

**DISTRICT PURPOSE**

The East Vallejo Fire Protection District (EVFPD) was established for the purpose of disbursing special assessment revenues collected within the District's jurisdiction to the City of Vallejo through a contract for fire protection services to its citizens.

**Budget Summary:**

FY2013/14 Third Quarter Projection:	392,088
FY2014/15 Recommended:	389,726
County General Fund Contribution:	0
Percent County General Fund Supported:	0.0%
Total Employees (FTEs):	0.0

**FUNCTION AND RESPONSIBILITIES**

The EVFPD's jurisdiction is Southeast Vallejo, an unincorporated area of the county, surrounded by the City of Vallejo. This budget unit receives property taxes from this area for the payment of fire protection services. The Board of Supervisors serve as the District's Board of Directors and the District is administered through the County Administrator's Office.

**SIGNIFICANT CHALLENGES AND ACCOMPLISHMENTS**

None.

**WORKLOAD INDICATORS**

None.

**DEPARTMENTAL BUDGET SUMMARY**

The Recommended Budget represents increases of \$52,357 or 15.5% in revenues and \$49,584 or 14.6% in appropriations when compared to its FY2013/14 Adopted Budget.

The increase in revenues is the result of increases in tax revenue projected for FY2014/15. Contracted Services with the City of Vallejo Fire Department is budgeted at \$377,876 and is based on anticipated property tax revenues less \$8,350 in administrative support costs. If there is any available Fund Balance at the FY2013/14 year-end, the CAO requests the Auditor-Controller increase the Department's appropriations for Contracted Services by the amount of the available ending Fund Balance in FY2014/15.

**DEPARTMENT COMMENTS**

None.

SUMMARY BY SOURCE	2012/13 ACTUALS	2013/14 ADOPTED BUDGET	2014/15 CAO RECOMMENDED	FROM ADOPTED TO RECOMMENDED	PERCENT CHANGE
<b>134 - EAST VJO FIRE DISTRICT</b>					
Taxes	333,309	333,815	386,172	52,357	15.7%
Revenue From Use of Money/Prop	543	150	50	(100)	(66.7%)
Intergovernmental Rev State	3,735	3,404	3,504	100	2.9%
<b>TOTAL FINANCING AVAILABLE</b>	<b>337,587</b>	<b>337,369</b>	<b>389,726</b>	<b>52,357</b>	<b>15.5%</b>
Services and Supplies	332,408	336,292	385,876	49,584	14.7%
Other Charges	3,753	3,850	3,850	0	0.0%
<b>TOTAL FINANCING REQUIREMENTS</b>	<b>336,161</b>	<b>340,142</b>	<b>389,726</b>	<b>49,584</b>	<b>14.6%</b>

**SUMMARY OF SIGNIFICANT ADJUSTMENTS**

None.

**SUMMARY OF POSITION CHANGES**

The EVFPD has no employees. The District contracts out for fire protection services.

**PENDING ISSUES AND POLICY CONSIDERATIONS**

The District's property tax revenues have increased from FY2012/13; however, the revenues have not returned to the high of FY2007/08.

**DISTRICT PURPOSE**

The Consolidated County Service Area (CCSA) provides street lighting in the unincorporated areas of Solano County.

**Budget Summary:**

FY2013/14 Third Quarter Projection:	191,600
FY2014/15 Recommended:	222,017
County General Fund Contribution:	0
Percent County General Fund Supported:	0%
Total Employees (FTEs):	0

**FUNCTION AND RESPONSIBILITIES**

The Consolidated County Service Area (CSA) provides street lighting in the unincorporated areas of Solano County. This budget funds maintenance of 574 existing streetlights, including the cost of electricity and the installation of new street lights. This budget is entirely funded through property taxes.

**SIGNIFICANT CHALLENGES AND ACCOMPLISHMENTS**

In FY2013/14, 10 street lights were installed in various intersections near Vacaville and Vallejo to improve night-time driver visibility and increase traffic safety. Minor maintenance light replacements were completed in the Green Valley and Cordelia areas.

