

# GENERAL BUDGET INFORMATION

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# BOARD OF SUPERVISORS AND COUNTY OFFICIALS



## The Board of Supervisors



**DISTRICT 1**  
Phil Serna



**DISTRICT 2**  
Jimmie Yee



**DISTRICT 3**  
Susan Peters



**DISTRICT 4**  
Roberta  
MacGlashan



**DISTRICT 5**  
Don Nottoli

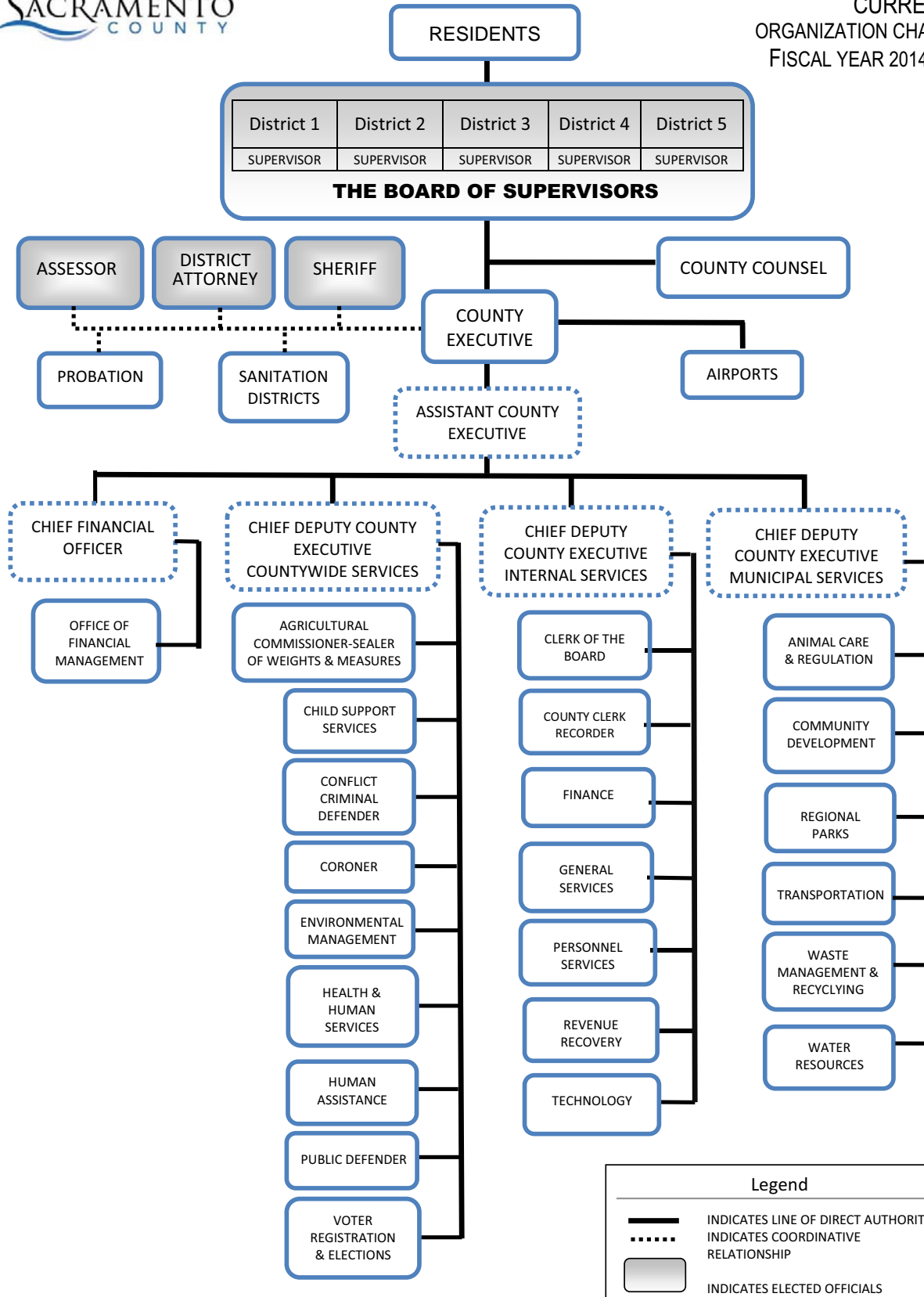
**COUNTY EXECUTIVE**  
Bradley J. Hudson

**COUNTY COUNSEL**  
John Wisenhunt

# ORGANIZATIONAL CHART



CURRENT  
ORGANIZATION CHART  
FISCAL YEAR 2014-15



# LETTER FROM CHAIR, BOARD OF SUPERVISORS

**CHAIRMAN  
BOARD OF SUPERVISORS  
COUNTY OF SACRAMENTO**  
700 H Street, Suite 2450  
Sacramento, CA 95814  
Telephone: (916) 874-5481  
Facsimile: (916) 874-7593



**JIMMIE R. YEE  
SUPERVISOR  
SECOND DISTRICT**

**MAMIE YEE  
Chief of Staff**

October 24, 2014

To the Residents of Sacramento County:

The Sacramento County Board of Supervisors is pleased to present the County's Fiscal Year 2014-15 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 9, 2014 the final budget was adopted by the Board of Supervisors.

This year's budget is the result of a tremendous amount of work and effort in its preparation and compilation to have a balanced budget. This budget reflects the continuing commitment to provide the requisite level of services the County performs, which is accomplished by the dedicated County administrators and employees. The adopted budget by the Board of Supervisors is to maintain fiscal integrity while working to serve the needs of the County residents.

If you need further information regarding the Fiscal Year 2014-15 Adopted Budget or the County's budget process, please feel free to go online and visit [saccounty.net](http://saccounty.net) or contact either your representative on the Board of Supervisors or the Office of the County Executive.

Sincerely,

A handwritten signature in black ink that reads "Jimmie R. Yee". The signature is written in a cursive, flowing style.

JIMMIE R. YEE  
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 2014-15 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 2014. 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 2014-15 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.ofm.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. Annually, the Board of Supervisors holds a separate hearing on the Five-Year Capital Improvement Plan.

**II. Summary of the Adopted Final Budget**

Final Budget Hearings were held in September 2014. As part of these hearings the Board of Supervisors adopted the County Executive’s Recommended Budget totaling \$3.72 and is reflected in the table below. The adopted budget reflects an increase of 3.0 percent (\$0.11 billion) from the Fiscal Year 2013-14 Adopted Budget of \$3.61 billion.

**Total County Budget by Fund Type**

	<b>AMOUNT</b>	<b>PERCENT</b>
General Fund	\$2,201,593,739	59.1%
Special Revenue Funds	338,592,416	9.1%
Capital Project Funds	42,958,336	1.2%
Debt Service Funds	42,184,311	1.1%
<b>Subtotal - Governmental Funds</b>	<b>2,625,328,802</b>	<b>70.5%</b>
Internal Service Funds	363,663,799	9.8%
Enterprise Funds	432,846,764	11.6%
Special Districts and Other Agencies	300,897,457	8.1%
<b>TOTAL</b>	<b>\$3,722,736,822</b>	<b>100.0%</b>

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

The overall authorized spending for departmental programs and the contingency is approximately \$2.20 billion. As reflected in the table above the General Fund is the largest county fund. Support for the General Fund is detailed in the following table:

<b>Financing Source</b>	<b>Amount</b>
Departmental Revenue	\$1,649,475,673
Local Revenue	507,501,492
Reserve Release	694,963
Fund Balance	43,921,611
<b>Total</b>	<b>\$2,201,593,739</b>

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:

<b>Appropriation Type</b>	<b>Amount (In Millions)</b>	<b>Percent</b>
Salaries and Benefits	\$1,097.9	49.9%
Welfare Aid Payments	407.6	18.5%
Other Charges	352.9	16.0%
Services and Supplies	324.0	14.7%
Internal Charges	153.1	7.0%
Debt Service	12.1	0.5%
All Other	(146.0)	-6.6%
<b>Total</b>	<b>\$2,201.6</b>	<b>100.0%</b>

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 2014-15 Adopted Budget:

**ADOPTED BUDGET NET COST COMPARISON**

(Amounts Expressed in millions)

<b>Program</b>	<b>2013-14 Adopted Budget Net Cost</b>	<b>2014-15 Adopted Budget Net Cost</b>	<b>Year to Year Variance</b>
<b>Elected Officials</b>			
Assessor	\$8.6	\$8.8	\$0.2
Board of Supervisors	3.0	3.4	0.4
District Attorney	44.7	50.2	5.5
Sheriff	184.4	191.8	7.4
Correctional Health Services	25.2	30.4	5.2
<b>Subtotal</b>	<b>265.9</b>	<b>284.6</b>	<b>18.7</b>
<b>Countywide Services</b>			
Child Support Services	0.0	0.0	0.0
Health and Human Services	17.9	9.3	(8.6)
Health Treatment Account	12.6	10.9	(1.7)
Human Assistance-Admin.	10.5	11.0	0.5
Human Assistance-Payments	16.4	23.8	7.4
IHSS Provider Payments	1.4	2.6	1.2
Probation	49.7	56.9	7.2
Public Defender	27.9	29.4	1.5
Other	66.9	67.6	0.7
<b>Subtotal</b>	<b>203.3</b>	<b>211.5</b>	<b>8.2</b>

**ADOPTED BUDGET NET COST COMPARISON**

(Amounts Expressed in millions)

<b>Program</b>	<b>2013-14 Adopted Budget Net Cost</b>	<b>2014-15 Adopted Budget Net Cost</b>	<b>Year to Year Variance</b>
<b>General Government/COO</b>	<b>19.0</b>	<b>35.4</b>	<b>16.4</b>
<b>Internal Services</b>	<b>9.0</b>	<b>10.0</b>	<b>1.0</b>
<b>Municipal Services</b>	<b>8.0</b>	<b>15.6</b>	<b>7.6</b>
<b>Contingencies</b>	<b>4.0</b>	<b>2.7</b>	<b>(1.3)</b>
<b>Total</b>	<b>\$509.2</b>	<b>\$559.8</b>	<b>\$50.6</b>

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

Countywide Services consume approximately 37.8 percent of the local revenue resources, primarily for mandated services. Municipal Services, Internal Services, and General Government are allocated together at only 10.9 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:

<b>General Purpose Revenues (Amounts Expressed In Millions)</b>			
	<b>2013-14 Adopted Budget</b>	<b>2014-15 Adopted Budget</b>	<b>Year to Year Decrease / (Increase)</b>
Property Taxes *	\$196.5	\$218.5	\$22.0
Property Tax In Lieu of Vehicle License Fees	124.3	135.0	10.7
Sales Tax & In Lieu Sales Tax	75.3	75.2	(0.1)
Utility Tax	17.2	17.0	(0.2)
Fines & Penalties	14.1	14.7	0.6
Property Transfer Tax	7.0	7.5	0.5
Franchises	4.8	4.8	0.0
Revenue Neutrality & Transition	16.1	17.1	1.0
Other Revenues & Costs	21.1	30.8	9.7
<b>Total</b>	<b>\$476.4</b>	<b>\$520.6</b>	<b>\$44.2</b>

\*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 42.0 percent of the total financing. Property Taxes is a 1.0 percent tax on real property.

Property Tax In Lieu of Vehicle License Fees is the third largest source of General Fund financing with 25.9 percent of the total financing. This revenue source emerged as a result of the State’s “swap” deal.

Sales Taxes and In Lieu Sales account for 14.4 percent of the total General Fund financing. Sales tax is expected to reach approximately \$56.2 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 \$19.0 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:

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

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

- In Fiscal Years 2008-09 through 2010-11 the true impact of the economic downturn can be seen with the drop in fund balance which is predominately the result of a decrease in both property taxes and sales related taxes and transfers in from other funds.
- Fund Balance carried into Fiscal Years 2011-12 through 2014-15 are slightly improved from the prior year as revenues have begun to stabilize.

**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 2014-15 requirement and financing.

**SPECIAL REVENUE FUNDS**

**Affordability Fee – \$3,782,106 0.0 Positions**

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

**Building Inspection Fund – \$15,694,793 0.0 Positions**

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

**County Library – \$1,606,333 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 – \$51,260,148 15.0 Positions**

County economic development activities are financed from this fund. Major projects include the conversion of two former air force bases from military to mixed private and public use. Funding comes from the sale of land and facilities, grants, and a contribution from the General Fund. Requirements include reserve increase of \$1,664,380.

**Environmental Management Fund – \$20,990,412 119.0 Positions**

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

**First 5 Sacramento Commission Fund – \$28,516,331 13.0 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 – \$29,727 0.0 Positions**

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

**Golf Fund – \$7,724,040 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 – \$79,567,160 0.0 Positions**

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

**Roadways Fund – \$11,095,675 0.0 Positions**

This fund is used to segregate development impact and special assessment revenue dedicated to street and road acquisition, construction, and maintenance.

**Rural Transit Fund – \$5,937,307 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 – \$1,631,622 0.0 Positions**

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

**Transient-Occupancy Tax Fund – \$823,559**

**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 – \$62,362,802**

**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 – \$47,570,401**

**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 – \$39,253,228**

**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 – \$3,705,108**

**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 FUND**

**Teeter Plan – \$42,184,311**

**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	
	2014-15	POSITIONS
Board of Retirement	\$7,027,484	45.5
General Services-Airport District	6,526,467	37.0
General Services-Alarm Services	1,274,438	6.0
General Services-Architectural Services	2,505,020	12.0
General Services-Bradshaw District	13,975,475	82.0
General Services-Capital Outlay	13,265,300	0.0
General Services-Construction Mgmt & Inspection	17,119,565	98.0
General Services-Downtown District	7,964,482	50.0
General Services-Energy Management	8,932,171	1.0
General Services-Heavy Equipment	25,195,932	80.0
General Services-Light Equipment	20,126,813	24.0
General Services-Office Of The Director	1,699,539	28.0
General Services-Purchasing	2,079,844	17.0
General Services-Real Estate	45,934,751	22.0
General Services-Security Services	2,705,516	27.0
General Services-Support Services	7,768,087	19.0
Interagency Procurement	49,675,460	0.0
Liability/Property Insurance	17,916,799	0.0
Department of Technology	78,299,301	372.0
Regional Radio Communications System	4,855,373	9.0
Unemployment Insurance	1,838,097	0.0
Workers' Compensation Insurance	26,977,885	0.0
<b>TOTAL INTERNAL SERVICE FUNDS</b>	<b>\$363,663,799</b>	<b>929.5</b>

**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.

<b>DEPARTMENT</b>	<b>FISCAL YEAR</b>	
	<b>2014-15</b>	<b>POSITIONS</b>
Airport System	\$239,565,989	315.0
Airport-Capital Outlay	1,702,072	0.0
Parking Enterprise	4,105,149	7.0
Solid Waste Enterprise	84,468,756	251.8
Solid Waste Enterprise Capital Outlay	12,116,272	0.0
Water Agency Enterprise	90,888,526	103.0
<b>TOTAL ENTERPRISE FUNDS</b>	<b>\$432,846,764</b>	<b>676.8</b>

**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.

<b>DEPARTMENT</b>	<b>FISCAL YEAR</b>	
	<b>2014-15</b>	<b>POSITIONS</b>
1997-Public Facilities Debt Service	\$299,045	0.0
1997-Public Facilities-Construction	542,687	0.0
1997-Refunding Public Facilities Debt Service	419,406	0.0
2003 Public Facilities-Debt Service	90,041	0.0
2004 Pension Obligation Bonds	1,811,141	0.0
2006 Public Facilities-Debt Service	375,128	0.0
2007 Public Facilities Projects-Construction	21,054	0.0
2007 Public Facilities Projects-Debt Service	336,608	0.0
2010 Refunding COPs-Debt Service	519,395	0.0
2010 Refunding COPs-Parking Garage-Debt Service	87,585	0.0
Antelope Assessment	744,431	0.0
Antelope Public Facilities Financing Plan	2,072,234	0.0
Arcade Creek Park	2,300,000	0.0
Bradshaw/US 50 Financing District	215,932	0.0
Carmichael Recreation and Park District	4,132,398	18.0
Carmichael RPD Assessment District	667,210	0.0
Connector Joint Powers Authority	498,302	3.0
County Parks Community Facilities District 2006-1	2,496	0.0
County Service Area No. 1	3,189,103	0.0
County Service Area No. 10	187,672	0.0
County Service Area No.4B-(Wilton-Cosumnes)	30,550	0.0
County Service Area No.4C-(Delta)	50,750	0.0
County Service Area No.4D-(Herald)	10,429	0.0
Del Norte Oaks Park District	8,035	0.0
Department of Flood Management	109,101	1.0
Fixed Asset Revolving	46,750,637	0.0



<b>DEPARTMENT</b>	<b>FISCAL YEAR</b>	
	<b>2014-15</b>	<b>POSITIONS</b>
Florin Road Capital Project	414,786	0.0
Fulton Avenue Capital Project	11,973	0.0
Gold River Station No. 7	65,862	0.0
Juvenile Courthouse-Debt Service	54,675	0.0
Laguna Community Facility District	1,175,823	0.0
Laguna Creek/Elliott Ranch Community Facilities District No. 1	3,219,612	0.0
Laguna Stonelake Community Facilities District	300,040	0.0
Landscape Maintenance District	948,013	0.0
Mather Landscape Maintenance Community Facilities District	637,631	0.0
Mather Public Facilities Financing Plan	1,941,829	0.0
McClellan Park Community Facilities District	395,693	0.0
Metro Air Park	6,381,070	0.0
Metro Air Park Service Tax	750,118	0.0
Mission Oaks Maintenance/Improvement District	2,507,000	0.0
Mission Oaks Recreation and Park District	4,592,243	12.0
Natomas Fire District	2,018,832	0.0
North Vineyard Station Specific Plan (NVSSP)	3,095,541	0.0
NVSSP Community Facilities District	1,740,941	0.0
Park Meadows Community Facilities District-Bond Proceeds	126,743	0.0
Pension Obligation Bond-Debt Service	539,092	0.0
Pension Obligation Bond-Interest Rate Stabilization	0	0.0
Regional Sanitation District-Operating	58,697,782	480.0
Sacramento Area Sewer District	37,516,090	296.0
Sacramento County Landscape Maintenance	186,601	0.0
Sunrise Recreation and Park District	9,116,796	21.0
Tobacco Litigation Settlement-Capital Projects	4,405,302	0.0
Vineyard Public Facilities Financing Plan - Roadway	8,465,799	0.0
Water Agency Zone 11-Drainage Infrastructure	23,880,788	0.0
Water Agency-Zone 13	4,399,767	0.0
Water Resources	57,839,645	146.6
<b>TOTAL SPECIAL DISTRICTS AND OTHER AGENCIES</b>	<b>\$300,897,457</b>	<b>977.6</b>

**III. Five-Year Capital Improvement Plan**

The 2014-15 Adopted Budget includes a Five-Year Capital Improvement Plan (CIP) for Sacramento County. The Capital Improvement Plan lists both the approved and proposed capital improvements to be acquired or constructed through the 2018-19 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.

