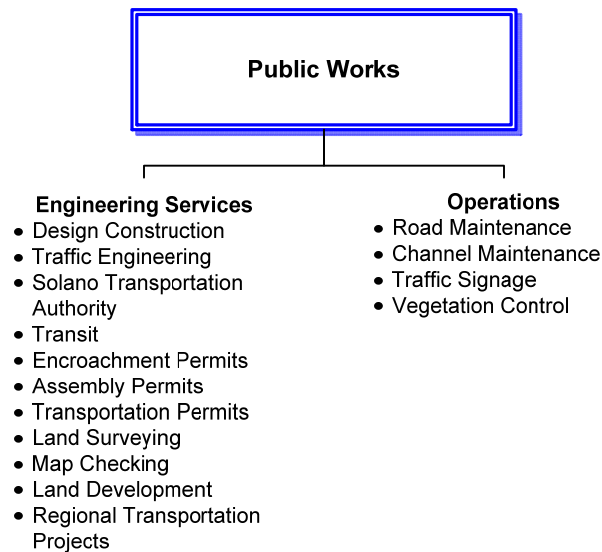




DEPARTMENTAL PURPOSE

Public Works is responsible for providing and maintaining a safe, reliable roadway network and associated infrastructure in unincorporated Solano County for the benefit of the travelling public.

Budget Summary:

FY2010/11 Third Quarter Projection:	20,549,592
FY2011/12 Recommended:	19,745,631
County General Fund Contribution:	0
Percent County General Fund Supported:	0%
Total Employees (FTEs):	61.5

FUNCTION AND RESPONSIBILITIES

The Public Works Division of the Department of Resource Management consists of two organizational units – Operations and Engineering. These units receive general direction from the Director of Resource Management, have administrative authority over the unincorporated areas of the county, and provide a variety of legally mandated and non-mandated programs and services as summarized below:

Public Works Operations

Public Works Operations' primary responsibilities are to:

- Maintain 586 miles of County roads and bridges, including pavement surfaces, roadside drainage ditches and culverts, vegetation management, signing and striping, sidewalks, curbs, gutters, and gravel roads.
- Maintain 92 bridges and 42 large drainage culverts, including the bridge/culvert structures, the roadway surfaces and the associated drainage channels within the road rights-of-way.
- Perform maintenance work on road, airport, parking lot, and drainage facilities for County departments and other agencies on a reimbursable basis.
- Maintain 45 miles of drainage channels under contract with the Solano County Water Agency.

Public Works Engineering

Public Works Engineering's primary responsibilities are to:

- Design and construct County roads and bridges, including major road and bridge rehabilitation and reconstruction projects.
- Participate in regional transportation planning and the development of regional transportation projects as a member agency of the Solano Transportation Authority (STA).
- Provide traffic engineering services, including traffic orders and signage.
- Issue various permits, including transportation, encroachment, grading and assembly permits.
- Provide engineering, surveying and construction work on road, airport, parking lot, and drainage facilities for County departments and other agencies on a reimbursable basis.
- Contract with local public agencies to maintain Solano County's three traffic signals.
- Contract with PG&E and local contractors to maintain Solano County's 552 existing street lights and install additional lights as needed. Costs are reimbursed from the Consolidated County Service Area budget.
- Administer the County's storm water pollution prevention program.

Road State Match Program

Road State Match Program tracks approximately \$100,000 in revenues received annually from the state, such as state matching funds. These state funds can be used to provide matching funds on federally funded projects.

Federal Roads & Bridge Projects

The Federal Road and Bridge Projects Program tracks all the expenditures related to federally funded projects as well as federal reimbursements. Public Works Engineering uses the federal funds to pay for the replacement and rehabilitation of deficient bridges, the paving of federally eligible roads and the construction of road improvement projects. The funds come from a variety of federal programs, and reimburse the County for project costs at a rate ranging from 80 to 100 percent, depending on the specific program.

