



COUNTY OF RIVERSIDE
STATE OF CALIFORNIA

FISCAL YEAR 2015/16
FIRST QUARTER
BUDGET REPORT

PREPARED BY
JAY E. ORR
COUNTY EXECUTIVE OFFICER



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COUNTY EXECUTIVE OFFICER

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CHIEF DEPUTY COUNTY EXECUTIVE OFFICER

November 10, 2015

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

4/5th Vote

SUBJECT: *FY 15/16 First Quarter Budget Report*

Board members:

This first quarter brings to the fore a number of challenges and opportunities. Discretionary revenues appear to be trending in line with estimates, and local economic factors continue to recover gradually. Most departments appear to be on track with anticipated spending levels, including those that pose the greatest budget challenges.

However, as anticipated and previously pointed out, public safety costs will outpace available revenue if they continue unabated. This mismatch is further exacerbated by the mandated increases in the cost to provide medical services to our inmate population, which preliminary estimates indicate might total a minimum of \$40 million in additional expense annually. While we will be able to meet the initial costs of this in FY 15/16, we need to make immediate plans to address the ongoing cost of this mandate in FY 16/17.

The focus of this approach will be to hold the line on spending levels, maximize existing resources, and pursue further operating efficiencies. I am looking to the reports from KPMG and California Forward to identify opportunities for such operational efficiencies. At midyear, I anticipate including recommendations from KPMG and California Forward in a revised multi-year budget strategy and budget policies for the next budget cycle.

From a practical standpoint, I expect we can address this year's budget needs without significant restructuring. The heavy lifting for the next year will begin with our midyear report and continue through the FY 16/17 budget cycle.

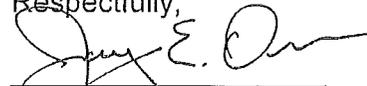
IT IS RECOMMENDED that the Board of Supervisors:

- 1) Receive and file this report and all its attachments;
- 2) Approve the recommendations and associated budget adjustments contained in

Attachment A; and,

- 3) Approve Resolution No. 440-9019 amending Ordinance No. 440 contained in Attachment B.

Respectfully,



Jay E. Orr
County Executive Officer

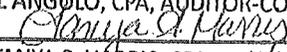
FISCAL PROCEDURES APPROVED
PAUL ANGUJO, CPA, AUDITOR-CONTROLLER
BY 
TANYA S. HARRIS, CPA 11/10/15

TABLE OF CONTENTS

- A. EXECUTIVE SUMMARY 1
- B. ECONOMIC OUTLOOK..... 2
 - GENERAL OUTLOOK 2
 - California Unemployment 2
 - California Employment Trends 2
 - California Real Estate Trends..... 2
 - LOCAL OUTLOOK..... 3
 - Unemployment..... 3
 - Assessed Value 3
 - Recordation Activity..... 4
 - Building Permits 4
 - FEDERAL UPDATE..... 4
 - STATE UPDATE..... 5
- C. FIRST QUARTER ACTIVITY..... 5
 - SUMMARY 5
 - DISCRETIONARY REVENUE 6
 - Property Taxes..... 6
 - Teeter Tax Losses Reserve Fund (TLRF) Overflow 6
 - Sales and Use Taxes 6
 - Interest Earnings 7
 - Revenue Summary 7
 - GENERAL FUND COMMITMENTS AND DESIGNATIONS OF FUND BALANCE 8
 - APPROPRIATIONS FOR CONTINGENCY 9
- D. MULTIYEAR BUDGET OUTLOOK 9
 - LONG-RANGE FORECAST 9
 - SHORT & LONG-TERM FACTORS INFLUENCING STRATEGIC OBJECTIVES 10
- E. DEPARTMENTAL STATUS 10
 - SUMMARY 10
 - INTERDEPARTMENTAL AND CAPITAL PROJECTS 11
 - Capital Improvement Program (CIP)..... 11
 - Contributions to Other Funds 12
 - GENERAL GOVERNMENT 14
 - Executive Office..... 14
 - Legislative and Administrative Support 14
 - Board of Supervisors / Clerk of the Board 14
 - Assessment Appeals Board 15
 - County Counsel 15
 - Human Resources (HR) 15
 - General Liability Insurance..... 16
 - Registrar of Voters 16
 - Economic Development Agency/Facilities Management (EDA/FM) 16
 - Economic Development Agency Administration..... 16
 - Economic Development Program 17
 - HUD Community Services Grant..... 18
 - Workforce Development 19
 - County Fair & National Date Festival..... 19
 - Parking..... 20
 - Facilities Management Administration 20
 - Facility Renewal (Formerly Deferred Maintenance) 20
 - Water Service Fiduciary Fund 20

PUBLIC PROTECTION 21
Fire 21
Emergency Management Department 21
Sheriff 22
District Attorney 23
Department of Child Support Services 24
Probation Department 25
Law Office of the Public Defender 26
Grand Jury 26
Agricultural Commissioner 26
Public Guardian 26

PUBLIC WAYS AND FACILITIES 27
Aviation 27
Transportation Land Management Agency (TLMA) 28
Transportation 28
Transportation Construction Projects 28

HEALTH AND SANITATION 29
Riverside University Health System – Public Health 29
Community Translational Research Institute 30
Diabetes Free Riverside (DeFeR) 30
Department of Environmental Health 31
Department of Behavioral Health 31
Behavioral Health Treatment 31
Correctional Behavioral Health 31

PUBLIC ASSISTANCE 31
Department of Public Social Services (DPSS) 31
Riverside County Children and Families Commission (RCCFC) 33
Community Action Partnership (CAP) 34
Veterans’ Services 34
Office on Aging 34

EDUCATION, RECREATION, AND CULTURE 35
County Free Library 35
Edward Dean Museum 35
Cooperative Extension 35

ENTERPRISE FUNDS 36
Riverside Riverside University Health System – Medical Center (RUHSMC) 36
Waste Management 36

INTERNAL SERVICE FUNDS 36
Facilities Management 36
Custodial Services 36
Maintenance 37
Purchasing & Fleet Services 37
Central Purchasing 37
Printing Services 37
Supply Services 37
Central Mail 37
Fleet Services 38

SPECIAL DISTRICTS AND OTHER AGENCIES 39
Flood Control and Water Conservation District 39
National Pollutant Discharge Elimination System (NPDES) 39
Regional Parks and Open Space District 40

ATTACHMENT A SUMMARY OF RECOMMENDATIONS
ATTACHMENT B RESOLUTION NO. 440-9019 AMENDING ORDINANCE NO. 440
ATTACHMENT C SALES AND USE TAX UPDATE

A. EXECUTIVE SUMMARY

The good news is that Riverside County residents and county coffers continue to see the effects of economic recovery. Most departments that pose the greatest budget concerns this year appear to be on track with, or close to, anticipated spending levels at the end of the first quarter.

But the unavoidable fact is the county faces an annual deficit that will erode reserves and is unsustainable, based on forecasted discretionary resources and projected existing spending commitments. Against that backdrop, it is absolutely imperative the county proceed with caution and discipline in all its budget decisions.

As with previous recovery cycles, revenue growth tends to lag behind the demand for services, especially in those areas in which service levels were reduced during the lean times. Any additional spending requirements will erode the county's reserves more quickly. Projections indicate those reserves could be nearly exhausted within three to four years. Therefore, containing overall spending within projected ongoing resources is essential. The Executive Office already has begun reviewing available options for reprioritizing the allocation of existing resources and tapping underutilized funding sources.

The costs of correctional health care and behavioral health care have become a significant spending priority in light of the pending judicial settlement over inmate care. We estimate staffing expansions could cost the general fund an additional \$13 million this fiscal year for correctional health care, and \$7 million more for correctional behavioral health. Expanding these services is essential, unavoidable and must be done with careful deliberation and planning. One-time money from the state will provide funding for this fiscal year. The Executive Office is working with health system management to explore all funding options.

Law enforcement operational costs bear close monitoring. The Sheriff projects a current year deficit of \$32-42 million resulting from increased labor and internal service costs. Nevertheless, careful analysis indicates that the Sheriff's department as a whole ended last fiscal year within its adjusted target, and most Sheriff's budget units are at anticipated spending levels through the first quarter. The District Attorney's office projects a shortfall of \$9 million and the Public Defender projects a shortfall of \$1.7 million; however, spending for both those departments also is trending in line with anticipated levels as of the end of the first quarter. The Executive Office is working with these departments closely, and will make recommendations regarding additional funding if analysis of actual spending indicates a shortfall.

The Fire Department also projects a \$1.3 million shortfall, driven in great part by anticipated increases in salaries and benefits for state firefighters. Once settlement of the necessary agreements is completed, the county anticipates receiving a \$23.8 million administrative credit intended to offset the back due amounts owed the county generally new cities as part of their incorporation obligations. Of this, \$3.5 million will be transferred to the Transportation and Land Management Agency as reimbursement for its

transition year costs. The remainder will be used to reimburse the general fund.

Department of Public Social Services caseload continues to grow in several critical programs, and DPSS is recruiting aggressively to fill positions to keep pace and offset attrition.

Finally, the Riverside University Health System medical center continues its fiscal recovery and is planning initiatives to position its operations competitively. This includes a joint partnership to implement a new electronic medical record system, and replacement of aging technology and equipment. The medical center is currently monitoring three key areas: the Bridge to Reform 1115 Waiver, which expired on October 31; the installation of the Epic electronic health record system; and the costs of inmate health care.

The net actions taken in this report leave a general fund contingency balance of \$38 million and total reserves of \$201.1 million.

B. ECONOMIC OUTLOOK

GENERAL OUTLOOK

At the state and national levels overall, unemployment rates continue to edge down and new claims for unemployment insurance in California continue to taper off. The state continues to see both job gains and increased personal income, and the pace of home sales is increasing.

California Unemployment

The state's unadjusted unemployment rate was 6.1 percent in September, down from 6.8 percent in August. By contrast, the U.S. unemployment rate was 4.9 percent in September, down from 5.6 percent in July. In September 2015, 343,419 people were receiving regular unemployment insurance benefits in California, down from 392,823 in September 2014, and there were 40,821 new claims for unemployment insurance, down from 52,279 in the same period the year before.

California Employment Trends

The number of people in California holding non-farm payroll jobs in September increased by 2.8 percent over the year before. Total civilian employment in California rose to 16.2 million. Seven sectors posted job gains over the year, with construction, trade, transportation and utilities, professional and business services, leisure and hospitality, other services, and government posting the highest growth. Mining and logging, manufacturing, financial activities, and educational and health services reflected lost jobs during the preceding year. Personal income has increased 1.9 percent in 2015.

California Real Estate Trends

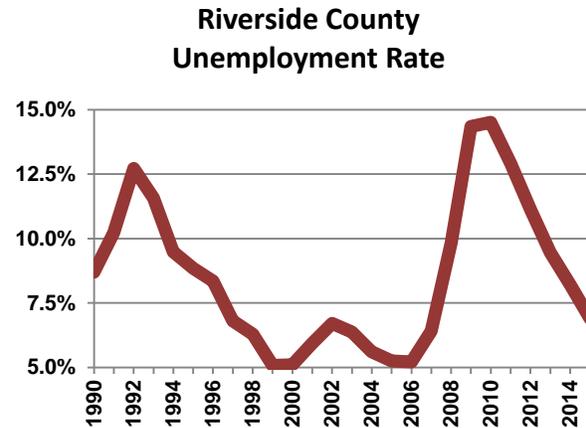
Statewide, the pace of home sales increased 12.7 percent since July 2014, and existing home prices increased 5.4 percent from June 2014.

LOCAL OUTLOOK

Local economic indicators are favorable, but not exceptional. Riverside County’s unemployment rate declined to 6.3 percent in September, and was nearly in line with the state unemployment rate of 6.1 percent. Assessed valuations continue to improve at a tempered pace. Title recordation and building permits, both leading indicators of local real estate activity, continue to remain steady.

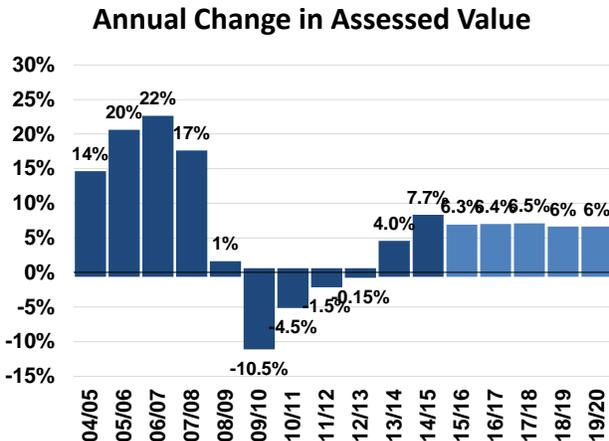
Unemployment

In September, Riverside County’s unemployment rate declined significantly to 6.3 percent, slightly higher than neighboring San Bernardino County’s rate of 5.8 percent. This represents a return to Riverside County’s historic, non-recessionary average rates. The annual average unemployment rate was 6.6 percent between 1995 and 2008. As of September 2015, Riverside County had a labor force of one million, with 952,800 employed and an estimated 63,900 unemployed.

