

**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.

<b>Budget Summary:</b>	
FY2014/15 Third Quarter Projection:	456,798
FY2015/16 Recommended:	473,471
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 represents an increase of \$83,745 or 21.5% in revenues and an increase of \$80,774 or 20.6% in appropriations when compared to the FY2014/15 Adopted Budget.

The increase in revenues is the result of increases in tax revenue projected for FY2015/16. Contracted Services with the City of Vallejo Fire Department is budgeted at \$460,121 and is based on anticipated property tax revenues less \$10,350 in administrative support costs. If there is any available Fund Balance at the FY2014/15 year-end, the Department requests the Auditor-Controller increase the Department's appropriations for Contracted Services by the amount of the available ending Fund Balance.

**DEPARTMENT COMMENTS**

None.

<b>SUMMARY BY SOURCE</b>	<b>2013/14 ACTUALS</b>	<b>2014/15 ADOPTED BUDGET</b>	<b>2015/16 CAO RECOMMENDED</b>	<b>FROM ADOPTED TO RECOMMENDED</b>	<b>PERCENT CHANGE</b>
<b>134 - EAST VJO FIRE DISTRICT</b>					
TAXES	386,729	386,172	469,407	83,235	21.6%
REVENUE FROM USE OF MONEY/PROP	515	50	160	110	220.0%
INTERGOVERNMENTAL REV STATE	3,902	3,504	3,904	400	11.4%
<b>TOTAL FINANCING AVAILABLE</b>	<b>391,145</b>	<b>389,726</b>	<b>473,471</b>	<b>83,745</b>	<b>21.5%</b>
SERVICES AND SUPPLIES	384,263	388,847	470,121	81,274	20.9%
OTHER CHARGES	4,808	3,850	3,350	(500)	(13.0%)
<b>TOTAL FINANCING REQUIREMENTS</b>	<b>389,071</b>	<b>392,697</b>	<b>473,471</b>	<b>80,774</b>	<b>20.6%</b>

---

**SUMMARY OF SIGNIFICANT ADJUSTMENTS**

None.

**SUMMARY OF POSITION CHANGES**

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

**PENDING ISSUES AND POLICY CONSIDERATIONS**

The District's property tax revenues have not yet stabilized and remain at risk of further declines during the economic recovery.

**DISTRICT PURPOSE**

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

**Budget Summary:**

FY2014/15 Third Quarter Projection:	96,920
FY2015/16 Recommended:	347,312
County General Fund Contribution:	0
Percent County General Fund Supported:	0%
Total Employees (FTEs):	0

**FUNCTION AND RESPONSIBILITIES**

The Consolidated County Service Area (CSA) provides street lighting in the unincorporated areas of Solano County. This budget funds maintenance of 552 existing streetlights, including the cost of electricity and the installation of new street lights. This budget is entirely funded through property taxes.

**SIGNIFICANT CHALLENGES AND ACCOMPLISHMENTS**

In FY2014/15, four street lights were installed in the unincorporated Vallejo area to improve night-time driver visibility and increase traffic safety.

Increased expenditures for replacement of obsolete street lights and installation of new lights are anticipated in FY2015/16. Revenues are expected to increase due to increases in property taxes received.

**WORKLOAD INDICATORS**

- Operated and maintained 552 street lights.

**DEPARTMENTAL BUDGET SUMMARY**

The Recommended Budget represents an increase of \$11,893 or 13.3% in revenues and an increase of \$14,272 or 4.3% in appropriations when compared to the FY2014/15 Adopted Budget. The Department anticipates increases in property tax revenues and an increase in repairs and installations of street lights in FY2015/16. The difference in revenues and appropriations will be funded from available funds carried forward from prior years.

See related Budget Unit 9132 – Fund 046 Contingencies (refer to Contingencies section of the Budget)

