

**FY2016-17 Budget Recommended for Adoption
SELECTED SIGNIFICANT CHANGES – APPROVED TO ADOPTED**

GENERAL FUND

General Fund Support for Road Maintenance

The recommended Net County Cost-funded Growth includes a \$1.4 million transfer from the General Fund to the Road Fund for road maintenance as part of long-term plan to improve the condition of existing County roads. It is apparent that a general fund allocation will be necessary to augment funds from all available federal, State, and local sources to maintain County roads at an acceptable level. Staff is now working on the details of this plan which will be presented to the Board later in the fiscal year.

Social Services Community Support Fund

The Adopted Budget includes \$1.1 million in appropriations in the Non-departmental Costs Budget to establish a Social Services Community Support Fund. Through a targeted grant process, the Social Services Community Support Fund would finance projects operated by non-profit organizations to address critical emergent needs related to Adoption Assistance, Adult Protective Services, California Children's Service, CalWORKS, Child Welfare Services, and Foster Care. These are programs that are eligible for Social Services Realignment funding, which would be the revenue source for the grants. If the Board approves this recommended appropriation, we will return later in the fiscal year with a recommended plan for soliciting applications and allocating these funds.

Assessor

A \$77,116 appropriation and Net County Cost increase is recommended to fund a Growth request: the addition of one new Assessment Technician position in the Property Transfer Section. This position will be used to implement a program to apply penalties to legal entities that fail to notify the Board of Equalization (BOE) of changes in control of the organization. The revenue generated by the program is expected to cover the position costs starting in FY2017-18 and the new program will fulfill a recommendation from the BOE survey team.

District Attorney

A \$1,444,283 increase in appropriations, \$1,253,124 increase in revenue and \$191,159 increase in Net County Cost is recommended. Approximately \$954,000 of the increase in appropriations and revenue is due to the receipt of additional County Victim Services and Office of Traffic Safety grant funding. Approximately \$428,000 of the increase in appropriations, \$310,000 of the increase in revenue and \$118,000 of the increase in Net County Cost are recommended to fund three Growth requests: the addition of a new Human Services Social Worker position in the Victims Assistance program, the addition of a new Cyber Crimes Criminal

Investigator position along with a vehicle for that Investigator, and the purchase of two new vehicles for Criminal Investigator positions that were added in a previous fiscal year but funding for additional vehicles was not provided at that time. The remaining appropriation, revenue and Net County Cost changes are the net result of miscellaneous appropriation and revenue adjustments, including a \$101,000 reduction in Proposition 172 revenue and net \$27,000 increase in Realignment revenue.

With regard to the recommended Growth, the total cost of the three requests is \$427,851 - \$110,747 for the Human Assistance Social Worker, \$230,574 for the Cyber Crimes Criminal Investigator/Vehicle and \$86,520 for the two additional vehicles. If the County creates the new Social Worker position, the Department will receive \$310,079 in Victim/Witness Grant funding and the difference between that amount and the cost of the Social Worker - \$199,332 - can be used to free up Net County Cost and thus effectively help offset the cost of the two other Growth requests.

Sheriff

A \$754,588 increase in appropriations, \$176,158 reduction in revenue and \$930,746 increase in Net County Cost is recommended. The increase in appropriations is the net result of an \$825,358 increase to cover helicopter maintenance costs that were originally expected to be incurred in FY2015-16 and must now be re-budgeted in FY2016-17, costs related to the receipt of an additional \$48,312 in Central Valley High Intensity Drug Trafficking Area (CVHIDTA) Task Force grant revenue and a \$119,082 reduction in lease charges to the Department. The decrease in revenue is the net result of an \$825,358 increase in federal asset forfeiture revenue to cover the cost of the helicopter maintenance, the \$48,312 increase CVHIDTA grant revenue, a \$417,455 decrease in Realignment revenue and a \$632,373 decrease in Proposition 172 revenue.

