

COUNTY OF SACRAMENTO CALIFORNIA



FISCAL YEAR 2006-07

BUDGET IN BRIEF

BOARD OF SUPERVISORS

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LETTER FROM CHAIR, BOARD OF SUPERVISORS



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CHAIR
BOARD OF SUPERVISORS
COUNTY OF SACRAMENTO
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TO THE RESIDENTS OF SACRAMENTO COUNTY:

October 31, 2006

The Sacramento County Board of Supervisors is proud to present to you the County's 2006-07 Adopted Final Budget. The County Budget is the financial and operating plan for the provision of services to you by the County and by the special districts governed by the Board of Supervisors. For 2006-07, the County Budget also includes a Five-Year Capital Improvement Plan which will guide the development of County facilities including an airport terminal, roads and buildings.

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

Due primarily to the robust real estate market in Sacramento County for the past three years, there was sufficient General Purpose Financing available to maintain the base level of existing County programs. Additionally, since the passage of Proposition 1A, a more stable set of budgetary circumstances has been established between local governments and the State. Therefore, for the second time in several years, it was not necessary to reduce programs/services in order to balance the County's budget. As a result, the Board was able to provide critical funding for mental health and health services; expand adult probation activities; provide additional legal and support staff for both the District Attorney and the Public Defender; augment Sheriff's staffing for correctional facilities, and establish an information technology division to support current law enforcement activities.

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

Should you desire further information regarding the Fiscal Year 2006-07 County Budget or the County's budget process, please contact your Supervisor (874-5411) or the Office of the County Executive (874-5833).

Sincerely,

ROBERTA MacGLASHAN
Chair, Board of Supervisors
Supervisor, District Four



BUDGET OVERVIEW

The annual budget for Sacramento County is an operational plan, a fiscal plan, a capital (building) expenditure plan, and a staffing plan for the provision of services to the residents of Sacramento County. The Fiscal Year 2006-07 Adopted Budget including reserve increases totals \$4,184,865,206 and consists of the following components:

Operating Funds	\$2,663,597,225
Internal Service Funds	641,208,022
Enterprise Funds	322,720,041
Special Revenue Funds	533,514,746
Public Service Enterprise Funds	<u>23,825,172</u>
TOTAL	\$4,184,865,206

The Operating Budget total includes the General Fund requirement of \$2,205,993,383, which accounts for 52.7 percent of the total budget.

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

A. **Mandated Countywide Obligations**

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

B. **Mandated Municipal Obligations**

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

C. **Financial Obligations**

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

D. **Budget Priorities**

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

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

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

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

<u>FINANCING TYPE</u>	<u>AMOUNT</u>	<u>PERCENT</u>
Property Taxes-Current	\$223,073,000	10.1
Property Tax In Lieu of Vehicle License Fees	129,900,000	5.9
Sales Taxes	63,990,000	2.9
Other Taxes	47,212,380	2.1
Licenses and Permits	11,774,328	0.5
Fines, Forfeitures, and Penalties	23,630,498	1.1
Use of Money and Property	25,100,900	1.2
Aid from Other Government Agencies (state and federal)	1,361,453,785	61.7
Charges for Current Services	95,732,044	4.3
Other Revenues	70,367,928	3.2
Non-Departmental Fund Balance	106,218,387	4.8
Department Fund Balance	34,500,011	1.6
Reserve Release	<u>13,040,122</u>	<u>0.6</u>
TOTAL FINANCING	\$2,205,993,383	100.0

The largest source of financing for the General Fund is Aid from Other State and Federal Government Agencies which accounts for 61.7 percent of the total financing.

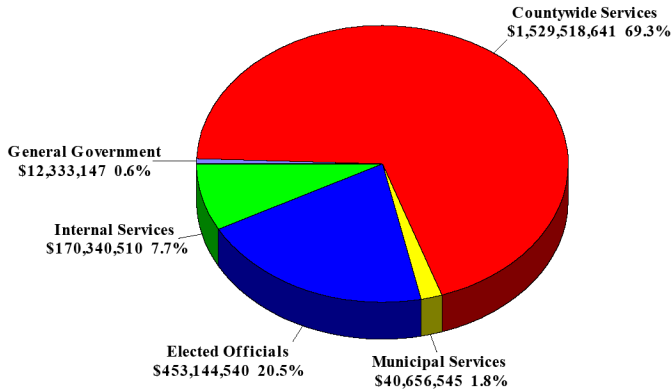
Property Taxes- Currently constitutes the second largest source of General Fund financing and accounts for 10.1 percent of the total financing. Property Taxes is a 1.0 percent tax on real property under acquisition value basis of California’s Proposition 13. The Assessor’s secured property tax roll for Fiscal Year 2006-07 totals \$118.5 billion, a 15.1 percent increase over the prior fiscal year.