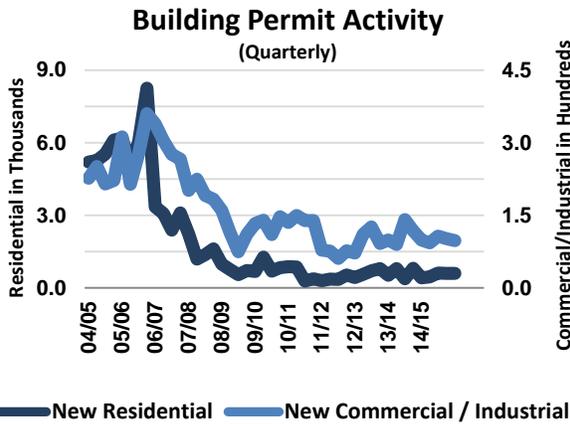
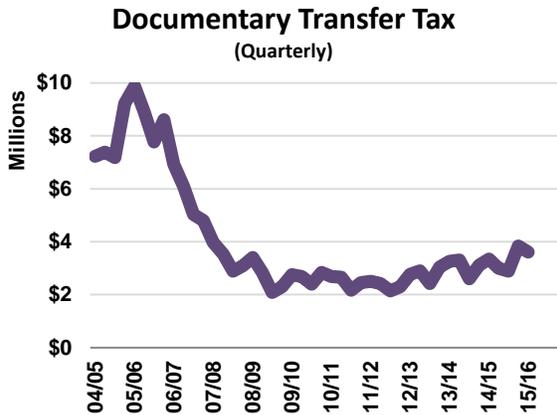


Assessed Value

The Assessor’s assessed valuation (AV) growth estimate is based upon sales and new construction data compiled in the first quarter of this fiscal year. Based on this early data, the AV growth forecast is between 4.5 and 5 percent. The county’s median home price stands at \$310,000, up 7.3 percent from this time last year. A stabilized real estate market, together with new construction and additional properties climbing out of Prop. 8, provides the basis for AV growth. The annual Consumer Price Index (CPI) used to compute the Prop. 13 inflationary factor will be available in the second quarter, but preliminary estimates indicate it will again be less than the 2 percent maximum increase allowed. Estimates will be updated once the CPI is finalized and more information becomes available.



Source of forward projections: Beacon Economics



Source: Building & Safety Department

Recordation Activity

Document recordings and documentary transfer tax have begun to taper after a strong summer. However, first quarter recording and transfer tax revenues are still 14 percent higher than this time last year and are expected to meet current budget estimates.

Building Permits

From July through September 2015, the Building and Safety Department issued 3,669 building permits compared to 3,100 for the same period last fiscal year, an 18 percent increase. Combined deposit based fee and flat fee receipts for July through September 2015 came in at \$2.5 million compared to \$2.1 million for the same period last year, an increase of \$425,528 or 20 percent. Overall, deposit based fee receipts increased 23 percent during this period at the same time as flat fee receipts increased by 14 percent. This continuing strength is mainly due to the flat fee receipts on residential solar projects. Solar revenues were \$328,000 in the first three months of this fiscal year compared to \$254,000 for the same period last year, an

increase of \$74,000 or 29 percent. With state mandate AB2188 already in effect, solar activity is increasing throughout the county. This program is expected to remain strong during the current fiscal year.

FEDERAL UPDATE

The two-year, bipartisan budget agreement negotiated in late October by President Obama and congressional leaders lifted the sequester-level budget caps put in place by the Budget Control Act of 2011. It provides \$80 billion in increased discretionary appropriations, with a \$50 billion increase over the spending caps for FY 2016, and a \$30 billion increase over the spending caps for FY 2017. The increases are split evenly between defense and non-defense spending. The agreement also suspends the federal debt limit until March 15, 2017. Congress had not completed work on the FY 2016 annual appropriations process before the October 1 beginning of the new fiscal year because of the caps, approving instead a short-term continuing resolution through December 11, 2015, to keep the federal government open into the new fiscal year. The agreement clears the way for negotiation of the final FY 2016 spending levels before the December 11 deadline, most likely in the form of a single, omnibus appropriations bill

that incorporates all of the individual federal agencies.

In addition to the FY 2016 appropriations process, Congress must also address reauthorization of federal transportation programs (MAP-21). The most recent long-term extension of authority for these programs expired on October 29, and Congress was forced to enact another extension through November 20. The Senate passed a measure earlier in the year that would reauthorize transportation programs for six years, and the House is currently working on its own version, with floor consideration beginning the first week of November. The stated goal of the latest extension is to provide enough time for the House to approve its bill so House and Senate conferees can negotiate a final version of the reauthorization legislation.

STATE UPDATE

While the state's fiscal picture has continued to improve, the Governor has not changed his attitude toward spending. He has rebuffed efforts to expand services in health and human services, with the exception of where he must by law. Gov. Brown has signed SB107, a comprehensive measure addressing fiscal relief measures for several counties, providing some relief to successor agencies for former redevelopment agencies. The bill also provides debt relief for California's newest cities in Riverside County that were disproportionately burdened with the loss, through 2011 Realignment, of vehicle license fee revenue they expected when they were first formed. The \$23.8 million in debt relief is in the form of a credit to the CalFire contract with the county.

The State Controller recently reported revenue performance for the fiscal year to date has surpassed projections by \$351 million, or 1.5 percent. Coupled with a reduced amount of state spending (\$1 billion or 3.1 percent), the state's borrowing requirements totaled \$5.8 billion, which was \$1.5 billion below what had been projected for this time of year. The deficit is being addressed through internal borrowing.

Personal income taxes, which are California's dominant revenue source, exceeded projections by 4.1 percent, coming in at \$606.2 million above projections. This was offset as corporate taxes declined by \$100.6 million, or 7.3 percent, and retail sales and use taxes declined by \$379.1 million, or 6.3 percent.

C. FIRST QUARTER ACTIVITY

SUMMARY

At this time, the Executive Office's projections of most estimated discretionary revenues remain unchanged, with a small net increase of \$2.2 million. Adjustments are recommended to the estimate related to the state's payment of back due SB90 reimbursements and interest on them. This report contains a net increase to contingency of \$12.5 million, leaving a balance of \$38 million. Discretionary reserves remain unchanged.

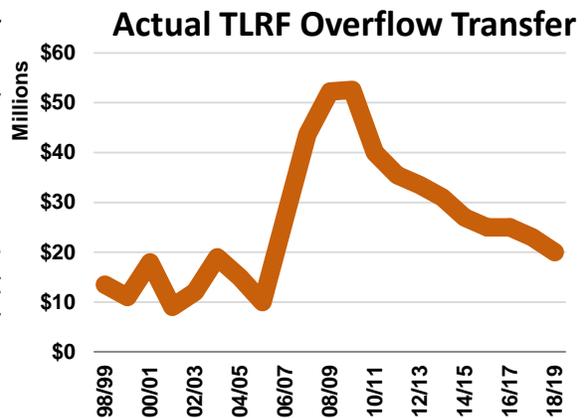
DISCRETIONARY REVENUE

Property Taxes

Property tax was budgeted at \$318.6 million based on a forecasted 5.9 percent growth in assessed values. The Assessor’s report on the FY 15/16 assessment roll came in slightly lower at 5.78 percent, thus taking the Auditor-Controller’s projection on property tax revenue slightly lower than budgeted. The Executive Office continues to monitor property tax revenue closely and will make recommendations when more information is available. In addition, motor vehicle fee revenue received in-lieu of property taxes is estimated at \$220.9 million, and residual assets distributed from former redevelopment agencies is estimated at \$7.3 million.

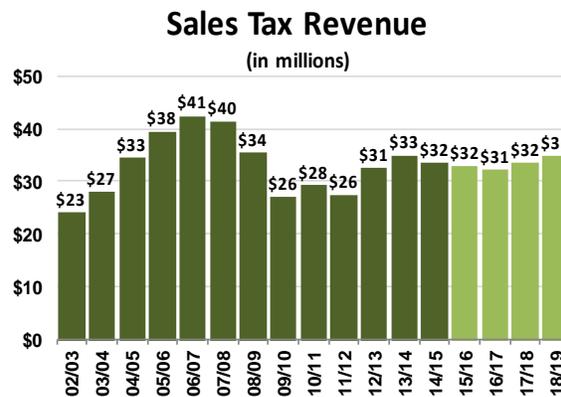
Teeter Tax Losses Reserve Fund (TLRF) Overflow

Under the California Teeter plan, the county advances participating local agencies their property tax allocations based on enrolled assessed valuation. In return, the county collects and retains the actual taxes received, plus any penalties and interest on delinquent taxes. The tax losses reserve fund captures revenues and expenditures associated with the program. Revenue that exceeds financing costs and the necessary tax loss reserve is discretionary revenue and is released to the general fund on an annual basis. As delinquency rates continue to decline, the associated overflow projection of \$25 million remains unchanged for this fiscal year. This revenue will continue to erode, as projected in the chart at left.



Sales and Use Taxes

Total sales and use tax receipts from the most recent quarter 2.3 percent from the same quarter a year ago for all jurisdictions in the county, according to Hinderliter de Llamas & Associates (HdL), Riverside County’s sales tax consultant. This is somewhat less than reported among other counties in the region, and the state as a whole. The state’s overall growth rate was 3.4 percent over the same quarter a year ago.



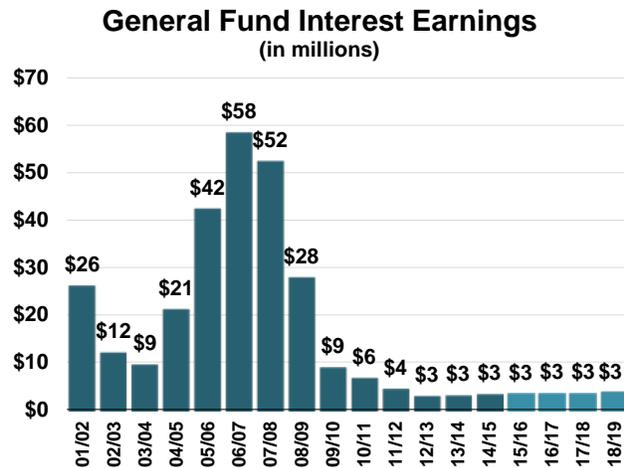
Source: HdL Companies

Adjusted for one-time allocations and corrections, the county’s year-over-year change in sales and use taxes declined 13.2 percent last quarter. That was due principally to curtailed sales and use taxes from construction of a solar power plant and a drop in fuel

prices. Both reductions were not entirely offset by growth in consumer goods attributable to the expansion of the factory outlet development and increased allocations to the county use tax pool. Sales at wineries continue to grow steadily.

Construction-related sales and use tax receipts from solar projects were significant during the last three fiscal years, and drove a temporary increase both in Riverside County's share of the pooled use tax allocated within the county and the county's Prop. 172 allocation factor. However, with those initial solar projects fully constructed, receipts on those projects are now minimal. While another solar project outside of Blythe is under

way, the Executive Office cannot forecast when, or in what amounts, sales and use tax receipts from that project will occur.



The county's FY 15/16 budgeted estimate for sales and use tax revenue is \$31.5 million, and factors out one-time receipts from solar projects this fiscal year. Revenue from the expanded factory outlets continues to increase, but per Board direction 25 percent of that growth area is set aside. Additional economic detail from HdL is contained in Attachment C.

Interest Earnings

The Treasurer's estimate for FY 15/16 general fund interest earnings continues to reflect a low level of interest rates as a result of the Federal Reserve (FED) putting off an expected rate increase in September due to growing risks to its outlook for economic growth and inflation. Market watchers expect a rate hike in the first quarter of 2016. Any changes in rates will not significantly impact interest earnings this fiscal year, as the FED is expected to raise rates gradually. Economic events that can alter FED activity include lesser than expected inflation, softening U.S. economic indicators, and heightened geopolitical risks from the Middle East.

Revenue Summary

Projected revenues remain stable, summarized at right.

