

GENERAL BUDGET INFORMATION

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BOARD OF SUPERVISORS AND COUNTY OFFICIALS



DISTRICT 1
Phil Serna



DISTRICT 2
Patrick Kennedy



DISTRICT 3
Susan Peters



DISTRICT 4
Roberta MacGlashan



DISTRICT 5
Don Nottoli



COUNTY EXECUTIVE
Bradley J. Hudson

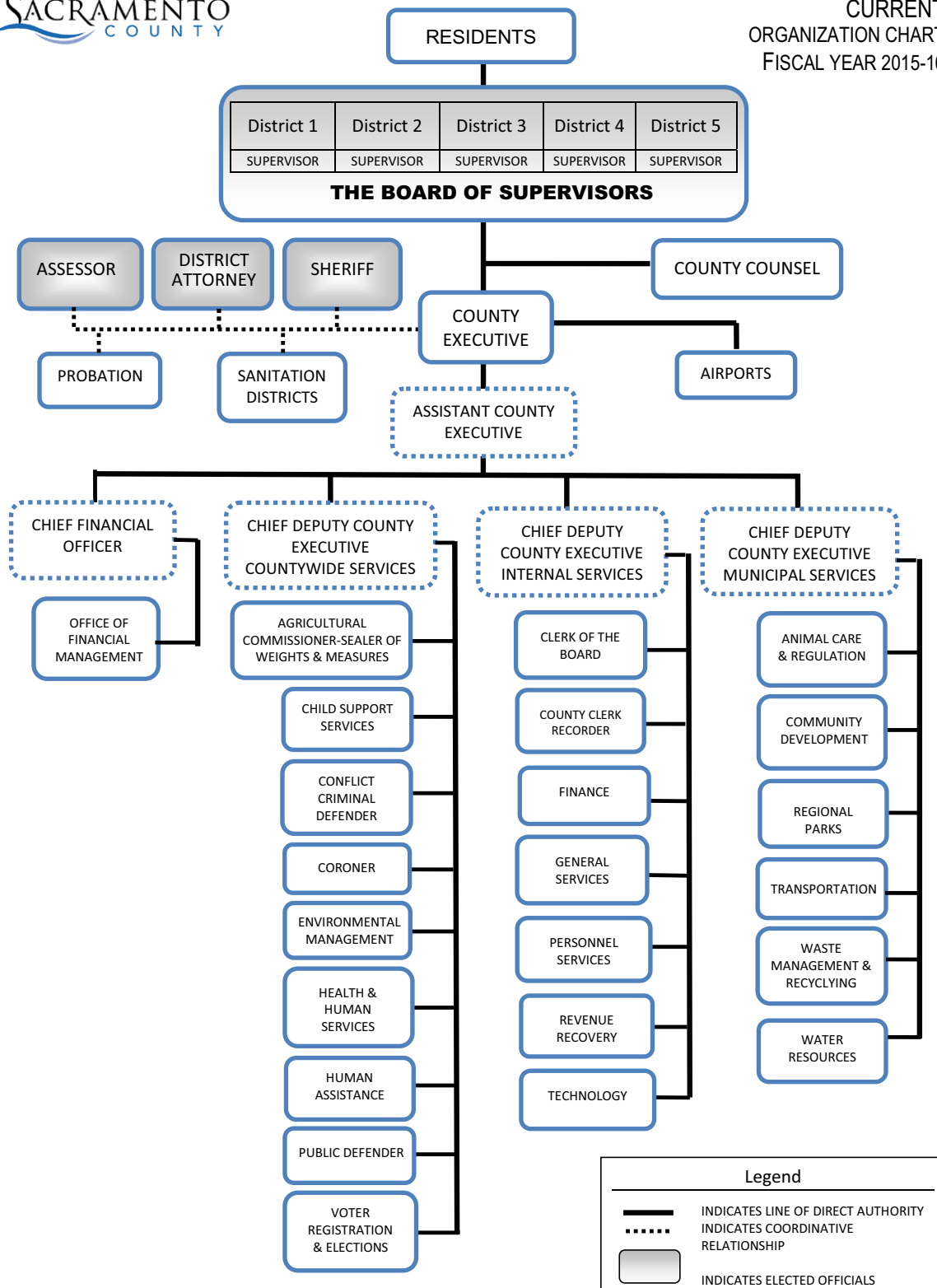
COUNTY COUNSEL
John Whisenhunt



ORGANIZATIONAL CHART



CURRENT
ORGANIZATION CHART
FISCAL YEAR 2015-16



LETTER FROM CHAIR, BOARD OF SUPERVISORS

**CHAIRMAN
BOARD OF SUPERVISORS**

700 H Street, Suite 2450
Sacramento, CA 95814
Telephone: (916) 874-5485
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**PHIL SERNA
SUPERVISOR
FIRST DISTRICT**

County of Sacramento

LISA NAVA
Chief of Staff

October 23, 2015

Dear Sacramento County Residents:

On behalf of the Sacramento County Board of Supervisors, I am pleased to present the County's Fiscal Year 2015-16 Adopted Budget. This Budget represents both the financial and operating plan for the provision and delivery of services to you by Sacramento County, as well as the special districts governed by the Board of Supervisors.

This year's budget is the result of a tremendous amount of work and effort required in its preparation and compilation. It reflects our continuing commitment to maintain fiscal integrity during these challenging economic times while working to provide efficient, effective, quality services to all County residents.

The County budget was developed through an open and public process assuring community members and interested parties the opportunity to participate in the budget's development, review and ultimate adoption. Preliminary budget hearings were conducted in June and the final budget was adopted by the Board of Supervisors in September. The 2015-16 Fiscal Year Adopted Budget is balanced, expands and enhances essential services, and guides the delivery of important programs and activities.

With the economy slowly improving, the County and its non-profit and private partners have made tremendous strides in restoring services and rebuilding systems in areas including mental health, public health, and public safety. There is still a great deal of work to be done however, including comprehensively looking at how we deliver services to those experiencing homelessness and the future management of our parks systems. We look forward to moving forward with the work that's begun and collaboratively tackling these pressing issues.

For more information about the Fiscal Year 2015-16 Adopted Budget or the County's budget process, please visit Saccounty.net or contact either your representative on the Board of Supervisors or the Office of the County Executive.

Respectfully,

A handwritten signature in black ink, appearing to read "Phil Serna", written in a cursive style.

Phil Serna, Chairman
Sacramento County Board of Supervisors

COUNTY VISION, MISSION AND VALUES

VISION

A vision is a compelling conceptual image of the desired future.

This statement describes “what we want to be” in the twenty-first century.

Our Vision is for Sacramento County to be:

- The most livable community with the highest quality public service.

MISSION

Our mission statement defines why our organization exists.

It describes what we want to do for the community.

Our Mission for Sacramento County is to:

- Improve quality of life in the community.
- Promote individual responsibility and achievement.
- Protect one another and the environment we share.
- Provide innovative and cooperative quality customer service.
- Recognize and seize opportunities for improvement.
- Stimulate economic growth and regional cooperation.

VALUES

These values are the basic principles and beliefs for the County of Sacramento.

They govern the way we make and carry out our decisions.

Our Values for Sacramento County are:

- Trust
- Dignity and respect for the individual
- Customer service
- Partnership
- Empowerment
- Continuous improvement
- Personal and professional growth
- Respect for cultural and ethnic diversity

SUMMARY OF 2015-16 ADOPTED BUDGET

The Introduction is a brief summary of Sacramento County's Annual Budget as adopted by the Board of Supervisors after legally required public hearings held in September 2015. The Introduction provides the reader with a guide to the contents of the larger document by summarizing information in the following sections:

- I. Budget Document Content
- II. Summary of the Adopted Final Budget
 - The General Fund, Programs, Financing, and Fund Balance Changes
 - Other Funds Subject to Appropriation (Other Governmental Funds)
- III. Five-Year Capital Improvement Plan
- IV. County Executive's Recommended Fiscal Year 2015-16 Budget Report

I. Budget Document Content

- The County's annual budget document includes fiscal and operational information on county operations and those special districts and enterprises governed by the Board of Supervisors. It consists of several general sections including:
- General budget information summarizes the Adopted Budget and presents the County Executive's Recommended Budget. (The Recommended Budget report may be viewed or downloaded at the following county Web site: <http://www.budget.saccounty.net/index.htm>) This section also includes a summary of the budget policies/process; the basis of budgeting; information about the County, major funds, major revenue trends, a summary of authorized staffing levels, and summaries of appropriations and financing. (See section "A-General Budget Information")
- State-determined Program Areas and Revenue Summary Schedules (tables) listing the financing and requirements for county funds, and appropriations in governmental funds. (See section "B-Summary Schedules")
- Summary of Positions giving the authorized staffing levels by budget unit. (See section "C-Summary of Positions")
- Detailed information (the budget messages) on the various budget units making up the overall county budget. This information is organized into the following five sections that reflect the organizational structure of the County (see page A-4 for Organizational Chart).
 - Elected Officials (See Section D)
 - General Government/Administration (See Section E)
 - Internal Services (See Section F)
 - Countywide Services (See Section G)
 - Municipal Services (See Section H)
 - Sanitation Districts Agency (See Section I)
- The Five-Year Capital Improvement Plan (CIP) is also included as part of the budget document (see Volume II). Annually, the Board of Supervisors holds a separate hearing on the Five-Year Capital Improvement Plan.

II. Summary of the Adopted Final Budget

Final Budget Hearings were held in September 2015. As part of these hearings the Board of Supervisors adopted the County Executive’s Recommended Budget totaling \$3.84 and is reflected in the table below. The adopted budget reflects an increase of 3.1 percent (\$0.12 billion) from the Fiscal Year 2014-15 Adopted Budget of \$3.72 billion.

Total County Budget by Fund Type

Fund Types	Amount	Percent
General Fund	\$2,325,086,304	60.6%
Special Revenue Funds	313,129,507	8.2%
Capital Project Funds	40,869,154	1.1%
Debt Service Funds	38,144,874	1.0%
Subtotal - Governmental Funds	2,717,229,839	70.8%
Internal Service Funds	375,259,252	9.8%
Enterprise Funds	450,593,023	11.7%
Special Districts and Other Agencies	295,017,108	7.7%
Total	\$3,838,099,222	100.0%

The General Fund, Programs, Financing, and Fund Balance Changes

The overall authorized spending for departmental programs and the contingency is approximately \$2.33 billion. As reflected in the table above the General Fund is the largest county fund. Support for the General Fund is detailed in the following table:

Financing Source	Amount
Departmental Revenue	\$1,733,484,146
Local Revenue	551,031,444
Reserve Release	6,675,175
Fund Balance	33,895,539
Total	\$2,325,086,304

The General Fund supports the majority of county services and nearly three-quarters of county employees providing both countywide and municipal services. As a California county, Sacramento County provides countywide human services, and law and justice services. The human services include human assistance aid, foster care, public health, mental health, and protective services. The countywide law and justice services include prosecution, adult and juvenile detention (jails), coroner services, and legal defense.

The majority of General Fund appropriations cover employee salary and benefit costs. The following table illustrates the classification of appropriations:

Appropriation Type	Amount (In Millions)	Percent
Salaries and Benefits	1,137.4	48.9%
Welfare Aid Payments	437.4	18.8%
Other Charges	373.0	16.0%
Services and Supplies	357.3	15.4%
Internal Charges	158.0	6.8%
Debt Service	11.1	0.5%
All Other	(149.1)	-6.4%
Total	2,325.1	100.0%

The following tables summarize the net cost of the General Fund programs that are financed from local resources after all the reductions were adopted. It compares the Fiscal Year 2014-15 Adopted Budget for the General Fund by Agency to the Fiscal Year 2015-16 Adopted Budget:

ADOPTED BUDGET NET COST COMPARISON

(Amounts Expressed in millions)

Program	2014-15 Adopted Budget Net Cost	2015-16 Adopted Budget Net Cost	Year to Year Variance
Elected Officials			
Assessor	\$8.8	\$9.8	\$1.0
Board of Supervisors	3.4	3.3	(0.1)
District Attorney	50.2	53.2	3.0
Sheriff	191.8	205.5	13.7
Correctional Health Services	30.4	31.3	0.9
Subtotal	284.6	303.1	18.5
Countywide Services			
Child Support Services	0.0	0.0	0.0
Health and Human Services	9.3	15.8	6.5
Health Treatment Account	10.9	1.5	(9.4)
Human Assistance-Admin.	11.0	11.0	0.0
Human Assistance-Payments	23.8	29.7	5.9
IHSS Provider Payments	2.6	4.1	1.5
Probation	56.9	64.7	7.8
Public Defender	29.4	29.6	0.2
Other	67.6	67.2	(0.4)
Subtotal	211.5	223.6	12.1

General Government/COO	35.4	27.5	(7.9)
Internal Services	10.0	14.4	4.4
Municipal Services	15.6	20.9	5.3
Contingencies	2.7	2.0	(0.7)
Total	\$559.8	\$591.5	\$31.7

Generally, all departments have had their recommended net cost either reduced or increased only slightly to offset mandated costs

Countywide Services consume approximately 37.8 percent of the local revenue resources, primarily for mandated services. Municipal Services, Internal Services, and General Government are allocated together at only 10.6 percent of the local revenue resources, although this picture is skewed by the mixed services (Municipal and Countywide) provided by Assessor, District Attorney, and the Sheriff. The Board, Assessor, and District Attorney Offices' provide countywide services, but much of the allocation to the Sheriff's Department is for municipal services.

General Purpose Financing

General Purpose Financing is the source used to fund the net cost of the various programs. The following table details the year-to-year recommended changes in general purpose revenues:

General Purpose Revenues (Amounts Expressed In Millions)			
	2014-15 Adopted Budget	2015-16 Adopted Budget	Year to Year Decrease / (Increase)
Property Taxes *	\$218.5	\$231.0	\$12.5
Property Tax In Lieu of Vehicle License Fees	135.0	142.7	7.7
Sales Tax & In Lieu Sales Tax	75.2	82.4	7.2
Utility Tax	17.0	18.1	1.1
Fines & Penalties	14.7	13.7	(1.0)
Property Transfer Tax	7.5	9.5	2.0
Franchises	4.8	5.2	0.4
Revenue Neutrality & Transition	17.1	18.5	1.4
Other Revenues & Costs	30.8	42.2	11.4
Total	\$520.6	\$563.3	\$42.7

*Includes all sources of property tax revenue (i.e. Secured, Unsecured, Supplemental, Delinquent, Unitary)

Property Tax Revenues currently constitute the second largest source of General Fund financing and account for 41.0 percent of the total financing. Property Taxes is a 1.0 percent tax on real property.

Property Tax In Lieu of Vehicle License Fees is the third largest source of General Fund financing with 25.3 percent of the total financing. This revenue source emerged as a result of the State’s “swap” deal.

Sales Taxes and In Lieu Sales account for 14.6 percent of the total General Fund financing. Sales tax and In Lieu Sales Tax associated with the true-up of the State’s “Triple Flip” is budgeted at \$82.4 million.

Recent Changes in Fund Balance of General Fund

The following table reflects the beginning total fund balance (both Departmental carryover and Non-Departmental fund balance) of each fiscal year since Fiscal Year 2004-05 and the change in available fund balance from the prior-year fiscal year:

Fiscal Year	Fund Balance	Variance
2004-05	67,952,967	5,087,391
2005-06	102,560,476	34,607,509
2006-07	140,718,398	38,157,922
2007-08	74,532,227	-66,186,171
2008-09	23,357,256	-51,174,971
2009-10	11,645,815	-11,711,441
2010-11	8,138,537	-3,507,278
2011-12	9,403,535	1,264,998
2012-13	18,247,654	8,844,119
2013-14	31,042,942	12,795,288
2014-15	43,921,611	12,878,669
2015-16	33,895,539	-10,026,072

- In Fiscal Year 2004-05 and Fiscal Year 2005-06 there was an unanticipated increase in property tax revenues associated with the strong local real estate market. The actual growth in major revenues such as sales tax and vehicle license fees also met budgetary expectations.
- The beginning fund balance for Fiscal Year 2006-07 exceeded budgeted estimates by \$55.7 million largely because of the continued strong local real estate market (Property Tax collections exceeded budget estimates by \$55.7 million). Because collections were so much higher than anticipated, the County took the opportunity to increase general reserves by \$57.0 million.
- In Fiscal Year 2007-08 the beginning fund balance declined because Property Tax collections were more in line with budgeted estimates.

- In Fiscal Years 2008-09 through 2010-11 the true impact of the economic downturn can be seen with the drop in fund balance which is predominately the result of a decrease in both property taxes and sales related taxes and transfers in from other funds.
- Fund Balance carried into Fiscal Years 2011-12 through 2014-15 are slightly improved from the prior year as revenues have begun to stabilize.
- The beginning fund balance for Fiscal Year 2015-16 includes the receipt of \$18.3 million in SB 90 revenues for prior years' claims.

Other Funds Subject to Appropriation (Other Governmental Funds)

The overall financing and requirement for the Other Governmental Funds, or those other funds subject to appropriation is found in Schedule 1 – Summary of County Budget, in the Summary Schedules portion of this document. An analysis of fund balances is reflected in Schedule 2 – Analysis of Fund Balance Unreserved/Undesignated. Reserve change detail is reflected in Schedule 3- Detail of Provisions for Reserves/Designations. All other Summary Schedules are reflected in Section B – Summary Schedules. Following is a brief description of the Other Governmental Funds, the major financing sources, and the Fiscal Year 2015-16 requirement and financing.

SPECIAL REVENUE FUNDS

Affordability Fee -- \$1,666,670 0.0 Positions

All fees collected pursuant to Sacramento County Code Section 22.35.050 are solely to purchase land for affordable housing, produce or substantially rehabilitate affordable units, or buy down Extremely Low Income units. The Affordability Fees collected shall be transferred to the Sacramento Housing and Redevelopment Agency (SHRA) and administered by the SHRA Executive Director who has the authority to govern the funds consistent with Chapter 22.35 of the Sacramento County Code. A portion of the funds may be used to cover reasonable administrative expenses.

Building Inspection Fund -- \$15,821,508 0.0 Positions

Primary financing comes from building inspection charges. The County is responsible for building inspection in the Unincorporated Area.

County Library -- \$1,266,048 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.

Economic Development -- \$62,054,685 15.0 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. Requirements include reserve increase of \$200,000.

Environmental Management Fund -- \$21,779,362 119.0 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 \$1,340,194.

First 5 Sacramento Commission Fund -- \$28,225,561 14.0 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.

Fish and Game Fund -- \$28,368 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 \$368.

Golf Fund -- \$7,886,003 6.0 Positions

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

Road Fund -- \$71,188,339 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.

Roadways Fund -- \$11,468,817 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 \$5,153,967.

Technology Cost Recovery Fee -- \$1,424,460 0.0 Positions

Revenue collected on permits and building licenses are deposited into this fund to provide financing to pay for the implementation and operation of the web-based Automation E-Government Permitting System (ACCELA).

Tobacco Litigation Settlement Fund -- \$1,245,930 0.0 Positions

Financing for this fund comes from the proceeds of the tobacco revenue bond sale (securitization). The Board of Supervisors approves allocations to a County department, another government agency or a non-profit organization providing services in the community.

Transient-Occupancy Tax Fund -- \$110,861 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.

Transportation -- \$55,567,907 265.2 Positions

The Department of Transportation provides road improvement services in the Unincorporated Area of Sacramento County and has three broad areas of responsibility: planning, programs and design; pavement, roadside and landscape maintenance; and traffic engineering and operations. Requirements include reserve increase of \$1,501,006.

Transportation-Sales Tax Fund -- \$33,394,988 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.

CAPITAL PROJECT FUNDS

Capital Construction Fund -- \$38,288,417 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.

Park Construction Fund -- \$2,580,737 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.

DEBT SERVICE FUNDS

Teeter Plan -- \$38,144,874

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).

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.

DEPARTMENT	FISCAL YEAR	
	2015-16	POSITIONS
Board of Retirement	\$7,965,229	55.0
General Services-Airport District	6,868,893	37.0
General Services-Alarm Services	1,365,167	6.0
General Services-Architectural Services	2,664,831	13.0
General Services-Bradshaw District	14,252,837	83.0
General Services-Capital Outlay	18,775,277	0.0
General Services-Construction Mgmt & Inspection	18,093,281	99.0
General Services-Downtown District	8,292,104	52.0
General Services-Energy Management	9,849,101	1.0
General Services-Heavy Equipment	24,119,624	80.0
General Services-Light Equipment	22,731,763	24.0
General Services-Office Of The Director	1,707,696	28.0
General Services-Purchasing	2,262,190	17.0
General Services-Real Estate	46,709,152	22.0
General Services-Security Services	2,893,662	27.0
General Services-Support Services	7,867,705	19.0
Interagency Procurement	42,592,944	0.0
Liability/Property Insurance	19,882,676	0.0
Department of Technology	82,043,758	369.0
Regional Radio Communications System	5,728,940	9.0
Unemployment Insurance	1,449,734	0.0
Workers' Compensation Insurance	27,142,688	0.0
TOTAL INTERNAL SERVICE FUNDS	\$375,259,252	941.0

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	
	2015-16	POSITIONS
Airport System	\$247,044,304	309.0
Airport-Capital Outlay	50,013	0.0
Parking Enterprise	4,435,703	7.0
Rural Transit	3,781,885	0.0
Solid Waste Enterprise	91,150,289	251.8
Solid Waste Enterprise Capital Outlay	5,076,104	0.0
Water Agency Enterprise	99,054,725	121.0
TOTAL ENTERPRISE FUNDS	\$450,593,023	688.8

SPECIAL DISTRICTS AND OTHER AGENCIES

The following Special Districts and Other Agencies 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	
	2015-16	POSITIONS
1997-Public Facilities Debt Service	\$3,139,822	0.0
1997-Public Facilities-Construction	381,102	0.0
1997-Refunding Public Facilities Debt Service	418,353	0.0
2003 Public Facilities-Debt Service	92,207	0.0
2004 Pension Obligation Bonds	2,523,941	0.0
2006 Public Facilities-Debt Service	938,987	0.0
2007 Public Facilities Projects-Construction	23,986	0.0
2007 Public Facilities Projects-Debt Service	346,497	0.0
2010 Refunding COPs-Debt Service	308,358	0.0
2010 Refunding COPs-Parking Garage-Debt Service	58	0.0
Antelope Assessment	727,901	0.0
Antelope Public Facilities Financing Plan	1,720,695	0.0
Arcade Creek Park	81,821	0.0
Bradshaw/US 50 Financing District	172,613	0.0
Carmichael Recreation and Park District	4,830,191	18.0
Carmichael RPD Assessment District	1,321,461	0.0
Connector Joint Powers Authority	430,819	3.0

DEPARTMENT	FISCAL YEAR	
	2015-16	POSITIONS
County Parks Community Facilities District 2006-1	41,730	0.0
County Service Area No. 1	2,929,463	0.0
County Service Area No. 10	267,688	0.0
County Service Area No.4B-(Wilton-Cosumnes)	161,730	0.0
County Service Area No.4C-(Delta)	54,016	0.0
County Service Area No.4D-(Herald)	9,978	0.0
Del Norte Oaks Park District	6,850	0.0
Fixed Asset Revolving	36,361,000	0.0
Florin Road Capital Project	410,048	0.0
Fulton Avenue Capital Project	6,334	0.0
Gold River Station No. 7	49,995	0.0
Juvenile Courthouse-Debt Service	67,883	0.0
Laguna Community Facility District	1,144,056	0.0
Laguna Creek/Elliott Ranch Community Facilities District No. 1	3,358,183	0.0
Laguna Stonelake Community Facilities District	316,221	0.0
Landscape Maintenance District	1,041,480	0.0
Mather Landscape Maintenance Community Facilities District	399,649	0.0
Mather Public Facilities Financing Plan	1,150,236	0.0
McClellan Park Community Facilities District	347,812	0.0
Metro Air Park	5,702,464	0.0
Metro Air Park Service Tax	746,091	0.0
Mission Oaks Maintenance/Improvement District	2,563,057	0.0
Mission Oaks Recreation and Park District	4,093,826	12.0
Natomas Fire District	2,180,180	0.0
North Vineyard Station Specific Plan (NVSSP)	5,576,249	0.0
NVSSP Community Facilities District	16,026,559	0.0
Park Meadows Community Facilities District-Bond Proceeds	128,490	0.0
Pension Obligation Bond-Debt Service	647,615	0.0
Regional Sanitation District-Operating	59,775,554	480.0
Sacramento Area Sewer District	36,902,781	296.0
Sacramento County Landscape Maintenance	194,291	0.0
Sunrise Recreation and Park District	9,146,971	21.0
Tobacco Litigation Settlement-Capital Projects	2,694,833	0.0
Vineyard Public Facilities Financing Plan - Roadway	9,336,047	0.0
Water Agency Zone 11-Drainage Infrastructure	24,145,345	0.0
Water Agency-Zone 13	5,665,073	0.0
Water Resources	43,908,518	135.6
TOTAL SPECIAL DISTRICTS AND OTHER AGENCIES	\$295,017,108	965.6

III. Five-Year Capital Improvement Plan

The 2015-16 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 2019-20 Fiscal Year. The approved and proposed capital projects are broken into three major categories: Airports, County Facilities, and Regional Parks. The funding needs may be summarized.

