APPROVED*

APR 26 2011

BY Myra Chinla deputy
CLERK OF THE BOARD

AGENDA SUBMITTAL TO SOLANO COUNTY BOARD OF SUPERVISORS

ITEM TITLE		**BOARD MEETING DATE**	**AGENDA NUMBER**
Receive the FY2010/11 Third Quarter Financial Report and take action as outlined in the recommendations contained in the report		April 26, 2011	**26**
Dept: **Contact:** **Extension:**	County Administrator's Office Michael D. Johnson 784-6100	**Supervisorial District Number** All	
	Published Notice Required?	**Yes______**	**No___X____**
	Public Hearing Required?	**Yes______**	**No___X____**

* Excluding #5-non-profits deferred to May 3, 2011

DEPARTMENTAL RECOMMENDATION:

The County Administrator recommends the Board of Supervisors:

1. Receive the Third Quarter Financial Report as outlined in the following attachments:

   a. FY2010/11 Budget Assumptions and State/Federal Budget Outlook (Attachment A);

   b. Financial Position of County Departments (Attachment B);

   c. General Fund Third Quarter Projection Spreadsheet (Attachment C);

   d. Other Funds Third Quarter Projection Spreadsheet (Attachment D); and

   e. Internal Service and Enterprise Funds Third Quarter Projection Spreadsheet (Attachment E).

2. Approve the following Appropriation Transfer Requests (ATR) altering appropriations by:

   a. $155,472 from the Designation for Accrued Leave Payoff to the General Expenditures budget to cover the costs of various budget units as the result of payoffs to employees participating in the Public Agency Retirement Services Supplementary Retirement Plan (4/5 vote required);

   b. $150,000 increase in the Housing and Urban Development's allocation to the County's Housing Authority to cover program costs (4/5 vote required);

   c. $100,000 in Resource Management Salary Savings to cover part of the costs of contracted services related to the Nut Tree Airport Environmental Impact Report and Airport Land Use Compatibility Plan Update;

   d. $32,804 to recognize increased funding from a revenue agreement with the Administrative Office of the Courts for the Conflict Defender to represent parents in dependency cases (4/5 vote required);

e. $18,541 net decrease in the Public Defender's revenues and expenditures to enable technical corrections to an ATR approved by the Board as part of the Midyear Report on February 8, 2011; and

f. $750 from the Health and Social Services' Administration / Refinance Solano Public Health Facility Debt to cover the final arbitrage fee for the 1999 Certificates of Participation (4/5 vote required).

3. Adopt a Resolution amending the Allocation List of Positions to eliminate 7.5 FTE vacant positions in the Library.

4. Rescind Resolutions 2010-59, 2010-60 and 2010-61 and adopt three resolutions for paying and reporting the value of Employer Paid Member Contributions.

Deferred to May 3, 2011

5. Consider and affirm additional Budget Assumptions in the preparation of the FY2011/12 Recommended Budget regarding funding Non-profit/Community-based Organizations.

SUMMARY/DISCUSSION:

The FY2010/11 Adopted County Budget was a balanced budget relying on the use of carryover Fund Balance savings from FY2009/10 and draw downs from County Reserves to cover the projected $18 million gap or structural deficit between the budgeted General Fund expenditures and budgeted ongoing revenues. However, over the course of the past nine months, the Federal Government and the State of California have reduced and/or eliminated revenue streams which were anticipated to fund programs and services in FY2010/11. Programs impacted include Foster Care, AB 3632 Mental Health Services, and In-Home Support Services (IHSS). While the funding streams were reduced or eliminated, the local mandates to continue those services were not eliminated, which has resulted in a requirement for the County General Fund to absorb the costs within existing General Fund revenues. In addition, the impacts of the continuing economic downturn has resulted locally in increased utilization of County assistance programs.

To address the General Fund Structural deficit and the financial challenges, the Board held five Budget Workshops to review and consider programs and alternatives for closing the gap between revenues and expenditures. Departments were asked to make additional cuts in FY2010/11 and to prepare for further program reductions in FY2011/12. In the past nine months, the Board has considered and approved: (1) the elimination of vacant positions; (2) early retirement incentives to reduce staff; (3) labor contract concessions; and (4) reductions in funding for non-mandated services and programs, as a means to address the structural deficit in the General Fund in the current year and the projected cost increases and additional revenue losses in the upcoming year. The difficult decisions and actions taken to date are reflected in the numbers in the FY2010/11 Third Quarter financial projections, showing some improvement over the Midyear projections for expenditures and revenues. The improvement is largely attributable to fiscal prudence on the part of County departments as they prepare for further budget reductions in FY2011/12. The Third Quarter figures anticipate a higher year-end fund balance for the General Fund as well as the Library Fund, the Public Safety Fund, and the Health & Social Services Fund when compared to the Midyear projection.

Departments have vigilantly controlled their expenditures and sought additional revenues. In fact, almost all departments materialized additional savings since Midyear, notably the Public Safety departments where Proposition 172 sales tax revenues have not shown signs of improvement.

At this time, it should be emphasized that the FY2010/11 Third Quarter projections only reflect known impacts of budget actions taken by the State and Federal Government affecting the existing fiscal year. Any further budget reductions, losses of revenue or program changes, including the realignment of programs approved by the State or the elimination of funding by the Federal Government which may be approved in the remaining three months or have an effective date in FY2010/11, will be presented to the Board for consideration during Budget Hearings or at such time as the details of the impact are known.

If the Board approves the CAO's recommendations in the Third Quarter Report, the Year-End Fund Balance projected for the General Fund will be $32.7 million, which is higher than Midyear projections, due to some improvements in projected revenues and the realization of savings from reductions in expenses. (For General Fund Departments' variance explanations refer to Attachments B and C.) The projected Fund Balance will be applied as a mean of financing to the FY2011/12 Recommended Budget.

Staff describes the assumptions behind the projections, as well as the information concerning the economic conditions and the possible State/Federal Budget impacts on the County in the Third Quarter Financial Report Assumptions (**Attachment A**). Also included are the Third Quarter Financial Report summarizing the estimated departmental expenditures and revenues through June 30, 2011 (**Attachment B**), and Third Quarter Financial Report spreadsheets (**Attachments C, D and E**) for the County's different Funds.

FINANCING:

At Third Quarter, the General Fund reflects a reduction of $2.6 million in expenditures and an increase of $2.2 million in revenues. The Fund Balance for General Fund is projected to be $32.7 million, which includes a Contingency balance of $21.8 million. The Third Quarter projection thus forecasts a $4.8 million improvement in the General Fund's Fund Balance as compared to its Midyear projection.

At the time of this report, the downward trend of County property tax projections appears to have slowed some, in part leading to staff's projection of an improved Fund Balance. However, the fall in housing values continues, albeit less steeply, and the local market is still not anticipated to turn around for a number of years. Staff still projects that the County's discretionary revenues from property taxes may not return to FY2006/07 levels in the foreseeable future, and the continuing structural deficit still needs to be addressed.

Additionally, staff recommends rescinding Resolutions 2010-59, 2010-60 and 2010-61, and adopting three resolutions for paying and reporting the value of Employer Paid Member Contributions (EPMC). On March 23, 2010 the Board adopted Resolutions 2010-56, 2010-57, and 2010-58 which permanently reduced the County's EPMC payment for unrepresented units 59, 60, and 61 by 3%, effective with the April 4, 2010 pay-period. At that time the Board also adopted Resolutions 2010-59, 2010-60, and 2010-61 which provided for an additional future permanent 3% EPMC reduction for units 30, 60, 61, 62, 62C and 63. The resolutions stated:

> *"The effective date of this resolution shall be July 11, 2010, or upon agreement of all represented employee bargaining units, whichever date is later."*

Because of the progress which has been made with bargaining units to date, and the anticipation that MOU negotiations will be successfully completed with all currently open labor Agreements, staff now recommends the Board rescind Resolutions 2010-59, 2010-60, and 2010-61 and adopt three new Resolutions which will state:

> *"The effective date of this resolution shall be upon the agreement of all represented bargaining units, or the pay period in which December 31, 2011 falls, whichever date is first."*

The FY2011/12 fiscal cost savings which would result, if effectuated on that date are estimated at $256,110.

ALTERNATIVES:

The Board may choose not to accept this report; however, this is not recommended, as this is an opportunity to receive information on the current state of the County budget.

OTHER AGENCY INVOLVEMENT:

Developing the information included in this Report involved all County departments.

DEPARTMENT HEAD SIGNATURE:

By Michael D. Johnson

Michael D. Johnson
County Administrator

Attachment A:	FY2010/11 Projection Assumptions and State Budget Outlook, pages 5 – 6
Attachment B:	Financial Position of County Departments, pages 7 – 35
Attachment C:	General Fund Third Quarter Projection Spreadsheet, pages 36 – 37
Attachment D:	Other Funds Third Quarter Projection Spreadsheet, pages 38 – 39
Attachment E:	Internal Service and Enterprise Funds Third Quarter Projection Spreadsheet, pages 40 – 41
Attachment F:	Resolution Amending the List of Numbers and Classifications of Positions, page 42
Attachment G:	Resolution for paying and reporting the value of EPMC, page 43
Attachment H:	Resolution for paying and reporting the value of EPMC, page 44
Attachment I:	Resolution for paying and reporting the value of EPMC, page 45

COUNTY OF SOLANO
COUNTY ADMINISTRATOR'S OFFICE
THIRD QUARTER FINANCIAL REPORT
FY2010/11

ASSUMPTIONS INCLUDED IN THE PROJECTIONS

This Report projects the County's year-end financial position, based on nine months of actual data and three months of projected expenses and revenues. Staff made the following assumptions:

- Labor concessions obtained during FY2010/11 to assist the County in reducing its structural deficit came from Labor Units #3, #4, #6, #10, #13, #14 and #16. No other concessions are included in the projections.

- The projections include $2.55 million in General Fund contribution to backfill funding for programs previously funded by Tobacco Master Settlement Agreement (MSA) revenues. FY2010/11 is the final year of the Board's three-year commitment to fund the MSA Strategic Plan with a General Fund contribution.

- The FY2010/11 budget included the use of $6 million from Reserves, $800,000 from Accrued Leave Payout Reserve, and $509,500 from Deferred Maintenance. The two Capital Projects to be funded with the $509,500 from Deferred Maintenance, however, are being deferred to FY2011/12.

- The projections only include known State/Federals budget impacts. A brief overview of recent State/Federal budget actions which may possibly impact the County follows in the section below. A more expansive report on the State and Federal Budgets is included as a separate report on today's Board agenda.

- Financing Assumptions at this time for the preparation of the FY2011/12 Budget will include:

    - The use of $6 million from Reserves, $800,000 from Accrued Leave Payout Reserve, and $509,500 from Deferred Maintenance for two Capital Projects budgeted for FY2010/11 but deferred to FY2011/12.

    - General Fund contribution towards the backfill of the MSA programs for FY2011/12 will be $790,000. In accordance with the Board's action taken at its December 7, 2010 Budget Workshop, approving certain General Fund Reductions, $790,000 in General Fund contribution will be included in the FY2011/12 Recommended Budget for these programs. The Health and Human Services Department has indicated augmenting funding for the programs using available grant funding.

STATE BUDGET UPDATE

Overview

On January 10, the Governor released his proposed FY2011/12 State budget, which included budget and policy actions intended to eliminate a projected $26.6 billion deficit for a two-year period ending June 30, 2012. To date, the Legislature has passed $14 billion in budget solutions, including expenditure reductions, totaling approximately $11.2 billion.

Since January 25, 2011, the County Administrator's Office has been providing regular status updates relative to the State budget. State budget actions of significance to County FY2010/11 revenues are, as follows:

Stage 3 Child Care. SB 70 provides $60 million in one-time funds from April through June 2011 to restart Stage 3 child care services. The CalWORKS Stage 3 set-aside was reduced by $256 million in October 2010 by Governor Schwarzenegger. The restoration of Stage 3 funding will enable eligible families to remain in the workforce and maintain their independence from public assistance.

Special Education Mental Health Services (AB 3632). SB 70 augments FY2010/11 funding by $80 million to partially backfill a shortfall created when then-Governor Arnold Schwarzenegger vetoed funding for the AB 3632 mandate.

Transportation.

- AB 82 repeals prior budget language that authorized the deferral of apportionments to local governments for HUTA revenues. The County receives about $9.1 million in Highway Users Tax Account (HUTA) annually.
- AB 105 re-enacts the 17.3 cents excise tax increase on gasoline, approved in March 2010 (ABX8 6 and SB 70), and the 1.75 cent sales tax rate increase on diesel fuel, which was invalidated pursuant to the passage of Proposition 26 (November 2010). AB 105 protects an estimated $3.6 million annual allocation for County streets and roads.

County Veteran's Services Offices. SB 69, the main budget bill, eliminates $2.6 million in current year (FY2010/11) funding. While SB 69 has yet to be signed by the Governor, the County anticipates a net loss of $45,000 in FY2010/11.

Williamson Act. SB 80 eliminates $9.9 million in FY2010/11 Williamson Act funding and eliminates ongoing state subvention funding in FY2011/12 and thereafter, thus making it a local program. The elimination of Williamson Act funding, as previously provided in the FY2010/11 State budget, represents a current year loss of $200,000.

FEDERAL BUDGET UPDATE

Overview

On April 15, 2011, President Obama signed HR 1473, a budget plan to fund the Federal government through September 30, 2011. Approved in the form of a continuing resolution (CR), HR 1473 includes a total of $1.049 trillion in funding, representing a nearly $40 billion reduction from federal fiscal year (FFY) 2010 levels. This includes $12 billion in reductions previously approved by Congress and signed into law under three previous stopgap CRs approved earlier this year, as well as nearly $28 billion in new spending cuts. Budgetary reductions are achieved through a 0.2% across-the-board cut to non-defense accounts, as well as through cuts to both mandatory and discretionary spending programs and earmark terminations.

While the language in one of the previously approved CRs appeared to eliminate several Justice accounts [including funding for the Community Oriented Policing Services (COPS) methamphetamine program for County methamphetamine eradication efforts], the State Department of Justice has indicated that certain funds are still available, including the County's $100,000 FFY2010 earmark.

It is anticipated that HR 1473 will result in additional impacts on County programs and services in the areas of public safety, homeland security and health and social services.

COUNTY OF SOLANO
COUNTY ADMINISTRATOR'S OFFICE
THIRD QUARTER FINANCIAL REPORT
FY2010/11

FINANCIAL POSITION OF COUNTY DEPARTMENTS

Attached to the Third Quarter Financial Report are spreadsheets (**Attachments C, D and E**) which summarize the FY2010/11 year-end revenues and expenditures projected at two points in time: as of December 31, 2010 (Midyear Projections) and as of March 31, 2011 (Third Quarter Projections). The spreadsheets also compare both projections and provide an indication of what Fund Balance may be available to fund some of the FY2011/12 expenditures.

Following are brief summaries of departmental budgets, grouped by functional areas. Those budgets projected to be at or near target are not mentioned in this Report, as they do not require your Board's attention at this time.

GENERAL GOVERNMENT

General Revenues – 1101

	Midyear Projection	Third Quarter	Change
Expenditures	985,000	395,000	(590,000)
Revenue	137,959,065	139,856,193	1,897,128
Net County Cost	**(136,974,065)**	**(139,461,193)**	**(2,487,128)**

General Revenues' Third Quarter projection reflects a decrease of $590,000 in expenditures. Property tax refunds have been leveling off and a $600,000 decrease is now projected through the end of the current fiscal year.

In addition, an increase of $1,897,128 is anticipated in revenues as compared to the Midyear projection. This increase is the net of a $400,000 decrease in interest income because the actual average yield of the Treasury Pool is anticipated to be much lower than expected at the beginning of the year. The increase in revenues is largely led by higher estimates for:

- Secured and Supplemental Property Taxes – current property tax values are higher than expected and supplemental billings are trending up, for an increase of $930,884.
- Property Tax Administration Fees – projected $588,819 higher because administrative costs for the three departments (Assessor, Tax Collector and Auditor) involved were higher than had been anticipated.
- Excess Tax Loss Reserve – $500,000 higher than projected at Midyear due to continued collections from delinquencies.
- Disposal Fees - $200,000 higher due to a rate increase and a slight increase in tonnages.

