



# COUNTY OF YOLO

Office of the County Administrator

*Patrick S. Blacklock*  
County Administrator

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June 14, 2011

Yolo County Board of Supervisors  
625 Court Street, Room 204  
Woodland CA 95695

Subject: County of Yolo Recommended Budget 2011-12

Dear Members of the Board of Supervisors:

With this letter I submit for your consideration the Recommended Budget for Yolo County for 2011-12. It is presented as the modified baseline budget outlined to the Board of Supervisors on May 3, 2011, which adjusts departmental expenditures and revenues for the coming fiscal year, meeting all legal requirements and Board of Supervisors adopted policies. On June 14, 15 and 16 (as needed) the Board of Supervisors has scheduled public hearings to consider this recommended spending plan at which time you may add, delete or modify this recommended budget as you deem appropriate.

Total expenditures for the county are recommended in the amount of \$312,600,314 with general purpose revenues of \$58,805,309. Capital expenditures are recommended at \$2,486,752. The Recommended Budget results in a 2011-12 net operating budget (total budget less internal transfers, capital projects, and debt service) of \$275,689,223, an increase of \$768,017 from last year.

This budget reflects known revenue and expenditure projections for the 2011-12 budget year, including the expected loss of vehicle license fee revenue; however, it does not include any other State Budget May Revise related adjustments, as the resolution of these issues remains unknown at this time. This modified baseline budget is designed as a temporary bridge until a more permanent strategy is developed after the passage of the State Budget. We anticipate these changes will be addressed at the county's Adopted Budget hearings, which could occur as early as August; however, the actual date will be dependent upon final State Budget adoption.

The 2011-12 budget represents the fourth annual budget since the onset of the recession; this budget is balanced, and includes only minimal layoffs. However, due to the interconnected nature of the county and the state, once final action on the State Budget is taken it is possible additional layoffs may be necessary.

It is recommended the Board defer further program reductions, restorations or augmentations until the Adopted Budget hearing, at which time additional information including updated revenue trends, final State Budget actions and 2010-11 closing fund balance information will be known.

The recommended budget also relies upon the assumptions noted below as previously described during the May 3 workshop.

**Maintain the current General Fund reserve levels.** The 2008-09 and 2009-10 budgets relied heavily on the use of one time funds, including most notably the General Fund reserve, to fund ongoing program needs. For 2010-11 the Board of Supervisors directed that the remaining General Fund reserve be maintained for unexpected emergencies. It is recommended that the General Fund reserve continue to be maintained at its current level. Ultimately, the developing Long Term Financial Plan will include an updated recommended Reserve Policy that supports increasing the County's reserve levels over the next few years.

**Creation of an adequate contingency.** The 2011-12 fiscal year includes many known budget risks. The State Budget, an evolving indigent health care program, and unanticipated outcomes from program reductions represent key concerns as staff constructs the 2011-12 budget. As an example, for the current year, 2010-11, the Indigent Healthcare program alone is expected to require the use of all contingency funds set aside for Health and a significant portion of the countywide contingency funding. In addition to the aforementioned risks, specific uncertainties identified for 2011-12 include:

- State budget
- Vehicle License Fee (VLF) revenue loss
- Indigent Healthcare Program / Low Income Health Program (LIHP) implementation
- Unemployment costs
- Delta related analysis and advocacy
- Assessment appeal outcomes
- Continued grant funding for mission critical programs such as Probation
- Federal stimulus funding
- The continued effects of the economy

To prepare for unexpected fiscal actions, the preliminary estimate included a \$2.3 million General Fund contingency target. In order to balance the budget, staff recommends moving forward with the modified baseline budget with a contingency of \$1.6 million, \$700,000 lower than the original target. Also, if the State fails to pass legislation consolidating the two upcoming elections, \$577,000 in contingency funds will be used to cover these additional costs leaving a General Fund contingency of \$1.0 million.

More information will be available on a number of variables at the time of the Adopted Budget hearings, including the State Budget, actual closing fund balances, and revenue trends. These variables will be considered in the recommended contingency level included in the Adopted Budget. Budgeted contingency is available for Board appropriation throughout the 2011-12 year should unexpected needs arise. Any unused contingency may also provide additional funding flexibility in crafting the 2012-13 budget.

**Creating a solid base for long term financial planning.** Although economists and other experts conclude the recession has ended, the economy is fragile and unemployment remains high. California's recovery will be slow with governmental revenue recovery lagging behind the remainder of the economy. By maintaining the existing General Fund reserve, seeking to increase the General Fund contingency at Adopted Budget hearings, and including a balanced array of cost reductions comprised of program restructuring, elimination of vacant positions and employee concessions throughout the organization, the proposed budget scenario supports long term financial planning.

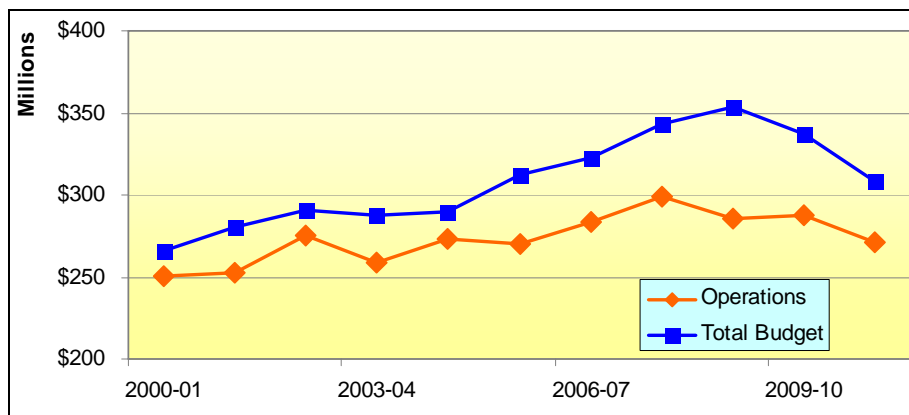
## **Budget Forecast**

Current economic and budget projections describe an uncertain future. Even as the economy proceeds through a gradual recovery, Yolo County continues to experience unprecedented unemployment levels and slow job growth. The 2011-12 budget faces a different set of underlying conditions than recent budgets. For the last several years, local revenues were declining and it was this circumstance that drove budget reductions. For 2011-12, local general purpose revenues have stabilized and in fact are projected to grow slightly, however, categorical federal stimulus funds are set to expire and several state program revenues will also expire or are in jeopardy of being eliminated, or significantly decreased, as part of the State's budget balancing plan.

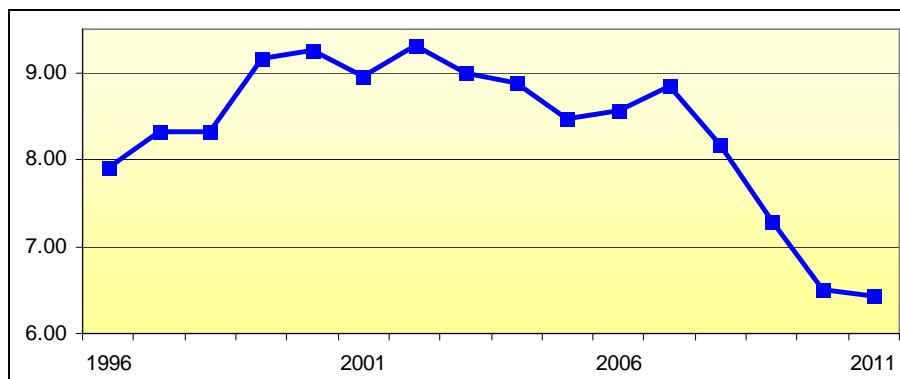
## **Background**

The figures below describe historic year trends for net operating budgets and total workforce. Since the recession began in 2007-08, revenues and expenditures have dropped by over \$14 million (Figure 1) and number of funded positions has dropped by 432 (25%). The number of Yolo County employees per 1,000 residents is now the lowest in more than twenty years (Figure 2).