Administrative Support

Administration supports the Division by handling incoming phone calls and inquiries; maintaining and assisting with accounting, recordkeeping, inventories, fees, imaging processing and retention schedules; and data processing information system operations.

SIGNIFICANT CHALLENGES AND ACCOMPLISHMENTS

- A continuing long-term decline in transportation funding will present a serious ongoing challenge to Solano County's ability to preserve and maintain its system of County roads.
- Constructed improvements in Old Town Cordelia, including a new pedestrian path along Cordelia Road, landscaping, historical signage, traffic calming features, drainage improvements, and pavement improvements to Cordelia Road.
- Completed the construction of Phase 4 of the Vacaville – Dixon bicycle route, consisting of improvements to 1.2 miles of Pitt School Road between Midway Road and Porter Road. With this, the entire five-mile long north-south (Pitt School Road) segment of the Vacaville – Dixon bicycle route has been completed.
- Completed the construction of the new two-lane concrete Grizzly Island Road Bridge at Hill Slough, south of Suisun City. The existing one-lane wooden bridge was converted into a fishing pier for public use.
- Assisted the Solano Transportation Authority in the construction of Suisun Parkway (North Connector), a new four-lane road that provides enhanced access through portions of Fairfield without the need for local traffic to use the freeway or other County roads.

WORKLOAD INDICATORS

- Overlaid 9.1 miles of County roads at nine locations with asphalt concrete to extend the life of the paved surfaces.

Bill Emlen, Director of Resource Management
Functional Area Summary

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- Chip-sealed (oiled fine gravel) 40.7 miles of County roads at 31 locations to extend the life of the paved surfaces.
- Replaced 2,900 feet of damaged metal guard railing at 19 locations on various County roads.

DETAIL BY REVENUE AND APPROPRIATION FUNCTIONAL AREA	2009/10 ACTUALS	2010/11 ADOPTED BUDGET	2011/12 CAO RECOMMENDED	FROM ADOPTED TO RECOMMENDED	PERCENT CHANGE
REVENUES					
Roads State Match Program	8,309,758	4,123,321	100,000	(4,023,321)	(98%)
Federal Roads & Bridge Projects	5,295,183	3,814,000	6,142,000	2,328,000	61%
Engineering Services	1,240,395	984,426	856,540	(127,886)	(13%)
Operation Road Services	1,156,936	902,648	869,500	(33,148)	(4%)
Administrative Services	6,673,829	6,422,756	10,124,440	3,701,684	58%
TOTAL REVENUES	22,676,101	16,247,151	18,092,480	1,845,329	11%
APPROPRIATIONS					
Roads State Match Program	0	0	0	0	0%
Federal Roads & Bridge Projects	6,257,392	4,309,900	6,155,000	1,845,100	43%
Engineering Services	2,539,341	4,473,054	4,266,231	(206,823)	(5%)
Operation Road Services	6,747,794	7,484,727	7,248,108	(236,619)	(3%)
Administrative Services	1,933,883	2,037,493	2,076,292	38,799	2%
TOTAL APPROPRIATIONS	17,478,410	18,305,174	19,745,631	1,440,457	8%
NET COUNTY COST					
Roads State Match Program	(8,309,758)	(4,123,321)	(100,000)	4,023,321	(98%)
Federal Roads & Bridge Projects	962,209	495,900	13,000	(482,900)	(97%)
Engineering Services	1,298,946	3,488,628	3,409,691	(78,937)	(2%)
Operation Road Services	5,590,858	6,582,079	6,378,608	(203,471)	(3%)
Administrative Services	(4,739,946)	(4,385,263)	(8,048,148)	(3,662,885)	84%
TOTAL NET COUNTY COST	(5,197,691)	2,058,023	1,653,151	(404,872)	(20%)
STAFFING					
Roads State Match Program	0.0	0.0	0.0	0.0	0%
Federal Roads & Bridge Projects	0.0	0.0	0.0	0.0	0%
Engineering Services	18.5	16.5	15.5	15.5	0%
Operation Road Services	49.0	42.0	41.0	41.0	0%
Administrative Services	6.0	5.0	5.0	5.0	0%
TOTAL STAFFING	73.5	63.5	61.5	(2.0)	(3%)