<b>CATEGORY</b>	<b>PRIOR-YEARS AND FIVE-YEAR COSTS</b>
Airports	150,322,000
County Buildings & Capital Construction	173,207,797
Libraries	11,415,322
Regional Parks	15,244,127
Transportation	312,432,458
Waste Management & Recycling	62,016,404
Water Resources-Drainage	35,598,086
Water Resources-Water Supply	39,883,061
<b>TOTAL</b>	<b>800,119,255</b>

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

# COUNTY EXECUTIVE'S RECOMMENDED FISCAL YEAR 2014-15 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 9, 2014

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

**Re: Fiscal Year 2014-15  
Budget Adoption**

Honorable Members of the Board:

I am honored to present for your guidance and direction the Adopted Budget recommendations for Fiscal Year 2014-15. The spending plan submitted today has been carefully crafted to address the Board's policy objectives while responsibly balancing fiscal reality and public service expectations. Improving economic conditions, the receipt of additional discretionary resources, and fiscal prudence by your managers and employees once again provide the opportunity to restore funding to your service priorities and repay a significant portion of the internal fund transfers used to mitigate the impact of the "Great Recession" on our employees and those we serve.

Unaudited year-end General Fund balance for FY2013-14 is \$43.9 million compared to \$25 million projected in the FY2014-15 Approved Budget. In addition, based in part on actual FY2013-14 receipts, we have revised our discretionary revenue and reimbursement estimates for FY2014-15 from \$506.4 million to \$520.6 million. The budget presented today allocates this additional fund balance and discretionary revenue, a total of approximately \$33.1 million, to critical County activities. A sampling of recommended Net County Cost adjustments to the FY2014-15 Approved General Fund Budget include:

- The repayment of \$12.9 million of the amount previously transferred to the General Fund from other County funds;
- A \$3 million increase in General Fund reserves to cover potential audit repayment obligations in Mental Health, bringing the total reserve for this purpose to \$5 million;
- The allocation of \$5 million to the Sheriff's budget, \$500,000 to the Probation budget and \$850,000 to the District Attorney's budget to address challenges identified at June budget hearings;

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- A \$1.5 million increase in the General Fund Contingency appropriation, bringing the Contingency to a total of approximately \$2.7 million, and with the Raley Field Debt Service Reserve included the total would be \$5.7 million;
- A \$650,000 increase in appropriations for various departments to account for contract encumbrance carry-forwards;
- The allocation of approximately \$4.6 million to the Community Development Department to address various service priorities including \$4.2 million for transportation improvements and funding for graffiti removal services, funding for three new Code Enforcement positions and full funding for a Community Prosecutor position that was partially funded by a grant in the Approved Budget.
- The investment of approximately \$3.6 million to address other Board priorities including Animal Care staff, staff and fire risk reduction programs in Regional Parks, pre-development costs for a the new Orangevale Library, enhanced staffing for public health homeless outreach, a representative payee program in Health & Human Services, preliminary work associated with the purchase of a new property tax system, and additional funding for economic development efforts.

These augmentations are in addition to service enhancements approved by your Board in June that include a robust array of safety net services, public safety funding, animal care, regional parks, community organizations and a number of other Board priorities.

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. Increased debt service costs, negotiated salary and benefit obligations, deferred maintenance on County facilities, critical technology improvements and \$48.4 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 an arduous process undertaken by all County departments to ensure that the County's financial plan meets the Board's fiscal and public service requirements. Our employees are to be congratulated for the diligence and creativity with which they have pursued this year's budget process. The underpinnings of this budget are solid, and are 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 FY2014-15 budget maintains existing service levels and augments priority programs, honors commitments to our employees, and makes a substantial repayment of past internal transfers. As always, your leadership has been essential in our crafting of 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.

# GENERAL BUDGET COUNTY EXECUTIVE'S RECOMMENDED FISCAL YEAR INFORMATION 2014-15 ADOPTED BUDGET LETTER

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## THE ALL-FUNDS BUDGET

The FY2014-15 Adopted All Funds Budget is recommended at \$3,722,736,822 which represents a 3.8% increase compared to the Budget approved by your Board on June 18, 2014. A more detailed comparison of the two budgets is shown below:

Fiscal Year 2014-15 Approved Budget Compared to Recommended For Adoption Budget			
All County Funds			
Fund	FY 2014-15 Approved Budget Requirements	FY 2014-15 Recommended For Adoption Requirements	Variance
General Fund	2,165,744,216	2,201,593,739	35,849,523
Economic Development	37,748,898	51,260,148	13,511,250
Environmental Management	20,673,395	20,990,412	317,017
Golf Fund	7,628,479	7,724,040	95,561
Transient Occupancy Tax	578,469	823,559	245,090
Transportation	169,344,010	206,533,345	37,189,335
Water Resources	157,863,014	177,008,726	19,145,712
Airport System	239,278,234	241,268,061	1,989,827
Waste Management and Recycling	91,050,897	96,585,028	5,534,131
Capital Projects Funds	36,424,409	42,958,336	6,533,927
Debt Service Funds	42,947,900	42,184,311	(763,589)
Other Special Revenue Funds	48,161,647	51,260,912	3,099,265
Other Enterprise Funds	3,601,005	4,105,149	504,144
Other Internal Service Funds	358,019,083	363,663,799	5,644,716
Other Special Districts and Agencies	205,814,994	214,777,257	8,962,263
<b>Total</b>	<b>3,584,878,650</b>	<b>3,722,736,822</b>	<b>137,858,172</b>

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

## THE GENERAL FUND BUDGET

### Approved Budget

At budget hearings in June, the Board considered my Recommended Budget for FY2014-15 and approved it with a number of changes, including changes in discretionary and semi-discretionary funding. These changes to the General Fund Budget enhanced funding for a variety of priority programs. Significant elements of these changes included the following:

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<b>Centrally Allocated Resource Changes at Approval</b>	
Additional Supplemental Property Tax Revenue	\$300,000
Additional SB 90 Reimbursements	\$2,004,000
DHHS (Increased Realignment Revenue)	\$1,175,000
<b>Total Additional Resources Available</b>	<b>\$3,479,000</b>
Financing Transfers/Reimbursements (Additional Net County Cost transfer to TOT Fund and CSA 4-B)	\$310,000
Animal Care and Regulation (Net County Cost increase)	\$249,000
Community Development (Net County Cost increase)	\$190,000
Non-departmental Costs (Net County Cost increase for Cemetery Commission)	\$15,000
District Attorney (Net County Cost increase)	\$1,000,000
Public Defender (Net County Cost increase)	\$350,000
DHHS (Realignment Increase)	\$1,175,000
DHHS (Net County Cost Increase)	\$150,000
Sheriff (Net County Cost increase)	\$40,000
<b>Total Increase</b>	<b>\$3,479,000</b>

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

**FY2014-15 Adopted Budget**

The County's FY2014-15 General Fund Adopted Budget totals \$2,196,094,184 in appropriations which represents an increase of \$32,349,968, or 1.5%, compared to the FY2014-15 Approved Budget. A more detailed comparison of the FY2014-15 Approved and FY2014-15 Adopted Budget for the General Fund is shown below:

# GENERAL BUDGET COUNTY EXECUTIVE'S RECOMMENDED FISCAL YEAR INFORMATION 2014-15 ADOPTED BUDGET LETTER

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## GENERAL FUND BUDGET FY2014-15 Approved, FY2014-15 Adopted

	<u>FY2014-15 Approved</u>	<u>FY2014-15 Adopted</u>	<u>Difference</u>
<b>Resources</b>			
Beginning Balance <sup>1</sup>	25,000,000	43,921,611	18,921,611
Use of Reserves	0	694,964	694,964
Discretionary Revenue	497,940,345	507,501,492	9,561,147
Semi-discretionary Revenue	562,998,015	563,503,746	505,731
Other Departmental Revenue	<u>1,079,805,856</u>	<u>1,085,971,927</u>	<u>6,166,071</u>
Total Revenue	<u>2,140,744,216</u>	<u>2,156,977,165</u>	<u>16,232,949</u>
<b>Total Resources</b>	<b>2,165,744,216</b>	<b>2,201,593,739</b>	<b>35,849,523</b>
<b>Requirements</b>			
Expenditures	2,170,965,981	2,206,491,657	35,525,676
Discretionary Reimbursements	(8,435,153)	(13,109,634)	(4,674,481)
Contingency	<u>1,213,388</u>	<u>2,712,161</u>	<u>1,498,773</u>
<b>Total Appropriations</b>	<b>2,163,744,216</b>	<b>2,196,094,184</b>	<b>32,349,968</b>
Provision for Reserves	<u>2,000,000</u>	<u>5,499,555</u>	<u>3,499,555</u>
<b>Total Requirements</b>	<b>2,165,744,216</b>	<b>2,201,593,739</b>	<b>35,849,525</b>

### Fund Balance and Reserves

The General Fund's unaudited FY2013-14 ending fund balance, which becomes the beginning fund balance for FY2014-15, totals \$94,354,469. This includes \$50,432,858 in reserves, consisting of Teeter and Pension Obligation Bond reserves and a \$32.4 million Reserve for Cash Flow, and an unrestricted balance of \$43,921,611. The unrestricted balance is approximately \$18.9 million higher than identified in the FY2014-15 Approved General Fund Budget. This increase reflects the difference between FY2013-14 year-end revenue and expenditure estimates and actual FY2013-14 revenue and expenditure numbers. The major contributors to this difference include:

- A \$15.3 million increase in discretionary revenue and reimbursements compared to year-end estimates, including a \$4.9 million increase in Secured Property Tax revenue, a \$5.6 million increase in Teeter revenue and reimbursements, a \$1.4 million increase in Supplemental Property Tax revenue and a \$1.1 million increase in Revenue Neutrality payments from different cities.
- A \$34.4 million reduction in FY2013-14 departmental expenditures compared to year-end estimates, partially offset by a \$30.8 million reduction in departmental revenue, for a reduction in Net County Cost of approximately \$3.6 million. The budget units with the largest reductions in Net County Cost compared to year-end estimates included the following: Human Assistance-Aid Payments which had a \$4.9 million reduction in Net County Cost due primarily to the one-time accrual of \$4.5 million in

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<sup>1</sup> Available (unreserved/restricted) fund balance

**GENERAL BUDGET COUNTY EXECUTIVE'S RECOMMENDED FISCAL YEAR  
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revenue (reflecting a change in accrual practices); the Probation which had a \$2.3 million reduction in Net County Cost due primarily to the one-time receipt of \$2.7 million in unspent SB678 funds from fiscal years 2011-12 and 2012-13; the Sheriff's Department which had a \$2.3 million reduction in Net County Cost due to a \$5.4 million increase in revenue from various sources, partially offset by a \$2.9 million increase in expenditures; and, IHSS Provider Payments which had a \$2.3 million reduction in Net County Cost due primarily to the receipt of prior year cost settlement revenue and federal and state reimbursements in excess of the County's MOE requirement. These and other Net County Cost reductions were partially offset by Net County Cost increases in some budget units including a \$3.4 million increase in Health-Medical Treatments due to lower than anticipated reimbursements related to the Low Income Health (LIHP) program.

The Adopted Budget includes a net \$195,000 reduction in Teeter reserves reflecting a decrease in the amount of reserves that need to be set aside for the Teeter Plan based on an analysis of Teeter reserve requirements by the Finance Department. In addition, a \$3 million increase in reserves is proposed to bring the total Reserve for Mental Health Audit Repayments to \$5 million (the \$2 million provision for reserve in the Approved Budget was also for this purpose). Health & Human Services staff is still in discussions with the State regarding the two most recent Mental Health audits and we do not know exactly how much repayment will be required. At this point, the estimate is somewhere between \$4 million and \$10 million.

Discretionary Revenue and Reimbursements

The Adopted Budget includes approximately \$14.2 million, or 2.8%, more in discretionary revenue and reimbursements than the Approved Budget. This is the net result of increases and decreases in a number of revenue sources as shown in the following table:

**Discretionary Revenue & Reimbursements  
(Amounts Expressed in Thousands)**

	FY2013-14 Estimated Year- end	FY2013-14 Actual	FY2014-15 Approved Budget	FY2014-15 Adopted Budget	Difference Approved Adopted	- to
Property Tax- Secured/VLF In-lieu	308,454	313,383	325,419	330,619	5,200	
Other Property Tax	13,229	14,802	20,246	20,246	0	
Sales & In-Lieu Sales Tax	73,374	73,284	74,321	75,244	923	
Redevelopment Property Tax Repayment	1,663	2,721	866	2,000	1,134	
Teeter Reimbursement/Revenue	8,975	14,542	7,575	13,559	5,984	
SB 90 Repayment	0	0	2,004	2,736	732	
Other	77,688	79,663	75,945	76,207	262	
<b>Total</b>	<b>483,383</b>	<b>498,305</b>	<b>506,376</b>	<b>520,611</b>	<b>14,235</b>	

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

- A \$5.2 million (1.6%) increase in Secured Property Tax and Property Tax In Lieu of Vehicle License Fee (VLF) revenue. The Secured Property Tax revenue estimate in the Approved Budget reflected the Assessor's estimate that FY2014-15 property tax



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revenue would grow by 5.5% over the amount received in FY2013-14. As indicated above, actual FY2013-14 Secured Property Tax revenue came in higher than estimated, thus the 5.5% increase was applied to a higher FY2013-14 number.

- A \$6 million (79%) increase in Teeter revenue and reimbursements. Teeter reimbursement and revenue estimates were revised after discussions with the Department of Finance and the Tax Collector. The revised estimates take into account FY2013-14 actual delinquencies, the most recent trends in delinquency rates and updated information on the balances of prior year's notes outstanding. In general, we expect to see a continued decline in Teeter revenue and reimbursements as the economy improves, but we do not expect the rate of decline to be as steep as originally projected.
- A \$1.1 million increase in property tax revenue being repaid to the County due to the dissolution of redevelopment agencies by the State. This is a relatively new revenue source and, with no history to draw upon, estimating the amount the County will receive in any year has been difficult. In FY2012-13, the County received \$1.4 million from this source and in FY2013-14 we received \$2.7 million. According to the Department of Finance, approximately \$700,000 of the FY2013-14 revenue from this source reflected one-time payments related to the return of money in certain redevelopment agencies' fund balances. The Department of Finance believes that \$2 million represents the amount the County can expect to receive on an on-going basis.
- A \$923,000 (1.2%) increase in Sales and Property Tax in Lieu of Sales Tax revenue. Based on information provided by the County's sales tax consultants and year-to-date revenue collections, the Approved Budget assumed that revenue from this source in FY2014-15 would grow by approximately 1.2% compared to the amount received in FY2013-14. Based on more recent information, the Adopted Budget assumes that revenue from these sources will grow by closer to 2.7%.

As you are aware, a key issue in terms of the General Fund's long-term fiscal condition is the rate of growth in discretionary resources. The General Fund Five Year Sensitivity Analysis, presented in the FY2014-15 Approved Budget, suggested that total annual discretionary revenue and reimbursement growth would need to be in the 5% to 6% range for the General Fund to be in structural balance over the next five years.<sup>2</sup>

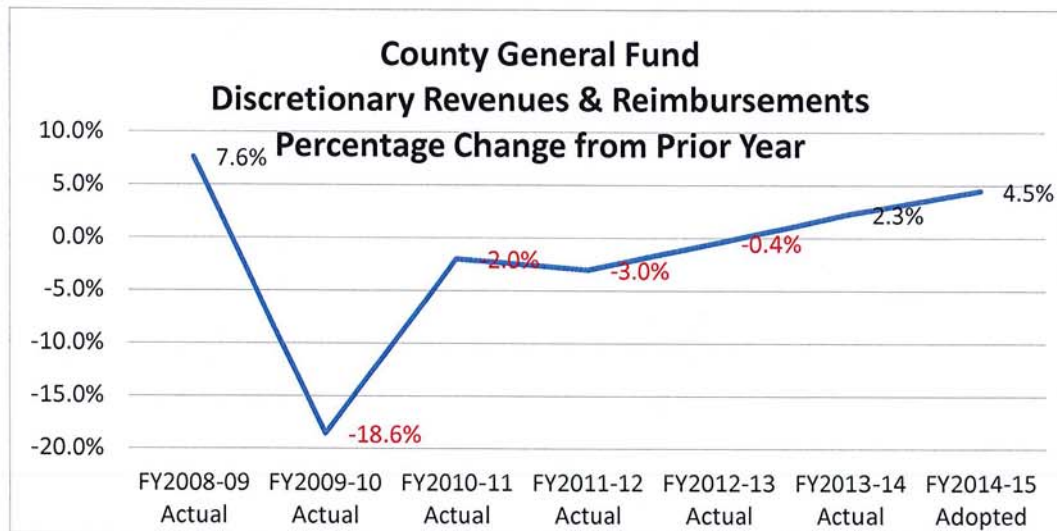
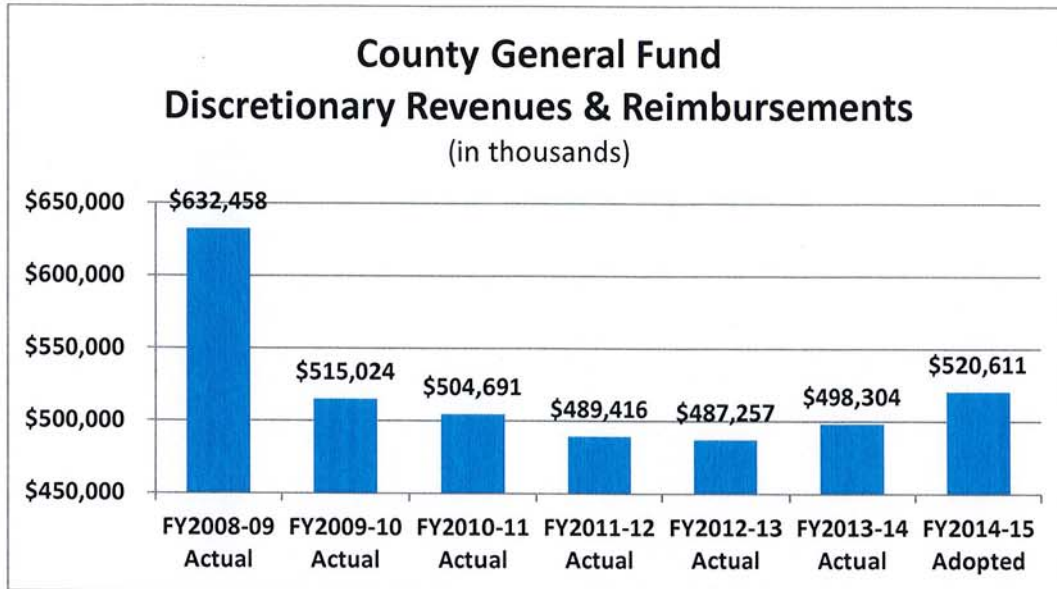
Based on FY2013-14 actual discretionary revenue and reimbursement numbers, it appears that FY2014-15 will be the second year of growth in discretionary revenue and Reimbursements since FY2008-09. The following graphs show the actual amount of discretionary revenue and reimbursements received (and percent changes) since FY2007-08 and the estimated amount included in the FY2014-15 Adopted Budget.<sup>3</sup>

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<sup>2</sup> The General Fund Five Year Sensitivity Analysis is currently being updated and a revised version will be presented to your Board at Budget Adoption Hearings.

