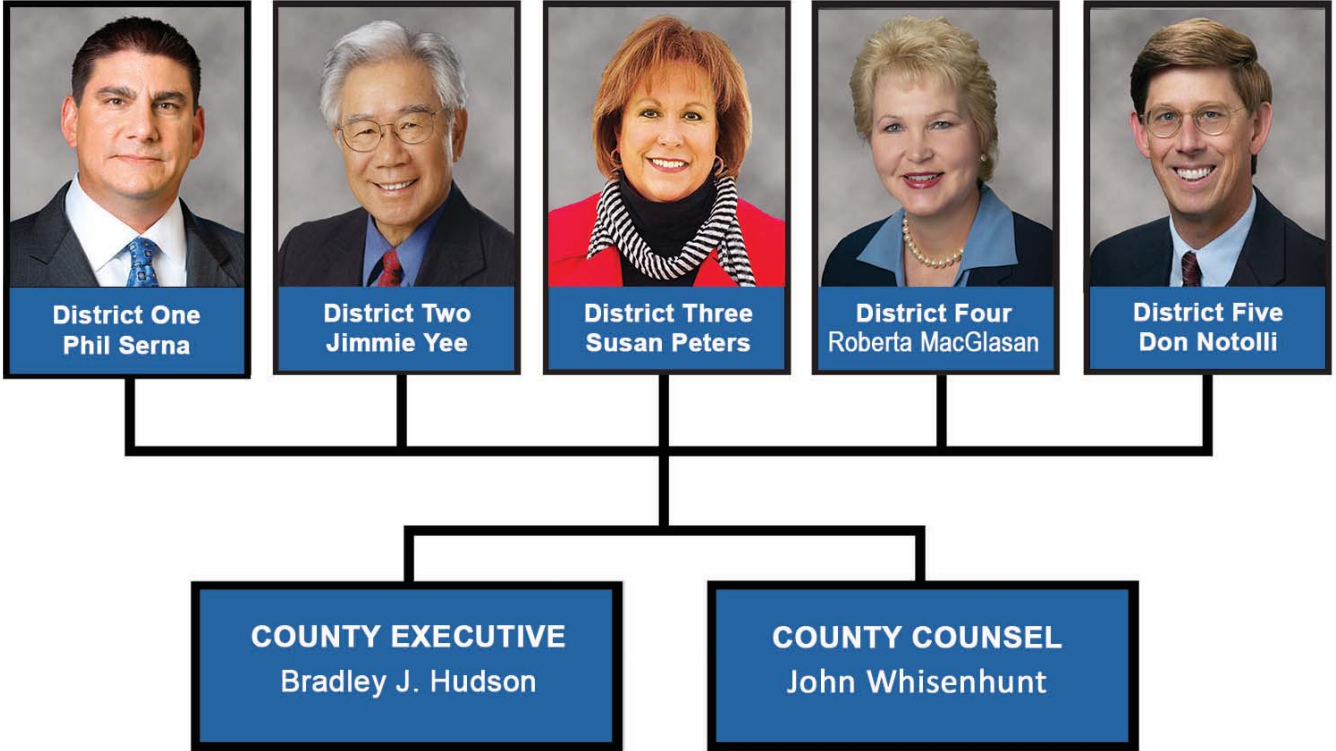


GENERAL BUDGET INFORMATION

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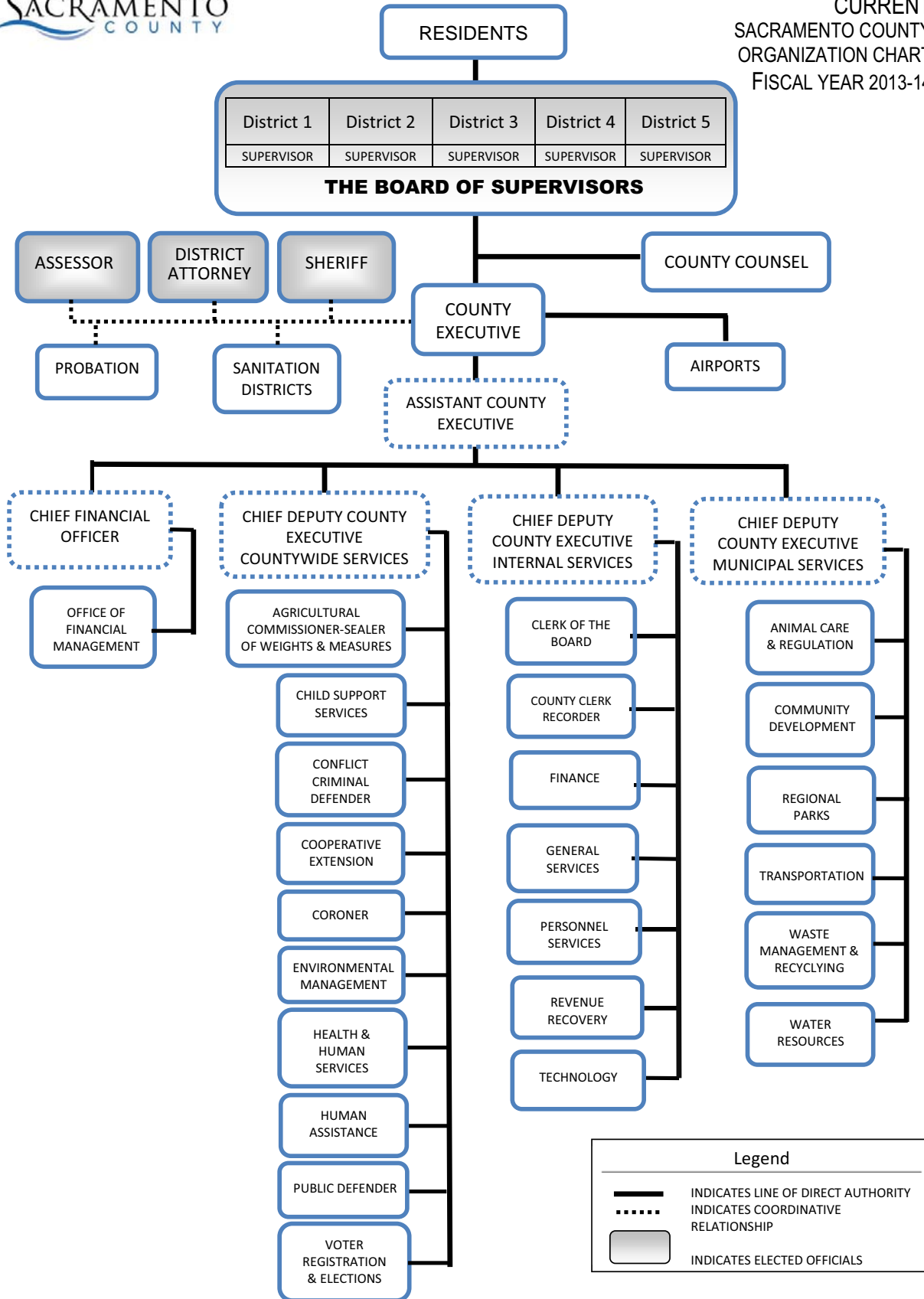
BOARD OF SUPERVISORS AND COUNTY OFFICIALS



ORGANIZATIONAL CHART



CURRENT
SACRAMENTO COUNTY
ORGANIZATION CHART
FISCAL YEAR 2013-14



LETTER FROM CHAIR, BOARD OF SUPERVISORS



COUNTY OF SACRAMENTO

Chair of Board of Supervisors

SUSAN PETERS

Supervisor, Third District

October 30, 2013

To the residents of Sacramento County:

The Sacramento County Board of Supervisors is pleased to present the County's Fiscal Year 2013-14 Adopted Budget. The County Budget is both the financial and operating plan for the provision of services to you by Sacramento County as well as the special districts governed by the Board of Supervisors.

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 on September 10, 2013 the final budget was adopted by the Board of Supervisors. The 2013-14 Fiscal Year Budget is balanced, maintains essential services, and guides the delivery of important programs and activities serving residents throughout the County of Sacramento.

This year's budget, not unlike previous budgets, is the result of a tremendous amount of work and effort required in its preparation and compilation. It reflects the continuing commitment during these challenging fiscal times to provide the requisite level of services the County performs, which is accomplished through the abilities of Sacramento County's talented administrators as well as the dedicated employees that comprise the County workforce. The adopted budget is a compact by the Board of Supervisors to maintain fiscal integrity while working to serve the needs of County residents.

Should you desire further information regarding the Fiscal Year 2013-14 Adopted Budget or the County's budget process, please feel free to go online and visit saccounty.net or contact either your representative on the Board of Supervisors or the Office of the County Executive.

Sincerely,



SUSAN PETERS
Chair, Board of Supervisors
County of Sacramento

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 2013-14 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 2013. 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 2013-14 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>) 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 Budget

Final Budget Hearings were held in September 2013. As part of these hearings the Board of Supervisors adopted the County Executive’s Recommended Budget totaling \$3.61 billion and is reflected in the table below. The adopted budget reflects an increase of 2.0 percent (\$0.07 billion) from the Fiscal Year 2012-13 Adopted Budget of \$3.54 billion.

Total County Budget by Fund Type

	Amount	Percent
General Fund	\$2,136,820,375	59.1
Special Revenue Funds	284,951,172	7.9
Capital Project Funds	35,919,390	1.0
Debt Service Funds	49,075,401	1.4
Subtotal - Governmental Funds	2,506,766,338	69.4
Internal Service Funds	360,167,137	10.0
Enterprise Funds	444,455,464	12.3
Special Districts and Other Agencies	301,395,427	8.3
Total	\$3,612,784,366	100.0

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

The overall authorized spending for departmental programs and the contingency is approximately \$2.14billion. 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	\$1,634,452,455
Local Revenue	466,807,664
Reserve Release	4,517,314
Fund Balance	31,042,942
Total	\$2,136,820,375

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	\$1,090.20	51.0
Welfare Aid Payments	384.8	18.0
Other Charges	340.1	15.9
Services and Supplies	319.5	15.0
Internal Charges	136.7	6.4
Debt Service	12.2	0.6
All Other	(146.7)	(6.9)
Total	\$2,136.80	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 2013-14 Adopted Budget for the General Fund by Agency to the Fiscal Year 2012-13 Adopted Budget:

ADOPTED BUDGET NET COST COMPARISON

(Amounts Expressed in millions)

Program	2013-14 Adopted Budget Net Cost	2012-13 Adopted Budget Net Cost	Year to Year Variance
<u>Elected Officials</u>			
Assessor	\$8.6	\$7.6	\$1.0
Board of Supervisors	3.0	3.0	0.0
District Attorney	44.6	42.4	2.2
Sheriff	184.4	163.9	20.5
Correctional Health Services	25.2	15.1	10.1
Subtotal	\$265.8	\$232.0	\$33.8
<u>Countywide Services</u>			
Child Support Services	0.0	0.0	0.0
Health and Human Services	17.9	25.9	(8.0)
Health Treatment Account	12.6	19.6	(7.0)
Human Assistance-Admin.	10.5	9.3	1.2
Human Assistance-Payments	16.4	25.1	(8.7)
IHSS Provider Payments	1.4	11.1	(9.7)
Probation	49.7	48.4	1.3
Public Defender	27.9	26.0	1.9
Other	66.9	58.9	8.0
Subtotal	\$203.3	\$224.3	(\$21.0)

General Government/COO	27.7	23.0	4.7
Internal Services	0.4	0.3	0.1
Municipal Services	8.0	6.1	1.9
Contingencies	4.0	1.5	2.5
Total	\$509.2	\$487.2	\$22.0

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

Countywide Services consume approximately half the local revenue resources, primarily for mandated services. Municipal Services, Internal Services, and General Government are allocated together at only 7.9 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)**

	2013-14 Adopted Budget	2012-13 Adopted Budget	Year to Year Decrease / (Increase)
Property Taxes *	\$196.5	\$192.1	\$4.4
Property Tax In Lieu of Vehicle License Fees	124.3	121.6	2.7
Sales Tax & In Lieu Sales Tax	75.3	67.5	7.8
Utility Tax	17.2	16.9	0.3
Fines & Penalties	14.1	17.3	(3.2)
Property Transfer Tax	7.0	6.0	1.0
Franchises	4.8	4.7	0.1
Revenue Neutrality & Transition	16.1	16.2	(0.1)
Other Revenues & Costs	21.1	30.0	(8.9)
Total	\$476.4	\$472.3	\$4.1

*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 41.2 percent of the total financing. Property Taxes is a one percent tax on real property.

Property Tax In Lieu of Vehicle License Fees is the second largest source of General Fund financing with 26.1 percent of the total financing. This revenue source emerged as a result of the State's "swap" deal.

Sales Tax and In Lieu Sales Tax account for 15.8 percent of the total General Fund financing. Sales tax is expected to reach approximately \$55.6 million. In Lieu Sales Taxes emerged as a result of the State's "Triple Flip" provision which reduces the County's Sales and Use Taxes by 25.0 percent. The State backfills this 25.0 percent reduction with Educational Revenue Augmentation Fund (ERAF) revenues. In Lieu Sales Tax is budgeted at \$19.6 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

- 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.
- In Fiscal Years 2011-12 and 2012-13 fund balance is slightly improved from the prior year as revenues have begun to stabilize.

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 2013-14 requirement and financing.

SPECIAL REVENUE FUNDS

Building Inspection Fund — \$13,136,949 0.0 Positions

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

County Library — \$1,236,128 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 — \$38,911,052 14.0 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 \$1,350,000.

Environmental Management Fund — \$20,243,541 110.8 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 \$1,354,923.

First 5 Sacramento Commission Fund — \$25,866,578 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 — \$36,525

0.0 Positions

Financing for this fund comes from fish and game fines. The funds are used for education programs. Requirements include reserve increase of \$1,567.

Golf Fund — \$7,500,548

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 — \$73,912,263

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 — \$5,099,828

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 \$2,251,568.

Rural Transit Fund — \$792,683

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.

Tobacco Litigation Settlement Fund — \$5,232,290

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.

Transient-Occupancy Tax Fund — \$7,497,504

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 — \$53,518,549

262.1 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.