DEPARTMENTAL BUDGET SUMMARY

The Recommended Budget of \$19,745,631 represents increases of \$1,845,329, or 11.4%, in revenues, resulting largely from an approximate a \$2.3 million increase in federal funding for bridge improvements, and \$1,440,457, or 7.9%, in expenditures when compared to its FY2010/11 Adopted Budget. As a result, Public Works' Fund Balance will increase by \$404,872.

The primary funding source for Public Works is the Highway Users Tax Assessment (HUTA), commonly referred to as the gas tax. There are two components of the HUTA, often referred to as old HUTA and new HUTA.

Old HUTA consists of Solano County's portion of 18 cents per gallon gas tax which was established in 1995. There has been no adjustment for inflation since then, so the buying power of the funding has decreased substantially with time. Public Works anticipates receiving \$5.6 million of old HUTA funding in FY2011/12, a slight increase from the \$5.5 million budgeted in FY2010/11.

New HUTA represents Solano County's portion of a 17.3 cent per gallon gas tax established in 2010, which includes an inflation index. Public Works anticipates receiving \$3.6 million of new HUTA funding in FY2011/12. This funding was originally approved through Proposition 42 in 2002 as a sales tax on gasoline, but was converted to a one cent per gallon tax by the legislature in 2010. Proposition 26, passed in 2010, invalidated this conversion, sometimes called a tax swap, unless specifically approved by

the legislature by a 2/3rds vote. Legislation recently passed as part of the state budget process confirmed the validity of the tax swap, thereby securing the new HUTA funding for Solano County.

Public Works also receives substantial federal funding on a project specific basis. In FY2011/12, \$6.2 million in federal funding is anticipated, a \$2.3 million increase from FY2010/11.

Non-federal public works contracts included in the FY2011/12 budget are:

- \$10,000 for geotechnical engineering services for the Peaceful Glen Road Phase 4 Improvement Project;
- \$100,000 for design services for the Rule 20A Utility Undergrounding Project;
- \$30,000 for right of way acquisition for the Rule 20A Utility Undergrounding Project;
- \$200,000 for completion of the Gibson Canyon Road Improvement Project (non-federal);
- \$360,000 for the Jahn Road Improvement Project;
- \$25,000 to operate paratransit services;
- \$350,000 for construction of the Peaceful Glen Road Phase 4 Improvement Project; and
- \$650,000 for construction of the Slurry Seal Project 2011.

The cost of fixed assets shows an increase of \$475,000 due to increases in land, construction in progress, construction equipment and non-depreciable intangibles. Specifically:

- land costs increased by \$85,000 due to land purchases for road purposes;
- construction in progress increased by \$210,000 due to the net effect of the addition of several new projects included in the FY2011/12 Public Works Capital Improvement Plan and the delay of some other projects;
- construction equipment increased by \$80,000 to cover the increase costs of purchasing four power brooms, four asphalt rollers and a motor grader to replace old models bought in 1997, 2003 and 2004, as included in the Public Works Capital Improvement Plan; and
- non-depreciable intangibles increased by \$100,000. This is a new sub object used for the purchase of road rights of way.

Federal road improvement contracts included in the FY2011/12 budget are:

- \$1,110,000 for design and environmental work on eleven projects, including \$700,000 for the Redwood Parkway – Fairgrounds Drive Improvement Project;
- \$155,000 for right of way acquisition work on four projects;
- \$4,734,000 for the construction of eight projects, including \$777,000 for the Robinson Road Bridge Project, \$1,000,000 for the Surface Transportation Program Overlay Project 2012, \$1,450,000 for initiating the Suisun Valley Road Bridge Project including rental of a temporary detour bridge, and \$1,000,000 for initiating the Winters Road Bridge Project; and
- \$140,000 for construction engineering services on five projects.