General Expenditures – 1903

	Midyear Projection	Third Quarter	Change
Expenditures	135,171,738	133,550,349	(1,621,389)
Revenue	4,062,302	3,947,298	(115,004)
Net County Cost	**131,109,436**	**129,603,051**	**(1,506,385)**

General Expenditures' Third Quarter projection reflects decreases of $1,621,389 in expenditures and $115,004 in revenues when compared to its projection at Midyear. Significant changes in the General Expenditures budget at Third Quarter include:

- TC-50% Excess Revenue Split -- excess revenue shared with the Court per an MOU is expected to be lower by $300,000. This decrease in expenditure is offset by related reductions (Vehicle Code Fines - $100,000; $24 Traffic School Fees - $100,000; Other Assessments - $135,000) in revenues.

- County General Fund Contribution to Health and Social Services (H&SS) shows a decrease of $604,918 in accordance with a reduction plan presented to the Board on December 14, 2010. It should also be noted the Sheriff's Office shows a decrease in its need for County General Fund Contribution ($948,994 at Third Quarter). The decrease in County General Fund Contribution for the Sheriff was indicated in the Midyear Report to the Board on February 8, 2011.

- $509,500 for two Capital Projects (Stair replacement at Lake Solano Park and County Administration Center (CAC) Campus Drainage Improvement) is not being spent this fiscal year. This amount will be re-budgeted for FY2011/12.

- County General Fund cost of Other Public (Indigent) Defense is lower by $431,387 as the fully staffed Public Defender and Conflict Defender departments have been taking on the defense of the more complicated and serious cases.

- A transfer of $155,472 from the Designation for accrued leave payoff (required in addition to the $800,000 included in the adopted FY2010/11 Budget) to cover part of accrued leave payoffs to employees participating in the Public Agency Retirement Services (PARS) Supplementary Retirement Plan (SRP). The revenue is shown as an increase in revenues and is fully offset by a corresponding increase in expenditures.

General Services – 1117

	Midyear Projection	Third Quarter	Change
Expenditures	15,281,598	14,921,634	(359,964)
Revenue	15,471,013	15,185,934	(285,079)
Net County Cost	**(189,415)**	**(264,300)**	**(74,885)**

General Services' Third Quarter projection shows a $329,660 increase in Net County Cost from the Working Budget. Compared to Midyear, Net County Cost decreased $74,885.

The budget for General Services is comprised of the following activities: General Services Administration, Architectural Services, Central Services, Facilities Operations, Grounds and Custodial Services.

Under a new director, there is renewed emphasis in stabilizing the department's financial position which has deteriorated due to revenue losses, primarily in the Architectural Services Division and in the Small Projects Section of the Facilities Maintenance Division. Faced with additional revenue losses in the Third Quarter projections, the department has proposed expenditure reductions to fully offset the revenues that are expected not to materialize.

Variance analysis between the Third Quarter and the Midyear projections for the major budget categories are shown below:

- Salaries and Benefits reflect a decrease of $57,484 which is primarily the net result of savings from employees on SDI/Workers Compensation, PARS retirements (1.0 FTE Associate County Architect and 1.0 FTE Office Assistant), and the new Director starting one month later than anticipated. Savings is partially offset by an underestimate of FICA costs and an increase in accrued leave payoffs for retirees and leave payouts.

  The County Administrator's Office (CAO) has authorized the transfer of $48,950 to the department to offset the increase in accrued leave payoff from the retirement of two employees under the County's PARS SRP program.

- Services and Supplies are down by $178,140 which is mainly the result of a net savings of $36,856 in building maintenance costs of which $112,319 is due to the postponement of the California Energy Commission (CEC) parking garage/lot lighting retrofit project until FY2011/12, offset by a $75,000 increase for the temporary Animal Shelter administration modular building; a $24,522 increase in contracted services for the recruitment services for the Director position; $17,203 in software costs to convert the barcode sort machine in the mailroom to meet United States Postal Service requirements and upgrade the maintenance work order system (Sprocket) to accommodate a new phone system; a $98,000 decline in purchases for resale resulting from a drop in mail service requests, and a decrease in supplies needed to complete maintenance/small project billable work orders; and a $84,960 drop in gas/electricity costs based on the last 12 months of usage and a reduction in projected utility Consumer Price Index (CPI) adjustments (utility rates are highly volatile and fluctuate on a bi-monthly basis).

- Other Charges have decreased by $50,004 due to the MOU with the Sheriff coming in lower than estimated at Midyear for security costs for the Government Center buildings and downtown Fairfield complex from March 2011 through June 2011.

- Intra-Fund Transfers have been reduced by $69,951 which is primarily a net result of an increase in transfers in of $49,034 from General Expenditures for the additional costs of accrued leave payoff and an additional $22,473 for small projects.

- Revenues reflect a drop of $285,079 primarily the net result of:

  - $112,319 decrease in CEC grant revenue due to postponement of the County parking garage/lot lighting retrofit project until FY2011/12. A corresponding reduction in expenditure offsets this revenue loss.

  - $210,709 decrease in Interfund Services as a result of a reduction in billable work orders because of fewer small projects being requested by departments.

- $137,418 decrease in reimbursements for maintenance materials mainly due to a projected reduction in the number and size of billable small projects. A corresponding decrease in expenditures for "purchases for resale" partially offsets this revenue loss.

- $85,499 increase in insurance proceeds due to damage from water intrusion during roof construction at 1328 Virginia Street in Vallejo and damage from a water pipe burst at the Cogeneration Plant.

- $75,000 increase in operating transfer in from the Accumulated Capital Outlay budget (budget unit 1705 - Animal Care Center) to cover costs for a temporary modular facility to house the Animal Care Administration staff since the old facility suffered from advanced deterioration and structural damage. An increase in expenditure for the same amount offsets this additional revenue.

- $19,000 reduction in surplus sales caused by lower selling prices of items sold at auction.

H&SS Capital Projects – 2490

	Midyear Projection	Third Quarter	Change
Expenditures	19,251,754	19,823,772	572,018
Revenue / Fund Balance	19,251,754	19,823,772	572,018
Difference	**0**	**0**	**0**

The Third Quarter Projection reflects increases of $572,018 in expenditures and revenues when compared to Midyear projections.

H&SS Vallejo Campus – 2492

Expenses increased by $588,018 to reflect the costs associated with the outstanding items to complete the project. Construction at the Vallejo Campus includes a new three-stories, 58,000 square foot, H&SS building and renovation of an existing 68,000 square foot building. Only the partial renovation of interior improvements for Probation in the Vallejo Justice center remains to be constructed.

Through the course of the nine-year program of improvements, major shifts in costs which amount to less than one half of one percent (0.5%) of the total Board approved budget of $58.3 million for the Twin Campus Program (budget units 2492 and 2493) focused on additional scope, such as replacement of existing windows with energy efficient dual pane windows. In addition, unforeseeable conditions such as abatement of hazardous materials, increased requirements to meet code and regulatory requirements, and programmatic changes due to increased service demands.

The following are anticipated funding options to cover the increased cost of $588,018:

- $16,000 savings from H&SS Fairfield Campus budget unit 2493

- $112,138 savings from H&SS Vallejo Public Art budget unit 1634

- $39,880 savings from H&SS Fairfield Public Art budget unit 1635

- $420,000 from Public Facilities Fess H&SS budget unit 1763 or ACO Contingencies fund budget unit 9306

A staff report recommending approval for the above transfers will be brought to the Board within the next few weeks.

H&SS Fairfield Campus – 2493

Projected savings of $16,000 will be used to support the increased costs associated with Vallejo Campus project (budget unit 2492). Improvements at Fairfield Campus, which included construction of a new two story 30,000 gross square foot Public Clinic and Laboratory / Forensics Facility at 2201 Courage drive and partial interior tenant improvements for an expandable Dental Clinic in 2101 Courage Drive, are complete.

Real Estate Services – 1642

	Midyear Projection	Third Quarter	Change
Expenditures	306,414	301,792	(4,622)
Revenue	887,019	950,608	63,589
Net County Cost	**(580,605)**	**(648,816)**	**(68,211)**

Real Estate Services' Third Quarter projection shows a $138,652 decrease in Net County Cost from the Working Budget. Compared to Midyear, Net County Cost is reduced by $68,211.

The Real Estate Services Division continues to be a revenue generator for General Services and the General Fund, with $648,816 in net income projected at Third Quarter. Currently, this full amount becomes part of Fund Balance at the end of the fiscal year.

The CAO is considering and evaluating the option of designating a portion of the annual net income from Real Estate Services for deferred maintenance of County-owned buildings that are leased and managed by Real Estate Services. While Real Estate Services receives the lease revenues for these building, it does not maintain a deferred maintenance reserve to cover major building maintenance expenses. These expenditures are now funded by the General Fund or the Accumulated Outlay Fund. The CAO is reviewing the option of designating portions of future net income from Real Estate Services for capital renewal.

Variance analysis between the Third Quarter and the Midyear projections for the major budget categories are shown below:

- Salaries and Benefits are down by $1,522 which is primarily the result of a decrease in estimated year end accrued leave payoff costs.

- Services and Supplies are down by $3,032 which is the result of removing the cost for tuition reimbursement (cost covered by Human Resources Department) and reductions in several miscellaneous services and supplies based on the last eight months of actual.

Revenues have increased by $63,589 which is primarily the net result of a $71,294 net increase in building rental and lease revenues based on new building leases at the Hall of Justice and Executive Court Offices in Fairfield, the termination of a land lease at the County property in Cordelia Road to make way for the State truck scale project, the termination of the XM Sirius tower lease, and adjustments for potential delinquency/vacancy; a $5,135 reduction in administrative overhead based on the first three quarters of receipts; and a $2,570 decrease in charges for services.

Assessor – 1150

	Midyear Projection	Third Quarter	Change
Expenditures	6,328,963	6,338,681	9,718
Revenue	299,500	374,500	75,000
Net County Cost	**6,029,463**	**5,964,181**	**(65,282)**

The Assessor's Third Quarter projection shows a $329,088 decrease in Net County Cost from the Working Budget. Compared to Midyear, Net County Cost is reduced by $65,282.

Due to required specialized experience/training to meet minimum qualifications, the department has been taking more time than anticipated to fill vacancies resulting in budgetary savings. Actual revenues meanwhile have been trending higher than initial estimates, most notably in supplemental tax administration fees which are now projected to come in at 195% of estimates.

While the department's workload continues to increase since Midyear, it is anticipated to peak in the fourth quarter as the department closes the assessment roll. Current staffing shortages due to unfilled vacancies, reduction in workforce, and retirements are being mitigated through the use of Extra Help staff, overtime, and technology initiatives that the Board has previously authorized. The replacements for 30 out-of-date, functionally obsolete computers are expected to arrive and be installed in the fourth quarter, facilitating the implementation and use of the two additional automated valuation modules that the Board also approved. The automated valuation software mitigates the need to increase the number of professional appraisers required to meet the increase in workload.

Variance analysis between the Third Quarter and the Midyear projections for the major budget categories are shown below:

- Salary and Benefits have increased by $7,100 due to an increase of $108,514 in accrued leave payoffs for five employees retiring under the PARS SRP. Additional savings from the delays in filling vacant positions nearly offset the additional costs.

- Revenues from SB 813 Collection Fees have also risen by $70,000 with an additional increase of $5,000 from Assessment and Tax Collection Fees. SB 813 Collection Fees are reimbursement of costs for the administration of supplemental taxes. It is based on 5% of total supplemental tax billings allocated proportionately between the Assessor, Tax Collector and the Auditor.

Auditor-Controller – 1200

	Midyear Projection	Third Quarter	Change
Expenditures	3,856,855	3,855,364	(1,491)
Revenue	3,877,278	3,871,871	(5,407)
Net County Cost	**(20,423)**	**(16,507)**	**3,916**

The Auditor-Controller's Third Quarter projection shows a $58,697 decrease in Net County Cost from the Working Budget. Compared to Midyear, Net County Cost is increased by $3,916.

The Auditor-Controller operates under a lean budget, with only sufficient appropriations to support the department's core services and mandates. The departmental budget allocates 82% to personnel costs and the balance between services and supplies and non-controllable costs.

With limited flexibility for budgetary cuts, the Auditor-Controller has left open a vacant Accounting Technician position to reduce departmental costs. Closer monitoring of expenditures and prudent use of services and supplies has resulted in additional savings.

Compounding the department's budgetary challenge is the continuing decline in revenues. In the Third Quarter, most of the revenue loss is associated with a decrease in billable hours to the Treasury as the level of service provided is reduced. The decrease in workload gives the department the capacity to mitigate the unfilled accounting technician position.

Variance analysis between the Third Quarter and the Midyear projections for the major budget categories are shown below:

- Salaries and Benefits are higher by $15,892 mainly due to an increase of $34,898 in accrued leave payoff from the retirement of one employee under the PARS SRP. This increase is fully offset by an intra-fund transfer in from the General Fund to cover the additional costs.

- Intra-fund Transfers are projected to have a net decrease of $16,796 as a net result of an increase of $34,728 in transfer in from General Expenditures to cover the increase in accrued leave payoff, offset by a $20,000 decrease in transfer out to the Treasury for a reduction of billed services.

- Charges for Services are estimated to be higher by $5,000 due to an increase of $16.070 in audit fees, partly mitigated by a reduction of $10,000 in redemption fees due to a lower number of properties with delinquent property taxes being redeemed.

Tax Collector/County Clerk – 1300

	Midyear Projection	Third Quarter	Change
Expenditures	2,217,528	2,221,167	3,639
Revenue	458,324	516,138	57,814
Net County Cost	**1,759,204**	**1,705,029**	**(54,175)**

The Tax Collector/County Clerk's Third Quarter projection shows a $154,154 decrease in Net County Cost from the Working Budget. Compared to Midyear, Net County Cost is reduced by $54,175.

The Tax Collector/County Clerk continues to manage a lean departmental budget to generate additional year-end savings. While the department has been authorized additional appropriations in Extra Help to cover increased workload during peak periods in December and April from the collections of tax payments, it has been able to achieve savings by cross assigning personnel between divisions and more efficient scheduling of "window" hours. Prudent use of supplies and outside services has produced additional savings.

Of significant note, the Tax Collector-County Clerk has reported that in the 48-hour period after "going live" with the use of an online payment system, it collected nearly $442,000 through credit card and e-check payments of property taxes. The "online payment system" makes it convenient for taxpayers by giving them a credit card option and also eliminates the need to come in person to the Tax Collector's office to pay taxes. In addition, the online payment system reduces the number of customers who require personal assistance, mitigating the need for Extra Help staff and overtime. The Tax Collector/County Clerk continues to explore and pursue technology initiatives.

Variance analysis between the Third Quarter and the Midyear projections for the major budget categories are shown below:

- Salaries and Benefits are lower by $8,171 due to salary savings, offset by a small increase in health insurance costs.

- Supplies and Services are higher by $19,610 from a $32,000 increase in Equipment under $1,500 to purchase payment kiosks that could be used by the public for automated tax payments, partially offset by a small across the board savings of $12,390.

  The acquisition and fielding of payment kiosks is a continuation of the Tax Collector/County Clerk's initiative to use technology to gain efficiencies without sacrificing customer service. The kiosks will provide the public another alternative payment option to making personal payments at the Tax Collector/County Clerk's payment window at the County Administration Center (CAC), especially when there are long lines of customers waiting to make payments. It will reduce the number of transactions that require personal interaction with staff, or at a minimum, decrease the amount of time it takes staff to assist customers. The Tax Collector/County Clerk is using one-time revenues of $41,000 from the forfeiture of unclaimed fund to offset the purchase of the equipment.

- Intrafund Transfers are reduced by $7,800 due to lower postage expenses.

- Revenues are increased by $57,814 due to onetime revenue of $41,138 from forfeited funds and $16,676 in other revenues from higher than expected supplemental tax administration fees, clerk's fees from fictitious business name filings/marriage licenses, and assessment fees from the sale of electronic tax records.

County Counsel – 1400

	Midyear Projection	Third Quarter	Change
Expenditures	3,155,867	3,165,651	9,784
Revenue	3,895,857	3,845,857	(50,000)
Net County Cost	**(739,990)**	**(680,206)**	**59,784**

County Counsel's Third Quarter projection shows a $53,799 decrease in Net County Cost from the Working Budget. Compared to Midyear, Net County Cost is increased by $59,784.

County Counsel's budget is made up mostly of personnel costs, with the balance allocated between services and supplies and non-controllable costs. Due to lower rates for retirement costs and health insurance, the department is projecting salary savings. The projected savings are sufficient to offset the increase in salaries to cover the costs of Extra Help staff necessary to back-fill vacancies due to medical leaves. To minimize the increase in salaries, the department will not be filling a vacant Legal Secretary position.

The department is also projecting a net increase in revenues, primarily as a result of new revenues for legal services from the Solano Transportation Authority and the reinstatement of legal services provided to the reactivated Solano360 Project.