<sup>3</sup> These numbers include one-time revenue and reimbursements.

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As can be seen, after a dramatic 18.6% (approximately \$117 million) decrease in FY2009-10, the annual rate of decline in discretionary revenue and reimbursements settled in at the 2% to 3% range (\$10 million to \$15 million), until FY2012-13, when discretionary revenue and reimbursements declined by only 0.4% (approximately \$2 million). In FY2013-14, discretionary revenue and reimbursements grew by 2.3% (approximately \$11 million) and the FY2014-15 Adopted Budget reflects an estimated 4.5% (approximately \$22.3 million) increase compared to the prior year actual number. Given this, based on the cost and revenue assumptions used in the Approved Budget Sensitivity Analysis, unless the rate of growth in discretionary revenue and reimbursements increases, it is doubtful the General Fund will achieve structural balance in the next five years.

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

The FY2014-15 Adopted Budget includes a Net County Cost of approximately \$559.8 million which represents an increase of approximately \$30.4 million, or 5.7%, compared to the Approved Budget. The recommended allocations are summarized in the following table:

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## General Fund Allocations for FY 2014-15 Recommended for Adoption Budget As Compared to FY 2014-15 Approved Budget

DEPARTMENT	FY 2014-15 Approved	FY 2014-15 Recommended for Adoption	Variance
<b>ELECTED OFFICIALS</b>			
Assessor	8,827,737	8,827,737	0
Board of Supervisors	3,137,512	3,352,512	215,000
District Attorney	49,336,926	50,186,926	850,000
Sheriff	186,754,258	191,754,258	5,000,000
Correctional Health	30,427,331	30,427,331	0
<b>Subtotal</b>	<b>278,483,764</b>	<b>284,548,764</b>	<b>6,065,000</b>
<b>COUNTYWIDE SERVICES</b>			
Human Assistance-Aid Payments	23,772,091	23,772,091	0
DHA Administration	10,631,542	11,046,830	415,288
Health & Human Services	8,742,332	9,277,915	535,583
Probation	56,300,440	56,950,440	650,000
Courts	35,257,366	35,356,166	98,800
Public Defender and Conflict Defenders	38,536,622	38,947,906	411,284
Medical Treatment Payments	10,830,628	10,858,517	27,889
In-Home Supportive Services (IHSS)	2,584,161	2,584,161	0
Voter Registration and Elections	7,358,063	7,358,063	0
Other Countywide Services	15,173,926	15,330,107	156,181
<b>Subtotal</b>	<b>209,187,171</b>	<b>211,482,196</b>	<b>2,295,025</b>
<b>MUNICIPAL SERVICES</b>			
Animal Care & Regulation	4,635,652	4,829,772	194,120
Community Development	2,996,490	7,645,471	4,648,981
Regional Parks	3,653,517	4,174,114	520,597
<b>Subtotal</b>	<b>11,285,659</b>	<b>16,649,357</b>	<b>5,363,698</b>
<b>INTERNAL SERVICES</b>			
Finance Department	306,556	464,300	157,744
Other Internal Services	100,300	136,648	36,348
<b>Subtotal</b>	<b>406,856</b>	<b>600,948</b>	<b>194,092</b>
<b>GENERAL GOVERNMENT</b>	<b>30,012,048</b>	<b>46,446,880</b>	<b>16,434,832</b>
<b>TOTAL</b>	<b>529,375,498</b>	<b>559,728,145</b>	<b>30,352,647</b>

# GENERAL BUDGET COUNTY EXECUTIVE'S RECOMMENDED FISCAL YEAR INFORMATION 2014-15 ADOPTED BUDGET LETTER

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In some cases, though, increases in Net County Cost (or General Fund Contribution) offset reductions in Semi-discretionary revenue (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 to all departments in the FY2014-15 Approved Budget and the FY2014-15 Adopted Budget.

## Centrally Allocated Resources

### Net County Cost, Semi-Discretionary Resources

	Approved June 2014	Adopted September 2014	Difference
AG COMM-SEALER OF WTS & MEASURES	1,172,387	1,172,387	-
ANIMAL CARE AND REGULATION	4,635,652	4,829,772	194,120
APPROPRIATION FOR CONTINGENCY	1,213,388	2,712,161	1,498,773
ASSESSOR	8,827,737	8,827,737	-
BOARD OF SUPERVISORS	3,137,512	3,352,512	215,000
CARE IN HOMES AND INSTITUTIONS	283,250	283,250	-
CIVIL SERVICE COMMISSION	318,089	318,089	-
CLERK OF THE BOARD	1,128,714	1,128,714	-
COMMUNITY DEVELOPMENT	2,996,490	7,645,471	4,648,981
CONFLICT CRIMINAL DEFENDERS	9,393,164	9,577,164	184,000
CONTRIBUTION TO LAFCO	228,833	228,833	-
COOPERATIVE EXTENSION	329,892	336,073	6,181
CORONER	6,135,333	6,135,333	-
CORRECTIONAL HEALTH SERVICES	37,352,669	37,352,669	-
COUNTY COUNSEL	2,039,299	2,186,783	147,484
COUNTY CLERK / RECORDER	-	25,006	25,006
COUNTY EXECUTIVE	1,035,338	1,035,338	-
COUNTY EXECUTIVE CABINET	-	238,575	238,575
COURT / COUNTY CONTRIBUTION	24,662,956	24,761,756	98,800
COURT / NON-TRIAL COURT FUNDING	10,594,410	10,594,410	-
DATA PROCESSING-SHARED SYSTEMS	7,904,194	8,254,194	350,000
DEPARTMENT OF FINANCE	306,556	464,300	157,744
DEPARTMENT OF REVENUE RECOVERY	-	11,342	11,342
DISTRICT ATTORNEY	62,437,753	63,201,154	763,401
EMERGENCY OPERATIONS	478,902	478,902	-
FAIR HOUSING SERVICES	150,000	150,000	-
FINANCING-TRANSFERS/REIMB	1,426,841	2,276,841	850,000
GRAND JURY	310,675	310,675	-
HEALTH AND HUMAN SERVICES	190,145,703	190,681,286	535,583
HEALTH-MEDICAL TREATMENT PAYMENTS	11,830,628	11,858,517	27,889
HUMAN ASSISTANCE-ADMIN	18,665,059	19,080,347	415,288
HUMAN ASSISTANCE-AID PAYMENTS	151,520,099	151,520,099	-
IHSS Provider Payments	50,961,650	50,961,650	-
JUVENILE MEDICAL SERVICES	7,320,545	7,470,545	150,000

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NON-DEPARTMENTAL COSTS/GF	14,088,450	27,938,450	13,850,000
OFFICE OF INSPECTOR GENERAL	100,300	100,300	-
PROBATION	99,994,558	100,869,504	874,946
PUBLIC AUTHORITY	327,292	327,292	-
PUBLIC DEFENDER	29,627,918	29,855,202	227,284
REGIONAL PARKS	3,653,517	4,174,114	520,597
Reserve	1,000,000	1,000,000	-
SHERIFF	317,216,187	322,083,571	4,867,384
VETERAN'S FACILITY	15,952	15,952	-
VOTER REGISTRATION/ ELECTIONS	7,358,063	7,358,063	-
WILDLIFE SERVICES	47,558	47,558	-
	<b>1,092,373,513</b>	<b>1,123,231,891</b>	<b>30,858,378</b>

As can be seen, the amount of Net County Cost and Semi-discretionary resources allocated to programs in the Adopted Budget is approximately \$30.9 million, or 2.8%, greater than the FY2014-15 Approved Budget level. A discussion of the major proposed changes in Net County Cost or Semi-discretionary revenue for selected General Fund budget units is provided below.

*Animal Care & Regulation*

A \$194,000 appropriation and Net County Cost increase is recommended to fund an additional Senior Animal Control Officer, Animal Control Officer and Senior Office Assistant. The Senior Animal Control Officer will allow both field and kennel operations to have leadership teams to provide better oversight and adequate direction for staff that provide services directly to the public and give attention and care to animals at large and in the shelter. The Animal Control Officer position will increase the department's ability to address calls for service including those in more remote locations of the County. The Senior Office Assistant position will provide additional staffing to process both public counter and mail-in licensing transactions, process adoption and animal admission transactions when the shelter is open to the public, and provide back-up to the Department's dispatcher.

*Financing Transfers/Reimbursements*

I am recommending an \$850,000 increase in appropriations and Net County Cost. \$750,000 of this increase represents a transfer of General Fund resources to the Capital Construction Fund (CCF) to pay for pre-development costs associated with the construction of a new Orangevale Library. The remaining \$100,000 reflects a transfer of General Fund resources to the Economic Development Fund to cover costs related to the formation of new Business Improvement Districts (\$84,000) and travel costs (\$16,000).

The County's Capital Improvement Plan (CIP), approved by the Board in June proposed to spend a total \$10 million over three years, starting in FY2016-17, to fund the construction of a new Orangevale Library. The CIP indicated that \$5 million of the cost would be financed by a loan from the Fixed Asset Acquisition Fund (FAAF) with repayment from impact fees. The source of the remaining \$5 million was unidentified. I am recommending that we include General Fund resources for design work on this project now.

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### *Conflict Criminal Defenders*

A \$184,000 increase in appropriations and Net County Cost is recommended to cover the cost of potential contract rate increases for attorney's providing criminal defense services. Contract rates for attorneys providing these services were last increased in 2013 but continue to lag the rates paid by the federal government for contract public defender services.

### *Data Processing Shared Systems*

A \$350,000 increase in appropriations and Net County Cost is recommended to fund preliminary costs related to the purchase of a new property tax system. The Technology Improvement Plan, reviewed by the Board in March, proposed to spend \$4 million a year in General Fund resources over five years, starting in FY2015-16, to actually purchase the new system. The \$350,000 in the FY2014-15 Adopted Budget would be used to cover consultant and other costs associated with selecting an appropriate vendor.

### *Community Development*

I am recommending a \$5.35 million increase in appropriations, \$737,000 increase in departmental revenue and \$4.65 million increase in Net County Cost. The increase in Net County Cost will fund the addition of two Code Enforcement Officers and an Office Assistant in Code Enforcement, provide funding for a full year of Community Prosecutor services from the District Attorney's Office (the Approved Budget included grant funding for half a year), and provide for the one-time expenditure of \$4 million in General Fund resources for road maintenance and other transportation projects, and a \$228,000 allocation for graffiti removal efforts. The remaining appropriation increase is due primarily to the addition of 6 Building Inspection-related positions – 2 Building Inspectors, 3 Engineering Technician IIs and a Senior Office Assistant – and two Survey positions – an Associate Land Surveyor and Survey Party Chief. Funding for these positions will come from the Building Inspection Fund and survey-related fee revenue.

The additional Code Enforcement staff and funding for graffiti removal are part of an on-going enhancement of the County's neighborhood livability efforts. I am recommending that the one-time transfer of \$4 million for transportation projects be allocated as follows: \$500,000 for backlogged Neighborhood Traffic Management Program projects, \$2 million apportioned equally for transportation projects in each supervisorial district (\$400,000 per district) and \$1.5 million to be allocated according to the Board's approved road maintenance allocation policy. As you are aware, the County has a significant backlog of road maintenance needs – over \$450 million in road maintenance expenditures would be needed to bring County roads up to a "good to excellent" pavement condition. The additional \$1.5 million allocated specifically for road maintenance activities will allow for the pavement of approximately 3.75 miles of minor residential streets, and help us get a head start on meeting some of the more critical maintenance needs.

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*Non-departmental Costs/General Fund*

I am recommending a \$13.35 million increase in appropriations and Net County Cost. \$12.9 million of this increase will be used to repay a portion of the money transferred to the General Fund from other County funds during the Great Recession. With this \$12.9 million repayment, the remaining un-repaid balance will be \$48,352,392. 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 FY2014-15 and the remaining balances:

<b>Fund/Fund Center</b>	<b>Current Balances -- 6/30/14</b>	<b>Proposed Repayment</b>	<b>for</b>	<b>Remaining Balance</b>
Water Resources	9,168,491	9,168,491		0
Workers Compensation	43,783,901	3,731,509		40,052,392
Clerk-Recorder- Conversion	3,300,000	0		3,300,000
Clerk-Recorder- Modernization	5,000,000	0		5,000,000
<b>TOTAL</b>	<b>61,252,392</b>	<b>12,900,000</b>		<b>48,352,392</b>

The remaining increase in appropriations and Net County Cost will provide funding for any contracted management, organizational or policy-related studies or analyses that may be needed during the fiscal year

*District Attorney*

I am recommending a \$1.5 million increase in appropriations, \$661,000 increase in revenue and \$850,000 increase in Net County Cost. The increase in Net County Cost will provide funding the Department has identified as needed to maintain current service levels. My Recommended FY2014-15 Budget for the District Attorney's Office reflected a funding level that was \$2.25 million less than what the department said was needed to maintain current service levels. At Approved Budget hearings, the Board reduced that shortfall by providing the Department with an additional \$1 million in Net County Cost. Since Approved Budget hearings, the estimated cost of maintaining current service levels increased by approximately \$483,000 (due primarily to a negotiated labor agreement with the union representing attorneys), and an additional \$661,000 in departmental revenue was identified (primarily additional Proposition 172, Vehicle Theft and grant revenue from various sources). With the additional \$850,000 in Net County Cost, and funding contained in the Community Development Department, the District Attorney can generally maintain existing service levels and augment the Community Prosecutor Program.

*Appropriation for Contingency*

I am recommending a \$1.5 million increase in appropriations and Net County Cost which will increase the General Fund Contingency to \$2.71 million. My Recommended FY2014-15 Budget included a \$1.2 million General Fund Contingency, but noted that a \$2.9 million debt service contingency for Raley Field and Sacramento Regional Arts Facilities will be available to use as a General Fund Contingency if it is not needed to cover debt service costs. Even at



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\$4.1 million, the effective contingency was quite low for a General Fund with a budget of over \$2 billion, and over \$1 billion in discretionary and semi-discretionary resources, and very low unrestricted reserves. Given the General Fund's fiscal situation, I believe that a more prudent Contingency would be in the area of \$10 million – 1% of discretionary and semi-discretionary resources. The additional \$1.5 million I am recommending adding to the Contingency will provide an effective contingency of \$ 5.3 million which is still short of this target; however, I cannot recommend any more at this time given other important needs.

#### *Regional Parks*

I am recommending a \$710,000 increase in appropriations, \$190,000 increase in departmental revenue and \$520,000 increase in Net County Cost. Approximately \$415,000 of the increase in appropriations, \$100,000 of the increase in departmental revenue and \$315,000 of the increase in Net County Cost will fund the addition of new Park Ranger and Senior Accountant positions, the upgrade of an Administrative Services Officer II position to an Administrative Services Officer III, upgrade a Park Ranger position to a Park Ranger Supervisor, provide \$50,000 for additional fire risk reduction and \$100,000 for vegetation restoration programs in the American River Parkway. The additional \$100,000 in revenue comes from Habitat Restoration fees and will fund the vegetation restoration work.

#### *Probation*

I am recommending a \$1.03 million increase in appropriations, \$375,000 increase in departmental revenue and \$650,000 increase in Net County Cost. Approximately \$875,000 of the increase in appropriations and \$500,000 of the increase in Net County Cost will provide funding the department has identified as needed to maintain current service levels. The remaining \$150,000 in Net County Cost increase will be used to cover planning costs associated with re-opening the currently vacant Warren E. Thornton Youth Center to provide residential treatment for juveniles and to apply for a grant to create two multi-use, non-residential, juvenile treatment sites that would also function as neighborhood alternative centers.

#### *Health & Human Services*

I am recommending a \$5.03 million increase in appropriations, \$4.49 million increase in departmental revenue and \$536,000 increase in Net County Cost. Approximately \$439,000 of the increase in Net County Cost will fund a Public Health Nurse to augment homeless outreach services; and, 3 new positions and a vehicle for a new Representative Payee Program to assist vulnerable adults referred by Adult Protective Services, Mental Health and Alcohol and Drug Services.

The Adopted Budget also includes an additional \$27,000 in appropriations and revenue to upgrade an Administrative Services Officer III to a Division Manager Range B in the IHSS Public Authority Division, approximately \$1.2 million in appropriations and revenue to cover the cost of 11 additional positions needed to implement new federal rules affecting overtime in the IHSS program, and \$3.25 million in appropriations and departmental revenue to reflect the receipt of additional grant funding from a variety of sources including Emergency Preparedness, Ryan White HIV, Women Infants & Children (WIC), Refugee Health,

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Wraparound Services (WRAP), Programs for Assistance in Transition from Homelessness (PATH)/Substance Abuse Mental Health Services Act (SAMHSA), and the 1<sup>st</sup> Five Commission.

*Sheriff*

I am recommending a \$4.7 million increase in appropriations, \$290,000 decrease in departmental revenue and \$5 million increase in Net County Cost. The increase in Net County Cost will provide the funding the Department has identified as needed to generally maintain current service levels. The Adopted Budget also includes an additional \$721,947 in appropriations and revenue which is the net result of the receipt or loss of funding from various sources. The Adopted Budget also includes the elimination of a vacant Senior Office Assistant position, the upgrade of a Deputy Sheriff to a Sergeant position, and the addition of 8 unfunded Deputy Sheriff and 4 unfunded Sergeant positions.

*Human Assistance-Administration*

I am recommending a \$1.17 million increase in appropriations, \$751,000 increase in departmental revenue and \$415,000 increase in Net County Cost. The increase in Net County Cost includes \$218,000 for the WIND Youth Services contract that is being transferred to DHA from DHHS (the Approved Budget amount of \$125,000 is being increased by \$93,000 in order to fully cover the cost of services) and \$192,000 to fund a proposed new Human Services Program Manager position that will provide general management and coordination of homeless programs in the County.

Approximately \$484,000 of the remaining increase in appropriations and revenue will fund the first quarter of the Mather Community Campus transitional housing and supportive services program for homeless families and individuals (the Program is being transferred to Sacramento Steps Forward, but the transfer has been delayed until after the first quarter of FY2014-15).