Transportation-Sales Tax Fund — \$31,966,734

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 — \$33,694,465

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 — \$2,224,925

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 — \$49,075,401

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	
	2013-14	Positions
Board of Retirement	\$6,506,320	45.5
General Services-Airport District	6,301,013	37.0
General Services-Alarm Services	1,275,675	6.0
General Services-Architectural Services	2,303,426	13.0
General Services-Bradshaw District	13,023,352	78.0
General Services-Capital Outlay	11,011,000	0.0
General Services-Construction Management & Inspection	16,283,280	99.0
General Services-Downtown District	7,726,749	51.0
General Services-Energy Management	9,552,564	1.0
General Services-Heavy Equipment	24,701,524	81.0
General Services-Light Equipment	20,418,764	24.0
General Services-Office Of The Director	1,666,030	25.6
General Services-Purchasing	2,235,215	18.0
General Services-Real Estate	43,751,114	22.0
General Services-Security Services	2,774,224	27.0
General Services-Support Services	7,720,036	21.5
Interagency Procurement	57,239,812	0.0
Liability/Property Insurance	18,203,683	0.0
Regional Radio Communications System	5,510,614	9.0
Technology	72,569,538	379.0
Unemployment Insurance	2,464,115	0.0
Workers' Compensation Insurance	26,929,089	0.0
Total Internal Service Funds	\$360,167,137	937.6

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	
	2013-14	Positions
Airport System	\$256,290,044	382.0
Airport-Capital Outlay	-372,817	0.0
Parking Enterprise	2,677,135	7.0
Solid Waste Enterprise	81,830,962	249.8
Solid Waste Enterprise Capital Outlay	4,859,257	0.0
Water Agency Enterprise	99,170,883	103.0
Total Enterprise Funds	\$444,455,464	741.8

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	
	2013-14	Positions
1997-Public Facilities Debt Service	\$273,988	0.0
1997-Public Facilities-Construction	542,160	0.0
1997-Refunding Public Facilities Debt Service	412,293	0.0
2003 Public Facilities-Debt Service	74,599	0.0
2004 Pension Obligation Bonds	1,007,874	0.0
2006 Public Facilities-Debt Service	356,225	0.0
2007 Public Facilities Projects-Construction	163,536	0.0
2007 Public Facilities Projects-Debt Service	326,001	0.0
2010 Refunding COPs-Debt Service	300,389	0.0
2010 Refunding COPs-Parking Garage-Debt Service	79,677	0.0
Antelope Assessment	752,264	0.0
Antelope Public Facilities Financing Plan	1,980,926	0.0
Arcade Creek Park	2,510,175	0.0
Bradshaw/US 50 Financing District	113,938	0.0
Carmichael Recreation and Park District	4,061,332	18.0
Connector Joint Powers Authority	454,873	3.0
County Parks Community Facilities District 2006-1	2,658	0.0
County Service Area No. 1	3,083,082	0.0
County Service Area No. 10	105,022	0.0
County Service Area No.4B-(Wilton-Cosumnes)	39,328	0.0
County Service Area No.4C-(Delta)	43,822	0.0
County Service Area No.4D-(Herald)	9,692	0.0
Del Norte Oaks Park District	5,416	0.0
Department of Flood Management	351,873	2.0
Fixed Asset Revolving	57,239,812	0.0
Florin Road Capital Project	419,984	0.0
Fulton Avenue Capital Project	17,036	0.0
Gold River Station No. 7	63,851	0.0
Juvenile Courthouse-Debt Service	35,256	0.0
Laguna Community Facility District	1,205,055	0.0
Laguna Creek/Elliott Ranch Community Facilities District No. 1	3,073,300	0.0
Laguna Stonelake Community Facilities District	260,117	0.0
Landscape Maintenance District	976,120	0.0
Mather Landscape Maintenance Community Facilities District	629,523	0.0
Mather Public Facilities Financing Plan	2,392,330	0.0
McClellan Park Community Facilities District	339,567	0.0
Metro Air Park	6,645,527	0.0
Metro Air Park Service Tax	749,344	0.0
Mission Oaks Maintenance/Improvement District	1,803,000	0.0

Department	Fiscal Year	
	2013-14	Positions
Mission Oaks Recreation and Park District	3,899,152	13.0
Natomas Fire District	1,881,992	0.0
North Vineyard Station	2,831,637	0.0
North Vineyard Station Specific Plan (NVSSP)	1,712,598	0.0
Park Meadows Community Facilities District-Bond Proceeds	132,582	0.0
Pension Obligation Bond-Debt Service	386,986	0.0
Regional Sanitation District-Operating	59,837,485	481.0
Sacramento Area Sewer District	36,191,651	295.0
Sacramento County Landscape Maintenance	243,784	0.0
Sunrise Recreation and Park District	8,722,841	21.0
Tobacco Litigation Settlement-Capital Projects	10,322,942	0.0
Vineyard Public Facilities Financing Plan - Roadway	8,683,052	0.0
Water Agency Zone 11-Drainage Infrastructure	20,067,731	0.0
Water Agency-Zone 13	3,689,919	0.0
Water Resources	49,890,110	148.2
Total Special Districts and Other Agencies	\$301,395,427	981.2

III. Five-Year Capital Improvement Plan (Volume II)

The 2013-14 Adopted Budget includes a Five-Year Capital Improvement Plan (CIP) for Sacramento County. The CIP lists both the approved and proposed capital improvements to be acquired or constructed through the 2017-18 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.

Funding has not been obtained for all the projects, particularly those in the later years of the five-year plan. Following the Five-Year CIP will result in additional operating and debt service expenditures in

Category	Prior-Years and Five-Year Costs
Airports	100,087,568
County Buildings & Capital Construction	85,813,999
Libraries	599,879
Regional Parks	9,587,015
Transportation	305,104,000
Waste Management & Recycling	59,644,159
Water Resources-Drainage	31,425,136
Water Resources-Water Supply	49,586,598
Total	641,848,354

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.

COUNTY EXECUTIVE'S RECOMMENDED FISCAL YEAR 2013-14 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

Jimmie Yee, District 2

Susan Peters, District 3

Roberta MacGlashan, District 4

Don Nottoli, District 5

September 10, 2013

Members of the Board of Supervisors
County of Sacramento
700 H Street, Suite 1450
Sacramento, CA 95814

Re: Fiscal Year 2013-14 Budget Adoption

Honorable Members of the Board:

I am pleased to submit for your consideration the Adopted Budget recommendations for Fiscal Year 2013-14. The financing plan presented today reflects the difficult decisions your Board has made during the last several years, restores limited funding to your public service priorities, and begins in earnest to repay internal fund transfers used to ease the impact of the "Great Recession" on our employees and customers. This budget continues our multi-year effort to align on-going revenues and expenditures and reduce our reliance on one-time resources. In FY2012-13, your employees and managers once again responded to our fiscal challenges by reducing internal service costs, closely managing budgets and expenditures, emphasizing efficiency initiatives and controlling personnel costs. As a result of these efforts, the General Fund ended FY2012-13 with a \$31 million unrestricted fund balance, compared to the projected amount of \$11.6 million. The budget presented today allocates this additional fund balance and additional discretionary revenue, a total of \$32.5 million, to critical County activities and is consistent with the Board's policy directives. A sampling of recommended General Fund budget adjustments to the FY2013-14 Approved Recommended Budget include:

- The repayment of \$11.7 million of the amount previously transferred to the General Fund from other County funds;
- The allocation of \$5.5 million to the Medical Treatment Accounts budget to offset a \$9.2 million reduction in Public Health Realignment revenue due to the implementation of the Affordable Care Act;
- The allocation of \$3 million to the Sheriff's budget to address the budget shortfall identified at June budget hearings;

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- The allocation of \$1 million each to the Human Assistance and Conflict Criminal Defender budgets to address shortfalls identified at Recommended Budget hearings;
- A \$2.2 million increase in the General Fund's Contingency appropriation, bringing the Contingency to a total of \$4 million; and,
- The investment of approximately \$ 4.5 million to address many of the Board's service priorities including: Regional Parks; Code Enforcement; POP Officers in the Sheriff's Department; augmentations to the District Attorney's budget; a new effort in Health & Human Services to provide enhanced services to the severely mentally ill; funding in the Health & Human Services Department to address communicable diseases; funding for the Probation department to supervise several hundred drug offenders; and, additional staff and funding to enhance services in Animal Care.

While these enhancements to important County services are essential, we must be mindful of the fiscal challenges that we will face next year and beyond. New pension debt, increased pension costs, negotiated salary and benefit obligations, and \$ 59 million in internal borrowing that remains unpaid represent some of the financial commitments that must be addressed.

The Budget Adoption Hearings are the culmination of a lengthy and difficult process undertaken by all County departments to ensure that the County's financial plan meets the Board's fiscal and public service requirements. Managers and employees are to be congratulated for the effort and ingenuity with which they have pursued this year's budget process. The foundation of this budget is solid, and is based on in-depth financial planning, and the Board's conservative approach to balancing the County's current service needs with long-term fiscal health. The FY2013-14 budget generally maintains existing service levels and enhances some County programs, honors commitments to our employees, makes a substantial repayment of past internal borrowing, substantially replaces funding taken by the State for the Affordable Care Act, and increases our contingency fund. As always, your leadership has been critical in crafting 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 FY2013-14 All Funds Adopted Budget is recommended at \$3,612,784,366 which represents a 2.6% increase compared to the Approved Recommended Budget your Board approved on June 10, 2013. A detailed comparison these two budgets is shown below:

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Fiscal Year 2013-14 Approved Recommended Compared to Fiscal Year 2013-14 Adopted			
All County Funds			
Fund	FY 2013-14 Approved Requirements	FY 2013-14 Adopted Requirements	Difference
General Fund	2,097,078,646	2,136,820,375	39,741,729
Economic Development	46,978,445	38,911,052	(8,067,393)
Environmental Management	18,904,440	20,243,541	1,339,101
Golf Fund	7,513,048	7,500,548	(12,500)
Transient Occupancy Tax	7,057,981	7,497,504	439,523
Transportation and Building Inspection	145,769,061	178,427,006	32,657,945
Water Resources	173,334,733	172,818,643	(516,090)
Airport System	257,376,164	255,917,227	(1,458,937)
Waste Management and Recycling	83,623,047	86,690,219	3,067,172
Capital Projects Funds	36,361,941	35,919,390	(442,551)
Debt Service Funds	48,433,329	49,075,401	642,072
Other Special Revenue Funds	27,941,969	32,371,521	4,429,552
Other Enterprise Funds	2,677,135	2,677,135	0
Other Internal Service Funds	355,528,163	360,167,137	4,638,974
Other Special Districts and Agencies	214,225,108	227,747,667	13,522,559
Total	3,522,803,210	3,612,784,366	89,981,156

These budget increases are primarily the result of increases in the General Fund and transportation-related funds as described more fully below.

THE GENERAL FUND BUDGET

Approved Recommended Budget

At budget hearings in June, the Board approved the Recommended Budget for FY2013-14. During the hearings, your Board made several changes to the General Fund budget to enhance funding for a variety of priority programs. The significant elements of these changes included the following:

Recommended Centrally Allocated Resources Allocation Changes	
Additional Cable Revenue	\$ 572,000
Reduce Sewer Credit Revenue	\$ (530,000)
Sheriff (Reduce AB 109 Realignment)	\$ 250,000
Probation (Reduce AB 109 Realignment)	\$ 1,000,000
DHHS (Reduce AB 109 Realignment)	\$ 500,000
DHA Aid Payments (Reduction)	\$ 2,000,000
Total Additional Resources Available	\$ 3,792,000
Sheriff (AB 109 Augmentation)	\$ 1,000,000
Sheriff (Additional Net County Cost)	\$ 2,042,000
Correctional Health (AB 109 Increase)	\$ 750,000
Total Increase	\$ 3,792,000

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General Fund and other Centrally Allocated Resources for all departments, as approved by the Board during Recommended Budget Hearings are provided as Attachment A.

FY2013-14 Adopted Budget

The County's FY2013-14 General Fund Adopted Budget totals \$2,136,820,375 which represents an increase of \$40,490,477, or 1.9%, compared to the FY2013-14 Approved Recommended Budget. A more detailed comparison of the FY2013-14 Approved Recommended and FY2013-14 Adopted Budget for the General Fund is shown below:

GENERAL FUND BUDGET

FY2013-14 Approved, FY2013-14 Recommended for Adoption

	FY2013-14 <u>Recommended</u>	FY2013-14 <u>Adopted</u>	<u>Difference</u>
Resources			
Beginning Balance ¹	11,590,583	31,042,942	19,452,359
Use of Reserves	1,339,791	4,517,314	3,177,523
Discretionary Revenue	459,971,903	466,807,664	6,835,761
Departmental Revenue	<u>1,624,176,369</u>	<u>1,634,452,455</u>	<u>10,276,086</u>
Total Revenue	<u>2,084,148,272</u>	<u>2,101,260,119</u>	<u>17,111,847</u>
Total Resources	2,097,078,646	2,136,820,375	39,741,729
Requirements			
Expenditures	2,094,529,898	2,132,806,987	38,277,089
Contingency	<u>1,800,000</u>	<u>4,013,388</u>	<u>2,213,388</u>
Total Appropriations	2,096,329,898	2,136,820,375	40,490,477
Provision for Reserves	<u>748,748</u>	<u>0</u>	<u>(748,748)</u>
Total Requirements	2,097,078,646	2,136,820,375	39,741,729

Fund Balance and Reserves

The General Fund's FY2012-13 ending fund balance, which becomes the beginning fund balance for FY2013-14, totals \$90,914,867. This includes \$59,871,915 in reserves consisting of Teeter and Pension Obligation bond reserves, a \$32.4 million Reserve for Cash Flow, approximately \$4.9 million in a reserve for encumbrances, and an unrestricted balance of \$31,042,942. The unrestricted balance is approximately \$19.5 million higher than identified in the FY2013-14 Approved Recommended General Fund Budget. This increase reflects the difference between FY2012-13 third quarter revenue and expenditure estimates and actual FY2012-13 revenue and expenditure numbers. The major contributors to this difference include:

- An \$11 million increase in discretionary revenue compared to third quarter estimates, including a \$4.6 million increase in Secured Property Tax and Property Tax revenue in Lieu of VLF, a \$1

¹ Available (unreserved/restricted) fund balance

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million increase in Delinquent Property Tax revenue, a \$1.2 million increase in Sales and Use Tax revenue, a \$1 million increase in Teeter revenue and the inclusion of \$2.2 million in redevelopment pass-through payments that were not included in the original Recommended Budget.

- A \$26.9 million reduction in FY2012-13 expenditures compared to third quarter estimates, partially offset by a \$13.2 million reduction in departmental revenue, for a reduction in Net County Cost of approximately \$13.6 million. The reduction in expenditures is partly due to salary savings by departments and partly due to other cost savings or revenue reductions. The budget units with the largest reductions in Net County Cost compared to third quarter estimates included the following: Human Assistance – Aid Payments which had a \$7.6 million reduction in Net County Cost, due primarily to the receipt of \$4 million in additional Social Services Realignment revenue and savings in Foster Care program costs; Personnel Services which had a \$2.8 million reduction in Net County Cost due to the receipt of a rebate of previous years' overcharges from the County's employee dental insurance plan carrier; and, County Contribution to Court Operations which showed a \$1.5 million reduction in Net County Cost due to increased recovery of money owed to the courts by the Department of Revenue Recovery.
- An actual encumbrance carry-forward of \$4,921,753 that was not included in the Approved Recommended Budget.

As was the case with the Recommended Budget beginning balance, the beginning balance in the Adopted Budget reflects a write-off of \$3.2 million in long-term receivables that we do not expect the County will receive. There remains approximately \$8 million in long-term receivables that may need to be written-off in future years.

The \$3.1 million increase in use of reserves and the \$748,000 reduction in provision for reserves reflects a net \$3.9 million reduction in the amount of reserves that need to be set aside for the Teeter Plan, based on an analysis of actual Teeter needs by the Finance Department. That analysis also determined that the County will receive an additional \$2.2 million in Teeter reimbursements, for a total betterment of approximately \$6.1 million. These are essentially one-time adjustments to account for the fact that, with the improvement in the economy, the rate of property tax delinquencies is falling to more typical levels.

