

GENERAL BUDGET INFORMATION


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BOARD OF SUPERVISORS AND COUNTY OFFICIALS




THE BOARD OF SUPERVISORS



DISTRICT 1
Phil Serna



DISTRICT 2
Patrick Kennedy



DISTRICT 3
Susan Peters



DISTRICT 4
Roberta MacGlashan



DISTRICT 5
Don Nottoli



COUNTY EXECUTIVE
NAVDEEP S. GILL



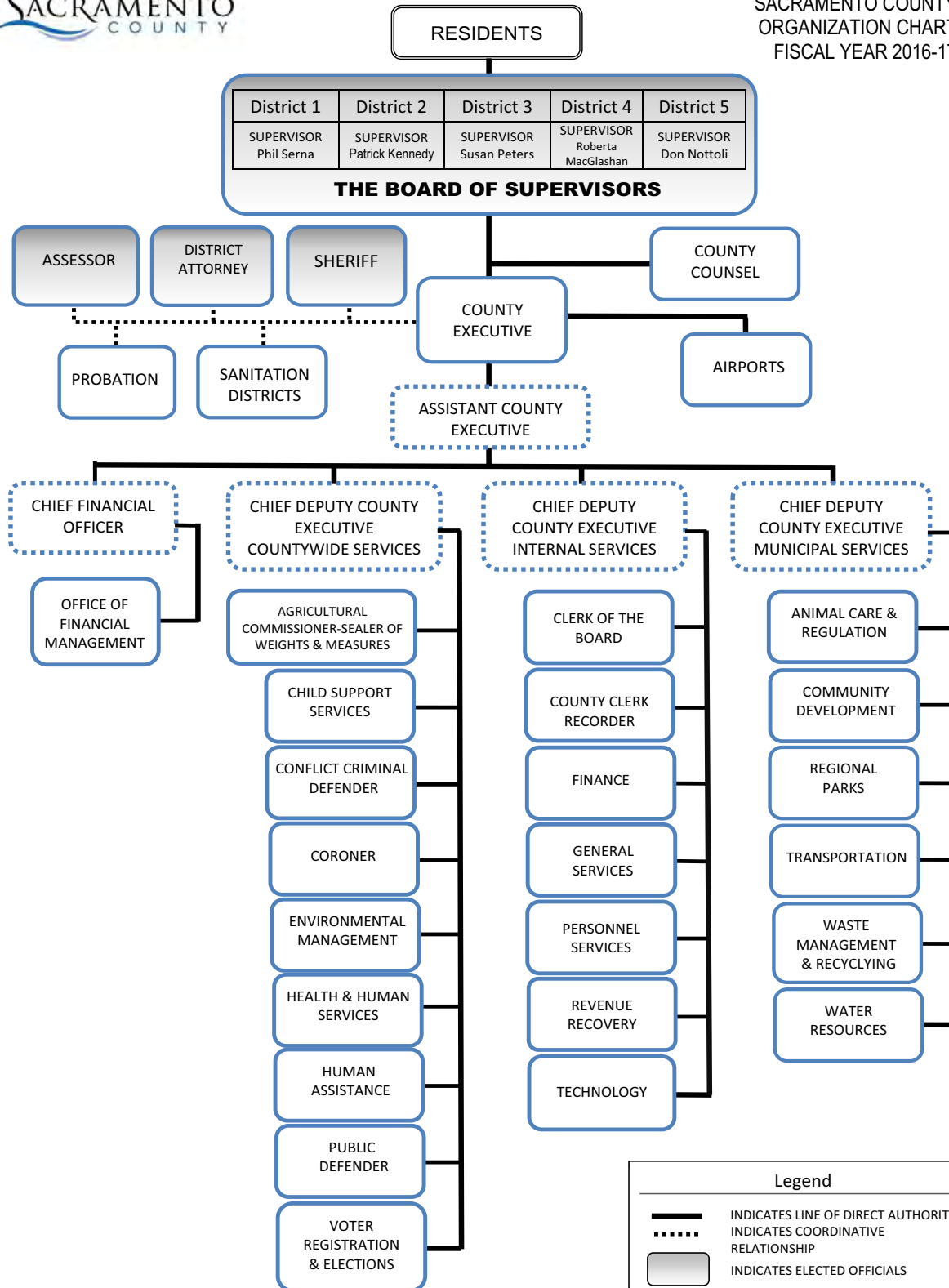
COUNTY COUNSEL
ROBYN TRUITT
DRIVON



ORGANIZATIONAL CHART



SACRAMENTO COUNTY
ORGANIZATION CHART
FISCAL YEAR 2016-17



LETTER FROM CHAIR, BOARD OF SUPERVISORS



**CHAIR
BOARD OF SUPERVISORS
COUNTY OF SACRAMENTO**
700 H STREET, SUITE 2450 • SACRAMENTO, CA 95814

ROBERTA MacGLASHAN
SUPERVISOR, FOURTH DISTRICT
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(916) 874-5491
FAX (916) 874-7593

October 13, 2016

Dear Sacramento County Residents:

On behalf of the Sacramento County Board of Supervisors, I am pleased to present the County's Fiscal Year 2016-17 Adopted Budget. This Budget represents both the financial and operating plan for the provision of services to you by Sacramento County and the special districts governed by the Board of Supervisors.

This Budget reflects Sacramento County's continuing commitment to maintaining fiscal integrity while providing efficient, effective, high-quality services to all county residents. It also reflects balancing the immediate needs of the community with the long-term fiscal stability of their County government.

The Board of Supervisors and top County management employed an open and public process in developing the budget that that provided community members and interested parties the opportunity to participate in and comment on the plan's development, review and adoption.

Law enforcement continues to be the County's #1 priority, with robust funding this year for Sheriff's patrols, prosecutors, park rangers, and Probation officers. Additionally, we continue to enhance programs and services where possible and strengthen relationships with our non-profit and private partners to best serve the needs of our complex community. We're planning for the future by investing in critical areas such as increased general fund reserves, improved road maintenance, and economic development, while building upon successes in Child Protective Services, public health, mental health, and homeless services.

For information about the Budget or our processes, please visit www.saccounty.net and search for Office of Financial Management, contact your representative on the Board of Supervisors, or the Office of the County Executive at (916) 874-5833.

Sincerely,

A handwritten signature in cursive script that reads "Roberta MacGlashan".

Roberta MacGlashan
Supervisor, District 4

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 2016-17 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 2016. 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 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 2016-17 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/Pages/AnnualBudgets.aspx>) This section also includes a summary of the budget policies/process; the basis of budgeting; information about the County, major funds, major revenue trends, a summary of authorized staffing levels, and summaries of appropriations and financing. (See section "A-General Budget Information").
- State-determined Program Areas and Revenue Summary Schedules (tables) listing the financing and requirements for county funds, and appropriations in governmental funds. (See section "B-Summary Schedules").
- Summary of Positions giving the authorized staffing levels by budget unit. (See section "C-Summary of Positions").
- Detailed information (the budget messages) on the various budget units making up the overall county budget. This information is organized into the following five sections that reflect the organizational structure of the County (see page A-4 for Organizational Chart):
 - Elected Officials (See Section D)
 - General Government/Administration (See Section E)
 - Internal Services (See Section F)
 - Countywide Services (See Section G)
 - Municipal Services (See Section H)
 - Sanitation Districts Agency (See Section I)

The Five-Year Capital Improvement Plan (CIP) is also included as part of the budget document (see Capital Improvement Plan listed on the Office of Financial Management website). Annually, the Board of Supervisors holds a separate hearing on the Five-Year Capital Improvement Plan.

II. SUMMARY OF THE ADOPTED BUDGET

Adopted Budget Hearings were held in September 2016. As part of these hearings the Board of Supervisors adopted the County Executive’s Recommended Budget totaling \$3.99 billion and is reflected in the table below. The adopted budget reflects an increase of 3.9 percent (\$0.15 billion) from the Fiscal Year 2015-16 Adopted Budget of \$3.84 billion.

Total County Budget by Fund Type

Fund Types	Amount	Percent
General Fund	\$2,409,678,089	60.4%
Special Revenue Funds	303,370,827	7.6%
Capital Project Funds	57,808,373	1.4%
Debt Service Funds	31,260,427	0.8%
Subtotal - Governmental Funds	2,802,117,716	70.2%
Internal Service Funds	389,724,458	9.8%
Enterprise Funds	485,927,558	12.2%
Special Districts and Other Agencies	313,957,232	7.9%
Total	\$3,991,726,964	100.0%

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

The overall authorized spending for departmental programs and the contingency is approximately \$2.41 billion. As reflected in the table above the General Fund is the largest county fund. Support for the General Fund is detailed in the following table:

Financing Source	Amount
Departmental Revenue	\$1,791,997,512
Local Revenue	565,932,025
Reserve Release	1,147,609
Fund Balance	50,600,943
Total	\$2,409,678,089

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

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

Appropriation Type	Amount (In Millions)	Percent
Salaries and Benefits	1,185.5	49.2%
Welfare Aid Payments	423.7	17.6%
Other Charges	401.8	16.7%
Services and Supplies	372.4	15.5%
Internal Charges	171.0	7.1%
Debt Service	9.7	0.4%
All Other	(154.4)	-6.4%
Total	2,409.7	100.0%

The following tables summarize the net cost of the General Fund programs that are financed from local resources. It compares the Fiscal Year 2015-16 Adopted Budget for the General Fund by Agency to the Fiscal Year 2016-17 Adopted Budget:

ADOPTED BUDGET NET COST COMPARISON

(Amounts Expressed in millions)

Program	2015-16 Adopted Budget Net Cost	2016-17 Adopted Budget Net Cost	Year to Year Variance
Elected Officials			
Assessor	\$9.8	\$9.4	(\$0.4)
Board of Supervisors	3.3	3.4	0.1
District Attorney	53.2	56.1	2.9
Sheriff	205.5	222.5	17.0
Correctional Health Services	31.3	31.4	0.1
Subtotal	303.1	322.8	19.7
Countywide Services			
Child Support Services	0.0	0.0	0.0
Health and Human Services	15.8	22.6	6.8
Health Treatment Account	1.5	1.5	0.0
Human Assistance-Admin.	11.0	13.9	2.9
Human Assistance-Payments	29.7	29.7	0.0
IHSS Provider Payments	4.1	3.6	(0.5)
Probation	64.7	63.0	(1.7)
Public Defender	29.6	31.5	1.9
Other	67.2	57.6	(9.6)
Subtotal	223.6	223.4	(0.2)

General Government	27.5	29.1	1.6
Internal Services	14.4	14.5	0.1
Municipal Services	20.9	21.2	0.3
Contingencies	2.0	1.9	(0.1)
Total	\$591.5	\$612.9	\$21.4

Countywide Services consume approximately 36.4 percent of the local revenue resources, primarily for mandated services. Municipal Services, Internal Services, and General Government are allocated together at only 10.6 percent of the local revenue resources, although this picture is skewed by the mixed services (Municipal and Countywide) provided by Assessor, District Attorney, and the Sheriff. The Board, Assessor, and District Attorney Offices' provide countywide services, but much of the allocation to the Sheriff's Department is for municipal services.

General Purpose Financing

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

General Purpose Revenues (Amounts Expressed In Millions)			
	2015-16 Adopted Budget	2016-17 Adopted Budget	Year to Year Decrease / (Increase)
Property Taxes *	\$228.4	\$242.8	\$14.4
Property Tax In Lieu of Vehicle License Fees	142.7	150.3	7.6
Sales Tax & In Lieu Sales Tax	82.4	78.7	(3.7)
Utility Tax	18.1	19.1	1.0
Fines & Penalties	13.7	14.0	0.3
Property Transfer Tax	9.5	10.6	1.1
Franchises	5.2	5.5	0.3
Revenue Neutrality & Transition	18.5	20.2	1.7
Other Revenues & Reimbursements	44.8	32.8	(12.0)
Total	\$563.3	\$574.0	\$10.7

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

Property Tax Revenues currently constitute the largest source of General Fund financing and account for 42.3 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 second largest source of General Fund financing with 26.2 percent of the total financing. This revenue source emerged as a result of the State's "swap" deal.

Sales Taxes and Use Tax account for 13.7 percent of the total General Fund financing.

Recent Changes in Fund Balance of General Fund

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

Fiscal Year	Fund Balance	Variance
2004-05	67,952,967	5,087,391
2005-06	102,560,476	34,607,509
2006-07	140,718,398	38,157,922
2007-08	74,532,227	-66,186,171
2008-09	23,357,256	-51,174,971
2009-10	11,645,815	-11,711,441
2010-11	8,138,537	-3,507,278
2011-12	9,403,535	1,264,998
2012-13	18,247,654	8,844,119
2013-14	31,042,942	12,795,288
2014-15	43,921,611	12,878,669
2015-16	33,895,539	-10,026,072
2016-17	50,600,943	16,705,404

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

- In Fiscal Years 2008-09 through 2010-11 the true impact of the economic downturn can be seen with the drop in fund balance which is predominately the result of a decrease in both property taxes and sales related taxes and transfers in from other funds.
- Fund Balance carried into Fiscal Years 2011-12 through 2014-15 are slightly improved from the prior year as revenues have begun to stabilize.
- The beginning fund balance for Fiscal Year 2015-16 includes the receipt of \$18.3 million in SB 90 revenues for prior years' claims.
- The beginning fund balance for Fiscal Year 2016-17 consists of \$47,547,865 in Fund 001A (General Fund), \$1,771,797 in Fund 001F (Community Investment) and \$1,281,281 in Fund 001G (Neighborhood Revitalization).

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 2016-17 requirement and financing.

Special Revenue Funds

Affordability Fee -- \$2,102,702 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 -- \$18,026,962 0.0 Positions

Primary financing comes from building inspection charges. The County is responsible for building inspection in the Unincorporated Area. Requirements include reserve increase of \$1,500,000.

County Library -- \$1,269,284 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 -- \$51,186,424 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.

Environmental Management Fund -- \$21,399,051 120.0 Positions

Environmental Management provides countywide regulatory services that protect public health and the environment. The primary source of financing for this fund comes from fees and contracts associated with the various regulatory activities of the Environmental Health, Hazardous Materials, and Water Protection Divisions. Requirements include reserve increase of \$129,464.

First 5 Sacramento Commission Fund -- \$27,398,081 14.0 Positions

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

Fish and Game Fund -- \$25,857 0.0 Positions

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

Golf Fund -- \$8,071,213 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 -- \$67,431,410 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 -- \$13,828,917 0.0 Positions

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

Technology Cost Recovery Fee -- \$1,672,939 0.0 Positions

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

Tobacco Litigation Settlement Fund -- \$6,092 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 -- \$488,878 0.0 Positions

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

Transportation -- \$53,718,996 265.2 Positions

The Department of Transportation provides road improvement services in the Unincorporated Area of Sacramento County and has three broad areas of responsibility: planning, programs and design; pavement, roadside and landscape maintenance; and traffic engineering and operations.

Transportation-Sales Tax Fund -- \$36,744,021 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 -- \$54,183,982 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 -- \$3,624,391 0.0 Positions

Funding comes from grants, donations, state bond sales, and contributions from the County Transient-Occupancy Tax Fund. Parks acquisition, development, and rehabilitation projects are financed from this fund.

Debt Service Funds

Teeter Plan -- \$31,260,427

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	
	2016-17	POSITIONS
Board of Retirement	\$9,335,411	55.0
General Services-Airport District	7,248,980	39.0
General Services-Alarm Services	1,581,386	6.0
General Services-Architectural Services	2,943,335	13.0
General Services-Bradshaw District	14,727,701	86.0
General Services-Capital Outlay	20,185,471	0.0
General Services-Construction Mgmt & Inspection	18,188,167	97.0
General Services-Downtown District	8,706,999	59.0
General Services-Energy Management	9,969,335	1.0
General Services-Heavy Equipment	24,570,261	75.0
General Services-Light Equipment	22,505,925	25.0
General Services-Office Of The Director	1,929,502	28.0
General Services-Purchasing	2,487,797	18.0
General Services-Real Estate	45,744,030	24.0
General Services-Security Services	2,711,790	25.0
General Services-Support Services	8,162,083	19.0
Interagency Procurement	47,659,245	0.0
Liability/Property Insurance	19,761,100	0.0
Department of Technology	86,382,660	372.0
Regional Radio Communications System	6,207,735	9.0
Unemployment Insurance	1,536,439	0.0
Workers' Compensation Insurance	27,179,106	0.0
TOTAL INTERNAL SERVICE FUNDS	\$389,724,458	951.0

Enterprise Funds

The following Enterprise Funds are established to account for county operations financed and operated in a manner similar to private business enterprises (e.g., utilities, airports, parking garages). The costs of these activities are financed or recovered primarily through user charges.

