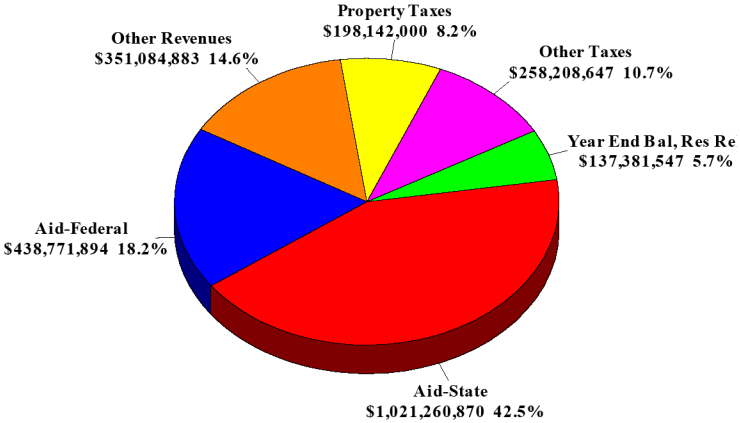
This fund is used to segregate development impact and special assessment revenue dedicated to street and road acquisition, construction, and maintenance. Requirements include reserve increase of \$4,617,496.

Transportation-Sales Tax Fund -- \$80,082,444 **0.0 Positions**

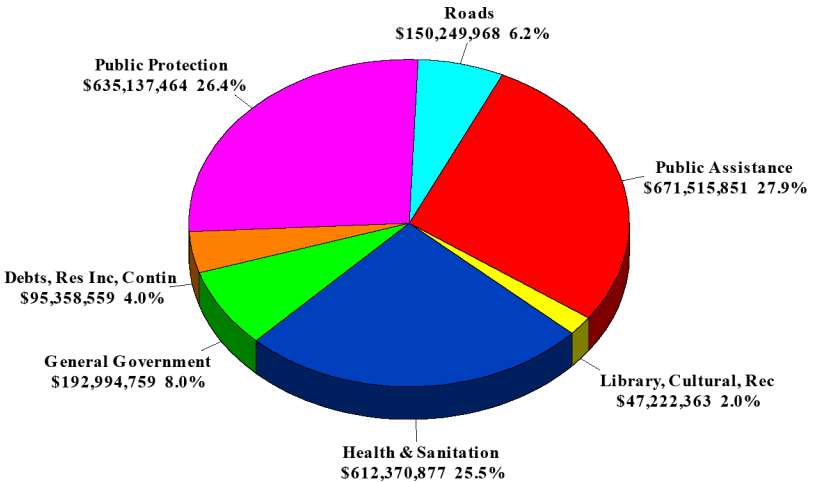
In Sacramento County the voters have approved a ½ cent increase in the sales tax to be dedicated to transportation capital projects and operations. Revenue is share by the County, cities, and the Regional Transit System (bus and train service). This fund is use to segregate the county's share of the special sales tax revenue.

OPERATING FUNDS-SUMMARY

REVENUE/FINANCING SOURCES: \$2,404,849,841



APPROPRIATIONS/REQUIREMENTS BY FUNCTION: \$2,404,849,841



INTERNAL SERVICE FUNDS

The following Internal Service Funds are used to accumulate and allocate costs internally among the county's various functions and special services provided by the Municipal Services Agency.

DEPARTMENT	FISCAL YEAR	
	2005-06	POSITIONS
Interagency Procurement	\$92,725,855	0.0
Office of Communications & Information Technology	52,204,825	247.0
Construction Management	36,474,539	303.0
Administration	1,957,004	11.0
Architectural Services	6,337,316	53.0
Development & Surveyor Services	9,853,736	61.0
Water Resources	33,126,697	268.0
Water Quality	46,575,994	358.0
Water Quality-Sacramento Regional Wastewater Treatment Plant	44,539,239	375.0
Transportation	49,775,195	374.5
Administrative Services	15,162,856	178.5
Public Works-Capital Outlay	7,028,500	0.0
General Services-Office Of The Director	1,011,228	38.0
General Services-Energy Management	8,556,938	1.0
General Services-Bradshaw District	16,195,221	122.0
General Services-Downtown District	10,378,547	80.0
General Services-Airport District	5,632,662	45.0
General Services-Security Services	2,622,371	41.0
General Services-Purchasing	2,204,738	20.0
General Services-Support Services	10,929,388	36.0
General Services-Real Estate	50,760,247	30.0
General Services-Light Equipment	21,582,726	39.0
General Services-Heavy Equipment	23,570,130	110.0
Liability/Property Insurance	21,158,028	0.0
Workers' Compensation Insurance	33,218,366	0.0
Unemployment Insurance	2,361,318	0.0
Regional Radio Communications System	2,869,129	4.0
Board of Retirement	6,290,858	41.0
TOTAL INTERNAL SERVICE FUNDS	\$615,103,651	2,836.0

ENTERPRISE FUNDS

The following Enterprise Funds are established to account for county operations financed and operated in a manner similar to private business enterprises (e.g., utilities, airports, parking garages). The costs of these activities are financed or recovered primarily through user charges.

DEPARTMENT	FISCAL YEAR	
	2005-06	POSITIONS
Airports	\$139,085,319	420.0
Airport-Capital Outlay	36,524,538	0.0
Citrus Heights Refuse-Operations	4,325,256	13.0
Solid Waste Authority	4,759,795	0.0
Refuse	68,292,522	273.0
Refuse Capital Outlay	577,568	0.0
Parking Enterprise	4,500,853	10.0
TOTAL ENTERPRISE FUNDS	\$258,065,851	716.0

SPECIAL REVENUE FUNDS

The following Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditure for those specific purposes.

