

DISTRICT PURPOSE

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

| Budget Summary: | |
|--|---------|
| FY2010/11 Third Quarter Projection: | 385,421 |
| FY2011/12 Recommended: | 390,269 |
| County General Fund Contribution: | 0 |
| Percent County General Fund Supported: | 0.0% |
| Total Employees (FTEs): | 0.0 |

FUNCTION AND RESPONSIBILITIES

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

SIGNIFICANT CHALLENGES AND ACCOMPLISHMENTS

None.

WORKLOAD INDICATORS

None.

DEPARTMENTAL BUDGET SUMMARY

The Recommended Budget for the EVFPD of \$390,269 represents decreases of \$3,956 or 1.0% in revenues and \$3,466 or 0.9% in expenditures when compared to its FY2010/11 Adopted Budget.

The decrease in revenues is the result of a reduction in projected tax revenue for the next fiscal year and is offset by \$19,519 from Reserves.

Contracted Services with the City of Vallejo Fire Department is budgeted at \$376,919 and is based on anticipated property tax revenues less \$8,350 in administrative support costs. If there is available Fund Balance at end-of-year, the Department requests the Auditor increase the Department's appropriations for Contracted Services by the amount of the available ending Fund Balance.

DEPARTMENT COMMENTS

None.

| SUMMARY BY SOURCE | 2009/10 ACTUALS | 2010/11 ADOPTED BUDGET | 2011/12 CAO RECOMMENDED | FROM ADOPTED TO RECOMMENDED | PERCENT CHANGE |
|-------------------------------------|----------------------------|---------------------------------------|--|--|---------------------------|
| 134 - EAST VJO FIRE DISTRICT | | | | | |
| Taxes | 432,885 | 390,882 | 366,300 | (24,582) | (6%) |
| Revenue From Use of Money/Prop | 1,506 | 550 | 180 | (370) | (67%) |
| Intergovernmental Rev State | 4,762 | 2,303 | 4,270 | 1,967 | 85% |
| From Reserve | 0 | 490 | 19,519 | 19,029 | 3883% |
| TOTAL FINANCING AVAILABLE | 439,153 | 394,225 | 390,269 | (3,956) | (1%) |
| Services and Supplies | 439,139 | 393,235 | 384,919 | (8,316) | (2%) |
| Other Charges | 3,820 | 500 | 5,350 | 4,850 | 970% |
| TOTAL FINANCING REQUIREMENTS | 442,959 | 393,735 | 390,269 | (3,466) | (1%) |

SUMMARY OF SIGNIFICANT ADJUSTMENTS

None.

SUMMARY OF POSITION CHANGES

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

PENDING ISSUES AND POLICY CONSIDERATIONS

The County has an agreement with the City of Vallejo to provide fire protection services to the East Vallejo Fire Protection District. The City has declared bankruptcy and continues having financial difficulties. However, at this time the County doesn't anticipate significant changes in the current service level provided by the City to the District.

In addition, due to ongoing budget cuts throughout the county, fire agencies are beginning discussions on consolidating communications and services.

DISTRICT PURPOSE

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

| Budget Summary: | |
|--|---------|
| FY2010/11 Third Quarter Projection: | 75,100 |
| FY2011/12 Recommended: | 212,761 |
| County General Fund Contribution: | 0 |
| Percent County General Fund Supported: | 0.0% |
| Total Employees (FTEs): | 0 |

FUNCTION AND RESPONSIBILITIES

The Consolidated County Service Area budget funds the operation and maintenance of existing streetlights, including the cost of electricity, as well as the installation of new street lights. This budget is entirely funded through property taxes.

SIGNIFICANT CHALLENGES AND ACCOMPLISHMENTS

Installed two new street lights, and assumed the operation and maintenance responsibility for 28 new street lights installed as a part of transportation improvement projects constructed on Cordelia Road and Suisun Parkway.

WORKLOAD INDICATORS

Operated and maintained 552 street lights, and installed two new street lights.