Discretionary Revenue

The Adopted Budget includes approximately \$6.8 million, or 1.5%, more in discretionary revenue than the Approved Recommended Budget. This is the net result of increases and decreases in a number of revenue sources as shown in the following table:

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Discretionary Revenue and Non-Departmental Reimbursements (Amounts Expressed in Thousands)

	FY2012-13 Estimated Year-end	FY2012-13 Actual Year-end	FY2013-14 Recommended Budget	FY2013-14 Adopted Budget	Difference - Recommended to Adopted
Property Tax- Secured/VLF In-Lieu	290,975	295,537	296,794	300,848	4,054
Other Property Tax	17,310	18,696	17,525	17,303	(222)
Sales and In-Lieu Sales Tax	68,877	70,129	72,766	75,279	2,513
Utility Tax	16,910	16,830	17,248	17,248	0
Fines & Penalties	13,299	13,963	14,109	14,109	0
Franchises	4,709	4,992	4,800	4,800	0
Revenue Neutrality & Transition	16,059	15,933	16,059	16,059	0
Other Revenue -One Time	5,689	5,109	5,252	3,752	(1,500)
Other Revenue - On- Going	17,794	22,437	15,419	17,410	1,991
Total Revenue	451,622	463,626	459,972	466,808	6,836
Net Reimbursements	19,851	19,574	9,609	11,507	1,898
Total	471,473	483,200	469,581	478,315	8,734

As can be seen, the primary reasons for the increase in estimated discretionary revenue from the amount included in the Approved Recommended Budget include:

- A \$4.1 million (1.7%) increase in Secured Property Tax and Property Tax in Lieu of Vehicle License Fee revenue. Based on the information available at the time from the County Assessor, the Approved Recommended Budget assumed that property tax revenue would grow by 2% compared to FY2012-13 estimated actual revenue from these sources. The FY2013-14 property tax assessed value roll is now complete and, based on that information, we believe that Secured and VLF In Lieu property tax revenue will come in at 2.5% above the FY2012-13 actual revenue level. The projected increase in property tax revenue reflects that higher growth rate applied to an increased estimate of the amount of property tax revenue from these sources the County would receive in FY2012-13.
- A \$2.5 million (3.4%) increase in Sales and Property Tax in Lieu of Sales Tax revenue. Based on information provided by the County's sales tax consultants, the Approved Recommended Budget assumed that sales tax revenue would grow by 4.5% over the FY2012-13 estimated actual level and Sales Tax In Lieu revenue would grow by 9%, for a total increase in revenue from these two sources of approximately 6%. The Adopted Budget assumes that Sales Tax revenue will grow by 4.5% over the FY2012-13 actual revenue level and that Sales Tax in Lieu will grow by 16%. Applying these growth factors to the FY2012-13 actual revenue numbers for these sources, which are approximately \$1.2 million higher than the estimated actual numbers used in the Approved Recommended Budget, results in a 3.4% increase, which is an increase of \$5.5 million, or 7% above the FY2012-13 actual level.
- A \$1.3 million increase in redevelopment pass-through revenue that was not included in the Approved Recommended Budget.

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These and other discretionary revenue increases are partially offset by a recommended \$1.5 million reduction in revenue from the sale of sewer credits. The original FY2013-14 Recommended Budget included \$5 million in revenue from this source, which your Board reduced by \$530,000 at June Budget

Hearings. I am recommending a further \$1.5 million reduction, bringing total one-time revenue from this source to \$2,970,000. This will leave \$2,030,000 in sewer credits available to use for economic development purposes.

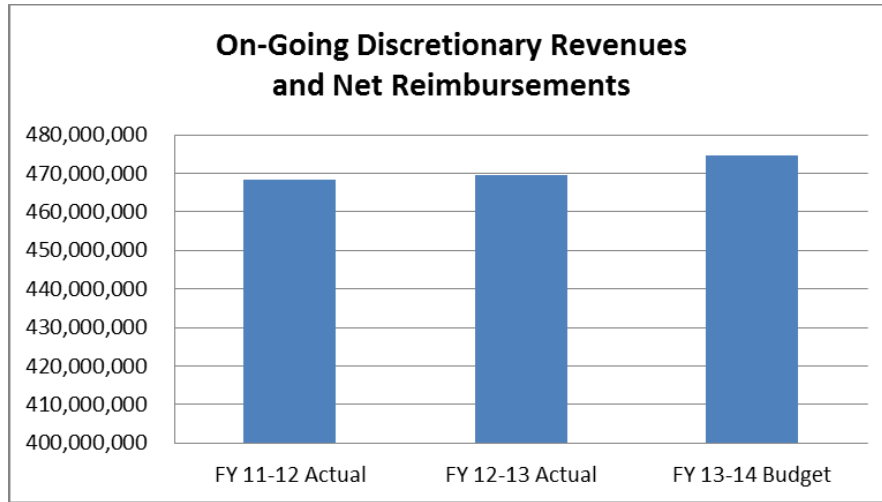
Finally, the FY2013-14 Adopted Budget reflects a \$1.9 million increase in net discretionary reimbursements. This is due to a variety of changes in expenditures and reimbursements which include:

- A \$2.5 million increase in payments to the City of Sacramento to meet our obligations under a car dealership sales tax revenue sharing agreement. For the last year, County and City staffs have been analyzing this agreement to determine the amount due to each jurisdiction. The Approved Recommended Budget included \$500,000 for this purpose, but analysis by County and City staff have concluded that the amount that the County will actually owe the City will be about \$3 million – approximately \$1 million representing the County's FY2013-14 obligation and \$2 million representing the County's prior-year obligations which represents a one-time cost.
- A \$2.2 million one-time increase in the amount of Teeter revenue the County will receive as discussed above.
- The receipt of \$1.9 million in Tobacco Litigation Settlement (TLS) funds based on a final reconciliation of TLS funds at the end of FY2012-13. This represents the last of the TLS revenue available to be transferred to the General Fund.

As you are aware, a key issue in terms of the General Fund's long-term fiscal condition is the rate of growth in **on-going** discretionary resources. The General Fund Five Year Forecast, presented in the FY2013-14 Recommended Budget, suggested that total annual discretionary revenue growth would need to be in the 4% to 5% range for the General Fund to be in structural balance over the next five years.

Based on FY2012-13 actual discretionary revenue and net discretionary reimbursement numbers, it now appears that FY2013-14 will be the second year of growth in on-going discretionary revenue and net reimbursements since the County first began to feel the impact of the Great Recession in FY2007-08. The following graph shows actual on-going discretionary revenue and net discretionary reimbursements in FY2011-12 and FY2012-13 and the estimated amount included in the FY2013-14 Adopted Budget.

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In FY2012-13, on-going discretionary revenue and net reimbursements totaled approximately \$469.5 million, an increase of approximately \$1.1 million, or 0.2%, compared to the prior year actual number. The FY2013-14 Adopted Budget includes approximately \$474.7 million in on-going discretionary revenue and net reimbursements, an increase of approximately \$5.1 million, or 1.1% compared to the prior year actual number which is far less than needed to reach structural balance in the coming years.

Net County Cost/Discretionary and Semi-Discretionary Revenue Allocations/General Fund Budget Adjustments

The FY2013-14 Adopted Budget includes a Net County Cost of approximately \$513.9 million which represents an increase of \$32.1 million, or 6.7%, compared to the Approved Recommended Budget. The recommended allocations are summarized in the following table:

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**General Fund Allocations for FY 2013-14 Recommended for
Adoption Budget
As Compared to FY 2013-14 Approved Recommended
Budget**

DEPARTMENT	FY2013-14 Approved Recommended Budget	FY2013-14 Adopted Budget	Difference
ELECTED OFFICIALS			
Assessor	8,591,573	8,591,573	0
Board of Supervisors	2,998,928	2,998,928	0
District Attorney	43,431,198	44,658,860	1,227,662
Sheriff	179,466,302	184,405,592	4,939,290
Correctional Health	25,211,156	25,211,156	0
Subtotal	259,699,157	265,866,109	6,166,952
COUNTYWIDE SERVICES			
Human Assistance-Aid Payments	15,403,517	16,403,517	1,000,000
DHA Administration	10,533,209	10,533,209	0
Health & Human Services	17,255,424	17,905,970	650,546
Probation	49,482,702	49,717,127	234,425
Courts	35,821,125	35,388,825	(432,300)
Public Defender and Conflict Defenders	36,097,031	37,097,031	1,000,000
Medical Treatment Payments	7,128,508	12,628,508	5,500,000
In-Home Supportive Services (IHSS)	1,378,902	1,378,902	0
Voter Registration & Elections	7,158,063	7,358,063	200,000
Other Countywide Services	14,759,184	14,863,091	103,907
Subtotal	195,017,665	203,274,243	8,256,578
MUNICIPAL SERVICES			
Animal Care & Regulation	3,364,747	3,467,537	102,790
Community Development	878,444	1,236,405	357,961
Regional Parks	2,813,501	3,225,609	412,108
Subtotal	7,056,692	7,929,551	872,859
INTERNAL SERVICES			
Finance Department	270,059	270,059	0
Other Internal Services	95,441	2,889,277	2,793,836
Subtotal	365,500	3,159,336	2,793,836
GENERAL GOVERNMENT			
Non-Department Costs	5,681,922	17,462,103	11,780,181
Contingency	1,800,000	4,013,388	2,213,388
Other General Government	12,142,004	12,170,675	28,671
Subtotal	19,623,926	33,646,166	14,022,240
TOTAL	481,762,940	513,875,405	32,112,465

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In some cases, though, increases in Net County Cost (or General Fund Contribution) offset reductions in Semi-discretionary revenue (like Proposition 172 and Realignment revenue) and in other cases, increases in Semi-discretionary revenue allow for a reduction in Net County Cost. The following table compares the allocation of Net County Cost and Semi-discretionary revenues (as well as SWA revenue) to all departments in the FY2013-14 Approved Recommended Budget and the FY2013-14 Adopted Budget.

Centrally Allocated Resources

Net County Cost, Semi- Discretionary Resources, SWA

Fiscal Year 2013-14

Departments	Approved Recommended June 2013	Adopted September 2013	Difference
AG COMM-SEALER OF WTS & MEASURES	1,068,480	1,172,387	103,907
ANIMAL CARE AND REGULATION	3,364,747	3,467,537	102,790
APPROPRIATION FOR CONTINGENCY	1,800,000	4,013,388	2,213,388
ASSESSOR	8,591,573	8,591,573	0
BOARD OF SUPERVISORS	2,998,928	2,998,928	0
CARE IN HOMES AND INSTITUTIONS	268,607	268,607	0
CIVIL SERVICE COMMISSION	309,758	309,758	0
CLERK OF THE BOARD	1,028,253	1,028,253	0
COMMUNITY DEVELOPMENT	1,778,444	2,136,405	357,961
CONFLICT CRIMINAL DEFENDERS	8,240,938	9,240,938	1,000,000
CONTRIBUTION TO LAFCO	228,833	228,833	0
COOPERATIVE EXTENSION	310,517	310,517	0
CORONER	5,900,507	5,900,507	0
CORRECTIONAL HEALTH SERVICES	32,152,735	32,152,735	0
COUNTY COUNSEL	2,021,012	2,021,012	0
COUNTY EXECUTIVE	963,456	963,456	0
CEO CABINET	100,000	100,000	0
COURT / COUNTY CONTRIBUTION	24,529,928	24,577,628	47,700
COURT / NON-TRIAL COURT FUNDING	11,291,197	10,811,197	(480,000)
DATA PROCESSING-SHARED SYSTEMS	7,598,341	7,598,341	0
DEPARTMENT OF FINANCE	270,059	270,059	0
DISTRICT ATTORNEY	55,689,454	56,844,378	1,154,924
EMERGENCY OPERATIONS	217,377	203,989	(13,388)
FINANCING-TRANSFERS/REIMB		42,059	42,059
GRAND JURY	266,213	266,213	0
HEALTH AND HUMAN SERVICES	185,171,182	184,199,928	(971,254)
HEALTH-MEDICAL TREATMENT PAYMENTS	30,433,532	27,455,101	(2,978,431)
HUMAN ASSISTANCE-ADMIN	19,093,480	19,093,480	0
HUMAN ASSISTANCE-AID PAYMENTS	140,479,173	141,479,173	1,000,000
HUMAN RIGHTS/FAIR HOUSING	61,267	61,267	0
IHSS MOE	51,649,489	51,649,489	0
JUVENILE MEDICAL SERVICES	7,320,545	7,320,545	0
NON-DEPARTMENTAL COSTS/GF	5,681,922	17,462,103	11,780,181
OFFICE OF INSPECTOR GENERAL	95,441	95,441	0
PERSONNEL SERVICES		2,793,836	2,793,836
PROBATION	84,660,648	85,291,533	630,885
PUBLIC DEFENDER	28,168,706	28,168,706	0
Public Authority		0	0
REGIONAL PARKS	3,212,144	3,624,252	412,108
Reserve Change - Teeter		0	0
COPs	6,155,359	6,155,359	0
SHERIFF	307,136,933	310,920,001	3,783,068
VETERAN'S FACILITY	15,920	15,920	0
VOTER REGISTRATION/ ELECTIONS	7,158,063	7,358,063	200,000
WILDLIFE SERVICES	50,061	50,061	0
CRIMINAL JUSTICE CABINET	13,707	13,707	0
	1,047,546,929	1,068,726,663	21,179,734

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As can be seen, the amount of Net County Cost and Semi-discretionary resources allocated to departments and programs in the Adopted Budget is approximately \$21.2 million, or 2%, greater than the FY2013-14 Approved Recommended Budget level. A discussion of each of the major proposed changes in Net County Cost or Semi-discretionary revenue, and other changes related to the affected budget units is provided below.

Agricultural Commissioner/Sealer of Weights and Measures

An additional \$104,000 in Net County Cost is recommended to offset an equivalent reduction in revenue from the federal government to deal with trapping and inspecting activities related to the Light Brown Apple Moth and Asian Citrus Psyllid. If this program is eliminated, certain farmers in the County will not be able to ship their crops to market.

Animal Care & Regulation

A \$103,000 appropriation and Net County Cost increase is recommended to fund an additional Animal Care Attendant and additional extra help positions to assist in maintaining kennel cleanliness. The Animal Care Attendant will help with the Department's foster care program and coordination with animal rescue organizations. The recommended increase in extra help is to assist kennel staff in maintaining an appropriate level of kennel cleanliness.

The Department is also in negotiations with the City of Elk Grove to provide that City with shelter services. When an agreement is finalized, it will be presented to your Board, and budget adjustments will be requested to add additional revenue-offset positions.

Appropriation for Contingency

We are recommending a \$2.2 million increase in appropriations and Net County Cost increasing the General Fund Contingency to \$4 million. Given the generally low level of General Fund discretionary reserves, a larger contingency is necessary.

Community Development

I am recommending a \$3.4 million increase in appropriations, \$3.06 million increase in departmental revenue and \$358,000 increase in Net County Cost. The increase in Net County Cost will fund the addition of 3 Code Enforcement Officers and additional County Counsel services, all related to more fully implementing the Neighborhood Livability Initiative. The remaining increase in appropriations and revenue will cover the cost of transferring the budget for the South Sacramento Habitat Conservation Plan from Water Resources Department's Zone 13 budget to the Community Development budget and adding 9.2 new revenue-offset positions to manage increasing development activity.

