AGENDA SUBMITTAL TO SOLANO COUNTY BOARD OF SUPERVISORS

ITEM TITLE		BOARD MEETING DATE	AGENDA NUMBER
Consider FY2010/11 Midyear Financial Report and take action as outlined in the recommendations contained in the Report		February 8, 2011	16
Dept: **Contact:** **Extension:**	County Administrator Michael D. Johnson 6100	**Supervisorial District Number** All	
	Published Notice Required?	Yes______	No_X_____
	Public Hearing Required?	Yes______	No_X_____

DEPARTMENTAL RECOMMENDATION:

It is recommended that the Board of Supervisors:

1. Accept the Midyear Financial Report as outlined in Attachments A, B and C.

2. Approve a transfer of $291,371 from General Expenditures Accrued Leave Reserves for leave payoffs in the District Attorney's Office and Probation Department to cover unanticipated retirement costs. (4/5 vote)

3. Approve a transfer of $116,853 in Salary Savings in the Public Defender's Office for investigative and psychological services, computers and printer, and storage costs that have resulted from increased caseload.

4. Approve a transfer of $76,099 from the Public Defender's Office to the Conflict Defender's Office to cover expenditures. (4/5 vote)

5. Approve a transfer of $171,521 from General Expenditures to Probation for unanticipated group home costs associated rate increases and higher number of placements. (4/5 vote)

SUMMARY:

The County Administrator's Office has reviewed and compiled the FY210//11 Midyear Financial projections. Each department head has prepared projections for revenues and expenditures, and submitted explanations for associated variances between the Working Budgets and projections. The variance explanations between the current year budget and the projections through June 30, 2011 have been considered and summarized in Attachment A. The projections reflect savings from the delay in filling positions, as well as savings through the prudent fiscal management efforts of departments continuing to implement cost-saving measures and cost-recovery efforts through claims and changes for services.

Based on the information complied in the Midyear projections the General Fund will end the fiscal year with a positive Fund Balance. However, the Fund Balance projection for June 30, 2011 will be substantial smaller than June 30, 2010, which in turn means a reduced level of funding available for FY2011/12. In addition, the Road Fund, the Library Fund, Public Safety Fund and internal service operating funds are projecting savings (Attachment B). Unfortunately, the downturn in the economy is driving the projected amount the County will disperse in general assistance and foster

care program support. In addition, Governor Schwarzenegger cut of reimbursement for AB 3632 for mandated child mental health care service without relieving the County of the mandate. Health and Social Services also has identified an increase in General Fund Contribution for the In-Home Support Services Program.

At this time, the Board is asked to accept the Midyear Report and the variance explanations, consider and approve several appropriation transfer requests (ATRs) from the Accrued Leave Allocation in General Expenditures to departments for accrued leave payouts that exceed the ability of several departments to absorb them with in their existing appropriations.

FINANCING:

As indicated in Attachment B, the Fund Balance for the General Fund is anticipated to be $24,910,432 and includes the General Fund Contingency balance of $21,811,915 as of February 8, 2011.

FY2010/11 Midyear Projections by Fund

Fund	Expenditures	Revenues	Fund Balance	Fund Balance Projection
General Fund - 001				
Midyear Projections	198,634,539	185,493,820	13,140,719	
Working Budget*	201,568,847	182,000,096	19,568,751	
Net Change Midyear vs. WB	**(2,934,308)**	**3,493,724**	**(6,428,032)**	**(6,428,032)**
*Excluding Contingencies balance of $21,811,915				
Public Safety - Fund 900				
Midyear Projections	140,236,117	139,938,596	297,521	
Working Budget	140,907,853	140,889,546	18,307	
Net Change Midyear vs. WB	**(671,736)**	**(950,950)**	**279,214**	**279,214**
Court Related - Fund 901				
Midyear Projections	265,000	265,000	0	
Working Budget	216,930	379,129	(162,199)	
Net Change Midyear vs. WB	**48,070**	**(114,129)**	**162,199**	**162,199**
H&SS - Fund 902				
Midyear Projections	268,448,682	265,119,167	3,329,515	
Working Budget	271,194,304	271,734,713	(540,409)	
Net Change Midyear vs. WB	**(2,745,622)**	**(6,615,546)**	**3,869,924**	**3,869,924**
Other Funds				
Midyear Projections	194,718,158	138,283,196	56,434,962	
Working Budget	217,776,526	139,355,977	78,420,549	
Net Change Midyear vs. WB	**(23,058,368)**	**(1,072,781)**	**(21,985,587)**	**(21,985,587)**
All Funds				
Midyear Projections	**802,302,496**	**729,099,779**	**73,202,717**	
Working Budget	**831,664,460**	**734,359,461**	**97,304,999**	
Net Change Midyear vs. WB	**(29,361,964)**	**(5,259,682)**	**(24,102,282)**	
Total Projected Shortfall				**(2,278,894)**
Internal Services and Enterprise Funds				
Midyear Projections	45,516,247	44,091,845	1,424,402	
Working Budget	47,844,990	42,996,938	4,848,052	
Net Change Midyear vs. WB	**(2,328,743)**	**1,094,907**	**(3,423,650)**	**(3,423,650)**

DISCUSSION:

The Midyear Report indicates that revenues for the General Fund are projected to be slightly better than the Working Budget based on the first six months of experience. However, revenues in several other County operational funds and budgets are projected to be less than budgeted and explanations are provided in Attachment A.

The Midyear projections also reflect reductions in projected expenditures as a result of continued efforts on the part of departments to be prudent in their spending decisions and to carefully analyze workload before seeking to fill vacant positions. The Midyear projections have identified several assistance programs where increased caseloads, if sustained through year end, will increase the cost in the General Fund. In addition, the Probation Department has identified increased operational costs that will impact the General Fund and are working closely with the County Administrator's Office to minimize the extent of the impact.

Since September 2009, the Board and County departments have undertaken numerous reduction measures and revenue increases, and where feasible that effort has continued through the first six months of FY2010/11. Staff continues to work with departments to identify opportunities to reduce operating costs and/or increase revenues to help narrow the existing gap between ongoing revenues and operating expenses where possible in order to minimize further erosion of the General Fund Balance and draw on the reserves.

Below is a summary of actions that have taken place to reduce the County's structural deficit since the Board adopted the FY2010/11 Recommended Budget

- On June 29, 2010 the Board adopted a resolution stating its intention to adopt lower retirement tier formulas for future County employees upon the completion of the appropriate negotiation process with represented employee organizations.

- On July 27, 2010, the Board adopted a clarified County Hiring Freeze Policy to help contain costs as departments continue to adjust programs and services to reflect the expected long-term lower revenue streams, including reduced property taxes, sales taxes and funding from the State and Federal government.

- On August 3, 2010, the Auditor-Controller informed the Board that the final numbers for FY2009/10 were better than anticipated, reflecting a concerted effort by departments to reduce expenditures and wring out an additional $6.2 million in savings. This year-end savings is one-time in nature and was placed in General Fund Reserves for potential use in FY2011/12 to address projected deficits.

- On August 24, 2010, the Board approved contract changes with Correctional Supervisors Unit 14 and adopted the terms of the Last, Best and Final Offer made to Correctional Officers Unit 13, saving the General Fund approximately $383,590 in FY2010/11.

- On August 31 and September 21 of 2010, the Board examined programs and service levels for several departments in light of the County's mandated obligations by outside agencies, such as the State, or from community priorities. Discussion focused primarily on programs where the County has discretion in how it delivers the service and the impact of reducing or eliminating the service.

- On September 14, 2010, a total of 11 eligible employees participated in an Early Retirement Incentive (ERI) Program designed to reduce the County workforce through means other than layoff. The eligible employees received two years of additional CalPERS service credit, and the County saved $2.57 million in salary and benefits through FY2012/13.

- On October 5, 2010, the Board reviewed the actuarial results that illustrated, absent changes to the existing retirement plans, would increase the County's retirement costs from $23.6 million in FY2010/11 to $44 million in FY2015/16. The Board also adopted a decrease in the County's contribution toward the cafeteria plan of unrepresented managers, including legislative, executive, senior and mid-management-confidential, from 80% to 75% of the CalPERS Bay Area Region Kaiser family rate beginning with the January 2011 renewals. This represents an annual savings of $66,395 for this group. If all County employee groups agree to this reduction, the County can save approximately $858,659 per year.

- On October 26, 2010, the Board took action to eliminate a net 23.7 vacant positions and directed staff to return on December 7 with additional information regarding the remaining vacant positions and the rest of the reduction plan stemming from the earlier workshops in August and September. In addition, the Board asked for an analysis of the impacts of a $1 million reduction in General Fund contribution to the Health and Social Services Department and the amount of leveraged dollars coming to Solano County as a result of contracts with community partners.

- On November 23, 2010, the Board approved contract changes with the Deputy Sheriffs' Association that will save $1.6 million over the life of the three-year contract, with General Fund savings estimated at $962,646.

- On December 7, 2010, the Board approved a series of cost-reduction proposals recommended by the County Administrator's Office to address nearly $1.7 million of the County's $18 million General Fund structural deficit this fiscal year. The actions included the deletion of three vacant and 11.65 filled positions and the addition of one position as a result of reductions in the level of service to several programs as well as the reorganizations of the Library and the Assessor-Recorder's Office. The final resolution affecting these changes was adopted by the Board on December 14, 2010.

- Also on December 14, 2010, the Board discussed a reorganization plan for Health and Social Services (H&SS) and approved a proposal that reduced the General Fund contribution to H&SS by $1 million annually. The reorganizational effort is projected to reduce expenditures by $350,000 and increase revenues by $650,000. In addition, the Board adopted an ordinance that implemented the establishment of a second retirement tier for safety employees. The rate is 3% at age 55.

- On January 11, 2011, the Board approved the establishment of a Supplementary Retirement Plan with the Public Agency Retirement Services (PARS) to offer eligible employees an incentive to retire early. Unlike the two previous early retirement incentives through the Public Employees Retirement System, this supplemental program gives the County greater flexibility in targeting reduction efforts. Eligible employees have until February 25 to inform the County of their intent to retire. The County will have until April 1 to complete an analysis to determine if the supplemental retirement program will provide the desired savings. If the County moves forward, the employees will retire by April 29. Up to 25% of the long-time employees may be replaced with this program, which uses overall salary savings to pay for the retirement incentive in five years.

Although there are mixed indicators nationally and statewide and deferring opinions as to whether the economic decline is approaching the bottom, there is consensus that County revenues for the remainder of this fiscal year should come in as projected. For a second year double digit unemployment continues to create a high demand for aid and services for residents, many of whom are first-time applicants.

Further, the State fiscal problems continue. Included in Attachment A of this report is a summary of Governor Brown's FY2011/12 State budget proposals, which proposes significant program reductions, revenue increases, and program shifts and realignments to address the $25.4 billion State budget deficit.

ALTERNATIVES:

There are several recommendations included in this Midyear Financial Report for your consideration. Your Board may choose to adopt none, any, or all of those presented. You may also choose to delay action on appropriation transfers; however, this action is not recommended since the transfers recommended in this report are intended to address known budget shortfalls which impact the department's ability to pay other obligations.

OTHER AGENCY INVOLVEMENT:

All County departments were involved in developing the information included in this Report.

COUNTY ADMINISTRATOR SIGNATURE:

By Birgitta E. Corsello for MDJ

MICHAEL D. JOHNSON
County Administrator

Attachments:

- Attachment A – Midyear Financial Report, pages 6 – 36
- Attachment B – Midyear Spreadsheet General Fund and Other Funds, pages 37 – 39
- Attachment C – Midyear Spreadsheet Super Funds, page 40

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

ASSUMPTIONS INCLUDED IN THE PROJECTIONS

This report outlines the County's anticipated year-end financial position, which reflects six months of actual expenditures and revenues and six months of projections. Staff made the following assumptions:

- The Midyear Report reflects increased caseloads in General Assistance, Foster Care and public defense costs, and In-Home Support Services; therefore, additional funding is required from the General Fund.
- The Governor's budget proposals for reductions and revenue shifts away from county programs for the remainder of the fiscal year have not been included in the projections, in particular Public Safety, Health and Social Services, First 5 and Stage 3 Child Care programs.
- The economy remains unsettled with a sluggish recovery in sales tax and interest earnings, and other program revenues, coupled with continuing real estate foreclosures and property assessment appeals contributing to a third year of reduced property tax revenues.
- The reduction in 2011 in Federal American Recovery Act funds previously used to offset In-Home Support Service wages and services without offsetting reductions in costs will result in additional impacts to the General Fund.

STATE BUDGET – POTENTIAL FINANCIAL IMPACT ON THE COUNTY BUDGET

State Budget Impacts

As reported to the Board on January 25, Governor Jerry Brown's FY2011/12 State budget proposal includes significant program reductions, revenue increases, and program shifts and realignments.

The proposal also includes a request to the legislature to enact the statutory changes necessary to approve the proposed budget by March 2011 in order to put certain provisions before the voters in a June 2011 special election.

The Governor's proposal comes amid a looming budget deficit of $25.4 billion and the threat of IOUs. Statements released by State Treasurer Bill Lockyer warn that the State could begin issuing IOUs in April or May if the Governor and the Legislature fail in their budget negotiations.