DEPARTMENTAL BUDGET SUMMARY

The recommended budget for the Consolidated County Service Area represents a decrease of \$5,577 or 6% in revenues and increase of \$104,106 or 96%, expenditures of compared to FY2010/11 Adopted Budget. The difference between expenditures and revenues will be funded from Reserves.

| SUMMARY BY SOURCE | 2009/10 ACTUALS | 2010/11 ADOPTED BUDGET | 2011/12 CAO RECOMMENDED | FROM ADOPTED TO RECOMMENDED | PERCENT CHANGE |
|---|----------------------------|---------------------------------------|--|--|---------------------------|
| 046 - COUNTY CONSOLIDATED SVC AREA | | | | | |
| Taxes | 94,012 | 87,617 | 84,450 | (3,167) | (4%) |
| Revenue From Use of Money/Prop | 6,881 | 6,500 | 4,300 | (2,200) | (34%) |
| Intergovernmental Rev State | 1,026 | 1,010 | 800 | (210) | (21%) |
| TOTAL FINANCING AVAILABLE | 101,919 | 95,127 | 89,550 | (5,577) | (6%) |
| Services and Supplies | 46,492 | 85,600 | 195,600 | 110,000 | 129% |
| Other Charges | 12,023 | 15,388 | 17,151 | 1,763 | 11% |
| Contingencies and Reserves | 0 | 7,657 | 0 | (7,657) | (100%) |
| TOTAL FINANCING REQUIREMENTS | 58,515 | 108,645 | 212,751 | 104,106 | 96% |

SUMMARY OF SIGNIFICANT ADJUSTMENTS

Expenses for this budget have increased, as a result of initiating the replacement of 19 wooden street light poles with metal street light poles in the Green Valley area, in addition to installing 22 new street lights throughout the unincorporated area. Revenues are expected to decrease slightly due to a small decrease in property taxes received.

SUMMARY OF POSITION CHANGES

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

DEPARTMENTAL PURPOSE

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

| Budget Summary: | |
|--|-----------|
| FY2010/11 Third Quarter Projection: | 7,029,655 |
| FY2011/12 Recommended: | 4,799,473 |
| County General Fund Contribution: | 0 |
| Percent County General Fund Supported: | 0.0% |
| Total Employees (FTEs): | 0.0 |

FUNCTION AND RESPONSIBILITIES

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

Services are provided through: (a) the Solano Employment Connection (SEC), the County's One-Stop Career Center System (a 22-member collaborative of education, training and employment entities, over which the WIB has oversight responsibilities); and (b) a number of DOL block grants serving adult, dislocated workers and youth jobseekers. A menu of services is offered to jobseekers and to businesses.

SIGNIFICANT CHALLENGES AND ACCOMPLISHMENTS

The WIB faces the following major challenges for the upcoming year.

- A potential, major reduction in federal funding based on Congressional actions to reign in domestic spending. This could severely reduce WIB's ability to maintain the full range of services at the One-Stop Career Center operations located in Vallejo and Fairfield and serve many: a) adult jobseekers, dislocated workers and youth with intensive services; and b) employers.
- Demand for services are outstripping available resources, even at current funding levels. The numbers of unemployed job seekers seeking One-Stop and WIB intensive services continues to rise given prevailing economic conditions.
- The WIB is assigned the task of "up-skilling and re-skilling the workforce, in anticipation of the economic rebound" per the U.S. Department of Labor's expectations. This is proving especially hard to undertake when jobseekers do their best to look for work or to undertake training in a new career field, only to find few job opportunities to pursue.
- Employers continue to express deep-seated concern over the qualifications and preparedness of job seekers to fill increasingly more demanding jobs. The current "labor surplus" market is masking an underlying problem. A longer-term more comprehensive effort is needed to provide workers with a solid educational foundation, specific job-related (or "hard") skills, and much-needed work readiness (or "soft") skills.

WORKLOAD INDICATORS

The work of the WIB is guided by three major measurement systems, as follows:

- The federal WIA system has a nine-part set of "Common Measures" for the basic Adult, Dislocated Worker and Youth programs. The WIB seeks to either "exceed" (at 100% plus of plan) or "meet" (at between 80% and 99% of plan) these annual standards.
- Each special grant has its own performance outcomes that includes overall enrollment numbers, planned outcomes, and expected expenditure plans. Again, the WIB seeks to meet or exceed each of these standards for each grant.
- The WIB has an internal, multi-factorial consideration process to assess staff's overall performance taking the above-cited statistical outcome in mind, plus certain subjective considerations.