DEPARTMENT	FISCAL YEAR	
	2016-17	POSITIONS
Airport System	\$291,920,787	307.0
Airport-Capital Outlay	353,196	0.0
Parking Enterprise	5,641,131	7.0
Rural Transit	3,764,243	0.0
Solid Waste Enterprise	80,907,791	256.0
Solid Waste Enterprise Capital Outlay	7,971,665	0.0
Water Agency Enterprise	95,368,745	122.0
TOTAL ENTERPRISE FUNDS	\$485,927,558	692.0

Special Districts And Other Agencies

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

DEPARTMENT	FISCAL YEAR	
	2016-17	POSITIONS
1997-Public Facilities Debt Service	\$16,451	0.0
1997-Public Facilities-Construction	758	0.0
1997-Refunding Public Facilities Debt Service	466,196	0.0
2003 Public Facilities-Debt Service	113,840	0.0
2004 Pension Obligation Bonds	907,776	0.0
2006 Public Facilities-Debt Service	84,918	0.0
2007 Public Facilities Projects-Construction	26,605	0.0
2007 Public Facilities Projects-Debt Service	76,867	0.0
2010 Refunding COPs-Debt Service	368,479	0.0
Antelope Assessment	680,311	0.0
Antelope Public Facilities Financing Plan	1,491,059	0.0
Bradshaw/US 50 Financing District	113,766	0.0
Carmichael Recreation and Park District	5,467,273	18.0
Carmichael RPD Assessment District	1,320,977	0.0
Connector Joint Powers Authority	389,732	3.0
County Parks Community Facilities District 2006-1	61,636	0.0
County Service Area No. 1	3,108,489	0.0
County Service Area No. 10	426,488	0.0

DEPARTMENT	FISCAL YEAR	
	2016-17	POSITIONS
County Service Area No.4B-(Wilton-Cosumnes)	173,021	0.0
County Service Area No.4C-(Delta)	41,591	0.0
County Service Area No.4D-(Herald)	10,285	0.0
Countywide Library Facilities Admin Fee	49,064	0.0
Del Norte Oaks Park District	9,719	0.0
Fixed Asset Revolving	43,009,877	0.0
Florin Road Capital Project	407,777	0.0
Foothill Park	618,268	0.0
Fulton Avenue Capital Project	4,257	0.0
Gold River Station No. 7	57,553	0.0
Juvenile Courthouse-Debt Service	95,415	0.0
Laguna Community Facility District	432,482	0.0
Laguna Creek/Elliott Ranch Community Facilities District No. 1	3,457,416	0.0
Laguna Stonelake Community Facilities District	309,173	0.0
Landscape Maintenance District	1,168,310	0.0
Mather Landscape Maintenance Community Facilities District	454,394	0.0
Mather Public Facilities Financing Plan	979,438	0.0
McClellan Park Community Facilities District	498,769	0.0
Metro Air Park	4,946,492	0.0
Metro Air Park Service Tax	726,088	0.0
Mission Oaks Maintenance/Improvement District	3,306,434	0.0
Mission Oaks Recreation and Park District	4,486,932	12.0
Natomas Fire District	2,440,585	0.0
North Vineyard Station Specific Plan (NVSSP)	7,019,995	0.0
NVSSP Community Facilities District	26,240,164	0.0
Park Meadows Community Facilities District-Bond Proceeds	124,309	0.0
Pension Obligation Bond-Debt Service	327,248	0.0
Regional Sanitation District-Operating	62,463,969	480.0
Sacramento Area Sewer District	39,071,504	296.0
Sacramento County Landscape Maintenance	188,380	0.0
Sunrise Recreation and Park District	9,769,843	19.0
Tobacco Litigation Settlement-Capital Projects	2,011,774	0.0
Vineyard Public Facilities Financing Plan - Roadway	11,068,718	0.0
Water Agency Zone 11-Drainage Infrastructure	22,152,241	0.0
Water Agency-Zone 13	7,194,897	0.0
Water Resources	43,519,229	134.6
TOTAL SPECIAL DISTRICTS AND OTHER AGENCIES	\$313,957,232	962.6

III. FIVE-YEAR CAPITAL IMPROVEMENT PLAN

The 2016-17 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 2020-21 Fiscal Year. The approved and proposed capital projects are broken into three major categories: Airports, County Facilities, and Regional Parks. The funding needs may be summarized.

CATEGORY	PRIOR-YEARS AND FIVE-YEAR COSTS
Airports	307,583,500
County Buildings & Capital Construction	194,609,765
Department of Technology	44,650,603
Libraries	14,101,143
Regional Parks	14,682,366
Transportation	362,204,000
Waste Management & Recycling	66,423,865
Water Resources-Drainage	41,649,227
Water Resources-Water Supply	122,164,756
TOTAL	1,168,069,225

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

IV. COUNTY EXECUTIVE’S RECOMMENDED FISCAL YEAR 2016-17 BUDGET REPORT

COUNTY EXECUTIVE'S RECOMMENDED FISCAL YEAR 2016-17 ADOPTED BUDGET LETTER

County Executive
Navdeep S. Gill



County of
Sacramento

Board of Supervisors
Phillip R. Serna, District 1
Patrick Kennedy, District 2
Susan Peters, District 3
Roberta MacGlashan, District 4
Don Nottoli, District 5

August 26, 2016

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

Re: Fiscal Year 2016-17 Budget Adoption

Honorable Members of the Board:

I am pleased to present the Adopted Budget for FY2016-17 (Adopted Budget) for your review and consideration. The Budget for All Funds totals \$3,972,545,036 in appropriations. This is a \$83,963,125 (2.2%) increase from the Budget approved in June (Approved Budget). The increase is due to:

- A \$54.3 million increase in special revenue and enterprise fund appropriations, due in large part to re-budgeting of capital and other project costs based on changes in project timing or changes in project costs; and
- A \$29.6 million increase in General Fund appropriations.

General Fund Overview

The Adopted Budget General Fund appropriation is \$2,396,331,370.

Revenue Adjustments:

FY 2016-17 General Fund revenue estimates have increased by \$39.3 million, as reflected in the following adjustments:

- The unaudited FY 2015-16 year-end fund balance carry-forward of \$47,547,865, which is a \$14,547,865 increase compared to the Approved Budget;
- A \$1,644,181 increase in discretionary revenue and reimbursements estimates;
- The cancellation of \$958,118 in Teeter Reserves;

- An additional \$22.2 million in federal, state and other revenue, including a \$10.3 million increase in Realignment revenue, coupled with an \$876,710 decrease in Proposition 172 revenue.

General Fund Reserves/Set Asides:

The proposed Adopted General Fund Budget includes \$9.6 million in reserves and set asides for the following purposes:

- \$4,754,786 to General Reserves. This is consistent with the Board's new General Reserve Policy, which calls for placing 10% of the Available fund balance in General Reserves. With this adjustment, the General Reserves balance will stand at \$4,944,277.
- \$3,600,000 to a new Reserve for Warren. E. Thornton/Morgan Alternative Center Capital Costs. Staff is continuing to review and analyze all of the issues around repurposing these facilities to house and treat criminal justice-involved and other difficult-to-place foster care youth under the Continuum of Care Reform. Our analysis thus far has not identified any dedicated source of funds to cover the capital cost of these projects. Thus, pending the completion of our review and analysis, it is prudent to set aside sufficient discretionary resources to cover the estimated capital costs.
- \$1,276,765 to a new Reserve for Technology Upgrades. We anticipate that over the next five years the County may need to spend as much as \$25 million in discretionary resources to replace a number of software systems and data processing equipment, including the Property Tax System, the Budget System and the updated voting system and equipment. To the extent we can set aside money for this purpose as it is available, we can mitigate the potential impact of these purchases on use of discretionary revenue in future years.
- \$25,000 to a new Reserve for River Delta Fire District Loan, which is required if the Board approves a loan to the District. The Non-departmental Costs Budget includes funding for a \$25,000 loan to the District to cover costs related to placing a funding measure on the ballot.

General Fund Appropriations:

The recommended General Fund budget includes appropriation adjustments totaling \$29,650,378 for the following purposes:

- \$3,265,261 to repay a portion of the amount previously transferred to the General Fund from other County funds, bringing the total repayment to \$5,270,267. With this repayment, the outstanding balance at the end of FY2016-17 will be approximately \$38.8 million¹, down from the original balance of \$77.65 million;

¹ Amount due to the Workers Compensation Fund will be \$30.5 million and the Clerk Recorder's Fund will be \$8.3 million.

- \$350,000 to increase the Appropriation for Contingency to \$2,173,000;
- \$8,111,025 (\$1,464,175 Net County Cost) to cover Base Budget increases, including encumbrance carry-forwards (purchases that were expected to be completed in FY2015-16 but were delayed into FY2016-17) and revised cost and revenue estimates; and
- \$17,924,292 (\$2,414,177 Net County Cost) to fund certain Growth requests as described more fully in the tables below and in Attachment 4. (Should the \$560,745 be included in this total?)

Departmental Requests for New or Enhanced Programs

For the preparation of the FY 2016-17 Budget, County departments submitted approximately \$53 million in requests for new or enhanced programs, including \$32 million in General Fund (Net County Cost) support. To assist in evaluating these requests, departments were asked to prioritize their needs. This prioritization was taken into account, along with Board priorities and other factors, in making Budget recommendations in June. Not all of the requests were able to be funded in June. The remaining requests were considered in the preparation of the Adopted Budget.

The Adopted Budget includes an additional \$19 million for all Funds in funding for new or enhanced programs and services. These are funded from the following sources:

- Discretionary/carryover (Net County Cost) of \$2.4 million,
- Realignment revenue of \$7.2 million and
- Federal, State or fee revenue of \$9.4 million.

Funded Net County Cost New or Enhanced Programs

Department	Description	Amount	FTE
Agricultural Commissioner	Chief Deputy Agricultural Commissioner Position	\$145,347	1
Assessor	Assessment Tech. Position in Property Transfer	\$77,116	1
District Attorney	Cyber Crimes Investigator/Vehicle (Net amount - partially funded using excess grant revenue to free up Net County Cost - total cost is \$230,574)	\$31,252	1
	2 Vehicles for Investigators	\$86,520	0
Financing Transfers/ Reimbursements	Transfer to Roads Fund for Road Maintenance	\$1,400,000	0
Non-Departmental Costs	Aerospace Museum Grant Match	\$250,000	0
	Loan to River Delta Fire District	\$25,000	0

Emergency Operations	Backfill of Grant Funding to Support Sacramento Medical Corps	\$60,000	0
Regional Parks	Headquarters Move Costs	\$208,000	0
	American River Ranch Roofing and Driveway Repair	\$60,000	0
	Admin. Services Officer to Free Up Ranger Time	\$70,942	1
Total		\$2,414,177	4

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.

Funded - Non-Net County Cost New or Enhanced Programs – The table below is a summary by department of the funded new or enhanced requests that do not require Net County Cost. A more detailed list of specific funded non-Net County Cost Growth requests is provided in Attachment 1.

Department	Amount	Realignment	Federal State Other(a)	FTE
Agricultural Commissioner	\$ 25,795	\$ -	\$ 25,795	0.2
Animal Care and Regulation	\$ 185,000	\$ -	\$ 185,000	0.0
Community Development	\$ 257,650	\$ -	\$ 257,650	2.0
District Attorney	\$ 310,079	\$ -	\$ 310,079	1.0
Health and Human Services - Alcohol & Drug	\$ 815,000	\$ 665,000	\$ 150,000	0.0
Health and Human Services - APS	\$ 794,564	\$ 397,282	\$ 397,282	5.0
Health and Human Services - CPS	\$ 3,687,657	\$ 2,695,610	\$ 992,047	42.0
Health and Human Services - IHSS	\$ 558,035	\$ -	\$ 558,035	7.0
Health and Human Services - Mental Health	\$ 3,712,322	\$ 1,381,161	\$ 2,331,161	10.0
Health and Human Services - Primary Health	\$ 888,810	\$ -	\$ 888,810	1.0
Health and Human Services - Public Health	\$ 1,007,608	\$ 570,267	\$ 437,341	7.2
Subtotal Health and Human Services	\$ 11,463,996	\$ 5,709,320	\$ 5,754,676	72.2
Human Assistance	\$ 2,728,340	\$ 404,001	\$ 2,324,339	23.0
Non-Departmental Costs	\$ 1,100,000	\$ 1,100,000	\$ -	0.0
Sub-total General Fund	\$ 16,070,860	\$ 7,213,321	\$ 8,857,539	98.4
Parking Enterprise	\$ 327,946	\$ -	\$ 360,000	0.0
Retirement Board	\$ 155,027	\$ -	\$ 155,027	1.0
Total	\$ 16,553,833	\$ 7,213,321	\$ 9,372,566	99.4

(a) Includes reimbursement of \$560,745

The funded Non-Net County Cost Growth requests include \$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.

FTE Positions

The table below provides information concerning the County’s FTEs.

Existing FTEs	12,033.9
Recommended Net County Cost FTEs	4.0
Recommended Non Net County Cost FTEs	99.4
Total	12,137.3

FY2016-17 Adopted Budget – One-Time Revenue

The Adopted General Fund Budget is balanced using the following one-time sources:

Description	FY2016-17 Approved	FY2016-17 Adopted
One-time Discretionary	\$0	\$1.1 million
Fund Balance/Carryover	\$33 million	\$47.6 million
Reserve Cancellation	\$0	\$1.0 million
Realignment Revenue Carryover	\$13 million	\$17.8 million
Total	\$46 million	\$67.5 million

Realignment Trust Fund Contingency Reserve

Realignment revenue received from the State is deposited in a trust fund and only recognized as revenue in the General Fund after it is transferred to the appropriate department to cover the cost of eligible expenditures. Revenue received in the Trust Fund during the fiscal year and, in some cases, carry-over Trust Fund balances from the prior year, comprise the resources in the Realignment Trust Fund in any fiscal year.

For purposes of the FY2016-17 Adopted Budget, we estimate that Realignment revenue received in the Trust Fund in FY2016-17 will be approximately \$5.5 million higher than estimated when we prepared the Approved Budget. We also estimate that the Realignment Trust Fund carry-over balance from FY2015-16 will be approximately \$13.2 million higher than we estimated when we prepared the Approved Budget. In total, we are estimating an increase in Realignment resources of \$18.7 million above the approved amount. Approximately \$10.3 million of these additional Realignment resources is included as additional Realignment revenue in various departments in the Adopted General Fund Budget - \$3.1 million to cover increased Base Budget costs and \$7.2 million to fund new or

enhanced programs as summarized above and detailed in Attachment 1. We are recommending that the remaining \$8.44 million in estimated Realignment resources be retained in the Realignment Trust Fund as a contingency as follows:

Realignment Trust Fund Contingency Reserves

Realignment Revenue Category	FY2016-17 Approved	FY2016-17 Adopted	Difference
Behavioral Health	\$980,695	\$3,176,847	\$2,196,152
Mental Health	\$2,099,153	\$451,163	\$(1,647,990)
Protective Services	\$234,159	\$1,147,159	\$913,000
Public Health		\$525,242	\$525,242
Social Services		\$6,006,842	\$6,006,842
Juvenile Justice Crime Prevention		\$446,025	\$446,025
TOTAL	\$3,314,007	\$11,753,278	\$8,439,271

As proposed, these contingencies would serve a number of purposes:

- Approximately \$2.7 million in Social Services Realignment revenue would be available to backfill possible reductions in the CalWORKS allocation, costs associated with Foster Care Continuum of Care reform and half of the difference between the full and partial FY2017-18 costs of positions funded with Realignment revenue in FY2016-17.
- Approximately \$2 million of the Behavioral Health/Mental Health Realignment revenue would be available to cover future Mental Health Audit pay-back requirements.
- The \$446,025 in Juvenile Justice Crime Prevention Realignment revenue would be available to cover potential future juvenile probation costs.
- The remaining amount would serve as a hedge against the potential receipt of less Realignment revenue than projected. Realignment revenue projections are based in part on Statewide sales tax and Vehicle License Fee revenue estimates and actual revenue can fluctuate from those estimates.

Transient Occupancy Tax Revenue Allocations

The Adopted Budget includes an additional \$259,000 in estimated Transient Occupancy Tax (TOT) revenue and utilizes an additional \$316,577 in TOT revenue to: (1) pay a portion of the Powerhouse Science Center’s construction loan debt service (\$286,577); and (2) cover the Finance Department’s TOT audit costs (\$30,000). With these changes, the amount of TOT revenue used to cover general Net County Cost needs will be reduced by \$57,577 compared to the Approved Budget level.

In December 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 TOT Fund has \$57,423 in unallocated funds available in its fund balance,

therefore \$286,577 is the amount of FY2016-17 TOT revenue that needs to be used for this purpose. 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 has secured funding 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 with a list of all donations and sponsorships that the PHSC intends to use to repay the CMFA loan; and
- The PHSC has secured funding to pay 100% of the annual debt service on the CMFA loan.

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

Some Board members have expressed an interest in considering alternative methods of allocating TOT revenue in the future. In light of that, staff will return to the Board later this fiscal year to seek Board direction in time to implement any changes in the FY2017-18 budget process.

Attachments to the Budget Transmittal Letter

There are several attachments included with this transmittal letter that provide in-depth information concerning the Budget:

- Attachment 1 Provides a detailed list of the funded non-Net County Cost Growth requests
- Attachment 2 Presents the All Funds Budget
- Attachment 3 Provides more information on the General Fund Budget
- Attachment 4 Provides a summary of significant changes by department

Conclusion/Acknowledgement

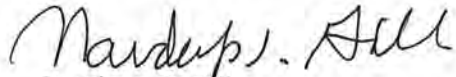
As with the Recommended Budget presented in June, I would like to acknowledge the hard work and dedication of the County's Department heads and fiscal staffs in preparing the Budget you have before you today. Their input and judgement has been critical in crafting a Budget that attempts to address important community needs in a fiscally responsible manner.

The Budget will be presented to the Board on September 7, 2016, at 9:30 A.M, with deliberations on that date and September 8 as needed.

FY 2016-17 Budget Recommended for Adoption
Budget Message
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We look forward to working with you as you review the Budget Recommended for Adoption. During your review, please contact me with any questions that you may have concerning the Budget.

