

DISTRICT PURPOSE

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

Budget Summary:	
FY2012/13 Third Quarter Projection:	336,930
FY2013/14 Recommended:	338,715
County General Fund Contribution:	0
Percent County General Fund Supported:	0%
Total Employees (FTEs):	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 service contract is administered through the County Administrator's Office.

SIGNIFICANT CHALLENGES AND ACCOMPLISHMENTS

None.

WORKLOAD INDICATORS

None.

DEPARTMENTAL BUDGET SUMMARY

The Recommended Budget for the EVFPD of \$338,715 represents decreases of \$30,920 or 8.4% in revenues and \$30,920 or 8.4% in appropriations when compared to its FY2012/13 Adopted Budget.

The decrease in revenues is the result of a reduction in tax revenue projected for FY2013/14. Contracted Services with the City of Vallejo Fire Department is budgeted at \$326,865 and is based on anticipated property tax revenues less \$8,350 in administrative support costs. If there is any available Fund Balance at the FY2012/13 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.

SUMMARY BY SOURCE	2011/12 ACTUALS	2012/13 ADOPTED BUDGET	2013/14 CAO RECOMMENDED	FROM ADOPTED TO RECOMMENDED	PERCENT CHANGE
134 - EAST VJO FIRE DISTRICT					
Taxes	365,568	364,705	333,815	(30,890)	(8.5%)
Revenue From Use of Money/Prop	501	180	150	(30)	(16.7%)
Intergovernmental Rev State	4,076	3,404	3,404	0	0.0%
TOTAL FINANCING AVAILABLE	370,145	368,289	337,369	(30,920)	(8.4%)
Services and Supplies	382,139	365,785	334,865	(30,920)	(8.5%)
Other Charges	4,007	3,850	3,850	0	0.0%
TOTAL FINANCING REQUIREMENTS	386,146	369,635	338,715	(30,920)	(8.4%)

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:

FY2012/13 Third Quarter Projection:	211,000
FY2013/14 Recommended:	171,000
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 574 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 FY2012/13, 22 street lights were installed in various intersections near Dixon, Fairfield, Vacaville and Rio Vista to improve night-time driver visibility and increase traffic safety. Minor maintenance light replacements were completed in the Green Valley and Cordelia areas.

Continued expenditures for replacement of aged street lights and installation of new lights is anticipated in FY2013/14. Revenues are expected to decrease very slightly, due to a small decrease in property taxes received.

WORKLOAD INDICATORS

- Operated and maintained 574 street lights.

DEPARTMENTAL BUDGET SUMMARY

The Recommended Budget of \$171,000 for the Consolidated County Service Area represents an increase of \$140,873, or 165.8%, in revenues and a decrease of \$11,678, or 6.4%, in appropriations when compared to the FY2012/13 Adopted Budget. The difference in revenues and appropriations will be funded from Fund 046 Reserves.

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

SUMMARY BY SOURCE	2011/12 ACTUALS	2012/13 ADOPTED BUDGET	2013/14 CAO RECOMMENDED	FROM ADOPTED TO RECOMMENDED	PERCENT CHANGE
046 - COUNTY CONSOLIDATED SVC AREA					
Taxes	79,409	79,000	71,200	(7,800)	(9.9%)
Revenue From Use of Money/Prop	3,668	4,500	4,100	(400)	(8.9%)
Intergovernmental Rev State	877	800	800	0	0.0%
Charges For Services	0	641	18	(623)	(97.2%)
From Reserve	0	0	149,696	149,696	0.0%
TOTAL FINANCING AVAILABLE	83,954	84,941	225,814	140,873	165.8%
Services and Supplies	44,994	145,600	155,600	10,000	6.9%
Other Charges	17,836	17,151	15,400	(1,751)	(10.2%)
Contingencies and Reserves	0	19,927	0	(19,927)	(100.0%)
TOTAL FINANCING REQUIREMENTS	62,829	182,678	171,000	(11,678)	(6.4%)

SUMMARY OF SIGNIFICANT ADJUSTMENTS

The increase in revenues is primarily due to the anticipated use of reserves to fund the replacement of aged street lights and the installation of new lights in FY2013/14.