Conflict Criminal Defender

A \$1 million increase is recommended in appropriations and Net County Cost. The Approved Recommended Budget was approximately \$1 million less than the level the Department estimated was necessary to meet caseload demand. This additional Net County Cost will address that potential under-funding.

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Courts Funding

A \$432,000 reduction is recommended in Net County Cost for Courts Funding due primarily to increased revenue collections.

District Attorney

I am recommending a \$1,278,000 increase in appropriations, a \$50,000 increase in revenue and a \$1,228,000 increase in Net County Cost. The recommended increase in Net County Cost will fund the following: the replacement of crime lab equipment that has reached the end of its useful life (\$325,000); a Deputy District Attorney to act as a community prosecutor as part of the Neighborhood Livability Initiative (\$100,000) which is anticipated to be grant funded on a permanent basis; salary and benefits for 6 existing vacant Deputy District Attorney positions (\$730,000); and, a \$73,000 backfill for a reduction in Proposition 172 revenue.

Health & Human Services

I am recommending a \$721,000 decrease in appropriations, a \$1.37 million reduction in revenue and a \$651,000 increase in Net County Cost. The increase in Net County Cost will fund: the addition of 3 positions in the Public Health Division to address communicable disease issues, such as tuberculosis, and enhance efforts to deal with sexually transmitted diseases (\$322,000); and, the addition of 5 positions and other costs in the Public Guardian's budget to fund a pilot program to assist chronically mentally ill persons (\$329,000).

The recommended \$721,000 decrease in appropriations is, for the most part, the net result of the \$651,000 in Net County Cost-funded appropriation increases described above, a \$500,000 reduction in AB 109 funded treatment for realigned offenders (this funding has been re-directed to the Probation Department, which is in a better position to assess the needs of this population), a \$242,000 reduction in federal funding for the Special Supplemental Food Program for Women, Infants and Children (WIC) program and a \$761,000 reduction in clinic costs, reflecting the reduction in demand for services that has already occurred due to the implementation of the Low Income Health Program (LIHP).

Medical Treatment Payments

A \$3 million decrease in appropriations, an \$8.5 million decrease in revenue and a \$5.5 million increase in Net County Cost is recommended for this budget unit. The recommended decrease in estimated revenue is part of the approximately \$9.2 million reduction in Public Health Realignment revenue that will occur in FY2013-14 as a result of the State's implementation of the Affordable Care Act (ACA). As you know, the FY2013-14 Approved Recommended Medical Treatment Payments budget already reflected a \$7 million reduction in appropriations and Net County Cost, anticipating cost savings to the County associated with the ACA. Health & Human Services staff estimate that FY2013-14 indigent healthcare costs could exceed the funding by a range of \$3 million to \$9 million. It is recommended that an additional \$5.5 million in Net County Cost be provided to offset the revenue taken by the State.

Human Assistance- Aid Payments

At June Recommended Budget Hearings, your Board reduced the Appropriation level and Net County Cost for this budget unit by \$2 million. I am recommending an additional \$1 million in appropriations

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and Net County Cost to partially replace this funding. In addition, I am directing the DHA Director to more aggressively implement work requirements, drug testing, and Supplemental Security Income and Medi-Cal eligibility for General Assistance and CMISP participants.

Non-Departmental Costs

An \$11,780,191 increase in appropriations and Net County Cost is recommended, primarily to repay a portion of the money transferred to the General Fund from other County funds during the Great Recession. With this \$11,739,018 repayment, the remaining un-repaid balance will be \$59,313,331. 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 FY2013-14 and the remaining balances.

Money Transferred to General Fund from Other County Funds
Current Balance – Amount Proposed For Transfer in FY2013-14 – Remaining Balance

Fund/Fund Center	Current Balance – 6/30/13	Proposed for Repayment	Remaining Balance
MSA – Developer Services	272,481	272,481	0
MSA – Water Resources	14,403,918	7,174,488	7,229,430
Sunrise Cordova District	2,300,000	2,300,000	0
Vineyard District	1,112,388	1,112,388	0
Antelope District	879,661	879,661	0
Workers Compensation	43,783,901	0	43,783,901
Clerk-Recorder- Conversion	3,300,000	0	3,300,000
Clerk-Recorder - Modernization	5,000,000	0	5,000,000
TOTAL	71,052,349	11,739,018	59,313,331

Personnel Services

A \$3,004,683 increase in appropriations, a \$210,847 increase in departmental revenue and a \$2,793,836 increase in Net County Cost in the form of a departmental fund balance carry-forward is recommended for Personnel Services.

In FY2012-13, the County received a \$2,379,509 rebate from our employee dental insurance provider for prior-year over-payments made by the County. Additionally, the Department of Personnel Services (DPS) closed several Trust Funds that had an available balance of \$414,327 from prior year refunds from various health insurance providers. The recommended adjustments will allow these funds to be credited against 2013-14 health and dental costs for the departments that generated the overpayments. In addition, the recommended increase in appropriations and revenue reflects the transfer of 3 positions from the Department of Airports to DPS as part of the effort to consolidate safety and employee development functions in DPS.

Probation

I am recommending a \$2.5 million increase in appropriations, a \$2.2 million increase in revenue and a \$234,000 increase in Net County Cost. The recommended increase in appropriations will cover part of the cost of 11 FTE new positions. Seven of these are juvenile Probation Officer positions that will be funded by a Juvenile Justice Crime Prevention Act (JJCPA) grant that was recently approved by the Board. Four of these new positions are adult Probation Officers that will supervise high risk drug offenders, and will be funded by an increase in Proposition 172 revenue and the \$234,000 increase in Net

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County Cost. The recommended increase in appropriations also reflects \$500,000 in AB 109 Realignment revenue that was included in the Health & Human Services budget. We suggest those resources be re-directed to Probation for use in conjunction with the drug offender supervision program recommended above.

The \$2.2 million increase in revenue is comprised of \$1.3 million in additional revenue from the JJCPA grant, the \$500,000 in additional AB 109 Realignment Revenue and \$455,000 in Proposition 172 revenue. The Adopted Budget also reflects the conversion of a vacant .8 FTE Senior Probation Officer position to a second Assistant Chief Probation Officer position as part of an effort to create a more effective management structure for the Department.

Regional Parks

A \$422,108 increase in appropriations, a \$10,000 increase in revenue and a \$412,108 increase in Net County Cost is recommended for Regional Parks. The recommended increase in Net County Cost would fund 4 additional Park Ranger positions and provide additional resources for parks maintenance. The additional \$10,000 in revenue represents Police Officer Standards and Training (POST) reimbursement for training costs for the 4 new Rangers.

Sheriff

I am recommending a \$6.7 million increase in appropriations, a \$1.8 million increase in departmental revenue and a \$4.9 million increase in Net County Cost. The recommended increase in appropriations will cover the shortfall identified at June Budget Hearings and provide for the funding of 4 Deputy Sheriffs who will serve as Problem Oriented Policing (POP) Officers, as part of an effort to enhance the County's Neighborhood Livability Initiative (NLI). With this increase in appropriations, 18 positions previously deleted or identified for deletion in the Approved Recommended Budget will be funded, 2 new POP Officer positions will be created, and 2 POP Officer positions that were previously unfunded will be filled.

The \$1.8 million increase in revenue is the net result of approximately \$2.6 million in additional revenue, partially offset by a \$700,000 reduction in AB 109 revenue and a \$456,000 reduction in Proposition 172 revenue. The latter two adjustments reflect the Sheriff's share of the reduction in the total estimated amount of revenue to be received from these two sources.

The \$4.9 million in additional Net County Cost will help cover the June Budget Hearings shortfall (approximately \$3 million), the loss of AB 109 Realignment and Proposition 172 revenue (\$1.16 million) and the cost of the 4 POP Officers (\$783,000).

Voter Registration / Elections

A \$200,000 increase in appropriations and Net County Cost is recommended to help the Department offset a reduction in revenue identified at June Budget Hearings.

Human Assistance

A \$12.7 million increase in appropriations and revenue is recommended for this budget unit. Approximately \$4.1 million of this increase reflects the addition of 22 Eligibility Specialist and 5 Eligibility Supervisor positions related to the implementation of the Affordable Care Act (ACA)

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and approximately \$1.6 million is related to training and lease costs associated with ACA implementation. Approximately \$2.2 million of the increase will fund additional CalWIN computer system costs and for various contracts for the CalWORKS and CalFresh programs.

Although no change in total Net County Cost is being recommended, the Department of Human Assistance will receive additional allocations of CalWIN, CalWORKS and CalFresh funding that can be used to free-up \$610,000 of General Fund resources. I am recommending that \$410,000 of this General Fund savings be spent on a one-time project to install Fixed Asset Kiosks in Department of Human Assistance Service Centers. The cost of these kiosks can be recovered in three to five years. I am recommending the remaining \$200,000 in General Fund savings be allocated to enhance CalWORKS funding for the Family Emergency Shelter contracts.

OTHER FUNDS

The following provides an overview of major changes in some of the other County funds.

Roads

We are recommending a \$17.8 million increase in appropriations, a \$41.5 million increase in revenue and a \$23.7 million decrease in use of fund balance. The \$17.8 million increase in appropriations and \$17.8 million of the increase in revenue is related to new road projects that were not included in the Approved Recommended Budget. The \$23.7 million decrease in fund balance and an equivalent increase in departmental revenue are related to the timing of work on certain projects. When the FY2013-14 Approved Recommended Budget was prepared, it was expected that these project expenditures would occur in FY2012-13. This did not occur, and the cost of the projects was included in a year-end encumbrance carry-forward. Since the state and federal revenue to cover the projects was also not received in FY2012-13, the Roads Fund's reserve for encumbrance exceeded the amount of fund balance available. This adjustment will include revenue sufficient to cover the encumbered contracts in the FY2013-14 Roads Fund budget allowing a reduction in the use of fund balance, and eliminating what would otherwise be a negative fund balance.

Tobacco Litigation Settlement

A \$5.2 million increase in appropriations, an \$18,000 increase in revenue and a \$5.2 million increase in use of fund balance is recommended. The FY2013-14 Recommended Approved Budget did not include any appropriations in this Fund, based on the assumption that all of the available TLS endowment fund bond proceeds would have been spent by the end of FY2012-13. In fact, due to the timing of capital projects, all of that money was not spent and the Fund ended FY2012-13 with a \$5.2 million fund balance. As now recommended, this appropriation increase reflects a

\$3.4 million transfer to the Capital Construction Fund and a \$1.9 million transfer to the General Fund as a discretionary rebate.

Economic Development

I am recommending an \$8.1 million reduction in appropriations, a \$7.2 million increase in revenue and a \$15.3 million reduction in the use of fund balance. The FY2012-13 ending balance for this fund included a \$15 million encumbrance carry-forward related to the McClellan

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Airport System

I am recommending a \$1.3 million decrease in appropriations, a \$1.2 million increase in revenue and a \$2.5 million decrease in the use of fund balance. Increase in revenue is due to the finalization of rates and charges assessed to air carriers and reduction in appropriation is largely due to the cancellation of minor construction projects.

Solid Waste Enterprise Capital Outlay

A \$3.3 million decrease in appropriations and use of fund balance is recommended due to a reduction in the amount of equipment being purchased.

Rural Transit

I am recommending a \$6,000 increase in appropriations, a \$5.3 million increase in revenue and a \$5.3 million decrease in use of fund balance. These adjustments are primarily related to the timing of work on certain projects. When the FY2013-14 Approved Recommended Budget was prepared, it was expected that these project expenditures would occur in FY2012-13. This did not occur, and the cost of the projects was included as a year-end encumbrance carry-forward. However, since the revenue to cover the projects was also not received in FY2012-13, the Rural Transit Fund's reserve for encumbrance exceeded the amount of fund balance available. This adjustment will include revenue sufficient to cover the encumbered contracts in FY2013-14.

Fixed Asset Revolving

A \$2.2 million increase in appropriations, a \$2.6 million increase in revenue and a \$500,000 reduction in use of fund balance is recommended. This Fund includes bond proceeds revenue that is loaned to County departments for capital purchases. When the annual budget for this Fund is prepared, it is based on estimates of borrowings and repayments in both the current year and the upcoming budget year. This adjustment reflects the fact that actual borrowing and repayments did not occur in FY2012-13 as estimated, resulting in changes in the amount of loan activity estimated to occur in FY2013-14.

Tobacco Litigation Settlement Capital Projects

We are recommending a \$6.1 million increase in appropriations and use of fund balance. This adjustment reflects revised timing of various capital projects. Certain capital expenditures that were anticipated to take place in FY2012-13 did not occur, resulting in an increase in beginning fund balance and the re-budgeting of those expenditures in FY2013-14.

Water Agency – Zone 11 – Drainage Infrastructure

A \$1.3 million increase in appropriations and use of fund balance is recommended for land purchases associated with channel improvements in Gerber Creek and Elder Creek, and for anticipated reimbursement payments and developer credits related to the Howe Avenue Storm Drain Pump Station Electrical Rehab Project.

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Water Agency Enterprise

A \$2.9 million reduction in appropriations, a \$5.2 million increase in revenue and an \$8.1 million reduction in use of fund balance is recommended. The decrease in appropriations is due to the postponement of the Zone 40 Water Meter Retrofit Project, which will now begin in FY2014-15. The estimated increase in revenue is due to the rate increase and water service charge increase for Zones 40 and 41 recently approved by the Board, and an anticipated increase in Zone 40 development fees due to projected building permit activity. The increase in revenue and reduction in appropriations will result in a reduced need to use fund balance.

CONSTRUCTION IN PROGRESS

The County's Five Year Capital Improvement Plan will be brought to the Board as a separate item giving the Board an opportunity to review construction plans and equipment purchases for the coming year. Current year costs are included in the recommendations for the Adopted Budget.

RECOMMENDATIONS

1. Approve the attached Budget and Schedules amending the FY2013-14 Approved Recommended Budget and constituting adoption of the budget for FY2013-14 (Attachment C).
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 FY2013-14 Adopted Budget.
3. Direct the Department of Finance to prepare the FY2013-14 Budget Resolutions for Board consideration on Tuesday, September 24, 2013.

