

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:	
FY2017/18 Midyear Projection:	554,299
FY2018/19 Recommended:	574,940
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 increases of \$37,943 or 7.1% in both revenues and appropriations when compared to the FY2017/18 Adopted Budget.

The increase in revenues is the result of increases in tax revenue projected for FY2018/19. Contracted Services with the City of Vallejo Fire Department is budgeted at \$564,340 and is based on available funding, less administrative support costs. If there is any available Fund Balance at the FY2017/18 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	2016/17 ACTUALS	2017/18 ADOPTED BUDGET	2018/19 RECOMMENDED	FROM ADOPTED TO RECOMMENDED	PERCENT CHANGE
134 - EAST VJO FIRE DISTRICT					
TAXES	514,116	531,370	568,413	37,043	7.0%
REVENUE FROM USE OF MONEY/PROP	2,526	1,400	2,300	900	64.3%
INTERGOVERNMENTAL REV STATE	4,224	4,227	4,227	0	0.0%
TOTAL REVENUES	520,866	536,997	574,940	37,943	7.1%
SERVICES AND SUPPLIES	533,832	534,707	572,840	38,133	7.1%
OTHER CHARGES	1,437	2,290	2,100	(190)	(8.3%)
TOTAL APPROPRIATIONS	535,269	536,997	574,940	37,943	7.1%

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

There are no pending issues or policy considerations at this time.

DISTRICT PURPOSE

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

Budget Summary:

FY2017/18 Midyear Projection:	227,743
FY2018/19 Recommended:	152,990
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 612 existing streetlights, including 172 streetlights in Home Acres. Maintenance costs for these streetlights includes electricity, repair, and installation of new streetlights. This budget is entirely funded through property taxes.

SIGNIFICANT CHALLENGES AND ACCOMPLISHMENTS

In FY2017/18, the Department worked with PG&E on the LED lighting conversion of 300 street lights. The majority of the remaining 312 street lights maintained by the County were already LED efficient lighting. This should provide long term savings in utilities.

WORKLOAD INDICATORS

Operated and maintained 612 street lights.

DEPARTMENTAL BUDGET SUMMARY

The Recommended Budget represents an increase of \$10,110 or 8.5% in revenues and a decrease of \$34,486 or 18.4% in appropriations when compared to the FY2017/18 Adopted Budget. The increase in revenues results from a \$7,882 increase in tax revenue and a \$2,228 increase in interest income. The decrease in appropriations results primarily from a \$24,159 decrease in Other Professional Services from completion of work in FY2017/18 to convert 300 street lights to LED and an increase of \$17,000 in Interfund County Services Used for time spent by public works engineering staff in FY2018/19 to verify the conversion work and maintain the existing streetlights.

Contracts

None requiring Board action.

Fixed Assets

None.

SUMMARY BY SOURCE	2016/17 ACTUALS	2017/18 ADOPTED BUDGET	2018/19 RECOMMENDED	FROM ADOPTED TO RECOMMENDED	PERCENT CHANGE
046 - COUNTY CONSOLIDATED SVC AREA					
TAXES	112,267	114,134	122,016	7,882	6.9%
REVENUE FROM USE OF MONEY/PROP	4,961	4,000	6,228	2,228	55.7%
INTERGOVERNMENTAL REV STATE	916	908	908	0	0.0%
CHARGES FOR SERVICES	561	0	0	0	0.0%
TOTAL REVENUES	118,705	119,042	129,152	10,110	8.5%
SERVICES AND SUPPLIES	101,747	114,759	90,600	(24,159)	(21.1%)
OTHER CHARGES	41,675	24,690	41,111	16,421	66.5%
CONTINGENCIES AND RESERVES	0	48,027	21,279	(26,748)	(55.7%)
TOTAL APPROPRIATIONS	143,422	187,476	152,990	(34,486)	(18.4%)

SUMMARY OF SIGNIFICANT ADJUSTMENTS

The Department plans less lighting installations and conversions in FY2018/19, and will continue with its verification of conversion inspections and general oversight of the County's street lights, which results in a net decrease in appropriations.

SUMMARY OF POSITION CHANGES

There are no positions allocated to this budget.