Agricultural Commissioner/Sealer of Weights and Measures

A \$171,142 increase in appropriations, \$25,795 increase in revenue and \$145,347 increase in Net County Cost is recommended to fund two Growth requests: (1) the addition of a Chief Deputy Agricultural Commissioner position (funded by Net County Cost); and (2) the addition of 0.2 FTE Agricultural Standards Inspector (funded by \$25,795 in additional inspection fee revenues). As proposed, the new Chief Deputy Agricultural Commissioner position will assist the Commissioner in day-to-day department management, with a particular focus on the Department's land use responsibilities. This will allow the Commissioner to devote more time to dealing with broader policy and program issues. Starting in FY2017-18, the cost of the Chief Deputy Agricultural Commissioner will be 65% funded with gas tax revenue. The 0.2 FTE Inspector position will be combined with an existing 0.8 FTE position to create a full-time Inspector position.

Animal Care and Regulation

A \$376,450 increase in appropriations, \$185,000 increase in revenue and \$191,450 increase in Net County Cost is recommended. The increase in Net County Cost and \$191,450 of the increase in appropriations is recommended to cover part of the cost of three vehicles that were originally expected to be purchased in FY2015-16 and must now be re-budgeted for in FY2016-17. The increase in revenue and remaining \$185,000 increase in appropriations will fund three Growth requests: (1) \$30,000 to augment the funding for the purchase of the three vehicles which are now estimated to cost more than the original \$191,450; (2) \$100,000 for additional Community Spay and Neuter Services; and (3) \$55,000 for the Return to Field Spay and Neuter program. The increased revenue will come from donations currently available in a trust fund.

The following table shows the total amount of spay-neuter funding included in the FY2016-17 Adopted Budget compared to the FY2016-17 Approved Budget and FY2015-16 actual expenditures:

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Program	FY 15-16		FY 16-17		
	Total	Surgeries	Approved Budget	Growth Adopted Budget	Total Adopted Budget
Shelter Animals					
County Vets, Overflow contracts with Animal Spay Neuter A Non Profit (ASN) and Sacramento Society for the Preventions of Cruelty to Animals (SSPCA)	\$ 541,436	4,543	\$ 554,333		\$ 554,333
ASN - Return to Field Program - Cats	\$ 62,841	1,409		\$55,000	\$ 55,000
Subtotal Shelter Animals	\$604,277	5,952	\$ 554,333	\$55,000	\$ 609,333
Community Spay and Neuter:					
ASN - Cats	\$ 56,000	1,573	\$ 50,000	\$40,000	\$ 90,000
ASN - Dogs				\$10,000	\$ 10,000
ASN – Elk Grove Funding	\$ 2,500				
Sacramento Area Animal Coalition (SAAC)	\$ 35,000	552			
SSPCA - Cats	\$ 30,000	1,243		\$20,000	\$ 20,000
SSPCA - Dogs	\$ 10,000	130		\$15,000	\$ 15,000
SSPCA - South County Feral Cats				\$15,000	\$ 15,000
County Mobile Clinic	\$ 146,327	453	\$ 148,907		\$ 148,907
Sterilization Trust - SAAC (FY 15-16 Actual FY 16-17 Estimate – cannot exceed trust fund balance)	\$ 74,075	1,342	\$ 100,000		\$ 100,000
Subtotal Total Community Spay and Neuter	\$353,902	5,293	\$298,907	\$100,000	\$ 398,907
Grand Total Spay and Neuter	\$958,179	11,245	\$853,240	\$155,000	\$1,008,240

Over the next few months, staff from the County Executive Office and the Animal Care and Regulation Department will be working with our non-profit partners to review spay/neuter services, costs and outcomes to determine the most appropriate funding level and service delivery model and may return to the Board later in the fiscal year with additional recommendations.

Clerk of the Board

A \$129,281 increase in appropriations and revenue is recommended to reflect the receipt of a Public, Education and Government (PEG) grant from the Sacramento Metropolitan Cable Television Commission. This money will be used to implement enhanced Metro Cable 14 broadcast equipment, upgrade the Board of Supervisors'

Chambers technology and increase accessibility under the Americans with Disabilities Act.

Voter Registration/Elections

A \$629,347 increase in revenue and decrease in Net County Cost is recommended. Revenue has increased by \$629,347 due to the passage of AB 120, which allows counties to request reimbursement from the State for certain signature verification and election costs incurred conducting the June 2016 presidential primary election. The Department incurred most of these costs in FY2015-16 and therefore can free up Net County Cost in FY2016-17.