Variance analysis between the Third Quarter and the Midyear projections for the major budget categories are shown below:

- Salaries and Benefits are lower by $9,031 due to additional savings from health insurance and employer's share of FICA resulting from the unfilled vacancy for a legal secretary position.

- Supplies and Services are higher by $21,179 as a net result of $32,000 increase in Contracted Services for legal support, offset by savings of $10,821 in various miscellaneous categories that the department project to realize from its cost cutting measures and more stringent budget control.

- Revenues are projected to decrease by $50,000 due to lower revenues from legal services provided to Child Protective Services. While the volume of work has increased significantly in this area, billable hours for legal services are anticipated to decrease due to the medical leave of an assigned attorney. With a back-fill of an attorney, County Counsel is cautiously optimistic that the projected revenue loss may be eliminated at year end.

Registrar of Voters – 1550

	Midyear Projection	Third Quarter	Change
Expenditures	2,979,990	2,917,437	(62,553)
Revenue	329,732	516,322	186,590
Net County Cost	**2,650,258**	**2,401,115**	**(249,143)**

The Registrar of Voters' (ROV) Third Quarter projection shows a decrease of $62,553 in expenditures and an increase of $186,590 in revenues when compared to the department's Midyear projection.

The decrease in expenditures is primarily due to lower County costs associated with the November 2010 elections due to the sharing of the costs with the other agencies holding elections at the same time. Additionally, the purchase of two ballot-on-demand printers will be deferred until next fiscal year.

The increase in revenue is anticipated to result from: (1) the provision of election services to other agencies, such as cities and school districts; (2) candidate statement fees for the November 2010 election; and (3) the anticipated reimbursement from the City of Rio Vista for their Special Municipal Election to be held in June 2011. The State has currently suspended SB 90 election reimbursement claims; however, if the State were to reinstate, the County would receive $752,126 in reimbursement for election costs. The reimbursement of these costs is not included in the ROV's Third Quarter projection.

Accumulated Capital Outlay Fund – 1700

The Department of General Services is conducting an ongoing program review of the Accumulated Capital Outlay (ACO) Fund. The purpose of the project-by-project review is to:

- Identify unspent appropriations in completed projects that can be de-funded and returned to the original funding sources.

- Review cost estimates of active project and, if necessary, adjust project budgets. Excess appropriations will be returned to the original funding source.

- Analyze projects funded with General Fund and/or ACO Fund dollars to determine if alternative funding is available. Use of special revenue funds, such as the Criminal Justice Temporary Construction Fund or the Courthouse Temporary Construction Fund, will be given priority consideration for funding eligible projects over the use of ACO or General Fund dollars.

- Review assigned priority of funded projects to determine if they construction should commence on schedule or if the project can be deferred or cancelled.

The goal of the review is to free up ACO funds or General Fund moneys that can be used to fund priority projects in the 5-Year Capital Improvement Plan that t are currently without funding.

Grand Jury – 2400

	Midyear Projection	Third Quarter	Change
Expenditures	134,584	160,836	26,252
Revenue	0	0	0
Net County Cost	**134,584**	**160,836**	**26,252**

The Grand Jury's Third Quarter projection reflects an increase in expenditures of $26,252 when compared to its Midyear projection. This will result in a projected fiscal year-end Net County Cost of $160,836. The projected increase over Midyear results from an unpaid vendor claim issued by the Solano County Superior Court (Court) in FY2009/10. The costs are required to be paid per a MOU between the County and the Court, approved by the Board on May 5, 2009. Included in the MOU is a provision for the County to pay the Court for the salary and benefits (not to exceed $35,700) of clerical support to the Grand Jury, not to exceed a 0.5 FTE position. The payment due of $26,252 is for clerical services provided during the first half of FY2009/10.

PUBLIC PROTECTION

Public Safety Fund – Fund 900

	Midyear Projection	Third Quarter	Change
Expenditures	140,236,117	139,537,547	(698,570)
Revenue	139,938,596	139,613,646	(324,950)
Change in Fund Balance	**(297,521)**	**76,099**	**373,620**

The Public Safety Fund's (Fund 900) Third Quarter projections reflect decreases of $698,570 in expenditures and $324,950 in revenues when compared to the Midyear projections. Fund 900 supports the activities of the District Attorney, the Public Defender, the Sheriff, Probation and Other Public Defense. General Fund Contribution accounts for 64% of the Fund's revenue, while Intergovernmental Revenue from the state and federal governments provide 26% of Fund revenue.

At Third Quarter, a reduction of $169,920 in Salaries and Benefits is projected, the net of $1.2 million in ongoing salary and benefit reductions partially offset by $980,000 in non-recurring accrued leave payoff for retirees and others leaving county service.

Much of a $526,580 reduction in Services and Supplies results from a $437,887 decrease in Legal Services costs for Other Public Defense, supported by the Public Defender's efforts during FY2010/11 to try more complex cases in-house.

Major revenue reductions from the Midyear Report include a $459,776 decrease in General Fund Contribution, a projected $321,347 reduction in State Other revenues from Vehicle

License Fee proceeds across all public safety departments and a $100,000 decrease in the Probation Department's earned federal Title IV-E revenues.

Public safety realignment remains incomplete at this time. The operational impacts on enforcement, prosecution, defense and custody under any realignment proposal will be sweeping. Marshalling the staff, facility and program resources to meet new demands would be challenging enough were adequate funds available. At this time, however, no definitive financing plan is in place, and those under discussion are regarded as providing counties with insufficient support.

Further discussion of Public Safety departments' changes in expenditures and revenues is found in the write-ups below.

District Attorney – 6500

	Midyear Projection	Third Quarter	Change
Expenditures	19,332,641	19,349,368	16,727
Revenue	19,171,150	19,349,368	178,218
Difference	**161,491**	**0**	**(161,491)**

The District Attorney projects increases of $16,727 in expenditures and $178,218 in revenues from the Midyear projection for a Net County Cost decrease of $161,491.

The increase in expenses is the net of a $90,487 increase in Salaries and Benefits, attributed to salary savings from the PARS retirement incentive offset by non-recurring leave payoff costs, a $59,133 decrease in Services and Supplies, attributed to reductions in Fuel and Lubricants, Office Expense and Contracted Services, and an $8,645 reduction in Pension Obligation Bond costs associated with the elimination of 9.0 FTE under the PARS incentive.

The increase in revenues is most significantly the net of a non-recurring $350,886 increase in Operating Transfers In from the accrued leave payoffs of PARS incentive retirees offset by a projected reduction of $168,362 in State grant funding for career criminal prosecution.

The office is adjusting to the staffing losses resulting from the PARS retirements, and remains concerned about the potential impact of criminal justice realignment at the State level. Should the County experience an influx of lower-level offenders and parole violators, prosecution activity may reasonably be expected to increase from current levels.

Public Defender – 6530

	Midyear Projection	Third Quarter	Change
Expenditures	9,825,686	9,817,936	(7,750)
Revenue	9,901,785	9,894,035	(7,750)
Difference	**(76,099)**	**(76,099)**	**0**

The Public Defender projects a reduction in expenditures and revenues of $7,750 from the Midyear projection for no change in Net County Cost.

The reduction in expenses is the net of a decrease of $24,468 in Salaries and Benefits, attributable to salary savings - including PARS retirements, partially offset by non-recurring accrued leave payoffs, an increase of $10,524 in Services and Supplies, attributable to various reductions offset by the department's share in acquisition of a new document imaging system designed to improve office efficiency and flexibility, an increase in Interfund Services of $14,000 based upon current year experience and an increase of $6,194 in Pension Obligation Bond costs to correct for an understatement at Midyear.

The decrease in revenues is attributed to a non-recurring increase of $14,298 in Operating Transfers In from the accrued leave payoff costs of PARS incentive retirees, offset by a decrease of $22,048 to Transfers In - County Contribution, balancing expenses and revenues.

Additionally, the department's position at Midyear assumed the transfer of $76,099 in General Fund Contribution to cover over-expenditures in the Conflict Defender's budget. Similarly, the Conflict Defender's Midyear projection assumed receipt of those funds. Therefore, an ATR is recommended to materialize the assumed transfer.

Public safety realignment at the State level, particularly the sources and amounts of funding, remains unresolved at this time. Transfer to the County of lower-level offenders and parole violators would be expected to increase the Public Defender's caseload. Absent supplemental funding, the County may then anticipate increased General Fund costs for this department.

Conflict Defender – 6540

	Midyear Projection	Third Quarter	Change
Expenditures	2,916,273	3,028,726	112,453
Revenue	2,840,174	3,028,726	188,552
Difference	**76,099**	**0**	**(76,099)**

The Conflict Defender projects increases of $112,453 in expenses and $188,552 in revenues from the Midyear Budget, for a decrease of $76,099 in Net County Cost.

The increase in expenses is the net of an increase of $98,303 in Salaries and Benefits, resulting from PARS retirement savings offset by increased leave payoffs for the PARS retirees as well as the Director of the Conflict Defender's Office and an increase of $13,850 in Services and Supplies, attributable to the Office's participation in obtaining a new document imaging system.

The increase in revenues is the net of an increase of $98,603 in Operating Transfers In from the accrued leave payoff designation for payout costs of PARS incentive retirees and an increase of $89,949 in Transfer In - County Contributions, including $13,850 in support of the Office's document imaging system project, and $76,099 pursuant to the ATR recommended above transferring funds from the Public Defender's office.

Any public safety realignment is likely to result in increased caseloads for this office, as for all others in the Public Safety Fund, with concomitant General Fund exposure in the absence of increased State funding.

Sheriff – 6650

	Midyear Projection	Third Quarter	Change
Expenditures	74,770,375	74,687,729	(82,646)
Revenue	74,770,375	74,687,729	(82,646)
Difference	**0**	**0**	**0**

The Sheriff projects decreases in expenses and revenues of $82,646 from the Midyear projection, for no change in Net County Cost.

The reduction in expenses is the net of a reduction of $142,851 in Salaries and Benefits, attributed to position vacancies and savings in leaves, extra help, overtime and benefit costs, partially offset by non-recurring accrued leave payoffs, and a reduction of $6,930 in Pension Obligation Bond costs associated with salary cost reductions. These savings are partially offset by an increase of $33,499 in Services and Supplies related to jail maintenance and improvements, Coroner's equipment, Patrol radio equipment and computer replacement and an increase of $28,326 in Fixed Asset costs for the Offices of Emergency Services.

The decrease in revenues is the net of numerous factors, most notably an increase of $277,659 in Charges for Services resulting from State payment of charges for Parole Hold services not previously anticipated, offset by a reduction of $113,263 in Contract Services for court security against which an equivalent reduction in costs was taken, a reduction of $114,584 in Operating Transfers In, reflecting reduced costs in building security and civil activities, and a reduction of $96,290 in Transfers In - County Contributions to balance revenues with expenditures.

Implementation of criminal justice realignment, particularly absent additional State revenue, could pose significant General Fund exposure in this and future fiscal years. The transfer to counties of low-level offenders and parole violators would increase County jail population, requiring additional staff and the likely reopening of beds at Claybank. There is no clear path to financing of public safety realignment, but even the options previously presented failed to fully fund the additional commitment of County resources required to meet realignment's anticipated program and staffing impacts.

Probation – 6650

	Midyear Projection	Third Quarter	Change
Expenditures	30,491,142	30,185,175	(305,967)
Revenue	30,355,112	30,185,175	(169,937)
Difference	**136,030**	**0**	**(136,030)**

The Probation Department projects a decrease in expenses of $305,967 and a decrease in revenues of $169,937 from the Midyear projection, for a $136,030 decrease in Net County Cost.

The decrease in expenses is the result of a decrease in Salaries and Benefits of $191,391 attributed to salary savings from position vacancies and PARS incentives, inclusive of a $277,609 increase in accrued leave payoffs, a decrease in Services and Supplies of $93,933 attributed to cost-containment measures and actual expense experience, an increase of $7,507 in Other Charges resulting from the long-needed repainting of the department's New Foundations program building, and a decrease of $28,150 in Pension Obligation bond costs resulting from employee retirements.

The decrease in revenues includes a reduction in Intergovernmental Revenues of $215,265. Decreases in this object include $149,595 in Youthful Offender Block Grant and Juvenile Justice Crime Prevention Act revenue from lower Vehicle License Fee (VLF) receipts, $100,000 in earned Federal Title IV-E foster care case management program revenue because of staffing reductions and $99,207 in Juvenile Probation Camps funding, also attributed to declines in VLF. These are partially offset by increases totaling $126,173 in State and Federal reimbursement for placement costs due to caseload activity.

As revenues have declined, the department has pursued expenditure reductions in all areas. However, the projected state realignment of criminal justice services and responsibilities threatens the equilibrium sought by the department.

Adult parolees released to counties will require additional Probation Officers. The transfer to counties of parole violators and lower-level offenders could ultimately result in adding 400 probationers to Probation's current caseload. No assurances exist regarding the availability of near-term funding should the State implement realignment as proposed. Should public safety tax extensions and increases be adopted, the current proposal anticipates their expiration in five years, while the County's increased responsibilities would persist indefinitely.

Other Public Defense – 6730

	Midyear Projection	Third Quarter	Change
Expenditures	2,900,000	2,468,613	(431,387)
Revenue	2,900,000	2,468,613	(431,387)
Difference	**0**	**0**	**0**

Other Public Defense funds the costs of Court-appointed private attorneys representing indigent defendants who cannot be represented by the Public Defender's or Conflict Defender's Offices.

Other Public Defense projects decreases in expenses and revenues of $431,387 from the Midyear projection, for no change in Net County Cost.

The decrease in expenses results primarily from a $436,387 reduction in Legal Service costs made possible by the Public Defender's initiative during FY2010/11 in filling high-level positions, and assuming a greater role in trying complex felonies.

The decrease in General Fund Contribution balances departmental revenues with expenses.

OTHER PUBLIC PROTECTION

Department of Child Support Services – 2480

	Midyear Projection	Third Quarter	Change
Expenditures	12,307,729	12,059,783	(247,946)
Revenue	12,100,051	12,058,783	(41,268)
Change in Fund Balance	**207,678**	**1,000**	**(206,678)**

The Department of Child Support Services' (DCSS) Third Quarter projection shows decreases of $247,946 in expenditures and $41,268 in revenues as compared to the Midyear projection. DCSS is funded exclusively with State and Federal government funds and has no impact on the County General Fund.

The projected decrease in expenditures is mainly due to a $169,662 decrease in costs of Salaries and Benefits resulting from the time it has taken to recruit for the child support manager-level position approved by the Board during the FY2010/11 Budget Hearings. In addition, savings from the PARS SRP offered to two employees was partially offset by an increase of $9,869 increase in the cost of accrued leave payoff.

The projected decrease in revenue is primarily the result of $41,370 in funding reductions, reflecting actual funding in the administrative and electronic data processing (EDP) State and Federal final allocations for FY2010/11.

Animal Care Services – 2850

	Midyear Projection	Third Quarter	Change
Expenditures	2,447,021	2,445,734	(1,287)
Revenue	1,901,010	1,934,157	33,147
Net County Cost	**546,011**	**511,577**	**(34,434)**

Animal Care Services' Third Quarter projection shows a $34,915 decrease in Net County Cost from the Working Budget. Compared to Midyear, Net County Cost is decreased by $34,434.

This fiscal year, Animal Care Services has reduced the number of days it is open to the public from six days a week to five days a week. While the decrease in service hours has resulted in budgetary savings, it is partially offset by revenue loss from fewer adoptions. Moreover, it has restricted the community's access to the Animal Shelter to drop off animals or process adoptions.

In addition to its operating challenges, Animal Care Services is facing major maintenance issues with its infrastructure. In January 2011, staff had to vacate the modular building that served as its administrative office due to mold issues. A smaller modular building has been leased to serve as temporary administrative office. The cost for a basic modular replacement building has been estimated at $768,000. Funding options are being explored.

Furthermore, the condition of the Animal Shelter continues to deteriorate. While the Animal Care Master Plan supports the replacement of the current shelter and has a proposed plan for a new Animal Shelter, the County and its seven Solano cities partners have found the plan too elaborate and too expensive. A committee with representatives from all the partner organizations has been tasked to evaluate the current services and levels of services currently provided by Animal Care Services to determine the appropriate building to support these requirements.

On April 12, 2011, the Board of Supervisors approved in concept the transfer of Animal Care Services from the Department of General Services to the Sheriff's Office. While there is consensus that the transfer will result in operational efficiencies and financial savings, its implementation is contingent on the Sheriff's ability to maintain its Claybank jail operations.