DEPARTMENT COMMENTS

As a result of the receipt of one-time transportation improvement funds in the amount of \$14.4 million, including Proposition 1B funds and federal stimulus funds over the last several years, the condition of the County road system has improved. However, almost all such one-time funds have now been received. Public Works design and construction activity is expected to remain heavy through FY2012/13 as the last several million dollars of Proposition 1B funds, as well as federal funds for several large construction projects, are spent down.

The Road Fund continues to face a long-term structural funding shortfall, as statewide funding for transportation purposes continues to decline.

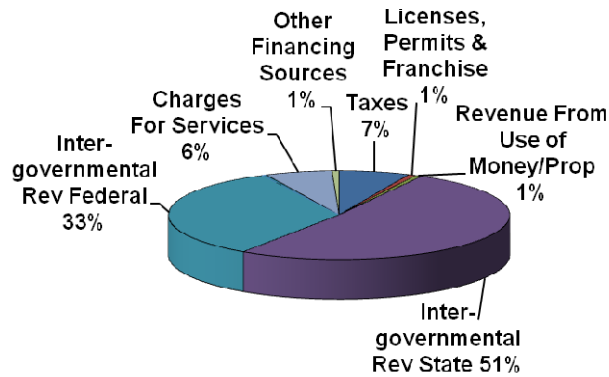
To help address this structural funding shortfall in the Road Fund, Public Works has reduced staffing by 23 percent during the last two years. This has challenged Public Works' ability to maintain the County road system. In the long term, if no steps are

Bill Emlen, Director of Resource Management
Functional Area Summary

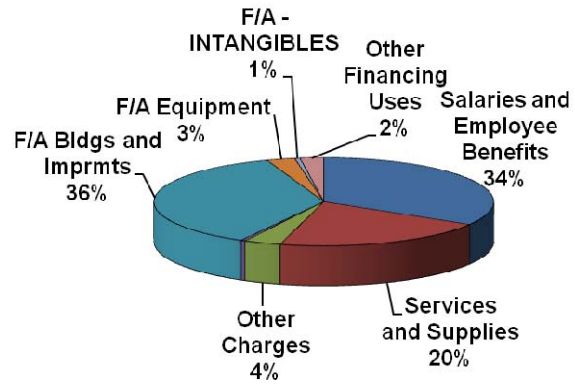
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taken on a statewide basis to provide additional funding for transportation purposes, the number of transportation improvement and maintenance projects constructed by Public Works will be reduced, resulting in the deterioration of the County road system.

SOURCE OF FUNDS



USE OF FUNDS



DETAIL BY REVENUE CATEGORY AND APPROPRIATION CATEGORY	2009/10 ACTUALS	2010/11 ADOPTED BUDGET	2011/12 CAO RECOMMENDED	FROM ADOPTED TO RECOMMENDED	PERCENT CHANGE
REVENUES					
Taxes	1,249,717	1,244,383	1,215,453	(28,930)	(2%)
Licenses, Permits & Franchise	142,537	123,400	127,500	4,100	3%
Revenue From Use of Money/Prop	114,712	100,496	114,000	13,504	13%
Intergovernmental Rev State	16,398,790	9,631,321	9,294,892	(336,429)	(3%)
Intergovernmental Rev Federal	3,033,020	3,793,000	5,995,000	2,202,000	58%
Intergovernmental Rev Other	29,623	21,000	77,000	56,000	267%
Charges For Services	1,280,588	1,194,151	1,148,135	(46,016)	(4%)
Misc Revenue	2,682	400	500	100	25%
Other Financing Sources	424,433	139,000	120,000	(19,000)	(14%)
TOTAL REVENUES	22,676,101	16,247,151	18,092,480	1,845,329	11%
APPROPRIATIONS					
Salaries and Employee Benefits	6,304,228	6,399,970	6,647,488	247,518	4%
Services and Supplies	3,039,925	4,228,819	4,041,202	(187,617)	(4%)
Other Charges	788,690	800,855	695,286	(105,569)	(13%)
F/A Land	12,700	0	85,000	85,000	0%
F/A Bldgs and Imprmts	6,304,244	5,992,000	7,202,000	1,210,000	20%
F/A Equipment	687,591	450,000	530,000	80,000	18%
F/A - INTANGIBLES	0	0	100,000	100,000	0%
Other Financing Uses	341,033	433,530	444,655	11,125	3%
TOTAL APPROPRIATIONS	17,478,411	18,305,174	19,745,631	1,440,457	8%