DEPARTMENTAL BUDGET SUMMARY

WIB's budget of \$4,799,473 represents decreases of \$2,039,159 or 29.8% in revenues and \$2,081,087 or 30.2% in expenditures when compared to its FY2010/11 Adopted Budget.

Factors contributing to revenue reductions include decreases in WIA Formula Grants for the Adult, Youth, Dislocated Worker, Rapid Response and Administration funds and WIA program funding. These are the traditional base WIA grant allotments for local WIBs, and have been estimated at the FY2008/09 level, a 24.5% decrease from FY2010/11. These amounts are subject to change, and as needed, will be amended in future financial reports.

The Recommended Budget includes the following funds for specific programs/projects:

- \$136,481 in unspent funds from a three-year Veterans grant of \$1 million awarded in 2009. The award was divided into two installments of \$500,000 with the last one for the period July 2010 through December 2011.
- \$172,640 in New Start funding from the California Department of Corrections and Rehabilitation for two program services: a) services provided to Solano County parolees in the Solano Employment Connection One-Stop Career Center in collaboration with the Parole Department; and b) the WIB pre-release work readiness workshops provided to inmates in the Vacaville State Prison.
- \$317,352, which is the remaining balance of a \$466,352 total grant received, to serve the 130 workers who were laid-off at the O'Reilly Auto Parts (formerly Kragen/CSK) in Dixon this past November/December. The WIB will provide needed job services to the laid-off workers, such as skill assessments, case management, job development services, retraining, and assistance with job search. The goal is to transition job seekers into available and emerging occupations in health care, clean or green energy-related industries, truck driving, and general office employment. The remaining funds are projected to be expended during the period July 2011 through December 2011.
- \$189,985 in projected remaining funding for On-the-Job-Training, a program designed to find employment slots for job seekers who can benefit from some additional vocational training in the workplace. The program reimburses employers for partial costs of the trainee's wages to compensate the employer for the extraordinary cost of additional training.
- \$109,570 in remaining unspent funds for the NUMMI Plant Closure project, which is operated in collaboration with other Bay Area WIBs whose communities have also been impacted by the plant closure. The funding will be used to serve the workers who reside in Solano County and were dislocated by the plant closure. There may be additional funds available in FY2011/12 to provide services to workers if continuing need is determined.

Adjustments in expenditures include:

- \$888,008 decrease in Salaries and Benefits due to staffing reductions.
- \$39,702 decrease in Services and Supplies, primarily due to anticipated operational changes and program downsizing.
- \$1,153,377 decrease in Other Charges, primarily due to reductions in overall direct client expenditures such as, job training, work experience wages, transportation and child care, which are decreased to correspond to the estimated grant funding and to the expected numbers of job seekers and trainees to be served. Changes include:
 - \$130,324 increase for On-the-Job-Training due to the remaining available funding.
 - \$26,685 increase for Software Maintenance and Support for an overdue upgrade of Microsoft Office software.
 - \$127,400 decrease in Training Classes as several vocational training classes at the Solano Community College in diverse Advanced Manufacturing and Water Treatment ended by November 2010. These classes were funded entirely with the American Recovery and Reinvestment Act of 2009 (ARRA) allotment. However, \$60,000 in Formula WIA Youth funds is budgeted to provide tutoring services to youth.
 - \$390,500 decrease in Work Experience due to the declining numbers to be served in summer youth work experience. This program, which served over 400 in summer 2009 and 141 in summer 2010 with ARRA funds, will serve approximately 60 in summer 2011 with \$175,00 in non-ARRA Formula WIA Youth funds. This program provides work experience to local, low-income youth at non-profits and public agencies during the summer months. The program goal is to promote the attainment of work readiness skills by the youth. If additional funding is received, the number of youth served will be increased.

DEPARTMENT COMMENTS

The WIB's budget is based on the best estimates of grant funding that will be awarded for FY2011/12. The uncertainty of funding levels is high for the upcoming year as the final federal budget for federal program year 2011 is unknown. The appropriation in that budget will fund FY2011/12 starting July 2011.

In addition to the projection of known available new federal funding, this budget includes the projection of unspent funds remaining on June 30, 2011, and available for expenditure in FY2011/12.