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

Budget Summary:	
FY2012/13 Third Quarter Projection:	5,034,188
FY2013/14 Recommended:	4,255,561
County General Fund Contribution:	0
Percent County General Fund Supported:	0%
Total Employees (FTEs):	0

FUNCTION AND RESPONSIBILITIES

The WIB of Solano County links employers with employees to improve the quality, competitiveness and productivity of the local workforce. The WIB Board serves employers and jobseekers. The budget reflects the total revenue and appropriation estimates for the coming years. The Board of Supervisors, as required by law reviews and approves the Budget. WIB is a separate non-profit employer.

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

SIGNIFICANT CHALLENGES AND ACCOMPLISHMENTS

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

- A range of minor to major reductions in federal funding, based on Congressional actions to balance the federal budget and reign in domestic spending, could severely reduce the WIB’s ability to maintain the full range of services in two One-Stop Career Center operations (in Vallejo and Fairfield) and WIB’s ability to serve as many adult jobseekers, dislocated workers and youth with education, training and employment services. Services for employers will be impacted as well.
- Demand for services are outstripping available resources, even at current funding levels. The numbers of unemployed job seekers seeking One-Stop and WIB intensive services continue to rise, given current economic times. Even as a slight upturn in hiring is occurring, more job seekers who had stopped looking for jobs are re-engaging in their proactive job search and seeking assistance in the One-Stop Centers.
- The WIB is assigned the task of “up-skilling” and “re-skilling” the workforce, in anticipation of the economic rebound. This is proving especially hard to carry out, when jobseekers do undertake training in a new career field and do their best to look for work, only to find either: a) few job opportunities to follow; and/or b) vocational training in a new career is not sufficient – employers are also looking for persons with direct experience in a given industry.
- Employers continue to express deep-seated concern over the qualifications and preparedness of job seekers to fill increasingly more demanding jobs. The current “labor surplus” market is masking an underlying problem; a longer-term more comprehensive effort is needed to provide workers with a solid educational foundation, specific job-related (or “hard”) skills, and much-needed work readiness (or “soft”) skills.
- The WIB and One-Stop Center operations continue to adapt and be relevant in the lives of jobseekers and employment needs of employers. New services have been added; more employers are using these services, and shifts in WIB “product lines” (as a business-like organization) are taking place. This continuous improvement effort and ever-increasing efforts at providing best-possible customer service are ongoing despite annual funding reductions.
- The WIB and One-Stop Centers are being asked to “leverage” other educational/training/employment resources and to “braid” these resources in to a coordinated, comprehensive demand-driven workforce development system. This is partly the answer for ever-declining funding. While attractive in theory there are realistic limitations upon such leveraging and braiding, especially as many programs and systems are facing declining resources.

Birgitta E. Corsello, County Administrator
Other Assistance

- Larger changes may be called for as Congress attempts to retool the nation's public workforce system, while holding funding steady or at reduced levels.

WORKLOAD INDICATORS

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

- The federal WIA system has a nine-part set of "Common Measures" for the basic Adult, Dislocated Worker and Youth programs. The WIB seeks to either "exceed" (at 100% plus of plan) or "meet" (at between 80% and 99% of plan) these annual standards. For the FY2011/12 period, the WIB met or exceeded all nine of these Measures.
- Each special grant has its own performance outcomes that includes overall enrollment numbers, planned outcomes, and expected expenditure plans. Again, the WIB seeks to meet or exceed each of these standards for each grant. The WIB is meeting these basic obligations for the variety of special projects serving ex-offenders, veterans, and dislocated workers. However, job placement rates are gradually lowering, as the full impact of the tough economy and job market are being realized.
- The WIB has an internal, multi-factorial consideration process to assess staff's overall performance taking the above-cited statistical outcomes in mind, plus certain subjective considerations. The WIB Board of Directors has rightfully recognized staff's high attainment against these multi-factorial considerations.

DEPARTMENTAL BUDGET SUMMARY

The Recommended Budget of \$4,255,561 for the WIB represents overall decreases of \$556,222 or 11.6% in revenues and \$591,267 or 12.2% in appropriations when compared to the FY2012/13 Adopted Budget. There is no General Fund support to this budget, as WIB's activities are fully grant-funded.

