



COUNTY OF RIVERSIDE

STATE OF CALIFORNIA

FISCAL YEAR 2021/2022

THIRD QUARTER
BUDGET REPORT



Prepared by
COUNTY EXECUTIVE OFFICE



Fiscal Year 2021-2022 Third Quarter Report

May 17, 2022

Members of the Board of Supervisors:

At third quarter, we find the financial position of the county to be in a better place as compared to the midyear report. We are showing an increase in projected discretionary revenue, from \$954 million to \$971 million, a net increase of \$17 million. The projected increase is mostly attributable to an increase of \$2.3 million in motor vehicle in-lieu revenue, \$5.1 million in RDA property tax residual assets, \$2.2 million in sales and use taxes, \$3.6 million in documentary transfer tax, and \$1.5 million increase in transient occupancy tax. The net effect of this is reduction in the projected general fund deficit of \$3 million, down from \$53 million in the adopted budget.

**General Fund
Projected Yearend Financial Position Fiscal Year 2021-2022
As of Third Quarter
(\$ in Millions)**

	Adopted Budget	Midyear	Third Quarter
Beginning FY 21/22, Reserves	\$ 284	\$371	\$371
Discretionary Revenue	921	\$954	\$971
Less: Net County Cost	974	\$974	974
Net Deficit from Operations	(53)	(20)	(3)
Ending FY21/22 Reserves	\$ 231	\$351	\$368

In addition to a number of adjustments being made in this report to align departmental revenue and expenses that do not impact the general fund, there are four that will require use of general fund appropriations from contingency: \$1.6 million to the Executive Officer for increased legal fees; \$131,458 for the Emergency Management Department to fund efforts related to a number of emergency responses; \$214,739 to the Fire Department for costs associated with the Filmore Fire; and, \$280,000 to the Public Health Department for funding a Deputy Public Officer. After the recommended adjustments, the general fund appropriations for contingency will have a remaining balance of \$14.5 million.

IT IS RECOMMENDED that the Board of Supervisors:
Receive and file the Fiscal Year 2021-2022 Third Quarter Report and approve the recommendations as set forth therein.

Respectfully,



Jeffrey A. Van Wagenen, Jr.
County Executive Officer

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ATTACHMENT B RESOLUTION NO. 440-9258

ATTACHMENT C HDL MARCH 2022 ECONOMIC FORECAST

BUDGET OUTLOOK

Discretionary Revenue Projections

Overall, projected discretionary revenue estimates are up \$50 million from adopted budget projections. Highlights of the county’s key general-purpose revenues are noted below.

General Fund Projected Discretionary Revenue (in millions)			
	Adopted Budget	Current Quarter Estimate	Variance
Property Taxes	\$436.2	\$437.6	\$1.4
Motor Vehicle In Lieu	302.4	308.1	5.7
RDA Residual Assets	38.7	45.1	6.4
Tax Loss Reserve Overflow	18.4	18.4	-
Fines and Penalties	15.0	15.9	0.9
Sales & Use Taxes	33.4	44.6	11.2
Tobacco Tax	11.5	11.5	-
Documentary Transfer Tax	17.2	25.5	8.3
Franchise Fees	7.0	7.0	-
Interest Earnings	2.5	4.5	2.0
Misc. State	5.0	4.6	(0.4)
Federal In-Lieu	3.5	3.7	0.2
Rebates & Refunds	1.5	6.6	5.1
Other (Prior Year & Misc.)	18.6	27.4	8.8
Operating Transfers In	10.0	10.6	.60
Total	\$921	\$971	\$50

Prop 172 Revenue

The projected Prop 172 revenue continues to grow mostly due to online shopping strength. This trend is expected to continue through FY 22/23.

Prop 172 Projected Revenue (in millions)			
	Adopted Budget	Current Quarter Estimate	Variance
Prop. 172 Public Safety Sales Tax	232.8	260.1	27.3

Property Taxes

Property tax revenue and motor vehicle fee revenue received in-lieu of property taxes, were both budgeted based on 5 percent growth in assessed values.

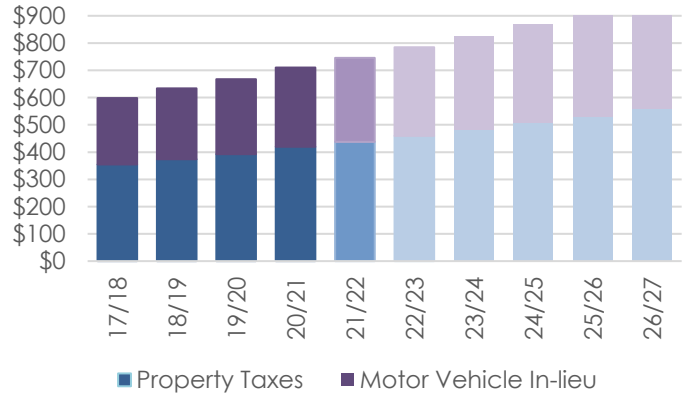
Sales and Use Taxes

In this report, the county’s current sales and use tax projections assume an increase of \$11.2 million from the adopted budget. Riverside County fared better than other Southern California counties through the COVID-19 pandemic. Most sales tax categories are still strong. The projected increase is mostly due to updated pro-rata factors for the statewide sales tax pool of revenue. It is anticipated that increases will start leveling off in FY 22/23 ranging between 3 to 5 percent growth.

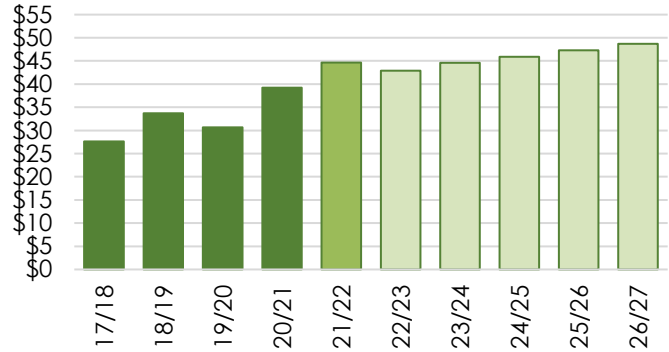
Prop. 172 Public Safety Sales Tax

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. Due to an increase in the pro rata share of the statewide pool, the county benefited greatly. As of this report, HdL Companies is projecting FY 21/22 ending revenue to be \$260 million, an increase of \$27.3 million from adopted budget projections.

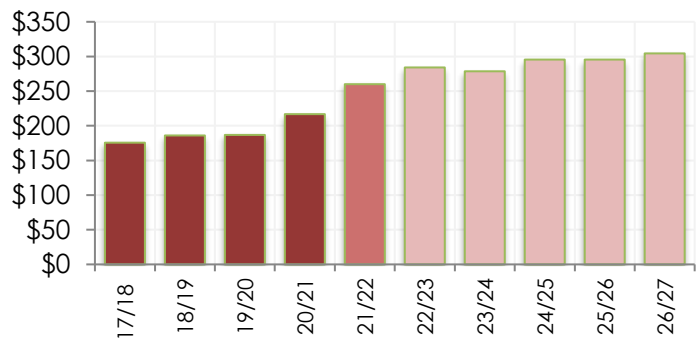
Property Taxes & Motor Vehicle In-lieu (in millions)



Sales & Use Tax Revenue



Prop 172 Revenue Trend



Interest Earnings

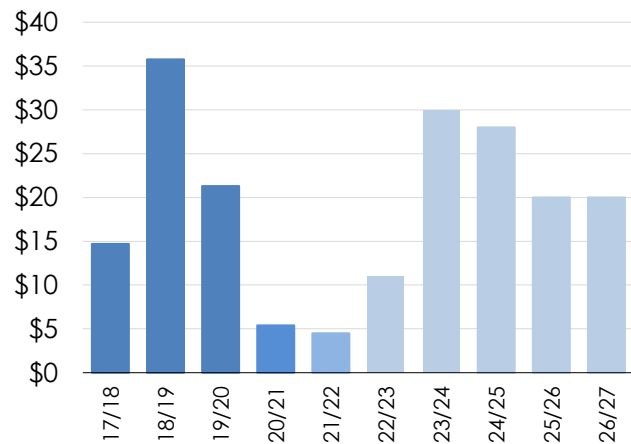
The Treasurer’s estimate for FY 21/22 county general fund interest earnings increased to \$4.5 million, from the \$3.5 million in second quarter. The estimate is a result of projected general fund balances in the Treasurer-Tax Collector’s Pooled Investment Fund (TPIF), as well as current and projected levels of interest rates.

On March 16, 2022, the Federal Open Market Committee (FOMC) voted to increase the FED Funds target rate by 0.25 percent, and again by 0.50 percent on May 4, 2022.

The FED Funds rate target range is now 0.75 to 1.00. The Treasury curve term structure indicates that there will be more hikes. The 1-Year U.S. Treasury Bill has increased from 0.068 percent on September 30, 2021, to 1.953 percent on May 9, 2022, a strong indication that the market expects the FOMC to continue to increase the target FED Funds rate range over the course of a year.

Projections on general fund balances remain a risk to the earnings estimate. Higher than expected general fund balances in the remainder of FY 21/22 would cause actual earnings to be higher than estimated. The Treasurer-Tax Collector estimates that the rise in rates within the forecast horizon will result in higher general fund interest earnings. The timing and magnitude of the change in rates coupled with the TPIF maturity structure will impact the realized interest earnings for FY 21/22.

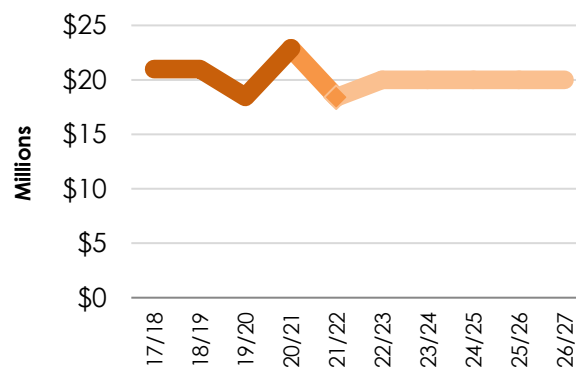
General Fund Interest Earnings



Teeter Tax Losses Reserve Fund (TLRF) Overflow

The Teeter Plan provides for a tax distribution procedure by which secured roll taxes are distributed to taxing agencies within the County included in the Teeter Plan on the basis of the tax levy, rather than on the basis of actual tax collections. In return, the county retains the actual taxes received, plus penalties and interest on delinquent taxes. The TLRF 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. The TLRF

Actual TLRF Overflow Transfer



revenue has remained at \$18.4 million, the same from the adopted budget projections.