Property Tax In Lieu of Vehicle License Fees is the third largest source of General Fund financing with 5.9 percent of the total financing. This revenue source emerged as a result of the State’s “swap” deal.

Sales Taxes account for 2.9 percent of the total General Fund financing. With minimal growth anticipated, sales tax is expected to reach approximately \$64.0 million.

Other Taxes constitute 2.1 percent of the total financing. Other Taxes include In Lieu Local Sales and Use Tax (\$16.7 million), Utility User Tax (\$14.0 million), and other non-current property taxes including unitary, delinquent, penalties, and transfer tax (\$16.5 million).

The General Fund accounts for 52.7 percent of the total budget and is comprised of the following agencies.



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

	FISCAL YEAR	POSITIONS
	<u>2006-07</u>	
Assessor	\$17,286,645	178.5
Board of Supervisors	4,405,767	38.0
Correctional Health Services	38,602,993	168.5
District Attorney	62,721,599	468.6
Emergency Operations	9,307,212	4.0
Sheriff	<u>320,820,324</u>	<u>2,214.0</u>
Subtotal Elected Officials	\$453,144,540	3,071.6
Civil Service Commission	\$362,676	3.0
Contribution to Human Rights/Fair Housing	133,100	0.0
Contribution to Local Agency Formation Commission (LAFCo)	195,500	0.0
County Council	6,375,971	87.0
County Executive	2,210,201	23.0
County Executive Cabinet	1,742,144	23.6
Criminal Justice Cabinet	217,909	0.0
Labor Relations	<u>1,095,646</u>	<u>6.0</u>
Subtotal General Government	\$12,333,147	142.6

OPERATING FUNDS-GENERAL FUND

REQUIREMENTS

	FISCAL YEAR	
	<u>2006-07</u>	<u>POSITIONS</u>
Contingencies	\$4,296,612	0.0
County Clerk/Recorder	10,845,627	68.0
Data Processing-Shared Systems	17,377,861	0.0
Department of Finance	16,363,387	153.0
Department of Revenue Recovery	4,116,797	106.0
Financing-Transfers/Reimbursement	4,208,166	0.0
Non-Departmental Costs/General Fund	28,942,220	0.0
Non-Departmental Revenues/General Fund	9,005,047	0.0
Personnel Services	18,225,549	160.7
Reserve Increase	<u>56,959,244</u>	<u>0.0</u>
Subtotal Internal Services	\$170,340,510	487.7
Ag. Comm.-Sealer of Weights & Measures	\$4,025,614	33.8
Care in Homes and Institutions	3,136,852	0.0
Child Support Services	34,128,715	415.5
Cooperative Extension	389,755	3.0
Conflict Criminal Defenders	8,025,962	7.0
Contribution to Law Library	773,661	0.0
Coroner	6,125,171	42.0
Court/County Contribution	26,187,270	0.0
Court/Non-Trial Court Funding	17,963,173	0.0
Court Paid County Services	26,378,184	0.0
Department of Compliance	34,674	3.0
Dispute Resolution Program	390,500	0.0
Grand Jury	213,440	0.0
Health and Human Services	483,805,513	2,702.1
Health-Medical Treatment Payments	39,595,802	0.0
Human Assistance-Administration	266,639,485	2,146.7
Human Assistance-Aid Payments	392,987,804	0.0
In-Home Support Services Provider Payments	53,323,718	0.0
Juvenile Medical Services	10,945,312	50.6
Probation	114,635,518	959.0
Public Defender	24,484,995	163.0
Veteran's Facility	20,000	0.0
Voter Registration and Elections	15,211,453	38.0
Wildlife Services	<u>96,070</u>	<u>0.0</u>
Subtotal Countywide Services	\$1,529,518,641	6,563.7
Animal Care and Regulation	\$5,929,114	56.0
Contribution to Paratransit	66,600	0.0
Environmental Review	4,255,424	32.0
Neighborhood Services	1,995,081	10.0
Regional Parks	12,586,146	84.0
Planning and Community Development	<u>15,824,180</u>	<u>109.6</u>
Subtotal Municipal Services	\$40,656,545	291.6
TOTAL GENERAL FUND	\$2,205,993,383	10,557.2