While much can change between now and the time the final State budget is approved, preliminary analysis by Solano County staff anticipates the impact of this proposal to be significant. A summary of significant budget provisions and potential County impacts is provided below.

Phase One Realignment – As proposed, phase one realignment includes $5.9 billion in program shifts and realignments to counties beginning in FY2011/12, growing to $7.3 billion in

FY2014/15. Under the Governor's plan, programs would be funded by a five-year extension of the 1.0% sales tax and 0.5% Vehicle License Fee (VLF), which are currently set to expire on June 30, 2011. The extension of these taxes would need to be approved by voters in a June 2011 special election.

The Governor's Budget Summary suggests that when the taxes expire, the State will provide counties with an amount equal to what these two sources will generate. However, the summary fails to specify what those revenue sources will be after the first five years.

Phase Two Realignment – Phase two realignment, lacks most details, but is anticipated to follow implementation of Federal Health Care Reform and would transfer programs including In-Home Support Services (IHSS) and Child Care Services (CCS) from the counties to the State.

County Impacts

While the Governor's budget proposal attempts to achieve a balanced approach between reducing expenditures and the extension of existing tax increases, the proposal relies most heavily on solutions that impact many County programs and services, as follows:

- Public Safety. Includes the transfer of prison inmates from the State to county jail facilities, which would ultimately increase jail populations in Solano County. An internal assessment suggests that, at a minimum, the County would need to increase the number of staff assigned to Alternative Sentencing and require additional Correctional Officers to manage the anticipated population increase. There is, at this time, no trigger or set date proposed, so the transition and timing of staffing impacts are unclear.

  The proposal would also transfer $741 million for adult parole supervision responsibilities from the State to county probation departments, requiring substantial operational changes to handle this population, as many would be sex offenders and other violent and serious offenders. State juvenile justice programs would also be realigned to county probation departments. Solano County Probation currently lacks the long-term intervention needs required to meet the needs of this population.

- Vehicle License Fee (VLF) Public Safety Programs. Would extend the temporary increase in the VLF (0.5%), which is set to expire in June 2011, for an additional five years to fund existing public safety programs, upon voter approval. The County Probation Department estimates its portion of VLF revenues alone to be over $2.7 million in FY2010/11. The Sheriff's Office receives approximately $1.2 million in VLF funding. Should the voters choose to reject the VLF extension, impacts to existing County public safety programs would be significant.

- Health and Social Services (H&SS). Comprehensive changes to H&SS programs would include program cuts and revenue reductions. Reductions and subsequent impacts include a proposed $1.5 billion reduction to CalWORKS; the transfer of Child Welfare Services and Foster Care program responsibilities from the State to the counties; a reduction in service hours and other related services for IHSS; and a reduction in Medi-Cal through reduced provider payments, an increase in beneficiary payments, caps on physician services, and the elimination of Adult Day Health Care.

  A one-time, statewide shift of $861 million in Proposition 63 (Mental Health Services Act) revenues would be used to fund AB 3632, Early and Periodic Screening, Diagnosis and Treatment, and mental health managed care in FY2011/12. Funding is currently provided by the State General Fund. Commencing in FY2012/13, an alternate revenue stream (likely Proposition 63 funds) would be used to fund these programs on an ongoing basis.

- First 5 and Stage 3 Child Care. The proposal makes a $1 billion one-time reduction to Proposition 10 reserves to backfill State programs (Medi-Cal) for children 0-5, subject to voter approval. It also redirects 50% of the annual statewide First 5 revenues to pay for State children services thereafter. Should a proposed ballot measure be approved by the voters, First 5 Solano anticipates a one-time hit of $8.57 million and an additional loss of $2 million in annual revenues. H&SS would also be directly and indirectly impacted through a loss of First 5 Solano funding. The proposed budget also includes $58 million to fund Stage 3 child care through December 30, 2010, and $52.6 million to restart Stage 3 child care services for Stage 3 families, effective April 2011.

- Other Budget Provisions of Interest. The Governor also proposes to eliminate $10 million in Williamson Act subvention funding in FY2010/11, which would result in a current year loss to the County of $200,000. The proposed budget also eliminates all State General Fund support for libraries, which would result in the elimination of $521,426 in County library funding. On transportation funding, the budget proposes to re-enact the 17.3 cents excise tax increase on gasoline, approved in March 2010, which was invalidated pursuant to the passage of Proposition 26. Should this provision be included in the final budget it would protect an estimated $3.5 million annual allocation for County streets and roads. The budget proposal also recommends a decrease of $9.9 million for County Veterans Services Offices and Operation Welcome Home, resulting in net loss of $144,054 for Solano County Veterans Services. On mandates, the proposed budget once again suspends all programs that were suspended or eliminated for funding in the FY2010/11 State budget and adds special elections to the list of suspended mandate reimbursements. Should a special election be called in June 2011 to enact portions of the Governor's proposal, the County estimates the total cost of the election to be $640,326.

FINANCIAL POSITION OF COUNTY DEPARTMENTS

Attached to the Midyear Financial Report are spreadsheets (Attachments B and C) that summarize projections and compare the Working to the Midyear Projected Budget. In most areas, Department Heads have made tremendous efforts to control their budget and continue to make reductions in their expenditures. The County Administrator is not recommending any significant budget augmentation, but recommends the Board direct departments to take whatever action necessary to end FY2010/11 without the need for an increase of County General Fund support, where it is feasible.

In the case of several H&SS programs, caseloads continue to climb as unemployment remains high and job losses continue. In addition, State and Federal cuts to funding for programs with limited local control or discretion at this time over the provision of service are increasing County cost. It appears inevitable that additional General Fund will be required potentially to fund as much as several million in increased costs.

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

GENERAL GOVERNMENT

General Revenues – 1101

The Midyear projection for General Revenues anticipates property tax revenues will be on target as budgeted for FY2010/11, as well as, Sales and Use Tax in lieu, and property tax in lieu of VLF. In addition, Revenues from Tax Loss Reserve will be higher than budgeted.

County Administrator/Clerk of the Board – 1100

The Midyear projection reflects a net decrease of ($82,543) in General Fund cost, which is the result of increased revenue from assessment appeals. The projected reduction in expenditures is attributed to the timing of filling the Budget Officer position, and a Senior Management Analyst vacancy, coupled with the decision to hold one Management Analyst position vacant for a portion of the year pending the Midyear projections and the status of the General Fund structural deficit.

General Services – 1117

The Midyear projection reflects decreases of ($744,807) in revenues and ($340,262) in expenditures for a net increase of $404,545 in Net County Cost when compared to the Working Budget.

This budget unit is comprised of Administration, Architectural Services, Central Services (Purchasing, Stores/Surplus, Mail Services, Records Management), and Facilities (Building/Trades, Stationary Engineers, Small Projects, Utilities, Grounds Maintenance, Custodial Services).

The Department of General Services derives its revenues from reimbursement of costs, either through direct billings or through the countywide cost allocation plan (CAP) from departments using its services. General Services is facing decreasing demands for special maintenance and service projects and/or reduced service levels as County departments realign their needs for services with diminished financial resources.

The Department has generally managed to temporarily balance the decrease in revenues by using one-time savings, such as those from temporary position vacancies and a decrease in utility rates, except in the Division of Architectural Services. To find a more permanent solution, a department-wide organizational study is currently under way to determine future service requirements based on mandates and core services and the optimal organizational structure that can deliver those services efficiently.

The increase in Net County Cost is directly related to a major revenue shortfall in the Architectural Services Division as a result of a current year change in the calculation of the departmental rates charged to capital projects.

- Architectural Services – 1270

  The Midyear projection reflects decreases of ($454,377) in revenues and ($13,453) in expenditures for a net increase of $440,924 in Net County Cost when compared to the Working Budget.

  The primary reason for the increase in Net County Cost is due to a correction in the Architectural Services billing rates for projects. In an effort to comply with the County's policy of "full cost recovery" for services provided, the Architectural Services Division's calculation for billing rates in previous years included costs associated with non-billable projects/work efforts. This methodology produced higher billing rates, but has been deemed not in compliance with the general guidelines for cost allocation and recovery by the Auditor-Controller's Office.

The effects of the inflated rates are overcharges to projects in the current year, and a reversal of these overcharges from the last two years. These reversals explain why the Architectural Services Division is assessed Countywide Administrative Overhead charges of $270,000 this fiscal year, instead of receiving Countywide Administrative Overhead revenues as a central service department.

Assessor – 1150

The Midyear projection reflects an increase of $25,750 in revenues and a decrease of ($238,056) in expenditures for a net decrease of ($263,806) in Net County Cost when compared to the Working Budget.

The slightly better revenue forecast is due to a small increase of $25,000 from the allocation of supplemental tax administration fees (SB 813) and $1,000 in other revenues, which is offset by a ($250) decrease in copier fees.

The Department is also projecting ($238,056) decrease in expenditures, primarily from decreases of ($206,651) in Salary and Benefits and an additional ($27,356) in Services and Supplies. The salary savings are the result of the elimination of (2.0) FTE positions from a departmental reorganization and significant delays in filling several critical vacant positions that are fully funded for the fiscal year. The decrease in Services and Supplies are the net result of a current year adjustment of ($78,806) in Solano County Integrated Property Systems (SCIPS) charges, offset by an increase of $51,450 in miscellaneous services and supplies.

The Assessor is facing the same major challenges confronting many county assessors in the state at this time. While they are struggling with diminished financial resources, workload has increased exponentially. The continuing slide of property values that started in 2008 has triggered statutory reassessment provisions of Proposition 8 as market values of real properties fall below current (Proposition 13) assessed values. Currently, over 65,000 parcels of the total 112,000 in the county are under Proposition 8; these values must be reviewed annually. This number is a six-fold increase from the 10,000 appraisals normally performed by the Assessor's Office in any given year. In addition, even when property values have been lowered under Proposition 8, some taxpayers still believe their assessed values have not been sufficiently reduced. Taxpayer appeals of assessed values has increased 300%, from 200 appeals annually to over 600 this year. Compounding the workload issues are resource reductions (personnel/computer refresh) from budgetary cuts, and systems interruptions resulting from a major overhaul of the SCIPS. Altogether, the Assessor has major backlogs in real property assessments, assessment appeals, business property statements, and mandatory business property audits.

To mitigate the backlogs, the Board recently approved a $285,000 purchase of two valuation software applications from the Technology Investment funding appropriated in FY2010/11 for the Assessor's Office that will automate processing of changes in ownerships and real property appeals. These are in addition to the automated valuation software purchased last year for Proposition 8 reassessments.

Included in the Midyear projection are the following CAO recommendations for partial reallocation of projected Midyear savings as follows:

- $70,000 to Extra Help for clerical staff and an Auditor-Appraiser to process business property statements.
- $65,000 to Overtime for appraisers and clerical staff to reduce the backlog in real property appraisals and appeals, and to meet peak period requirements for the preparation of the 2011 assessment roll during the March through June period.
- $45,000 to Computers for replacement of computers that have exceeded their useful lives.
- $26,000 to Contracted Services for additional hours for a consultant to assist in the settlement of an appeal on windmill assessments.

<u>Auditor/Controller – 1200</u>

The Midyear projection reflects decreases of ($57,691) in revenues and ($120,304) in expenditures for a net decrease of ($62,613) in Net County Cost when compared to the Working Budget.

The Auditor-Controller estimates across the board revenues to come in lower than budgeted. Most notable are reductions of ($15,000) in redemption fees as the number of redemptions of properties with delinquent property taxes has decreased, ($17,165) in Countywide Administrative Overhead Fees due to cost plan adjustments for direct billings to special districts, and ($23,760) for unrealized revenues from interdepartmental charges related to a vacant position.

The projected reduction in expenditures is mainly the result of decreases of ($46,747) in retirement costs due to the 3% Employer Paid Member Contribution (EPMC) assumed by management personnel and ($24,268) in health insurance costs because of lower than budgeted CALPERS health insurance cost increase and changes to employee coverage this fiscal year. Also included are net salary savings of ($22,006) due to a vacant Accounting Technician position, offset by a small increase in expenditures for Extra Help/Overtime.

<u>Tax Collector/County Clerk – 1300</u>

The Midyear projection reflects an increase of $2,272 in revenues and a decrease of ($97,707) in expenditures for a net decrease of ($99,979) in Net County Cost when compared to the Working Budget.

Although net revenue change appears to be minimal, details show the continuing effects of a lagging economy as regular departmental revenues from marriage license fees, filings for fictitious business names, fees for marriage ceremonies, and late payment penalties continue to trend down below budget by ($62,800). Offsetting these projected revenue shortfalls is an estimated increase of $64,700 in sales of delinquent roll data to title companies and in fees assessed to property owners for the collection of delinquent accounts.

Meanwhile, proposed expenditure reductions are in line with departmental targets allocated as part of the countywide effort to eliminate one-third of the County's $18 million structural deficit this fiscal year. The Department projects savings of ($40,000) in Salary and Benefits by eliminating (1.0) FTE Office Assistant II position and reducing appropriations for Extra Help staff. Given previous personnel reductions, the Department plans to rely on cross assignment of staff between divisions to meet the peak period seasonal requirements usually handled by Extra Help personnel. In addition, the Department also projects a ($58,000) reduction in Services and Supplies by reducing office expenses, postage and a one-time adjustment of SCIPS charges.

