

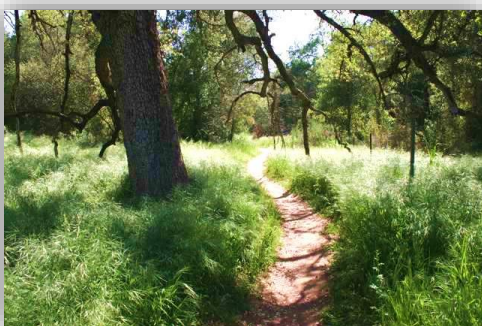


COUNTY OF RIVERSIDE  
STATE OF CALIFORNIA



FISCAL YEAR 2017/18

# First Quarter Budget Report



Prepared by  
George A. Johnson  
*County Executive Officer*

COUNTY OF RIVERSIDE  
EXECUTIVE OFFICE

GEORGE A. JOHNSON  
COUNTY EXECUTIVE OFFICER



LISA BRANDL  
CHIEF OPERATING OFFICER

DON KENT  
ASSISTANT COUNTY EXECUTIVE OFFICER  
COUNTY FINANCE OFFICER

November 14, 2017

Honorable Board of Supervisors  
County of Riverside  
Robert T. Andersen Administrative Center  
4080 Lemon Street, 5th Floor  
Riverside, CA 92501-3651

**4/5<sup>th</sup> Vote**

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**SUBJECT:**      *FY 17/18 First Quarter Budget Report*

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Board members:

The FY 17/18 budget adopted by the Board mapped a multi-year budget strategy intended to contain discretionary spending to achieve structural balance and enable rebuilding reserves to required levels. This plan included cautiously optimistic assumptions regarding discretionary revenues, and maintained reserves above the Board-mandated floor of \$150 million. While recognizing the need to factor in cost for the new detention center opening in FY 18/19, in addition to required cost increases for the inmate settlement and in-home supportive services, this plan centered on holding all other discretionary spending level at the FY 17/18 adopted levels. Maintaining fiscal discipline to meet these goals is essential to achieving a sound financial footing long-term.

As I indicated in July, I approach this fiscal year with optimism, despite its many challenges. While significant, these challenges offer exciting opportunities to innovate new, more cost effective approaches to maintaining and enhancing service levels within ongoing resources. Over the last several months, my new executive team and I initiated a broad-based leadership transformation focused on evolving the county's strategic vision. In the coming months, I will present the Board with a sweeping new strategic plan that incorporates the collaborative efforts of all county department heads.

The FY 17/18 budget restored the 6.5 percent cuts taken by the Sheriff, District Attorney, and Public Defender, and provided some additional funding intended to bridge the transitional period during which KPMG's new staffing plans are piloted and implemented in those departments. These cost saving measures are essential to maintaining service levels while containing ongoing spending. The multi-year plan presented in July assumed ongoing costs would be contained within these levels over the next several years to enable growth in discretionary revenues to replenish reserves and build a sustainable floor of funding in the out-years. Maintaining fiscal discipline is the cornerstone of my

office's long-range objective of achieving a structurally balanced budget with fully replenished discretionary reserves.

As we exit the first quarter of FY 17/18, some departments are indicating budget difficulties and identified potential cost overruns. Specifically, the Sheriff projects a potential \$9.3 million net overrun across all of his budget units, while the Public Defender and District Attorney project \$2.2 million and \$5 million cost overruns, respectively. The Riverside University Health System projects a potential overage of \$15 million for the Medical Center, \$1.1 million for Correctional Health and \$300,000 for Detention Behavioral Health.

In addition, my office is closely watching trends in property and sales tax revenues. Sales and use taxes show continued downward trends, particularly in consumer goods, and the growth rate in Prop. 172 revenue continues to taper. Likewise, the growth rate in property taxes is lagging slightly. The long-term recovery plan outlined in the budget hinges on sustained revenue growth. My office remains vigilant for signs of softening in revenues or other recessionary forces that could impede replenishment of reserves and delay recovery. Moreover, external factors, such as the effects of state-mandated cost shifts of in-home supportive services and the uncertainties various federal policy proposals provide more pressure on an already tenuous budget situation. In addition, as my office reported to you in October, escalating pension obligations will rapidly increase departments' labor costs, further straining their capacity to absorb cuts and sustain services.

Maintaining fiscal discipline is hard, and comes with difficult choices. I commend departments for bringing up challenges as soon as possible so we are aware of them now, and for seeking solutions. During these challenging times, communication is critical. My office is committed to increasing partnership and dialogue across departments to address such challenges now rather than later.

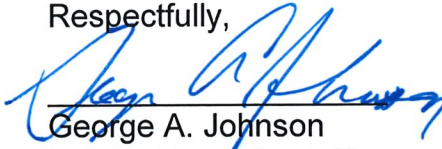
My reorganization of the Executive Office is designed to facilitate discussion, leverage resources, and increase efficiencies countywide. Budget decisions are part of that process. As such, the Executive Office continues meeting with departments who have identified budget challenges working collaboratively with them to address these issues. Over the coming weeks, my team will work with these departments to identify and take the steps necessary to align their spending within their allocated net cost. I will return prior to the mid-year report regarding our progress and recommendations on a corrective action plan to address the policy issues raised in this report.

**IT IS RECOMMENDED** that the Board of Supervisors:

- 1) Receive and file the FY 17/18 first quarter budget report;
- 2) Approve the recommendations and direct the Auditor-Controller to make the budget adjustments contained in Attachment A;

- 3) Approve Resolution No. 440-9070 amending Ordinance 440 as contained in Attachment B;
- 4) Approve the recommended budget policies in Attachment C; and,
- 5) Approve the revised multi-year budget schedule contained in Attachment D.

Respectfully,



George A. Johnson  
County Executive Officer

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## **EXECUTIVE SUMMARY**

At the end of the first quarter, some departments report budget difficulties and potential overages. The Executive Office appreciates departments raising these challenges as soon as possible and for seeking solutions. The new leadership team is working to increase communications and collaboration across departments to resolve such challenges early in the fiscal year.

Riverside University Health System projects a shortfall of \$15 million dollars, which is attributable to costs of detention and mental health services, decreases in ACA reimbursements, increased cost of care and cost of living increases. The Public Defender anticipates having a \$2.2 million cost overrun, if they do not achieve the salary savings anticipated in the adopted budget; and the District Attorney projects a \$5 million cost overrun. The Sheriff's Office projects a potential \$9.3 million net overrun across all budget units, with certain budget units such as Patrol reflecting savings and others such as Administration, Court Services, and Corrections reflecting overages. The Probation Department notes they used \$15 million in one-time resources to backfill their budget this year, and are working to mitigate this for next fiscal year.

Regarding long-term costs effects of the state's realignment of In-Home Supportive Services, the Department of Public Social Services reports that discussions with the state remain ongoing, and the California State Association of Counties is actively advocating to determine those potential out-year costs.

Current projections for general fund discretionary revenues indicate a potential shortfall of \$1.7 million due to lowered expectations for distribution of liquidated former redevelopment agency assets. The Executive Office is also watching carefully trends in other revenues, and will evaluate the discretionary revenue position and make adjustments as necessary at mid-year.

With significant cost pressures from opening new facilities within the year, uncertainty over in-home supportive services costs, escalating costs of the inmate legal settlement, softening discretionary revenues, and the probability of a recessionary downturn, the Executive Office remains increasingly cautious. To prevent depletion of the county's reserves, every effort must be made across all departments to maintain fiscal discipline and hold the line on discretionary spending.

Over the past year, the county began an effort to transform the organization in several areas. In the criminal justice area, the Sheriff's Department and KPMG are working on schedule adjustments and force mixture within patrol and jail transportation. In other criminal justice areas, KPMG is working with the District Attorney, Public Defender and Probation Officer to implement recommendations to staffing and other efficiencies in operations. Several pilot programs are underway to fine tune the data and prepare for other phases of the recommendations.

## Executive Summary

In the general government area, the Human Resources transformation is well underway. The county and KPMG are in the design phase of the Workday human capital management system, and are also working on the future-state shared service organizational model. Purchasing is in the early stages of the implementation of Jaeggar's e-procurement system, and Fleet Services is working on identifying underutilized vehicles and their corresponding departments, which will likely result in taking steps to reduce the fleet and maximize usage.

KPMG continues to work with TLMA on several initiatives, including developing a planning case cost database that can be used as a management monitoring tool, and identifying an alternative funding model for Code Enforcement operations.

Various departments have been working together towards cross-system integration, which looks at client usage in different areas with the focus towards maximizing available funding. The process involves reviewing existing major collaborative cross-system initiatives, and working together towards new collaborations. The departments involved include RUHS Behavioral Health, Community Health Centers, Medical Center, Public Health, Department of Public Social Services, Probation, Sheriff, the Economic Development Agency, and others. A more detailed report is included in Attachment E.

### **MULTI-YEAR BUDGET OUTLOOK**

#### **COUNTYWIDE STRATEGIC OBJECTIVES**

The Executive Office is currently leading a broad-based, comprehensive strategic planning effort, engaging all departments to re-envision the future of the county. This strategic vision, which will be presented separately, will encompass both operational strategic objectives as well as long-term financial objectives that will shape and drive the county's budget strategy.

#### **MULTI-YEAR DISCRETIONARY FORECAST**

The multi-year forecast presented with the FY 17/18 budget assumes more cautious revenue growth charted with known current and future net county cost obligations. Changes to fixed commitments over the coming years such as debt service payments were factored into this model, as were assumptions regarding somewhat slower out-year growth in ongoing discretionary revenues, particularly property-driven taxes.

The FY 17/18 adopted budget assumes drawing \$35.6 million from the reserve for budget stabilization and \$16.6 million from departmental reserves. The Executive Office is currently awaiting completion of the county's annual audit to determine the extent to which any available unassigned fund balance may have carried forward from FY 16/17. Any such beginning fund balance would reduce the need to draw down the reserve for budget stabilization, but would not represent ongoing resources with which to expand spending.

At that time, assuming no economic downturn or other systemic disruption, discretionary revenues remaining on pace as forecast, and aggregate net costs holding steady, the modeling indicated the possibility of replenishing reserves in FY 19/20 and meet reserve requirements by FY 20/21. However, a number of factors may affect those projections.

Although Riverside County only recently began to emerge from the Great Recession, at a national and state level an economic down cycle is overdue, and it is increasingly likely that a recession will occur at some point within the next five years. A mild softening in discretionary revenues would prolong the time necessary to replenish reserves. A more significant economic shock could drop reserves below the \$150 million level, even if discretionary spending can be held level.

#### **Anticipated Cost Challenges**

##### **Labor and Pension Costs**

Increased labor costs and pension obligations continue to strain departmental resources. Continuing to contain the rate of cost increases and achieving efficiencies remain pivotal.

##### **New Facilities**

The John J. Benoit Detention Center is slated to open during FY 18/19, and funding both for fixed costs and staffing of this new facility must be factored in moving forward. Coming to agreement with the Sheriff on a workable phased funding plan is imperative.



## Inmate Legal Settlement

The terms of a federal court settlement connected with a suit filed on behalf of county jail inmates continues to require additional health and mental health professionals and adequate office and treatment space, in addition to security for both the health providers and inmate patients. Addressing these ongoing settlement requirements are anticipated to necessitate additional funding.

## In-Home Supportive Services

The Governor's May Revision provided counties relief to the original realignment of In-Home Supportive Services costs, enabling the county to scale back the FY 17/18 cost increase to \$4.6 million, with \$4-5 million in compounding increases each year over the next several years. There are also substantial but as-yet unquantified additional increases anticipated in out-years as well. The county continues to work with the California State Association of Counties to quantify the ongoing cost burden on the county.

## Revenue Projections

### Discretionary Revenue

Discretionary revenue growth continues to be substantially outpaced by escalating cost increases. While growth in assessed valuation continues to improve, growth in sales and use tax and Prop. 172 public safety sales tax continues to slow. State and federal funding has not kept pace with caseloads, and keeping CalFresh funding requires ramping up the county match. Projected discretionary revenue estimates remain relatively stable, as summarized at right, although there is a notable reduction in the revenue anticipated from liquidation of former RDA assets. Highlights of the county's key discretionary revenues are noted below.

General Fund Projected Discretionary Revenue (in millions)			
	Budget Estimate	Current Quarter Estimate	Variance
Property Taxes	\$353.3	\$353.1	\$(0.2)
RDA Residual Assets	9.7	7.7	(2.0)
Motor Vehicle In Lieu	243.0	243.6	0.6
Tax Loss Reserve Overflow	21.0	21.0	
Fines and Penalties	18.3	18.6	0.3
Sales & Use Taxes*	28.9	28.6	(0.3)
Documentary Transfer Tax	14.5	14.5	
Franchise Fees	7.3	7.3	
Interest Earnings	11.4	11.4	
Misc. Federal and State	8.2	7.8	(0.4)
Rebates & Refunds	6.1	6.1	
Realignment	10.0	10.0	
Other Prior Year & Misc.	15.1	15.4	0.3
Operating Transfers In	7.8	7.8	
<b>Total</b>	<b>754.7</b>	<b>752.9</b>	<b>(1.7)</b>
Prop. 172 Public Safety Sales Tax	172.1	172.1	
	<b>\$926.8</b>	<b>\$925.0</b>	<b>\$(1.7)</b>

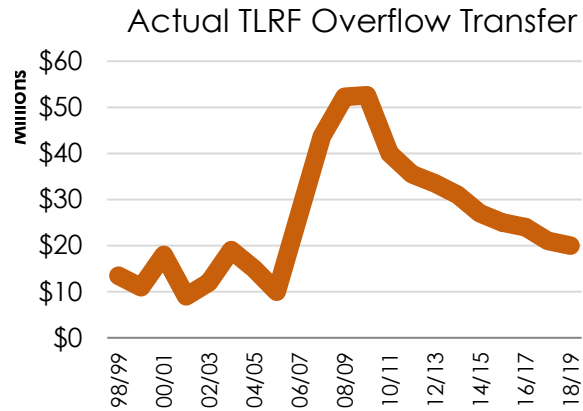
### Property Taxes

Property tax revenue was budgeted at \$353.3 million based on a forecasted 5.5 percent growth in assessed values. The Auditor-Controller continues to project property tax revenue as budgeted. Motor vehicle fee revenue received in-lieu of property taxes is estimated at \$234.6 million, and residual assets distributed from former redevelopment agencies are estimated at \$7.7 million. This is down from the original budgeted estimate of \$9.7 million due to a recalculation of funds.

## Multi-year Outlook

### Teeter Tax Losses Reserve Fund (TLRF) Overflow

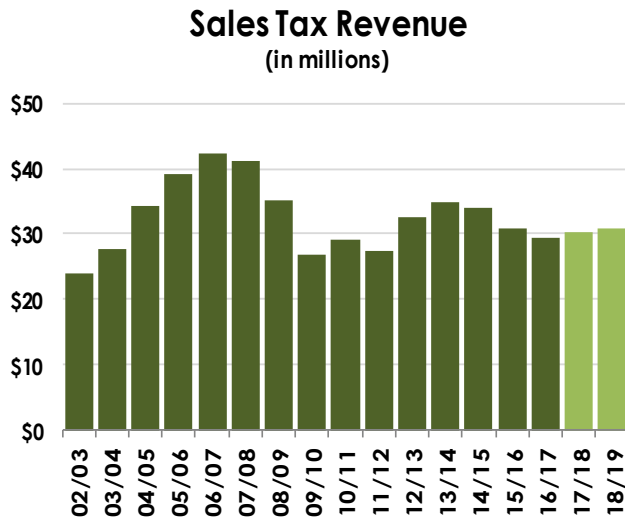
Under the California Teeter plan, the county advances participating agencies property tax allocations based on enrolled assessed valuation. In return, the county retains the actual taxes received, plus penalties and interest on delinquent taxes. The Tax Losses Reserve Fund captures revenues and expenditures associated with the program. Revenue exceeding financing costs and the necessary tax loss reserve is discretionary revenue released to the general fund annually. The annual release is in accordance with the revenue and taxation code, and consistent with prudent risk management. As delinquency rates decline, this revenue source generally tapers off; the delinquency rate hit an all-time low of 1.35 percent last fiscal year. This is the ninth consecutive year of decline.



For FY 16/17, the TLRF transfer was \$24 million. For FY 17/18, \$21 million was forecast. Based on present analysis of projected reserve obligations, the Executive Office currently estimates the reserve requirement balance is in excess of \$8 million, allowing an increase in estimated revenue from the Tax Losses Reserve Fund, as noted later in this report.

### Sales and Use Taxes

In the last quarter, the county's economically adjusted quarterly sales and use tax allocations increased 5.7 percent on a year-over-year basis. This increase is due primarily to rebounds in the building and construction, business and industry, fuel, and autos and transportation sectors. Consumer goods, predominantly from sales at the factory outlets, saw zero growth, continuing an ongoing lag in that sector.