OPERATING FUNDS-OTHER FUNDS

Fish and Game Fund -- \$50,490 **0.0 Positions**

Financing for this fund comes from fish and game fines. The funds are used for education programs.

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

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

Park Construction Fund -- \$12,597,543 **0.0 Positions**

Funding comes from grants, donations, state bond sales, and contributions from the County Transient-Occupancy Tax Fund. Parks acquisition, development, and rehabilitation projects are financed from this fund. Requirements include reserve increase of \$365,581.

Capital Construction Fund -- \$22,796,439 **0.0 Positions**

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

Tobacco Litigation Settlement Fund -- \$52,370,723 **0.0 Positions**

Financing for this fund comes from the proceeds of the tobacco revenue bond sale (securitization). Included in the bond sale was an amount that together with interest earnings could provide \$6.3 million in funding for health, youth, and community programs. The Board of Supervisors approves allocations to community based organizations on a competitive basis and on a three-year funding cycle. Requirements include reserve increase of \$48,557,566.

First 5 Sacramento Commission Fund -- \$37,609,593 **19.0 Positions**

Funding comes from the State of California under the terms of a voter-approved statewide initiative. The funding is restricted to services to youths and may not be used for basic county operations. Allocations are approved by a Commission consisting of elected officials and appointed members. Requirements include reserve increase of \$4,287,268.

Teeter Plan -- \$33,569,318 **0.0 Positions**

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

Economic Development & Intergovernmental Affairs -- \$38,466,294 **22.8 Positions**

County economic development activities are financed from this fund. Major projects include the conversion of two former air force bases from military to mixed private and public use. Funding comes from the sale of land and facilities, grants, and a contribution from the General Fund of \$0.5 million.

Golf Fund -- \$9,010,887 **9.0 Positions**

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

OPERATING FUNDS-OTHER FUNDS

Environmental Management Fund -- \$16,419,220 **130.8 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 \$1,132,478.

County Library -- \$24,090,448 **0.0 Positions**

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

Community Services Fund -- \$24,212,849 **118.7 Positions**

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

Transient-Occupancy Tax Fund -- \$11,127,817 **0.0 Positions**

This fund is a subset of the General Fund. The county's hotel tax accrues to this fund, and this revenue is general purpose financing and may be expended on any county activity. The Board of Supervisors holds special hearings to allocate financing from this fund to community organizations, facilities and programs jointly funded with the City of Sacramento, and County Departments. Requirements include reserve increase of \$300,000.

Road Fund -- \$64,876,125 **0.0 Positions**

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

Building Inspection Fund -- \$20,645,357 **0.0 Positions**

Primary financing comes from building inspection charges. The County is responsible for building inspection in the Unincorporated Area. Requirements include reserve increase of \$167,824.

Roadways Fund -- \$13,810,852 **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 \$1,717,890.

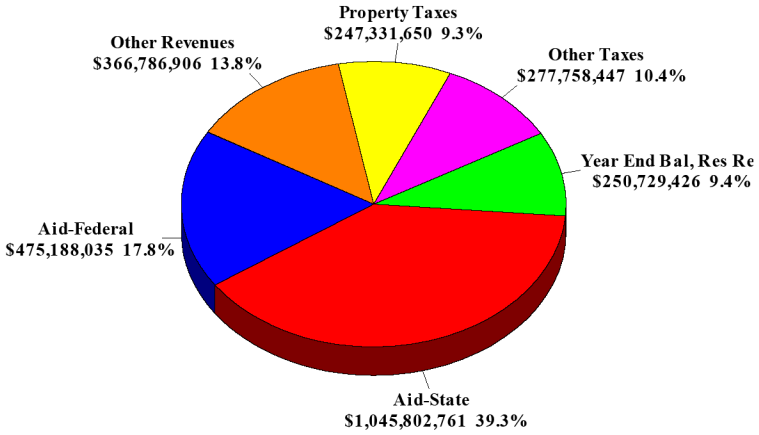
Transportation-Sales Tax Fund -- \$72,514,410 **0.0 Positions**

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.