County Counsel – 1400

The Midyear projection reflects an increase of $100,000 in revenues and a decrease of ($13,583) in expenditures for a net decrease of ($113,583) in Net County Cost when compared to the Working Budget.

Departmental revenues are estimated to increase by $100,000 as a result of billings to the Solano Transportation Agency. With the approval of the Solano360 Project on February 1, 2011, County Counsel anticipates additional revenues from billings for legal services to the project. These revenues are not accounted for in the Midyear projection, but will be included in the Third Quarter update.

Net change in expenditures is a projected decrease of ($13,983). Although the Department is realizing savings of ($65,159) in retirement costs from the 3% EPMC assumed by management personnel and ($10,291) in health insurance costs because of lower than budgeted CALPERS health insurance cost, these are offset by increased costs from cost-of-living adjustments for senior management, line staff and unallocated salary savings built into the Adopted Budget.

Human Resources – 1500

The Midyear projection reflects an increase of $11,394 in revenues and a decrease of ($116,785) in expenditures for a net decrease of ($128,179) in Net County Cost when compared to the Working Budget.

The decreases in expenditures are due to the following factors:

- ($50,732) reduction in Retirement expenses.
- $13,307 increase in Accrued Leave Payoff mainly due to leave pay-outs for two retired Human Resources Assistants.
- ($3,650) reduction in Office Expense resulting from decreased use of printer toner with the use of photo copiers as network printers.
- ($2,350) reduction in postage due to increased email usage for printing recruitment notices.
- ($25,435) reduction in Other Professional Services due to the transfer of Employee Benefits from Risk Management and the resulting savings in charges for the Director of Human Resources' time to Risk Management.
- ($10,000) reduction in Publications and Legal Notices resulting from a decrease in the number of recruitments.
- ($2,000) reduction in Rents and Leases for savings in photocopier overage charges.
- ($3,800) savings in Travel Expense mainly due to the decision to not send three staff to CalPERS Conference in Southern California.

- ($10,020) savings in Intra-Fund Transfer due to the transfer of Employee Benefits from Risk Management to Human Resources and the resulting savings in Administrative charges from Risk Management Administration Division.

Registrar of Voters (ROV) – 1550

The Midyear projection reflects decreases of ($7,185) in revenues and ($321,621) in expenditures for an overall decrease in Net County Cost of ($314,436) when compared to the Working Budget.

The decrease in revenue is the net result of a ($97,917) decrease in State reimbursement for the November 2010 election and a $90,000 increase for November 2010 election services provided to other agencies, such as cities and school districts, and also candidate statement fees. Expenditure decreases are primarily due to lower costs associated with the November 2010 election.

There is a possibility that the Governor and the Legislature will call for a special election in June 2011. ROV has estimated this election will cost $640,326. The State has not made any commitment to reimburse counties for this special election. Due to the uncertainty of whether this election will take place and the reimbursement from the State, staff did not include costs of this special election in the Midyear projections and will provide the Board with an update at Third Quarter. While ROV has been able to decrease its Net County Cost, General Fund Contingency will be required to offset costs of the special election if it takes place before this fiscal year ends.

Additionally, the City of Rio Vista has notified ROV that it plans to have a June 2011 special election due to an initiative petition. At this time it is not known whether it will be an all-mail ballot election or precinct-based election. ROV will provide an update on the status of the election at Third Quarter once Rio Vista's plans are known, but the election will be fully reimbursed by the City of Rio Vista.

Real Estate Services – 1642

The Midyear projection reflects increases of $76,207 in revenues and $5,766 in expenditures for an overall decrease in Net County Cost of ($70,441) when compared to Working Budget.

Revenue increases are primarily the result of a $96,196 increase in building rentals mainly due to a new lease with the Superior Courts at the Hall of Justice in Fairfield, offset by decreases in cell tower leases ($9,237) and charges for services of ($8,289).

Expenditures are up by $5,766 resulting mainly from a rise in projected accrued leave payoff costs, education costs (tuition reimbursement), and county garage services for increased field services.

Promotion – 1750

The Midyear projection reflects a net increase of $2,176 in revenues and a net decrease of ($9,689) in expenditures and when compared to the Working Budget, resulting in a decrease in projected Net County Cost of ($11,865).

The reduced expenditures reflect Board actions on September 14, 2010 that reduced by ($3,225) the contract with Solano Economic Development Corporation to conduct economic development studies and on December 7, 2010 to eliminate ($2,400) budgeted for the sister city program.

On January 4, 2011, the County Administrator removed for further consideration an agenda item about the County exhibit for the 2011 California State Fair. At the time, the proposal was to contract with long-time fair coordinator Bob Meador for a total cost of $57,039. The amount reflected the $50,000 approved by the Board and prize money from the 2010 exhibit. While this amount represented a significant decrease from prior exhibits, the County Administrator has amended the contract parameters to limit total expenditures for the 2011 exhibit to $45,000, a reduction of ($12,039), or (21%).

The increase in revenues is a net of $3,125 in unanticipated revenue from the California Municipal Finance Authority for the sale of Recovery Zone bonds on behalf of the Mariani Fruit Packing Company in Vacaville and a reduction of ($949) in anticipated donations that the County expects to receive toward the State Fair exhibit project.

General Expenditures – 1903

The General Expenditures budget is used to budget for Net County Cost Contribution by way of operating transfers out from the County General Fund to departmental operating budgets included in the Public Safety Fund and the H&SS Fund. The General Expenditure budget also reflects revenues received from the Solano County Court, which are in turn used to pay the maintenance of effort required contribution to the Court. The Midyear projection anticipates reduced revenues from court fines based on current collections and adjustments due to a recent audit of the court fines and fees. The major expenditure changes reflected in the Midyear projections are a net of increases anticipated in General Fund Contribution to several assistance programs administered by H&SS including Foster Care, General Assistance and IHSS, that are partially offset by reduced General Fund Contribution to the Sheriff's budget due to projected reductions in expenditures to the Sheriff's operations. In addition, the projections anticipate additional increased General Fund Contribution to Probation.

Recorder – 2909

The Midyear projection reflects an increase of $179,072 in revenues and a decrease of ($180,879) in expenditures for a net decrease of ($359,951) in Net County Cost when compared to the Working Budget.

In July 2010, the Board approved a $6 per document recording fee increase for the Recorder's Office and the Adopted Budget was amended to increase estimated revenues for recording fees by $336,000. Midyear estimate indicates that recording fees will come in higher by an additional $195,000; this is offset by a small decrease ($15,928) in Other Revenues, for a net increase of $179,072 in revenues.

In contrast, expenditures are projected to decrease by ($180,879) as a result of salary savings. A major portion of the savings is due to several vacancies from retirements and promotion that were not filled immediately due to recruitment lead time. Further, replacements were hired at lower step levels than the previous incumbents. Additional savings was also realized from management staff picking up a 3% share of EPMC previously paid by the County.

PUBLIC PROTECTION

Public Safety Departments – Fund 900

The Public Safety Fund, Fund 900, consists of the departments of the Sheriff, District Attorney, Public Defender, Conflict Defender, Probation and Other Public Defense. The two major revenue components of Fund 900 are General Revenue at 64.3% and Intergovernmental Revenues (Federal/State funding) at 26.4%.

The Midyear projection reflects decreases of ($950,950) in revenues and ($671,736) in expenditures, for a reduction in County Contribution of ($279,214), when compared to the Working Budget.

The reduction in County Contribution is possible due to a projected ($1.3 million) decrease in Salaries and Benefits from reduced retirement costs, labor concessions obtained through MOUs with the Correctional Supervisors, Correctional Officers and Deputy Sheriffs, and vacancies. The decrease in Salaries and Benefits, however, is partially offset by a $661,686 increase in Other Charges, mainly attributable to a one-time partial pre-payment toward the lease cost of the Sheriff's AFIS (Automated Fingerprint Identification System) upgrade in the amount of $420,000. This pre-payment is anticipated to reduce the overall cost of the AFIS upgrade by ($72,723), and is funded from a special revenue fund, with no impact on the General Fund.

Regarding Intergovernmental Revenues, State funding for Public Safety Services (Proposition 172), which accounts for two-thirds of total Intergovernmental Revenues, is tracking both with the Working Budget and Prior Year Actuals. The net decrease of ($211,039) in this category of the Fund's revenues is the result of a ($300,000) projected decrease in Federal reimbursements for Probation's Title IVE program due to staffing reductions leading to a drop in claimable expenses.

As discussed earlier, the Governor's budget proposal includes a realignment of Public Safety Programs, and a five-year extension of the 1.0% sales tax and 0.5% VLF, which are scheduled to expire on June 30, 2011. Both proposals have impacts on the Public Safety departments, and consequentially on the Public Safety Fund.

Details of Public Safety departments' changes in expenditures and revenues are described in the departmental write-ups below.

District Attorney – 6500

At Midyear, the District Attorney's (DA) projects an over-expenditure of $155,341. This over-expenditure is proposed to be covered by an ATR (attached) from the General Expenditures (BU 1903), Accrued Leave CTO Payoff account, to cover unanticipated retirement payoffs, mostly for the prior District Attorney and Assistant District Attorney. With Board approval of the proposed appropriation transfer, the DA's Midyear projection is in effect balanced. This balance, however, involves the deletion of some positions.

In accordance with the DA's commitment to subsequently delete a position to compensate for the addition of a new Senior Staff Analyst position the Board approved on December 14, 2010, the deletion of a (1.0) FTE Senior Paralegal position is recommended. Additionally, due to cost increases, two other positions are recommended for deletion: a (1.0) FTE DA Investigator and a (0.5) FTE Deputy DA IV. The Midyear projection reflects reduced funding in Salaries and Benefits. The CAO will continue working with the DA in reviewing the Department's position allocations in preparation for the FY2011/12 budget.

The Midyear projection thus reflects reduced funding in the appropriations for Regular Salaries and Wages. In addition, and per Board direction, as a result of the end of the MOU with the Attorneys' Bargaining Unit in early January, the Department will need to absorb the cost of a 3% EPMC the attorneys had been previously contributing toward, in the amount of $86,662.

An issue of concern for this budget is if the Governor's proposed realignment of Safety Programs is implemented and lower level offenders and parole violators are transferred to the County, a consequential increase in the DA's criminal prosecution unit is anticipated.

Public Defender – 6530

At Midyear, the Public Defender projects an under-expenditure of ($76,099). This net under-expenditure primarily results from a ($236,086) decrease in expenses for Salaries and Benefits, partially offset by an $116,853 increase in expenses for Services and Supplies. A ($22,879) reduction in the General Fund Contribution has been made possible by the salary savings and a $32,804 increase in funding from a revenue agreement with the Administrative Office of the Courts (AOC) for representation of parents in dependency cases.

The decrease in Salaries and Benefits is due to the complexity encountered in hiring two Chief Deputy Public Defenders and a Deputy Public Defender V. A Chief Deputy Public Defender and a Deputy Public Defender V position were added to the Public Defender's Department with the Board's adoption of the FY2010/11 Budget and Supplemental, to address operational staffing needs indicated by Interim Public Defender Ken Clayman's organizational and operational review. (The second Chief Deputy Public Defender position had resulted from the promotion of the incumbent to the Public Defender position.) Promotion of an internal candidate to the added Chief Deputy Public Defender position resulted in the need to backfill the resultant vacancy. Filling the three high-level positions has enabled the Department to take on more serious, complicated and time-consuming felony cases, which in turn has led to a ($100,000) reduction in the County Contribution in the FY2010/11 Midyear projection for the Other Public Defense (BU 6730). Since the Public Defender's Department was only fully staffed in January, further reductions in the expenditures for Other Public Defense are anticipated for FY2010/11.

The Midyear projection provides for a transfer of part of the Department's projected salary savings to cover the Department's $116,853 increase in expenses for Services and Supplies and Other Charges. Approval of the transfer to, and adjustments within, the Department's appropriations for Services and Supplies and Other Charges will provide increased appropriations for the following unbudgeted needs:

1) An increased need for Professional and Psychological services in the amount of $110,000. The addition of the high-level positions with the adoption of the FY2010/11 Budget and Supplemental included appropriations for the positions' Salaries and Benefits. Due to the Department taking on more complicated and serious felony cases, a need for investigative, psychological, and other services has increased. No additional funding for these services had been appropriated with the adoption of the FY2010/11 Budget and Supplemental. Due to these increases in operational costs, the CAO will continue working with the Public Defender in reviewing the Department's expenditures, including position allocations, in preparation for the FY2011/12 Budget. Moreover, per Board direction and as a result of the end of the MOU with the Attorneys' Bargaining Unit in early January, the Department will need to absorb the cost of a 3% EPMC the attorneys had been previously contributing toward, in the amount of $36,947.

2) An appropriation in the amount of $18,953 for the replacement of 14 computers and two printers for the two Chief Deputy Public Defenders is recommended. All the computers have exceeded their useful life. No appropriations had been included in the Department's budget for the replacement of computers in FY2010/11. The replacement of the computers is necessitated by their being a liability risk to the County's information technology network.

3) A $14,000 need in Other Charges for storage of the Department's closed files.