Variance analysis between the Third Quarter and the Midyear projections for the major budget categories are shown below:

Salaries and Benefits reflect a decrease of $1,439 which is primarily the net result of savings from employees out on workers compensation and State disability, partially offset by an estimated increase in standby by and an increase in accrued leave payoff for administrative leave/compensatory time off payouts anticipated at year end.

Services and Supplies have decreased by $1,402 which is mainly the net result of a $2,000 rise in drugs and pharmaceutical supplies for the low-cost vaccination and spay/neuter clinics; a $2,625 reduction in livestock hauling and boarding charges due to less need than expected; $1,700 to replace the antiquated security surveillance system for the shelter; a $2,678 decrease in license fee collection services due to less animals being licensed; a reduction in the need for contracted animal patrol services for a savings of $3,200; a $2,000 decrease in patrol supplies; and a $3,000 increase in microchip costs due to a $0.50 increase in the price per chip.

Intra Fund Transfers are projected to increase by $2,360 in internal building maintenance and small project costs to repair dog kennels and the aging shelter building (leaking roof and mold issues).

Revenues reflect an increase of $33,147 which is primarily the net result of a $1,000 decrease in dog license revenue; a $5,000 increase in humane animal services; a $1,700 rise in the sale of animal supplies (leashes, carriers, food etc.); an estimated $2,000 loss in donations based on 8 months of receipts; and a $30,047 increase in Intergovernmental Revenue received from the cities within the County.

Recorder – 2909

	Midyear Projection	Third Quarter	Change
Expenditures	1,497,405	1,534,855	37,450
Revenue	1,456,025	1,463,025	7,000
Fund Balance	**41,380**	**71,830**	**30,450**

The Recorder's Third Quarter projection shows a $329,501 decrease in Net County Cost from the Working Budget. Compared to Midyear, Net County Cost is increased by $30,450.

The Recorder's fiscal outlook is better than originally projected primarily as a result of salary savings realized from delays in filling several vacant positions, and higher revenues from recording fees generated by the fee increase implemented in August 2010. Because of the delay in implementing the fee increase, the department is projecting a slight deficit at year-end based on year-to-date actual revenues. Given that a higher volume of recordings occurs in the Spring, the department may erase the projected deficit and end the year with zero Net County Cost.

Variance analysis between the Third Quarter and the Midyear projections for the major budget categories are shown below:

- Salary and benefits have increased by $35,651 due to a $68,057 adjustment in retirement costs to cover the 50% costs for the Assessor-Recorder and the Assistant Assessor-Recorder allocated to this budget from the Assessor's budget. This increase is partially mitigated by savings of $25,000 in Extra Help due to delay in filling Extra Help positions and $11,131 decrease in health insurance costs due to lower insurance rates. The department also projects an increase of $9,418 in accrued leave payoff. While this additional cost may be offset by a transfer from the General Fund, the department proposes to absorb this cost within its existing appropriations using other salary savings.
- Other Revenues show a slight increase of $7,000 to reflect higher reimbursements from the Recorder's Special Revenue Fund for Vital Records Improvement Projects.

Resource Management – 2910

	Midyear Projection	Third Quarter	Change
Expenditures	10,351,651	10,634,014	282,356
Revenue	7,032,840	7,454,505	421,665
Net County Cost	**3,318,818**	**3,179,509**	**(139,309)**

Resource Management is projecting increases of $282,356 in expenditures and $421,665 in revenue when compared to the Midyear projection.

The projected $282,356 increase in expenditures is primarily due to a $329,687 increase in contract services and other professional services for environmental monitoring and review contracts for the Montezuma Hills, Shiloh III wind turbine projects and updating the Nut Tree Airport Land Use Compatibility Plan (ALUCP). Along with a $48,840 reduction in Litter Picks expenses performed by Public Works and the shifting of expenses for Household Hazardous Waste from the City of Vacaville to Recology.

At Midyear, an increase of $130,000 was estimated in FY2010/11 for contract services to begin the EIR and update the ALUCP for the proposed expansion of the Nut Tree Airport approved by the Board on December 14, 2010. At this time, due to vacancies in Resource Management, the cost associated of with this project could be absorbed by the department. Therefore, it is recommended the Board of Supervisors approve an ATR to transfer appropriations from Salaries/Wages and Interfund services to Contracted Services.

The projected $421,665 increase in revenues is a factor of a $319,375 increase in Charges for Services due to various wind turbine projects revenue offsets for Environmental Impact Report (EIR) professional services. Licenses Permits, and Franchises increase of $69,620 due to an increase in building permits. Additional solid waste fee revenues are projected due to increases in waste tonnages. Intergovernmental Revenues increase of $33,600 are from the local cities and Solano Transportation Authority (STA) for a professional services contract to assist with development of the Regional Housing Needs Assessment (RHNA) sub-regional entity for Solano County.

Housing Authority – 1510

	Midyear Projection	Third Quarter	Change
Expenditures	2,169,602	2,319,602	150,000
Revenue	2,169,602	2,319,602	150,000
Difference	**0**	**0**	**0**

The FY2010/11 budget and the Midyear projection of $2,169,602 was based on the previous years' expenditures and revenues. At this time it is expected that Housing Urban Development's (HUD) allocation to the County will be $2,319,602. This provides an increase in expenditures and revenues of $150,000. Therefore, it is recommended that the Board approve an ATR to recognize the $150,000 of unanticipated revenue for program costs.

Public Works – 3010

	Midyear Projection	Third Quarter	Change
Expenditures	25,509,417	20,684,039	(4,825,378)
Revenue	18,066,897	17,707,875	(359,022)
Difference	**7,442,520**	**2,976,164**	**(4,466,356)**

The Road Fund Transportation Department is projecting decreases of $4,825,378 in expenditures and $359,022 in revenue from Midyear resulting in a difference of $4,466,356 when compared to the Midyear.

The reduction of $4,825,378 in expenditures is primarily due to the use of $4.5 million in Contingencies. There is also additional reductions of $293,000 in expenditures, which is the net effect of a $96,490 increase in Salary and Benefits due to anticipated savings by reallocating and eliminating positions in Public Works Operation that were included in the Midyear projection, but will not be effective until beginning of next fiscal year.

A $532,880 increase in Services and Supplies due to increase in consulting services resulting from delays in the Redwood Parkway Interchange – Fairgrounds project and a $931,500 decrease in Fixed Assets due to reduction in 2011 paving projects.

The reduction in revenues is primarily the result of a decrease of $581,000 in Intergovernmental Revenues which is the net effect of $100,000 increase in American Reinvestment and Recovery Act (ARRA) funds received and $680,000 decrease in Federal projects. This is offset by increases of $92,000 in Transportation Taxes, $85,000 for the Stieger Hill Improvement project and $58,000 in encroachment permits.

HEALTH AND PUBLIC ASSISTANCE

First 5 Solano – Fund 153

	Midyear Projection	Third Quarter	Change
Expenditures	8,946,329	8,391,940	(554,389)
Revenue	5,279,884	5,130,687	(149,197)
Change in Fund Balance	**(3,666,445)**	**(3,261,253)**	**405,192**

First 5 Solano is projecting decreases of $554,389 in expenditures and $149,197 in revenue when compared to Midyear. Recent legislation, AB 99, which provides for a State sweep of approximately $8.8 million from First 5 Solano reserves in FY2011/12 will not directly impact the FY2010/11 budget.

The net decrease in expenditures of $554,389 is the result of Salaries and Benefits having a net decrease of $5,754 from Midyear projections due to a vacancy in the extra-help college intern classification for approximately nine months.

Services and Supplies are projected to have a net decrease of $26,610 from Midyear projections and is attributable to fewer customization costs for the First 5 administrative space and other cost-saving measures to limit expenses throughout the year.

Other Charges are projected to have a net decrease of $522,025 from Midyear primarily because of a decrease of $337,101 to the Service Grants Disbursement as the Commission decided not to spend some of its Discretionary Funds and Community Stability Funds in this fiscal year. Decreases of $10,000 each in the co-sponsorship of Conferences Fund and the Community Engagement Fund, as these funds are driven by community request and are projected to be underutilized. Other reductions include $89,924 for additional staff support and $75,000 for organizational support.

The net revenue decrease of $149,197 is attributable to less interest income earned on First 5's share of funds held in the County Investment Pool.

HEALTH AND SOCIAL SERVICES

Health and Social Services – Fund 902

	Midyear Projection	Third Quarter	Change
Expenditures	268,448,691	261,167,707	(7,280,984)
Revenue	265,182,211	261,683,128	(3,499,083)
Change in Fund Balance	**3,266,480**	**(515,421)**	**(3,781,901)**

Health and Social Services' (Fund 902) Third Quarter projection reflects decreases of $7,280,984 in expenditures and $3,499,083 in revenues when compared to Midyear. The net change of $3,781,901 reflects Board actions to reduce the Health and Social Services (H&SS) budget by $1 million on December 14, 2010 and by $3 million on February 8, 2011. In anticipation of further reductions in FY2011/12, the department has managed its vacancies, resulting in significant salary savings. The Third Quarter projection anticipates H&SS absorbing the $3,266,480 shortfall projected at Midyear and a positive Fund Balance at year-end. However, the current assumptions for FY2011/12 anticipate increased costs in the areas of In-Home Supportive Services (IHSS) of approximately $2.5 million and General Assistance of approximately $1.9 million, which creates a budget shortfall of $4.4 million that will require additional General Fund contribution.

The major Third Quarter expenditure variances occur in Salaries and Benefits for a projected savings of $3,255,910 anticipated over Midyear.

Services and Supplies are estimated to have an additional reduction of $2,235,599 focused primarily in the areas of $1,175,815 in Software Maintenance and Support, $478,175 in Controlled Assets, $381,968 in Data Processing Services, $151,620 in Special Departmental Expense, and $119,452 in Other Professional Services. Other Charges are projected to decrease by an additional $1,475,638 over Midyear. This variance includes reductions of $3,721,936 in support care of persons, $2,053,386 in direct contracted services, and an estimated $4,200,000 increase in Intergovernmental Fund Transfer (IGT).

The major revenue variances occur in the projection of State and Federal revenue. Intergovernmental revenues are projected to decrease by $2,860,083 due to reductions in anticipated State revenues, along with the loss of Federal matching funds. The estimated reductions in Intergovernmental revenues are due to a reduction in expenditures. H&SS is under spending available State and Federal funding, primarily in Eligibility and Employment Services, Charges for Services that consists primarily of billing for Medi-Cal, Medicare, Early Periodic Screening Diagnosis and Treatment (EPSDT) and other direct services, which includes fees for services that are projected to decrease by $1,155,938. Miscellaneous revenues are currently projected above Midyear by $534,474.

H&SS Administration – 7501

	Midyear Projection	Third Quarter	Change
Expenditures	4,038,300	4,109,629	71,329
Revenue	4,039,783	4,109,629	69,846
Difference	**(1,483)**	**0**	**1,483**

The H&SS Administration Division's Third Quarter projection is not anticipating any major change from Midyear. Administration is projecting a $1,483 variance from Midyear.

Social Services – 7680

	Midyear Projection	Third Quarter	Change
Expenditures	85,230,394	84,083,406	(1,216,831)
Revenue	85,235,075	86,083,406	848,331
Difference	**(4,681)**	**(1,923,601)**	**(1,918,920)**

The H&SS Social Services Division is projecting a $1,918,920 decrease from Midyear.

Major expense variances occur in Salaries and Benefits for savings of $1,148,178 over Midyear.

The Social Services Division is not realizing all its anticipated revenue when compared to the Working Budget; however, the Third Quarter projection reflects an improvement when compared to Midyear. The favorable revenue variance occurs primarily from $1,175,913 of additional one-time MediCal revenue. CalWorks funding is also anticipated to yield an additional $307,657. Food Stamps revenue is expected to increase by $871,515. State funding for IHSS administration increased by $63,889. Adult Protective Services health-related funding is projected to increase by $162,039 related to the Public Guardian integration into this program. These increases are offset by State and Federal revenue decreases of $1,750,277 when compared to Midyear. This is primarily due to holding vacancies and anticipated further program reductions in the area of Child Welfare Services. Intergovernmental revenues show a favorable net variance of $805,763 over Midyear.

Behavioral Health – 7780

	Midyear Projection	Third Quarter	Change
Expenditures	61,469,756	56,689,528	(4,667,556)
Revenue	60,107,052	56,802,200	(3,304,852)
Difference	**1,362,704**	**(112,672)**	**(1,475,376)**

At Third Quarter, the Behavioral Health Division is anticipating a $1,475,376 favorable variance over Midyear. Expenditures and revenues were anticipated to be $61,469,756 and $60,107,052 at Midyear, resulting in a deficit of $1,362,704. The Third Quarter projection reflects expenditures of $56,689,528 and revenues of $56,802,200.

Substance Abuse (budget unit 7560) is estimating an increase of $299,279 in revenues, primarily due to the extension of the Justice Assistance Grant (JAG) and implementation of the Second Chance Grant. Costs associated with these grants are reflected by an increase of $72,735 in Services and Supplies primarily for contracted services, and an increase of $176,674 in Other Charges for Contracted Direct Services.

Mental Health (budget unit 7700) is anticipating a $3,245,634 reduction in revenue, primarily the result of $4,294,779 in State Other due to Mental Health Services Act (MHSA) projects not being implemented in this fiscal year. MHSA projects are fully reimbursed, the delays in implementation resulted in a reduction in MHSA funding. Projects for an Electronic Health Record and Workforce Education and Training (WET) were delayed until next fiscal year due to staffing issues.

The Third Quarter projection assumes that a negotiated MOU is signed with the Special Education Local Planning Area (SELPA) and includes $1,040,000 in revenue to cover the cost associated with AB 3632.

Third Quarter expenses are being reduced by $4,716,852 primarily due to 23.55 FTEs that have been vacant for most of the year, yielding savings in Salaries and Benefits of $1,579,781. Additional savings in the amount of $1,651,357 are anticipated in Services and Supplies due to funds being set aside for the Electronic Health Record System. Other Charges are expecting additional savings in the amount of $1,288,555 due to a decrease in contracted direct services for MHSA projects not being implemented, and savings in hospital, adult and children's service contracts.

Mental Health Managed Care Services (budget unit 7598) is anticipating a $358,498 Third Quarter variance in expenditures and revenues when compared to Midyear. The primary reason for the variance is fewer expenses are needed to reimburse the managed care revenue. The Third Quarter projection anticipates that expenses should remain within revenue received from the Partnership Health Plan and no additional revenue will be withdrawn from the trust.

Health Services – 7880

	Midyear Projection	Third Quarter	Change
Expenditures	51,798,481	50,378,210	(1,420,271)
Revenue	51,798,481	50,378,210	(1,420,271)
Difference	**0**	**0**	**0**

The Health Services Division is projecting Third Quarter decreases of $1,420,271 in expenditures and revenues. There is no change in the Net County Cost from Midyear.

Public Health (budget unit 7800) reflects the majority of the variance. Expenditures and revenues are anticipated to be reduced by $1,173,051 when compared to the Midyear projection.

The primary components are a reduction in Salaries and Benefits of $585,693 due to unfilled vacancies and PARS retirements. Services and Supplies are also reduced by $398,476 primarily due to a reduction of $51,482 in Nurse Family Partnership evaluators contracted services, $33,178 savings in hazardous waste disposal, and T-Spot testing, equipment rents and leases savings of $32,000 due the consolidation of copy machines, building rents and lease reductions of $18,083, reduction in communication charges by $45,667, fuel cost projected lower than anticipated by $13,704, Household expenses reduced by $10,332, Special Department Expense for Health Education not expending $86,428 for safety equipment, a decrease in travel and millage of $30,246, and a savings of $22,943 due to a utility charge being included in the administrative overhead cost plan as oppose to direct billing, lastly, a reduction of $44,175 in Intrafund transfers.

Intergovernmental revenues are anticipating a reduction of $1,030,293. The major reductions are $397,496 in Federal Aid and $185,205 in Federal Health Related Services as fewer Public Health Nurses generate less Targeted Case Management (TCM) revenue. State VLF Realignment for Public Health is reduced by $213,474 due to the Nutrition Program being reassigned to Family Health Services and the associated realignment going with the program. Other Government Agencies revenue reduction included $218,569 due to the Health Education Solano Transportation Authority Award not anticipated to be fully expended by year end.