**Figure 1. Ten Year Trend – Yolo County Budget**

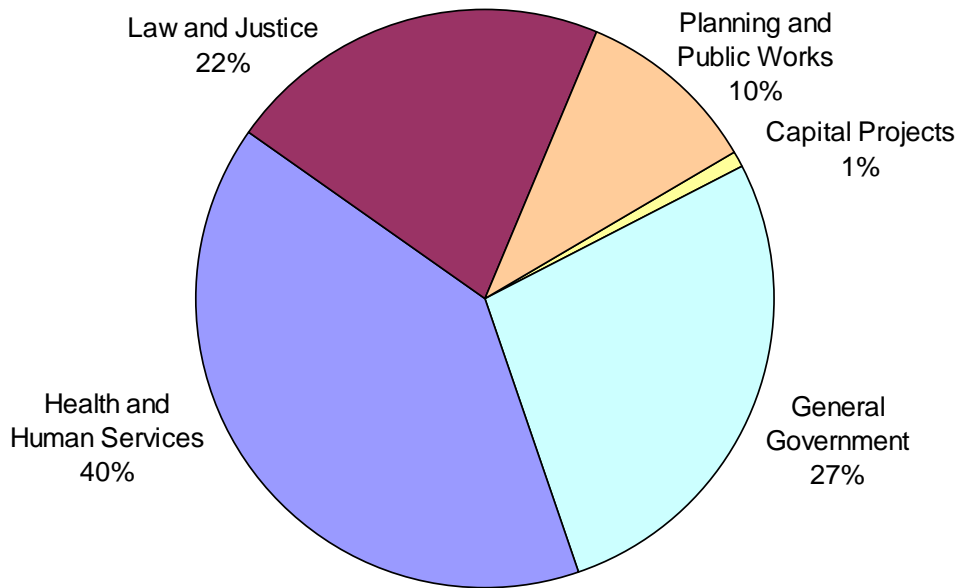


**Figure 2. Number of Employees per 1,000 residents**

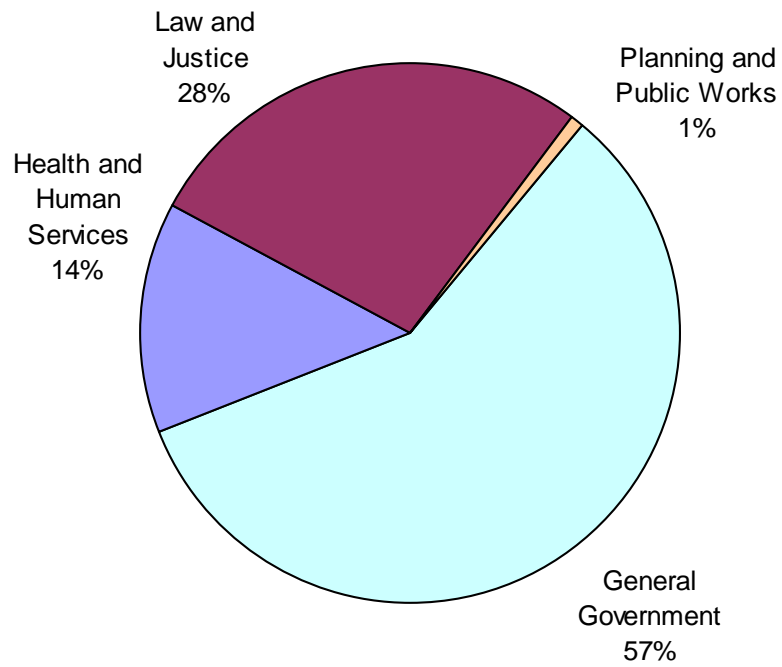


There are signs of improvement on the horizon. Some County revenues, notably Public Safety, Sales Tax and Realignment revenues have also stopped their steep declines and begun a slow recovery.

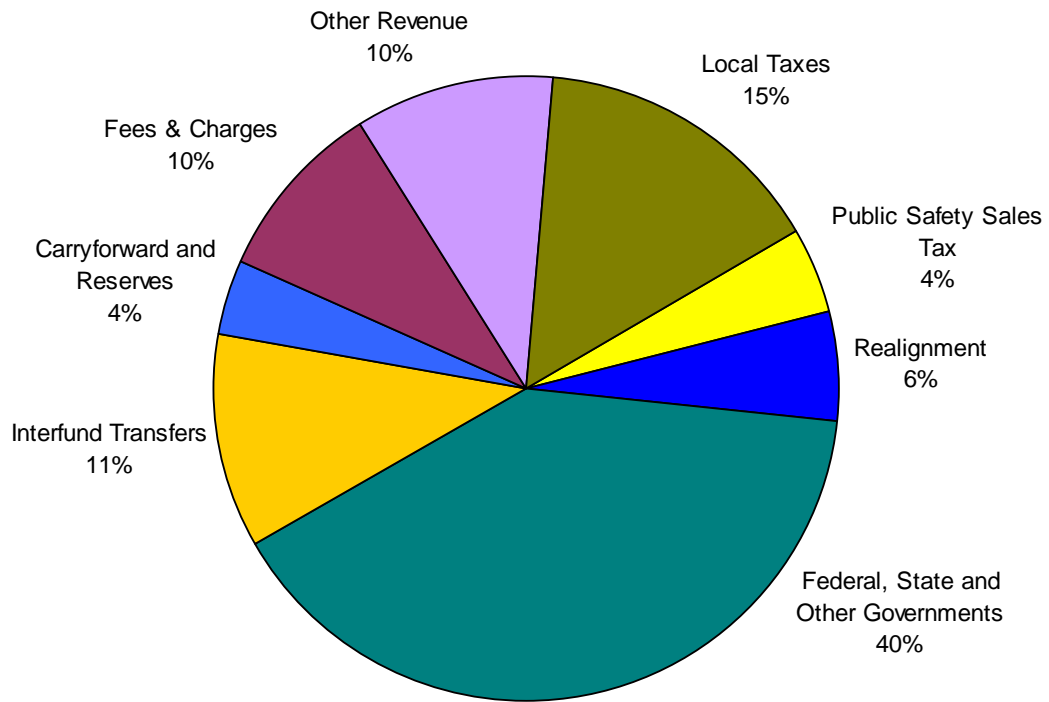
**Figure 3. Total Spending by Program Area**



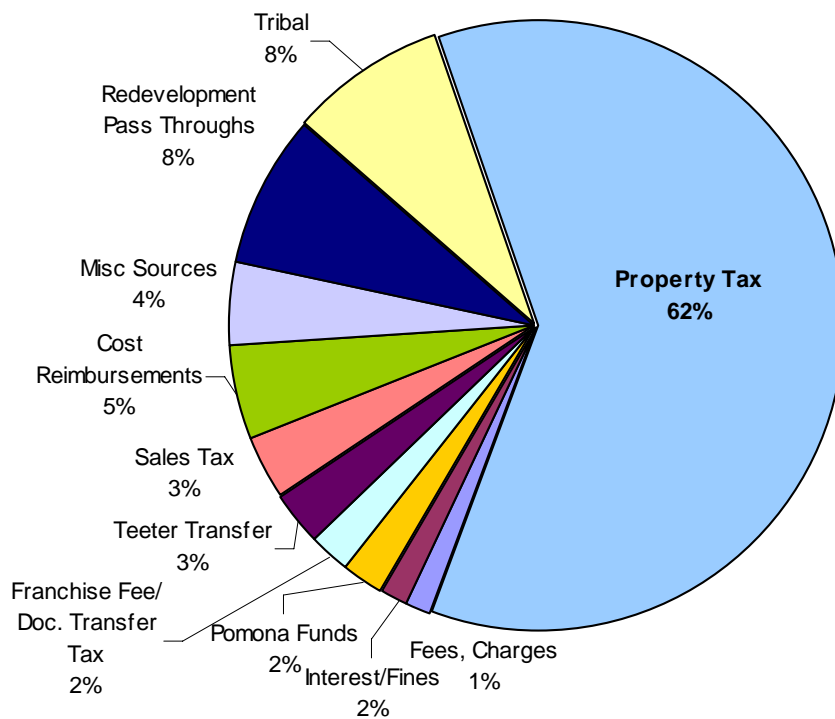
**Figure 4. General Fund Spending by Program Area**



**Figure 5. Sources of Total County Funds**



**Figure 6. Sources of County General Fund**



## **Fiscal Year 2011-12 Recommended budget**

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The Yolo County budget is composed of seven major funds and a large number of smaller special funds, internal service funds, enterprise funds, debt service and capital project accounts. The recommended budget includes:

General Fund .....	\$52,662,332
Employment & Social Services Fund .....	\$76,762,018
Public Safety Fund .....	\$52,283,982
Medical Services and CHIP Funds .....	\$26,159,267
Mental Health Fund .....	\$20,578,219
Road Fund .....	\$17,740,169
Library Fund .....	\$6,281,705
Child Support Services.....	\$5,926,365
Cache Creek Area Plan .....	\$1,741,379
Interfund transfer from General Fund.....	\$31,759,897

The total budget of all funds pays for a wide variety of services, programs and projects that are financed by many revenue sources including grant funds, state and federal revenues, and numerous fees that are acquired in exchange for providing requested services to members of the public. When all of these funds and sources are combined, and internal transfers are taken out to avoid double counting, the fiscal year 2011-12 recommended budget totals \$275,689,223.