PENDING ISSUES AND POLICY CONSIDERATIONS

There are no pending issues or policy considerations at this time.

DEPARTMENTAL PURPOSE

The Workforce Development Board (WDB) of Solano County, Inc. is a private, nonprofit, 501(c)(3) organization serving as the administrator/operator of a variety of workforce development grants and programs. The WDB Board of Directors is appointed by the County Board of Supervisors and acts as the federally-mandated, business-led Board to oversee U.S. Department of Labor (DOL) Workforce Innovation and Opportunity Act (WIOA) grants and programs.

Budget Summary:	
FY2017/18 Midyear Projection:	6,923,441
FY2018/19 Recommended:	6,327,987
County General Fund Contribution:	0
Percent County General Fund Supported:	0%
Total Employees (FTEs):	44

FUNCTION AND RESPONSIBILITIES

The WDB works to build and sustain a skilled workforce, support a vibrant economy, and create a shared prosperity for the community of Solano County. The WDB oversees federally-funded workforce services through the Workforce Innovation and Opportunity Act (WIOA) on behalf of Solano County, as well as other special projects. Staff members provide tailored job search services, job preparation, training, and placement services to job seekers, as well as work with local businesses to support both business-specific talent development efforts and industry-wide initiatives.

Job seeker services are provided through:

- The Solano Employment Connection (SEC) - the County's "America's Job Centers of California" system for One Stop Career Centers that offer free basic job search services for any job seeker, as well as recruitment events for businesses.
- WIOA-enrolled services for adult, dislocated workers and youth jobseekers – services include occupational training, job coaching, wrap-around service provisions, and job placement assistance.
- Discretionary grants serving job seekers and employers – often solicited through the California Workforce Development Board of California's Employment Development Department (EDD). Grants to the North Bay region are included.
- Contracts – includes contracts with local agencies to provide employment and training services for targeted populations.

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

SIGNIFICANT CHALLENGES AND ACCOMPLISHMENTS

Challenges:

The WDB faces challenges resulting in federal and State changes, as well as changing focal points within the local and State economy and community. These challenges are met through a responsive, data-driven, collaborative effort to best serve the needs of both jobseekers and employers in order to effectively support the talent system in Solano.

- The Federal Workforce Innovation and Opportunity Act (WIOA) continues to be in transition, including new requirements for Job Center certification, changes in performance tracking, and required Memorandums of Understanding within local areas. The WDB has adjusted to fit the changing regulatory conditions within WIOA, and taken the opportunity to move in new, more positive directions for the organization and the system.
- Federal investments in the public workforce system continue to be inconsistent and difficult to predict from one year to the next. The WDB fiscal staff utilizes the flexibility to carry-over funds from one year to the next in order to balance out the peaks and valleys of federal formula funding.
- The economic recovery throughout the county has created a hollowed-out effect within our economies that can leave behind certain individuals in terms of securing and maintaining well-paying careers and holding/advancing their economic status. The WDB is taking a closer look at workplace equity and ways to address upward income mobility for workers and families.

Birgitta E. Corsello, County Administrator
Other Assistance

- Regional workforce development initiatives are being called for with strong support from State policymakers. Solano County is a member of the North Bay Employment Connection (NBEC) collaborative with the WDBs of Napa/Lake, Sonoma, Marin, and Mendocino Counties. Increasing priority at the State level to focus on regional issues and initiatives versus local initiatives can take focus away from local needs. In addition, current regional strategies decrease Solano's unique ability to connect with the East Bay and Greater Sacramento regions.
- The public workforce system suffers from brand confusion. The WDB has the ability to function under the brand of WDB, Solano Employment Connection, and the America's Job Centers of California along with EDD, Unemployment Insurance, and other workforce partners. The WDB will need to address the multiple brand confusion of our local workforce system moving forward in order to best support our job seekers and businesses, and to reduce confusion of the system.