The number of WIA clients served has changed over the years, from a total of 536 in FY2008/09, to 1,380 in FY2009/10, to 1,317 in FY2010/11, and to a projected 890 in FY2011/12. All program service levels and activities are based on the grant funding awarded to the WIB. Services provided are adjusted to satisfy the program goals and to efficiently utilize the available funding for each grant.

The number of job seekers served in the Solano Employment Connection One-Stop Career Centers has averaged about 10,000 per year with 75,000 visits made to the Centers. A sustainable level of service in FY2011/12 will be determined when the federal budget is finalized.

It is almost certain that future recalculations will need to be made for both revenue and expenditure line-items.

The WIB does not request General Fund support from the County. The WIB submits a plan and budget to the State of California on behalf of the County. The State then allocates Federal money to the WIB through the County. The WIB may also receive funding through the regional collaborative, North Bay Employment Connection, and through awarded service contracts.

| DETAIL BY REVENUE CATEGORY AND APPROPRIATION CATEGORY | 2009/10 ACTUALS | 2010/11 ADOPTED BUDGET | 2011/12 CAO RECOMMENDED | FROM ADOPTED TO RECOMMENDED | PERCENT CHANGE |
|--|----------------------------|---------------------------------------|--|--|---------------------------|
| REVENUES | | | | | |
| Revenue From Use of Money/Prop | 2,238 | 0 | 0 | 0 | 0% |
| Intergovernmental Rev Federal | 7,530,979 | 6,838,632 | 4,799,473 | (2,039,159) | (30%) |
| Intergovernmental Rev Other | (15,780) | 0 | 0 | 0 | 0% |
| Misc Revenue | 7,294 | 0 | 0 | 0 | 0% |
| TOTAL REVENUES | 7,524,731 | 6,838,632 | 4,799,473 | (2,039,159) | (30%) |
| APPROPRIATIONS | | | | | |
| Salaries and Employee Benefits | 4,114,347 | 3,648,568 | 2,760,560 | (888,008) | (24%) |
| Services and Supplies | 1,021,989 | 980,541 | 940,839 | (39,702) | (4%) |
| Other Charges | 2,378,238 | 2,251,451 | 1,098,074 | (1,153,377) | (51%) |
| F/A Equipment | 5,473 | 0 | 0 | 0 | 0% |
| TOTAL APPROPRIATIONS | 7,520,047 | 6,880,560 | 4,799,473 | (2,081,087) | (30%) |
| NET CHANGE | (4,684) | 41,928 | 0 | (41,928) | (100%) |

SUMMARY OF SIGNIFICANT ADJUSTMENTS

While Congress and the President continue debating on efforts to balance the annual federal budget and reduce the federal debt levels, WIA funding remains at risk. The WIB's FY2011/12 Recommended Budget includes a 24.5% reduction in WIA Formula Grant funding, the end of ARRA economic stimulus funding and a decrease in discretionary grant funding.

For several years, the WIB through the North Bay Employment Connection - Disability Navigator has received funding for projects to enhance services to the disability community in Solano County through the Solano Employment Connection One-Stop Career Center. The current project ends in June 2011 and it is expected there will be no future funding awards.

Likewise, the North Bay Employment Connection - CA Clean Energy funds will be fully expended as of June 2011.

SUMMARY OF POSITION CHANGES

No position changes are planned at this time for the WIB. Should there be a reduction in federal funding for the WIB, some downsizing will be needed. The size of such a reduction can only be established and accounted for once the size of any budget

reduction is known. Any needed downsizing of WIB staff personnel would be handled in accordance with established WIB personnel policies/procedures and the WIB's separate Collective Bargaining Agreement with the local SEIU 1021 chapter.

PENDING ISSUES AND POLICY CONSIDERATIONS

There are two major federal initiatives which may affect the future status and activities of the WIB, as follows.

- As noted above, the Congress and President are now debating efforts to balance the annual federal budget and reduce the federal debt levels. Part of this effort includes proposals that range from complete elimination of the federal WIA program funding (beginning July 1, 2011) through what may be a 5% reduction in WIA funding. This lays open a lot of uncertainty and a wide range of possible options for the future.
- Congressional authorizing committees are taking up WIA Reauthorization legislation, which would provide a continued longer-term life for the program. This effort has been undertaken a number of times across the last six years, only to be stalled (often for reasons unrelated to the value given the program by its Congressional supporters and the President). Leaders in the House and Senate report that Reauthorization is a priority for this Congressional session.