DEPARTMENT COMMENTS

Overall, the FY2013/14 Recommended Budget for the Workforce Investment Board (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, the Budget includes the projection of unspent funds remaining at June 30, 2013, and available for expenditure in FY2013/14. It is almost certain that future recalculations will need to be made for both revenue and expenditure line-items.

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.

The number of WIA 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, and a forecasted total for FY2013/14 of 588. 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 and to efficiently utilize the available funding for each grant.

The number of job seekers served in the Solano Employment Connection One-Stop Career Centers has averaged about 7,000 per year with 60,000 visits made to the centers.

Functional Area Summary

7200 – Fund 903-Workforce Investment Board (WIB)

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

DETAIL BY REVENUE CATEGORY AND APPROPRIATION CATEGORY	2011/12 ACTUALS	2012/13 ADOPTED BUDGET	2013/14 RECOMMENDED	FROM ADOPTED TO RECOMMENDED	PERCENT CHANGE
REVENUES					
Revenue From Use of Money/Prop	1,491	0	0	0	0.0%
Intergovernmental Rev Federal	4,937,175	4,811,783	4,255,561	(556,222)	(11.6%)
Misc Revenue	8,005	0	0	0	0.0%
TOTAL REVENUES	4,946,671	4,811,783	4,255,561	(556,222)	(11.6%)
APPROPRIATIONS					
Salaries and Employee Benefits	2,942,522	2,914,338	2,263,828	(650,510)	(22.3%)
Services and Supplies	853,411	776,279	791,728	15,449	2.0%
Other Charges	1,127,055	1,156,211	1,200,005	43,794	3.8%
F/A Equipment	8,004	0	0	0	0.0%
TOTAL APPROPRIATIONS	4,930,992	4,846,828	4,255,561	(591,267)	(12.2%)
NET CHANGE	(15,680)	35,045	0	(35,045)	(100.0%)

SUMMARY OF SIGNIFICANT ADJUSTMENTS

Revenue – significant factors contributing to changes from FY2012/13:

In general there is much uncertainty as to the amount of funding that will be available under the Workforce Investment Act, the primary source of Solano WIB funding. The trajectory of the formula-allocated funding for Adults, Dislocated Workers, and Youth is uncertain and this budget includes funding levels equal to the FY2012/13 amounts for those grants.

The most significant difference in available funding is in the amount of discretionary grants; funding which is awarded on a competitive basis and for which the Solano WIB has successfully competed in the past. The Solano WIB has a history of discretionary funding equaling approximately 30% of the overall revenue budget. The amount of funds that are being released through this competitive process have diminished to the point where there are currently no opportunities on the horizon for the Solano WIB. The Recommended Budget does not include any discretionary funding.

- WIA Formula Grants: Adult, Youth, Dislocated Worker, and Administration funds; the grant amounts for FY2012/13, allotted by formula, may remain steady through the coming year. These are the traditional base WIA grant allotments for local WIBs and the FY2013/14 amount has been estimated to equal FY2012/13 level. The difference in revenue amount is a result of the estimate of unspent funds that will be available at June 2013 to spend in FY2013/14. This estimate of unspent funds has been decreased by about 60% from the prior year amount. Grant allotments and funds remaining unspent at June 2013 are likely to change, and as needed, they will be amended in future financial reports. The Recommended Budget includes \$4,043,733 in WIA Formula grant funding.
- Veterans: A two year grant for \$465,000 was awarded to the Solano WIB for the period July 2011 – March 2013. A new solicitation for funding proposals may be issued by the State Employment Development Department in spring 2013, in which case, the WIB will submit a proposal building on our many years of successful Veterans programs.
- State Compensation Insurance Fund (SCIF): this grant was awarded to Solano WIB for the period January 2012 through September 2013. At this time, the WIB expects to complete the program services by June 2013. The job seeker participation rate in this program was lower than expected, the duration of the program shorter, with a lower level of expenditures. This represents a decrease of \$369,459 when compared to the FY2012/13 Adopted Budget.
- NUMMI Plant Closure project ended September 2012. The project served the workers, who reside in Solano County, who were dislocated by the NUMMI plant closure. This project was operated in collaboration with other Bay Area WIBs whose communities were impacted by the plant closure. This represents a decrease of \$42,000 when compared to the FY2012/13 Adopted Budget.
- National On-the-Job-Training program ended September 2012. This project was designed to find employment slots for job seekers who can benefit from some additional vocational training in the workplace. The program reimbursed employers for partial costs of the trainee’s wages to compensate the employer for the extraordinary cost of additional training. The WIB

Birgitta E. Corsello, County Administrator
Other Assistance

continues to write On-the-Job Training contracts with area employers, under other grants. At this time, no funding was included in the FY2013/14 Recommended Budget.