**OTHER FUNDS**

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

Roads

I am recommending a \$9.5 million increase in appropriations, a \$5 million increase in revenue and a \$4.5 million increase in use of fund balance. These increases are due primarily to the timing of work on certain projects. When the FY2014-15 Approved Budget was prepared, it was expected that certain project expenditures would occur in FY2013-14. This did not occur, and the cost of the projects needs to be re-budgeted. In some cases, these projects are funded by State and federal revenue, which then also needs to be re-budgeted. In other cases, resources on hand were not spent, thus providing for an increase in the Fund's beginning fund balance. In addition, approximately \$2 million of the additional beginning fund balance is the result of the receipt of one-time gas tax true-up revenue in FY2013-14. The true up was due to a previous error the State made in allocating this revenue to the counties.

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The Roads Fund budget also includes the receipt and expenditure of \$4,228,000, transferred from the General Fund to pay for graffiti removal, road maintenance and other transportation needs. This money is reflected as a reimbursement to the Roads Fund, and thus there is no net impact on appropriations.

#### Capital Construction

A \$5.4 million increase in appropriations, \$1.6 million increase in revenue and \$3.8 million increase in use of fund balance is recommended due primarily to the timing of work on certain projects. As noted above with regard to the Roads Fund, the Approved Budget was based on certain assumptions about what project expenditures would occur in FY2013-14 and how much would need to be re-budgeted in FY2014-15. After fiscal year-end close, adjustments are necessary to account for the difference between estimates and actuals. A portion of the fund balance is also attributable to projects funded in the previous fiscal year that were not completed.

In addition to the need to re-budget due to revised project timing, there are additions to projects funded by other County departments. For the Adopted Budget, these additions include \$750,000 for architectural and engineering costs for a proposed new Orangevale Library funded by a General Fund Contribution. The cost of these additions is offset by the removal of one department funded project, the Waste Management and Recycling Compressed Natural Gas Fuel Station (approximately \$931,000). The Project was included in the Capital Construction Fund (CCF) Approved Budget but was also included in Waste Management & Recycling's FY2014-15 Capital Budget as well.

#### First Five Sacramento Commission

A \$2.09 million increase in appropriations, \$78,000 decrease in revenue and \$2.17 million increase in use of fund balance is recommended due primarily to the need to repay approximately \$1.5 million to the State based on a California Department of Health Care Services directive to recalculate Med-Care Administrative Activities (MAA) claims for three prior fiscal years using more recent time study data. In addition, the increase in appropriations is due to the timing of project expenditures (when the Approved Budget was prepared it was anticipated those expenditures would take place in FY2013-14, but they did not) and additional costs for some projects, such as a \$198,000 increase in costs for the Dental/fluoridation project.

#### Economic Development

I am recommending a \$13.5 million increase in appropriations, \$12.5 million increase in revenue and \$1.04 million increase in the use of fund balance. The primary reason for these increases is a \$10.2 million appropriation and revenue increase related to a recently approved environmental remediation project at the former McClellan Air Force Base which is funded by the United States Air Force. The remaining increase in appropriations, revenue and use of fund balance is due primarily to the timing of infrastructure projects at the former McClellan and Mather Air Force Bases.

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Transportation Sales Tax

A \$13.5 million increase in appropriations, \$13.9 million increase in revenue and \$400,000 decrease in use of fund balance is recommended due primarily to the timing of work on certain projects. When the Approved Budget was being prepared, it was expected that certain projects would be completed in FY2013-14. Since this did not occur, the cost of these projects needs to be re-budgeted in FY2014-15. In most cases, revenue related to the projects will also be delayed resulting in the increase in departmental revenue.

Interagency Procurement (Fixed Asset Acquisition Fund)

A \$2.8 million increase in appropriations, \$408,000 decrease in revenue and \$3.2 million increase 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 FY2013-14 as anticipated which resulted in changes to the amount of loan activity estimated to occur in FY2014-15.

General Services

I am recommending a \$2.5 million increase in appropriations and use of fund balance. General Services ended FY2013-14 with an additional \$2.5 million in fund balance and the Adopted Budget includes those additional resources in an appropriation for Contingency. This money will be available to cover any unforeseen costs during FY2014-15 and, if not needed, will carry over as fund balance into FY2015-16 and help mitigate the need for any increase in rates charged to other County departments. Using this same approach, General Services was able to avoid rate increases in FY2014-15.

Solid Waste Enterprise Capital Outlay

I am recommending a \$2.3 million increase in appropriations and use of fund balance. The primary reason for these increases is the inclusion of \$1.6 million in funding to purchase four sideloader trucks as part of the process of converting the collection vehicle fleet from Liquefied Natural Gas (LNG) to Compressed Natural Gas (CNG). In addition, approximately \$600,000 of the increase in appropriations is due to timing of capital projects or purchases. When the Approved Budget was prepared, it was expected that certain projects would be completed in FY2013-14. This did not occur, and the cost of these projects or purchases needs to be re-budgeted in FY2014-15.

Rural Transit

I am recommending a \$3.6 million increase in appropriations, \$205,000 decrease in revenue and \$3.8 million increase in use of fund balance. In 2006, this fund was changed from a special revenue fund to an enterprise fund for financial reporting purposes, but continued to be treated as a special revenue fund for budget purposes. We are planning to change the fund to an enterprise fund in FY2015-16 for budget purposes as well. As part of that transition process, what was previously reserved fund balance is being shown as available and is appropriated, though we generally do not expect those additional appropriations to result in

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actual expenditures. When the Rural Transit Fund becomes an enterprise fund for budget purposes, any available fund balance will be shown as part of retained earnings, as is appropriate for enterprise funds and is currently reflected in the County's financial documents.

#### Vineyard Facilities Financing Plan

A \$2.09 million increase in appropriations, \$25,000 increase in revenue and \$2.07 million increase in use of fund balance is recommended due primarily to the timing of work on certain projects.

#### Water Agency Zone 11 – Drainage Infrastructure

I am recommending a \$4.2 million reduction in appropriations and use of fund balance. The primary reasons for the reduction are a \$3.3 million reduction associated with the Howe Avenue Storm Drain Pump Station Electrical Rehab Project being delayed for one year, and \$1.6 million reduction due to the increase of Transfers-In associated with the FY 2013/14 and FY 2014/15 interfund transfer repayments from the General Fund. The decreases were partially offset by increased appropriations of \$0.2 million to provide funding for the Habitat Conservation Program, and \$0.5 million increase due to increased staffing costs, engineering services, other professional services, and real estate costs for planned drainage infrastructure projects.

#### Water Resources

I am recommending an \$8.2 million increase in appropriations, \$529,000 decrease in revenue and \$8.7 million increase in use of fund balance. The primary reason for the increased appropriations is a \$6.0 million increase associated with the FY 2013/14 interfund transfer repayment from the General Fund. The funds were received in this Budget Unit in FY 2013/14 and will be transferred out to Zone 11, Zone 13, and Water Supply in FY 2014/15. A \$1.2 million increase is due to the transfer of funds to the City of Rancho Cordova because they are taking over their own stormwater utility program; a \$0.9 million increase due to a change in allocation methodology and recovery of the Department's administrative services costs; \$0.8 million due to unanticipated increase in capitalized construction costs due to change in project schedules; and a \$0.3 million increase due to outstanding contractual obligations. The increases are partially offset by a \$1.0 million reduction due to the delay in the construction phase of the D05 Howe Avenue Stormdrain Pump Station Rehab Project.

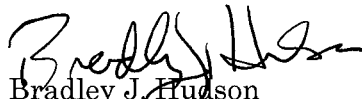
Revenues have decreased by a net of \$529,000 due to a \$948,000 decrease resulting from a change in allocation methodology and recovery of the Department's administrative services costs. The decrease is partially offset by an increase of \$419,000 in revenue from Zone11A – Drainage Infrastructure associated with additional staff time needed on drainage infrastructure projects

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**RECOMMENDATIONS**

1. Approve the attached Budget and Schedules amending the FY2014-15 Approved Budget, as amended by the Board and including miscellaneous adjustments recommended by the County Executive (see 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 FY2014-15 Adopted Budget.
3. Direct the Department of Finance to prepare the FY2014-15 Budget Resolutions for Board consideration on Tuesday, September 23, 2014.

Respectfully submitted,

  
Bradley J. Hudson  
County Executive

**Attachments:**

- Attachment A: Centrally Allocated Funds: Approved Budget
- Attachment B: Centrally Allocated Funds: CEO Budget Recommended for Adoption
- Attachment C: Supplemental Budget Adjustments
- Attachment D: Budget and Schedules for FY2014-15

**GENERAL BUDGET COUNTY EXECUTIVE'S RECOMMENDED FISCAL YEAR  
INFORMATION 2014-15 ADOPTED BUDGET LETTER**

Attachment A

**County of Sacramento  
Centrally Allocated Funds - Approved Budget**

Fiscal Year 2014-15

Hearings of June 2014

	Allocation	1991	2011	AB 109	172	Total
AG COMM-SEALER OF WTS & MEASURES	1,172,387					1,172,387
ANIMAL CARE AND REGULATION	4,635,652					4,635,652
APPROPRIATION FOR CONTINGENCY	1,213,388					1,213,388
ASSESSOR	8,827,737					8,827,737
BOARD OF SUPERVISORS	3,137,512					3,137,512
CARE IN HOMES AND INSTITUTIONS	283,250					283,250
CIVIL SERVICE COMMISSION	318,089					318,089
CLERK OF THE BOARD	1,128,714					1,128,714
COMMUNITY DEVELOPMENT	2,996,490					2,996,490
CONFLICT CRIMINAL DEFENDERS	9,393,164					9,393,164
CONTRIBUTION TO LAFCO	228,833					228,833
COOPERATIVE EXTENSION	329,892					329,892
CORONER	6,135,333					6,135,333
CORRECTIONAL HEALTH SERVICES	30,427,331		3,074,507	3,850,831		37,352,669
COUNTY COUNSEL	2,039,299					2,039,299
COUNTY EXECUTIVE	1,035,338					1,035,338
COURT / COUNTY CONTRIBUTION	24,662,956					24,662,956
COURT / NON-TRIAL COURT FUNDING	10,594,410					10,594,410
DATA PROCESSING-SHARED SYSTEMS	7,904,194					7,904,194
DEPARTMENT OF FINANCE	306,556					306,556
DISTRICT ATTORNEY	49,336,926		904,635	560,317	11,635,875	62,437,753
EMERGENCY OPERATIONS	478,902					478,902
FINANCING-TRANSFERS/REIMB	1,426,841					1,426,841
GRAND JURY	310,675					310,675
HEALTH AND HUMAN SERVICES	8,742,332	32,554,594	148,848,777			190,145,703
HEALTH-MEDICAL TREATMENT PAYMENTS	10,830,628	1,000,000				11,830,628
HUMAN ASSISTANCE-ADMIN	10,631,542	4,004,113	3,613,910	415,494		18,665,059
HUMAN ASSISTANCE-AID PAYMENTS	23,772,091	70,118,954	57,629,054			151,520,099
HUMAN RIGHTS/FAIR HOUSING	150,000					150,000
IHSS Provider Payments	2,584,161	48,377,489				50,961,650
JUVENILE MEDICAL SERVICES	6,878,879		441,666			7,320,545
NON-DEPARTMENTAL COSTS/GF	14,088,450					14,088,450
OFFICE OF INSPECTOR GENERAL	100,300					100,300
PROBATION	56,300,440		15,884,739	11,245,964	16,563,415	99,994,558
PUBLIC AUTHORITY		327,292				327,292
PUBLIC DEFENDER	29,143,458		484,460			29,627,918
REGIONAL PARKS	3,653,517					3,653,517
Reserve			1,000,000			1,000,000
SHERIFF	186,754,258		37,399,987	20,079,710	72,982,232	317,216,187
VETERAN'S FACILITY	15,952					15,952
VOTER REGISTRATION/ ELECTIONS	7,358,063					7,358,063
WILDLIFE SERVICES	47,558					47,558
	529,375,498	156,382,442	269,281,735	36,152,316	101,181,522	1,092,373,513

**GENERAL BUDGET COUNTY EXECUTIVE'S RECOMMENDED FISCAL YEAR  
INFORMATION 2014-15 ADOPTED BUDGET LETTER**

Attachment B

**Centrally Allocated Funds - CEO Budget Recommended for Adoption**

County of Sacramento

Fiscal Year 2014-15

For September Hearings

	June Approved	Augmentation	CEO GF Recommended	1991	2011	AB 109	172	FY 2014-15 Recommended
AG COMM-SEALER OF WTS & MEASURES	1,172,387		1,172,387					1,172,387
ANIMAL CARE AND REGULATION	4,635,652	194,120	4,829,772					4,829,772
APPROPRIATION FOR CONTINGENCY	1,213,388	1,498,773	2,712,161					2,712,161
ASSESSOR	8,827,737		8,827,737					8,827,737
BOARD OF SUPERVISORS	3,137,512	215,000	3,352,512					3,352,512
CARE IN HOMES AND INSTITUTIONS	283,250		283,250					283,250
CIVIL SERVICE COMMISSION	318,089		318,089					318,089
CLERK OF THE BOARD	1,128,714		1,128,714					1,128,714
COMMUNITY DEVELOPMENT	2,996,490	4,648,981	7,645,471					7,645,471
CONFLICT CRIMINAL DEFENDERS	9,393,164	184,000	9,577,164					9,577,164
CONTRIBUTION TO LAFCO	228,833		228,833					228,833
COOPERATIVE EXTENSION	329,892	6,181	336,073					336,073
CORONER	6,135,333		6,135,333					6,135,333
CORRECTIONAL HEALTH SERVICES	30,427,331		30,427,331		3,074,507	3,850,831		37,352,669
COUNTY COUNSEL	2,039,299	147,484	2,186,783					2,186,783
COUNTY CLERK / RECORDER	1,035,338	25,006	1,060,344					1,060,344
COUNTY EXECUTIVE		238,575	1,035,338					1,035,338
COUNTY EXECUTIVE CABINET	24,662,956	98,800	24,761,756					24,761,756
COURT / COUNTY CONTRIBUTION	10,594,410		10,594,410					10,594,410
COURT / NON-TRIAL COURT FUNDING	7,904,194	350,000	8,254,194					8,254,194
DATA PROCESSING-SHARED SYSTEMS	306,556	157,744	464,300					464,300
DEPARTMENT OF FINANCE		11,342	11,342					11,342
DEPARTMENT OF REVENUE RECOVERY	49,336,926	850,000	50,186,926		904,635	560,317		63,551,154
DISTRICT ATTORNEY	478,902		478,902					478,902
EMERGENCY OPERATIONS	150,000		150,000					150,000
FAIR HOUSING SERVICES	1,426,841	850,000	2,276,841					2,276,841
FINANCING-TRANSFERS/REIMB	310,675		310,675					310,675
GRAND JURY	8,742,332	535,583	9,277,915	32,554,594	148,848,777			190,681,286
HEALTH AND HUMAN SERVICES	10,830,628	27,889	10,858,517	1,000,000				11,858,517
HEALTH-MEDICAL TREATMENT PAYMENTS	10,631,542	415,288	11,046,830	4,004,113	3,613,910	415,494		19,080,347
HUMAN ASSISTANCE-ADMIN	23,772,091		23,772,091	70,118,954	57,629,054			151,520,099
HUMAN ASSISTANCE-AID PAYMENTS	2,584,161		2,584,161	48,377,489				50,961,650
IHSS Provider Payments	6,878,879	150,000	7,028,879		441,666			7,470,545
JUVENILE MEDICAL SERVICES	14,088,450	13,350,000	27,438,450					27,438,450
NON-DEPARTMENTAL COSTS/GF	100,300		100,300					100,300
OFFICE OF INSPECTOR GENERAL	56,300,440	650,000	56,950,440		15,884,739	11,245,964		101,019,504
PROBATION				327,292				327,292
PUBLIC AUTHORITY	29,143,458	227,284	29,370,742		484,460			29,855,202
PUBLIC DEFENDER	3,653,517	520,597	4,174,114					4,174,114
REGIONAL PARKS					1,000,000			1,000,000
Reserve	186,754,258	5,000,000	191,754,258		35,615,273	20,079,710		322,083,571
SHERIFF	15,952		15,952					15,952
VETERAN'S FACILITY	7,358,063		7,358,063					7,358,063
VOTER REGISTRATION/ ELECTIONS	47,558		47,558					47,558
WILDLIFE SERVICES	529,375,498	30,352,647	559,728,145	156,382,442	267,497,021	36,152,316	103,471,967	1,123,231,891



Attachment C

Sacramento County

FY 2014-15 Recommended For Adopted Budget  
**Supplemental Budget Adjustments Proposed by the County Executive**  
September 9, 2014

1. County Executive's Cabinet: Add 1.0 FTE Director of Labor Relations position

Over the past several years the number of Represented Employee Organization bargaining units has greatly increased. In addition, the collective bargaining process has become more complex with legislative changes that include mandatory mediation and fact finding in cases of impasse. As a result of the increased complexity and expertise in addressing labor issues while developing labor strategy and having direct access to the County Executive's Office, the County Executive is requesting the creation of a Director of Labor Relations job class. A separate Office of Labor Relations reporting to the County Executive's Office already exists in County Code.

In 2012, the Labor Relations Office was consolidated into the Department of Personnel Services with coordination with County Executive's Office. After the 2013/14 labor contract negotiations, the Labor Relations Office acted with great autonomy and received direction from the County Executive's Office with coordination with Personnel Services. In reviewing this relationship, the County Executive's Office believed the prior structure served the needs of the County in the most efficient manner. However, under this proposed structure, there will remain a strong coordination between the County Executive's Office, the Labor Relations Office and the Department of Personnel Services in the labor management function.

Therefore, it is being recommended that the Department of Personnel Services establish the class of Director of Labor Relations with an entry step/salary range of 7/7477 and add 1.0 FTE Director of Labor Relations position to the Office of Labor Relations within the County Executive's Cabinet. No appropriation adjustment is being requested at this time. Once the Director of Labor Relations is appointed, the position of Labor Relations Manager will be deleted from the Department of Personnel Services to partially offset the cost of the new Director position. The annual salary and benefit cost, at top step, of the Director of Labor Relations is approximately \$30,590 higher than the salary and benefits cost of the Labor Relations Manager position. The increased cost for the remainder the this fiscal year (9 months) is about \$22,943 and will be absorbed within the County Executive's Cabinet FY 2014/15 Budget.