SUMMARY BY SOURCE	2013/14 ACTUALS	2014/15 ADOPTED BUDGET	2015/16 CAO RECOMMENDED	FROM ADOPTED TO RECOMMENDED	PERCENT CHANGE
<b>046 - COUNTY CONSOLIDATED SVC AREA</b>					
TAXES	86,508	86,427	98,620	12,193	14.1%
REVENUE FROM USE OF MONEY/PROP	2,211	2,500	2,200	(300)	(12.0%)
INTERGOVERNMENTAL REV STATE	866	800	800	0	0.0%
CHARGES FOR SERVICES	40	0	0	0	0.0%
<b>TOTAL FINANCING AVAILABLE</b>	<b>89,625</b>	<b>89,727</b>	<b>101,620</b>	<b>11,893</b>	<b>13.3%</b>
SERVICES AND SUPPLIES	52,957	111,200	135,600	24,400	21.9%
OTHER CHARGES	28,657	15,844	22,656	6,812	43.0%
CONTINGENCIES AND RESERVES	0	205,996	189,056	(16,940)	(8.2%)
<b>TOTAL FINANCING REQUIREMENTS</b>	<b>81,613</b>	<b>333,040</b>	<b>347,312</b>	<b>14,272</b>	<b>4.3%</b>

**SUMMARY OF SIGNIFICANT ADJUSTMENTS**

None.

**SUMMARY OF POSITION CHANGES**

The Consolidated County Service Area has no employees. Administration of the budget is performed by Public Works Engineering staff, 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. (WIBSC) is a private, nonprofit, 501(c) (3) organization serving as the administrator/operator of a variety of workforce development grants and programs. The 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.

A transition to the new federal Workforce Innovation and Opportunity Act (WIOA) programs will take place during FY2015/16.

<b>Budget Summary:</b>	
FY2014/15 Third Quarter Projection:	4,934,058
FY2015/16 Recommended:	4,943,751
County General Fund Contribution:	0
Percent County General Fund Supported:	0%
Total Employees (FTEs):	40

**FUNCTION AND RESPONSIBILITIES**

The WIBSC links employers with employees to improve the quality, competitiveness and productivity of the local workforce.

A menu of services is offered to jobseekers and to businesses. Services are provided through: (a) the Solano Employment Connection (SEC), the County’s “America’s Job Center” system for One Stop Career Centers; (b) a number of DOL block grants serving adult, dislocated workers and youth jobseekers; and (c) service contracts; including the current TANF Expanded Subsidized Employment Program and Northern California Career Pathways Alliance project.

Various additional grants and contracts to serve special population groups, employers, or industries are taken on across time, as opportunities arise.

**SIGNIFICANT CHALLENGES AND ACCOMPLISHMENTS**

The WIB faces various challenges that have emerged over several years. These challenges are met each year through a flexible, responsive, purpose-driven effort to best serve the inter-related needs of both jobseekers and employers.

Challenges for the WIB include the following:

- Federal investments in workforce development programs go through periodic shifts, based upon the economy and the associated needs of citizenry/voters and businesses. At this time the economy is rebounding, hiring is up, and unemployment is down. The emphasis for DOL-funded programs is once more shifting back to up-skilling and re-skilling the American workforce - whether unemployed or an employed incumbent. Simply reducing unemployment is not the singular goal as in times of higher unemployment.
- This changed economic picture has produced slightly reduced demand for services from the general population of jobseekers and increased demand from employers.
- The economic recovery is leaving behind certain individuals in terms of securing and maintaining well-paying careers and holding/advancing their economic status. The broad middle class is shrinking and there is a new call for DOL-funded workforce programs to address income mobility for workers and families.
- Local WIBs are tasked to intervene in the lives of jobseekers and meet unmet needs of employers. Increasingly WIBs are also tasked to address larger “macro” issues of systems realignment, multi-agency collaborations, resource mobilization, sector-based initiatives and innovative approaches for a community’s educational, training and employment systems. This latter call-to-action places a strain on available resources and requires difficult prioritization of efforts.
- Regional workforce development initiatives are being called for from both federal and state policymakers. This continues the 16 year history of the WIB as a member of the North Bay Employment Connection collaborative with the WIBs of Marin, Sonoma, Mendocino, and Napa/Lake Counties.
- Congressional funding for workforce programs faces tight scrutiny from fiscal conservatives and competition among many Domestic Spending programs. The continued funding trend is downward for DOL’s workforce programs.

**Birgitta E. Corsello, County Administrator  
Other Assistance**

---

- Congress and the federal Administration have approved replacement legislation for the Workforce Investment Act (WIA) of 1999 – with a new Workforce Innovation and Opportunity Act (WIOA.) The local delivery system will be facing what are changes across the coming 2015/16 transition year.

