

BUDGET MESSAGE

County of Sutter

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Office of the County Administrator

June 14, 2005

To: The Honorable Board of Supervisors

Re: Proposed Budget for Fiscal Year 2005-2006

As required by State law, I am submitting herein my recommendations for the allocation of resources we project to be available to Sutter County for Fiscal Year 2005-06. The Proposed Budget, which is summarized in greater detail later in this memorandum, has generally been prepared based on current State laws. However, a few of the proposals in the Governor's May revision which appear to be sustainable in the legislature have been included.

As the Board of Supervisors knows, these are difficult fiscal times for California counties – as is witnessed by the number that have already made significant budget and service reductions. Sutter County is no stranger to the pressures that other counties are encountering. However, because the Board of Supervisors has historically budgeted conservatively, and maintained healthy reserves, we believe the County is in a position to maintain high quality services, provide competitive, yet responsible, benefits to its valued employees, and make a moderate increase in its workforce. As is discussed below, we believe Sutter County can meet these ends while maintaining solid reserves, and keeping Sutter County on solid financial ground.

This year's Proposed Budget maintains the Board's conservative budgeting approach. No new programs or service expansions are proposed other than those necessary to meet Federal and State mandates. We have, however, added new positions to meet growing workloads in some offices as well as to meet the workload in mandate areas. In addition, we have reduced some positions where funding was lost, either due to a grant termination or where the program is completely funded from the State and Federal funds, and those funds are insufficient to maintain the current number of positions. The key component of our budget strategy is that we are again recommending one-time funds be used to compensate for revenues that have been temporarily transferred to the State, a continuation of the budget policy adopted by your Board in last year's budget. As you will remember, there were funds transferred in the current fiscal year (2004-05) that will again be transferred in FY 2005-06 as a temporary loan to the State, with those funds to be repaid in FY 2006-07. If these funds are restored in the manner promised, the County should, all other things being equal, remain on an even financial keel.

While, there is some risk in this approach, we believe it is preferable to making precipitous budget cuts, which might unnecessarily reduce and disrupt the important public services the County provides. As a positive indicator of the Governor's intent to keep his commitment on this issue, we would specifically note that the Governor, in his May Revise, specifically proposed to reimburse the counties fifty percent of the funds owed counties for the VLF "gap loan", which were scheduled to be repaid in FY 2006-07. These funds have been included in the Proposed Budget, and are recommended to be used in lieu of transferring one-time money to cover this year's loss to the State. Should the Governor's proposal fail in the legislature, one time money would be substituted in a continuation of the Board's policy.

In reviewing our recommendations, please consider the following:

- Status of County Accounting Disagreements. Over the past year, several key issues have been raised and debated between the Board of Supervisors and the Auditor-Controller. Although the Independent Auditor has made determinations that agree with our recommendations, and, as part of her audit for the Board and Grand Jury, has made recommendations that would properly correct the County's books, as of this writing, many of these errors and problems have yet to be corrected by the Auditor-Controller. The Proposed Budget has been prepared with the knowledge that these issues remain unresolved. Reasonable assumptions, based on the Independent Auditor's recommendations, and using the best information available at this time, have been made in the preparation of individual budget units, as well as the County budget as a whole. However, it should be emphasized that final resolution has not been reached on many accounting and budget-related issues.
- State Revenue Transfers and Cost Shifts. The State government continues to wrestle with what seems to be an endless budget crisis. As the Board knows, the State has dealt with its problems by transferring revenue from, or shifting costs to, counties, deferring payments of money it legally owes counties, and forcibly borrowing money from us. Some of the State's actions receive considerable media attention (such as the \$1.3 billion "gap loan" of Vehicle License Fee revenue counties and cities were required to make the State in Fiscal Year 2003-04), while others (such as the \$31 million shift of Undesignated Court Fees from counties to the State) go largely unnoticed by the public. The cumulative effect of all these actions is very significant.
- FY 2005-06 State Budget. As of this writing, the Legislature has not passed a State budget for FY 2005-06. Consequently, it is difficult to predict how counties will be affected. In Fiscal Year 2004-05, the Governor reached an agreement with counties, cities, and special districts, which was approved by the voters in November 2004 and is known now as Proposition 1A. While the agreement is complex, its key feature is that local governments are contributing approximately \$1.3 billion to the State in FY 2004-05 and FY 2005-06. In exchange, local governments are to receive Constitutional protection against future State revenue raids and cost shifts, including relief from unfunded State mandates. Proposition 1A states that in FY 2006-07, cities and counties are to be repaid for the \$1.3 billion VLF "gap loan," and that the State will begin to repay the deferred State mandate (SB 90) costs. Additionally, counties are to be made whole through a property tax shift, which takes the place of the VLF "backfill," whereby the bulk of VLF revenues are swapped for property taxes. Some of these points have been implemented during FY 2004-05. The continued restoration of these revenues is a key component of our recommended budget strategy.