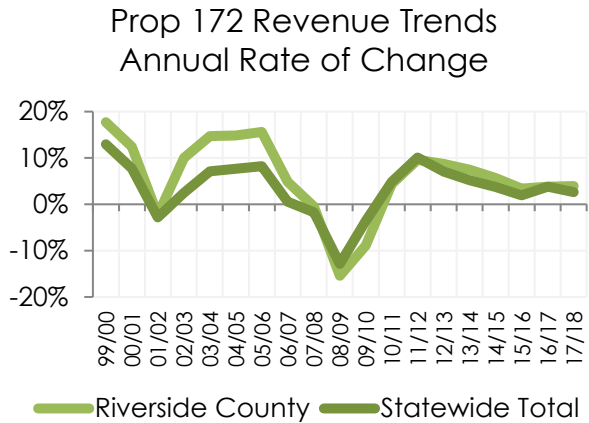


Source: HdL Companies

The county's budget estimate for Bradley Burns sales and use tax is reduced slightly to \$28.9 million, based on continued softening in taxable sales, which is consistent with HdL Companies' somewhat lower projection of \$28.5 million. The Executive Office is currently watching this trend and will update this revenue estimate at midyear, if necessary.

*Prop. 172 Public Safety Sales Tax*

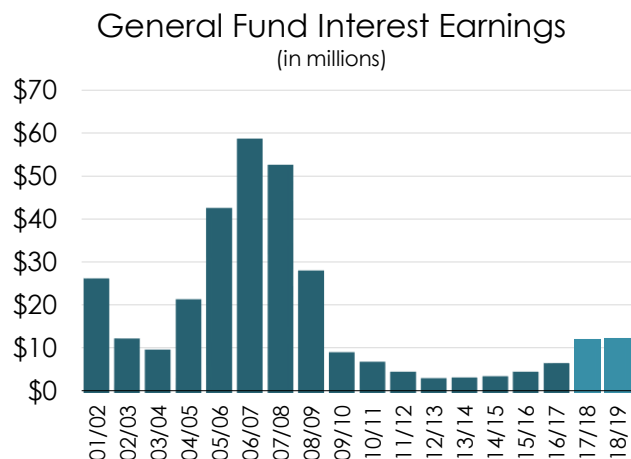
The county's Prop. 172 public safety sales tax revenue is affected both by changes in the overall statewide pool of revenue as well as changes in the county's pro rata share of that pool relative to other participants. During the recession, the statewide pool of Prop. 172 revenue shrank, and then grew again as economic activity in the state's major metropolitan centers rebounded. Since that rebound, however, the rate of statewide growth has steadily declined. As other counties emerged from the recession more rapidly, their allocation factors grew, causing the allocation factors of lagging counties such as Riverside to shrink. Consequently, while Riverside enjoyed double-digit growth in Prop. 172 revenue for several years at the beginning of the program, that growth rate has slowed substantially in recent years. In FY 16/17, this required a retrenchment of the revenue assumptions and restructuring of the disbursements to departments. Current year trends in this revenue are being watched closely, and adjustments to the disbursement ratios may be considered.



*Interest Earnings*

The Treasurer's estimate for FY 17/18 county general fund interest earnings include several factors such as general fund balances in the Treasurer's Pooled Investment Fund, current level of interest rates, and U.S. Federal Reserve monetary policy.

On September 20, 2017, the Federal Open Market Committee (FOMC) voted to maintain federal fund rates at current levels. This rate has remained in the range of 1 percent to 1.25 percent since June 14, 2017, when the FOMC increased the federal funds rate by 25 basis points. In announcing its decision, the FOMC noted labor market strength, moderately rising economic activity, and its expectation economic conditions will evolve in a manner warranting gradual increases in the federal funds rate if those economic conditions remain on the current path.



The Federal Reserve also announced that in October it would start the slow unwind of its \$4.4 trillion in holdings under the balance sheet normalization program. In response to the Great Recession, the Federal Reserve grew its balance sheet from under \$1 trillion to \$4.4 trillion as a means to stabilize the economy.

## Multi-year Outlook

The actual path of the federal funds rate will depend on economic outlook as informed by incoming data. The most widely watched economic indicators that can alter Federal Reserve activity include inflation expectations and payroll data. Financial market reaction to the changing global economic outlook as well as geopolitical events can also contribute to the FED's decision in changing policy direction and tone.

The Treasurer's FY 17/18 county general fund interest earnings estimate is \$11.4 million. The Treasurer will likely increase earnings estimates should the FOMC take further action, although such an increase would have a minor effect on the general fund for the remainder of the fiscal year, due to the weighted average maturity profile of the investment pool.

### **BUDGET STRATEGY**

#### **Current Year**

The current discretionary revenue forecast contains tempered growth that stepped back assumed growth in property taxes, and these collections are being watched closely. Since reserves are crucial to maintaining the county's credit rating, and essential when downturns occur, a central objective of our budget strategy is maintaining general fund discretionary reserves at a minimum level of \$150 million, short of the \$187 million necessary to meet the Board's policy goal of 25 percent of discretionary revenues for the current year.

Maintaining the fiscal discipline to contain discretionary spending for the next several years remains imperative to holding reserves above that threshold and ultimately to closing the gap between ongoing expenses and revenues. Given projected court-ordered increases in ongoing inmate medical costs, achieving cost savings in other areas is essential. The multi-year strategy outlined in the FY 17/18 adopted budget emphasizes a disciplined, pragmatic approach to achieving structural balance.

#### **Proposed FY 18/19 Budget Cycle Approach**

##### **Budget Policies**

To focus departments' attention on forward operational and budget planning within these financial objectives, the Executive Office at this time recommends the Board approve, among others contained in Attachment C, the following FY 18/19 budget policies:

- Rollover ongoing FY 17/18 net county cost allocations, with adjustments as necessary for known upcoming obligations.
- Assume elimination of the limited one-time allocations made in FY 17/18.
- Assume no cost of living adjustments beyond current contracts.
- Assume any increases in fixed costs for pension obligations, insurance, and internal services will be absorbed by departments.

- Apply one-time revenues toward rebuilding reserves or mission critical one-time costs.
- Assume departmental revenue shortfalls will not be backfilled with discretionary revenue.
- Recognize and use departmental revenues in the fiscal year received, unless otherwise legally restricted, to ensure departmental resources are maximized and discretionary general fund support is minimized. This includes full cost recovery for services provided under contracts with other jurisdictions.
- Assume no additional hiring to enhance the unincorporated patrol ratio.

### **Long-Range Budget Schedule**

Approval of these budget policies now initiates an early budget discussion and planning process. To facilitate this further, the Executive Office recommends the Board approve in concept the budget schedule in Attachment D. This schedule includes

- A midyear report on Tuesday, February 6, 2018;
- A third quarter report and budget workshop on Tuesday, May 22, 2018;
- Presentation of the FY 18/19 recommended budget and opening of budget hearings on Monday, June 11;
- Presentation of Board-directed amendments to the budget on Tuesday, July 31, 2018; and,
- Formal adoption of the budget on Tuesday, September 25, 2018.

These dates have been coordinated to work with the Board's approved 2018 meeting calendar. This budget schedule also contains parallel dates for several future budget cycles to facilitate continuity in forward planning.

## **CURRENT BUDGET STATUS**

### **APPROPRIATIONS FOR CONTINGENCY**

Contingency covers urgent, unforeseeable events such as revenue shortfalls, unanticipated expenditures, uncorrectable budget overruns and mission-critical issues at the Board's discretion. The FY 17/18 adopted budget appropriated \$20 million for contingency or 2.6 percent of ongoing discretionary revenue. This report contains a net decrease of \$529,880 at this time, taking the contingency level to \$19.5 million, as summarized in the table below.

#### Use of General Fund Appropriations for Contingency

		Cost Adjustment	Revenue Adjustment	Total Adjustment	Balance Available
<b>Beginning Balance:</b>					<b>\$ 20,000,000</b>
<b>Adjustments to date:</b>					
10/31/17	ACO FY 17 Q3 cash shortage report	27		(27)	
10/31/17	ACO FY 17 Q4 cash shortage report	172		(172)	
		199	-	(199)	<b>19,999,801</b>
<b>Actions recommended in this report:</b>					
Rec. 2	Increased TRAns Interest	678,036		(678,036)	
Rec. 50	Return from Water Receivership		198,156	198,156	
Rec. 51	Donation for cemetery redistricting	50,000		(50,000)	
				-	
				-	
				-	
				-	
				-	
		728,036	198,156	(529,880)	
	Total adjustments to Contingency =	728,235	198,156	(530,079)	
					<b>19,469,921</b>

**FINANCE & GOVERNMENT SERVICES**

**County Counsel**

County Counsel requests that the Board of Supervisors authorize the addition of one full-time equivalent Deputy County Counsel I-C position dedicated to providing increased services for Riverside University Health Systems (RUHS) and Transportation, and a transfer of work for other departments. This position will be 100 percent billed directly to its department clients, with 50 percent funding by RUHS and the remaining funding by Transportation and other departments.

The Office of County Counsel has experienced a significant increase in work from its client departments during the first quarter of FY 17/18, and anticipates further increases due to the new transportation-related projects to be funded through receipt of SB1 increased gas tax monies, as well as funding from the recent SB132 legislation (Item 3-20 on October 3, 2017, board agenda). In light of this increase in work, the department anticipates shifting existing medical center contract work, as well as existing employee benefits contract work, to the proposed Deputy County Counsel I-C position. This will allow more time for the attorneys currently handling this work to focus on other more complex and necessary assignments. Additionally, it is anticipated that this position will also handle the contract work related to the design and construction of the new transportation projects. This action will also avoid the use of outside counsel, achieving savings for the departments.

The amount of \$69,015 is prorated for six months. The full cost for the attorney will be covered by the additional billing as well as existing billing. Long-term funding is assured as the department anticipates several retirements and filling with new attorneys at other than top step. The department anticipated the retirements and budgeted appropriately. RUHS and Transportation do not anticipate needing a budget adjustment at this time. If one is necessary, they will return to the Board at the mid-year or third quarter report.

**Recommendation 1:** *That the Board 1) approve amending Ordinance No. 440 to add one (1) Deputy County Counsel I-C position; and 2) approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues for County Counsel by \$69,015, as follows:*

Increase estimated revenues:		
10000-1500100000-771430	Legal services	\$69,015
Increase appropriations:		
10000-1500100000-510040	Regular salaries	50,157
10000-1500100000-518100	Budgeted benefits	<u>18,858</u>
	Total	69,015

**Executive Office**

On May 23, 2017, the Board of Supervisors approved the issuance of the Tax and Revenue Anticipation Notes (TRANS) to cover the projected cash flow needs of the county general fund during the fiscal year. During the budget process, the financing of the TRAN

was in progress. The amount budgeted for the premium and the interest on the notes was the same amount as last fiscal year. At this time, the final premium and interest amounts have been determined. A budget adjustment is needed to decrease the estimated revenue and appropriations for a lower premium and interest on the notes.

**Recommendation 2:** *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments decreasing appropriations and estimated revenue and increasing use of fund balance for Interest on TRANS by a net of \$3,483,111, as follows:*

Decrease estimated revenue:		
10000-1102100000-791020	Premium on bonds issued	\$4,161,147
Decrease appropriations:		
10000-1102100000-525440	Professional services	25,888
10000-1102100000-532160	Issuance costs	10,000
10000-1102100000-534000	Interest notes – warrants	<u>3,447,223</u>
	Total	3,483,111
Anticipated increase in fund balance:		
10000-1102100000-370100	Unassigned fund balance	678,036
Decrease appropriations:		
10000-1109000000-581000	Appropriation for contingencies	678,036
Anticipated increase in fund balance:		
10000-1109000000-370100	Unassigned fund balance	678,036

Prior to the dissolution of redevelopment agencies in 2012, a significant amount of pass-thru revenue owed the county was held by the City of Palm Desert RDA. That January, \$16 million was transferred by the city to the county and deposited to Fund 31540. Subsequently, Sub-fund 31543 was established within that fund to account for the receipt and disbursement of pass-thru from those project areas. However, while related expenses were transferred from Fund 31540 to Fund 31543 at that time, the revenue remained in Fund 31540. This revenue needs to be moved to Fund 31543 at this time, where it will provide working capital to cover multiple debt service payments on major capital projects in the desert area.

**Recommendation 3:** *That the Board approve and direct the Auditor-Controller to make budget adjustments increasing appropriations, estimated revenues, and fund balance for the RDA Capital Improvement Fund (31540) and its Palm Desert Redevelopment Projects Sub-fund (31543) by \$16,001,796, as follows:*

Increase appropriations:		
31540-1100100000-551000	Operating transfers – out	\$16,001,796
Anticipated use of fund balance:		
31540-1100100000-321158	Restricted for RDA capital improvements	16,001,796



## Current Status

Increase estimated revenues:		
31540-1100100000-790500	Operating transfers – in	16,001,796

Anticipated increase in fund balance:		
31543-1100100000-321158	Restricted for RDA capital improvements	16,001,796

### **PUBLIC SAFETY**

#### **Emergency Management Department**

First quarter expenditures for the Emergency Management Department are currently below projections. The department anticipates coming in on target for the fiscal year. The department requests a technical correction to their budget for the Hospital Preparedness Program, as revenue was incorrectly allocated to a miscellaneous revenue account, instead of the federal operating grant account.

**Recommendation 4:** *That the Board of Supervision approve and direct the Auditor-Controller to make budget adjustments to estimated revenue for the Emergency Management Department by \$795,741, as follows:*

Decrease estimated revenue:		
21810-2000100000-778200	Interfund – miscellaneous	\$795,741

Increase estimated revenue:		
21810-2000100000-767220	Fed – other operating grants	795,741

#### **Law Office of the Public Defender**

The Law Office of the Public Defender has had a rolling deficit over the past three fiscal years in the amount of \$4.2 million due to ongoing increases in salaries and benefits and internal service fund charges. The Board approved additional funding of \$1.8 million during the FY 17/18 budget hearings, leaving a deficit of \$2.4 million. At the end of the first quarter, the department anticipates a year-end shortfall of \$2.2 million. The Public Defender is not requesting additional funds at this time; however, they may request a budget adjustment prior to year-end to cover this.

In July 2017, a staff member of the Public Defender attended the Annual National Association of Drug Court Professionals Conference. The cost of travel is to be paid by the Riverside County Probation Department's Court Grant. The Public Defender is requesting a budget adjustment to use these funds.

**Recommendation 5:** *That the Board approve and direct the Auditor-Controller to make budget adjustments increasing appropriations for the Law Office of the Public Defender by \$2,125, as follows:*

Increase appropriations:		
10000-2400100000-527840	Training – education/tuition	\$2,125
10000-2400100000-572200	Intrafund – grant	(2,125)

**Office of District Attorney**

The District Attorney is currently projecting a FY 17/18 net county cost deficit of \$5 million, an improvement from original deficit projections of more than \$9 million. This improved position is primarily due to an austerity plan implemented by the District Attorney to meet their commitment to the Board of Supervisors to try to come within the approved County Budget. In the prior fiscal year, the District Attorney indicates operating at bare minimum staffing levels, with several staff members taking on additional responsibilities with no financial incentive and a number of very deserving employees working without any step award for the 2016 calendar year evaluation period. The District Attorney indicates that they are now at the point where prior year staffing levels cannot be maintained without an unacceptable public safety consequence. Thus, this fiscal year, the District Attorney intends to backfill critical positions. The department also warns that additional issues, such as the KPMG paralegal pilot program, legal settlements, body-worn camera rollouts, and other new legal mandates could affect their final position. The District Attorney will continue to work with the Board of Supervisors and the Executive Office to find solutions to address the resulting gap.