Opportunities from the new WIOA include the following:

- The new WIOA legislation will provide opportunity to maintain the strengths of the previous WIA programs while adding a role for the new WDBs to bring about innovation and change on a regional “macro” basis. Incremental changes in the lives of jobseekers and an employer’s workforce will be supplemented by improvements in the larger educational, training and employment system.
- A greater shared ownership, and shared accountability will be created such that partnering educational, training and employment systems can better “braid” resources and efforts so as best to serve jobseekers, incumbent workers, and employers.

**WORKLOAD INDICATORS**

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

- 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. The WIB continues to meet or exceed all nine of these Measures. The new WIOA program introduces what are 13 measures to be met.
- Special grants/contracts have their own performance outcomes related to planned enrollment numbers, outcomes, and expenditures. Again, the WIB has historically met or exceeded each of these standards, for the variety of special projects serving ex-offenders, veterans, dislocated workers, and CalWORKs recipients.
- The WIB has an internal, multi-factorial consideration process to assess staff’s overall. The WIB Board of Directors annually assesses and recognizes staff’s attainment against expected levels of agency-wide performance.

**DEPARTMENTAL BUDGET SUMMARY**

The Recommended Budget represents an overall increase of \$1,096,426 or 28.5% in revenues and \$1,095,990 or 28.5% in appropriations when compared to the FY2014/15 Adopted Budget.

There is no General Fund support to this budget, as WIB’s activities are fully grant-funded.

**DEPARTMENT COMMENTS**

Overall, the FY2015/16 Recommended Budget for WIB is based on the best estimates of federal grant funding that is anticipated to be awarded for the fiscal year. In addition to the projection of available new federal funding, this budget includes the projection of unspent funds remaining at June 30, 2015, and available for expenditure in FY2015/16. It is almost certain that future recalculations will need to be made for both revenue and expenditure line-items, as federal appropriation calculations for base funding will change under WIOA, and overall grant funding is subject to change.

The WIB does not receive any County General Fund support. 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.

Client service levels will be adjusted to maximize the effectiveness of available funds. The general job search services available to any job seeker are currently planned at the existing level with 6,000 people per year using the Solano Employment Connection; One-Stop Career Centers, Career Fairs, and other activities sponsored by the WIB. Changes in service delivery imposed by the new WIOA grant program may require redesign of these job search activities which could enrich the services available to each job seeker, forcing a reduction in the total served.

In addition to the services provided to the many Solano job seekers thru the Solano Employment Connection, the WIA/WIOA grant programs will enroll 434 clients, as compared to 467 in FY2014/15. This will provide needed flexibility to adequately serve each enrolled client. These individuals receive extensive services, with many benefitting from vocational training, resulting in a much higher service cost.

The number of enrolled WIA/WIOA clients served has changed over time due to fluctuations in awarded funding: FY2008/09 = 765; FY2009/10 = 1,344; FY2010/11 = 1,425; FY2011/12 = 844, FY2012/13 = 722, FY2013/14 = 541 and a planned total for FY2014/15 of 467, and a forecasted total for FY2015/16 of 434. This represents a decrease of 6% in Adult/Dislocated worker enrollments and a decrease of 10% in Youth enrollments. These reductions are forecasted from the goals of the WIA/WIOA grant program to up-skill and re-skill the workforce, requiring enhanced services for the individual job seeker. In addition, there is a possibility of reduced funding due to the transition from WIA to WIOA; the consequences of this change will be better understood when the new federal grant regulations are issued.

The Expanded Subsidized Employment Program is planned to serve up to 408 job seekers.

All program service levels and activities are based on the grant funding amounts awarded to the WIB. Services are adjusted to satisfy the program goals, to efficiently utilize the available funding, and to ensure compliance with grant regulations, for each grant.