Additionally, an ATR (attached) is recommended transferring the Department's Midyear budget under-expenditure of ($76,099) (General Fund Contribution) to cover projected over-expenditures in the Conflict Defender's Midyear Budget (budget unit 6540). The Conflict Defender's shortfall is explained in the following departmental write-up.

Issues of concern for this Budget:

- If the Governor's proposed realignment of Safety Programs is implemented and lower level offenders and parole violators are transferred to the County, a consequential increase in the Public Defender's caseload is expected.

- Additionally, due to increases in operational costs, the CAO will continue working with the Public Defender in reviewing the Department's position allocations in preparation for the FY2011/12 Budget.

Conflict Defender – 6540

At Midyear, the Conflict Defender's projects an over-expenditure of $76,099. As in the Public Defender's case, the Board added a Deputy Public Defender V position to the Department with the adoption of the FY2010/11 Budget and Supplemental, to address operational staffing needs indicated by Interim Public Defender Clayman's organizational and operational review. The addition of this high-level position enabled the Department to take on more complex and serious felony cases, resulting in higher projected expenses of $57,000 for investigative, psychological, and other services. Due to the increases in operational costs, the CAO will continue working in reviewing the Department's expenditures, including position allocations, in preparation for the FY2011/12 Budget.

Expenses for Extra-help are projected to be $27,264 higher due to an extended need for an extra-help process server in relation to a complicated murder case. Extra-help coverage for an employee on extended leave was also required. Additionally, an appropriation in the amount of $6,591 for the replacement of five computers which have exceeded their useful life has been included in the Midyear projection. No expenditures were made by the Department in FY2009/10 for the replacement of computers, and no appropriations were included in the Department's budget for FY2010/11.

As in the Public Defender's Midyear projection, this Department will have a $32,804 increase in funding from a revenue agreement with the Administrative Office of the Courts (AOC) for representation of parents in dependency cases. Similarly, as a result of the end of the MOU with the Attorneys' Bargaining Unit in early January, the Department will need to absorb the amount of $16,924, which is the cost of a 3% EPMC the attorneys had been previously contributing toward.

The ATR mentioned in the Public Defender's write-up, transferring the Public Defender's Midyear projection under-expenditure of $76,099 (General Fund Contribution) to cover projected over-expenditures in the Conflict Defender's Midyear Budget (budget unit 6540) is recommended.

An issue of concern for this budget is if the Governor's proposed realignment of Safety Programs is implemented and lower level offenders and parole violators are transferred to the County, a consequential increase in the Conflict Defender's caseload is likely.

Sheriff – 6550

At Midyear, the Sheriff projects an under-expenditure of ($852,704). The County Contribution was adjusted to reflect a reduction in the same amount ($852,704). The Sheriff thus is now balanced, showing a decrease of ($100,145) from the Working Budget.

Due to reduced retirement costs, labor concessions obtained through MOUs with the Correctional Supervisors, Correctional Officers and Deputy Sheriffs, and vacancies, the Midyear report projects a reduction of ($1,333,284) in Salaries and Benefits when compared to the Working Budget. This reduction in personnel costs, however, is partially offset by a $426,304 increase in Other Charges, mainly due to a partial pre-payment for the lease cost of the Sheriff's AFIS (Automated Fingerprint Identification System) upgrade in the amount of $420,000. The pre-payment is funded from a special revenue fund and is expected to save approximately $73,000 in the over-all cost of the AFIS upgrade. There is no impact on the General Fund from this pre-payment.

There are three issues of concern for the remainder of the current and coming fiscal years for this budget:

1) If the Governor's proposed State Budget is implemented and lower level offenders and parole violators are transferred to the County, the Sheriff will require more resources due to the resulting increase in the Jail's population. While there currently are beds available at Claybank, there is no staffing available, given recent reductions to pare down the County's structural deficit. The new Jail to be constructed and funded with AB 900 funds will not be ready in time for the anticipated influx of State prisoners.

2) Funding for the Governor's proposed realignment of Safety Programs, including the proposed transfer of lower level violators and parole violators, is uncertain. Even if the extension were to be approved by the voters in June, the funding stream is not sufficient to cover the anticipated required County resources: additional staffing, programs and facilities. The adequacy of funding for the realigned programs after the five-year extension is also uncertain.

3) Based on information received by staff, funding from the California Emergency Management Agency (CalEMA), receipt of FY2010/11 funding currently included the Midyear projection of up to $284,000 is uncertain. This funding covers the costs of a Sergeant and a Deputy Sheriff in the CAL-METT (California Multi-jurisdictional Methamphetamine Enforcement Team) Program.

Probation – 6650

At Midyear, the Probation Department projects an over-expenditure of $136,030. This over-expenditure is proposed to be covered by an Appropriation Transfer Request (attached) from the General Expenditures (budget unit 1903), Accrued Leave CTO Payoff account, to cover unbudgeted retirement, separations and compensation time payoffs. Board approval of the proposed appropriation transfer is recommended.

The Midyear projection reflects a decrease of ($333,456) in Regular Salaries and Benefits due to unfilled vacant positions, offset in part by expenditures of $136,030 for Accrued Leave/Comp Time Payoffs. A 33% increase in Group Home rates affecting the Department's placements starting in April 2010, and a Court-ordered higher level Group Home placement of a minor due to the seriousness of the offense, have led to a projected increase of $226,494 in the cost of Group Home Placements. Additionally, a Court-ordered placement of a minor at the State Department of Juvenile Justice necessitated an increase of $12,999 at Midyear.

The Midyear projection has also been impacted by reductions in revenues. Due to staffing cuts, Federal reimbursement for the Department's Title IV-E Program (case management services provided to foster kids) is projected to decrease by ($300,000). Projections for State funding are also projected to decrease by ($100,469) based on actual receipts over the past six months. The reductions in Intergovernmental Revenues have, however, been mitigated in part by increases in other Intergovernmental Funds, including a $154,179 increase in American Recovery and Reinvestment Act (ARRA) – State Pass Through funds carried over from FY2010/11 which should be claimed in the current fiscal year, and a $47,723 increase in State Sales Tax Realignment.

The Department has cut expenses everywhere it could, including ($114,280) from Services and Supplies. It has not been able to fully mitigate the increased costs of Group Home placements and reductions in Intergovernmental revenues. An increase in County Contribution in the amount of $171,521 included in the Midyear projection has effectively brought Probation's Midyear Budget into balance.

Issues of concern for Probation's Budget include:

1) There are another five or six minors awaiting Court-ordered placements due to serious offenses. As noted above, the Department's placement costs have already increased significantly over the Working Budget.

2) If the Governor's proposed State Budget is implemented and adult parolees are released to the County, significant operational changes will be required. This would necessitate the hiring of additional Probation Officers.

3) If the Governor's proposed State Budget is implemented and the Department of Juvenile Justice (DJJ) is eliminated, counties will need to assume responsibility for juvenile justice programming. Probation does not have the resources to provide the long-term intervention needs of the juveniles that would be released from DJJ, typically the most dangerous of juvenile offenders.

4) If the Governor's proposed State Budget is implemented and lower level offenders and parole violators are transferred to the County, Probation anticipates 400 more adult probationers. Increased caseloads for the Office of Family Violence Prevention are also anticipated.

5) Funding for the Governor's proposed realignment of Safety Programs, including the proposed transfer of lower level violators and parole violators, is uncertain. Even if the extension were to be approved by the voters in June, the funding stream is not sufficient to cover the anticipated required County resources: additional staffing and operational programs. The adequacy of funding for the realigned programs after the five-year extension is also uncertain.

OTHER PUBLIC PROTECTION

Department of Child Support Services – 2480

The Department of Child Support Services (DCSS) is projecting decreases of ($101,242) in revenues and ($153,731) in expenditures compared to Working Budget, resulting in a projected Fund Balance of ($59,563). DCSS is funded exclusively with State and Federal government funds and has no impact on the County General Fund.

The projected decrease in revenue is the net result of decreases of ($3,479) in interest income and ($97,896) in State and Federal funding to reflect actual funding in the administrative and electronic data processing (EDP) final allocations for FY2010/11. The latter was the net result of a decrease of ($238,000), representing a one-time charge for the Orange County Call Center, and an increase of $140,104 in EDP funding. The State has notified DCSS that there will be no charge for the Call Center in FY2011/12, as the State is developing a statewide approach to the Call Center structure for future fiscal years.

The projected decrease in expenditures is mainly due to a ($145,590) decrease in Salaries and Benefits that is primarily the result of the position vacancy period that happens once an employee leaves employment and the time involved with recruitment. In addition, there were also savings created while Human Resources evaluated the appropriate classification and job description for the child support manager-level position that was approved by the Board during the FY2010/11 Budget Hearings. This position was created to oversee child support programs and services. On February 1, 2011 the Board approved the Child Support Program Manager classification and recruitment has begun. Also of note, the decrease in Salaries was offset by a $7,074 increase for the cost of a 3% EPMC the attorneys had been previously contributing towards as a result of the end of the MOU with the Attorneys' Bargaining Unit in early January.

Agricultural Commission/Weights and Measures – 2830

The Agricultural Commissioner projects a Net County Cost decrease of ($35,314) from Working Budget. This is due to a projected $5,556 increase in revenue and a ($29,758) decrease in expenditures.

The increase in revenues is primarily the result of increases of $11,966 in revenues received from weights and measures device registrations and $7,700 in revenues received from phytosanitary field inspections. Additionally, State revenue for the Glassy Winged Sharpshooter program is projected to decrease by ($33,485). Due to changes in the nature of work required by the State, the Light Brown Apple Moth (LBAM) pest detection trapping contract decreased by ($130,000), but was offset by an increase of $149,000 for the LBAM and European Grape Vine Moth regulatory contracts.

The decrease in expenditures is the net result of a ($23,895) decrease in Salaries and Benefits resulting from the November 2010 deletion of two Limited Term Ag Aides and the March 2011 deletion of a (0.5) Office Assistance II; and a ($5,963) decrease in agricultural services supplies and expenses.

Resource Management – 2910

At Midyear, Resource Management is projecting increases of $50,074 in revenues and $74,624 in expenditures from Working Budget, resulting in a Net County Cost increase of $24,550 which will be addressed at Third Quarter.

Significant factors contributing to the $50,074 increase in revenues are:

- Licenses Permits & Franchises are projected to increase by $18,661 primarily reason is an increase in solid waste disposal fees. Intergovernmental Revenues are projected to decrease by ($16,701) the primarily reason is a reduction of expected grant revenue by the State for inspections of Above Ground Fuel tanks. Charges for Services are projected to increase by $26,411 as a result of a $82,972 net increase in Other Professional Services primarily from an increase of $88,404 for the Montezuma II wind turbine project, a ($6,711) reduction in Planning Services, a ($18,403) reduction in Land Division fees, a ($23,966) reduction in Inter-Departmental Administration as a result of the vacant Director position and a reduction of ($10,792) in Interfund Services for a ($8,100) reduction for reimbursement from the Rural North Vacaville Water District (RNVWD) and, ($2,692) reduction in reimbursement from Public Health for lead blood level monitoring performed by the Environmental Health Division.

- Misc Revenues project a net increase of $21,703 primarily as a result of an increase in Other Revenue of $16,003 from a transfer from the Hazardous Waste Trust to offset the loss of State Grant Revenue for inspection and monitoring of Above Ground Storage Tanks and other unreimbursed costs associated with the Certified Unified Program Agency (CUPA) program and a $6,000 increase in plan checking fees.

Significant factors contributing to the $74,624 increase in expenses are:

- Salaries and Benefits are projected to decrease in costs by ($98,400). This is primarily the net result of the department reducing the total staffing by one FTE Environmental Health Specialist and salary savings from one vacant Director position (3 months) and one vacant Environmental Health Specialist position (3 months) since the start of the fiscal year. There is however an increase of $6,385 in POB expenses.

- Services and Supplies are projected to increase by $158,592. Fuel & Lubricants are expected to decrease by ($10,645) as a result of fuel prices being lower than estimated. There is a ($2,000) decrease in license expense as a result of the reducing the number of persons being licensed in accessibility standards in the Building Division.

- There is an increase of $44,202 for EIR contract services for the Montezuma II wind turbine project. This expense if fully revenue offset an ATR is scheduled to be considered by the Board on February 1, 2011.

- There is an increase of $130,000 in FY2010/11 for contract services to begin the EIR and Airport Land Use Compatibility Plan (ALUCP) update for the proposed expansion of the Nut Tree Airport as approved by the Board on December 14, 2010. On December 14, 2010, a staff report noted that a funding request for $518,000 would be forthcoming from the Department of Resource Management at Midyear, $130,000 for FY2010/11 and $388,000 for FY2011/12. The report noted that the emphasis was on an integrated process to include the Nut Tree Master Plan, ALUCP update and EIR as a coordinated effort. The integrated process is expected to yield time efficiencies and cost savings over what is typical if the processes were to occur separately.

- In Contribution Non County Agencies there is a net increase of $8,047 as a result of the Fish and Game fees for filing the notice of determination for the Green Valley Specific Plan and additional charges from the City of Vacaville for reimbursement of unincorporated residents using the Household Hazardous Waste Collection Center located in the City of Vacaville. This cost is offset by a net decrease of ($6,847) in Other Professional Services as a result of unanticipated expenses for Fish and Game fees for the Middle Green Valley Specific Plan. And a decrease of ($1,446) as a result of the actual cost is lower than estimate for the Yellow Pages recycling guide. An ATR is attached to transfer $6,847 from other Professional Services and $1,200 from Advertising to Contribution Non County Agencies in the amount of $8,047.