**General Fund
Projected Discretionary Revenue
(in millions)**

	Budgeted Estimate	Current Quarter Estimate	Variance
Property Taxes	\$318.6	\$318.6	\$0.0
RDA Residual Assets	7.3	7.3	0.0
Motor Vehicle In Lieu	220.9	220.9	0.0
Tax Loss Reserve	25.0	25.0	0.0
Fines and Penalties	22.4	22.4	0.0
Sales & Use Taxes *	31.5	31.5	0.0
Tobacco Tax	10.0	10.0	0.0
Documentary Transfer Tax	14.4	14.4	0.0
Franchise Fees	4.1	4.1	0.0
Interest Earnings	10.8	3.1	(7.7)
Misc. Federal and State	21.8	25.0	3.2
Realignment	35.0	35.0	0.0
Other (Prior Year & Misc.)	13.4	20.1	6.7
Total	\$735.2	\$737.4	\$2.2

Interest on the back due SB90 payment was originally estimated at \$7.7 million. However, additional receipts during the first quarter totalled \$10.9 million, increasing that estimate by \$3.2 million. Specifically, the state paid down pre-2004 SB90 mandate reimbursement claims with \$5.6 million in interest. The state also paid various post-2004 claims worth \$1.8 million, and made an unexpected distribution of \$2.4 million for some 2003 and 2004 claims. Finally, an additional \$1 million distribution was made for the 2003 Handicapped Disabled Student claim. The Auditor-Controller’s Office is not aware of any further reimbursements this fiscal year. A technical adjustment of \$7.7 million to the revenue estimate for interest earnings is necessary at this time. It results in a net decrease in discretionary revenue of \$4.5 million to a total of \$730.1 million.

Recommendation 1: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments to appropriations for contingency and estimated revenues totalling \$4.5 million, as follows:

Decrease estimated revenue:		
10000-1300100000-740040	Interest – other	\$7,670,021
Increase estimated revenue:		
10000-1300100000-753620	CA – Mandate reimbursement	3,196,009
Anticipated use of unassigned fund balance:		
10000-1300100000-370100	Unassigned fund balance	4,474,012
Decrease appropriations:		
10000-1109000000-581000	Appropriations for contingencies	4,474,012
Anticipated increase of unassigned fund balance:		
10000-1109000000-370100	Unassigned fund balance	4,474,012

GENERAL FUND COMMITMENTS AND DESIGNATIONS OF FUND BALANCE

The county maintains a number of Board-established general fund commitments and fund balance designations, with the previously established objective to achieve and maintain \$250 million in unrestricted general fund reserves. The Executive Office is reviewing all committed and otherwise restricted fund balances to determine which remain essential, and which might be liquidated into unassigned fund balance.

General Fund Commitments and Designations
(in millions)

	FY 12/13 Ending Balances	FY 13/14 Ending Balances	Adj. for Budget Use	FY 15/16 Beginning Balances	Balance upon Approval
Economic uncertainty	\$124.7	\$124.7	\$0.0	\$124.7	\$124.7
Budget stabilization	34.1	53.9	0.0	53.9	50.6
Disaster relief	15.0	15.0	0.0	15.0	15.0
Property tax system	6.1	0.0	0.0	0.0	0.0
SB90 deferral	1.4	1.4	0.0	1.4	1.4
Historic courthouse remo	0.5	0.5	0.0	0.5	0.0
CAC remodel	0.5	0.5	0.0	0.5	0.5
Community improvement	0.0	0.0	2.0	2.0	2.0
ACO internal audits unit	0.1	0.1	0.0	0.1	0.1
DPSS realignment growth	4.3	4.3	0.0	4.3	4.3
Legal liabilities	3.7	3.7	0.0	3.7	2.5
TOTAL	\$190.4	\$204.1	\$2.0	\$206.10	\$201.1

APPROPRIATIONS FOR CONTINGENCY

Contingency covers urgent, unforeseeable events such as revenue shortfalls, unanticipated expenditures, uncorrectable budget overruns and mission-critical issues at the Board's discretion. The FY 15/16 adopted budget funded contingency at \$35.5 million, or 4.9 percent of ongoing discretionary revenue. This report contains a net increase of \$12.5 million at this time, taking the contingency level to **\$38 million**.

Use of General Fund Appropriations for Contingency

		Cost Adjustment	Revenue Adjustment	Total Adjustment	Balance Available
Beginning Balance:					\$35,515,211
Adjustments to date:					
09/28/15	Cash shortage	186		(186)	
08/08/15	Grant match	10,000,000		(10,000,000)	
		10,000,186	-	(10,000,186)	25,515,025
Actions recommended in this report:					
	Revenue adjustments		(4,474,012)	(4,474,012)	
	Loan interest	50,400		(50,400)	
	Mecca Comfort Stat	199,950		(199,950)	
	Unclaimed property tax		879,428	879,428	
	Waste lease revenue		6,689,520	6,689,520	
	Public Guardian	347,108		(347,108)	
	Reversal of grant m	(10,000,000)		10,000,000	
		(9,402,542)	3,094,936	12,497,478	
Total adjustments to Contingency =		597,644	3,094,936	2,497,292	
Contingency balance upon approval of this report =					<u>38,012,503</u>

D. MULTIYEAR BUDGET OUTLOOK**LONG-RANGE FORECAST**

In September 2013, the Executive Office presented a five-year public safety plan projecting additional operating expenditures and debt service costs, together with anticipated growth in estimated discretionary revenue. The objective was to map the increased costs necessary for opening of the East County Detention Center and increasing the patrol ratio. This plan was used to adjust the FY 15/16 budget targets for the Sheriff, Fire, Correctional Health, and Probation, in addition to increased Prop. 172 revenue allocations for the Sheriff and Fire.

Escalating, cumulative ongoing net county cost driven by the spending assumptions in the plan exceeds prudent projections for growth in discretionary general fund revenues and would require drawdown of general fund reserves. Based on these factors alone, and without considering an additional \$40 million or more annually currently estimated for inmate medical costs, the structural deficit would not begin to taper until FY 19/20, and likely would not close until the year after, when general fund reserves would be exhausted. This scenario is unsustainable and must be addressed by modifying spending assumptions within the Board's control. Consequently, the Executive Office will be revising the multi-year plan to take new assumptions into consideration and will present that to the Board at midyear together with a revised budget strategy informed by the

recommendations from the reports expected from KPMG and California Forward.

SHORT & LONG-TERM FACTORS INFLUENCING STRATEGIC OBJECTIVES

A number of factors contribute to the county's ongoing financial constraints:

- **Public Safety Realignment:** The strain on public safety and health care resulting from the state shifting responsibility for prisoners to the county is rising as an immediate and unavoidable funding issue. Health and mental health services for inmates in county correctional facilities in particular already have added significant annual costs beginning this fiscal year. The pending settlement will drive these costs up.
- **Labor Costs:** Multi-year labor contracts will increase labor costs across the board. Going forward, natural growth in labor costs will continue naturally as employees achieve step and merit increases, on average in excess of 5 percent, excluding any negotiated cost of living increases.
- **Pension Costs:** Pension obligations deferred by CalPERS also are finally coming due this fiscal year, increasing the county's annual costs.
- **Liability Insurance:** Over recent years, the county's self-insurance levels were spent down. Raising actuarial confidence levels to provide required coverage in the face of escalating judgements and settlements is further increasing liability costs.
- **Discretionary Revenue:** Although growth in discretionary revenues is improving, it is not growing as fast as the county's cost commitments.

E. DEPARTMENTAL STATUS

SUMMARY

Overall, most departments currently appear on target at the end of the first quarter. Given the county's significant fiscal challenges, it is imperative that every department use resources as efficiently and effectively as possible.

The Sheriff's department anticipates being short by \$32-42 million this fiscal year. However, analysis of its FY 14/15 year-end position indicates that it ended last fiscal year within target as a department overall. In addition, current year trends indicate most of the Sheriff's budget units at or near spending levels expected at this point in the year. The District Attorney and Public Defender's offices project deficits of \$9 million and \$1.7 million respectively, but their current year spending also is within budgeted levels. The Executive Office will continue to monitor these departments closely to assure the additional resources provided in this year's budget are adequate to cover essential services.

The Fire Department currently projects a \$1.3 million shortfall and is working through issues with cities failing to pay amounts due for services provided. The Executive Office

anticipates bringing forward at midyear an adjustment to capture the \$23.8 million state credit for Fire intended to address the impact on the county.

Correctional Health and Behavioral Health both anticipate significant cost overruns driven by increasing service levels in county jails and juvenile facilities. However, the need for expanded services must be addressed in a deliberate manner that acknowledges the county's fiscal constraints. The Executive Office will seek to phase-in service increases to meet the pressing needs and also contain spending within available resources.

The Department of Public Social Services continues to see caseload growth in public assistance, adult protective services, child protective services, in-home supportive services, and adoptions programs, and is recruiting aggressively to fill positions to keep pace with this growth and offset attrition.

The Office on Aging, funded almost entirely by federal and state programs, suffers continued significant fiscal uncertainties generated by Congress's short-term spending bills. That leaves essential programs such as meals for the elderly in constant question.

The Riverside University Health System Medical Center continues on course toward fiscal recovery, and is planning new initiatives to position its operations competitively. This includes a joint partnership to implement a new electronic medical record system, and replacement of aging technology and equipment.

INTERDEPARTMENTAL AND CAPITAL PROJECTS

Capital Improvement Program (CIP)

On July 30, 2013 (Item 12-1C), the Board of Supervisors approved a \$4 million cash advance from the Waste Resources enterprise fund to fund relocation costs associated with the East County Detention Center. The Executive Office recommends deferring repayment of the principal amount of the cash advance until a more feasible time. Interest on the principal for FY 13/14 and FY 14/15 will be repaid immediately and any additional interest earned will be repaid annually at the County Treasurer's pool rate. A budget adjustment to increase appropriations is necessary to cover the interest payments.

Recommendation 2: That the Board of Supervisors 1) approve deferring the general fund's repayment of the \$4 million loan from Waste Management; and 2) approve and direct the Auditor-Controller to make budget adjustments increasing estimated revenue appropriations for Contingency and Capital Improvement Program by \$50,400 to pay interest on the loan, as follows:

Decrease appropriations:

10000-1109000000-581000	Appropriations for contingencies	\$50,400
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Increase unassigned fund balance:

10000-1109000000-370100	Unassigned fund balance	50,400
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Increase appropriations:		
10000-1101000000-551100	Contributions to other funds	50,400
Use of unassigned fund balance:		
10000-1101000000-370100	Unassigned fund balance	50,400
Increase estimated revenue:		
30700-1104200000-790600	Contributions from other county funds	50,400
Increase appropriations:		
30700-1104200000-534000	Interest – notes-warrants	50,400

Contributions to Other Funds

The Executive Office requests approval of a \$199,950 appropriations increase to cover capital expenditures for the Mecca Comfort Station that were anticipated to be expensed in FY 14/15 but were carried over into FY 15/16. This will not increase the overall project budget.

Recommendation 3: *That the Board approve and direct the Auditor-Controller to make adjustments to appropriations for Contributions to Other Funds and Contingency by \$199,950, as follows:*

Decrease appropriations:		
10000-1109000000-581000	Appropriation for contingencies	\$199,950
Increase unassigned fund balance:		
10000-1109000000-370100	Unassigned fund balance	199,950
Increase appropriations:		
10000-1101000000-551100	Contributions to other funds	199,950
Use of unassigned fund balance:		
10000-1101000000-370100	Unassigned fund balance	199,950

The Executive Office also requests approval of a \$4,763 appropriations increase to cover the increased cost of the Riverside CAL-ID Member Agency Assessment. The amount in the recommended budget was \$358,827, however the amount billable for FY 15/16 is \$363,590. This amount is based on the California State Department of Finance’s E-1 Report for population. The population for the unincorporated portion of Riverside County is 363,590 and is billed at the rate of \$1 per capita.

Recommendation 4: *That the Board approve and direct the Auditor-Controller to make adjustments to appropriations for Contributions to Other Funds and Contingency by \$4,763, as follows:*

Decrease appropriations:		
10000-1109000000-581000	Appropriation for contingencies	\$4,763

Increase unassigned fund balance:		
10000-1109000000-370100	Unassigned fund balance	4,763
Increase appropriations:		
10000-1101000000-551100	Contributions to other funds	4,763
Use of unassigned fund balance:		
10000-1101000000-370100	Unassigned fund balance	4,763

Finally, on October 20, 2015, the Board approved item 3-7 for the transfer of property tax overpayments to the county general fund. The budget adjustment below reflects the transaction already approved.