Respectfully submitted,



Navdeep S. Gill
County Executive

ATTACHMENT 1

FY2016-17 Budget Recommended for Adoption
Funded Non-Net County Cost New or Enhanced Programs

Department	Description	Amount	Realignment	Federal State Other (a)	FTE
Agricultural Commissioner	Add 0.2 FTE Senior Agricultural Standards Inspector to 0.8 FTE position to create full time position	\$25,795	\$0	\$25,795	0.2
Animal Care and Regulation	Purchase new trucks	\$30,000	\$0	\$30,000	0.0
Animal Care and Regulation	Cat Return to Field (RTF) Spay/Neuter Program	\$55,000	\$0	\$55,000	0.0
Animal Care and Regulation	Community Spay/Neuter efforts	\$100,000	\$0	\$100,000	0.0
Community Development	2.0 FTE new L.T. Building Inspectors for workload	\$257,650	\$0	\$257,650	2.0
District Attorney	New Human Services Social Worker for Victims Assistance/ - part of grant revenue use to free up Net County Cost to fund new Cyber Crimes Investigator	\$310,079	\$0	\$310,079	1.0
Health and Human Services	Alcohol & Drug: Early Intervention Family Drug Court – contracted treatment for CPS families	\$280,000	\$165,000	\$115,000	0.0
Health and Human Services	Alcohol & Drug: Residential Treatment for non-CalWORKS clients (Adds to CalWORKS funding approved in June)	\$535,000	\$500,000	\$35,000	0.0
Health and Human Services	APS - 5.0 FTE new Adult Protective Services staff to conduct field investigations	\$474,564	\$237,282	\$237,282	5.0

ATTACHMENT 1

Department	Description	Amount	Realignment	Federal State Other (a)	FTE
Health and Human Services	Adult Services - Database system and equipment upgrade (One-time)	\$320,000	\$160,000	\$160,000	0.0
Health and Human Services	CPS - Add 1.0 FTE paralegal to ensure compliance with legal mandates	\$39,168	\$39,168	\$0	1.0
Health and Human Services	CPS - Add 12.0 FTE clerical and admin. support positions to assist with court reports, case management support and training	\$432,027	\$432,027	\$0	12.0
Health and Human Services	CPS - Add 3.0 FTE Social Workers and \$456,000 in contracts for Foster Parent Support/Recruitment	\$712,047	\$0	\$712,047	3.0
Health and Human Services	CPS - Add 4.0 FTE positions to Quality Assurance Unit	\$418,000	\$418,000	\$0	4.0
Health and Human Services	CPS - Add 7.0 FTE staff - informal supervision and expansion of Early Intervention Family Drug Court	\$525,250	\$525,250	\$0	7.0
Health and Human Services	CPS - Add 8.0 FTE positions to assist with Family and Court Services	\$386,655	\$386,655	\$0	8.0
Health and Human Services	CPS - Expand contract with Children's Receiving Home to address needs of youth at Centralized Placement Services Unit	\$280,000	\$0	\$280,000	0.0
Health and Human Services	CPS - Increase ER Hotline staffing by 7.0 FTE positions	\$468,000	\$468,000	\$0	7.0
Health and Human Services	CPS - Laptops for social workers in field and teleworking (One-time)	\$105,000	\$105,000	\$0	0.0

ATTACHMENT 1

Department	Description	Amount	Realignment	Federal State Other (a)	FTE
Health and Human Services	CPS - License Plate Reader at Receiving Home to monitor illicit visitors (One-time)	\$12,000	\$12,000	\$0	0.0
Health and Human Services	CPS - Move ER Hotline from Watt and E to Granite Park (One-time)	\$150,000	\$150,000	\$0	0.0
Health and Human Services	CPS - Software to manage policies and procedures (One-time)	\$93,000	\$93,000	\$0	0.0
Health and Human Services	CPS - To fund DHA Investigative Assistant to conduct background checks of CPS families for social worker safety	\$66,510	\$66,510	\$0	0.0
Health and Human Services	IHSS - Add 7.0 FTE positions; reallocate 3 other positions – FLSA Compliance	\$543,488	\$0	\$543,488	7.0
Health and Human Services	IHSS Public Authority - position reallocation	\$14,547	\$0	\$14,547	0.0
Health and Human Services	Mental Health: 6.0 FTE new positions to support Child Welfare Continuum of Care Mandates for mental health services	\$608,875	\$304,438	\$304,437	6.0
Health and Human Services	Mental Health: Audit and Review Compliance: 4.0 FTE positions; funding increase for providers to enhance their compliance reporting capacity	\$3,103,447	\$1,076,723	\$2,026,724	4.0
Health and Human Services	Healthy Partners - Support staff overtime and security for 4 Saturday clinics a year to accommodate specialists	\$21,025	\$0	\$21,025	0.0

ATTACHMENT 1

Department	Description	Amount	Realignment	Federal State Other (a)	FTE
Health and Human Services	Healthy Partners – Maintain existing level of interpreter services whose costs were covered with Other resources in FY15-16	\$265,000	\$0	\$265,000	0.0
Health and Human Services	Healthy Partners - Temp. help for surges - no increase in capped clients	\$41,900	\$0	\$41,900	0.0
Health and Human Services	Refugee Services - Interpreter services - increase in newly arriving refugees	\$100,000	\$0	\$100,000	0.0
Health and Human Services	Refugee Services - 1.0 FTE new position - More refugees needing initial health assessment	\$62,920	\$0	\$62,920	1.0
Health and Human Services	Clinic - TEACH Coordinator - Teaching partnership with UC Davis	\$25,310	\$0	\$25,310	0.0
Health and Human Services	Clinic - New Electronic Health Records System - To meet federal requirements	\$246,516	\$0	\$246,516	0.0
Health and Human Services	Clinic - Position reallocations/new temp. help for electronic records, leave coverage and data entry backlogs	\$126,139	\$0	\$126,139	0.0
Health and Human Services	Public Health - 4.0 FTE New nursing staff to assess and work with children in CPS system	\$457,000	\$457,000	\$0	4.0
Health and Human Services	Public Health -Court-ordered HIV testing for defendants and notification of victims	\$50,887	\$50,887	\$0	0.0
Health and Human Services	California Children's Services - Add 3 new FTE positions to meet State mandates	\$473,976	\$62,380	\$411,596	3.0

ATTACHMENT 1

Department	Description	Amount	Realignment	Federal State Other (a)	FTE
Health and Human Services	Maternal & Child Health: Increase position by 0.2 FTE	\$25,745	\$0	\$25,745	0.2
Human Assistance	1.0 FTE New Investigative Assistant position funded by DHHS Growth Request to conduct background checks of CPS families for social worker safety	\$0	\$0	\$0	1.0
Human Assistance	Reduce waiting list for Mental Health/Substance Abuse services	\$35,000	\$0	\$35,000	0.0
Human Assistance	CalFresh: \$759K in Contracts with CBOs to increase outreach/penetration	\$759,000	\$113,850	\$645,150	0.0
Human Assistance	CalFresh: 22.0 New FTE for case management	\$1,934,340	\$290,151	\$1,644,189	22.0
Non-Departmental Costs	Social Services Community Support Fund - Realignment - grant program to meet gaps in realignment-eligible programs	\$1,100,000	\$1,100,000	\$0	0.0
Parking Enterprise	Startup and recurring costs for event/after-hours parking	\$327,946	\$0	\$360,000	0.0
Retirement Board	1.0 FTE Sr. Information Technology Analyst position to support SCERS' IT modernization program comprised of multi-phase, multi-year sequence of projects	\$155,027	\$0	\$155,027	1.0
	Total	\$16,553,833	\$7,213,321	\$9,372,566	99.4

(a) Includes reimbursement of \$560,745

ATTACHMENT 2

FY2016-17 Budget Recommended for Adoption
THE ALL FUNDS BUDGET

The FY2016-17 Adopted All Funds Budget totals \$3,972,545,036 in appropriations. This is an \$83,963,125 (2.2%) increase compared to the Budget approved by the Board on June 15, 2016 (the "Approved Budget"). A more detailed comparison of the FY2016-17 Adopted Budget and the FY2016-17 Approved Budget is shown below.

Fiscal Year 2016-17 Approved Budget Compared to Adopted Budget
All County Funds

Fund	FY 2016-17 Approved Budget Appropriations	FY 2016-17 Adopted Budget Appropriations	Difference
General Fund	\$ 2,366,680,792	\$ 2,396,331,370	\$ 29,650,578
Community Investment Program	\$ 2,021,041	\$ 1,771,797	\$ (249,244)
Neighborhood Revitalization	\$ 1,313,907	\$ 1,728,880	\$ 414,973
Economic Development	\$ 46,709,040	\$ 51,186,424	\$ 4,477,384
Environmental Management	\$ 21,269,587	\$ 21,269,587	\$ -
Golf Fund	\$ 7,988,080	\$ 8,071,213	\$ 83,133
Transient Occupancy Tax	\$ 7,680	\$ 488,878	\$ 481,198
Transportation	\$ 172,178,936	\$ 175,487,587	\$ 3,308,651
Water Resources	\$ 150,332,739	\$ 164,665,654	\$ 14,332,915
Airport System	\$ 277,102,983	\$ 292,273,983	\$ 15,171,000
Waste Management and Recycling	\$ 82,199,973	\$ 85,379,973	\$ 3,180,000
Capital Projects Funds	\$ 59,508,943	\$ 57,808,373	\$ (1,700,570)
Debt Service Funds	\$ 33,163,475	\$ 31,260,427	\$ (1,903,048)
Other Special Revenue Funds	\$ 50,695,347	\$ 49,001,917	\$ (1,693,430)
Other Enterprise Funds	\$ 4,602,175	\$ 5,641,131	\$ 1,038,956
Other Internal Service Funds	\$ 379,647,525	\$ 389,724,458	\$ 10,076,933
Other Special Districts and Agencies	\$ 233,159,688	\$ 240,453,384	\$ 7,293,696
Total	\$ 3,888,581,911	\$ 3,972,545,036	\$ 83,963,125

These budget increases are primarily the result of increases in the General Fund, Airport funds, Economic Development Fund, internal service funds and water resources funds as described more fully in Attachment 4.

FY2016-17 Budget Recommended for Adoption
THE GENERAL FUND BUDGET

Approved (June) Budget

At budget hearings in June, the Board considered the County's Recommended Budget for FY2016-17 and approved a budget totaling \$2.37 billion in appropriations, which represents a \$54 million (2%) increase from the FY2015-16 Adopted Budget as shown below.

General Fund Budget
FY2015-16 Adopted- FY2016-17 Approved

	FY2015-16 Adopted	FY2016-17 Approved	Difference
Resources			
Beginning Balance	\$ 30,647,216	\$ 33,000,000	\$ 2,352,784
Use of Reserves	\$ 6,675,175	\$ 189,491	\$ (6,485,684)
Discretionary Revenue	\$ 551,031,444	\$ 564,287,844	\$ 13,256,400
Semi-discretionary Revenue	\$ 630,143,799	\$ 677,841,776	\$ 47,697,977
Other Departmental Revenue	\$ 1,103,340,347	\$ 1,091,531,172	\$ (11,809,175)
Total Revenue	<u>\$ 2,284,515,590</u>	<u>\$ 2,333,660,792</u>	<u>\$ 49,145,202</u>
Total Resources	\$ 2,321,837,981	\$ 2,366,850,283	\$ 45,012,302
Requirements			
Expenditures	\$ 2,322,935,879	\$ 2,373,324,334	\$ 50,388,455
Discretionary Reimbursements	\$ (12,297,898)	\$ (8,466,542)	\$ 3,831,356
Contingency	\$ 2,000,000	\$ 1,823,000	\$ (177,000)
Total Appropriations	\$ 2,312,637,981	\$ 2,366,680,792	\$ 54,042,811
Provision for Reserves	\$ 9,200,000	\$ 189,491	\$ (9,010,509)
Total Requirements	\$ 2,321,837,981	\$ 2,366,870,283	\$ 45,032,302

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FY2016-17 Adopted Budget

The County's FY2016-17 Adopted Budget totals \$2,396,331,370 in appropriations. This is an increase of \$29,650,578 (1.3%) compared to the FY2016-17 Approved Budget. A more detailed comparison of the FY2016-17 Adopted Budget and the FY2016-17 Approved Budget is shown below.

General Fund Budget
FY2016-17 Approved – FY2016-17 Adopted

	FY2016-17 Approved	FY2016-17 Adopted	Difference
Resources			
Beginning Balance	\$ 33,000,000	\$ 47,547,865	\$ 14,547,865
Use of Reserves	\$ 189,491	\$ 1,147,609	\$ 958,118
Discretionary Revenue	\$ 564,287,844	\$ 565,932,025	\$ 1,644,181
Semi-discretionary Revenue	\$ 677,841,776	\$ 687,277,299	\$ 9,435,523
Other Departmental Revenue	\$ 1,091,531,172	\$ 1,104,272,614	\$ 12,741,442
Total Revenue	<u>\$ 2,333,660,792</u>	<u>\$ 2,357,481,938</u>	<u>\$ 23,821,146</u>
Total Resources	\$ 2,366,850,283	\$ 2,406,177,412	\$ 39,327,129
			\$ -
Requirements			
Expenditures	\$ 2,373,324,334	\$ 2,402,259,261	\$ 28,934,927
Discretionary Reimbursements	\$ (8,466,542)	\$ (8,100,891)	\$ 365,651
Contingency	\$ 1,823,000	\$ 2,173,000	\$ 350,000
Total Appropriations	\$ 2,366,680,792	\$ 2,396,331,370	\$ 29,650,578
Provision for Reserves	\$ 189,491	\$ 9,846,042	\$ 9,656,551
Total Requirements	\$ 2,366,870,283	\$ 2,406,177,412	\$ 39,307,129

Fund Balance and Reserves

The General Fund's unaudited FY2015-16 ending fund balance, which becomes the beginning fund balance for FY2016-17, totals \$105,310,140. This includes \$57.8 million in reserves, consisting primarily of approximately \$11.2 million in Teeter Reserves, a \$32.4 million Reserve for Cash Flow and a \$9.2 million Reserve for Mental Health Audit Report Payback, and an Available (unobligated) balance of \$47,547,865. The Available balance is approximately \$14.56 million higher than identified in the FY2016-17 Approved General Fund Budget. The increase reflects the difference between FY2015-16 year-end revenue and expenditure estimates and actual FY2015-16 revenues and expenditures.

The Approved Budget included the cancellation of the \$189,491 Reserve for Emergency Operations and the creation of a new \$189,491 General Reserves designation. The Adopted Budget also includes a \$958,118 reduction in Teeter Reserves, reflecting a decrease in the amount of reserves that need to be set aside for the Teeter Plan, and the following reserve creations or increases:

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- A \$4,754,786 increase in General Reserves, based on the Board's new General Reserves Policy that calls for placing 10% of the General Fund's actual Available fund balance. This brings the General Reserves total to \$4,944,277.
- A new \$3.6 million Warren E. Thornton Youth Center/Morgan Alternative Center Construction Reserve. Staff is continuing to review and analyze all of the issues around repurposing these facilities to house and treat criminal justice-involved and other difficult-to-serve foster care youth. Our analysis thus far has not identified any dedicated source of funds to cover the capital cost of these projects. Thus, pending the completion of our review and analysis, I believe it is prudent to set aside sufficient discretionary resources to cover the estimated capital costs.
- A new \$1,276,765 Technology Upgrade Reserve. Over the next five years, we may need to spend as much as \$25 million in discretionary resources to replace a number of software systems and data processing equipment, including the Property Tax System, Budget System and updated voting equipment. To the extent we can set aside money for this purpose as it is available, we can mitigate the potential impact of these purchases on use of discretionary revenue in future years.
- A new \$25,000 River Delta Fire District Loan Reserve. The Adopted Budget includes funding for a \$25,000 loan to the River Delta Fire District to help the District cover costs associated with a proposed District funding ballot measure. Accounting rules require that we establish a reserve for the amount of the loan to cover any potential default on repayments.

Discretionary Revenue and Reimbursements

The Adopted Budget includes approximately \$1.28 million (0.2%) 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:

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DISCRETIONARY REVENUE AND REIMBURSEMENTS

	FY2015-16 Actual	FY2016-17 Approved	FY2016-17 Adopted	Approved to Adopted Difference
Property Tax -Secured/VLF In-Lieu	\$ 350,875,129	\$ 370,483,276	\$ 370,041,730	\$ (441,546)
Property Tax - Supplemental	\$ 6,847,410	\$ 6,735,586	\$ 7,567,689	\$ 832,103
Other Property Tax	\$ 15,590,544	\$ 15,726,124	\$ 15,484,888	\$ (241,236)
Total Property Tax	\$ 373,313,083	\$ 392,944,986	\$ 393,094,307	\$ 149,321
Sales and In-Lieu Sales	\$ 81,512,000	\$ 79,287,000	\$ 78,654,000	\$ (633,000)
Utility User Tax	\$ 18,083,035	\$ 19,058,665	\$ 19,058,665	
Transient Occupancy Tax	\$ 5,541,860	\$ 5,141,000	\$ 5,400,000	\$ 259,000
Property Transfer Tax	\$ 10,658,629	\$ 9,962,984	\$ 10,600,000	\$ 637,016
SB 90 Repayment	\$ 4,662,970			
Other One-time Revenue	\$ 9,483,711		\$ 1,066,451	\$ 1,066,451
Other On-Going Revenue	\$ 56,309,228	\$ 57,893,209	\$ 58,058,602	\$ 165,393
Total Revenue	\$ 559,564,516	\$ 564,287,844	\$ 565,932,025	\$ 1,644,181
Teeter	\$ 10,020,969	\$ 7,320,686	\$ 6,955,035	\$ (365,651)
SWA	\$ 1,515,940	\$ 1,145,856	\$ 1,145,856	
Total Reimbursements	\$ 11,536,909	\$ 8,466,542	\$ 8,100,891	\$ (365,651)
				\$ -
TOTAL	\$ 571,101,425	\$ 572,754,386	\$ 574,032,916	\$ 1,278,530

Major contributors to the net \$1.28 million increase in discretionary revenue and reimbursements compared to the Approved Budget include:

- The receipt of \$1.066 million in one-time revenue from COPs and POB debt service funds, due to reduced interest expense, increased interest earnings and lower than anticipated administrative costs.
- An \$832,103 (12.4%) increase in Supplemental Property Tax revenue. The revised Supplemental Property Tax revenue estimate is 10.5% higher than the FY2015-16 actual revenue from this source and is based on updated information and analysis provided by the County Assessor and Department of Finance.
- A \$637,016 (6.4%) increase in Property Transfer Tax revenue based on updated trend information.
- A \$633,000 (0.8%) reduction in Sales Tax revenue, based on revised data and analysis from the County's sales tax consultants. The revised Sales Tax revenue estimate is \$2.86 million (3.5%) lower than the FY2015-16 actual revenue from this source, however the FY2015-16 actual revenue included approximately \$5.3 million in one-time revenue related to the true-up of the Triple Flip, which ended in FY2014-15. If that is factored out, the revised Sales and Use Tax revenue estimate is approximately \$2.4 million (3.2%) higher than FY2015-16 actual Sales and Use Tax revenue.