PUBLIC WAYS

Road Fund – 101

At Midyear, the Road Fund 101, which is comprised of budget units 3010 and 3030, projects a net increase of $1,672,533 in revenues and net decrease of ($532,889) in expenditures, resulting in a net decrease in costs of ($2,205,422).

Significant factors contributing to the projected net increase of $1,672,533 in revenues are:

- A net increase of $13,575 due to projected increases in revenue for zoning permits, encroachment permits, transportation permits and grading permits based on year-to-date actuals.

- An increase of $11,733 due to Prob1B money received at the end of FY2009/10 earlier than expected.

- A net increase of $1,435,196 in Intergovernmental Revenues as a result of the following:

    - A reduction of ($4,023,321) in Prop 42 revenues (budget unit 9501) and an increase of $3,633,782 in Highway User Taxes (HUTA) revenues (budget unit 9569) during FY2010/11 due to Proposition 42 money swap as a result of a revised State instructions. In addition, the State allocation for Proposition 42 for Solano County was reduced to $3,512,001 and the HUTA allocation was increased by $121,782.

    - An Increase of $444,000 in revenues from Other Governmental Agencies due to increases in TDA funding and payments from the City of Vallejo and City of Fairfield.

    - ARRA funding of $690,854 was received but not budgeted for FY2010/11.

    - An increase of $672,000 in federal funding is the net effect of several new projects and several delayed or canceled projects.

- A ($89,494) decrease in Charges for Services is a result of a reduction in road services.

- A $27,000 increase in Other Financing Sources is due anticipated revenue from the sale of two dump trucks, side mower, old pain striper, rock roller, old paint supply truck for $72,000; and a reduction of $45,000 in Operating Transfers In due to the Green Valley project being moved from local funding to Federal funding.

Significant factors contributing to the projected net decrease of ($532,889) in expenditures are:

- A net decrease of ($445,095) in Salaries & Benefits primarily in the Public Works Operations due to retirements, reduced health benefits and management picking up 3% of the EPMC costs.

- The overall decrease of ($569,592) in expenditures is projecting the net effect of increases and decreases in various line items in services and supplies and to variances in projects costs listed below:

  - ($61,760) reduction in Maintenance-Buildings & Improvements due to adjustments in the approved Capital Improvement Plan.
  - $61,000 increase in Materials – Road Maintenance due to the addition of Sievers Road improvement project.
  - $20,000 increase in Fees and Permits due to an under budget for Fish & Game fees.
  - ($570,525) decrease in Consulting Services due to delays in the Redwood Parkway Interchange – Fairgrounds Drive project.
  - ($52,052) decrease in Contracted Services due to the cancellation of the proposed project to establish a common corporation yard for the Solano Irrigation District and Solano County Public Works.
  - $70,744 increase in Other Professional Services due to a $50,000 increase in the Liberty Island Road bridge repair and $20,000 increase in the overall expenditure projections based on the year-to-date actuals. The Department will revisit the projections at Third Quarter before doing an appropriation adjustment.

- The following variances are changes in Fixed Assets:

  - $4,500 increase in land purchases for rights of way that were not anticipated during the requested budget preparation. Appropriation transfer request has been submitted for approval.
  - $2,373,124 increase in Construction in Progress is the net effect of some delayed projects and a few new projects approved through Capital Improvement Plan for FY2011/12 as detailed below:

    - $2,100,000 for the addition of a paving project in 2011 that will save the Road Fund approximately $50,000. Funding for this project will be transferred from contingencies.
    - $616,000 increase from rescheduling the FY2009/10 Old Cordelia improvement project-to FY2010/11.
    - $72,000 increase for an additional change order work performed on the Grizzly Island Road Bridge.
    - $30,000 increase for additional rights of way.
    - $50,000 increase for a repair to a damaged bridge pile on the Liberty Island Road Bridge.
    - ($155,000) decrease due to the elimination of Pleasants Valley and Sievers road improvements.

- ($10,000) decrease due to the Pleasant Valley Road Curve improvement project being completed in FY2009/10.
- ($40,000) decrease for stimulus-funded paving projects and Dixon bike route projects completed in FY2009/10.
- ($10,000) decrease in the cost for the Robinson Road Bridge due to better-than-anticipated prices.
- ($20,000) decrease due to a plan check for bridge was cancelled.
- The balance is the reduction of contract cost in 2010 Overlay Project.

➢ Use of ($4,500,000) in contingencies is due to the following:

- Working budget for the expenditures includes contingency balance of $6,402,939. At the end of FY2009/10, the balance remaining in Proposition 1B funds was $4 million, which was moved to contingencies. The FY2010/11 budget includes an appropriation of $2.4 million for project costs funded by Proposition 1B money. Please note that Proposition 1B funds need to be expended by June 30, 2014.
- The Public Works division is planning to start the preliminary work for a FY2011/12 Paving project with a project cost of $2.1 million at the end of FY2010/11. Advancement of this paving project will save the Road Fund approximately $50,000. Funding for this project needs to be transferred from contingencies and is subject to a 4/5 vote. This will be presented to the Board for consideration in a separate Board item.

HEALTH AND PUBLIC ASSISTANCE

Health and Social Services (Fund 902) Overview

The Midyear projection for Fund 902, the Health and Social Services Department, reflects a decrease of in expenditures of ($2,745,622) and a decrease in revenues of ($6,615,546) as compared to the Working Budget, for an overall increase of $3,869,924.

The $3,869,924 increase includes $722,696 in costs incurred during FY2009/10. Although the Department's Assistance Division closed FY2009/10 with mandated General Assistance expenses exceeding General Fund revenues by a total of ($722,696), revenues in other Divisions exceeded expenses by a total of $2,561,207, for a net surplus of $1,838,511 across Fund 902.

However, the Auditor's Office swept the entire $2,561,207 into Fund Balance at the end of FY2009/10, preventing the Department from balancing its budget at the level of Fund 902. The Assistance Division's deficit - a General Fund obligation - was therefore rolled into the Division's FY2010/11 Budget as a statement of revenues exceeding expenses by $722,696.

Because the General Fund is the only source for those revenues, the Midyear Report's overall increase of $3,869,924 for Fund 902 includes $722,696 attributable to costs outside the current fiscal year.

The remaining $3,084,193 increase is driven primarily by factors in two divisions: Behavioral Health and Assistance Programs.

In the Behavioral Health division, State Other revenues decreased by ($1,304,592) due to the state suspension of AB 3632 funding, even as the County remains obligated to provide program services. In the Assistance Programs division, General Assistance costs are expected to rise by $908,619 and In-Home Supportive Services provider costs are projected to increase by $916,998.

The loss of AB 3632 revenue may be mitigated by the outcome of pending litigation and other department efforts, but a substantial likelihood remains that the cost will be a General Fund charge, at least for the duration of FY2010/11. Subsequent recovery of funds expended during this period is an open question as well.

General Assistance costs were noted as a risk area in the Recommended Budget by both the CAO and the Department. The concern was raised that mandated processing times, caseload increases and the uncertain economy could expose the County to approximately $900,000 in additional General Fund cost, as borne out in these projections.

In-Home Supportive Services provider payments were predicated on two assumptions noted in the Recommended Budget: that provider hours would remain the same as in FY2009/10, and that American Recovery and Reinvestment Act (ARRA) subsidies to the Federal Medical Assistance percentages would remain unchanged throughout FY2010/11. However, the Department now projects nearly a 6% increase in provider hours over the previous year, even after the (3.6%) reduction in hours required by AB 1612. Further, ARRA was not renewed by Congress for the remainder of this fiscal year, and the FMAP subsidy will decrease, then zero out, during the rest of FY2010/11.

On December 14, 2010, in response to previous direction by the Board of Supervisors, the Department presented the Board with its proposal to reduce by the annualized amount of ($1 million) the County General Fund Contribution to Fund 902, the Health and Social Services Fund.

The Midyear projections include a reduction of ($424,918) in General Fund Contribution resulting from the Board's adoption of the Department's proposal. The deletion of (1.0) FTE Substance Abuse Administrator reduced General Fund Contribution by ($33,193), the deletion of (1.0) FTE Mental Health Medical Director resulted in a ($130,910) reduction, the deletion of (1.0) FTE EMS Administrator yielded ($114,980) and increased Family Health revenues during the remainder of FY2010/11 contributed ($145,835).

The Department subsequently received direction to recommend an additional ($3 million) annualized reduction in General Fund Contribution. Although that proposal appears on the February 8 Board Agenda, its projected reductions are not included in the Department's Midyear assumptions.

The Department has deleted (22.3) FTE since Final Budget, has maintained an average of 89.62 vacant FTE through Midyear and anticipates fulfilling its FY2010/11 Salary Savings target. Salary/Wages-Extra Help and Salary/Wages OT/Call Back are expected to increase by a total of $582,378, but this amount would be more than offset by the net reduction of ($3,241,544) in Salary/Wages Regular and Salary Savings. Proportionate decreases are expected in Retirement-Employer ($1,151,338) and Health Ins-Employer ($1,095,964).

Projections for the Department's operating divisions are as follows:

Administration – 7501

The Division projects a decrease in expenditures of ($194,482) and a decrease in revenues of ($189,402) when compared to the Working Budget, for an overall savings of ($5,080).

Expenditures are expected to decrease by ($194,482) as a result of:

- A net decrease of ($222,715) in Salaries and Employee Benefits due to the elimination of (3.5) FTE and the exercise of vacancy control for other positions, partially offset by the transfer of 2.0 FTE Courier positions from General Services and anticipated increases in Extra Help and Overtime as a result of staff vacancies.

- A net decrease of ($378,936) in Services and Supplies, including reductions of ($232,514) in Other Professional Services, reflecting actual Medi-Cal Administrative Activities (MAA) costs, ($55,000) in Rents and Leases - Equipment, attributed to savings in printer and copier leases, and ($31,662) in Maintenance-Buildings and Improvements based upon expenditures to date.

- A net decrease of $67,809 in Other Charges due primarily to an increase of $123,360 for adjustments in the cost of a senior Human Resources analyst and the funding of an Accountant Auditor position not previously budgeted, partially offset by the transfer of ($58,799) to Salaries and Employee Benefits for the cost of 2.0 FTE Couriers originally funded in this budget object.

- A net decrease of ($19,860) in Other Financing Uses for Pension Obligation Bond costs.

- A net decrease of ($346,436) in Intra Fund Transfers due primarily to the overall decrease in expenditures allocated to program divisions via the department's administrative cost allocation.

Revenues are expected to decrease by ($189,402) as a result of:

- An increase of $116,908 in Revenue from the Use of Money / Property, attributed to increased interest income from a higher than anticipated average daily cash balance within Fund 902.

- A decrease of ($288,035) in Intergovernmental Revenues, resulting from lower MAA revenues, a function of reduced costs for this purpose under Services and Supplies above.

- A decrease of ($24,275) in Charges for Services also associated with lower MAA revenues.

Social Services - 7680

The Division projects a decrease in expenditures of ($3,463,110) and a decrease in revenues of ($3,375,940) when compared to the Working Budget, for an overall savings of ($87,170).

Expenditures are expected to decrease by ($3,463,110) as a result of:

- A decrease in Salaries and Employee Benefits of ($1,584,186), the net of various factors, among them a net reduction of (5.55) FTE, which included the addition of 11.0 FTE upon the inclusion of the former Public Guardian Division within this Division's Older and Disabled

Adult Services section. More significant was the cost reduction resulting from position vacancies during the fiscal year. The projections assume that remaining 36.75 vacant FTE, including recently extended Limited Term positions, will be filled in February through the end of FY2010/11.

- A decrease in Services and Supplies of ($431,106) due to various increases and decreases, chief among them a $100,000 increase in Maintenance-Buildings and Improvement, which included the cost of supplemental construction within Employment and Eligibility's office space in Vallejo, and a ($520,485) decrease in Data Processing Services, including a ($406,167) decrease in CalWIN costs for Eligibility and Employment programs.

- A decrease in Other Charges of ($1,231,893) due primarily to a ($1,295,600) reduction in Subsidized Employment costs upon the August 31, 2010 expiration of the Create Jobs Subsidized Employment Program upon non-renewal of the American Recovery and Reinvestment Act.

- An increase in Fixed Assets of $85,533 due to increased Computer Equipment costs associated with an electronic document management system including kiosks with self-serve scanning functionality to improve customer service and client confidentiality in Employment and Eligibility.

- A decrease in Other Financing Uses of ($28,611) due to reduced Pension Obligation Bond costs.

- A decrease in Intra Fund Transfers of ($272,847), the net of a ($223,571) reduction in Administrative Overhead charged to this Division and a ($49,276) decrease in IHSS provider enrollment costs.

Revenues are expected to decrease by ($3,375,940) as a result of:

- A decrease in Intergovernmental Revenue of ($3,406,676), much of which is attributable to reduced expenses in personnel and programs.