If the adopted State budget impacts the County in a way that will require policy changes to our Proposed Budget, we will recommend appropriate actions to the Board of Supervisors as quickly as possible.

- Federal and State Mandates. At the same time counties are facing severe fiscal constraints, we are being required by the Federal and State governments to implement a wide variety of new programs. In FY 2004-05, for example, our staff implemented requirements dealing with the Certified Unified Planning Agency (CUPA), the Health Insurance Portability and Accountability Act (HIPAA) of 1996, the Habitat Conservation Plan (HCP)/Natural Communities Conservation Plan (NCCP). All of these laws are complex, involve extensive rules and regulations, and could easily trigger litigation. While the State has provided some relief from future unfunded State-imposed mandates through Proposition 1A, the Federal government typically does not provide funding to

implement its mandated programs, and the State, as noted, has deferred its past mandate reimbursements until FY 2006-07. Additionally, new mandated programs which are the result of voter-approved initiatives do not qualify for "relief" under Proposition 1A, as they are technically not State-imposed, thus these unfunded mandates will continue to affect counties negatively.

- GASB 34. In FY 2004-05, we were required to prepare the Proposed Budget in compliance with the General Accounting Standards Board's Statement 34 (GASB 34). This is a permanent change to our budgeting process. This year's budget includes 67 Special Revenue Funds, not budgeted prior to FY 2004-05. As a result, the budget document is larger and more complex. Moreover, caution should be exercised in making numerical comparisons with budgets prepared in prior years.

GASB 34 typifies a trend we are increasingly seeing in government. Basically, local governments are being required to devote considerable time and energy to comply with new Federal or State financial reporting and monitoring requirements which, from our perspective, provide little or no benefit to the public.

The next few years will present many challenges. Fortunately, we have many assets – particularly our dedicated and creative County employees – which I am confident, will enable us to meet these challenges.

SUMMARY OF FY 2005-2006 PROPOSED BUDGET

Overall, the budget requirement for the recommended County operations in FY 2005-06 totals \$168,700,231, which is an increase of \$2,863,811 (1.7%) from the FY 2004-05 Adopted Budget. The following table summarizes the recommended budget for the primary operating funds of the County. The table does not include the Special Revenue Fund budgets that, as previously discussed, have been included in the budget to comply with GASB 34. The inclusion of these new budget units would distort any comparison to previous fiscal years. It should also be emphasized that, with few exceptions, expenditures are not made directly from these special revenue funds. Instead, revenue from them is transferred to the funds listed below. Consequently, a large "double count" would occur if the special revenue funds were included in the totals.

Generally, the increases in expenditures are necessary to comply with employee bargaining agreements, fund significant increases in retirement and health insurance costs, and fund some programs mandated by the Federal and State governments. Overall, the total number of employee positions has been increased by 3. Within this, we are recommending the elimination of 6 positions, primarily due to the termination of State grants or reductions in programs entirely funded by State revenue.

The budget has been balanced by using \$1,154,311 in one-time revenue to replace revenue which either has been, or likely will be, temporarily transferred to the State (i.e., VLF Gap Loan revenue is used to offset the County's \$764,311 contribution to the State, and \$390,000 is used, in concept, to replace unfunded mandate reimbursements). A portion of this revenue, the VLF gap loan reimbursement, is proposed by the Governor to be repaid in this Fiscal Year, with the balance of this revenue to be restored in FY 2006-07. As discussed earlier in this memorandum, we believe this is a prudent and reasoned use of our one-time revenues. The alternative would be to make program reductions, which, in the final analysis, might prove to be disruptive, unnecessary, and poorly received by the public. The primary risk involved in our approach is, of course, that the State will not restore the funding as promised. If this occurs, reductions may ultimately be necessary.