DEPARTMENT	FISCAL	
	YEAR	POSITIONS
	2005-06	
Antelope Public Facilities Financing Plan	\$5,458,690	0.0
Laguna Creek/Elliott Ranch Community Facilities District No. 1	5,564,563	0.0
Laguna Community Facility District	21,832,155	0.0
Vineyard Public Facilities Financing Plan - Roadway	7,520,036	0.0
Bradshaw/US 50 Financing District	1,002,083	0.0
Laguna Stonelake Community Facilities District	288,263	0.0
Park Meadows Community Facilities District-Bond Proceeds	229,927	0.0
Mather Landscape Maintenance Community Facilities District	347,659	0.0
Mather Public Facilities Financing Plan	2,844,886	0.0
Gold River Station No. 7	56,150	0.0
Metro Air Park	37,038,090	0.0
McClellan Park Community Facilities District	8,841,844	0.0
Sacramento County Landscape Maintenance	123,991	0.0
Metro Air Park Service Tax	761,076	0.0
Natomas Fire District	3,000,938	0.0
County Service Area No. 1	4,335,755	0.0
County Service Area No. 10	99,814	0.0
Fixed Asset Revolving	75,337,470	0.0
Juvenile Courthouse-Construction	104,156	0.0
Juvenile Courthouse-Debt Service	261,330	0.0
2004 Pension Obligation Bonds	171,560	0.0
Tobacco Litigation Settlement	59,394,076	0.0
Capital Projects-Debt Service	488,760	0.0
1997-Public Facilities Debt Service	6,546,083	0.0
1997-Public Facilities-Construction	29,482	0.0
Jail Debt Service	433,116	0.0
Mental Health Debt Service	6,925	0.0
2003 Public Facilities-Construction	0	0.0
2003 Public Facilities-Debt Service	228,419	0.0
1997-Public Facilities Debt Service	1,610,105	0.0
1997-Public Facilities-Construction-Debt Service	3,956,651	0.0
Pension Obligation Bond-Interest Rate Stabilization	158,444	0.0
Pension Obligation Bond-Debt Service	2,771,674	0.0
Water Agency-Zone 11A	26,403,350	0.0
Water Agency-Zone 11B	1,923,717	0.0
Water Agency-Zone 11C	3,668,469	0.0
North Vineyard Well Protection	70,991	0.0
Water Agency-Zone 13	3,674,767	0.0
Water Agency-Zone 12	6,942,146	0.0
Water Agency-Zone 40	110,093,454	0.0
Sacramento County Water Agency Financing Authority	3,244,888	0.0
Storm Water Utility	59,116,778	0.0
Landscape Maintenance District	1,237,359	0.0
Mission Oaks Recreation and Park District	2,915,616	14.0
Mission Oaks Maintenance/Improvement Dist	1,308,975	0.0
Carmichael Recreation and Park District	4,244,260	18.0
Sunrise Recreation and Park District	18,752,782	29.0
Del Norte Oaks Park District	6,335	0.0
County Service Area No.4B-(Wilton-Cosumnes)	90,518	0.0
County Service Area No.4C-(Delta)	114,972	0.0
County Service Area No.4D-(Herald)	12,101	0.0
TOTAL SPECIAL REVENUE FUNDS	\$494,665,649	61.0

PUBLIC SERVICE ENTERPRISE FUNDS

The following Public Service Enterprise Funds are established to account for regional sanitation and water district operations financed and operated in a manner similar to private business enterprises (e.g., utilities). The costs of these activities are financed or recovered primarily through user charges.

DEPARTMENT	FISCAL YEAR	
	2005-06	POSITIONS
Regional Sanitation District-Operating	\$89,582,649	0.0
Sacramento Regional County Sanitation District Operations- Capital Outlay	304,793,859	0.0
Regional Sanitation District-Debt Service	5,294,123	0.0
County Sanitation District No. 1	57,275,218	0.0
County Sanitation District No. 1-Trunk Improvement	76,532,320	0.0
County Sanitation District #1-Rehabilitaton-Capital Outlay	75,776,503	0.0
Sacramento Regional County Sanitation District -2000 Revenue Bonds	68,689,884	0.0
County Sanitation District 1-2000 Revenue Bonds	10,046,977	0.0
Water Agency-Zone 41	18,839,844	0.0
TOTAL PUBLIC SERVICE ENTERPRISE FUNDS	\$706,831,377	0.0

FIVE-YEAR CAPITAL IMPROVEMENT PLAN

The 2005-06 Final Adopted Budget includes a Five-Year Capital Improvement Plan (CIP) for Sacramento County. The Capital Improvement Plan lists both the approved and proposed capital improvements to be acquired or constructed through the 2009-10 Fiscal Year. The approved and proposed capital projects are broken into three major categories: Airports, Other County Facilities, and Regional Parks and Open Space. The funding needs may be summarized.

CATEGORY	PRIOR-YEARS AND FIVE-YEAR COSTS
Airports	\$1,601,582,498
County Facilities	628,193,244
Regional Parks, Recreation and Open Space	14,203,643
TOTAL	\$2,243,979,385

Funding has not been obtained for all the projects, particularly those in the later years of the five-year plan. Following the Five-Year Capital Improvement Plan will result in additional operating and debt service expenditures in the present and future years. The levels of new expenditures will depend upon factors such as the timing of the facility development, operating offsets from current facilities, and interest rates. All operating and debt service costs relating to the budget year are included in the budget. The multiyear modeling is used to estimate the impact of new facilities on the operating budget.