- WIA Rapid Response funds: the grants amounts for FY2013/14, allotted by formula, may remain steady, and have been estimated at the FY2012/13 level of \$211,828.

Appropriations – significant changes from FY2012/13:

Significant changes have occurred in the environment of the Solano WIB that impact the projected expenditures for FY2013/14. The primary driving force is the decrease in projected grant funding which forces a corresponding projected decrease in expenditures, with the exception of fixed costs.

In addition, the staffing of the Solano Employment Connection One-Stop Centers has changed. WIB staff is no longer housed in the Vallejo One-Stop site and Employment Development Job Service staff is no longer housed in the Fairfield One-Stop site. However, staff from each agency will continue to provide services in each One-Stop site. The two Partner agencies have developed Memorandums of Understanding detailing how the two staffs will swap space and services in the One-Stop sites to continue services to the job seekers. This reconfiguration achieves some program efficiencies; however in the short-term, the net result of this change for the Solano WIB is that the fixed cost of space will increase for the next year. The WIB will pursue cost cutting measures during FY2013/14.

- Salaries and Employee Benefits: The Recommended Budget includes funding for 33 FTE. This compares to the initial 40 in FY2012/13, and the actual average of 38 FTEs during FY2012/13. As the revenue amounts included in this budget are estimates, the actual final number of FTEs may vary, and commitments to personnel will be undertaken only as grant amounts become available. The overall decrease in labor costs is \$650,510 or 22.3% from the FY2012/13 Adopted Budget, due to staffing reductions.
- 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 projected operational changes resulting from the anticipated programmatic responsibilities. The variable costs will fluctuate with changes in the number of FTEs. While most variable costs decreased, facility costs and software maintenance increased. The Services and Supplies budget category has an overall increase of \$15,449 or 2% from the FY2012/13 Adopted Budget.
- Other Charges: Overall direct client expenditures projected to be spent is directly related to the estimated FY2013/14 revenues, the specific grants that will be funded, and the corresponding service levels. Although costs have decreased for delivering services, costs related to job training for job seekers has increased. The overall increase in the Other Charges category is \$43,794 or 3.8% increase over the FY2012/13 Adopted Budget.

SUMMARY OF POSITION CHANGES

No position changes are planned at this time, but near-term reductions are anticipated. With anticipated reductions in federal funding for the agency, some downsizing will be needed. The size of such a reduction can only be established and accounted for once the size of any budget reduction is known.

PENDING ISSUES AND POLICY CONSIDERATIONS

There are two major federal deliberations which may affect the future status of, and activities of the WIB agency, as discussed below. Within these two are mixed signals of Congressional support for the WIA program's legislative reauthorization and annual appropriations.

- The Congress and President continue debating efforts to balance the annual federal budget and reduce the federal debt levels. The "annual deficit spending" debates also have an impact. However, there is expressed bipartisan support for the "public workforce system" and a block grant effort to local communities, with a business-led board. Proposals for complete elimination of the federal WIA program funding are not being suggested as in FY2010/11, and proposals for "steady state" or perhaps up to a 10-12% reduction are being discussed. This lays open a lot of uncertainty and a wide range of possible options for the future; and
- Congressional authorizing committees are taking up WIA Reauthorization legislation, which would provide a continued longer-term revenue stream for the program. This effort has been undertaken a number of times across the last eight

years, only to be stalled. However, there is initial optimism that WIA Reauthorization will be passed in the next Congressional session.