	2004-05 ADOPTED	2005-06 RECOMMENDED	CHANGE	
			DOLLARS	PERCENT
General	\$51,614,879	\$54,373,552	\$2,758,673	5.3%
Road	\$12,008,425	\$6,373,953	-\$5,634,472	-46.9%
Special Aviation	\$539,449	\$635,926	\$96,477	17.9%
Fish & Game	\$21,216	\$14,984	-\$6,232	-29.4%
Bi-County Mental Health	\$20,549,725	\$22,131,715	\$1,581,990	7.7%
Health Services	\$12,368,358	\$12,184,926	-\$183,432	-1.5%
Welfare/Social Services	\$28,578,550	\$30,512,362	\$1,933,812	6.8%
Trial Courts	\$5,390,218	\$5,388,454	-\$1,764	0.0%
Public Safety	\$20,346,715	\$21,542,970	\$1,196,255	5.9%
Capital Projects	\$445,235	\$453,135	\$7,900	1.8%
Enterprise	\$191,167	\$2,116,749	\$1,925,582	1007.3%
Internal Service	\$9,551,924	\$9,029,481	-\$522,443	-5.5%
Special Districts	\$4,230,559	\$3,942,024	-\$288,535	-6.8%
Total County	\$165,836,420	\$168,700,231	\$2,863,811	1.7%

Each year, we emphasize that the General Fund includes five budget units which appropriate the General Fund's "contribution" to the Mental Health, Health, Welfare/Social Services, Trial Court, and Public Safety Funds. These appropriations are also budgeted in the five receiving funds, so technically the appropriations are double-counted. The following chart shows the magnitude of this double-count.

	2004-05 ADOPTED	2005-06 RECOMMENDED	DIFFERENCE
Mental Health	\$1,213,500	\$1,400,000	\$186,500
Health	\$6,948,749	\$7,403,798	\$455,049
Welfare/Social Services	\$1,519,097	\$1,714,221	\$195,124
Trial Court	\$2,315,302	\$2,530,818	\$215,516
Public Safety	\$11,805,186	\$12,885,544	\$1,080,358
TOTAL	\$23,801,834	\$25,934,381	\$2,132,547

General Fund

The total General Fund requirements are recommended at \$54,373,552, which is an increase of \$2,758,673 (5.3%) compared to the FY 2004-05 Adopted Budget. Given the number and variety of budget units and programs in the General Fund, there are many factors involved in this increase. In a broad sense, the major factors include increases to the General Fund contribution to the Welfare/Social Services, Trial Court and Public Safety Funds, increases in salaries and benefit costs due to approved employee bargaining agreements, new positions, and rising operational costs, such as, supplies, utilities, and fuel.

Due to the instability of the State's finances the past three years, very few new positions have been added to General Fund departments. During the same time period, the growth in Yuba City and the County continues to increase workloads and service demands upon those county departments providing direct services to the public. With a better financial outlook at the State, and because of careful financial management at the county level, this budget adds five new positions to General Fund Departments, offset by a loss of four positions in the Department of Child Support Services. The following positions are recommended: An Agriculture & Standards Biologist I to address unmet weights and measures service requirements, as current staff has been impacted by increased demands of the underground storage tank program and new CUPA requirements; an Election Clerk I in Elections to meet the extra workload due to the increased use of absentee ballots, and the need for skilled staff to manage electronic voter registration and voting systems; a Deputy Recorder I/II in the Clerk-Recorder's Office to manage the ever-growing demand for document recording services; and a Treasurer Collector Deputy I/II and a Treasurer Collector Deputy III in the Treasurer-Tax Collector's Office to address increased workload since 1985, when a position was last added to this department.

Due to the continuing lack of State funding, it is recommended that the Department of Child Support Services eliminate 4 allocated positions. Two of the positions are vacant; however, two Account Clerk I/II positions are filled and this action will require transferring staff to other departments or releasing staff.