### **Pomona Funds**

Though Pomona Funds have historically been appropriated separately from the budget, for 2011-12, with the Board of Supervisors concurrence, and similar to 2010-11, \$1.4 million in Pomona funds have been allocated in the recommended budget in support of Indigent Healthcare (\$1,225,000) and Children's Alliance (\$175,000).

### **Capital Improvements and Debt Service**

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The capital improvement budget is financed by state grants, development impact mitigation fees, Accumulative Capital Outlay funds and certain special revenue funds. The recommended budget for capital improvements is \$2,543,000.

Road Fund Projects are proposed in the amount of \$9.5 million

Debt service remains low – only \$2,664,442, representing less than 1% of the total budget. Debts currently being paid include the West Sacramento County Service Center, the District Attorney's building, Davis Library and the Megabyte property tax computer system.

### **Reserves**

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During years when the County was experiencing growth, primarily in property taxes, the Board of Supervisors put aside funds to be spent as necessary in recessionary times, which helped moderate reductions in 2008-09 and 2009-10 and preserve core county services. Unfortunately, the length and depth of the current economic downturn has outlasted the rainy day portion of the General Fund Reserve. The recommended budget maintains the remaining reserve in the event of a catastrophic event or major unexpected cost, and serves as a fiscally prudent backstop to nearly \$300 million in County expenditures.

The recommended budget includes the following remaining reserves:

General Fund Reserve .....	\$3,725,628
Reserve for Unfunded Liabilities .....	\$890,000
Other Post-Employment Benefits (OPEB) Trust .....	\$500,000
Reserve for Other Post Employment Benefits .....	\$600,000

On May 17, the Board approved the creation of an irrevocable trust to fund future costs and reduce the liability for costs of retiree healthcare, also known as other post employee benefits. Staff recommends an initial contribution of \$500,000, which would be funded from the Other Post Employee Benefits Reserve, created four years ago by the Board of Supervisors.

Funding an irrevocable trust will have a potentially significant long-term impact on the General Fund. The current accrued actuarial liability for past and projected future benefits is estimated to be in excess of \$141.7 million. Although the county has been making payments for retiree health care on a “pay as you go” approach, the unfunded liability continues to grow. Not addressing this growing amount will impact credit ratings which increases the cost of county borrowing. Creation of an irrevocable trust, even though not fully funded, will demonstrate the county’s commitment to a long term strategy to fund this liability. Another benefit is that any assets set aside in such a trust will be presumed to earn the higher long-term interest (7%-8%) and help to reduce the actuarial liability faster. The county currently has \$1.1 million set aside for the purpose of funding other post-employment benefits. The level of funding transferred to the trust will be determined by future Board action in June. The Governmental Accounting Standards Board (GASB), the accounting rule-making body for public entities, issued Rule 45, which requires governments to begin reflecting their post-employment benefits obligation on their balance sheets.

Although \$500,000 is far short of the current annual required contribution amount, it is a significant step in the prefunding of these costs.

The County of Yolo continues to benefit from an engaged, skilled and dedicated workforce who should be recognized for their ongoing commitment to quality, service and integrity. I wish to thank our department heads, budget staff, the Auditor-Controller, and fiscal staff throughout the county whose hard work contributed to the creation of this budget. I also wish to acknowledge the Board of Supervisors for your consistent leadership and outstanding stewardship of the public’s trust.

Respectfully submitted,



Patrick S. Blacklock  
County Administrator





# County of Yolo

## Recommended Budget

### 2011-12

Presented to the Board of Supervisors



**Mike McGowan**  
District One



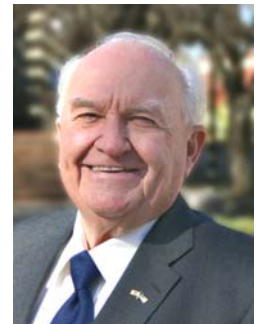
**Matt Rexroad**  
Chairman  
District Three



**Don Saylor**  
District Two



**Jim Provenza**  
District Four



**Duane Chamberlain**  
District Five



# COUNTY OF YOLO

## 2011-2012 RECOMMENDED BUDGET

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## Our Yolo County Vision for 2022 is...

- ◆ Yolo County has preserved agriculture and used open space and natural areas to separate our distinctive communities.
- ◆ Yolo County is a place for healthy living supported by easy mobility and a 21st century technology community.
- ◆ Yolo County has a strong local economy and an abundance of water.
- ◆ Yolo County 2022 has strong, interdependent services and relationships with city partners.

## Our Yolo County Mission is...

To provide responsive county services  
and to be financially sustainable.

We engage our residents  
and partner with our community.

## Our Yolo County Core Values are...

**S**ervice

**P**erformance

**I**ntegrity

**R**esponsibility

**I**nnovation

**T**eamwork







# Statistical and Demographic Profile



## History of Yolo County

Yolo County was one of the original 27 counties created when California became a state in 1850. "Yolo" may be derived from the native Patwin Indian word "yo-loy" meaning "abounding in the rushes." Other historians believe it to be the name of the Indian chief, Yodo, or the Indian village of Yodoi.

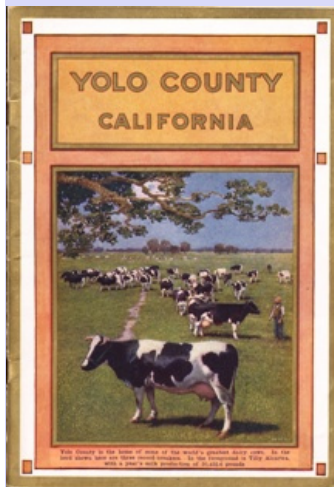
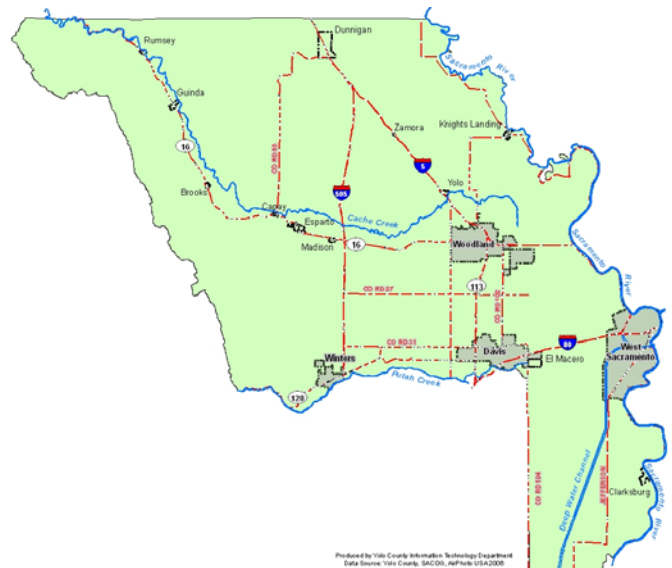
The first recorded contact with Westerners occurred in the late 1830s. These included Spanish missionaries as well as trappers and hunters who could be found along the banks of "Cache Creek" – named by French-Canadian trappers. The first white settler, William Gordon, received a land grant from the Mexican government in 1842 and began planting wheat and other crops.

The towns of Yolo County first developed along the Sacramento River. Fremont, its first town, was founded in 1849 along the confluence of the Sacramento and Feather Rivers and became the first county seat. Knights Landing, Washington, Cacheville (later called Yolo), Clarksburg, Winters, Esparto, Capay, Guinda, and Davisville (Davis) were all built near waterways. Davisville had the added advantage of being on the path of the newly constructed railroad. Woodland, which became the county seat in 1862, began in a wooded area of valley oaks and was also served by a nearby railroad.

## Current Demographics

Yolo County's 1,021 square miles (653,549 acres) are located in the rich agricultural regions of California's Central Valley and the Sacramento River Delta. It is directly west of Sacramento, the State Capital of California, and northeast of the Bay Area counties of Solano and Napa. The eastern two-thirds of the county consists of nearly level alluvial fans, flat plains and basins, while the western third is largely composed of rolling terraces and steep uplands used for dry-farmed grain and range. The elevation ranges from slightly below sea level near the Sacramento River around Clarksburg to 3,000 feet along the ridge of the western mountains. Putah Creek descends from Lake Berryessa offering fishing and camping opportunities, and wanders through the arboretum of the University of California at Davis. Cache Creek, flowing from Clear Lake, offers class II-III rapids for white water rafting and kayaking.

Yolo County sits in the Pacific flyway, a major migration route for waterfowl and other North American birds. Several wildlife preserves are situated within the county. The Yolo Bypass Wildlife Area has been recognized as one of the most successful public-private partnerships for wildlife preservation. It provides habitat for thousands of resident and migratory waterfowl on more than 2,500 acres of seasonal and semi-permanent wetlands.