Recommendation 5: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustment increasing estimated revenue for Contributions to Other Funds and appropriations for contingency by \$879,428, as follows:*

Increase estimated revenue:		
10000-1101000000-781140	Unclaimed money	\$879,428
Anticipated increase of unassigned fund balance:		
10000-1101000000-370100	Unassigned fund balance	879,428
Increase appropriations:		
10000-1109000000-581000	Appropriations for contingencies	879,428
Anticipated decrease of unassigned fund balance:		
10000-1109000000-370100	Unassigned fund balance	879,428

Finally, on August 18, 2015, the Board approved item 3-15 regarding an SB 863 grant application, including a tentative budget adjustment of \$10 million as a required match for the detention facility grant funds. However, the county was since notified that it was not awarded the grant; therefore, a reversal of the budget adjustment is necessary at this time.

Recommendation 6: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments to appropriations and estimated revenue for Contributions to Other Funds and the Capital Improvement Fund by \$10,000,000, as follows:*

Increase appropriations:		
10000-1109000000-581000	Appropriations for contingencies	\$10,000,000
Increase use of unassigned fund balance:		
10000-1109000000-370100	Unassigned fund balance	10,000,000
Decrease appropriations:		
10000-1101000000-551100	Contributions to other funds	10,000,000

Decrease use of unassigned fund balance:		
10000-1101000000-370100	Unassigned fund balance	10,000,000
Decrease estimated revenue:		
30700-1104200000-790600	Contributions from other county funds	10,000,000
Decrease appropriations:		
30700-1104200000-536780	Interfund expense - capital projects	10,000,000

GENERAL GOVERNMENT

Executive Office

The Executive Office first quarter expenditures are within FY 15/16 budget targets. On November 26, 2013 (Item 12-3C), the Board of Supervisors approved an agreement with Burrtec Waste Industries, authorizing the disposal of up to 225,000 tons of out-of-county waste per year. The agreement is anticipated to generate approximately \$2.2 million annually to be allocated to the general fund. During the first quarter of FY 15/16, the Waste Resources department distributed \$2.3 million in prior year revenue from the department’s enterprise fund to the general fund. An additional \$2.1 million of prior year revenue will be disbursed to the general fund during the second quarter, and an additional \$2.2 million is expected to be received within this fiscal year. A budget adjustment is necessary to recognize transfer of this prior and current year revenue.

Recommendation 7: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments to appropriations and estimated revenue for the General Fund by \$6,689,520 as follows:*

Increase estimated revenue:		
10000-1100100000-741270	Landfill lease agreement	\$6,689,520
Increase unassigned fund balance:		
10000-1100100000-370100	Unassigned fund balance	6,689,520
Increase appropriations:		
10000-1109000000-581000	Appropriations for contingencies	6,689,520
Use of unassigned fund balance:		
10000-1109000000-370100	Unassigned fund balance	6,689,520

Legislative and Administrative Support

The Legislative Litigation Services first quarter expenditures are within FY 15/16 budget targets.

Board of Supervisors / Clerk of the Board

The Clerk of the Board’s first quarter revenue and expenditures are within FY 15/16 budget targets.

Assessment Appeals Board

The Assessment Appeals first quarter expenditures are within FY 15/16 budget targets.

County Counsel

On September 22, 2015, Item 3-3, County Counsel and the Riverside University Health System (RUHS) requested that the Board of Supervisors authorize the addition of one full-time equivalent (FTE) Deputy County Counsel IV position and a half-time equivalent Legal Support Assistant II-C position dedicated to providing services for RUHS. In addition, a request was made to authorize the addition of one FTE Deputy County Counsel IV position dedicated to Inland Empire Health Plan (IEHP) services.

The Board authorized the three positions described above; however, the budget adjustments to establish appropriations were not made at that time. Therefore, the department requests a budget adjustment for the Deputy County Counsel IV and the Legal Support Assistant II-C for the hospital at this time. IEHP will be invoiced monthly for the services of the Deputy County Counsel IV dedicated to its organization.

Recommendation 8: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues for County Counsel by \$362,840, as follows:*

Increase appropriations:		
10000-1500100000-510040	Regular salaries	\$217,704
10000-1500100000-518100	Budgeted benefits	145,136
10000-1500100000-572800	Intra-fund – miscellaneous	<u>(362,840)</u>
	Total	0

In addition to these positions, both County Counsel and the Public Guardian have agreed that the Public Guardian will fund one half-time equivalent attorney and one FTE Legal Support Assistant II-C for LPS Conservatorship and Probate work.

Recommendation 9: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues for County Counsel by \$193,549, as follows:*

Increase appropriations:		
10000-1500100000-510040	Regular salaries	\$138,249
10000-1500100000-518100	Budgeted benefits	55,300
10000-1500100000-572800	Intra-fund – miscellaneous	<u>(193,549)</u>
	Total	0

Human Resources (HR)

Human Resources’ revenues are trending higher than budgeted due to an additional services agreement and increased contributions. In addition, there were additional expenditures related to payroll costs and board/commissions expenses. Budget adjustments are recommended to increase appropriations and the offsetting revenues. Human Resources will continue to monitor this fund closely.

Recommendation 10: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments to appropriations and estimated revenues for Human Resources by \$2,500, as follows:*

Increase estimated revenues:		
10000-1130100000-790600	Contribution from other county funds	\$ 2,500
Increase appropriations:		
10000-1130100000-510040	Regular salaries	22,000
10000-1130100000-518100	Budgeted benefits	16,000
10000-1130100000-528120	Board/commission expense	2,500
10000-1130100000-572900	Intra-fund – personnel	<u>(38,000)</u>
	Total	2,500

General Liability Insurance

Reimbursements of stop-loss recoveries are higher than anticipated. Increased appropriations to pay claims are needed. Human Resources will continue to monitor the spending on general liability claims.

Recommendation 11: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues for General Liability Fund by \$763,000 as follows:*

Increase estimated revenues:		
45960-1131000000-777010	Stop loss reimbursement	\$763,000
Increase appropriations:		
45960-1131000000-534280	Liability adjustment expense	763,000

Registrar of Voters

The Registrar of Voters (ROV) expects to meet its net county cost target for FY15/16. The ROV’s current budget assumes four mandated elections: the August 2015 consolidated mail ballot election involving approximately 61,000 voters, the November 2015 consolidated general election involving 140,000 voters, the April 2016 City of Rancho Mirage election, and the June 2016 presidential primary election, which is a major election involving all registered voters of Riverside County. The department is monitoring its budget closely and will address additional or unbudgeted spending in future quarterly reports. The ROV is evaluating the possibility of relocating to obtain additional office space. As a temporary solution, the department is considering improved space planning of the current facility. The ROV also is evaluating the need for a new voting system in the near future.

Economic Development Agency/Facilities Management (EDA/FM)

Economic Development Agency Administration

The department requests a budget adjustment for \$402,435 to reverse an appropriation transfer of \$226,500 which posted in July, and to reduce the COWCAP credit amount by

\$175,935 to the revised ACO credit amount of \$103,328. Additional interfund revenue from other EDA divisions will be available to cover these increases.

Recommendation 12: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues for the EDA Administration budget unit by \$402,435, as follows:

Increase appropriations:

21100-1900100000-520350	IT core services	\$ 85,000
21100-1900100000-526700	Rent-lease buildings	85,500
21100-1900100000-528920	Carpool expense	56,000
21100-1900100000-536840	Interfund expense – county support services	<u>175,935</u>
	Total	402,435

Increase estimated revenues:

21100-1900100000-778220	Interfund expense – office expenses	402,435
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Economic Development Program

Economic development activities in the first quarter were carried out under the Economic Development, Office of Foreign Trade, Office of Film and Television, Marketing, and Energy divisions.

- **Fast Track Program:** Two new fast track applications were received for projects that will create 65 new jobs. An ongoing fast track project received final occupancy permit from the county, and the company, iHerb, is in the process of moving into the new facility in Mead Valley. iHerb will bring 600 new jobs to the county. In addition, RDO Equipment, another ongoing fast track project, is now under construction in Highgrove and will create 75 new jobs.
- **Business Attraction and Expansion:** The department is assisting four companies with workforce recruiting, site selection and tax credit analysis. The four have the potential to create 400 jobs in the county. In addition, GOBiz/CalBis has provided two business leads; one for a renewable fuel company and one for an electric vehicle manufacturer. Other highlights include:
 - **California Air Resources Board (CARB) Facility:** EDA is spearheading the effort to relocate the California Air Resources Board facility from El Monte to Riverside. This project would attract several hundred highly skilled, high-paying jobs.
 - **Revolving Loan Fund Program:** EDA was awarded a \$1.2 million federal grant from U.S. EDA. The funds will be used to establish the Riverside County revolving loan program which will provide financing to local businesses to support business start-ups and expansions. Grant funds will be matched with Community Development Block Grant funds.
 - **Downtown Business Center:** Substantial work is complete on the Downtown Business Center project. Grand opening scheduled for November 2015.
- **Office of Foreign Trade (OFT):** The department hosted over 25 delegations and

seven foreign investment groups as part of OFT activity. Staff conducted two events in the first quarter: the second College of Foreign Trade on August 12, 2015, focused on the new markets of Japan and South Korea; and a seminar on behalf of the Four Winds Tribal Coalition titled Foreign Trade Zone 101 assist with the establishment of a foreign trade zone (FTZ) on tribal lands. The OFT initiated, with the City of Riverside, the planning and permitting process of the Ameriglow/Prime Investments EB-5 project for the University Village Extended Stay Hotel. Planning, in cooperation with federal agencies and local jurisdictions, for the 2015 Exporting Agriculture Summit to be held in Palm Springs on November 4, 2015, also has begun.

- **Film Commission:** The Riverside County Film Commission was established in July. Staff is working to assume the responsibilities previously held by the Inland Empire Film Commission under the Inland Empire Economic Partnership. First quarter activity includes the development of a marketing plan, aggressive marketing to Riverside County film industry professionals, and the issuance of 14 film permits.

The department requests a budget adjustment to record additional expenses for two unbudgeted positions; for expenses related to the new economic development business center, other special events and professional services for an online property search system; and for unbudgeted COWCAP expense. The additional expenses will be offset by a reduction in interfund expenses and additional revenue.

Recommendation 13: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues for Economic Development by a net amount of \$181,335, as follows:

Increase appropriations:		
21100-1901000000-510040	Regular salaries	\$227,652
21100-1901000000-510320	Temporary salaries	7,348
21100-1901000000-523270	Special events	60,000
21100-1901000000-525440	Professional services	50,000
21100-1901000000-527780	Special program expense	50,000
21100-1901000000-536840	Interfund expense – county support services	<u>11,335</u>
	Total	406,335
Increase estimated revenues:		
21100-1901000000-781360	Other miscellaneous revenue	170,000
21100-1901000000-778200	Interfund expense – miscellaneous	<u>11,335</u>
	Total	181,335
Decrease appropriations:		
21100-1901000000-536920	Interfund expense – general office expense	20,000
21100-1901000000-537180	Interfund expense – salary reimbursement	<u>205,000</u>
	Total	225,000

HUD Community Services Grant

The department requests a budget adjustment of \$1.1 million for new project expenses. Federal grant revenue will increase as reimbursement is requested and received after expenses are incurred.

Recommendation 14: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues for the Community Development Block Grant program by \$1,100,000, as follows:

Increase appropriations:		
21350-1900200000-536200	Contribution to other non-county agency	\$1,100,000
Increase estimated revenues:		
21350-1900200000-766000	Federal – community redevelopment hm	1,100,000

Workforce Development

The department requests a budget adjustment to recognize \$1.2 million in additional revenue from the allocation of the new Workforce Innovation and Opportunity Act (WIOA) federal grant, as well as other grants with Department of Public Social Services and community colleges. This revenue will fund expenses for training providers and client services.

Recommendation 15: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues for the Workforce Development division by \$1,200,000, as follows:

Increase appropriations:		
21550-1900300000-530300	Training provider	\$ 200,000
21550-1900300000-530440	Client services	900,000
21550-1900300000-530460	Support services	<u>100,000</u>
	Total	1,200,000
Increase estimated revenues:		
21550-1900300000-765000	Federal - WIA	500,000
21550-1900300000-781360	Other miscellaneous revenue	<u>700,000</u>
	Total	1,200,000

County Fair & National Date Festival

The department requests a budget adjustment of \$617,488 to increase admissions, miscellaneous event charges, and interfund revenue, and to decrease contribution from other county funds. A general fund contribution in this amount was requested during the FY 15/16 budget process, but was not approved. The department is increasing admission ticket prices to partially offset the revenue needs, and additional revenue is anticipated to be received via interfund transfers from EDA contributions.