Continued expenditures for replacement of aged street lights and installation of new lights is anticipated in FY2014/15. Revenues are expected to decrease very slightly, due to a small decrease in property taxes received.

**WORKLOAD INDICATORS**

- Operated and maintained 574 street lights.

**DEPARTMENTAL BUDGET SUMMARY**

The Recommended Budget represents decreases of \$136,087 or 60.3% in revenues and \$89,402 or 28.7% in appropriations when compared to the FY2013/14 Adopted Budget. The Department anticipates reduced activity with regard to street light replacement. The difference in revenues and appropriations will be funded from available funds carried forward from prior years.

See related Budget Unit 9132 – Fund 046 Contingencies (refer to Contingencies section of the Budget).

SUMMARY BY SOURCE	2012/13 ACTUALS	2013/14 ADOPTED BUDGET	2014/15 CAO RECOMMENDED	FROM ADOPTED TO RECOMMENDED	PERCENT CHANGE
<b>046 - COUNTY CONSOLIDATED SVC AREA</b>					
Taxes	73,297	71,200	86,427	15,227	21.4%
Revenue From Use of Money/Prop	3,398	4,100	2,500	(1,600)	(39.0%)
Intergovernmental Rev State	813	800	800	0	0.0%
Charges For Services	641	18	0	(18)	(100.0%)
From Reserve	0	149,696	0	(149,696)	(100.0%)
<b>TOTAL FINANCING AVAILABLE</b>	<b>78,150</b>	<b>225,814</b>	<b>89,727</b>	<b>(136,087)</b>	<b>(60.3%)</b>
Services and Supplies	136,978	190,600	111,200	(79,400)	(41.7%)
Other Charges	29,966	41,000	15,844	(25,156)	(61.4%)
Contingencies and Reserves	0	79,819	94,973	15,154	19.0%
<b>TOTAL FINANCING REQUIREMENTS</b>	<b>166,944</b>	<b>311,419</b>	<b>222,017</b>	<b>(89,402)</b>	<b>(28.7%)</b>

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**SUMMARY OF SIGNIFICANT ADJUSTMENTS**

The decrease in revenues is primarily due to the use of reserves to fund the replacement of aged street lights and the installation of new lights in FY2013/14, offset by increases in property tax revenues. The decrease in appropriations is primarily due to less engineering services anticipated for FY2014/15.

**SUMMARY OF POSITION CHANGES**

The Consolidated County Service Area has no employees. Administration of the budget is performed by Public Works Engineering staff, while the installation and maintenance of the street lights is done by PG&E or private contractors.

**DEPARTMENTAL PURPOSE**

The Workforce Investment Board of Solano County, Inc. (WIB) is a private, nonprofit, 501(c) (3) organization serving as the administrator/operator of primarily federally-funded workforce development grants and programs. The Solano County WIB Board of Directors appointed by the County Board of Supervisors acts as the federally mandated, business-led “Workforce Investment Board” to oversee U.S. Department of Labor (DOL) Workforce Investment Act (WIA) grants and programs.

<b>Budget Summary:</b>	
FY2013/14 Third Quarter Projection:	4,297,355
FY2014/15 Recommended:	3,847,761
County General Fund Contribution:	0
Percent County General Fund Supported:	0%
Total Employees (FTEs):	28

**FUNCTION AND RESPONSIBILITIES**

The WIB of Solano County links employers with employees to improve the quality, competitiveness and productivity of the local workforce. The WIB serves employers and jobseekers.

Services are provided through: (a) the Solano Employment Connection (SEC), the One-Stop Career Center System (a 24-member collaborative of education, training and employment entities, which the WIB of Solano County oversees); and (b) a number of DOL block grants serving adult, dislocated workers and youth jobseekers. A menu of services is offered to jobseekers and to businesses.