**Statistical  
and  
Demographic  
Profile  
(continued)**

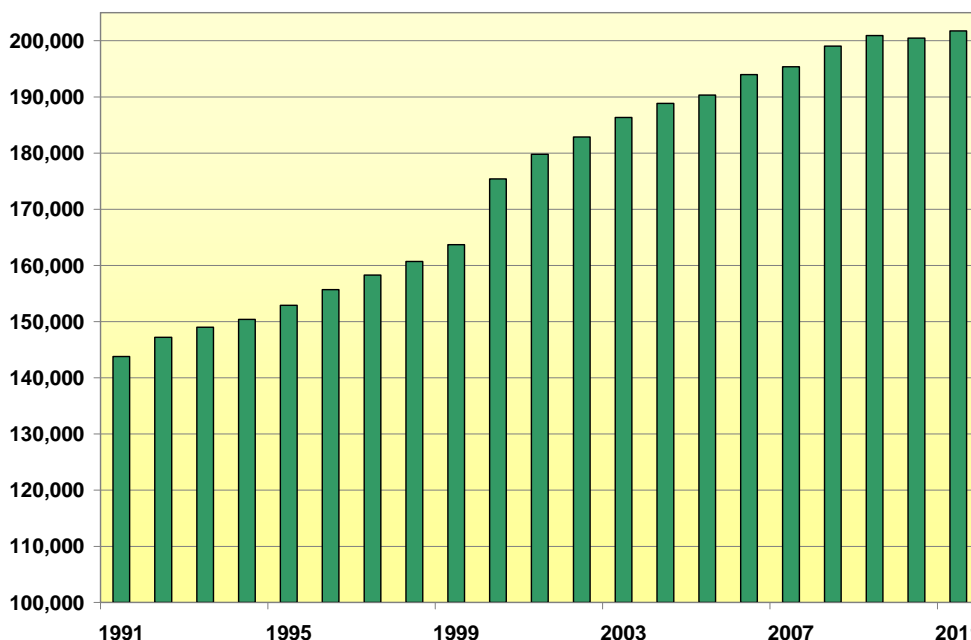


Source of data for graphs on the right:  
State of California, Department of  
Finance, E-1 Population Estimates for  
Cities, Counties and the State with Annual  
Percent Change

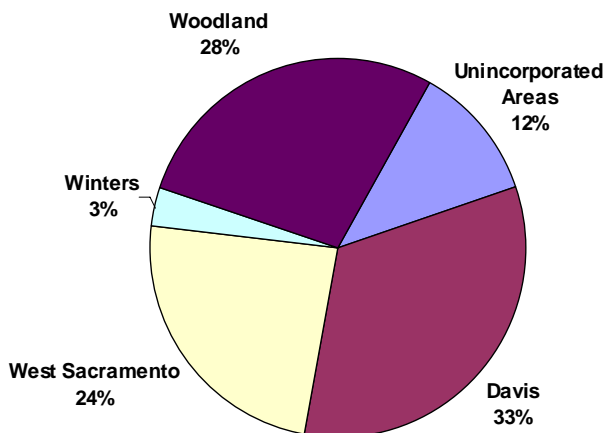
**Current Demographics (continued)**

Over 88% of Yolo County’s population of 201,759 (as of 2011) residents reside in the four incorporated cities. Davis, founded in 1868, now with a population of 65,915, has a unique university and residential community internationally known for its commitment to environmental awareness and implementing progressive and socially innovative programs. Woodland, population 55,549, is the county seat. It has a strong historic heritage, reflected in an impressive stock of historic buildings in the downtown area and surrounding neighborhoods. West Sacramento, population 49,160, sits across the Sacramento River from the state’s capital of Sacramento. It is home to the Port of Sacramento which ships out 1.0 million tons of some of Yolo County’s many agricultural products, such as rice, wheat, and safflower seed, to world wide markets. West Sacramento is also home to a Triple-A baseball team, the Rivercats. The City of Winters, population 6,624, is a small farming town nestled at the base of the Vaca Mountains, offering unique shops, restaurants, galleries and live entertainment at the Palms Playhouse. It is close to Lake Berryessa and has become a favorite destination for bicycle enthusiasts.

**Chart A – Population of Yolo County 1990-20110** (population 201,759 as of May, 2011)



**Chart B – Population Distribution in Yolo County**

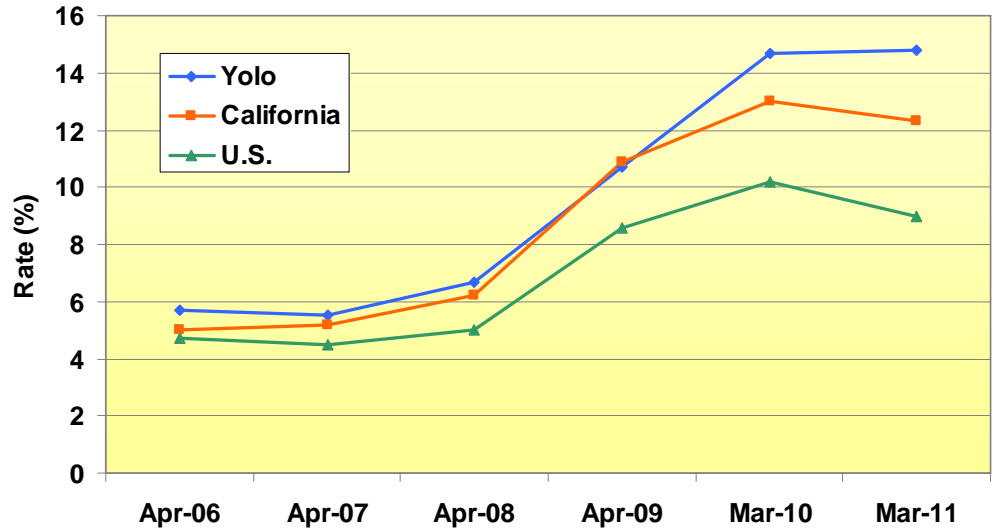


The unincorporated portion of Yolo County – the area for which the County of Yolo provides municipal services – represents 12% of the county’s total population. The rest of Yolo County receives services from one of the four different municipal governments and from the county.

**Statistical  
and  
Demographic  
Profile**  
(continued)



**Chart C – Five-Year Trend in Unemployment Rates: Yolo County vs. California vs. U.S.**



**Chart D – Largest Employers in Yolo County – Yolo County is the 4th largest employer.**

<u>Company Name</u>	<u>Number of Full Time Employees</u>
1. UC Davis.....	3,616 (includes 1,222 temporary employees)
2. Cache Creek Casino Resort.....	2,400
3. State of California.....	2,292 (includes 124 intermittent employees)
4. Yolo County .....	1,346
5. Woodland Healthcare.....	792
6. Pacific Gas & Electric Co.....	600
7. Nugget Market Inc.....	500
8. City of Davis.....	462
9. Coventry Health Care.....	425
10. Sutter Davis Hospital.....	396
11. City of West Sacramento.....	389
12. City of Woodland.....	307
13. NOR-CAL Beverage Co. Inc.....	231
14. Vertis, Inc.....	175
15. Wells Fargo & Co.....	133
16. Kaiser Permanente.....	76
17. Woodland Community College.....	74 (plus 73 part-time employees)
18. Wallace-Kuhl Associates, Inc.....	58