**Recommendation 6:** *That the Board approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenue for a DUI drug grant for the District Attorney by \$317,743, as follows:*

Increase estimated revenue:		
10000-2200100000-767450	Fed – office of traffic safety grants	\$317,743
Increase appropriations:		
10000-2200100000-510040	Regular salaries	201,446
10000-2200100000-518100	Budgeted benefits	<u>116,297</u>
	Total	317,743

**Recommendation 7:** *That the Board approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenue for an insurance fraud grant for the District Attorney by \$129,865, as follows:*

Increase estimated revenue:		
10000-2200100000-755360	CA - workers comp insurance fraud	\$129,865
Increase appropriations:		
10000-2200100000-510040	Regular salaries	78,841
10000-2200100000-518100	Budgeted benefits	<u>51,024</u>
	Total	129,865

**Recommendation 8:** *That the Board approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenue for an auto insurance fraud grant by \$9,750, as follows:*

Increase estimated revenue:		
10000-2200100000-755460	CA - DA auto insurance fraud	\$9,750

## Current Status

Increase appropriations:		
10000-2200100000-510040	Regular salaries	5,860
10000-2200100000-518100	Budgeted benefits	<u>3,890</u>
	Total	9,750

**Recommendation 9:** *That the Board approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenue for a disability and healthcare grant for the District attorney by \$140,858, as follows:*

Increase estimated revenue:		
10000-2200100000-755650	CA – disability healthcare fraud	\$140,858

Increase appropriations:		
10000-2200100000-510040	Regular salaries	91,417
10000-2200100000-518100	Budgeted benefits	<u>49,441</u>
	Total	140,858

**Recommendation 10:** *That the Board approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenue for a life and annuity grant for the District Attorney by \$18,673, as follows:*

Increase estimated revenue:		
10000-2200100000-755840	CA – life annuity consumer project	\$18,673

Increase appropriations:		
10000-2200100000-510040	Regular salaries	12,119
10000-2200100000-518100	Budgeted benefits	<u>6,554</u>
	Total	18,673

**Recommendation 11:** *That the Board approve and direct the Auditor-Controller to make budget adjustments decreasing appropriations and estimated revenue for a DUI death and injury grant by \$155,328, as follows:*

Decrease estimated revenue:		
10000-2200100000-767450	Fed – office of traffic safety grants	\$155,328

Decrease appropriations:		
10000-2200100000-510040	Regular salaries	155,328

### Probation Department

Probation continues to meet its FY 17/18 budget challenges while ensuring that expenditures will be within appropriations and allocated net county cost at year-end. For FY 17/18, the department utilized one-time solutions to close a \$15.1 million gap (equal to 11 percent of departmental budget). The decisions made to balance the current year budget were not without impact, as the department may face issues related to state mandate compliance, increase in overtime usage, or decrease in programs and services offered. The department expects to be in a similar position for FY 18/19, although it will not have one-time solutions available. The department has been preparing for the anticipated shortfall next year by shrinking the organization through attrition of approximately 100

positions (which will impact the institutions and field caseloads).

In addition to the anticipated budget shortfall, the department continues to closely monitor current and future challenges that may adversely impact the department's operations. These challenges include the ongoing capital improvement needs within the services such as Continuum of Care Reform (CCR), Resource Family Approval (RFA) program and the Prison Rape Elimination Act (PREA); the increased cost of housing youths at the California Department of Corrections and Rehabilitation, Division of Juvenile Justice (DJJ); and the potential effects of proposed state legislation on Probation's ability to charge for the support and care of minors housed within their facilities.

Probation will continue to work closely with the Executive Office to address these ongoing challenges and report any additional budgetary concerns.

### ***Sheriff's Department***

The Sheriff has indicated that he is planning for and committed to a balanced budget once the structural issues he has identified are addressed. The Sheriff presented a \$50.3 million structural deficit to the Board of Supervisors during the June 19, 2017, budget hearing. On July 25, 2017, the Board recommended restoring the 6.5 percent net county cost reduction of \$17.9 million, leaving the Sheriff with an overall structural deficit of \$32.4 million. The structural deficit is comprised of: MOU raises of \$6.3 million, decrease in Prop. 172 revenue of \$12.3 million, prison law office consent decree staffing needs of \$7.2 million, and increase in internal service fund costs of \$6.6 million.

The Sheriff has signaled that in order to continue meeting the budgetary reduction requirements that they will continue to manage the loss of staffing across the department through attrition, with reduced hiring to offset only a portion of those lost. This is the second fiscal year the department will need to balance its budget shortfalls through staffing reductions. The Sheriff reports there are potential impacts to unincorporated patrol and the countywide correctional system could occur as a result of staffing reductions.

The department is incurring a significant amount of unplanned retirement payouts and is projecting an additional \$6.6 million at year-end. Trial court funding realignment created a department revenue deficit of \$1.4 million. The Executive Office will monitor and work with the department to determine the amount of deficit before year-end.

Patrol is requesting a budget adjustment for the SHSGP Grant, which is a pass-through grant from the Emergency Management Department. The Sheriff's department will continue to work with the Board of Supervisors and the Executive Office to find solutions to address the remaining deficit. The following budget adjustment is recommended to align the department's budget with a final grant award.

***Recommendation 12:*** *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations for the Sheriff by \$36,000, as follows:*

## Current Status

Increase appropriations:

10000-2500300000-546160	Equipment - other	\$ 36,000
10000-2500300000-572200	Intrafund - grant	(36,000)

### **HEALTH & HOSPITAL SERVICES**

#### **Riverside University Health System**

The RUHS Medical Center continues to signal an imbalance in their financial performance due to several internal and external factors. They are currently projecting a shortfall of \$15 million dollars for the fiscal year and attribute this to underfunding of detention and mental health services, combined drop in reimbursement from state and federal agencies (ACA), increased cost of care (pharmacy, technology) and cost of living increases. The Executive Office and RUHS will closely monitor the situation and present additional details for the Board's consideration.

On September 6 and 7, SEIU staged a strike that resulted in \$2 million dollars in contract staffing cost. The strike also affected the hospital's daily census, which reduced patient revenue streams. Moving forward, RUHS anticipates that patient activity will increase as it works to enhance revenue capture efforts, with related revenues helping to mitigate first quarter losses. The hospital continues to explore all cost reduction opportunities and is also in the process of implementing new systems to control cost, as well as strategies aimed at improving revenue cycles and earning additional incentive-based revenues. RUHS has also begun the process of transitioning its health clinics (FQHCs) to an enterprise fund status, bringing them into compliance with federal standards and positioning the clinics to improve revenue generating capability. The medical center continues to evaluate proposed legislation related to the Affordable Care Act, as well as other potential federal and state program changes. At this time, RUHS does not request any budget adjustments

Due to reductions in AB109 funding levels, Correctional Health is projecting a \$1.1 million cost overrun and Detention Behavioral Health anticipates a \$300,000 overage. RUHS will continue to monitor program costs and related revenues throughout the fiscal year to determine the appropriate budget recommendation. All other Behavioral Health programs are anticipated to remain within budget. It is important to note that potential repeal of the Affordable Care Act continues to loom over the health system. This is a significant threat to behavioral health, as the Affordable Care Act directly provides more than \$28 million in reimbursement for over 8,000 eligible clients who depend on the behavioral health safety net of services. Behavioral Health will continue to monitor this issue, as well as other important behavioral health legislative matters.

Public Health, California Children Services, and Community Action Partnership programs are tracking on budget and do not have any budgetary concerns at this time. As an administrative matter, Public Health requests budget adjustments for funding changes and to close out their Bio-Terrorism Preparedness budget, as this program is now administered by the county's Emergency Management Department.

**Recommendation 13:** *That the Board approve and direct the Auditor-Controller to make*

*budget adjustments to appropriations and estimated revenue for Public Health as follows:*

## Increase appropriations:

10000-4200100000-510240	Per diem salaries	\$ 192,859
10000-4200100000-520230	Cellular phones	650
10000-4200100000-523640	Computer equipment - non fixed asset	1,800
10000-4200100000-523700	Office supplies	302
10000-4200100000-523800	Printing/binding	1,000
10000-4200100000-524500	Administrative support - direct	48,215
10000-4200100000-527780	Special program expense	500
10000-4200100000-528140	Conference/registration fees	650
10000-4200100000-528920	Car pool expense	2,300
10000-4200100000-546160	Equipment - other	<u>6,355</u>
	Total	254,631

## Decrease appropriations:

10000-4200100000-510040	Regular salaries	527,343
10000-4200100000-510500	Standby pay	9,459
10000-4200100000-518100	Budgeted benefits	224,560
10000-4200100000-520230	Cellular phones	4,795
10000-4200100000-520330	Communications services	3,000
10000-4200100000-520705	Food	1,500
10000-4200100000-521380	Maintenance - copier machines	7,553
10000-4200100000-523220	License/permits	60
10000-4200100000-523620	Books/publications	1,955
10000-4200100000-523640	Computer equipment - non fixed asset	5,662
10000-4200100000-523760	Postage - mailing	800
10000-4200100000-523800	Printing/binding	5,223
10000-4200100000-526960	Small tools and instruments	14,000
10000-4200100000-527780	Special program expense	9,623
10000-4200100000-527840	Training - education/tuition	500
10000-4200100000-528140	Conference/registration fees	2,725
10000-4200100000-528900	Air transportation	1,773
10000-4200100000-528920	Car pool expense	4,850
10000-4200100000-528960	Lodging	1,680
10000-4200100000-528980	Meals	710
10000-4200100000-529000	Miscellaneous - travel expense	300
10000-4200100000-529040	Private mileage reimbursement	<u>5,250</u>
	Total	833,321

## Increase estimated revenue:

10000-4200100000-762040	Federal - health grants	248,276
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## Decrease estimated revenue:

10000-4200100000-754000	CA – tobacco tax prop. 10	680,814
10000-4200100000-767280	Federal - federal revenue	<u>146,152</u>
	Total	826,966

## Increase estimated revenue:

21750-4200100000-740020	Interest - invested funds	6
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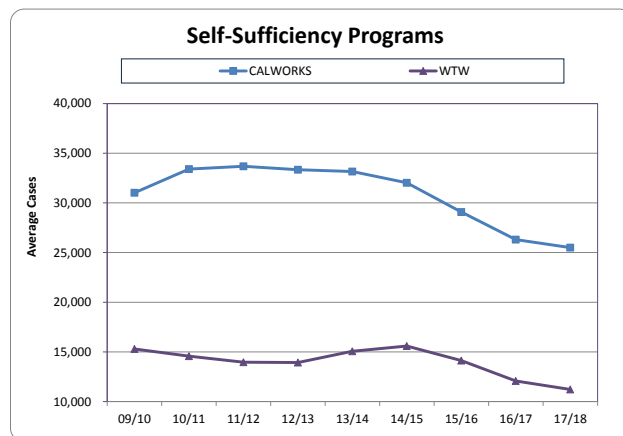
## Current Status

Increase appropriations: 21750-4200100000-551000	Operating transfers - out	6
Increase estimated revenue: 21760-4200100000-740020	Interest - invested funds	53
Increase appropriations: 21760-4200100000-551000	Operating transfers - out	53

## HUMAN SERVICES

### Department of Social Services

The Department of Public Social Services (DPSS) reports annualized growth of 10 percent in In-Home Supportive Services through August 2017. Other social services and self-sufficiency programs also showed increases, but in the following lesser percentages: adoptions 3 percent and Medi-Cal 2 percent. The following programs experienced negative movement: CalWORKs decreased 16 percent, welfare-to-work decreased 14 percent, foster care decreased 10 percent, adult protective services decreased 9 percent, child welfare services decreased 7 percent and CalFresh decreased 4 percent.



In July 2017, the California Department of Education increased the Childcare Alternative Payment program agreement (CAPP-7045) by \$277,484, to a revised total of \$3,027,461. The department will expand childcare services through the additional funds and requests a budget adjustment to enable use in FY 17/18.

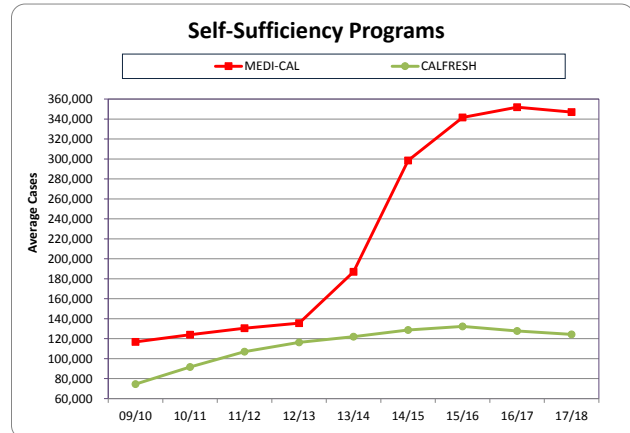
**Recommendation 14:** That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments to appropriations and estimated revenues for the Department of Public Social Services by \$277,484, as follows:

Increase estimated revenues: 10000-5100100000-750300	CA - public assistance administration	\$277,484
Increase appropriations: 10000-5100100000-530420	Child care services	277,484

The department continues carefully monitoring self-sufficiency program staffing levels to operate within state-allocated funding, while maintaining ongoing operations. In an effort to maximize efficiencies, DPSS will continue cross-training eligibility staff in Medi-Cal and CalFresh programs and leverage technology/policy changes to modify business processes. Desired outcomes include providing customers with more service access options

and timely service.

DPSS is making reductions to staffing levels in the CalWORKs program, consistent with caseload decreases. These reductions are being achieved through attrition and limited hiring. In addition, the department continues lobbying the state for appropriate funding levels to administer the Medi-Cal and CalWORKs programs.



DPSS reported a number of factors affecting counties and contributing to a statewide backlog in processing Medi-Cal renewals, including: increased Affordable Care Act caseload, problems with the state’s case management enrollment system, state policy changes and limited support resources. In response, the department focused its efforts on eliminating the backlog, while concurrently processing new applications. These activities are being performed without adjustment to administrative funding. DPSS reduced their backlog by 76 percent during the first quarter of FY 17/18 and anticipates resolving the balance by the end of the fiscal year. On average, the department receives new applications in excess of 13,000 per month.

In January 2017, the state implemented Continuum of Care Reform (CCR) statewide. The initiative’s key objectives include reducing the number of children living in congregate care; improving recruitment, selection and training of relatives and foster families caring for abused/neglected children; enhancing the quality of therapeutic interventions available for at-risk youth. One important element of CCR is the Resource Family Approval (RFA) program. RFA was designed to be a family-friendly, child-centric approval process that included requirements similar to those of foster care placements, relative approvals, adoptions and guardianship. To date, the department received 788 RFA applications from individuals and families interested in becoming resource families. Of those, 39 received approval and the remaining applications are in various stages of the screening/assessment process. To meet CCR requirements, existing group home providers must transition to Short-Term Residential Treatment Programs (STRTPs) by December 31, 2018. All STRTPs must offer: specialized/intensive care; supervision, treatment and access to medication management; behavioral health services; crisis intervention and targeted case management. In collaboration with the county offices of Education, Behavioral Health, and Probation, a monthly joint provider meeting of group home administrators and foster family agencies provides updated information related to CCR. In addition, providers receive technical assistance with completion of program statements requiring state approval prior to transition. Continued partnerships with these agencies will help them prepare for transition to a STRTP.

During the period FY 15/16 through FY 16/17, Adult Protective Services (APS) experienced an 11 percent reduction in reports of abuse and a 2 percent reduction in total client count. However, APS increased investigations by 2 percent, with a 13 percent increase



## Current Status

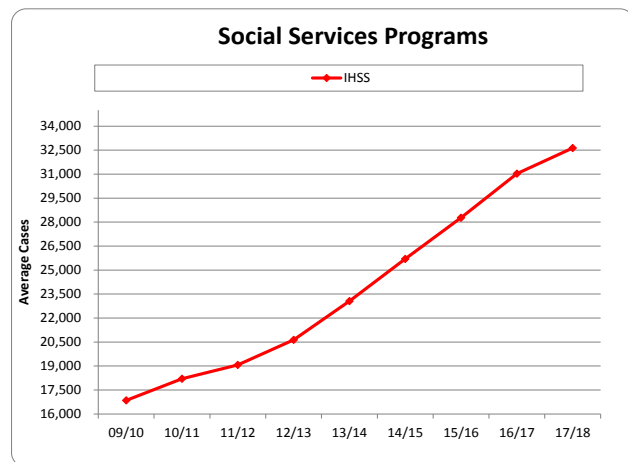
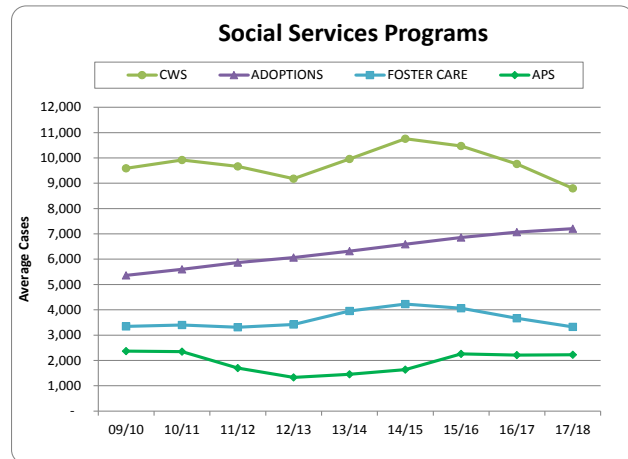
in referrals requiring investigation (77 percent to 90 percent). Consistent with National Adult Protective Services Association (NAPSA) standards, APS continues to target an average of 25 open cases per social worker per month (this is a combined workload of new investigations and ongoing cases).

The final state budget included an increase in the In-Home Supportive Services Maintenance of Effort (IHSS MOE). This increase will be partially offset by additional state revenue. The IHSS MOE included an annual escalator of 3.5 percent; however, the new escalator will be 5 percent in FY 18/19 and increases to 7 percent in subsequent years, with some qualifiers based on the level of realignment growth realized.