Family Health Services (budget unit 7580) is estimating a $247,220 reduction in expenditures and revenue when compared to Midyear. The primary revenue components are County Medical Service Program (CMSP) Services reduced by $143,352, Federal aid reduced by $85,313, IGT revenues reduced by $280,000 due to a delay in receiving these funds, to be replaced with Federally Qualified Health Center (FQHC) settlement funds. An increase to Nutrition Program revenue is anticipated along with the associated VLF Realignment in the amount of $213,474. Expense reductions of $115,787 were identified as a reduction in extra help contract employees. Services and Supplies are estimated $345,171 lower than Midyear. The Dental clinic expansion includes the purchase of a Dental Van for $85,700 and equipment in the amount of $38,000. The implementation of electronic health records controlled assets of $527,419 and Data Processing Services of $123,410 moved to intangible depreciation to comply with GASB 51 rules. Computer components <$1,500 was increased by $331,527 in order to purchase equipment needed to implement electronic health records.

Assistance Programs – 7900

	Midyear Projection	Third Quarter	Change
Expenditures	63,463,828	63,825,261	361,403
Revenue	65,373,768	65,346,113	(27,655)
Difference	**(1,909,940)**	**(1,520,852)**	**389,088**

Third Quarter projections for the assistance programs reflect a positive change in the amount of $389,088. This was created as a result of a $361,433 increase in revenues that assumes reimbursement from the SELPA for a portion of the AB 3632 residential placements. Expenses in the Assistance programs are estimated to decrease by $27,655 from Midyear.

Foster care placement costs are projected to increase by $175,000 over Midyear. The foster care case load is expected to remain relatively flat. However, the Court ordered a rate increase of approximately 32% for Foster Family Agencies, which has increased the cost of foster care placements in the current year by approximately $4,000 per case.

IHSS Provider Wages are expected to be $147,163 less than projected at Midyear. This reduction does not include the 3.6% reduction to authorized hours, effective in February 2011, due to the two to three month time lag in State invoicing.

The cost of residential placements for AB 3632 clients is projected to decrease by $90,131 compared to the Midyear estimates. The State has not paid the County its share for AB 3632 Residential Placements since July 2010. The Midyear projection assumed no reimbursement from SELPAs, but the Third Quarter projection assumes that the SELPA will pay approximately $401,880 of the program cost. Revenue for the AB 3632 residential budget includes prior year revenue of $19,234. The County General Fund portion of this program is projected at $641,551. A net savings of $77,770 is anticipated from the reduction in cost and assuming that the SELPA pays for portion of this program.

Veterans Services – 5800

	Midyear Projection	Third Quarter	Change
Expenditures	568,130	574,893	6,763
Revenue	190,000	145,000	(45,000)
Net County Cost	**378,130**	**429,893**	**51,763**

Veterans Services' Third Quarter projection reflects an increase of $6,763 in expenditures and a decrease of $45,000 in revenues when compared to its Midyear projection. At Midyear, the department anticipated it would receive $45,000 in additional State Subvention funding for the Operation Welcome Home program targeting recently returned veterans; however, this funding was subsequently removed by the State Department of Finance as part of the State's efforts to reduce its structural deficit.

As a result of two retirements within the department, one in December 2010 and the other through the PARS SRP offering, a $19,890 increase in accrued leave payoff is projected. Although the department will see savings resulting from the PARS retirement over the long term, it is unable to absorb $3,078 of the payoff costs. This amount will be paid from the General Expenditures budget's appropriation for accrued leave payoff.

Additionally, staffing has been reduced by 1.0 FTE Veterans Benefits Counselor per the terms of the PARS SRP offering. This staffing reduction necessitates the closing of the satellite office in Vallejo as of May 1. Clients receiving services from the Vallejo office will be directed to the Fairfield office for assistance, as the Counselor will be brought back to Fairfield to take over the caseload of the PARS-retired Veterans Benefits Counselor and to attend to Vallejo clients.

The department believes that the closure of the Vallejo office will not cause any undue hardship to the clients currently served by the Vallejo office. All of the cities in Solano County are within 25 miles of the Fairfield office, and clients from Dixon and Rio Vista currently have to travel to the Fairfield office for services.

The Vallejo office typically files 20 to 25 claims per month, so the number of people that would be traveling to Fairfield would mean a minimal increase to the Fairfield office's caseload. The department proposes to evaluate the number of people traveling from Vallejo and Benicia at the end of 2011 and determine if it would be worthwhile to conduct outreach to Vallejo on a bi-weekly basis. Past experience with outreach to both Dixon and Rio Vista has shown that the number of people who show up for the outreach services did not justify taking a counselor away from the Fairfield office on a regular basis; doing so created a backlog at the Fairfield office for client services due to the unavailability of the one Counselor during the outreach days.

Workforce Investment Board – 7200

	Midyear Projection	Third Quarter	Change
Expenditures	6,880,560	7,029,655	149,095
Revenue	6,838,632	6,987,727	149,095
Change in Fund Balance	**41,928**	**41,928**	**0**

The Workforce Investment Board's (WIB) Third Quarter projection anticipates increases of $149,095 in expenditures and in revenues when compared to its Midyear projection. The WIB is fully grant-funded and receives no contributions from the County General Fund.

The WIB received a $466,447 grant to serve workers who were laid-off this past November and December from O'Reilly Auto Parts (formerly Kragen/CSK) in Dixon. On March 22, 2011, the Board approved an ATR to recognize the unanticipated revenue to be expended in FY2010/11. The remainder of the funds will be included in the FY2011/12 Recommended Budget.

EDUCATION AND RECREATION

Library – 6300

	Midyear Projection	Third Quarter	Change
Expenditures	19,771,759	19,090,875	(680,884)
Revenue	15,979,661	16,017,763	38,102
Change in Fund Balance	**3,792,098**	**3,073,112**	**(718,986)**

The Library's Third Quarter projection reflects a decrease of $680,884 in expenditures and an increase of $38,102 in revenue, excluding Contingencies, when compared to Midyear projections. No Contingencies are projected to be used in the current fiscal year, resulting in a projected year-end Fund Balance of $4,708,560.

The Library continues to make significant reductions in expenditures as part of their ongoing strategy to close the projected structural deficit that has been mainly caused by declining property and sales tax revenues. Since FY2009/10 Final Budget, 18.1 positions have been eliminated resulting in $1,052,856 in savings. This excludes the 7.5 FTE vacant positions being recommended below for deletion.

As a continuing effort to reduce the department's structural deficit, and as a result of the PARS SRP offering, two additional funded positions will be eliminated in the FY2011/12 Recommended Budget for additional savings.

Significant expenditure reductions when compared to Midyear projections include:

- $33,851 in Salaries and Benefits due to additional reductions in staffing. However, this is offset by $18,356 increase in accrued leave payoff due to retirements.

  The following 7.5 FTE vacant positions are recommended for deletion:

  - 3.0 FTE Librarians
  - 0.5 FTE Library Assistant
  - 2.0 FTE Library Associates
  - 1.0 FTE Literacy Program Assistant
  - 1.0 FTE Office Assistant II

- $546,227 in Services and Supplies primarily due to deferring the purchase of computers for public use and other office equipment and supplies until next fiscal year, and a reduction in household expenses and utilities.
- $54,103 in Other Charges primarily due to postponing non-critical projects.
- $65,059 in Fixed Assets for computer servers that still have a useful life.

The increase in revenue is due to a projected increase in sales tax revenues from the Midyear projection.

The Library, with the City of Vallejo's consent, continues to move forward with the John F. Kennedy Library remodel/renovation project to consolidate all services from the current two floors onto one floor. The project remodel cost of $200,000, and furniture modification and relocation costs of $150,000 are included in the Library's FY2010/11 budget. The funds for the remodel will be encumbered this year with the projected completion of the project by Fall 2011. Operational savings are anticipated. A public meeting was held on February 2, 2011 at the JFK Library and the public, who listened to the presentation from the Architect's office, overwhelming endorsed the proposed changes to the Library. Job order contracting (JOC) will be used to complete this project.

Parks – 7000

	Midyear Projection	Third Quarter	Change
Expenditures	1,546,925	1,532,437	(14,488)
Revenue	1,547,322	1,501,617	(45,705)
Change in Fund Balance	**(397)**	**30,820**	**31,217**

Parks' Third Quarter projection reflects a decrease of $36,927 in Fund Balance when compared to the Working Budget. Compared to Midyear, Fund Balance is decreased by $31,217.

The optimism from higher-than-anticipated revenues in July and August as a result of increases in park fees and park visitors have been completely erased by the steep decline in revenues that have followed as park attendance has taken a sharp dip. Initially caused by wet weather from September through November, the slide in attendance is now being sustained by high fuel prices.

With lower revenue projections, the department has made a deliberate effort to keep expenditures down and to stay within budget. While the effort has been generally successful, un-programmed maintenance costs for equipment breakdowns (lawnmower) and health and safety issues requiring higher usage of household supplies for cleaning and maintenance of facilities have combined to cause a small projected over-expenditure. As a result, Parks is anticipated to end the fiscal year with a projected $30,820 deficit.

On April 12, 2010, the Board of Supervisors approved in concept the transfer of Parks from the Department of General Services to the Department of Resource Management. This action will have an immediate positive impact on the Parks' FY2011/12 budget. Resource Management estimates that it will allocate $98,000 in administrative costs to Parks, a savings of $61,000 when compared to the estimated charges from General Services. Additionally, Parks has recently received notices of approval for two capital grants: (1) a Proposition 84 grant from the State for $74,870; and (2) a Department of Boating and Water Safety grant for $60,000. These two grants will generate an estimated $9,300 in administrative revenues.

The Parks and Recreation Fund (Fund 016) has no existing reserves to cover any anticipated deficit. However, it is recommended that the Board authorize the Parks and Recreation Fund to go in a temporary "deficit." The CAO will work with the department to develop a Recommended Budget that will make up the deficit in FY2011/12.

Variance analysis between the Third Quarter and the Midyear projections for the major budget categories are shown below:

- Salary and Benefits are estimated to be lower by $6,010 due mainly from a reduction in the use of Extra Help as an offset to lower park attendance. Parks request a transfer in of $9,246 to cover the additional costs for accrued leave payoff.

- Services and Supplies have increased by $16,081 due mainly to increases in household expense of $8,776 due to a rise in garbage and septic system pumping service costs and utilities of $13,507; offset by a decrease in Special Departmental Expense of $7,713 as a result of using in-house staff to clean the pond at Lake Solano in lieu of contracting for services.

- Other Charges have decreased by $24,344 which is primarily the result of the Solano Land Trust postponing the completion of the Coastal Impact Assistance Program (CIAP) project until FY2011/12.

- Revenues have decreased by $82,556 due mainly to decreases in taxes of $6,926, recreation services income of $47,080 due to inclement weather, Redevelopment Pass Through revenue of $3,195 and CIAP grant revenue being deferred until FY2011/12 in the amount of $29,403; which is partially offset by an increase in charges for services from Prop 40 grant reimbursements of $4,045.

INTERNAL SERVICE AND ENTERPRISE FUNDS

Department of Information Technology – 1870

	Midyear Projection	Third Quarter	Change
Expenditures	19,033,360	18,540,349	(493,011)
Revenue	19,348,101	18,348,996	(999,105)
Change in Fund Balance	**(314,741)**	**191,353**	**506,094**

The Department of Information Technology's (DoIT) Third Quarter projection reflects decreases of $493,011 in expenditures and $999,105 in revenues when compared to the Midyear projection.

Expenditure reductions were achieved from:

- Savings of $95,779 in Salary and Benefits due to three retirements, including two PARS retirements, and a vacancy (recruitment for a Senior Communications Technician position is still in process); however, these savings were offset by an increase of $81,253 in accrued leave payoff as a result of the PARS retirements.

- Reduction of $1,015,419 in Services and Supplies, primarily due to the following decreases:

  - $263,461 in telephone usage.

  - $40,000 in IBM services no longer needed.

  - $60,000 in cabling costs as a result of reductions in telephone and data communications projects.

  - $37,000 for professional services, as extra help staffing was able to provide radio services that otherwise would have been contracted out.

- $481,720 in Consulting Services for the Intellitime project being moved and reclassified as Fixed Assets so that costs can be capitalized and depreciated after the system becomes fully operational next fiscal year (included as a separate report on today's Board agenda). This is due to accounting changes required by the implementation of GASB rule #51 which requires departments to capitalize systems development costs as intangible assets.

➢ The above reductions in Services and Supplies were partially offset by a $541,720 increase in Fixed Assets as a result of the $481,720 increase to Intangibles in Progress for the Intellitime project, and $60,000 for construction costs for a new radio site near Redtop Road to fix radio coverage issues in this area (also included as a separate report on today's Board agenda).

DoIT's projected revenue reductions are primarily the result of a $997,763 decrease in Charges for Services due to decreases in: (1) telephone usage revenue, (2) charges to user departments for the SCIPS project, and (3) charges for the Intellitime project for a countywide automated time entry system. The Intellitime project involves installing and configuring the software for countywide use and will not be completed until next fiscal year. Due to new accounting rules on the capitalization of systems costs, revenue cannot be collected until the project is completed.

Reprographics – 1901

	Midyear Projection	Third Quarter	Change
Expenditures	325,383	349,513	24,130
Revenue	351,241	291,241	(60,000)
Change in Fund Balance	**(25,858)**	**58,272**	**84,130**

Reprographics' Third Quarter projection reflects a decrease of $58,655 in Fund Balance when compared to the Working Budget. Compared to Midyear, Fund Balance is decreased by $84,130.

Variance analysis between the Third Quarter and the Midyear projections for the major budget categories are shown below:

➢ Expenses have increased by $24,130 because of copy overages of $7,918; a rise in purchases for resale of $18,500; interest on County pool of $250; and miscellaneous increases/decreases in services and supplies totaling $1,206. This amount is offset by a decrease of $1,066 in salary expenses for the extra help employee and $2,678 in the non-budget item depreciation which was erroneously included in the Midyear projection.

➢ Revenues have decreased $60,000 due to a drop in duplicating services.

On February 2010, the Board approved the use of $123,282 from Equipment Reserve to finance the activity's operating deficit. As a result of past deficits and the Board action, the Reprographics Fund has depleted its reserves and does not have funds available to offset this fiscal year's projected deficit.

On April 12, 2011, the Board approved in concept the elimination of Reprographics effective June 30, 2011.

Fleet – 3100

	Midyear Projection	Third Quarter	Change
Expenditures	4,683,146	3,890,584	(792,562)
Revenue	4,681,366	3,884,453	(796,913)
Change in Fund Balance	**1,780**	**6,131**	**4,351**

Fleet Management's Third Quarter projection reflects a decrease of $84,043 in Fund Balance when compared to the Working Budget. Compared to Midyear, Fund Balance is decreased by $4,351.

As the County continues to reduce funding levels for departments, many have responded by cutting discretionary expenditures and controllable costs, including vehicle use, fuel, and replacements. As a result, Fleet Management has been experiencing a declining trend in the use of department vehicles, as well as fleet rentals, over the past two years. With less use and fewer miles on vehicles, Fleet Management has deferred the replacement of certain vehicles, lengthened the periods between maintenance schedules and reduced fuel inventory, resulting in a significant decrease in expenditures. While these expenditure reductions are offset by revenue losses from a corresponding decrease in charges to users, departments benefit from the resulting savings.

Variance analysis between the Third Quarter and the Midyear projections for the major budget categories are shown below:

- Salaries and Benefits are higher by $11,897 as a net result of a decrease in salaries/benefits primarily from an Equipment Supervisor retiring in April as part of the PARS program which is partially offset by $30,205 in accrued leave payoff costs and no intent to fill the position at this time.

- Services and Supplies are lower by $164,203 mainly due to a decrease in fuel consumption by $60,000 and a reduction in vehicle maintenance costs of $50,000 for vehicles turned back to the fleet. There was also a $9,000 decrease in State bid fees; a $6,000 decrease in household expenses because of tighter controls; and a $16,000 decrease in building maintenance because maintenance is being deferred.

- Fixed Assets are lower by $640,145 primarily due to County departments deferring the replacement of light vehicles.

- Revenues are lower by $796,913 due to a $205,000 reduction in fuel sales resulting from less fuel being purchased and the fuel revenue being budgeted too high; and vehicle rentals and repairs are down by $591,913 due to a drop in vehicle usage.

Airport – 9000

	Midyear Projection	Third Quarter	Change
Expenditures	2,171,049	1,825,101	(345,948)
Revenue	4,132,471	3,972,927	(159,544)
Change in Fund Balance	**(1,961,422)**	**(2,147,826)**	**(186,404)**

The Airport's Third Quarter projection shows an increase of $2,147,826 in Fund Balance when compared to the Working Budget. Compared to Midyear, Fund Balance is increased by $186,404.