# 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
2009-10	1,758,616,880	371,296,728	1,387,320,152
2010-11	1,731,626,471	330,537,042	1,401,089,429
2011-12	1,761,422,101	329,776,706	1,431,645,395
2012-13	1,837,880,766	333,031,810	1,504,848,956
2013-14	1,949,561,282	342,212,234	1,607,349,048
2014-15 (Budget)	1,957,136,770	363,360,015	1,593,776,755

# 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, Planning and 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.
- 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 and Intergovernmental Affairs, Financing Transfers/Reimbursements-General Fund, Neighborhood Services.
- Other General – Data Processing, Revenue Recovery.

**DEBT SERVICE, RESERVES, CONTINGENCIES:**

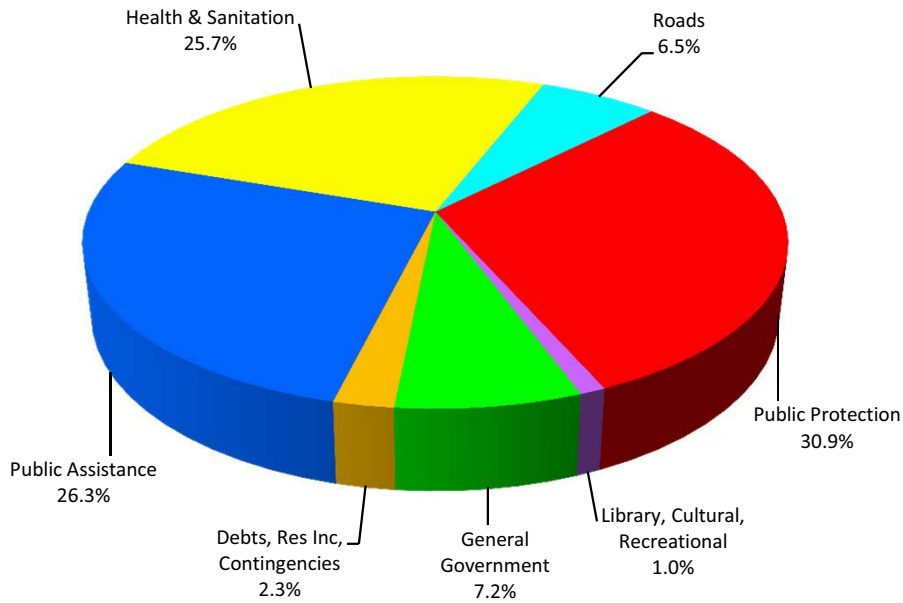
- Debt Service – Teeter Plan (retirement of long-term debt, interest on long-term debt, and interest on notes and warrants).

# THE COUNTY BUDGET (REQUIREMENTS)

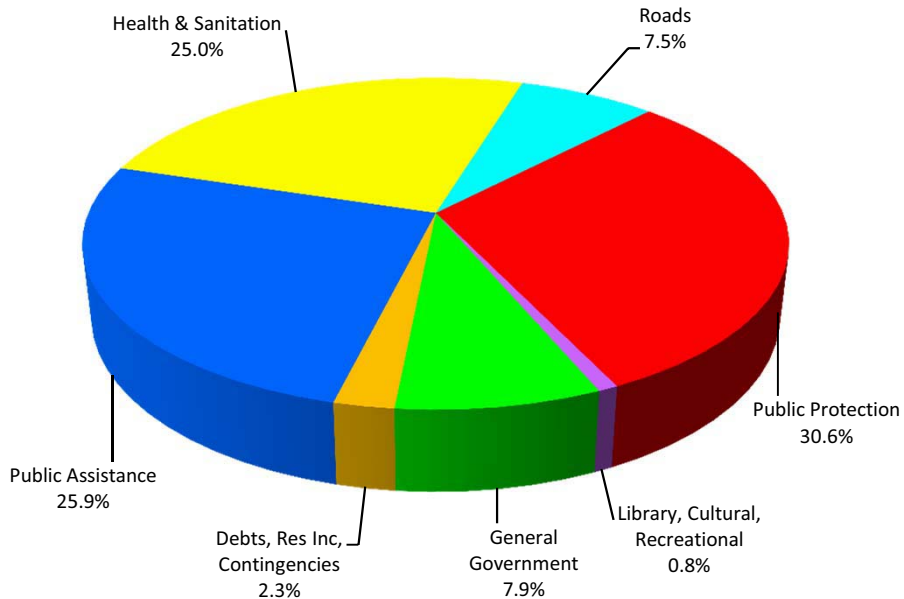
## THE COUNTY BUDGET

### GOVERNMENTAL FUNDS REQUIREMENTS

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



**2014-15 BUDGET TOTAL ..... \$2,625,328,802**



# SUMMARY TABLES FOR THE PIE CHARTS

<b><u>REQUIREMENTS</u></b>				
	<b>Fiscal Year</b>		<b>Fiscal Year</b>	
	<b>2013-14</b>	<b>Percent</b>	<b>2014-15</b>	<b>Percent</b>
Public Assistance	\$660,482,743	26.3%	\$679,077,127	25.9%
Health & Sanitation	644,717,894	25.7%	655,859,107	25.0%
Roads	163,038,489	6.5%	196,992,268	7.5%
Public Protection	774,717,874	30.9%	803,561,304	30.6%
Library, Cultural, Recreational	25,088,884	1.0%	20,351,124	0.8%
General Government	180,133,076	7.2%	208,081,949	7.9%
Debts, Reserve Increase, Contingencies	58,587,378	2.3%	61,405,923	2.3%
<b>GRAND TOTAL</b>	<b>\$ 2,506,766,338</b>	<b>100.0%</b>	<b>\$ 2,625,328,802</b>	<b>100.0%</b>
<b><u>FINANCING</u></b>				
	<b>Fiscal Year</b>		<b>Fiscal Year</b>	
	<b>2013-14</b>	<b>Percent</b>	<b>2014-15</b>	<b>Percent</b>
Taxes	\$455,664,592	18.2%	\$482,901,063	18.4%
Licenses, Permits, Franchises	38,630,781	1.5%	44,969,977	1.7%
Fines, Forfeitures, Penalties	37,809,461	1.5%	34,802,733	1.3%
Intergovernmental	1,606,155,138	64.1%	1,602,419,021	61.0%
Charges for Services	205,419,199	8.2%	196,943,565	7.5%
Other Revenues	146,120,154	5.8%	135,746,312	5.2%
Year-End Balance, Reserve Release	16,967,013	0.7%	127,546,131	4.9%
<b>GRAND TOTAL</b>	<b>\$ 2,506,766,338</b>	<b>100.0%</b>	<b>\$ 2,625,328,802</b>	<b>100.0%</b>

# 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.



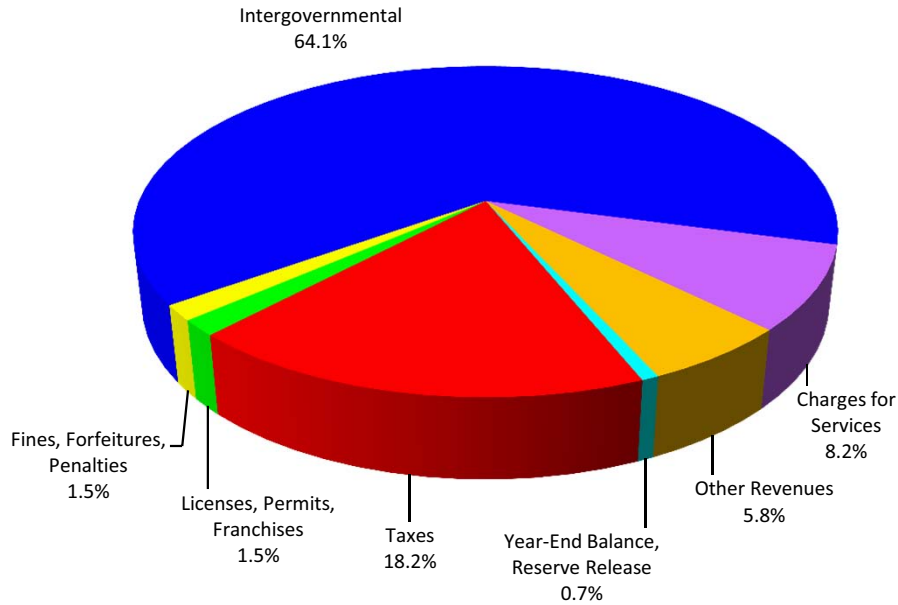
# THE COUNTY BUDGET (FINANCING)

## THE COUNTY BUDGET

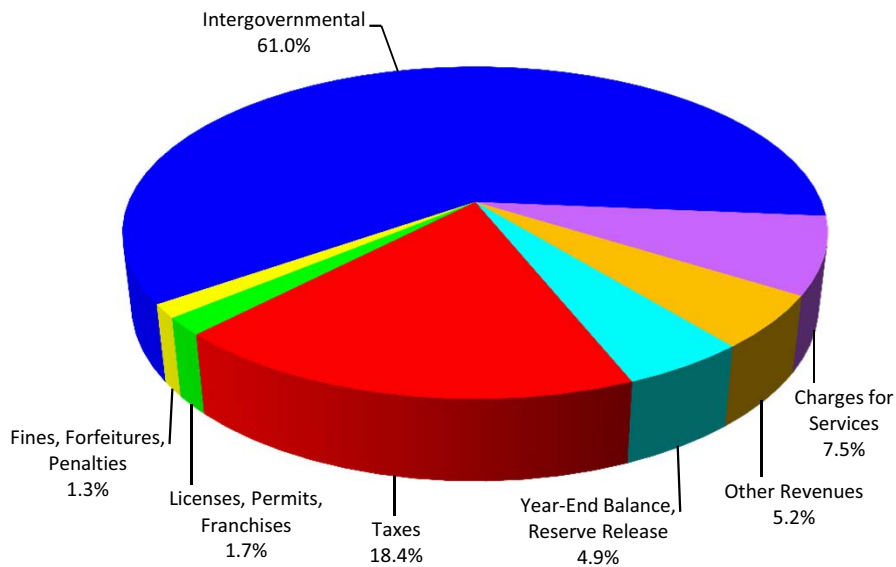
GOVERNMENTAL FUNDS

FINANCING

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



**2014-15 BUDGET TOTAL ..... \$2,625,328,802**



# SUMMARY OF FUND BALANCES

Fund Description	Fund Number	Adopted 2013-14	Adopted 2014-15	Variance	Percent
GENERAL	001A	31,042,942	43,921,611	12,878,669	41.5%
FISH AND GAME	002A	16,410	6,612	-9,798	-59.7%
ROAD	005A	-13,739,165	15,941,749	29,680,914	-216.0%
DEPARTMENT OF TRANSPORTATION	005B	0	12,541,077	12,541,077	#DIV/0!
PARKS CONSTRUCTION	006A	1,228,375	1,486,047	257,672	21.0%
CAPITAL CONSTRUCTION	007A	-5,483,675	7,266,620	12,750,295	-232.5%
TOBACCO LITIGATION SETTLEMENT	008A	3,588,198	1,631,622	-1,956,576	-54.5%
ENVIRONMENTAL MANAGEMENT	010B	1,738,865	1,042,083	-696,782	-40.1%
LIBRARY	011A	331,878	481,703	149,825	45.1%
FIRST 5 SACRAMENTO COMMISSION	013A	1,259,392	6,970,046	5,710,654	453.4%
TRANSIENT OCCUPANCY	015A	591,790	537,883	-53,907	-9.1%
TEETER PLAN	016A	6,656,939	5,184,606	-1,472,333	-22.1%
GOLF	018A	-627,567	-268,179	359,388	-57.3%
ECONOMIC DEVELOPMENT	020A	-4,164,635	10,594,396	14,759,031	-354.4%
BUILDING INSPECTION	021A	1,998,449	3,255,577	1,257,128	62.9%
AFFORDABILITY FEE	023A	0	19,606	19,606	#DIV/0!
ROADWAYS	025A-H	3,198,646	3,775,505	576,859	18.0%
TRANSPORTATION-SALES TAX	026A	-19,404,976	-280,723	19,124,253	-98.6%
SOLID WASTE ENTERPRISE	051A	7,446,823	10,146,557	2,699,734	36.3%
SOLID WASTE ENTERPRISE-CAPITAL OUTLAY	052A	2,990,524	10,024,650	7,034,126	235.2%
RURAL TRANSIT	068A	-6,846,752	4,720,833	11,567,585	-168.9%
ANTELOPE PUBLIC FACILITIES FINANCING	101A-E	1,930,926	2,031,234	100,308	5.2%
LAGUNA CRK/ELLIOTT RCH CFD 1	105A/C	2,593,300	2,757,612	164,312	6.3%
LAGUNA COMMUNITY FACILITY DISTRICT	107A-B	1,200,055	1,175,823	-24,232	-2.0%
VINEYARD PFFP - ROADWAYS	108A-B	7,622,552	7,655,799	33,247	0.4%
BRADSHAW/US 50 FINANCING DISTRICT	115A	112,938	215,932	102,994	91.2%
FLORIN ROAD CAPITAL PROJECT	118A	418,984	414,786	-4,198	-1.0%
FULTON AVENUE CAPITAL PROJECT	118B	17,036	11,973	-5,063	-29.7%
LAGUNA STONELAKE CFD-BOND PROCEEDS	130A	134,117	174,040	39,923	29.8%
PARK MEADOWS CFD-BOND PROCEEDS	131A	72,082	62,243	-9,839	-13.6%
MATHER LANDSCAPE MAINT CFD	132A	465,005	473,631	8,626	1.9%
MATHER PFFP	136A-B	1,872,330	1,430,829	-441,501	-23.6%
GOLD RIVER STATION #7 LANDSCAPE CFD	137A	1,151	5,486	4,335	376.6%
METRO AIR PARK CFD 2000-1	139A	6,339,027	6,078,570	-260,457	-4.1%
MCCLELLAN PARK CFD	140A	138,567	304,693	166,126	119.9%
SACRAMENTO CO LANDSCAPE MAINT	141A	114,446	57,820	-56,626	-49.5%
METRO AIR PARK SERVICE TAX	142A	639,344	640,118	774	0.1%
NORTH VINEYARD STATION SPECIFIC PLAN	143A	1,577,637	2,094,041	516,404	32.7%
NORTH VINEYARD STATION SPECIFIC PLAN CFD	144A	1,629,557	1,572,171	-57,386	-3.5%
NATOMAS FIRE DISTRICT	229A	20,992	57,832	36,840	175.5%
CSA NO. 1	253A	196,461	312,368	115,907	59.0%
CSA NO. 10	257A	18,726	99,961	81,235	433.8%
FIXED ASSET REVOLVING	277A	-458,543	-100,228	358,315	-78.1%
JUVENILE COURTHOUSE PROJECT-DEBT SERVICE	280A	35,256	54,675	19,419	55.1%
2004 PENSION OBLIGATION BONDS	282A	1,007,874	1,811,141	803,267	79.7%
TOBACCO LITIGATION SETTLEMENT-CAPITAL PROJECTS	284A	10,322,942	4,405,302	-5,917,640	-57.3%
1997-PUBLIC FACILITIES DEBT SERVICE	288A	412,293	419,406	7,113	1.7%
2003 PUBLIC FACILITES PROJ-DEB SERVICE	298A	74,599	90,041	15,442	20.7%
2010 REFUNDING COPS-DEBT SERVICE	300A	300,389	519,395	219,006	72.9%
2010 REFUNDING COPS-PARKING GARAGE-DEBT SERVICE	300B	79,677	87,585	7,908	9.9%

# GENERAL BUDGET INFORMATION

# SUMMARY OF FUND BALANCES

Fund Description	Fund Number	Adopted 2013-14	Adopted 2014-15	Variance	Percent
2007 PUBLIC FACILITIES PROJECTS-CONSTRUCTION	303A	163,536	21,054	-142,482	-87.1%
2007 PUBLIC FACILITIES PROJECTS-DEBT SERVICE	304A	326,001	336,608	10,607	3.3%
2006 PUBLIC FACILITIES-DEBT SVC	306A	356,225	375,128	18,903	5.3%
1997-PUBLIC FACILITIES DEBT SERVICE	308A	273,988	299,045	25,057	9.1%
1997-PUBLIC FACILITIES-CONSTRUCTION	309A	542,160	542,687	527	0.1%
PENSION BOND-INT RATE STABILIZATION	311A	0	0	0	#DIV/0!
PENSION OBLIGATION BOND-DEBT SERVICE	313A	386,986	539,092	152,106	39.3%
WATER AGENCY-ZONE 11A	315A	10,610,675	12,989,701	2,379,026	22.4%
WATER AGENCY-ZONE 13	318A	-500,134	1,871,067	2,371,201	-474.1%
STORMWATER UTILITY DISTRICT	322A	14,827,523	16,176,454	1,348,931	9.1%
LANDSCAPE MAINTENANCE DISTRICT	330A	44,846	175,197	130,351	290.7%
MISSION OAKS PARK DISTRICT	336A	739,257	855,043	115,786	15.7%
MISSION OAKS MAINT & IMPROVEMENT ASSESSMENT DISTRICT	336B	520,653	875,311	354,658	68.1%
CARMICHAEL PARK DISTRICT	337A	269,368	411,105	141,737	52.6%
SUNRISE PARK DISTRICT	338A	957,927	1,298,869	340,942	35.6%
ANTELOPE ASSESSMENT	338B	200,013	167,879	-32,134	-16.1%
ARCADE CREEK PARK	338D	0	574,834	574,834	#DIV/0!
DEL NORTE OAKS PARK DISTRICT	351A	2,597	5,032	2,435	93.8%
COUNTY SERVICE AREA 4B	560A	34,217	25,672	-8,545	-25.0%
COUNTY SERVICE AREA 4C	561A	-6,096	2,575	8,671	-142.2%
COUNTY SERVICE AREA 4D	562A	839	1,263	424	50.5%
COUNTY PARKS CFD 2006-1	563A	2,370	2,396	26	1.1%
<b>TOTAL</b>		<b>80,465,132</b>	<b>211,460,172</b>	<b>130,995,040</b>	<b>162.8%</b>