Source: Sacramento Business Journal, May 28, 2010



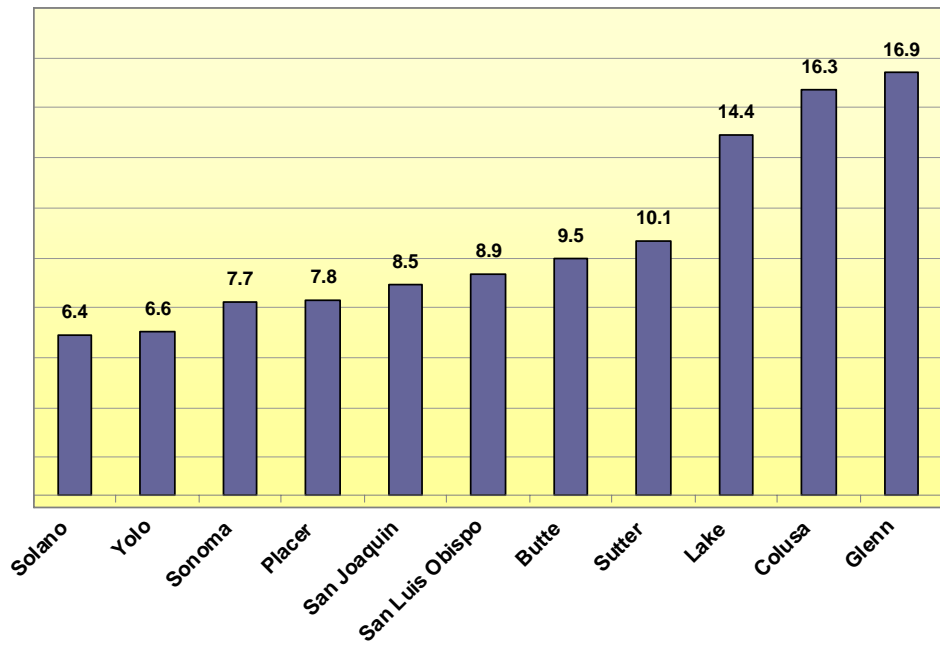
# Comparable Counties



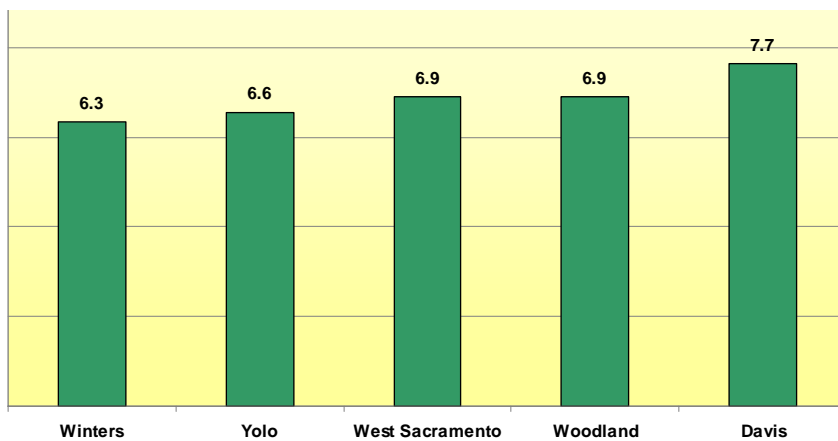
The chart shown on this page provides statistical comparison between Yolo County and other similar counties (Butte, Colusa, Glenn, Lake, Placer San Joaquin, San Luis Obispo, Solano, Sonoma and Sutter). These counties were selected for comparison to Yolo County based on their similar characteristics.



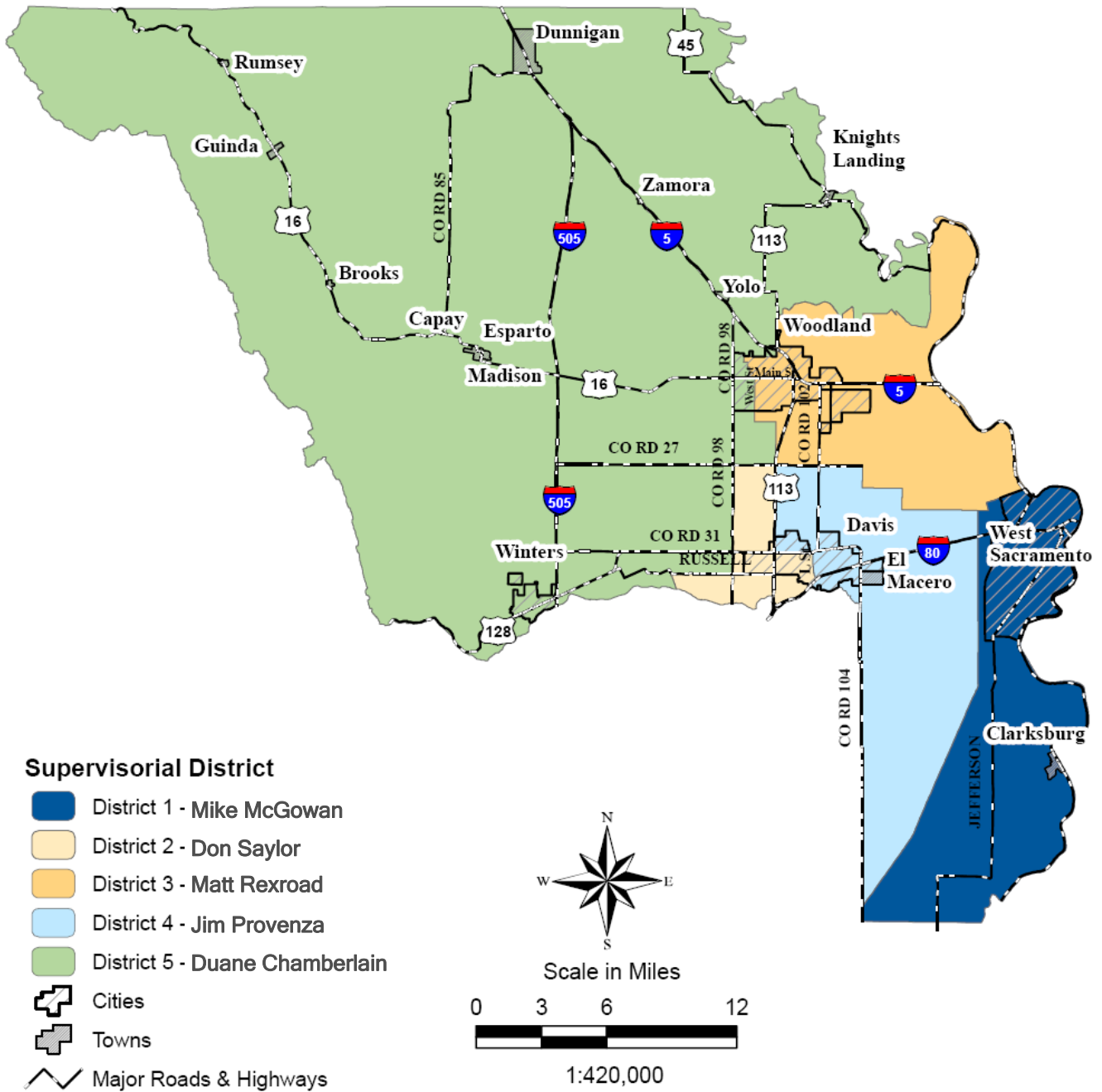
**Chart E – Comparable Counties: Full Time Employees per 1,000 Residents (FY 2010-11)**