As an enterprise fund, the Airport is required to generate sufficient operating revenues to offset operating expenses. For operating revenues, the Airport counts on approximately $250,000 in annual property tax revenues, and to a limited extent, lease revenues from hangars and office space and fees from fixed based operators (FBO).

For capital expenditures and major facilities/equipment maintenance expenses, the Airport relies on capital grants from both the Federal Aviation Administration (FAA) and the State. Since grant funds are disbursed on a reimbursement basis, the Airport has had to secure loans from the General Fund to provide initial funding for projects. Due to limited grant funding available each cycle, reimbursements sometimes take several years.

This fiscal year, the Airport received an FAA reimbursement of $2,098,493 which has been credited as current year revenues. While this amount will initially increase fund balance, it will be transferred to the General Fund as payment on a loan for the land acquisition associated with this reimbursement.

Variance analysis between the Third Quarter and the Midyear projections for the major budget categories are shown below:

- Salaries and Benefits have decreased by $24,195 mainly due to the Airport Manager position becoming vacant as of February 28, 2011. The position is projected to be filled June 2011.

- Services and Supplies have decreased by $169,406 due primarily to a reduction of $157,894 resulting from the postponement of the Obstruction Abatement project until FY2011/12.

- Other Charges have increased by $7,437 as a result of increases in refunds of prior year charges of $2,000 and interest on long-term debt of $8,014. These increases are offset by decreases in returned checks of $500 and Inter-fund services of $2,077.

- Construction in Progress is decreased by $157,894 due to a clerical error in the Midyear projection. This amount had already been properly appropriated in other professional services.

- Revenues have decreased by $176,066 which is mainly the result of revenues from the Obstruction Abatement project being postponed until FY2011/12 in the amount of $142,235; a $15,046 reductions in reimbursements from the FAA based on current year actual revenues and anticipated receipts; and a decrease of $21,763 in revenue received from percentage of sales from businesses located at the Airport due to the departure of Advanced Helicopter Repair services.

GENERAL FUND THIRD QUARTER PROJECTION SPREADSHEET

The attached spreadsheet provides information about the County's General Fund Departments. It compares projections for the year-end FY2010/11 revenues and expenditures, made at two points in time during the current fiscal year. The Midyear (MY) Projections were estimated based on six months of actual (booked) revenues and expenditures. The Third Quarter (TQ) Projections were based on nine months of actual revenues and expenditures.

The first column from the left lists the Department's Budget Unit (BU) number, while the second column identifies the Department by name. The third column from the left indicates the MY Projection of the Department's Net County Cost (NCC). NCC refers to how much the Department's operations costs the General Fund. An NCC number enclosed in parenthesis means the Department's operations bring in revenues in excess of expenditures. For example, at MY, BU 1101 - General Revenues was projected to generate $136,974,065 over its expenditures. Thus, it is shown enclosed by parentheses.

The fourth and fifth columns provide the TQ Projections for each of the Departments' FY2010/11 year-end expenditures and revenues. The difference, or NCC, is shown in the sixth column. Again, NCC refers to how much the Department's operations costs the General Fund, and an NCC number enclosed in parenthesis means the Department's operations bring in revenues in excess of expenditures.

The right-most column reflects the difference – increase or decrease – in the TQ Projection as compared to the MY Projection. In this column, numbers enclosed in parentheses means the Department's cost to the General Fund is projected at TQ to have improved (expected to cost less to the General Fund) when compared to its MY Projection. Thus, in the case of BU 1101 - General Revenues, the MY Projection showed an NCC of ($136,974,065), while its TQ Projection shows an NCC of ($139,461,193). The right-most column shows a decrease in NCC, indicating a projected lower cost to the General Fund due to higher TQ projected revenues, lower TQ projected expenditures, or both.

COUNTY OF SOLANO
THIRD QUARTER PROJECTION
FOR THE FISCAL YEAR 2010-2011

GENERAL FUND		MIDYEAR (MY) PROJECTIONS - NET COUNTY COST (NCC)	3RD QUARTER PROJECTIONS THRU 6/30/11, AS OF 3/31/11 - EXPENDITURES	3RD QUARTER PROJECTIONS THRU 6/30/11, AS OF 3/31/11 - REVENUES	3RD QUARTER PROJECTIONS - NET COUNTY COST (NCC)	INCR/(DECR) IN NCC, 3RD QUARTER vs. MIDYEAR PROJECTIONS
General Government						
1001	BOS-DISTRICT 1	368,544	352,761	0	352,761	(15,783)
1002	BOS-DISTRICT 2	357,769	357,769	0	357,769	0
1003	BOS-DISTRICT 3	351,528	349,928	0	349,928	(1,600)
1004	BOS-DISTRICT 4	359,897	359,897	0	359,897	0
1005	BOS-DISTRICT 5	322,011	318,311	0	318,311	(3,700)
1008	BOS-ADMINISTRATION	132,313	135,149	0	135,149	2,836
1100	ADMINISTRATION	204,747	3,413,204	3,308,608	104,596	(100,151)
1101	GENERAL REVENUE	(136,974,065)	395,000	139,856,193	(139,461,193)	(2,487,128)
1103	EMPLOYEE DEVELOP & RECOGNITION	(82,826)	515,342	609,860	(94,518)	(11,692)
1117	GENERAL SERVICES	(189,415)	14,921,634	15,185,934	(264,300)	(74,885)
1150	ASSESSOR	6,029,463	6,338,681	374,500	5,964,181	(65,282)
1200	AUDITOR-CONTROLLER	(20,423)	3,855,364	3,871,871	(16,507)	3,916
1300	TAX COLLECTOR/COUNTY CLERK	1,759,204	2,221,167	516,138	1,705,029	(54,175)
1350	TREASURER	0	1,050,818	1,050,818	0	0
1400	COUNTY COUNSEL	(739,990)	3,165,651	3,845,857	(680,206)	59,784
1450	DELTA WATER ACTIVITIES	280,291	278,160		278,160	(2,131)
1500	HUMAN RESOURCES	(1,082,914)	2,618,986	3,728,608	(1,109,622)	(26,708)
1550	REGISTRAR OF VOTERS	2,650,258	2,917,437	516,322	2,401,115	(249,143)
1642	REAL ESTATE SERVICES	(580,605)	301,792	950,608	(648,816)	(68,211)
1750	PROMOTION	419,845	347,859	21,641	326,218	(93,627)
1903	GENERAL EXPENDITURES	131,109,436	133,550,349	3,947,298	129,603,051	(1,506,385)
1904	SURVEYOR/ENGINEER	20,810	33,060	12,250	20,810	0
1905	A87 - OFFSET	0	(3,377,759)	(3,377,759)	0	0
1906	GENERAL FUND-OTHER	2,548,674	2,548,674	0	2,548,674	0
	TOTAL General Government	**$ 7,244,552**	**$ 176,969,234**	**$ 174,418,747**	**$ 2,550,487**	**$ (4,694,065)**
Public Protection						
2400	GRAND JURY	134,584	160,836	0	160,836	26,252
2830	AGRICULTURAL COMMISSIONER	842,603	2,713,220	1,871,276	841,944	(659)
2850	ANIMAL CARE SERVICES	546,011	2,445,734	1,934,157	511,577	(34,434)
2909	RECORDER	41,380	1,534,855	1,463,025	71,830	30,450
2910	RESOURCE MANAGEMENT	3,318,818	10,634,014	7,454,505	3,179,509	(139,309)
2930	LAFCO	0	0	0	0	0
2940	PUBLIC GUARDIAN	0	0	0	0	0
5500	OFFICE OF FAMILY VIOLENCE PREV	302,109	634,667	354,076	280,591	(21,518)
	TOTAL Public Protection	**$ 5,185,505**	**$ 18,123,326**	**$ 13,077,039**	**$ 5,046,287**	**$ (139,218)**
Public Assistance						
5460	IND BURIAL VETS CEM CARE	15,378	11,479	0	11,479	(3,899)
5800	VETERANS SERVICE	378,130	574,893	145,000	429,893	51,763
	TOTAL Public Assistance	**$ 393,508**	**$ 586,372**	**$ 145,000**	**$ 441,372**	**$ 47,864**
Education						
6200	COOPERATIVE EXT SVCE	317,154	322,649	5,495	317,154	0
	TOTAL Education	**$ 317,154**	**$ 322,649**	**$ 5,495**	**$ 317,154**	**$ 0**
Contingencies						
9301	APPROP CONT FUND 001	0	0	0	0	0
	TOTAL Contingencies	**0**	**0**	**0**	**0**	**0**
Reserves						
9201	RESERVE FOR FUND 001	0	0	0	0	0
	TOTAL Reserves	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 0**
GRAND TOTAL		**$ 13,140,719**	**$ 196,001,581**	**$ 187,646,281**	**$ 8,355,300**	**$ (4,785,419)**

ATTACHMENT C

OTHER FUNDS THIRD QUARTER PROJECTION SPREADSHEET

The attached spreadsheet provides information about the County's Other (non-General Fund) Funds. It compares projections for the year-end FY2010/11 revenues and expenditures, made at two points in time during the current fiscal year. The Midyear (MY) Projections were estimated based on six months of actual (booked) revenues and expenditures. The Third Quarter (TQ) Projections were based on nine months of actual revenues and expenditures.

The first column from the left lists the Fund number, while the second column identifies the Fund by name. The third column from the left indicates the MY Projection of the Fund's projected Change in Fund Balance. A number enclosed in parenthesis shown in this column means the Fund's expenditures exceed its revenues, thereby resulting in a reduction to the Fund's Fund Balance. For example, at MY, Fund 006 – Capital Outlay was projected to have its expenditures exceed its revenues by $33,603,088. It is thus shown in parentheses. NOTE: The over-expenditure shown for this Fund could be explained by the revenues for a Capital Project (example: H&SS Twin Campus Project) having been realized in a prior fiscal year, while the expenditures are incurred as the project is designed/constructed over two or more fiscal years.

The fourth and fifth columns provide the TQ Projections for each of the Fund's FY2010/11 year-end expenditures and revenues. The difference, or Change in Fund Balance, is shown in the sixth column. The Change in Fund Balance refers to how the Fund's operations impact its Fund Balance. A number enclosed in parentheses means the Fund's expenditures exceed its revenues, while a number without parentheses means the Fund's revenues exceed its expenditures.

The right-most column reflects the difference – increase or decrease – in the TQ Projection as compared to the MY Projection. In this column, numbers enclosed in parentheses means the Fund's Change in Fund Balance is projected to be higher by that amount at TQ when compared to its MY Projection. Thus, in the case of Fund 012 – Fish/Wildlife Propagation, the MY Projection showed a Change in Fund Balance of ($456,759), while its TQ Projection shows a Change in Fund Balance of ($460,570). The right-most column shows Fund 012's Fund Balance is projected at TQ to decrease by $3,811 more than had been projected at MY. Further decreases in Fund Balance shown in this column could be due to higher TQ projected expenditures, lower TQ projected revenues, or a combination of both.

COUNTY OF SOLANO

THIRD QUARTER PROJECTION

FOR THE FISCAL YEAR 2010-2011

OTHER FUNDS		MIDYEAR (MY) PROJECTIONS - CHANGE IN FUND BALANCE	3RD QUARTER PROJECTIONS THRU 6/30/11, AS OF 3/31/11 - EXPENDITURES	3RD QUARTER PROJECTIONS THRU 6/30/11, AS OF 3/31/11 - REVENUES	3RD QUARTER PROJECTIONS - CHANGE IN FUND BALANCE
004	COUNTY LIBRARY	(5,299,477)	19,090,875	16,017,763	(3,073,112)
006	CAPITAL OUTLAY	(33,603,088)	42,358,043	9,781,009	(32,577,034)
012	FISH/WILDLIFE PROPAGATION	(456,759)	474,485	13,915	(460,570)
016	PARKS AND RECREATION	397	1,532,437	1,501,617	(30,820)
035	JH REC HALL - WARD WELFARE	0	17,000	17,000	0
036	LIBRARY ZONE 1	(136,790)	911,903	911,903	0
037	LIBRARY ZONE 2	(7,345)	30,370	30,370	0
046	COUNTY CONSOLIDATED SVC AREA	(3,348)	75,100	90,201	15,101
066	LIBRARY ZONE 6	(5,777)	14,478	14,478	0
067	LIBRARY ZONE 7	(51,718)	322,873	322,873	0
101	ROAD	(7,442,520)	20,684,039	17,707,875	(2,976,164)
105	HOUSING REHABILITATION	(8,888)	10,931	425	(10,506)
106	PUBLIC ARTS PROJECTS	(180,284)	180,593	1,045	(179,548)
107	FAIRGROUNDS DEVELOPMENT PROJ	1,412,935	1,838,979	3,251,914	1,412,935
110	MICRO-ENTERPRISE BUSINESS	0	55,535	55,535	0
120	HOMEACRES LOAN PROGRAM	(7,515)	17,767	10,252	(7,515)
134	EAST VJO FIRE DISTRICT	0	382,609	382,609	0
150	HUD	0	2,319,602	2,319,602	0
152	IN HOME SUPP SVCS-PUBLIC AUTH	107,223	2,738,209	2,738,209	0
153	FIRST 5 SOLANO	(3,666,445)	8,391,940	5,130,687	(3,261,253)
215	RECORDER SPECIAL REVENUE	(321,950)	942,093	620,000	(322,093)
228	LIBRARY - FRIENDS & FOUNDATION	0	120,728	120,728	0
233	DISTRICT ATTORNEY SPECIAL REV	(569,743)	604,210	613,273	9,063
238	SE VALLEJO REDEVELOPMENT SETT	(8,756)	0	0	0
239	TOBACCO SETTLEMENT	(395,000)	2,945,000	2,554,807	(390,193)
241	CIVIL PROCESSING FEES	(107,060)	257,539	191,253	(66,286)
249	HSS CAPITAL PROJECTS	(16,097,590)	19,823,772	3,726,196	(16,097,576)
253	SHERIFF'S ASSET SEIZURE	11,526	311	18,999	18,688
256	SHERIFF OES	115,350	1,878,068	1,993,418	115,350
263	CJ TEMP CONSTRUCTION	(1,754,181)	2,162,128	375,603	(1,786,525)
264	CRTHSE TEMP CONST	(3,551)	408,515	372,032	(36,483)
278	PUBLIC WORKS IMPROVEMENT	(50,300)	175,000	8,936	(166,064)
281	SURVEY MONUMENT PRESERVATION	(17,235)	26,395	9,160	(17,235)
296	PUBLIC FACILITIES FEES	(2,330,774)	4,721,631	3,697,137	(1,024,494)
301	GEN SVCS SPECIAL REVENUE	(9,637)	13,557	4,040	(9,517)
306	PENSION DEBT SERVICE	4,709,278	17,955,815	22,398,668	4,442,853
325	SHERIFF'S OFFICE GRANTS	0	949,895	949,895	0
326	SHERIFF - SPECIAL REVENUE	(571,024)	1,221,142	650,515	(570,627)
332	GOVERNMENT CENTER DEBT SERVICE	(42,673)	7,931,411	7,888,738	(42,673)
334	H&SS SPH ADMIN/REFINANCE	0	2,520,344	2,520,344	0
340	LOCAL LAW ENFORCE BLOCK GRANT	0	25,625	25,625	0
369	CHILD SUPPORT SERVICES	(207,678)	12,059,783	12,058,783	(1,000)
390	TOBACCO PREVENTION & EDUCATION	0	190,101	190,101	0
900	PUBLIC SAFETY	(297,521)	139,537,547	139,613,646	76,099
901	SO CO CONSOLIDATED COURT	0	267,500	267,500	0
902	HEALTH & SOCIAL SERVICES	(3,266,480)	261,167,707	261,683,128	515,421
903	WORKFORCE INVESTMENT BOARD	(41,928)	7,029,655	6,987,727	(41,928)
GRAND TOTAL		**$ (70,606,326)**	**$ 586,383,240**	**$ 529,839,534**	**$ (56,543,706)**

AT

NET CHANGE, 3RD QUARTER PROJECTIONS vs. MIDYEAR PROJECTIONS
2,226,365
1,026,054
(3,811)
(31,217)
0
136,790
7,345
18,449
5,777
51,718
4,466,356
(1,618)
736
0
0
0
0
0
(107,223)
405,192
(143)
0
578,806
8,756
4,807
40,774
14
7,162
0
(32,344)
(32,932)
(115,764)
0
1,306,280
120
(266,425)
0
397
0
0
0
206,678
0
373,620
0
3,781,901
0
$ 14,062,620

TACHMENT D

INTERNAL SERVICE AND ENTERPRISE FUNDS
THIRD QUARTER PROJECTION SPREADSHEET

The attached spreadsheet provides information about the County's Internal Service Funds and Enterprise Funds. It compares projections for the year-end FY2010/11 revenues and expenditures, made at two points in time during the current fiscal year. The Midyear (MY) Projections were estimated based on six months of actual (booked) revenues and expenditures. The Third Quarter (TQ) Projections were based on nine months of actual revenues and expenditures.