Financing-Transfers/Reimbursements

A \$1,686,577 increase in appropriations and Net County Cost is recommended to: (1) transfer \$1.4 million to the Roads Fund for road maintenance as described above; and (2) transfer \$286,577 to the Transient Occupancy Tax (TOT) Fund to pay for a portion of the Powerhouse Science Center's construction loan debt service. In 2014 the Board approved an agreement with the Powerhouse Science Center (PHSC) that, among other things, committed the County to consider as part of our annual budget process making a contribution to the PHSC of \$344,000 each year for 20 years starting in FY2016-17, assuming the PHSC met certain conditions. The PHSC would use this money (which the Board directed come from TOT revenue) to help offset debt service on its construction loan for the expansion of its facility. The TOT Fund has \$57,423 in unallocated funds available in its fund balance so the amount that needs to be transferred from the General fund this year is only \$286,577.

Community Development

A \$257,650 increase in appropriations and revenue is recommended to fund one Growth request: the addition of two new limited term Building Inspector positions to address workload issues. Funding will come from building inspection fee revenue.

Non-departmental Costs

A \$4,051,701 increase in appropriations, \$1,217,479 increase in revenue and \$2,834,222 increase in Net County Cost is recommended, including:

- A \$1.1 million increase in appropriations and Social Services Realignment revenue related to the proposed new Social Services Community Support Fund program described above.
- A \$117,479 increase in appropriations and AB 109 Realignment Planning revenue related to Adult Correctional System Review consultant costs that were originally expected to be incurred in FY2015-16 and must now be re-budgeted in FY2016-17.

- A \$3,265,261 increase in the interfund transfer repayment amount.
- \$250,000 in Net County Cost to provide a contribution to the Aerospace Museum of California that would be matched on a dollar-for-dollar basis by other contributions. These funds would be used to: (1) create an interactive Science, Technology, Engineering and Math (STEM) exhibit with hands-on activities to encourage critical thinking, problem solving, creativity and innovation; and (2) develop and host STEM workshops focused on propulsion and aerodynamics with real-world applications in math and science. If this appropriation request is approved, staff will return to the Board later in the fiscal year with an agreement with the Museum that spells out recommended terms for the Museum receiving this funding.
- \$25,000 in Net County Cost to provide a loan to the River Delta Fire District to assist the District in covering certain costs related to placing a funding measure on the ballot.

Appropriation for Contingency

A \$350,000 increase in appropriations and Net County Cost is recommended to bring the Appropriation for Contingency to roughly the same level as in the FY2015-16 Adopted Budget.

Regional Parks

A \$338,942 increase in appropriations and Net County Cost is recommended to fund three Growth requests: (1) \$208,000 to move the Department's headquarters into leased spaced that better suits its needs; (2) \$60,000 to make building roof and parking lot driveway repairs at the American River Ranch facility; and (3) \$70,942 to add a new Administrative Services Officer position that would be responsible for relieving Rangers of various administrative tasks thus increasing Ranger presence in the parks.

Addition of the new Administrative Services Officer will relieve the Rangers of performance of an estimated 25 hours of administrative tasks a week, or approximately 1,300 hours annually. This Ranger time will be spent on regular ranger functions including patrol and the illegal camping detail. The FY 2016-17 addition of this position was included in the Department of Regional Parks Service Review Report which was approved by the Board on November 17, 2015.

Probation

A \$1,256,855 reduction in appropriations, \$1,951,423 reduction in revenue and \$694,568 increase in Net County Cost is recommended. The \$1,951,423 reduction in revenue is the net result of decreases and increases in different revenue sources, including a \$2.2 million reduction in SB678 revenue, a \$413,000 decrease in Realignment revenue, a \$143,518 decrease in Proposition 172 revenue and a

\$950,000 increase in Post Release Community Supervision Second Striker Mitigation funding. The decrease in appropriations reflects reductions in salary and benefit costs (overtime, extra help and salary savings) in the Youth Detention Facility that is possible due to a decline in admissions and population that has allowed the Department to close two housing units.