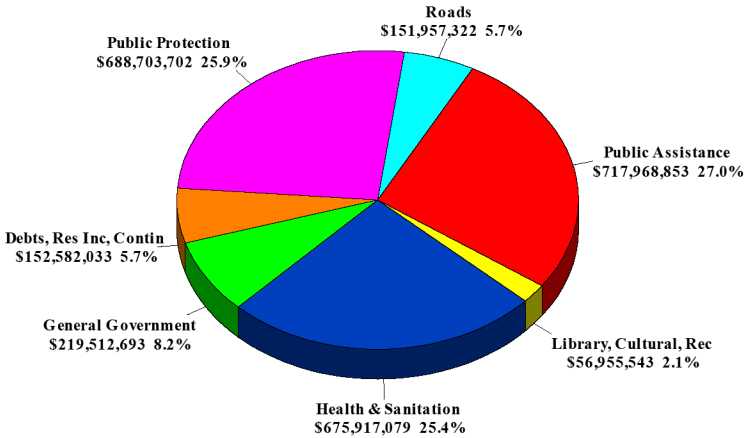
Rural Transit Fund -- \$2,435,477 **0.0 Positions**

This fund provides transit services to the rural areas of the Unincorporated Area of the county. Funding comes from various sources including the Transportation Development Act, Federal Transit Administration, grants and fare box revenues. Requirements include reserve increase of \$28,252.

OPERATING FUNDS-SUMMARY



APPROPRIATIONS/REQUIREMENTS BY FUNCTION: \$2,663,597,225



INTERNAL SERVICE FUNDS

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

DEPARTMENT	FISCAL YEAR	
	2006-07	POSITIONS
Interagency Procurement	\$90,238,628	0.0
Office of Communications & Information Technology	54,514,213	257.0
Facility Planning, Architecture & Real Estate	65,651,210	97.0
Construction Management and Inspection	36,607,068	307.0
Municipal Services Agency-Administration	1,633,080	12.0
Development and Surveyor Services	11,571,983	61.0
Water Resources	35,558,826	272.0
Water Quality	48,228,154	363.0
Water Quality-Sacramento Regional Wastewater Treatment Plant	48,125,671	391.0
Transportation	50,189,599	376.5
Municipal Services Agency-Administrative Services	16,085,448	179.5
General Services-Capital Outlay	7,758,600	0.0
General Services-Office Of The Director	920,107	34.0
General Services-Bradshaw District	15,297,238	111.0
General Services-Downtown District	10,298,227	78.0
General Services-Airport District	5,849,708	45.0
General Services-Security Services	2,768,258	38.0
General Services-Purchasing	2,069,042	19.0
General Services-Support Services	11,685,252	35.0
General Services-Light Equipment	24,902,637	39.0
General Services-Heavy Equipment	30,519,099	107.0
Liability/Property Insurance	19,469,367	0.0
Workers' Compensation Insurance	38,445,137	0.0
Unemployment Insurance	2,027,315	0.0
Regional Radio Communications System	3,963,402	4.0
Board of Retirement	6,830,753	42.0
TOTAL INTERNAL SERVICE FUNDS	\$641,208,022	2,868.0

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	
	2006-07	POSITIONS
Airport System	\$142,510,228	415.0
Airport-Capital Outlay	77,350,916	0.0
Citrus Heights Refuse-Operations	1,211,738	0.0
Solid Waste Authority	4,618,980	0.0
Refuse	71,185,029	281.0
Refuse Capital Outlay	21,938,078	0.0
Parking Enterprise	3,905,072	10.0
TOTAL ENTERPRISE FUNDS	\$322,720,041	706.0