Road Fund

The Road Fund net budget is recommended at \$6,373,953, which is a decrease of \$5,634,472 (46.9%) compared to the FY 2004-05 Adopted Budget. The decrease is the result of completing several major bridge projects in the prior year. Projects budgeted for the coming year include \$1.2 million in improvements to the Riego-Pacific Intersection, the O'Bannion Road Bridge, the Pleasant Grove Creek Bridge, and the Curry Creek Bridge. Road repairs and overlays to various county roads are budgeted for an estimated cost of \$650,000. It is anticipated that, as the State's financial situation improves, the AB 2928 Traffic Congestion funding will be re-instated to counties, which would help greatly to alleviate the backlog of road improvements.

Special Aviation Fund

The total Special Aviation Fund requirements are recommended at \$635,926, which is an increase of \$96,477 (17.9%) compared to the FY 2004-05 Adopted Budget. The budget includes continuing of the overlay of the taxi way and runway turnaround area projects. The department is also applying for FAA and Cal-Trans grants to assist with costs for security, drainage, and lighting improvements to the airport.

Fish and Game Fund

The total Fish and Game Fund requirements are recommended at \$14,984, which is a decrease of \$6,232 (-29.4%) compared to the FY 2004-05 Adopted Budget. The decrease over the prior year is primarily due to a decrease in the Cancellation of Prior Year Reserves.

Bi-County Mental Health

The total Bi-County Mental Health Fund requirements are recommended at \$22,131,715, which is an increase of \$1,581,990 (7.7%) compared to the FY 2004-05 Adopted Budget. The increase in the Mental Health Fund is primarily the result of negotiated salary increases, the continuing increase in the cost of group insurance, and increased contributions to retirement. No new positions are recommended for FY 2005-06.

The passage of Proposition 63, the Mental Health Services Act, in November 2004, has brought with it new opportunities to serve the community, including expanding eligibility for services, as well as an increase in public expectations. Pursuant to the requirements of the initiative, Mental Health is undertaking a significant, community wide planning process in conjunction with the Mental Health Board to solicit input and to develop recommendations to the Board of Supervisors regarding the expenditure of future Proposition 63 funds. It is anticipated that a plan will be developed and submitted for your consideration in November 2005. The Division does not anticipate a dramatic increase in new clients in FY 2005-06; however, in future years more local residents will become eligible for mental health services due to the establishment of new early intervention and prevention services mandated by this initiative.

Health Fund

The total Health Fund requirements are recommended at \$12,184,926, which is a decrease of \$183,432 (-1.5%) compared to the FY 2004-05 Adopted Budget. This fund includes the budget units for the County Health Division, Human Services Administration, California Children's Services, Non-County Health Providers, and Health Care General, which is a revenue account budget unit.

The decrease in the Health Fund is due to the net effect of a variety of factors, primarily within the Health Division budget unit, including a reduction in grant funding and subsequent elimination of respective costs, increases in health insurance and retirement costs, and decreases in worker's compensation costs. Additionally, FY 2004-05 included a one-time appropriation for increases to reserves, which is not included in FY 2005-06. Expenses related to the provision of medical care to the Sutter County Jail continue to account for some of the largest cost areas in the Health Division budget unit. Compared to FY 2004-05, there is a net decrease of one position, due to the partial loss of grant funding for the HIV/AIDS Education and W.I.C. Programs.

In Fiscal Year 2005-06, the Human Services Department, which is contained within the Health Fund, will be addressing the ongoing planning and preparation to achieve County compliance with Federal regulatory guidance on privacy and security of medical information under the Health Insurance Portability and Accountability Act (HIPAA) of 1996, as well as working to meet the California Department of Mental Health (CDMH) requirement that each County mental health plan meet federal program integrity requirements to guard against fraud and abuse. We are recommending the allocation of one new Compliance Officer position to help meet these mandates and requirements. Since the requirements imposed by the HIPAA rules and by Medicare/Medicaid regulations are Federal rather than State mandates, a majority of the cost of meeting these requirements has thus far been unfunded.