Emergency Operations

A \$60,000 increase in appropriations and Net County Cost is recommended to fund a Growth request to backfill a reduction in grant funding that paid for support for the Sacramento Medical Reserve Corps which is a critical component of the County's emergency response system and to provide disaster preparedness outreach and education.

Health & Human Services

An \$11,014,993 increase in appropriations, \$10,952,170 increase in revenue and \$62,832 increase in Net County Cost is recommended. The increase in Net County Cost is the net result of an \$111,742 increase in building lease charges to the Department, partially offset by a \$48,919 increase in revenue to cover a portion of the increased lease costs. The remaining \$10.9 million increase in appropriations and revenue is recommended to fund approximately 30 Growth requests in various divisions and programs as summarized below:

- Alcohol and Drug Services: An \$815,000 increase in appropriations, funded by \$665,000 in Realignment revenue and \$150,000 in federal revenue for:
 - Expansion of the Early Intervention Family Drug Court Program to families with children up to 12 years of age, as opposed to the current limit of up to 5 years old (\$280,000);
 - Increased residential alcohol and drug treatment services (\$535,000).
- Adult Protective Services: A \$794,564 increase in appropriations, funded by \$397,282 in Realignment revenue and \$397,282 in federal revenue for:
 - Five new positions to provide oversight of social worker field investigations and ensure compliance with State mandates while dealing with increasing cases (\$474,564);
 - Database and equipment upgrades (\$320,000).
- Behavioral Health: A \$3,712,322 increase in expenditures, partially offset by a \$500,000 increase in reimbursements from the Mental Health Services Act fund, for a net \$3,212,322 increase in appropriations, funded by \$1,381,161 in Realignment revenue and \$1,831,161 in federal and State funds for:
 - Six new positions to support collaborative cross-system efforts with Probation and Child Protective Services to implement the requirements of Continuum of

- Care Reform and meet services and treatment mandates related to Commercially Sexually Exploited Children, crossover youth and the Pathways to Mental Health Services (Katie A) programs (\$608,875);
- Four new positions along with a 2% contract increase to mental health service providers to assist with audit and review compliance issues (\$3,103,447).
 - California Children's Services: A \$473,976 increase in appropriations, funded by \$62,380 in Realignment revenue and \$411,596 in State and federal revenue for three new positions to meet State-mandated staffing levels, mandates on service timelines and increasing caseloads.
 - Child Protective Services: A \$3,687,657 increase in appropriations, funded by \$2,695,610 in Realignment revenue and \$992,047 in federal and State funds for:
 - An expanded contract with the Sacramento Children's Receiving Home to address needs at the Centralized Placement Services Unit (\$280,000);
 - Four positions to support the Division's Quality Assurance efforts – previously approved positions were redirected to conduct mandated case reviews (\$418,000);
 - Seven positions to staff the Child Protective Services emergency hotline (\$468,000) and relocation of the Hotline from Watt Avenue to Granite Regional Park (\$150,000);
 - Eight positions to assist with family and court services, including improving timeliness of visitations and meeting client transportation needs (\$386,655);
 - Three positions and contract services to assist with foster parent recruitment for the Foster Parent Recruitment, Retention and Support program (\$712,047);
 - One paralegal position to assist with timely noticing mandates for Permanency Hearings (\$39,168);
 - Twelve positions to assist Social Worker staff, monitor the development and delivery of training and assist with cross-agency clerical processes and tasks (\$432,027);
 - Seven positions in the Informal Supervision program for expansion of the Early Intervention Family Drug Court program to families with children from 0 to 12 years old from the current age limit of 0 to 5 years old (\$525,250);
 - An inter-department agreement with the Department of Human Assistance for an Investigative Assistant to provide criminal background check information on persons involved in CPS investigations and on-going cases (\$66,510);
 - Software to manage policies and procedures and allow remote access (\$93,000);