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- A \$441,546 (0.1%) reduction in Secured and VLF in-Lieu Property Tax revenue. The revised estimate is \$19.2 million (5.5%) higher than the FY2015-16 actual revenue from these sources and is based on the July Assessment Roll prepared by the County Assessor.

Semi-Discretionary Revenue

The Approved Budget included \$677.8 million in Semi-discretionary (Proposition 172 and Realignment) revenue, comprised both of new revenue received or estimated to be received in FY2016-17 and, in some cases, carry-over Realignment Trust Fund balances or estimated balances. The Adopted Budget includes \$687.3 million in Semi-discretionary revenue, an increase of \$9.4 million (1.39%) compared to the amount included in the Approved Budget.

The following table summarizes the amount of Proposition 172 and Realignment revenue included in the FY2016-17 Adopted Budget compared to the amount included in the Approved Budget.

General Fund Semi-Discretionary Revenue - FY2016-17 Approved- Adopted Budgets

	FY2016-17 Approved	FY2016-17 Adopted	Difference
Enhancing Law Enforcement Activities	\$ 20,708,629	\$ 21,275,003	\$ 566,374
Law Enforcement Services	\$ 87,608,767	\$ 85,976,964	\$ (1,631,803)
Behavioral Health	\$ 66,709,453	\$ 68,755,615	\$ 2,046,162
Protective Services	\$ 116,128,092	\$ 118,769,788	\$ 2,641,696
Total 2011 Realignment	\$ 291,154,941	\$ 294,777,370	\$ 3,622,429
Mental Health	\$ 53,889,034	\$ 53,889,034	
Public Health	\$ 14,747,127	\$ 15,796,632	\$ 1,049,505
Social Services	\$ 106,116,125	\$ 109,814,829	\$ 3,698,704
Total 1991 Realignment - Non-CalWORKS	\$ 174,752,286	\$ 179,500,495	\$ 4,748,209
CalWORKS	\$ 101,431,811	\$ 103,373,406	\$ 1,941,595
Total 1991 Realignment	\$ 276,184,097	\$ 282,873,901	\$ 6,689,804
Total Realignment	\$ 567,339,038	\$ 577,651,271	\$ 10,312,233
Proposition 172	\$ 110,502,738	\$ 109,626,028	\$ (876,710)
Total	\$ 677,841,776	\$ 687,277,299	\$ 9,435,523

Realignment revenue received from the State is deposited in a trust fund and only recognized as revenue in the General Fund after it is transferred to the appropriate department to cover the cost of eligible expenditures. Revenue received in the Trust Fund during the fiscal year and, in some cases, carry-over Trust Fund balances from the prior year, comprise the resources in the Realignment Trust Fund in any fiscal year.

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For purposes of the FY2016-17 Adopted Budget, we estimate that Realignment revenue received in the Trust Fund in FY2016-17 will be approximately \$5.5 million higher than estimated when we prepared the Approved Budget. We also estimate that the Realignment Trust Fund carry-over balance from FY2015-16 will be approximately \$13.2 million higher than we estimated when we prepared the Approved Budget. In total, we are estimating an increase in Realignment resources of \$18.7 million above the approved amount. Approximately \$10.3 million of these additional Realignment resources is included as additional Realignment revenue in various departments in the Adopted General Fund Budget - \$3.1 million to cover increased Base Budget costs and \$7.2 million to fund new or enhanced programs as detailed in Attachment 1. We are recommending that the remaining \$8.44 million in estimated Realignment resources be retained in the Realignment Trust Fund as a contingency as follows:

Realignment Trust Fund Contingency Reserve Estimates

Realignment Revenue Category	FY2016-17 Approved	FY2016-17 Adopted	Difference
Behavioral Health	\$ 980,695	\$ 3,176,847	\$ 2,196,152
Mental Health	\$ 2,099,153	\$ 451,163	\$(1,647,990)
Protective Services	\$ 234,159	\$ 1,147,159	\$ 913,000
Public Health		\$ 525,242	\$ 525,242
Social Services		\$ 6,006,842	\$ 6,006,842
Juvenile Justice Crime Prevention		\$ 446,025	\$ 446,025
TOTAL	\$ 3,314,007	\$11,753,278	\$8,439,271

As proposed, these contingencies would serve a number of purposes:

- Approximately \$2.7 million in Social Services Realignment revenue would be available to backfill possible reductions in the CalWORKS allocation, costs associated with Foster Care Continuum of Care reform and half of the difference between the full and partial FY2017-18 costs of positions funded with Realignment revenue in FY2016-17.
- Approximately \$2 million of the Behavioral Health/Mental Health Realignment revenue would be available to cover future Mental Health Audit pay-back requirements.
- The \$446,025 in Juvenile Justice Crime Prevention Realignment revenue would be available to cover potential future juvenile probation costs.

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- The remaining amount would serve as a hedge against the potential receipt of less Realignment revenue than projected. Realignment revenue projections are based in part on Statewide sales tax and Vehicle License Fee revenue estimates and actual revenue can fluctuate from those estimates.

Net County Cost/Discretionary and Semi-Discretionary Revenue Allocations

The FY2016-17 Adopted Budget includes a Net County Cost of approximately \$612.9 million, which represents an increase of approximately \$7.1 million (1.25%) compared to the Approved Budget. The recommended allocations are summarized in the following table:

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ATTACHMENT 3

General Fund Allocations for FY 2016-17 Adopted Budget
As Compared to FY 2016-17 Approved Budget

DEPARTMENT	FY 2016-17 Approved	FY 2016-17 Adopted	Variance
ELECTED OFFICIALS			
Assessor	\$9,337,234	\$9,414,350	\$77,116
Board of Supervisors	\$3,408,068	\$3,408,068	\$0
District Attorney	\$55,945,385	\$56,136,544	\$191,159
Sheriff	\$221,517,215	\$222,447,961	\$930,746
Correctional Health	\$31,340,561	\$31,438,741	\$98,180
Subtotal	\$321,548,463	\$322,845,664	\$1,297,201
COUNTYWIDE SERVICES			
Human Assistance-Aid Payments	\$19,729,964	\$19,729,964	\$0
DHA Administration	\$13,807,255	\$13,807,255	\$0
Health & Human Services	\$22,499,580	\$22,562,403	\$62,823
Probation	\$62,336,405	\$63,030,973	\$694,568
Courts	\$33,598,564	\$33,598,564	\$0
Public Defender and Conflict Defenders	\$41,729,426	\$41,755,605	\$26,179
Medical Treatment Payments	\$1,518,720	\$1,518,720	\$0
In-Home Supportive Services (IHSS)	\$3,618,645	\$3,618,645	\$0
Voter Registration and Elections	\$8,245,602	\$7,616,255	(\$629,347)
Other Countywide Services	\$15,817,582	\$15,962,929	\$145,347
Subtotal	\$222,901,743	\$223,201,313	\$299,570
MUNICIPAL SERVICES			
Animal Care & Regulation	\$7,632,399	\$7,823,849	\$191,450
Community Development	\$7,075,914	\$7,075,914	\$0
Regional Parks	\$5,952,654	\$6,291,596	\$338,942
Subtotal	\$20,660,967	\$21,191,359	\$530,392
INTERNAL SERVICES			
Finance Department	\$3,132,146	\$3,182,146	\$50,000
Other Internal Services	\$11,301,070	\$11,301,070	\$0
Subtotal	\$14,433,216	\$14,483,216	\$50,000
GENERAL GOVERNMENT			
Subtotal	\$26,229,997	\$31,160,796	\$4,930,799
TOTAL	\$605,774,386	\$612,882,348	\$7,107,962

As can be seen, the largest increase in Net County Cost is in the General Government category, which includes a \$3.3 million increase in interfund transfer repayment and a \$1.4 million General Fund contribution to the Roads Fund. The operating departments with the largest increases in Net County Cost are:

- The Sheriff, with a \$930,746 increase, due largely to a projected reduction in Realignment and Proposition 172 revenue;
- Probation, with a \$694,568 increase, due primarily to a reduction in estimated Realignment, Proposition 172 and other State revenue; and

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- Regional Parks, with a \$338,942 increase, due to funding for new or enhanced programs.

The \$629,347 reduction in Net County Cost in the Voter Registration and Elections Department is due to increased State revenue; there is no change in appropriations.

In some cases, though, increases in Semi-discretionary revenue offset what would otherwise be increases in Net County Cost or allow for a reduction in Net County Cost or can be used to fund increased spending on Board priorities. The following table compares the allocation of Net County Cost and Semi-discretionary revenues to all departments in the FY2016-17 Approved Budget and FY2016-17 Adopted Budget.

Centrally Allocated Resources
Net County Cost, Semi-Discretionary Resources
FY 2016-17 Approved - FY 2016-17 Adopted

	FY 2016-17 Approved	FY 2016-17 Adopted	Difference
AG COMM-SEALER OF WTS & MEASURES	\$ 1,315,569	\$ 1,460,916	\$ 145,347
ANIMAL CARE AND REGULATION	\$ 7,632,399	\$ 7,823,849	\$ 191,450
APPROPRIATION FOR CONTINGENCY	\$ 1,823,000	\$ 2,173,000	\$ 350,000
ASSESSOR	\$ 9,337,234	\$ 9,414,350	\$ 77,116
BOARD OF SUPERVISORS	\$ 3,408,068	\$ 3,408,068	\$ -
CARE IN HOMES AND INSTITUTIONS	\$ 716,750	\$ 716,750	\$ -
CHILD SUPPORT SERVICES	\$ -	\$ -	\$ -
CIVIL SERVICE COMMISSION	\$ 343,221	\$ 343,221	\$ -
CLERK OF THE BOARD	\$ 1,548,793	\$ 1,548,793	\$ -
COMMUNITY DEVELOPMENT	\$ 7,075,914	\$ 7,075,914	\$ -
CONFLICT CRIMINAL DEFENDERS	\$ 10,256,016	\$ 10,256,016	\$ -
CONTRIBUTION TO LAFCO	\$ 239,500	\$ 239,500	\$ -
CONTRIBUTION TO LAW LIBRARY	\$ 9,975	\$ 9,975	\$ -
COOPERATIVE EXTENSION	\$ 331,612	\$ 331,612	\$ -
CORONER	\$ 6,453,374	\$ 6,453,374	\$ -
CORRECTIONAL HEALTH SERVICES	\$ 39,313,447	\$ 39,313,447	\$ -
COUNTY COUNSEL	\$ 2,326,957	\$ 2,326,957	\$ -
COUNTY EXECUTIVE	\$ 1,108,642	\$ 1,108,642	\$ -
COUNTY EXECUTIVE CABINET	\$ 227,978	\$ 227,978	\$ -
COURT / COUNTY CONTRIBUTION	\$ 24,761,756	\$ 24,761,756	\$ -
COURT / NON-TRIAL COURT FUNDING	\$ 8,836,808	\$ 8,836,808	\$ -
DATA PROCESSING-SHARED SYSTEMS	\$ 9,622,277	\$ 9,622,277	\$ -
DEPARTMENT OF FINANCE	\$ 3,132,146	\$ 3,182,146	\$ 50,000
DISTRICT ATTORNEY	\$ 70,575,804	\$ 70,693,576	\$ 117,772
EMERGENCY OPERATIONS	\$ 876,022	\$ 936,022	\$ 60,000
FAIR HOUSING SERVICES	\$ 144,000	\$ 144,000	\$ -
FINANCING-TRANSFERS/REIMB	\$ 2,270,208	\$ 3,956,785	\$ 1,686,577
GRAND JURY	\$ 308,262	\$ 308,262	\$ -
HEALTH AND HUMAN SERVICES	\$ 219,927,220	\$ 225,699,364	\$ 5,772,144
HEALTH-MEDICAL TREATMENT PAYMENTS	\$ 3,400,000	\$ 3,941,618	\$ 541,618
HUMAN ASSISTANCE-ADMIN	\$ 21,636,533	\$ 22,040,534	\$ 404,001
HUMAN ASSISTANCE-AID PAYMENTS	\$ 213,496,102	\$ 217,118,827	\$ 3,622,725

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IHSS Provider Payments	\$ 57,050,055	\$ 57,050,055	\$ -
JUVENILE MEDICAL SERVICES	\$ 7,793,625	\$ 7,793,625	\$ -
NON-DEPARTMENTAL COSTS/GF	\$ 16,870,469	\$ 20,804,691	\$ 3,934,222
OFFICE OF INSPECTOR GENERAL	\$ 130,000	\$ 130,000	\$ -
OFFICE OF LABOR RELATIONS	\$ -	\$ -	\$ -
PROBATION	\$ 118,911,192	\$ 118,911,192	\$ -
PUBLIC DEFENDER	\$ 32,144,826	\$ 32,144,826	\$ -
REGIONAL PARKS	\$ 5,952,654	\$ 6,291,596	\$ 338,942
SHERIFF	\$ 363,985,511	\$ 363,866,429	\$ (119,082)
VETERAN'S FACILITY	\$ 15,952	\$ 15,952	\$ -
VOTER REGISTRATION/ ELECTIONS	\$ 8,245,602	\$ 7,616,255	\$ (629,347)
WILDLIFE SERVICES	\$ 60,689	\$ 60,689	\$ -
	<u>\$ 1,283,616,162</u>	<u>\$ 1,300,159,647</u>	<u>\$ 16,543,485</u>

The amount of Net County Cost and Semi-discretionary resources allocated to programs in the Adopted Budget is approximately \$16.5 million (1.3%) greater than the FY2016-17 Approved Budget level. The budget units with the largest increases include:

- Health & Human Services with a \$5.8 million (2.6%) increase, almost all Realignment, due primarily to funding for new or enhanced services in a number of program areas, including Child Protective Services, Alcohol and Drug Services, Adult Protective Services, Mental Health, Primary Health and Public Health.
- Human Assistance – Aid Payments with a \$3.6 million (1.7%) increase, all Realignment, due primarily to increases in Children’s Receiving Home rates, the California Necessities Increase (CNI) for Foster Care programs and CalWORKS Child Poverty program costs.
- Non-departmental Costs with a \$3.9 million (23%) increase: \$1.1 million in Realignment and the rest Net County Cost. The primary reasons for the increase include the establishment of a \$1.1 million “Social Services Community Support Fund” with Social Services Realignment revenue and an additional \$3.3 million Interfund transfer repayment, partially offset by a reduction in the estimated payment to the City of Sacramento under the terms of our auto dealership sales tax revenue sharing agreement.
- Financing Transfers/Reimbursements with a \$1.7 million (75%) increase, all Net County Cost, due to the \$1.4 million transfer to the Roads Fund as part of a plan to improve the condition of all County roads and a \$286,577 transfer to the Transient Occupancy Tax Fund to pay for a portion of the Powerhouse Science Center’s construction loan debt service.