Welfare/Social Services Fund

The total Welfare/Social Services Fund requirements are recommended at \$30,512,362, which is an increase of \$1,933,812 (6.8%) compared to the FY 2004-05 Adopted Budget. This fund includes all of the budget units administered by the Welfare Division of the Human Services Department including Welfare Administration, In-

Home Supportive Services (IHSS), Special Circumstances, Temporary Assistance to Needy Families (TANF), TANF Foster Care, Refugee Cash Assistance, Aid for Adoption, General Relief, and Welfare/Social Services General.

The increase in the Welfare/Social Services Fund is primarily the result of increased staffing costs in Welfare Administration, including health insurance and retirement costs, increased In Home Supportive Services provider payments due to caseload increases, and increases in TANF – Family Group and Aid for Adoptions costs due to increased caseload. One Social Worker I/II position is recommended, to implement the newly mandated In-Home Supportive Services (IHSS) Quality Assurance requirements, and it is recommended that one Public Assistance Specialist I/II (PAS) position be upgraded to a PAS III. The result is a net increase of one position within this fund.

Trial Court Fund

The total Trial Court Fund requirements are recommended at \$5,388,454, which is a slight decrease of \$1,764 (less than one percent) compared to the FY 2004-05 Adopted Budget. This fund includes the Sheriff's Court Bailiffs, Public Defender, Trial Court Funding, Superior Court, Probation, and Trial Court General budget units.

It is recommended that the Probation Department eliminate two positions: a vacant Deputy Probation Officer I/II, and a Domestic Violence Coordinator position, which will be vacant by July 31, 2005. The vacant Deputy Probation Officer I/II is a Proposition 36 supported position which was never filled; the Chief Probation Officer recently determined that this position is not needed. The Domestic Violence Coordinator position staffs the Batterers' Treatment Program, which is being eliminated as local non-profits are providing this service for the courts. A Probation Aide position, which is currently an extra-help position, is recommended to be added as a full-time permanent position. In the adult division, regular supervision cases average 132 probationers per officer. The "bankload", approximately 300 probationers who reside out of County or are no longer required to report in person, is covered by the extra-help Probation Aide. Without the Aide, the ratio per officer would be 1 to 197.

Public Safety Fund

The total Public Safety Fund requirements are recommended at \$21,542,970, which is an increase of \$1,196,255 (5.9%) compared to the FY 2004-05 Adopted Budget. The Public Safety fund was created during the 1993-94 fiscal year, as a result of Proposition 172, which increased the sales tax by one-half cent and dedicated the resulting revenue to public safety. The fund includes the Sheriff's Department, the District Attorney, the Bi-County Juvenile Hall, the Delinquency Prevention Commission, and Fire and Emergency Services. The increase in the Public Safety Fund is primarily the result of higher health insurance, retirement benefits, annual merit increases, and recommended staffing increases.

There are several new positions recommended in the Public Safety Fund budgets. A Patrol Lieutenant in the Sheriff-Coroner's budget is recommended to assist the Patrol Captain with the span of control over 110 personnel including sergeants, deputy sheriffs, reserves, cadets, and volunteers, and a combined budget of \$6.2 million. In the District Attorney's budget, a Deputy District Attorney I/II/III is recommended to address increased workload and a new classification of Investigative Aide is recommended to replace a Senior Criminal Investigator position, which is vacant.

Capital Projects Fund

The total Capital Projects Fund requirements are recommended at \$453,135. This fund was created in FY 2001-02 to account for costs of the design and construction of the new Human Services building. The design of the building will be completed in the 2005-06 fiscal year and presented to the Board of Supervisors for approval. The budget represents a fund balance previously transferred from the General Fund for start-up costs, a potential transfer-in from the Welfare Fund, and the final payment for design work.

Enterprise Fund

The total Enterprise Fund requirements are recommended at \$2,116,749, which is an increase of \$1,925,582 over the FY 2004-05 Adopted Budget. Sutter County Waterworks District #1 is the County's only Enterprise Fund. It should be noted that we are recommending, in concurrence with the Independent Auditor's recommendations, that the district's investment in Capital Assets be included in this budget. In the past, these assets have been removed from the Final Budget by the Auditor-Controller, without approval of the Board of Supervisors. Excluding the value of the capital assets and the depreciation expense, the requested net operating expense is \$90,467, which is an increase of \$20,650 from the previous year. The method of budgeting for this district is under review, as well as the current fee structure. It is likely that this budget will be revised during the 2005-06 fiscal year.