CATEGORY	PRIOR-YEARS AND FIVE-YEAR COSTS
Airports	156,048,700
County Buildings & Capital Construction	166,515,230
Department of Technology	43,612,800
Libraries	11,963,221
McClellan	715,000
Regional Parks	15,324,314
Transportation	297,169,000
Waste Management & Recycling	72,226,251
Water Resources-Drainage	32,321,423
Water Resources-Water Supply	54,396,120
TOTAL	850,292,059

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.

IV. County Executive’s Recommended Fiscal Year 2015-16 Budget Report:

COUNTY EXECUTIVE'S RECOMMENDED FISCAL YEAR 2015-16 ADOPTED BUDGET LETTER



County Executive

Bradley J. Hudson

Assistant County Executive

Navdeep S. Gill

County of Sacramento

Board of Supervisors

Phillip R. Serna, District 1

Patrick Kennedy, District 2

Susan Peters, District 3

Roberta MacGlashan, District 4

Don Nottoli, District 5

September 10, 2015

Members of the Board of Supervisors
County of Sacramento
700 H Street, Suite 2450
Sacramento, CA 95814

Re: Fiscal Year 2015-16 Budget Adoption

Honorable Members of the Board:

It is my pleasure to present for your consideration the Adopted Budget recommendations for Fiscal Year 2015-16. The spending plan submitted today has been carefully crafted to address the Board's policy objectives while responsibly balancing fiscal and public service expectations. Improving economic conditions and the consequent receipt of additional discretionary resources, combined with fiscal restraint by department managers, allow the County to pursue important initiatives, establish a larger General Fund Contingency and repay a significant portion of the inter-fund transfers used to mitigate the impact of the "Great Recession" on our employees and those we serve.

At June budget hearings, your Board targeted significant new investment in a variety of important public service initiatives. The most substantive of these efforts included the following:

- Over \$28 million in additional Child Protective Services, Foster Care and Probation expenditures bolstered by our participation in the IV-E Waiver Program;
- A \$3 million investment in reducing African-American child deaths;
- New investments in homeless programs and services totaling over \$1.1 million;
- Providing healthcare to undocumented immigrants for a total cost of \$6.7 million with a County contribution of \$5.2 million;
- Mental Health system improvements totaling over \$28 million;
- New investments in public safety totaling over \$25 million; and,
- Significant new investment in neighborhood livability, parks and animal care.

**GENERAL BUDGET COUNTY EXECUTIVE'S RECOMMENDED FISCAL YEAR
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conduct of the County's affairs. The underpinnings of this budget are solid, and are based on in-depth financial planning, and the Board's generally conservative approach to balancing the County's current services needs with long-term fiscal health. The FY2015-16 budget makes significant investment in several Board initiatives, honors commitments to our employees, and makes a substantial repayment of past inter-fund transfers. As always, your leadership has been essential in developing this year's budget. We await your policy direction as the final ingredient in our plan to meet the needs of our residents in the coming year.

THE ALL-FUNDS BUDGET

The FY2015-16 Adopted All Funds Budget is recommended at \$3,838,099,222 in requirements, which represents a 2.8% increase compared to the Budget approved by your Board on June 16, 2015. A more detailed comparison of the two budgets is shown below:

**Fiscal Year 2015-16 Approved Budget Compared to Adopted Budget
All County Funds**

Fund	FY 2015-16 Approved Budget Requirements	FY 2015-16 Adopted Budget Requirements	Variance
General Fund	2,310,095,069	2,325,086,304	14,991,235
Economic Development	51,369,586	62,054,685	10,685,099
Environmental Management	20,907,935	21,779,362	871,427
Golf Fund	7,777,463	7,886,003	108,540
Transient Occupancy Tax	(6,175)	110,861	117,036
Transportation	165,043,774	175,401,936	10,358,162
Water Resources	153,049,244	172,773,661	19,724,417
Airport System	241,402,824	247,094,317	5,691,493
Waste Management and Recycling	79,172,804	96,226,393	17,053,589
Capital Projects Funds	36,303,425	40,869,154	4,565,729
Debt Service Funds	36,083,862	38,144,874	2,061,012
Other Special Revenue Funds	48,832,062	49,678,545	846,483
Other Enterprise Funds	3,227,409	4,435,703	1,208,294
Other Internal Service Funds	368,497,916	375,259,252	6,761,336
Other Special Districts and Agencies	212,566,334	221,298,172	8,731,838
Total	3,734,323,532	3,838,099,222	103,775,690

These budget increases are primarily the result of increases in the General Fund, Economic Development Fund, transportation funds, water resources funds and waste management and recycling funds as described more fully below.

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THE GENERAL FUND BUDGET

Approved Budget

At budget hearings in June, the Board considered my Recommended Budget for FY2015-16 and approved a budget totaling \$2.298 billion in appropriations, which represents a \$101.7 million (4.6%) increase from the FY2014-15 Adopted Budget as shown below.

General Fund Budget FY2014-15 Adopted, FY2015-16 Approved

Resources	FY2014-15 Adopted	FY2015-16 Approved	Difference
Available Beginning Balance	43,921,611	19,700,000	(24,221,611)
Use of Reserves	694,963	5,300,000	4,605,037
Discretionary Revenue	507,501,492	556,868,816	49,367,324
Semi-Discretionary Revenue	562,176,454	627,276,975	65,100,521
Other Departmental Revenue	1,087,299,219	1,097,815,371	10,516,152
Total Revenue	2,156,977,165	2,281,961,162	124,983,997
Total Resources	2,201,593,739	2,306,961,162	105,367,423
Requirements			
Expenditures	2,206,491,657	2,308,517,920	102,026,263
Discretionary Reimbursements	(13,109,643)	(10,756,758)	2,352,885
Contingency	2,712,161	0	(2,712,161)
Total Appropriations	2,196,094,185	2,297,761,162	101,666,977
Provision for Reserves	5,499,555	9,200,000	3,700,445
Total Requirements	2,201,593,739	2,306,961,162	105,367,423

Discretionary and semi-discretionary allocations to departments in the FY2015-16 Approved Budget compared to the FY2014-15 Adopted Budget are illustrated in the following table.

Centrally Allocated Resources

Net County Cost, Semi-Discretionary Resources

FY 2014-15 Adopted - FY 2015-16 Approved

	FY2014-15 Adopted	FY2015-16 Approved	Change
AG COMM-SEALER OF WTS & MEASURES	1,172,387	1,204,527	32,140
ANIMAL CARE AND REGULATION	5,307,862	7,443,000	2,135,138
APPROPRIATION FOR CONTINGENCY	2,712,161	-	(2,712,161)
ASSESSOR	8,827,737	9,830,948	1,003,211
BOARD OF SUPERVISORS	3,352,512	3,325,760	(26,752)

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CARE IN HOMES AND INSTITUTIONS	283,250	462,650	179,400
CHILD SUPPORT SERVICES		15,000	15,000
CIVIL SERVICE COMMISSION	318,089	330,573	12,484
CLERK OF THE BOARD	1,128,714	1,224,052	95,338
COMMUNITY DEVELOPMENT	6,117,381	6,015,756	(101,625)
CONFLICT CRIMINAL DEFENDERS	9,577,164	9,972,360	395,196
CONTRIBUTION TO LAFCO	228,833	228,833	-
CONTRIBUTION TO LAW LIBRARY		9,405	9,405
COOPERATIVE EXTENSION	336,073	320,009	(16,064)
CORONER	6,135,333	6,242,797	107,464
CORRECTIONAL HEALTH SERVICES	37,352,669	39,819,582	2,466,913
COUNTY COUNSEL	2,186,783	2,251,012	64,229
COUNTY EXECUTIVE	1,035,338	1,081,865	46,527
COUNTY CLERK / RECORDER	25,006		(25,006)
COUNTY EXECUTIVE CABINET	238,575	250,000	11,425
COURT / COUNTY CONTRIBUTION	24,761,756	24,761,756	-
COURT / NON-TRIAL COURT FUNDING	10,594,410	8,822,086	(1,772,324)
DATA PROCESSING-SHARED SYSTEMS	8,254,194	9,535,904	1,281,710
DEPARTMENT OF FINANCE	464,300	3,014,192	2,549,892
DEPARTMENT OF REVENUE RECOVERY	11,342		(11,342)
DISTRICT ATTORNEY	63,551,154	67,159,634	3,608,480
EMERGENCY OPERATIONS	478,902	837,792	358,890
FAIR HOUSING SERVICES	150,000	146,500	(3,500)
FINANCING-TRANSFERS/REIMB	4,276,841	2,331,371	(1,945,470)
GRAND JURY	310,675	300,933	(9,742)
HEALTH AND HUMAN SERVICES	190,681,286	213,339,013	22,657,727
HEALTH-MEDICAL TREATMENT PAYMENTS	11,858,517	3,469,665	(8,388,852)
HUMAN ASSISTANCE-ADMIN	19,080,347	18,001,492	(1,078,855)
HUMAN ASSISTANCE-AID PAYMENTS	151,520,099	190,084,365	38,564,266
IHSS Provider Payments	50,961,650	55,120,826	4,159,176
JUVENILE MEDICAL SERVICES	7,470,545	7,649,916	179,371
NON-DEPARTMENTAL COSTS/GF	26,488,450	14,570,855	(11,917,595)
OFFICE OF INSPECTOR GENERAL	100,300	100,230	(70)
OFFICE OF LABOR RELATIONS		203,822	203,822
PROBATION	101,019,504	112,842,913	11,823,409
PUBLIC DEFENDER	29,855,202	30,153,081	297,879
REGIONAL PARKS	4,174,114	5,920,022	1,745,908
SHERIFF	322,083,571	343,547,507	21,463,936
VETERAN'S FACILITY	15,952	15,952	-
VOTER REGISTRATION/ ELECTIONS	7,358,063	8,688,960	1,330,897
WILDLIFE SERVICES	47,558	55,633	8,075
	1,121,904,599	1,210,702,549	88,797,950

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includes a \$1,375,175 reduction in Teeter reserves reflecting a decrease in the amount of reserves that need to be set aside for the Teeter Plan based on an analysis of Teeter reserve requirements by the Finance Department.

Discretionary Revenue and Reimbursements

The Adopted Budget includes approximately \$4.3 million, or 0.8%, less in discretionary revenue and reimbursements than the Approved Budget. This is the net result of increases and decreases in a number of revenue sources as shown in the following table:

DISCRETIONARY REVENUE AND REIMBURSEMENTS

	FY2014-15 Actual	FY2015-16 Approved	FY2015-16 Adopted	Difference - Approved to Adopted
Property Tax-Secured/VLF In-lieu	334,078,700	345,496,722	349,942,467	4,445,745
Property Tax - Supplemental	5,608,018	4,000,000	5,608,018	1,608,018
Other Property Tax	15,776,744	16,306,136	15,633,052	(673,084)
Total Property Tax	355,463,462	365,802,858	371,183,537	5,380,679
Sales & In-Lieu Sales Tax	74,171,333	83,060,416	82,503,716	(556,700)
Utility User Tax	17,507,378	18,082,378	18,082,378	0
Transient Occupancy Tax	4,534,056	4,514,439	4,550,000	35,561
Property Transfer Tax	9,036,720	8,650,000	9,488,556	838,556
SB 90 Repayment	20,853,119	18,107,459	4,000,000	(14,107,459)
Other One-time Revenue	0	5,500,000	7,296,861	1,796,861
Other On-going Revenue	53,780,138	53,151,266	53,953,396	802,130
Total Revenue	535,346,206	556,868,816	551,031,444	(5,837,372)
Teeter	11,351,082	9,263,243	10,781,958	1,518,715
SWA	1,620,187	1,493,515	1,515,940	22,425
Other Reimbursements	134,828	0	0	0
Total Reimbursements	13,106,097	10,756,758	12,297,898	1,541,140
TOTAL	548,452,303	567,625,574	563,329,342	(4,296,232)

As can be seen, major contributors to the net \$4.3 million decrease in discretionary revenue and reimbursements compared to the Approved Budget include:

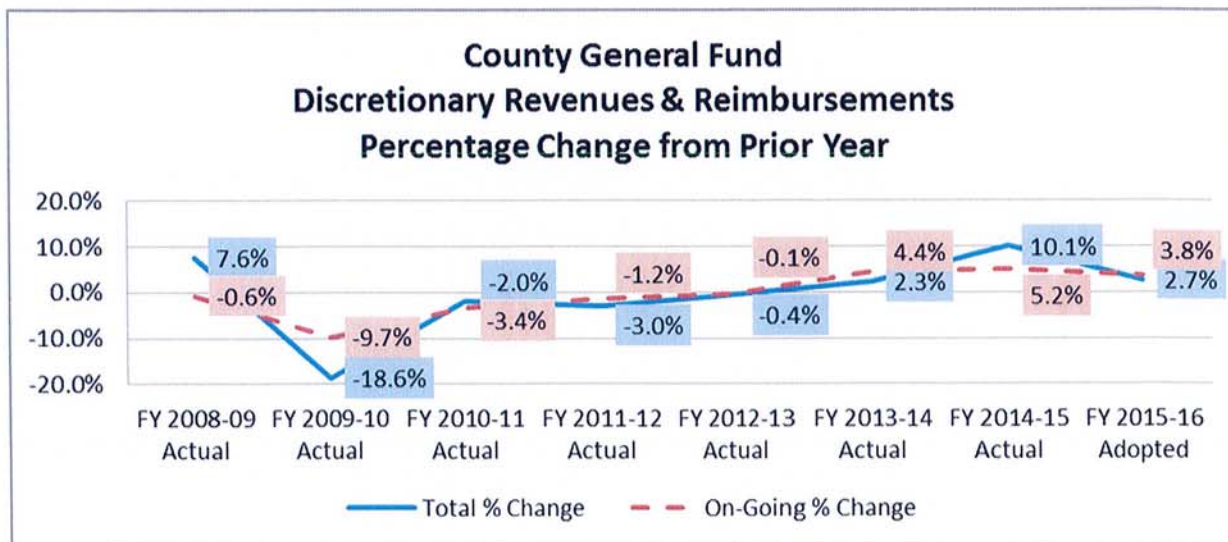
- A \$14.1 million (78%) reduction in revenue from the State related to the Governor's effort to re-pay counties money owed for pre-2004 SB90 mandate claims that the State previously withheld to address its budget problems. As indicated above, the \$18.1 million from this source included in the Approved Budget, was actually received in FY2014-15 and is reflected in the FY2014-15 General Fund ending fund balance. The \$4 million in revenue from this source in the FY2015-16 Adopted Budget is the State's estimate of how much interest the County will receive for amounts previously withheld. This was not included in the Approved Budget.
- A \$4.45 million (1.3%) increase in Secured Property Tax and Property Tax in Lieu of Vehicle License Fee (VLF) revenue. The revised Secured/VLF In-Lieu property tax revenue estimates are 4.7% higher than the FY2014-15 actual revenue from these sources and are based on the July Assessment Roll prepared by the County Assessor.

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- An additional \$1.8 million in one-time revenue related to County Certificates of Participation (COPs) and Pension Obligation Bonds (POBS). This is due to the actual balances available being higher than the estimated amounts used to prepare the Approved Budget.
- A \$1.5 million (16%) increase in Teeter reimbursements. Teeter reimbursement estimates were revised after discussions with the Department of Finance and the Tax Collector. The revised estimates take into account FY2014-15 actual delinquencies, the most recent trends in delinquency rates and updated information on the balances of the prior year's notes outstanding. Although this represents an increase from the amount included in the Approved Budget, FY2015-16 Teeter reimbursements are still estimated to be approximately 5% lower than FY2014-15 actual Teeter reimbursements. We expect to see a continued gradual decline in Teeter reimbursements as the economy improves.

As you are aware, a key issue in terms of the General Fund's long-term fiscal condition is the rate of growth in discretionary resources. The most recent General Fund Five Year Sensitivity Analysis, presented in the FY2015-16 Recommended Budget, suggested that total annual discretionary revenue and reimbursement growth would need to average more than 7% annually over the next five years if the General Fund is to approach structural balance; that is, where on-going resources equal on-going expenditures.

The following graph shows the percent change in the amount of discretionary revenue and reimbursements received – both total (including one-time revenue) and on-going (not including one-time revenue) since FY2008-09.



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As can be seen, after five years of decline, in FY2013-14 on-going discretionary revenue and reimbursements began to increase: by 4.4% in FY2013-14 and 5.2% in FY2014-15. For FY2015-16, we are projecting that on-going discretionary revenue and reimbursements will grow by 3.8% compared to the prior year actual number. Given this, unless the rate of growth in discretionary revenue and reimbursements increases significantly, it is doubtful the General Fund will be in structural balance in the next five years. In particular, FY2016-17 is shaping up to be a challenging year for the General Fund for a number of reasons, including:

- Between the beginning fund balance and revenue and reimbursements, FY2015-16 utilizes approximately \$35 million in one-time discretionary revenue and reimbursements to cover the cost of on-going operations; and,
- In FY2016-17, employees in most bargaining units are entitled to a 4% Cost of Living (COLA) adjustment under existing labor agreements, compared to a 2% COLA in FY2015-16 (partially offset by increased employee pension contributions).

Net County Cost/Discretionary and Semi-Discretionary Revenue Allocations

The FY2015-16 Adopted Budget includes a Net County Cost of approximately \$591.5 million, which represents an increase of approximately \$8 million, or 1.4%, compared to the Approved Budget. The recommended allocations are summarized in the following table:

General Fund Allocations for FY 2015-16 Adopted Budget As Compared to FY 2015-16 Approved Budget

DEPARTMENT	FY 2015-16 Approved	FY 2015-16 Adopted	Variance
ELECTED OFFICIALS			
Assessor	9,830,948	9,830,948	0
Board of Supervisors	3,325,760	3,325,760	0
District Attorney	53,281,952	53,188,931	(93,021)
Sheriff	206,847,369	205,470,853	(1,376,516)
Correctional Health	31,257,856	31,257,856	0
Subtotal	304,543,885	303,074,348	(1,469,537)
COUNTYWIDE SERVICES			0
Human Assistance-Aid Payments	31,717,757	29,715,408	(2,002,349)
DHA Administration	10,466,392	10,764,564	298,172
Health & Human Services	15,790,746	15,790,746	0
Probation	63,204,225	64,663,767	1,459,542
Courts	33,583,842	33,583,842	0
Public Defender and Conflict Defenders	39,548,623	39,548,623	0
Medical Treatment Payments	1,500,000	1,500,000	0

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In-Home Supportive Services (IHSS)	4,068,543	4,068,543	0
Voter Registration and Elections	8,688,960	8,688,960	0
Other Countywide Services	15,076,822	15,076,822	0
Subtotal	223,645,910	223,401,275	(244,635)
MUNICIPAL SERVICES			0
Animal Care & Regulation	7,443,000	7,761,300	318,300
Community Development	6,015,756	6,503,659	487,903
Regional Parks	5,920,022	6,167,195	247,173
Subtotal	19,378,778	20,432,154	1,053,376
INTERNAL SERVICES			0
Finance Department	3,014,192	3,129,751	115,559
Other Internal Services	100,230	100,230	0
Subtotal	3,114,422	3,229,981	115,559
GENERAL GOVERNMENT	32,742,579	41,313,975	8,571,396
TOTAL	583,425,574	591,451,733	8,026,159

In some cases, though, increases in Semi-discretionary revenue (Proposition 172 and Realignment revenue) offset what would otherwise be increases in Net County Cost or allow for a reduction in Net County Cost. The following table compares the allocation of Net County Cost and Semi-discretionary revenues to all departments in the FY2015-16 Approved Budget and the FY2015-16 Adopted Budget.

Centrally Allocated Resources

Net County Cost, Semi-Discretionary Resources

Fiscal Year 2015-16

	FY2015-16 Approved	FY2015-16 Adopted	Difference
AG COMM-SEALER OF WTS & MEASURES	1,204,527	1,204,527	-
ANIMAL CARE AND REGULATION	7,443,000	7,761,300	318,300
APPROPRIATION FOR CONTINGENCY	-	2,000,000	2,000,000
ASSESSOR	9,830,948	9,830,948	-
BOARD OF SUPERVISORS	3,325,760	3,325,760	-
CARE IN HOMES AND INSTITUTIONS	462,650	462,650	-
CHILD SUPPORT	15,000	15,000	-
CIVIL SERVICE COMMISSION	330,573	330,573	-
CLERK OF THE BOARD	1,224,052	1,335,052	111,000
COMMUNITY DEVELOPMENT	6,015,756	6,503,659	487,903
CONFLICT CRIMINAL DEFENDERS	9,972,360	9,972,360	-
CONTRIBUTION TO LAFCO	228,833	228,833	-
CONTRIBUTION TO LAW LIBRARY	9,405	9,405	-

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COOPERATIVE EXTENSION	320,009	320,009	-
CORONER	6,242,797	6,242,797	-
CORRECTIONAL HEALTH SERVICES	39,819,582	39,819,582	-
COUNTY COUNSEL	2,251,012	2,251,012	-
COUNTY CLERK / RECORDER		-	-
COUNTY EXECUTIVE	1,081,865	1,081,865	-
COUNTY EXECUTIVE CABINET	250,000	20,000	(230,000)
COURT / COUNTY CONTRIBUTION	24,761,756	24,761,756	-
COURT / NON-TRIAL COURT FUNDING	8,822,086	8,822,086	-
DATA PROCESSING-SHARED SYSTEMS	9,535,904	9,845,904	310,000
DEPARTMENT OF FINANCE	3,014,192	3,129,751	115,559
DEPARTMENT OF REVENUE RECOVERY		-	-
DISTRICT ATTORNEY	67,159,634	67,182,146	22,512
EMERGENCY OPERATIONS	837,792	837,292	(500)
FAIR HOUSING SERVICES	146,500	157,255	10,755
FINANCING-TRANSFERS/REIMB	2,331,371	2,329,466	(1,905)
GRAND JURY	300,933	300,933	-
HEALTH AND HUMAN SERVICES	213,339,013	213,339,013	-
HEALTH-MEDICAL TREATMENT PAYMENTS	3,469,665	3,469,665	-
HUMAN ASSISTANCE-ADMIN	18,001,492	18,299,664	298,172
HUMAN ASSISTANCE-AID PAYMENTS	190,084,365	189,944,573	(139,792)
IHSS Provider Payments	55,120,826	55,120,826	-
JUVENILE MEDICAL SERVICES	7,649,916	7,649,916	-
NON-DEPARTMENTAL COSTS/GF	14,570,855	20,942,901	6,372,046
OFFICE OF INSPECTOR GENERAL	100,230	100,230	-
OFFICE OF LABOR RELATIONS	203,822	203,822	-
PROBATION	112,842,913	114,466,913	1,624,000
PUBLIC AUTHORITY		-	-
PUBLIC DEFENDER	30,153,081	30,153,081	-
REGIONAL PARKS	5,920,022	6,167,195	247,173
Reserve		-	-
SHERIFF	343,547,507	342,895,631	(651,876)
VETERAN'S FACILITY	15,952	15,952	-
VOTER REGISTRATION/ ELECTIONS	8,688,960	8,688,960	-
WILDLIFE SERVICES	55,633	55,633	-
	1,210,702,549	1,221,595,896	10,893,347

As can be seen, the amount of Net County Cost and Semi-discretionary resources allocated to programs in the Adopted Budget is approximately \$10.9 million, or 1%, greater than the FY2015-16 Approved Budget level. A discussion of the major proposed changes in Net County Cost or Semi-discretionary revenue for selected General Fund budget units is provided in the following section along with other proposed adjustments to the Approved General Fund Budget.