  Due to position vacancies through Midyear, Fed CalWORKs TANF revenue is projected to decline by ($2,546,429), a (12%) reduction. Similarly, State Adm MediCal and State CalWORKs Single claimed revenues are expected to decline by a total of ($1,129,962) due to cost reductions from vacant positions. ARRA Federal Direct revenues will decline by ($1,283,044) in coordination with Subsidized Employment expenditure reductions noted above.

  Fed Adm Health Related Services is projected to increase by $886,823 due to new revenues earned through location of the Public Guardian in this division and the Division's greater proportion of overhead costs because of vacancies in other programs. Other increases include a net of $756,733 in VLF and Sales Tax Realignment revenues.

- An increase in Charges for Services of $139,670, the net of $124,002 in settlements of decedent estates, increases in court mandated fees and Representative Payee charges, and $24,263 in Children's' Trust Fund withdrawals to cover costs associated with Family Resource Center contracts.

Behavioral Health - 7780

The Division projects a decrease in expenditures of ($1,653,173) and a decrease in revenues of ($3,013,347) when compared to the Working Budget, for an overall savings increase of $1,360,174.

Expenditures are expected to decrease by ($1,653,173) as a result of:

- A decrease in Salaries and Employee Benefits of ($1,698,017) due to a net reduction under previous action of (14.25) FTE, which included the deletion of (1.0) FTE Mental Health Medical Director and (1.0) FTE Substance Abuse Administrator for a net General Fund impact of ($164,103), with duties assigned to other Division staff. Other reductions included the reassignment of (6.4) FTE Psychiatrist (Board Cert) to the Health Services Division as part of the Department's FQHC revenue enhancement strategy.

- A decrease in Services and Supplies of ($633,062), the net of a ($802,200) reduction in Contracted Services based upon actual expenses to date, partially offset by increases of $162,874 in Computer Components and DOIT Time Study Costs associated with introduction of the new Electronic Medical Records system, $28,856 in Interpreter services and other, minor factors.

- An increase in Other Charges of $778,942, the net of a $1,418,124 increase in IMD and Patch Contracts and IMD Offset State Hospital costs associated in part with placements necessitated by the PHF closure as well as longer stays for patients otherwise admitted to Napa State Hospital, partially offset by a ($510,000) reduction in Psychiatric Health Facility costs resulting from the PHF closure. Further adjustments may be taken at Third Quarter as the closure's full impact materializes.

Revenues are expected to decrease by ($3,013,347) including a decrease in Intergovernmental Revenue of ($2,988,008). Significant reductions are: a ($2,107,799) decline in State Other revenue, attributed primarily to the loss of state AB 3632 funding for mandated services to children, a ($1,061,878) net loss of earned state Short / Doyle revenues due to position vacancies and a ($115,844) reduction in Federal Alcohol & Drug revenues related to elimination of the Substance Abuse administrator position. These reductions are partially offset by a $710,978 increase in Realignment monies, the net of a ($358,631) reduction in VLF revenue and a $1,069,609 increase in Sales Tax Realignment.

Health Services - 7880

The Division projects an increase in expenditures of $399,126 and an increase in revenues of $491,316 when compared to the Working Budget, for an overall savings of ($92,190).

Expenditures are expected to increase by $399,126 as a result of:

- A decrease in Salaries and Employee Benefits of ($1,824,458), attributed primarily to position vacancies, which reached 17.5 FTE at Midyear and averaged 22.9 FTE since the beginning of the fiscal year. The Division saw a net increase of 1.0 FTE in its position allocations. This nominal increase was the net of numerous transactions, including the deletion of (1.0) FTE EMS Administrator pursuant to the ($1 Million) General Fund Contribution reduction strategy directed by the Board, and the transfer from Behavioral Health of 6.4 FTE Psychiatrist (Board Cert) as part of the Department's FQHC revenue enhancement strategy.

- An increase in Services and Supplies of $1,544,665, including a $619,411 net increase on Controlled Assets and DOIT Time Study costs for implementation of the Department's Electronic Health Records system, a $255,005 increase in Special Departmental Expense, an additional $203,259 in grant-funded Medical / Dental supplies for Family Health clients and Public Health emergency preparedness exercises and restocking and an $88,842 increase in Advertising / Marketing, supported by grant revenue, to publicize vaccination clinics, the Nurse Family Partnership and other outreach efforts.

- An increase in Other Charges of $177,933, including an additional $46,694 in Housing for Clients pursuant to increases in the County's allocation of federal Housing Opportunities for Persons With AIDS funds, a $45,000 increase in disaster / pandemic readiness equipment, supported by Homeland Security grant funds, and an $11,938 increase in Interfund Services-Personnel to support security costs for additional H1N1 influenza clinics.

- An increase in Fixed Assets of $628,548 due to hardware and software costs associated with Electronic Medical Records.

Revenues are expected to increase by $491,316 due primarily to:

- An increase in Intergovernmental Revenue of $1,060,163 attributable to a $2,172,869 increase in Federal Aid, including supplemental bioterrorism grant funding, additional drawdowns because of Federal Fiscal Year timing of Healthcare for the Homeless and Ryan White HIV / AIDS Program grants, and the Nurse Family Partnership Program award. These increases, however, were partially offset by a ($559,929) reduction in VLF and Sales Tax Realignment revenue, a ($251,123) decrease in state revenue for the California Childrens' Services program, and a total reduction of ($246,118) in state revenue for AIDS Community Education and AIDS Case Management services.

- A decrease in Charges for Services of ($252,705), the net of a ($1,935,562) reduction in MediCal services in the Family Health clinics, partially offset by a $1,550,145 increase in Managed Care Services revenue, the revenue gap attributable to provider position vacancies in the clinics. A total of ($271,663) in similar reductions are projected for Private Pay Patient and Medicare Services revenues.

- A decrease in Other Financing Sources of ($329,845), including a decrease of ($260,815) in County Contribution offsetting reduced expenditures under the Department's $1 million General Fund Contribution reduction strategy.

Assistance Programs - 7900

The Division projects an increase in expenditures of $2,195,114 and a decrease in revenues of ($437,522) when compared to the Working Budget, for an overall increase of $2,632,636.

Expenditures are expected to increase by $2,195,114 in Other Charges, including a $908,619 increase in General Assistance costs, discussed above, an $811,435 increase in In-Home Supportive Services provider costs, also discussed above, and as a net increase of $714,199 in Foster Care costs.

The increase in Foster Care costs arises from a ruling by the Federal Ninth Circuit Court of Appeals, requiring the State of California to provide 100% of the cost of care for foster children placed in group homes. Because foster care is a Realigned program, counties bear a share of cost.

The implications of this ruling were considered and discussed in the FY2010/11 Recommended Budget. Because the case had not yet reached final resolution, no budgetary action was recommended, although it was noted that the County's exposure could approach $600,000. The case is now concluded, with the initial decision upheld. The additional expense is therefore included in the Midyear projections.

Revenues are expected to decrease by ($437,522) as a result of:

- A decrease in Intergovernmental Revenue of ($629,813), the net of ($402,365) in federal Aid to Adoption reductions and ($408,533) in State AB3632 aid reductions, partially offset by an additional $108,028 in federal ARRA revenues for foster care and adoption.

- An increase in Miscellaneous Revenues of $192,291.

Veterans Services – 5800

Veterans Services is projecting an increase of $45,000 in revenues and a decrease of ($6,763) in expenditures when compared to Working Budget, resulting in a projected decrease of ($51,763) in Net County Cost.

The increase in revenue is due to an increase in State Subvention funding of approximately $90,000, half is anticipated in the latter part of FY2010/11 and the other half in FY2011/12. This additional revenue was included in the current State budget for the Operation Welcome Home program, which targets recently returned veterans.

The decrease in expenditures is primarily the result of a reduction in Salaries and Benefits due to the retirement of an Office Assistant III that is being under filled with an Office Assistant II.

EDUCATION AND RECREATION

Library – 6300

The Library's Midyear projection reflects decreases of ($316,647) in revenue and ($2,154,870) in expenditures, excluding Contingencies, when compared to Working Budget. The result is a projected year-end Fund Balance decrease of ($1,838,223).

The projected decrease in the Library's revenues is due to decreases of ($182,663) in property and sales tax revenue, ($73,080) in interest income, ($35,103) in State revenue primarily for the Homeowners Property Tax Relief program, and ($24,500) in donations to the Library.

Expenditures have been reduced significantly, as part of the Library's strategy to close their projected structural deficit that has been mainly caused by declining property and sales tax revenues.

Salaries and Benefits reflect a decrease of ($1,418,063) primarily due to reductions in staffing, retirements, and non-critical positions being held vacant until the Library reorganization was in place. The Library projects continual reductions in property and sales tax revenues and continues to adjust staffing levels accordingly.

Services and Supplies reflect a decrease of ($728,844) and are primarily due to a reduction of ($424,741) in Library Materials and Processing as less Library materials will be purchased and processed due to the decline in revenues. Additional decreases include ($83,809) due to a reduction in custodial contract costs, ($45,144) in office expenses, ($40,001) due to a reduction in the security services contract, ($35,000) due to scaling back on advertising, ($25,000) for employee education and training, and ($47,768) in utilities.

The Library, with the City of Vallejo's consent, is moving 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 budget. The remodel is projected to be completed in this fiscal year and operational savings are anticipated. A public meeting is scheduled for February 2, 2011 at the JFK Library and the public is invited to hear a presentation from the County Architect's office about the layout of the new floor plan and the benefits to the public. Job order contracting (JOC) will be used to complete this project.

The Department continues to be challenged with balancing an increasing demand for library services with diminishing revenues. However, Library Administration remains sensitive to promises made to County residents as part of the passage of Measure B, a 1/8th of a penny sales tax passed in 1998 that allowed the Library to double its hours open to the public, quadruple the budget for books and other materials, and triple programs for children and teens.

Parks – 7000

The Midyear projection reflects increases of $64,100 in revenues and $69,810 in expenditures for an overall decrease of ($5,710) in Fund Balance.

Revenues are up by $64,100 which is mainly the result of an increase in projected tax revenue of $12,796, $35,478 in anticipated Coastal Impact Assistance Program (CIAP) grant funds, and a $13,702 rise in park recreation fee revenue (park revenues exceeded projections for July and August).

Salaries and Benefits are up by $17,453 due primarily to an increase in FICA costs associated with extra help and accrued leave payoff costs for laid off personnel.

Services and Supplies and Other Charges have increased by $50,345 which is the net result of an increase of $4,896 for mower repairs, a deferral of ($7,287) in site maintenance/improvements until Spring (if revenues are realized), $8,115 in charges from the Auditor for property tax management, $33,928 in costs associated with the CIAP grant applied for through the U.S. Department of the Interior (subobjects 0002312 & 0009599) for the Lynch Reservoir Wetlands Resource Planning Project, and $11,052 rise in water costs at Sandy Beach Park due to Rio Vista increasing water and sewer rates.

Other Financing Uses have increased due to a rise in salary related POB charges of $2,012.

INTERNAL SERVICE AND ENTERPRISE FUNDS

Risk Management – 1830

Risk Management is comprised of an Administration Division and four discrete programs with separate budget units: Administration, Liability, Property, Workers Compensation, and Unemployment. Midyear projections for each budget unit are reflected separately below:

- Liability Division – 1822

  The Midyear projection reflects an increase of $6,270 in revenues and a decrease of ($963,499) in expenditures for a net increase of $969,769 in Fund Balance.

  The slightly higher revenues are associated with an increase of $64,269 in Insurance Proceeds for refund from CSAC-EIA for self-insured retention reimbursement, offset by ($58,000) reduction in Other Revenue attributed to savings in Medical Malpractice Insurance costs that will not be direct charged to the Department of Health and Social Services.

  The projected decreases in expenditures are due to the following factors:

  - ($5,664) savings in Retirement expenses due to 3% reduction in EPMC.
  - ($694,467) reduction in Insurance – Other due to actual Primary General Liability and Excess Liability premium costs coming in less than initial estimates provided by CSAC-EIA that were used for budgeting.
  - ($58,000) reduction in Malpractice Insurance due to actual premium costs coming in less than initial estimates provided by CSAC-EIA that were used for budgeting .
  - ($50,000) reduction in Insurance Claims for Primary General Liability deductibles within the $10,000 limit.
  - ($30,000) reduction in Legal Service for less than anticipated costs for defense of Liability "Tails" Claims.
  - ($40,789) savings in Other Professional Services due to decreased costs for pre-employment background checks as a result of reduction in recruitments that require background checks and decision to not contract for SAMBA Fleet Watch Program.
  - ($70,608) from Intra-fund Transfer to reflect reduce allocation of administrative overhead charges from the Administration Division.

  The material difference between estimates and actual costs of liability insurance are inherent in how the budget is developed. In developing cost estimates for the Recommended Budget, the Department uses estimates provided by the California State Association of Counties (CSAC). Subsequent to the adoption of the budget, CSAC provides the actual rates. The variance between the estimates and the actual costs results in a deficit or surplus at year-end.

  Over the past few years, the Liability Division has accumulated a reserve of $1.15 million; if unused, this year's projected surplus of $969,769 would be added to the reserves, increasing it to $2.1 million. Risk Management recommends the use of $1.1

million of the projected reserves to lower the costs of Liability charged to Departments in FY2011/12. The reserve level will be maintained at $1 million, which Risk Management has deemed reasonable for contingencies. The County Administrator concurs with the recommendation.