Respectfully submitted,

Bradley J. Hudson
County Executive

Attachments:

Attachment A – Centrally Allocated Funds: Approved Recommended Budget
Attachment B – Centrally Allocated Funds: CEO Budget Recommended for Adoption
Attachment C – Budget and Schedules for FY2013-14

GENERAL BUDGET COUNTY EXECUTIVE'S RECOMMENDED FISCAL YEAR INFORMATION 2013-14 ADOPTED BUDGET LETTER

Attachment A

County of Sacramento Centrally Allocated Funds - Approved Recommended Budget Fiscal Year 2013-14

Hearings of June 11, 2013

	CEO GF Recommended	Prop 172	1991 Reallignment	2011 Reallignment	AB109	SWA	Total
AG COMM-SEALER OF WTS & MEASURES	1,068,480						1,068,480
ANIMAL CARE AND REGULATION	3,364,747						3,364,747
APPROPRIATION FOR CONTINGENCY	1,800,000						1,800,000
ASSESSOR	8,591,573						8,591,573
BOARD OF SUPERVISORS	2,998,928						2,998,928
CARE IN HOMES AND INSTITUTIONS	268,607						268,607
CIVIL-SERVICE COMMISSION	309,758						309,758
CLERK OF THE BOARD	1,028,253						1,028,253
COMMUNITY DEVELOPMENT	878,444					900,000	1,778,444
CONFLICT CRIMINAL DEFENDERS	8,240,938						8,240,938
CONTRIBUTION TO LAFCO	228,833						228,833
COOPERATIVE EXTENSION	310,517						310,517
CORONER	5,900,507						5,900,507
CORRECTIONAL HEALTH SERVICES	25,211,156			3,074,507	3,867,072		32,152,735
COUNTY COUNSEL	1,721,012					300,000	2,021,012
COUNTY EXECUTIVE	963,456						963,456
CEO CABINET					100,000		100,000
COURT / COUNTY CONTRIBUTION	24,529,928						24,529,928
COURT / NON-TRIAL-COURT FUNDING	11,291,197						11,291,197
DATA PROCESSING-SHARED SYSTEMS	7,598,341						7,598,341
DEPARTMENT OF FINANCE	270,059						270,059
DISTRICT ATTORNEY	43,431,198						43,431,198
EMERGENCY OPERATIONS	217,377						217,377
GRAND JURY	266,213						266,213
HEALTH AND HUMAN SERVICES	17,255,424						17,255,424
HEALTH-MEDICAL TREATMENT PAYMENTS	7,128,508		3,482,470	132,591,054	500,000		185,171,182
HUMAN ASSISTANCE-ADMIN	10,533,209		23,305,024				30,433,532
HUMAN ASSISTANCE-AID PAYMENTS	15,403,517		4,539,679	3,613,910	406,682		19,093,480
HUMAN RIGHTS/FAIR HOUSING	61,267		67,109,478	57,966,178			140,479,173
IHSS MOE	1,378,902						1,378,902
JUVENILE MEDICAL SERVICES	6,878,879		50,270,587	441,666			57,591,132
NON-DEPARTMENTAL COSTS/GF	5,681,922						5,681,922
OFFICE OF INSPECTOR GENERAL	95,441						95,441
PROBATION	49,482,702						49,482,702
PUBLIC DEFENDER	27,856,093						27,856,093
REGIONAL PARKS	2,813,501						2,813,501
COPs							
SHERIFF	179,466,302						179,466,302
VETERAN'S FACILITY	15,920						15,920
VOTER REGISTRATION/ ELECTIONS	7,158,063						7,158,063
WILDLIFE SERVICES	50,061						50,061
CRIMINAL JUSTICE CABINET	13,707						13,707
	481,762,940	101,006,332	180,049,472	246,554,032	36,575,510	1,598,643	1,047,546,929

GENERAL BUDGET COUNTY EXECUTIVE'S RECOMMENDED FISCAL YEAR INFORMATION 2013-14 ADOPTED BUDGET LETTER

Attachment B

County of Sacramento Centrally Allocated Funds - CEO Budget Recommended for Adoption Fiscal Year 2013-14

For September Hearings

	Approved Recommended	Augmentation	CEO GF Recommended	Prop 172	1991 Realignment	2011 Realignment	AB109	SWA	Total
AG COMM-SEALER OF WTS & MEASURES	1,068,480	103,907	1,172,387						1,172,387
ANIMAL CARE AND REGULATION	3,364,747	102,790	3,467,537						3,467,537
APPROPRIATION FOR CONTINGENCY	1,800,000	2,213,388	4,013,388						4,013,388
ASSESSOR	8,591,573		8,591,573						8,591,573
BOARD OF SUPERVISORS	2,998,928		2,998,928						2,998,928
CARE IN HOMES AND INSTITUTIONS	268,607		268,607						268,607
CIVIL SERVICE COMMISSION	309,758		309,758						309,758
CLERK OF THE BOARD	1,028,253		1,028,253					900,000	1,028,253
COMMUNITY DEVELOPMENT	878,444	357,961	1,236,405						1,236,405
CONFLICT CRIMINAL DEFENDERS	8,240,938	1,000,000	9,240,938						9,240,938
CONTRIBUTION TO LAFCO	228,833		228,833						228,833
COOPERATIVE EXTENSION	310,517		310,517						310,517
CORONER	5,900,507		5,900,507						5,900,507
CORRECTIONAL HEALTH SERVICES	25,211,156		25,211,156		3,074,507		3,867,072		32,152,735
COUNTY COUNSEL	1,721,012		1,721,012					300,000	2,021,012
COUNTY EXECUTIVE	963,456		963,456						963,456
CEO CABINET			0				100,000		100,000
COURT / COUNTY CONTRIBUTION	24,529,928	47,700	24,577,628						24,577,628
COURT / NON-TRIAL COURT FUNDING	11,291,197	(480,000)	10,811,197						10,811,197
DATA PROCESSING-SHARED SYSTEMS	7,598,341		7,598,341						7,598,341
DEPARTMENT OF FINANCE	270,059		270,059						270,059
DISTRICT ATTORNEY	43,431,198	1,227,662	44,658,860	11,542,990			329,915		56,844,378
EMERGENCY OPERATIONS	217,377	(13,388)	203,989						203,989
FINANCING-TRANSFERS/REIMB		42,059	42,059						42,059
GRAND JURY	266,213		266,213						266,213
HEALTH AND HUMAN SERVICES	17,255,424	650,546	17,905,970						184,199,928
HEALTH-MEDICAL TREATMENT PAYMENTS	7,128,508	5,500,000	12,628,508						27,455,101
HUMAN ASSISTANCE-ADMIN	10,533,209	0	10,533,209				406,682		19,093,480
HUMAN ASSISTANCE-AID PAYMENTS	15,403,517	1,000,000	16,403,517						141,479,173
HUMAN RIGHTS/FAIR HOUSING	61,267		61,267						61,267
IHSS MOE	1,378,902		1,378,902						51,649,489
JUVENILE MEDICAL SERVICES	6,878,879		6,878,879						7,320,545
NON-DEPARTMENTAL COSTS/GF	5,681,922	11,780,181	17,462,103						17,462,103
OFFICE OF INSPECTOR GENERAL	95,441		95,441						95,441
PROBATION	49,482,702	234,425	49,717,127	16,431,196			11,007,446		85,291,533
PUBLIC DEFENDER	27,856,093		27,856,093						28,168,706
REGIONAL PARKS	2,813,501	412,108	3,225,609						3,624,252
COPs		0	0					398,643	6,155,359
SHERIFF	179,466,302	4,939,290	184,405,592						310,920,001
VETERAN'S FACILITY	15,920		15,920						15,920
VOTER REGISTRATION/ ELECTIONS	7,158,063	200,000	7,358,063						7,358,063
WILDLIFE SERVICES	50,061		50,061						50,061
CRIMINAL JUSTICE CABINET	13,707		13,707						13,707
	481,762,940	29,318,629	511,081,569	100,373,832	170,449,241	246,554,032	35,875,510	1,598,643	1,065,932,827

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
2008-09	1,733,049,717	391,196,747	1,341,852,970
2009-10	1,758,616,880	371,296,728	1,387,320,152
2010-11	1,733,315,623	330,537,042	1,402,778,581
2011-12	1,763,140,317	329,776,706	1,433,363,611
2012-13	1,839,673,566	333,031,810	1,506,641,756
2013-14 (Budget)	1,951,463,023	331,139,084	1,620,323,939

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, Health Care/Uninsured, 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), Rural Transit, Contribution to Paratransit.

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, Contribution to Human Rights/Fair Housing, Coroner, Dispute Resolution Program, Data Processing-Law and Justice, Contribution to Local Agency Formation Commission, Environmental Review and Assessment, Community Development, Planning Commission, Emergency Services, 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.

GENERAL GOVERNMENT (CONT.):

- Personnel – Civil Service Commission, Office of Labor Relations, Personnel Services.
- Elections – Voter Registration and Elections.
- Property Management – Veteran’s Facility.
- Plant Acquisition – Capital Construction Buildings and Libraries – budget units accounting for acquisition of land, structures, and improvements, Park Construction.
- Promotion – Economic Development, Financing Transfers/Reimbursements-General Fund, Neighborhood Services.
- Other General – Data Processing, Revenue Recovery.

DEBT SERVICE, RESERVES, CONTINGENCIES:

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

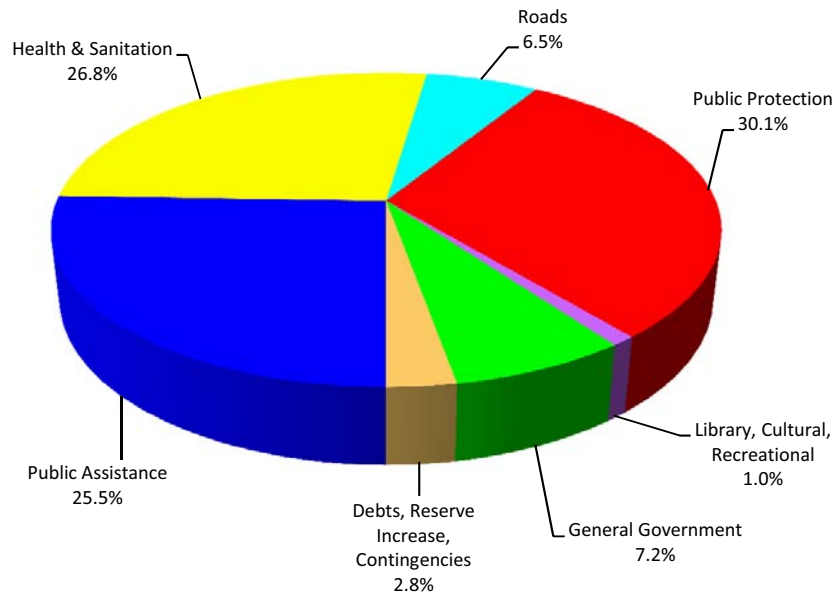
THE COUNTY BUDGET (REQUIREMENTS)

THE COUNTY BUDGET

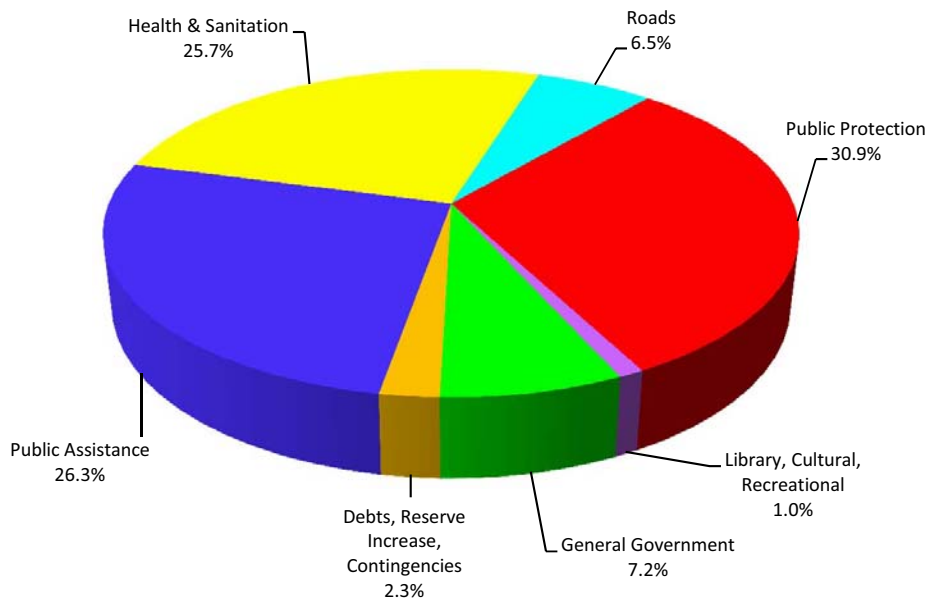
REQUIREMENTS

(Pie Chart Amounts Expressed In Millions)

2012-13 BUDGET TOTAL \$2,378,212,161



2013-14 BUDGET TOTAL \$2,506,766,338



SUMMARY TABLES FOR THE PIE CHARTS

<u>REQUIREMENTS</u>				
	Fiscal Year		Fiscal Year	
	2012-13	Percent	2013-14	Percent
Public Assistance	\$606,542,753	25.5%	\$660,482,743	26.3%
Health & Sanitation	638,087,676	26.8%	644,717,894	25.7%
Roads	154,570,846	6.5%	163,038,489	6.5%
Public Protection	716,844,183	30.1%	774,717,874	30.9%
Library, Cultural, Recreational	23,766,553	1.0%	25,088,884	1.0%
General Government	171,447,756	7.2%	180,133,076	7.2%
Debts, Reserve Increase, Contingencies	66,952,394	2.8%	58,587,378	2.3%
GRAND TOTAL	\$ 2,378,212,161	100.0%	\$ 2,506,766,338	100.0%
<u>FINANCING</u>				
	Fiscal Year		Fiscal Year	
	2012-13	Percent	2013-14	Percent
Taxes	\$441,007,343	18.5%	\$455,664,592	18.2%
Licenses, Permits, Franchises	37,166,832	1.6%	38,630,781	1.5%
Fines, Forfeitures, Penalties	34,694,141	1.5%	37,809,461	1.5%
Intergovernmental	1,519,170,917	63.9%	1,606,155,138	64.1%
Charges for Services	118,261,531	5.0%	205,419,199	8.2%
Other Revenues	161,840,756	6.8%	146,120,154	5.8%
Year-End Balance, Reserve Release	66,070,641	2.8%	16,967,013	0.7%
GRAND TOTAL	\$ 2,378,212,161	100.0%	\$ 2,506,766,338	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, 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, Other Vending Devices.

OTHER REVENUES (CONT.):

- Miscellaneous Revenues – Countywide Cost Plan, Sales-Other, Cash Overages, Bad Debt Recovery, Aid Payment Recoveries, TRANS (Short Term Anticipation Notes) Reimbursement, Donations and Contributions, Electricity Resales, Insurance Proceeds, Revenue-Other, Assessment Fees, Child Support Recoveries, In-Kind Revenues, 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:

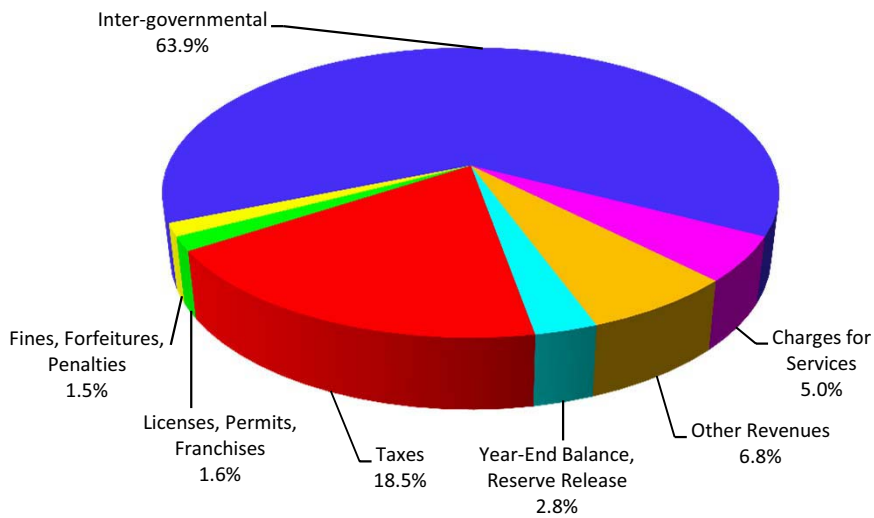
Prior-Year Carryover/Fund Balance, Reserve Release.