Internal Service Funds

The total Internal Service Fund requirements are recommended at \$9,029,481, which is a decrease of \$522,443 (5.5%) compared to the FY 2004-05 Adopted Budget. Funds included in this total include: Information Technology, Fleet Maintenance, Vehicle Replacement Program, Liability Insurance, and Workers' Compensation Insurance. The decrease in these funds is primarily the result of lower costs for Workers' Compensation premium costs.

Special Districts

The total Special Districts requirements are recommended at \$3,942,024, which is a decrease of \$288,535 (-6.8%) compared to the FY 2004-05 Adopted Budget. Special Districts include County service areas, which provide fire protection, water agency operations and zones of benefit, lighting districts, quadrant and development funds, the Rio Ramaza Community Services District, the El Cerrito Drainage District, and the Tierra Buena Sewer Community Service District. Historically, individual special district budgets fluctuate from year to year.

FORMAT OF THE PROPOSED BUDGET

In the Proposed Budget document, each budget unit's Executive Summary contains a narrative which sets forth a "Description" of what services the program provides, a "Department Request," which reflects the department's original request and the basis on which it was made, a "CAO Recommendation" indicating the position of the Administrative Office relative to the department's requests, and a statement indicating whether the department head concurs with the CAO's recommendation. In addition, should there be any policy issues which the Board needs to address in that program, they will be identified.

This information is intended to provide sufficient background to permit the average person to understand what is occurring in each budget program. This document is intended to provide the type of information that the

Board members and the citizens need in order to make informed decisions regarding the allocation of available funds to meet the County's diverse operational needs during the next year. The "Description" and "Department Request" are intended to be communications from the department heads to the County Administrator and Board of Supervisors regarding their perspective and estimates of need for the coming year and the basis on which they have made those estimates. The "CAO Recommendation" is then written as a discussion of the Administrative Officer's view and estimates relating back to the department's original request.

As with the prior Fiscal Year, this year's Proposed Budget contains several special revenue funds, which, in previous years, were trust funds. The inclusion of these funds in the budget is a requirement of GASB 34. In most cases, these special revenue funds do not include accompanying descriptions or recommendations. This is because, in most cases, no expenditures are made directly from them.

RECOMMENDATIONS - PROPOSED BUDGET FOR FISCAL YEAR 2005-2006

The recommendations and comments, along with the accounting tabulations, are submitted to you, the Board of Supervisors, for your consideration. Upon your approval, this document will constitute the Proposed Budget for Fiscal Year 2005-2006. Pursuant to State law, a notice of your scheduled hearings will appear in the local newspaper and the Proposed Budget will be made available to the public at least 10 days prior to those hearings.

Approval of the Proposed Budget by your Board will:

- Authorize continuation of normal operating expenditures by County departments pursuant to mandates or existing levels of locally determined services until such time as a Final Budget is adopted.
- Authorize the Proposed Budget for FY 2005-2006 to be made available to the public as an appropriate source of information regarding budgetary actions recommended for consideration during Final Budget Hearings.

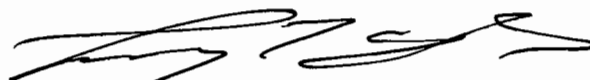
Unless specific exceptions are made by your Board, approval of the Proposed Budget will not authorize any additions or deletions of County positions or the expenditure of any funds for fixed assets, capital outlays, or proposed new programs contained in this document. I have recommended some specific exceptions below. In each case, I consider these exceptions to be essential to County and departmental operations.

It is therefore RECOMMENDED that your Board:

1. Approve the enclosed recommendations and tabulations as the Sutter County Proposed Budget for Fiscal Year 2005-2006.
2. Set noticed Public Hearings commencing June 28, 2005, at 9:00 a.m. at the Veterans' Memorial Building in Yuba City, and continuing as required for a 14-day successive period, regarding the adoption of the Final Budget, and request that each department head be in attendance for the review of his/her budget(s).
3. Direct the County Administrative Officer to have sufficient copies of the approved Proposed Budget available to meet public demand.