Accomplishments:

- The WDB supported Solano County's Help in Recruiting and Retaining Employees (HIRRE) initiative by supporting the consultant, organizing the logistics of activities, and playing a role in the conversations to address systems change within Solano's workforce system for the benefit of our community and economy. The support of the County in bringing together the system through the HIRRE initiative has created a substantial foundation from which to continue this work.
- The Solano Employment Connection (SEC), which is Solano's local America's Job Center of California (AJCC), has coordinated and led Resource Fairs to bring together the county's network of workforce and workforce-related entities. Fifty-four (54) people from 20 agencies in Solano County came together in October 2017 to share resources with a focus on financial literacy.
- The WDB has conducted numerous hiring events to connect businesses to job seekers. Particularly, the WDB hosted two Career Fairs in calendar year 2017 at the WDB campus serving 85 businesses and approximately 600 job seekers. Plans are in place to partner with Solano Community College for the Spring 2018 Career Fair. In addition, the WDB partnered with Centre Pointe to host a regional re-entry fair in June 2017.
- The WDB received programmatic monitoring from the State of California, and received no issues or findings in programmatic systems, processes, and regulation.
- The WDB significantly expanded its outreach to customers in FY2017/18, including expanding Road to Employment Sites, which help community residents connect to the SEC and WIOA services, as well as increasing the WDB digital footprint to reach a wider audience.

WORKLOAD INDICATORS

- The federal WIOA system has WIOA Indicators for Adult, Dislocated Worker, and Youth programs. These measures include employment 2nd Quarter after Exit, Employment 4th Quarter after Exit, Median Wages, Credential Attainment, and Measurable Skills Gains for each of the programs. For each indicator, the WDB met or exceeded the WIOA goals.
- Special grants/contracts have their own performance outcomes related to planned enrollment numbers, outcomes, and expenditures. In FY2017/18, the WDB met or exceeded all CalWORKs contract measurements for its Pathway to Employment and Success Track contracts.
- The WDB utilizes additional performance indicators include real-time measures of WIOA Indicators, and additional indicators developed by the Workforce Board. In calendar year 2017, 11,191 individuals received job seeker services through the SEC network; 422 individuals were enrolled in intensive WIOA job seeker services; over 200 businesses received services; \$164,739 was invested in Solano County businesses for recruiting and training needs; and 173 hiring recruitments for local and regional businesses were held in the SEC centers.

DEPARTMENTAL BUDGET SUMMARY

The Recommended Budget represents an increase of \$525,148 or 9.0% in revenues and an increase of \$501,777 or 8.6% in appropriations when compared to the FY2017/18 Adopted Budget. There is no County General Fund support to this budget, as WDB's activities are fully grant funded.

Primary Funding Sources

The primary funding source for the WDB is through the Workforce Innovation and Opportunity Act (WIOA) local allocation. The funding is based on a formula that includes the unemployment rate, number of dislocated workers, and other factors. WIOA funding allocations are not released for the FY2018/19 year until late spring, as such the FY2018/19 Recommended Budget is based on an anticipated level of funding until final allocations are release from the State of California EDD.

The FY2018/19 Recommended Budget includes a \$525,148 or 9.0% net increase in revenues primarily due to the following:

- Federal Intergovernmental Revenue reflects an increase of \$708,642 or 17.8% primarily due to the carryover of estimated unexpended WIOA Adult, Youth and Dislocated Worker funds.
- Other Intergovernmental Revenue reflects a decrease of \$183,494 or 10.1%. This is the result of a reduction in the H&SS Temporary Assistance for Needy Families (TANF) Job Readiness contract. The Recommended Budget includes \$730,000 for this contract; however, this grant revenue may be subject to additional reductions.

Primary Costs

The FY2018/19 Recommended Budget includes a \$501,777 or 8.6% net increase in appropriations due to the following:

- Salaries and Employee Benefits reflect an increase of \$575,908 or 19% primarily due to increased labor and benefit costs.
- Services and Supplies reflect an increase of \$117,907 or 11.1% primarily due to increases in professional services, and education and training for job seekers; and offset by a reduction in computer replacement/refresh costs.
- Other Charges reflect a decrease of \$192,038 or 11.1% primarily due to reductions in child care, outreach and training services; and offset by an increase in work experience wages.

Contracts

The FY2018/19 Recommended Budget includes a total of \$304,042 or 4.8% in contracted services which includes the following significant contracts:

- \$99,380 for a disability employment program coordinator
- \$75,000 for America’s Job Center of California (AJCC) One Stop operator services
- \$59,000 for information technology (IT) systems management services
- \$48,000 for janitorial services
- \$22,662 for NBEC regional organizational consulting services

Fixed Assets

None.