- Workers Compensation Division – 1823

The Midyear projection reflects decreases of ($199,197) in revenues and ($313,012) in expenditures for a net increase of $113,016 in Fund Balance.

The decrease in revenue estimates is due to reduced interest earnings resulting from lower cash balance and/or interest rates. Over the past two years, the Workers Compensation Division has spent down its cash reserves by reducing rates charged to departments.

Expenditures are projected to also decrease primarily as a net result of the following major factors:

- $4,026 increase in Accrued Leave Payoff due to leave pay-out for one Risk Analyst.
- ($187,473) reduction in Insurance – Other due to actual Excess Workers' Compensation premium costs coming in less than initial estimates provided by CSAC-EIA that were used for budgeting.
- $84,871 increase in Insurance Claims which is a net result of savings in claims costs and an increase in the projected Loss Contingency Adjustment that will be made at fiscal year end to maintain 80% confidence level.
- ($40,000) savings in Psychological Services due to savings in the Employee Assistance Program resulting from decreased number of County employees.
- $351,250 increase in Other Professional Services which is a net result of a decrease in charges from Occu-Med for medical examination fees and an increase in charges from Occupation Health Program charges resulting from a change in accounting procedure that requires these charges be posted in this account instead of Interfund Services – Professional.
- ($440,477) decrease in Interfund Services – Professional resulting from a change in accounting procedure that requires these charges be posted in Other Professional Services.

The Department implemented "rate holidays" in 2010 and 2011 that artificially reduced charges below the actual costs for workers compensation to departments. Program Reserves have been used to fund the difference. With normal rates projected for FY2011/12, departments may be looking at an estimated total increase of $3 million over the FY2010/11 rates.

As a result of the "rate holidays," the Reserves for Workers Compensation have been reduced to $1.4 million. Risk Management deems this amount to be reasonable for contingencies and recommends that the reserves be maintained at this level. The County Administrator concurs with the recommendation.

➤ Property Division – 1824

The Midyear projection reflects decreases of ($19,368) in revenues and ($117,227) in expenditures for a net increase of $97,859 in Fund Balance.

The decrease in revenue estimates is due to a reduction of ($30,000) in interest earnings resulting from lower cash balance and/or interest rates, offset by a slight increase of $10,632 in other revenues.

Significant factors contributing to the decrease in expenditures are:

- ($85,166) reduction in Insurance – Other due to actual Property Program premium costs coming in less than initial estimates provided by CSAC-EIA that were used for budgeting
- ($25,000) reduction in Insurance Claims for Property Insurance Program deductible savings
- ($7,061) decrease in Intra-fund Transfer to reflect reduce allocation of administrative overhead charges from the Administration Division

The FY2010/11 rates include a rate holiday that lowered charges to Departments by $500,000 which effectively reduced the reserve in the program to $796,349. The projected increase at Midyear of $97,859 in Fund Balance, if added to the reserve, will increase the current reserve to $894,208, an amount deemed by Risk Management to be reasonable for contingencies. The Department also recommends that next year's rates provide full recovery of FY2011/12 costs; this would entail an increase of $500,000 over this year's rates.

➤ Unemployment Division – 1825

The Midyear projection reflects a decrease of ($104,440) in revenues and an increase of $401,620 in expenditures for a net decrease of ($506,060) in Fund Balance.

The decrease in revenue estimates is due to a reduction of ($35,000) in interest earnings resulting from lower cash balance and/or interest rates and a shortfall of ($69,440) in Other Charges for Services due to a reduction in total countywide salaries, against which rates are applied.

Meanwhile, expenditures are projected to be higher mainly due to higher unemployment insurance claims. This is the combined result of the County's continuing reduction-in-force and the extended unemployment benefits approved by the federal government. It is anticipated that the higher unemployment insurance claims experienced this year will continue into next fiscal year.

The projected deficit of ($506,060) will deplete the existing Reserve in Unemployment of $105,400 and will result in a negative Fund Balance of ($400,660) for this program. Risk Management recommends a FY2011/12 rate increase of $1.05 million over this year's rate to cover the higher unemployment costs, and to make up the estimated FY2010/11 Fund Balance deficit. The Department anticipates that future rates will also include provisions for an incremental build up of a reasonable reserve level. The County Administrator concurs with the recommendation.

Department of Information Technology (DoIT) – 1870

The Midyear projection reflects decreases of ($98,524) in revenues and ($1,277,573) in expenditures when compared to Working Budget, resulting in a projected year-end Fund Balance of $314,741.

Revenue reductions are primarily the result of a ($75,724) reduction in radio communication services provided to outside agencies as a maintenance agreement with Solano Emergency Communications Activities (SECA) is not anticipated to be finalized before the end of this fiscal year. Also, there is an increase of $34,200 from a revenue lease with Orange County for an offsite server location; however, this is offset by a decrease of ($46,000) in interest income.

The expenditure reductions were achieved primarily from savings of ($90,030) in Salary and Benefits due to retirements and a vacant Senior Communications Technician position that is currently in the process of being filled, ($184,000) decrease in equipment maintenance costs for systems that can be delayed at this time or are being handled by departmental staff, ($93,000) reduction in Consulting Services as the anticipated use of contractors for SCIPS project enhancements have been postponed at this time, ($69,000) decrease due to the elimination of one of the two contracted mapping services for DoIT's GIS division, and ($88,000) reduction in radio communication contract service costs.

Also, there is a ($722,794) reduction in long-term debt proceeds for the SCIPS migration project. Before the SCIPS migration was completed, it was anticipated that a loan would be required from the General Fund to support the project. Based on current cash flow forecasts within the DoIT internal service fund, it no longer appears that this loan will be necessary.

Fleet Management – 3100

The Midyear projection reflects decreases of ($228,414) in revenues and ($316,807) in expenditures for an overall increase of $88,393 in Fund Balance.

Revenues are down by ($228,414) as a result of a drop in fuel sales of ($180,000) due to a reduction in consumption and a ($48,414) decrease in charges for services requested outside standard maintenance requirements (time/materials billing).

Expenditures reflect a ($316,807) decrease that is primarily the result of a ($150,000) reduction in equipment maintenance due to vehicles being driven fewer miles causing less maintenance to be required and ($160,000) drop in fuel consumption by users (based on current year actuals and historical trends).

ADMINISTRATIVE BUDGET ISSUES

Additional Mitigation Measures to Control the Budget

The Midyear Report continues to reinforce the County's Resource Reduction Strategy Policy and the need to explore the possibility of implementing additional reduction measures in preparation for the County's next fiscal year's budget and beyond.

Accrued Leave Payoff

On June 26, 2006, your Board approved the criteria and procedure for managing the Accrued Leave Payout Reserves and authorized the County Administrator to transfer appropriations from General Expenditures to the affected departments. In FY2010/11, $800,000 was appropriated to potentially offset accrued leave payouts from retirements. Several departments have identified a need for an allocation of these funds to offset leave payouts for retirements. Separate appropriation transfers have been prepared to move funds from General Expenditure to the operating budgets of the District Attorney and Probation departments. There remains an available balance of $508,629 to cover unanticipated leave payouts should the County opt to proceed with the Public Agency Retirement Services (PARS) supplemental retirement incentive program authorized by the Board in January 2011 as part of an ongoing workforce reduction strategy to address the continuing structural deficit in the General Fund and other operating funds in the County.

Building Security

As part of the County's efforts to address an $18 million General Fund structural deficit, focus was given on discretionary activities in order to spare the mandated programs and core services critical to the community and constituents. Included in the budgetary cuts was the $500,000 in annual appropriations for the 24-hour security services provided to the County Administration Center, the Fountain Plaza, and the County parking garage. The reduction was implemented over a two year period, with the complete elimination of security services taking place on July 1, 2010.

The decision to eliminate security service was made very carefully, with the understanding that continuing risk assessments would be made and evaluated to ensure that there would not be any unnecessary exposure for the safety of the public and county employees, or potential increased risk or liabilities for the County. Recent incidents of vandalism and loitering have had county staff reconsidering the partial reinstatement of security services.

In the past few months, there has been an increase in the use of the County parking garage, the public plaza and the new County Events Center by "skateboarders." Given the inherent danger for serious accidents in this activity, County staff has expressed concerns for the risk of significant exposure to the county for injuries that may occur on county property. More disturbing, there have been reports of loiterers in the County Administrative Center after- hours, when all the offices are closed. With employees working after-hours, incidents have been reported where unidentified persons have acted in a manner that made employees working into the evening have some concerns for their personal safety. In addition, the recent shooting incident at a city council meeting in Cape Coral, Florida and shooting of a congresswoman in Arizona brought wide public attention to the need for more security in public buildings and events.

In a meeting of the County Administrator, the Sheriff, Director of the Department of General Services, and staff this winter to review security and risk assessment, there was a consensus for the need to reinstate security at the County Government Center complex, grounds and parking structure. Staff is recommending limited funding to reinstate security service has included projected costs for the balance of FY2010/11 and has included $76,000 in the Midyear forecast to reestablish security services through the County sheriff to include evening hours and weekend hours, as well as the board chambers during board meetings.

County of Solano Midyear Projections FY2010/11		FY2010/11 WORKING EXPENDITURES	FY2010/11 WORKING REVENUES	FY2010/11 WORKING NCC	FY2010/11 MIDYEAR EXPENDITURES	FY2010/11 MIDYEAR REVENUES	FY2010/11 MIDYEAR NET COUNTY COST	FY2010/11 NET CHANGE MIDYEAR vs WORKING
GENERAL GOVERNMENT								
1001	BOS-DISTRICT 1	368,544	0	368,544	368,544	0	368,544	0
1002	BOS-DISTRICT 2	357,769	0	357,769	357,769	0	357,769	0
1003	BOS-DISTRICT 3	351,528	0	351,528	351,528	0	351,528	0
1004	BOS-DISTRICT 4	359,897	0	359,897	359,897	0	359,897	0
1005	BOS-DISTRICT 5	322,011	0	322,011	322,011	0	322,011	0
1008	BOS-ADMINISTRATION	133,077	0	133,077	132,313	0	132,313	(764)
1100	ADMINISTRATION	3,589,389	3,302,099	287,290	3,512,386	3,307,639	204,747	(82,543)
1101	GENERAL REVENUE	1,000,000	133,596,602	(132,596,602)	985,000	137,959,065	(136,974,065)	(4,377,463)
1103	EMPLOYEE DEVELOP & RECOGNITION	504,030	553,718	(49,688)	527,502	610,328	(82,826)	(33,138)
1117	GENERAL SERVICES	15,621,860	16,215,820	(593,960)	15,281,598	15,471,013	(189,415)	404,545
1150	ASSESSOR	6,567,019	273,750	6,293,269	6,328,963	299,500	6,029,463	(263,806)
1200	AUDITOR-CONTROLLER	3,977,159	3,934,969	42,190	3,856,855	3,877,278	(20,423)	(62,613)
1300	TAX COLLECTOR/COUNTY CLERK	2,315,235	456,052	1,859,183	2,217,528	458,324	1,759,204	(99,979)
1350	TREASURER	1,144,210	1,146,323	(2,113)	1,092,459	1,092,459	0	2,113
1400	COUNTY COUNSEL	3,169,450	3,795,857	(626,407)	3,155,867	3,895,857	(739,990)	(113,583)
1450	DELTA WATER ACTIVITIES	277,857		277,857	280,291		280,291	2,434
1500	HUMAN RESOURCES	2,763,880	3,718,615	(954,735)	2,647,095	3,730,009	(1,082,914)	(128,179)
1550	REGISTRAR OF VOTERS	3,301,611	336,917	2,964,694	2,979,990	329,732	2,650,258	(314,436)
1642	REAL ESTATE SERVICES	300,648	810,812	(510,164)	306,414	887,019	(580,605)	(70,441)
1750	PROMOTION	451,175	19,465	431,710	441,486	21,641	419,845	(11,865)
1903	GENERAL EXPENDITURES	136,466,624	4,525,325	131,941,299	135,171,738	4,062,302	131,109,436	(831,863)
1904	SURVEYOR/ENGINEER	55,508	34,698	20,810	35,210	14,400	20,810	0
1905	A87 - OFFSET	(3,377,759)	(3,377,759)	0	(3,377,759)	(3,377,759)	0	0
	TOTAL General Government	**180,020,723**	**169,343,263**	**10,677,460**	**177,334,685**	**172,638,807**	**4,695,878**	**(5,981,582)**
Public Protection								
2400	GRAND JURY	134,584	0	134,584	134,584	0	134,584	0
2830	AGRICULTURAL COMMISSIONER	2,748,372	1,870,455	877,917	2,718,614	1,876,011	842,603	(35,314)
2850	ANIMAL CARE SERVICES	2,456,802	1,910,310	546,492	2,447,021	1,901,010	546,011	(481)
2909	RECORDER	1,678,284	1,276,953	401,331	1,497,405	1,456,025	41,380	(359,951)
2910	RESOURCE MANAGEMENT	10,277,034	6,982,766	3,294,268	10,351,658	7,032,840	3,318,818	24,550
	TOTAL Public Protection	**17,295,076**	**12,040,484**	**5,254,592**	**17,149,282**	**12,265,886**	**4,883,396**	**(371,196)**
Public Assistance								
5460	IND BURIAL VETS CEM CARE	21,150	5,772	15,378	21,150	5,772	15,378	0
5500	OFFICE OF FAMILY VIOLENCE PREV	781,718	460,392	321,326	690,279	388,170	302,109	(19,217)
5800	VETERANS SERVICE	574,893	145,000	429,893	568,130	190,000	378,130	(51,763)
7160	VALLEJO VETERANS BUILDING	4,275	0	4,275	0	0	0	(4,275)
	TOTAL Public Assistance	**1,382,036**	**611,164**	**770,872**	**1,279,559**	**583,942**	**695,617**	**(75,255)**
Education								
6200	COOPERATIVE EXT SVCE	322,339	5,185	317,154	322,339	5,185	317,154	0
	TOTAL Education	**322,339**	**5,185**	**317,154**	**322,339**	**5,185**	**317,154**	**0**
Debt Service								
1906	GENERAL FUND DEBT SERVICE	2,548,674	0	2,548,674	2,548,674	0	2,548,674	0
	Total GF Debt Service	**2,548,674**	**0**	**2,548,674**	**2,548,674**	**0**	**2,548,674**	**0**
TOTAL GENERAL FUND		201,568,847	182,000,096	19,568,751	198,634,539	185,493,820	13,140,719	(6,428,032)