4. Authorize the Public Works Department to proceed with the weather-sensitive projects set forth in the Plant Acquisition and Building Maintenance budgets. These projects, which are specifically identified in the budgets, need to be completed during the summer months to avoid adverse weather.
5. Authorize the Public Works Department to proceed with the Plant Acquisition projects, which were included in the FY 2004-2005 budget, and re-budgeted in this year's recommended budget. Those projects are identified in the Plant Acquisition budget.
6. Authorize the Public Works Department to proceed with road projects that were approved by the Board in FY 2004-05.
7. Authorize the Information Technology Department to purchase fixed assets as needed for workflow purposes during the July 1, 2005 to October 1, 2005 period.
8. Authorize the Personnel Department to reassign existing positions within and between the Fire Services and Emergency Services budget units effective July 1, 2005, as necessary to accommodate the creation of a new budget unit for Fire Services.
9. Authorize the Personnel Department to reassign existing positions within and between the District Attorney Department budget units effective July 1, 2005, as necessary to accommodate the consolidation of separate budget units into the District Attorney Budget Unit 2125.
10. Authorize the Human Services Department to recruit for and fill the recommended Compliance Officer position effective July 1, 2005.
11. Authorize the Welfare/Social Services Department to recruit for and fill the recommended Social Worker II/III (Quality Assurance) position effective July 1, 2005.
12. Authorize the Chief Probation Officer to recruit for and fill the recommended Probation Aide position effective July 1, 2005.
13. Authorize the Public Works Director to recruit and fill the Public Works Engineer I/II, Associate Civil Engineer position effective July 1, 2005.
14. Approve purchase of an industrial laundry washer and video arraignment camera for the Jail effective July 1, 2005.
15. Approve replacement of the phone system for Sheriff/Communications effective July 1, 2005.
16. Approve purchase of three Live Scan Fingerprint/Palm-print machines for the Sheriff/Communications, Jail, and Probation Department budgets effective July 1, 2005.

Respectfully submitted,



LARRY T. COMBS
County Administrative Officer

TABLE 1

Comparison of Budget Requirements by Fund and Groups of Funds

	2004-05	2005-06	CHANGE	
	ADOPTED	RECOMMENDED	\$	%
BASIC COUNTY OPERATING FUNDS				
General	\$51,614,879	\$54,373,552	\$2,758,673	5.3%
Road	\$12,008,425	\$6,373,953	-\$5,634,472	-46.9%
Special Aviation	\$539,449	\$635,926	\$96,477	17.9%
Fish & Game	\$21,216	\$14,984	-\$6,232	-29.4%
Bi-County Mental Health	\$20,549,725	\$22,131,715	\$1,581,990	7.7%
Health Services	\$12,368,358	\$12,184,926	-\$183,432	-1.5%
Social Services	\$28,578,550	\$30,512,362	\$1,933,812	6.8%
Trial Courts	\$5,390,218	\$5,388,454	-\$1,764	0.0%
Public Safety	\$20,346,715	\$21,542,970	\$1,196,255	5.9%
Capital Projects (4100)	\$445,235	\$453,135	\$7,900	1.8%
<i>Total Requirements</i>	\$151,862,770	\$153,611,977	\$1,749,207	1.2%
ENTERPRISE & INTERNAL SERVICE FUNDS				
Sutter County Waterworks District #1 (4400)	\$191,167	\$2,116,749	\$1,925,582	1007.3%
Fleet Management ISF (4580)	\$1,415,768	\$1,476,923	\$61,155	4.3%
Information Technology ISF (4581)	\$3,225,921	\$3,173,887	-\$52,034	-1.6%
Vehicle Replacement Fund ISF (4585)	\$256,008	\$285,682	\$29,674	11.6%
Liability Insurance ISF (4590)	\$878,429	\$849,295	-\$29,134	-3.3%
Workers' Comp Insurance ISF (4591)	\$3,775,798	\$3,243,694	-\$532,104	-14.1%
<i>Total Enterprise & ISF</i>	\$9,743,091	\$11,146,230	\$1,403,139	14.4%
SPECIAL DISTRICT FUNDS GOVERNED BY THE BOARD OF SUPERVISORS				
County Service Area G (0301)	\$655,612	\$657,500	\$1,888	0.3%
County Service Area F (0305)	\$2,174,394	\$1,953,733	-\$220,661	-10.1%
County Service Area C (0309)	\$193,468	\$167,298	-\$26,170	-13.5%
County Service Area D (0311)	\$403,044	\$177,018	-\$226,026	-56.1%
Urban Area Street Lighting District (3000)	\$33,716	\$25,000	-\$8,716	-25.9%
Tierra Buena Sewer C.S.D. (0314)	\$3,420	\$3,049	-\$371	-10.8%
Sutter County Water Agency (0320)	\$256,245	\$450,641	\$194,396	75.9%
Sutter County Water Zones 1-12 (0324-0333)	\$290,114	\$367,042	\$76,928	26.5%
Co Consolidated Street Lighting District (0340)	\$107,159	\$120,959	\$13,800	12.9%
El Cerrito Drainage District (0390)	\$532	\$510	-\$22	-4.1%
Stonegate Sewer Improvement (0394)	\$2,564	\$475	-\$2,089	-81.5%
Rio Ramaza County Service District (0395)	\$102,047	\$11,038	-\$91,009	-89.2%
Sutter County Landscape - Wildwood (4011)	\$8,244	\$7,761	-\$483	-5.9%
<i>Total Special Districts</i>	\$4,230,559	\$3,942,024	-\$288,535	-6.8%
OTHER SPECIAL REVENUE FUNDS (includes double-counts)				
Other Special Revenue Funds	\$36,717,511	\$38,780,343	\$2,062,832	5.6%
<i>Total Other Special Revenue Funds</i>	\$36,717,511	\$38,780,343	\$2,062,832	5.6%
GRAND TOTAL	\$202,553,931	\$207,480,574	\$4,926,643	2.4%