DEPARTMENT COMMENTS

Overall, the FY2018/19 Recommended Budget for the WDB is based on the best estimates of federal grant funding that will 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, 2018 that will be available for expenditure in FY2018/19, and any set aside planned to be carried into FY2019/20.

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

Services levels are adjusted to satisfy the goals of each program, to efficiently utilize the available funding, and to ensure compliance with grant regulations.

Birgitta E. Corsello, County Administrator
Other Assistance

DETAIL BY REVENUE CATEGORY AND APPROPRIATION CATEGORY	2016/17 ACTUAL	2017/18 ADOPTED BUDGET	2018/19 RECOMMENDED	FROM ADOPTED TO RECOMMENDED	PERCENT CHANGE
REVENUES					
REVENUE FROM USE OF MONEY/PROP	2,808	0	0	0	0.0%
INTERGOVERNMENTAL REV FEDERAL	4,029,418	3,989,345	4,697,987	708,642	17.8%
INTERGOVERNMENTAL REV OTHER	867,850	1,813,494	1,630,000	(183,494)	(10.1%)
MISC REVENUE	4,335	0	0	0	0.0%
TOTAL REVENUES	4,904,412	5,802,839	6,327,987	525,148	9.0%
APPROPRIATIONS					
SALARIES AND EMPLOYEE BENEFITS	2,948,027	3,033,231	3,609,139	575,908	19.0%
SERVICES AND SUPPLIES	731,625	1,060,222	1,178,129	117,907	11.1%
OTHER CHARGES	1,230,422	1,732,757	1,540,719	(192,038)	(11.1%)
TOTAL APPROPRIATIONS	4,910,074	5,826,210	6,327,987	501,777	8.6%
NET CHANGE	5,662	23,371	0	(23,371)	(100.0%)

SUMMARY OF SIGNIFICANT ADJUSTMENTS

Significant factors contributing to revenue changes from FY2017/18 include:

- Completion of several projects in FY2017/18 including the MultiCompany Re-employment project, which ended December 31, 2017; and both the Slingshot project and the Accelerator 3.0 project, which ended March 31, 2018. The completion of these projects represents a decrease of \$750,489
- WIOA funding for Adult, Youth, Dislocated Workers, Administration, and Rapid Response, programs, has been maintained in this budget at the final award levels in FY2017/18. The initial funding allotments for the FY2018/19 year have not been received from Department of Labor–State of California.

SUMMARY OF POSITION CHANGES

Position allocation changes are determined as the final grant allocation amounts are announced and the H&SS TANF Job Readiness contract awards are approved. For FY2018/19, position changes are anticipated to reach a total of 44.0 FTE. Continued grant seeking efforts that result in increased funding may impact the number of staff positions.

PENDING ISSUES AND POLICY CONSIDERATIONS

There are several policy level issues to be considered and addressed, originating from both the federal and State levels.

The federal and State workforce programs emphasize addressing “institutional change” for the nation’s major educational and training programs, addressing “income mobility” for workers and families, devoting additional efforts and resources to those job seekers with multiple barriers to sustainable employment, addressing workforce needs on both a local and regional basis, engaging businesses in a meaningful manner, increasing use of apprenticeship and pre-apprenticeship programs, and increasing use of technology and accountability.

A new State Unified Workforce Plan will be released soon, which will lead to a revision of Local Workforce Plans. Strategic Plans are to be more active and driven by increasing focus on growth industry sectors, mid/high skill and mid/high wage occupations, planning and performing regionally, and stronger connections with Community Corrections and TANF programs.

DEPARTMENTAL PURPOSE

The 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:	
CY2019:	2,577,353
County General Fund Contribution:	0
Percent County General Fund Supported:	0%
Total Employees (FTEs):	16

FUNCTION AND RESPONSIBILITIES

The SCFA operates under a contract with the County of Solano as a self-supporting enterprise fund. The contract expires on January 31, 2020 unless the contract is amended as part of SCFA’s annual budget approval process, per the operating agreement. SCFA’s revenues are generated by the operations of the fairgrounds which includes revenues from ground leases, Fair parking, Six Flags parking agreement, advertising, facility rental, satellite wagering and support from the State of California for the network of fairs. Solano County receives State .33 funds from license fees generated by the California horse racing industry which are passed through to the County Fair Association to offset the cost of providing staff services at the fairgrounds.