The first column from the left lists the Fund number, while the second column identifies the Fund by name. The third column from the left indicates the MY Projection of the Fund's projected Change in Fund Balance. A number enclosed in parenthesis shown in this column means the Fund's expenditures exceed its revenues, thereby resulting in a reduction to the Fund's Fund Balance. For example, at MY, Fund 034 – Fleet Management was projected to have its expenditures exceed its revenues by $1,780. It is thus shown in parentheses.

The fourth and fifth columns provide the TQ Projections for each of the Fund's FY2010/11 year-end expenditures and revenues. The difference, or Change in Fund Balance, is shown in the sixth column. The Change in Fund Balance refers to how the Fund's operations impact its Fund Balance. A number enclosed in parentheses means the Fund's expenditures exceed its revenues, while a number without parentheses means the Fund's revenues exceed its expenditures.

The right-most column reflects the difference – increase or decrease – in the TQ Projection as compared to the MY Projection. In this column, numbers enclosed in parentheses means the Fund's Change in Fund Balance is projected to be higher by that amount at TQ when compared to its MY Projection. Thus, in the case of Fund 034 – Fleet Management, while its MY Projection showed a Change in Fund Balance of ($1,780), its TQ Projection shows a Change in Fund Balance of ($6,131). The right-most column thus shows Fund 034's Fund Balance is projected at TQ to decrease by $4,351 more than had been projected at MY. Further decreases in Fund Balance shown in this column could be due to higher TQ projected expenditures, lower TQ projected revenues, or a combination of both.

COUNTY OF SOLANO

THIRD QUARTER PROJECTION

FOR THE FISCAL YEAR 2010-2011

	INTERNAL SERVICE & ENTERPRISE FUNDS	MIDYEAR (MY) PROJECTIONS - CHANGE IN FUND BALANCE	3RD QUARTER PROJECTIONS THRU 6/30/11, AS OF 3/31/11 - EXPENDITURES	3RD QUARTER PROJECTIONS THRU 6/30/11, AS OF 3/31/11 - REVENUES	3RD QUARTER PROJECTIONS - CHANGE IN FUND BALANCE	NET CHANGE, 3RD QUARTER PROJECTIONS vs. MIDYEAR PROJECTIONS
031	FOUTS SPRINGS YOUTH FACILITY	(462,637)	4,060,329	3,626,926	(433,403)	29,234
034	FLEET MANAGEMENT	(1,780)	3,890,584	3,884,453	(6,131)	(4,351)
047	AIRPORT ENTERPRISE	1,961,422	1,825,101	3,972,927	2,147,826	186,404
060	RISK MANAGEMENT	(3,264,684)	14,192,197	12,010,680	(2,181,517)	1,083,167
235	SOLANO CO FAIR	(228,655)	0	0	0	228,655
310	SPECIAL AVIATION	0	41,138	41,150	12	12
370	DEPARTMENT OF INFO TECHNOLOGY	314,741	18,540,349	18,348,996	(191,353)	(506,094)
404	REPROGRAPHICS	25,858	349,513	291,241	(58,272)	(84,130)
	GRAND TOTAL	**$ (1,655,735)**	**$ 42,899,211**	**$ 42,176,373**	**$ (722,838)**	**$ 932,897**

RESOLUTION NO. 2011-123

RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF SOLANO AMENDING THE LIST OF NUMBERS AND CLASSIFICATIONS OF POSITIONS WITHIN SOLANO COUNTY

BE IT RESOLVED AND ORDERED, that the Solano County Board of Supervisors authorized the Director of Human Resources to make any technical changes, if needed, to the FY2010/11 Position Allocation List, with County Administrator concurrence;

NOW BE IT FURTHER RESOLVED AND ORDERED, that the Board of Supervisors of Solano County does hereby amend, modify and/or alter its Allocation List of Positions of Solano County as set forth below:

Department	Budget Unit	Class No.	Position Control No.	Class Title	Effective Date	Allocation			
						Current	Filled	Pro-posed	Change
Library	6316	343010	10533	Librarian	4/26/2011	29.0	26.0	28.0	(1.00)
Library	6362	343010	12158	Librarian	4/26/2011	28.0	26.0	27.0	(1.00)
Library	6311	343010	10526	Librarian	4/26/2011	27.0	26.0	26.0	(1.00)
Library	6368	743040	13366	Library Assistant	4/26/2011	29.0	28.5	28.5	(0.50)
Library	6342	443190	14743	Library Associate	4/26/2011	19.0	17.0	18.0	(1.00)
Library	6343	443190	14738	Library Associate	4/26/2011	18.0	17.0	17.0	(1.00)
Library	6309	343120	14019	Literacy Program Assistant	4/26/2011	3.0	2.0	2.0	(1.00)
Library	6306	783270	14250	Office Assistant II	4/26/2011	2.0	1.0	1.0	(1.00)
	Library				**Subtotal**				**(7.50)**

To facilitate the intent of this resolution, the Board authorizes the Director of Human Resources to make technical changes to the FY2010/11 Position Allocation List with County Administrator concurrence.

The current allocation and proposed changes described above is approved by the Director of Human Resources. It is subject to adoption by the Board of Supervisors and classification by the Civil Service Commission.

Director of Human Resources   4/21/11 Date

County Administrator's Office confirms that the above represents various departments' current and proposed allocation.

On motion of Spering, and second by Vasquez, the Solano County Board of Supervisors adopted this resolution on April 26, 2011, by the following vote:

AYES: SUPERVISORS Kondylis, Seifert, Spering, Vasquez, and Chair Reagan

NOES: SUPERVISORS None

EXCUSED: SUPERVISORS None

Michael J. Reagan, Chair
Board of Supervisors

ATTEST:
Michael D. Johnson, Clerk
Solano County Board of Supervisors

By: Myra Chiida deputy
Patricia J. Crittenden, Chief Deputy Clerk

RESOLUTION NO. 2011-124

RESOLUTION OF THE SOLANO COUNTY BOARD OF SUPERVISORS FOR PAYING AND REPORTING THE VALUE OF EMPLOYER PAID MEMBER CONTRIBUTIONS

WHEREAS, the governing body of the County of Solano has the authority to implement Government Code Section 20636(c) (4) pursuant to Section 20691; and

WHEREAS, the governing body of the County of Solano has a written labor policy or agreement which specifically provides for the normal member contributions to be paid by the employer and reported as additional compensation; and

WHEREAS, one of the steps in the procedures to implement Section 20691 is the adoption by the governing body of the County of Solano of a Resolution to commence paying and reporting the value of said Employer Paid Member Contributions (EPMC); and

WHEREAS, the governing body of the County of Solano has identified the following conditions for the purpose of its election to pay EPMC;

This benefit shall apply as follows:

This benefit shall consist of paying 3% of the normal contributions as EPMC, and reporting the same percent (value) of compensation earnable (excluding Government Code Section 20636(c) (4)) as additional compensation for Safety employees in Unit #61 – Executive Management, Unit #62 – Senior Management, and Unit #63 – Mid Management - Confidential.

The effective date of this resolution shall be upon the agreement of all represented bargaining units, or the pay period containing December 31, 2011, whichever date is first.

NOW, THEREFORE, BE IT RESOLVED that the governing body of the County of Solano rescinds Resolution No. 2010-60 and elects to pay and report the value of EPMC, as set forth above.

On motion of Supervisor Spering, and second by Supervisor Vasquez, the Solano County Board of Supervisors adopted this resolution on April 26, 2011, by the following vote:

AYES: SUPERVISORS Kondylis, Seifert, Spering, Vasquez, and Chair Reagan

NOES: SUPERVISORS None

EXCUSED: SUPERVISORS None

Michael Reagan

MICHAEL J. REAGAN, CHAIR
Solano County Board of Supervisors

ATTEST:

MICHAEL D. JOHNSON, Clerk
Solano County Board of Supervisors

By: Myra Chiula deputy
Patricia J. Crittenden, Chief Deputy Clerk

RESOLUTION NO.__________________

RESOLUTION OF THE SOLANO COUNTY BOARD OF SUPERVISORS FOR PAYING AND REPORTING THE VALUE OF EMPLOYER PAID MEMBER CONTRIBUTIONS

WHEREAS, the governing body of the County of Solano has the authority to implement Government Code Section 20636(c) (4) pursuant to Section 20691; and

WHEREAS, the governing body of the County of Solano has a written labor policy or agreement which specifically provides for the normal member contributions to be paid by the employer and reported as additional compensation; and

WHEREAS, one of the steps in the procedures to implement Section 20691 is the adoption by the governing body of the County of Solano of a Resolution to commence paying and reporting the value of said Employer Paid Member Contributions (EPMC); and

WHEREAS, the governing body of the County of Solano has identified the following conditions for the purpose of its election to pay EPMC;

This benefit shall apply as follows:

This benefit shall consist of paying 2% of the normal contributions as EPMC, and reporting the same percent (value) of compensation earnable (excluding Government Code Section 20636(c) (4)) as additional compensation for Miscellaneous employees in Unit #60 – Legislative Management, Unit #61 – Executive Management, Unit #62 – Senior Management, and Unit #62C – Senior Management for Cause.

The effective date of this resolution shall be upon the agreement of all represented bargaining units, or the pay period containing December 31, 2011, whichever date is first.

NOW, THEREFORE, BE IT RESOLVED that the governing body of the County of Solano rescinds Resolution No. 2010-59 and elects to pay and report the value of EPMC, as set forth above.

On motion of Supervisor _______________, and second by Supervisor __________________, the Solano County Board of Supervisors adopted this resolution on ____________, 2011, by the following vote:

AYES: SUPERVISORS ______________________________

____

NOES: SUPERVISORS ______________________________

EXCUSED: SUPERVISORS ______________________________

____
MICHAEL J. REAGAN, CHAIR
Solano County Board of Supervisors

ATTEST:

MICHAEL D. JOHNSON, Clerk
Solano County Board of Supervisors

By: ______________________________
Patricia J. Crittenden, Chief Deputy Clerk

Attachment H

RESOLUTION NO. 2011-125

RESOLUTION OF THE SOLANO COUNTY BOARD OF SUPERVISORS FOR PAYING AND REPORTING THE VALUE OF EMPLOYER PAID MEMBER CONTRIBUTIONS

WHEREAS, the governing body of the County of Solano has the authority to implement Government Code Section 20636(c) (4) pursuant to Section 20691; and

WHEREAS, the governing body of the County of Solano has a written labor policy or agreement which specifically provides for the normal member contributions to be paid by the employer and reported as additional compensation; and

WHEREAS, one of the steps in the procedures to implement Section 20691 is the adoption by the governing body of the County of Solano of a Resolution to commence paying and reporting the value of said Employer Paid Member Contributions (EPMC); and

WHEREAS, the governing body of the County of Solano has identified the following conditions for the purpose of its election to pay EPMC;

This benefit shall apply as follows:

This benefit shall consist of paying 2% of the normal contributions as EPMC, and reporting the same percent (value) of compensation earnable (excluding Government Code Section 20636(c) (4)) as additional compensation for Miscellaneous employees in Unit #60 – Legislative Management, Unit #61 – Executive Management, Unit #62 – Senior Management, and Unit #62C – Senior Management for Cause.

The effective date of this resolution shall be upon the agreement of all represented bargaining units, or the pay period containing December 31, 2011, whichever date is first.

NOW, THEREFORE, BE IT RESOLVED that the governing body of the County of Solano rescinds Resolution No. 2010-59 and elects to pay and report the value of EPMC, as set forth above.

On motion of Supervisor Spering, and second by Supervisor Vasquez, the Solano County Board of Supervisors adopted this resolution on April 26, 2011, by the following vote:

AYES: SUPERVISORS Kondylis, Seifert, Spering, Vasquez, and Chair Reagan

NOES: SUPERVISORS None

EXCUSED: SUPERVISORS None

MICHAEL J. REAGAN, CHAIR
Solano County Board of Supervisors

ATTEST:

MICHAEL D. JOHNSON, Clerk
Solano County Board of Supervisors

By: deputy
Patricia J. Crittenden, Chief Deputy Clerk

RESOLUTION NO. 2011-126

RESOLUTION OF THE SOLANO COUNTY BOARD OF SUPERVISORS FOR EMPLOYER PAID MEMBER CONTRIBUTIONS

WHEREAS, the governing body of the County of Solano has the authority to implement Government Code Section 20691; and

WHEREAS, the governing body of the County of Solano has a written labor policy or agreement which specifically provides for the normal member contributions to be paid by the employer; and

WHEREAS, one of the steps in the procedures to implement Section 20691 is the adoption by the governing body of the County of Solano of a Resolution to commence said Employer Paid Member Contributions (EPMC); and

WHEREAS, the governing body of the County of Solano has identified the following conditions for the purpose of its election to pay EPMC:

- This benefit shall apply to all Miscellaneous employees in Unit #30 - Confidential.
- This benefit shall consist of paying 0% of the normal member contributions as EPMC.
- The effective date of this resolution shall be upon the agreement of all represented bargaining units, or the pay period containing December 31, 2011, whichever date is first.

NOW, THEREFORE, BE IT RESOLVED that the governing body of the County of Solano rescinds Resolution No. 2010-61 and elects to pay EPMC, as set forth above.

On Motion of Supervisor Spering, and second by Supervisor Vasquez, the Solano County Board of Supervisors adopted this resolution on April 26, 2011, by the following vote:

AYES: SUPERVISORS Kondylis, Seifert, Spering, Vasquez, and Chair Reagan

NOES: SUPERVISORS None

EXCUSED: SUPERVISORS: None

MICHAEL J. REAGAN, CHAIR
Solano County Board of Supervisors

ATTEST:

MICHAEL D. JOHNSON, Clerk
Solano County Board of Supervisors

By: Myra Chinla deputy
Patricia J. Crittenden, Chief Deputy Clerk

COUNTY ADMINISTRATOR'S OFFICE

MICHAEL D. JOHNSON
COUNTY ADMINISTRATOR
COUNTY OF SOLANO

COUNTY ADMINISTRATOR'S OFFICE
675 TEXAS STREET, SUITE 6500
FAIRFIELD, CA 94533-6342
(707) 784-6100 (707) 784-7975 [FAX]

MEMORANDUM

DATE: April 20, 2011
TO: Members of the Board of Supervisors
FROM: Robert C. Lawton, Principal Management Analyst
SUBJECT: Departmental Recommendation 5, Third Quarter Financial Report

This is to provide you with supplemental information regarding Recommendation 5, referring to FY2011/12 assumptions regarding certain prospective funding for non-profit organizations.

On December 7, 2010, at the fourth of five Budget Workshops held during FY2010/11, the Board of Supervisors supported CAO-submitted budget assumptions which would reduce in FY2011/12 General Fund appropriations to non-profit organizations, including continued backfill of programs initiated with Tobacco Master Settlement Agreement (MSA) funds.

FY2010/11 General Fund appropriations within the scope of the reduction plan totaled $2,638,500. Of this amount, $258,500 supported Court Appointed Special Advocates, the Senior Coalition, Faith in Action and administrative services provided by the Children's Network. The remaining $2,380,000 was appropriated, under the third year of a three year plan beginning in FY2008/09, as a General Fund backfill of Tobacco Master Settlement Agreement (MSA) funds.

FY2011/12 General Fund reduction assumptions accepted during Budget Workshop #4 would total ($1,854,000), eliminating the entire $258,000 in General Fund support for the non-MSA programs set forth above and ending $1,596,000 in General Fund backfill for MSA-related programs. The remaining $784,000 would have funded two MSA-related programs, Children's Health Insurance Premiums and City Teams, equally at $392,000 each.

On March 1, 2011, the Board convened Budget Workshop #5, during which affected organizations advised the Board regarding the impact of Workshop #4 reductions. Presenting organizations requested an additional $1,138,050 of General Fund monies in FY2011/12 beyond the $784,000 suggested during Workshop #4. Organizations also discussed alternate strategies to achieve program goals.

In preparing the FY2011/12 Recommended Budget, staff anticipates setting net General Fund support for the impacted programs at the $784,000 accepted during Workshop #4, as detailed in the attached spreadsheet and discussed below.