Long-Range Budget Schedule

Following are key dates, which remain subject to change as necessary and appropriate:

- **June 1, 2022** – Clerk of the Board to publish a budget hearing notice stating that the FY 22/23 Recommended budget is available to members of the public.
- **June 13 thru June 14, 2022 (as necessary)** - Presentation of the FY 22/23 Recommended Budget, opening of budget hearings, and approval of the budget.
- **June 28, 2022** – Approval of FY 22/23 Adopted Budget

These dates have been coordinated to work with the Board's approved 2022 meeting calendar.

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 adopted budget appropriated \$20 million for contingency. This report contains a contingency reduction of \$2.2 million. The total net reduction for the year will be \$5.5 million, taking the contingency level to \$14.5 million, as summarized in the table below.

Use of General Fund Appropriations for Contingency

		Cost Adjustment	Revenue Adjust- ment	Total Adjustment	Balance Available
Adopted Budget Balance:					\$ 20,000,000
Adjustments to date:					
1st Qtr. Rec #6	HHPWS - Advance Asylum Seekers Response Program.	750,000		(750,000)	
1st Qtr. Rec #8	EO Court Facilities - Southwest Justice Center Courtroom Energy Efficient Lighting Project.	125,080		(125,080)	
1st Qtr. Rec. #16	Veterans Services - Six positions & roof repairs.	432,998		(432,998)	
1st Qtr. Rec. #23	Public Defender - Four IT Forensic Examiner positions.	325,686		(325,686)	
1st Qtr. Rec. #23	Public Defender - Implementation of Laura's Law	331,277		(331,277)	
1st Qtr. Rec. #27	Code Enforcement - Weekend operations and eight vehicles.	770,000		(770,000)	
2/1/22 Item 3.22	Indigent Defense- Increase legal services contract.	270,000		(270,000)	
2nd Qtr. Rec. 1	Executive Office - One position and redistricting costs.	300,300		(300,300)	
3/22/22 Item 3.9	Auditor Controller - Cash over/shortage.	58		(58)	
	Subtotal – Approved to date	3,305,399	-	(3,305,399)	16,694,601
Actions recommended in this report:					
3rd Qtr. Rec. #1	Executive Office - Increase in legal costs.	400,000	1,200,000	(1,600,000)	
3rd Qtr. Rec. #22	Emergency Management Department - Costs for various incidents.	131,456		(131,456)	
3rd Qtr. Rec. #24	Fire - Filmore emergency incident.	214,739		(214,739)	
3rd Qtr. Rec. #36	Public Health – To fund Deputy Public Health Officer position.	280,000		(280,000)	
	Subtotal – Third Quarter Report	1,026,195	1,200,000	\$(2,226,195)	
	Total Adjustments to Contingency	4,331,594	1,200,000	(5,531,594)	
				Contingency Balance	\$ 14,468,406

SUMMARY OF BUDGET ADJUSTMENT RECOMMENDATIONS

Budget Adjustments				
Rec. No.	Departments	Adjustment Description	General Fund/NCC	
1	EO - Non-EO Operations	Legal settlement of \$500,000 and \$1.1 million for countywide legal services.	\$	1,600,000
22	Emergency Management Department	Costs associated with multiple incidents not funded by other sources.		131,456
24	Fire Protection	Costs associated with Filmore emergency incident.		214,739
36	Public Health	Fund Deputy Public Health Officer position.		280,000
Budget Adjustments Non-NCC				
Rec. No.	Departments	Adjustment Description	Increase in Estimated Departmental Revenues	Estimated Use of Fund Balance
2	EO-Matured Financing program	Transfer of rent payments to CIP fund for future projects.	\$ 3,200,000	
3	EO -ARPA Funding	Transfer of ARPA revenue backfill to other funds for revenues loss.	10,000,000	
4*	EO-Cabazon Community	Higher than anticipated sales tax projections for Cabazon CRA Infrastructure fund.	81,000	
5	EO-CORAL	Transfer of the remaining balances in the redeemed and defeased bonds.	1,930	1,106,225
6	EO-DA Fees	Additional appropriations for Developer Agreement (DA) funded projects.		350,000
7	EO-Health & Juvenile Services	Transfer of tax increments to Regional Access Project Fund.	200,000	
8	EO-Contributions to Health and Mental Health	Increase in realignment from vehicle license fee (VLF) revenues for the year that are to be distributed to various departments.	9,500,000	
9*	EO-Mead Valley	Higher than anticipated sales tax projections for Mead Valley Infrastructure Fund.	53,000	
10	EO-Public Financing Authority	Transfer of the remaining balances in defeased PFA bonds.	900	7,000
11	EO-Tobacco Settlement	Transfer of lease agreement proceeds to CIP fund.	13,000	
12*	EO-Wine Country Community	Higher than anticipated sales tax projections for Wine Country Fund.	26,000	

Current Status

Rec. No.	Departments	Adjustment Description	Increase in Estimated Departmental Revenues	Estimated Use of Fund Balance
14	Facilities Management	Improvement projects at Lakeland Village and Perret Park.	235,482	
15	Human Resources	Medical malpractice settlement.	20,175,000	
16*	Purchasing and Fleet Services	Utilization of excess working capital of \$170,000.	N/A	N/A
17	Information Technology	New network lease and purchase of Enterprise Hardware Platform.		1,789,590
18	CSA 89	Increased electric bills for streetlights.		3,000
19	CSA 135	Increased electric bills for streetlights.	3,100	
20	CSA 149	Road repairs due to damage caused by rainstorms.		50,000
21	District Attorney	Increase in projected revenues and expenditures within the Real Estate Fraud Prosecution fund.	537,000	
23	Emergency Management Department	Additional FEMA funds for COVID 19 pandemic and additional revenues from American Medical Response agreement.	3,609,971	
25	Fire Protection	Increase in services and field equipment fully funded by city partners.	3,300,000	
26	Public Defender	State funding through RUHS for a DPD III position to support the Incompetent to Stand Trial (ISTP) Program.	231,000	
27	Sheriff	Increase in AB109 Realignment funding and contract city agreements. Purchase of additional vehicles and building improvements.	16,500,000	
28*	Animal Services	Transfer between budgetary units. No impact.	N/A	
29	Waste Resources	Increases to the required minimum deposits and liability projections for remediation and post-closure.		7,400,000
30	Parks	Reallocation of budgeted salaries and retirement payouts.		100,000
31	Parks	Funding for two vehicles fully reimbursed by the Regional Conservation Authority.	125,000	
32	Parks	Transfer from Operations to Acquisition and Development to meet the minimum reserve requirement.	500,000	
33	Parks	Increase in utilities and supplies due to increase in visitors. Increase in funded by camping fees.	198,000	
34	Registrar of Voters	Implementation of the Voter's Choice Act (VCA) to be reimbursed by the State.	340,000	
35	Medically Indigent Services Program	Increase in medical claim paid for prisoners to be reimbursed by Correctional Health.	500,000	

37	California Childrens Services	Funding for Healthy Families Optional Targeted Low Income Children's Program and CCS Therapy.	1,800,000
38	RUHS Medical Center	Increase in patient volumes to be funded with Medi-Cal and patient revenues.	60,000,000
* All Recommendations increase appropriations except for Recommendations 4, 9, 12, 13, 16 and 28.			
All budget adjustment recommendations are shown in attachment A and all position requests are shown in attachment B, both following the department summaries.			
Position Requests			
Rec. No.	Departments	Positions	
13	DPSS	2	15812 - Buyer II
		1	15915 - Accounting Technician I
		8	57726 - Social Services Assistant
		5	74106 - Administrative Services Analyst II
		3	74113 - Administrative Services Manager II
		1	74199 - Administrative Services Supervisor
		2	79881 - Training Officer
		1	79882 - Senior Training Officer
		26	Public Defender
Total		24	
Vehicle Requests			
Rec. No.	Departments	Request	
27	Sheriff	Requests 76 vehicles	

Current Status

FINANCE & GOVERNMENT SERVICES

Executive Office

The Executive Office is requesting net county cost (NCC) of \$1.6 million. This will fund \$500,000 for a settlement payment and \$1.1 million for countywide legal services.

Recommendation 1: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations by \$400,000 and decreasing estimated revenue by \$1,200,00 for the Non-Executive Office Operations and decreasing appropriations for Appropriations for Contingency by \$1,600,000.*

Matured financing is a program of the General Fund established to track the transactions of matured bonds and financings.

The United States District Court, through its General Services Administration, entered into a Lease Agreement with the County of Riverside to occupy certain buildings such as the U.S. District Courthouse and the Bankruptcy Courthouse. The Matured Financing department ID records the revenue from the lease payments and the expenditures associated with maintenance of the property such as utilities, maintenance, custodial, etc., as well as debt service associated with the defeased bonds. In order to restrict the rent payments for the future expenditures associated with the lease agreement, a budget adjustment is needed to transfer the proceeds to the Capital Improvement Fund.

Recommendation 2: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenue for Riverside County Executive Office by \$3,200,000.*

The Executive Office is requesting a budget adjustment of \$10 million from ARPA for revenue backfill of lost revenue due to the negative economic impacts of COVID-19. The Final Treasury guidelines provide two options for calculation of revenue loss, a complex formulaic approach or standard allowable backfill of \$10 million. The Executive Office has carefully assessed the options provided and is recommending the County elect to receive the \$10 million backfill allowance.

Recommendation 3: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues for the Executive Office by \$10,000,000.*

Executive Office – Cabazon Community

Agenda Item 3-7b, dated November 19, 2013, established the Cabazon Community Revitalization Act effective January 1, 2014, for the exclusive purpose of directing twenty five percent of sales and use tax revenue generated from the expansion of the factory outlets in Cabazon. This revenue is to be used toward augmenting impacts generated from the outlets such as infrastructure and public safety services in and around the Cabazon community. The Executive Office request a budget adjustment to increase estimated revenue.

Recommendation 4: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing estimated revenue for the Cabazon Community Revitalization Act Infrastructure Fund by \$81,000.*

Executive Office – County of Riverside Asset Leasing Corporation (CORAL)

The County of Riverside Asset Leasing Corporation is a non-profit public benefit corporation, authorized under its Articles of Incorporation and under the laws of the State of California, to finance the acquisition, construction, and operation of facilities of benefit to the county.

On September 14, 2021, the Board of Supervisors approved the issuance of the Riverside County Infrastructure Financing Authority Lease Revenue Refunding Bonds Series 2021A and Series 2021B (2021 IFA) which redeemed the Series 2008A Variable Rate Demand Leasehold Revenue Refunding Bonds and defeased four other CORAL bonds, as follows: the 2012 County Administrative Center Refunding Project Lease Revenue Bonds, the 2012 Series A County of Riverside Capital Projects bonds, the Series 2013A Public Defender/Probation Building and Riverside County Technology Solutions Center Projects, and, the Series 2014A Lease Revenue Refunding Bonds.