Recommendation 16: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments to estimated revenue for the Fair & National Date Festival budget unit by \$617,488, as follows:

Increase estimated revenues:		
22200-1920100000-741020	Admissions	\$200,000
22200-1920100000-741320	Miscellaneous event charges	1,512
22200-1920100000-778200	Interfund expense - miscellaneous	<u>415,976</u>
	Total	617,488

Decrease estimated revenues:
 22200-1920100000-790600 Contribution from other county funds 617,488

Parking

The parking division anticipates a year-end deficit of \$190,443. The department is evaluating alternatives, including the feasibility of increasing parking rates, to support efforts for full cost recovery. Monthly county parking charges have remained at \$35 per month for over 10 years.

Facilities Management Administration

The department requests a budget adjustment to increase appropriations to allow sufficient processing of inventory for the custodial and maintenance divisions. Increased demands for support of county buildings result in an increase in the inventory-stores cost. The increased appropriations are a pass-through process and will not increase costs, and will allow for sufficient capacity to process costs efficiently. Sufficient appropriations are included for inventory expense in both the custodial and maintenance budgets.

Recommendation 17: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues for the Facilities Management Administration by \$100,000, as follows:*

Increase appropriations:
 10000-7200100000-528020 Inventory – stores \$100,000

Increase estimated revenues:
 10000-7200100000-777520 Reimbursement for services 100,000

Facility Renewal (Formerly Deferred Maintenance)

During the FY 15/16 budget process, EDA requested and received approval for an additional \$607,500 to address high-priority, at-risk life-cycle and regulatory requirements. Work on each of the seven funded projects has begun and all are in the planning/proposal phase. All projects are expected to be completed by the end of FY15/16. Funding may be reallocated between projects to address actual budget needs of the most critical projects. For FY 15/16, the department incorporated \$750,000 for facility renewal projects into the maintenance division rate, in order to reduce the burden on the general fund.

In addition to planned projects, the division also has addressed several emergency projects due to vandalism/theft or breakdown. Representative projects include cooling tower and sump pump repair; replacement of air conditioning units, chiller compressors and heat exchangers; and other urgent issues in county buildings. These types of projects will be tracked each quarter in order to assess budget impacts.

Water Service Fiduciary Fund

Construction of the permanent water lines by Eastern Municipal Water District and Elsi-

nore Valley Water District is anticipated to be complete in March 2016. As each section of the permanent lines is completed, EDA will transfer clients to the appropriate water district. The budget unit is currently meeting expenditures and revenues, and is expected to be closed out at the end of the fiscal year.

PUBLIC PROTECTION

Fire

The Fire Department reports a \$1.3 million budget deficit for FY 15/16. This is due to anticipated increases in salaries and benefits for state firefighters. The bargaining agreement is still being negotiated. The \$1.3 million is the county’s portion and has been adjusted to reflect a conservative six months of costs. The department will continue to update the Executive Office as to a final bargaining agreement. As in previous years, the department will examine cost-saving measures to reduce the deficit.

The City of Wildomar and the City of Eastvale have not paid for the Fire Protection services provided in FY 14/15. This outstanding receivable for the department totals \$1.8 million. We will continue to invoice until full payment is received.

The department requests a budget adjustment related to grant balances rolled over from last fiscal year, and which is necessary to complete grant purchases. These grants, totaling \$1.2 million, include the FY 2014 Homeland Security grant balance of \$355,000 approved by the Board on November 24, 2014 (Agenda Item 03-41); FY 2014 Emergency Management Performance Grant balance of \$400,000 by the Board on November 24, 2014 (Agenda Item 3-42); CalFire state responsibility area fire prevention fund projects balance of \$296,000 approved by the Board on May 12, 2015, (Agenda Item 3-57); and, FY 09/10 State Fire Assistance Grant balance of \$155,000 approved by the Board on July 21, 2009 (Agenda Item 3.57).

Recommendation 18: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues for Fire by \$1,206,000, as follows:*

Increase appropriations:		
10000-2700200000-527780	Special program expense	\$1,206,000
Increase estimated revenues:		
10000-2700200000-767220	Federal - other operating grants	1,206,000

Emergency Management Department

On May 12, 2015, the Board of Supervisors approved item 3-49 and established the Emergency Management Department (EMD). It combined the Department of Public Health programs of Public Health Emergency Preparedness and Response (PHEPR), Riverside County Emergency Management Services Agency (REMSA), and the Riverside County/CalFire Office of Emergency Services (OES). Combining these programs centralizes emergency management functions, reduces duplication of effort and provides for unified vision for mitigation, preparedness, response, and recovery activities.

On September 22, 2015, item 3-39, the Board of Supervisors approved budget adjustments reallocating appropriations and revenue from the Department of Public Health and County Fire/CalFire to the new department. EMD will continue to monitor ongoing revenues and expenditures.

EMD continues to evaluate space needs for OES staff and the feasibility of temporarily relocating the county emergency operations center. Although, the department anticipates additional one-time and ongoing cost associated with the move, non-general fund revenue sources are being evaluated to offset the increased costs. Once a location is selected and costs for the move are determined, the department will return with a recommendation for Board consideration.

Sheriff

The Sheriff projects a balanced budget once the ongoing structural issues, as detailed at the Board's June 15, 2015, budget impact workshop, are addressed. At the first quarter mark, the structural deficit is projected in the range of \$32-42 million. The shortfall stems primarily from negotiated salary and benefit increases calculated at \$29 million over four fiscal years and \$16 million in two fiscal years of unfunded internal service rate increases. When the Sheriff submitted the FY 15/16 budget in March, he projected a \$65 million deficit. The Board approved the addition of \$14.4 million in June to support expected hiring to fill correctional positions and for deputies in the unincorporated area. However, on July 7, 2015, the Board decided to continue unincorporated patrol staffing at 1.04 sworn officers per 1,000 residents and agreed with the Sheriff's plan to revise hiring for the East County Detention Center. The Sheriff could then utilize \$14.4 million to address the chronic budget shortfall.

Previously the Board approved recommendations from the County Executive Officer to add funds to the Sheriff's budget primarily at third quarter following a "just-in-time pattern." During the budget process, the Board committed to fully funding the Sheriff's structural deficit however the timing has not been outlined. Every budget unit in the Sheriff's Department has a structural deficit due primarily to the aforementioned unfunded salary and benefit costs. Three of these units are patrol, corrections and court services. Patrol's budget deficit is estimated at \$26 million. Appropriations are sufficient to cover anticipated overtime, however, an unusual event, e.g. a presidential visit, could seriously impact the projection. In FY 14/15, the Sheriff's overtime costs totaled \$38 million; however 60 percent of those costs were paid from sources other than the general fund.

The Corrections deficit is projected at \$6 million, however due to fixed post position staffing needs, overtime is being closely monitored. The impact of realignment and the adjusted timeline for the new facility in Indio continue to adversely impact the entire jail system. There are insufficient beds today and the situation will not improve prior to mid-2018. The Court Services budget deficit, projected two years ago at \$1.3 million, is now projected at \$4.5 million. Realignment moved funding for court security from the courts to counties; unfortunately, the amount allocated is insufficient to meet the mandatory staffing the court requires. For the past three years, the Board has added \$1.3 million at third quarter; this amount will need to be increased this fiscal year.

The Sheriff continues to communicate with the Executive Office and to provide ongoing information about areas of concern as well as successes in achieving program and budget goals.

District Attorney

The District Attorney reports that during the first quarter the projected deficit was reduced by \$2.9 million. Across the department, cost-saving measures were implemented along with innovative revenue solutions. The projected deficit is just over \$9 million. The District Attorney will continue to work with his staff to preserve public safety, to advocate on behalf of crime victims, and to reduce recidivism by encouraging those who have served their time become more involved in their families and communities. The District Attorney also is working with the Executive Office and public safety partners to provide the Board with a clear understanding of the public safety challenges in Riverside County. The District Attorney's grant revenue projections in the recommended budget have changed due to adjustments made by the grantors. Minor adjustment requests follow.

Recommendation 19: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenue for the District Attorney's Workers' Compensation Fraud by \$420,000 as follows:*

Increase estimated revenue:		
10000-2200100000-755360	Workers Compensation insurance fraud	\$420,000
Increase appropriations:		
10000-2200100000-510040	Regular salaries	240,000
10000-2200100000-518100	Budgeted benefits	80,000
10000-2200100000-520220	County Radio 700 MHz System	10,000
10000-2200100000-520250	Communications equipment installation	5,000
10000-2200100000-520820	Janitorial services	5,000
10000-2200100000-521100	Expert Witness Fees	20,000
10000-2200100000-523700	Office Supplies	20,000
10000-2200100000-527840	Training - education/tuition	20,000
10000-2200100000-528920	Car pool expense	15,000
10000-2200100000-528940	Travel/fuel	5,000
	Total	420,000

Recommendation 20: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenue for the District Attorney's Automobile Insurance Fraud by \$105,000 as follows:*

Increase estimated revenue:		
10000-2200100000-755460	CA – DA auto insurance fraud	\$105,000
Increase appropriations:		
10000-2200100000-510040	Regular salaries	55,000
10000-2200100000-518100	Budgeted benefits	15,000
10000-2200100000-520220	County Radio 700 MHz System	5,000
10000-2200100000-520250	Communications equipment installation	5,000

10000-2200100000-523700	Office supplies	10,000
10000-2200100000-527840	Training - education/tuition	10,000
10000-2200100000-528920	Carpool expense	<u>5,000</u>
	Total	105,000

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’s Disability and Healthcare Insurance Fraud program by \$137,394 as follows:

Increase estimated revenue:		
10000-2200100000-755650	CA – Disability healthcare fraud	\$137,394

Increase appropriations:		
10000-2200100000-510040	Regular salaries	70,000
10000-2200100000-518100	Budgeted benefits	20,000
10000-2200100000-520220	County Radio 700 MHz System	5,000
10000-2200100000-520250	Communications equipment installation	5,000
10000-2200100000-520820	Janitorial services	7,394
10000-2200100000-521100	Expert Witness Fees	10,000
10000-2200100000-523700	Office supplies	5,000
10000-2200100000-527840	Training - education/tuition	10,000
10000-2200100000-528920	Car pool expense	<u>5,000</u>
	Total	137,394

Recommendation 22: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenue for the District Attorney’s Federal Unserved/Underserved effort by \$84,041 as follows:

Increase estimated revenue:		
10000-2200100000-767280	Federal – Federal revenue	\$84,041

Increase appropriations:		
10000-2200100000-510040	Regular salaries	45,000
10000-2200100000-518100	Budgeted benefits	20,000
10000-2200100000-520220	County Radio 700 MHz System	5,000
10000-2200100000-520250	Communications equipment installation	5,000
10000-2200100000-523700	Office supplies	5,000
10000-2200100000-527840	Training – education/tuition	<u>4,041</u>
	Total	84,041

Department of Child Support Services

Child Support Services expects to end the year with a balanced budget when state and federal claims are paid in September 2016. Efforts continue to secure additional funds in order to expand services. Most recently, the department entered into negotiations with Ventura County to provide call services. This will allow the Riverside office callers to access assistance more quickly and staff will be reassigned to reduce caseload levels. The department is committed to continue ensuring that children across Riverside

County are adequately supported by both of their parents.

Probation Department

The department estimates a savings of approximately \$133,000 by the end of the fiscal year based upon assumptions and actions taken during the first quarter. These include but are not limited to continued recruitment and hiring for vacant positions, including grant-supported positions (SB 678-Evidence Based Probation Supervision and AB 109/118 Realignment of Public Safety), and the anticipated opening of the Alan M. Crogan Youth Treatment and Education Center in August 2016.

In 2008, the department implemented an enhanced aftercare program as a post-release component of the youthful offender program, recently renamed the Youth Treatment and Education Center (YTEC). The program provides six months of intensive supervision for juveniles in Indio and Riverside following release from treatment and assists them with community reentry. The goal is reduced recidivism and safer communities. When the Alan M. Crogan YTEC opens, the enhanced aftercare unit will pilot a three-phase Functional Family Probation Supervision program, a model used in conjunction with functional family therapy. There will be 20 youths per caseload in the model and the expectation is that they will participate for no more than 18 months, with reviews every six months. The department requests four additional officers to address the increased size of the program in order to keep the caseloads below 20, as well as a supervising probation officer, a senior probation officer and an office assistant III. All positions will be supported by the Youthful Offender Block Grant, with no impact to the general fund. To comply with Board policy, the positions will be deleted at the end of the grant program.