The California State Association of Counties (CSAC) developed a funding methodology, adopted by their Board of Directors, which included distribution of various offsetting revenues. CSAC is working with the Department of Finance to determine a process for distributing accelerated caseload growth and revenue. Current estimates are consistent with the FY 17/18 recommended budget; however, CSAC cautioned that this estimate might be revised in the January budget. Also included in the final state budget was a cap on state participation in IHSS administrative expenditures; state allocation levels have not yet been finalized.

The allocation level may affect the current year budget, so the department is being prudent while awaiting final figures. IHSS intakes decreased 2 percent from 16,211 to 15,840 from FY 15/16 through 16/17, and continuing cases increased 9 percent from 28,975 to 31,677. Based on 124.6 currently filled social worker positions, the average number of cases per worker is 383. Until the state budget is finalized, IHSS will continue a self-imposed hiring freeze (effective February 2017), resulting in additional attrition. The further reduction in filled social worker positions will result in greater caseloads, which may compromise the timeliness of new application processing and annual reevaluations. The department will continue to monitor the program and budget impacts and provide updates when available.

DPSS receives recoupment revenue from the Department of Child Support Services (DCSS), partially offsetting costs of assistance payments to associated families. In coordination with the Executive Office, DPSS and DCSS agreed to redistribute \$500,000 of the recoupment revenue to DCSS to support welfare recoupment activities. DCSS will use these funds to match federal funding, in the amount of \$970,588.



**Recommendation 15:** *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments to appropriations and estimated revenues for the Department of Public Social Services and the Department of Child Support Services by \$1,470,588, as follows:*

Increase estimated revenues:		
10000-2300100000-781360	Other miscellaneous revenue	\$500,000
10000-2300100000-761020	Federal family support reimbursement	<u>970,588</u>
	Total	1,470,588

Increase appropriations:		
10000-2300100000-520330	Communication services	970,588
10000-2300100000-510040	Regular salaries	<u>500,000</u>
	Total	1,470,588

Increase estimated revenues:		
10000-5100300000-755900	CA AB118 local revenue	500,000

Decrease estimated revenues:		
10000-5100300000-781480	Program revenue	500,000

### **First Five/Riverside County Children and Families Commission**

During the first quarter of FY 17/18, the Riverside County Children and Families Commission (RCCFC) entered into an agreement with Learning for Action (LFA), in the amount of \$100,000, to support strategic plan revisions, implementation, communication and community engagement efforts. On July 31, 2017, LFA facilitated a workshop with commissioners and staff to review the current strategic plan, long-term financial projections and establish investment guidelines to implement strategic essentials.

Following the workshop, LFA and First 5 staff facilitated five community engagement workshops throughout the county, from September 13 through 22, to gather stakeholder input, with focus on child health, early learning and family strengthening. A combined total of 160 individuals participated in the sessions. Attendees learned about the shifting landscape and need for creating integrated systems. Participants engaged in small group exercises, challenging them to envision the future for children and families in Riverside County, followed by working through the barriers to envisioned accomplishments. These conversations will aid in future funding decisions and ensure that children, 0 through 5 years of age, receive the support they need to have the best possible start in life.

The Commission also entered into an agreement with First 5 San Bernardino, with shared financial responsibilities, to initiate a six-month planning contract with Loma Linda University Children's Hospital (LLUCH), in the total amount of \$157,369, of which \$78,685 is First 5 Riverside's obligation, to establish a regional Help Me Grow (HMG) system in Riverside and San Bernardino Counties. The planning grant allows LLUCH to develop the following required structural and core components:

- Structural requirements: organizing entity, regional strategy and continuous quality improvement.

## Current Status

- Core components: child health care provider outreach, community outreach centralized telephone access point, data collection and analysis.

The system promotes cross-sector collaboration, building an efficient early childhood network to support healthy development of children. Children benefit from centralized access, which helps families connect to specialized professionals, in community-based settings, providing early detection of cognitive, physical or behavioral issues through screenings. Help Me Grow is active in 16 counties across the state and 23 states in the nation, with a goal of expanding to all 58 counties and 50 states.

Quality Start Riverside County (QSRC) launched its website at [www.qualitystartrc.org](http://www.qualitystartrc.org) and published participating provider tier ratings to assist parents in choosing high quality childcare.

QSRC provides parents and caregivers with tools and resources to find and select a quality early learning program for their child. In addition, it supports a child's development and school readiness, assesses teachers' or family childcare home providers' education and qualifications and guides improvement in the overall program and environment.

- Public awareness: conducted 20 QSRC orientations throughout the county to enroll new participants and surveyed more than 2,000 parents and 77 educators on the importance of quality in childcare settings in Riverside County;
- Changing norms: more than 325 providers are focused on improving program quality;
- System integration: partnered with Riverside County Office of Education on First 5 Riverside's Hybrid Alternative Payment, intended for families to have access to high-quality programs; partnering with Consortium for Early Learning Services on the Retention Stipend Program, intended for retaining workforce in early learning field;
- Resource flow: leveraging funding resources to strengthen the early learning system in Riverside County with the QRIS Block Grant, Infant/Toddler Block Grant and AB 312 totaling more than \$5.3 million.

First 5 conducted recruitments for a program director and contracts/grants analyst for the recently awarded Dental Transformation Initiative grant, from the California Department of Health Care Services. In addition, the public information specialist vacancy was filled.

### ***In-Home Supportive Services Public Authority***

The above referenced change in IHSS MOE methodology also affects the In-Home Supportive Services Public Authority (IHSS PA), creating funding uncertainty for FY 17/18. State participation in IHSS PA expenditures will be capped, which may have an impact on the current year budget. The IHSS PA is not filling vacancies, pending determination of program allocation and staffing level. The department will continue monitoring the situation and provide updates when available.

## Office on Aging

Riverside County Office on Aging (RCOoA) receives federal and state funding to provide services, programs and other activities for older adults and persons with disabilities, in accordance with Title III & Title VII of the Older Americans Act and the Older Californians Act. Services include: supportive services and senior centers, congregate and home delivered nutrition, preventive health and medication management, national family caregiver support, long-term care ombudsman services, and elder abuse prevention.

The department relies heavily on funding through the Older Americans Act (OAA) to provide core services to the county's most frail and vulnerable older adults and persons with disabilities 18 years of age and older. In recent years, OAA programs required increased resources to maintain current programs, due to a significant increase in persons over 60 years of age, which will make up approximately 25 percent of the county's total population by the year 2020. OAA funding levels are not adequate either to meet the increased demand or make up for federal and state funding cuts over the last several years. This shortfall is being felt throughout the nation.

Since submission of the FY 17/18 budget in March 2017, RCOoA has been directly affected by federal funding cuts to Title IIIB, Supportive Services, Title V, Senior Community Service Employment Program, Multiple Senior Services Program (MSSP), and by local revenue sources resulting from a discontinued service contract in FY 17/18. At this time, RCOoA is able to mitigate major program impacts through receipt of one-time federal funding, in September 2017. However, there is uncertainty regarding future impacts to OAA.

In September 2017, Congress passed a continuing resolution that temporarily holds federal funds static at 2017 levels for federally funded programs. Although the direct impact to RCOoA is unknown at this time, the department will continue monitoring federal activity and will provide an update in the mid-year budget report.

RCOoA is dedicated to providing support and resources greatly needed by the community through timely and efficient operations and sound fiscal management. The department closely monitors all expenditures and reports being within its FY 17/18 budget. The department requests the following adjustment to reflect the net reduction to the department's budget resulting from the aforementioned funding cuts.

**Recommendation 16:** *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments decreasing appropriations and estimated revenues for Office on Aging by \$16,792, as follows:*

Decrease estimated revenue:		
21450-5300100000-781360	Other miscellaneous revenue	\$16,792
Decrease appropriations:		
21450-5300100000-510040	Regular salaries	16,792

Current Status

**PUBLIC WORKS**

**Building and Safety**

The Building and Safety Department is requesting a fixed asset purchase of a fixed dye perforator. In an effort to increase departmental efficiency to better serve the public, the Building and Safety Department identified equipment that would help decrease the turn-around time for plan reviews. A custom, fixed dye perforator will allow plan reviewers to validate all of the pages of the plans simultaneously instead of validating each page individually. This purchase was budgeted in FY 16/17, but was delayed until this fiscal year, requiring a budget adjustment for the equipment acquisition. There is enough appropriations in the services and supplies category to cover this cost.

**Recommendation 17:** That the Board of Supervisors 1) approve the acquisition of a fixed dye perforator and 2) approve and direct the Auditor-Controller to make budget adjustments to appropriations for the Building and Safety Department by \$6,000, as follows:

Decrease appropriations:		
20250-3110100000-523290	Bank charges	\$6,000
Increase appropriations:		
20250-3110100000-546160	Equipment - other	6,000

**Department of Environmental Health**

The Department of Environmental Health (DEH) requests authority to acquire a large format printer, copier, scanner for use with the department’s online plan check project. At the time of submitting the FY 17/18 budget, DEH was still in the process of vetting potential equipment and process needs to enhance the department’s electronic plan reviews in order to achieve its “business-friendly” goal. This asset will allow the department to print out sections of plans submitted online. Traditional printers are limited to 11” x 17” print jobs. This unit has the capability of printing large sheets of plans and drawings that are typical for projects. Additionally, this unit can scan plans submitted in paper format so that they may be attached to the department’s database (Envision Connect) without keeping voluminous paper plans. It will also allow the department to scan in and send out plans to outlying offices, so that plan check staff has access. This allows for the better distribution of workload. DEH has sufficient revenue for this purchase.

**Recommendation 18:** That the Board of Supervisors 1) approve acquisition of one large format printer, copier, scanner; and, 2) approve and direct the Auditor-Controller to make budget adjustments to appropriations for the Department of Environmental Health by \$8,500 as follows:

Decrease appropriations:		
10000-4200400000-523680	Office equipment – non-fixed assets	\$8,500
Increase appropriations:		
10000-4200400000-546160	Equipment – other	8,500

### **Transportation Land Management Agency**

The Transportation Department needs to close the existing developer agreement fund. A budget adjustment of \$1,058 is necessary in order to transfer the existing fund balance from Developer Agreement fund 31680 to the Transportation fund 20000. There is no general fund impact.

**Recommendation 19:** *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and decreasing restricted fund balance for the Transportation Developer Agreement fund by \$1,059, as follows:*

Anticipated use of restricted fund balance:

31680-3130500000-322100	Restricted for construction/capital projects	\$1,058
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Increase appropriations:

31680-3130500000-551000	Operating transfers – out	1,058
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The department anticipated that most of the costs for the initial software design and purchase for TLMA's new land management system (PLUS) to occur in FY 16/17. However, the project costs will occur this fiscal year due to a change in the go-live date for PLUS. The department has a limited budgeted amount to cover the shift in current year costs. Therefore, the department is requesting a budget adjustment of \$1,041,466 to pay for costs incurred this fiscal year.

**Recommendation 20:** *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and use of assigned fund balance available for TLMA Administration by \$1,016,466, as follows:*

Anticipated use of assigned fund balance:

20200-3100200000-350100	Assigned fund balance for program money	\$1,016,466
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Increase appropriations:

20200-3100200000-546280	Capitalized software	1,016,466
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## **ECONOMIC & COMMUNITY DEVELOPMENT**

### **Economic Development Agency/Facilities Management**

#### **EDA Administration**

The division requests a budget adjustment for mandates imposed by the State of California Department of Finance. EDA will reimburse \$689,906 to the Successor Agency for a tenant improvement loan, and transfer \$671,785 of lease revenue received from Mission Plaza to the Successor Agency. Revenue of \$1,361,691 received from the Successor Agency for the reimbursement of the RDA Tech Park loan will fund these additional expenses.

## Current Status

**Recommendation 21:** That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues, and releasing committed fund balance available for the Economic Development Agency by \$1,380,414, as follows:

Increase estimated revenues:		
21100-1900500000-781360	Other miscellaneous revenue	\$1,361,691
Release assigned fund balance:		
21100-1900500000-350100	AFB for program money	18,723
Increase appropriations:		
21100-1900500000-522310	Maintenance - building and improvement	689,906
21100-1900500000-526700	Rent - lease buildings	671,785
21100-1900500000-527780	Special program expense	<u>18,723</u>
	Total	1,380,414

### County Free Library

The Library requests a budget adjustment to allow for an increase to the operating agreement with Library Systems Services (LSS) and for additional equipment purchases. An increase of \$162,287 in development impact fee contributions from the City of Jurupa Valley, donations, and increases to rates and fees will contribute funding towards these expenses. The available restricted program money will fund the balance of expenses of \$426,872.

**Recommendation 22:** That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations, estimated revenues, and use of restricted fund balance for the County Free Library by \$589,159, as follows:

Increase appropriations:		
21200-1900700000-520820	Janitorial services	\$ 18,000
21200-1900700000-523620	Books/publications	40,000
21200-1900700000-523880	Copier	250,000
21200-1900700000-528500	Project cost expense	60,000
21200-1900700000-530280	Private care provider	140,000
21200-1900700000-536240	Other contract agencies	<u>81,159</u>
	Total	589,159
Increase estimated revenues:		
21200-1900700000-769200	Other government - city governments	40,000
21200-1900700000-776600	Library services	117,760
21200-1900700000-781220	Contributions & donations	<u>4,527</u>
	Total	162,287
Anticipated use of restricted fund balance:		
21200-1900700000-321101	Restricted program money	426,872

### Aviation

The Aviation division requests a budget adjustment for the upcoming Jacqueline Cochran

Regional Airport (JCRA) Air Show scheduled for May 2018. Increases to legal fees for lease litigation at the JCRA continue and are included. An increase of \$169,611 in air show sponsorship, added leases, and fuel flow revenues will offset these expenses. The available restricted fund balance will fund \$358,676 of the expenses.

**Recommendation 23:** *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations, estimated revenues, and use of assigned fund balance for the County Airports by \$528,287, as follows:*

Increase appropriations:

22100-1910700000-522410	Maintenance - tenant improvement	\$ 9,000
22100-1910700000-525020	Legal services	151,444
22100-1910700000-526420	Advertising	17,500
22100-1910700000-527660	Operational marketing	250,000
22100-1910700000-537020	Interfund expense - legal services	22,500
22100-1910700000-537180	Interfund expense - salary reimbursement	47,843
22100-1910700000-537280	Interfund expense - miscellaneous project expense	<u>30,000</u>
	Total	528,287

Increase estimated revenues:

22100-1910700000-741500	Temporary use lease	51,035
22100-1910700000-780240	Sales - gas & oil franchise fees	54,376
22100-1910700000-781560	Contribution from - non county agencies	<u>64,200</u>
	Total	169,611

Anticipated use of assigned fund balance:

22100-1910700000-350100	AFB for program money	358,676
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### Special Aviation/Desert Center

The Special Aviation division requests adjusting the Desert Center fund budget to provide grant matches for several airport efforts. Transfers of \$98,435, \$244,055, \$52,068, and \$138,817 to Special Aviation's Blythe, Hemet Ryan, Chiriaco Summit, and French Valley airport funds respectively below are companion entries to this budget adjustment. This fund contains proceeds from the sale of Desert Center used for construction and grant matches.

**Recommendation 24:** *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and use of restricted fund balance for the Special Aviation division's Desert Center unit by \$533,375, as follows:*

Increase appropriations:

22350-1910500000- 551100	Contribution to other funds	\$533,375
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Anticipated use of restricted fund balance:

22350-1910500000-321101	Restricted program money	533,375
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### Special Aviation/Blythe

Blythe Airport received additional Federal Aviation Administration (FAA) grant funding of



## Current Status

\$624,719 that requires matching funds of \$98,435. The division requests a budget adjustment of \$723,154. The new grant project provides funding for the construction of a new runway apron and for an environmental assessment. FAA grant funds and a transfer from the Special Aviation/Desert Center fund will offset the budget adjustment.

**Recommendation 25:** *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues for the Special Aviation/Blythe by \$723,154, as follows:*

Increase appropriations:		
22350-1910100000-525440	Professional services	\$220,000
22350-1910100000-542040	Buildings - capital projects	<u>503,154</u>
		723,154
Increase estimated revenues:		
22350-1910100000-767060	Federal - airports improvements	624,719
22350-1910100000-790600	Contribution from other county funds	<u>98,435</u>
	Total	723,154

### Special Aviation/Hemet Ryan

The division requests a budget adjustment to cure the prior year revenue shortfall of \$244,055 and the processing of project expenses of \$9,627 carried forward from FY 16/17. Transfer of funds from the Special Aviation/Desert Center fund and an increase in estimated revenues will offset the budget adjustment.