**SACRAMENTO COUNTY
GENERAL FUND SUMMARY TABLE**

Exhibit A

	FY2016-17 Approved Budget	FY2016-17 September Budget	Difference	Percent Difference
Discretionary				
Property Tax	\$392,944,986	\$393,094,307	\$149,321	0.04%
Sales Tax	\$79,287,000	\$78,654,000	(\$633,000)	-0.80%
Utility User Tax	\$19,058,665	\$19,058,665	\$0	0.00%
Transient Occupancy Tax	\$5,141,000	\$5,400,000	\$259,000	5.04%
Real Property Transfer Tax	\$9,962,984	\$10,600,000	\$637,016	6.39%
Revenue Neutrality Payments	\$19,422,503	\$20,193,185	\$770,682	3.97%
Teeter	\$7,320,686	\$6,955,035	(\$365,651)	-4.99%
Solid Waste Authority	\$1,145,856	\$1,145,856	\$0	0.00%
Other Court Fines	\$10,389,214	\$10,389,214	\$0	0.00%
Other Discretionary	\$28,081,492	\$27,476,203	(\$605,289)	-2.16%
Subtotal	\$572,754,386	\$572,966,465	\$212,079	0.04%
One Time revenues	\$0	\$1,066,451	\$1,066,451	
Total Discretionary	\$572,754,386	\$574,032,916	\$1,278,530	0.22%
Semi Discretionary				
Prop 172	\$110,502,738	\$109,626,028	(\$876,710)	-0.79%
Realignment				
1991 (Mental Health, Public Health, Social Services, CalWORKS)	\$276,184,097	\$282,873,901	\$6,689,804	2.42%
2011 (Enhancing Law Enforcement Activities, Law Enforcement Services, Behavioral Health Services, Protective Services)	\$291,154,941	\$294,777,370	\$3,622,429	1.24%
	\$567,339,038	\$577,651,271	\$10,312,233	1.82%
Semi Discretionary	\$677,841,776	\$687,277,299	\$9,435,523	1.39%
Total Discretionary & Semi Discretionary	\$1,250,596,162	\$1,261,310,215	\$10,714,053	0.86%
Departmental Revenue				
Federal Welfare/Administration	\$424,092,495	\$426,496,555	\$2,404,060	0.57%
Federal Health	\$107,831,936	\$111,608,865	\$3,776,929	3.50%
State Welfare/Administration	\$205,930,753	\$208,755,427	\$2,824,674	1.37%
State Aid - Other Programs	\$121,809,140	\$123,098,491	\$1,289,351	1.06%
Charges for Services/Fees	\$112,922,352	\$113,180,002	\$257,650	0.23%
Other Department Revenue	\$118,944,496	\$121,133,274	\$2,188,778	1.84%
Total Departmental Revenue	\$1,091,531,172	\$1,104,272,614	\$12,741,442	1.17%
Total GF Revenue	\$2,342,127,334	\$2,365,582,829	\$23,455,495	1.00%
Appropriation from/(to) Fund Balance	\$33,000,000	\$47,547,865	\$14,547,865	44.08%
	\$2,375,127,334	\$2,413,130,694	\$38,003,360	1.60%

**GENERAL BUDGET
INFORMATION**

**COUNTY EXECUTIVE'S RECOMMENDED FISCAL YEAR
2016-17 ADOPTED BUDGET LETTER**

Exhibit A

**SACRAMENTO COUNTY
GENERAL FUND SUMMARY TABLE**

Appropriations

	FY2016-17 Approved Budget	FY2016-17 September Budget	Difference	Percent Difference
Elected Departments				
Assessor	\$17,310,976	\$17,388,092	\$77,116	0.45%
Board of Supervisors	\$3,408,068	\$3,408,068	\$0	0.00%
District Attorney	\$85,149,537	\$86,593,820	\$1,444,283	1.70%
Sheriff	\$453,210,747	\$453,965,335	\$754,588	0.17%
Correctional Health Services	\$45,144,999	\$45,144,999	\$0	0.00%
Total Elected Departments	\$604,224,327	\$606,500,314	\$2,275,987	0.38%
General Government				
County Counsel	\$5,202,202	\$5,202,202	\$0	0.00%
County Executive/Cabinet	\$4,484,024	\$4,484,024	\$0	0.00%
Emergency Operations	\$4,172,895	\$4,232,895	\$60,000	1.44%
Non-Departmental Costs	\$16,870,469	\$20,922,170	\$4,051,701	24.02%
Other General Government	\$5,266,586	\$7,303,163	\$2,036,577	38.67%
Total General Government	\$35,996,176	\$42,144,454	\$6,148,278	17.08%
Countywide Services				
Child Support Services	\$35,490,546	\$35,490,546	\$0	0.00%
Court	\$34,686,978	\$34,686,978	\$0	0.00%
Health and Human Services	\$542,595,421	\$553,610,414	\$11,014,993	2.03%
Human Assistance-Admin	\$308,769,914	\$311,498,254	\$2,728,340	0.88%
Human Assistance-Aid Payments	\$363,338,495	\$368,211,679	\$4,873,184	1.34%
IHSS Provider Payments	\$86,851,119	\$86,851,119	\$0	0.00%
Probation	\$146,184,523	\$144,927,668	(\$1,256,855)	-0.86%
Public Defender/Conflict Criminal Defenders	\$43,582,114	\$43,582,114	\$0	0.00%
Voter Registration and Elections	\$10,384,082	\$10,384,082	\$0	0.00%
Other Countywide Services	\$25,855,897	\$28,254,574	\$2,398,677	9.28%
Total Countywide Services	\$1,597,739,089	\$1,617,497,428	\$19,758,339	1.24%
Municipal Services				
Animal Care And Regulation	\$9,559,184	\$9,935,634	\$376,450	3.94%
Community Development	\$42,725,811	\$42,983,461	\$257,650	0.60%
Regional Parks	\$11,722,351	\$12,061,293	\$338,942	2.89%
Total Municipal Services	\$64,007,346	\$64,980,388	\$973,042	1.52%
Internal Services				
Finance	\$27,877,013	\$27,877,013	\$0	0.00%
County Clerk/Recorder	\$12,974,133	\$12,974,133	\$0	0.00%
Data Processing-Shared Systems	\$9,716,945	\$9,716,945	\$0	0.00%
Personnel Services	\$12,266,515	\$12,266,515	\$0	0.00%
Revenue Recovery	\$8,401,645	\$8,401,645	\$0	0.00%
Other Internal Services	\$1,944,145	\$2,073,426	\$129,281	6.65%
Total Internal Services	\$73,180,396	\$73,309,677	\$129,281	0.18%
Total Appropriations	\$2,375,147,334	\$2,404,432,261	\$29,284,927	1.23%
Reserve Changes				
Increase to Reserves - General Reserves	\$189,491	\$4,944,277	\$4,754,786	2509.24%
Increase to Reserves - WETYC/Mac Construction	\$0	\$3,600,000	\$3,600,000	#DIV/0!
Increase to Reserves - Technology Upgrades	\$0	\$1,276,765	\$1,276,765	#DIV/0!
Increase to Reserves - Loan to River Delta Fire District		\$25,000	\$25,000	#DIV/0!
Decrease to Reserves - Emergency Ops and Teeter	(\$189,491)	(\$1,147,609)	(\$958,118)	505.63%
Net Reserve Changes	\$0	\$8,698,433	\$8,698,433	#DIV/0!
Variance	(\$20,000)	\$0	\$20,000	

**SACRAMENTO COUNTY
NET COUNTY COST TABLE**

Exhibit B

	FY2016-17 Approved Budget	FY2016-17 September Budget	Difference	Percent Difference
Elected Departments				
Assessor	\$9,337,234	\$9,414,350	\$77,116	0.83%
Board of Supervisors	\$3,408,068	\$3,408,068	\$0	0.00%
District Attorney	\$55,945,385	\$56,136,544	\$191,159	0.34%
Sheriff	\$221,517,215	\$222,447,961	\$930,746	0.42%
Correctional Health Services	\$31,340,561	\$31,438,741	\$98,180	0.31%
Total Elected Departments	\$321,548,463	\$322,845,664	\$1,297,201	0.40%

General Government				
Appropriation For Contingency	\$1,823,000	\$2,173,000	\$350,000	19.20%
Civil Service Commission	\$343,221	\$343,221	\$0	0.00%
Contribution To LAFCO	\$239,500	\$239,500	\$0	0.00%
County Counsel	\$2,326,957	\$2,326,957	\$0	0.00%
County Executive	\$1,108,642	\$1,108,642	\$0	0.00%
County Executive Cabinet (a)	\$227,978	\$227,978	\$0	0.00%
Criminal Justice Cabinet	\$0	\$0	\$0	
Emergency Operations	\$876,022	\$936,022	\$60,000	6.85%
Fair Housing Services	\$144,000	\$144,000	\$0	0.00%
Financing-Transfers/Reimbursement	\$2,270,208	\$3,956,785	\$1,686,577	74.29%
Non-Departmental Costs/General Fund	\$16,870,469	\$19,704,691	\$2,834,222	16.80%
Office of Labor Relations	\$0	\$0	\$0	#DIV/0!
Total General Government	\$26,229,997	\$31,160,796	\$4,930,799	18.80%

Countywide Services				
Agricultural Comm-Sealer Of Wts & Meas	\$1,315,569	\$1,460,916	\$145,347	11.05%
Care In Homes And Inst-Juv Court Wards	\$716,750	\$716,750	\$0	0.00%
Child Support Services	\$0	\$0	\$0	#DIV/0!
Conflict Criminal Defenders	\$10,256,016	\$10,256,016	\$0	0.00%
Contribution To The Law Library	\$9,975	\$9,975	\$0	0.00%
Cooperative Extension	\$331,612	\$331,612	\$0	0.00%
Coroner	\$6,453,374	\$6,453,374	\$0	0.00%
Court / County Contribution	\$24,761,756	\$24,761,756	\$0	0.00%
Court / Non-Trial Court Operation	\$8,836,808	\$8,836,808	\$0	0.00%
Court Paid County Services	\$0	\$0	\$0	
Dispute Resolution Program	\$0	\$0	\$0	
Grand Jury	\$308,262	\$308,262	\$0	0.00%
Health - Medical Treatment Payments	\$1,518,720	\$1,518,720	\$0	0.00%
Health And Human Services	\$22,499,580	\$22,562,403	\$62,823	0.28%
Human Assistance-Administration	\$13,807,255	\$13,807,255	\$0	0.00%
Human Assistance-Aid Payments	\$19,729,964	\$19,729,964	\$0	0.00%
IHSS Provider Payments	\$3,618,645	\$3,618,645	\$0	0.00%
Juvenile Medical Services	\$6,605,399	\$6,605,399	\$0	0.00%
Probation	\$62,336,405	\$63,030,973	\$694,568	1.11%
Public Defender	\$31,473,410	\$31,499,589	\$26,179	0.08%
Veteran's Facility	\$15,952	\$15,952	\$0	0.00%
Voter Registration And Elections	\$8,245,602	\$7,616,255	(\$629,347)	-7.63%
Wildlife Services	\$60,689	\$60,689	\$0	0.00%
Total Countywide Services	\$222,901,743	\$223,201,313	\$299,570	0.13%

**SACRAMENTO COUNTY
NET COUNTY COST TABLE**

Exhibit B

Municipal Services				
Animal Care And Regulation	\$7,632,399	\$7,823,849	\$191,450	2.51%
Community Development	\$7,075,914	\$7,075,914	\$0	0.00%
Regional Parks	\$5,952,654	\$6,291,596	\$338,942	5.69%
Total Municipal Services	\$20,660,967	\$21,191,359	\$530,392	2.57%

Internal Services				
Clerk of the Board	\$1,548,793	\$1,548,793	\$0	0.00%
County Clerk/Recorder	\$0	\$0	\$0	
Data Processing-Shared Systems	\$9,622,277	\$9,622,277	\$0	0.00%
Finance	\$3,132,146	\$3,182,146	\$50,000	1.60%
Office of Compliance	\$0	\$0	\$0	
Office of Inspector General	\$130,000	\$130,000	\$0	0.00%
Personnel Services	\$0	\$0	\$0	
Revenue Recovery	\$0	\$0	\$0	
Total Internal Services	\$14,433,216	\$14,483,216	\$50,000	0.35%

Total Net County Cost	\$605,774,386	\$612,882,348	\$7,107,962	1.17%
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(a) Net County Cost for FY 2016-17 reflects the cost of the Director of Homeless Services.

ATTACHMENT 4

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

ATTACHMENT 4

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'

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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.

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- 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

ATTACHMENT 4

\$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

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- 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);
- o 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:
 - o An expanded contract with the Sacramento Children's Receiving Home to address needs at the Centralized Placement Services Unit (\$280,000);
 - o Four positions to support the Division's Quality Assurance efforts – previously approved positions were redirected to conduct mandated case reviews (\$418,000);
 - o 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);
 - o Eight positions to assist with family and court services, including improving timeliness of visitations and meeting client transportation needs (\$386,655);
 - o Three positions and contract services to assist with foster parent recruitment for the Foster Parent Recruitment, Retention and Support program (\$712,047);
 - o One paralegal position to assist with timely noticing mandates for Permanency Hearings (\$39,168);
 - o 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);
 - o 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);
 - o 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);
 - o Software to manage policies and procedures and allow remote access (\$93,000);

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- 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.

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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

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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

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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).

ATTACHMENT 4

- 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.

ATTACHMENT 4

- 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.

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

Fiscal Year	Appropriation Limit	Appropriations Subject to Limitation	Amount Under Limit
2011-12	1,761,422,101	329,776,706	1,431,645,395
2012-13	1,837,880,766	333,031,810	1,504,848,956
2013-14	1,949,561,282	342,212,234	1,607,349,048
2014-15	1,957,136,770	370,473,337	1,586,663,433
2015-16	2,056,688,567	401,821,508	1,654,867,059
2016-17 (Budget)	2,210,475,398	415,986,669	1,794,488,729

2016-17 DISTRICTS APPROPRIATION LIMITS

Fund	District	Appropriation Limit	Appropriations Subject to Limitation	Amount Under Limit
229	Natomas Fire District	6,530,912	2,269,800	4,261,112
253	County Service Area No. 1	6,077,141	3,108,489	2,968,652
319	Sacramento County Water Agency - Zone 12	18,808,938	5,569,998	13,238,940
336	Mission Oaks Recreation and Park District	19,414,330	2,334,437	17,079,893
337	Carmichael Recreation and Parks District	4,360,542	1,854,983	2,505,559
338	Sunrise Recreation and Park District	15,060,569	4,348,761	10,711,808
351	Del Norte Oaks Recreation and Park District	39,716	3,240	36,476

THE COUNTY BUDGET (REQUIREMENTS)

FUNCTIONS DESCRIPTIONS

PUBLIC ASSISTANCE:

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

HEALTH AND SANITATION:

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

ROADS:

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

PUBLIC PROTECTION:

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

LIBRARY, CULTURAL, AND RECREATIONAL:

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

GENERAL GOVERNMENT:

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

GENERAL GOVERNMENT (cont.):

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

DEBT SERVICE, RESERVES, CONTINGENCIES:

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

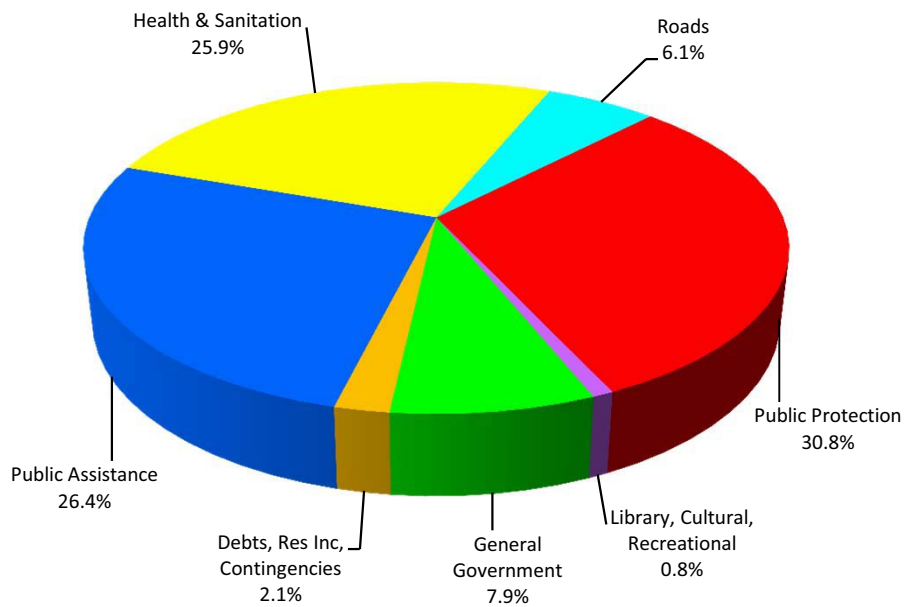
THE COUNTY BUDGET (REQUIREMENTS)

THE COUNTY BUDGET

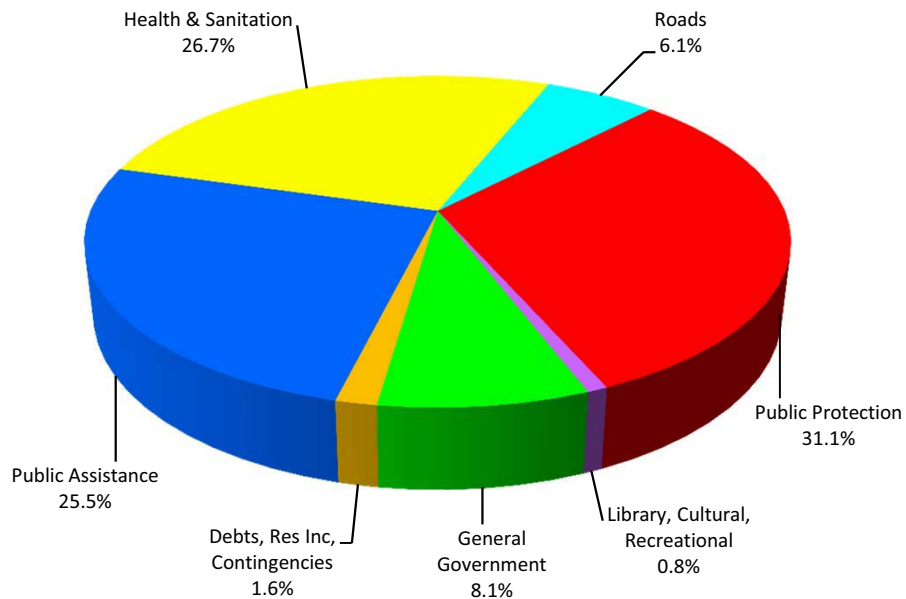
GOVERNMENTAL FUNDS

REQUIREMENTS

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



2016-17 BUDGET TOTAL \$2,802,117,716



SUMMARY TABLES FOR THE PIE CHARTS

<u>REQUIREMENTS</u>				
	Fiscal Year		Fiscal Year	
	2015-16	Percent	2016-17	Percent
Public Assistance	\$718,594,569	26.4%	\$715,300,479	25.5%
Health & Sanitation	703,979,250	25.9%	747,880,360	26.7%
Roads	164,965,078	6.1%	171,723,344	6.1%
Public Protection	835,679,266	30.8%	872,830,741	31.1%
Library, Cultural, Recreational	21,996,544	0.8%	22,248,137	0.8%
General Government	214,324,723	7.9%	227,440,722	8.1%
Debts, Reserve Increase, Contingencies	57,690,409	2.1%	44,693,933	1.6%
GRAND TOTAL	\$ 2,717,229,839	100.0%	\$ 2,802,117,716	100.0%
 <u>FINANCING</u>				
	Fiscal Year		Fiscal Year	
	2015-16	Percent	2016-17	Percent
Taxes	\$511,811,042	18.8%	\$534,653,562	19.1%
Licenses, Permits, Franchises	47,259,426	1.7%	50,183,732	1.8%
Fines, Forfeitures, Penalties	30,169,633	1.1%	30,363,292	1.1%
Intergovernmental	1,683,630,666	62.0%	1,734,077,749	61.9%
Charges for Services	193,294,448	7.1%	194,748,158	7.0%
Other Revenues	132,932,146	4.9%	138,424,261	4.9%
Year-End Balance, Reserve Release	118,132,478	4.3%	119,666,962	4.3%
GRAND TOTAL	\$ 2,717,229,839	100.0%	\$ 2,802,117,716	100.0%