SUMMARY OF SIGNIFICANT ADJUSTMENTS

This budget does not include any significant adjustment. The requested budget includes \$9.2 million in Highway Users Tax Assessment (HUTA) funding as discussed above.

Public Works revenues are projected to increase by \$1.8 million in FY2011/12. This is a result of a \$2.2 million increase in federal funding, largely for construction of five major projects (Robinson Road Bridge, Surface Transportation Program Overlays 2011 and 2012, Suisun Valley Road Bridge and Winters Road Bridge).

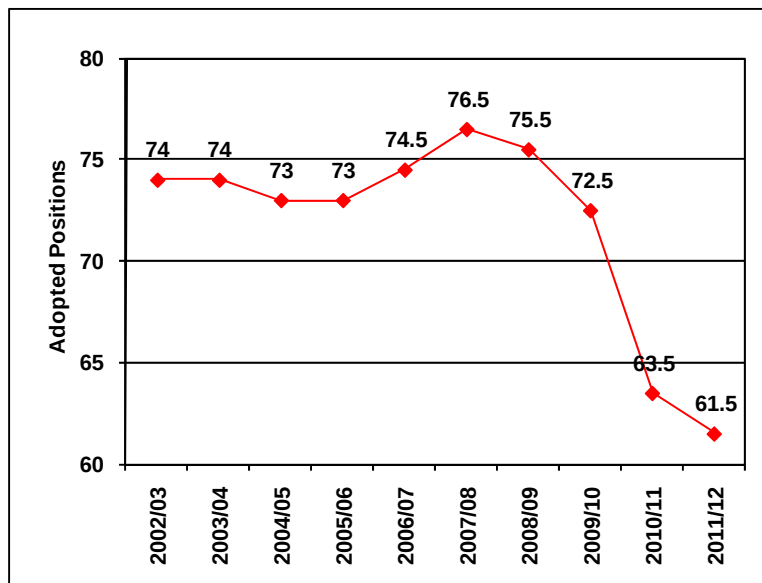
Public Works expenditures are projected to increase by \$667,000 in FY2011/12. This is a net result of:

- a \$451,000 increase in salaries and benefits which is partially due to anticipated retirement payoffs of \$203,000;
- an increase of \$475,000 in fixed assets due to an increase in land purchases, construction in progress and non-depreciable intangibles; and
- a \$20,000 increase in pension obligation bond costs due to an increase in POB rates; partially offset by:
- a decrease of \$188,000 in services and supplies, with the largest decreases coming in consulting services, contracted services and other professional services due to the completion or near completion of several projects; and
- a decrease of \$91,000 in Countywide Administrative Overhead charges.

SUMMARY OF POSITION CHANGES

On April 5, 2011 2 FTE positions were eliminated, as a result of PARS early retirement.

STAFFING TREND



PENDING ISSUES AND POLICY CONSIDERATIONS

The key issue facing Public Works is the continuing statewide underfunding of transportation. This is a long-term trend that has been masked in recent years by the use of one-time sources of funding, such as Proposition 1B and federal stimulus funds. The number of local roads in California that are in failed condition is expected to nearly quadruple by 2020, from six percent to 22 percent. This means that nearly a quarter of all local roads in California will have failed within ten years unless additional sources of transportation funding are developed. Solano County's roads will be similarly impacted.