# 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 PLANNING AND 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	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	5110000	FINANCING-TRANSFERS/REIMBURSEMENTS
001A	GENERAL FUND	5660000	GRAND JURY
001A	GENERAL FUND	7200000	HEALTH AND HUMAN SERVICES
001A	GENERAL FUND	7270000	HEALTH-MEDICAL TREATMENT PAYMENTS
001A	GENERAL FUND	8100000	HUMAN ASSISTANCE-ADMINISTRATION
001A	GENERAL FUND	8700000	HUMAN ASSISTANCE-AID PAYMENTS
001A	GENERAL FUND	7250000	IN-HOME SUPPORT SERVICES (IHSS) PROVIDER PAYMENTS
001A	GENERAL FUND	7230000	JUVENILE MEDICAL SERVICES
001A	GENERAL FUND	5970000	LABOR RELATIONS
001A	GENERAL FUND	5770000	NON-DEPARTMENTAL COSTS/GENERAL FUND
001A	GENERAL FUND	5700000	NON-DEPARTMENTAL REVENUES/GENERAL FUND
001A	GENERAL FUND	5740000	OFFICE OF COMPLIANCE
001A	GENERAL FUND	5780000	OFFICE OF INSPECTOR GENERAL
001A	GENERAL FUND	6050000	PERSONNEL SERVICES
001A	GENERAL FUND	6700000	PROBATION
001A	GENERAL FUND	6910000	PUBLIC DEFENDER
001A	GENERAL FUND	6400000	REGIONAL PARKS
001A	GENERAL FUND	7400000	SHERIFF
001A	GENERAL FUND	2820000	VETERAN'S FACILITY
001A	GENERAL FUND	4410000	VOTER REGISTRATION AND ELECTIONS
001A	GENERAL FUND	3260000	WILDLIFE SERVICES
001F	COMMUNITY INVESTMENT PROGRAM	5060000	COMMUNITY INVESTMENT PROGRAM
002A	FISH AND GAME	6460000	FISH AND GAME PROPAGATION
005A	ROAD	2900000	ROADS
005B	DEPARTMENT OF TRANSPORTATION	2960000	DEPARTMENT OF TRANSPORTATION
006A	PARKS CONSTRUCTION	6570000	PARK CONSTRUCTION
007A	CAPITAL CONSTRUCTION	3100000	CAPITAL CONSTRUCTION
008A	TOBACCO LITIGATION SETTLEMENT	7220000	TOBACCO LITIGATION SETTLEMENT
010B	ENVIRONMENTAL MANAGEMENT	3350000	ENVIRONMENTAL MANAGEMENT
011A	LIBRARY	6310000	COUNTY LIBRARY
013A	FIRST 5 SACRAMENTO COMMISSION	7210000	FIRST 5 SACRAMENTO COMMISSION
015A	TRANSIENT OCCUPANCY	4060000	TRANSIENT-OCCUPANCY TAX
016A	TEETER PLAN	5940000	TEETER PLAN
018A	GOLF	6470000	GOLF
020A	ECONOMIC DEVELOPMENT	3870000	ECONOMIC DEVELOPMENT
021A	BUILDING INSPECTION	2150000	BUILDING INSPECTION
023A	AFFORDABILITY FEE	3830000	AFFORDABILITY FEE
025A	ROADWAYS	2910000	ROADWAYS

# GENERAL BUDGET INFORMATION

# RELATIONSHIP BETWEEN FUNDS, BUDGET UNITS AND DEPARTMENTS

Fund	Fund Name	Budget Unit	Department
026A	TRANSPORTATION-SALES TAX	2140000	TRANSPORTATION-SALES TAX
028A	CONNECTOR JOINT POWERS AUTHORITY	2800000	CONNECTOR JOINT POWERS AUTHORITY
030A	INTERAGENCY PROCUREMENT	9030000	INTERAGENCY PROCUREMENT
031A	DEPARTMENT OF TECHNOLOGY	7600000	DEPARTMENT OF TECHNOLOGY
033A	PUBLIC WORKS-OPERATIONS	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 MGMT & INSPECTION	7007200	GENERAL SERVICES-CONSTRUCTION MGMT & INSPECTION
035C	ADMINISTRATIVE SERVICES-GS	7110000	GENERAL SERVICES-OFFICE OF THE DIRECTOR
035F	BUILDING MAINTENANCE AND OPERATIONS-GS	7007440	GENERAL SERVICES-AIRPORT DISTRICT
035F	BUILDING MAINTENANCE AND OPERATIONS-GS	7007410	GENERAL SERVICES-ALARM SERVICES
035F	BUILDING MAINTENANCE AND OPERATIONS-GS	7007420	GENERAL SERVICES-BRADSHAW DISTRICT
035F	BUILDING MAINTENANCE AND OPERATIONS-GS	7007430	GENERAL SERVICES-DOWNTOWN DISTRICT
035F	BUILDING MAINTENANCE AND OPERATIONS-GS	7007046	GENERAL SERVICES-ENERGY MANAGEMENT
035F	BUILDING MAINTENANCE AND OPERATIONS-GS	7450000	GENERAL SERVICES-SECURITY SERVICES
035H	CONTRACT & PURCHASING SERVICES-GS	7007063	GENERAL SERVICES-PURCHASING
035J	GENERAL SERVICES-SUPPORT SERVICES	7700000	GENERAL SERVICES-SUPPORT SERVICES
035K	GENERAL SERVICES-REAL ESTATE	7007030	GENERAL SERVICES-REAL ESTATE
035L	GENERAL SERVICES-LIGHT EQUIPMENT	7007500	GENERAL SERVICES-LIGHT EQUIPMENT
035M	FLEET SERVICES HEAVY EQUIP	7007600	GENERAL SERVICES-HEAVY EQUIPMENT
036A	GENERAL SERVICES CAPITAL OUTLAY	7080000	GENERAL SERVICES-CAPITAL OUTLAY
037A	LIABILITY PROPERTY INSURANCE	3910000	LIABILITY PROPERTY INSURANCE
039A	WORKERS COMPENSATION INSURANCE	3900000	WORKERS COMPENSATION INSURANCE
040A	UNEMPLOYMENT INSURANCE	3930000	UNEMPLOYMENT INSURANCE
041A-045A	AIRPORT MAINTENANCE	3400000	AIRPORT SYSTEM
043A	AIRPORT CAPITAL IMPROVEMENT	3480000	AIRPORT SYSTEM-CAPITAL OUTLAY
051A	SOLID WASTE OPERATIONS	2200000	SOLID WASTE ENTERPRISE
052A	SOLID WASTE CAPITAL	2250000	SOLID WASTE ENTERPRISE-CAPITAL OUTLAY
056A	PARKING ENTERPRISE	7990000	PARKING ENTERPRISE
059A	REGIONAL RADIO COMMUNICATIONS SYSTEM	7020000	REGIONAL RADIO COMMUNICATIONS SYSTEM
060B	BOARD OF RETIREMENT	7860000	BOARD OF RETIREMENT
068A	PUBLIC WORKS TRANSIT PROGRAM	2930000	RURAL TRANSIT
101A	ANTELOPE PUBLIC FACILITIES FINANCING	3070000	ANTELOPE PUBLIC FACILITIES FINANCING PLAN (PFFP)
105A	LAGUNA CREEK/ELLIOTT RANCH CFD	2870000	LAGUNA CREEK/ELLIOTT RANCH COMMUNITY FACILITIES DISTRICT (CFD) NO. 1
107A	LAGUNA COMMUNITY FACILITY DISTRICT	3090000	LAGUNA COMMUNITY FACILITY DISTRICT
108A	VINEYARD PFFP - ROADWAYS	2840000	VINEYARD PUBLIC FACILITIES FINANCING PLAN
115A	BRADSHAW/US 50 FINANCING DISTRICT	3081000	BRADSHAW/US 50 FINANCING DISTRICT
118A	FLORIN ROAD CAPITAL PROJECT	1182880	FLORIN ROAD CAPITAL PROJECT
118B	FULTON AVENUE CAPITAL PROJECT	1182881	FULTON AVENUE CAPITAL PROJECT
130A	LAGUNA STONELAKE CFD-BOND PROCEEDS	1300000	LAGUNA STONELAKE CFD
131A	PARK MEADOWS CFD-BOND PROCEEDS	1310000	PARK MEADOWS CFD-BOND PROCEEDS
132A	MATHER LANDSCAPE MAINTENANCE CFD	1320000	MATHER LANDSCAPE MAINTENANCE CFD
136A	MATHER PFFP	1360000	MATHER PFFP
137A	GOLD RIVER STATION #7 LANDSCAPE CFD	1370000	GOLD RIVER STATION #7
139A	METRO AIR PARK CFD 2000-1	1390000	METRO AIR PARK
140A	MCCLELLAN CFD 2004-1	1400000	MCCLELLAN PARK CFD
141A	SACRAMENTO CO LANDSCAPE MAINTENANCE	1410000	SACRAMENTO COUNTY LANDSCAPE MAINTENANCE
142A	METRO AIR PARK SERVICE TAX	1420000	METRO AIR PARK SERVICE TAX
143A	NVSSP-ROADWAY	1430000	NORTH VINEYARD STATION SPECIFIC PLAN (NVSSP)
144A	NVSSP CFD 2005-2-ADMIN	1440000	NORTH VINEYARD STATION SPECIFIC PLAN CFD
229A	NATOMAS FIRE DISTRICT	2290000	NATOMAS FIRE DISTRICT
253A	CSA NO. 1	2530000	COUNTY SERVICE AREA (CSA) NO. 1
257A	CSA NO. 10	2857000	CSA NO. 10
261A	REGIONAL SANITATION DISTRICT	3028000	REGIONAL SANITATION DISTRICT
267A	SACRAMENTO AREA SEWER OPERATIONS	3005000	SACRAMENTO AREA SEWER OPERATIONS
277A	FIXED ASSET REVOLVING	9277000	FIXED ASSET REVOLVING
280A	JUVENILE COURTHOUSE PROJECT-DEBT SERVICE	9280000	JUVENILE COURTHOUSE-DEBT SERVICE
282A	2004 PENSION OBLIGATION BOND-DEBT SERVICE	9282000	2004 PENSION OBLIGATION BONDS
284A	TOBACCO LITIGATION SETTLEMENT-CAPITAL PROJECTS	9284000	TOBACCO LITIGATION SETTLEMENT-CAPITAL PROJECTS
288A	1997-REFUNDING PUBLIC FACILITIES DEBT SERVICE	9288000	1997-REFUNDING PUBLIC FACILITIES DEBT SERVICE
298A	2003 PUBLIC FACILITIES PROJ-DEBT SERVICE	9298000	2003 PUBLIC FACILITIES-DEBT SERVICE
300A	2010 REFUNDING COPS-DEBT SERVICE	9300000	2010 REFUNDING COPS-DEBT SERVICE
300B	2010 REFUNDING COPS-PG-DEBT SERVICE	9300500	2010 REFUNDING COPS PARKING GARAGE-DEBT SERVICE
303A	2007 PUBLIC FACILITIES PROJ-CONSTRUCTION	9303303	2007 PUBLIC FACILITIES PROJECT-CONSTRUCTION

# GENERAL BUDGET INFORMATION

# RELATIONSHIP BETWEEN FUNDS, BUDGET UNITS AND DEPARTMENTS

<b>Fund</b>	<b>Fund Name</b>	<b>Budget Unit</b>	<b>Department</b>
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
315A	WATER AGENCY-ZONE 11-DRAINAGE INFRASTRUCTURE	2810000	WATER AGENCY ZONE 11-DRAINAGE INFRASTRUCTURE
318A	WATER AGENCY-ZONE 13	3044000	WATER AGENCY-ZONE 13
320A	WATER AGENCY ENTERPRISE	3050000	WATER AGENCY ENTERPRISE
322A	WATER RESOURCES	3220001	WATER RESOURCES
325A	SACRAMENTO AREA FLOOD CONTROL AGENCY	3252660	DEPARTMENT OF FLOOD MANAGEMENT
330A	SACRAMENTO CO LANDSCAPE MAINTENANCE	3300000	LANDSCAPE MAINTENANCE DISTRICT
336A	MISSION OAKS PARK DISTRICT	9336100	MISSION OAKS RECREATION AND PARK DISTRICT
336B	MISSION OAKS MAINTENANCE & IMPROVEMENT ASSESSMENT DISTRICT	9336001	MISSION OAKS MAINTENANCE/IMPROVEMENT DISTRICT
337A	CARMICHAEL PARK DISTRICT	9337000	CARMICHAEL RECREATION AND PARK DISTRICT
337B	CARMICHAEL RPD ASSESSMENT DISTRICT	9337100	CARMICHAEL RPD ASSESSMENT DISTRICT
338A	SUNRISE PARK DISTRICT	9338000	SUNRISE RECREATION AND PARK DISTRICT
338B	ANTELOPE ASSESSMENT	9338001	ANTELOPE ASSESSMENT
338D	ARCADE CREEK PARK	9338004	ARCADE CREEK PARK
351A	DEL NORTE OAKS PARK DISTRICT	3516494	DEL NORTE OAKS PARK DISTRICT
560A	COUNTY SERVICE AREA 4B	6491000	CSA NO.4B-(WILTON-COSUMNES)
561A	COUNTY SERVICE AREA 4C	6492000	CSA NO.4C-(DELTA)
562A	COUNTY SERVICE AREA 4D	6493000	CSA NO.4D-(HERALD)
563A	COUNTY PARKS CFD 2006-1	6494000	COUNTY PARKS CFD 2006-1

# DESCRIPTION OF COUNTY FUNDS

## **GENERAL FUND 001:**

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

## **SPECIAL REVENUE FUNDS:**

- Fish and Game Propagation Fund 002 – Accounts for activities related to fish and game, including education.
- Road Fund 005 – Accounts for Sacramento County road activities in the unincorporated area, including design, construction, and maintenance of roads, traffic signals, other right-of-way, safety-related road improvement projects, and the Radar/Speed Control program.
- Tobacco Litigation Settlement Fund 008 – Accounts for the Tobacco Litigation Settlement revenues for programs related to health, youth and tobacco prevention.
- Environmental Management Fund 010 – Accounts for revenues and expenditures for public health and environmental regulatory services of water, food, and hazardous materials.
- Library Fund 011 – Accounts for the County's share of revenue and operating transfer to Library Joint Powers Authority (JPA).
- First 5 Sacramento Commission Fund 013 – Accounts for funds received from State of California from Proposition 10.
- Transient-Occupancy Tax Fund 015 – Accounts for the revenues generated from a transient-occupancy tax of twelve percent of the rent charged at hotels, motels, and similar structures for short-term lodging. Expenditures from this fund are for artistic, musical, cultural, civic and other activities, which enhance the image of the community.
- Golf Fund 018 – Includes the costs of operating, maintaining and improving the county's three golf courses. The major sources of funding are greens fees and concession payments. There is no General Fund subsidy and fully reimburses the General Fund for overhead and support services.
- Economic Development Fund 020 – Accounts for assistance to employers and to help attract and retain jobs in the county and region. The Department also engages in more general economic development and job creation programs.
- Building Inspection Fund 021 – Accounts for building inspection and code enforcement services to the unincorporated area of the County.
- Affordability Fee Fund 023 – Accounts for fees collected to purchase land for affordable housing, produce or substantially rehabilitate affordable units, or buy down Extremely Low Income units.
- Roadways Fund 025 – Accounts for public road improvements with several geographical districts in response to land use development decisions.
- Transportation Sales Tax fund 026 – Accounts for the public road improvements in the unincorporated area of the County, which are funded from the Measure A Transportation Sales Tax.
- 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.
- Department of Technology Fund 031 – Accounts for central telecommunication and data processing support to county departments.
- Public Works Fund 033 – Accounts for special services provided by the Municipal Services Agency to other County departments and special districts. These services include Special District Formation, Highways and Bridges, Architectural, Development and Surveyor, Information and Permits, Consolidated Utilities Billing, Technical Services and Construction Management.
- General Services Funds 034 through 036 – Created to centralize many of the activities providing services to County departments. These activities include Automobile Fleet Operations, Purchasing, Printing, Mail, Central Stores, Surplus Property Disposal, and Building Maintenance and Operations.
- Liability/Property Self-Insurance Fund 037 – Accounts for the County’s program of self-insurance for liability/property perils.
- Workers’ Compensation Self-Insurance Fund 039 – Accounts for the County’s self-insurance of all workers’ compensation claims.
- Unemployment Self-Insurance Fund 040 – Accounts for the County’s self-insurance of all unemployment claims.
- Regional Radio Communications System Fund 059 – Accounts for the operations of the County’s emergency communications function.
- Board of Retirement Fund 060 – Accounts for activities related to the management of the Sacramento County Employees’ Retirement System.

**ENTERPRISE FUNDS:**

- Airport System Funds 041, 042, 043, 044, 045 – Accounts for the operations of the Airport Department, including the Metro, Executive, and Franklin Airports, and Mather Airfield.
- Solid Waste Enterprise Funds 051 and 052 – Accounts for the costs of the refuse collection business, including the refuse disposal site and transfer locations.
- Parking Enterprise Fund 056 – Accounts for all downtown parking facilities, which generate revenues from user fees from both the public and county employees.



- Water Agency Enterprise Fund 320 – Accounts for operations of the Water Agency Supply Division, which generate revenues from developer fees and businesses and individuals that purchase water from the Water Agency.

**SPECIAL DISTRICTS AND OTHER AGENCIES FUNDS:**

- Connector Joint Powers Authority Fund 028 – Accounts for the operations of the proposed Capital SouthEast Connector. Only the salary and benefit appropriations are reflected in the County budget document.
- Antelope Public Facilities Financing Plan Fund 101 – Accounts for public facilities in the Antelope area including construction of roadway, park, fire protection facilities, and storm drainage and water supply mitigation measures.
- Laguna Creek/Elliott Ranch Community Facilities District (CFD) Number 1 Fund 105 – Accounts for construction activity in the Laguna Creek Ranch/Elliott Ranch Community Facilities District.
- Laguna Community Facility District Fund 107 – Accounts for construction activity in the Laguna Community Facilities District.
- Vineyard Public Facilities Financing Plan (PFFP) Fund 108 – Accounts for portions of major public infrastructure necessary for the Vineyard area to urbanize including construction of major freeway interchanges, roadways, public transit, library, community center and park facilities.
- Bradshaw/US 50 Financing District Fund 115 – Accounts for portions of major infrastructure necessary for Sacramento County residents, local employees, and business customers to efficiently utilize transportation facilities in the Bradshaw Road and US 50 areas.
- Florin Road/Fulton Avenue Capital Projects Fund 118 – Accounts for services and enhancements in the Florin Road and Fulton Avenue areas.
- Laguna Stonelake CFD Fund 130 – Accounts for portions of the public infrastructure and public facilities necessary to urbanize the Laguna Stonelake area including construction of roadway, drainage, sewer, water, library, and park and fire protection facilities.
- Park Meadows CFD-Bond Proceeds Fund 131 – Accounts for the necessary acquisition and construction of West Stockton Boulevard.
- Mather Landscape Maintenance CFD Fund 132 – Accounts for landscape maintenance and installation services associated with the Independence at Mather residential subdivision.
- Mather PFFP Fund 136 – Accounts for portions of the major public infrastructure roadway facilities necessary for the Mather area to develop.
- Gold River Station Number 7 Fund 137 – Accounts for landscape maintenance services associated with the Gold River Station Number 7 Landscape CFD.
- Metro Air Park Fund 139 – Accounts for construction activity in the Metro Air Park Community Facilities District.
- McClellan Park CFD Fund 140 – Accounts for portions of the public infrastructure and public facilities necessary for the reuse of McClellan Park CFD including construction of roadway, drainage, sewer and landscape facilities.