THE COUNTY BUDGET (FINANCING)

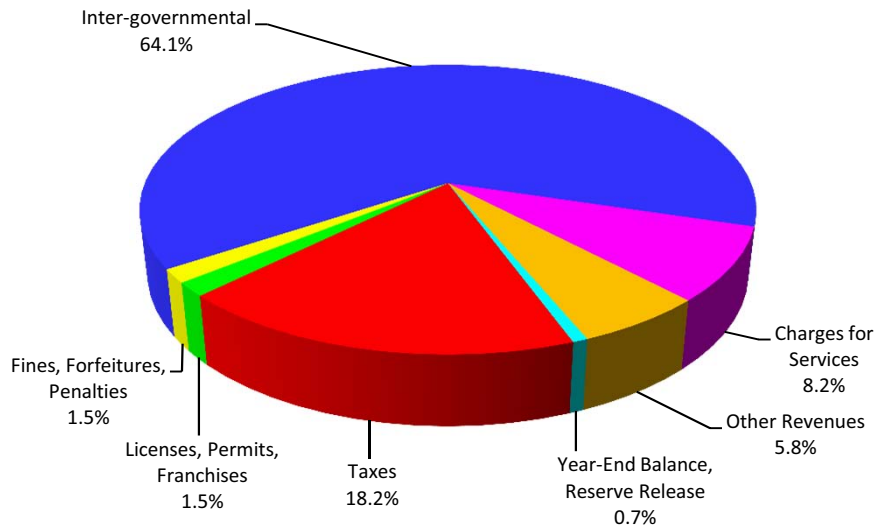
THE COUNTY BUDGET FINANCING

(Pie Chart Amounts Expressed In Millions)

2012-13 BUDGET TOTAL \$2,378,212,161



2013-14 BUDGET TOTAL \$2,506,766,338



SUMMARY OF FUND BALANCES

Fund Description	Fund Number	Adopted 2012-13	Adopted 2013-14	Variance	Percent
GENERAL	001A	18,247,654	31,042,942	12,795,288	70.1%
FISH AND GAME	002A	10,583	16,410	5,827	55.1%
ROAD	005A	-3,078,546	-13,739,165	-10,660,619	346.3%
PARKS CONSTRUCTION	006A	1,205,374	1,228,375	23,001	1.9%
CAPITAL CONSTRUCTION	007A	-471,816	-5,483,675	-5,011,859	1062.2%
TOBACCO LITIGATION SETTLEMENT	008A	1,938,449	3,588,198	1,649,749	85.1%
ENVIRONMENTAL MANAGEMENT	010B	2,817,536	1,738,865	-1,078,671	-38.3%
LIBRARY	011A	186,320	331,878	145,558	78.1%
FIRST 5 SACRAMENTO COMMISSION	013A	11,149,134	1,259,392	-9,889,742	-88.7%
TRANSIENT OCCUPANCY	015A	-178,334	591,790	770,124	-431.8%
TEETER PLAN	016A	5,638,584	6,656,939	1,018,355	18.1%
GOLF	018A	-930,379	-627,567	302,812	-32.5%
ECONOMIC DEVELOPMENT	020A	13,799,800	-4,164,635	-17,964,435	-130.2%
BUILDING INSPECTION	021A	3,732,324	1,998,449	-1,733,875	-46.5%
ROADWAYS	025A-H	2,641,711	3,198,646	556,935	21.1%
TRANSPORTATION-SALES TAX	026A	-856,096	-19,404,976	-18,548,880	2166.7%
SOLID WASTE ENTERPRISE	051A	4,057,987	7,446,823	3,388,836	83.5%
SOLID WASTE ENTERPRISE-CAPITAL OUTLAY	052A	3,539,670	2,990,524	-549,146	-15.5%
RURAL TRANSIT	068A	-1,753,598	-6,846,752	-5,093,154	290.4%
ANTELOPE PUBLIC FACILITIES FINANCING	101A-E	2,659,454	1,930,926	-728,528	-27.4%
LAGUNA CRK/ELLIOTT RCH CFD 1	105A/C	2,312,990	2,593,300	280,310	12.1%
LAGUNA COMMUNITY FACILITY DISTRICT	107A-B	1,228,907	1,200,055	-28,852	-2.3%
VINEYARD PFFP - ROADWAYS	108A-B	7,923,817	7,622,552	-301,265	-3.8%
BRADSHAW/US 50 FINANCING DISTRICT	115A	140,910	112,938	-27,972	-19.9%
FLOREN ROAD CAPITAL PROJECT	118A	420,502	418,984	-1,518	-0.4%
FULTON AVENUE CAPITAL PROJECT	118B	27,558	17,036	-10,522	-38.2%
LAGUNA STONELAKE CFD-BOND PROCEEDS	130A	99,990	134,117	34,127	34.1%
PARK MEADOWS CFD-BOND PROCEEDS	131A	85,832	72,082	-13,750	-16.0%
MATHER LANDSCAPE MAINT CFD	132A	379,895	465,005	85,110	22.4%
MATHER PFFP	136A-B	2,377,612	1,872,330	-505,282	-21.3%
GOLD RIVER STATION #7 LANDSCAPE CFD	137A	6,230	1,151	-5,079	-81.5%
METRO AIR PARK CFD 2000-1	139A	6,150,808	6,339,027	188,219	3.1%
MCCLELLAN PARK CFD	140A	146,766	138,567	-8,199	-5.6%
SACRAMENTO CO LANDSCAPE MAINT	141A	162,962	114,446	-48,516	-29.8%
METRO AIR PARK SERVICE TAX	142A	645,341	639,344	-5,997	-0.9%
NORTH VINEYARD STATION SPECIFIC PLAN	143A	1,137,219	1,577,637	440,418	38.7%
NORTH VINEYARD STATION SPECIFIC PLAN CFD	144A	1,601,522	1,629,557	28,035	1.8%
NATOMAS FIRE DISTRICT	229A	1,743,578	20,992	-1,722,586	-98.8%
CSA NO. 1	253A	555,354	196,461	-358,893	-64.6%
CSA NO. 10	257A	15,171	18,726	3,555	23.4%
FIXED ASSET REVOLVING	277A	-265,062	-458,543	-193,481	73.0%
JUVENILE COURTHOUSE PROJECT-DEBT SERVICE	280A	60,126	35,256	-24,870	-41.4%
2004 PENSION OBLIGATION BONDS	282A	1,358,874	1,007,874	-351,000	-25.8%
TOBACCO LITIGATION SETTLEMENT-CAPITAL PROJECTS	284A	13,268,476	10,322,942	-2,945,534	-22.2%
1997-PUBLIC FACILITIES DEBT SERVICE	288A	417,793	412,293	-5,500	-1.3%
2003 PUBLIC FACILITIES PROJ-DEB SERVICE	298A	55,799	74,599	18,800	33.7%
2010 REFUNDING COPS-DEBT SERVICE	300A	250,252	300,389	50,137	20.0%
2010 REFUNDING COPS-PARKING GARAGE-DEBT SERVICE	300B	69,225	79,677	10,452	15.1%

GENERAL BUDGET INFORMATION

SUMMARY OF FUND BALANCES

Fund Description	Fund Number	Adopted 2012-13	Adopted 2013-14	Variance	Percent
2007 PUBLIC FACILITIES PROJECTS-CONSTRUCTION	303A	889,018	163,536	-725,482	-81.6%
2007 PUBLIC FACILITIES PROJECTS-DEBT SERVICE	304A	301,221	326,001	24,780	8.2%
2006 PUBLIC FACILITIES-DEBT SVC	306A	334,680	356,225	21,545	6.4%
1997-PUBLIC FACILITIES DEBT SERVICE	308A	341,038	273,988	-67,050	-19.7%
1997-PUBLIC FACILITIES-CONSTRUCTION	309A	548,561	542,160	-6,401	-1.2%
PENSION BOND-INT RATE STABILIZATION	311A	67,535	0	-67,535	-100.0%
PENSION OBLIGATION BOND-DEBT SERVICE	313A	1,730,520	386,986	-1,343,534	-77.6%
WATER AGENCY-ZONE 11A	315A	4,026,980	10,610,675	6,583,695	163.5%
WATER AGENCY-ZONE 13	318A	935,518	-500,134	-1,435,652	-153.5%
STORMWATER UTILITY DISTRICT	322A	25,955,544	14,827,523	-11,128,021	-42.9%
LANDSCAPE MAINTENANCE DISTRICT	330A	124,583	44,846	-79,737	-64.0%
MISSION OAKS PARK DISTRICT	336A	1,035,239	739,257	-295,982	-28.6%
MISSION OAKS MAINT & IMPROVEMENT ASSESSMENT DISTRICT	336B	670,814	520,653	-150,161	-22.4%
CARMICHAEL PARK DISTRICT	337A	420,108	269,368	-150,740	-35.9%
SUNRISE PARK DISTRICT	338A	1,036,062	957,927	-78,135	-7.5%
ANTELOPE ASSESSMENT	338B	30,999	200,013	169,014	545.2%
DEL NORTE OAKS PARK DISTRICT	351A	384	2,597	2,213	576.3%
COUNTY SERVICE AREA 4B	560A	41,698	34,217	-7,481	-17.9%
COUNTY SERVICE AREA 4C	561A	-6,040	-6,096	-56	0.9%
COUNTY SERVICE AREA 4D	562A	8	839	831	10387.5%
COUNTY PARKS CFD 2006-1	563A	1,907	2,370	463	24.3%
TOTAL		145,220,635	80,465,132	-64,755,503	-44.6%

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	4660000	CONTRIBUTION TO HUMAN RIGHTS/FAIR HOUSING
001A	GENERAL FUND	5920000	CONTRIBUTION TO LAFCO
001A	GENERAL FUND	4650000	CONTRIBUTION TO PARATRANSIT
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	5690000	ENVIRONMENTAL REVIEW AND ASSESSMENT
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	5760000	NEIGHBORHOOD SERVICES
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	6610000	PLANNING AND COMMUNITY DEVELOPMENT
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
002A	FISH AND GAME	6460000	FISH AND GAME PROPAGATION
004A	HEALTH CARE/UNINSURED	8900000	HEALTH CARE / UNINSURED
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

GENERAL BUDGET INFORMATION

RELATIONSHIP BETWEEN FUNDS, BUDGET UNITS AND DEPARTMENTS

Fund	Fund Name	Budget Unit	Department
020A	ECONOMIC DEVELOPMENT	3870000	ECONOMIC DEVELOPMENT
021A	BUILDING INSPECTION	2150000	BUILDING INSPECTION
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
032C	REAL ESTATE DIVISION	7930000	REAL ESTATE DIVISION
033A	PUBLIC WORKS-OPERATIONS	2700000	MUNICIPAL SERVICES (MS)-ADMINISTRATIVE SERVICES
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 MANAGEMENT & INSPECTION	7007200	GENERAL SERVICES-CONSTRUCTION MANAGEMENT & 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
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
287A	CAPITAL PROJECTS-DEBT SERVICE	9287000	CAPITAL PROJECTS-DEBT SERVICE
288A	1997-REFUNDING PUBLIC FACILITIES DEBT SERVICE	9288000	1997-REFUNDING PUBLIC FACILITIES DEBT SERVICE
292A	JAIL DEBT SERVICE	2920000	JAIL DEBT SERVICE

GENERAL BUDGET INFORMATION

RELATIONSHIP BETWEEN FUNDS, BUDGET UNITS AND DEPARTMENTS

Fund	Fund Name	Budget Unit	Department
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
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
311A	PENSION BOND-INTEREST RATE STABILIZATION	9311000	PENSION OBLIGATION BOND-INTEREST RATE STABILIZATION
313A	PENSION OBLIGATION BOND-DEBT SERVICE	9313000	PENSION OBLIGATION BOND-DEBT SERVICE
314A	BEACH STONE LAKE FLOOD MITIGATION	2814000	BEACH STONE LAKES FLOOD MITIGATION
315A	WATER AGENCY-ZONE 11-DRAINAGE INFRASTRUCTURE	2810000	WATER AGENCY ZONE 11-DRAINAGE INFRASTRUCTURE
315A	WATER AGENCY-ZONE 11A	2815000	WATER AGENCY-ZONE 11A
315B	WATER AGENCY-ZONE 11B	2816000	WATER AGENCY-ZONE 11B
315C	WATER AGENCY-ZONE 11C	2817000	WATER AGENCY-ZONE 11C
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
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.
- Health Care/Uninsured Fund 004 – Accounts for addressing health care problems of the uninsured county residents.
- 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 and Intergovernmental Affairs 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.
- 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.
- Rural Transit Fund 068 – Accounts for operations of the South County Transit Program.

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.
- Office of Communications and Information Technology Fund 031 – Accounts for central telecommunication and data processing support to county departments.
- Real Estate Division Fund 032 – Accounts for real estate services for County departments and Special District public infrastructure and facility projects.
- 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 and 035 – 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.

ENTERPRISE FUNDS (cont.) :

- 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.

SPECIAL DISTRICTS AND OTHER AGENCIES FUNDS (cont.) :

- 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.
- 1990 Fixed Asset Debt Service Fund 278 – Services all debt associated with the acquisition of fixed assets for the Public Facilities Financing Corporation.
- 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.
- Capital Projects Debt Service Fund 287 – Refunding of the Parking Facility and Cherry Island Gold Course Certificates of Participation (COPS).

SPECIAL DISTRICTS AND OTHER AGENCIES FUNDS (cont.) :

- 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).
- Jail Debt Service Fund 292 – Services the Main Jail Certificates of Participation.
- 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 Construction Fund 305 – Accounts for construction projects from 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]).
- 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 Interest Rate Stabilization Fund 311 – Provides for interest earnings on the Pension Obligation Bond Debt Service in Fund 313.
- 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.