A budget adjustment in the amount of \$3,255 is needed to transfer the remaining balances in the redeemed and defeased bonds to the 2021 IFA.

In addition, on December 1, 2021, the County of Riverside Certificates of Participation (2009 Larson Justice Center Refunding) matured. Following the maturity of the certificates, all remaining balances in the accounts held at the trustee were transferred to the County.

A budget adjustment in the amount of \$1,104,900 is needed to transfer the remaining balances in the matured 2009 Larson Justice Center Refunding certificates' fund to the County General Fund.

Recommendation 5: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations for the County of Riverside Asset Leasing Corporation by \$1,108,155 and increasing estimated revenue by \$1,930.*

Executive Office - Developer Agreement Fees

Developer Agreements are legal contracts between the county and a developer pursuant to Government Code section 65864 et seq. Unless otherwise provided by the terms of the development agreement, the applicable rules, regulations, ordinances, and policies that govern the development project are those that are in force at the time of the execution of the agreement.

Developer Agreement (DA) Fees are no longer collected. The Executive Office requests a budget adjustment to increase appropriations for the various projects funded by DA fees as authorized by the Board of Supervisors.

Recommendation 6: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations for the Developers Impact Fee Fund*

Current Status

by \$350,000.

Executive Office – Health and Juvenile Services

In accordance with cooperative agreements between the County of Riverside and the former Palm Desert Redevelopment Agency dated February 13, 1992, and the Regional Access Projects dated July 20, 1993, and renewed on December 8, 2020 (Agenda Item No. 3.44, the Executive Office – Health and Juvenile Services Fund is requesting to make budget adjustments to account for increases to appropriations and revenues for contractual accounts. This will allow the transfer of the tax increment received to be posted into the Regional Access Project Fund.

Recommendation 7: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenue for the Health and Juvenile Services Fund by \$200,000.*

Executive Office – Health and Mental Health Realignment

The Health and Mental Health Realignment revenue has been trending higher than anticipated due to the economy and vehicle license fee (VLF) revenue. A budget adjustment is needed to receive the revenue and increase appropriations for distribution to the various departments. The departments are anticipating this funding in their current projections.

Recommendation 8: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenue for County Contributions to Health and Mental Health Realignment by \$9,500,000.*

Executive Office – Mead Valley Community

The Mead Valley Community Revitalization fund was created on April 18, 2015 (Agenda Item 3-1), for the purpose of directing sales and use tax revenue growth primarily generated from the development of the commercial corridor west of Interstate 215, bounded by Nandina Avenue on the north and Nuevo Road on the south, within the 2015 boundaries of the Mead Valley Municipal Advisory Committee. A budget adjustment is requested to increase estimated revenue and committed fund balance for the Mead Valley Community Revitalization Fund as a result of higher than anticipated revenue in FY 21/22.

Recommendation 9: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing estimated revenue for the Mead Valley Community Revitalization Fund by \$53,000.*

Executive Office – Public Financing Authority

The Riverside County Public Financing Authority (PFA) is a joint powers authority duly organized and existing under and pursuant to that certain Joint Exercise of Powers Agreement (the “Agreement”) dated March 20, 1990, by and between the County of Riverside (the “County”) and the Successor Agency of the County of Riverside (the “Agency”). Both the County and the Agency subsequently amended the Joint Powers Agreement on April 20, 1999.

In October 2021, the Series 2012 and Series 2015 Riverside County Public Financing Authority Lease Revenue Bonds were defeased by the issuance of the 2021 Riverside County Infrastructure Financing Authority Lease Revenue Refunding Bonds. The PFA needs a budget adjustment to transfer the balances in the defeased PFA debt service funds to the Riverside County Infrastructure Financing Authority Lease Revenue Refunding Bond Series 2021 A & B.

Recommendation 10: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations for the Public Financing Authority by \$7,900 and increasing estimated revenue by \$900.*

Executive Office – Tobacco Securitization

The Riverside County Department of Animal Services (DAS) has provided animal field services and shelter services to the City of Riverside since 1995. The City and the County are also parties to a sub-lease agreement for the Riverside County Animal Shelter. These agreements, and its amendments, provide for full cost recovery of field services and a proportionate cost of providing shelter services by the County to the City of Riverside.

Currently, revenue is received twice a year from the City of Riverside for the Riverside County Animal Shelter. A budget adjustment is needed to provide additional appropriations to transfer the full balance of this fund to the Capital Improvement Fund.

Recommendation 11: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues for the County Tobacco Securitization funds by \$13,000.*

Executive Office – Wine Country Community

The Wine Country Community Revitalization Fund was created on September 9, 2014 (Agenda Item 3-6), for the purpose of building infrastructure per the approved Wine Country Plan. The requested budget adjustment will increase estimated revenue and committed fund balance for the Wine Country Community Revitalization Fund because of higher than anticipated revenue in FY 21/22.

Recommendation 12: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing estimated revenue for the Wine Country Community Revitalization Fund by \$26,000.*

HUMAN SERVICES

Department of Public Social Services

The Department is requesting 23 new positions to support the expansion of services related to the passage of AB135 that lowered the minimum age of the adults' target population from 65 years of age to 60 years, enhancing outreach efforts for difficult to recruit positions, and to support additional administration needs to support program efforts and services. No budget adjustment is needed as these positions will be absorbed within the FY 21/22 and FY 22/23

Current Status

funding levels.

Recommendation 13: *That the Board of Supervisors approve amending Ordinance 440 to add 23 positions for the Department of Public Social Services.*

INTERNAL SERVICES

Facilities Management

The Department requests a budget adjustment to increase appropriations for Building and Improvement Projects to recreational centers. The Facilities Management Lakeland Village Recreational Centers Division commenced improvement Projects at Lakeland Village and Perret Park including a new sports field, LED parking-lot lighting, shade structures, and fencing and flooring repairs.

Recommendation 14: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenue for the Facilities Management Lakeland Village Recreational Centers Division by \$235,482.*

Human Resources

In January 2022, the Board of Supervisors approved the settlement payouts for three medical malpractice cases. The County's medical malpractice insurance reimburses the County for all settlement payouts above \$1.1 million per case, which means the net cost to the County for these payouts is only \$3.3 million.

The stop-loss reimbursement can only be received by the county once the full settlement has been paid out. At the time of the approved settlement payouts, the Medical Malpractice Fund only had \$4.5 million in available appropriations. To issue the settlement payments according to the timing required by the court orders and receive the subsequent stop-loss reimbursement from the County's insurance carrier, a budget adjustment of \$20.2 million was requested by Human Resources and approved by the Executive Office and the Auditor-Controller's Office.

Recommendation 15: *That the Board of Supervisors approve the budget adjustments that increased appropriations and estimated revenues for the Malpractice Insurance Fund by \$20,175,000.*

Purchasing and Fleet Services

According to the Auditor-Controller's Office, the Surplus Services Division (formerly known as the Supply Services Division) has excess funds of \$170,000 over the 60-day working capital limit. The division plans to use the excess working capital for the purchase and maintenance contract of a forklift for the movement of goods. With the new equipment, excess capital will be utilized for training and certifications for the operation of the forklift for two or more operators. Also, Surplus Services is scheduled to be relocated to another Purchasing facility by FY 22/23. Current funds will be used to prepare the new site for occupancy and completion of needed site improvements. The relocation will require working capital to pay for relocation

expenses including movement of storage containers, material handling and office equipment. There are also anticipated costs associated with the closure of the current Surplus Services location that are expected to be paid for out of the Surplus Services Internal Service Fund. Any additional surplus funds from the current fiscal year will be added to the excess working capital that will go towards the relocation costs and forklift related cost.

Recommendation 16: *That the Board of Supervisors approve the utilization of the Surplus Services Division excess working capital of \$170,000 for the relocation of the division and the purchase of a forklift with related cost.*

Riverside County Information Technology

Riverside County Information Technology anticipates exceeding appropriations due to a new network lease for Cisco Products and Services and a purchase of the Enterprise Hardware Platform. These increases will be offset by Capital Asset Reserves.

Recommendation 17: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations for the Information Technology Fund by \$1,789,590.*

OFFICE OF ECONOMIC DEVELOPMENT

County Service Area

County Service Area 89 – Perris Lighting

CSA 89 - Fund 23925-908901 requires an increase of \$3,000 to cover increased rates from Southern California Edison for streetlights. The increase will cover the electric bills from May and June 2022. Fund balance will be used to offset budget increase.

Recommendation 18: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues for CSA 089 Perris Area by \$3,000.*

County Service Area 135 – Temescal Canyon

CSA 135 - Fund 24450-913501 requires an increase of \$3,100 to cover increased rates from Southern California Edison for streetlights. The increase will cover the electric bills from May and June 2022. The increase will be offset by a contribution from CSA Admin from the LED light conversion refund.

Recommendation 19: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenue for CSA 135 Temescal Canyon Lighting by \$3,100.*

County Service Area 149 – Wine Country

Current Status

CSA 149 - Fund 24600-914901 requires an increase of \$50,000 to cover road repairs performed by TLMA due to damage caused by recent rainstorms. Fund balance will be used to offset budget increase.

Recommendation 20: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations for CSA 149 by \$50,000.*

PUBLIC SAFETY

District Attorney

During the third quarter, the District Attorney's Office continued its efforts to meet service demands while operating with limited or reduced resources. This adjustment is to account for the uptick in projected revenues and expenditure within the Real Estate Fraud Prosecution sub fund.

Recommendation 21: *That the Board of Supervisors approve and direct the Auditor Controller to make budget adjustments increasing appropriations and estimated revenue for the District Attorney by \$537,000.*

Emergency Management Department

Since the start of the FY 21/22 the Emergency Management Department responded to five fires at their initial stage to ensure effective evacuation communication (alert and warning) and coordination with partnering agencies.

The costs associated with the Emergency Operations Center and Incident Management Teams activations of \$131,456 are unanticipated and due to their size, State and Federal funds have not been made available for reimbursement. The department is requesting additional NCC from the general fund for the portion that is not currently funded by other sources. EMD will continue to seek out reimbursement avenues for these expenses.