- Sacramento County Landscape Maintenance Fund 141 – Accounts for landscape maintenance services associated with the Sacramento County Landscape Maintenance Community Facilities District including the installation, maintenance, repair and replacement of landscape facilities within the boundaries of the District.
- Metro Air Park Service Tax Fund 142 – Accounts for Service Tax revenues needed for authorized maintenance services within the Metro Air Park Community Facilities District.
- North Vineyard Station Specific Plan (NVSSP) Fund 143 – Accounts for portions of major public infrastructure necessary for the NVSSP area to urbanize including construction of roadways, frontage lanes, public transit, library, and park facilities.
- North Vineyard Station Specific Plan CFD Fund 144 – Accounts for portions of major public infrastructure necessary for the North Vineyard Station area to urbanize including construction of roadway and transportation improvements, signalized intersections, landscaping improvements, sanitary water, storm drainage, and potable water systems.
- Natomas Fire District Fund 229 – Accounts for fire protection services to approximately forty square miles of the unincorporated area in the northwestern portion of the County.
- County Service Area (CSA) Number One Fund 253 – Formed to provide all street and highway safety lighting services in the unincorporated area of the County.
- CSA Number 10 Fund 257 – Accounts for miscellaneous extended transportation services to achieve trip reduction targets in the North Vineyard Station Specific Plan and other urban development areas in the County.
- Regional Sanitation District Fund 261 – Accounts for the operations of the Regional Sanitation Utility System. Only the salary and benefit appropriations are reflected in the County budget document.
- Sacramento Area Sewer Operations Fund 267 – Accounts for the operations of the Sacramento Area Sewer District. Only the salary and benefit appropriations are reflected in the County budget document.
- Fixed Asset Revolving Fund 277 – Accounts for transfer of funds to the 1990 Fixed Asset Debt Service Fund 278 for payment of debt service and other costs of the program.
- Juvenile Courthouse Debt Service Fund 280 – Services the 2003 Juvenile Courthouse Certificates of Participation.
- 2004 Pension Obligation Bonds Fund 282 – Reflects the annual debt service and related financial services costs for the County's Taxable Pension Funding Bonds Series 2004.
- Tobacco Litigation Settlement Capital Projects Fund 284 – Accounts for construction projects from the Tobacco Securitization proceeds including the Juvenile Hall expansion project and the Primary Care Clinic Facility.
- 1977 Refunding Public Facilities Debt Service Fund 288 – Reflects the debt service requirement for payment of principal, interest, and various other costs related to the 1997 Public Facilities Project Certificates of Participation for the construction of the Coroner/Crime lab and Data Center (the 1994 Certificates).

- 2003 Public Facilities Debt Service Fund 298 – Services the 2003 Public Facilities Projects Certificates of Participation (expansion of the Warren E. Thornton Youth Center, expansion of the Boys Ranch and improvement to various county facilities to accommodate Americans with Disabilities Act).
- 2010 Refunding COPS Debt Service Fund 300 – Accounts for the annual lease payments of the 2010 Refunding Certificates of Participation.
- 2007 Public Facilities Projects Construction Fund 303 – Accounts for the uses of proceeds of the County's 2007 Certificates of Participation Animal Care Facility/Youth Detention Facilities-120 Bed Expansion projects.
- 2007 Public Facilities Projects Debt Service Fund 304 – Accounts for the debt service requirement for payment of principal, interest and various other costs related to the County's 2007 Certificates of Participation Animal Care Facility/Youth Detention Facilities, 120-Bed Expansion projects.
- 2006 Public Facilities Debt Service Fund 306 – Services the 2006 Public Facilities Projects Certificates of Participation (construction of a new Fleet Maintenance Facility; purchase of the Voter Registration and Elections/Sheriff Station House Facility; partial refunding of the 1997 Public Building Certificates of Participation [purchase of the Bank of America building and construction of a 448-Bed Dormitory at Rio Cosumnes Correctional Center]).
- 1997 Public Facilities Debt Service Fund 308 – Services all debt associated with the 1997 borrowing which financed an additional dormitory-style jail at the Rio Cosumnes Correctional Center, and acquisition of the Bank of America building in downtown Sacramento.
- 1997 Public Facilities Construction Fund 309 – Accounts for construction of an additional dormitory-style jail at the Rio Cosumnes Correctional Center, acquisition of the Bank of America building in downtown Sacramento and various other approved construction projects.
- Pension Obligation Bond 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.
- Beach Stone Lake Flood Mitigation Fund 314 – Accounts for a portion of the cost of a flood control project to reduce flooding in the area and to provide flood insurance for local residents impact by the project.
- Water Agency Zone 11 Fund 315 – Accounts for the design and construction of drainage facilities in the zone's geographical area.
- North Vineyard Well Protection Fund 317 – Accounts for the rehabilitation or replacement of private wells as a result of groundwater production from the North Vineyard Well Field.
- Water Agency Zone 13 Fund 318 – Accounts for regional water supply, drainage and flood control studies.
- Water Agency Enterprise Fund 320 – Accounts for the operations of the Sacramento County Water Agency (SCWA) Water Supply Division.
- Water Resources Fund 322 – Accounts for the operations of the Storm Utility Program.

- Department of Flood Management Fund 325 – Accounts for the employees serving the Sacramento Area Flood Control Agency (SAFCA).
- Landscape Maintenance District Fund 330 – Accounts for the maintenance of approximately two million square feet of landscaped corridors, medians and natural open spaces throughout the County.
- Mission Oaks Recreation and Park District Fund 336 – Accounts for the operations of the Mission Oaks Recreation and Park District, a Board of Supervisors-governed park district.
- Carmichael Recreation and Park District Fund 337 – Accounts for the operations of the Carmichael Recreation and Park District, a Board of Supervisors-governed park district.
- Sunrise Recreation and Park District/Antelope Assessment Fund 338 – Accounts for the operations of the Sunrise Recreation and Park District, a Board of Supervisors-governed park district.
- Del Norte Oaks Park District Fund 351 – Accounts for the grounds maintenance of 8,200 square feet of landscaped area in the Del Norte Oaks subdivision.
- CSA Number 4B (Wilton-Cosumnes) Fund 560 – Accounts for recreation and park services to the Wilton Community and surrounding areas in the south county.
- CSA Number 4C (Delta) Fund 561 – Accounts for recreation and park services to the Delta area in the south county.
- CSA Number 4D (Herald) Fund 562 – Accounts for park maintenance aide and supplies for operations of Herald Park.
- County Parks CFD 2006-1 Fund 563 – Accounts for local and regional park maintenance and operation services for park, parkway, trails, park and recreational programs and open space facilities within the boundary of County Service Area 4B.

**GOVERNMENTAL FUNDS:**

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

**PROPRIETARY FUNDS:**

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

**TRUST AND AGENCY FUNDS:**

- **TRUST FUNDS**
  - Investment Trust Fund – Accounts for assets held for external investment pool participants.
  - **Expendable Trusts:**
    - Inmates' Welfare – Accounts for profits from the jails' commissaries, which are used solely for the benefit of the inmates.

- Jail Industry – Accounts for operations of the County’s “inmate industry” program.
  - Law Library – Accounts for an apportionment of civil case filing fess 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 Count in the Agency Fund until earned by the appropriate department, at which time they are transferred.
    - Unapportioned Tax Collection – Accounts for property taxes received but not yet apportioned by the County.
    - Public Safety – Accounts for receipts from the one half percent sales tax approved by voters for law enforcement functions. These receipts are held pending apportionment to the appropriate county law enforcement department or local police agency.
    - Pooled Treasury Income – Accounts for interest earned and received by the County Treasury and allocated to appropriate funds.
    - Other – Accounts for other agency funds where the County holds money in a custodial capacity.

# DESCRIPTION OF MAJOR COUNTY REVENUE SOURCES AND TRENDS

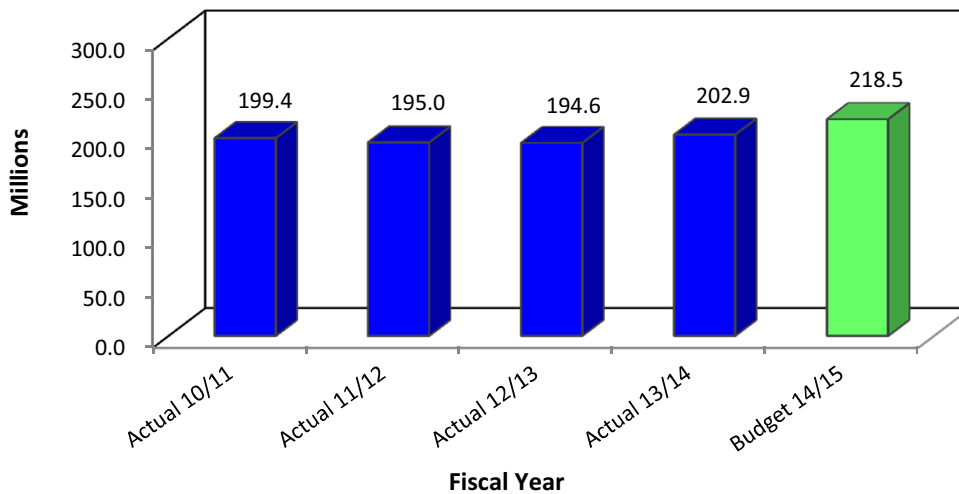
## Revenue Source: Property Tax

Trend		Percent Change	Comments
2010-11 Actual	\$ 199,384,751		1.0 percent tax on real property under acquisition value basis of California's Proposition 13.
2011-12 Actual	\$ 195,033,324	-2.18%	
2012-13 Actual	\$ 194,634,583	-0.20%	
2013-14 Actual	\$ 202,870,102	4.23%	
2014-15 Budget	\$ 218,488,137	7.70%	

### 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 2014-15 projected total for property tax revenues is \$218.5 million.

### Property Tax Revenues



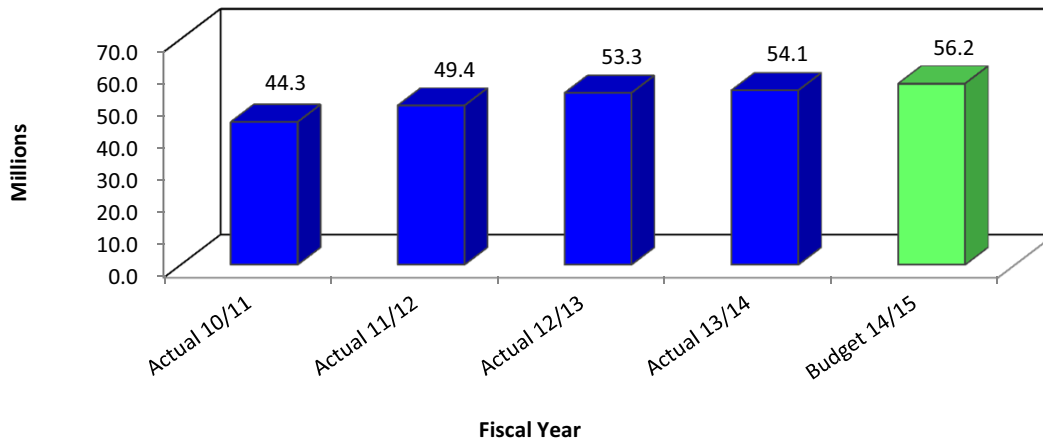
**Revenue Source: Sales Tax**

Trend		Percent Change	Comments
2010-11 Actual	\$ 44,273,457		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).
2011-12 Actual	\$ 49,367,691	11.51%	
2012-13 Actual	\$ 53,252,811	7.87%	
2013-14 Actual	\$ 54,100,000	1.59%	
2014-15 Budget	\$ 56,213,847	3.91%	

**SALES TAX REVENUES:**

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 3.91 percent growth from the prior year actuals of \$54.1 million. The total projected for Fiscal Year 2014-15 is \$56.2 million.

**Sales Tax Revenues**



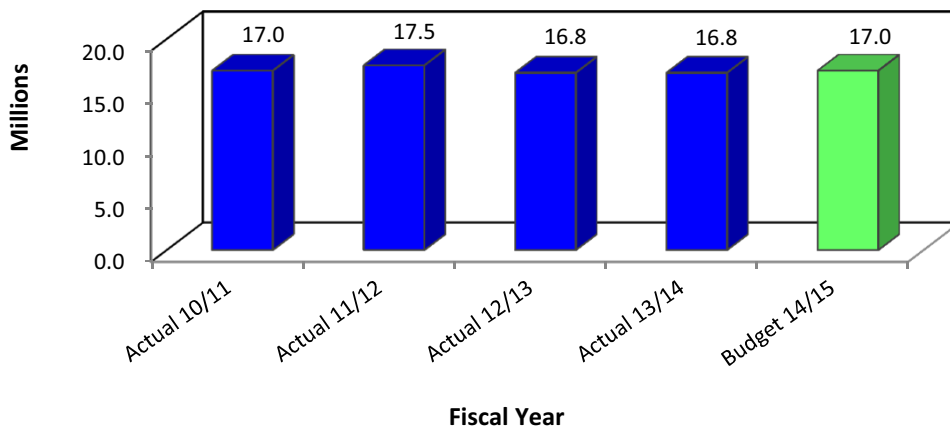
**Revenue Source: Utility Tax**

Trend		Percent Change	Comments
2010-11 Actual	\$ 16,996,428		A 2.5 percent tax on electricity, gas, sewer, phone (not cellular), and cable TV use in the Unincorporated Area.
2011-12 Actual	\$ 17,493,436	2.92%	
2012-13 Actual	\$ 16,839,231	-3.74%	
2013-14 Actual	\$ 16,790,817	-0.29%	
2014-15 Budget	\$ 17,044,777	1.51%	

**UTILITY TAX REVENUES:**

The revenue estimate is based on a 1.51 percent increase in utility collections in the Unincorporated Area. The total budgeted for Fiscal Year 2014-15 is \$17.0 million.

**Utility Tax Revenues**





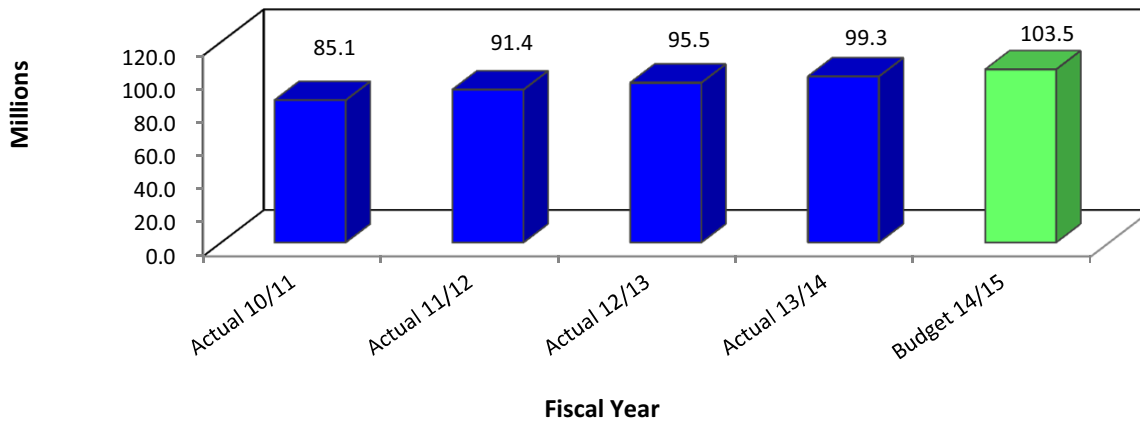
**Revenue Source: Proposition 172 - Public Safety**

Trend		Percent Change	Comments
2010-11 Actual	\$ 85,087,235		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.
2011-12 Actual	\$ 91,369,600	7.38%	
2012-13 Actual	\$ 95,507,647	4.53%	
2013-14 Actual	\$ 99,330,359	4.00%	
2014-15 Budget	\$ 103,471,379	4.17%	

**PUBLIC SAFETY REVENUES:**

The budget estimate is based on a 4.17 percent assumed growth in statewide sales tax collections from Fiscal Year 2013-14 actuals.

**Proposition 172 - Public Safety Revenues**



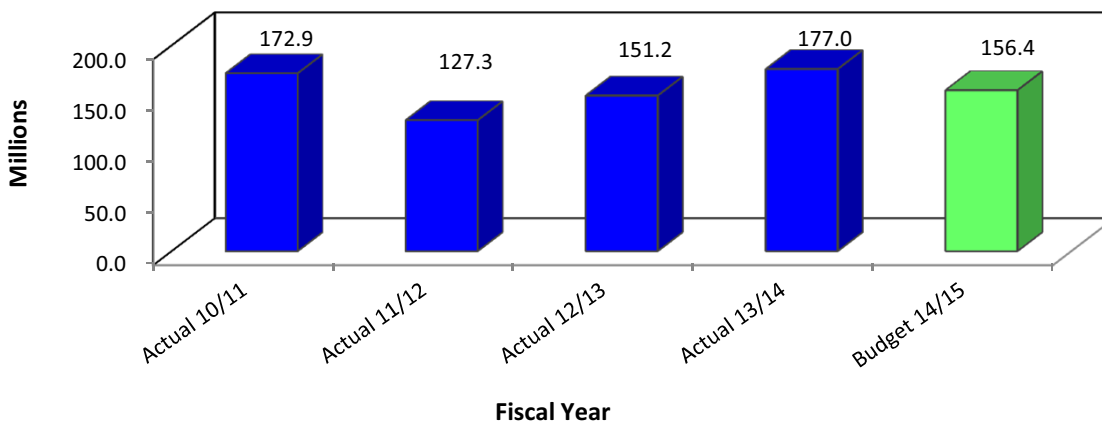
**Revenue Source: Realignment 1991 Revenues**

Trend		Percent Change	Comments
2010-11 Actual	\$ 172,898,213		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.
2011-12 Actual	\$ 127,304,970	-26.37%	
2012-13 Actual	\$ 151,194,886	18.77%	
2013-14 Actual	\$ 177,010,478	17.07%	
2014-15 Budget	\$ 156,382,442	-11.65%	

**REALIGNMENT 1991 REVENUES:**

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**



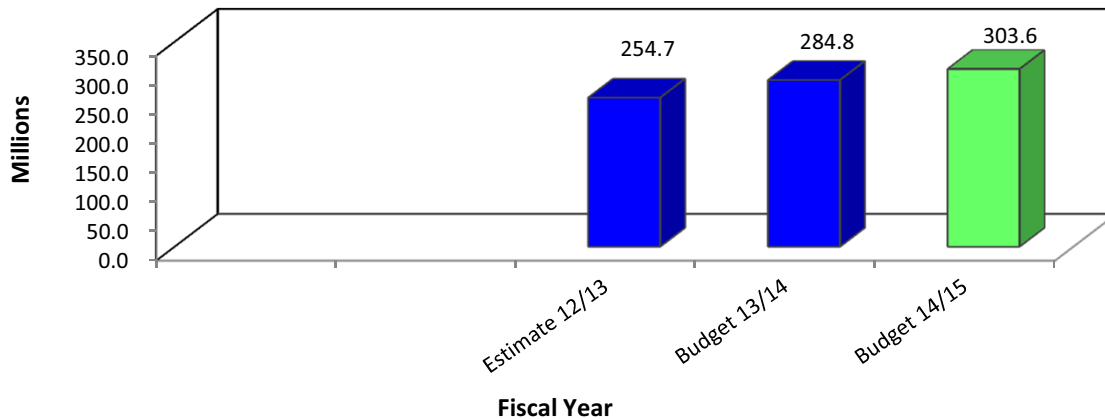
**Revenue Source: Realignment 2011 Revenues**

Trend		Percent Change	Comments
2012-13 Estimate	\$ 254,723,831		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	11.81%	
2014-15 Budget	\$ 303,649,337	6.62%	

**REALIGNMENT 2011 REVENUES:**

The budget estimate is based on 6.62 assumed growth from the Fiscal Year 2013-14 budgeted amount. The Fiscal Year 2014-15 budgeted total is \$303.6 million.