DETAIL BY REVENUE CATEGORY AND APPROPRIATION CATEGORY	2013/14 ACTUALS	2014/15 ADOPTED BUDGET	2015/16 RECOMMENDED	FROM ADOPTED TO RECOMMENDED	PERCENT CHANGE
<b>REVENUES</b>					
REVENUE FROM USE OF MONEY/PROP	1,179	0	0	0	0.0%
INTERGOVERNMENTAL REV FEDERAL	3,775,462	3,847,325	0	(3,847,325)	(100.0%)
INTERGOVERNMENTAL REV OTHER	35,191	0	4,943,751	4,943,751	0.0%
MISC REVENUE	3,200	0	0	0	0.0%
<b>TOTAL REVENUES</b>	<b>3,815,032</b>	<b>3,847,325</b>	<b>4,943,751</b>	<b>1,096,426</b>	<b>28.5%</b>
<b>APPROPRIATIONS</b>					
SALARIES AND EMPLOYEE BENEFITS	2,316,672	2,227,032	2,803,396	576,364	25.9%
SERVICES AND SUPPLIES	750,883	639,431	678,766	39,335	6.2%
OTHER CHARGES	773,355	981,298	1,461,589	480,291	48.9%
<b>TOTAL APPROPRIATIONS</b>	<b>3,840,910</b>	<b>3,847,761</b>	<b>4,943,751</b>	<b>1,095,990</b>	<b>28.5%</b>
<b>NET CHANGE</b>	<b>25,878</b>	<b>436</b>	<b>0</b>	<b>(436)</b>	<b>(100.0%)</b>

**SUMMARY OF SIGNIFICANT ADJUSTMENTS**

Revenue – significant factors contributing to changes from FY2014/15:

In general there is uncertainty as to the amount of funding that will be available under the Workforce Investment Opportunity Act, the primary source of WIB funding. As the trajectory of the formula allocated funding for Adults, Dislocated Workers, and Youth is uncertain, this budget includes funding levels equal to the FY2014/15 amounts for those grants.

The most significant difference in available funding is due to the award of a contract to operate the Expanded Subsidized Employment Program, which began in November 2014, and will continue in FY2015/16.

Grant allotments for the new year and the amount of funds remaining unspent at July 1, 2015 are likely to change, and as needed, they will be amended in future financial reports.

- WIA Formula Grants: Adult, Youth, Dislocated Worker, and Administration funds; the grants amounts for FY2015/16, allotted by formula, may remain steady through the coming year. These are the traditional base WIA grant allotments for local WIBs and the FY2015/16 amount has been estimated to equal the FY2014/15 level. The decrease in revenue amount of -3.3% is a result of the estimate of unspent funds that will be available at July 1, 2015 to spend in FY2015/16.

Appropriations – significant changes from FY2014/15:

The significant change that has incurred is the addition of the Expanded Subsidized Employment Program which increases the amount of personnel, operating, and participant wage costs for FY2015/16.

- Salaries and Employee Benefits - The estimated number of FTE included in this budget is 40. This compares to the year opening number of 28 positions and actual average of 33, in FY2014/15. As the revenue amounts included in this budget are estimates, the actual final number of FTEs may vary, with commitments to personnel undertaken only as grant

**Birgitta E. Corsello, County Administrator**  
**Other Assistance**

---

revenues are available. Most of the new positions are charged to the operation of the Expanded Subsidized Employment Program, with the additional positions due to new WIA/WIOA requirements and goals, and filling vacancies as grant funding permits. The overall increase in salaries and benefits is \$576,364, +25.9% from the FY2014/15 Adopted Budget.

- **Services and Supplies** - The requested amounts vary from the prior budget based on calculations considering the current number of FTEs, the prior actual cost experience, cost cutting efforts, facilities changes, and the operational changes resulting from the anticipated programmatic responsibilities. The WIB has increased its space cost in Vallejo to accommodate the Expanded Subsidized Employment Program. The implementation of the new WIOA grant program will require additional staff training during FY2015/16, as regulations are rolled out and best practices throughout the state emerge and are shared amongst the WIBs. The overall increase in services and supplies is \$39,335 +6.2% from the FY2014/15 Adopted Budget.
- **Other Charges** - The WIA/WIOA share of the training cost category is determined by a State mandate. Changes in this amount are not proportional to changes in those other direct client costs over which the WIB has control. The WIA/WIOA amount has been adjusted to comply with the grant training requirements. The largest increase in this category is the On-the-Job Training wage reimbursement pool for job placements in the Expanded Subsidized Employment Program. The overall increase in other charges is \$480,291, +48.9% from the FY2014/15 Adopted Budget.

All of these costs are incurred to provide direct program services to job seekers and are recalculated on a regular schedule to meet the demand of the expected numbers of job seekers and trainees to be served, and to incorporate changes in funding from new awards:

### **SUMMARY OF POSITION CHANGES**

No position changes are planned at this time; changes were made in the second half of FY2014/15 and will continue into the new year. With uncertain grant funding amounts, it is possible that reductions in WIA/WIOA positions may be required during FY2015/16. The size and timing of such a reduction can only be established and accounted for depending upon the size of any reductions in base allocations and/or success with continued grants-seeking efforts.