**Recommendation 26:** *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations, estimated revenues, and restricted fund balance for Special Aviation/Hemet Ryan by a net of \$9,627, as follows:*

Increase appropriations:		
22350-1910300000-546060	Equipment - communications	\$ 9,627
Increase estimated revenues:		
22350-1910300000-767060	Federal - airports improvements	9,627
22350-1910300000-790600	Contribution from other county funds	<u>244,055</u>
	Total	253,682
Increase restricted fund balance:		
22350-1910300000-321101	Restricted program money	244,055

### Special Aviation/Chiriaco Summit

The Chiriaco Summit Airport division requests a budget adjustment of \$52,068 for an extended grant project for runway rehabilitation. Revenues transferred from the Special Aviation/Desert Center fund will offset the expenses.

**Recommendation 27:** *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues for the Special Aviation/Chiriaco Summit by \$52,068, as follows:*

Increase appropriations:		
22350-1910400000-542040	Buildings - capital projects	\$52,068

Increase estimated revenues:		
22350-1910400000-790600	Contribution from other county funds	52,068

### *Special Aviation/French Valley*

French Airport received FAA grant funding of \$918,000 that requires matching funds of \$138,817. Additionally, the division must cure a revenue shortfall from FY 16/17 of \$9,047. The division requests a budget adjustment of \$1,047,770. A transfer of \$138,817 from Special Aviation/Desert Center fund partially offsets the increase in expense and the negative fund balance.

**Recommendation 28:** *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations, estimated revenues, and restricted fund balance for the Special Aviation French Valley by a net of \$1,047,770, as follows:*

Increase appropriations:		
22350-1910600000-542040	Buildings - capital projects	\$1,047,770

Increase estimated revenues:		
22350-1910600000-767060	Federal - airports improvements	918,000
22350-1910600000-790600	Contribution from other county funds	<u>138,817</u>
	Total	1,056,817

Anticipated increase in restricted fund balance:		
22350-1910600000-321101	Restricted program money	9,047

### **Edward Dean Museum**

The Museum requests a budget adjustment of \$138,463 for interior refurbishing of the administration building and roof repairs to the courtyard. A transfer from the EDA administration division will fund the project.

**Recommendation 29:** *The Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues for Edward Dean Museum by \$138,463, as follows:*

Increase appropriations:		
10000-1930100000-522310	Maintenance - building and improvement	\$138,463

Increase estimated revenue:		
10000-1930100000-790600	Contribution from other county funds	138,463

### **Community Facilities District (CFD)**

EDA continues to grow in the establishment of Community Facilities Districts (CFD). The division requests budget establishment for two new CFD funds this fiscal year. Special assessment taxes will fund landscaping and street light services.

## Current Status

**Recommendation 30:** *The Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues for Community Facility District 17-2M Bella Vista II by \$65,562, as follows:*

Increase appropriations:		
20610-991100-522320	Maintenance - grounds	\$23,000
20610-991100-529530	Street lights	9,595
20610-991100-529540	Utilities	12,562
20610-991100-536740	Interfund expense - admin support indirect	10,000
20610-991100-537180	Interfund expense - salary reimbursement	<u>10,405</u>
	Total	65,562
Increase estimated revenues:		
20610-991100-770100	Special assessments	60,462
20610-991100-740020	Interest - invested funds	100
20610-991100-781360	Other miscellaneous revenue	<u>5,000</u>
	Total	65,562

**Recommendation 31:** *The Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues for Community Facility District 17-1M Conestoga by \$56,000, as follows:*

Increase appropriations:		
20620-991105-522320	Maintenance - grounds	\$20,000
20620-991105-529530	Street lights	6,595
20620-991105-529540	Utilities	9,000
20620-991105-536740	Interfund expense - admin support indirect	10,000
20620-991105-537180	Interfund expense - salary reimbursement	<u>10,405</u>
	Total	56,000
Increase estimated revenues:		
20620-991105-770100	Special assessments	50,900
20620-991105-740020	Interest - invested funds	100
20620-991105-781360	Other miscellaneous revenue	<u>5,000</u>
	Total	56,000

### County Services Area (CSA)

CSA Administration requests a budget adjustment of \$138,000 to allow greater capacity for an Office Assistant II and a Development Specialist III filled earlier than planned. Sufficient restricted fund balance is available to fund these increases this fiscal year. Long-term, the department intends to recoup these ongoing costs through reimbursement from the library fund.

**Recommendation 32:** *The Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and use of restricted fund balance for CSA Admin by \$138,000, as follows:*

Increase appropriations:		
23010-915202-510040	Regular salaries	\$128,000
23010-915202-518100	Budgeted benefits	<u>10,000</u>
	Total	138,000

Anticipated use of restricted fund balance:		
23010-915202-321101	Restricted program money	138,000

CSA 38 requests a budget adjustment of \$143,000 for the reimbursement of the purchase of firefighting equipment for the Pine Cove Fire Department. In addition, the local water district will be building a shade structure reimbursed by this fund. Sufficient restricted fund balance is available to fund these one-time costs.

**Recommendation 33:** *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and use of restricted fund balance for CSA 38 by \$143,000, as follows:*

Increase appropriations:		
23400-903801-527780	Special program expense	\$60,000
23400-903801-537080	Interfund expense - miscellaneous	83,000
	Total	143,000

Anticipated use of restricted fund balance:		
23400-903801- 321101	Restricted program money	143,000

CSA 41A requests a budget adjustment of \$520,660. TLMA will have work on a road project for this area and this fund will reimburse the cost. Sufficient restricted fund balance is available to fund these one-time costs.

**Recommendation 34:** *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and use of restricted fund balance for CSA 41A by \$520,660, as follows:*

Increase appropriations:		
23425-904101-522610	Road maintenance supplies	\$ 1,000
23425-904101-536740	Interfund expense - admin support indirect	660
23425-904101-537160	Interfund expense - road maintenance grading	<u>519,000</u>
	Total	520,660

Anticipated use of restricted fund balance:		
23425-904101-321101	Restricted program money	520,660

CSA 41B requests a budget adjustment of \$81,706. CSA will be contributing to TLMA towards road projects for this area. Sufficient restricted fund balance is available to fund this one-time cost.

**Recommendation 35:** *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and use of restricted fund balance for CSA 41B by \$81,706, as follows:*

Increase appropriations:		
23450-904101-551100	Contribution to other funds	\$81,706

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Anticipated use of restricted fund balance:  
 23450-904101-321101                      Restricted program money                      81,706

CSA 85 requests a budget adjustment of \$11,000 to process increased street light expenses. Sufficient restricted fund balance is available to fund this increase this fiscal year. The CSA’s special tax assessment will be adjusted as necessary to maintain these ongoing costs in future fiscal years.

**Recommendation 36:** *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and use of restricted fund balance for CSA 85 by \$11,000, as follows:*

Increase appropriations:		
23850-908501-529530	Street lights	\$5,500
23850-908501-529540	Utilities	<u>5,500</u>
	Total	11,000

Anticipated use of restricted fund balance:  
 23850-908501-321101                      Restricted program money                      11,000

CSA 103 requests a budget adjustment of \$200,000 for a one-time street light expense determined by an account review conducted by Southern California Edison. Sufficient restricted fund balance is available to fund this one-time cost.

**Recommendation 37:** *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and use of restricted fund balance for CSA 103 by \$200,000, as follows:*

Increase appropriations:		
24075-910301-529530	Street lights	\$200,000

Anticipated use of restricted fund balance:  
 24075-910301-321101                      Restricted program money                      200,000

CSA 121 requests a budget adjustment of \$28,000 for additional grounds maintenance, tree removal, and debris removal from the basins to prepare for winter storm events. Sufficient restricted program money is available to fund this one-time cost.

**Recommendation 38:** *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and use of restricted fund balance for CSA 121 by \$28,000, as follows:*

Increase appropriations:		
24250-912101-522320	Maintenance - grounds	\$28,000

Anticipated use of restricted fund balance:  
 24250-912101-321101                      Restricted program money                      28,000

CSA 124 requests a budget adjustment of \$30,000 for additional grounds maintenance,

tree removal, and road rehabilitation to prepare for winter storm events. Sufficient restricted program money is available to fund this one-time cost.

**Recommendation 39:** *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and use of restricted fund balance for CSA 124 by \$30,000, as follows:*

Increase appropriations:		
24275-912411-522320	Maintenance - grounds	\$15,000
24275-912411-537160	Interfund expense - road maintenance grading	<u>15,000</u>
	Total	30,000

Anticipated use of restricted fund balance:		
24275-912411-321101	Restricted program money	30,000

CSA 126 requests a budget adjustment of \$160,000 for additional grounds maintenance and water services based on a new community development in Spring Mountain Ranch. Sufficient restricted fund balance is available to fund this increase this fiscal year. The CSA's special tax assessment will be adjusted as necessary to maintain these ongoing costs in future fiscal years.

**Recommendation 40:** *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and use of restricted fund balance for CSA 126 by \$160,000, as follows:*

Increase appropriations:		
24325-912601-522320	Maintenance - grounds	\$100,000
24325-912601-529550	Water	<u>60,000</u>
	Total	160,000

Anticipated use of restricted fund balance:		
24325-912601-321101	Restricted program money	160,000

CSA 128 requests a budget adjustment of \$200,000 to reimburse TLMA for a new road paving project. Sufficient restricted fund balance is available to fund this one-time cost.

**Recommendation 41:** *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and use of restricted fund balance for CSA 128 by \$200,000, as follows:*

Increase appropriations:		
24350-912801-537160	Interfund expense - road maintenance grading	\$200,000

Anticipated use of restricted fund balance:		
24350-912801-321101	Restricted program money	200,000

CSA 132 requests a budget adjustment of \$20,000 for a street light expense determined by an account review conducted by the Southern California Edison. Sufficient restricted fund balance is available to fund this one-time cost.

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**Recommendation 42:** That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and use of restricted fund balance for CSA 132 by \$20,000, as follows:

Increase appropriations:		
24400-913201-529530	Street lights	\$20,000
Anticipated use of restricted fund balance:		
24400-913201-321101	Restricted program money	20,000

CSA 134 requests a budget adjustment of \$133,000 for additional grounds maintenance and water services due to a new phase development at the community of Sycamore Creek. Sufficient restricted fund balance is available to fund this increase this fiscal year. New special tax assessments will be added to this CSA once this development is completed to maintain these ongoing costs in future fiscal years.

**Recommendation 43:** That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and use of restricted fund balance for CSA 134 by \$133,000, as follow:

Increase appropriations:		
24425-913401-522320	Maintenance - grounds	\$90,000
24425-913401-529550	Water	<u>43,000</u>
	Total	133,000
Anticipated use of restricted fund balance:		
24425-913401-321101	Restricted program money	133,000

CSA 143 requests a budget adjustment of \$300,000 for additional grounds maintenance, landscaping, and water services at the parks as well as increased recreation services. The County Library will fund landscaping costs at some branches, and the remainder of this one-time cost will come from restricted fund balance.

**Recommendation 44:** That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues and use of restricted fund balance for CSA 143 by \$300,000, as follows:

Increase appropriations:		
24550-914301-522320	Maintenance - grounds	\$190,000
24550-914301-523270	Special events	100,000
24550-914301-529550	Water	<u>10,000</u>
	Total	300,000
Increase of estimated revenues:		
24550-914301-778280	Interfund - reimbursement for service	102,926
Anticipated use of restricted fund balance:		
24550-914301-321101	Restricted program money	197,074

CSA 149 requests a budget adjustment of \$26,500 for additional grounds maintenance, repair of the fencing, and a monument plaque. Sufficient restricted fund balance is available to fund this one-time cost.

**Recommendation 45:** *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and use of restricted fund balance for CSA 149 by \$26,500, as follows:*

Increase appropriations:		
24825-914901-522320	Maintenance - grounds	\$26,500

Anticipated use of restricted fund balance:		
24825-914901-321101	Restricted program money	26,500

CSA 152SF requests a budget adjustment of \$182,000 for additional grounds maintenance, water services, and utilities due to a new shade cover structure being built at Deleo Park. Sufficient restricted fund balance is available to fund this one-time cost.

**Recommendation 46:** *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and use of restricted fund balance for CSA 152SF by \$182,000, as follows:*

Increase appropriations:		
24875-915201-522320	Maintenance - grounds	\$120,000
24875-915201-529540	Utilities	18,000
24875-915201-529550	Water	<u>44,000</u>
	Total	182,000

Anticipated use of restricted fund balance:		
24875-915201-321101	Restricted program money	182,000

CSA 152A requests a budget adjustment of \$75,715 for purchase of land to contribute to the Lakeland Village Community Center project. Sufficient restricted fund balance is available to fund this one-time cost.

**Recommendation 47:** *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and use of restricted fund balance for CSA 152A by \$75,715, as follows:*

Increase appropriations:		
31560-915201-540040	Land	\$75,715

Anticipated use of restricted fund balance:		
31560-915201-322100	Restricted for construction/capital project	75,715

CSA 152NPDES requests a budget adjustment of \$201,000 for additional grounds maintenance, tree removal, and debris removal from basins to prepare for winter storm events, and purchase of three new replacement vehicles. Sufficient restricted fund balance is available to fund this one-time cost.



## Current Status

**Recommendation 48:** *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and use of restricted fund balance for CSA 152NPDES by \$201,000, as follows:*

Increase appropriations:		
24625-915201-522320	Maintenance - grounds	\$100,000
24625-915201-528920	Car pool expense	<u>101,000</u>
	Total	201,000
Anticipated use of restricted fund balance:		
24625-915201-321101	Restricted program money	201,000

### County Water Receivership

The EDA County Water Receivership ended services in FY 16/17 with a few transactions remaining to post in FY 17/18. EDA requests appropriations complete these transactions, close out the fund, and return the remaining funds of \$198,156 to the general fund, which advanced the receivership fund its initial working capital.

**Recommendation 49:** *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments to appropriations, estimated revenue, and use of restricted fund balance for the County Water Receivership fund by \$201,486, as follows:*

Increase appropriations:		
65964-7200600000-523760	Postage - mailing	\$ 100
65964-7200600000-525020	Legal services	500
65964-7200600000-525500	Salary/benefit reimbursement	500
65964-7200600000-528500	Project cost expense	2,230
65964-7200600000-551100	Contributions to other funds	<u>198,156</u>
	Total	201,486
Increase estimated revenue:		
65964-7200600000-740020	Interest - invested funds	405
Anticipated use of restricted fund balance:		
65964-7200600000-308153	Reserve clearing w/o fund balance	201,081
Increase estimated revenue:		
10000-1101000000-790600	Contributions from other county funds	198,156
Anticipated increase to unassigned fund balance:		
10000-1101000000-370100	Unassigned fund balance	198,156
Increase appropriations:		
10000-1109000000-581000	Appropriations for contingencies	198,156
Anticipated use of unassigned fund balance:		
10000-1109000000- 370100	Unassigned fund balance	198,156

### Capital Fund

The department requests a budget adjustment of \$305,000 for closing the Palm Desert

Sheriff Station and the Blythe Animal Shelter sub-funds within the capital fund due to project completion.

**Recommendation 50:** *Recommends that the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments to appropriations, estimated revenue, and restricted fund balance for the Capital Fund by \$295,635, as follows:*

Increase appropriations:		
30100-7200800000-551000	Operating transfers-out	\$295,635
Anticipated use of restricted fund balance:		
30102-7200800000-322103	Restricted general	169,131
30103-7200800000-322103	Restricted general	<u>126,504</u>
	Total	<u>295,635</u>
Increase estimated revenues:		
31540-1100100000-790500	Operating transfers-in	295,635
Anticipated increase in restricted fund balance:		
31543-1100100000-321158	Restricted for RDA capital improvements	295,635

**Perris Valley Cemetery**

The Cemetery division requests a budget adjustment to increase appropriations by \$93,150 for processing LAFCO fees now paid directly by the division instead of by the Auditor-Controller’s Office, additional grounds maintenance due to heavy rains over the summer, and increase in internment direct material needs. Available restricted fund balance will cover these expenses.

In addition, a general fund contribution in the amount of \$50,000 is requested for processing of LAFCO fees for redistricting efforts that will be led by the EDA. Perris Valley Cemetery District, Wildomar Cemetery District and Lake Elsinore Cemetery District are independent districts affected by this redistricting effort. Cemetery district boundaries must be evaluated to ensure services are available to meet the needs of county residents, and redistricting these boundaries will allow for better service to those served.