- A number of new initiatives are coming forth at the State level. These pose a greater current or potential impact on the WIB's operation. These include the following.
 - Congress has removed the bulk of the Governor's discretionary WIA funds, which the WIB routinely was able to access with successful competitive grant applications. This has long-term implications for the WIB. Without this funding source, such dedicated programs for veterans, ex-offenders, and certain targeted industries will likely have to cease.
 - State legislative actions and/or staff-led initiatives are gradually impeding upon local decision-making (as envisioned/afforded in the WIA legislation itself) and moving the public workforce system toward a more "one size fits all" model for administration and service delivery. Some of these initiatives present unfunded mandates upon local governments and WIBs.
 - The challenge of day-to-day operation of the One-Stop Centers is compounded by continued reductions in State funding for virtually every local agency that serves as a One-Stop Center partner. This includes annual reductions in staffing provided by the State Employment Development Department (EDD). Either more of the responsibility falls upon the WIB to support One-Stop Center services, or major reductions in the range and/or availability of services may have to be implemented in the near future.

Mike Paluszak, 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.

Budget Summary:	
CY2013:	3,050,198
County General Fund Contribution:	0
Percent County General Fund Supported:	0%
Total Employees (FTEs):	25.5

FUNCTION AND RESPONSIBILITIES

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

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 2012 Fair continued to build upon programs including the County & Cities Expo and the Cultural Pavilion, with emphasis on local participation. Comments solicited as part of the “People’s Choice” ballot for the County & Cities exhibits indicate that guests noticed, appreciated, liked and enjoyed the changes and value the fair as an important part of life in Solano County.
- The 10th Annual Youth Ag Day saw a continual increase in attendance by Solano County third-graders. A collaborative effort of the Solano County Fair and agricultural-related businesses, organizations, farmers, ranchers and other individuals, this fun and educational event is free to all third-grade classes in Solano County and features a wide variety of rotational learning stations and displays. Activities are designed to give children the opportunity to learn about food and fiber production from new perspectives, with a particular emphasis on the agricultural wealth of Solano County.
- The Solano County Fairgrounds hosted 388 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.
- Overall economic conditions have greatly affected all aspects of the leisure, recreation and advertising industries. In turn, this affected virtually all activities of the SCFA, which relies on discretionary spending.

WORKLOAD INDICATORS

- 388 revenue generating event days in 2012, including both SCFA-produced and year-round events (does not include revenue generating move-in/move-out days).
- 42,573 people attended the 2012 Solano County Fair
- Approximately 3,600 participated in the 2012 Youth Ag Day
- 38,377 attendees at the Solano Race Place in 2012
- 17,703 rounds of golf at the Joe Mortara Golf Course in 2012

DEPARTMENTAL BUDGET SUMMARY

The SCFA budget is based on a calendar year. The Board of Supervisors approved the SCFA 2013 budget on December 11, 2012.

The SCFA 2013 Budget of \$3,050,198 represents an overall increase of \$72,381, or 2.5%, in revenues and \$261,960, or 7.9% in expenses when compared to the 2012 Adopted Budget. The SCFA is projecting a net loss of \$70,467. The County Fair has a Reserve that will be used to cover operating losses while it continues to address the budget shortfall.

DEPARTMENT COMMENTS

The dates of 2013 Solano County Fair will be July 31 to August 4, 2013. The SCFA continues to make the first weekend in August its “permanent” place on the calendar, following successful 2011 and 2012 Fairs during which paid attendance increased by a total of 22.4%. The first weekend of August is a week when most families are back from vacation, there are no major holidays, and it is the last weekend before school begins for most school districts.

DETAIL BY REVENUE CATEGORY AND APPROPRIATION CATEGORY	2011/12 ACTUALS	2012/13 ADOPTED BUDGET	2013/14 RECOMMENDED	FROM ADOPTED TO RECOMMENDED	PERCENT CHANGE
REVENUES					
Revenue From Use of Money/Prop	1,316,900	1,478,750	1,489,243	10,493	0.7%
Intergovernmental Rev State	107,500	0	0	0	0.0%
Charges For Services	1,518,000	1,115,700	1,186,588	70,888	6.4%
Misc Revenue	293,700	312,900	303,900	(9,000)	(2.9%)
TOTAL REVENUES	3,236,100	2,907,350	2,979,731	72,381	2.5%
APPROPRIATIONS					
Salaries and Employee Benefits	1,594,170	1,521,768	1,487,497	(34,271)	(2.3%)
Services and Supplies	1,634,850	1,666,390	1,535,861	(130,529)	(7.8%)
Other Charges	0	30,000	26,840	(3,160)	(10.5%)
F/A Bldgs and Imprmts	0	70,000	0	(70,000)	(100.0%)
F/A Equipment	174,000	24,000	0	(24,000)	(100.0%)
TOTAL APPROPRIATIONS	3,403,020	3,312,158	3,050,198	(261,960)	(7.9%)
NET GAIN(LOSS)	(166,920)	(404,808)	(70,467)	334,341	(82.6%)