Recommendation 22: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations for the Emergency Management Department by \$131,456 and decreasing appropriations for Appropriations for Contingency by \$131,456.*

In addition, EMD is requesting four budget adjustments. The first adjustment is an increase of \$2.2 million. EMD continues to support the countywide response to the COVID-19 pandemic. In addition to the coordination of the vaccination campaign, EMD continues to support testing, safe re-opening, and the on-going countywide recovery operations. Expenditures from the reconciliation of all the Emergency Operations Center (EOC) and Department Operations Center (DOC) were absorbed within the initial budget submitted for FY 21/22. This included \$1.2 million paid out to security vendors for services provided at testing and vaccine sites, \$1 million paid out to ambulatory vendors for mobile testing and vaccine services provided throughout the County, and \$198,000 paid to internal departments for use and maintenance of county facilities as testing and vaccine sites. As variants surfaced and additional

vaccine/booster programs started the expenditures for the efforts surpassed the initial budgeted amount. The Department expects to receive reimbursement from Federal funding made available through FEMA Public Assistance.

The second budget adjustment of \$484,659 to intra-grant revenues is requested to account for proceeds from Public Health. EMD received additional funding from Public Health to develop a Health Equity District Team Community Outreach Project to engage COVID-19 at-risk underserved communities. The District Teams will offer education on COVID-19 testing, PPE and emergency preparedness, public education, and community outreach for numerous department programs Riverside County offers. Some key areas of outreach and education include information on testing and test site locations, contact tracing familiarization, use of PPE and other non-pharmaceutical interventions, public health, housing, behavioral health and social services programs available through the County of Riverside. The Department is requesting an increase to its budget capacity to account for the additional revenue and will not seek additional funding from the general fund.

The third budget adjustment is for \$1.4 million increase to appropriations and estimated revenue. EMD receives revenue from the AMR five-year agreement #15-097 for contract monitoring and reporting in addition to the system enhancement services. The request for additional appropriations and estimated revenues accounts for the full contract amount and is seeking only an increase to budget capacity and will not seek additional funding from the general fund.

The final adjustment is a reallocation of the special revenue fund to the general fund for best practice and accurate recording of revenues against expenditures. The PHEP program is funded by the U.S. Department of Health and Human Services (HHS) under Section 319C-1 of the Public Health Service (PHS) Act (42 USC 247d-3a). The State contract is managed by the Emergency Preparedness Office, California Department of Public Health and EMD works closely EMD partners to ensure the most effective and appropriate operating standards are maintained. During a monitoring of the department's contract, CDPH program administrators recommended that current grant funds be maintained at the general fund level after thoroughly reviewing and validating the County's financial system and its project costing mechanism. The adjustment in appropriations from fund 21800 to 10000 does not increase EMD's overall operating budget and the Department will not seek additional funding from the general fund.

Recommendation 23: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenue for the Emergency Management Department by \$3,609,971.*

Fire Department

The Fire Department is requesting a budget adjustment for one-time funding for the Filmore emergency incident.

On April 26, 2022, MT #18819, Fire requested one-time funding of \$214,739 for the response on the Filmore Incident. On February 11, 2022, the Fire Department responded to multiple reports of a fire in the 87800 Block Avenue 52 of Filmore Street in the Thermal area. As the

Current Status

fire continued to grow, a large augmentation of additional resources was requested to include eight additional fire engines and a breathing support due to structural threat of a nearby mobile home park and hazardous materials burning within the fire. The hazardous materials included buried welding equipment, salvage boats, RV's, fifty (50) 55-gallon drums with unidentified and uncontained substance and toxic agricultural grape stakes. The long-term incident involved the Emergency Management Department, County Environmental Health, Riverside County Sherriff Office (RSO), California Highway Patrol (CHP), Code Enforcement, South Coast Air Quality Management District, Fire Department Hazardous Materials Team, and several private heavy equipment contractors. The Fire Department does not have an emergency fund for local incidents that may require heavy equipment support.

Recommendation 24: *That the Board approve and direct the Auditor-Controller to make budget adjustments increasing appropriations by \$214,739 for the Fire Protection and decreasing appropriations for Appropriations for Contingency by \$214,739.*

In addition, the Fire Department is requesting a budget adjustment in the amount of \$3.3 million for our Contract City Partner's cost center budget. This budget is 100 percent reimbursed by our City Partners. The City of Lake Elsinore and City of Menifee have increased their Cooperative Agreement staffing since the beginning of the fiscal year totaling \$1.3 million. The City of Desert Hot Springs is in the process of requesting the Department purchase a Quint Fire Apparatus and a Medic Squad under their County Cooperative Agreement. The purchase would be a straight pass through of cost to our partner and fully funded by the city partner. The ownership of the assets will remain with the City Partner. The estimate cost of Quint and Medic Squad is \$2 million.

Recommendation 25: *That the Board approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues for Fire Protection Contract Services by \$3,300,000.*

Law Offices of the Public Defender

The Law Offices of the Public Defender is requesting a budget adjustment to account for a new state funding source. A memorandum of understanding was recently signed with the RUHS to implement the new Incompetent to Stand Trial Diversion (IST) Program, and one Deputy Public Defender position is needed to support the work on this new program.

Recommendation 26: *That the Board of Supervisors 1) approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenue for the Law Offices of the Public Defender by \$231,000 and 2) approve amending Ordinance 440 to add one position to the Law Offices of the Public Defender.*

Sheriff

The Sheriff's Department is projecting a balanced budget barring any unforeseen emergencies or decrease in anticipated revenues. The Department will be receiving additional revenue than originally anticipated from the following sources:

- Contract city agreements - \$5.5 million; The department is working on adjusting service

level agreements.

- AB109 Realignment funding - \$10 million; This funding supports the realignment effort of state housed inmates to the County.
- Eligible CARES repurposed Corrections labor - \$900,000.

The Sheriff Department manages the purchasing, maintenance and renovation of fleet vehicles and facilities. The third quarter adjustment includes expenses for \$3 million in maintenance and repairs for their aging fleet and an additional \$2.7 million for the purchase of vehicles and buses for the Corrections unit. The Department expects to spend \$1 million in maintenance of existing buildings and for tenant improvements on the new Lake Mathews station. Additionally, they will be spending \$6.1 million on the maintenance of existing corrections facilities which includes furniture repair and replacement, COVID compliance measures and general maintenance. Finally, the Coroner's unit will be making improvements to the dirt lot behind the Perris facility which will continue to house the coroner's fleet as well as refrigeration trucks. The parking lot project will total approximately \$3.4 million.

Also, the Sheriff Department is requesting approval to finance 76 vehicles for a total equipment cost of \$3 million.

Recommendation 27: *That the Board of Supervisors 1) approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues by \$16,500,000 and 2) approve and authorize the financing of 76 vehicles.*

PUBLIC WORKS AND COMMUNITY SERVICES

Animal Services

The Animal Services Department is requesting a budget adjustment to support several long-awaited projects and purchases. The Department is moving unused funds from the Administration and Programs budgets to the Operations budget to accommodate the anticipated renovation, purchases and installation for the following projects.

- 1) Surgical suite at the Coachella Valley Animal Campus - \$710,105
- 2) Emergency generator at the Riverside Animal Campus - \$604,833
- 3) Sand removal and cleanup at the Coachella Valley Animal Campus - \$16,927
- 4) Parking lot repairs to the Coachella Valley Animal Campus - \$28,742
- 5) Security barrier for front counter at the Coachella Valley Animal Campus - \$200,000
- 6) Security Camera system at the Coachella Valley Animal Campus - \$100,000
- 7) Spay and Neuter Bus - \$600,000

In addition, the Department is projecting an overall balanced budget between the three budgetary organizations coming out of the third quarter, barring any unforeseen circumstances.

Recommendation 28: *That the Board approve and direct the Auditor-Controller to make budget adjustments adjusting appropriations for the Animal Services Department by \$1,625,000.*

Current Status

Department of Waste Resources

The Riverside County Department of Waste Resources completes routine updates to the corrective action estimates required by the Water Board. The recent updates resulted in a significant increase to the required minimum deposits and liability projections for remediation and post-closure. The increase was primarily for the Lamb Canyon and Badlands landfill sites.

The Department would like to request a budget adjustment for the remediation expense and post-closure expense accounts for \$6.4 million and \$1 million respectfully. This will ensure enough funding to cover the increase to these accounts without impacting other expenses. The costs will be offset by use of unrestricted net assets and will have no general fund impact.

Recommendation 29: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations for the Department of Waste Resources Enterprise Fund by \$7,400,000.*

Regional Parks and Open Space District

The Regional Park and Open Space District would like to request a reallocation of budgeted salaries and benefits to appropriate budget units due to employee transfers and retirement payouts. This ensures that expenditures will be covered for the remainder of the FY 21/22.

Recommendation 30: *That the Board of Supervisors approve and direct the Auditor Controller to increase appropriations for the Regional Park and Open Space District by \$100,000.*

The District's MSHCP Reserve Management program received approval from RCA to purchase two vehicles in FY 20/21. Due to production delays, vehicles arrived this fiscal year and the district is requesting a budget adjustment to increase appropriations to cover the cost of vehicles.

Recommendation 31: *That the Board of Supervisors approve and direct the Auditor Controller to increase appropriations and estimated revenues for the Regional Park and Open Space District by \$125,000.*

The Regional Park – Park Acquisition and Development District is projecting that the FY 21/22 ending fund balance in its operating fund will be sufficient to fully satisfy the District's minimum reserve requirements for its Park Acquisition and Development-District fund. An operating transfer will be required to move monies between these funds by year-end to meet the minimum reserve requirements.

Recommendation 32: *That the Board of Supervisors approve and direct the Auditor Controller to make budget adjustments increasing appropriations and estimated revenues for the Regional Park and Open Space District by \$500,000.*

The Park District is requesting to make budget adjustments to increase appropriations for utilities and supplies. The Park District is experiencing an increase of visitors for camping and daily use resulting in general price increases in utilities, maintenance supplies, and fish stock at various park sites. The existing Park District budget is insufficient to cover the projected

annual costs and an increase to appropriations will be covered by increasing estimated revenues from camping fees.

Recommendation 33: *That the Board of Supervisors approve and direct the Auditor Controller to make budget adjustments increasing appropriations and estimated revenues for the Regional Park and Open Space District by \$198,000.*

REGISTRAR OF VOTERS

On April 26, 2022, the Registrar of Voters received approval for grant funding for expenses related to implementation of the Voter's Choice Act plan for any primary and/or general elections. Grant funding will occur on a reimbursement basis therefore a budget adjustment is requested to increase revenue and appropriations.

Recommendation 34: *That the Board of Supervisors approve and direct the Auditor-Controller to make the budget adjustments increasing appropriations and estimated revenue for Registrar Voters Department by \$340,000.*

RIVERSIDE UNIVERSITY HEALTH SYSTEM

Medically Indigent Services Program (MISP)

The Riverside University Health System is requesting a budget adjustment to account for medical services. The Medically Indigent Services Program (MISP) had an increase in medical claims paid for prisoner services. MISP will offset the increased expenditures through Correctional Health reimbursements to MISP.