**Recommendation 51:** *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations, estimated revenues, and use of restricted fund balance for Perris Valley Cemetery by \$93,150 and appropriations for Contingency and Contributions to Other Funds by \$50,000, as follows:*

Increase appropriations:		
22900-980503-522320	Maintenance - grounds	\$28,505
22900-980503-527560	Direct materials	12,495
22900-980503-536200	Contribution to other non-county agency	50,000
22900-980503-537080	Interfund expense - miscellaneous	<u>2,150</u>
	Total	<u>93,150</u>
Increase estimated revenue:		
22900-980503-790600	Contribution from other county funds	50,000

## Current Status

Anticipated use of restricted fund balance:		
22900-980503-321101	Restricted program money	43,150
Decrease appropriations:		
10000-1109000000-581000	Appropriation for contingencies	50,000
Anticipated increase in fund balance:		
10000-1109000000-370100	Unassigned fund balance	50,000
Increase appropriations:		
10000-1101000000-551100	Contributions to other funds	50,000
Anticipated use of fund balance:		
10000-1101000000-370100	Unassigned fund balance	50,000

### County Community Parks

EDA requests closing this capital project fund carried over from the Parks District and has worked with the Auditor-Controller's Office (ACO) to recommend the necessary closing entries for this effort. The department, with recommendations from the ACO, established a special revenue new fund to manage the parks. Transfer of residual balance and interest to the newly established fund is in the budget adjustment shown below.

**Recommendation 52:** *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and use of restricted fund balance for the County Community Parks by \$332,446, as follows:*

Increase appropriations:		
33200-915201-551100	Contribution to other funds	\$332,446
Anticipated use of restricted fund balance:		
33200-915201-321100	Restricted general	242,476
33200-915201-321101	Restricted program money	<u>89,970</u>
	Total	332,446

### Community Park & Centers

This fund is the newly created fund established to manage efforts for the Lakeland Village Community Center and Perret Park. This fund replaced the County Community Parks fund. The department is requesting transfer of the residual funds and interest to this fund in this report. Recent changes required by the ACO require processing closing entries through the operating budget.

**Recommendation 53:** *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing estimated revenue and restricted fund balance for the EDA Community Park & Centers by \$358,000, as follows:*

Increase estimated revenues:		
21830-7201200000-790600	Contribution from other county funds	\$358,000

Anticipated increase in restricted fund balance:		
21830-7201200000-321101	Restricted program money	358,000

### **Regional Parks and Open Space District**

The District's budget for Human Resources Services charges was placed entirely in its Operating Fund 25400. Actual charges for HR services will be posted to several difference funds on the basis of budgeted position allocations. The budget for HR services charges needs to be partially reduced in Operating Fund 25400 and distributed to other funds as appropriate.

**Recommendation 54:** *That the Board of Supervisors approve and direct the Auditor Controller to adjust appropriations and estimated revenues for the Regional Park and Open Space District as follows:*

Decrease estimated revenues:		
25400-931104-776740	Recreation fees	\$32,235
Decrease appropriations:		
25400-931104-537090	Interfund expense - personnel services	32,235
Increase estimated revenues:		
25420-931180-776740	Recreation fees	15,151
25430-931170-776740	Recreation fees	3,222
25510-931108-777610	Utilities	521
25520-931107-776740	Recreation fees	4,897
25540-931116-777520	Reimbursement for services	3,758
25550-931101-740020	Interest – invested funds	121
25590-931150-777520	Reimbursement for services	<u>4,583</u>
	Total	32,235
Increase appropriations:		
25420-931180-537090	Interfund expense - personnel services	15,151
25430-931170-537090	Interfund expense - personnel services	3,222
25510-931108-537090	Interfund expense - personnel services	521
25520-931107-537090	Interfund expense - personnel services	4,897
25540-931116-537090	Interfund expense - personnel services	3,758
25550-931101-537090	Interfund expense - personnel services	121
25590-931150-537090	Interfund expense - personnel services	<u>4,583</u>
	Total	32,235

### **Registrar of Voters**

The Registrar of Voters is required to conduct four elections during FY 17/18. The August 29, 2017, special district mail ballot election involved approximately 74,000 registered voters. The upcoming elections include the November 7, 2017, consolidated general election, the April 10, 2018, City of Rancho Mirage election and the June 5, 2018, gubernatorial primary election. At this time, the department budget can accommodate the scheduled elections.

# Current Status

## INTERNAL SUPPORT

### Human Resources

Human Resources’ revenues are trending higher than budgeted due to additional services agreements. In addition, Human Resources is experiencing additional payroll and professional services expenditures related to the increased revenues. Budget adjustments are recommended to increase revenues and the offsetting appropriations. Human Resources will continue to monitor this fund closely.

**Recommendation 55:** *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues for Human Resources by \$334,322, as follows:*

Increase estimated revenues:		
10000-1130100000-777030	Personnel services	\$334,322
Increase appropriations:		
10000-1130100000-510040	Regular salaries	307,580
10000-1130100000-518100	Budgeted benefits	133,796
10000-1130100000-525440	Professional services	42,000
10000-1130100000-572800	Intrafund expense – miscellaneous	(42,000)
10000-1130100000-572900	Intrafund expense – personnel	<u>(107,054)</u>
	Total	334,322

### Purchasing & Fleet Services

Supply Services requests a budget adjustment in the amount of \$582,765 for the mid-county supply chain management facility. The county currently owns a large warehouse facility adjacent to the Sheriff’s Station and Fleet Services fueling facility. This vacant warehouse provides a strategic opportunity to place shipping/supplies operations in the mid-county area to service all departments throughout the county. As the county owns the property, funds are only needed to refurbish the office area, storage racks, bring the office entry up to American Disability Act (ADA) standards, and provide secure fencing around the perimeter of the facility. The total project cost is \$703,072. This cost will be split between Supply Services (90 percent or \$632,765) and Fleet Services (10 percent or \$70,307). A budget adjustment is needed for Supply Services increasing appropriations by \$582,765 to fund the project.

Because of the addition of this project, the department also requests a revision for FY 17/18 to the Five-Year Capital Equipment Needs/Reserve Plan to \$632,765. There is no impact to the general fund for this request.

**Recommendation 56:** *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and use of unrestricted net assets for Supply Services by \$582,765, as follows:*

Increase appropriations:		
45700-7300400000-522310	Maintenance – building and improvement	\$582,765

Anticipated use of unrestricted net assets:

45700-7300400000-380100	Unrestricted net assets	582,765
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Fleet Services does not require a budget adjustment for the mid-county supply chain management facility. However, the department requests an increase of \$70,307 to FY 17/18 of the Five-Year Capital Equipment Needs/Reserve Plan.

Fleet Services requests a budget adjustment in the amount of \$106,912 for the purchase of 25 vehicles for the Sheriff’s Department. The Sheriff’s Department informed Fleet Services that it budgeted for 140 vehicles in the FY 17/18 budget. These include 115 patrol vehicles and 25 vehicles for other units such as corrections and Ben Clark Training Center (BCTC). Fleet Services did not budget for the 25 vehicles; therefore, a budget adjustment of \$106,912 is needed for Fleet Services to cover three months of lease and depreciation costs.

**Recommendation 57:** *That the Board of Supervisors 1) approve and authorize the purchase of twenty-five (25) vehicles; and, 2) direct the Auditor-Controller to make budget adjustments increasing appropriations, estimated revenue, and use of net assets for Fleet Services by \$106,912, as follows:*

Increase estimated revenue:

45300-7300500000-777620	Vehicle cost recovery	\$65,287
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Increase appropriations:

45300-7300500000-532600	Capital lease – purchase principal	64,031
45300-7300500000-533720	Capital lease – purchase interest	1,256
45300-7300500000-535560	Depreciation – equipment	<u>41,625</u>
	Total	106,912

Anticipated use of unrestricted net assets:

45300-7300500000-380100	Unrestricted net assets	41,625
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**Attachment A Summary of Recommendations**

For convenience, this section repeats the recommendations contained in the main report. There is no new information in Attachment A.

**Recommendation 1:** *That the Board 1) approve amending Ordinance No. 440 to add one (1) Deputy County Counsel I-C position; and 2) approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues for County Counsel by \$69,015, as follows:*

Increase estimated revenues:		
10000-1500100000-771430	Legal services	\$69,015
Increase appropriations:		
10000-1500100000-510040	Regular salaries	50,157
10000-1500100000-518100	Budgeted benefits	<u>18,858</u>
	Total	69,015

**Recommendation 2:** *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments decreasing appropriations and estimated revenue and increasing use of fund balance for Interest on TRANs by a net of \$3,483,111, as follows:*

Decrease estimated revenue:		
10000-1102100000-791020	Premium on bonds issued	\$4,161,147
Decrease appropriations:		
10000-1102100000-525440	Professional services	25,888
10000-1102100000-532160	Issuance costs	10,000
10000-1102100000-534000	Interest notes – warrants	<u>3,447,223</u>
	Total	3,483,111
Anticipated increase in fund balance:		
10000-1102100000-370100	Unassigned fund balance	678,036
Decrease appropriations:		
10000-1109000000-581000	Appropriation for contingencies	678,036
Anticipated increase in fund balance:		
10000-1109000000-370100	Unassigned fund balance	678,036

**Recommendation 3:** *That the Board approve and direct the Auditor-Controller to make budget adjustments increasing appropriations, estimated revenues, and fund balance for the RDA Capital Improvement Fund (31540) and its Palm Desert Redevelopment Projects Sub-fund (31543) by \$16,001,796, as follows:*

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Increase appropriations:  
 31540-1100100000-551000 Operating transfers – out \$16,001,796

Anticipated use of fund balance:  
 31540-1100100000-321158 Restricted for RDA capital improvements 16,001,796

Increase estimated revenues:  
 31540-1100100000-790500 Operating transfers – in 16,001,796

Anticipated increase in fund balance:  
 31543-1100100000-321158 Restricted for RDA capital improvements 16,001,796

**Recommendation 4:** *That the Board of Supervision approve and direct the Auditor-Controller to make budget adjustments to estimated revenue for the Emergency Management Department by \$795,741, as follows:*

Decrease estimated revenue:  
 21810-2000100000-778200 Interfund – miscellaneous \$795,741

Increase estimated revenue:  
 21810-2000100000-767220 Fed – other operating grants 795,741

**Recommendation 5:** *That the Board approve and direct the Auditor-Controller to make budget adjustments increasing appropriations for the Law Office of the Public Defender by \$2,125, as follows:*

Increase appropriations:  
 10000-2400100000-527840 Training – education/tuition \$2,125  
 10000-2400100000-572200 Intrafund – grant (2,125)

**Recommendation 6:** *That the Board approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenue for a DUI drug grant for the District Attorney by \$317,743, as follows:*

Increase estimated revenue:  
 10000-2200100000-767450 Fed – office of traffic safety grants \$317,743

Increase appropriations:  
 10000-2200100000-510040 Regular salaries 201,446  
 10000-2200100000-518100 Budgeted benefits 116,297  
 Total 317,743

**Recommendation 7:** *That the Board approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenue for an insurance*



*fraud grant for the District Attorney by \$129,865, as follows:*

Increase estimated revenue:		
10000-2200100000-755360	CA - workers comp insurance fraud	\$129,865
Increase appropriations:		
10000-2200100000-510040	Regular salaries	78,841
10000-2200100000-518100	Budgeted benefits	<u>51,024</u>
	Total	129,865

***Recommendation 8:*** *That the Board approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenue for an auto insurance fraud grant by \$9,750, as follows:*

Increase estimated revenue:		
10000-2200100000-755460	CA - DA auto insurance fraud	\$9,750
Increase appropriations:		
10000-2200100000-510040	Regular salaries	5,860
10000-2200100000-518100	Budgeted benefits	<u>3,890</u>
	Total	9,750

***Recommendation 9:*** *That the Board approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenue for a disability and healthcare grant for the District attorney by \$140,858, as follows:*

Increase estimated revenue:		
10000-2200100000-755650	CA – disability healthcare fraud	\$140,858
Increase appropriations:		
10000-2200100000-510040	Regular salaries	91,417
10000-2200100000-518100	Budgeted benefits	<u>49,441</u>
	Total	140,858

***Recommendation 10:*** *That the Board approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenue for a life and annuity grant for the District Attorney by \$18,673, as follows:*

Increase estimated revenue:		
10000-2200100000-755840	CA – life annuity consumer project	\$18,673
Increase appropriations:		
10000-2200100000-510040	Regular salaries	12,119
10000-2200100000-518100	Budgeted benefits	<u>6,554</u>
	Total	18,673

***Recommendation 11:*** *That the Board approve and direct the Auditor-Controller to make*

## Attachment A

*budget adjustments decreasing appropriations and estimated revenue for a DUI death and injury grant by \$155,328, as follows:*

Decrease estimated revenue:		
10000-2200100000-767450	Fed – office of traffic safety grants	\$155,328

Decrease appropriations:		
10000-2200100000-510040	Regular salaries	155,328

**Recommendation 12:** *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations for the Sheriff by \$36,000, as follows:*

Increase appropriations:		
10000-2500300000-546160	Equipment - other	\$ 36,000
10000-2500300000-572200	Intrafund - grant	(36,000)

**Recommendation 13:** *That the Board approve and direct the Auditor-Controller to make budget adjustments to appropriations and estimated revenue for Public Health as follows:*

Increase appropriations:		
10000-4200100000-510240	Per diem salaries	\$ 192,859
10000-4200100000-520230	Cellular phones	650
10000-4200100000-523640	Computer equipment - non fixed asset	1,800
10000-4200100000-523700	Office supplies	302
10000-4200100000-523800	Printing/binding	1,000
10000-4200100000-524500	Administrative support - direct	48,215
10000-4200100000-527780	Special program expense	500
10000-4200100000-528140	Conference/registration fees	650
10000-4200100000-528920	Car pool expense	2,300
10000-4200100000-546160	Equipment - other	<u>6,355</u>
	Total	254,631

Decrease appropriations:		
10000-4200100000-510040	Regular salaries	527,343
10000-4200100000-510500	Standby pay	9,459
10000-4200100000-518100	Budgeted benefits	224,560
10000-4200100000-520230	Cellular phones	4,795
10000-4200100000-520330	Communications services	3,000
10000-4200100000-520705	Food	1,500
10000-4200100000-521380	Maintenance - copier machines	7,553
10000-4200100000-523220	License/permits	60
10000-4200100000-523620	Books/publications	1,955
10000-4200100000-523640	Computer equipment - non fixed asset	5,662
10000-4200100000-523760	Postage - mailing	800

10000-4200100000-523800	Printing/binding	5,223
10000-4200100000-526960	Small tools and instruments	14,000
10000-4200100000-527780	Special program expense	9,623
10000-4200100000-527840	Training - education/tuition	500
10000-4200100000-528140	Conference/registration fees	2,725
10000-4200100000-528900	Air transportation	1,773
10000-4200100000-528920	Car pool expense	4,850
10000-4200100000-528960	Lodging	1,680
10000-4200100000-528980	Meals	710
10000-4200100000-529000	Miscellaneous - travel expense	300
10000-4200100000-529040	Private mileage reimbursement	<u>5,250</u>
	Total	833,321

## Increase estimated revenue:

10000-4200100000-762040	Federal - health grants	248,276
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## Decrease estimated revenue:

10000-4200100000-754000	CA – tobacco tax prop. 10	680,814
10000-4200100000-767280	Federal - federal revenue	<u>146,152</u>
	Total	826,966

## Increase estimated revenue:

21750-4200100000-740020	Interest - invested funds	6
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## Increase appropriations:

21750-4200100000-551000	Operating transfers - out	6
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## Increase estimated revenue:

21760-4200100000-740020	Interest - invested funds	53
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## Increase appropriations:

21760-4200100000-551000	Operating transfers - out	53
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**Recommendation 14:** That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments to appropriations and estimated revenues for the Department of Public Social Services by \$277,484, as follows:

## Increase estimated revenues:

10000-5100100000-750300	CA - public assistance administration	\$277,484
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## Increase appropriations:

10000-5100100000-530420	Child care services	277,484
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**Recommendation 15:** That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments to appropriations and estimated revenues for the

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*Department of Public Social Services and the Department of Child Support Services by \$1,470,588, as follows:*

Increase estimated revenues:

10000-2300100000-781360	Other miscellaneous revenue	\$500,000
10000-2300100000-761020	Federal family support reimbursement	<u>970,588</u>
	Total	1,470,588

Increase appropriations:

10000-2300100000-520330	Communication services	970,588
10000-2300100000-510040	Regular salaries	<u>500,000</u>
	Total	1,470,588

Increase estimated revenues:

10000-5100300000-755900	CA AB118 local revenue	500,000
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Decrease estimated revenues:

10000-5100300000-781480	Program revenue	500,000
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***Recommendation 16:*** *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments decreasing appropriations and estimated revenues for Office on Aging by \$16,792, as follows:*

Decrease estimated revenue:

21450-5300100000-781360	Other miscellaneous revenue	\$16,792
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Decrease appropriations:

21450-5300100000-510040	Regular salaries	16,792
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***Recommendation 17:*** *That the Board of Supervisors 1) approve the acquisition of a fixed dye perforator and 2) approve and direct the Auditor-Controller to make budget adjustments to appropriations for the Building and Safety Department by \$6,000, as follows:*

Decrease appropriations:

20250-3110100000-523290	Bank charges	\$6,000
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Increase appropriations:

20250-3110100000-546160	Equipment - other	6,000
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***Recommendation 18:*** *That the Board of Supervisors 1) approve acquisition of one large format printer, copier, scanner; and, 2) approve and direct the Auditor-Controller to make budget adjustments to appropriations for the Department of Environmental Health by \$8,500 as follows:*

Decrease appropriations:  
 10000-4200400000-523680 Office equipment – non-fixed assets \$8,500

Increase appropriations:  
 10000-4200400000-546160 Equipment – other 8,500

**Recommendation 19:** *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and decreasing restricted fund balance for the Transportation Developer Agreement fund by \$1,058, as follows:*

Anticipated use of restricted fund balance:  
 31680-3130500000-322100 Restricted for construction/capital projects \$1,058

Increase appropriations:  
 31680-3130500000-551000 Operating transfers – out 1,058

**Recommendation 20:** *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and use of assigned fund balance available for TLMA Administration by \$1,016,466, as follows:*

Anticipated use of assigned fund balance:  
 20200-3100200000-350100 Assigned fund balance for program money \$1,016,466

Increase appropriations:  
 20200-3100200000-546280 Capitalized software 1,016,466

**Recommendation 21:** *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues, and releasing committed fund balance available for the Economic Development Agency by \$1,380,414, as follows:*

Increase estimated revenues:  
 21100-1900500000-781360 Other miscellaneous revenue \$1,361,691

Release assigned fund balance:  
 21100-1900500000-350100 AFB for program money 18,723

Increase appropriations:  
 21100-1900500000-522310 Maintenance - building and improvement 689,906  
 21100-1900500000-526700 Rent - lease buildings 671,785  
 21100-1900500000-527780 Special program expense 18,723  
 Total 1,380,414

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**Recommendation 22:** That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations, estimated revenues, and use of restricted fund balance for the County Free Library by \$589,159, as follows:

Increase appropriations:		
21200-1900700000-520820	Janitorial services	\$ 18,000
21200-1900700000-523620	Books/publications	40,000
21200-1900700000-523880	Copier	250,000
21200-1900700000-528500	Project cost expense	60,000
21200-1900700000-530280	Private care provider	140,000
21200-1900700000-536240	Other contract agencies	<u>81,159</u>
	Total	589,159
Increase estimated revenues:		
21200-1900700000-769200	Other government - city governments	40,000
21200-1900700000-776600	Library services	117,760
21200-1900700000-781220	Contributions & donations	<u>4,527</u>
	Total	162,287
Anticipated use of restricted fund balance:		
21200-1900700000-321101	Restricted program money	426,872

**Recommendation 23:** That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations, estimated revenues, and use of assigned fund balance for the County Airports by \$528,287, as follows:

Increase appropriations:		
22100-1910700000-522410	Maintenance - tenant improvement	\$ 9,000
22100-1910700000-525020	Legal services	151,444
22100-1910700000-526420	Advertising	17,500
22100-1910700000-527660	Operational marketing	250,000
22100-1910700000-537020	Interfund expense - legal services	22,500
22100-1910700000-537180	Interfund expense - salary reimbursement	47,843
22100-1910700000-537280	Interfund expense - miscellaneous project expense	<u>30,000</u>
	Total	528,287
Increase estimated revenues:		
22100-1910700000-741500	Temporary use lease	51,035
22100-1910700000-780240	Sales - gas & oil franchise fees	54,376
22100-1910700000-781560	Contribution from - non county agencies	<u>64,200</u>
	Total	169,611
Anticipated use of assigned fund balance:		
22100-1910700000-350100	AFB for program money	358,676

**Recommendation 24:** That the Board of Supervisors approve and direct the Auditor-

*Controller to make budget adjustments increasing appropriations and use of restricted fund balance for the Special Aviation division's Desert Center unit by \$533,375, as follows:*

Increase appropriations:		
22350-1910500000- 551100	Contribution to other funds	\$533,375
Anticipated use of restricted fund balance:		
22350-1910500000-321101	Restricted program money	533,375

***Recommendation 25:*** *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues for the Special Aviation/Blythe by \$723,154, as follows:*

Increase appropriations:		
22350-1910100000-525440	Professional services	\$220,000
22350-1910100000-542040	Buildings - capital projects	<u>503,154</u>
		723,154
Increase estimated revenues:		
22350-1910100000-767060	Federal - airports improvements	624,719
22350-1910100000-790600	Contribution from other county funds	<u>98,435</u>
	Total	723,154

***Recommendation 26:*** *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations, estimated revenues, and restricted fund balance for Special Aviation/Hemet Ryan by a net of \$9,627, as follows:*

Increase appropriations:		
22350-1910300000-546060	Equipment - communications	\$ 9,627
Increase estimated revenues:		
22350-1910300000-767060	Federal - airports improvements	9,627
22350-1910300000-790600	Contribution from other county funds	<u>244,055</u>
	Total	253,682

Increase restricted fund balance:		
22350-1910300000-321101	Restricted program money	244,055

***Recommendation 27:*** *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues for the Special Aviation/Chiriaco Summit by \$52,068, as follows:*

Increase appropriations:		
22350-1910400000-542040	Buildings - capital projects	\$52,068

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Increase estimated revenues:  
22350-1910400000-790600 Contribution from other county funds 52,068

**Recommendation 28:** *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations, estimated revenues, and restricted fund balance for the Special Aviation French Valley by a net of \$1,047,770, as follows:*

Increase appropriations:  
22350-1910600000-542040 Buildings - capital projects \$1,047,770

Increase estimated revenues:  
22350-1910600000-767060 Federal - airports improvements 918,000  
22350-1910600000-790600 Contribution from other county funds 138,817  
Total 1,056,817

Anticipated increase in restricted fund balance:  
22350-1910600000-321101 Restricted program money 9,047

**Recommendation 29:** *The Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues for Edward Dean Museum by \$138,463, as follows:*

Increase appropriations:  
10000-1930100000-522310 Maintenance - building and improvement \$138,463

Increase estimated revenue:  
10000-1930100000-790600 Contribution from other county funds 138,463

**Recommendation 30:** *The Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues for Community Facility District 17-2M Bella Vista II by \$65,562, as follows:*

Increase appropriations:  
20610-991100-522320 Maintenance - grounds \$23,000  
20610-991100-529530 Street lights 9,595  
20610-991100-529540 Utilities 12,562  
20610-991100-536740 Interfund expense - admin support indirect 10,000  
20610-991100-537180 Interfund expense - salary reimbursement 10,405  
Total 65,562

Increase estimated revenues:  
20610-991100-770100 Special assessments 60,462  
20610-991100-740020 Interest - invested funds 100



20610-991100-781360	Other miscellaneous revenue	<u>5,000</u>
	Total	65,562

**Recommendation 31:** *The Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues for Community Facility District 17-1M Conestoga by \$56,000, as follows:*

Increase appropriations:		
20620-991105-522320	Maintenance - grounds	\$20,000
20620-991105-529530	Street lights	6,595
20620-991105-529540	Utilities	9,000
20620-991105-536740	Interfund expense - admin support indirect	10,000
20620-991105-537180	Interfund expense - salary reimbursement	<u>10,405</u>
	Total	56,000
Increase estimated revenues:		
20620-991105-770100	Special assessments	50,900
20620-991105-740020	Interest - invested funds	100
20620-991105-781360	Other miscellaneous revenue	<u>5,000</u>
	Total	56,000

**Recommendation 32:** *The Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and use of restricted fund balance for CSA Admin by \$138,000, as follows:*

Increase appropriations:		
23010-915202-510040	Regular salaries	\$128,000
23010-915202-518100	Budgeted benefits	<u>10,000</u>
	Total	138,000
Anticipated use of restricted fund balance:		
23010-915202-321101	Restricted program money	138,000

**Recommendation 33:** *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and use of restricted fund balance for CSA 38 by \$143,000, as follows:*

Increase appropriations:		
23400-903801-527780	Special program expense	\$60,000
23400-903801-537080	Interfund expense - miscellaneous	83,000
	Total	143,000
Anticipated use of restricted fund balance:		
23400-903801- 321101	Restricted program money	143,000

## Attachment A

**Recommendation 34:** *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and use of restricted fund balance for CSA 41A by \$520,660, as follows:*

Increase appropriations:		
23425-904101-522610	Road maintenance supplies	\$ 1,000
23425-904101-536740	Interfund expense - admin support indirect	660
23425-904101-537160	Interfund expense - road maintenance grading	<u>519,000</u>
	Total	520,660

Anticipated use of restricted fund balance:		
23425-904101-321101	Restricted program money	520,660

**Recommendation 35:** *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and use of restricted fund balance for CSA 41B by \$81,706, as follows:*

Increase appropriations:		
23450-904101-551100	Contribution to other funds	\$81,706

Anticipated use of restricted fund balance:		
23450-904101-321101	Restricted program money	81,706

**Recommendation 36:** *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and use of restricted fund balance for CSA 85 by \$11,000, as follows:*

Increase appropriations:		
23850-908501-529530	Street lights	\$5,500
23850-908501-529540	Utilities	<u>5,500</u>
	Total	11,000

Anticipated use of restricted fund balance:		
23850-908501-321101	Restricted program money	11,000

**Recommendation 37:** *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and use of restricted fund balance for CSA 103 by \$200,000, as follows:*

Increase appropriations:		
24075-910301-529530	Street lights	\$200,000

Anticipated use of restricted fund balance:		
24075-910301-321101	Restricted program money	200,000

**Recommendation 38:** That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and use of restricted fund balance for CSA 121 by \$28,000, as follows:

Increase appropriations:		
24250-912101-522320	Maintenance - grounds	\$28,000
Anticipated use of restricted fund balance:		
24250-912101-321101	Restricted program money	28,000

**Recommendation 39:** That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and use of restricted fund balance for CSA 124 by \$30,000, as follows:

Increase appropriations:		
24275-912411-522320	Maintenance - grounds	\$15,000
24275-912411-537160	Interfund expense - road maintenance grading	<u>15,000</u>
	Total	30,000
Anticipated use of restricted fund balance:		
24275-912411-321101	Restricted program money	30,000

**Recommendation 40:** That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and use of restricted fund balance for CSA 126 by \$160,000, as follows:

Increase appropriations:		
24325-912601-522320	Maintenance - grounds	\$100,000
24325-912601-529550	Water	<u>60,000</u>
	Total	160,000
Anticipated use of restricted fund balance:		
24325-912601-321101	Restricted program money	160,000

**Recommendation 41:** That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and use of restricted fund balance for CSA 128 by \$200,000, as follows:

Increase appropriations:		
24350-912801-537160	Interfund expense - road maintenance grading	\$200,000
Anticipated use of restricted fund balance:		
24350-912801-321101	Restricted program money	200,000

## Attachment A

**Recommendation 42:** That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and use of restricted fund balance for CSA 132 by \$20,000, as follows:

Increase appropriations:		
24400-913201-529530	Street lights	\$20,000
Anticipated use of restricted fund balance:		
24400-913201-321101	Restricted program money	20,000

**Recommendation 43:** That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and use of restricted fund balance for CSA 134 by \$133,000, as follow:

Increase appropriations:		
24425-913401-522320	Maintenance - grounds	\$90,000
24425-913401-529550	Water	<u>43,000</u>
	Total	133,000
Anticipated use of restricted fund balance:		
24425-913401-321101	Restricted program money	133,000

**Recommendation 44:** That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues and use of restricted fund balance for CSA 143 by \$300,000, as follows:

Increase appropriations:		
24550-914301-522320	Maintenance - grounds	\$190,000
24550-914301-523270	Special events	100,000
24550-914301-529550	Water	<u>10,000</u>
	Total	300,000
Increase of estimated revenues:		
24550-914301-778280	Interfund - reimbursement for service	102,926
Anticipated use of restricted fund balance:		
24550-914301-321101	Restricted program money	197,074

**Recommendation 45:** That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and use of restricted fund balance for CSA 149 by \$26,500, as follows:

Increase appropriations:		
24825-914901-522320	Maintenance - grounds	\$26,500

Anticipated use of restricted fund balance:		
24825-914901-321101	Restricted program money	26,500

**Recommendation 46:** *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and use of restricted fund balance for CSA 152SF by \$182,000, as follows:*

Increase appropriations:		
24875-915201-522320	Maintenance - grounds	\$120,000
24875-915201-529540	Utilities	18,000
24875-915201-529550	Water	<u>44,000</u>
	Total	182,000

Anticipated use of restricted fund balance:		
24875-915201-321101	Restricted program money	182,000

**Recommendation 47:** *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and use of restricted fund balance for CSA 152A by \$75,715, as follows:*

Increase appropriations:		
31560-915201-540040	Land	\$75,715

Anticipated use of restricted fund balance:		
31560-915201-322100	Restricted for construction/capital project	75,715

**Recommendation 48:** *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and use of restricted fund balance for CSA 152NPDES by \$201,000, as follows:*

Increase appropriations:		
24625-915201-522320	Maintenance - grounds	\$100,000
24625-915201-528920	Car pool expense	<u>101,000</u>
	Total	201,000

Anticipated use of restricted fund balance:		
24625-915201-321101	Restricted program money	201,000

**Recommendation 49:** *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments to appropriations, estimated revenue, and use of restricted fund balance for the County Water Receivership fund by \$201,486, as follows:*

Increase appropriations:

## Attachment A

65964-7200600000-523760	Postage - mailing	\$ 100
65964-7200600000-525020	Legal services	500
65964-7200600000-525500	Salary/benefit reimbursement	500
65964-7200600000-528500	Project cost expense	2,230
65964-7200600000-551100	Contributions to other funds	<u>198,156</u>
	Total	201,486

Increase estimated revenue:

65964-7200600000-740020	Interest - invested funds	405
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Anticipated use of restricted fund balance:

65964-7200600000-308153	Reserve clearing w/o fund balance	201,081
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Increase estimated revenue:

10000-1101000000-790600	Contributions from other county funds	198,156
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Anticipated increase to unassigned fund balance:

10000-1101000000-370100	Unassigned fund balance	198,156
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Increase appropriations:

10000-1109000000-581000	Appropriations for contingencies	198,156
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Anticipated use of unassigned fund balance:

10000-1109000000- 370100	Unassigned fund balance	198,156
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**Recommendation 50:** *Recommends that the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments to appropriations, estimated revenue, and restricted fund balance for the Capital Fund by \$295,635, as follows:*

Increase appropriations:

30100-7200800000-551000	Operating transfers-out	\$295,635
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Anticipated use of restricted fund balance:

30102-7200800000-322103	Restricted general	169,131
30103-7200800000-322103	Restricted general	<u>126,504</u>
	Total	295,635

Increase estimated revenues:

31540-1100100000-790500	Operating transfers-in	295,635
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Anticipated increase in restricted fund balance:

31543-1100100000-321158	Restricted for RDA capital improvements	295,635
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**Recommendation 51:** *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations, estimated revenues, and use of restricted fund balance for Perris Valley Cemetery by \$93,150 and*

*appropriations for Contingency and Contributions to Other Funds by \$50,000, as follows:*

Increase appropriations:		
22900-980503-522320	Maintenance - grounds	\$28,505
22900-980503-527560	Direct materials	12,495
22900-980503-536200	Contribution to other non-county agency	50,000
22900-980503-537080	Interfund expense - miscellaneous	<u>2,150</u>
	Total	93,150

Increase estimated revenue:		
22900-980503-790600	Contribution from other county funds	50,000

Anticipated use of restricted fund balance:		
22900-980503-321101	Restricted program money	43,150

Decrease appropriations:		
10000-1109000000-581000	Appropriation for contingencies	50,000

Anticipated increase in fund balance:		
10000-1109000000-370100	Unassigned fund balance	50,000

Increase appropriations:		
10000-1101000000-551100	Contributions to other funds	50,000

Anticipated use of fund balance:		
10000-1101000000-370100	Unassigned fund balance	50,000

***Recommendation 52:*** *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and use of restricted fund balance for the County Community Parks by \$332,446, as follows:*

Increase appropriations:		
33200-915201-551100	Contribution to other funds	\$332,446

Anticipated use of restricted fund balance:		
33200-915201-321100	Restricted general	242,476
33200-915201-321101	Restricted program money	<u>89,970</u>
	Total	332,446

***Recommendation 53:*** *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing estimated revenue and restricted fund balance for the EDA Community Park & Centers by \$358,000, as follows:*

Increase estimated revenues:		
21830-7201200000-790600	Contribution from other county funds	\$358,000

## Attachment A

Anticipated increase in restricted fund balance:  
 21830-7201200000-321101 Restricted program money 358,000

**Recommendation 54:** *That the Board of Supervisors approve and direct the Auditor Controller to adjust appropriations and estimated revenues for the Regional Park and Open Space District as follows:*

Decrease estimated revenues:  
 25400-931104-776740 Recreation fees \$32,235

Decrease appropriations:  
 25400-931104-537090 Interfund expense - personnel services 32,235