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Net County Cost is related to funding for the South County Habitat Conservation Plan (HCP). The \$443,000 decrease in revenue for the HCP is partially offset by the receipt of \$414,000 in revenue to fund the bulk of the increase in appropriations. This additional revenue and appropriations will fund 3 FTE new positions and the reallocation of a position: 1 new Associate Planner to assist in the processing of environmental documents, 2 new Associate Planners to assist in the processing of development applications and the reallocation of a 0.8 FTE Associate Engineer-Architect to a 1 FTE Associate Civil Engineer to deal with the increase in commercial permitting activity.

County Executive Cabinet

A \$230,000 decrease in appropriations, \$250,000 decrease in revenue and \$20,000 increase in Net County Cost is recommended. I am recommending that \$250,000 in appropriations and AB 109 Realignment Planning revenue related to the Adult Correctional System Review be transferred to the Non-Departmental Costs budget unit. The \$250,000 decrease in appropriations related to the Adult Correctional System review is partially offset by a \$20,000 increase in appropriations and Net County Cost to cover certain costs associated with the Delta Counties Coalition. The Adopted Budget also reflects a \$56,000 increase in Services Supplies appropriations. This is offset by a \$56,000 reduction in Salaries and Benefits appropriations, reflecting a more realistic salary savings estimate.

Non-Departmental Costs

A \$6,372,000 increase in appropriations, \$250,000 increase in revenue and \$6,122,000 increase in Net County Cost is recommended.

A \$250,000 increase in appropriations and revenue is recommended to cover costs related to the Adult Correctional System Review. In the Approved Budget, these costs and revenue were included in the County Executive Cabinet budget unit. The Non-Departmental Costs budget unit includes \$500,000 in appropriations for consultant costs that may be needed during the year and some of that appropriation authority can be used in the event Adult Correctional System costs exceed \$250,000.

The remaining \$6,122,000 recommended increase in appropriations and Net County Cost will be used to repay a portion of the money transferred to the General Fund from other County funds during the Great Recession. The Approved Budget included \$568,393 for this purpose and with this additional amount the total being repaid in FY2015-16 will be \$6,690,439. The following table shows the amounts currently owed by the General Fund to each of the relevant funds, the funds proposed to be repaid in FY2015-16 and the remaining balances:

Fund/Fund Center	Current Balances - 6-30-15	Proposed for Repayment	Remaining Balance
Workers Compensation	41,752,392	6,690,439	35,061,953
Clerk-Recorder - Conversion	3,300,000	0	3,300,000
Clerk-Recorder - Modernization	5,000,000	0	5,000,000
TOTAL	50,052,392	6,690,439	43,361,953

Appropriation for Contingency

I am recommending use of \$2 million in Net County Cost to create a General Fund Contingency. The Approved Budget did not include any appropriation for Contingency, but it noted that a \$2.8 million debt service contingency for the Raley Field and Sacramento Regional Arts Facilities will be available to use as a General Fund Contingency if it is not needed to cover debt service costs. An "effective" contingency of \$2.8 million is quite low for a General Fund with a budget of over \$2.3 billion and over \$1 billion in discretionary and semi-discretionary resources. Given the General Fund's fiscal situation, I believe a more prudent contingency would be in the area of \$10 million – approximately 1% of discretionary and semi-discretionary resources. The creation of a \$2 million Contingency, when added to the \$2.8 million debt service contingency, will provide an effective contingency of \$4.8 million

District Attorney

A \$134,000 increase in appropriations, \$227,000 increase in revenue and \$93,000 reduction in Net County Cost is recommended. The recommended increase in appropriations is partly due to charges from the Department of Health & Human Services for the Special Assault Forensic Evaluation (SAFE) Center which were inadvertently not included in the Approved Budget and partly due to the receipt of a \$112,000 Alcohol and Drug Impaired Driver Grant. The recommended increase in revenue is due to the Alcohol and Drug Impaired Driver Grant and to the receipt of \$116,000 in additional Proposition 172 revenue.

Regional Parks

A \$247,000 increase in appropriations and Net County Cost is recommended to cover the cost of equipment or services that were originally anticipated to be received and paid for in FY2014-15 (and thus not included in the FY2015-16 Approved Budget), but that will actually be paid for in FY2015-16. These purchases include: \$25,000 for the Gibson Ranch maintenance contract; \$116,000 for PayStations; \$63,000 for various research contracts; and \$29,000 for a vehicle.

Probation

A \$162,000 increase in appropriations, \$1,298,000 decrease in revenue and \$1,460,000 increase in Net County Cost is recommended. I am recommending the increase in appropriations (and \$162,000 of the increase in Net County Cost) to cover lease costs associated with moving the Adult Day Reporting Center (ADRC) from 7000 Franklin Blvd. to 7300 Lincolnshire Drive, which will be closer to several partner agencies. The reduction in revenue and the rest of the increase in Net County Cost is due to a \$1,462,000 decrease in SB 678 revenue, partially offset by a \$165,000 increase in Proposition 172 revenue. The reduction in SB 678 revenue is based on revised numbers in the State's Adopted Budget.

Health & Human Services

An \$830,200 increase in appropriations and revenue is recommended, comprised of:

- A \$253,000 increase in appropriations and revenue related to the implementation of a new Training Unit in Child Protective Services (CPS) starting in January of 2016. This Unit will include 6 FTE positions and a contract with UC Davis for additional training services. Currently, there are two training positions in CPS (a Human Services Program Planner and Senior Office Assistant). As proposed, two long-term vacant Human Service Specialist positions will be also be assigned to this Unit. In addition, a new Human Services Program Specialist and Deputy County Counsel position will be created (the Deputy County Counsel position will be created in the County Counsel budget unit, but funded by a reimbursement from Health & Human Services). The two currently vacant positions are funded with Realignment revenue, but once reassigned to the Training Unit will draw down 75% of their cost from federal Title IV-E revenue, as will the two new positions being proposed and the UC Davis contract expenditures. The federal funding for the two existing vacant positions will offset Realignment revenue, which can be used to cover the remaining 25% of the cost two new positions and the UC Davis contract. Since this new Unit will be created effective January 1, 2016, \$253,000 represents 6 months' worth of additional cost and revenue. The full year additional cost and revenue associated with the new positons and UC Davis contract is approximately \$500,000; and,
- A \$577,000 increase in appropriations and revenue due to receipt of additional categorical funding for a number of programs, including \$188,5000 for EBOLA planning and preparedness activities; \$221,173 for the Supplemental Nutrition Assistance Program; \$74,875 in increased Substance Abuse and Mental Health Services block grant funding for Community Mental Health Services; and, additional federal funding for CORE training at the Special Forensic Evaluation Center.

Sheriff

An \$80,000 increase in appropriations, \$1,457,000 increase in revenue and \$1,377,000 reduction in Net County Cost is recommended. The recommended \$80,000 increase in appropriations is largely the net result of increased grant-related expenditures, partially offset by a \$652,000 reduction in lease costs. The reduction in lease costs is due to the reallocation of staff currently housed in the Marconi Service Center to other Sheriff's Department space. The increase in estimated revenue is due primarily to the projected receipt of an additional \$725,000 in Proposition 172 revenue and \$610,000 in grant revenue, including Residential Substance Abuse and Marine Enforcement Grant revenue.

Human Assistance-Administration

A \$5,615,000 increase in appropriations, \$5,317,000 increase in revenue and \$298,000 increase in Net County Cost is recommended. Approximately \$5.3 million of the recommended increase in appropriations is related to enhanced Medi-Cal eligibility efforts, including the addition of 10 Eligibility Supervisor and 43 Eligibility Specialist positions and \$626,000 for contracts to assist Medi-Cal beneficiaries with renewing their coverage. The Department is attempting to deal with a significant backlog of applications, partly related to the implementation of the Affordable Care Act. This appropriation increase is fully funded with federal and State revenue.

- Sheriff's North Area Substation – Lactation Room and Tenant Improvement – Increase of \$215,000;
- Sheriff's Work Release – Replace Freezer Floor and Cooler Box – Increase of \$200,000;

The additional appropriation needed for department funded projects is partially offset by the removal of two department funded projects: the \$120,000 John M. Price District Attorney Building – Upgrade Interior Lighting Technology project funded by the Department of General Services Energy Management Division after it was determined to not be cost-effective; and, the \$150,000 Materials Test Lab – Replace Humidification System.

Economic Development Fund

A \$10,685,000 increase in appropriations, \$7,662,000 increase in revenue and \$3,022,000 increase in use of fund balance is recommended. Most of these increases are due to the timing of construction projects at the former McClellan and Mather Air Force Bases, with \$8.7 million of the appropriation increase and \$7.7 million of the revenue increase related to two McClellan environmental remediation projects.

Transportation – Sales Tax Fund

A \$5.3 million increase in appropriations, \$5.2 million increase in revenue and \$85,000 increase in use of fund balance is recommended. The recommended increase in appropriations and revenue is due primarily to:

- Increased labor costs and new or additional design requirements for several capital projects including South Watt Avenue improvements, Hazel Avenue Phase 2 and the State Route 50 /Watt Avenue Interchange; and,
- An increase in Right of Way costs for Hazel Avenue Phase 2 and 3, the South Watt Project and the Watt at 50 Project.

General Services – Capital Outlay Fund (Fund 34A)

A \$3.8 million increase in appropriations and use of fund balance is requested to re-budget for the purchase of equipment for the Sanitation District. As with other capital budgets, the Approved Budget for this fund was based on certain assumptions about what project expenditures would occur in FY2014-15 and how much would need to be re-budgeted in FY2015-16. After the fiscal year-end close, adjustments are necessary to account for the difference between estimates and actuals.

General Services – Roll-Up Funds

A \$3.5 million increase in appropriations, \$143,000 increase in revenue and \$3.3 million increase in use of fund balance is recommended, due primarily to the following:

- A \$348,630 increase in Salaries & Benefits due to an increase in Extra Help for painting projects required at the Airport and recently negotiated cost-of-living adjustments;

- A \$2,977,319 increase in Service & Supplies primarily due to appropriating retained earnings for project and contingency spending and an increase for buying pipeline gas for the compressed natural gas (CNG) dispenser at Fleet's Branch Center fuel station; and,
- A \$148,830 increase in Other Charges due to re-budgeting appropriations for the balance of the CNG project costs.

Airport System Fund

A \$5.78 million increase in appropriations and use of fund balance is recommended, due primarily to the following:

- A \$501,000 increase in salaries and benefit costs associated with the reallocation of 1.0 FTE Supervising Custodian Level 1 to 1.0 FTE Senior Account Clerk and reductions in budgeted salary savings to accommodate the decreasing vacancy rate;
- A \$1,479,000 increase in services and supplies costs associated with the deletion and re-budgeting of various projects; and,
- A \$3.8 million increase in inter-fund transfers to the Airport Capital Outlay Fund for capital expenses and equipment purchases, due primarily to the need to re-budget for project costs that were originally expected to be incurred in FY2014-15.

Solid Waste Enterprise Fund

An \$11.58 million increase in appropriations, \$3,000 decrease in revenue and \$11.58 million increase in the use of fund balance, including a reserve release of \$7.8 million, is recommended. The primary reason for the increase in appropriations and use of fund balance is to permit the redemption of \$13.8 million in 2005 Certificates of Participation (COPs), as approved by the Board on August 11, 2015.

Water Agency Enterprise Fund

A \$14.3 million increase in appropriations, \$2.4 million decrease in revenue and \$16.7 million increase in use of fund balance is recommended. The primary reasons for the recommended increase in appropriations are:

- An \$11.46 million increase in Zone 40, 41 and 50 capital expenses, including the addition of a new project (Northgate 880) and projects postponed from FY2014-15 to FY2015-16;
- A \$1.53 million increase in services and supplies costs due to increased construction, engineering and other services for capital projects;
- A \$732,000 increase in depreciation expenses;

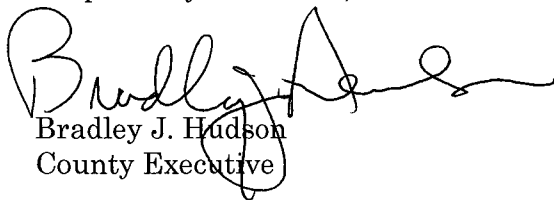
- A \$362,000 increase in Zone 41 operating expenses due to the addition of new conservation programs such as Cash for Grass, Irrigation Efficiency Upgrade and Hot water Recirculating System; and,
- The re-budgeting of \$173,000 for the purchase of vehicles included in the FY2014-15 Budget but not received in FY2014-15 and not included in the FY2015-16 Approved Budget.

The decrease in estimated revenues is due to a projected decrease in Zone 40 development fees and a decrease in Zone 41 water service charges reflecting a reduction in use per capita and a 32% cut to meet water conservation compliance goals.

RECOMMENDATIONS

1. Approve the attached Budget and Schedules amending the FY2015-16 Approved Budget, as amended by the Board.
2. Direct the Department of Personnel Services to prepare an administrative Salary Resolution Amendment (SRA) to reflect the positions approved by the Board in the FY2015-16 Adopted Budget.
3. Direct the Department of Finance to prepare the FY2015-16 Budget Resolutions for Board consideration on Tuesday, September 22, 2015.
4. Approve the attached list of new projects for inclusion in the County's Capital Improvement Plan (CIP).

Respectfully submitted,


Bradley J. Hudson
County Executive

Attachments:

- Attachment A: Centrally Allocated Funds: Budget Recommended for Adoption
Attachment B: Budget Schedules for FY2015-16
Attachment C: List of New Projects for Inclusion in the Capital Improvement Plan

GENERAL BUDGET COUNTY EXECUTIVE'S RECOMMENDED FISCAL YEAR INFORMATION 2015-16 ADOPTED BUDGET LETTER

ATTACHMENT A

County of Sacramento Centrally Allocated Funds - CEO Budget Recommended for Adoption Fiscal Year 2015-16

For September Hearings

	June Approved	Augmentation	CEO CF Recommended	1991	2011	AB 109	172	FY 2015-16 Recommended
AG COMM-SEALER OF WTS & MEASURES	1,204,527		1,204,527					1,204,527
ANIMAL CARE AND REGULATION	7,761,300	318,300	7,761,300					7,761,300
APPROPRIATION FOR CONTINGENCY	0	2,000,000	2,000,000					2,000,000
ASSESSOR	9,830,948		9,830,948					9,830,948
BOARD OF SUPERVISORS	3,325,760		3,325,760					3,325,760
CARE IN HOMES AND INSTITUTIONS	462,650		462,650					462,650
CHILD SUPPORT	15,000		15,000					15,000
CIVIL SERVICE COMMISSION	330,573		330,573					330,573
CLERK OF THE BOARD	1,224,052	111,000	1,335,052					1,335,052
COMMUNITY DEVELOPMENT	6,015,756	487,903	6,503,659					6,503,659
CONFLICT CRIMINAL DEFENDERS	9,972,360		9,972,360					9,972,360
CONTRIBUTION TO LAFCO	228,833		228,833					228,833
CONTRIBUTION TO LAW LIBRARY	9,405		9,405					9,405
COOPERATIVE EXTENSION	320,009		320,009					320,009
CORONER	6,242,797		6,242,797					6,242,797
CORRECTIONAL HEALTH SERVICES	31,257,856		31,257,856	1,040,718	3,074,507	4,446,501		39,819,582
COUNTY COUNSEL	2,251,012		2,251,012					2,251,012
COUNTY CLERK / RECORDER	0		0					0
COUNTY EXECUTIVE	1,081,865		1,081,865					1,081,865
COUNTY EXECUTIVE CABINET	20,000	20,000	20,000					20,000
COURT / COUNTY CONTRIBUTION	24,761,756		24,761,756					24,761,756
COURT / NON-TRIAL COURT FUNDING	8,822,086		8,822,086					8,822,086
DATA PROCESSING-SHARED SYSTEMS	9,535,904	310,000	9,845,904					9,845,904
DEPARTMENT OF FINANCE	3,014,192	115,559	3,129,751					3,129,751
DEPARTMENT OF REVENUE RECOVERY	0		0					0
DISTRICT ATTORNEY	53,281,952	(93,021)	53,188,931		1,072,552	567,896	12,352,767	67,182,146
EMERGENCY OPERATIONS	837,292	(500)	837,292					837,292
FAIR HOUSING SERVICES	146,500	10,755	157,255					157,255
FINANCING-TRANSFERS/REIMB	2,331,371	(1,905)	2,329,466					2,329,466
GRAND JURY	300,933		300,933					300,933
HEALTH AND HUMAN SERVICES	15,790,746		15,790,746	30,207,092	167,341,175			213,339,013
HEALTH-MEDICAL TREATMENT PAYMENTS	1,500,000		1,500,000	1,969,665				3,469,665
HUMAN ASSISTANCE-ADMIN	10,466,392	298,172	10,764,564	3,921,190	3,613,910			18,299,664
HUMAN ASSISTANCE-AID PAYMENTS	31,717,757	(2,002,349)	29,715,408	90,121,830	70,107,335			189,944,573
IHSS Provider Payments	4,068,543		4,068,543	51,052,283				55,120,826
JUVENILE MEDICAL SERVICES	6,449,916		6,449,916					6,449,916
NON-DEPARTMENTAL COSTS/GF	14,570,855	6,122,046	20,692,901		1,200,000	250,000		20,942,901
OFFICE OF INSPECTOR GENERAL	100,230		100,230					100,230
OFFICE OF LABOR RELATIONS	203,822		203,822					203,822
PROBATION	63,204,225	1,459,542	64,663,767		16,874,045	15,345,206	17,583,895	114,466,913
PUBLIC AUTHORITY	0		0					0
PUBLIC DEFENDER	29,576,263		29,576,263		576,818			30,153,081
REGIONAL PARKS	5,920,022	247,173	6,167,195					6,167,195
Reserve	0		0					0
SHERIFF	206,847,369	(1,376,516)	205,470,853		36,760,749	23,185,327	77,478,702	342,895,631
VETERAN'S FACILITY	15,952		15,952					15,952
VOTER REGISTRATION/ ELECTIONS	8,688,960		8,688,960					8,688,960
WILDLIFE SERVICES	55,633		55,633					55,633
TOTAL	583,425,574	8,026,159	591,451,733	178,312,778	300,621,091	43,794,930	107,415,364	1,221,595,896

GENERAL BUDGET COUNTY EXECUTIVE'S RECOMMENDED FISCAL YEAR INFORMATION 2015-16 ADOPTED BUDGET LETTER

ATTACHMENT B: Budget Schedules for Fiscal Year 2015-16 - Budget Adoption Documents (<http://www.ofm.saccounty.net/FY201516BudgetInformation/pages/FY201516BudgetAdoptionHearing>)

Attachment C

The table below represents the new CIP projects requested by Departments as part of the Fiscal Year 2015-16 Adopted Budget. These projects will be added to the FY 2015-16 CIP upon approval by the Board of Supervisors. Prior to beginning a project on the list, the Department will request review and approval by the Planning Department for consistency with the General Plan.

FY 2015-16 CIP PROJECT ADDITIONS

Number	Description	FY 2015-16 Adopted Budget	Comment	Funding Source
County Buildings & Capital Construction				
A113	General Services Warehouse - Outside Storage Enclosures	\$100,000	Permanent outside surplus structure to avoid water and sun damage to items stored outdoors	Department
A114	New Admin Building - Clerk of the Board/BOS Offices	\$274,242	Carpet, wall covering and furniture replacement	Capital Construction Fund and Department
A115	RCCC - Modernize Flush Valves	\$100,000	Upgrades old valves to water saving valves	Energy Management Program
A116	Sheriff South Area Substation - Lactation Room and Tenant Improvement	\$215,000	Provides Lactation Room as required by law, a quiet room and an IT room at the facility.	Department
A117	Work Release Facility - Replace Freezer Floor and Cooler Box	\$200,000	Replacement of cooler box, freezer box and failed insulated concrete floor	Capital Construction Fund
Libraries				
A118	Fair Oaks Library - ADA Upgrades	\$160,000	Accessibility improvements to accommodate ADA requirements for restrooms	Capital Construction Fund
Parks				
New #1	Restroom Facility - Wilton Park	\$100,000	Wilton Park restroom facility	Park Services CFD 2006-1
Transportation				
New #1	East County Transit Program - Commuter Bus	\$200,000	Purchase one replacement commuter bus to operate the East County Transit Program	STA
New #2	Stonehouse Road - Rancho Murrieta	\$65,000	Widen and vertically realign Stonehouse Road from approximately 100' south to 600' north of Escuela Drive and add all way stop controls	Developer Fair Share

SACRAMENTO COUNTY BUDGET COMPLIANCE WITH APPROPRIATION LIMITS

In 1979, California voters passed Proposition 4 which imposed constitutional limits on certain kinds of appropriations made from tax revenues (Article XIII B). Proposition 4 established a limit on the growth of certain appropriations based on changes in population and cost of living. In 1990, voters passed Proposition 111, which changed some of the provisions of Article XIII B.

Sacramento County's appropriation limit is established as required by Article XIII B of the State Constitution. The table below sets forth the appropriation limit and the appropriations subject to limitation.

With the adoption of the budget, the Board of Supervisors also approves publication of the annual appropriation limit set by Article XIII B of the State Constitution. The appropriation limit is formally established by the Board of Supervisors.

SACRAMENTO COUNTY APPROPRIATION LIMIT			
	Appropriation Limit	Appropriations Subject to Limitation	Amount Under Limit
2010-11	1,731,626,471	330,537,042	1,401,089,429
2011-12	1,761,422,101	329,776,706	1,431,645,395
2012-13	1,837,880,766	333,031,810	1,504,848,956
2013-14	1,949,561,282	342,212,234	1,607,349,048
2014-15	1,957,136,770	370,473,337	1,586,663,433
2015-16 (Budget)	2,056,688,567	393,985,133	1,662,703,434

2015-16 DISTRICTS APPROPRIATION LIMITS				
Fund	District	Appropriation Limit	Appropriations Subject to Limitation	Amount Under Limit
229	Natomas Fire District	6,142,790	2,007,613	4,135,177
253	County Service Area No. 1	5,715,986	289,666	5,426,320
319	Sacramento County Water Agency - Zone 12	17,691,153	5,752,541	11,938,612
336	Mission Oaks Recreation and Park District	18,260,567	2,233,904	16,026,663
337	Carmichael Recreation and Parks District	4,101,402	1,727,765	2,373,637
338	Sunrise Recreation and Park District	14,165,543	3,847,682	10,317,861
351	Del Norte Oaks Recreation and Park District	37,356	3,240	34,116

THE COUNTY BUDGET (REQUIREMENTS)

FUNCTIONS DESCRIPTIONS

PUBLIC ASSISTANCE:

- Human Assistance-Administration – Social Services Department, Adoptions, Food Stamps, Veterans Service Officer.
- Human Assistance – Aid –programs.
- Other Assistance – Child Support Services.