### **PENDING ISSUES AND POLICY CONSIDERATIONS**

There are several policy-level issues to be considered and addressed, originating from both the Federal and State levels. These include the following:

- The federal workforce programs are emphasizing the following, issues for local policy-makers and administrators.
  - Addressing “institutional change” for the nation’s major educational and training programs. This is not the first time this has been attempted in order to better prepare American workers for business/industry. However, this remains a huge undertaking.
  - Addressing “income mobility” for workers and families. A significant undertaking, with many variables.
  - Addressing workforce needs on both a local and regional basis. How this dual effort can be adequately resourced in a time of shrinking federal funding is a question.
  - Creating career pathways linking high schools and community colleges for vocation-oriented education and skills training. This is a renewed effort of offering meaningful skills acquisition avenues for those not intending to pursue advanced college degrees.
  - Increasing use of technology. This effort provides certain efficiencies and added productivity but lessens the needed personal relationships and support of professional staff with job seekers.
  - Both the Governor and the California Workforce Investment Board (CWIB) are much more active on State-level initiatives and new ones are anticipated. These will likely be driven by the following over-arching needs/strategies.
    - Focus on growth industry sectors
    - Focus on mid/high-skill and mid/high-wage occupations
    - Work with local economic development efforts

- Plan and perform regionally
- Develop and test bold new strategies
- These are “macro” undertakings for which local policy-makers will have to determine realistic goals/outcomes and prioritize use of limited resources.

Stephen Pierce, General Manager  
Solano County Fair

**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.

<b>Budget Summary:</b>	
CY2014:	2,860,637
County General Fund Contribution:	0
Percent County General Fund Supported:	0%
Total Employees (FTEs):	12.5

**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.

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**

- The management of the SCFA changed in December 2014 with the departure of Mike Paluszak to oversee the Oregon State Fair and the appointment of Stephen Pierce.
- The Board approved a second amendment to the agreement with the SCFA for the management and operation of the Fairgrounds. The amendment modified the process for amending the term of the agreement, provides the SCFA the ability to secure longer-term revenue contracts, dedicated the use of excess .33 horse racing revenues for the purpose of deferred maintenance and capital improvements, and provides for procedures to manage the implementation of the Solano360 project.
- Due to continued operating losses, the Joe Mortara Golf Course closed on December 17, 2014. Since 2008 when management of the golf course began transferring to the SCFA, the number of rounds of golf declined approximately 62% and had been losing money since 2009 after accounting for capital expenses. The total financial loss in 2014 was nearly \$172,000.
- Launched the FairHands sponsorship program to help sustain youth programming on the Fairgrounds, including Youth Ag Day, exhibits during the Fair, and the Junior Livestock Auction. For a \$100 donation, sponsors receive two admission tickets and one parking pass to the Fair, a coupon for \$200 off weekday facility rentals and 2-for-1 admissions to the Solano Race Place.
- The 12<sup>th</sup> Annual Youth Ag Day continues to be a successful 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 bounty of Solano County.
- The Solano County Fairgrounds hosted 106 event days, not counting the year-round operation of the Joe Mortara Golf Course, the Solano Race Place (satellite wagering facility), the Horizon Pre-School, or Six Flags Parking. These events provided a wide range of entertainment and recreational opportunities to residents of Solano County and attracted many visitors to the area.

**WORKLOAD INDICATORS**

- 30 of the 51 non-Fair weekends, or 59%, had one or more facilities rented. Over the course of 2014, the SCFA had 12 first-

time rentals, 17 repeat commercial rentals from prior year and 5 rentals utilizing the Fairgrounds for multiple events throughout the year

- 39,256 people attended the 2014 Solano County Fair
- 39,903 attendees at the Solano Race Place in 2014 for an average daily attendance of 153 people
- 139 third-grade classes and approximately 3,200 students, teachers, chaperones and volunteers from across the county participated in the 2014 Youth Ag Day

**DEPARTMENTAL BUDGET SUMMARY**

The SCFA budget is based on a calendar year. The Board of Supervisors approved a preliminary SCFA 2015 Budget on November 25, 2014 with instructions for the incoming general manager to evaluate the budget and bring forth a revised budget with more conservative estimates for revenues. The Board of Supervisors approved a revised SCFA 2015 Budget on February 10, 2015.