Recommendation 35: *That the Board of Supervisors approve and direct the Auditor-Controller to increase appropriations for the Med Indigent Services Program fund by \$500,000.*

Public Health (RUHS-PH)

Riverside University Health System – Public Health (RUHS-PH) continues to oversee efforts to combat the COVID-19 pandemic and to strategically perform the operations of the department to mitigate service level impacts by enhancing efficient operations and by continuing to exercise sound fiscal management. The department is closely monitoring all expenditures and anticipates ending the fiscal year within budget targets, with the approval of the request for additional net county cost of \$280,000 in support of a Deputy Public Health Officer position.

Recommendation 36: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations for Public Health by \$280,000 and decreasing appropriations for Appropriations for Contingency by \$280,000.*

The Riverside University Health System – Public Health, California Children's Services (CCS) program is mandated by the Welfare and Institutions Code and the California Code of Regulations (Title 22, Section 51013) to act as an "agent of Medi-Cal" for Medi-Cal beneficiaries with CCS medically eligible conditions. Medi-Cal is required to refer all CCS-eligible clients to CCS for case management services and authorization for treatment. The Health and Safety Code,

Current Status

Section 123800 et seq. is the enabling statute for the CCS program. The explicit legislative intent of the CCS program is to provide necessary medical services for children with CCS medically eligible conditions whose parents are unable to pay for these services, wholly or in part. The statute also requires the State Department of Health Care Services (DHCS) and the county CCS program to seek eligible children by cooperating with local public or private agencies and providers of medical care to bring potentially eligible children to sources of expert diagnosis and treatment.

The CCS Program budget consists of Healthy Families Optional Targeted Low Income Children's Program (OTLICP) and CCS Therapy. The funding for the OTLICP was adequate when the county share was 6.5 percent and even when it was increased to 11.5 percent. However, now that the county share has increased to 17.5 percent during the first quarter of FY 21/22, the allocated net county cost is not sufficient to cover the increase for FY 22/23 and subsequent fiscal years. The department is requesting a budget adjustment for OTLICP and will be able to absorb current fiscal year's increase of \$1.8 million through one-time revenue funding.

Recommendation 37: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenue for California Children Services by \$1,800,000.*

RUHS Medical Center (RUHS-MC)

The requested budget adjustment will increase supplies and services within the Riverside University Health System Medical Center. The adjustment is necessary to cover increased expenditures related to labor and supplies associated with increased patient volumes and efforts surrounding cost report reimbursement maximization. This increase is offset by increased Medi-Cal and patient revenues.

Recommendation 38: *That the Board of Supervisors approve and direct the Auditor-Controller to increase appropriations and estimated revenues for the Riverside University Hospital System Fund by \$60,000,000.*

Attachment A Summary of Recommendations

Recommendation 1: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations by \$400,000 and decreasing estimated revenue by \$1,200,000 for the Non-Executive Office Operations and decreasing appropriations for Appropriations for Contingency by \$1,600,000.

<u>Fund</u>	<u>Dept ID</u>	<u>Account</u>	<u>Amount</u>
10000	1102900000	Non-EO Operations	
		525020	Legal Services
			400,000
10000	1102900000	Non-EO Operations	
		781360	Other Misc Revenue
			(1,200,000)
10000	1102900000	Non-EO Operations	
		370100	Unassigned Fund Balance
			(1,600,000)
10000	1109000000	Approp For Contingency-General	
		581000	Approp For Contingencies
			(1,600,000)
10000	1109000000	Approp For Contingency-General	
		370100	Unassigned Fund Balance
			1,600,000

Recommendation 2: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenue for the Riverside County Executive Office by \$3,200,000.

<u>Fund</u>	<u>Dept ID</u>	<u>Account</u>	<u>Amount</u>
10000	1110000000	Riverside County Executive Office	
		551100	Contribution To Other Funds
			3,200,000
10000	1110000000	Riverside County Executive Office	
		741300	Lease To Non-County Agency
			3,200,000

Recommendation 3: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenue for the Executive Office by \$10,000,000.

<u>Fund</u>	<u>Dept ID</u>	<u>Account</u>	<u>Amount</u>
21735	1108000000	EO COVID19 ARP	
		551100	Contribution To Other Funds
			10,000,000
21735	1108000000	EO COVID19 ARP	
		763520	Fed-American Rescue Plan Act
			10,000,000

Recommendation 4: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing estimated revenue for the Cabazon Community Revitalization Act Infrastructure Fund by \$81,000.

<u>Fund</u>	<u>Dept ID</u>	<u>Account</u>	<u>Amount</u>
30360	1110600000	Cabazon CRA Infrastructure	
		790600	Contrib Fr Other County Funds
			81,000
30360	1110600000	Cabazon CRA Infrastructure	
		330109	CFB-Capital Projects
			81,000

Recommendation 5: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations for the County of Riverside Asset Leasing Corporation by \$1,108,155 and increasing estimated revenue by \$1,930.

<u>Fund</u>	<u>Dept ID</u>	<u>Account</u>	<u>Amount</u>
36210	925002	CORAL-General Govt	
		551000	Operating Transfers-Out
			600
36210	925002	CORAL-General Govt	
		740100	Investment Income
			10
36210	925002	CORAL-General Govt	
		324100	Restricted for Debt Service
			(590)
36220	925002	CORAL-General Govt	
		551000	Operating Transfers-Out
			1,104,900
36220	925002	CORAL-General Govt	
		740100	Investment Income
			900
36220	925002	CORAL-General Govt	
		324100	Restricted for Debt Service
			(1,104,000)
36250	925002	CORAL-General Govt	
		551000	Operating Transfers-Out
			550
36250	925002	CORAL-General Govt	
		740100	Investment Income
			10
36250	925002	CORAL-General Govt	
		324100	Restricted for Debt Service
			(540)
36280	925002	CORAL-General Govt	
		551000	Operating Transfers-Out
			1,105
36280	925002	CORAL-General Govt	
		740100	Investment Income
			10
36280	925002	CORAL-General Govt	
		324100	Restricted for Debt Service
			(1,095)
36290	925002	CORAL-General Govt	
		551000	Operating Transfers-Out
			1,000
36290	925002	CORAL-General Govt	
		740100	Investment Income
			1,000

Recommendation 6: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations for the Developers Impact Fee Fund by \$350,000.

<u>Fund</u>	<u>Dept ID</u>	<u>Account</u>	<u>Amount</u>
30500	1103500000	Mitigation Project Operation	
		551100	Contribution To Other Funds
			350,000
30500	1103500000	Mitigation Project Operation	
		322100	Reserve For Construction/ Capital Projects
			(350,000)

Recommendation 7: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenue for the Health and Juvenile Services Fund by \$200,000.

<u>Fund</u>	<u>Dept ID</u>	<u>Account</u>	<u>Amount</u>
22430	1110200000	Health and Juvenile Services	
		536240	Other Contract Agencies
			200,000
22430	1110200000	Health and Juvenile Services	
		781000	Contractual Revenue - RDV
			200,000

Attachment A Summary of Recommendations

Recommendation 8: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenue for the County Contributions to Health and Mental Health Realignment department by \$9,500,000.

<u>Fund</u>	<u>Dept ID</u>		<u>Account</u>	<u>Amount</u>
10000	1101400000	County Contrib To Hlth and MH	536100 Realignments - County Match	9,500,000
10000	1101400000	County Contrib To Hlth and MH	750250 CA-Realignment frøm for VLF	9,500,000

Recommendation 9: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing estimated revenue for the Mead Valley Community Revitalization Fund by \$53,000.

<u>Fund</u>	<u>Dept ID</u>		<u>Account</u>	<u>Amount</u>
30380	1110700000	Mead Valley Infrastructure	790600 Contrib Fr Other County Funds	53,000
30380	1110700000	Mead Valley Infrastructure	330109 CFB-Capital Projects	53,000

Recommendation 10: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations for the Public Financing Authority by \$7,900 and increasing estimated revenue by \$900.

<u>Fund</u>	<u>Dept ID</u>		<u>Account</u>	<u>Amount</u>
36270	928001	Riv Co Public Financing Auth	551000 Operating Transfers-Out	900
36270	928001	Riv Co Public Financing Auth	740100 Investment Income	400
36270	928001	Riv Co Public Financing Auth	324100 Restricted for Debt Service	(500)
37410	928001	Riv Co Public Financing Auth	551000 Operating Transfers-Out	7,000
37410	928001	Riv Co Public Financing Auth	740100 Investment Income	500
37410	928001	Riv Co Public Financing Auth	324100 Restricted for Debt Service	(6,500)

Recommendation 11: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues for the County Tobacco Securitization Fund by \$13,000.

<u>Fund</u>	<u>Dept ID</u>		<u>Account</u>	<u>Amount</u>
30120	1105100000	Tobacco Settlement	551100 Contribution To Other Funds	13,000
30120	1105100000	Tobacco Settlement	741040 Building Use	13,000

Recommendation 12: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing estimated revenue for the Wine Country Community Revitalization Fund by \$26,000.

<u>Fund</u>	<u>Dept ID</u>		<u>Account</u>	<u>Amount</u>
30370	1110400000	Wine Country Infrastructure	790600 Contrib Fr Other County Funds	26,000
30370	1110400000	Wine Country Infrastructure	330109 CFB-Capital Projects	26,000

Recommendation 14: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenue for the Facilities Management Lakeland Village Recreational Centers Division by \$235,482.

<u>Fund</u>	<u>Dept ID</u>		<u>Account</u>	<u>Amount</u>
21830	7201200000	FM-Lakeland Village Rec. Ctrs	522310 Maint-Building and Improvement	135,482
21830	7201200000	FM-Lakeland Village Rec. Ctrs	537320 Interfnd Exp-Bldg Improvements	100,000
21830	7201200000	FM-Lakeland Village Rec. Ctrs	741000 Rents	61,482
21830	7201200000	FM-Lakeland Village Rec. Ctrs	790600 Contrib Fr Other County Funds	174,000

Recommendation 15: That the Board of Supervisors approve the budget adjustments that increased appropriations and estimated revenue for Human Resources by \$20,175,000. *

<u>Fund</u>	<u>Dept ID</u>		<u>Account</u>	<u>Amount</u>
46000	1130900000	HR-Malpractice Insurance	534340 Malpractice-Liab	20,175,000
46000	1130900000	HR-Malpractice Insurance	777010 Stop Loss Reimbursement	20,175,000

* Only Reference to budget adjustment completed per the January 2022 Board of Supervisors, closed session, approval of the Medical malpractice settlement payouts.

Recommendation 17: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations for Information Technology Fund by \$1,789,590.