In June 2009, the County Board of Supervisors in cooperation with the City of Vallejo initiated the visioning effort known as Solano360. In 2013 a Specific Plan, EIR and tentative map were reviewed by the Board, City of Vallejo and SCFA and approved. The County, City of Vallejo, and SCFA are working together to redevelop portions of the fairgrounds property and create a “Fair of the Future.” For more details on this ongoing effort, refer to Budget Unit 1820 in the Capital Projects section.

SIGNIFICANT CHALLENGES AND ACCOMPLISHMENTS

Challenges:

- Financial burdens associated with operating buildings, grounds and equipment that are, in most cases, long past their intended useful lives, continues for SCFA. The continuing uncertainty of what facilities will be available for use on the north end of the grounds has begun to affect the Association’s ability to book facility rentals for 2019 and beyond. At the invitation of the Board of Supervisors, the Association’s Directors have engaged in discussions via a joint sub-committee to examine the Association’s Bylaws and possible changes in the Management Agreement between the County and Association. Since August 2017 the Fair Board has seen significant attrition in its ranks, with the resignation of 6 long-serving Directors, 5 of whom served one or more terms in the past as the Association’s President. There are 8 sitting Directors of the 15 available seats.
- The 2017 Solano County Fair’s theme of “*This Fair’s for Ewe!*” was prescient with respect to the robust participation in the fair’s livestock competitive exhibits and annual Jack and Bernice Newell Junior Livestock Auction. Overall fair attendance was down in comparison to 2016. Total attendance in 2017 was 33,594 as compared to 2016’s of 40,566, a 17% decrease. Fairtime activities included the third annual Fair Hands Silent Auction during the Celebrate Solano BBQ, the annual gathering of civic, business and community leaders during the Solano County Fair. Proceeds support the continued enhancement of youth programming on the Fairgrounds.

Accomplishments:

- The Solano County Fairgrounds hosted 183 event days, not counting the annual 2017 Fair for five days, Ag Day and the 15 days it hosted the staging activities for a large animal Evacuation Center/FEMA Temporary Housing. The Fair staff and site still host a year-round Solano Race Place (satellite wagering facility), the Horizon Pre-School, the Vallejo Gem & Mineral Society, and provide overflow parking under an agreement with Six Flags. These events provided a range of entertainment and provided recreational opportunities for residents and visitors of Solano County.

Stephen G. Hales, General Manager
Solano County Fair

- The 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 emphasis on the agricultural abundance of Solano County. This event is made possible through the volunteers who dedicate their time and cash donations.
- The fairgrounds hosted Solano County’s ad hoc “Large Animal Evacuation Center” in response to the October 2017 wild fires that unexpectedly overtook Solano, Sonoma and Napa Counties. Working closely with the Solano County Sheriff’s Office Animal Care Division staff, the Fair hosted over 600 animals (large and small) and hundreds of volunteers over 15 days. In addition to the animal evacuation activities, PG&E utilized the facility as a rally/staging point during their initial response to the fires and FEMA staged “Temporary Housing Units” on the facility from late October 2017 through early January 2018.

WORKLOAD INDICATORS

- 30 of the 51 non-Fair weekends, or 59%, had one or more facilities rented. In addition to the 59 weekend days with events, there were 124-week days with events ranging from law enforcement training, music rehearsals, dog shows, RV shows to school and youth athletic practices.
- 28,724 attendees at the Solano Race Place in 2017 for an average daily attendance of 131 people.
- 112 third-grade classes and approximately 3,400 students, teachers, chaperones and volunteers from across the county participated in the 2017 Youth Ag Day.

DEPARTMENTAL BUDGET SUMMARY

The SCFA budget is based on a calendar year. On February 6, 2018, the Board of Supervisors approved the SCFA CY2018 Budget of \$2,577,353 (including capital expenditures) that represents an overall decrease of \$314,877 or 10.5% in revenues and a decrease of \$415,020 or 13.9% in overall appropriations from the 2017 Adopted Budget for a Net Surplus before depreciation of \$100,752.