THE COUNTY BUDGET

(FINANCING) FUNCTIONS DESCRIPTIONS

TAXES:

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

LICENSES, PERMITS, FRANCHISES:

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

FINES, FORFEITURES, PENALTIES:

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

INTERGOVERNMENTAL:

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

CHARGES FOR SERVICES:

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

OTHER REVENUES:

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

OTHER REVENUES (cont.):

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

YEAR-END BALANCE, RESERVE RELEASE:

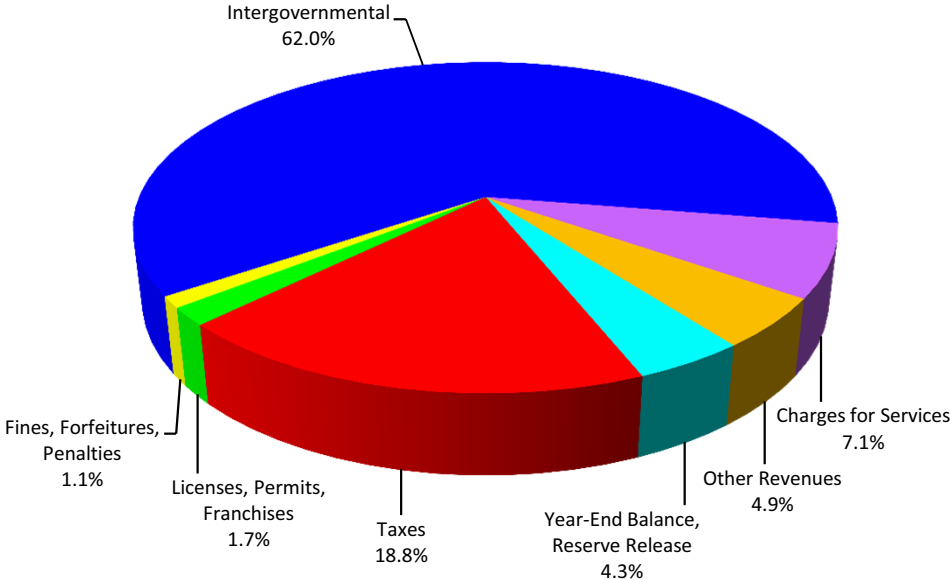
Prior-Year Carryover/Fund Balance and Reserve Release.

THE COUNTY BUDGET (FINANCING)

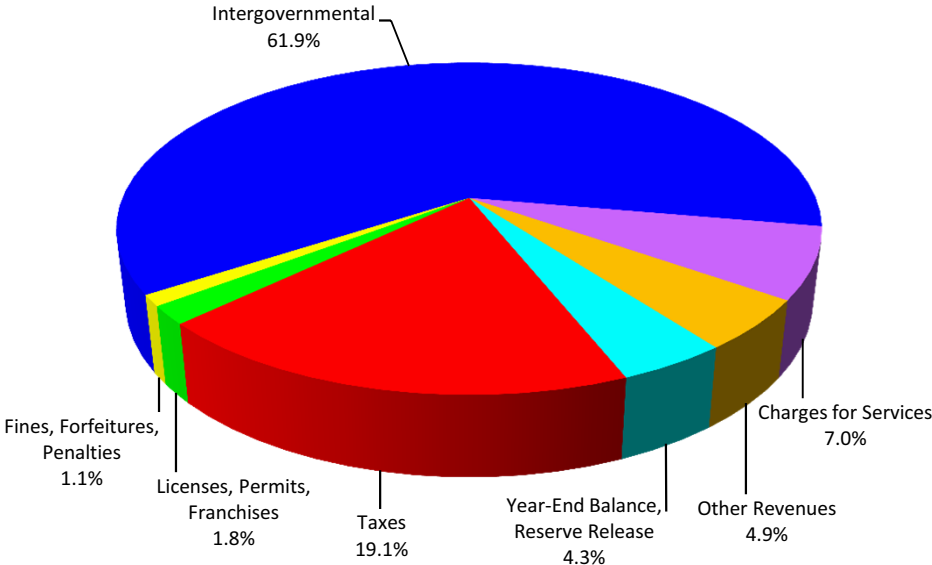
THE COUNTY BUDGET

GOVERNMENTAL FUNDS FINANCING

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



2016-17 BUDGET TOTAL \$2,802,117,716



SUMMARY OF FUND BALANCES

Fund Description	Fund Number	Adopted 2015-16	Adopted 2016-17	Variance	Percent
GENERAL	001A-G	33,895,539	50,600,943	16,705,404	49.3%
FISH AND GAME	002A	4,485	1,857	-2,628	-58.6%
ROAD	005A	18,586,717	6,991,746	-11,594,971	-62.4%
DEPARTMENT OF TRANSPORTATION	005B	5,401,006	945,034	-4,455,972	-82.5%
PARKS CONSTRUCTION	006A	1,582,085	344,268	-1,237,817	-78.2%
CAPITAL CONSTRUCTION	007A	8,090,019	13,921,439	5,831,420	72.1%
TOBACCO LITIGATION SETTLEMENT	008A	1,240,736	6,092	-1,234,644	-99.5%
ENVIRONMENTAL MANAGEMENT	010B	2,378,711	708,477	-1,670,234	-70.2%
LIBRARY	011A	320,962	299,140	-21,822	-6.8%
FIRST 5 SACRAMENTO COMMISSION	013A	3,520,834	5,432,760	1,911,926	54.3%
TRANSIENT OCCUPANCY	015A	117,036	488,878	371,842	317.7%
TEETER PLAN	016A	4,854,040	4,108,216	-745,824	-15.4%
GOLF	018A	104,192	37,293	-66,899	-64.2%
ECONOMIC DEVELOPMENT	020A	11,133,965	10,916,689	-217,276	-2.0%
BUILDING INSPECTION	021A	3,290,200	4,382,962	1,092,762	33.2%
TECHNOLOGY COST RECOVERY FEE	021D	386,560	481,249	94,689	24.5%
AFFORDABILITY FEE	023A	79,790	2,702	-77,088	-96.6%
ROADWAYS	025A-H	5,767,263	4,014,654	-1,752,609	-30.4%
TRANSPORTATION-SALES TAX	026A	293,623	335,614	41,991	14.3%
SOLID WASTE ENTERPRISE	051A	8,602,641	7,097,049	-1,505,592	-17.5%
SOLID WASTE ENTERPRISE-CAPITAL OUTLAY	052A	5,067,449	3,564,699	-1,502,750	-29.7%
ANTELOPE PUBLIC FACILITIES FINANCING	101A-E	1,684,031	1,448,059	-235,972	-14.0%
LAGUNA CRK/ELLIOTT RCH CFD 1	105A/C	2,918,596	3,017,416	98,820	3.4%
LAGUNA COMMUNITY FACILITY DISTRICT	107A-B	1,149,117	432,482	-716,635	-62.4%
VINEYARD PFFP - ROADWAYS	108A-B	8,488,901	8,493,718	4,817	0.1%
BRADSHAW/US 50 FINANCING DISTRICT	115A	173,183	113,766	-59,417	-34.3%
FLORIN ROAD CAPITAL PROJECT	118A	411,706	407,777	-3,929	-1.0%
FULTON AVENUE CAPITAL PROJECT	118B	6,472	4,257	-2,215	-34.2%
LAGUNA STONELAKE CFD-BOND PROCEEDS	130A	191,221	184,173	-7,048	-3.7%
PARK MEADOWS CFD-BOND PROCEEDS	131A	64,490	60,309	-4,181	-6.5%
MATHER LANDSCAPE MAINT CFD	132A	237,379	291,394	54,015	22.8%
MATHER PFFP	136A-B	639,912	619,438	-20,474	-3.2%
GOLD RIVER STATION #7 LANDSCAPE CFD	137A	16,741	9,228	-7,513	-44.9%
METRO AIR PARK CFD 2000-1	139A	5,397,964	4,646,492	-751,472	-13.9%
MCCLELLAN PARK CFD	140A	257,512	328,269	70,757	27.5%
SACRAMENTO CO LANDSCAPE MAINT	141A	84,600	67,003	-17,597	-20.8%
METRO AIR PARK SERVICE TAX	142A	638,829	616,088	-22,741	-3.6%
NORTH VINEYARD STATION SPECIFIC PLAN	143A	3,282,437	4,369,995	1,087,558	33.1%
NORTH VINEYARD STATION SPECIFIC PLAN CFD	144A	1,676,459	25,880,164	24,203,705	1443.7%
COUNTYWIDE LIBRARY FACILITIES ADMIN FEE	160A	0	36,064	36,064	#DIV/0!
NATOMAS FIRE DISTRICT	229A	172,772	170,785	-1,987	-1.2%
CSA NO. 1	253A	60,550	461,215	400,665	661.7%
CSA NO. 10	257A	106,459	249,207	142,748	134.1%
FIXED ASSET REVOLVING	277A	-48,001	0	48,001	-100.0%
JUVENILE COURTHOUSE PROJECT-DEBT SERVICE	280A	72,623	95,415	22,792	31.4%
2004 PENSION OBLIGATION BONDS	282A	2,579,559	907,776	-1,671,783	-64.8%
TOBACCO LITIGATION SETTLEMENT-CAPITAL PROJECTS	284A	2,694,896	2,011,774	-683,122	-25.3%
1997-PUBLIC FACILITIES DEBT SERVICE	288A	427,696	466,196	38,500	9.0%
2003 PUBLIC FACILITIES PROJ-DEB SERVICE	298A	94,346	113,840	19,494	20.7%
2010 REFUNDING COPS-DEBT SERVICE	300A	345,774	368,479	22,705	6.6%
2010 REFUNDING COPS-PARKING GARAGE-DEBT SERVICE	300B	58	0	-58	-100.0%

Fund Description	Fund Number	Adopted 2015-16	Adopted 2016-17	Variance	Percent
2007 PUBLIC FACILITIES PROJECTS-CONSTRUCTION	303A	23,902	26,605	2,703	11.3%
2007 PUBLIC FACILITIES PROJECTS-DEBT SERVICE	304A	350,949	76,867	-274,082	-78.1%
2006 PUBLIC FACILITIES-DEBT SVC	306A	947,696	84,918	-862,778	-91.0%
1997-PUBLIC FACILITIES DEBT SERVICE	308A	116,631	16,451	-100,180	-85.9%
1997-PUBLIC FACILITIES-CONSTRUCTION	309A	384,390	758	-383,632	-99.8%
PENSION OBLIGATION BOND-DEBT SERVICE	313A	714,156	327,248	-386,908	-54.2%
WATER AGENCY-ZONE 11A	315A	11,743,746	9,949,773	-1,793,973	-15.3%
WATER AGENCY-ZONE 13	318A	1,128,789	1,014,766	-114,023	-10.1%
STORMWATER UTILITY DISTRICT	322A	7,658,766	5,619,002	-2,039,764	-26.6%
LANDSCAPE MAINTENANCE DISTRICT	330A	110,435	237,304	126,869	114.9%
MISSION OAKS PARK DISTRICT	336A	718,818	1,086,245	367,427	51.1%
MISSION OAKS MAINT & IMPROVEMENT ASSESSMENT DISTRICT	336B	1,364,713	1,237,032	-127,681	-9.4%
CARMICHAEL PARK DISTRICT	337A	561,978	1,012,724	450,746	80.2%
CARMICHAEL RPD ASSESSMENT DISTRICT	337B	654,251	1,320,977	666,726	101.9%
SUNRISE PARK DISTRICT	338A	1,064,534	1,078,458	13,924	1.3%
ANTELOPE ASSESSMENT	338B	78,449	75,303	-3,146	-4.0%
ARCADE CREEK PARK	338D	81,821	0	-81,821	-100.0%
FOOTHILL PARK	338F	0	618,268	618,268	#DIV/0!
DEL NORTE OAKS PARK DISTRICT	351A	3,610	6,479	2,869	79.5%
COUNTY SERVICE AREA 4B	560A	56,855	149,256	92,401	162.5%
COUNTY SERVICE AREA 4C	561A	5,368	9,411	4,043	75.3%
COUNTY SERVICE AREA 4D	562A	913	1,117	204	22.3%
COUNTY PARKS CFD 2006-1	563A	2,626	11,344	8,718	332.0%
TOTAL		176,317,531	194,512,846	18,195,315	10.3%

RELATIONSHIP BETWEEN FUNDS, BUDGET UNITS AND DEPARTMENTS

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

**GENERAL BUDGET
INFORMATION**

**RELATIONSHIP BETWEEN FUNDS, BUDGET UNITS AND
DEPARTMENTS**

Fund	Fund Name	Budget Unit	Department
023A	AFFORDABILITY FEE	3830000	AFFORDABILITY FEE
025A	ROADWAYS	2910000	ROADWAYS
026A	TRANSPORTATION-SALES TAX	2140000	TRANSPORTATION-SALES TAX
028A	CONNECTOR JOINT POWERS AUTHORITY	2800000	CONNECTOR JOINT POWERS AUTHORITY
030A	INTERAGENCY PROCUREMENT	9030000	INTERAGENCY PROCUREMENT
031A	DEPARTMENT OF TECHNOLOGY	7600000	DEPARTMENT OF TECHNOLOGY
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
160A	COUNTYWIDE LIBRARY FACILITIES ADMIN FEE	1600000	COUNTYWIDE LIBRARY FACILITIES ADMIN FEE
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
304A	2007 PUBLIC FACILITIES PROJ-DEBT SERVICE	9304304	2007 PUBLIC FACILITIES PROJECT-DEBT SERVICE

Fund	Fund Name	Budget Unit	Department
306A	2006 PUBLIC FACILITIES PROJ-DEBT SERVICE	9306306	2006 PUBLIC FACILITIES-DEBT SERVICE
308A	1997-PUBLIC FACILITIES DEBT SERVICE	3080000	1997-PUBLIC FACILITIES-DEBT SERVICE
309A	1997-PUBLIC FACILITIES-CONSTRUCTION	9309000	1997-PUBLIC FACILITIES-CONSTRUCTION
313A	PENSION OBLIGATION BOND-DEBT SERVICE	9313000	PENSION OBLIGATION BOND-DEBT SERVICE
315A	WATER AGENCY-ZONE 11-DRAINAGE INFRASTRUCTURE	2810000	WATER AGENCY ZONE 11-DRAINAGE INFRASTRUCTURE
318A	WATER AGENCY-ZONE 13	3044000	WATER AGENCY-ZONE 13
320A	WATER AGENCY ENTERPRISE	3050000	WATER AGENCY ENTERPRISE
322A	WATER RESOURCES	3220001	WATER RESOURCES
325A	SACRAMENTO AREA FLOOD CONTROL AGENCY	3252660	DEPARTMENT OF FLOOD MANAGEMENT
330A	SACRAMENTO CO LANDSCAPE MAINTENANCE	3300000	LANDSCAPE MAINTENANCE DISTRICT
336A	MISSION OAKS PARK DISTRICT	9336100	MISSION OAKS RECREATION AND PARK DISTRICT
336B	MISSION OAKS MAINTENANCE & IMPROVEMENT ASSESSMENT DISTRICT	9336001	MISSION OAKS MAINTENANCE/IMPROVEMENT DISTRICT
337A	CARMICHAEL PARK DISTRICT	9337000	CARMICHAEL RECREATION AND PARK DISTRICT
337B	CARMICHAEL RPD ASSESSMENT DISTRICT	9337100	CARMICHAEL RPD ASSESSMENT DISTRICT
338A	SUNRISE PARK DISTRICT	9338000	SUNRISE RECREATION AND PARK DISTRICT
338B	ANTELOPE ASSESSMENT	9338001	ANTELOPE ASSESSMENT
338D	ARCADE CREEK PARK	9338004	ARCADE CREEK PARK
338F	FOOTHILL PARK	9338006	FOOTHILL 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.

SPECIAL REVENUE FUNDS (cont):

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

CAPITAL PROJECT FUNDS:

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

DEBT SERVICE FUNDS:

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

INTERNAL SERVICE FUNDS:

- Interagency Procurement Fund 030 – Accounts for a comprehensive approach to providing for and financing public facilities and major infrastructure assets within the County.
- Department of Technology Fund 031 – Accounts for central telecommunication and data processing support to county departments.
- 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.

INTERNAL SERVICE FUNDS (cont.):

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

ENTERPRISE FUNDS:

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

SPECIAL DISTRICTS AND OTHER AGENCIES FUNDS:

- Connector Joint Powers Authority Fund 028 – Accounts for the operations of the proposed Capital Southeast Connector. Only the salary and benefit appropriations are reflected in the County budget document.

SPECIAL DISTRICTS AND OTHER AGENCIES FUNDS (cont.):

- 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.