- Laptops to pilot telecommuting options for staff (\$105,000);
- Installation of a vehicle license plate reader at the Children's Receiving Home to increase safety (\$12,000).
- In-Home Supportive Services: A \$543,488 increase in appropriations funded by State revenue to add seven positions (and reallocate three positions) to implement State law changes related to the application of the Fair Labor Standards Act to domestic service workers.
- In-Home Supportive Services Public Authority: A \$14,547 increase in appropriations funded by State revenue for a position reallocation to allow for reinstatement of the Social Worker intern program in collaboration with California State University, Sacramento.
- Primary Health: An \$888,810 increase in appropriations, funded by federal and State revenue for:
 - Implementation of a new Electronic Medical Records System, including two position reallocations (\$287,511);
 - Interpreter services for the Primary Care Center - \$265,000 for the Healthy Partners Program because interpreter funding was not in the original Program budget and \$100,000 for Refugee Services to deal with caseload increases (\$365,000 total);
 - One new position for the Refugee Health program due to an increase in the number of refugees needing health assessments (\$62,920);
 - Temporary help for enrollment surges, data entry backlogs and coverage for leaves - including \$41,900 related to the Healthy Partners Program (\$127,044);
 - Overtime and security services for Saturday clinics for the Healthy Partners Program to accommodate specialists (\$21,025);
 - A position reallocation to provide coordination for the teaching partnership with the University of California, Davis (TEACH program), (\$25,310).
- Public Health: A \$533,632 increase in expenditures, partially offset by \$25,745 in reimbursements, for a net appropriation increase of \$507,887, funded by Realignment revenue for:
 - Four new nurse positions to support the CPS Foster Care program by assessing and providing follow-up on health care issues for children placed in foster care (\$457,000);
 - Court-ordered HIV and HCV testing for defendants (\$50,887);
 - The reallocation of a position for the Maternal, Child and Adolescent Health program to assist with the coordination and monitoring of Medi-Cal administrative activities for oral health.

Health Medical Treatment Payments

A \$2,227,535 increase in appropriations and revenue is recommended to re-budget residual Low Income Health Plan (LIHP) obligations that were originally expected to be incurred in FY2015-16. The increased revenue includes \$541,618 in Public Health Realignment revenue and \$1,685,917 in federal funds.

Human Assistance – Administration

A \$2,728,340 increase in appropriations and revenue is recommended to fund three Growth requests: (1) a \$35,000 transfer to the Department of Health and Human Services to purchase substance abuse services for CalWORKS clients; (2) \$1,934,340 to add 22 new positions for CalFresh case management to deal with caseload growth; and (3) a \$759,000 increase in contracts with community-based organizations to increase outreach and penetration in the CalFresh program. In addition, the Adopted Budget includes funding for one additional Investigative Assistant position that will provide services to DHHS. Since that position is funded by a reimbursement from DHHS the cost is not reflected in the above appropriation increase. The revenue increase includes \$404,001 in Social Services Realignment revenue and \$2,324,339 in federal and State revenue.

Human Assistance – Aid Payments

A \$4,873,184 increase in appropriations and revenue is recommended primarily to address the State-approved California Necessities Increase (CNI) of 2.76% for the Foster Care, Kinship and Adoption programs, a rate increase for the Children's Receiving Home and increased costs for General Assistance transit passes, partially offset by projected caseload reductions in the General Assistance and Foster Care programs.

OTHER FUNDS

Capital Construction

A \$2,161,958 reduction in appropriations, \$8,026,775 reduction in revenue and \$5,864,817 increase in use of fund balance is recommended.

The Capital Construction Fund (CCF) typically budgets projects based on anticipated expenditures. Often the design, engineering and construction are not completed within the fiscal year in which a project is authorized, or, on occasion, the succeeding fiscal year. Those encumbered funds have a significant effect on the fund balance. When a large project is financed, CCF typically provides the financing for the expense and receives reimbursement for those expenses. Since the revenue is received in arrears, the revenue is not listed as a balancing entry for the encumbrance. If a project is grant funded, reimbursement for current year expenses may be delayed into the following fiscal year. These factors have an effect on the fund balance.

Awarded contract encumbrances no longer roll into the following fiscal year. This means that a large cash balance may be reflected in year-end balances. CCF needs to re-budget these projects and fund them by this fund balance. An estimate is made at June Recommended Budget on contract encumbrance amounts. 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 and need to be re-budgeted for the following fiscal year. The net effect was that fund balance increased by \$5,864,817.