HEALTH AND SANITATION:

Health – Environmental Management, Health and Human Services, First 5 Sacramento Commission, Juvenile Medical Services, In-Home Support Services Provider Payments, Medical Treatment Payments, Correctional Health Services, Office of Compliance, and Office of Inspector General.

ROADS:

Public Ways and Facilities –Sacramento County Roads, Roadways, Transportation-Sales Tax, Road Construction and Maintenance and Street Lighting (if part of road construction) and Rural Transit.

PUBLIC PROTECTION:

- Judicial – Contribution to Law library, Court-Non-Trial Court Funding, Court-County Contribution, Conflict Criminal Defenders, Sacramento Grand Jury, Court Paid County Services, Criminal Justice Cabinet, Public Defender and District Attorney.
- Police Protection – Sheriff's Department.
- Detention and Correction – Care In Homes and Institutions-Juvenile Court Wards, Probation, and Sheriff-Detention and Correction.
- Protective Inspection – Agricultural Commissioner and Sealer of Weights and Measures, Building Inspection.
- Other Protection – Animal Care and Regulations, Wildlife Services, Fair Housing Services, Coroner, Dispute Resolution Program, Data Processing-Law and Justice, Contribution to Local Agency Formation Commission, Community Development, Emergency Operations and County Clerk/Recorder.

LIBRARY, CULTURAL, AND RECREATIONAL:

- Library – County Library Operation, Cooperative Extension.
- Cultural Services – Transient-Occupancy Tax.
- Recreation Facilities – Regional Parks, Propagation-Fish and Game, Golf.

GENERAL GOVERNMENT:

- Legislative and Administrative – Board of Supervisors and Clerk of the Board, County Executive, County Executive Cabinet.
- Finance – Assessor, Department of Finance (Auditor-Controller, Treasurer, Tax Collector), Tobacco Litigation Settlement, Non-Departmental Revenues-General Fund, Non-Departmental Cost-General Fund.
- Counsel – County Counsel.
- Personnel – Civil Service Commission, Office of Labor Relations and Personnel Services.
- Elections – Voter Registration and Elections.

GENERAL GOVERNMENT (cont.):

- Property Management – Veteran’s Facility.
- Plant Acquisition – Capital Construction Building and Libraries – budget units accounting for acquisition of land, structures, and improvements, and Park Construction.
- Promotion – Economic Development and Financing Transfers/Reimbursements-General Fund.
- Other General – Data Processing and Revenue Recovery.

DEBT SERVICE, RESERVES, CONTINGENCIES:

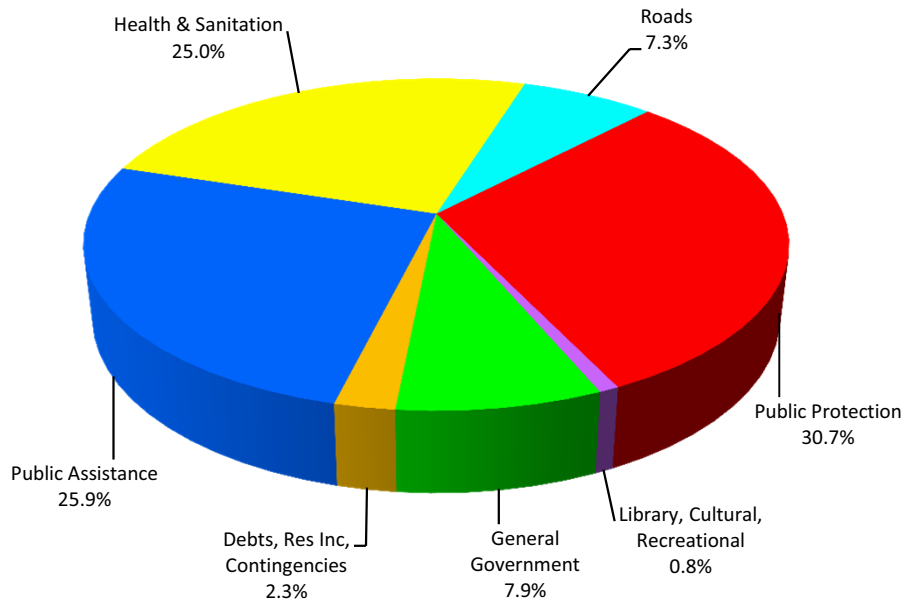
- Debt Service – Teeter Plan (retirement of long-term debt, and interest on notes and warrants).

THE COUNTY BUDGET (REQUIREMENTS)

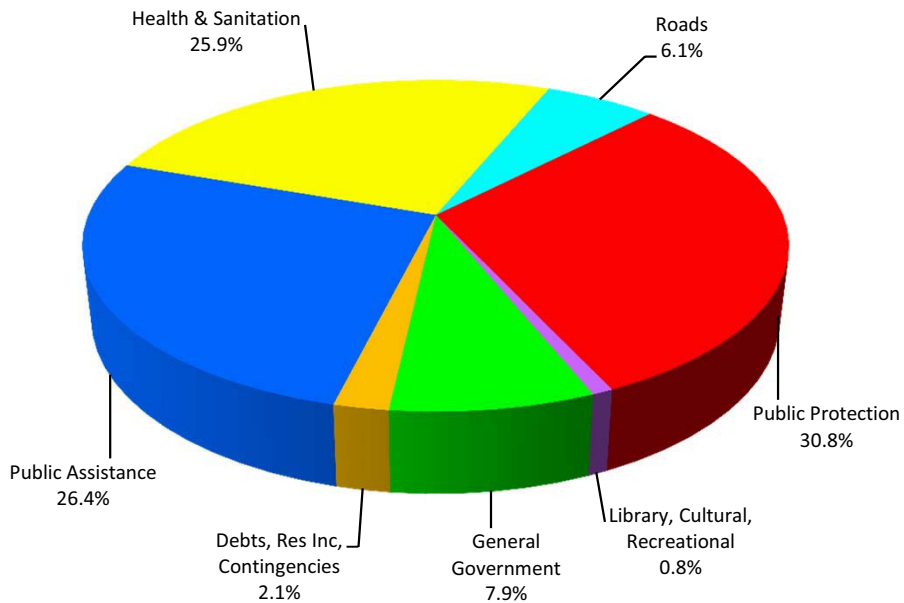
THE COUNTY BUDGET

GOVERNMENTAL FUNDS REQUIREMENTS

2014-15 BUDGET TOTAL \$2,619,391,495



2015-16 BUDGET TOTAL \$2,717,229,839



SUMMARY TABLES FOR THE PIE CHARTS

<u>REQUIREMENTS</u>				
	Fiscal Year		Fiscal Year	
	2014-15	Percent	2015-16	Percent
Public Assistance	\$679,077,127	25.9%	\$718,594,569	26.4%
Health & Sanitation	655,859,107	25.0%	703,979,250	25.9%
Roads	191,054,961	7.3%	164,965,078	6.1%
Public Protection	803,561,304	30.7%	835,679,266	30.8%
Library, Cultural, Recreational	20,351,124	0.8%	21,996,544	0.8%
General Government	208,081,949	7.9%	214,324,723	7.9%
Debts, Reserve Increase, Contingencies	61,405,923	2.3%	57,690,409	2.1%
GRAND TOTAL	\$ 2,619,391,495	100.0%	\$ 2,717,229,839	100.0%
 <u>FINANCING</u>				
	Fiscal Year		Fiscal Year	
	2014-15	Percent	2015-16	Percent
Taxes	\$482,542,276	18.4%	\$511,811,042	18.8%
Licenses, Permits, Franchises	44,969,977	1.7%	47,259,426	1.7%
Fines, Forfeitures, Penalties	34,802,733	1.3%	30,169,633	1.1%
Intergovernmental	1,601,844,021	61.2%	1,683,630,666	62.0%
Charges for Services	196,758,565	7.5%	193,294,448	7.1%
Other Revenues	135,648,625	5.2%	132,932,146	4.9%
Year-End Balance, Reserve Release	122,825,298	4.7%	118,132,478	4.3%
GRAND TOTAL	\$ 2,619,391,495	100.0%	\$ 2,717,229,839	100.0%

THE COUNTY BUDGET

(FINANCING) FUNCTIONS DESCRIPTIONS

TAXES:

Secured Property Taxes, Unsecured Property Taxes, Current Supplemental Property Taxes, Property Tax Unitary, Property Taxes Secured Delinquent, Property Tax Supplemental Delinquent, Property Tax Prior-Unsecured, Property Taxes Redemption, Penalty/Costs-Property Taxes, Sales Use Tax, One-Half Sales Tax, Transient Occupancy Tax, Property Tax Transfer, Property Tax In Lieu of Vehicle License Fee, In Lieu Local Sales and Use Tax.

LICENSES, PERMITS, FRANCHISES:

Animal Licenses, Business Licenses, Special Business Licenses, Fictitious Business Licenses, Roadway Development/Building Permits, Building Permits-Residential and Commercial, Encroachment Permits, Zoning Permits, Cable TV Franchise Fee, Franchise Fee-Other, Road Permits, Licenses/Permits-Other and Bingo License Fee.

FINES, FORFEITURES, PENALTIES:

Vehicle Code Fines, Other Court Fines, Forfeitures/Penalties, Civil Penalties, Federal Asset Forfeitures, State Asset Forfeitures.

INTERGOVERNMENTAL:

- Federal – Welfare Administration, Children Services Administration, Children Assistance Administration, other Welfare programs, other health programs, Planning and Construction, other miscellaneous programs.
- State – Cigarette Tax Unincorporated Area, Highway User Tax, Homeowner's Property Tax Relief, Motor Vehicle In Lieu Tax, Welfare, Welfare Administration, CALWIN, COPS, VHL mental health, Agriculture, Construction, Public Safety, Veterans Affairs, Trial Court, Health Administration, Services Program, Children's Assistance, other Welfare programs, other health programs, Realignment, Redevelopment pass through, revenue neutrality payments, other miscellaneous programs.

CHARGES FOR SERVICES:

Special Assessments, Civil Filings Fees, Vital Statistic Fees, Adoption Fees, Candidate Filing Fees, Civil Process Service Fees, Civil/Small Claims Filing Fees, Estate/Public Administration Fees, Recording Fees, Electricity Services Charges, Natural Gas Services Charges, Assessing/Collecting Fees, Auditing/Accounting Fees, Court/Legal Fees, Court Reporter Fees, Election Service Charges, Planning Service Charges, Planning/Engineering-Plan Check and Inspection Fees, Jail Booking Fees, Recreation Service Charges, Copying Charges, Building Maintenance Service Charges, Park/Grounds Maintenance Service Charges, Road Maintenance Service Charges, Crippled Children Treatment Charges, Medical Care-Indigent and Private Patient Charges, Medical Health Private Patient Charges, Alcoholism Services-Client Fees, Medical Care-Other, Institutional Care-Adult-Juvenile-State Institution Prisoner Charges, Work Furlough Charges, Data Processing Services, Auditor-Controller Services, Public Works Services, Leased Property Use Charges, Education/Training Charges, Cemetery Services, Humane Service, Law Enforcement Services, Milk Inspection Services, Service Fees/Charges-Other.

OTHER REVENUES:

- Use of Money and Property – Interest Income, Contributions, Building Rental-Other, Agricultural Leases-Other, Aviation Ground Leases, Ground Leases-Other, Food Service Concessions, Fuel Flowage Fees, Recreational Concession and Other Vending Devices.

OTHER REVENUES (cont.):

- Miscellaneous Revenues – Countywide Cost Plan, Sales-Other, Cash Overages, Bad Debt Recovery, Aid Payment Recoveries, Donations and Contributions, Electricity Resales, Insurance Proceeds, Revenue-Other, Assessment Fees, Child Support Recoveries, In-Kind Revenues and Prior Year Revenues.
- Other Financing Revenues – Sale of Real Property, Proceeds from Asset Sales-Other, Gain on Sale of Fixed Asset, Debt issue Financing, Vending Card Revenue, Medical Fee Collections.

YEAR-END BALANCE, RESERVE RELEASE:

Prior-Year Carryover/Fund Balance and Reserve Release.

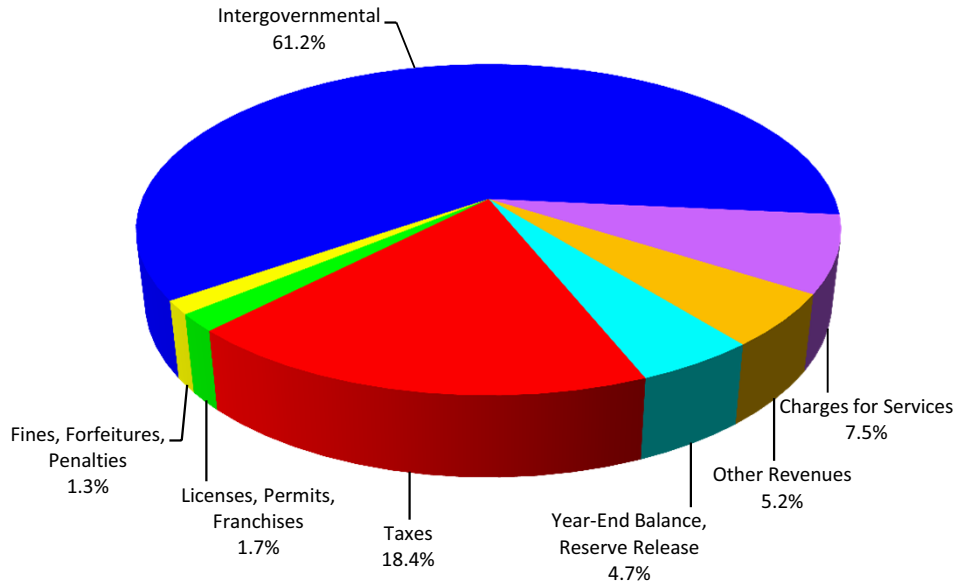
THE COUNTY BUDGET (FINANCING)

THE COUNTY BUDGET

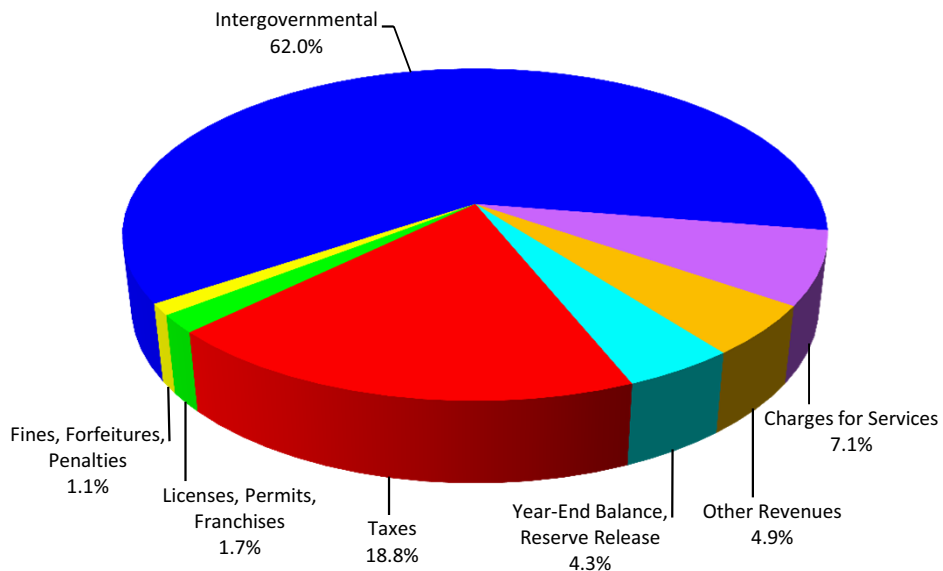
GOVERNMENTAL FUNDS

FINANCING

2014-15 BUDGET TOTAL \$2,619,391,495



2015-16 BUDGET TOTAL \$2,717,229,839



SUMMARY OF FUND BALANCES

Fund Description	Fund Number	Adopted 2014-15	Adopted 2015-16	Variance	Percent
GENERAL	001A-G	43,921,611	33,895,539	-10,026,072	-22.8%
FISH AND GAME	002A	6,612	4,485	-2,127	-32.2%
ROAD	005A	15,941,749	18,586,717	2,644,968	16.6%
DEPARTMENT OF TRANSPORTATION	005B	12,541,077	5,401,006	-7,140,071	-56.9%
PARKS CONSTRUCTION	006A	1,486,047	1,582,085	96,038	6.5%
CAPITAL CONSTRUCTION	007A	7,266,620	8,090,019	823,399	11.3%
TOBACCO LITIGATION SETTLEMENT	008A	1,631,622	1,240,736	-390,886	-24.0%
ENVIRONMENTAL MANAGEMENT	010B	1,042,083	2,378,711	1,336,628	128.3%
LIBRARY	011A	481,703	320,962	-160,741	-33.4%
FIRST 5 SACRAMENTO COMMISSION	013A	6,970,046	3,520,834	-3,449,212	-49.5%
TRANSIENT OCCUPANCY	015A	537,883	117,036	-420,847	-78.2%
TEETER PLAN	016A	5,184,606	4,854,040	-330,566	-6.4%
GOLF	018A	-268,179	104,192	372,371	-138.9%
ECONOMIC DEVELOPMENT	020A	10,594,396	11,133,965	539,569	5.1%
BUILDING INSPECTION	021A	3,255,577	3,290,200	34,623	1.1%
TECHNOLOGY COST RECOVERY FEE	021D	0	386,560	386,560	
AFFORDABILITY FEE	023A	19,606	79,790	60,184	307.0%
ROADWAYS	025A-H	3,775,505	5,767,263	1,991,758	52.8%
TRANSPORTATION-SALES TAX	026A	-280,723	293,623	574,346	-204.6%
SOLID WASTE ENTERPRISE	051A	10,146,557	8,602,641	-1,543,916	-15.2%
SOLID WASTE ENTERPRISE-CAPITAL OUTLAY	052A	10,024,650	5,067,449	-4,957,201	-49.5%
RURAL TRANSIT	068A	4,720,833	0	-4,720,833	-100.0%
ANTELOPE PUBLIC FACILITIES FINANCING	101A-E	2,031,234	1,684,031	-347,203	-17.1%
LAGUNA CRK/ELLIOTT RCH CFD 1	105A/C	2,757,612	2,918,596	160,984	5.8%
LAGUNA COMMUNITY FACILITY DISTRICT	107A-B	1,175,823	1,149,117	-26,706	-2.3%
VINEYARD PFFP - ROADWAYS	108A-B	7,655,799	8,488,901	833,102	10.9%
BRADSHAW/US 50 FINANCING DISTRICT	115A	215,932	173,183	-42,749	-19.8%
FLORIN ROAD CAPITAL PROJECT	118A	414,786	411,706	-3,080	-0.7%
FULTON AVENUE CAPITAL PROJECT	118B	11,973	6,472	-5,501	-45.9%
LAGUNA STONELAKE CFD-BOND PROCEEDS	130A	174,040	191,221	17,181	9.9%
PARK MEADOWS CFD-BOND PROCEEDS	131A	62,243	64,490	2,247	3.6%
MATHER LANDSCAPE MAINT CFD	132A	473,631	237,379	-236,252	-49.9%
MATHER PFFP	136A-B	1,430,829	639,912	-790,917	-55.3%
GOLD RIVER STATION #7 LANDSCAPE CFD	137A	5,486	16,741	11,255	205.2%
METRO AIR PARK CFD 2000-1	139A	6,078,570	5,397,964	-680,606	-11.2%
MCCLELLAN PARK CFD	140A	304,693	257,512	-47,181	-15.5%
SACRAMENTO CO LANDSCAPE MAINT	141A	57,820	84,600	26,780	46.3%
METRO AIR PARK SERVICE TAX	142A	640,118	638,829	-1,289	-0.2%
NORTH VINEYARD STATION SPECIFIC PLAN	143A	2,094,041	3,282,437	1,188,396	56.8%
NORTH VINEYARD STATION SPECIFIC PLAN CFD	144A	1,572,171	1,676,459	104,288	6.6%
NATOMAS FIRE DISTRICT	229A	57,832	172,772	114,940	198.7%
CSA NO. 1	253A	312,368	60,550	-251,818	-80.6%
CSA NO. 10	257A	99,961	106,459	6,498	6.5%
FIXED ASSET REVOLVING	277A	-100,228	-48,001	52,227	-52.1%
JUVENILE COURTHOUSE PROJECT-DEBT SERVICE	280A	54,675	72,623	17,948	32.8%
2004 PENSION OBLIGATION BONDS	282A	1,811,141	2,579,559	768,418	42.4%
TOBACCO LITIGATION SETTLEMENT-CAPITAL PROJECTS	284A	4,405,302	2,694,896	-1,710,406	-38.8%
1997-PUBLIC FACILITIES DEBT SERVICE	288A	419,406	427,696	8,290	2.0%
2003 PUBLIC FACILITIES PROJ-DEB SERVICE	298A	90,041	94,346	4,305	4.8%
2010 REFUNDING COPS-DEBT SERVICE	300A	519,395	345,774	-173,621	-33.4%
2010 REFUNDING COPS-PARKING GARAGE-DEBT SERVICE	300B	87,585	58	-87,527	-99.9%

Fund Description	Fund Number	Adopted 2014-15	Adopted 2015-16	Variance	Percent
2007 PUBLIC FACILITIES PROJECTS-CONSTRUCTION	303A	21,054	23,902	2,848	13.5%
2007 PUBLIC FACILITIES PROJECTS-DEBT SERVICE	304A	336,608	350,949	14,341	4.3%
2006 PUBLIC FACILITIES-DEBT SVC	306A	375,128	947,696	572,568	152.6%
1997-PUBLIC FACILITIES DEBT SERVICE	308A	299,045	116,631	-182,414	-61.0%
1997-PUBLIC FACILITIES-CONSTRUCTION	309A	542,687	384,390	-158,297	-29.2%
PENSION OBLIGATION BOND-DEBT SERVICE	313A	539,092	714,156	175,064	32.5%
WATER AGENCY-ZONE 11A	315A	12,989,701	11,743,746	-1,245,955	-9.6%
WATER AGENCY-ZONE 13	318A	1,871,067	1,128,789	-742,278	-39.7%
STORMWATER UTILITY DISTRICT	322A	16,176,454	7,658,766	-8,517,688	-52.7%
LANDSCAPE MAINTENANCE DISTRICT	330A	175,197	110,435	-64,762	-37.0%
MISSION OAKS PARK DISTRICT	336A	855,043	718,818	-136,225	-15.9%
MISSION OAKS MAINT & IMPROVEMENT ASSESSMENT DISTRICT	336B	875,311	1,364,713	489,402	55.9%
CARMICHAEL PARK DISTRICT	337A	411,105	561,978	150,873	36.7%
CARMICHAEL RPD ASSESSMENT DISTRICT	337B	0	654,251	654,251	
SUNRISE PARK DISTRICT	338A	1,298,869	1,064,534	-234,335	-18.0%
ANTELOPE ASSESSMENT	338B	167,879	78,449	-89,430	-53.3%
ARCADE CREEK PARK	338D	574,834	81,821	-493,013	-85.8%
DEL NORTE OAKS PARK DISTRICT	351A	5,032	3,610	-1,422	-28.3%
COUNTY SERVICE AREA 4B	560A	25,672	56,855	31,183	121.5%
COUNTY SERVICE AREA 4C	561A	2,575	5,368	2,793	108.5%
COUNTY SERVICE AREA 4D	562A	1,263	913	-350	-27.7%
COUNTY PARKS CFD 2006-1	563A	2,396	2,626	230	9.6%
TOTAL		211,460,172	176,317,531	-35,142,641	-16.6%