SPECIAL DISTRICTS AND OTHER AGENCIES FUNDS (cont.) :

- 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 Station Right of Way Fund 316 – Accounts for the right-of-way and easement acquisitions necessary for the construction of roadways, utilities, landscaping, drainage channels detention basins, and water supply and sewer infrastructure within the North Vineyard Station Specific Plan 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 Zone 12 Fund 319 – Accounts for the collection of ad valorem tax revenues that are transfer to the Stormwater Utility District.
- 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

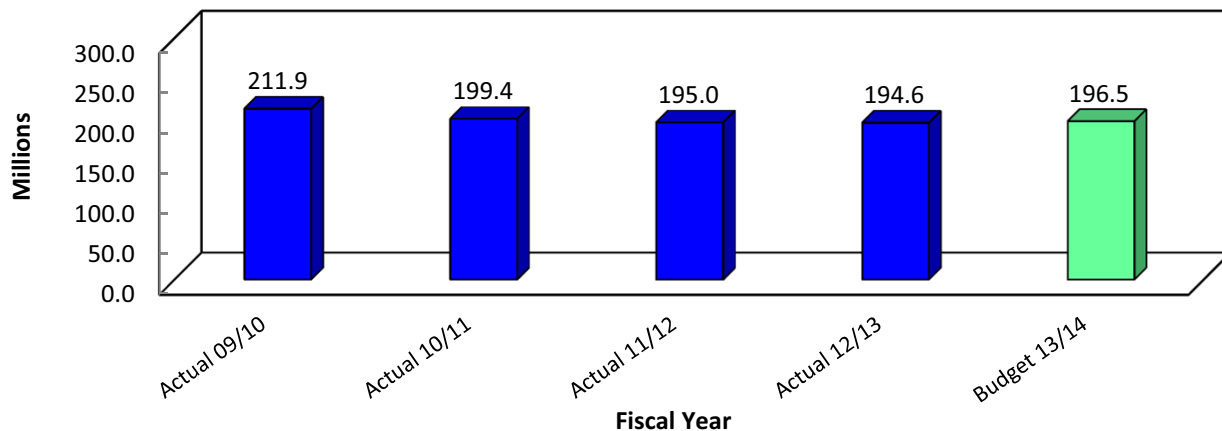
Revenue Source: Property Tax Revenues

Trend		Percent Change	Comments
2009-10 Actual	\$ 211,948,324		1.0 percent tax on real property under acquisition value basis of California's Proposition 13.
2010-11 Actual	\$ 199,384,751	-5.93%	
2011-12 Actual	\$ 195,033,324	-2.18%	
2012-13 Actual	\$ 194,634,583	-0.20%	
2013-14 Budget	\$ 196,493,558	0.96%	

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 2013-14 projected total for property tax revenues is \$196.5 million.

Property Tax Revenues



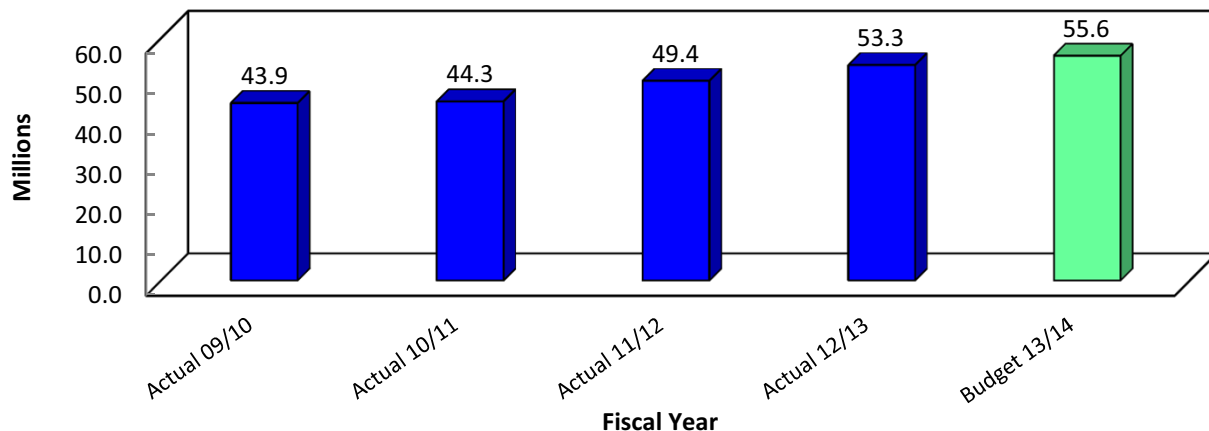
Revenue Source: Sales Tax

Trend		Percent Change	Comments
2009-10 Actual	\$ 43,931,284		A 0.75 percent share of statewide collected sales tax rate of 7.75 percent, collected from the Unincorporated Area only. Effective Fiscal Year 2004-05, due to the State's "Triple Flip," sales tax was reduced by 1/4 from 1.0 percent to 0.75 percent. The State backfills the lost revenue with Educational Revenue Augmentation Fund (ERAF) revenues (see In Lieu Local Sales and Use Tax).
2010-11 Actual	\$ 44,273,457	0.78%	
2011-12 Actual	\$ 49,367,691	11.51%	
2012-13 Actual	\$ 53,252,811	7.87%	
2013-14 Budget	\$ 55,649,187	4.50%	

SALES TAX:

The revenue estimate is impacted by the State's "Triple Flip" provision which reduces Sales Taxes by 25.0 percent. The budget estimate is based on an assumed 4.50 percent growth from the prior year actuals of \$53.3 million. The total projected for Fiscal Year 2013-14 is \$55.6 million.

Sales Tax Revenues



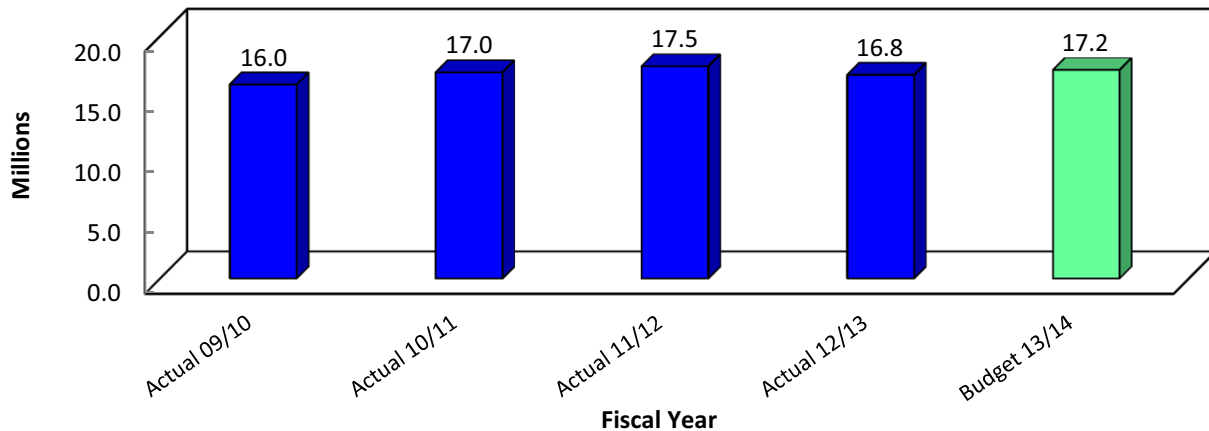
Revenue Source: Utility Tax

Trend		Percent Change	Comments
2009-10 Actual	\$ 16,017,827		A 2.5 percent tax on electricity, gas, sewer, phone (not cellular), and cable TV use in the Unincorporated Area.
2010-11 Actual	\$ 16,996,428	6.11%	
2011-12 Actual	\$ 17,493,436	2.92%	
2012-13 Actual	\$ 16,839,231	-3.74%	
2013-14 Budget	\$ 17,247,690	2.43%	

UTILITY TAX:

The revenue estimate is based on a 2.43 percent increase in utility collections in the Unincorporated Area. The total budgeted for Fiscal Year 2013-14 is \$17.2 million.

Utility Tax Revenues



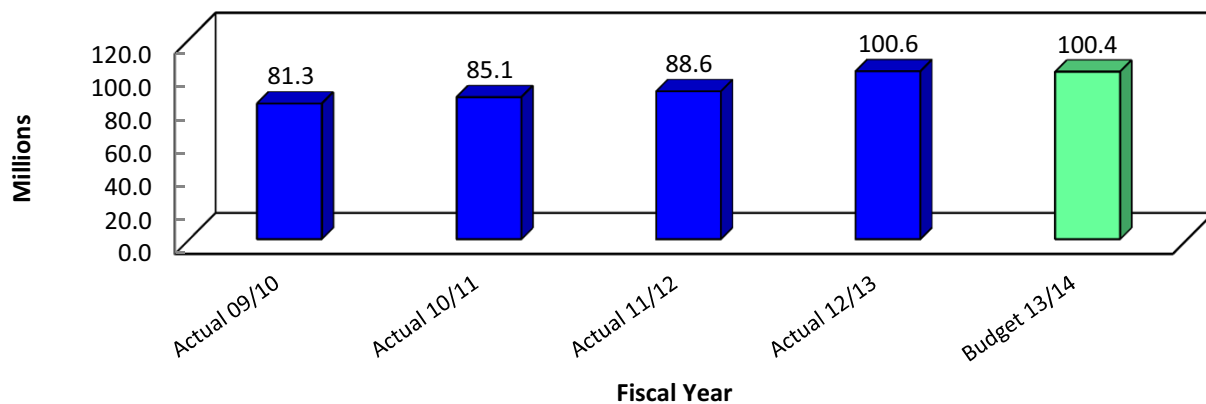
Revenue Source: Proposition 172 – Public Safety

Trend		Percent Change	Comments
2009-10 Actual	\$ 81,331,636		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.
2010-11 Actual	\$ 85,087,235	4.62%	
2011-12 Actual	\$ 88,638,530	4.17%	
2012-13 Actual	\$ 100,640,303	13.54%	
2013-14 Budget	\$ 100,373,832	-0.26%	

PUBLIC SAFETY REVENUE:

The budget estimate is based on -0.26 percent assumed growth in statewide sales tax collections from Fiscal Year 2012-13 actuals.

Proposition 172 - Public Safety



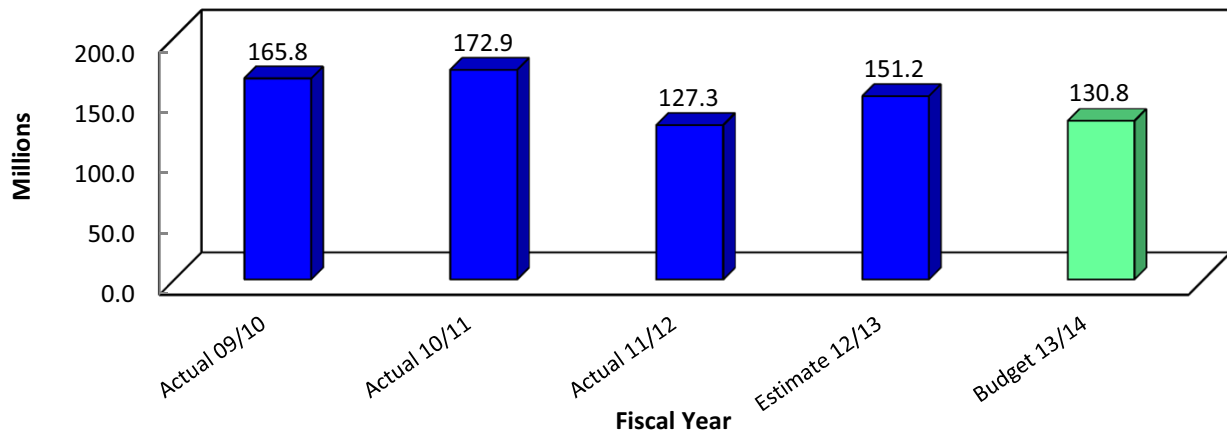
Revenue Source: Realignment 1991 Revenues

Trend		Percent Change	Comments
2009-10 Actual	\$ 165,816,857		Changes in revenue reflect county's share of 1/2 cent statewide sales tax and 24.33 percent of vehicle license fees which are allocated to health, mental health, and social service programs. Reduction in funding due to shift of mental health account.
2010-11 Actual	\$ 172,898,213	4.27%	
2011-12 Actual	\$ 127,304,970	-26.37%	
2012-13 Estimate	\$ 151,194,886	18.77%	
2013-14 Budget	\$ 130,786,379	-13.50%	

REALIGNMENT REVENUE:

The assumptions for Realignment include no growth in statewide sales tax collections and vehicle license fees collections, and no changes in allocation patterns among the major Realignment Accounts. The changes in Fiscal Year 2013-14 budget reflect the State's redirection of Public Health Realignment due to the Affordable Care Act and medical expansion.

Realignment 1991 Revenues



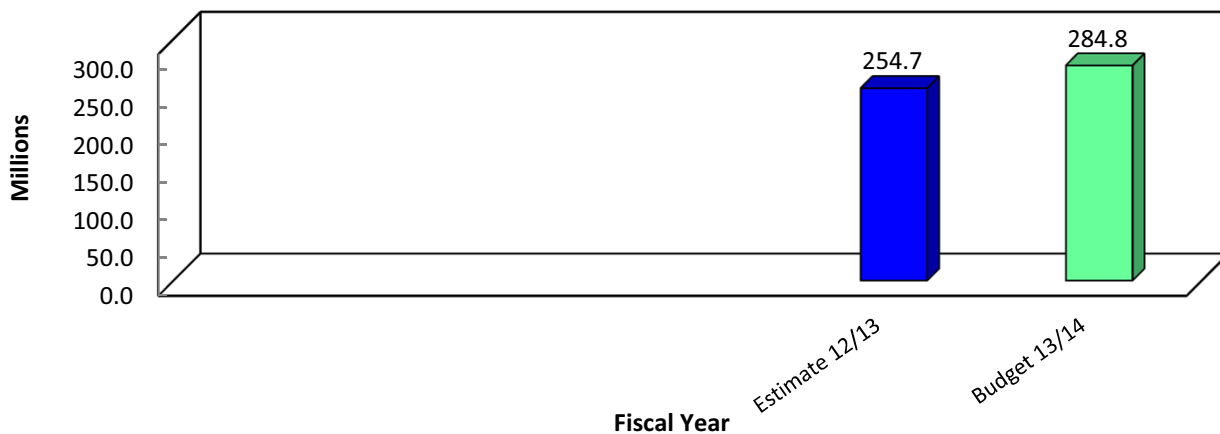
Revenue Source: Realignment 2011 Revenues

Trend		Percent Change	Comments
2012-13 Estimate	\$ 254,723,831	11.81%	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		

REALIGNMENT 2011 REVENUES:

The budget estimate is based on 11.81 assumed growth from the Fiscal Year 2012-13 estimated actuals. The Fiscal Year 2013-14 budgeted total is \$284.8 million.

Realignment 2011 Revenues



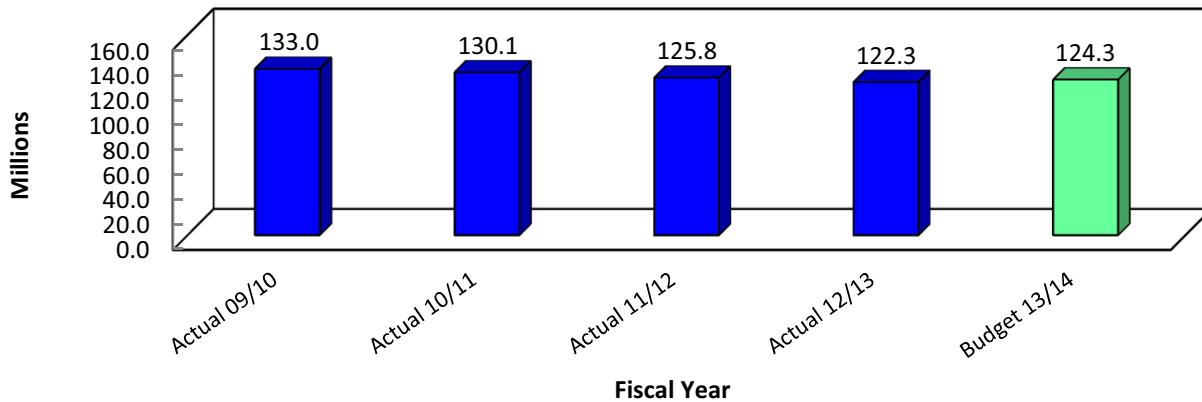
Revenue Source: Property Tax In-Lieu of Vehicle License Fee

Trend		Percent Change	Comments
2009-10 Actual	\$ 133,046,661		This revenue source emerged as the result of the State's "Swap" deal. This amount reflects backfill of the Vehicle License Fee that now flows to the State General Fund.
2010-11 Actual	\$ 130,088,166	-2.22%	
2011-12 Actual	\$ 125,760,833	-3.33%	
2012-13 Actual	\$ 122,310,424	-2.74%	
2013-14 Budget	\$ 124,343,185	1.66%	

PROPERTY TAX IN-LIEU OF VEHICLE LICENSE FEES:

The assumption for this revenue source is based on the State's "Swap" deal. The Fiscal Year 2013-14 projected total of \$124.3 million reflects a 1.66 percent increase from the prior year actual levels.