In addition to the need to re-budget for projects not completed in Fiscal Year 2015-16, there are additions to department funded projects. The additional appropriation needed for department funded projects is more than offset by the reduction of two department funded projects, the Rio Cosumnes Correctional Center (RCCC) Campus Expansion and Infrastructure Improvements project and the Animal Care Facility Expanded Kennel Runs project. The RCCC Campus Expansion and Infrastructure Improvements, funded by the Board of State and Community Corrections, construction phase has been delayed and the Animal Care Facility Expanded Kennel Runs project was completed prior to 2015-16 Fiscal Year end. The net effect of the increased fund balance and department funded project changes was a decreased appropriation request of \$2,161,958.

The Fiscal Year 2016-17 Adopted Budget has been adjusted to account for the increase in fund balance, expenses and revenue.

Roads

An \$8,513 increase in appropriations, \$3,910,156 increase in revenue and \$3,901,643 decrease in use of fund balance is recommended. The increase in appropriations is the net result of increases and decreases in spending on capital and maintenance projects, partly due to a shift in project timelines (such as for the Asphalt Concrete Overlay Project 2015-Federal, the El Camino Avenue Phase 2: Watt Avenue to Avalon Drive project, the Dillard Road Bridge Scour Critical project and the Rio Linda Boulevard Bridge Replacement project), and the addition of capital projects, primarily the Twin Cities Road Bridge Truss Repair project and the Florin Area New Street Light project. The Adopted Budget also includes \$1.4 million

in road maintenance projects funded by a transfer of resources from the General Fund.

The increase in revenue is due to the projected receipt of additional federal claim reimbursements as a result of shifts in capital projects. The reduction in the use of fund balance reflects the receipt of lower than anticipated revenue from various sources (e.g., Gas Tax revenue) in FY2015-16, partially offset by reductions in expenditures, as well as the timing for reimbursement claiming on late FY2015-16 expenditures.

Economic Development

A \$4,477,384 increase in appropriations, \$1,206,630 increase in revenue and \$3,270,754 increase in use of fund balance is recommended. Most of these increases are due to the timing of construction projects at the former Mather and McClellan Air Force Bases.

Airport System

A \$15,171,000 increase in appropriations and use of fund balance is recommended, due primarily to:

- A \$2,349,000 net increase in services and supplies costs related to deletion and re-budgeting of various projects based on revised estimates of when the money will be spent; and
- A \$12,822,000 increase in inter-fund transfers to the Airport Capital Outlay Fund for facility/infrastructure construction projects and equipment purchases, due partly to the re-budgeting for costs that were originally expected to be incurred in FY2015-16 (approximately \$2.3 million) and approved Capital Improvement Plan (CIP) projects where the costs are expected to be higher than originally estimated (approximately \$10.5 million).

General Services/General Services Capital Outlay

A \$4,135,168 increase in appropriations, \$1,287,277 increase in revenue and \$2,847,891 increase in use of fund balance is recommended. Approximately \$2.8 million of the increase in appropriations is due to the re-budgeting of vehicle and equipment purchases that were originally expected to occur in FY2015-16 and new vehicle purchases included in the Adopted Budget. The remaining appropriation increase is due to miscellaneous operating cost increases and a \$1.14 million increase in the cost of various projects and maintenance issues, including retrofitting the exterior lighting of County-owned facilities to LED lighting and adding controls at the Main Jail to reduce toilet water usage.

Solid Waste Enterprise Capital Outlay

A \$2,605,000 increase in appropriations and use of fund balance is recommended, due primarily to the re-budgeting of various capital projects and equipment purchases based on revised timelines, including the Kiefer Landfill Liner Project, Rest Area Project and HVAC Replacement Project and the addition of a knuckle boom collection truck for Appointment Based Neighborhood Clean Up routes and illegally dumped rubbish piles in the County.