The Recommended Budget (including capital expenditures) represents an overall decrease of \$305,442 or 10% in revenues and \$517,357 or 15.3% in appropriations from the 2014 Adopted Budget. The budget includes \$120,000 toward a parking lot improvement project for Six Flags parking from the restricted parking reserves. Absent this capital improvement project, the SCFA 2015 budget reflects an operational surplus of \$8,047.

**DEPARTMENT COMMENTS**

The dates of 2015 Solano County Fair will be July 29 to August 2, and the theme is “Meet Me at the Fair!” The colorful artwork for this year consists of farm animals sending “selfies” to their friends about the great time they are having at the Solano County Fair. The artwork and theme underscore SCFA’s expanded social media presence to engage potential fairgoers via Facebook, Twitter and YouTube.

DETAIL BY REVENUE CATEGORY AND APPROPRIATION CATEGORY	2013 ACTUALS	2014 ADOPTED BUDGET	2015 RECOMMENDED	FROM ADOPTED TO RECOMMENDED	PERCENT CHANGE
<b>REVENUES</b>					
REVENUE FROM USE OF MONEY/PROP	189,033	1,571,894	1,562,400	(9,494)	(0.6%)
CHARGES FOR SERVICES	0	1,361,231	1,047,800	(313,431)	(23.0%)
MISC REVENUE	10,931	121,000	138,483	17,483	14.4%
<b>TOTAL REVENUES</b>	<b>199,964</b>	<b>3,054,125</b>	<b>2,748,683</b>	<b>(305,442)</b>	<b>(10.0%)</b>
<b>APPROPRIATIONS</b>					
SALARIES AND EMPLOYEE BENEFITS	0	1,535,451	1,342,108	(193,343)	(12.6%)
SERVICES AND SUPPLIES	8,931	1,356,555	1,375,542	18,987	1.4%
OTHER CHARGES	0	249,988	22,987	(227,001)	(90.8%)
F/A BLDGS AND IMPRMTS	0	205,000	120,000	(85,000)	(41.5%)
F/A EQUIPMENT	0	31,000	0	(31,000)	(100.0%)
<b>TOTAL APPROPRIATIONS</b>	<b>8,931</b>	<b>3,377,994</b>	<b>2,860,637</b>	<b>(517,357)</b>	<b>(15.3%)</b>
<b>NET GAIN(LOSS)</b>	<b>191,033</b>	<b>(323,869)</b>	<b>(111,954)</b>	<b>211,915</b>	<b>(65.4%)</b>

**SUMMARY OF SIGNIFICANT ADJUSTMENTS**

- \$193,343 decrease in Salaries and Benefits due primarily to closure of Joe Mortara Golf Course and a reduction in labor based on revised revenue projections.
- \$18,987 increase in Services and Supplies due to \$96,647 increase in Miscellaneous Expense due to a \$32,800 increase in Utilities and changes in expense allocations, offset by a change in the marketing and advertising strategy resulting in \$39,000 reduction and a change in Fair time entertainment resulting in \$35,000 reduction.

**Stephen Pierce, General Manager  
Solano County Fair**

---

- \$116,000 decrease in Fixed Assets due to limited funds available for building improvements or equipment purchases except \$120,000 for parking lot improvements from available resources dedicated for that purpose.
- \$9,494 decrease in Revenue from Use of Money/Property reflects a reduction in building rental income of \$85,484 offset by \$38,483 in leases and \$39,447 from concessions during the Fair.
- \$313,431 decrease in Charges for Services reflects a more realistic assessment of anticipated revenues based on past performance, including \$65,000 decrease from the electronic sign advertising and \$176,200 in golf course revenue.
- \$17,483 increase in Misc. Revenues due to a General Fund transfer of \$35,183 to Fund 235 to reinstate excess .33 horse racing revenues swept into the County's General Fund at the end of FY2013/14 that is offset by \$17,700 in donations and contributions.

### **SUMMARY OF POSITION CHANGES**

The closure of the Joe Mortara Golf Course resulted in the reduction of 1 full-time and 9 part-time employees in 2014. Day-to-day operations at the Fairgrounds are accomplished with 9 full-time and 7 part-time employees. This is augmented by 30 intermittent part-time employees for events and approximately 99 seasonal employees for the Fair.