**SIGNIFICANT CHALLENGES AND ACCOMPLISHMENTS**

The WIB faces significant funding challenges that have emerged over several years, and each year the WIB employment and training programs bend to meet these challenges and successfully serve Solano job seekers. In FY2014/15, the WIB will again reevaluate services and program design to accommodate the changing environment.

- A combination of fluctuations in federal funding, from steady-state to slight reductions, combined with fewer opportunities to secure discretionary grant funding, continue to impact the WIB’s ability to: a) maintain the full range of services in two One-Stop Career Center operations (in Vallejo and Fairfield); and b) serve as many adult jobseekers, dislocated workers and youth with intensive services. Services for employers will be impacted as well.
- Demand for services continues to outstrip available resources, even at current funding levels. The numbers of unemployed job seekers seeking One-Stop and WIB intensive services continue to seek services as “discouraged job seekers” re-enter the labor market and those previously on extended unemployment insurance benefits reengage in their job search efforts. Additionally, employers are beginning to perform more hiring and are seeking WIB assistance.
- The WIB is assigned the task of “up-skilling” and “re-skilling” the workforce, in anticipation of the economic rebound. This is proving especially hard to carry out, when jobseekers do undertake training in a new career field and do their best to look for work, only to find either: a) few job opportunities to follow; and/or b) vocational training in a new career is not sufficient – employers are also looking for persons with direct experience in a given industry.
- Employers continue to express deep-seated concern over the qualifications and preparedness of job seekers to fill increasingly more demanding jobs. The current “labor surplus” market is masking an underlying problem; a longer-term more comprehensive effort is needed to provide workers with a solid educational foundation, specific job-related (or “hard”) skills, and much-needed work readiness (or “soft”) skills.
- The WIB and One-Stop Center operations are being challenged. On the one hand needed streamlining and reductions in staff resources are forcing moves to: a) make One-Stop services more self-accessed; and b) reduce office and service-delivery space. Otherwise efforts continue to adapt to the changing needs of jobseekers and employers. Where feasible new services are added and more employers are using these services. Improvement efforts continue with emphasis on providing best-possible customer service.
- The WIB and One-Stop systems are being asked to “leverage” other educational/training/employment resources and to “braid” these resources in a coordinated, comprehensive demand-driven workforce development system. This is partly the

**Birgitta E. Corsello, County Administrator**  
**Other Assistance**

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answer for ever-declining funding. While attractive in theory, there are realistic limitations especially as many programs and systems are facing declining resources.

- More extensive and comprehensive efforts on regional workforce development initiatives are being called for from both federal and state policymakers. This continues the 16 year history of the WIB as a member of the North Bay Employment Connection collaborative with the WIBs of Marin, Sonoma, and Napa/Lake Counties.

### **WORKLOAD INDICATORS**

The work of the WIB is guided by several external measurement systems:

- The federal WIA system has a nine-part set of “Common Measures” for the basic Adult, Dislocated Worker and Youth programs. The WIB seeks to either “exceed” (at 100% plus of plan) or “meet” (at between 80% and 99% of plan) these annual standards. For the FY2012/13 period, the WIB met or exceeded all nine of these Measures.
- Each special grant has its own performance outcomes that includes overall enrollment numbers, planned outcomes, and expected expenditure plans. Again, the WIB seeks to meet or exceed each of these standards for each grant. The WIB has historically met these basic obligations for the variety of special projects serving ex-offenders, veterans, and dislocated workers. However, job placement rates have been lower of late, as the full impact of the economic recession and continuing difficult job market for certain populations is realized.

### **DEPARTMENTAL BUDGET SUMMARY**

The Recommended Budget represents overall decreases of \$381,486 or 9.0% in revenues and \$407,800 or 9.6% in appropriations when compared to the FY2013/14 Adopted Budget. There is no General Fund support to this budget, as WIB's activities are fully grant-funded.