These two initiatives are obviously at odds with one another – again causing much uncertainty about the future of the WIA program and the WIB's operation in Solano County

While the WIB is not directly funded through any State legislation or budgeting measures, the agency's operation may be indirectly impacted by the loss of State funding for many of the local partner agencies which support the One-Stop Career Center operation. The loss of such support would place an added burden upon the WIB to sustain the work of this system.

DEPARTMENTAL PURPOSE

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

| | |
|--|-----------|
| Budget Summary: | |
| CY2011: | 3,236,100 |
| County General Fund Contribution: | 0 |
| Percent County General Fund Supported: | 0% |
| Total Employees (FTEs): | 25.5 |

FUNCTION AND RESPONSIBILITIES

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

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

SIGNIFICANT CHALLENGES AND ACCOMPLISHMENTS

For the first time in over 60 years, the 2010 Solano County Fair did not include live horse racing. As a result of this change in program, lengthy negotiations ensued regarding replacement revenue for ceasing live racing. In addition, the nearby California State Fair changed its dates into the traditional SCFA's traditional mid-July dates. These two factors combined to force the SCFA to select alternative dates in late June. The SCFA had shorter time to plan the fair, increased competition from neighboring fairs, and had to rebrand the Solano County Fair and Fairgrounds, as much of its previous brand/identity was tied to horse racing.

Economic conditions greatly affected all aspects of leisure, recreation and advertising industries. In turn, this affected virtually all activities of the SCFA, which relies on discretionary spending. In spite of significant challenges, reduced revenue and reduction of staff, SCFA reduced its operating deficit by 74% compared to 2009.

The 2010 Fair represented a new beginning as new programs were introduced including the County & Cities Expo and the Filipino Pavilion, greater emphasis was placed on local participation, and the Fair took on a new look and feel as the new brand was introduced, the main entrance into the Fairgrounds was improved and enhanced, the main gate was relocated, and many attractions and venues within the Fair were rearranged. Comments solicited as part of the "People's Choice" ballot for the County & Cities exhibits indicate that guests noticed, appreciated, liked, and enjoyed the changes and value the Fair as an important part of life in Solano County.

The 8th Annual Youth Ag Day saw a 32% increase in attendance by Solano County third graders. A collaborative effort of the Solano County Fair and agricultural related businesses, organizations, farmers, ranchers and other individuals, this fun and educational event is free to all third grade classes in Solano County and features a wide variety of rotational learning stations and displays. Activities are designed to give children the opportunity to learn about food and fiber production from new perspectives, with a particular emphasis on the agricultural wealth of Solano County.

The Solano County Fairgrounds hosted over 200 event days, not counting the Fair, Ag Day, or year-round operation of the Joe Mortara Golf Course, the Solano Race Place (satellite wagering facility which was also re-branded in 2010), or the Horizon Pre-School. These events provided a wide range of entertainment and recreational opportunities to resident of Solano County and attracted many visitors to the area.

WORKLOAD INDICATORS

- 207 revenue generating event days in 2010, including both SCFA-produced and year-round events (does not include revenue generating move-in/move-out days).
- 35,120 people attend the 2010 Solano County Fair
- Approximately 2,300 participated in the 2010 Youth Ag Day
- 44,507 attendees at the Solano Race Place in 2010.
- 19,979 rounds of golf at the Joe Mortara Golf Course in 2010

DEPARTMENTAL BUDGET SUMMARY

The SCFA budget is based on a calendar year and submitted annually to the State of California Division of Fairs and Expositions. The Board of Supervisors approved the SCFA 2011 budget on November 2, 2010.

The SCFA 2011 Budget of \$3,403,020 represents an overall decrease of \$188,020, or 5.5%, in revenues and \$249,935, or 6.8%, in expenditures when compared to the 2010 Adopted Budget. After accounting for capital expenses of \$174,000, the SCFA is projecting a net loss of \$166,920. The County Fair has a Reserve that will be used to cover operating losses while it continues to address the budget shortfall. The revenue estimates included in this budget are \$10,000 less than the amount SCFA used in its adopted budget due to lower expectations (based on revenues actually received) on the potential .33 revenues the County receives related to the satellite wagering facility, which the County uses to offset the cost of providing support services to the SCFA.