Court Appointed Special Advocates (CASA) would be supported at $76,500, or a 10% decrease rather than the 100% reduction suggested during Workshop #4. The institutional collaboration among the Courts, the County and volunteers uniquely possible through CASA merits continued support in a reduced amount. Further, the reduction is consistent with the strategy enunciated in the County's July 26, 2005 Memorandum of Understanding with CASA, under which the parties agree that "it is in the interests of child welfare and the public for Solano County to assist CASA to effectively transition to a stand-alone entity."

The County has adhered to that strategy since FY2005/06 funding of CASA at $150,000. County General Fund contributions were reduced by (3%) in FY2006/07, (11%) in FY2007/08, (3%) in FY2008/09, (20%) in FY2009/10 and (15%) in FY2010/11. In addition to the direct monetary support, the County continues providing CASA with an annual $11,430 in-kind contribution through the use of County-held office space in the Hall of Justice.

Children's Network staff support would be reduced by a net of $99,000 as discussed during Workshop #4. Rather than taking the reduction from a single contract, however, Children's Network and the Department of Health and Social Services are collaborating to identify County General Fund savings across the County's three contracts with Children's Network, which total $187,367 in FY2010/11 General Fund support.

Children's Network proposes reducing its Base contract by $11,353 and obtaining the remaining $87,647 of CGF reductions through savings in its other two contracts. Additional revenue would come from available Food Stamp Outreach funds & re-allocation of Children's Trust Fund. This sustains core operating functions and Children's Alliance support, though at a reduced level. The Children's Alliance will meet less frequently during the year.

The Senior Coalition would be supported at $40,050, or a 10% decrease, rather than the 100% reduction suggested during Workshop #4. This reduction strategy would allow the Senior Coalition to continue operating, but with a part-time coordinator for basic functions and with a limited array of activities.

In the Coalition's submittal for Workshop #5, it advised that the 10% reduction would ultimately result in the Coalition's dissolution "after a short time," and sought a funding increase to $75,000 to both provide a coordinator and expand collaborative activities. Activities supported with a $75,000 contribution would include building capacity of new and existing networks / communities, fall prevention efforts, resource development and advocate partnerships. , but also advised that a reduction to $40,050 would allow the Coalition to continue operating temporarily under a reduced scope of activities.

Faith in Action's medical transportation project would no longer be supported by General Fund monies, a reduction of $30,000 from FY2010/11. Instead, Faith in Action is collaborating with the Solano Transportation Authority to obtain replacement funding through the Transportation Development Act.

From FY2002/03 through FY2007/08, activities of the Health Access Committee and the Reducing Rates Coalition were supported by \$13.1 million in MSA funds. Upon the 2008 repurposing of MSA funds for the development of Health and Social Services clinics, laboratories and facilities in Vallejo, Fairfield and Vacaville, the Board directed a three-year supplantation of the revenue previously generated by the MSA deallocation process.

From FY2008/09 through FY2010/11, \$8.2 million in General Fund backfill supported Health Access Committee and Reducing Rates Coalition activities, for an FY2002/03 - FY2010/11 total of \$21.3 million from all sources.

FY2010/11 marks the final year of the Board's broad commitment of General Fund dollars to MSA-related programs of the Health Access Committee and the Reducing Rates Coalition. In its stead, the CAO recommends specific Board consideration of, support for, the Children's Health Insurance Premium purchase program and the City Teams program.

The Children's Health Insurance Premium purchase program, initially funded by MSA funds under the Health Access Coalition umbrella and backfilled with General Fund dollars since FY2008/09, would be supported at its FY2010/11 General Fund level of \$392,000. In previous years, the premium purchase monies, and additional funds for enrollment and retention activities, brought insurance coverage to as many as 2,500 children.

In FY2011/12, however, enrollment and retention activities would be funded from the \$392,000 contribution. Staff estimates that a balanced distribution of the remaining funds could provide health insurance access for more than 1,400 children. Enrollment activities could place 1,200 children in Medi-Cal, Healthy Family and Kaiser programs, while direct premium payments would cover as many as 250 additional children.

City Teams, initially supported with MSA funds under the Reducing Rates Initiatives program, would be supported with \$275,450 in General Fund monies, a (\$208,147) reduction from the FY2010/11 amount of \$483,597. The City Teams program involves schools, law enforcement, government, and community organizations in implementing substance abuse prevention activities in the County's seven cities. Funding from all sources in FY2010/11 totaled \$892,547 including the General Fund contribution. Assuming the suggested General Fund reduction, FY2011/12 funding from all sources would total \$684,400.

Please feel free to contact me with any questions you may have.

Program Description	Considerations	FY2010/11 Adopted County Budget	FY2010/11 NCC/GF (Year Three of 3 year GF Backfill for Health Access/ Reducing Rates)	FY2011/12 Reduction Proposed by CAO, Accepted By BOS 12/07/10	FY2011/12 NCC / GF Proposed by CAO, Accepted By BOS 12/07/10	March 1, 2011 Workshop #5 Non Profit Request	April 19, 2011 Non Profit Request	Updated FY2011/12 Staff Proposal	Adjustment	Notes
Court-Appointed Special Advocates (CASA)	Staff has revised its Budget Workshop #4 recommendation for CASA from a (100%) reduction to a (10%) decrease. Staff recognizes the importance of institutional collaboration among the Courts, the County and volunteers uniquely possible through CASA. Decreasing the General Fund contribution by (10%) would allow CASA to continue operating during FY2011/12 while it further develops alternate sources of funding. The reduction is consistent with the strategy enunciated in the County's July 26, 2005 Memorandum of Understanding with CASA, under which the parties agree that "it is in the interests of child welfare and the public for Solano County to assist CASA to effectively transition to a stand-alone entity." The County has adhered to that strategy since FY2005/06 funding of CASA at $150,000. County General Fund contributions were reduced by (3%) in FY2006/07, (11%) in FY2007/08, (3%) in FY2008/09, (20%) in FY2009/10 and (15%) in FY2010/11.	$85,000	$85,000	($85,000)	$0	$76,500	$76,500	$76,500		
Children's Network Base Administrative Services	Children's Network and Health and Social Services have collaborated to identify County General Fund savings across the County's three contracts with Children's Network, which total $187,367 in FY2010/11 General Fund support. Children's Network proposes reducing its Base contract by ($11,353) and obtaining the remaining $87,647 of CGF reductions through savings in its other two contracts. Additional revenue would come from available Food Stamp Outreach funds & re-allocation of Children's Trust Fund. This sustains core operating functions and Children's Alliance support, though at a reduced level. The Children's Alliance will meet less frequently during the year.	$113,586	$99,000	($99,000)	$0	$89,100	$0	$0		
Senior Coalition	Staff has revised its Budget Workshop #4 recommendation for the Senior Coalition from a (100%) reduction to a (10%) decrease. Staff recognizes the volunteer leverage provided with the presence of a Coalition coordinator. Reducing the General Fund contribution by (10%) would allow the Senior Coalition to continue operating, but with a part-time coordinator for basic functions and with a limited array of activities.under a reduced scope of activities. The Coalition advises that the 10% reduction would ultimately result in the Coalition's dissolution "after a short time," and seeks a funding increase to $75,000 to both provide a coordinator and expand collaborative activities. Supported activities would include building capacity of new and existing networks / communities, fall prevention efforts, resource development and advocate partnerships.	$44,500	$44,500	($44,500)	$0	$40,050	$75,000	$40,050		
Faith In Action	Faith in Action is collaborating with the Solano Transportation Authority to offset the suggested County General Fund reductions and maintain medical transportation services with funding available under the Transportation Development Act.	$30,000	$30,000	($30,000)	$0	$26,400	$0	$0		
Health Access Committee	FY2010/11 is the third year of the Board's three-year voluntary commitment to apply General Fund monies to Master Settlement Agreement Strategic Plan initiatives to increase access to health care. General Fund monies support Behavioral Health, Oral Health and Frequent Users programs, contributions to non-profits and other healthcare providers and childrens' health insurance enrollment activities. Absent alternative funding sources, the suggested reduction would eliminate those services.	$1,190,000	$798,000	($798,000)	$0	$378,000	$103,000	$0		
Children's Health Insurance Premiums (Previously included with Health Access)	Funding at $392,000 in FY2011/12 could enable health insurance access for more than 1,400 children, through direct premium purchases for 250 participants, and funding of enrollment activities which would match more than 1,200 eligible children with appropriate programs. FY2010/11 funding supported these activities for approximately 2,500 children..	Included with Health Access	$392,000	$0	$392,000	$392,000	$392,000	$392,000		
Reducing Rates Coalition	FY2010/11 is the third year of the Board's three-year voluntary commitment to apply General Fund monies to Master Settlement Agreement Strategic Plan initiatives to reduce the rates of alcohol, tobacco and other drug usage in Solano County, with special emphasis on adolescents and youth. General Fund monies support direct service programs such as Friday Night Live, mentoring by Big Brothers and Big Sisters, smoking cessation activities, and Adolescent Intervention Modality programs. Absent alternative funding sources, the suggested reduction would eliminate those services.	$1,315,000	$706,403	($706,403)	$0	$528,000	$508,000	$0		
City Teams (Previously included with Reducing Rates)	Staff has revised its Budget Workshop #4 recommendation City Team funding during FY2010/11 totals $892,547, of which $483,597 is County General Fund and $408,950 is other state and federal revenue. The City Teams program involves schools, law enforcement, government, and community organizations in implementing substance abuse prevention activities in the County's seven cities. Assuming the suggested General Fund reduction, FY2011/12 funding from all sources would total $684,400.	Included with Reducing Rates	$483,597	($91,597)	$392,000	$392,000	$457,409	$275,450		
	TOTAL	**$2,778,086**	**$2,638,500**	**($1,854,500)**	**$784,000**	**$1,922,050**	**$1,611,909**	**$784,000**		

COUNTY ADMINISTRATOR'S OFFICE

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MEMORANDUM

DATE: April 22, 2011

TO: Members of the Board of Supervisors

FROM: Lorenzo Ziálcita, Budget Officer

SUBJECT: Third Quarter Financial Report, Departmental Recommendation Number 5

Regarding the supplemental information dated April 22, 2011 provided by Mr. Lawton in relation to Recommendation 5, recommending your Board consider affirming FY2011/12 budget assumptions on funding Non-profit/Community-based organizations:

The Health and Social Services (H&SS) Department received notice of unanticipated prior-year revenues in the amount of around $800,000 from the State. These revenues originate from funds which the State had originally allocated to counties; however, not all counties were able to incur the level of expenditures required to fully claim their respective allocation. Thus, the State now is re-allocating the excess funds to counties which had incurred expenditures over the amount of their respective allocations.

H&SS recommended, and the CAO supports H&SS' recommendation, to use the $800,000 to restore $116,550 in funding for City Teams at the $392,000 level in FY2011/12 (please see highlighted cells in attached spreadsheet)

H&SS also recommends, and the CAO supports H&SS' recommendation, allocating the balance of the unanticipated $800,000 revenue from the State in its FY2011/12 budget for the following:

1. $335,750 to continue the County contribution to Community Clinics, to help offset part of the costs incurred by the clinics for uncompensated care. Current contribution level is $395,000; recommended $335,750 for FY2011/12 represents a 15% reduction.
2. The balance of approximately $347,500 to be used to make up the funding shortfall for the completion of the Twin Campus Project, specifically to remodel the 2101 Courage Drive Clinic into a pediatric clinic, which will enable the generation of increased funding from the State.

Program Description	Considerations	FY2010/11 Adopted County Budget	FY2010/11 NCC/GF (Year Three of 3 year GF Backfill for Health Access/ Reducing Rates)	FY2011/12 Reduction Proposed by CAO, Accepted By BOS 12/07/10	FY2011/12 NCC / GF Proposed by CAO, Accepted By BOS 12/07/10	March 1, 2011 Workshop #5 Non Profit Request	April 19, 2011 Non Profit Request	Updated FY2011/12 Staff Proposal	Non-recurring Funding From Other Sources	Total Revised Updated FY2011/12 Staff Proposal	Notes
Court-Appointed Special Advocates (CASA)	Staff has revised its Budget Workshop #4 recommendation for CASA from a (100%) reduction to a (10%) decrease. Staff recognizes the importance of institutional collaboration among the Courts, the County and volunteers uniquely possible through CASA. Decreasing the General Fund contribution by (10%) would allow CASA to continue operating during FY2011/12 while it further develops alternate sources of funding. The reduction is consistent with the strategy enunciated in the County's July 26, 2005 Memorandum of Understanding with CASA, under which the parties agree that "it is in the interests of child welfare and the public for Solano County to assist CASA to effectively transition to a stand-alone entity." The County has adhered to that strategy since FY2005/06 funding of CASA at $150,000. County General Fund contributions were reduced by (3%) in FY2006/07, (11%) in FY2007/08, (3%) in FY2008/09, (20%) in FY2009/10 and (15%) in FY2010/11.	$85,000	$85,000	($85,000)	$0	$76,500	$76,500	$76,500	$0	$76,500	
Children's Network Base Administrative Services	Children's Network and Health and Social Services have collaborated to identify County General Fund savings across the County's three contracts with Children's Network, which total $187,367 in FY2010/11 General Fund support. Children's Network proposes reducing its Base contract by ($11,353) and obtaining the remaining $87,647 of CGF reductions through savings in its other two contracts. Additional revenue would come from available Food Stamp Outreach funds & re-allocation of Children's Trust Fund. This sustains core operating functions and Children's Alliance support, though at a reduced level. The Children's Alliance will meet less frequently during the year.	$113,586	$99,000	($99,000)	$0	$89,100	$0	$0	$0	$0	
Senior Coalition	Staff has revised its Budget Workshop #4 recommendation for the Senior Coalition from a (100%) reduction to a (10%) decrease. Staff recognizes the volunteer leverage provided with the presence of a Coalition coordinator. Reducing the General Fund contribution by (10%) would allow the Senior Coalition to continue operating, but with a part-time coordinator for basic functions and with a limited array of activities.under a reduced scope of activities. The Coalition advises that the 10% reduction would ultimately result in the Coalition's dissolution "after a short time," and seeks a funding increase to $75,000 to both provide a coordinator and expand collaborative activities. Supported activities would include building capacity of new and existing networks / communities, fall prevention efforts, resource development and advocate partnerships.	$44,500	$44,500	($44,500)	$0	$40,050	$75,000	$40,050	$0	$40,050	
Faith In Action	Faith in Action is collaborating with the Solano Transportation Authority to offset the suggested County General Fund reductions and maintain medical transportation services with funding available under the Transportation Development Act.	$30,000	$30,000	($30,000)	$0	$26,400	$0	$0	$0	$0	
Health Access Committee	FY2010/11 is the third year of the Board's three-year voluntary commitment to apply General Fund monies to Master Settlement Agreement Strategic Plan initiatives to increase access to health care. General Fund monies support Behavioral Health, Oral Health and Frequent Users programs, contributions to non-profits and other healthcare providers and childrens' health insurance enrollment activities. Absent alternative funding sources, the suggested reduction would eliminate those services.	$1,190,000	$798,000	($798,000)	$0	$378,000	$103,000	$0	$0	$0	
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Reducing Rates Coalition	FY2010/11 is the third year of the Board's three-year voluntary commitment to apply General Fund monies to Master Settlement Agreement Strategic Plan initiatives to reduce the rates of alcohol, tobacco and other drug usage in Solano County, with special emphasis on adolescents and youth. General Fund monies support direct service programs such as Friday Night Live, mentoring by Big Brothers and Big Sisters, smoking cessation activities, and Adolescent Intervention Modality programs. Absent alternative funding sources, the suggested reduction would eliminate those services.	$1,315,000	$706,403	($706,403)	$0	$528,000	$508,000	$0	$0	$0	
City Teams (Previously included with Reducing Rates)	Staff has revised its Budget Workshop #4 recommendation City Team funding during FY2010/11 totals $892,547, of which $483,597 is County General Fund and $408,950 is other state and federal revenue. The City Teams program involves schools, law enforcement, government, and community organizations in implementing substance abuse prevention activities in the County's seven cities. Assuming the suggested General Fund reduction, FY2011/12 funding from all sources would total $684,400. Assuming the availability of an additional $116,550 in non-recurring funding, the FY2011/12 amount would total $800,950.	Included with Reducing Rates	$483,597	($91,597)	$392,000	$392,000	$457,409	$275,450	$116,550	$392,000	
	TOTAL	$2,778,086	$2,638,500	($1,854,500)	$784,000	$1,922,050	$1,611,909	$784,000	$116,550	$900,550	