Property Tax In Lieu of Vehicle License Fees



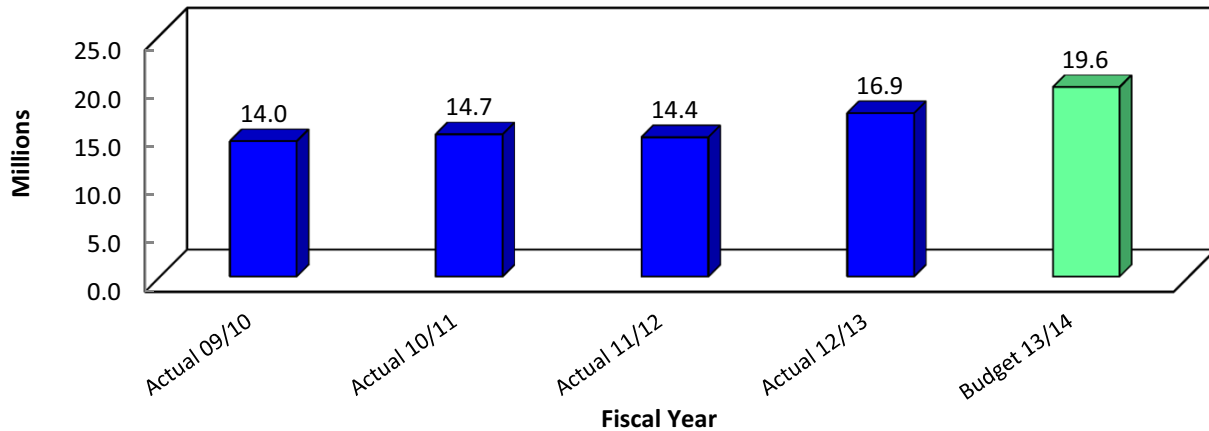
Revenue Source: In Lieu Local Sales and Use Tax

Trend		Percent Change	Comments
2009-10 Actual	\$ 14,047,475		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.
2010-11 Actual	\$ 14,721,704	4.80%	
2011-12 Actual	\$ 14,406,406	-2.14%	
2012-13 Actual	\$ 16,876,604	17.15%	
2013-14 Budget	\$ 19,629,672	16.31%	

IN LIEU LOCAL SALES AND USE TAX:

The assumption for this revenue source is based on the State's "Triple Flip" provision which reduces the County's Sales and Use Taxes by 25.0 percent. The State backfills this 25.0 percent reduction with Educational Revenue Augmentation Fund (ERAF) revenues. For Fiscal Year 2013-14, a total of \$19.6 million is budgeted for In Lieu Local Sales and Use Tax revenues, an increase of 16.31 percent from the prior year actuals.

In Lieu Local Sales and Use Tax



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 2013-14 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:

Action	Due Dates
Financial Status Report (FSR) due to CEO along with explanation	Friday, January 11, 2013
Budget Instruction Distributed to Departments	Monday, March 4, 2013
Personnel Budget Report (PBR) & Position Summary to Departments	Monday, March 4, 2013
Allocated Cost Package available on the Intranet	Monday, March 4, 2013
Preliminary General Fund Allocations Distributed to Departments	Monday, March 4, 2013
Form 330, Facility Acquisition/Improvement Request	Wednesday, March 13, 2013
Heavy Vehicle Requests to Fleet Services Division (Form 309B)	Wednesday, March 13, 2013
Light Vehicle Requests to Fleet Services Division (Form 308B)	Wednesday, March 13, 2013
RECOMMENDED BUDGET SUBMITTAL #1 due to CEO	Wednesday, March 27, 2013
Preliminary Department Reduction Impact Statements to CEO Analyst	Wednesday, March 27, 2013
Requests for Additional Growth due to CEO Analyst	Wednesday, March 27, 2013
Updated Financial Status Report (FSR) with explanation	Wednesday, April 10, 2013
RECOMMENDED BUDGET SUBMITTAL #2 due to CEO (if changes made)	Friday, May 3, 2013
Revised Reduction Impact Statement submitted to CEO if necessary	Friday, May 3, 2013
Program Description	Friday, May 3, 2013
Program Comparison Worksheet	Friday, May 3, 2013
Updated Program Database Due (if necessary)	Friday, May 3, 2013
Recommended Budget Available on County’s Internet Site	Wednesday, June 5, 2013
RECOMMENDED BUDGET HEARINGS	June 10 - 14, 2013
Budget changes resulting from Board Actions (Including position change information) due to CEO	Tuesday, June 18, 2013
Period 13 Closes – Fund Balance Available (date may shift)	Friday, July 19, 2013
Year-End FSR with explanation due to CEO	2 working days after Close
FINAL BUDGET SUBMITTALS DUE TO CEO FOR ALL FUNDS	Thursday, August 8, 2013
Final Budget Documents Made available to public	Friday, August 30, 2013
Final Budget Book Submittals (see checklist) due to CEO Analysts	Friday, September 6, 2013

FISCAL YEAR 2013-14 BUDGET TIMELINE (CONT.):

Performance Measures due	Friday, September 6, 2013
BUDGET HEARINGS	September 11, 12, 13
Budget Changes resulting from Board Actions due to CEO Analyst (Including Program Database and Summary of Positions as needed)	2 working days after Hearing

EXAMPLE OF A BUDGET MESSAGE

State Controller Schedules		County of Sacramento			Schedule 9
County Budget Act January 2010		Detail of Financing Sources and Financing Uses Governmental Funds Fiscal Year xxxx-xx			
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	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 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 NBA Sacramento Kings professional basketball team. The franchise has been playing their home games at Power Balance Pavilion (formerly Arco Arena), 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 being planned for downtown Sacramento. The Sacramento RiverCats (ranked by Forbes in 2012 as having the highest minor league baseball team value nationally) is the Oakland A's 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, including the following: NCAA Men's and Women's Basketball Tournaments; NCAA Division I Track and Field Championships; U.S. Gymnastics Championships; U.S. Olympic Team Trials for Track and Field; NCAA Division I Women's Volleyball Championship; Pan Pacific Masters Games; AVP Volleyball Open; and, the Amgen Bicycle Tour of California. Other major events included for the first time the 2010 U.S. Masters Outdoor Track and Field Championship and the 2011 World Masters Athletics Track and Field Championship.

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 21 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, Sacramento

Ballet, Sacramento Opera, Sacramento Philharmonic Orchestra 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	2013
Cities:						
Citrus Heights	---	---	---	85,071	83,267	84,345
Elk Grove	---	---	---	---	152,925	159,074
Folsom	5,810	11,003	29,802	51,884	72,201	72,294
Galt	3,200	5,514	8,889	19,472	23,641	24,185
Isleton	909	914	833	828	804	815
Rancho Cordova	---	---	---	---	64,413	66,927
Sacramento	257,105	275,741	369,365	407,018	466,279	473,509
Unincorporated Area:						
	367,349	409,209	632,330	659,226	553,529	564,657
Total:	634,373	783,381	1,041,219	1,223,499	1,417,059	1,445,806
% Increase over prior period:		23.49%	32.84%	17.50%	15.82%	2.03%
State Population:	19,935,134	23,782,000	29,828,496	34,095,209	37,223,900	37,966,000
% Increase over prior period:		19.30%	25.42%	14.30%	9.17%	1.99%

Sources: U.S. Census Bureau; 2013 from California Department of Finance.

INDUSTRY AND EMPLOYMENT

Three major job categories comprised 70 percent of the Sacramento Metropolitan Statistical Area (SMSA) work force as of July 2013: services (35 percent), government (22 percent), and wholesale/retail trade (13 percent), based on seasonally unadjusted July 2013 statistics, as summarized in the following table.

**Sacramento Metropolitan Statistical Area Labor Market Survey
Calendar Years 2009 to July 2013
(Amounts Expressed in Thousands)**

Industry	2009	2010	2011	2012	July 2013
Mining	0.5	0.5	0.4	0.3	0.4
Construction	38.1	33.4	34.8	34.4	36.5
Manufacturing-Nondurable goods	11.6	11.3	10.7	10.9	11.6
Manufacturing-Durable goods	21.7	21.9	22.0	23.0	23.9
Transportation, Warehousing & Public Utilities	23.4	23.3	21.4	23.8	22.6
Information	18.1	16.7	16.8	14.8	14.5
Wholesale Trade	23.2	22.4	23.0	25.7	26.3
Retail Trade	89.2	87.7	93.9	97.9	94.3
Finance, Insurance, Real Estate	72.4	58.8	58.8	60.3	60.1
Services	305.3	298.2	312.0	329.7	337.9
Government	235.1	235.6	222.1	219.2	212.3
Agriculture	8.4	7.5	7.2	6.9	9.7
Other	67.6	63.8	73.8	91.5	104.2
Total:	914.6	903.2	920.5	938.4	954.3

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

MAJOR EMPLOYERS

Major Private Sector employers in the Sacramento Metropolitan Statistical Area, their type of business and their number of full-time equivalent (FTE) employees in 2012, and major public sector employers in the County of Sacramento only, are detailed in the following two tables.

Major Private Sector Employers 2012

Company	Type of Business	No. of FTE Employees
Kaiser Permanente	Health Care	10,140
Sutter Health	Health Care	9,112
Raley's	Retail Grocery	7,283
Dignity Health (formerly Mercy/Catholic Healthcare West)	Health Care	7,054
Intel Corporation	Semiconductor Manufacturer	6,500
Hewlett-Packard	Computer Hardware Manufacturer	3,200
Wells Fargo	Financial Services	3,188
Health Net Inc.	Health Care	2,552
Cache Creek Casino Resort	Leisure & Hospitality	2,400
Pacific Gas & Electric	Natural Gas and Electric Utility	2,247

Source: Sacramento Business Journal Annual 2012 Book of Lists

**Major Public Sector Employers-Sacramento County Only
2012**

Company	Number of FTE Positions
State of California	69,763
Sacramento County	11,450
UC Davis Health System	9,584
Elk Grove Unified School District	5,021
Sacramento City Unified School District	5,000
San Juan Unified School District	4,700
City of Sacramento	4,083
Los Rios Community College District	3,269
California State University Sacramento	2,936
Folsom Cordova Unified School District	1,850
Sacramento Municipal Utility District	1,828

Source: Sacramento Business Journal Annual 2012 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. Total taxable sales peaked most recently in Calendar Year (CY) 2005, and then declined through CY2010 by approximately 27 percent, before beginning to increase again in CY 2011 by approximately four percent. The County's actual sales tax revenues increased by eightpercent in Fiscal Year 2011-12, and by ten percent in Fiscal Year 2012-13. Fiscal Year 2013-14 sales tax revenues are projected to increase by approximately 7.3 percent.

**SACRAMENTO COUNTY UNINCORPORATED AREA
Total Taxable Transactions Calendar Year 2004 through 2012
(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
Autos and Transportation	\$942,614	\$955,688	\$1,064,256	\$1,273,021
Building and Construction	742,477	676,288	693,286	762,895
Business and Industry	666,587	694,813	627,555	674,146
Food and Drugs	365,855	364,302	386,230	381,953
Fuel and Service Stations	720,859	810,838	1,016,776	1,065,706
General Consumer Goods	1,363,374	1,267,755	1,187,993	1,266,687
Restaurants and Hotels	519,606	513,121	534,203	558,746
Transfers/Adj/Other	2,134	(316)	482	(192)
Total:	\$5,323,506	\$5,282,489	\$5,510,781	\$5,982,962

Source: The HdL Companies

CONSTRUCTION ACTIVITY

The value of total building permits issued in the County was \$825,184,000 in 2012, a decrease of 11 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 941 in 2012, an increase of 46 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 2006 through 2012
(Amounts Expressed in Thousands)**

Valuation:	2006	2007	2008	2009	2010	2011	2012
Residential	\$1,172,892	\$961,888	\$681,318	\$396,103	\$382,892	\$407,619	\$371,640
Nonresidential	592,330	600,632	897,092	356,605	326,017	521,650	453,544
Total:	\$1,765,222	\$1,562,520	\$1,578,410	\$752,708	\$708,909	\$929,269	\$825,184
New Dwelling Units:							
Single Family	3,677	2,764	1,692	754	630	504	803
Multiple Family	1,017	146	18	8	50	142	138
Total:	4,694	2,910	1,710	762	680	646	941

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 37-mile light rail system.

The Port of Sacramento provides direct ocean freight service to all major United States and world ports, shipping approximately 870,000 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 ten passenger airlines serving approximately 4.4 million enplaned passengers annually, Executive Airport and Franklin Field for general aviation and Mather Airport for air cargo and general aviation. In October 2011, the County opened a new 19-gate Concourse B (netting seven additional gates) and a new landside Terminal B at the Sacramento International Airport.

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 2011 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 2011 was \$411,211,000, the highest ever recorded, representing an 8.8 percent increase from 2010 values, following a 6.2 percent increase in 2010. The top two crop production values in the County during 2011 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 240,000 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 81,000 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 20,000, as well as Yuba College with an enrollment of approximately 10,000. Schools offering vocational education include Carrington College, Anthem

College, Heald College, MTI College of Business and Technology, ITT Technical Institute and WyoTech.

In the Sacramento area roughly 28 percent of the adult population has a Bachelor's degree or higher, compared to 27percent nationwide and 29 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 100 academic majors and 90 graduate programs, serving 32,000 students. Founded in 1908 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. A new mixed-use community on campus, UC Davis West Village, incorporates innovative practices and technologies to be a model community for conservation. One of ten campuses in the University of California system, UCD ranks 6th among U.S. universities based on contributions to society (Washington Monthly) and 10th in research spending among public universities nationwide (National Science Foundation). It is one of 61 North American universities admitted into the prestigious Association of American Universities. U.S. News and World Report ranks UCD 9th among public universities nationwide.

CSUS enrolls 27,000 undergraduate and graduate students, and graduates approximately 6,000 students each year. The university has an annual economic impact on the region of nearly \$930 million and 16,000 jobs. CSUS has one of the largest cooperative education programs in California, placing students in paid positions where they receive academic credit. Hundreds of other students serve internships in business and government, and a third of CSUS students work as volunteers, many through a service learning project in class, gaining valuable work experience while helping their community.

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 Phoenix, 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.