RELATIONSHIP BETWEEN FUNDS, BUDGET UNITS AND DEPARTMENTS

Fund	Fund Name	Budget Unit	Department
001A	GENERAL FUND	3210000	AG COMMISSIONER-SEALER OF WEIGHTS & MEASURES
001A	GENERAL FUND	3220000	ANIMAL CARE AND REGULATION
001A	GENERAL FUND	5980000	APPROPRIATION FOR CONTINGENCY
001A	GENERAL FUND	3610000	ASSESSOR
001A	GENERAL FUND	4050000	BOARD OF SUPERVISORS
001A	GENERAL FUND	6760000	CARE IN HOMES AND INSTITUTIONS
001A	GENERAL FUND	5810000	CHILD SUPPORT SERVICES
001A	GENERAL FUND	4210000	CIVIL SERVICE COMMISSION
001A	GENERAL FUND	4010000	CLERK OF THE BOARD
001A	GENERAL FUND	5720000	COMMUNITY DEVELOPMENT
001A	GENERAL FUND	5510000	CONFLICT CRIMINAL DEFENDERS
001A	GENERAL FUND	5920000	CONTRIBUTION TO LAFCO
001A	GENERAL FUND	4522000	CONTRIBUTION TO THE LAW LIBRARY
001A	GENERAL FUND	3310000	COOPERATIVE EXTENSION
001A	GENERAL FUND	4610000	CORONER
001A	GENERAL FUND	7410000	CORRECTIONAL HEALTH SERVICES
001A	GENERAL FUND	3240000	COUNTY CLERK/RECORDER
001A	GENERAL FUND	4810000	COUNTY COUNSEL
001A	GENERAL FUND	5910000	COUNTY EXECUTIVE
001A	GENERAL FUND	5730000	COUNTY EXECUTIVE CABINET
001A	GENERAL FUND	5040000	COURT / COUNTY CONTRIBUTION
001A	GENERAL FUND	5020000	COURT / NON-TRIAL COURT FUNDING
001A	GENERAL FUND	5050000	COURT PAID COUNTY SERVICES
001A	GENERAL FUND	5750000	CRIMINAL JUSTICE CABINET
001A	GENERAL FUND	5710000	DATA PROCESSING-SHARED SYSTEMS
001A	GENERAL FUND	3230000	DEPARTMENT OF FINANCE
001A	GENERAL FUND	6110000	DEPARTMENT OF REVENUE RECOVERY
001A	GENERAL FUND	5520000	DISPUTE RESOLUTION PROGRAM
001A	GENERAL FUND	5800000	DISTRICT ATTORNEY
001A	GENERAL FUND	7090000	EMERGENCY OPERATIONS
001A	GENERAL FUND	4660000	FAIR HOUSING SERVICES
001A	GENERAL FUND	5110000	FINANCING-TRANSFERS/REIMBURSEMENTS
001A	GENERAL FUND	5660000	GRAND JURY
001A	GENERAL FUND	7200000	HEALTH AND HUMAN SERVICES
001A	GENERAL FUND	7270000	HEALTH-MEDICAL TREATMENT PAYMENTS
001A	GENERAL FUND	8100000	HUMAN ASSISTANCE-ADMINISTRATION
001A	GENERAL FUND	8700000	HUMAN ASSISTANCE-AID PAYMENTS
001A	GENERAL FUND	7250000	IN-HOME SUPPORT SERVICES (IHSS) PROVIDER PAYMENTS
001A	GENERAL FUND	7230000	JUVENILE MEDICAL SERVICES
001A	GENERAL FUND	5970000	LABOR RELATIONS
001A	GENERAL FUND	5770000	NON-DEPARTMENTAL COSTS/GENERAL FUND
001A	GENERAL FUND	5700000	NON-DEPARTMENTAL REVENUES/GENERAL FUND
001A	GENERAL FUND	5740000	OFFICE OF COMPLIANCE
001A	GENERAL FUND	5780000	OFFICE OF INSPECTOR GENERAL
001A	GENERAL FUND	6050000	PERSONNEL SERVICES
001A	GENERAL FUND	6700000	PROBATION
001A	GENERAL FUND	6910000	PUBLIC DEFENDER
001A	GENERAL FUND	6400000	REGIONAL PARKS
001A	GENERAL FUND	7400000	SHERIFF
001A	GENERAL FUND	2820000	VETERAN'S FACILITY
001A	GENERAL FUND	4410000	VOTER REGISTRATION AND ELECTIONS
001A	GENERAL FUND	3260000	WILDLIFE SERVICES
001F	COMMUNITY INVESTMENT PROGRAM	5060000	COMMUNITY INVESTMENT PROGRAM
001G	NEIGHBORHOOD REVITALIZATION	5790000	NEIGHBORHOOD REVITALIZATION
002A	FISH AND GAME	6460000	FISH AND GAME PROPAGATION
005A	ROAD	2900000	ROADS
005B	DEPARTMENT OF TRANSPORTATION	2960000	DEPARTMENT OF TRANSPORTATION
006A	PARKS CONSTRUCTION	6570000	PARK CONSTRUCTION
007A	CAPITAL CONSTRUCTION	3100000	CAPITAL CONSTRUCTION
008A	TOBACCO LITIGATION SETTLEMENT	7220000	TOBACCO LITIGATION SETTLEMENT
010B	ENVIRONMENTAL MANAGEMENT	3350000	ENVIRONMENTAL MANAGEMENT
011A	LIBRARY	6310000	COUNTY LIBRARY
013A	FIRST 5 SACRAMENTO COMMISSION	7210000	FIRST 5 SACRAMENTO COMMISSION
015A	TRANSIENT OCCUPANCY	4060000	TRANSIENT-OCCUPANCY TAX
016A	TEETER PLAN	5940000	TEETER PLAN
018A	GOLF	6470000	GOLF
020A	ECONOMIC DEVELOPMENT	3870000	ECONOMIC DEVELOPMENT
021A	BUILDING INSPECTION	2150000	BUILDING INSPECTION
021D	TECHNOLOGY COST RECOVERY FEE	2180000	TECHNOLOGY COST RECOVERY FEE

GENERAL BUDGET INFORMATION

RELATIONSHIP BETWEEN FUNDS, BUDGET UNITS AND DEPARTMENTS

Fund	Fund Name	Budget Unit	Department
023A	AFFORDABILITY FEE	3830000	AFFORDABILITY FEE
025A	ROADWAYS	2910000	ROADWAYS
026A	TRANSPORTATION-SALES TAX	2140000	TRANSPORTATION-SALES TAX
028A	CONNECTOR JOINT POWERS AUTHORITY	2800000	CONNECTOR JOINT POWERS AUTHORITY
030A	INTERAGENCY PROCUREMENT	9030000	INTERAGENCY PROCUREMENT
031A	DEPARTMENT OF TECHNOLOGY	7600000	DEPARTMENT OF TECHNOLOGY
033A	PUBLIC WORKS-OPERATIONS	2400000	MS-BUILDING AND CODE ENFORCEMENT DEPARTMENT
033A	PUBLIC WORKS-OPERATIONS	2470000	MS-CONSOLIDATED UTILITIES BILLING SERVICES
033A	PUBLIC WORKS-OPERATIONS	2600000	MS-TRANSPORTATION
034A	GENERAL SERVICES-CAPITAL OUTLAY	2070000	GENERAL SERVICES (GS)-CAPITAL OUTLAY
035A	GENERAL SERVICES-ARCHITECTURAL SERVICES	7007900	GENERAL SERVICES-ARCHITECTURAL SERVICES
035B	GENERAL SERVICES-CONSTRUCTION MGMT & INSPECTION	7007200	GENERAL SERVICES-CONSTRUCTION MGMT & INSPECTION
035C	ADMINISTRATIVE SERVICES-GS	7110000	GENERAL SERVICES-OFFICE OF THE DIRECTOR
035F	BUILDING MAINTENANCE AND OPERATIONS-GS	7007440	GENERAL SERVICES-AIRPORT DISTRICT
035F	BUILDING MAINTENANCE AND OPERATIONS-GS	7007410	GENERAL SERVICES-ALARM SERVICES
035F	BUILDING MAINTENANCE AND OPERATIONS-GS	7007420	GENERAL SERVICES-BRADSHAW DISTRICT
035F	BUILDING MAINTENANCE AND OPERATIONS-GS	7007430	GENERAL SERVICES-DOWNTOWN DISTRICT
035F	BUILDING MAINTENANCE AND OPERATIONS-GS	7007046	GENERAL SERVICES-ENERGY MANAGEMENT
035F	BUILDING MAINTENANCE AND OPERATIONS-GS	7450000	GENERAL SERVICES-SECURITY SERVICES
035H	CONTRACT & PURCHASING SERVICES-GS	7007063	GENERAL SERVICES-PURCHASING
035J	GENERAL SERVICES-SUPPORT SERVICES	7700000	GENERAL SERVICES-SUPPORT SERVICES
035K	GENERAL SERVICES-REAL ESTATE	7007030	GENERAL SERVICES-REAL ESTATE
035L	GENERAL SERVICES-LIGHT EQUIPMENT	7007500	GENERAL SERVICES-LIGHT EQUIPMENT
035M	FLEET SERVICES HEAVY EQUIP	7007600	GENERAL SERVICES-HEAVY EQUIPMENT
036A	GENERAL SERVICES CAPITAL OUTLAY	7080000	GENERAL SERVICES-CAPITAL OUTLAY
037A	LIABILITY PROPERTY INSURANCE	3910000	LIABILITY PROPERTY INSURANCE
039A	WORKERS COMPENSATION INSURANCE	3900000	WORKERS COMPENSATION INSURANCE
040A	UNEMPLOYMENT INSURANCE	3930000	UNEMPLOYMENT INSURANCE
041A-045A	AIRPORT MAINTENANCE	3400000	AIRPORT SYSTEM
043A	AIRPORT CAPITAL IMPROVEMENT	3480000	AIRPORT SYSTEM-CAPITAL OUTLAY
051A	SOLID WASTE OPERATIONS	2200000	SOLID WASTE ENTERPRISE
052A	SOLID WASTE CAPITAL	2250000	SOLID WASTE ENTERPRISE-CAPITAL OUTLAY
056A	PARKING ENTERPRISE	7990000	PARKING ENTERPRISE
059A	REGIONAL RADIO COMMUNICATIONS SYSTEM	7020000	REGIONAL RADIO COMMUNICATIONS SYSTEM
060B	BOARD OF RETIREMENT	7860000	BOARD OF RETIREMENT
068A	PUBLIC WORKS TRANSIT PROGRAM	2930000	RURAL TRANSIT
101A	ANTELOPE PUBLIC FACILITIES FINANCING	3070000	ANTELOPE PUBLIC FACILITIES FINANCING PLAN (PFFP)
105A	LAGUNA CREEK/ELLIOTT RANCH CFD	2870000	LAGUNA CREEK/ELLIOTT RANCH COMMUNITY FACILITIES DISTRICT (CFD) NO. 1
107A	LAGUNA COMMUNITY FACILITY DISTRICT	3090000	LAGUNA COMMUNITY FACILITY DISTRICT
108A	VINEYARD PFFP - ROADWAYS	2840000	VINEYARD PUBLIC FACILITIES FINANCING PLAN
115A	BRADSHAW/US 50 FINANCING DISTRICT	3081000	BRADSHAW/US 50 FINANCING DISTRICT
118A	FLORIN ROAD CAPITAL PROJECT	1182880	FLORIN ROAD CAPITAL PROJECT
118B	FULTON AVENUE CAPITAL PROJECT	1182881	FULTON AVENUE CAPITAL PROJECT
130A	LAGUNA STONELAKE CFD-BOND PROCEEDS	1300000	LAGUNA STONELAKE CFD
131A	PARK MEADOWS CFD-BOND PROCEEDS	1310000	PARK MEADOWS CFD-BOND PROCEEDS
132A	MATHER LANDSCAPE MAINTENANCE CFD	1320000	MATHER LANDSCAPE MAINTENANCE CFD
136A	MATHER PFFP	1360000	MATHER PFFP
137A	GOLD RIVER STATION #7 LANDSCAPE CFD	1370000	GOLD RIVER STATION #7
139A	METRO AIR PARK CFD 2000-1	1390000	METRO AIR PARK
140A	MCCLELLAN CFD 2004-1	1400000	MCCLELLAN PARK CFD
141A	SACRAMENTO CO LANDSCAPE MAINTENANCE	1410000	SACRAMENTO COUNTY LANDSCAPE MAINTENANCE
142A	METRO AIR PARK SERVICE TAX	1420000	METRO AIR PARK SERVICE TAX
143A	NVSSP-ROADWAY	1430000	NORTH VINEYARD STATION SPECIFIC PLAN (NVSSP)
144A	NVSSP CFD 2005-2-ADMIN	1440000	NORTH VINEYARD STATION SPECIFIC PLAN CFD
229A	NATOMAS FIRE DISTRICT	2290000	NATOMAS FIRE DISTRICT
253A	CSA NO. 1	2530000	COUNTY SERVICE AREA (CSA) NO. 1
257A	CSA NO. 10	2857000	CSA NO. 10
261A	REGIONAL SANITATION DISTRICT	3028000	REGIONAL SANITATION DISTRICT
267A	SACRAMENTO AREA SEWER OPERATIONS	3005000	SACRAMENTO AREA SEWER OPERATIONS
277A	FIXED ASSET REVOLVING	9277000	FIXED ASSET REVOLVING
280A	JUVENILE COURTHOUSE PROJECT-DEBT SERVICE	9280000	JUVENILE COURTHOUSE-DEBT SERVICE
282A	2004 PENSION OBLIGATION BOND-DEBT SERVICE	9282000	2004 PENSION OBLIGATION BONDS
284A	TOBACCO LITIGATION SETTLEMENT-CAPITAL PROJECTS	9284000	TOBACCO LITIGATION SETTLEMENT-CAPITAL PROJECTS
288A	1997-REFUNDING PUBLIC FACILITIES DEBT SERVICE	9288000	1997-REFUNDING PUBLIC FACILITIES DEBT SERVICE
298A	2003 PUBLIC FACILITIES PROJ-DEBT SERVICE	9298000	2003 PUBLIC FACILITIES-DEBT SERVICE
300A	2010 REFUNDING COPS-DEBT SERVICE	9300000	2010 REFUNDING COPS-DEBT SERVICE
300B	2010 REFUNDING COPS-PG-DEBT SERVICE	9300500	2010 REFUNDING COPS PARKING GARAGE-DEBT SERVICE

GENERAL BUDGET INFORMATION

RELATIONSHIP BETWEEN FUNDS, BUDGET UNITS AND DEPARTMENTS

Fund	Fund Name	Budget	Department
		Unit	
303A	2007 PUBLIC FACILITIES PROJ-CONSTRUCTION	9303303	2007 PUBLIC FACILITIES PROJECT-CONSTRUCTION
304A	2007 PUBLIC FACILITIES PROJ-DEBT SERVICE	9304304	2007 PUBLIC FACILITIES PROJECT-DEBT SERVICE
306A	2006 PUBLIC FACILITIES PROJ-DEBT SERVICE	9306306	2006 PUBLIC FACILITIES-DEBT SERVICE
308A	1997-PUBLIC FACILITIES DEBT SERVICE	3080000	1997-PUBLIC FACILITIES-DEBT SERVICE
309A	1997-PUBLIC FACILITIES-CONSTRUCTION	9309000	1997-PUBLIC FACILITIES-CONSTRUCTION
313A	PENSION OBLIGATION BOND-DEBT SERVICE	9313000	PENSION OBLIGATION BOND-DEBT SERVICE
315A	WATER AGENCY-ZONE 11-DRAINAGE INFRASTRUCTURE	2810000	WATER AGENCY ZONE 11-DRAINAGE INFRASTRUCTURE
318A	WATER AGENCY-ZONE 13	3044000	WATER AGENCY-ZONE 13
320A	WATER AGENCY ENTERPRISE	3050000	WATER AGENCY ENTERPRISE
322A	WATER RESOURCES	3220001	WATER RESOURCES
325A	SACRAMENTO AREA FLOOD CONTROL AGENCY	3252660	DEPARTMENT OF FLOOD MANAGEMENT
330A	SACRAMENTO CO LANDSCAPE MAINTENANCE	3300000	LANDSCAPE MAINTENANCE DISTRICT
336A	MISSION OAKS PARK DISTRICT	9336100	MISSION OAKS RECREATION AND PARK DISTRICT
336B	MISSION OAKS MAINTENANCE & IMPROVEMENT ASSESSMENT DISTRICT	9336001	MISSION OAKS MAINTENANCE/IMPROVEMENT DISTRICT
337A	CARMICHAEL PARK DISTRICT	9337000	CARMICHAEL RECREATION AND PARK DISTRICT
337B	CARMICHAEL RPD ASSESSMENT DISTRICT	9337100	CARMICHAEL RPD ASSESSMENT DISTRICT
338A	SUNRISE PARK DISTRICT	9338000	SUNRISE RECREATION AND PARK DISTRICT
338B	ANTELOPE ASSESSMENT	9338001	ANTELOPE ASSESSMENT
338D	ARCADE CREEK PARK	9338004	ARCADE CREEK PARK
351A	DEL NORTE OAKS PARK DISTRICT	3516494	DEL NORTE OAKS PARK DISTRICT
560A	COUNTY SERVICE AREA 4B	6491000	CSA NO.4B-(WILTON-COSUMNES)
561A	COUNTY SERVICE AREA 4C	6492000	CSA NO.4C-(DELTA)
562A	COUNTY SERVICE AREA 4D	6493000	CSA NO.4D-(HERALD)
563A	COUNTY PARKS CFD 2006-1	6494000	COUNTY PARKS CFD 2006-1

DESCRIPTION OF COUNTY FUNDS

GENERAL FUND 001:

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

SPECIAL REVENUE FUNDS:

- Fish and Game Propagation Fund 002 – Accounts for activities related to fish and game, including education.
- Road Fund 005 – Accounts for Sacramento County road activities in the unincorporated area, including design, construction, and maintenance of roads, traffic signals, other right-of-way, safety-related road improvement projects, and the Radar/Speed Control program.
- Tobacco Litigation Settlement Fund 008 – Accounts for the Tobacco Litigation Settlement revenues for programs related to health, youth and tobacco prevention.
- Environmental Management Fund 010 – Accounts for revenues and expenditures for public health and environmental regulatory services of water, food, and hazardous materials.
- Library Fund 011 – Accounts for the County's share of revenue and operating transfer to Library Joint Powers Authority (JPA).
- First 5 Sacramento Commission Fund 013 – Accounts for funds received from State of California from Proposition 10.
- Transient-Occupancy Tax Fund 015 – Accounts for the revenues generated from a transient-occupancy tax of twelve percent of the rent charged at hotels, motels, and similar structures for short-term lodging. Expenditures from this fund are for artistic, musical, cultural, civic and other activities, which enhance the image of the community.
- Golf Fund 018 – Includes the costs of operating, maintaining and improving the county's three golf courses. The major sources of funding are greens fees and concession payments. There is no General Fund subsidy and fully reimburses the General Fund for overhead and support services.
- Economic Development Fund 020 – Accounts for assistance to employers and to help attract and retain jobs in the county and region. The Department also engages in more general economic development and job creation programs.

- Building Inspection Fund 021 – Accounts for building inspection and code enforcement services to the unincorporated area of the County.
- Affordability Fee Fund 023 – Accounts for fees collected to purchase land for affordable housing, produce or substantially rehabilitate affordable units, or buy down Extremely Low Income units.
- Roadways Fund 025 – Accounts for public road improvements with several geographical districts in response to land use development decisions.
- Transportation Sales Tax fund 026 – Accounts for the public road improvements in the unincorporated area of the County, which are funded from the Measure A Transportation Sales Tax.

CAPITAL PROJECT FUNDS:

- Park Construction Fund 006 – Accounts for the acquisition, development and improvement of county park properties.
- Capital Construction Fund 007 – Accounts for general capital outlay expenditures of the County.

DEBT SERVICE FUNDS:

- Teeter Plan Fund 016 – Services the debt associated with the County purchases of delinquent recurrent property taxes receivables under the Alternative Method of Tax Apportionment, the “Teeter Plan”.

INTERNAL SERVICE FUNDS:

- Interagency Procurement Fund 030 – Accounts for a comprehensive approach to providing for and financing public facilities and major infrastructure assets within the County.
- Department of Technology Fund 031 – Accounts for central telecommunication and data processing support to county departments.
- Public Works Fund 033 – Accounts for special services provided by the Municipal Services Agency to other County departments and special districts. These services include Special District Formation, Highways and Bridges, Architectural, Development and Surveyor, Information and Permits, Consolidated Utilities Billing, Technical Services and Construction Management.
- General Services Funds 034 through 036 – Created to centralize many of the activities providing services to County departments. These activities include Automobile Fleet Operations, Purchasing, Printing, Mail, Central Stores, Surplus Property Disposal, and Building Maintenance and Operations.

- Liability/Property Self-Insurance Fund 037 – Accounts for the County’s program of self-insurance for liability/property perils.
- Workers’ Compensation Self-Insurance Fund 039 – Accounts for the County’s self-insurance of all workers’ compensation claims.
- Unemployment Self-Insurance Fund 040 – Accounts for the County’s self-insurance of all unemployment claims.
- Regional Radio Communications System Fund 059 – Accounts for the operations of the County’s emergency communications function.
- Board of Retirement Fund 060 – Accounts for activities related to the management of the Sacramento County Employees’ Retirement System.

ENTERPRISE FUNDS:

- Airport System Funds 041, 042, 043, 044, 045 – Accounts for the operations of the Airport Department, including the Metro, Executive, and Franklin Airports, and Mather Airfield.
- Solid Waste Enterprise Funds 051 and 052 – Accounts for the costs of the refuse collection business, including the refuse disposal site and transfer locations.
- Parking Enterprise Fund 056 – Accounts for all downtown parking facilities, which generate revenues from user fees from both the public and county employees.
- Rural Transit Fund 068 – Accounts for operations of the South County Transit Program.
- Water Agency Enterprise Fund 320 – Accounts for operations of the Water Agency Supply Division, which generate revenues from developer fees and businesses and individuals that purchase water from the Water Agency.

SPECIAL DISTRICTS AND OTHER AGENCIES FUNDS:

- Connector Joint Powers Authority Fund 028 – Accounts for the operations of the proposed Capital Southeast Connector. Only the salary and benefit appropriations are reflected in the County budget document.
- Antelope Public Facilities Financing Plan Fund 101 – Accounts for public facilities in the Antelope area including construction of roadway, park, fire protection facilities, and storm drainage and water supply mitigation measures.

- Laguna Creek/Elliott Ranch Community Facilities District (CFD) Number 1 Fund 105 – Accounts for construction activity in the Laguna Creek Ranch/Elliott Ranch Community Facilities District.
- Laguna Community Facility District Fund 107 – Accounts for construction activity in the Laguna Community Facilities District.
- Vineyard Public Facilities Financing Plan (PFFP) Fund 108 – Accounts for portions of major public infrastructure necessary for the Vineyard area to urbanize including construction of major freeway interchanges, roadways, public transit, library, community center and park facilities.
- Bradshaw/US 50 Financing District Fund 115 – Accounts for portions of major infrastructure necessary for Sacramento County residents, local employees, and business customers to efficiently utilize transportation facilities in the Bradshaw Road and US 50 areas.
- Florin Road/Fulton Avenue Capital Projects Fund 118 – Accounts for services and enhancements in the Florin Road and Fulton Avenue areas.
- Laguna Stonelake CFD Fund 130 – Accounts for portions of the public infrastructure and public facilities necessary to urbanize the Laguna Stonelake area including construction of roadway, drainage, sewer, water, library, and park and fire protection facilities.
- Park Meadows CFD-Bond Proceeds Fund 131 – Accounts for the necessary acquisition and construction of West Stockton Boulevard.
- Mather Landscape Maintenance CFD Fund 132 – Accounts for landscape maintenance and installation services associated with the Independence at Mather residential subdivision.
- Mather PFFP Fund 136 – Accounts for portions of the major public infrastructure roadway facilities necessary for the Mather area to develop.
- Gold River Station Number 7 Fund 137 – Accounts for landscape maintenance services associated with the Gold River Station Number 7 Landscape CFD.
- Metro Air Park Fund 139 – Accounts for construction activity in the Metro Air Park Community Facilities District.
- McClellan Park CFD Fund 140 – Accounts for portions of the public infrastructure and public facilities necessary for the reuse of McClellan Park CFD including construction of roadway, drainage, sewer and landscape facilities.