<u>Fund</u>	<u>Dept ID</u>		<u>Account</u>	<u>Amount</u>
45500	7400150000	Converged Communication Bureau	532600 Finance Purchase-Principal	722,765
45500	7400160000	Technology Services Bureau	546080 Equipment-Computer	1,066,825
45500	7400100000	Information Technology	380100 Unrestricted Net Assets	(1,789,590)

Attachment A Summary of Recommendations

Recommendation 18: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations for CSA 089 Perris Area by \$3,000.*

<u>Fund</u>	<u>Dept ID</u>		<u>Account</u>	<u>Amount</u>
23925	908901	CSA 089 Perris Area (Lakeview)	529530 Street Lights	3,000
23925	908901	CSA 089 Perris Area (Lakeview)	321101 Restricted Program Money	(3,000)

Recommendation 19: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenue for CSA 135 Temescal Canyon Lighting by \$3,100.*

<u>Fund</u>	<u>Dept ID</u>		<u>Account</u>	<u>Amount</u>
24450	913501	CSA 135 Temescal Canyon Lghtg	529530 Street Lights	3,100
24450	913501	CSA 135 Temescal Canyon Lghtg	790600 Contrib Fr Other County Funds	3,100

Recommendation 20: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations for CSA 149 by \$50,000.*

<u>Fund</u>	<u>Dept ID</u>		<u>Account</u>	<u>Amount</u>
24600	914901	CSA 149	537160 Interfnd Exp-Road Maint Gradng	50,000
24600	914901	CSA 149	321101 Restricted Program Money	(50,000)

Recommendation 21: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenue for the District Attorney by \$537,000.*

<u>Fund</u>	<u>Dept ID</u>		<u>Account</u>	<u>Amount</u>
11041	2200100000	District Attorney	537180 Interfnd Exp-Salary Reimb	475,298
11041	2200100000	District Attorney	537200 Interfnd Exp-Supportive Svcs	61,702
11041	2200100000	District Attorney	777050 Real Estate Fraud Prosecution	537,000

Recommendation 22: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations for the Emergency Management Department by \$131,456 and decreasing appropriations for Appropriations for Contingency by \$131,456.*

<u>Fund</u>	<u>Dept ID</u>		<u>Account</u>	<u>Amount</u>
10000	2000100000	Emergency Management Department	510420 Overtime	49,325
10000	2000100000	Emergency Management Department	510500 Standby Pay	2,483
10000	2000100000	Emergency Management Department	520705 Food	11,268
10000	2000100000	Emergency Management Department	523700 Office Supplies	15
10000	2000100000	Emergency Management Department	525440 Professional Services	664
10000	2000100000	Emergency Management Department	526530 Rent-Lease Equipment	37,939
10000	2000100000	Emergency Management Department	527180 Operational Supplies	133
10000	2000100000	Emergency Management Department	528060 Materials	1,896
10000	2000100000	Emergency Management Department	528980 Meals	27,733
10000	2000100000	Emergency Management Department	370100 Unassigned Fund Balance	(131,456)
10000	1109000000	Approp For Contingency-General	581000 Approp For Contingencies	(131,456)
10000	1109000000	Approp For Contingency-General	370100 Unassigned Fund Balance	131,456

Attachment A Summary of Recommendations

Recommendation 23: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenue for the Emergency Management Department by \$3,609,971.*

<u>Fund</u>	<u>Dept ID</u>		<u>Account</u>	<u>Amount</u>
10000	2000100000	Emergency Management Department	510040 Regular Salaries	232,125
10000	2000100000	Emergency Management Department	518100 Budgeted Benefits	102,578
10000	2000100000	Emergency Management Department	520330 Communication Services	4,000
10000	2000100000	Emergency Management Department	523640 Computer Equip-Non Fixed Asset	15,000
10000	2000100000	Emergency Management Department	524500 Administrative Support-Direct	273,676
10000	2000100000	Emergency Management Department	525440 Professional Services	4,311,971
10000	2000100000	Emergency Management Department	526700 Rent-Lease Bldgs	150,000
10000	2000100000	Emergency Management Department	527180 Operational Supplies	400,000
10000	2000100000	Emergency Management Department	528920 Car Pool Expense	17,280
10000	2000100000	Emergency Management Department	536720 Interfnd Exp-Admin Supt Direct	1,200,000
10000	2000100000	Emergency Management Department	537080 Interfnd Exp-Miscellaneous	198,000
10000	2000100000	Emergency Management Department	537200 Interfnd Exp-Supportive Svcs	133,000
10000	2000100000	Emergency Management Department	572200 Intra-Grant	(484,659)
10000	2000100000	Emergency Management Department	763500 Fed-Aid For Disaster	2,205,781
10000	2000100000	Emergency Management Department	767220 Fed- Other Operating Grants	2,943,000
10000	2000100000	Emergency Management Department	781370 American Medical Response Agmt	1,404,190
21800	2000100000	Emergency Management Department	524500 Administrative Support-Direct	(190,000)
21800	2000100000	Emergency Management Department	525440 Professional Services	(900,000)
21800	2000100000	Emergency Management Department	526700 Rent-Lease Bldgs	(120,000)
21800	2000100000	Emergency Management Department	527180 Operational Supplies	(400,000)
21800	2000100000	Emergency Management Department	536720 Interfnd Exp-Admin Supt Direct	(1,200,000)
21800	2000100000	Emergency Management Department	537200 Interfnd Exp-Supportive Svcs	(133,000)
21800	2000100000	Emergency Management Department	767220 Fed- Other Operating Grants	(2,943,000)

Recommendation 24: *That the Board approve and direct the Auditor-Controller to make budget adjustments increasing appropriations by \$214,739 for the Fire- Protection and decreasing appropriations for Appropriations for Contingency by \$214,739.*

<u>Fund</u>	<u>Dept ID</u>		<u>Account</u>	<u>Amount</u>
10000	2700200000	Fire Protection	526530 Rent-Lease Equipment	214,739
10000	2700200000	Fire Protection	370100 Unassigned Fund Balance	(214,739)
10000	1109000000	Approp For Contingency-General	581000 Approp For Contingencies	(214,739)
10000	1109000000	Approp For Contingency-General	370100 Unassigned Fund Balance	214,739

Recommendation 25: *That the Board approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues for the Fire Protection Contract Services by \$3,300,000.*

<u>Fund</u>	<u>Dept ID</u>		<u>Account</u>	<u>Amount</u>
10000	2700400000	Fire Protection-Contract Svc	525440 Professional Services	1,300,000
10000	2700400000	Fire Protection-Contract Svc	526910 Field Equipment-Non Assets	2,000,000
10000	2700400000	Fire Protection-Contract Svc	779050 Fire Protection	3,300,000

Recommendation 26: *That the Board of Supervisors 1) approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenue for the Law Offices of the Public Defender by \$231,000 and 2) approve amending Ordinance 440 to add one position to the Law Offices of the Public Defender.*

<u>Fund</u>	<u>Dept ID</u>		<u>Account</u>	<u>Amount</u>
10000	2400100000	Public Defender	510040 Regular Salaries	150,150
10000	2400100000	Public Defender	518100 Budgeted Benefits	80,850
10000	2400100000	Public Defender	755180 CA-From Other St Govt Agencies	231,000

Attachment A Summary of Recommendations

Recommendation 27: That the Board of Supervisors 1) approve and direct the Auditor-Controller to make a budget adjustments increasing appropriations and estimated revenues for the Sheriff departments by \$16,500,000 and 2) approve and authorize the financing of 76 vehicles.

<u>Fund</u>	<u>Dept ID</u>	<u>Account</u>	<u>Amount</u>
10000	2500200000	Sheriff Support	
		510040 Regular Salaries	(500,000)
10000	2500200000	Sheriff Support	
		546060 Equipment-Communications	200,000
10000	2500200000	Sheriff Support	
		546080 Equipment-Computer	300,000
10000	2500300000	Sheriff Patrol	
		521500 Maint-Motor Vehicles	3,000,000
10000	2500300000	Sheriff Patrol	
		522310 Maint-Building and Improvement	1,000,000
10000	2500300000	Sheriff Patrol	
		527570 Body Worn Cameras	1,000,000
10000	2500300000	Sheriff Patrol	
		528920 Car Pool Expense	500,000
10000	2500300000	Sheriff Patrol	
		773520 Contract City Law Enforcement	5,500,000
10000	2500400000	Sheriff Correction	
		510040 Regular Salaries	(8,201,000)
10000	2500400000	Sheriff Correction	
		520105 Protective Gear	600,000
10000	2500400000	Sheriff Correction	
		522310 Maint-Building and Improvement	6,100,000
10000	2500400000	Sheriff Correction	
		546160 Equipment-Other	325,000
10000	2500400000	Sheriff Correction	
		546300 Vehicles-Buses/Heavy Trucks	2,700,000
10000	2500400000	Sheriff Correction	
		755900 CA-AB118 Local Revenue	10,000,000
10000	2500400000	Sheriff Correction	
		790600 Contrib Fr Other County Funds	900,000
10000	2500400000	Sheriff Correction	
		370100 Unassigned Fund Balance	9,376,000
10000	2500500000	Sheriff Court Services	
		510040 Regular Salaries	1,800,000
10000	2500500000	Sheriff Court Services	
		510200 Payoff Permanent-Seasonal	110,000
10000	2500500000	Sheriff Court Services	
		518100 Budgeted Benefits	1,150,000
10000	2500500000	Sheriff Court Services	
		370100 Unassigned Fund Balance	(3,060,000)
10000	2500600000	Sheriff-CAC Security	
		510040 Regular Salaries	60,000
10000	2500600000	Sheriff-CAC Security	
		525320 Security Guard Services	20,000
10000	2500600000	Sheriff-CAC Security	
		370100 Unassigned Fund Balance	(80,000)
10000	2500700000	Sheriff-Ben Clark Training Center	
		510040 Regular Salaries	300,000
10000	2500700000	Sheriff-Ben Clark Training Center	
		518100 Budgeted Benefits	200,000
10000	2500700000	Sheriff-Ben Clark Training Center	
		522310 Maint-Building and Improvement	200,000
10000	2500700000	Sheriff-Ben Clark Training Center	
		522320 Maint-Grounds	200,000
10000	2500700000	Sheriff-Ben Clark Training Center	
		525220 Pre-Employment Services	1,200,000
10000	2500700000	Sheriff-Ben Clark Training Center	
		527840 Training-Education/Tuition	300,000
10000	2500700000	Sheriff-Ben Clark Training Center	
		546060 Equipment-Communications	100,000
10000	2500700000	Sheriff-Ben Clark Training Center	
		370100 Unassigned Fund Balance	(2,500,000)
10000	2501000000	Sheriff Coroner	
		510200 Payoff Permanent-Seasonal	(68,489)
10000	2501000000	Sheriff Coroner	
		518100 Budgeted Benefits	(431,511)
10000	2501000000	Sheriff Coroner	
		520105 Protective Gear	185,000
10000	2501000000	Sheriff Coroner	
		522810 Crime Lab-Forensic Supplies	90,000
10000	2501000000	Sheriff Coroner	
		525100 Medical-Lab Services	100,000
10000	2501000000	Sheriff Coroner	
		525440 Professional Services	290,000
10000	2501000000	Sheriff Coroner	
		529120 Transportation	200,000
10000	2501000000	Sheriff Coroner	
		540060 Improvements-Land	3,395,000
10000	2501000000	Sheriff Coroner	
		546080 Equipment-Computer	31,000
10000	2501000000	Sheriff Coroner	
		546160 Equipment-Other	45,000
10000	2501000000	Sheriff Coroner	
		777090 Collections Program	50,000
10000	2501000000	Sheriff Coroner	
		777420 Reimb For Coroners Services	50,000
10000	2501000000	Sheriff Coroner	
		370100 Unassigned Fund Balance	(3,736,000)

Recommendation 28: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments adjusting appropriations for the Animal Services Department by \$1,625,000.