**Chart F – Comparable Yolo County Cities: Full Time Employees per 1,000 Residents (FY 2010-11)**



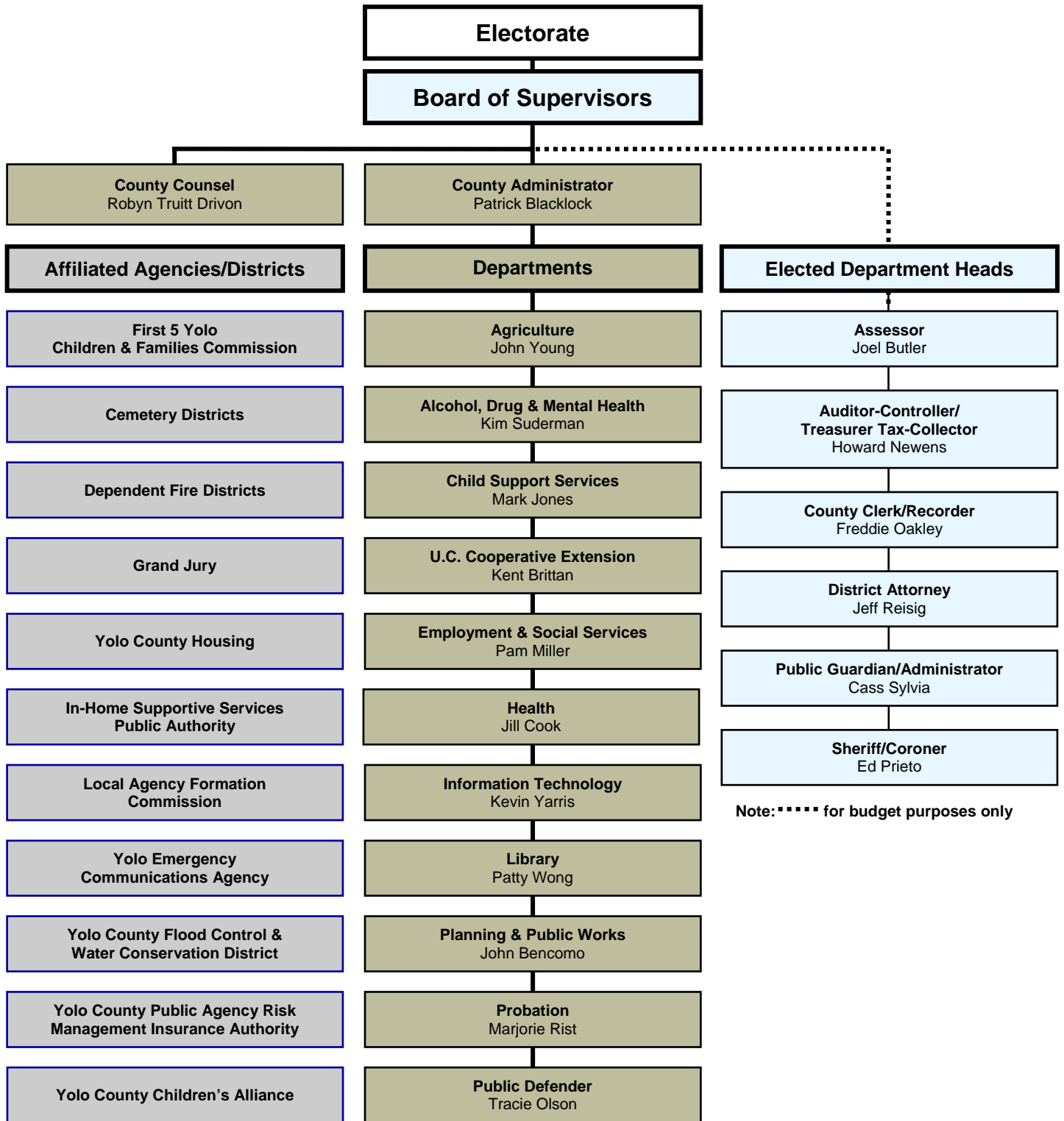
# Yolo County Supervisorial Districts



Produced by the Yolo County Information Technology Department



# Yolo County Organization









## Services Provided by Yolo County

### The different roles of county government

With 6.6 employees per 1,000 residents in fiscal year 2011-12, Yolo County provides all the services highlighted in the table on the right, throughout the county, playing three very different roles as a county government:

- 1) the County, as a regional government, provides countywide services, including public health, elections and criminal prosecutions;
- 2) for the residents of the unincorporated areas, the County provides all the municipal services a city would provide, including patrol services, waste management and road maintenance; and
- 3) as a political subdivision of the State, the County provides Federal and State services, including child protective services, food stamps and mental health services.

(1)	(2)	(3)
<b><u>Countywide Services</u></b>	<b><u>Municipal Services</u></b>	<b><u>Statewide Services</u></b>
Adult Detention (Jail) Agricultural Commissioner Aid to Victims of Crime & Violence AIDS Education, Prevention & Testing Animal Regulation Assessor Auditor-Controller Child Abductions Communicable Disease Control Cooperative Extension Coroner/Medical Examiner District Attorney (Prosecution) Domestic Violence Elections Emergency Children's Shelters Environmental Health Environmental Protection Programs Epidemiology Flood Control Forensic Labs Hazardous Waste Collection Homeless Shelters Immunizations Indigent Burials Juvenile Detention Juvenile Justice Programs Landfill/Recycling Law Library Livestock Inspector Local Agency Formation Commission Probation (Juvenile and Adult) Public Administrator Public Defender Public Guardian-Conservator Recorder/Vital Statistics Regional Parks Treasurer/Tax Collector Weights and Measures Veterans Services	Airports Building Inspector/Code Enforcement Building Permits/Plan Checking County Clerk/City Clerk County Counsel/City Attorney Disaster Preparedness Economic Development Emergency Services Fire Protection Housing Library Services Parks and Recreation Pest Control Planning and Zoning Police Protection Sewers Street Lighting/Maintenance Street Trees/Landscaping Streets/Roads/Highways/Storm Drains Water Delivery Weed Abatement	Adult Protective Services Anti-Tobacco Programs California Children's Services CalWORKs Child Care Licensing Child Health and Disability Program Child Protective Services Child Support Services Drug and Alcohol Abuse Services Family Planning Food Stamps Foster Care Foster Grandparents General Assistance In-Home Support Services Job Training Maternal and Child Health Medical Care Services Medically Indigent Adults Mental Health Services Public Health/Laboratory Women, Infants and Children (WIC)





## Realignment

In 1991, the State faced a multibillion dollar budget deficit. To resolve this budget crisis, the Legislature developed a package of Realignment legislation that:

- ◆ Transferred several programs from the State to the counties, most significantly certain health and mental health programs.
- ◆ Changed the way State and county costs are shared for social services and health programs.
- ◆ Increased the sales tax and vehicle license fee (VLF) and dedicated this revenue stream to counties.

These three principles form the foundation and base funding of Realignment.

Any amount by which the sales tax and VLF Realignment revenues grow is deposited into a series of State sub-accounts, each associated with one of the mental health, social services or health accounts of each County. These funds are known as general growth dollars. Given the uncertainty of these growth dollars and the tardiness of their availability in the budget process, departments do not budget these general growth funds until the next fiscal year. Furthermore, any additional funds available at the State level, beyond Realignment base funding and growth, are eventually transferred to Counties for payments of social service caseload growth not previously paid in prior years.

Realignment funds in 2011-12 are projected to increase \$1.1 million (6%) from the 2010-11 budgeted amount of \$17.2 million.

Below is a summary of the sales tax and Vehicle License Fee (VLF) revenue components estimated for 2011-12.

### Fiscal Year 2011-12 Budgeted Revenue

	<u>Sales Tax</u>	<u>VLF</u>	<u>Total</u>
Social Services	\$7,814,647	\$412,909	\$8,227,556
Health	\$1,292,716	\$3,720,400	\$5,013,116
Mental Health	\$3,675,311	\$1,386,898	\$5,062,209
<b>Total</b>	<b>\$12,782,674</b>	<b>\$5,520,207</b>	<b>\$18,302,881</b>



**Proposition 172  
(Public Safety Sales Tax)**

In order to access funds from the Public Safety Sales tax, the County must meet a specific maintenance of effort (MOE) level. This spending amount was set in 1994 and is adjusted each year, pursuant to the law. Yolo County's MOE for 2010-11 is as follows:

<b>Yolo County's MOE for 2011-12</b>	
Moe Required	\$20,344,332
Local Financial Resources	\$42,741,455
Justice cost for Fleet	\$248,745
Justice cost for Information Technology	\$1,439,528
Total MOE related expenditures	\$44,429,728
<b>Amount over MOE</b>	<b>\$24,085,396</b>

This MOE is a base dollar amount which is adjusted each year. When calculating the base amount, the following revenues were excluded: one time funds, grant funds, child support activity related funds, emergency funds, asset forfeiture funds, contract services (if a jurisdiction provided law enforcement to another jurisdiction under a contract) and certain worker's compensation or retirement.

## Proposition 172 (Public Safety Sales Tax)

### Allocation of Public Safety Funds

	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
Sheriff	\$9,581,859	\$9,932,878	\$9,429,235	\$8,486,312	\$8,500,428	\$8,656,038
District Attorney	\$3,243,967	\$3,389,946	\$3,220,449	\$2,996,306	\$2,902,737	\$2,960,791
Probation	\$3,166,515	\$3,309,008	\$3,167,734	\$2,947,260	\$2,594,508	\$2,913,997
<b>Total</b>	<b>\$15,992,341</b>	<b>\$16,631,832</b>	<b>\$15,817,418</b>	<b>\$14,429,878</b>	<b>\$13,997,673</b>	<b>\$14,530,826</b>

### History

In 1992-93, seeking to close a multi-billion shortfall in the State budget, Governor Wilson and the Legislature shifted property taxes from counties, cities and special districts to schools to reduce the amount of State general fund to schools required by Proposition 98. The shift was initially adopted as a one-time adjustment to the local share of property taxes. Subsequently, in 1993-94, the shift was reinstated and made permanent.

The result of this shift was catastrophic for local governments. During the first year, counties (which shouldered 75% of the shift) lost billions in property tax revenue. Virtually overnight, Yolo County saw its share of property tax plummet from 23.9% to 9.23%. In 1991-92, Yolo County received \$15,930,100 in property taxes. By 1993-94, that amount had decreased to \$5,823,584 – a 64% drop in revenue.

Clearly, with this sudden and dramatic revenue decline, counties would be unable to provide basic services including public safety. The Legislature was persuaded to provide relief. However, rather than simply reducing the shift (which would not have helped the State's budget deficit), the Legislature agreed to convert an already existing, but about to expire, temporary sales tax from the Loma Prieta earthquake repairs to a fund to support public safety.

SB 509 and SCA 1 were amended and adopted in conjunction with the budget in June of 1993. The bills required that each county Board of Supervisors adopt a resolution accepting the funds and ratifying the imposition of the statewide sales tax. SCA 1 was approved by the voters as Proposition 172 in a special election on November 2, 1993. These bills did not require any MOE requirements. The year after Proposition 172 passed, the Legislature subsequently passed a bill imposing a MOE on Proposition 172 revenues. Should a county not meet its required MOE expenditure levels, the funds received from Proposition 172 are reduced dollar for dollar for any amount under the MOE.