**TABLE 2
APPROPRIATION ANALYSIS**

PROPOSED BUDGET BASIC OPERATING FUNDS
(Excluding Enterprise, Internal Service, Debt Service and Special District Funds
and Other Special Revenue Funds)

APPROPRIATION ANALYSIS BY OBJECT FY 2005-06 RECOMMENDED			
APPROPRIATION OBJECT	GENERAL FUND	OTHER FUNDS	GRAND TOTAL
Salaries & Benefits	\$18,345,803	\$48,363,540	\$66,709,343
Services & Supplies	\$6,017,473	\$12,361,465	\$18,378,938
Other Charges	\$28,263,476	\$37,063,987	\$65,327,463
Fixed Assets	\$744,300	\$559,559	\$1,303,859
GROSS	\$53,371,052	\$98,348,551	\$151,719,603
Intrafund Transfers	\$227,500	\$0	\$227,500
NET	\$53,598,552	\$98,348,551	\$151,947,103
Contingencies	\$750,000	\$451,104	\$1,201,104
TOTAL APPROPRIATIONS	\$54,348,552	\$98,799,655	\$153,148,207
Increases in Reserves	\$25,000	\$0	\$25,000
TOTAL REQUIREMENTS	\$54,373,552	\$98,799,655	\$153,173,207

REVENUE ANALYSIS			
DESCRIPTION	FY 2004-05 Adopted	FY 2005-06 Recommended	% OF TOTAL REVENUE
Total Taxes	\$15,886,351	\$22,126,434	12.28%
Licenses, Permits & Franchises	\$3,087,555	\$3,184,691	1.77%
Fines, Forfeitures & Penalties	\$556,447	\$641,340	0.36%
Use of Money & Property	\$2,127,170	\$2,226,025	1.24%
Intergovernmental Revenues	\$79,403,315	\$72,887,997	40.45%
Charges for Current Services	\$59,599,359	\$64,022,680	35.53%
Miscellaneous Revenues	\$2,260,169	\$3,086,129	1.71%
Other Financing Sources	\$15,000	\$15,000	0.01%
SUB-TOTAL	\$162,935,366	\$168,190,296	
Fund Balance Available as of July 1	\$9,758,376	\$8,899,138	4.94%
Liquidation of Reserves	\$4,472,357	\$3,097,784	1.72%
GRAND TOTAL	\$177,166,099	\$180,187,218	100.00%