Recommendation 23: *That the Board of Supervisors 1) approve amending Ordinance No. 440 to add four (4) Deputy Probation Officer II positions, one (1) Supervising Probation Officer, one (1) Senior Probation Officer and one (1) Office Assistant III position; and 2) approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenue for the department by \$450,725, as follows:*

Increase estimated revenue:		
10000-2600200000-755680	CA – other operating grants	\$450,725
Increase appropriations:		
10000-2600200000-510040	Regular salaries	312,412
10000-2600200000-518100	Budgeted benefits	<u>138,313</u>
	Total	450,725

The Board of Supervisors accepted a \$59,771 Edward Byrne Memorial Justice Assistance grant on September 22, 2015 (3-23) and authorized the Sheriff to act as the fiscal agent. Probation's allocation is \$14,943 and will be used to partially support a Supervising Probation Officer assigned to work with the performance-based standards for youth correction and detention facilities systems, a data-driven improvement model grounded in research that holds agencies, facilities and residential care to the highest standards.

Recommendation 24: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenue for the Probation Department by \$14,943, as follows:*

Increase estimated revenue:		
10000-2600100000-755680	CA – other operating grants	\$14,943
Increase appropriations:		
10000-2600100000-510040	Regular salaries	14,943

Law Office of the Public Defender

The Law Office of the Public Defender (LOPD) expects to have a deficit in salaries and benefits of \$1.7 million by fiscal year-end. This will result from unfunded salary and benefit increases, retirement payouts, temporary assistance needs, and unrealized salary savings due to low staff turnover rates. In services and supplies, the department expects a deficit of \$116,047. This resulting from unexpected rent in the new Indio building, safety retrofits in Blythe, temporary assistance needs, and new volunteer background checks per Human Resources. Shortages in AB109 and Indian gaming funding could continue to affect revenue in the amount of \$309,000. Any adjustments will be evaluated in mid-year.

Grand Jury

The Grand Jury first quarter expenditures are within FY 15/16 budget targets.

Agricultural Commissioner

The Agricultural Commissioner’s first quarter revenue and expenditures are within FY 15/16 budget targets.

Public Guardian

The Public Guardian provides state mandated conservatorship and estate administration services. The Probate Code requires the county probate conservator, following a court-order, to manage housing and estates of the physically disabled and those with dementia who may be subject to physical or financial abuse or neglect. These services are funded through the general fund; no other funding source is available.

Behavioral Health is concerned about the department's ability to meet budget targets in the Public Guardian’s office, and therefore requests \$347,108 in additional general fund support to cover cost of living and internal service fund increases, in addition to increased costs from County Counsel associated with Public Guardian court activities. No other funds are available to support these Public Guardian activities.

Recommendation 25: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations for Public Guardian and decreasing Contingency by \$347,108, as follows:*

Increase appropriations:		
10000-4100100000-510040	Regular salaries	\$141,432
10000-4100100000-518100	Budgeted benefits	57,684
10000-4100100000-521640	Maintenance – software	21,320
10000-4100100000-525020	Legal services	96,775
10000-4100100000-528920	Carpool expense	16,190
10000-4100100000-529540	Utilities	<u>13,707</u>
	Total	347,108

Use of unassigned fund balance:		
10000-4100100000-370100	Unassigned fund balance	347,108

Decrease appropriations:		
10000-1109000000-581000	Appropriation for contingencies	347,108

Increase unassigned fund balance:		
10000-1109000000-370100	Unassigned fund balance	347,108

PUBLIC WAYS AND FACILITIES

Aviation

The department requests a \$98,618 increase in estimated revenue from additional sponsorships for the French Valley Wings & Wine Air Show and lease revenue at Jacqueline Cochran Airport, as well as appropriation increases for air show related event expenses, an office relocation, environmental and water treatment permit fees, and the purchase of a new network printer.

Recommendation 26: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues, and use of assigned fund balance for program money for County Airports by for a net total of \$184,741, as follows:

Increase appropriations:		
22100-1910700000-523220	Licenses and permits	\$57,365
22100-1910700000-523270	Special events	15,388
22100-1910700000-525440	Professional services	31,100
22100-1910700000-526700	Rent – lease buildings.	74,412
22100-1910700000-546140	Equipment – office	<u>6,476</u>
	Total	184,741

Increase estimated revenues:		
22100-1910700000-741320	Miscellaneous event charges	26,600
22100-1910700000-741500	Temporary use lease	<u>72,018</u>
	Total	98,618

Use of assigned fund balance:		
22100-1910700000-350100	AFB for program money	86,123

Transportation Land Management Agency (TLMA)

Transportation

The costs of transportation projects funded by the developer impact fee (DIF) revenue are initially paid out of the department’s main capital cost center (Fund 20000, Dept ID 31305). The department is then reimbursed by the Executive Office, which administers the DIF program.

The Transportation Department has incurred expenses for the I-10 at Date Palm project (A8-0373) in the current year that were anticipated to have hit in prior year. The project was delayed due to construction changes, burrowing owls, and a failure on the tieback wall, which resulted in a 17 month delay and an additional cost of \$1,200,395. After the final costs are determined on this project, the department will work with Coachella Valley Association of Governments (CVAG) to determine the appropriate regional local funding split. In the second change, the I-10 at Palm Drive (A4-0740) project incurred expenses of \$465,000 stemming from utilities charges from Southern California Edison that were paid after the notice of completion was received for the project. A budget adjustment will allow the department to recognize the cost in the department’s DIF fund 31650, which reimburses the department and allows for credit back to the main capital cost center. No other adjustments are necessary at this time. All expenses were allowable within the approved projects. Timing of the actual appropriation for these multi-year projects is the reason for these budget adjustments. There is no general fund impact with this adjustment.

Recommendation 27: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues for the Small Caps budget unit by \$1,665,395, as follows:*

Increase appropriations:		
31650-3130500000-537280	Interfund expense – misc. project expense	\$1,665,395
Increase estimated revenues:		
31650-3130500000-790600	Contribution from other county funds	1,665,395

Transportation Construction Projects

The department’s ongoing operations are primarily funded by two sources of gas tax. The department receives a formula-based share of the 18.4 cents per gallon of traditional gas tax, which is a relatively predictable, although declining, funding source. The department also receives a newer gas tax component that the legislature enacted to replace the sales tax on gasoline, which is highly volatile revenue because it is indexed to the price of gas. The department anticipates less gas tax revenue from the sales tax component than anticipated in the approved FY 15/16 budget. In addition, the department anticipated carrying over \$13.1 in budgeted paving projects that did not materialize and that now need to be re-budgeted in FY 15/16. Therefore, the department requests a \$13,178,341 budget adjustment at this time.

Recommendation 28: *That the Board of Supervisors approve and direct the Auditor-*

Controller to make budget adjustments increasing appropriations and anticipated use of restricted fund balance for Transportation Capital Projects by \$13,178,341, as follows

Increase appropriations:		
20000-3130500000-523230	Miscellaneous expense	\$13,178,341
20000-3130500000-572800	Intra-fund – miscellaneous	(13,178,341)

HEALTH AND SANITATION

Riverside University Health System – Public Health

The Riverside University Health System – Public Health reports a number of issues requiring Board approval. First, Public Health was awarded additional state funding for the Black Infant Health program to reduce health disparities for African American mothers and their babies by empowering the mothers to make healthy choices. The department also was awarded funds for other programs, including a prescription program that allows oversight and monitoring to ensure compliance regarding prescribed psychotropic medications for an enhanced medical services program for children with special health care needs; jail inspections; Medi-Cal outreach and opportunities to enroll 10,000 clients; teen suicide prevention; and safe routes to school programs. A budget adjustment is also requested to allocate Public Health Administration costs to Public Health programs.

Recommendation 29: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenue for Public Health by \$86,731, as follows:

Increase appropriations:		
10000-4200100000-510040	Regular salaries	\$ 366,387
10000-4200100000-510240	Per diem salaries	19,601
10000-4200100000-528100	Training post STC	151,833
10000-4200100000-520230	Cellular phones	380
10000-4200100000-520330	Communication services	1,000
10000-4200100000-523700	Office supplies	10,841
10000-4200100000-523760	Postage – mailing	50
10000-4200100000-523800	Printing/binding	1,275
10000-4200100000-524500	Administrative support – direct	4,069,122
10000-4200100000-526700	Rent-lease buildings	3,419
10000-4200100000-527780	Special program expense	4,560
10000-4200100000-527840	Training – education/tuition	5,699
10000-4200100000-528140	Conference/registration fees	150
10000-4200100000-528920	Carpool expense	300
10000-4200100000-528940	Travel – fuel	1,000
10000-4200100000-529040	Private mileage reimbursement	300
10000-4200100000-572200	Intra-fund – grant	(377,740)
10000-4200100000-572800	Intra-fund – miscellaneous	<u>(4,171,446)</u>
	Total	86,731
Increase estimated revenue:		
10000-4200100000-751680	CA – state grant revenue	80,842
10000-4200100000-774530	Detention facilities	1,500

10000-4200100000-778200	Interfund expense – miscellaneous	<u>4,389</u>
	Total	86,731

The Women, Infant and Children (WIC) Program contract budget will sustain some changes as the indirect cost rate was established by the state, resulting in a budget shift from salary and benefits to indirect costs. The department does not anticipate at this time any impact to NCC as a result of the funding decrease, but will keep the Executive Office apprised of the situation.

Community Translational Research Institute

The Community Translation Research Institute (CTRI) was awarded a planning grant from Robert Wood Johnson Foundation (RWJF). The planning grant awarded to CTRI will be used to develop the structure and organization of the Accountable Community for Health (ACH) in Jurupa Valley and develop the organization and governance of a well-ness trust.

CTRI has been engaged in initiating strategic planning in related domains. First, CTRI leadership has been developing and defining its role as a coalition builder among the many health and social service organizations in Riverside County with the ultimate goal of designing, implementing, and evaluating innovative approaches to public health. Second, CTRI has begun to develop a strategic plan to create a culture of health in Riverside County. Two important steps in establishing a culture of health are: 1) creating an Accountable Community for Health to provide sustained support for planning, and coordinated implementation of evidence-based approaches, programs, and policies; and 2) creating an integrated, countywide monitoring system, including coordinated data systems, which are necessary to set and assess progress toward these goals.

Plans and next steps for CTRI:

- Explore other funding opportunities relevant to work currently being conducted by CTRI, including revising the National Institutes of Health R18 grant application
- Develop a community research seminar series to enhance the research capabilities of the Department of Public Health.
- Continue work on RWJF planning grant

Diabetes Free Riverside (DeFeR)

DeFeR continued to conduct population screenings for diabetes and diabetes risk factors in Jurupa Valley and located screening locations in Perris Valley. Eligible participants identified by the screenings moved into a 16-week diabetes prevention program. DeFeR has also developed new intervention elements to pilot during the program. The first cohort of participants completed the 16 week intervention and lessons learned will be used to guide the implementation of the second cohort.

Department of Environmental Health

The Department of Environmental Health's first quarter revenue and expenditures are within FY 15/16 targets.

Department of Behavioral Health***Behavioral Health Treatment***

Behavioral Health continues to implement health care reforms and is involved in several initiatives and opportunities for new funding that could increase substance-abuse and community mental health services countywide. These projects include the Behavioral Integration Initiative through IEHP, the Drug Medi-Cal Organized Delivery System Waiver, Whole-Person Care Initiative, and the federal approval of a new five-year Mental Health Plan. The department will provide updates to the County Executive Office and the Board of Supervisors as these initiatives develop.

Correctional Behavioral Health

The Riverside University Health System – Behavioral Health reports the cost of providing adequate behavioral health care for those detained in county facilities is growing at a rate that will likely exceed budgeted amounts. Most of the cost involves planned staffing expansions. The ultimate staffing makeup and hiring schedule has been actively implemented over the last 18 months and costs have outpaced planned general fund support. The additional cost this year will likely exceed \$7 million. The plan and associated budget adjustment will be brought to the Board of Supervisors in the midyear report for consideration and approval.

PUBLIC ASSISTANCE***Department of Public Social Services (DPSS)***

The Department of Public Social Services (DPSS) reports Medi-Cal caseload growth of 54 percent through August 2015. Many of the other self-sufficiency and social services programs also showed increases, but in the following lesser percentages: adult protective services increased 25 percent, in-home supportive services increased 9 percent, child welfare services increased 6 percent, CalFresh increased 5 percent, adoptions increased 5 percent, and foster care increased 4.5 percent. The CalWORKs and welfare to work programs experienced negative growth of 5 percent and 1 percent, respectively.

Aggressive recruiting and hiring continues in all major program areas in an effort to accommodate program growth and keep pace with the 11 percent annual attrition rate. In FY 14/15, the department filled approximately 800 permanent positions, and anticipates filling an additional 570 positions by the end of FY 15/16.

In July 2015, the department renewed a memorandum of understanding with the Housing Authority. The Housing Authority provides rapid rehousing services to eligible homeless CalWORKs families and intervention services to homeless individuals, while assisting with securing permanent housing.