Parking Enterprise

A \$1,038,956 increase in appropriations, \$360,000 increase in revenue and \$678,956 increase in use of fund balance is recommended. Approximately \$711,000 of the increase in appropriations is due to the re-budgeting of repair or other project costs and equipment purchase costs that were originally anticipated to occur in FY2015-16, including the purchase of a new parking system to replace the existing system at the Downtown Public Parking Garage (\$625,000). The increase in appropriations also includes \$327,946 to fund a Growth request to provide Golden 1 Arena Event Parking in the County's downtown parking facilities, including:

- \$91,726 in funding for temporary staff and increased security and custodial services;
- \$140,220 for maintenance and repair, additional transaction fees and network services and parking system supplies; and
- \$96,000 in one-time start-up costs, including the purchase of additional parking equipment, signs and a security system upgrade.

The \$360,000 increase in revenue reflects the estimated additional revenue the County will receive from participating in Event Parking.

Water Agency Enterprise/Water Agency-Zone 13/Water Resources/Water Agency – Zone 11

A \$14,332,915 increase in appropriations, \$8,668,971 increase in revenue and \$5,663,944 increase in use of fund balance is recommended. The main reasons for these increases include:

- A \$2.9 million increase in appropriations and revenue in the Water Agency Zone-13 Fund related to the Delta Small Communities Flood Protection project, funded with grant revenue from the State Department of Water Resources.
- A \$2.5 million increase in appropriations in the Department of Water Resources Fund related to home elevation grant payments, funded by revenue from the Federal Emergency Management Agency (FEMA).

- A \$6.4 million increase in appropriations in the Water Agency Enterprise Fund related to various capital projects and equipment purchases, including approximately \$5.9 million in re-budgeted projects that were originally expected to be completed in FY2015-16, \$355,000 for the purchase of new equipment and \$130,000 for land purchases. Re-budgeted capital projects include the NSA Pipeline, Grantline Road /UPPR Grade Separation, Vineyard Creek Unit, VSWTP Fluoride Feed and SMUD Transformer.
- A \$390,000 increase in appropriations in the Water Agency Enterprise Fund due to an increase in cost share for WaterFix protest legal and technical work.
- A \$600,000 increase in appropriations in the Department of Water Resources fund due to a change in the timing of construction of the D05 Howe Avenue Pump Station.

Transient Occupancy Tax

A \$481,198 increase in appropriations and use of fund balance is recommended, primarily to re-budget for prior year community projects that were not completed at the end of FY2015-16.

The Transient Occupancy Tax (TOT) Fund Adopted Budget also includes a new \$344,000 allocation to the Powerhouse Science Center (PHSC) - \$286,557 funded by the transfer of additional TOT revenue from the General Fund and the rest funded by unallocated TOT fund balance.

In December of 2014 the Board approved an agreement with the Powerhouse Science Center (PHSC) that commits the County to considering, as part of our annual budget process, an annual allocation of \$344,000 to the PHSC, starting in FY2016-17 and continuing for 20 years. The allocation would be used by the PHSC to pay a portion of the debt service cost on a loan to finance the renovation of the historic Pacific Gas and Electric Power Station B as an Earth, Space and Science Center. Under the agreement, the County's annual allocation to the PHSC is discretionary and, at a minimum, is contingent upon the PHSC meeting twelve conditions, including:

- The PHSC is a member in good standing with the American Association of Museums and the Association of Science and Technology Centers.
- The PHSC has secured funding, through legally enforceable agreements, for 100% of the cost to construct the project.
- The PHSC has secured a \$25 million loan from the California Municipal Finance Authority (CMFA).
- The PHSC has provided the County a list of all donations and sponsorships that PHSC intends to use to repay the CMFA loan and quarterly status report on all donations and sponsorships.

- The PHSC has secured funding, through legally enforceable agreements, to pay 100% of the annual debt service on the CMFA loan.
- The PHSC is in compliance with the construction schedule required by the CMFA for the project.
- PHSC is not in default on any debt.
- PHSC has provided the County with its complete tax returns.
- PHSC has provided the County with its audited financial statements.
- PHSC has provided the County with unaudited quarterly financial statements.
- PHSC has provided the County with notices of all PHSC board of directors (BOD) meetings, copies of all BOD meeting minutes, and provided the County Executive or his designee with the right to attend and speak at all BOD meetings.
- PHSC maintains certain insurance coverages.

County staff is awaiting receipt of information from the PHSC related to these conditions and no allocation of County funds to the PHSC will be made until all conditions are met.