### **DEPARTMENT COMMENTS**

The WIB submits a plan and budget to the State of California on behalf of the County. The State then allocates Federal money to the WIB through the County. The WIB may also receive funding through the regional collaborative, North Bay Employment Connection, and through awarded service contracts.

Overall, the FY2014/15 Recommended Budget for the Workforce Investment Board (WIB) is based on the best estimates of federal grant funding that is anticipated to be awarded for the fiscal year commencing October 2014. In addition to the projection of available new federal funding, the Budget includes the projection of unspent funds remaining at June 30, 2014, and available for expenditure in FY2014/15. It is almost certain that future recalculations will need to be made for both revenue and expenditure line-items.

Client service levels will be adjusted to maximize the effectiveness of available funds. The general job search services available to any job seeker will remain at the same level with 6,000 people per year using the Solano Employment Connection's and its two One-Stop Career Centers, Career Fairs, and other activities sponsored by the WIB.

In addition to the services for the many Solano job seekers thru the Solano Employment Connection, the WIB will enroll 467 clients, as compared to 541 in FY2013/14. This will provide needed flexibility to adequately serve each enrolled client. These individuals receive extensive services, with many benefitting from vocational training, resulting in a much higher service cost.

The number of enrolled WIA clients served has changed over time due to fluctuations in awarded funding: FY2008/09 = 765; FY2009/10 = 1,344; FY2010/11 = 1,425; FY2011/12 = 844, FY2012/13 = 722, FY2013/14 = 541 and a forecasted total for FY2014/15 of 467.

All program service levels and activities are based on the grant funding amounts awarded to the WIB, typically from State and Federal sources. Services are adjusted to satisfy the program goals, and to efficiently utilize the available funding, for each grant.

DETAIL BY REVENUE CATEGORY AND APPROPRIATION CATEGORY	2012/13 ACTUALS	2013/14 ADOPTED BUDGET	2014/15 RECOMMENDED	FROM ADOPTED TO RECOMMENDED	PERCENT CHANGE
<b>REVENUES</b>					
Revenue From Use of Money/Prop	1,365	0	0	0	0.0%
Intergovernmental Rev Federal	4,444,245	4,229,247	3,847,761	(381,486)	(9.0%)
Intergovernmental Rev Other	9,188	0	0	0	0.0%
Misc Revenue	5,709	0	0	0	0.0%
<b>TOTAL REVENUES</b>	<b>4,460,507</b>	<b>4,229,247</b>	<b>3,847,761</b>	<b>(381,486)</b>	<b>(9.0%)</b>
<b>APPROPRIATIONS</b>					
Salaries and Employee Benefits	2,733,661	2,263,828	2,227,032	(36,796)	(1.6%)
Services and Supplies	699,661	791,728	639,431	(152,297)	(19.2%)
Other Charges	1,035,916	1,200,005	981,298	(218,707)	(18.2%)
<b>TOTAL APPROPRIATIONS</b>	<b>4,469,238</b>	<b>4,255,561</b>	<b>3,847,761</b>	<b>(407,800)</b>	<b>(9.6%)</b>
<b>NET CHANGE</b>	<b>8,731</b>	<b>26,314</b>	<b>0</b>	<b>(26,314)</b>	<b>(100.0%)</b>

**SUMMARY OF SIGNIFICANT ADJUSTMENTS**

Revenue – significant factors contributing to changes from FY2013/14:

In general there is much uncertainty as to the amount of funding that will be available under the Federal Workforce Investment Act, the primary source of WIB funding. The trajectory of the formula allocated funding for Adults, Dislocated Workers, and Youth is uncertain and this budget includes funding levels equal to the FY2013/14 amounts for those grants.

The most significant difference in available funding is in the amount of discretionary grants; funding which is awarded on a competitive basis and for which the WIB has successfully competed in the past. The WIB has a history of discretionary funding equaling approximately 30% of the overall revenue budget. The amount of funds that are being released through this competitive process have diminished to the point where there are currently no opportunities on the horizon for the WIB. The Recommended Budget does not include any discretionary funding.