<u>Fund</u>	<u>Dept ID</u>	<u>Account</u>	<u>Amount</u>
10000	4200600000	Animal Control Services	
		537080 Interfnd Exp-Miscellaneous	1,470,000
10000	4200600000	Animal Control Services	
		546380 Vehicles Other	155,000
10000	4200600000	Animal Control Services	
		370100 Unassigned Fund Balance	(1,625,000)
10000	4201600000	DAS Administration	
		518100 Budgeted Benefits	(400,000)
10000	4201600000	DAS Administration	
		525840 RCIT Enterprise	(280,000)
10000	4201600000	DAS Administration	
		370100 Unassigned Fund Balance	680,000
10000	4202600000	DAS - Programs	
		518100 Budgeted Benefits	(272,000)
10000	4202600000	DAS - Programs	
		520930 Insurance-Liability	(373,000)
10000	4202600000	DAS - Programs	
		525840 RCIT Enterprise	(300,000)
10000	4202600000	DAS - Programs	
		370100 Unassigned Fund Balance	945,000

Attachment A Summary of Recommendations

Recommendation 29: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations for the Department of Waste Resources Enterprise Fund by \$7,400,000.*

<u>Fund</u>	<u>Dept ID</u>		<u>Account</u>	<u>Amount</u>
40200	4500100000	Department of Waste Resources	528415 Remediation Expense	6,400,000
40200	4500100000	Department of Waste Resources	528430 Post-Closure Expense	1,000,000
40200	4500100000	Department of Waste Resources	380100 Unrestricted Net Assets	(7,400,000)

Recommendation 30: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations for the Regional Park and Open Space District by \$100,000.*

<u>Fund</u>	<u>Dept ID</u>		<u>Account</u>	<u>Amount</u>
25400	931104	Regnl Parks & Open-Space Dist	515040 Flex Benefit Plan	(41,863)
25400	931104	Regnl Parks & Open-Space Dist	517000 ISF Workers Comp Insurance	(342,906)
25400	931119	Interpretive	510040 Regular Salaries	(81,644)
25400	931119	Interpretive	513000 Retirement-Misc.	(13,186)
25400	931119	Interpretive	513120 Social Security	(5,062)
25400	931119	Interpretive	513140 Medicare Tax	(1,184)
25400	931119	Interpretive	515040 Flex Benefit Plan	(9,876)
25400	931220	Administration	510040 Regular Salaries	50,000
25400	931235	Business Operations	517000 ISF Workers Comp Insurance	342,906
25400	931240	Finance	510040 Regular Salaries	(22,185)
25400	931260	Marketing	510040 Regular Salaries	10,000
25400	931303	Jensen Alvarado Historic Ranch	510040 Regular Salaries	15,000
25400	931306	Idyllwild Nature Center	510040 Regular Salaries	25,000
25400	931307	Santa Rosa Plateau Nature Ctr	510040 Regular Salaries	15,000
25400	931400	Major Parks	510040 Regular Salaries	20,000
25400	931402	Hurkey Creek Park	510040 Regular Salaries	10,000
25400	931403	Idyllwild Park	510040 Regular Salaries	10,000
25400	931406	Lawler Lodge & Alpine Cabins	510040 Regular Salaries	10,000
25400	931408	McCall Park	510040 Regular Salaries	10,000
25540	931116	Multi-Species Reserve	510200 Payoff Permanent-Seasonal	50,000
25540	931116	Multi-Species Reserve	321101 Restricted Program Money	(50,000)
25590	931150	MSHCP Reserve Management	510200 Payoff Permanent-Seasonal	50,000
25590	931150	MSHCP Reserve Management	321101 Restricted Program Money	(50,000)

Recommendation 31: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues for the Regional Park and Open Space District by \$125,000.*

<u>Fund</u>	<u>Dept ID</u>		<u>Account</u>	<u>Amount</u>
25590	931150	MSHCP Reserve Management	528920 Car Pool Expense	125,000
25590	931150	MSHCP Reserve Management	777520 Reimbursement For Services	125,000

Recommendation 32: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues for the Regional Park and Open Space District by \$500,000.*

<u>Fund</u>	<u>Dept ID</u>		<u>Account</u>	<u>Amount</u>
25400	931104	Regnl Parks & Open-Space Dist	551000 Operating Transfers-Out	500,000
25400	931104	Regnl Parks & Open-Space Dist	330100 Committed Fund Balance	(500,000)
33100	931105	Park Acq & Dev, District	790500 Operating Transfer-In	500,000
33100	931105	Park Acq & Dev, District	322100 Rst For Construction/Cap Proj Capital Projects	500,000

Attachment A Summary of Recommendations

Recommendation 33: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues for the Regional Park and Open Space District by \$198,000.*

<u>Fund</u>	<u>Dept ID</u>	<u>Account</u>	<u>Amount</u>
25400	931302	Gilman Ranch Historic Museum 529500 Electricity	5,000
25400	931303	Jensen Alvarado Historic Ranch 520845 Trash	2,000
25400	931303	Jensen Alvarado Historic Ranch 529550 Water	10,000
25400	931306	Idyllwild Nature Center 529550 Water	15,000
25400	931402	Hurkey Creek Park 520845 Trash	5,000
25400	931402	Hurkey Creek Park 529550 Water	10,000
25400	931402	Hurkey Creek Park 776700 Camping	25,000
25400	931403	Idyllwild Park 520845 Trash	5,000
25400	931403	Idyllwild Park 529550 Water	8,000
25400	931403	Idyllwild Park 776700 Camping	25,000
25400	931405	Lake Cahuilla Park 520845 Trash	2,500
25400	931405	Lake Cahuilla Park 527960 Park & Recreation	13,000
25400	931405	Lake Cahuilla Park 776700 Camping	35,000
25400	931406	Lawler Lodge & Alpine Cabins 529500 Electricity	5,000
25400	931406	Lawler Lodge & Alpine Cabins 529510 Heating Fuel	4,000
25400	931409	Rancho Jurupa Park 520845 Trash	20,000
25400	931409	Rancho Jurupa Park 523290 Bank Charges	12,500
25400	931409	Rancho Jurupa Park 527960 Park & Recreation	13,000
25400	931409	Rancho Jurupa Park 529500 Electricity	10,000
25400	931409	Rancho Jurupa Park 776720 Fishing	55,000
25400	931421	Mayflower Park 529500 Electricity	18,000
25400	931421	Mayflower Park 529550 Water	5,000
25400	931421	Mayflower Park 776700 Camping	23,000
25620	931750	Lake Skinner Park 520845 Trash	12,000
25620	931750	Lake Skinner Park 527960 Park & Recreation	13,000
25620	931750	Lake Skinner Park 529500 Electricity	10,000
25620	931750	Lake Skinner Park 776700 Camping	35,000

Recommendation 34: *That the Board of Supervisors approve and direct the Auditor-Controller to make the budget adjustment increasing appropriations and estimated revenue for the Registrar of Voters Department by \$340,000.*

<u>Fund</u>	<u>Dept ID</u>	<u>Account</u>	<u>Amount</u>
10000	1700100000	Registrar Of Voters 527380 Elections	340,000
10000	1700100000	Registrar Of Voters 753300 CA-Elect Reimb Sec State	340,000

Recommendation 35: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments adjusting appropriations for the Med Indigent Services Program by \$500,000.*

<u>Fund</u>	<u>Dept ID</u>	<u>Account</u>	<u>Amount</u>
10000	4300200000	Med Indigent Services Program 530320 Physician Care Services	53,796
10000	4300200000	Med Indigent Services Program 530340 Hospital Care Services	388,964
10000	4300200000	Med Indigent Services Program 530380 Health Clinic Services	57,240
10000	4300200000	Med Indigent Services Program 574100 Intra-Detention Hlth-Inmate	(500,000)

Recommendation 36: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations for Public Health by \$280,000 and decreasing appropriations for Appropriations for Contingency by \$280,000.*

<u>Fund</u>	<u>Dept ID</u>	<u>Account</u>	<u>Amount</u>
10000	4200100000	Public Health 510040 Regular Salaries	280,000
10000	4200100000	Public Health 370100 Unassigned Fund Balance	(280,000)
10000	1109000000	Approp For Contingency-General 581000 Approp For Contingencies	(280,000)
10000	1109000000	Approp For Contingency-General 370100 Unassigned Fund Balance	280,000

Recommendation 37: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenue for California Childrens Services by \$1,800,000.*

<u>Fund</u>	<u>Dept ID</u>	<u>Account</u>	<u>Amount</u>
10000	4200200000	California Childrens Services 530220 Support & Care-Persons	1,800,000
10000	4200200000	California Childrens Services 751500 CA-Realignment-Health	717,736
10000	4200200000	California Childrens Services 781120 Rebates & Refunds	1,082,264

Attachment A Summary of Recommendations

Recommendation 38: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues for the Riverside University Hospital System Fund by \$60,000,000.*

<u>Fund</u>	<u>Dept ID</u>	<u>Account</u>	<u>Amount</u>
40050	4300100000 RUHS	522860 Medical-Dental Supplies	3,883,032
40050	4300100000 RUHS	522900 Prosthesis	6,765,016
40050	4300100000 RUHS	525200 Physicians/Dentists	25,000,000
40050	4300100000 RUHS	525620 Temporary Exp-Nurse Registry	24,351,952
40050	4300100000 RUHS	776435 Traditional Medi-Cal	7,851,882
40050	4300100000 RUHS	776450 Medi-Cal Managed Care	36,722,326
40050	4300100000 RUHS	776480 Private Coverage Managed Care	15,425,792

RESOLUTION NO. 440-9258

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

3 BE IT RESOLVED by the Board of Supervisors of the County of Riverside, State of California, in
 4 regular session assembled on May 17, 2022, that pursuant to Section 4(a)(ii) of Ordinance No. 440, the
 5 Executive Office is authorized to make the following listed change(s), operative on the date of approval, as
 6 follows:

<u>Job Code</u>	<u>+/-</u>	<u>Department ID</u>	<u>Class Title</u>	<u>Type</u>
78553	1	2400100000	Deputy Public Defender III	Regular
15812	2	5100100000	Buyer II	Regular
15915	1	5100100000	Accounting Technician I	Regular
57726	8	5100100000	Social Services Assistant	Regular
74106	5	5100100000	Administrative Services Analyst II	Regular
74113	3	5100100000	Administrative Services Manager II	Regular
74199	1	5100100000	Administrative Services Manager	Regular
79881	2	5100100000	Training Officer	Regular
79882	1	5100100000	Senior Training Officer	Regular

HdL⁺ Companies

CALIFORNIA FORECAST

SALES TAX TRENDS & ECONOMIC DRIVERS

MARCH 2022



Laguna Niguel, CA

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Overview: Current and next year's influences include high inflation passed along in the cost of goods and expected interest rate increases by the Federal Reserve. Food service, hospitality and retail trade industries struggle to find and retain employees. Impacted by the Ukraine-Russia crisis, fuel prices remain volatile. Supply chain and raw material interruptions could disrupt some sales. COVID still remains a public health challenge.