- Sacramento County Landscape Maintenance Fund 141 – Accounts for landscape maintenance services associated with the Sacramento County Landscape Maintenance Community Facilities District including the installation, maintenance, repair and replacement of landscape facilities within the boundaries of the District.
- Metro Air Park Service Tax Fund 142 – Accounts for Service Tax revenues needed for authorized maintenance services within the Metro Air Park Community Facilities District.
- North Vineyard Station Specific Plan (NVSSP) Fund 143 – Accounts for portions of major public infrastructure necessary for the NVSSP area to urbanize including construction of roadways, frontage lanes, public transit, library, and park facilities.
- North Vineyard Station Specific Plan CFD Fund 144 – Accounts for portions of major public infrastructure necessary for the North Vineyard Station area to urbanize including construction of roadway and transportation improvements, signalized intersections, landscaping improvements, sanitary water, storm drainage, and potable water systems.
- Natomas Fire District Fund 229 – Accounts for fire protection services to approximately forty square miles of the unincorporated area in the northwestern portion of the County.
- County Service Area (CSA) Number One Fund 253 – Formed to provide all street and highway safety lighting services in the unincorporated area of the County.
- CSA Number 10 Fund 257 – Accounts for miscellaneous extended transportation services to achieve trip reduction targets in the North Vineyard Station Specific Plan and other urban development areas in the County.
- Regional Sanitation District Fund 261 – Accounts for the operations of the Regional Sanitation Utility System. Only the salary and benefit appropriations are reflected in the County budget document.
- Sacramento Area Sewer Operations Fund 267 – Accounts for the operations of the Sacramento Area Sewer District. Only the salary and benefit appropriations are reflected in the County budget document.
- Fixed Asset Revolving Fund 277 – Accounts for transfer of funds to the 1990 Fixed Asset Debt Service Fund 278 for payment of debt service and other costs of the program.
- Juvenile Courthouse Debt Service Fund 280 – Services the 2003 Juvenile Courthouse Certificates of Participation.

- 2004 Pension Obligation Bonds Fund 282 – Reflects the annual debt service and related financial services costs for the County's Taxable Pension Funding Bonds Series 2004.
- Tobacco Litigation Settlement Capital Projects Fund 284 – Accounts for construction projects from the Tobacco Securitization proceeds including the Juvenile Hall expansion project and the Primary Care Clinic Facility.
- 1977 Refunding Public Facilities Debt Service Fund 288 – Reflects the debt service requirement for payment of principal, interest, and various other costs related to the 1997 Public Facilities Project Certificates of Participation for the construction of the Coroner/Crime lab and Data Center (the 1994 Certificates).
- 2003 Public Facilities Debt Service Fund 298 – Services the 2003 Public Facilities Projects Certificates of Participation (expansion of the Warren E. Thornton Youth Center, expansion of the Boys Ranch and improvement to various county facilities to accommodate Americans with Disabilities Act).
- 2010 Refunding COPS Debt Service Fund 300 – Accounts for the annual lease payments of the 2010 Refunding Certificates of Participation.
- 2007 Public Facilities Projects Construction Fund 303 – Accounts for the uses of proceeds of the County's 2007 Certificates of Participation Animal Care Facility/Youth Detention Facilities-120 Bed Expansion projects.
- 2007 Public Facilities Projects Debt Service Fund 304 – Accounts for the debt service requirement for payment of principal, interest and various other costs related to the County's 2007 Certificates of Participation Animal Care Facility/Youth Detention Facilities, 120-Bed Expansion projects.
- 2006 Public Facilities Debt Service Fund 306 – Services the 2006 Public Facilities Projects Certificates of Participation (construction of a new Fleet Maintenance Facility; purchase of the Voter Registration and Elections/Sheriff Station House Facility; partial refunding of the 1997 Public Building Certificates of Participation [purchase of the Bank of America building and construction of a 448-Bed Dormitory at Rio Cosumnes Correctional Center]).
- 1997 Public Facilities Debt Service Fund 308 – Services all debt associated with the 1997 borrowing which financed an additional dormitory-style jail at the Rio Cosumnes Correctional Center, and acquisition of the Bank of America building in downtown Sacramento.

- 1997 Public Facilities Construction Fund 309 – Accounts for construction of an additional dormitory-style jail at the Rio Cosumnes Correctional Center, acquisition of the Bank of America building in downtown Sacramento and various other approved construction projects.
- Pension Obligation Bond Debt Service Fund 313 – Services the debt related to Pension Bonds issued to pay off the unfunded pension liability the county owed to the Sacramento County Employee Retirement System.
- Beach Stone Lake Flood Mitigation Fund 314 – Accounts for a portion of the cost of a flood control project to reduce flooding in the area and to provide flood insurance for local residents impact by the project.
- Water Agency Zone 11 Fund 315 – Accounts for the design and construction of drainage facilities in the zone's geographical area.
- North Vineyard Well Protection Fund 317 – Accounts for the rehabilitation or replacement of private wells as a result of groundwater production from the North Vineyard Well Field.
- Water Agency Zone 13 Fund 318 – Accounts for regional water supply, drainage and flood control studies.
- Water Agency Enterprise Fund 320 – Accounts for the operations of the Sacramento County Water Agency (SCWA) Water Supply Division.
- Water Resources Fund 322 – Accounts for the operations of the Storm Utility Program.
- Department of Flood Management Fund 325 – Accounts for the employees serving the Sacramento Area Flood Control Agency (SAFCA).
- Landscape Maintenance District Fund 330 – Accounts for the maintenance of approximately two million square feet of landscaped corridors, medians and natural open spaces throughout the County.
- Mission Oaks Recreation and Park District Fund 336 – Accounts for the operations of the Mission Oaks Recreation and Park District, a Board of Supervisors-governed park district.
- Carmichael Recreation and Park District Fund 337 – Accounts for the operations of the Carmichael Recreation and Park District, a Board of Supervisors-governed park district.

- Sunrise Recreation and Park District/Antelope Assessment Fund 338 – Accounts for the operations of the Sunrise Recreation and Park District, a Board of Supervisors-governed park district.
- Del Norte Oaks Park District Fund 351 – Accounts for the grounds maintenance of 8,200 square feet of landscaped area in the Del Norte Oaks subdivision.
- CSA Number 4B (Wilton-Cosumnes) Fund 560 – Accounts for recreation and park services to the Wilton Community and surrounding areas in the south county.
- CSA Number 4C (Delta) Fund 561 – Accounts for recreation and park services to the Delta area in the south county.
- CSA Number 4D (Herald) Fund 562 – Accounts for park maintenance aide and supplies for operations of Herald Park.
- County Parks CFD 2006-1 Fund 563 – Accounts for local and regional park maintenance and operation services for park, parkway, trails, park and recreational programs and open space facilities within the boundary of County Service Area 4B.

GOVERNMENTAL FUNDS:

Governmental Funds record expenditures for compensated absences as they are taken by employees. Each year's budget includes a provision for the estimated expenditure for the current year. A year-end accrual for compensated absences has not been made in the Governmental Funds as of June 30, 2000, because the County does not believe any of the available year-end resources will be required to fund the year-end compensated absences liability. Accordingly, this liability is recorded in the General Long-Term Obligations Account Group.

PROPRIETARY FUNDS:

Proprietary Funds accrue a liability for unused compensated absences earned through year-end. An expense is recognized for the increase in liability from the prior year.

TRUST AND AGENCY FUNDS:

- **TRUST FUNDS**
 - Investment Trust Fund – Accounts for assets held for external investment pool participants.

- Expendable Trusts:
 - Inmates' Welfare – Accounts for profits from the jails' commissaries, which are used solely for the benefit of the inmates.
 - Jail Industry – Accounts for operations of the County's "inmate industry" program.
 - Law Library – Accounts for an apportionment of civil case filing fees received solely for maintenance of the County's Law Library.
 - Local Improvement Pre-Assessment District – Accounts for funds collected from developers/property owners' for preliminary work prior to issuing special assessment debt to finance infrastructure projects.

- **AGENCY FUNDS**
 - **Law Enforcement** – Accounts for law enforcement revenues collected pending disbursement, reimbursement, or apportionment to the appropriate County law enforcement department of other local police agency.
 - **Federal Program Transfer** – Accounts for receipts from governmental programs administered by the County. Funds are held by the County in the Agency Fund until earned by the appropriate department, at which time they are transferred.
 - **Unapportioned Tax Collection** – Accounts for property taxes received but not yet apportioned by the County.
 - **Public Safety** – Accounts for receipts from the one half percent sales tax approved by voters for law enforcement functions. These receipts are held pending apportionment to the appropriate county law enforcement department or local police agency.
 - **Pooled Treasury Income** – Accounts for interest earned and received by the County Treasury and allocated to appropriate funds.
 - **Other** – Accounts for other agency funds where the County holds money in a custodial capacity.

DESCRIPTION OF MAJOR COUNTY REVENUE SOURCES AND TRENDS

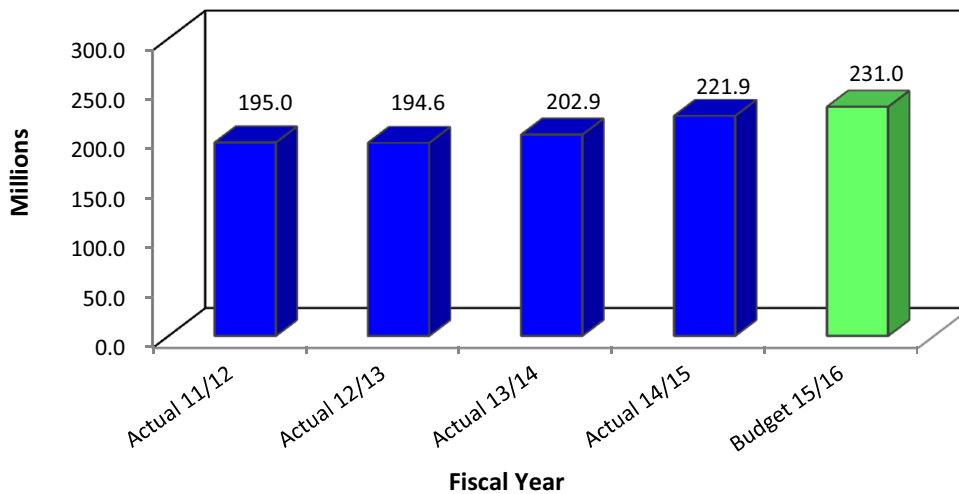
Revenue Source: Property Tax

Trend		Percent Change	Comments
2011-12 Actual	\$ 195,033,324		1.0 percent tax on real property under acquisition value basis of California's Proposition 13.
2012-13 Actual	\$ 194,634,583	-0.20%	
2013-14 Actual	\$ 202,870,102	4.23%	
2014-15 Actual	\$ 221,949,076	9.40%	
2015-16 Budget	\$ 230,989,362	4.07%	

PROPERTY TAX REVENUES:

The revenue estimate includes various property tax-related accounts including secured, unsecured, supplemental, delinquent, and unitary. The estimate is based on the Assessor's property tax roll. The Fiscal Year 2015-16 projected total for property tax revenues is \$231.0 million.

Property Tax Revenues



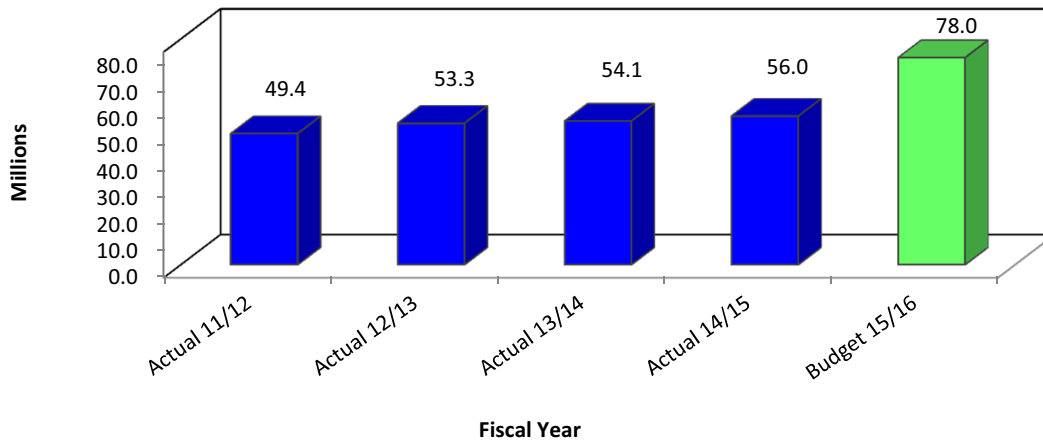
Revenue Source: Sales Tax

Trend		Percent Change	Comments
2011-12 Actual	\$ 49,367,691		A 1.00 percent share of statewide collected sales tax rate of 8.00 percent, collected from the Unincorporated Area. Amounts prior to Fiscal Year 2015-16 were impacted by the State's "Triple Flip" provision and only reflected 0.75 percent share.
2012-13 Actual	\$ 53,252,811	7.87%	
2013-14 Actual	\$ 54,100,000	1.59%	
2014-15 Actual	\$ 55,975,846	3.47%	
2015-16 Budget	\$ 77,978,907	39.31%	

SALES TAX REVENUES:

The budget estimate is based on the full 1.0 percent share of statewide collected sales tax rate of 8.00 percent, collected from the Unincorporated Area. The total projected for Fiscal Year 2015-16 is \$78.0 million.

Sales Tax Revenues



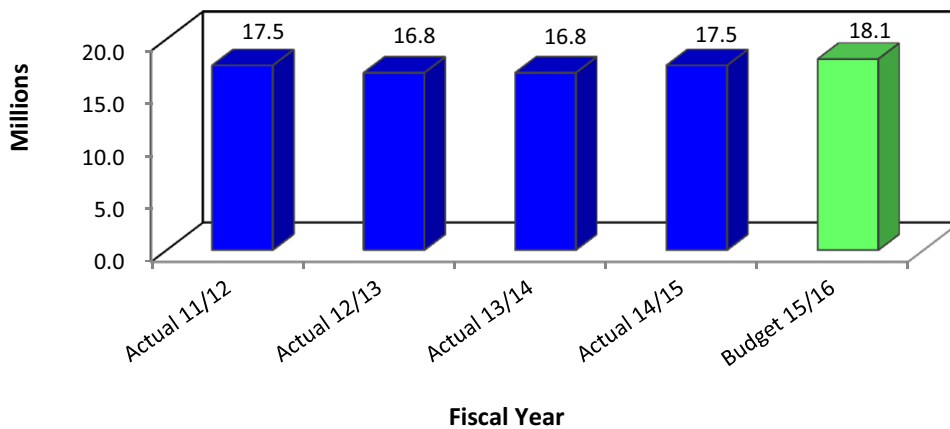
Revenue Source: Utility Tax

Trend		Percent Change	Comments
2011-12 Actual	\$ 17,493,436		A 2.5 percent tax on electricity, gas, sewer, phone (not cellular), and cable TV use in the Unincorporated Area.
2012-13 Actual	\$ 16,839,231	-3.74%	
2013-14 Actual	\$ 16,790,817	-0.29%	
2014-15 Actual	\$ 17,507,379	4.27%	
2015-16 Budget	\$ 18,082,378	3.28%	

UTILITY TAX REVENUES:

The revenue estimate is based on a 3.28 percent increase in utility collections in the Unincorporated Area. The total budgeted for Fiscal Year 2015-16 is \$18.1 million.

Utility Tax Revenues



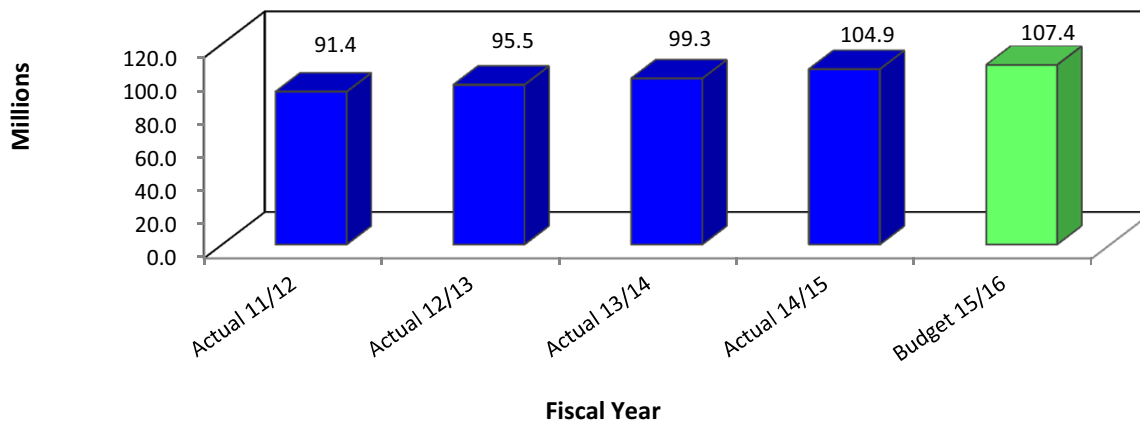
Revenue Source: Proposition 172 - Public Safety

Trend		Percent Change	Comments
2011-12 Actual	\$ 91,369,600		County share of statewide 1/2 cent sales tax. Allocated to counties and cities by formula in state law. Changes in revenue depend on statewide sales tax collections and countywide sales tax collections as a share of the statewide total collections.
2012-13 Actual	\$ 95,507,647	4.53%	
2013-14 Actual	\$ 99,330,359	4.00%	
2014-15 Actual	\$ 104,876,613	5.58%	
2015-16 Budget	\$ 107,415,364	2.42%	

PUBLIC SAFETY REVENUES:

The budget estimate is based on a 2.42 percent assumed growth in statewide sales tax collections from Fiscal Year 2014-15 actuals.

Proposition 172 - Public Safety Revenues



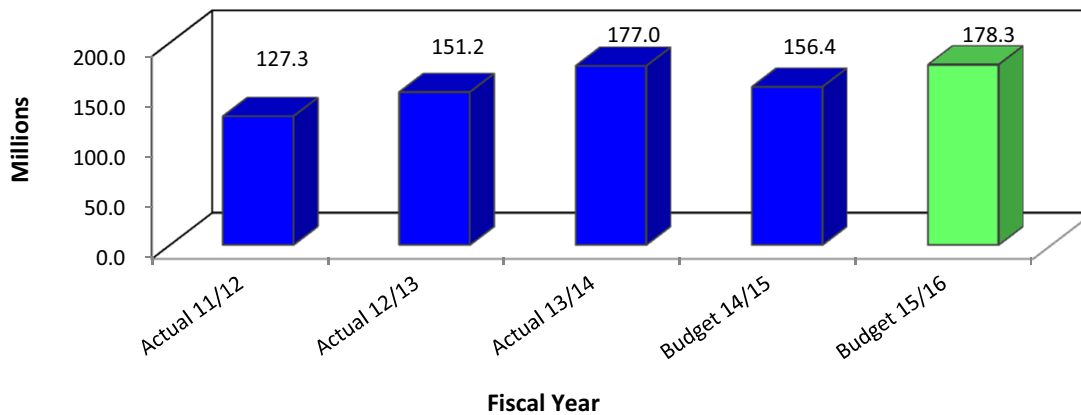
Revenue Source: Realignment 1991 Revenues

	Trend		Percent Change	Comments
2011-12 Actual	\$	127,304,970		1991 realignment revenue is derived from statewide sales tax and vehicle license fees, and is used to fund public health and social service programs. Large swings in revenue are a result of legislative changes in program funding.
2012-13 Actual	\$	151,194,886	18.77%	
2013-14 Actual	\$	177,010,478	17.07%	
2014-15 Budget	\$	156,382,442	-11.65%	
2015-16 Budget	\$	178,312,778	14.02%	

REALIGNMENT 1991 REVENUES:

Assumptions for 1991 Realignment revenue include continued moderate growth in statewide sales tax and vehicle license fees, and no changes in allocation patterns among the major realignment accounts. The changes in the Fiscal Year 2013-14 budget reflect the State’s redirection of Public Health Realignment due to the Affordable Care Act and related Medi-Cal expansion.

Realignment 1991 Revenues



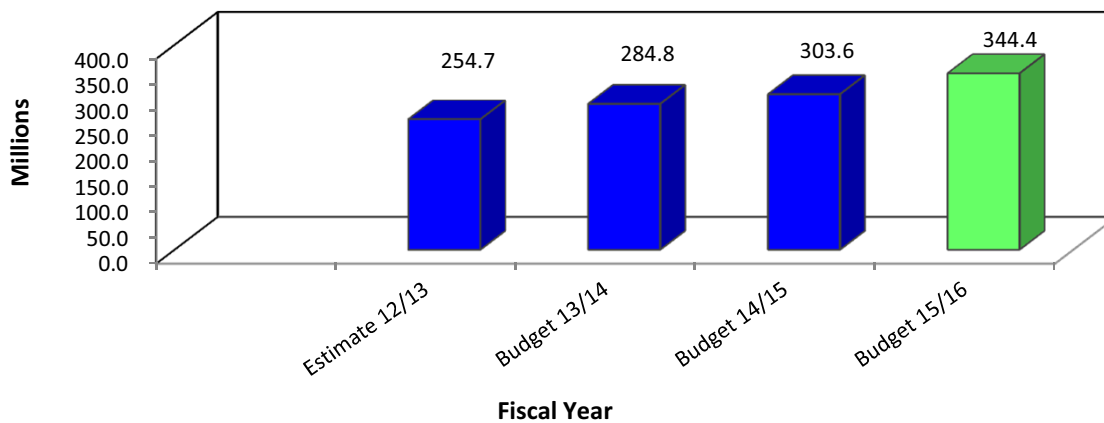
Revenue Source: Realignment 2011 Revenues

Trend		Percent Change	Comments
2012-13 Estimate	\$ 254,723,831		As part of the 2011-12 budget plan, the Legislature enacted a major shift of state program responsibilities and revenues to local governments. The realignment plan funds various criminal justice, mental health, and social services programs.
2013-14 Budget	\$ 284,795,570		
2014-15 Budget	\$ 303,649,337	6.62%	
2015-16 Budget	\$ 344,415,841	13.43%	

REALIGNMENT 2011 REVENUES:

The budgeted estimate of \$344.4 million is comprised of \$15.9 million in 2011 realignment funding carried over from prior years, \$308.3 million in new base revenue, and \$20.2 million is growth revenue.

Realignment 2011 Revenues



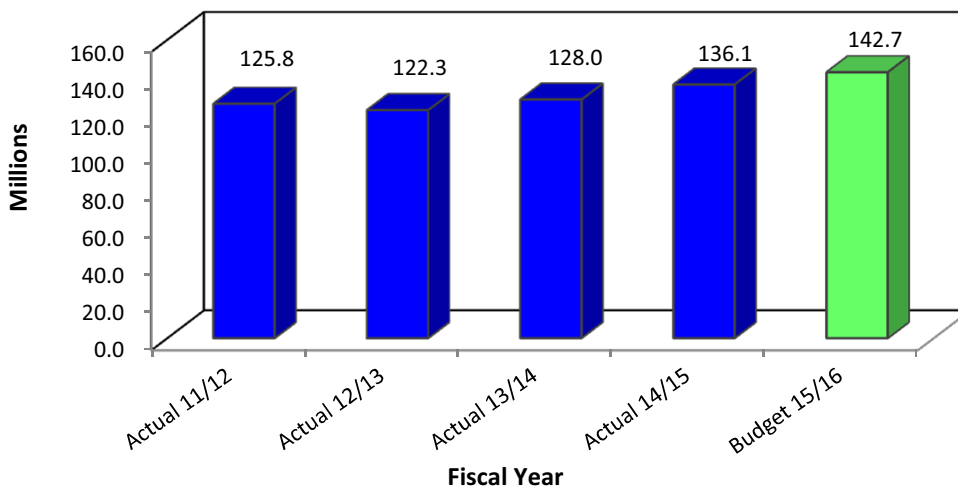
Revenue Source: Property Tax In-Lieu of Vehicle License Fees

	Trend		Percent Change	Comments
2011-12 Actual	\$	125,760,833		This revenue source emerged as the result of the State's "Swap" deal. The amount reflects backfill of the Vehicle License Fee that now flows to the State General Fund.
2012-13 Actual	\$	122,310,424	-2.74%	
2013-14 Actual	\$	127,961,232	4.62%	
2014-15 Actual	\$	136,143,804	6.39%	
2015-16 Budget	\$	142,739,364	4.84%	

PROPERTY TAX IN-LIEU OF VEHICLE LICENSE FEES REVENUES:

The assumption for this revenue source is based on the State's "Swap" deal. The Fiscal Year 2015-16 projected total of \$142.7 million reflects a 4.84 percent increase from the prior year actual levels.