WIA Formula Grants: Adult, Youth, Dislocated Worker, and Administration funds; the grants amounts for FY2014/15, allotted by formula, may remain steady through the coming year. These are the traditional base WIA grant allotments for local WIBs and the FY2014/15 amount has been estimated to equal the FY2013/14 level. The decrease in revenue amount is a result of the estimate there will be no unspent funds or available fund balance at year end for FY2014/15. The Recommended Budget includes \$3,672,484 in WIA Formula grant funding.

WIA Rapid Response funds; the grants amounts for FY2014/15, are allotted by formula, and may remain steady. They have been estimated at the FY2013/14 level. It is also estimated that there will be no unspent funds or available fund balance at year end for FY2014/15. The Recommended Budget includes \$175,277 in WIA Rapid Response grant funding.

Appropriations – significant changes from FY2013/14:

Significant changes have occurred in the WIB’s environment that impact the projected expenditures for FY2014/15. The driving force is the decrease in projected grant funds available which forces a corresponding projected decrease in expenditures and services. The decrease in funding drives reductions in expenditures in all categories.

- Salaries and Employee Benefits: The estimated number of FTE included in WIB’s Recommended Budget is 28. This compares to the 33 positions at the beginning of FY2013/14, and the average of 30 FTEs in FY2013/14. As the revenue amounts included in this budget are estimates, the actual final number of FTEs may vary, with commitments to personnel undertaken only as grant revenues are available. The overall decrease in salaries and benefits is \$36,796 or 1.6% from the FY2013/14 Adopted Budget.
- Services and Supplies: The requested amounts vary from the prior budget based on calculations considering the current number of FTEs, the prior actual cost experience, cost cutting efforts, facilities changes, and the operational changes resulting from the anticipated programmatic responsibilities. The WIB will be reducing its square foot occupancy of the current office site by approximately 20%. With the reduction in service levels due to amount of grant funding, and the

**Birgitta E. Corsello, County Administrator**  
**Other Assistance**

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absence of a subtenant (such as former subtenant Employment Development Department), the amount of space available is greater than what is needed. The variable costs will decrease as the number of FTEs is reduced, the amount of space will be reduced, and other economies will be implemented. Services and Supplies category reflects an overall decrease of \$152,297 or 19.2% from the FY2013/14 Adopted Budget.

- Other Charges: Overall direct client expenditures projected to be spent is directly related to the estimated FY2014/15 revenues, the specific grants that will be funded, and the corresponding service levels. The overall decrease in Other Charges category is \$218,707 or 18.2% from the FY2013/14 Adopted Budget.

All of these costs are incurred to provide direct program services to job seekers and are recalculated on a regular schedule to meet the demand of the expected numbers of job seekers and trainees to be served, and to incorporate changes in funding from new awards.

### **SUMMARY OF POSITION CHANGES**

No position changes are planned at this time, but reductions may be required at the start of or during the FY2014/15. The size of such a reduction can only be established and accounted for depending upon the size of any reductions in base allocations and/or success with continued grants-seeking efforts.

### **PENDING ISSUES AND POLICY CONSIDERATIONS**

There are two major federal deliberations which may affect the future status of, and activities of the WIB, as discussed below. Within these two are mixed signals of Congressional support for the WIA program's legislative reauthorization and annual appropriations.