## Budget Introduction and Overview

### Total Budget

The total budget is \$312,600,314 and is balanced. A summary of the total appropriation is provided on the fiscal year 2011-12 State Required Appropriations List.

### General Purpose Revenue

General purpose revenue (as summarized on the following table) is projected to decrease by \$2,635,958 (-4%) compared to the prior year's estimated actual.

The most significant change results from the decreases in one time redevelopment pass through revenues from the City of Davis to correct a prior year payment issue (-\$1.36 million). Other decreases in prior year one time revenues include: penalty assessments (-\$427,000), Pomona funds (-\$704,000), carbon credit (-\$500,000), and sale of property (-\$489,000). These decreases are partially offset by increases in the fine revenues, property and sales tax revenues, and tribal proceeds (\$732,000).

	Adopted 2010-11	Estimated Actual 2010-11	Recommended 2011-12	Estimated Actual vs. Recommended
Property Tax - Secured	\$13,448,463	\$13,726,424	\$13,726,424	\$0
Property Tax - Unsecured	\$479,113	\$535,929	\$535,929	\$0
Property Tax - In Lieu/VLF	\$19,423,895	\$20,271,000	\$20,271,000	\$0
Sales Tax Swap	\$726,497	\$465,765	\$752,204	\$286,439
Redevelopment Pass Thru	\$3,981,982	\$6,116,284	\$4,756,284	-\$1,360,000
Supplemental Roll	\$440,320	\$449,126	\$449,126	\$0
PILOT	\$50,000	\$50,000	\$50,000	\$0
Teeter Transfer	\$738,615	\$1,700,000	\$1,700,000	\$0
Sales Tax	\$2,031,607	\$1,900,000	\$1,938,000	\$38,000
Document Transfer Tax	\$810,531	\$650,000	\$694,000	\$44,000
Hotel/Motel Tax	\$102,000	\$286,616	\$286,616	\$0
Franchise Fee	\$614,236	\$614,236	\$626,521	\$12,285
Williamson Act	\$0	\$0	\$0	\$0
County Stabilization	\$574,000	\$574,000	\$574,000	\$0
Cost Reimbursements.	\$2,838,738	\$2,838,738	\$2,896,569	\$57,831
Other	\$792,531	\$792,531	\$817,531	\$25,000
Interest Earnings	\$308,400	\$50,000	\$50,000	\$0
Fines	\$641,189	\$641,189	\$874,853	\$233,664
Other Government	\$244,249	\$244,249	\$249,134	\$4,885
Penalty on Delinquent Taxes	\$415,233	\$415,233	\$427,698	\$12,465
Tribal Proceeds	\$4,779,026	\$4,779,026	\$4,908,879	\$129,853
Fees, Charges /Assessments	\$1,182,582	\$1,182,582	\$755,541	-\$427,041
Pomona	\$1,929,339	\$1,929,339	\$1,225,000	-\$704,339
Carbon Credit	\$500,000	\$500,000	\$0	-\$500,000
Sale of Property	\$300,000	\$489,000	\$0	-\$489,000
Conaway Settlement	\$240,000	\$240,000	\$240,000	\$0
<b>TOTAL REVENUES</b>	<b>\$57,592,546</b>	<b>\$61,441,267</b>	<b>\$58,805,309</b>	<b>-\$2,635,958</b>

**Budget Introduction  
and Overview**  
(continued)



The economy has a major influence on many of the consumer-driven general purpose revenue sources, which include: property taxes, sales tax and other discretionary revenue. Based on the current economic forecast, staff is projecting flat economic growth and decreases in consumer driven revenue sources such as sales tax. The slowdown in the housing market continues to impact property tax related revenues. As a result of numerous property value resets, staff is projecting no growth in property tax revenue.

Based on the 3<sup>rd</sup> Quarter Budget Report, the beginning general fund carry forward balance is estimated to be positive \$2.7 million.

**Contingencies**

Contingencies are established to cover items, which occur after adoption of the final budget and cannot be absorbed within other existing appropriations. The appropriation is also normally used to finance major items for which the total cost cannot be determined in advance (as in the case of settlement of pending litigation).

A contingency fund of 3% was, at one time, considered prudent fiscal management by the State of California. A 3% contingency on the net operating budget would require an appropriation of approximately \$8.1 million. The recommended contingency appropriations for the general fund (\$1,862,857), indigent healthcare (\$600,000), Innovation Technology (\$200,000) and library (\$120,749) equal \$2,783,600, or 1.0% of the net operating budget.

Contingencies are expended by first being moved to an operating fund and then spent. No funds are directly spent from contingencies. After adoption of the final budget, a transfer of contingencies requires a four-fifths vote of the Board of Supervisors.

General Fund Contingency .....\$1,862,851  
General Fund Contingency decreased from the \$2,771,484 budgeted in 2010-11.

General Fund – Designation for Innovation Technology .....\$200,000  
This is a continuation of the funding for technology innovation projects that will be considered during the coming year. The preliminary funding source is development impacts fees with a final funding to be determined upon the completion of the information technology strategic plan.

General Fund - Designation for Indigent Healthcare .....\$600,000  
General fund set aside for unanticipated indigent health program costs.

Library Fund Contingency .....\$120,749  
This contingency is recommended in the same amount as the prior year.

**Reserves**

No reserves are allocated in the recommended budget to finance operational or capital appropriations.

Reserves are established to save funds for future obligations. It is recommended that the 2011-12 budget include the following reserves:

- General Reserve .....\$3,725,628
- Reserve for Unfunded Liabilities.....\$ 890,000
- Other Post Employment Benefits Trust.....\$ 500,000
- Reserve for Other Post Employment Benefits.....\$ 600,000

**Budget Introduction  
and Overview**  
(continued)



**Debt Service**

County Services Center, West Sacramento                    \$371,596

Debt service payments are made to the City of West Sacramento for the purchase and remodeling of the County Services Center pursuant to a tri-party agreement between the County of Yolo, City of West Sacramento and West Sacramento Redevelopment Agency (Fund 825).

Source of Financing:                    ACO Fund ..... \$371,596

Library-Davis Debt Service                    \$1,922,714

Debt service payments are made to the library fund (\$1,283,431) for operation and maintenance costs and a loan payment (\$639,283) for principal and interest costs for the bond passed to expand the Davis Library. The bond debt is for 30 years, with final payment due in 2022 (Fund 827).

Source of Financing:                    Davis Mello-Roos Bond ..... \$1,920,014  
Interest..... \$2,700

District Attorney Building                    \$289,903

Debt service for the building occupied by District Attorney staff. The building was completed in 1999. The debt on the Certificates of Participation is for 30 years, with final payment due in November 2028 (Fund 822).

Source of Financing:                    Criminal Justice Improvement ..... \$157,372  
ACO Funds..... \$45,000  
Rents ..... \$52,531  
Development Impact Fees ..... \$35,000







Welcome to the Yolo County budget for fiscal year 2011-12, which begins on July 1, 2011. These sections of the budget document are designed to help readers understand the purpose and content of the budget.

## Guide to Reading the Budget

### The Purpose of the Budget

The budget represents the Board of Supervisors' operating plan for each fiscal year, identifying programs, projects, services, and activities to be provided, their costs, and the financing plan to fund them.

The budget is also a vehicle for presenting plans and opportunities that will make Yolo County an even better place to live and work. It includes a narrative from each department that reports program successes in the prior year, as well as goals for the next year. In the latter case, new approaches may be presented for more effective and relevant methods of delivering services to county residents.

### Developing the Budget

Every year the County of Yolo goes through a budget development cycle to ensure the preparation of a balanced budget for the coming fiscal year. The last day of the county's fiscal year always falls on June 30. The County Administrator compiles and presents to the Board of Supervisors a recommended budget, which is produced as a team effort, with input from all departments, and meets the County Administrator's standards as a sound, comprehensive plan, consistent with Board policy direction, and achievable within estimates of available resources. The Board of Supervisors is scheduled to consider the 2011-12 Recommended Budget on June 14 (June 15 and 16 if necessary). They will return for a vote on what will become the Adopted Budget following passage of the State budget. At the end of the year, the Auditor-Controller will submit the Final Budget incorporating all of the changes made to the budget during the year.

### How to Locate Information in the Budget

The budget is divided into subject and/or category sections. It covers a wide range of information from general overviews to specific data.

#### 1. If you are looking for general information...

...about the budget as a whole, see *Introduction and Overview* or the *Letter from the County Administrator*. These sections include an overview of the recommended budget, preliminary budget assumptions for the coming fiscal year due to baseline trends, state budget issues, and the current economic climate. They also contain information on emerging "issues" and pending state actions.