SPECIAL DISTRICTS AND OTHER AGENCIES FUNDS (cont.):

- 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.
- Countywide Library Facilities Administrative Fee Fund 160 – Accounts for ongoing program administration including but not limited to fee collection, annual reporting and program update for the Library Facilities Development Impact Fee Program, which uses fees collected to fund land acquisition, building construction, book collection, furnishings and computer equipment for the planned new library construction and/or expansion and relocation of existing libraries within the Urban Services Boundary of the unincorporated County.
- 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.

SPECIAL DISTRICTS AND OTHER AGENCIES FUNDS (cont.):

- 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.

SPECIAL DISTRICTS AND OTHER AGENCIES FUNDS (cont.):

- 2007 Public Facilities Projects Debt Service Fund 304 – Accounts for the debt service requirement for payment of principal, interest and various other costs related to the County's 2007 Certificates of Participation Animal Care Facility/Youth Detention Facilities, 120-Bed Expansion projects.
- 2006 Public Facilities Debt Service Fund 306 – Services the 2006 Public Facilities Projects Certificates of Participation (construction of a new Fleet Maintenance Facility; purchase of the Voter Registration and Elections/Sheriff Station House Facility; partial refunding of the 1997 Public Building Certificates of Participation [purchase of the Bank of America building and construction of a 448-Bed Dormitory at Rio Cosumnes Correctional Center]).
- 1997 Public Facilities Debt Service Fund 308 – Services all debt associated with the 1997 borrowing which financed an additional dormitory-style jail at the Rio Cosumnes Correctional Center, and acquisition of the Bank of America building in downtown Sacramento.
- 1997 Public Facilities Construction Fund 309 – Accounts for construction of an additional dormitory-style jail at the Rio Cosumnes Correctional Center, acquisition of the Bank of America building in downtown Sacramento and various other approved construction projects.
- Pension Obligation Bond Debt Service Fund 313 – Services the debt related to Pension Bonds issued to pay off the unfunded pension liability the county owed to the Sacramento County Employee Retirement System.
- Beach Stone Lake Flood Mitigation Fund 314 – Accounts for a portion of the cost of a flood control project to reduce flooding in the area and to provide flood insurance for local residents impact by the project.
- Water Agency Zone 11 Fund 315 – Accounts for the design and construction of drainage facilities in the zone's geographical area.
- North Vineyard Well Protection Fund 317 – Accounts for the rehabilitation or replacement of private wells as a result of groundwater production from the North Vineyard Well Field.
- Water Agency Zone 13 Fund 318 – Accounts for regional water supply, drainage and flood control studies.
- Water Agency Enterprise Fund 320 – Accounts for the operations of the Sacramento County Water Agency (SCWA) Water Supply Division.

SPECIAL DISTRICTS AND OTHER AGENCIES FUNDS (cont.):

- Water Resources Fund 322 – Accounts for the operations of the Storm Utility Program.
- Department of Flood Management Fund 325 – Accounts for the employees serving the Sacramento Area Flood Control Agency (SAFCA).
- Landscape Maintenance District Fund 330 – Accounts for the maintenance of approximately two million square feet of landscaped corridors, medians and natural open spaces throughout the County.
- Mission Oaks Recreation and Park District Fund 336 – Accounts for the operations of the Mission Oaks Recreation and Park District, a Board of Supervisors-governed park district.
- Carmichael Recreation and Park District Fund 337 – Accounts for the operations of the Carmichael Recreation and Park District, a Board of Supervisors-governed park district.
- Sunrise Recreation and Park District/Antelope Assessment Fund 338 – Accounts for the operations of the Sunrise Recreation and Park District, a Board of Supervisors-governed park district.
- Del Norte Oaks Park District Fund 351 – Accounts for the grounds maintenance of 8,200 square feet of landscaped area in the Del Norte Oaks subdivision.
- CSA Number 4B (Wilton-Cosumnes) Fund 560 – Accounts for recreation and park services to the Wilton Community and surrounding areas in the south county.
- CSA Number 4C (Delta) Fund 561 – Accounts for recreation and park services to the Delta area in the south county.
- CSA Number 4D (Herald) Fund 562 – Accounts for park maintenance aide and supplies for operations of Herald Park.
- County Parks CFD 2006-1 Fund 563 – Accounts for local and regional park maintenance and operation services for park, parkway, trails, park and recreational programs and open space facilities within the boundary of County Service Area 4B.

GOVERNMENTAL FUNDS:

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

PROPRIETARY FUNDS:

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

TRUST AND AGENCY FUNDS:**• TRUST FUNDS**

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

• AGENCY FUNDS

- **Law Enforcement** – Accounts for law enforcement revenues collected pending disbursement, reimbursement, or apportionment to the appropriate County law enforcement department of other local police agency.
- **Federal Program Transfer** – Accounts for receipts from governmental programs administered by the County. Funds are held by the County in the Agency Fund until earned by the appropriate department, at which time they are transferred.

- **AGENCY FUNDS (cont.)**

- 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

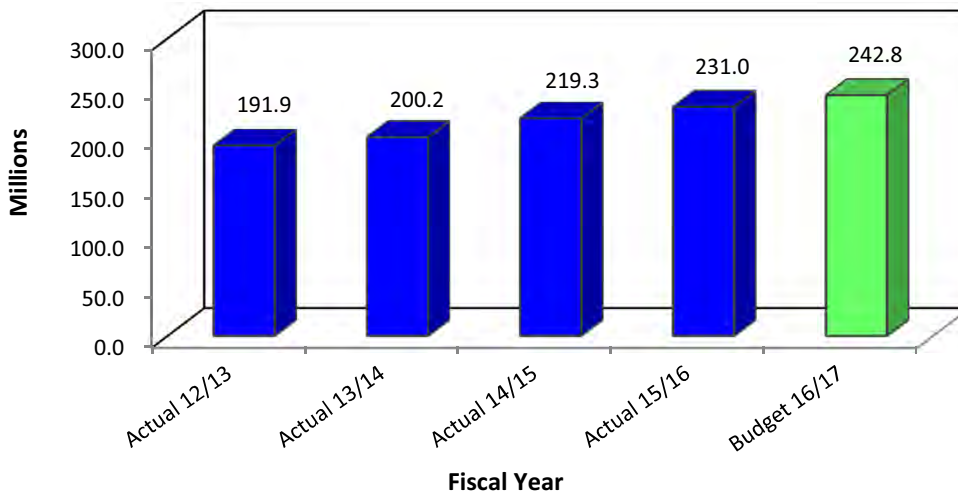
Revenue Source: Property Tax

Trend		Percent Change	Comments
2012-13 Actual	\$ 191,922,867		1.0 percent tax on real property under acquisition value basis of California's Proposition 13.
2013-14 Actual	\$ 200,223,065	4.32%	
2014-15 Actual	\$ 219,319,661	9.54%	
2015-16 Actual	\$ 231,032,796	5.34%	
2016-17 Budget	\$ 242,786,566	5.09%	

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 2016-17 projected total for property tax revenues is \$242.8 million.

Property Tax Revenues



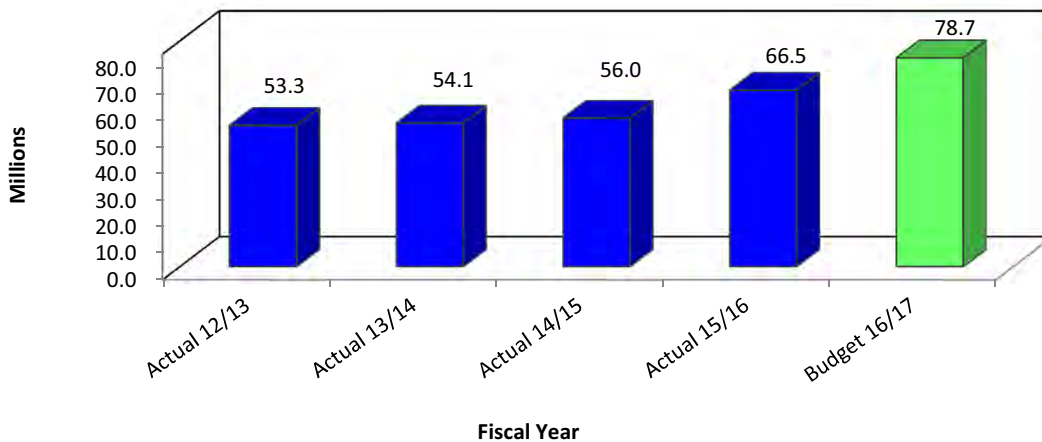
Revenue Source: Sales Tax

Trend		Percent Change	Comments
2012-13 Actual	\$ 53,252,811		A 1.00 percent share of statewide collected sales tax rate of 8.00 percent, collected from the Unincorporated Area. Amounts prior to Fiscal Year 2016-17 were impacted by the State's "Triple Flip" provision and do not reflect the full 1.00 percent.
2013-14 Actual	\$ 54,100,000	1.59%	
2014-15 Actual	\$ 55,975,846	3.47%	
2015-16 Actual	\$ 66,521,061	18.84%	
2016-17 Budget	\$ 78,654,000	18.24%	

SALES TAX REVENUES:

The budget estimate is based on the full 1.00 percent share of statewide collected sales tax rate of 8.00 percent, collected from the Unincorporated Area. The Fiscal Year 2016-17 projected total of \$78.7 million assumes a growth rate of approximately 3.20 percent from the Fiscal Year 2015-16 actuals after factoring out one-time revenues associated with the ending of the "Triple Flip."

Sales Tax Revenues



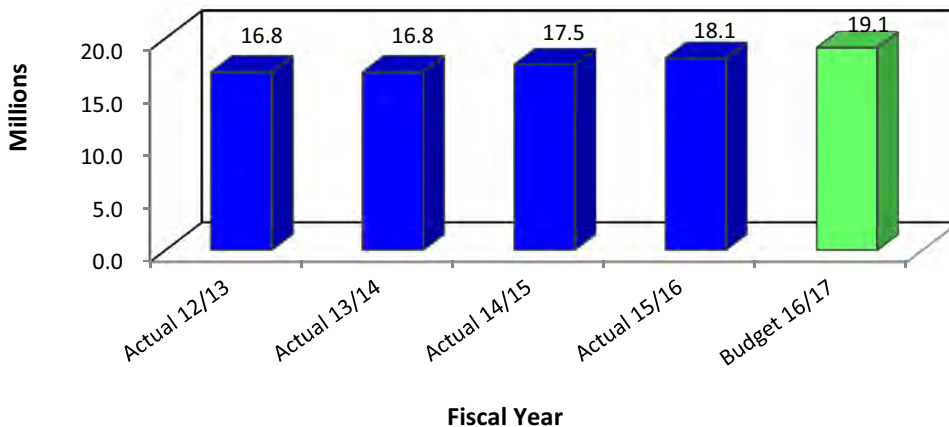
Revenue Source: Utility Tax

	Trend		Percent Change	Comments
2012-13 Actual	\$	16,839,231		A 2.5 percent tax on electricity, gas, sewer, phone (not cellular), and cable TV use in the Unincorporated Area.
2013-14 Actual	\$	16,790,817	-0.29%	
2014-15 Actual	\$	17,507,379	4.27%	
2015-16 Actual	\$	18,083,035	3.29%	
2016-17 Budget	\$	19,058,665	5.40%	

UTILITY TAX REVENUES:

The revenue estimate is based on a 5.40 percent increase in utility collections in the Unincorporated Area. The total budgeted for Fiscal Year 2016-17 is \$19.1 million.

Utility Tax Revenues



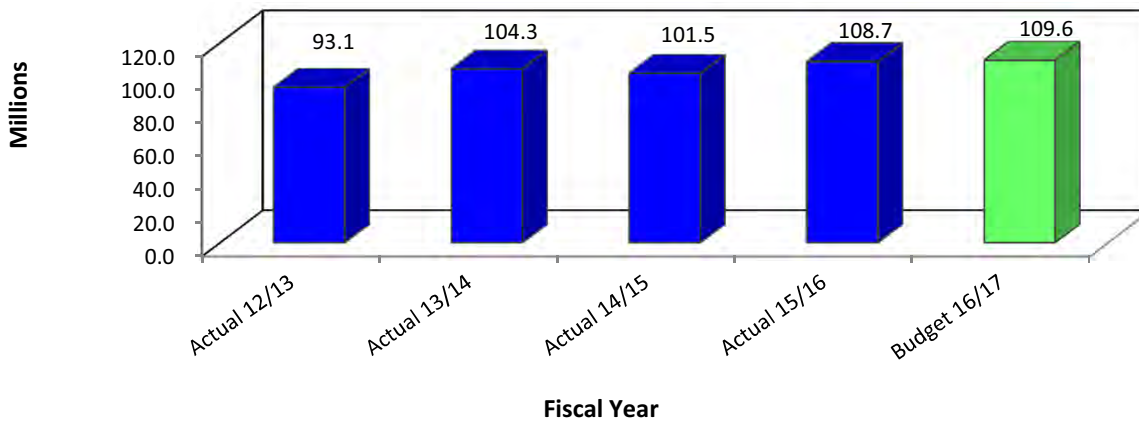
Revenue Source: Proposition 172 - Public Safety

	Trend		Percent Change	Comments
2012-13 Actual	\$	93,079,518		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. The timing of revenue recognition may affect individual fiscal year totals.
2013-14 Actual	\$	104,257,713	12.01%	
2014-15 Actual	\$	101,497,749	-2.65%	
2015-16 Actual	\$	108,711,933	7.11%	
2016-17 Budget	\$	109,626,028	0.84%	

PUBLIC SAFETY REVENUES:

The budget estimate is based on an growth rate in statewide Prop. 172 sales tax collections of approximately 4.00 percent and a slight increase in Sacramento County's share of the statewide total revenue.

Proposition 172 - Public Safety Revenues



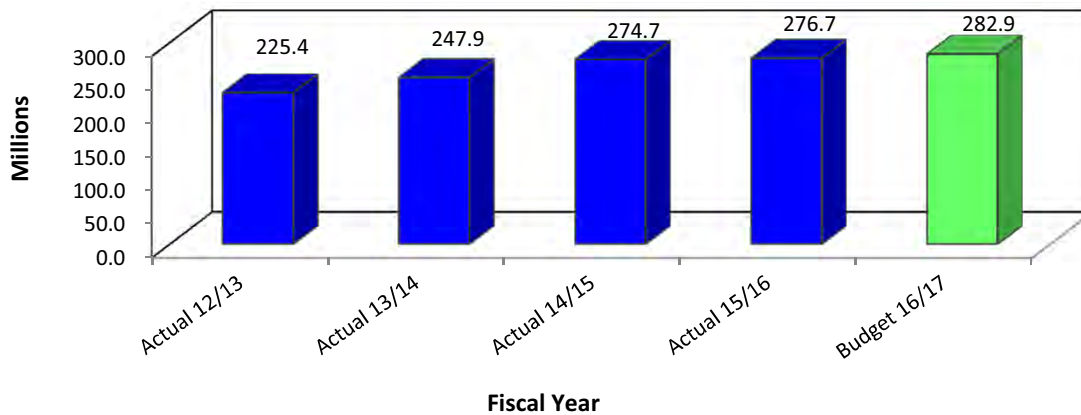
Revenue Source: Realignment 1991 Revenues

	Trend		Percent Change	Comments
2012-13 Actual	\$	225,384,009		1991 realignment funding is used to support public health, mental health, and social service programs, and is a major funding source for these service areas.
2013-14 Actual	\$	247,918,309	10.00%	
2014-15 Actual	\$	274,682,240	10.80%	
2015-16 Actual	\$	276,679,784	0.73%	
2016-17 Budget	\$	282,873,901	2.24%	

REALIGNMENT 1991 REVENUES:

The budgeted estimate of \$282.9 million is comprised of \$4.0 million in 1991 realignment revenue carried over from prior years, \$270.7 million in new base revenue, and \$8.2 million in growth revenue. The 1991 realignment is supported by a portion of statewide sales tax and vehicle license fee collections.

Realignment 1991 Revenues



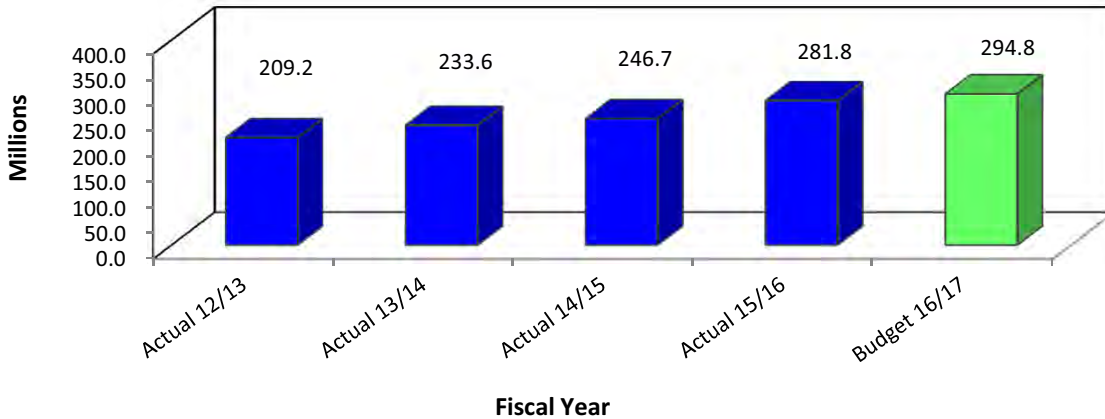
Revenue Source: Realignment 2011 Revenues

Trend		Percent Change	Comments
2012-13 Actual	\$ 209,214,709		As part of the 2011-12 State 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 Actual	\$ 233,551,111	11.63%	
2014-15 Actual	\$ 246,684,660	5.62%	
2015-16 Actual	\$ 281,812,578	14.24%	
2016-17 Budget	\$ 294,777,370	4.60%	

REALIGNMENT 2011 REVENUES:

The budgeted estimate of \$294.8 million is comprised of \$13.5 million in 2011 realignment revenue carried over from prior years, \$269.9 million in new base revenue, and \$11.4 million in growth revenue. The 2011 realignment is supported by a portion of statewide sales tax and vehicle license fee collections.