- The Congress and President continue debating efforts to balance the annual federal budget and reduce the federal debt levels. The "annual deficit spending" debates also have an impact. However, there is expressed bipartisan support for the "public workforce system" and a block grant effort to local communities, with a business-led board. Proposals for complete elimination of the federal WIA program funding are not being suggested. Recent budget compromises, which forestalled the second round of planned Sequestrations saw a 2% overall reduction in WIA appropriations to the states. This lays open a lot of uncertainty and a wide range of possible options for the future.
- Congressional authorizing committees are taking up WIA Reauthorization legislation, which would provide a continued longer-term revenue stream for the program. This effort has been undertaken a number of times across the last nine years, only to be stalled. There is some optimism from federal insiders that WIA Reauthorization could be one area where bipartisan agreement could be reached and positive Congressional action undertaken in the next session.
- A number of new initiatives are coming forth at the State level. These pose a potential impact on the WIB's operation. These include the following:
  - Congress continues to limit the amount of Governor's discretionary WIA funds, which the WIB routinely was able to access with successful competitive grant applications. Without this funding source, dedicated programs for veterans, ex-offenders, and certain targeted industries will likely not be available for jobseekers and employers.
  - State legislative actions and/or staff-led initiatives are gradually impeding upon local decision-making (as envisioned/afforded in the WIA legislation itself) and moving the public workforce system toward a more "one size fits all" model for administration and service delivery. Some of these initiatives present unfunded mandates upon local governments and WIBs.
  - The challenge of day-to-day operation of the One-Stop Centers is compounded by continued reductions in State funding for virtually every local agency that serves as a One-Stop Center partner. Most critically, this includes annual reductions in staffing provided by the State Employment Development Department (EDD). More responsibility is falling upon the WIB to support One-Stop Center services, further prompting need for streamlining and reductions in the range and/or availability of services.
  - The thrust for regional undertakings, collaboration-building and "braiding" of limited public resources increasingly calls upon the WIB to "partner" in meaningful ways with other educational/training agencies on broader initiatives. While advantageous these type initiatives present an added draw upon limited WIB fiscal and staffing resources.



**DEPARTMENTAL PURPOSE**

Solano County Fair Association (SCFA) is a 501(c)3 nonprofit organization established in 1946 to conduct the annual Solano County Fair and to oversee the day-to-day operations of the County’s fairgrounds property. The SCFA strives to provide a year round regional destination point by presenting first-class, multi-use entertainment and recreation facilities that support the County Fair and provide

an economic and quality of life asset to the greater Solano County community.

<b>Budget Summary:</b>	
CY2014:	3,377,994
County General Fund Contribution:	0
Percent County General Fund Supported:	0%
Total Employees (FTEs):	25.5

**FUNCTION AND RESPONSIBILITIES**

SCFA operates under a contract with the County of Solano as a self-supporting enterprise fund. The vast majority of its revenues are generated by the operations of the fairgrounds. The County Fair uses license fees generated by the California horse racing industry and other events hosted on the fairgrounds to offset the cost of providing staff services to the SCFA. Other non-operating revenues include interest income.

In June 2009, the County Board of Supervisors in cooperation with the City of Vallejo initiated the visioning effort known as Solano360. The County, the City of Vallejo and the SCFA are working together to redevelop the fairgrounds property and create a Fair of the Future. For more details on this ongoing effort, refer to Budget Unit 1815 in the Capital Projects section.

**SIGNIFICANT CHALLENGES AND ACCOMPLISHMENTS**

- Beginning with the 2013 County Fair, hours were reduced on weekdays with the Fair opening at 3 p.m. instead of 11 a.m. based on very light attendance during the late morning to early afternoon hours. This change reduced operating cost of the Fair; its concessionaires, commercial exhibitors and attractions; enhanced volunteer-driven programs such as the Cultural Pavilion and County & Cities Expo by better accommodating many volunteers’ availability; and was generally well received by the public. The Fair continued to build upon programs including the County & Cities Expo and the Cultural Pavilion, with emphasis on local participation.
- The 11<sup>th</sup> Annual Youth Ag Day held in April each year was well attended by Solano County third-graders with over 3,300 participants. A collaborative effort of the Solano County Fair and agricultural-related businesses, organizations, farmers, ranchers and other individuals, this fun and educational event is free to all third-grade classes in Solano County and features a wide variety of rotational learning stations and displays. Activities are designed to give children the opportunity to learn about food and fiber production from new perspectives, with a particular emphasis on the agricultural wealth of Solano County.
- The Solano County Fairgrounds hosted 360 event days, not counting the year-round operation of the Joe Mortara Golf Course, the Solano Race Place (satellite wagering facility), the Horizon Pre-School, or Six Flags Parking. These events provided a wide range of entertainment and recreational opportunities to residents of Solano County and attracted many visitors to the area.
- Overall economic conditions continued to greatly affect all aspects of the leisure, recreation and advertising industries. In turn, this affected virtually all activities of the SCFA, which relies on discretionary spending.