DEPARTMENT COMMENTS

The 2018 Solano County Fair will take place Saturday, June 30 and Sunday, July 1. The theme is “Blue Ribbon Fun!” The theme underscores the focus on the many Competitive Exhibits activities that are the heart and soul of the annual Fair, along with traditional activities (carnival, concerts, livestock auction, vendors) in conjunction with the exhibits programs. SCFA continues its effort to expand its social media presence to engage potential fairgoers via Facebook, Twitter and YouTube.

DETAIL BY REVENUE CATEGORY AND APPROPRIATION CATEGORY	2017 ACTUALS	2018 ADOPTED BUDGET	2019 RECOMMENDED	FROM ADOPTED TO RECOMMENDED	PERCENT CHANGE
REVENUES					
REVENUE FROM USE OF MONEY/PROP	201,550	1,789,449	791,734	(997,715)	(55.8%)
INTERGOVERNMENTAL REV STATE	0	32,487	32,487	0	0.0%
INTERGOVERNMENTAL REV OTHER	0	29,240	0	(29,240)	(100.0%)
CHARGES FOR SERVICES	0	1,007,250	1,761,384	754,134	74.9%
MISC REVENUE	61,842	134,556	92,500	(42,056)	(31.3%)
TOTAL REVENUES	263,392	2,992,982	2,678,105	(314,877)	(10.5%)
APPROPRIATIONS					
SALARIES AND EMPLOYEE BENEFITS	0	1,388,110	1,364,916	(23,194)	(1.7%)
SERVICES AND SUPPLIES	9,188	1,585,771	1,196,466	(389,305)	(24.5%)
OTHER CHARGES	0	18,492	15,971	(2,521)	(13.6%)
TOTAL APPROPRIATIONS	9,188	2,992,373	2,577,353	(415,020)	(13.9%)
NET GAIN(LOSS)	254,204	609	100,752	100,143	16443.8%

SUMMARY OF SIGNIFICANT ADJUSTMENTS

SCFA concluded calendar year 2017 with an unaudited net profit before depreciation of \$65,094. As a result, the SCFA was able to allocate funds to its designated reserves, creating balances on January 1, 2018 of \$39,203 in Capital Projects/Maintenance Reserve; \$9,833 in Parking Lot Improvement Reserves; \$42,992 in Fair Hands/Ag Day Reserves; \$8,775 in Racing Facilities Improvement Reserve; and \$12,940 in Junior Livestock Auction Reserve.

SUMMARY OF POSITION CHANGES

There are no changes in position allocation.

PENDING ISSUES AND POLICY CONSIDERATIONS

The SCFA started 2018 with an Undesignated Net Position of \$121,655. The projected net profit before depreciation for 2018 is \$100,752; however, this projected net profit falls short of the surplus needed to meet the demands of deferred maintenance, and unfunded retirement liabilities. The demands on the Reserves are a result of the timing of receipt of revenues for the lease obligations for the parking lot improvement project of \$64,000 and the electronic sign of \$34,029.

The FY2017/18 State of California budget included \$7 million to provide operational and training support to the network of fairs in California, for which the SCFA was slated to receive \$32,487 in 2017.

Ongoing operational expenses for the SCFA in upcoming years include:

- The California minimum wage increased from \$10.50 per hour to \$11.00 per hour on January 1, 2018, which resulted in a net impact on salaries and benefits of \$16,716 for 2018. The 2018 increase will primarily affect seasonal and intermittent part-time employees who work during the annual Fair, Ag Day and year-round Race Place and facility rental operations.
- Undesignated Reserves – Based on 2017 actuals, SCFA will have an Undesignated Net Position of \$121,665. This is projected to increase to \$144,604 at the end of 2018 due primarily to increased event rental revenues and the minimizing of fair event losses. This will help the SCFA's financial position with respect to meeting future reserve obligations and resources to address unanticipated expenditures.

In addition, SCFA staff and Board of Directors will continue discussions with the County staff and the Board of Supervisors on a future management agreement for operations of the County Fair in Vallejo, California.

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