Property Tax In-Lieu of Vehicle License Fees Revenues



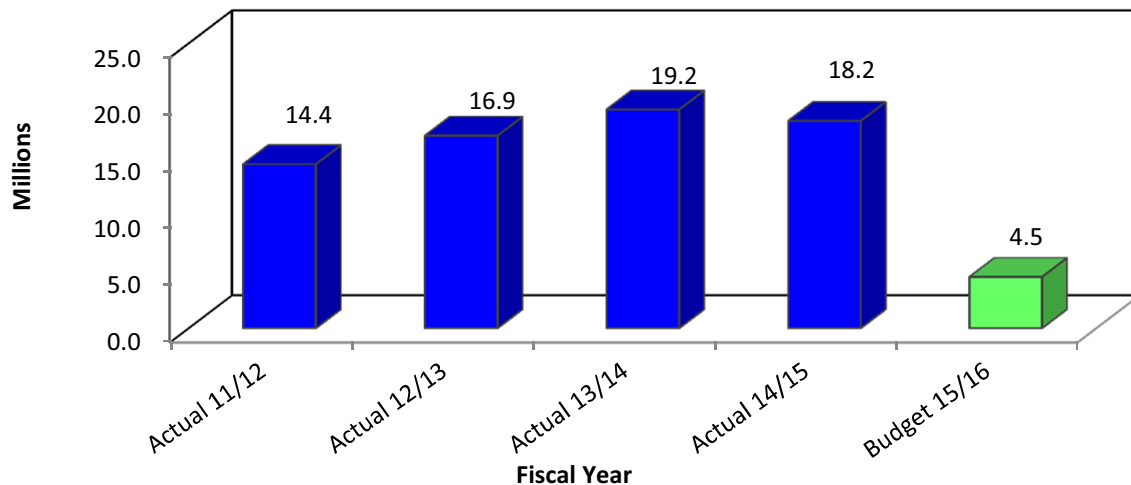
Revenue Source: In Lieu Local Sales and Use Tax

Trend		Percent Change	Comments
2011-12 Actual	\$ 14,406,406		This revenue source emerged as the result of the State's "Triple Flip" provision. This amount represents the backfill of the 25.0 percent Sales and Use Taxes revenue that are reallocated to the State Fiscal Recovery Fund.
2012-13 Actual	\$ 16,876,604	17.15%	
2013-14 Actual	\$ 19,183,789	13.67%	
2014-15 Actual	\$ 18,195,488	-5.15%	
2015-16 Budget	\$ 4,524,809	-75.13%	

IN LIEU LOCAL SALES AND USE TAX REVENUES:

The "Triple Flip" is anticipated to end in Fiscal Year 2015-16. The \$4.5 million budgeted for Fiscal Year 2015-16 reflects the prior year adjustments to close out the "Triple Flip."

In Lieu Local Sales and Use Tax Revenues



GENERAL BUDGET POLICIES AND PLANNING

GENERAL BUDGET INFORMATION

This summary includes:

- I. The Budget, Legal Requirements, Budgeting Basis, and Budget Policies
- II. Revenue and Cash Management
- III. Debt Management Policies
- IV. Range Budget Planning

I. THE BUDGET

The annual budget for Sacramento County is an operational plan, a fiscal plan, and a staffing plan for the provision of services to the residents of Sacramento County. The budget also includes a five-year Capital Improvement Plan for the County. This plan is presented to the Board of Supervisors and is reviewed during the budget hearings. The County Board of Supervisors approves the budget each year at the conclusion of an open and deliberative process in which county residents, county employees, and county officials are active participants.

LEGAL REQUIREMENTS

The county's budget process conforms to state law and the County Charter. The California State County Budget Act of 1986 provides statewide uniformity in the budget process, content, and format among California counties and special districts. Deadlines for the public release of budget information and the adoption of proposed and final budgets are given. The Budget Act also sets the content and format of budget schedules.

The County Charter specifies the roles of the Board of Supervisor and the County Executive in the budget process. The County Executive is charged with recommending a balanced budget (a budget in which the expenditures incurred during a given period are matched by revenues and/or current expenditures are equal to receipts) to the Board and with executing the budget plan once it is adopted. The County Executive is also responsible for monitoring the status of the budget throughout the year and with recommending budget changes when circumstances warrant.

BUDGETING BASIS

For the governmental funds, or those funds subject to appropriation, Sacramento County uses a modified accrual basis of budgeting and accounting. Under this basis of budgeting and accounting, revenues are recognized when they become both measurable and available, and expenditures are recorded when the liability is incurred. Measurable means the amount of the transaction is known. Available means the revenue will be received as cash within the current fiscal year or soon enough thereafter to be used to pay liabilities of the current period.

Proprietary funds use an accrual basis of accounting in essentially the same manner as commercial accounting. Recognition occurs at the time of the transaction – revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred, regardless of when the related cash flow takes place.

BUDGET POLICIES

Sacramento County's budget process operates under long standing Board of Supervisors-approved budget policies. In summary, the policies are designed to control growth in the budget, maximize fund balance, give departments operational flexibility, and establish prudent reserve levels.

Alignment of Ongoing Expenditures and Revenues and Use of Fund Balance

In 1985 the Board adopted long-term policies intended to keep ongoing county expenditures in alignment with ongoing financing sources and to increase fund balance. These policies state:

- General Fund, fund balance will be used as an ongoing financing source.
- The higher costs of new programs, higher service levels, and new staff will be recognized on a full-year basis to ensure the recognition of the full cost of new commitments.
- Unanticipated revenue windfalls not included in the budget plan will not be expended during the year unless such spending is required in order to receive the funding.
- Short-term funding sources are not to be applied to ongoing requirements.

Use of Fund Balance and Appropriation Use Flexibility

In 1992 the Board of Supervisors adopted a set of policies under the rubric of "departmental empowerment" to give departments more flexibility in managing service delivery and departmental budgets. The budgetary aspects of the departmental empowerment policies include:

- The year-end practice was changed from "use it or lose it" to "save it and keep it." Departmental contributions to fund balance are credited back to departments as financing in the following year.
- Departments were given the flexibility of administratively shifting appropriations between expenditure categories without Board or County Executive approval so long as there is no change in overall net appropriations. The Department of Finance presents a quarterly report of such budget adjustments to the Board of Supervisors.
- A restriction was placed on departmental empowerment in Fiscal Year 2002-03, disallowing transfer of salary appropriations to other expenditures without Board approval. This restriction was necessary due to the need to maintain high fund balances in order to mitigate against the state budget reductions and weak economic conditions.

Reserve Levels

The Board, upon recommendation from the County Executive and Chief Operations Officer, adopted a Reserve and Reinvestment Policy in 2010. This policy sets a target for the General Fund General Reserve at ten percent of discretionary revenues. Fiscal Year 2010-11 reserves do not meet that target due to current economic conditions. The policy does set guidelines for the Board to follow to reestablish reserves and eventually reach the targeted level.

Resource Allocation

In June 2007, upon recommendation of the County Executive, the Board of Supervisors adopted a series of obligations/priorities to guide resource allocation and budget decision making. These priorities are slightly different from prior years in that the mandated programs are split into those where the service/budget is specifically mandated and those where the Board of Supervisors has some flexibility regarding the level of mandated service provided. The approved spending priorities recognize that certain obligations must be funded before any discretionary priorities can be addressed:

Resource Allocation (Cont.)

- **Mandated Countywide Obligations**, such as jails, prosecution, juvenile detention, health care for the poor, and welfare payments to eligible clients. These obligations are now designated as specifically mandated programs.
- **Mandated Municipal Obligations** such as the core requirements for providing for the public safety of the citizens living in the unincorporated area (Sheriff's patrol and investigations).
- **Financial Obligations** is the 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.
- **Budget Priorities**, when funding of the County's mandated services and obligations are met, the following priorities shall govern the budget process:
 - Provide the highest level of discretionary law-enforcement municipal and countywide services possible within the available county budget, such as Sheriff's patrol and investigations, and Probation supervision.
 - Provide the safety net for those disadvantaged citizens, such as the homeless, mentally ill, and others who receive no services from other government agencies.
 - Provide the highest possible quality of life for our constituents within available remaining resources (i.e. neighborhood programs, reinvestment in communities, Parks and Recreation, and non-law enforcement municipal services, etc.)
 - General government functions (such as Clerk of the Board, County Counsel, Personnel Services, Department of Technology, County Executive, etc.) shall continue at a level sufficient to support the direct services to citizens.
 - Continue prevention/intervention programs that can demonstrate that they save the county money over the long-term, such as alcohol and drug programs.

II. REVENUE AND CASH MANAGEMENT – Cash, Investments, And Restricted Assets

All investments are reported on the statement of net assets/balance sheet in accordance with GASB State No. 31, at fair value. The County maintains two cash and investment pools. The primary cash and investment pool (Treasurer's Pool) is available for use by all funds. The portion of this pool applicable to each fund type is displayed on the statements of net assets/balance sheets as "Cash and investments." The share of each fund in the pooled cash account is separately accounted for and interest earned, net of related expenses, is apportioned quarterly and at the end of the fiscal year based on the relationship of its average daily cash balance to the total of the pooled cash and investments. The apportionment due to the internal service funds and certain agency funds accrues to the benefit of the General Fund. The County, acting in a fiduciary capacity, established a separate cash and investment pool (Fiscal Agent Pool) to segregate and invest monies in accordance with long-term obligation covenants. The County periodically distributes interest earned by these pools to the funds. The pools are accounted for on an amortized cost basis during the year. The Treasurer's and Fiscal Agent Pools are subject to oversight by the Treasury Oversight Committee. The value of pool shares that may be withdrawn is determined on an amortized cost basis, which differs from fair value. The County has not provided or obtained any legally binding guarantees during the fiscal year to support the value of pool shares. The County does not permit any voluntary participation in the Treasurer's Pool.

Cash and investments held by fiscal agents are restricted as to its use. It includes funds for the construction/acquisition of plant and equipment and funds designated by debt agreements as reserve

funds and for servicing debt during the construction/acquisition of plant and equipment. At June 30, 2008, all cash held by fiscal agents was covered by federal depository insurance or by collateral held by the County's financial institutions in the county's name.

Revenue and Cash Management – Investments and GASB 40 Presentation

The County has chosen to implement GASB Statement 40, Deposit and Risk Disclosures, which is an amendment to GASB Statement No 3.

Investments by the County Treasurer are restricted per Government Code Section 53600 et. Seq. This Code requires that the investments be made with the prudent investor standard, that is, when investing, reinvesting, purchasing, acquiring, exchanging selling or managing public funds, the trustee (Treasurer and staff) will act with care, skill, prudence, and diligence under the circumstances then prevailing.

The Government Code also requires that when following the investing actions cited above, the primary objective of the trustee be to safeguard the principal, secondarily meet the liquidity needs of depositors, thirdly maintain the public trust and then achieve a return on the funds under the trustee's control. Further, the intent of the Government Code is to minimize risk of loss on County held investments from:

- Credit risk
- Custodial credit risk
- Concentration of credit risk
- Interest rate risk

Specific restrictions of investment are noted below:

Section 53601 lists the investments in which the Treasurer may purchase. These include bonds issued by the County; United States Treasury notes, bonds, bills or certificates of indebtedness; registered state warrants, treasury notes, or bonds of the State of California; bonds, notes warrants or other forms of indebtedness of any local agency within California; obligations issued by banks for cooperatives, federal land banks, federal home loan banks, the Federal Home Loan Bank Board or other instruments of, or issued by, a federal agency or United States government sponsored enterprise; Bankers Acceptances (not over 180 days maturity, not to exceed 40 percent of the total portfolio); Commercial Paper of "prime quality" (the highest ranking provided by either Moody's Investor Services or Standards and Poor Corporation) (not over 270 days maturity and not to exceed 40 per cent of the total portfolio pursuant to Section 53635) and these investments are further restricted as to capacity and credit rating of the Company and are restricted as to a percentage of the whole portfolio and the dollar-weighted average maturity is also restricted; negotiable certificates of deposit issued by approved banks, not to exceed 30 percent of the total portfolio; repurchase and reverse repurchase agreements are permitted investments but are subject to stringent rules regarding term, value and timing, all put in place to minimize risk of loss; medium term notes, carry a maturity of no more than five years and rated "A" or better by a nationally recognized rating service, not to exceed 30 percent of the portfolio; shares of beneficial interest issued by a diversified management company subject to certain limitation; notes, bonds and other obligations that are at all times secured by a valid first priority security interest in securities of rules cited in Government Code Section 53651; moneys held by a trustee or fiscal agent for bonds, indebtedness, lease obligations, or other agreements, may be invested in accordance with the statutory provisions governing the issuance of the bonds, indebtedness, lease obligations or other agreements; mortgage pass-through securities and other mortgage and consumer receivable backed bonds, not to exceed a maturity of

five years, subject to the credit rating of the issuer and not to exceed 20 percent of the portfolio; and shares of beneficial interest issued by a joint powers authority organized pursuant to Section 6509.7.

In addition to the restrictions and guidelines cited in the Government Code, the County Board of Supervisors annually adopts an "Investment Policy for the Pooled Investment Fund" (The Policy). The Policy is prepared by Department of Finance and is based on criteria cited in the Government Code. The Policy adds further specificity to investments permitted, reducing concentration within most permitted investment types and reducing concentration of investments with any broker, dealer or issuer.

The County was in full compliance with its own more restrictive policy, and, therefore, was also in compliance with the above cited Government Code sections. Accordingly, the County believes it is not at measurable risk as to the four risk areas cited above.

Interest Rate Risk – This is the risk of loss due to the fair value of an investment falling due to interest rates rising. Of the County's \$3.320 billion portfolio over 72.3 percent of the investments have a maturity of six months or less. In addition, 93.3 percent of the portfolio matures within two years.

Credit Risk – The County is permitted to hold investments of issuers with a short-term rating of superior capacity and a minimum long-term rating of upper medium grade by the top two nationally recognized statistical rating organizations (rating agencies). For short-term rating, the issuers' rating must be A-1 and P-1, and the long-term rating must be A and A2, respectively by the rating agencies. In addition, the County is permitted to invest in the State's Local Agency Investment Fund, collateralized certificates of deposits and notes issued by the County that are non-rated.

Custodial Credit Risk – At year-end, the County did not participate in any repurchase agreements or securities lending that would result in any possible risk in this area.

Concentration of Credit Risk – Nearly 71.3 percent of the County's investments at year-end are in U.S. Government or Agencies issues. There is no limitation on amounts invested in these types of issues. Of the 20.1 percent of the portfolio invested in commercial paper or certificate of deposits, no investment in a single issuer exceeds five percent.

Prohibited Investments - No investments shall be authorized that have the possibility of returning a zero or negative yield if held to maturity. These shall include inverse floaters, range notes, and interest only strips derived from a pool or mortgages.

All legal investments issued by a tobacco-related company are prohibited. A tobacco-related company is defined as an entity that makes smoking products from tobacco used in cigarettes, cigars, or snuff or for smoking in pipes. The tobacco-related issuers restricted from any investment are Altria Group, British American Tobacco PLC, Imperial Tobacco Group PLC, Loews Corp., Reynolds American, Inc., Universal Corp., UST, Inc., and Vector Group, Ltd. Annually the Director of Finance and/or his designee will update the list of tobacco-related companies.

III. DEBT MANAGEMENT POLICIES

The County has also adopted comprehensive Debt Management Policies, which are intended to improve coordination and management of all debt issued in which the County has complete or limited obligation (e.g. special assessment or Mello-Roos financings) for debt repayment. As the municipal debt market changes, all outstanding debt should be monitored to take advantage of changing opportunities.

Major elements of the policy include:

- Establishment of a County Debt Utilization Committee (CDUC) which has the responsibility for reviewing, coordinating and advising the County Executive and Board of Supervisors regarding proposed and existing debt issues in order to assure that debt is utilized in a favorable manner to the County and only when it is in the best interest of the County.
- Formalizing the concept that debt proposals by individual departments must be closely coordinated with the county's capital and operating budget processes and must take into account the impact of the proposed debt issue on the county's credit rating and total debt burden.
- Assignment of responsibilities related to analysis of proposed borrowings and monitoring compliance with covenants and restrictions in approved debt agreements.
- To the extent feasible, debt issued shall be tied to revenues from those taxpayers who will directly or indirectly receive benefits of the purpose of the debt.
- Short-term and long-term borrowing will be limited to borrowings that are within prudent limits regarding applicable debt ratios and those which improve county cash flow and related interest earning capabilities.
- Proceeds from long-term financing will be limited to the uses authorized by law and allowed by the provisions of the particular debt. Generally, these limitations allow payment for planning, design, land, construction, or acquisition of buildings, permanent structures, attached fixtures and/or equipment, movable furniture, and equipment and also the costs related to planning and issuing the debt.
- Short-term financing will include funding the county's cash flow deficit in anticipation of tax and revenue receipts.
- Structure (e.g. General Obligation, Certificates of Participation, Assessment Districts, or Revenue Bonds) and type of debt issuance (negotiated or competitive) is dependent upon various factors, including the nature of the project to be financed, available revenue sources and revenue streams, budget impact and the financial market environment.
- No financing will be undertaken to finance an operating deficit.

Debt Limits

In California there are no statutory or constitutional limits on debt levels for counties. Overall, debt levels for Sacramento County are very low. In the General Fund, total debt service payments amount to 4.75 percent of appropriations.

IV. LONG-RANGE BUDGET PLANNING

Sacramento County integrates long-term budget planning with an annual budget process. The annual budget forecast, typically presented to the Board of Supervisors in early February each year, is based on a current budget modeling of the General Fund. The model is the specific tool used to evaluate the impacts of new facilities, programs, and other commitments on the General Fund in light of projected changes in general revenues.

The model is based on the prior adopted budget and includes all known changes in expenditures and revenues. The model attempts to predict the net cost of maintaining service levels and taking on new programs and costs and compares those net costs to the general purpose financing thought to be available to fund those net costs. Particular emphasis is placed on determining and accounting for the impacts of facility development, labor negotiations, and changes in state and federal law and

regulations. The capital improvement plan is used to identify new operational requirements years in advance of the need to actually fund the staffing and maintenance of new facilities. Long-term commitments to employees are made in light of an assessment of the county's ability to balance labor cost increases with the maintenance or enhancement of service levels.

The modeling has proved to be a useful predictor of budgetary trends and the overall balance between net cost and general purpose financing. The model is less accurate in projecting changes in gross spending and departmental revenue. The fundamental point is that the budget model is used far beyond short-term predictions of budget status and issues; the budget model is used to evaluate the county's capacity (or lack thereof) to take on new obligations.

BUDGET PROCESS AND TIMELINE

BUDGET PROCESS:

The annual budget is prepared, reviewed and approved in accordance with the County Budget Act (California Government Code Sections 29000 through 30200). The Budget and the Comprehensive Annual Financial Report (CAFR) are prepared using generally accepted accounting principles. Governmental fund types like the General Fund, Special Revenue Funds, and Debt Service use the modified accrual basis, Proprietary Funds use the full accrual basis.

The annual operating budget includes all operating, capital, and debt service requirements of Sacramento County for the following fiscal year. The fiscal year is from July 1 to June 30. In addition, the budget includes: the revenue and expense assumptions upon which the budget is based; the number of budgeted positions by department and cost center; the mission, strategic priorities, impact and performance measures of each operating department; prior-year actual and current year budgeted and estimated actual expenditures and revenue by department and cost center; and a description of significant expenditure changes by department and division, along with significant revenue changes at the department level.

The capital budget reflects the annual amount appropriated for each capital project included in the long-range capital improvement plan. When the Board of Supervisors (Board) authorizes a new capital project, the Board approves the total project cost and schedule. The approval of the project budget authorizes total expenditures over the duration of the construction project, which oftentimes spans multi-fiscal years. The annual capital budget authorizes the anticipated expenditures for the scope of work anticipated to be completed in the upcoming fiscal year.

The annual budget process includes seven phases:

Phase I – (July-November) – Establish Budget Priorities and Principles

The Board, working with the County Executive, establishes the operating and capital budget priorities and the budget principles for the next fiscal year based upon relevant economic, social, and demographic trends, a budget update with a three-year forecast and an in depth discussion of proposed budget principles.

Phase II – (December – April) Develop Operating Budget

The County Executive's Office develops and distributes the annual operating budget instructions based upon: Board priorities and budget principles established in November and February; the impact of annual capital budget requests on the operating budget; revenue and expense projections for the following fiscal year; and state and county long-range economic indicators.

Department budgets are developed by the department heads and staff. They are subsequently reviewed and modified, as necessary, through a collaborative effort among the County Executive's Office and the departments.

In developing the annual capital budget, departments must determine the impact these capital projects will have on the following fiscal year's operating budget. Consequently, this phase must be submitted in advance of the departmental annual operating budget.

Phase III – (March-April)

The Board holds public workshop hearings, if appropriate.

Phase IV – (May-June)

After a series of public meetings, the Recommended Budget must be approved by a three-fifths majority of the Board.

Phase V – (July 1st)

The Approved Recommended Budget is implemented as the operating budget until Budget is adopted.

Phase VI – (August-September)

The County Executive’s Office prepares revised budget recommendations report and submits it to the Board for the Budget Hearings in early September. The Budget is adopted by a three-fifths majority of the Board.

The Director of Finance prepares Adopted Budget Resolutions and submits them to the Board for approval prior to the October deadline.

Phase VII – (September-October)

As directed by the Board, budget hearing adjustments are documented by County Executive’s Office Analysts. The various departmental budgets are submitted to the staff of the Office of Financial Management for compilation and production of the final budget book.

The legally mandated time requirements for budget approval per the County Budget Act are as follows:

Revenue and Expenditure Estimates	June 10th
Approve Recommended Budget	June 30th
Post Recommended Budget	September 8th
Announce Public Hearings	September 8th
Commence Public Hearing	September 18th
Conclude Budget Hearings	October 2nd
Adopted Budget Approval	October 2nd
Adopted Budget Filed with the State	December 1st

AMENDING THE ADOPTED BUDGET BY APPROPRIATION ADJUSTMENT REQUESTS:

Guidelines and Legal Authorities

All adjustments to budgeted appropriations must be documented on an Appropriation Adjustment Request (AAR) form. Each AAR is accompanied by a cover letter addressed to either the Board or County Executive (depending on approval authority required) explaining the reason for adjustment.

- County Executive approval – The County Executive has the authority to approve the following adjustments (per Government Code Section 29125, and County Resolution No. 85-1368):
 - Transfers between accounts in different objects within an appropriation.
 - Transfers within or between Internal Services Funds.
 - Increases in spending authority of Internal Services Funds when new or increased financing is identified.

Internal Services Funds are not included in the “Annual Budget Resolution”.