### **PENDING ISSUES AND POLICY CONSIDERATIONS**

The SCFA 2015 budget anticipates a year-end Unrestricted Reserves of \$32,628, which is \$271,214 or 89% less than budgeted for year-end 2014. The SCFA 2015 budget anticipates a year-end Restricted Reserves of \$21,748, which is \$9,325 or 75% more than budgeted for year-end 2014. The 2015 Budget anticipates year-end total reserves of \$54,376. The SCFA understands it must reverse the trend of using reserves to subsidize ongoing operational costs. Excess .33 horse racing revenues and new temporary revenue streams are being earmarked for one-time expenditures and to increase reserves.

The SCFA is on a biennial audit schedule, with the Auditor-Controller completed the CY2012-CY2013 audit in May 2015. The next scheduled audit would be finished in early 2017. Given the SCFA's precarious financial position, the County Administrator has asked the Auditor-Controller to complete a single year audit for 2014 and is in process at the time of this Budget document writing. An audit is necessary to make more informed decisions regarding the Fairgrounds and the upcoming Solano360 redevelopment project.

The Vallejo Sanitation and Flood Control District (VSFCD) is proposing a dramatic increase in storm water rates effective July 1, 2015, subject to voter approval from a mail ballot in May 2015. The District states the need for the rate increase is to cover rising operational costs, repair its aging drainage system and increase fairness and equity in the current rate structure. Due to the large size of the Fairgrounds property – 150 acres – and the mix of permeable and non-permeable surfaces, the rate would increase from \$71 per year to nearly \$27,000 per year. If approved by the VSFCD Board, the SCFA will need to address how to pay for this rate increase.

The Governor's Budget released in January 2015 included \$3.1 million for fair operations and \$7 million for infrastructure projects. If this remains part of the final budget, the SCFA would receive a yet-to-be determined amount for fair operations and would have to submit projects for potential funding. The SCFA is actively working with its associations and California Division of Fairs and Expositions to be poised to access these funds. The 2015 Budget does not anticipate these funds.

The SCFA has been evaluating and pursuing a variety of options designed to increase the diversification of revenue sources to maximize the utilization of the Fairgrounds. These proposals range from renting a portion of the former golf course area to a year-round outdoor entertainment firm to renting the excess capacity of the commercial kitchen in McCormack Hall. Other strategies reflect a different approach to facility rentals to generate momentum for usage, including partnering with event promoters on events instead of being strictly a provider of rental space. The lack of investable financial resources meters the pace at which the SCFA can push forward these new approaches. The still to-be-set timing of on the ground activities associated with Solano360 redevelopment projects adds limitations on short-term solutions due to the anticipated limited timeframe to recoup upfront investments

The rising maintenance and utility cost associated with the electronic sign continue to erode its ability to provide positive net revenue. The SCFA is pursuing a Request for Proposal to replace the electronic sign in accordance with the Solano360 Specific Plan.

Solano360 envisions the demolition of the current Expo Hall and replacement with a new Expo Hall capable of handling large trade shows, concerts and corporate events. Even with the project fast-tracked, Expo Hall will not be available as a revenue stream for approximately two years. This project will also impact the location of the carnival rides and commercial vendors during the annual Fair and available lawn space that makes the Fairgrounds attractive to several regional dog shows. McCormack Hall and the County Building would be the remaining buildings available. The County Building features about 4,500 square feet of floor space and generally serves as a large meeting room and would not be able to absorb Expo Hall-type events. McCormack Hall has approximately the same 20,000 square feet of floor space as Expo Hall, but due to its dimensions it is not a direct replacement. While McCormack Hall can theoretically handle the vast majority of Expo Hall-type events if the renter is willing to make adjustments, some of the buildings deficiencies need to be addressed in order for it to serve as a replacement income stream. The SCFA can accommodate existing dog shows with McCormack Hall, but the configuration of building and grass space is not as compact as currently established at Expo Hall. A roof replacement is necessary to accommodate events during inclement weather. McCormack Hall also suffers from other long overdue maintenance and modernization of the building, which affect its HVAC, lighting, electrical systems, restrooms and kitchen. It is important to note that sustaining a customer base during the replacement of Expo Hall is essential to meeting the necessary revenue streams required to repay the financial obligations for the construction. Due to these issues, the SCFA has been working with the County Administrator to develop an improvement project for McCormack Hall that improves the viability of the building while Expo Hall is unavailable.

This Page Intentionally Left Blank