**WORKLOAD INDICATORS**

- 360 revenue generating event days in 2013, including both SCFA-produced and year-round events (does not include revenue generating move-in/move-out days).
- 41,144 people attended the 2013 Solano County Fair
- Approximately 3,300 participated in the 2013 Youth Ag Day
- 35,831 attendees at the Solano Race Place in 2013
- 14,361 rounds of golf at the Joe Mortara Golf Course in 2013

Mike Paluszak, General Manager  
Solano County Fair

**DEPARTMENTAL BUDGET SUMMARY**

The SCFA budget is based on a calendar year. The Board of Supervisors approved the SCFA 2014 budget on December 10, 2013 for CY2014.

The Recommended Budget represents an overall increase of \$74,394 or 2.5% in revenues and \$327,796 or 10.7% in appropriation when compared to the CY2013 Adopted Budget. The budgeted operational structural deficit is \$323,869 which is offset with dedicated resources of \$131,211 from restricted reserves, and \$182,658 from unrestricted reserves. This budget begins to address critical deferred maintenance of facilities and equipment needs, in the context of the proposed phasing of the Solano360 project, and its anticipated timeline for implementation beginning in late 2014 to early 2015.

**DEPARTMENT COMMENTS**

The dates of 2014 Solano County Fair will be July 30 to August 3, 2014. The SCFA continues to make the first weekend in August its “permanent” place on the calendar, following successful Fairs in 2011, 2012 and 2013. The first weekend of August is a week when most families are back from vacation, there are no major holidays, and it is the last weekend before school begins for most school districts.

DETAIL BY REVENUE CATEGORY AND APPROPRIATION CATEGORY	2012 ACTUALS	2013 ADOPTED BUDGET	2014 RECOMMENDED	FROM ADOPTED TO RECOMMENDED	PERCENT CHANGE
<b>REVENUES</b>					
Revenue From Use of Money/Prop	1,316,900	1,489,243	1,571,894	82,651	5.5%
Intergovernmental Revenues	107,500	0	0	0	0.0%
Charges For Services	1,518,000	1,186,588	1,361,231	174,643	14.7%
Misc Revenue	293,700	303,900	121,000	(182,900)	(60.2%)
<b>TOTAL REVENUES</b>	<b>3,236,100</b>	<b>2,979,731</b>	<b>3,054,125</b>	<b>74,394</b>	<b>2.5%</b>
<b>APPROPRIATIONS</b>					
Salaries and Employee Benefits	1,594,170	1,487,497	1,535,451	47,954	3.2%
Services and Supplies	1,634,850	1,535,861	1,356,555	(179,306)	(11.7%)
Other Charges	0	26,840	249,988	223,148	831.4%
F/A Bldgs and Imprmts	0	0	205,000	205,000	0.0%
F/A Equipment	174,000	0	31,000	31,000	0.0%
<b>TOTAL APPROPRIATIONS</b>	<b>3,403,020</b>	<b>3,050,198</b>	<b>3,377,994</b>	<b>327,796</b>	<b>10.7%</b>
<b>NET GAIN(LOSS)</b>	<b>(166,920)</b>	<b>(70,467)</b>	<b>(323,869)</b>	<b>(253,402)</b>	<b>359.6%</b>