SUMMARY OF SIGNIFICANT ADJUSTMENTS

- Admission fees during the Solano County Fair will be increased by \$2 per paid admission.
- Parking fees during the Solano County Fair will be increased by \$2 per vehicle.
- Hours of the Solano County Fair will be abbreviated from 11 a.m. to 11 p.m. daily to 3 p.m. to 11 p.m. on Wednesday, Thursday and Friday; and noon to 11 p.m. on Saturday and Sunday.
- The SCFA will continue its successful efforts to reinvent, rebrand, and reposition the Fair in the local and regional market.
- The Solano County Fair will continue to build the Fair as a place to celebrate Solano County with the Cities & County Expo, the Cultural Pavilion, and expanded emphasis on showcasing Solano County agriculture in 2013.
- Parking fees during year-round events will be increased by \$3 per vehicle.
- Golf course greens fees will be increased by \$2 per general nine-hole round, and by \$1 per senior, junior and military nine-hole round.
- Solano Race Place revenue is decreased by \$29,252, or 5%, in anticipation of continued decline in pari-mutuel handle statewide, fewer horses per race, and fewer racing days.
- Marketing expenses are increased by \$10,245, or 11.4%, to enhance marketing efforts for all revenue streams.

Mike Paluszak, General Manager
Solano County Fair

SUMMARY OF POSITION CHANGES

There are no changes in positions from 2012. Day-to-day operations at the Fairgrounds are accomplished with 11 full-time and 29 part-time employees. This is augmented by 30 intermittent part-time employees for events and approximately 130 seasonal employees for the Fair.

PENDING ISSUES AND POLICY CONSIDERATIONS

The Solano County Fair Association continues to face major challenges in 2013. Increasing revenue in a continuing slow economic time, particularly with respect to discretionary spending, continues to be a significant challenge. Maintaining the current level of activities while creatively attracting new events, activities and revenue, represents an even greater challenge as the SCFA goes forward with limited staff and resources. Particularly in light of the loss of State funding and replacement revenue for live horse racing in 2012, SCFA continues to be mindful of the need to discover new revenue streams and increase revenues from existing sources.

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

Solano360, the redevelopment plan of the fairgrounds property and the "Fair of the Future," continues to move forward with the entitlement phase of the project. On February 26, 2013, the Board of Supervisors certified the Final Environmental Impact Report for the Project and approved the Solano360 Specific Plan and recommended that application be sent to the City of Vallejo for the Development Agreement and Tentative Map. On April 29, 2013, the Vallejo City Planning Commission approved the Tentative Map for the Project and recommended approval of the specific Plan, Development Agreement, Vallejo General Plan Amendments and Zoning Amendments to the Vallejo City council. The Vallejo City Council is scheduled to discuss the Project on May 14, 2013.

The Solano County Fair has been active partner in the development of the redevelopment strategies, and enthusiastically supports the project. In the short term, the Solano County Fair is challenged with developing new revenue streams that will not conflict with this long-term strategy.

The SCFA 2013 budget anticipates a year-end Unrestricted Reserve of \$514,696, which is \$172,405 or 25% less than budgeted at year-end 2012. The SCFA 2013 budget anticipates a year-end Restricted Reserve of \$197,573, which is \$165,197 or 510% more than budgeted at year-end 2012. The 2013 Budget anticipates year-end total combined reserves equal to \$712,269. The SCFA understands that ongoing operational costs cannot rely on the use of reserves and will continue to expand its year-round revenue streams.