Bill Emlen, Director of Resource Management
Summary of Other Administered Budgets

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DETAIL BY REVENUE AND APPROPRIATION OTHER ADMINISTERED BUDGETS	2009/10 ACTUALS	2010/11 ADOPTED BUDGET	2011/12 CAO RECOMMENDED	FROM ADOPTED TO RECOMMENDED	PERCENT CHANGE
REVENUES					
3030-Regional Transportation Project	0	138,425	100,000	(38,425)	(28%)
3020-Public Works Improvements	36,805	54,000	7,000	(47,000)	(87%)
APPROPRIATIONS					
3030-Regional Transportation Project	2,011,479	138,425	100,000	(38,425)	(28%)
3020-Public Works Improvements	24,804	126,000	75,000	(51,000)	(40%)
NET COUNTY COST					
3030-Regional Transportation Project	2,011,479	0	0	0	0%
3020-Public Works Improvements	(12,001)	72,000	68,000	(4,000)	(6%)

The Department's respective 'other' budget units follow.

FUNCTION AND RESPONSIBILITY

The Surveyor/Engineer Budget exists to fund non-road-related surveying and engineering services provided to the public. Services funded include map checking for parcel maps, subdivision maps and records of survey; the reproduction of maps on file; parcel map indexing for records of survey; map amendment correction and survey filing; and filing of corner records. Map checking services are performed for the cities of Benicia, Dixon, Suisun City on a reimbursable basis. In addition, the Division maintains a central repository and source of information on non-road surveying and engineering matters, and responds to public requests for information and service. The work is performed by Public Works Engineering Division employees on a reimbursable basis.

DETAIL BY REVENUE CATEGORY AND APPROPRIATION CATEGORY	2009/10 ACTUALS	2010/11 ADOPTED BUDGET	2011/12 CAO RECOMMENDED	FROM ADOPTED TO RECOMMENDED	PERCENT CHANGE
REVENUES					
Charges For Services	29,492	30,898	9,584	(21,314)	(69%)
Misc Revenue	3,757	3,800	3,900	100	3%
TOTAL REVENUES	33,249	34,698	13,484	(21,214)	(61%)
APPROPRIATIONS					
Other Charges	55,132	55,508	32,211	(23,297)	(42%)
TOTAL APPROPRIATIONS	55,132	55,508	32,211	(23,297)	(42%)
NET COUNTY COST	21,883	20,810	18,727	(2,083)	(10%)

SUMMARY OF SIGNIFICANT ADJUSTMENTS

- Both expenses and revenues have decreased substantially from the previous year as a result of the slowdown in land development activity.

FUNCTION AND RESPONSIBILITY

The Survey Monument Preservation Budget exists to fund the establishment of survey monuments at critical points in the county, including within the cities. Survey monuments are markers of known location and elevation set at key points throughout the county for use as reference points when entities survey property for land development and public works construction projects. The work is funded by a small fee imposed on recorded deeds, and is performed by Public Works Engineering Division employees on a reimbursable basis.

DETAIL BY REVENUE CATEGORY AND APPROPRIATION CATEGORY	2009/10 ACTUALS	2010/11 ADOPTED BUDGET	2011/12 CAO RECOMMENDED	FROM ADOPTED TO RECOMMENDED	PERCENT CHANGE
REVENUES					
Revenue From Use of Money/Prop	469	400	200	(200)	(50%)
Charges For Services	10,090	8,000	9,000	1,000	13%
TOTAL REVENUES	10,559	8,400	9,200	800	10%
APPROPRIATIONS					
Services and Supplies	0	0	10,000	10,000	0%
Other Charges	15,640	26,395	10,555	(15,840)	(60%)
TOTAL APPROPRIATIONS	15,640	26,395	20,555	(5,840)	(22%)

SUMMARY OF SIGNIFICANT ADJUSTMENTS

- Expenses for the Survey Monument Preservation budget have gone down from the previous year, as a result of the completion of monument preservation surveys in the Allendale area. Revenues have gone up slightly compared to FY2010/11 as a result of a small increase in anticipated document recording activity which funds this budget.