Increase estimated revenues:  
 25420-931180-776740 Recreation fees 15,151  
 25430-931170-776740 Recreation fees 3,222  
 25510-931108-777610 Utilities 521  
 25520-931107-776740 Recreation fees 4,897  
 25540-931116-777520 Reimbursement for services 3,758  
 25550-931101-740020 Interest – invested funds 121  
 25590-931150-777520 Reimbursement for services 4,583  
 Total 32,235

Increase appropriations:  
 25420-931180-537090 Interfund expense - personnel services 15,151  
 25430-931170-537090 Interfund expense - personnel services 3,222  
 25510-931108-537090 Interfund expense - personnel services 521  
 25520-931107-537090 Interfund expense - personnel services 4,897  
 25540-931116-537090 Interfund expense - personnel services 3,758  
 25550-931101-537090 Interfund expense - personnel services 121  
 25590-931150-537090 Interfund expense - personnel services 4,583  
 Total 32,235

**Recommendation 55:** *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues for Human Resources by \$334,322, as follows:*

Increase estimated revenues:  
 10000-1130100000-777030 Personnel services \$334,322

Increase appropriations:  
 10000-1130100000-510040 Regular salaries 307,580  
 10000-1130100000-518100 Budgeted benefits 133,796  
 10000-1130100000-525440 Professional services 42,000  
 10000-1130100000-572800 Intrafund expense – miscellaneous (42,000)



10000-1130100000-572900	Intrafund expense – personnel	(107,054)
	Total	<u>334,322</u>

**Recommendation 56:** *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and use of unrestricted net assets for Supply Services by \$582,765, as follows:*

Increase appropriations:

45700-7300400000-522310	Maintenance – building and improvement	\$582,765
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Anticipated use of unrestricted net assets:

45700-7300400000-380100	Unrestricted net assets	582,765
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**Recommendation 57:** *That the Board of Supervisors 1) approve and authorize the purchase of twenty-five (25) vehicles; and, 2) direct the Auditor-Controller to make budget adjustments increasing appropriations, estimated revenue, and use of net assets for Fleet Services by \$106,912, as follows:*

Increase estimated revenue:

45300-7300500000-777620	Vehicle cost recovery	\$65,287
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Increase appropriations:

45300-7300500000-532600	Capital lease – purchase principal	64,031
45300-7300500000-533720	Capital lease – purchase interest	1,256
45300-7300500000-535560	Depreciation – equipment	<u>41,625</u>
	Total	106,912

Anticipated use of unrestricted net assets:

45300-7300500000-380100	Unrestricted net assets	41,625
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RESOLUTION NO. 440-9070

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY RIVERSIDE  
AMENDING ORDINANCE NO. 440

BE IT RESOLVED by the Board of Supervisors of the County of Riverside, State of California, in regular session assembled on November 14, 2017, that pursuant to Section 4(a)(ii) of Ordinance No. 440, the Executive Office is authorized to make the following listed change(s), operative on the date of approval, as follows:

<u>Job Code</u>	<u>+/-</u>	<u>Department ID</u>	<u>Class Title</u>	<u>Type</u>
78511	+1	1500100000	Deputy County Counsel I	Regular



Approved by Michael T. Stock  
Asst. County Executive Officer/  
Human Resources Director

# COUNTY OF RIVERSIDE

## EXECUTIVE OFFICE

GEORGE A. JOHNSON  
COUNTY EXECUTIVE OFFICER



LISA BRANDL  
CHIEF OPERATING OFFICER

DON KENT  
ASSISTANT COUNTY EXECUTIVE OFFICER  
COUNTY FINANCE OFFICER

### Budget Policies November 2017

The budget will be maintained and amended, and future year budgets and long-range budget plans developed, based on the following budget policies:

1. **Strategic Objectives:** Allocation of the county's limited resources will be prioritized based on the county's overarching strategic organizational objectives.
2. **Financial Objectives:** In addition to the basic requirements for a balanced budget required by the state Budget Act, the county budget shall also strive toward meeting the following financial objectives within all of its funds:
  - a. **Structural Balance:** Achieve a structurally balanced budget in which ongoing expenditures do not exceed ongoing revenues, and limiting one-time resources to one-time expenditures.
  - b. **Prudent Reserves:** Achieve and maintain prudent reserves and working capital in all funds as required by Board Policy B-30. Maintain general fund discretionary reserves above \$150 million, and replenish and rebuild these reserves as soon as financial conditions allow.
  - c. **Restricted fund balance and net assets:** Avoid accumulation of unexpended restricted fund balance and net assets, except where necessary for prudent reserves, working capital, or specified purposes as required by Board Policy B-30.
  - d. **Committed and Assigned Fund Balance and Net Assets:** Hold commitments and assignments of fund balance or net assets only as long as necessary to provide for the purpose for which they are established, and release those no longer necessary and apply them either to other one-time uses or reserves.
3. **One-time Resources:** In line with the financial objective of achieving structural balance, one-time resources derived from unexpected or excess revenue or cost savings should be set aside to build reserves, not to backfill ongoing operations.
4. **Net Costs**
  - a. **General Fund Net County Cost (NCC):** Aggregate net county costs shall be held stable until the general fund is structurally balanced and discretionary reserves are rebuilt. Ongoing discretionary funding allocated to general fund departments shall be recommended by the Executive Office; and all general fund budgets will be submitted within these net cost allocations. Budget requests exceeding NCC allocations may either be returned by the Executive Office to department heads for adjustment, or modified by the Executive Office as necessary to meet net cost allocation objectives.

## Budget Policies

- b. **Net Costs in Other Funds:** The net costs of other non-general fund budget units will be kept within levels sufficient to maintain budgetary balance and sustainable levels of working capital over the long-term.
5. **Revenue Recognition:** Unless otherwise mandated or restricted, all departmental revenues shall be recognized in the year received in accordance with GASB standards.
6. **General Fund Support “Last In/First Out”:** Departmental resources should be applied first, ensuring general fund support is provided only as necessary.
7. **Departmental Revenue:** Departmental revenue shortfalls will not be backfilled by the general fund. Departments should adjust their estimated revenues and appropriations accordingly for expected reductions in all outside revenue including, but not limited to, property tax, grant funds, public safety sales tax, state and federal funding.
8. **Budget Impacts:** Departments shall implement measures necessary to provide core services within allocated NCC, such as attrition, improved efficiency, or program reductions. Detailed written requests to restore cuts shall be presented separately to the Executive Office with the budget submittal. Budgets submitted with backfill assumed and incorporated into budget submittals, and that consequently exceed NCC allocations, may be returned for adjustment or modified by the Executive Office as necessary to meet the NCC allocated.
9. **Priorities in Budget Construction:** Budgets should be built prioritizing first all non-elective obligations, then mission-critical operational costs, and lastly all non-essential elective costs. So, the unavoidable basic costs of doing business, such as rent, debt service, and utilities should be budgeted first, including any anticipated increases for these expenditures. Next, budget for the operational costs of completing core missions, such as payroll, essential materials and services. Finally, budget for non-essential elective costs, such as subscriptions, memberships, travel, and redecoration.
10. **Cost of Living Allowances (COLAs), Pension Obligations, and Other Labor Costs:** All departments will absorb all cost of living, pension, and other labor increases, including merit increases, cash outs of annual leave, and overtime.
11. **Vacant Positions:** With the exception of extraordinary situations handled on a case-by-case basis, unfunded vacant positions shall be deleted.
12. **Position Activity:** Deletion, addition, or exchange of positions during budget preparation and approval should be limited to prevent conflicts or discrepancies with the requested position levels on which funding decisions depend.
13. **Vehicles and other fixed assets:** Authorization for the acquisition of vehicles and other fixed assets shall only be valid for the year in which they are initially budgeted and shall expire at the end of that fiscal year. Authorized vehicles and other fixed assets for which purchase orders are not initiated by year-end shall not roll over to the subsequent fiscal year, but may be submitted for consideration for reauthorization the following fiscal year subject to availability of funding.
14. **Submittal Deadlines:** All departments will submit their FY 18/19 budget requests to the Executive Office no later than Monday, March 12, 2017. To be considered on time, budget requests must be completed in accordance with these budget policies.

County of Riverside Executive Office  
High-level Budget Schedule

	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22
1st quarter budget briefing (EO Budget Team Leads/Dept budget staff attends)		09/27/18	09/26/19	09/24/20	09/30/21
1st quarter department status reports	10/10/17	10/09/18	10/07/19	10/13/20	10/12/21
<b>1st quarter report to Board</b> (EO Execs Lead)	<b>11/14/17</b>	<b>11/13/18</b>	<b>11/19/19</b>	<b>11/17/20</b>	<b>11/16/21</b>
2nd quarter budget briefing (EO Budget Team Leads/Dept budget staff attends)	11/30/17	11/29/18	12/05/19	12/03/20	12/02/21
2nd quarter department status reports	01/08/18	01/09/19	01/09/20	01/11/21	01/10/22
Budget kickoff for next budget cycle (EO Budget Team Leads/Dept budget staff attends)	01/18/18	01/17/19	01/16/20	01/19/21	01/13/22
<b>ISF Rate Approval for next cycle</b> (EO Execs Lead)	<b>01/30/18</b>	<b>01/29/19</b>	<b>01/28/20</b>	<b>01/26/21</b>	<b>01/25/22</b>
<b>2nd quarter report to Board</b> (EO Execs Lead)	<b>02/06/18</b>	<b>02/05/19</b>	<b>02/04/20</b>	<b>02/09/21</b>	<b>02/08/22</b>
3rd quarter budget briefing (EO Budget Team Leads/Dept budget staff attends)	03/01/18	02/28/18	02/27/20	03/04/21	03/03/22
Budget submittals due for next budget	03/12/18	03/11/19	03/09/20	03/15/21	03/14/22
3rd quarter department status reports	04/09/18	04/08/19	04/06/20	04/12/21	04/11/22
Suspend CTRs	05/01/18	05/01/19	05/01/20	05/01/21	05/01/22
<b>3rd quarter report &amp; budget preview</b> (EO Execs Lead)	<b>05/22/18</b>	<b>05/14/19</b>	<b>05/12/20</b>	<b>05/11/21</b>	<b>05/17/22</b>
Year-end budget briefing (EO Budget Team Leads/Dept budget staff attends)	05/23/18	06/06/19	06/04/20	06/03/21	06/02/22
<b>Recommended budget presented &amp; budget hearings opened</b> (EO Execs Lead)	<b>06/11/18</b>	<b>06/10/19</b>	<b>06/15/20</b>	<b>06/14/21</b>	<b>06/13/22</b>
<b><u>Statutory deadline by which Board must approve next recommended budget</u></b>	<b><u>06/30/18</u></b>	<b><u>06/30/19</u></b>	<b><u>06/30/20</u></b>	<b><u>06/30/21</u></b>	<b><u>06/30/22</u></b>
<b>Adjustments to next recommended budget presented</b> (EO Execs Lead)	<b>07/31/18</b>	<b>07/30/19</b>	<b>07/28/20</b>	<b>07/27/21</b>	<b>07/26/22</b>
Year-end clean-up adjustments due	08/06/18	08/05/19	08/03/20	08/09/21	08/08/22
<b>Year-end clean-up of old year budgeted appropriations (as needed)</b> (EO Budget Team Leads)	<b>08/28/18</b>	<b>08/27/19</b>	<b>08/25/20</b>	<b>08/31/21</b>	<b>08/30/22</b>
<b>Next budget adopted</b> (EO Execs Lead)	<b>09/25/18</b>	<b>09/24/19</b>	<b>09/29/20</b>	<b>09/28/21</b>	<b>09/27/22</b>
<b><u>Statutory deadline by which Board must formally adopt next budget</u></b>	<b><u>10/02/18</u></b>	<b><u>10/02/19</u></b>	<b><u>10/02/20</u></b>	<b><u>10/02/21</u></b>	<b><u>10/02/22</u></b>
<b><u>Statutory deadline by which to file next adopted budget with Clerk of the Board and State Controller</u></b>	<b><u>12/01/18</u></b>	<b><u>12/01/19</u></b>	<b><u>12/01/20</u></b>	<b><u>12/01/21</u></b>	<b><u>12/01/22</u></b>

All dates not in *italics* are tentative and subject to change.

Items in **bold** indicate Board dates.

Items underlined are statutory deadlines.



## Highlights & Accomplishments

Update for each workstream, including progress made on specific recommendations

Workstream	Status	Update
<b>CJS: Sheriff's Office</b>		<p>Based on the successful completion of the Patrol schedule pilot at Hemet Station in July, and most recently at the Lake Elsinore Station this month, the RSO and CJS Project Team are developing schedules for the County and Contract City stations in preparation for a November implementation. Additionally, progress has been made on non-patrol related recommendations as noted below, including presentation of the Force Mixture study and development of Corrections pilot schedules.</p> <ul style="list-style-type: none"> <li>▪ The CJS Project Team delivered optimized schedules for the Transportation unit within Robert Presley Detention Center, baseline pilot phase is anticipated to begin in October with the pilot commencing in November.</li> <li>▪ RSO leadership have been provided with an updated list of jail super-utilizers and the JBDC staffing analysis is underway.</li> <li>▪ The Force Mixture study has been presented to RSO leadership and validation is underway with RSO unit leadership.</li> </ul>
<b>CJS: Probation</b>		<p>Progress was made on all active recommendations, with next steps confirmed for recommendations that are moving to implementation.</p> <ul style="list-style-type: none"> <li>▪ Pilot evaluation metrics and pilot location criteria were developed to be validated by Institution Services Leadership.</li> <li>▪ Department Leadership agreed to begin implementation of Program Evaluation Framework. Development of workshops for program staff is underway and will determine performance metrics and begin development of Program Performance Manual for all Department programs and services.</li> </ul>
<b>CJS: Public Defender's Office</b>		<p>Progress was made on all active recommendations, as the CJS Project team and departments move toward implementation as indicated below:</p> <ul style="list-style-type: none"> <li>▪ The Public Defender and District Attorney have begun Phase I of the pilot and both departments are tracking time and activities across roles in the current state to inform Phase II of the pilot.</li> </ul>
<b>CJS: District Attorney's Office</b>		<ul style="list-style-type: none"> <li>▪ The CJS Project Team is currently conducting analysis with the collected data to further identify potential opportunities to inform the workforce mixture study.</li> </ul>

<b>Highlights &amp; Accomplishments</b>		
Update for each workstream, including progress made on specific recommendations		
<b>Workstream</b>	<b>Status</b>	<b>Update</b>
<b>Cross System Integration</b>		<p>Progress was made on all active recommendations.</p> <ul style="list-style-type: none"> <li>▪ The CSI Policy Group formally signed off the program evaluation methodology and data requests have been shared with each of the departments.</li> <li>▪ Initial data has been collated and is being analyzed.</li> <li>▪ The approach to the community needs assessment has been developed and agreed .</li> </ul>
<b>County Performance Unit</b>		<p>The “design” phase of all recommendations is progressing on schedule.</p> <ul style="list-style-type: none"> <li>▪ Worked with Executive Office, Strategic Leadership Team, and ACEOs to develop an initial set of County-level Key Performance Indicators (KPI) that measure achievement of the County’s strategic outcomes Initiated the development of a measurement framework to align priorities at all levels of the County and to guide the Performance and Accountability Review (PAR) process.</li> <li>▪ Continued work to ensure effective transformation initiative governance and Portfolio Steering Group (PSG) support to maintain focus on strategy and accountability.</li> </ul>
<b>HR Transformation</b>		<p>Progress was made on all active recommendations.</p> <ul style="list-style-type: none"> <li>▪ The Project Team focused on developing an integrated project plan and governance structure across both the implementation of the HR shared services delivery model and the Workday human capital management system.</li> <li>▪ An initial draft of the future-state shared services organizational model was developed and presented to HR leadership.</li> </ul>
<b>Fleet, Facilities, and Procurement</b>		<p>The FFP Project Team made progress on all active recommendations.</p> <ul style="list-style-type: none"> <li>▪ The Project Team continued to hold meetings with the Healthcare Department and associated PCSs (RHUS and BH) and continued to progress healthcare sub-category classification and IT sub-categories for Wave 1 implementation.</li> <li>▪ A fleet analysis was performed to identify underutilized vehicles and their corresponding departments.</li> </ul>
<b>TLMA Analytics</b>		<p>The TLMA Project Team continues to enhance TLMA performance metrics and is coordinating efforts with the CPU Project Team to support TLMA leadership in the revised performance and accountability process. This effort is also targeting the analysis of planning cases and code enforcement cost recovery improvement.</p> <ul style="list-style-type: none"> <li>▪ The TLMA Project Team assisted the Code Enforcement Department in developing a flat fee feasibility study by reviewing leading practices, analyzing historical workload data, and coordinating with County Counsel. An initial draft of planning case cost benchmarks has been developed and will be used to inform a predictive cost calculating tool.</li> </ul>