Realignment 2011 Revenues



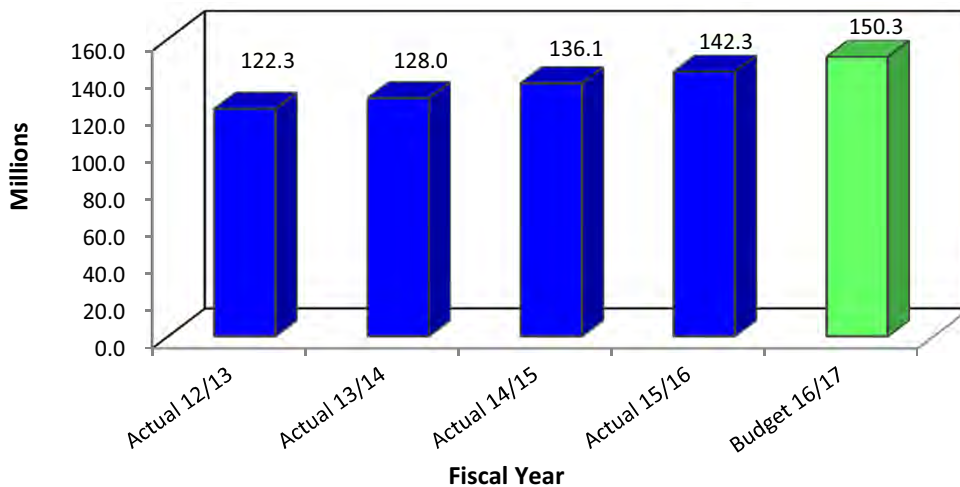
Revenue Source: Property Tax In-Lieu of Vehicle License Fees

	Trend		Percent Change	Comments
2012-13 Actual	\$	122,310,424		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.
2013-14 Actual	\$	127,961,232	4.62%	
2014-15 Actual	\$	136,143,804	6.39%	
2015-16 Actual	\$	142,280,287	4.51%	
2016-17 Budget	\$	150,307,741	5.64%	

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 2016-17 projected total of \$150.3 million reflects a 5.64 percent increase from the prior year actual levels.

Property Tax In-Lieu of Vehicle License Fees Revenues



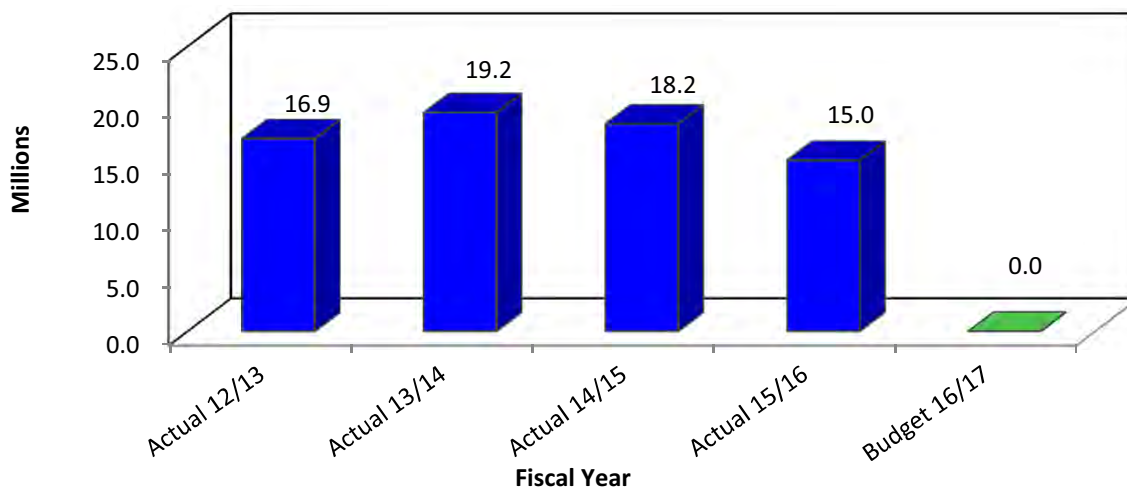
Revenue Source: In Lieu Local Sales and Use Tax

Trend		Percent Change	Comments
2012-13 Actual	\$ 16,876,604		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.
2013-14 Actual	\$ 19,183,789	13.67%	
2014-15 Actual	\$ 18,195,488	-5.15%	
2015-16 Actual	\$ 14,990,939	-17.61%	
2016-17 Budget	\$ 0		

IN LIEU LOCAL SALES AND USE TAX REVENUES:

The "Triple Flip" ended in Fiscal Year 2015-16. There is no budget for this revenue source in Fiscal Year 2016-17.

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. Long-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, collateralizes 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, canceled, 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 2016-17 BUDGET TIMELINE:

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

**DEPARTMENT FY 2016-17 BUDGET CALENDAR
SUMMARY OF KEY ACTIONS
(Subject to Change)**

	Due Date	Action	Responsible Parties
Fri.	February 5	Distribute: Budget Instructions PBR Allocated Cost Package Summary of Positions	CFO; OFM Analysts; CEO ASO; CEO Accountant
Fri.	February 5	Mid-Year FSRs with Explanations Due to OFM Analysts	All County Departments
Wed.	February 10	Distribute Semi-discretionary Revenue Allocations	CFO; OFM Analysts
Mon.	February 29	Requested Budgets Submitted to OFM Analysts, including Budget Impact Statements and Growth Requests	All County Departments
Mon.	April 18	Provide General Fund Allocations to Departments	CFO; OFM Analysts
Wed.	April 27	Revised Budget Submittals (reflecting General Fund Allocation), and including any Reduction Impact Statements, due to OFM Analysts from Departments	All Affected County Departments
Wed.	May 11	3 rd Quarter FSRs with Explanations Due to OFM Analysts	All County Departments
Fri.	May 13	Provide Revised Final General Fund Allocations to Departments, if needed	CFO; OFM Analysts
Tues.	May 17	Revised Budget Submittals (reflecting revised General Fund Allocation)	All Affected County Departments
Tues. – Thurs.	June 14-16	Recommended Budget Hearings	All
Fri.	June 17	Budget changes resulting from Board action due to from Departments to OFM Analyst	Relevant Departments
Fri.	July 22	FY2014-15 Period 13 Closes – All Accruals/Encumbrances Completed – FY2014-15 Books Closed	Finance Department; All County Departments
Fri.	July 22	Actual Beginning Fund Balance Available	Finance Department
Tues.	July 26	Year-End FSR with Explanation of changes from FY2014-15 Adjusted Budget to FY2014-15 Actuals due to OFM Analyst	All Departments
Tues.	July 26	Budget Revisions from Departments due to OFM Analysts, reflecting: Encumbrance re-budgeting Base Adjustments (if any) Growth Request Revisions (if any)	Departments
Thurs.	August 11	Provide Departments with Revised General Fund Allocation, if necessary	CFO; OFM Analysts
Mon.	August 15	Final Budget Revisions Due from Departments to OFM Analysts	All Affected County Departments
Wed. – Thurs.	September 7-8	Budget Adoption Hearings	All
Fri. – Mon.	September 9-12	Budget changes resulting from Board action due from Departments to the OFM Analyst two (2) days following the close of the Adopted Budget Hearings	Relevant Departments

FISCAL YEAR 2016-17 BUDGET TIMELINE (CONT.):

Due Date		Action	Responsible Parties
Mon.	September 12	Adopted Budget Document Submittal due from Departments to the OFM Analyst	All Departments
Tues.	September 27	Budget Adoption	Board; Finance Department

EXAMPLE OF A BUDGET MESSAGE

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

See Explanation on following page.

AN EXPLANATION OF BUDGET MESSAGE ELEMENTS

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

BUDGET UNIT:

Budget unit number and name.

DETAIL BY REVENUE CATEGORY AND EXPENDITURE OBJECT:

Major categories of revenues and expenditure objects as classified by law. These categories are defined by the State Controller.

ACTUAL:

Amounts actually expended or received.

RECOMMENDED:

Amounts recommended by the County Executive.

ADOPTED BY THE BOARD OF SUPERVISORS:

Amounts adopted by the Board of Supervisors.

POSITIONS:

Total number of permanent positions the department is authorized to fill and for which funding is available.

SACRAMENTO COUNTY

ECONOMIC AND DEMOGRAPHIC OVERVIEW

GENERAL

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

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

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

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

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

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

Economic Development Incentive Program

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

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

Population

Sacramento County currently has seven incorporated cities: Citrus Heights, Elk Grove, Folsom, Galt, Isleton, Rancho Cordova and Sacramento, with 32 percent of the County’s population living in the City of Sacramento.

Sacramento County Breakdown of Population/Percent Increase

Area	1970	1980	1990	2000	2010	2016
Cities:						
Citrus Heights	---	---	---	85,071	83,267	86,291
Elk Grove	---	---	---	---	152,925	167,965
Folsom	5,810	11,003	29,802	51,884	72,201	77,246
Galt	3,200	5,514	8,889	19,472	23,641	25,450
Isleton	909	914	833	828	804	846
Rancho Cordova	---	---	---	---	64,413	72,203
Sacramento	257,105	275,741	369,365	407,018	466,279	485,683
Unincorporated Area:						
	367,349	409,209	632,330	659,226	553,529	579,619
Total:	634,373	783,381	1,041,219	1,223,499	1,417,059	1,495,297

% Increase over prior period:		23.49%	32.84%	17.50%	15.82%	5.52%
State Population:	19,935,134	23,782,000	29,828,496	34,095,209	37,223,900	39,255,883
% Increase over prior period:		19.30%	25.42%	14.30%	9.17%	5.46%

Sources: U.S. Census Bureau; 2016 from California Department of Finance estimates.

Industry and Employment

Three major job categories comprised 74 percent of the Sacramento Metropolitan Statistical Area work force as of July 2016: services (39 percent), government (23 percent), and wholesale/retail trade (12 percent), based on seasonally unadjusted July 2016 statistics, as summarized in the following table:

**Sacramento Metropolitan Statistical Area Labor Market Survey
Calendar Years 2012 to July 2016
(Amounts Expressed in Thousands)**

Industry	2012	2013	2014	2015	July 2016
Mining	0.4	0.5	0.6	0.6	0.5
Construction	39.8	43.5	45.0	52.3	57.0
Manufacturing-Nondurable goods	10.6	10.4	11.0	11.1	12.1
Manufacturing-Durable goods	23.0	24.2	24.8	25.4	26.1
Transportation, Warehousing & Public Utilities	23.3	23.9	25.2	25.9	24.7
Information	15.6	14.1	14.2	14.1	13.9
Wholesale Trade	25.2	25.0	24.3	25.1	25.1
Retail Trade	97.8	99.7	101.1	102.6	98.4
Finance, Insurance, Real Estate	61.9	62.3	63.5	66.2	66.8
Services	354.2	368.7	378.3	387.7	399.9
Government	218.8	223.7	228.5	232.6	229.6
Agriculture	7.7	7.7	7.6	7.8	10.9
Other	69.7	56.1	59.8	49.3	55.0
Total:	948.0	959.8	983.9	1,000.7	1,020.0

After reaching a low point during the economic downturn of 914 thousand in 2010, total SMSA employment increased by 1.2 percent to 2.5 percent annually through 2015, and during the first seven months of 2016 increased by 1.9 percent to 1,020.0 thousand.

The SMSA unemployment rate (not seasonally adjusted) as of July 2016 was 5.5 percent, slightly higher than the statewide rate of 5.6 percent, and a continued improvement from the SMSA July 2015 rate of 6.0 percent.

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 2015, and major public sector employers in the County of Sacramento only, are detailed in the following two tables:

Major Private Sector Employers 2015

Company	Type of Business	No. of FTE Employees
Sutter Health	Health Care	11,277
Kaiser Permanente	Health Care	10,380
Dignity Health (formerly Mercy/Catholic Healthcare West)	Health Care	7,011
Intel Corporation	Research and Develop Computer Chips	6,200
Raley's Inc.	Retail Grocery	5,487
Safeway	Retail Grocery	3,873
Wells Fargo	Financial Services	2,973
Apple, Inc.	Research and Development	2,500
Squaw Valley Resort	Leisure & Hospitality	2,500
Pacific Gas & Electric	Utility Provider	2,468

Source: Sacramento Business Journal Annual 2015 Book of Lists

Major Public Sector Employers-Sacramento County Only 2015

Company	Number of FTE Positions
State of California	74,329
Sacramento County	10,598
UC Davis Health System	9,706
U.S. Government	9,668
Sutter Health	8,817
San Juan Unified School District	7,523
Kaiser Permanente	6,464
Dignity Health	6,286
Intel Corporation	6,200
Elk Grove Unified School District	5,728

Source: Sacramento Business Journal Annual 2015 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 CY 2010 by approximately 27 percent, before beginning to increase again in CY 2011 by approximately 4 percent. From 2010 to 2015, total taxable sales increased by 26 percent. The following two tables show taxable sales in the unincorporated area of the County for CY 2004 through 2015. The source of the data changed in 2009 and the new source used different categories, which accounts for the separate tables.

**SACRAMENTO COUNTY UNINCORPORATED AREA
Total Taxable Transactions Calendar Year 2004 through 2008
(Amounts Expressed in Thousands)**

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

Source: MuniServices LLC.

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

Category	2009	2010	2011	2012	2013	2014	2015
Autos and Transportation	\$942,614	\$955,688	\$1,064,256	\$1,260,203	\$1,385,550	\$,528,166	\$1,710,400
Building and Construction	742,477	676,288	693,286	749,134	852,051	869,175	968,103
Business and Industry	666,587	694,813	627,555	691,657	756,082	781,684	833,075
Food and Drugs	365,855	364,302	386,230	381,177	379,601	394,275	395,342
Fuel and Service Stations	720,859	810,838	1,016,776	1,069,199	1,032,067	1,053,208	783,007
General Consumer Goods	1,363,374	1,267,755	1,187,993	1,226,753	1,246,620	1,269,576	1,280,470
Restaurants and Hotels	519,606	513,121	534,203	565,433	609,679	643,932	695,858
Transfers/Adj/Other	2,134	(316)	482	(217)	539	2,701	(3,890)
Total:	\$5,323,506	\$5,282,489	\$5,510,781	\$5,943,339	\$6,262,189	\$6,542,716	\$6,662,365

Source: The HdL Companies

The most recent data available for CY2016 (Calendar Year) is for January through March, with taxable transactions during this three-month period at \$1,572,563,600, a 3.0 percent increase over the first three months of CY2015.

Construction Activity

The total building permits issued in the County was 2,989 in 2015, an increase of 71 percent from the prior year, and substantially less than the peak of 13,960 in 2003. The cumulative number of reported units year to date through August 2016 was 2,051, an increase of 5.6 percent from the same period in the prior year.

**SACRAMENTO COUNTY
Building Permit Activity
Calendar Year 2008 through 2015
(Valuation Amounts Expressed in Thousands)**

Reported Units:	2008	2009	2010	2011	2012	2013	2014	2015
Single Family	866	912	813	721	1,216	1,742	1,662	2,240
Multiple Family	1,087	54	338	21	315	139	81	749
Total	2,953	966	1,151	742	1,531	1,881	1,743	2,989

Source: United States Census Bureau - <http://www.census.gov/construction/bps/>

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 17 stations in 8 Northern California counties. Bus lines offering intercity as well as local service include Greyhound and Sacramento Regional Transit. Regional Transit also operates an approximately 43-mile light rail system.

The Port of Sacramento provides direct ocean freight service to all major United States and world ports, shipping approximately 775,000 metric 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 twelve passenger airlines serving approximately 9.9 million enplaned passengers annually, Executive Airport and Franklin Field for general aviation and Mather Airport for air cargo and general aviation. In October 2011, the County opened a new 19-gate Concourse B (netting seven additional gates) and a new landside Terminal B at the Sacramento International Airport.

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

Agriculture

According to the annual 2015 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 2015 was \$469,947,546, representing a 6.4 percent decrease from 2014 values, following an 9.2 percent increase from 2013 to 2014. The top two crop production values in the County during 2015 were again wine grapes and milk production.

Education

The Sacramento region benefits from a network of over 721 public and private elementary to high schools educating approximately 400,000 students. Sacramento County alone has numerous public school districts serving an estimated 241,000 students within the K-12 level.

The Los Rios Community College District serves the majority of Sacramento County, as well as portions of El Dorado, Placer, Yolo and Solano Counties, with four main campuses enrolling approximately 78,000 students. The four campuses are: American River College, Sacramento City College, Cosumnes River College and Folsom Lake College. Sierra College also serves the area with an enrollment of approximately 19,000, as well as Yuba College with an enrollment of

approximately 7,000. Schools offering vocational education include, Universal Technical Institute and MTI College of Business and Technology.

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

UCD offers four colleges, six professional schools, more than 104 academic majors and 96 graduate programs, serving 34,500 students. Founded in 1905 to serve the agricultural needs of the growing state, UCD has emerged as an acknowledged international leader in agricultural, biological, biotechnological, food and environmental sciences. It is also recognized for excellence in the arts, humanities, social sciences, engineering, health sciences, law and management. It is an international leader in sustainability-related research and application.

CSUS enrolls 30,300 undergraduate and graduate students, and graduates approximately 6,000 students each year. The university has an annual economic impact on the region of nearly \$930 million and generates more than 16,000 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 Phoenix, University of San Francisco, University of Southern California and Drexel University Center for Graduate Studies. Two major law schools are the University of the Pacific McGeorge School of Law, recognized as a leader in the field of law education, and the UC Davis School of Law.