



# COUNTY OF RIVERSIDE

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## STATE OF CALIFORNIA

# FY 2010-11 RECOMMENDED BUDGET

### Board of Supervisors

**Bob Buster**

Supervisor, First District

**John Tavaglione**

Supervisor, Second District

**Jeff Stone**

Supervisor, Third District

**John J. Benoit**

Supervisor, Fourth District

**Marion Ashley**

Supervisor, Fifth District

Prepared by

**Bill Luna**

County Executive Officer

# RIVERSIDE COUNTY BOARD OF SUPERVISORS



**MARION ASHLEY**  
5TH DISTRICT  
CHAIR



**BOB BUSTER**  
1ST DISTRICT



**JOHN TAVAGLIONE**  
2ND DISTRICT



**JEFF STONE**  
3RD DISTRICT



**JOHN J. BENOIT**  
4TH DISTRICT



County of Riverside

FY 2010-11  
**RECOMMENDED BUDGET**

*Presented by  
Bill Luna  
County Executive Officer*

*on June 8, 2010*

*to the*  
**COUNTY BOARD OF SUPERVISORS**

*First District..... Supervisor Bob Buster  
Second District ..... Supervisor John Tavaglione  
Third District ..... Supervisor Jeff Stone  
Fourth District..... Supervisor John J. Benoit  
Fifth District ..... Supervisor Marion Ashley, Chair*

*Robert E. Byrd, CGFM  
County Auditor-Controller*



**Bill Luna**  
County Executive Officer

**Jay E. Orr**  
Assistant County Executive Officer

*Executive Office, County of Riverside*

*June 2, 2010*

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

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***SUBJECT: FY 10/11 Recommended Budget***

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Board Members:

Attached is my FY 10/11 recommended budget for your consideration and approval. Approval of this budget provides needed spending authority beginning July 1, 2010. My staff will construct the final budget after budget hearings, scheduled for July 12, 2010. The final budget, scheduled for adoption August 10, 2010, will build upon the recommended budget before you today, with adjustments at your direction.

Board members, determined to eliminate the growing structural deficit, have set a goal to balance the budget in two years; this budget includes a plan designed to achieve that goal. Reaching that end means all general-fund departments must participate in painful reductions. Because public safety remains your highest priority, it was cut much less than other functions.

The economy is getting to its feet but is still staggered. Economic news has been mixed. A rising stock market and other nationwide measures signal improvement. Persistently high unemployment and personal and national debt call for caution. A double-dip recession is possible. Locally, while experts project revenues will shrink again next year, our county's economic consultants foresee a long gradual recovery. Revenue from property and sales taxes may have broken its free fall but the bottom has become the new normal, and we must cut ongoing general-fund costs to match realistic revenue predictions.

This recommended budget includes difficult choices, carefully crafted with information gathered as we moved from budget workshops in November through testimony in April from department heads about the effect of budget cuts.

- Public safety departments are cut 3-5 percent of net county cost (NCC)
- Other departments are generally cut an average of 19 percent of NCC, with a few exceptions

- Staff reductions will continue. We have shed close to 1,000 positions since July 2009 through early retirements, resignations, layoffs, terminations, and attrition. Early retirements will continue to offset some layoffs and, wherever possible, displaced employees will be offered similar positions in other divisions outside the general fund. We expect that staff reductions will increase over this year and the next, and will approach the previously estimated loss of 1,500 total positions. Our challenge will be to maintain these vacancies

Revenue for Fire, the District Attorney, Sheriff and Probation – especially the Proposition 172 public-safety sales tax – has fallen significantly. The Sheriff also faces significantly increased personnel costs tied to agreements with labor unions.

Without question, we face two more difficult budget years. We must continue to “right-size” county services and restructure how we deliver services. That effort began more than a year ago and will allow us to efficiently provide core services to the public we serve.

After across-the-board cuts of 5 and 10 percent, this is the third consecutive year of budget cuts. Departments must brace for more cuts in FY 11/12 and our new two-year budget plan will lay that foundation. Continued fiscal discipline will keep fourth-year cuts manageable and we will try to avoid a fifth year of cuts.

By cancelling or delaying important projects, the Board has replenished reserves that were falling to unsafe levels. Maintaining reserves above 15 percent of discretionary revenue allows the Board space both to react to unforeseeable emergencies and to implement the two-year budget plan. Decimating all remaining reserves or eviscerating other core services are even less attractive alternatives. Reserves already helped blunt the cuts in this budget but using additional reserves would increase our structural imbalance. A measured, conservative approach is recommended.

Built on conservative principles, this budget recognizes challenges in the economy. The state budget is sure to hurt the county but we cannot accurately predict the full effect until the state budget is approved. Our final budget is scheduled for adoption on August 10, 2010 and adjustments undoubtedly will be needed once the state budget is approved.

On the following page are my recommended motions that will initiate the first steps of the two-year budget plan. On the pages that follow is my budget summary detailing the differences between this year’s and last year’s budget.

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

- 1) Approve the FY 10/11 recommended budget effective July 1, 2010, including: appropriations and estimated revenue, reserves and designations, Resolution No. 440-8837 modifying position levels (included in the budget report as Schedule 20), and fixed assets and vehicle requests;
- 2) Schedule budget hearings for Monday July 12;
- 3) Tentatively schedule adoption of the final budget for Tuesday August 10; and
- 4) Direct the Executive Officer to make the personnel changes, including necessary layoffs, which are incorporated in this budget document.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Bill Luna", is written over a horizontal line. The signature is fluid and cursive.

Bill Luna  
County Executive Officer

RESOLUTION NO. 440-8837

BE IT RESOLVED BY THE Board of Supervisors of the County of Riverside, State of California, in regular session assembled on June 8, 2010 that pursuant to Section 5.A of Ordinance No. 440, the County Executive Officer is authorized, with an operative date of July 01, 2010, to make changes to the existing Departmental Section of Ordinance No. 440 as listed in Schedule 20 to the FY 10/11 recommended budget, a copy of which is attached hereto and by this reference made a part hereof.

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