**SUMMARY OF SIGNIFICANT ADJUSTMENTS**

- Anticipates a 5% increase in Fair admission and other attendance-driven revenue. This increase is anticipated for two primary reasons: 1) positive response to change in operating hours in 2013, establishing a new baseline from which to compare, 2) proposed increase in concert entertainment budget.
- Includes an increase of \$73,657 from rental of facilities and associated reimbursable costs. This represents a conservative increase of facility use, which is supported by enhanced marketing efforts and marketing partnerships currently being developed.
- Anticipate a \$54,596 increase in sign advertising revenues through more effective marketing by in-house staff and the addition of outsourcing sales of sign advertising, sponsorships, and marketing partnerships on a commission basis.
- An increase of \$22,804 or 14.9% in golf revenue based on improved condition of the course as a result of the major deferred maintenance that was done in 2013.
- This budget includes a 3% cost of living adjustment for year-round full-time and part-time employees, except for the General Manager. There have been no COLAs in the past five years.
- This budget includes an adjustment for increase in the Associations’ cost of pension obligation bonds. The employees will continue to pay 100% of the employee contribution.

- Includes \$120,000 for parking lot improvements from available resources dedicated for that purpose.
- Includes \$116,000 in critical deferred maintenance of facilities and equipment needs.
- The SCFA will continue its successful efforts to reinvent, rebrand, and reposition the Fair in the local and regional market.
- The Solano County Fair will continue to build the Fair as a place to celebrate Solano County with the Cities & County Expo, the Cultural Pavilion, and expanded emphasis on showcasing Solano County agriculture in 2014.
- Golf revenues have been reclassified from Other Revenues to Charges for Services to more accurately classify the type of revenue.

**SUMMARY OF POSITION CHANGES**

There are no changes in positions from 2013. Day-to-day operations at the Fairgrounds are accomplished with 11 full-time and 29 part-time employees. This is augmented by 30 intermittent part-time employees for events and approximately 99 seasonal employees for the Fair.

**PENDING ISSUES AND POLICY CONSIDERATIONS**

The Solano County Fair Association continues to face major challenges in 2014. Increasing revenue in a continuing slow economic time, particularly with respect to discretionary spending, continues to be a significant challenge. Maintaining the current level of activities while creatively attracting new events, activities and revenue, represents an even greater challenge as the SCFA goes forward with limited staff and resources. Particularly in light of the loss of State funding and replacement revenue for live horse racing in 2012, SCFA continues to be mindful of the need to discover new revenue streams and increase revenues from existing sources.

Maintaining and improving existing aging facilities with limited resources continues to challenge most fairgrounds in the United States, including the Solano County Fairgrounds. SCFA must continue to maximize its limited resources for needed deferred maintenance and capital improvements, while aggressively and creatively seeking and seizing new revenue opportunities.

Solano360, the redevelopment plan of the fairgrounds property and the “Fair of the Future,” continues to move forward with pre-engineering work and required mitigation studies for Phase I of the Project. The County has secured entitlement from the City of Vallejo for the entire project area based upon the approved specific plan and certified final environmental impact report and has also negotiated and adopted a development agreement with the City of Vallejo. Information regarding the current status of the development can be found on the County website at [www.solanocounty.com/solano360](http://www.solanocounty.com/solano360).

The Solano County Fair has been active partner in the development of the redevelopment strategies, and enthusiastically supports the project. In the short term, the Solano County Fair is challenged with developing new revenue streams that will not conflict with this long-term strategy.

The SCFA 2014 budget anticipates a year-end Unrestricted Reserves of \$291,126, which is \$248,961 or 46% less than budgeted at year-end 2013. The SCFA 2014 budget anticipates a year-end Restricted Reserves of \$11,801, which is \$131,211 or 92% less than budgeted at year-end 2013. The 2014 Budget anticipates year-end total reserves of \$302,927. The SCFA understands that ongoing operational costs cannot rely on the use of reserves and will continue to expand its year-round revenue streams.

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