2021/22 | 2022/23



Autos/Transportation

10.3% | 3.4%

Car dealerships available onsite inventory remains at record lows as global conflicts continue to disrupt product supply chains. Vehicle production is predicted to trail demand through late 2023 and possibly into early 2024. The lack of supply caused new car prices to jump 12% and used car prices 41% above January 2021 figures. Vehicle pricing is likely at a peak and not expected to return to pre-pandemic levels any time soon. The combination of strong demand and inflated prices will sustain tax receipts into the next year. Future increases are expected to be relatively modest, however, compared to the 16% surge in calendar year 2021. RV, truck, and large vehicle sales will also be hampered by soaring gasoline prices.

2021/22 | 2022/23



Fuel/Service Stations

38.9% | -2.7%

This sector continues to experience short term spikes in tax collections triggered by ongoing increases in consumption and demand for fuel. Economic recovery was evident in the latter part of 2021 and into early 2022 as consumers paid record prices at the pump for regular and diesel gasoline along with higher jet fuel costs, primarily linked to a surge in air travel. The Russian invasion of Ukraine restricted global supplies of fuel, which pushed West Texas Intermediate crude oil barrel prices up significantly beginning in early March. These combined factors contribute to an estimated revenue boost over the next three quarters, followed by a slowdown starting in fourth quarter 2022 through the end of fiscal year 2022/23.



Building/Construction

4.9% | 0.5%

Material prices were more reasonable during the fourth quarter, however, lumber rose to \$1,200 per 1,000 board feet in early January (three times the pre-pandemic price). The end of 2021 saw a 2% rise in construction permit values. This offers homebuilders a backlog to work on as nonresidential construction sees an increase in demand. Rising mortgage interest rates have not yet dampened demand for new homes and will benefit home supply outlets. Plumbing/electrical materials increased by at least 15% in first quarter 2022, following three straight quarters of double-digit price jumps. Prior estimates remain true; even if construction activity increases, the rate of declining material prices after the first quarter offsets those gains through the first quarter of 2023.



General Consumer Goods

12.4% | 0.4%

Following holiday 2021 record levels, core retail sales exceeded estimates in January, while February data showed a cooling trend. Healthier receipts are partially attributed to escalating prices. Volumes also reflected persistent demand. Consumer confidence and sentiment fell in recent weeks indicating lower optimism for the economy, though those emotions are not yet reflected in recent tax data. Uncertainty comes to mind as consumers begin to gauge the economic outlook while other sectors garner more of consumer spending, resulting in a mild pullback from this group. Coming off a strong fiscal year 2021/22, the outlook anticipates decelerated growth as we progress through fiscal year 2022/23.



Business/Industry

10.6% | 3.3%

A 17% fourth quarter tax surge was a pleasant surprise. Fulfillment centers with robust ecommerce sales and taxes previously allocated to countywide pools were major contributors. A few segments struggled through pandemic-related challenges such as raw material access and qualified worker shortages. Medical/biotech activity remained strong but pulled back slightly compared to a year ago. B2B transactions yielded steady growth. Food service equipment sales increased as the sector resumed more normal operations and wineries soared 21%. Overall, the group is hitting pre-pandemic levels. HdL projects modest improvement with localized predictions varying based on the type and quantity of companies within each city or county.



Restaurants/Hotels

36.8% | 5.7%

The pandemic created significant "stored-up" demand for food service and leisure experiences, and the emergence of Omicron did not deter restaurant customers. Sales for onsite dining establishments surpassed fourth quarter 2019 and are projected to outpace quick service restaurants as consumers continue to focus on the experience of eating out. Rising menu prices are furthering the gains. While hotel occupancy has neared recovery, taxable sales at hotels are still lagging behind as business and international travel slowly recovers. Growth from this category could be curbed as consumer's react to volatile fuel prices.



Food/Drugs

1.9% | 2.0%

Grocery stores saw increased prices on non-taxable products which resulted in less dollars spent on tax-generating merchandise in the other aisles. Recent results rose less than 1%. E-commerce grocery sales doubled the pre-pandemic year's numbers and are predicted to grow in the year ahead. Drug store's returns were hit hard in 2020 but reported recovery in the latter months of 2021. Cannabis activity plateaued, but industry champions are hopeful that state tax and regular relief strengthens the vitality of these merchants. The outlook shows nominal gains, primarily due to costs of wholesale goods, transportation and labor being passed along to consumers.



State and County Pools

1.0% | 4.0%

While online sales were strong this past holiday season, brick and mortar outlets grew at a larger percentage rate. Buyer's desire to shop in person outweighed technology's conveniences. The end of year quarter percentages declined, compounded by the fourth (and final) time a taxpayer's portion of revenues was allocated to in-state fulfillment centers. Calendar year 2021 saw 43% of pool dollars generated from general retail/marketplace sellers and 32% from business-industrial companies. Enthusiastic gains of the last two years have slowed with fiscal year 2021/22 growth pegged at lows not seen in a decade. Next year's expectations see variable economic impacts noted above.

Proposition 172 projections vary from statewide Bradley-Burns calculations due to the state's utilization of differing collection periods in its allocations to counties. HdL forecasts a statewide increase of 13.7% for Fiscal Year 2021/22 and 1.7% for 2022/2023.

2021/22 | 2022/23

**U.S. Real GDP Growth**

4.7% | 3.9%

The real U.S. GDP growth rate in the 3rd quarter came in at 2.1% (seasonally adjusted annualized). In a normal year, this would be applauded as a solid growth trend. In the wake of the pandemic recession however, these metrics have disappointed some economists and analysts and set off calls to continue, or at least slow the reduction of, various Federal government stimulus programs. These reactions are based on a simplistic vision of what an economic “recovery” is. When considered more fully, it’s clear that not only has the U.S. economy recovered from the effects of the pandemic but is becoming dangerously overheated. Beacon believes it is time to withdraw public stimulative efforts to prevent more harm than good to the next economic expansion. After the snap back from the depths of the recession, GDP growth will normalize over the next two years.

**CA Residential Building Permits**

120,075 | 129,288

As of October 2021, there were 1.8 months’ worth of housing inventory available on the market in California. Inventory refers to the number of months it would take for all the current homes on the market to sell. A healthy housing market usually has approximately six months of inventory. In the year prior to the pandemic, there were more than 3.5 months of housing inventory statewide. The pandemic exposed and accelerated pre-existing housing supply constraints which can only be solved by more supply or a weaker consumer.

**CA Median Existing Home Price**

\$661,566 | \$691,924

In the third quarter of 2021, the median home price in California was up 17% compared to one year earlier. With mortgage rates at historic lows, coupled with healthy consumers, limited housing inventories have led to a surge in prices. In the short-term, the only relief from higher home prices could come from higher interest rates. In the longer-term, more supply is the key to relieving upward pressure on prices in the state.

**U.S. Unemployment Rate**

4.2% | 3.9%

The nation added 210,000 jobs in November 2021 as the unemployment rate fell to 4.2%. This figure is elevated compared to pre-pandemic levels but is low by historical standards. The real issue in today’s labor market is the 3-million person decrease in the U.S. labor force, which has occurred over the last eighteen months. While unemployment typically rises in a downturn, the labor force does not typically decline. The current contraction has been driven primarily by retiring baby boomers. Record job openings indicate that there are ample opportunities for workers, and that labor shortages are the fundamental constraint on employment expansion.

**CA Unemployment Rate**

6.0% | 5.2%

The elevated unemployment rate is one of the most striking features of California’s recovery. In October 2021, the state’s unemployment rate stood at 7.3%, compared to 4.6% nationally. Prior to the pandemic, the state’s unemployment rate was 4.1%. The difference between the state and the nation is chiefly due to the jobs recovery that has occurred since the depths of the pandemic fallout. Early in the pandemic, some speculated that California’s safeguards, such as constraints on business activity, which were stricter than in other states, accounted for the state’s relatively severe job losses. However, capacity limits and distancing requirements have been removed for months. Currently, labor supply issues are the biggest constraint on employment expansion.

**CA Total Nonfarm Employment Growth**

5.9% | 4.2%

While California added jobs at a healthy rate in 2021, November statistics still reported 825,800 fewer people employed in the state than in pre-pandemic February 2020. Total nonfarm employment in California has contracted 4.7% since that time compared to a 2.6% drop nationally. The state’s labor force (defined as the population of workers who hold a job plus those looking for work) is still 414,700 workers lower than the pre-pandemic peak. While rising wages should draw workers back into the labor force, challenges including slow housing supply growth and recent constraints on international migration pose difficulties to labor force expansion in the state.



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California's allocation data trails actual sales activity by three to six months. HdL compensates for the lack of current information by reviewing the latest reports, statistics and perspectives from fifty or more economists, analysts and trade associations to reach a consensus on probable trends for coming quarters. The forecast is used to help project revenues based on statewide formulas and for reference in tailoring sales tax estimates appropriate to each client's specific demographics, tax base and regional trends.

Beacon Economics LLC

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Beacon Economics has proven to be one of the most thorough and accurate economic research/analytical forecasting firms in the country. Their evaluation of the key drivers impacting local economies and tax revenues provides additional perspective to HdL's quarterly consensus updates. The collaboration and sharing of information between Beacon and HdL helps both companies enhance the accuracy of the work that they perform for their respective clients.