In FY 15/16, CalWORKs Housing Support Program (HSP) funds increased from \$1 million to \$1.5 million. Although these funds are primarily used for emergency housing vouchers, the additional HSP funding will be used for:

- 1) Financial assistance to CalWORKs families receiving an HSP subsidy;
- 2) New CalWORKs homeless families identified for or having requested HSP services;

Homeless families discontinued for exceeding the CalWORKs income eligibility requirements.

The department will monitor expenditure levels and will include a budget adjustment in the midyear budget report, if required.

In FY 15/16, in-home supportive services (IHSS) individual provider (IP) service hours are projected to increase 13 percent over FY 14/15. Ongoing program growth is the primary reason for the increase, with a small percentage associated with the transition of IHSS contract cases to IHSS IP cases, which occurred during the first quarter.

The department currently projects caseload growth of 4 percent in adoptions assistance and foster care, and a decrease of 6 percent in emergency assistance, compared with FY 14/15 levels. The increase in foster care is related to the increase in child protective services referrals and the AB12 extended eligibility for children in foster care from age 18 to 21. This growth was anticipated and budgeted in FY 15/16.

In 2008, the state implemented a new rate structure for dual agency children. These children were either in foster care placement or an adoptive home and also received developmental disability services from the California Regional Center. The effective date of the new rate was retroactive to July 1, 2007, and was paid to families that qualified. However, the department recently identified a subset of children in the adoptions assistance program that might have been eligible for the new rate, but were not previously notified of the benefit change. The Children's Services division is assessing eligibility for this subset of children. The department will continue to monitor the situation to determine if any additional appropriations will be required.

The Housing and Urban Development Department (HUD) requires that continuum of care agencies collect information about the numbers and demographics of homeless individuals and families on a single night. These one-night counts, called point-in-time counts (PIT), must be conducted every two years in odd calendar years during the last 10 days in January. The PIT count also includes counts of homeless subpopulations, including veterans. In prior years, homeless veteran counts differed significantly from other sources because of inconsistent approaches in gathering the information. Recognizing this, the Veterans Administration (VA) invited the department to apply for grant funds to perform a 2016 PIT enumeration of homeless veterans in Riverside County. The VA recently granted DPSS \$49,495 for a professional services contract to manage the process. The PIT count will occur in the final 10 days of January 2016, and will be considered by both HUD and the VA to be the official federal estimate of homeless vet-

erans in Riverside County. The department requests that the Board adjust the budget to recognize this increase in grant revenue and corresponding expenditures.

Recommendation 30: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues for the Department of Public Social Services by \$49,495, as follows:*

Increase estimated revenues:

21300-5100600000-767220	Federal – other operating grants	\$49,495
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Increase appropriations:

21300-5100600000-525440	Professional services	49,495
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Riverside County Children and Families Commission (RCCFC)

The department reports that during the first quarter of FY 15/16, First 5 California approved base level funding for First 5 Riverside through its IMPACT (Improve and Maximize Programs so All Children Thrive) phase one application. The local area agreement will be considered for approval by the commission during its December meeting. First 5 IMPACT's purpose is to support a network of local quality improvement systems that will improve the quality of early learning through better coordination and assessment. When the phase two application is approved, First 5 Riverside will be eligible to receive up to \$5.3 million for this purpose over five years.

Other significant actions of the commission included:

- Participation in countywide drowning prevention efforts, which included approval of a contract with Department of Public Health, in the amount of \$198,000, for a drowning prevention program.
- Approval of a contract, in the amount of \$175,000, with Family Service Association, as a partner, to assist in constructing a toddler classroom and two preschool classrooms, thereby increasing the number of child care spaces by 72 (24 toddler spaces and 48 preschool spaces).
- Development of the strategic plan, covering the period FY 16/17 through FY 20/21, which the Commission approved on October 28, 2015. The focus areas included maternal and child health, family strengthening and early learning. Additional focus areas included building systems and capacity for those serving children and families.

The commission's annual audit submission will be delayed, due to implementation of Government Accounting Standards Board Statement No. 68 regarding net pension liability. The audit submission will be presented during the December commission meeting. Although the State Controller's office granted an extension, it will show as late on the State Controller's report. However, receipt of revenue will not be impacted.

Due to lower-than-anticipated spending on contracts the commission estimates de-

creasing use of fund balance from \$8.4 million to \$6.8 million. Consequently, the projected year-end fund balance is now estimated at approximately \$35.9 million. The commission obligated nearly all of these funds for services in future years, the long-term commitment reserve (based on eight months of prior year actual operating expenses), and capital acquisition. The capital acquisition reserve will be expended this fiscal year.

Community Action Partnership (CAP)

Community Action Partnership (CAP) expenditures are in alignment with the budget; there are no significant budget changes for this quarter.

Veterans’ Services

Veterans’ Services is on target to meet its FY 15/16 net county costs. Veterans’ Services received notification it will receive additional funding of approximately \$163,000 this fiscal year from California Department of Veterans Affairs (CDVA). The department plans to provide services to more veterans at its Indio, Hemet, and Riverside offices. If needed, Veterans’ Services will return to the Board of Supervisors requesting approval of a budget adjustment.

Office on Aging

The Office on Aging receives a significant amount of federal and state funding to support the provision of services, programs and other activities for senior citizens county-wide in accordance with Title III & Title VII of the Older Americans Act and the Older Californians Act. Office on Aging might be directly impacted by Congress recently passing a 10-week, short-term spending bill. Called a continuing resolution, it funds the federal government at FY 2015 levels until December 11, 2015. Although the direct impact to Office on Aging is unknown at this time, the department will monitor federal activity and the possible impact of sequestration on the department, and will provide an update as necessary in the mid-year report.

The department requests a budget adjustment totaling \$114,596. It reflects an increase in available funds based on an amendment to the original agreement between California Department of Aging (CDA) and Riverside County Office on Aging for ombudsman services in the amount of \$113,579, and for the Title V Senior Community Service Employment Program (SCSEP) in the amount of \$1,017.

Recommendation 31: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenue for Office on Aging by \$114,596, as follows:*

Increase estimated revenue:		
21450-5300100000-751600	CA – other aid to health	\$113,579
21450-5300100000-767140	Federal – miscellaneous reimbursement	<u>1,017</u>
	Total	114,596
Increase appropriations:		
21450-5300100000-510040	Regular salaries	1,017
21450-5300100000-536200	Contribution to non-county agency	<u>113,579</u>
	Total	114,596

EDUCATION, RECREATION, AND CULTURE

County Free Library

The department requests a budget adjustment to increase lease expenses, operational marketing expenses, carpool expenses for the lease of four vehicles, and interfund expenses for building improvements for library facilities. Additional revenue of \$141,990 and restricted fund balance of \$180,510 will provide the funding for these expenses.

Recommendation 32: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations, estimated revenues, and use of restricted fund balance for County Free Library by \$322,500, as follows:*

Increase appropriations:		
21200-1900700000-526700	Rent-lease buildings	\$ 28,000
21200-1900700000-527660	Operational marketing	5,000
21200-1900700000-528920	Carpool expense	165,000
21200-1900700000-537320	Interfund expense – improvements building	<u>124,500</u>
	Total	322,500
Increase estimated revenues:		
21200-1900700000-770830	Communications services	111,990
21200-1900700000-778330	Interfund expense – salary reimbursement	<u>30,000</u>
	Total	141,990
Use of restricted fund balance:		
21200-1900700000-321101	Restricted program money	180,510

Edward Dean Museum

The department requests a budget adjustment of \$134,857 to increase interfund revenue, and to decrease contribution from other county funds. A general fund contribution in this amount was requested during the FY 15/16 budget process, but was not approved. The department will offset the revenue needs via interfund transfers from EDA contributions.

Recommendation 33: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments to estimated revenue for the Edward Dean Museum budget unit by \$134,857, as follows:*

Increase estimated revenues:		
10000-1930100000-778200	Interfund expense – miscellaneous	\$134,857
Decrease estimated revenues:		
10000-1930100000-790600	Contribution from other county funds	134,857

Cooperative Extension

Cooperative Extension’s first quarter expenditures are within budget targets.

ENTERPRISE FUNDS**Riverside Riverside University Health System – Medical Center (RUHSMC)**

The county medical center continues on its course of short-term fiscal recovery, continuous improvement, and visionary long-term planning. At the September 21, 2015, Board workshop, the department provided a financial update. There is nothing new to report at this time, though three areas of concern are being watched closely.

- The Bridge to Reform 1115 Waiver governs much of the revenue the hospital receives, and is set to expire October 31. As of this writing, the new waiver has not been released. Once it is available, staff will analyze it and report impacts to the Board in the midyear budget report.
- The installation of Epic is underway. The project timeline and budget are still expected to meet Board-approved targets. The project is in its early stages and is quite complex, so administration is closely monitoring progress. The Board can expect regular updates.
- The cost of providing adequate medical care for those detained in county facilities is borne by the general fund. It is growing at a rate that will likely exceed budgeted amounts, and much of this has to do with planned staffing expansions. The ultimate staffing makeup and hiring schedule has been actively implemented over the last 18 months, and costs have outpaced the planned budget from the general fund. The additional cost this year will likely exceed \$13 million. The plan and associated budget adjustment will be brought to the Board in the mid-year report for consideration.

Waste Management

The Department of Waste Resources indicates first quarter revenue and expenditures are within FY 15/16 budget targets.

INTERNAL SERVICE FUNDS**Facilities Management****Custodial Services**

The Custodial Services division (CSD) will continue to work with county customers to ensure basic cleaning needs are met. The biggest challenge for the department is the difficulty in finding qualified candidates that can pass the required Level 1 background checks. The department has been unable to fill all budgeted positions and TAP resources have also been limited. The CSD's efficiency will be increased if all positions are filled. The department is working with Human Resources to schedule a job fair in the second quarter to increase the pool of qualified candidates to fill vacancies for permanent and temporary positions.

Maintenance

The Maintenance Services division (MSD) is currently meeting expenditures and revenues.

Purchasing & Fleet Services

Central Purchasing

Purchasing is on track to remain within FY 15/16 budget targets as long as agreements with county departments remain intact.

Printing Services

Overall, Printing Services is on track to meet its FY 15/16 budget. As previously reported to the Board, staffing is being adjusted as a result of reductions in the sale of printed forms. The county’s transition from paper to electronic forms changed the printing environment and, as a result, older analog technology such as offset presses is being retired. The department is moving to an all-digital print operation including the printing of banners and flags to address the current business and marketing needs of county departments. A budget adjustment is requested for an anticipated reduction of \$500,000 in sales revenue. Management will continue to monitor sales revenue and expenses. Despite the downturn and an adjustment in forms printing, customers can continue to expect the high quality print products they have always received. Services continue to be made available to assist departments with their communications, branding, and marketing needs.

Recommendation 34: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments decreasing appropriations and estimated revenue for Purchasing by \$500,000, as follows:

Decrease estimated revenue:		
45600-7300300000-777670	Printing services county departments	\$500,000
Decrease Appropriations:		
45600-7300300000-510040	Regular salaries	192,000
45600-7300300000-518100	Budgeted benefits	113,000
45600-7300300000-527650	Paper and envelopes	120,000
45600-7300300000-527600	Indirect materials	30,000
45600-7300300000-528060	Materials	<u>45,000</u>
	Total	500,000

Supply Services

Supply Services appears on track to meet budget targets for FY 15/16.

Central Mail

Central Mail Services appears on track to meet budget targets for FY 15/16. Central Mail’s U.S. Postal Service piece count is declining as county departments embrace available technology to reduce paper flow; however, the number of requested mail

pickup/delivery sites has not decreased. Central Mail will monitor the situation and provide updates in future quarterly reports.

Fleet Services

Overall, Fleet Services appears on track to meet budget targets for FY 15/16; however, several departments are requesting vehicles that need budget adjustments.

- **Riverside University Medical Center** – On July 7, 2014, Agenda Item 3-14, the Board of Supervisors authorized the Riverside University Medical Center to purchase two transport vans. Fleet Services needs to increase appropriations to accommodate these purchases and requests a \$76,460 increase in appropriations to handle a cash purchase, and a \$7,646 increase in appropriations for vehicle depreciation.
- **Parks** – The Parks and Open Space District requested one sedan that was not included in Fleet Services’ FY 15/16 requested budget. Therefore, Fleet Services requests authorization to purchase the assets, and a \$25,000 appropriation increase for the cash purchase and \$2,500 appropriations increase for vehicle depreciation.
- **Economic Development Agency** – EDA requested one hybrid sedan, two vans, and one sport utility vehicle. These vehicles that were not included in Fleet Services’ FY 15/16 budget. Therefore, Fleet Services requests authorization to purchase the four vehicles, a \$155,400 appropriations increase for the cash purchase, and a \$15,540 appropriation increase for vehicle depreciation.