#### 2. If you are looking for specific information...

...related to county department activities, see *Individual Departments*. County departments are grouped together under categories of similar services. Check the *Table of Contents* for department listings and page numbers. All department narratives include the following:

- an overview of the department's functions;
- a selected listing of departmental accomplishments in the previous year, and objectives for the coming year; and
- a summary of anticipated budget expenses, and revenues, as compared to the prior year's adopted expenses.

You will also find specific information in the Appendix on a number of topics such as: position listings, equipment purchases, financial standards and policies and the State Required Appropriation List.

## Guide to Reading the Budget (continued)



### **Policies/Methodologies Helpful for Understanding the County Budget**

#### Budgetary Amendments

After the budget is adopted it becomes necessary to amend the budget from time to time. Budgetary amendments that change total revenues or appropriations for a department require Board of Supervisors approval.

#### The Accounting Basis used in the Budget

The budget is developed on a modified accrual basis for governmental fund types (General Fund, Special Revenue Funds, Debt Service Funds, and Capital Project Funds), adjusted for encumbrance accounting. Appropriations for encumbrances are included and appropriations for expenditures against prior year encumbrances are excluded. Under the modified accrual basis, obligations are generally budgeted as expenses when incurred, while revenues are recognized when they become both measurable and available to finance current year obligations. Proprietary fund types (e.g., Airport and Sanitation) are budgeted on a full accrual basis. Not only are obligations recognized when incurred, but revenues are also recognized when they are incurred or owed to the county.

### **Fund Types used by the County**

#### Governmental Fund Types:

**General Fund:** This is the general operating fund of the county. All financial resources except those required to be accounted for in other funds are included in the General Fund.

**Public Safety Fund:** Passed by the voters to help backfill counties for the loss of local property taxes the state shifted to schools, Proposition 172 provided a statewide, ½ cent sales tax to help counties pay for law enforcement related services.

**Special Revenue Funds:** These funds account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

**Debt Service Funds:** These funds account for the accumulation of resources for, and payment of, general long-term debt principal, interest and related costs.

**Capital Projects Funds:** These funds account for financial resources used for the acquisition or construction of major capital facilities (other than those in proprietary fund types).

#### Proprietary Fund Types

**Enterprise Funds:** state and local governments use the enterprise funds to account for “business-type activities” – activities similar to those found in the private sector. Business type activities include services primarily funded through user charges.

#### Internal Service Funds:

**Internal Service Funds (ISF)** account for the financing of goods or services provided by one department or agency to other departments or agencies of the county or other governmental units on a cost reimbursement basis. A common use of these fund types is to account for the county’s self insurance programs.

<b>2011-12 Budget Process / Planning Calendar</b>	
<b>Date</b>	<b>Action</b>
<b>Aug - Sep 2010</b>	CAO convenes 2011-12 budget process steering committee with Auditor & department heads to explore ways to strengthen the link between strategic planning and the budget process.
<b>Sep 2010</b>	Finalize 2010-11 budget)
<b>October 2010</b>	Departments detail their top operational goals for the next three years and the top management issues that the department will be facing in the next three years. Discussion and review of methods used by department fiscal staff for documenting budget assumptions related to both expenditures and revenue.
<b>November 2010</b>	CAO analysts meet with department fiscal staff to detail initial revenue estimates for 2011-12 budget. CAO analysts/Auditor/departments detail beginning assumptions used for development of 2011-12 base budget. Assumptions in areas of: Carry forward policy, Public Safety Sales Tax, Realignment, Property tax assessment, grant funding, A87 costs, labor costs, unemployment costs, etc.
<b>January 2011</b>	CAO analysts meet with department fiscal staff to identify potential issues/gaps in the 2011-12 budget and begin to explore and/or develop strategies to balance budget.
<b>February 2011</b>	Board of Supervisors reviews updates the County's Strategic Plan. Board of Supervisors review 2011-12 base budget assumptions and the draft budget planning calendar. Base budget developed: Adopted 2010-11 budget rolled over into the budget module and adjusted by the CAO and Auditor on the basis of the Board approved base budget assumptions and policy choices; to become the base budget for 2011-12. CAO distributes 2011-12 base budget reports, budget/planning calendar and budget instructions
<b>March 2011</b>	Departments submit <b><i>requested budget, to include:</i></b> <ul style="list-style-type: none"> <li>• Updated program descriptions</li> <li>• The department's goals, objectives and performance measures</li> <li>• Detail of each revenue estimate and expenditure account lines</li> <li>• What equipment is needed; what is being replaced vs. what is new</li> <li>• Budget Change Proposals for items or amounts beyond the Base Budget</li> <li>• Accomplishments of previous year</li> <li>• Requested FTEs and funding source for individual FTEs</li> <li>• Documentation of Net County Cost for each program</li> </ul> Auditor compiles 2011-12 requested budget showing Net County Cost for each program
<b>April 2011</b>	CAO office analyzes detailed budget planning documents and requested budget numbers CAO and Auditor meet with departments to review requested budget and CAO determines recommended budget Auditor updates budget accounting documents to be consistent with recommendation.
<b>June 2011</b>	2011-12 Recommended Budget presented to Board of Supervisors





### How to Read Budget Tables

At the bottom right of each department face page you will find a table labeled "2011-12 Summary of Budget Units" (see example on the right).

This table gives specific details related to each of the department's budget units.

## How to Read Budget Tables

How much spending is proposed in each budget unit.

Amount of revenue other than General Fund anticipated in each budget unit.

Amount of General Fund being used in each budget unit.

How many positions are being paid for in each budget unit.

### 2011-12 Summary of Budget Units

	Appropriation	Revenue	General Fund	Staffing
Criminal Prosecution (BU 205-1)	\$8,081,957	\$3,900,926	\$4,181,031	64.0
Special Investigations - YONET (BU 205-3)	\$142,070	\$142,070	\$0	2.0
Victim Witness (BU 205-4)	\$373,379	\$282,306	\$91,073	5.0
Child Abduction (BU 205-5)	\$439,159	\$439,159	\$0	3.0
Multi-Disciplinary Interview Center - MDIC (BU 205-7)	\$413,291	\$286,940	\$126,351	3.0
Criminal Prosecution Grants (BU 205-8)	\$1,674,019	\$933,813	\$740,206	10.0
Insurance Fraud Grants (BU 205-9)	\$516,515	\$516,515	\$0	3.0
<b>TOTAL</b>	<b>\$11,640,390</b>	<b>\$6,501,729</b>	<b>\$5,138,661</b>	<b>90.0</b>

How much spending is proposed for the department and in which category.

How much money is available and from what source.

The change between the current year's budget and next year's recommended budget.

At the top of the second page of each department section is another table showing a summary of the total budget for the department by various appropriation and revenue categories (see example on the right). This also shows changes in the authorized appropriation for the department between the current year and next year's recommended budget.

### Summary of 2011-12 budget

Budget Category	Actual 2009-2010	Budget 2010-11	Requested 2011-12	Recommended 2011-12	Change
<b>Appropriations</b>					
Salaries & Benefits	\$10,893,671	\$10,578,383	\$10,753,495	\$10,753,495	\$175,112
Services & Supplies	\$943,927	\$872,219	\$997,602	\$997,602	\$125,383
Fixed Assets	\$57,682	\$23,000	\$0	\$0	-\$23,000
Intrafund Transfers	-\$69,660	\$35,587	-\$110,707	-\$110,707	-\$146,294
<b>Total Appropriations:</b>	<b>\$11,825,620</b>	<b>\$11,509,189</b>	<b>\$11,640,390</b>	<b>\$11,640,390</b>	<b>\$131,201</b>
<b>Revenues</b>					
Carry Forward	\$117,617	\$0	\$0	\$0	\$0
Federal/State Reimbursement	\$1,861,292	\$1,991,822	\$2,011,696	\$2,011,696	\$19,874
Fees & Charges	\$863,928	\$820,842	\$865,114	\$865,114	\$44,272
General Fund	\$5,761,929	\$5,123,092	\$5,138,661	\$5,138,661	\$15,569
Local Government Agencies	\$239,489	\$262,506	\$245,706	\$245,706	-\$16,800
Operating Transfer In	\$325,325	\$354,850	\$384,872	\$384,872	\$30,022
Other Revenue	\$51,196	\$33,550	\$33,550	\$33,550	\$0
Public Safety Sales Tax	\$2,919,165	\$2,801,937	\$2,960,791	\$2,960,791	\$158,854
<b>Total Revenues:</b>	<b>\$12,139,941</b>	<b>\$11,388,599</b>	<b>\$11,640,390</b>	<b>\$11,640,390</b>	<b>\$251,791</b>