County of Solano Midyear Projections FY2010/11		FY2010/11 WORKING EXPENDITURES	FY2010/11 WORKING REVENUES	FY2010/11 WORKING NCC	FY2010/11 MIDYEAR EXPENDITURES	FY2010/11 MIDYEAR REVENUES	FY2010/11 MIDYEAR NET COUNTY COST	FY2010/11 NET CHANGE MIDYEAR vs WORKING
OTHER FUNDS								
004-6300	COUNTY LIBRARY	23,434,008	16,296,308	7,137,700	21,279,138	15,979,661	5,299,477	(1,838,223)
006-1700	CAPITAL OUTLAY	45,901,812	10,794,861	35,106,951	44,282,402	10,679,314	33,603,088	(1,503,863)
012-2903	FISH/WILDLIFE PROPAGATION	982,089	18,957	963,132	475,716	18,957	456,759	(506,373)
016-7000	PARKS AND RECREATION	1,512,593	1,518,700	(6,107)	1,546,925	1,547,322	(397)	5,710
035-8035	JH REC HALL - WARD WELFARE	112,190	20,000	92,190	15,800	15,800	0	(92,190)
036-6150	LIBRARY ZONE 1	1,075,172	938,382	136,790	1,052,070	915,280	136,790	0
037-6180	LIBRARY ZONE 2	38,374	31,029	7,345	37,767	30,422	7,345	0
066-6166	LIBRARY ZONE 6	20,833	15,056	5,777	20,262	14,485	5,777	0
067-6167	LIBRARY ZONE 7	392,603	340,885	51,718	374,748	323,030	51,718	0
101-3010	PUBLIC WORKS	26,042,306	16,394,364	9,647,942	25,509,417	18,066,897	7,442,520	(2,205,422)
105-8225	HOUSING REHABILITATION	222,010	129,415	92,595	10,931	2,043	8,888	(83,707)
106-1630	PUBLIC ARTS PROJECTS	193,712	9,800	183,912	181,329	1,045	180,284	(3,628)
107-1815	FAIRGROUNDS DEVELOPMENT PROJ	1,838,978	3,251,914	(1,412,936)	1,838,979	3,251,914	(1,412,935)	1
110-2110	MICRO-ENTERPRISE BUSINESS	55,535	55,535	0	0	0	0	0
120-8220	HOMEACRES LOAN PROGRAM	1,096,928	22,957	1,073,971	17,767	10,252	7,515	(1,066,456)
150-1515	HOUSING AUTHORITY	2,169,602	2,169,602	0	2,169,602	2,169,602	0	0
152-1520	IN HOME SUPP SVCS-PUBLIC AUTH	2,789,445	2,789,445	0	2,715,380	2,822,603	(107,223)	(107,223)
153-1530	FIRST 5 SOLANO	9,396,403	5,296,476	4,099,927	8,946,329	5,279,884	3,666,445	(433,482)
215-4000	RECORDER SPECIAL REVENUE	6,796,721	620,000	6,176,721	941,950	620,000	321,950	(5,854,771)
228-2280	LIBRARY - FRIENDS & FOUNDATION	273,361	174,100	99,261	174,100	174,100	0	(99,261)
233-4100	DISTRICT ATTORNEY SPECIAL REV	1,080,628	58,838	1,021,790	657,956	88,213	569,743	(452,047)
238-2380	SE VALLEJO REDEVELOPMENT SETT	9,767	0	9,767	8,787	31	8,756	(1,011)
239-2390	TOBACCO SETTLEMENT	2,945,000	2,550,000	395,000	2,945,000	2,550,000	395,000	0
241-4110	CIVIL PROCESSING FEES	740,781	196,979	543,802	292,563	185,503	107,060	(436,742)
249-1490	HSS CAPITAL PROJECTS	19,275,254	3,156,889	16,118,365	19,251,754	3,154,164	16,097,590	(20,775)
253-4120	SHERIFF'S ASSET SEIZURE	152,419	13,430	138,989	311	11,837	(11,526)	(150,515)
256-2560	SHERIFF OES	2,802,861	2,547,763	255,098	2,060,943	2,176,293	(115,350)	(370,448)
263-4130	CJ TEMP CONSTRUCTION	2,632,287	471,540	2,160,747	2,162,128	407,947	1,754,181	(406,566)
264-4140	CRTHSE TEMP CONST	1,221,095	487,392	733,703	408,515	404,964	3,551	(730,152)
278-3021	PUBLIC WORKS IMPROVEMENT	311,777	54,000	257,777	72,000	21,700	50,300	(207,477)
281-1951	SURVEY MONUMENT PRESERVATION	37,931	8,400	29,531	26,395	9,160	17,235	(12,296)
296-1760	PUBLIC FACILITIES FEES	10,826,743	4,164,392	6,662,351	5,118,506	2,787,732	2,330,774	(4,331,577)
301-3001	GEN SVCS SPECIAL REVENUE	13,557	3,920	9,637	13,557	3,920	9,637	0
306-8006	PENSION DEBT SERVICE	18,284,941	33,234,614	(14,949,673)	17,973,065	33,286,358	(15,313,293)	(363,620)
325-3250	SHERIFF'S OFFICE GRANTS	1,034,222	1,034,222	0	1,045,862	1,045,862	0	0
326-4050	SHERIFF - SPECIAL REVENUE	1,950,248	771,834	1,178,414	1,222,700	651,676	571,024	(607,390)
332-8032	GOVERNMENT CENTER DEBT SERVICE	7,944,345	7,901,672	42,673	7,941,145	7,898,472	42,673	0
334-8034	H&SS SPH ADMIN/REFINANCE	2,519,594	2,519,594	0	2,520,344	2,520,344	0	0
340-3440	LOCAL LAW ENFORCE BLOCK GRANT	62,956	62,787	169	27,625	27,625	0	(169)
369-2480	CHILD SUPPORT SERVICES	12,461,460	12,201,293	260,167	12,307,729	12,100,051	207,678	(52,489)
390-7950	TOBACCO PREVENTION & EDUCATION	243,423	190,000	53,423	190,101	190,101	0	(53,423)
903-7200	WORKFORCE INVESTMENT BOARD	6,880,560	6,838,632	41,928	6,880,560	6,838,632	41,928	0
TOTAL OTHER FUNDS		**217,776,526**	**139,355,977**	**78,420,549**	**194,718,158**	**138,283,196**	**56,434,962**	**(21,985,587)**

County of Solano Midyear Projections FY2010/11		FY2010/11 WORKING EXPENDITURES	FY2010/11 WORKING REVENUES	FY2010/11 WORKING NCC	FY2010/11 MIDYEAR EXPENDITURES	FY2010/11 MIDYEAR REVENUES	FY2010/11 MIDYEAR NET COUNTY COST	FY2010/11 NET CHANGE MIDYEAR vs WORKING
INTERNAL SERVICE & ENTERPRISE FUNDS								
031-2801	FOUTS SPRINGS YOUTH FACILITY	3,956,259	3,999,336	(43,077)	4,020,627	3,557,990	462,637	505,714
034-3100	FLEET MANAGEMENT	4,999,954	4,909,780	90,174	4,683,146	4,681,366	1,780	(88,394)
047-9000	AIRPORT ENTERPRISE	2,025,135	2,025,135	0	2,171,049	4,132,471	(1,961,422)	(1,961,422)
060-1830	RISK MANAGEMENT	16,150,713	12,213,683	3,937,030	15,244,223	11,979,539	3,264,684	(672,346)
310-9050	SPECIAL AVIATION	41,138	41,138	0	41,137	41,137	0	0
370-1870	DEPARTMENT OF INFO TECHNOLOGY	20,310,933	19,446,625	864,308	19,033,360	19,348,101	(314,741)	(1,179,049)
404-1901	REPROGRAPHICS	360,858	361,241	(383)	322,705	351,241	(28,536)	(28,153)
	Total ISF & Ent. Funds	**47,844,990**	**42,996,938**	**4,848,052**	**45,516,247**	**44,091,845**	**1,424,402**	**(3,423,650)**

Notes

General Fund - Fund 001	
Midyear Projection - Expenditures	198,634,539
Midyear Projection - Revenues	185,493,820
Assistance Program Cost Increases	3,329,515
Midyear NCC	16,470,234
Fund Balance	(39,978,027)
Reserves for encumbrance	(305,553)
To Reserves	6,212,414
From Reserves	(7,309,500)
Exclude Contingencies @ 12/31/10	21,811,915
Total Means of Financing	(19,568,751)
Net Change *	**(3,098,517)**

* Includes Assistance Program Increases

Proposed Use of General Fund Contingency

General Fund Contingency of 12/31/11	21,811,915
Total Contingency Transfer	0
Contingency Balance	(21,811,915)
Net Change	(3,098,517)
Projected FB w/Contingency	**(24,910,432)**

County of Solano

3 Super Funds- Midyear Projection

3superfnd midyear.xls

FY2010/11

	Total Expenses	Program Rev	General F. Contrib. *	Total Revenues	Net Change*
6500-District Attorney					
Midyear Projection	19,332,641	8,575,909	10,595,241	19,171,150	161,491
Working Budget	19,209,501	8,608,110	10,595,241	19,203,351	6,150
Net Change	**123,140**	**(32,201)**	**0**	**(32,201)**	**155,341**
6530-Public Defender					
Midyear Projection	9,825,686	615,346	9,286,439	9,901,785	(76,099)
Working Budget	9,943,205	903,887	9,039,318	9,943,205	0
Net Change	**(117,519)**	**(288,541)**	**247,121**	**(41,420)**	**(76,099)**
6540- P. Def Conflict					
Midyear Projection	2,916,273	189,025	2,651,149	2,840,174	76,099
Working Budget	2,807,370	156,221	2,651,149	2,807,370	0
Net Change	**108,903**	**32,804**	**0**	**32,804**	**76,099**
6550-Sheriff					
Midyear Projection	74,770,375	30,257,912	44,512,463	74,770,375	0
Working Budget	75,636,259	30,170,947	45,365,167	75,536,114	100,145
Net Change	**(865,884)**	**86,965**	**(852,704)**	**(765,739)**	**(100,145)**
6650-Probation					
Midyear Projection	30,491,142	10,390,614	19,964,498	30,355,112	136,030
Working Budget	30,393,194	10,606,529	19,792,977	30,399,506	(6,312)
Net Change	**97,948**	**(215,915)**	**171,521**	**(44,394)**	**142,342**
6730-Other P Defense					
Midyear Projection	2,900,000	0	2,900,000	2,900,000	0
Working Budget	2,918,324	0	3,000,000	3,000,000	(81,676)
Net Change	**(18,324)**	**0**	**(100,000)**	**(100,000)**	**81,676**
900 Fund Total					
Midyear Projection	140,236,117	50,028,806	89,909,790	139,938,596	297,521
Working Budget	140,907,853	50,445,694	90,443,852	140,889,546	18,307
Net Change	**(671,736)**	**(416,888)**	**(534,062)**	**(950,950)**	**279,214**
6800-CMF Cases					
Midyear Projection	265,000	265,000	0	265,000	0
Working Budget	216,930	379,129	0	379,129	(162,199)
Net Change	**48,070**	**(114,129)**	**0**	**(114,129)**	**162,199**
901 Fund Total					
Midyear Projection	265,000	265,000	0	265,000	0
Working Budget	216,930	379,129	0	379,129	(162,199)
Net Change	**48,070**	**(114,129)**	**0**	**(114,129)**	**162,199**
Fund 902-Health & Soc. Serv (7500)					
Midyear Projection	268,448,682	236,898,936	28,220,231	265,119,167	3,329,515
Working Budget	271,194,304	242,909,564	28,825,149	271,734,713	(540,409)
Net Change	**(2,745,622)**	**(6,010,628)**	**(604,918)**	**(6,615,546)**	**3,869,924**

Attachment C