**Realignment 2011 Revenues**



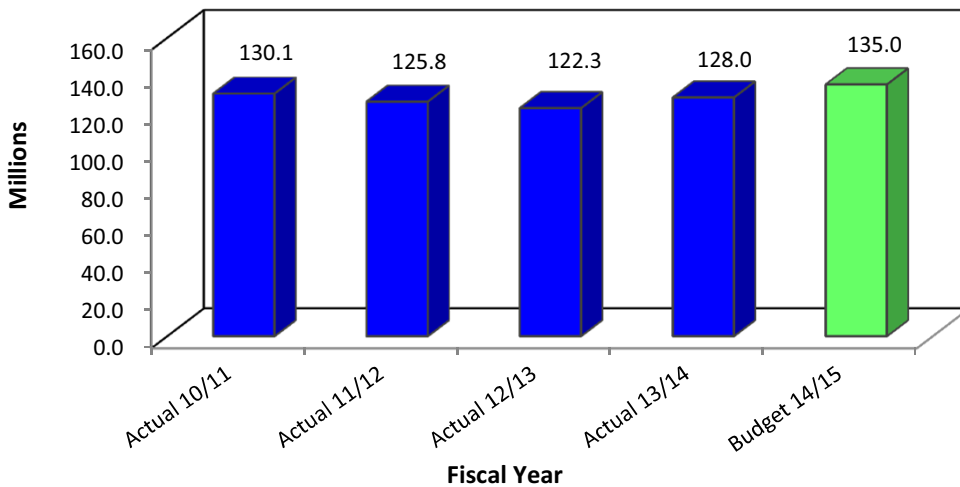
**Revenue Source: Property Tax In-Lieu of Vehicle License Fees**

	Trend		Percent Change	Comments
2010-11 Actual	\$	130,088,166		This revenue source emerged as the result of the State's "Swap" deal. The amount reflects backfill of the Vehicle License Fee that now flows to the State General Fund.
2011-12 Actual	\$	125,760,833	-3.33%	
2012-13 Actual	\$	122,310,424	-2.74%	
2013-14 Actual	\$	127,961,232	4.62%	
2014-15 Budget	\$	134,999,100	5.50%	

**PROPERTY TAX IN-LIEU OF VEHICLE LICENSE FEES REVENUES:**

The assumption for this revenue source is based on the State's "Swap" deal. The Fiscal Year 2014-15 projected total of \$135.0 million reflects a 5.50 percent increase from the prior year actual levels.

**Property Tax In-Lieu of Vehicle License Fees Revenues**



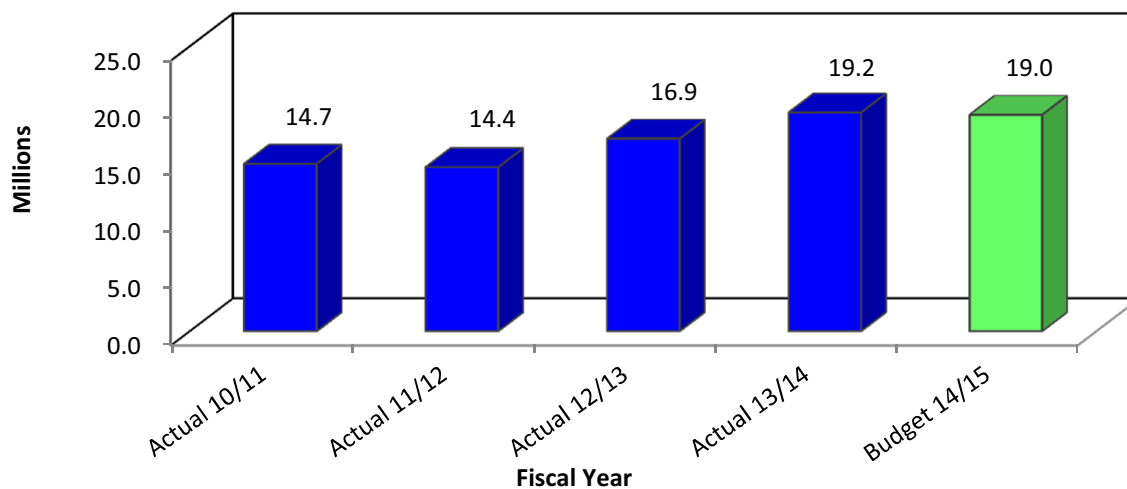
**Revenue Source: In Lieu Local Sales and Use Tax**

	<b>Trend</b>		<b>Percent Change</b>	<b>Comments</b>
2010-11 Actual	\$	14,721,704		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.
2011-12 Actual	\$	14,406,406	-2.14%	
2012-13 Actual	\$	16,876,604	17.15%	
2013-14 Actual	\$	19,183,789	13.67%	
2014-15 Budget	\$	19,029,857	-0.80%	

**IN LIEU LOCAL SALES AND USE TAX REVENUES:**

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 2014-15, a total of \$19.0 million is budgeted for In Lieu Local Sales and Use Tax revenues, a decrease of 0.80 percent from the prior year actuals.

**In Lieu Local Sales and Use Tax Revenues**



# GENERAL BUDGET POLICIES AND PLANNING

## GENERAL BUDGET INFORMATION

This summary includes:

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

### **I. THE BUDGET**

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

#### **LEGAL REQUIREMENTS**

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

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

#### **BUDGETING BASIS**

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

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

**BUDGET POLICIES**

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

**Alignment of Ongoing Expenditures and Revenues and Use of Fund Balance**

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

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

**Use of Fund Balance and Appropriation Use Flexibility**

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

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

**Reserve Levels**

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

**Resource Allocation**

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

**Resource Allocation (Cont.)**

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

**II. Revenue and Cash Management – Cash, Investments, And Restricted Assets**

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

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



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

**Revenue and Cash Management – Investments and GASB 40 Presentation**

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

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

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

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

Specific restrictions of investment are noted below:

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

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

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

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

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

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

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

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

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

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

### III. Debt Management Policies

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

Major elements of the policy include:

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

#### Debt Limits

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

#### **IV. Long-Range Budget Planning**

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

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

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

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

# BUDGET PROCESS AND TIMELINE

## **BUDGET PROCESS:**

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

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

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

The annual budget process includes seven phases:

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

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

### **Phase II – (December – April) Develop Operating Budget**

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

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

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

### **Phase III – (March-April)**

The Board holds public workshop hearings, if appropriate.

### **Phase IV – (May-June)**

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

**Phase V – (July 1st)**

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

**Phase VI – (August-September)**

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

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

**Phase VII – (September-October)**

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

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

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

**AMENDING THE ADOPTED BUDGET BY APPROPRIATION ADJUSTMENT REQUESTS:**

**Guidelines and Legal Authorities**

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

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

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

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

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

## **SPECIFIC AREAS OF CHANGE**

### TRANSFER OF APPROPRIATION ADJUSTMENT AUTHORITY

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

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

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

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

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

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

**FISCAL YEAR 2014-15 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:

**County of Sacramento  
2014-15 BUDGET SCHEDULE  
All Departments - Action Dates**

<b>Action</b>	<b>Due Dates</b>
Budget Instruction Distributed to Departments	Friday, February 7, 2014
Personnel Budget Report (PBR) & Position Summary to Departments	Friday, February 7, 2014
Allocated Cost Package available on the Intranet	Friday, February 7, 2014
Preliminary General Fund Allocations Distributed to Departments (tentative)	Friday, February 7, 2014
Form 330, Facility Acquisition/Improvement Request	Thursday, February 13, 2014
Heavy Vehicle Requests to Fleet Services Division (Form 309B)	Thursday, February 13, 2014
Light Vehicle Requests to Fleet Services Division (Form 308B)	Thursday, February 13, 2014
Financial Status Report (FSR) due to CEO along with explanation	Friday, February 21, 2014
<b>RECOMMENDED BUDGET SUBMITTAL #1 due to CEO</b>	<b>Monday, March 3, 2014</b>
Preliminary Department Reduction Impact Statements to CEO Analyst	Monday, March 3, 2014
Requests for Additional Growth due to CEO Analyst	Monday, March 3, 2014
Updated Financial Status Report (FSR) with explanation	Friday, April 25, 2014
<b>RECOMMENDED BUDGET SUBMITTAL #2 due to CEO (if changes made)</b>	<b>Friday, May 2, 2014</b>
Revised Reduction Impact Statement submitted to CEO if necessary	Friday, May 2, 2014
Program Description	Friday, May 2, 2014
Program Comparison Worksheet	Friday, May 2, 2014
Updated Program Database Due (if necessary)	Friday, May 2, 2014
<b>RECOMMENDED BUDGET HEARINGS</b>	<b>June 17 - 18, 2014</b>
Budget changes resulting from Board Actions (Including position change information) due to CEO	Wednesday, June 18, 2014
Period 13 Closes – Fund Balance Available (date may shift)	Friday, July 18, 2014
Year-End FSR with explanation due to CEO	2 working days after Close
Final Budget Revisions (if necessary) Due to CEO	Thursday, August 7, 2014



**FISCAL YEAR 2014-15 BUDGET TIMELINE (CONT.):**

Final Budget Book Submittals (see checklist) due to CEO Analysts	Friday, September 5, 2014
<b>BUDGET HEARINGS</b>	<b>September 9 11, 12</b>
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 Budget Act January 2010		County of Sacramento Detail of Financing Sources and Financing Uses Governmental Funds Fiscal Year xxxx-xx			Schedule 9
<b>1</b> Budget Unit 3610000 - Assessor Function GENERAL Activity Finance					
<b>2</b>	<b>3</b>	xxxx-xx Actual Estimated	<b>4</b>	<b>5</b>	
Detail by Revenue Category and Expenditure Object	xxxx-xx Actuals	<input type="checkbox"/> <input type="checkbox"/>	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	-	-	-	
<b>Total Revenue</b>	<b>\$ 8,973,457</b>	<b>\$ 7,804,740</b>	<b>\$ 6,573,156</b>	<b>\$ 6,573,156</b>	
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)	
<b>Total Expenditures/Appropriations</b>	<b>\$ 15,241,024</b>	<b>\$ 13,778,288</b>	<b>\$ 15,912,612</b>	<b>\$ 15,912,612</b>	
<b>Net Cost</b>	<b>\$ 6,267,567</b>	<b>\$ 5,973,548</b>	<b>\$ 9,339,456</b>	<b>\$ 9,339,456</b>	
<b>6</b>	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 Wine Country, the Gold Country, the Central Valley, the Sierra Nevada Mountains and Lake Tahoe.

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

The Sacramento area is home to the 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 is the San Francisco Giants' triple-A affiliate, and they play their home games at Raley Field in West Sacramento, located across the river from downtown Sacramento. In addition to Sacramento's professional sports franchises, the region has been successful in bringing a number of high profile sporting events to Sacramento.

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

**Economic Development Incentive Program**

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

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

**Population**

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

Sacramento County Breakdown of Population/Percent Increase

<b>Area</b>	<b>1970</b>	<b>1980</b>	<b>1990</b>	<b>2000</b>	<b>2010</b>	<b>2014</b>
<b>Cities:</b>						
Citrus Heights	---	---	---	85,071	83,267	84,544
Elk Grove	---	---	---	---	152,925	160,688
Folsom	5,810	11,003	29,802	51,884	72,201	74,014
Galt	3,200	5,514	8,889	19,472	23,641	24,289
Isleton	909	914	833	828	804	815
Rancho Cordova	---	---	---	---	64,413	67,839
Sacramento	257,105	275,741	369,365	407,018	466,279	475,122
<b>Unincorporated Area:</b>						
	367,349	409,209	632,330	659,226	553,529	567,095
<b>Total:</b>	634,373	783,381	1,041,219	1,223,499	1,417,059	1,454,406
<b>% Increase over prior period:</b>		<b>23.49%</b>	<b>32.84%</b>	<b>17.50%</b>	<b>15.82%</b>	<b>2.64%</b>
<b>State Population:</b>	19,935,134	23,782,000	29,828,496	34,095,209	37,223,900	38,340,000
<b>% Increase over prior period:</b>		<b>19.30%</b>	<b>25.42%</b>	<b>14.30%</b>	<b>9.17%</b>	<b>3.00%</b>

Sources: U.S. Census Bureau; 2014 from California Department of Finance.

**Industry and Employment**

Three major job categories comprised 73 percent of the Sacramento Metropolitan Statistical Area (SMSA) work force as of August 2014: services (38 percent), government (23 percent), and wholesale/retail trade (12 percent), based on seasonally unadjusted August 2014 statistics, as summarized in the following table.

**Sacramento Metropolitan Statistical Area Labor Market Survey  
Calendar Years 2010 to August 2014**  
(Amounts Expressed in Thousands)

<b>Industry</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>Aug 2014</b>
Mining	0.5	0.4	0.3	0.5	0.5
Construction	33.4	34.8	34.4	43.6	48.9
Manufacturing-Nondurable goods	11.3	10.7	10.9	9.6	11.3
Manufacturing-Durable goods	21.9	22.0	23.0	23.4	24.3
Transportation, Warehousing & Public Utilities	23.3	21.4	23.8	24.7	23.6
Information	16.7	16.8	14.8	14.8	14.3
Wholesale Trade	22.4	23.0	25.7	25.0	25.1
Retail Trade	87.7	93.9	97.9	99.7	94.0
Finance, Insurance, Real Estate	58.8	58.8	60.3	62.3	64.8
Services	298.2	312.0	329.7	363.9	370.2
Government	235.6	222.1	219.2	222.4	220.4
Agriculture	7.5	7.2	6.9	6.9	10.0
Other	63.8	73.8	91.5	62.4	69.5
<b>Total:</b>	<b>903.2</b>	<b>920.5</b>	<b>938.4</b>	<b>959.2</b>	<b>976.9</b>

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 2013, and major public sector employers in the County of Sacramento only, are detailed in the following two tables.

**Major Private Sector Employers 2013**

<b>Company</b>	<b>Type of Business</b>	<b>No. of FTE Employees</b>
Sutter Health	Health Care	9,494
Kaiser Permanente	Health Care	9,109
Dignity Health (formerly Mercy/Catholic Healthcare West)	Health Care	7,397
Raley's	Retail Grocery	6,240
Intel Corporation	Semiconductor Manufacturer	6,000
Wells Fargo	Financial Services	3,249
Hewlett-Packard	Computer Hardware Manufacturer	3,200
Cache Creek Casino Resort	Leisure & Hospitality	2,400
Health Net Inc.	Health Care	2,358
VSP Global	Health Care	2,223

Source: Sacramento Business Journal Annual 2013 Book of Lists.

**Major Public Sector Employers-Sacramento County Only 2013**

<b>Company</b>	<b>Number of FTE Positions</b>
State of California	69,469
Sacramento County	10,634
UC Davis Health System	9,985
U.S. Government	5,750
Elk Grove Unified School District	5,535
San Juan Unified School District	4,700
City of Sacramento	3,831
Sacramento City Unified School District	3,320
Los Rios Community College District	3,147
California State University Sacramento	3,023

Source: Sacramento Business Journal Annual 2013 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 between CY2010 and CY 2013 by approximately 17 percent.

**SACRAMENTO COUNTY UNINCORPORATED AREA  
Total Taxable Transactions Calendar Year 2004 through 2013  
(Amounts Expressed in Thousands)**

<b>Category</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
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
<b>Total Retail Outlets:</b>	<b>\$5,524,482</b>	<b>\$5,747,496</b>	<b>\$5,574,308</b>	<b>\$5,355,614</b>	<b>\$4,812,637</b>
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
<b>Total All Outlets:</b>	<b>\$6,842,692</b>	<b>\$7,207,334</b>	<b>\$7,139,684</b>	<b>\$6,749,129</b>	<b>\$6,412,728</b>

Source: MuniServices LLC.

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

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

Source: The HdL Companies.



**Construction Activity**

The value of total building permits issued in the County was \$1,029,972,000 in 2013, an increase of 25 percent from the prior year, and substantially less than the peak of \$2,904,346,000 in 2004. The number of new residential dwelling units was 1,279 in 2013, an increase of 36 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 2007 through 2013  
(Amounts Expressed in Thousands)**

<b>Valuation:</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
Residential	\$961,888	\$681,318	\$396,103	\$382,892	\$407,619	\$371,640	\$610,651
Nonresidential	600,632	897,092	356,605	326,017	521,650	453,544	419,321
<b>Total:</b>	<b>\$1,562,520</b>	<b>\$1,578,410</b>	<b>\$752,708</b>	<b>\$708,909</b>	<b>\$929,269</b>	<b>\$825,184</b>	<b>\$1,029,972</b>
<b>New Dwelling Units:</b>							
Single Family	2,764	1,692	754	630	504	803	1,177
Multiple Family	146	18	8	50	142	138	102
<b>Total:</b>	<b>2,910</b>	<b>1,710</b>	<b>762</b>	<b>680</b>	<b>646</b>	<b>941</b>	<b>1,279</b>

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 eight 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.

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 2012 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 2012 was \$460,650,586, the highest ever recorded, representing an 14 percent increase from 2011 values, following an 8.8 percent increase in 2011. The top two crop production values in the County during 2012 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 76,000 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 18,000, 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 and ITT Technical Institute.

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

UCD offers four colleges, six professional schools, more than 90 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.

CSUS enrolls 29,000 undergraduate and graduate students, and graduates approximately 6,500 students each year. The university has an annual economic impact on the region of nearly \$1 billion and generates more than 7,300 jobs.

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