- By four-fifths vote, the Board may (per Government Code Sections 29086, 29127, and 29130 and County Charter, Section 49):
 - Make available for appropriation balances in contingencies.
 - Make available for appropriation reserves no longer required for the purpose for which intended.
 - Make available for appropriation amounts from any actual or anticipated increases in available financing (new revenue or increases in revenue not set forth in the budget).
 - Make an emergency appropriation after adopting a resolution stating the facts constituting the emergency.

Note: General Reserves are established, cancelled, increased or decreased at time of adopting the budget except in a legally declared emergency.

SPECIFIC AREAS OF CHANGE

TRANSFER OF APPROPRIATION ADJUSTMENT AUTHORITY

On October 27, 1992, the County implemented the departmental empowerment concept and altered the AAR process.

In Resolution No. 85-1368, the Board delegated authority to the County Executive to approve midyear transfers and revisions of appropriations between objects within a budget unit as well as adjustments to Internal Service Funds. For example, appropriations could be moved from Salaries to Services and Supplies. Existing law (Government Code 29125) allows the Board to designate a county official to authorize these appropriation adjustments as long as they do not alter the total budget unit spending authority.

Along with an emphasis on department empowerment (accountability for program results and financial responsibility), it is important that the departments be granted as much flexibility in their budgets as possible. With this proposed change, the departments' net county cost and underlying appropriation remains the same but the Department Head is able to adjust between expenditure objects as circumstances require during the year. With this emphasis on "bottom-line" control of net cost (appropriations less revenue), it is important that both expenditures and revenues be closely monitored by the departments. Timely midyear corrective actions are expected if actual results vary negatively from the budget. Departments report to the County Executive periodically on budget and program status.

Departments must ensure that provisions are maintained for salary, contractual and inter-department commitments, and other allocated costs. Appropriation adjustment documents impacting two departments must bear authorized signatures from both. All other controls and edits will remain unchanged.

The Board retained authorizations of any increase to total appropriations to be funded from new departmental revenues, contingencies, or reserves. These changes must be processed through the County Executive's Office. Uses of General Fund contingencies or reserves are very rare, usually when there is no legal alternative.

The Auditor-Controller reports quarterly to the Board the adjustments processed under this policy.

FISCAL YEAR 2015-16 BUDGET TIMELINE:

Under the leadership of the county’s Chief Financial Officer, staff of the Office of Financial Management, within the County Executive’s Office, work year-round on the budget. Staff begin work on the next annual budget cycle before the previous cycle is completed. The annual budget process timeline is as follows:

**DEPARTMENT FY2015-16 BUDGET CALENDAR
SUMMARY OF KEY ACTIONS
(Subject to Change)**

Due Date	Action	Responsible Parties
February 6	Distribute: Budget Instructions PBR Allocated Cost Package Summary of Positions	CFO; OFM Analysts; CEO ASO; CEO Accountant
February 6	2 nd Quarter FSRs with Explanations Due to OFM Analysts	All County Departments
February 10	Distribute Semi-discretionary Revenue Allocations	CFO; OFM Analysts
March 6	Requested Budgets Submitted to OFM Analysts, including Budget Impact Statements and Growth Requests	All County Departments
April 17	Provide General Fund Allocations to Departments	CFO; OFM Analysts
May 1	Revised Budget Submittals (reflecting General Fund Allocation Revisions), and including any Reduction Impact Statements, due to OFM Analysts from Departments	All Affected County Departments
May 11	3 rd Quarter FSRs with Explanations Due to OFM Analysts	All County Departments
May 14	Provide Final General Fund Allocations to Departments	CFO; OFM Analysts
June 16-17	Recommended Budget Hearings	All
June 19	Budget changes resulting from Board action due to from Departments to OFM Analyst	Relevant Departments
July 21-24	FY2014-15 Period 13 Closes – All Accruals/Encumbrances Completed – FY2014-15 Books Closed	Finance Department; All County Departments
July 21-24	Actual Beginning Fund Balance Available	Finance Department
July 24	Year-End FSR with Explanation of changes from FY2014-15 Adjusted Budget to FY2014-15 Actuals due to OFM Analyst	All Departments
July 28	Budget Revisions from Departments due to OFM Analysts, reflecting: Encumbrance re-budgeting Base Adjustments (if any) Growth Request Revisions (if any)	Departments
August 19	Provide Departments with Revised General Fund Allocation, if necessary	CFO; OFM Analysts
August 21	Final Budget Revisions Due from Departments to OFM Analysts	Relevant Departments
September 9-10	Budget Adoption Hearings	All

FISCAL YEAR 2015-16 BUDGET TIMELINE (CONT.):

September 11-14	Budget changes resulting from Board action due from Departments to the OFM Analyst two (2) days following the close of the Adopted Budget Hearings	Relevant Departments
September 14	Adopted Budget Document Submittal due from Departments to the OFM Analyst	All Departments
September 22	Budget Adoption	Board; Finance Department

EXAMPLE OF A BUDGET MESSAGE

State Controller Schedules County Budget Act January 2010	County of Sacramento Detail of Financing Sources and Financing Uses Governmental Funds Fiscal Year xxxx-xx	Schedule 9		
① Budget Unit 3610000 - Assessor Function GENERAL Activity Finance				
②	③	xxxx-xx Actual Estimated	④	⑤
Detail by Revenue Category and Expenditure Object	xxxx-xx Actuals	xxxx-xx Actual Estimated	xxxx-xx Recommended	xxxx-xx Adopted by the Board of Supervisors
1	2	3	4	5
Prior Year Carryover	\$ 1,867,208	\$ 1,200,646	\$ 140,008	\$ 140,008
Charges for Services	5,057,217	5,505,301	5,483,148	5,483,148
Miscellaneous Revenues	1,959,531	1,098,793	950,000	950,000
Residual Equity Transfer In	89,501	-	-	-
Total Revenue	\$ 8,973,457	\$ 7,804,740	\$ 6,573,156	\$ 6,573,156
Salaries & Benefits	\$ 15,044,025	\$ 14,191,027	\$ 15,817,328	\$ 15,817,328
Services & Supplies	2,220,887	1,945,896	2,394,385	2,394,385
Equipment	12,072	-	10,000	10,000
Expenditure Transfer & Reimbursement	(2,035,960)	(2,358,635)	(2,309,101)	(2,309,101)
Total Expenditures/Appropriations	\$ 15,241,024	\$ 13,778,288	\$ 15,912,612	\$ 15,912,612
Net Cost	\$ 6,267,567	\$ 5,973,548	\$ 9,339,456	\$ 9,339,456
⑥	Positions	168.5	161.5	159.1

See Explanation on following page.

AN EXPLANATION OF BUDGET MESSAGE ELEMENTS

The following explanations refer to the previous page. Definitions of unfamiliar terms may be found in the Glossary.

- **BUDGET UNIT:**
 - Budget unit number and name.
- **DETAIL BY REVENUE CATEGORY AND EXPENDITURE OBJECT:**
 - Major categories of revenues and expenditure objects as classified by law. These categories are defined by the State Controller.
- **ACTUAL:**
 - Amounts actually expended or received.
- **RECOMMENDED:**
 - Amounts recommended by the County Executive.
- **ADOPTED BY THE BOARD OF SUPERVISORS:**
 - Amounts adopted by the Board of Supervisors.
- **POSITIONS:**
 - Total number of permanent positions the department is authorized to fill and for which funding is available.

SACRAMENTO COUNTY

ECONOMIC AND DEMOGRAPHIC OVERVIEW

GENERAL

The County was incorporated in 1850 as one of the original 27 counties of the State. The County's largest city, the City of Sacramento, is the seat of government of the State and also serves as the County seat. The County is the major component of the Sacramento Metropolitan Statistical Area (SMSA) which includes Sacramento, El Dorado, Placer and Yolo Counties.

The County encompasses approximately 994 square miles in the middle of the 400-mile long Central Valley, which is California's prime agricultural region. The County is bordered by Contra Costa and San Joaquin Counties to the south, Amador and El Dorado Counties to the east, Placer and Sutter Counties to the north, and Yolo and Solano Counties to the west. The County extends from the low delta lands between the Sacramento and San Joaquin rivers north to about ten miles beyond the State Capitol and east to the foothills of the Sierra Nevada Mountains. The southernmost portion of the County has direct access to the San Francisco Bay.

The County is a long-established center of commerce for the surrounding area. Trade and services and federal, state and local governments are important economic sectors. Visitors are attracted to the County by the State Capitol and other historical attractions such as Sutter's Fort, as well as natural amenities. The County's location at the intersection of four major highways brings additional visitors destined for the San Francisco Bay Area, the Wine Country, the Gold Country, the Central Valley, the Sierra Nevada Mountains and Lake Tahoe.

Chief among the County's outdoor recreational opportunities is the 23-mile American River Parkway which welcomes more than 5 million visitors annually to this unique wildlife and recreation area, offering opportunities for fishing, boating and rafting, picnicking, golfing, and guided natural and historic tours. The Jedediah Smith Memorial Trail, a 32-mile long trail for bicyclists, hikers and equestrians, parallels the American River and winds southwest from the City of Folsom to Downtown Sacramento. This trail was recognized as a national trail in 1974, and named the nation's No. 1 bike path for 2006.

The Sacramento area is home to the National Basketball Association Sacramento Kings professional basketball team. The franchise has been playing their home games at Sleep Train Arena (formerly Power Balance Pavilion), a venue which also hosts numerous concerts and entertainment events throughout the year. In Spring 2013, the Kings were sold to a new ownership group, and a new arena is anticipated to open in the Fall of 2016 in downtown Sacramento. The Sacramento RiverCats is the San Francisco Giants' triple-A affiliate, and they play their home games at Raley Field in West Sacramento, located across the river from downtown Sacramento. In addition to Sacramento's professional sports franchises, the region has been successful in bringing a number of high profile sporting events to Sacramento.

Cultural attractions in the City of Sacramento include the Crocker Art Museum, the longest continuously operating art museum in the West. Founded in 1855, it remains the leading art institution for the California Capital Region and Central Valley. The California State Railroad Museum located in Old Sacramento features restored locomotives and rail cars, some dating back to 1862, illustrating railway's historic significance to the region in connecting California to the rest of the nation. Sacramento Community Center Theatre, the Music Circus at Wells Fargo Pavilion and numerous other performing arts venues and local art galleries add to the cultural community of Sacramento.

ECONOMIC DEVELOPMENT INCENTIVE PROGRAM

The attraction of employers, capital investment and high value jobs, as well as the expansion and retention of existing businesses, is important to the prosperity and quality of life within the County. The County's economic development incentive program, which focuses on the unincorporated area of

the County, offers a mix of the following, applied on a case-by-case basis: 1) rebate of unsecured property taxes for a fixed number of years; 2) rebate of utility user taxes in excess of a set base amount; 3) rebate of sales tax in excess of a set base amount; 4) fee deferrals; 5) sewer credits; 6) tax exempt financing through industrial development bonds and other programs; 7) facilitated permit processing; and 8) other applicable incentives as appropriate. The County has a State-designated Enterprise Zone and two LAMBRAs (Local Agency Military Base Recovery Area), which provide significant incentives for businesses within their respective boundaries. These benefits include loss carryovers, accelerated depreciation of equipment, sales tax rebates on qualified equipment purchases, preference on state contracts and hiring tax credits.

Incentives are designed to avoid negative impact on existing revenue, in that the criteria apply to new or expanding operations and are available to offset significant private investment directly related to a long-term commitment to the area. The success of the overall incentive program is measured by the private capital investment for qualified projects, the direct creation of jobs, the generation of utility, property and sales taxes, and the attraction of support businesses, as well as indirect benefits to the economy from increased employment and investment. The County Office of Economic Development and Marketing is primarily responsible for developing and implementing this program.

POPULATION

Sacramento County currently has seven incorporated cities: Citrus Heights, Elk Grove, Folsom, Galt, Isleton, Rancho Cordova and Sacramento, with 33 percent of the County’s population living in the City of Sacramento.

Sacramento County Breakdown of Population/Percent Increase

Area	1970	1980	1990	2000	2010	2015
Cities:						
Citrus Heights	---	---	---	85,071	83,267	85,147
Elk Grove	---	---	---	---	152,925	162,899
Folsom	5,810	11,003	29,802	51,884	72,201	74,909
Galt	3,200	5,514	8,889	19,472	23,641	24,607
Isleton	909	914	833	828	804	820
Rancho Cordova	---	---	---	---	64,413	69,112
Sacramento	257,105	275,741	369,365	407,018	466,279	480,105
Unincorporated Area:						
	367,349	409,209	632,330	659,226	553,529	573,313
Total:	634,373	783,381	1,041,219	1,223,499	1,417,059	1,470,912
% Increase over prior period:		23.49%	32.84%	17.50%	15.82%	3.80%
State Population:	19,935,134	23,782,000	29,828,496	34,095,209	37,223,900	38,714,725
% Increase over prior period:		19.30%	25.42%	14.30%	9.17%	4.01%

Sources: U.S. Census Bureau; 2015 from California Department of Finance estimates.

INDUSTRY AND EMPLOYMENT

Three major job categories comprised 74 percent of the Sacramento Metropolitan Statistical Area (SMSA) work force as of August 2015: services (40 percent), government (22 percent), and wholesale/retail trade (12 percent), based on seasonally unadjusted August 2015 statistics, as summarized in the following table.

**Sacramento Metropolitan Statistical Area Labor Market Survey
Calendar Years 2011 to August 2015**
(Amounts Expressed in Thousands)

Industry	2011	2012	2013	2014	Aug 2015
Mining	0.4	0.3	0.5	0.5	0.5
Construction	34.8	34.4	43.6	45.3	49.4
Manufacturing-Nondurable goods	10.7	10.9	9.6	9.8	11.0
Manufacturing-Durable goods	22.0	23.0	23.4	24.6	24.9
Transportation, Warehousing & Public Utilities	21.4	23.8	24.7	24.4	24.3
Information	16.8	14.8	14.8	13.7	13.5
Wholesale Trade	23.0	25.7	25.0	24.6	24.7
Retail Trade	93.9	97.9	99.7	102.7	99.7
Finance, Insurance, Real Estate	58.8	60.3	62.3	63.0	63.2
Services	312.0	329.7	363.9	380.5	395.9
Government	222.1	219.2	222.4	228.4	221.9
Agriculture	7.2	6.9	6.9	7.6	10.4
Other	73.8	91.5	62.4	55.4	60.8
Total:	920.5	938.4	959.2	980.5	1,000.2

Source: California State Employment Development Department; not seasonally adjusted; as of each end - December.

MAJOR EMPLOYERS

Major Private Sector employers in the SMSA, their type of business and their number of full-time equivalent (FTE) employees in 2014, and major public sector employers in the County of Sacramento only, are detailed in the following two tables.

Major Private Sector Employers 2014

Company	Type of Business	No. of FTE Employees
Sutter Health	Health Care	10,431
Kaiser Permanente	Health Care	8,845
Dignity Health (formerly Mercy/Catholic Healthcare West)	Health Care	7,020
Intel Corporation	Research and Develop Computer Chips	6,000
Raley's Inc.	Retail Grocery	5,456
Wells Fargo	Financial Services	3,250
Apple Inc.	Research and Development	2,500
Squaw Valley Resort	Leisure & Hospitality	2,500
Thunder Valley Casino Resort	Leisure & Hospitality	2,391
VSP Global	Health Care	2,382

Source: Sacramento Business Journal Annual 2014 Book of Lists

Major Public Sector Employers-Sacramento County Only 2014

Company	Number of FTE Positions
State of California	72,220
Sacramento County	10,700
U.S. Government	9,906
UC Davis Health System	9,905
Elk Grove Unified School District	5,410
Sacramento City Unified School District	4,200
City of Sacramento	4,140
San Juan Unified School District	3,632
California State University Sacramento	2,999
Los Rios Community College District	2,979

Source: Sacramento Business Journal Annual 2014 Book of Lists

Taxable Transactions Activity

Commercial activity contributes to the County's unincorporated area economy, and taxable sales come from a diverse variety of sources. Since 2004, total taxable sales peaked in Calendar Year (CY) 2005, and then declined through CY 2010 by approximately 27 percent, before beginning to increase again between CY 2010 and CY 2014 by approximately 22 percent.

**SACRAMENTO COUNTY UNINCORPORATED AREA
Total Taxable Transactions Calendar Year 2004 through 2014
(Amounts Expressed in Thousands)**

Category	2004	2005	2006	2007	2008
Apparel Stores	\$160,128	\$180,560	\$185,423	\$179,919	\$164,575
General Merchandise Stores	578,989	607,700	630,673	609,932	617,280
Specialty Stores	907,190	1,025,843	1,022,243	1,054,431	883,809
Food Stores	339,642	351,710	361,808	373,952	368,161
Packaged Liquor Stores	47,175	48,465	47,924	48,014	47,953
Eating and Drinking Places	512,004	529,593	535,006	541,218	531,328
Home Furnishings, Appliances	324,171	310,709	253,430	215,511	170,718
Building Materials, Farm Implements	871,644	912,591	827,099	724,757	601,881
Service Stations	511,858	600,454	612,478	629,289	702,841
Automobile, Boat, Motorcycle, Plane Dealers and Parts Outlets	1,271,681	1,179,871	1,098,224	978,595	724,091
Total Retail Outlets:	\$5,524,482	\$5,747,496	\$5,574,308	\$5,355,614	\$4,812,637
Business & Personal Services	146,100	146,495	141,485	141,968	128,435
All Other Outlets	1,172,110	1,313,343	1,423,891	1,251,543	1,471,656
Total All Outlets:	\$6,842,692	\$7,207,334	\$7,139,684	\$6,749,129	\$6,412,728

Source: MuniServices LLC.

Data source changed in 2009 to The HdL Companies, changing the Category grouping as follows:

Category	2009	2010	2011	2012	2013	2014
Autos and Transportation	\$942,614	\$955,688	\$1,064,256	\$1,260,203	\$1,385,841	\$1,523,054
Building and Construction	742,477	676,288	693,286	749,134	843,317	888,654
Business and Industry	666,587	694,813	627,555	691,657	701,739	743,046
Food and Drugs	365,855	364,302	386,230	381,177	381,746	388,041
Fuel and Service Stations	720,859	810,838	1,016,776	1,069,199	1,053,093	1,011,172
General Consumer Goods	1,363,374	1,267,755	1,187,993	1,226,753	1,249,443	1,270,922
Restaurants and Hotels	519,606	513,121	534,203	565,433	595,964	633,172
Transfers/Adj/Other	2,134	(316)	482	(217)	2,204	984
Total:	\$5,323,506	\$5,282,489	\$5,510,781	\$5,943,339	\$6,213,347	\$6,459,045

Source: The HdL Companies

CONSTRUCTION ACTIVITY

The value of total building permits issued in the County was \$1,126,252,000 in 2014, an increase of nine percent from the prior year, and substantially less than the peak of \$2,904,346,000 in 2004. The number of new residential dwelling units was 1,978 in 2014, an increase of 55 percent from the prior year, but still at a low level compared to the peak of 13,128 new residential dwelling units in 2002.

**SACRAMENTO COUNTY
Building Permit Valuations
Calendar Year 2008 through 2014
(Valuation Amounts Expressed in Thousands)**

Valuation:	2008	2009	2010	2011	2012	2013	2014
Residential	\$681,318	\$396,103	\$382,892	\$407,619	\$371,640	\$610,651	\$477,406
Nonresidential	897,092	356,605	326,017	521,650	453,544	419,321	648,846
Total:	\$1,578,410	\$752,708	\$708,909	\$929,269	\$825,184	\$1,029,972	\$1,126,252
New Dwelling Units:							
Single Family	1,692	754	630	504	803	1,177	1,269
Multiple Family	18	8	50	142	138	102	709
Total:	1,710	762	680	646	941	1,279	1,978

Source: Sacramento County Assessor's Office.

TRANSPORTATION

The County's location and transportation network have contributed to the County's economic growth. The County is traversed by the main east-west and north-south freeways serving northern and central California. Interstate 80 connects Sacramento with the San Francisco Bay Area, Reno, Nevada, and points east. U.S. Highway 50 carries traffic from Sacramento to the Lake Tahoe Area. Interstate 5 is the main north-south route through the interior of California; it runs from Mexico to Canada. California State Highway 99 parallels Interstate 5 through central California and passes through Sacramento.

Transcontinental and intrastate freight rail service is provided by the Union Pacific Railroad. Passenger rail service is provided by AMTRAK. The Capitol Corridor's 170-mile intercity passenger train system provides rail service to 16 stations in 8 Northern California counties. Bus lines offering intercity as well as local service include Greyhound and Sacramento Regional Transit. Regional Transit also operates an approximately 43-mile light rail system.

The Port of Sacramento provides direct ocean freight service to all major United States and world ports, shipping approximately 852,000 tons of cargo annually. It is a deep-water ship channel, located 79 nautical miles northeast of San Francisco. The three major rail links serving Sacramento connect with the Port, and Interstate 80 and Interstate 5 are immediately adjacent to the Port.

The County Airport System provides for the planning, development and operation of public air transportation facilities serving Sacramento County and adjoining areas. The Airport System consists of Sacramento International Airport, which has eleven passenger airlines serving approximately 4.6 million enplaned passengers annually, Executive Airport and Franklin Field for general aviation and Mather Airport for air cargo and general aviation.

Sacramento County voters passed a ballot measure in November of 1988 providing for collection of an additional 1/2 cent sales tax to be used exclusively for transportation and air quality projects. Ballot language specified formula distribution: (1) for the cities and unincorporated area of the County; (2) for projects to reduce air pollution; and (3) for mass transit improvements. The original expiration date for the additional 1/2 cent sales tax was 2009, but in 2004 the County voters approved, by 75.29 percent, extending this 1/2 cent sales tax for an additional 30 years to 2039.

AGRICULTURE

According to the annual 2013 Sacramento County Crop and Livestock Report published by the County Agricultural Commissioner (the most recent complete report available), the total Sacramento County crop production for 2013 was \$457,348,055, representing a .7 percent decrease from 2012 values, following an 14 percent increase in 2012. The top two crop production values in the County during 2013 were again wine grapes and milk production.

EDUCATION

The Sacramento region benefits from a network of over 700 public and private elementary to high schools educating approximately 400,000 students. Sacramento County alone has numerous public school districts serving an estimated 241,000 students within the K-12 level.

The Los Rios Community College District serves the majority of Sacramento County, as well as portions of El Dorado, Placer, Yolo and Solano Counties, with four main campuses enrolling approximately 77,000 students. The four campuses are: American River College, Sacramento City College, Cosumnes River College and Folsom Lake College. Sierra College also serves the area with an enrollment of approximately 19,000, as well as Yuba College with an enrollment of approximately 7,700. Schools offering vocational education include Carrington College, Anthem College, Universal Technical Institute, MTI College of Business and Technology and ITT Technical Institute.

In the Sacramento area roughly 28 percent of the adult population has a Bachelor's degree or higher, compared to 29 percent nationwide and 31 percent Statewide. Higher education is available from a variety of institutions throughout the area. Primary among these institutions are the University of California, Davis (UCD) and California State University, Sacramento (CSUS).

UCD offers four colleges, six professional schools, more than 104 academic majors and 96 graduate programs, serving 36,000 students. Founded in 1905 to serve the agricultural needs of the growing state, UCD has emerged as an acknowledged international leader in agricultural, biological, biotechnological, food and environmental sciences. It is also recognized for excellence in the arts, humanities, social sciences, engineering, health sciences, law and management. It is an international leader in sustainability-related research and application.

CSUS enrolls 29,000 undergraduate and graduate students, and graduates approximately 6,800 students each year. The university has an annual economic impact on the region of nearly \$900 million and generates more than 7,300 jobs.

The region also has a number of branches of private colleges headquartered outside the Sacramento region, including National University, Brandman University (part of the Chapman University system), University of San Francisco, University of Southern California and Drexel University Center for Graduate Studies. Two major law schools are the University of the Pacific McGeorge School of Law, recognized as a leader in the field of law education, and the UC Davis School of Law.