SPECIAL REVENUE FUNDS

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

DEPARTMENT	FISCAL YEAR	
	2006-07	POSITIONS
Antelope Public Facilities Financing Plan	\$7,285,726	0.0
Laguna Creek/Elliott Ranch Community Facilities District No. 1	4,652,021	0.0
Laguna Community Facility District	6,405,983	0.0
Vineyard Public Facilities Financing Plan - Roadway	10,832,717	0.0
Bradshaw/US 50 Financing District	916,137	0.0
Florin Road Capital Project	423,719	0.0
Fulton Avenue Capital Project	416,800	0.0
Laguna Stonelake Community Facilities District	195,465	0.0
Park Meadows Community Facilities District-Bond Proceeds	247,090	0.0
Mather Landscape Maintenance Community Facilities District	728,968	0.0
Mather Public Facilities Financing Plan	2,906,408	0.0
Gold River Station No. 7	48,489	0.0
Metro Air Park	28,338,806	0.0
McClellan Park Community Facilities District	6,726,161	0.0
Sacramento County Landscape Maintenance	410,188	0.0
Metro Air Park Service Tax	1,407,157	0.0
North Vineyard Station Specific Plan	1,292,216	0.0
North Vineyard Station Specific Plan Community Facilities District	12,150,000	0.0
Natomas Fire District	1,915,662	0.0
County Service Area No. 1	4,664,391	0.0
County Service Area No. 10	568,374	0.0
Fixed Asset Revolving	77,983,165	0.0
Juvenile Courthouse-Debt Service	591,958	0.0
2004 Pension Obligation Bonds	277,956	0.0
Tobacco Litigation Settlement	96,544,008	0.0
Capital Projects-Debt Service	528,688	0.0
1997-Public Facilities Debt Service	7,698,324	0.0
1997-Public Facilities-Construction	4,925	0.0
Jail Debt Service	713,782	0.0
2003 Public Facilities-Debt Service	356,636	0.0
2006 Public Facilities-Construction	9,750,915	0.0
2006 Public Facilities-Debt Service	270,554	0.0
1997-Public Facilities Debt Service	1,622,034	0.0
1997-Public Facilities-Construction-Debt Service	4,578,702	0.0
Pension Obligation Bond-Interest Rate Stabilization	811,936	0.0
Pension Obligation Bond-Debt Service	3,531,750	0.0
Beach Stone Lakes Flood Mitigation	127,652	0.0
Water Agency-Zone 11A	30,192,440	0.0
Water Agency-Zone 11B	2,577,179	0.0
Water Agency-Zone 11C	2,972,462	0.0
North Vineyard Station	899,223	0.0
North Vineyard Well Protection	616,531	0.0
Water Agency-Zone 13	4,013,980	0.0
Water Agency-Zone 12	7,814,649	0.0
Water Agency-Zone 40	82,739,012	0.0
Sacramento County Water Agency Financing Authority	3,246,388	0.0
Sacramento County Water Agency-Zone 50	3,478,979	0.0
Storm Water Utility	64,839,864	0.0
Landscape Maintenance District	839,336	0.0
Mission Oaks Recreation and Park District	3,157,737	14.0
Mission Oaks Maintenance/Improvement Dist	2,349,500	0.0
Carmichael Recreation and Park District	4,871,459	20.0
Sunrise Recreation and Park District	20,760,095	30.0
Del Norte Oaks Park District	3,174	0.0
County Service Area No.4B-(Wilton-Cosumnes)	92,971	0.0
County Service Area No.4C-(Delta)	112,015	0.0
County Service Area No.4D-(Herald)	12,289	0.0
TOTAL SPECIAL REVENUE FUNDS	\$533,514,746	64.0

PUBLIC SERVICE ENTERPRISE FUNDS

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

DEPARTMENT	FISCAL YEAR	
	2006-07	POSITIONS
Water Agency-Zone 41	23,825,172	0.0
TOTAL PUBLIC SERVICE ENTERPRISE FUNDS	\$23,825,172	0.0

FIVE-YEAR CAPITAL IMPROVEMENT PLAN

The 2006-07 Final Adopted Budget includes a Five-Year Capital Improvement Plan (CIP) for Sacramento County. The Capital Improvement Plan lists both the approved and proposed capital improvements to be acquired or constructed through the 2010-11 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	\$1,116,796,793
County Facilities	788,566,451
Regional Parks	12,608,025
TOTAL	\$1,917,971,269

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.