FUNCTION AND RESPONSIBILITY

This Budget tracks funds for regional transportation projects. Regional transportation projects typically consist of local roads that provide major points of access to the State highway system, or provide regional connections between communities and key transportation facilities. The Public Works Engineering Division of the Department of Resource Management typically represents the County in the planning and implementation of such projects, many of which are coordinated with the Solano Transportation Authority (STA).

In FY2006/07 the Board of Supervisors approved a loan of \$3 million from the General Fund to support regional transportation projects, with the goal of repaying the loan with future transportation impact fees. Due to the current state of the economy, the establishment of transportation impact fees has not yet occurred. The County is exploring the possibility of participating in a potential Regional Transportation Impact Fee under the auspices of the Solano Transportation Authority.

DETAIL BY REVENUE CATEGORY AND APPROPRIATION CATEGORY	2009/10 ACTUALS	2010/11 ADOPTED BUDGET	2011/12 CAO RECOMMENDED	FROM ADOPTED TO RECOMMENDED	PERCENT CHANGE
REVENUES					
Other Financing Sources	0	138,425	100,000	(38,425)	(28%)
TOTAL REVENUES	0	138,425	100,000	(38,425)	(28%)
APPROPRIATIONS					
Services and Supplies	1,341	84,000	60,000	(24,000)	(29%)
Other Charges	10,138	54,425	40,000	(14,425)	(27%)
F/A Bldgs and Imprmts	2,000,000	0	0	0	0%
TOTAL APPROPRIATIONS	2,011,479	138,425	100,000	(38,425)	(28%)

SUMMARY OF SIGNIFICANT ADJUSTMENTS

- This budget includes a reduction of \$24,000 in consulting services due to lower expenses associated with the Redwood Parkway – Fairgrounds Drive project in Vallejo, which is the only project currently expending funds from this budget. Expenses have also decreased due to a lower interest rate paid on borrowed funds. The budget has no revenues, and relies on the General Fund loan for financing.

FUNCTION AND RESPONSIBILITY

The Public Works Improvement Fund Budget exists to fund the construction of roads and other public works improvements in certain areas of the county. Property owners who make an application to develop their property, such as a subdivision or building permit, are required in some locations to pay for road improvements. The payments are placed in this Fund as a holding account until the road improvements are made, at which time the funds are used to reimburse the actual cost of the work performed. The improvements are restricted to the area where the property development occurred. The largest sources of such payments are the English Hills Zone of Benefit and the Green Valley Zone of Benefit. The work is performed by Public Works Division employees on a reimbursable basis.

DETAIL BY REVENUE CATEGORY AND APPROPRIATION CATEGORY	2009/10 ACTUALS	2010/11 ADOPTED BUDGET	2011/12 CAO RECOMMENDED	FROM ADOPTED TO RECOMMENDED	PERCENT CHANGE
REVENUES					
Revenue From Use of Money/Prop	4,392	4,000	2,000	(2,000)	(50%)
Misc Revenue	32,413	50,000	5,000	(45,000)	(90%)
TOTAL REVENUES	36,805	54,000	7,000	(47,000)	(87%)
APPROPRIATIONS					
Other Charges	1,000	5,000	5,000	0	0%
Other Financing Uses	23,804	121,000	70,000	(51,000)	(42%)
TOTAL APPROPRIATIONS	24,804	126,000	75,000	(51,000)	(40%)

SUMMARY OF SIGNIFICANT ADJUSTMENTS

- Expenses for this budget have gone down substantially as a result of the completion of design work for the Gibson Canyon Road Improvement Project. Revenues for this budget have also decreased substantially as a result of the continued slow pace of development activity.

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