DEPARTMENT COMMENTS

The Solano County Fair Association faces major challenges in 2011. Increasing revenue in a continuing slow economic time, particularly with respect to discretionary spending, continues to be a significant challenge. Maintaining the current level of activities while creatively attracting new events, activities and revenue, represents an even greater challenge as the SCFA goes forward with less staff and less resources. Particularly in light of the likely loss of State funding and the uncertainty of replacement revenue for live horse racing in 2012, SCFA is even more mindful than ever of the need to generate a positive cash flow and build strong reserves.

The dates of 2011 Solano County Fair have changed again to August 3-7, from its June dates in 2010. This change was anticipated when the 2010 dates were chosen, as the 2010 dates were a necessary half-step to what SCFA intends to make its "permanent" place on the calendar, the first weekend of August. These are far more desirable dates. The SCFA will continue its efforts to reinvent, rebrand, and reposition the Fair in the local and regional market.

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

| DETAIL BY REVENUE CATEGORY AND APPROPRIATION CATEGORY | 2009 ACTUALS | 2010 ADOPTED BUDGET | 2011 CAO RECOMMENDED | FROM ADOPTED TO RECOMMENDED | PERCENT CHANGE |
|--|-------------------------|------------------------------------|-------------------------------------|--|---------------------------|
| REVENUES | | | | | |
| Revenue From Use of Money/Prop | 160,988 | 1,191,500 | 1,316,900 | 125,400 | 11% |
| Intergovernmental Rev State | 532,905 | 80,000 | 107,500 | 27,500 | 34% |
| Charges For Services | 0 | 1,777,800 | 1,518,000 | (259,800) | (15%) |
| Misc Revenue | 45,275 | 375,000 | 293,700 | (81,300) | (22%) |
| TOTAL REVENUES | 739,168 | 3,424,300 | 3,236,100 | (188,200) | (5%) |
| APPROPRIATIONS | | | | | |
| Salaries and Employee Benefits | 0 | 1,553,910 | 1,594,170 | 40,260 | 3% |
| Services and Supplies | 32,915 | 1,840,245 | 1,634,850 | (205,395) | (11%) |
| F/A Equipment | 0 | 258,800 | 174,000 | (84,800) | (33%) |
| TOTAL APPROPRIATIONS | 32,915 | 3,652,955 | 3,403,020 | (249,935) | (7%) |
| NET GAIN(LOSS) | 706,253 | (228,655) | (166,920) | 61,735 | (27%) |

SUMMARY OF SIGNIFICANT ADJUSTMENTS

- In November 2010, the SCFA ended the contract with the Vallejo Golf Club, which reduced the cost of operating the Joe Mortara Golf Course to a break-even operation.
- Anticipated revenues from the five-day fair operations have been adjusted downward by \$45,900 to reflect more conservative estimates from reduced attendance and the SCFA's continued efforts at rebranding the county fair without live horse racing, which ended in 2009.
- Revenues from the use of fairground facilities for non-fair events is projected to increase by \$118,500, primarily as a result of the addition of a new event in 2011 called Earthdance, the flagship live event of a three-day worldwide celebration for world peace and unity. The increasing of year-round parking fees to \$7 per vehicle account for \$55,000 of the revenue increase.

SUMMARY OF POSITION CHANGES

- A total of 4.5 FTEs were eliminated during 2010. The 2011 budget includes the addition of a 0.75 FTE program manager to enhance the Youth Ag Day event and the annual county fair program.
- Day-to-day operations at the Fairgrounds are accomplished with 11 full-time and 29 part-time employees. This is augmented by 30 intermittent part-time employees for events and approximately 130 seasonal employees for the Fair.

PENDING ISSUES AND POLICY CONSIDERATIONS

The proposal by the Governor to eliminate \$32 million in funding for fairs across the state would reduce non-operational revenues by \$107,500 in calendar year 2012. If this proposal is enacted, the SCFA will have to make operational changes to avoid operating losses.

The SCFA projects 2011 will end with a small net profit of \$17,080 before depreciation and make a \$3,080 contribution to its Unrestricted Reserve, which currently stands at \$652,228. Continued operating losses are a concern and are heightened by the potential loss of State funding.