Recommendation 35: *That the Board of Supervisors 1) authorize acquisition of four vans, one conventional sedan, one hybrid sedan, and one sport utility vehicle; and 2) approve and direct the Auditor-Controller to make adjustments to appropriations, estimated revenue and use of net assets for Fleet Services by \$282,546, as follows.*

Increase estimated revenue:		
45300-7300500000-777620	Vehicle cost recovery	\$256,860
Increase appropriations:		
45300-7300500000-535560	Depreciation – equipment	25,686
45300-7300500000-546320	Vehicles – cars/light trucks	<u>256,860</u>
	Total	282,546
Anticipated use net assets:		
45300-7300500000-380100	Unrestricted net assets	25,686

In addition, Fleet Services conducted an assessment of Animal Services’ vehicles and recommended replacement of 13 in the current year and an additional 12 in the subsequent one to three years. Funding for Animal Services to replace five vehicles was approved in the FY 15/16 budget, and the department now requests Board authorization to purchase five Ford F-250 (or equivalent) with animal control box, at an approximate cost of \$45,000 per vehicle.

Recommendation 36: *That the Board of Supervisors 1) authorize and direct the Pur-*

chasing Agent to acquire five replacement vehicles for Animal Services; and 2) direct the Auditor-Controller to make budget adjustments increasing appropriations, estimated revenue and use of available net assets for Fleet Services by \$ 250,000 as follows:

Increase estimated revenue:		
45300-7300500000-777620	Vehicle cost recovery	\$225,000
Increase appropriations:		
45300-7300500000-535560	Depreciation – equipment	25,000
45300-7300500000-546320	Vehicles – cars/light trucks	<u>225,000</u>
	Total	250,000
Decrease net assets:		
45300-7300500000-380100	Unrestricted net assets	25,000

SPECIAL DISTRICTS AND OTHER AGENCIES

Flood Control and Water Conservation District

On June 2, 2015, (Item 11-7), the Board directed the Auditor Controller to create and establish the Riverside County Flood Control and Water Conservation District "2015 Negotiable Promissory Notes Zone 4 Debt Service Fund." This debt service fund was established to service the debt incurred by Zone 4 for construction of the Romoland MDP Line A, Stage 4 flood control facilities. This fund will receive revenue from Zone 4 monies, collected via ad valorem property taxes, to pay principal and interest for flood control promissory notes. The department requests approval to establish an operating budget for FY 15/16 to process the debt service payments.

Recommendation 37: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenue for the Zone 4 Operations Fund by \$1,010,222 as follows:

Increase appropriations:		
25140-94746-551100	Contribution to other funds	\$1,010,222
Use of committed fund balance:		
25140-94746-330100	Committed fund balance	1,010,222
Increase estimated revenue:		
38530-94746-790600	Contributions from other funds	1,010,222
Increase appropriations:		
38530-94746-531900	Bond redemption	350,000
38530-9474600000-533020	Interest – bonds	<u>660,222</u>
	Total	1,010,222

National Pollutant Discharge Elimination System (NPDES)

The NPDES program fund’s first quarter expenditures are within FY 15/16 budget targets.

Regional Parks and Open Space District

The district's operating fund accounts for expenditures related to business operations, regional parks, and the interpretive program. The district was required to pay \$339,052 to CalPERS at the beginning of the fiscal year as the first annual payment toward its portion of unfunded pension liability. Development continues on the district's ticketing and point-of-sale system that was first installed at the aquatic centers and is moving toward implementation at all regional park sites. Costs for equipment and software development for the second phase of this project are estimated at \$330,000.

The district is replacing several turf areas with drought-tolerant landscaping at Lake Ca-huilla at an estimated cost of \$10,000. The local water district in that area offers rebates for turf removal projects which will supplement the cost of the projects. The Gilman Ranch and Wagon Museum utilizes equipment to maintain its own grounds. The current mower is nearly 20 years old and needs to be replaced at a cost of \$10,000. The district will transfer administrative overhead reimbursement revenue from two of its natural resources service contract funds to partially fund these budget increases. Recreation fee collections that are higher than originally anticipated due to recent fee increases will cover the balance.

Recommendation 38: *That the Board of Supervisors approve and direct the Auditor Controller to make budget adjustments increasing appropriations, estimated revenues, and use of reserved fund balance for the Regional Park and Open Space District by \$1,083,185, as follows:*

Increase appropriations:		
25400-931104-513150	Supplemental contribution	\$339,052
25400-931104-522320	Maintenance – grounds	10,000
25400-931104-546080	Equipment – computer	330,000
25400-931104-546200	Equipment – shop and yard	<u>10,000</u>
	Total	689,052
Increase estimated revenue:		
25400-931104-776740	Recreation fees	284,919
25400-931104-781120	Rebates & refunds	10,000
25400-931104-790500	Operating transfer-in	<u>394,133</u>
	Total	689,052
Increase appropriations:		
25540-931116-551000	Operating transfers-out	39,445
Use of fund balance:		
25540-931116-321101	Restricted program money	39,445
Increase appropriations:		
25590-931150-551000	Operating transfers-out	354,688
Use of Fund Balance:		
25590-931150-370100	Restricted program money	354,688

The district intends to purchase a parcel of land for possible future development and

use as an off-highway vehicle (OHV) park. State of California OHV fee revenue that the district has accumulated will fund the purchase. The district was awarded a state OHV grant to fence a specific area of open space to protect the habitat against damage from off-road vehicles. This work was originally expected to be done during FY14/15, but has been rescheduled and a budget needs to be established in the current fiscal year.

Recommendation 39: *That the Board of Supervisors approve and direct the Auditor Controller to make budget adjustments increasing appropriations, estimated revenues, and unassigned fund balance for the Regional Park and Open Space District by \$332,000, as follows:*

Increase appropriations:		
25440-931160-540060	Improvements – land	\$300,000
25440-931160-542120	Improvements – infrastructure	<u>32,000</u>
	Total	332,000
Increase estimated revenue:		
25440-931160-754300	CA – capital grants and contribution	32,000
Use of fund balance:		
25440-931160-370100	Unassigned fund balance	300,000

The district maintains open land as part of its Habitat and Open-Space Management program. In order to efficiently and effectively manage and maintain these open land areas, this program needs two new pickup trucks.

Recommendation 40: *That the Board of Supervisors approve and direct the Auditor Controller to make budget adjustments increasing appropriations and use of reserved fund balance for the Regional Park and Open Space District by \$60,500, as follows:*

Increase appropriations:		
25430-931170-528920	Car pool expense	\$60,500
Use of fund balance:		
25430-931170-370100	Unassigned fund balance	60,500

On June 9, 2015, the Board (Minute Order 3-03) granted \$128,738 to the district from development agreement public facilities funding to pay for improvements at Goodhope Park and Moses-Schaffer Community Center. The district must incur expenditures on improvement projects at these locations before requesting reimbursement from the DA-PF-SD-1 fund. The district solicited bids for security services at Mead Valley Community Center. The resulting annual cost of \$55,000 must be added to the current fiscal year's budget.

Recommendation 41: *That the Board of Supervisors approve and direct the Auditor Controller to make budget adjustments increasing appropriations and use of restricted fund balance for the Regional Park and Open Space District by a total of \$183,738, as follows:*

Increase appropriations:		
25600-931155-542100	Parks buildings	\$ 57,000
25600-931155-542100	Parks buildings	71,738
	Total	128,738
Increase estimated revenue:		
25600-931155-790600	Contributions from Other County Funds	128,738
Increase appropriations:		
25600-931156-525320	Security guard services	<u>55,000</u>
Use of committed fund balance:		
25600-931156-330100	Committed fund balance	55,000

The district is conducting a community needs assessment and a business plan for the recently acquired Butterfield Community Center property. It will cost an estimated \$25,000 to hire a consultant to perform the needs assessment. Hiring a temporary area manager through county TAP to use the results of the needs assessment and create a business plan for the center also is estimated at \$25,000. In addition, the district has contracted for security services at that location at a cost of \$55,000 annually, and has identified \$9,400 in necessary HVAC repairs that were not originally anticipated.

Recommendation 42: *That the Board of Supervisors approve and direct the Auditor Controller to make budget adjustments increasing appropriations and use of restricted fund balance for the Regional Park and Open Space District by \$114,400, as follows:*

Increase appropriations:		
33200-931002-510040	Regular salaries	\$ 25,000
33200-931002-521743	Maintenance – HVAC parts & supplies	9,400
33200-931002-524660	Consultants	25,000
33200-931002-525320	Security guard services	<u>55,000</u>
	Total	114,400
Use of fund balance:		
33200-931002-321100	Restricted program money	114,400

The district has agreed to work with the City of La Quinta and the Riverside County Transportation and Land Management Agency to improve the entry road at Lake Ca-huilla Park, so the City of La Quinta can take permanent ownership of the road and maintain it in perpetuity. The district has committed to contributing \$100,000 to this project from its fund balance retained for capital improvements.

Recommendation 43: *That the Board of Supervisors approve and direct the Auditor Controller to make budget adjustments increasing appropriations and use of reserved fund balance for the Regional Park and Open Space District by \$100,000, as follows:*

Increase appropriations:		
33100-931105-542120	Improvements – infrastructure	\$100,000
Use of Fund Balance:		
33100-931105-322100	Restricted for construction/capital projects	100,000

The district has consolidated its subfunds 33121, 33122, 33123, and 33124 into parent fund 33120 in order to streamline its chart of accounts and improve reporting clarity. Parent fund 33120 did not previously have a budgetary DeptID, so the original budget was established at the first subfund’s DeptID. In order to complete the subfund consolidation process, the budget should be moved to the new budgetary parent DeptID.

Recommendation 44: *That the Board of Supervisors approve and direct the Auditor Controller to adjust appropriations for the Regional Park and Open Space District by 4,111,230, as follows:*

Increase appropriations:		
33120-931800-510040	Regular salaries	\$ 40,000
33120-931800-536780	Interfund expense – capital projects	15,000
33120-931800-537020	Interfund expense – legal services	20,000
33120-931800-542120	Improvements - infrastructure	<u>4,081,457</u>
	Total	4,156,457
Decrease appropriations:		
33120-931122-510040	Regular salaries	40,000
33120-931122-536780	Interfund expense – capital projects	10,971
33120-931122-537020	Interfund expense – legal services	18,764
33120-931122-542120	Improvements – infrastructure	<u>4,086,722</u>
	Total	4,156,457

Attachment A Summary of Recommendations

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

Recommendation 1: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments to appropriations for contingency and estimated revenues totalling \$4.5 million, as follows:*

Decrease estimated revenue:		
10000-1300100000-740040	Interest – other	\$7,670,021
Increase estimated revenue:		
10000-1300100000-753620	CA – Mandate reimbursement	3,196,009
Anticipated use of unassigned fund balance:		
10000-1300100000-370100	Unassigned fund balance	4,474,012
Decrease appropriations:		
10000-1109000000-581000	Appropriations for contingencies	4,474,012
Anticipated increase of unassigned fund balance:		
10000-1109000000-370100	Unassigned fund balance	4,474,012

Recommendation 2: *That the Board of Supervisors 1) approve deferring the general fund’s repayment of the\$4 million loan from Waste Management; and 2) approve and direct the Auditor-Controller to make budget adjustments increasing estimated revenue appropriations for Contingency and Capital Improvement Program by \$50,400 to pay interest on the loan, as follows:*

Decrease appropriations:		
10000-1109000000-581000	Appropriations for contingencies	\$50,400
Increase unassigned fund balance:		
10000-1109000000-370100	Unassigned fund balance	50,400
Increase appropriations:		
10000-1101000000-551100	Contributions to other funds	50,400
Use of unassigned fund balance:		
10000-1101000000-370100	Unassigned fund balance	50,400
Increase estimated revenue:		
30700-1104200000-790600	Contributions from other county funds	50,400
Increase appropriations:		
30700-1104200000-534000	Interest – notes-warrants	50,400

Recommendation 3: *That the Board approve and direct the Auditor-Controller to make*

adjustments to appropriations for Contributions to Other Funds and Contingency by \$199,950, as follows:

Decrease appropriations:		
10000-1109000000-581000	Appropriation for contingencies	\$199,950
Increase unassigned fund balance:		
10000-1109000000-370100	Unassigned fund balance	199,950
Increase appropriations:		
10000-1101000000-551100	Contributions to other funds	199,950
Use of unassigned fund balance:		
10000-1101000000-370100	Unassigned fund balance	199,950

Recommendation 4: *That the Board approve and direct the Auditor-Controller to make adjustments to appropriations for Contributions to Other Funds and Contingency by \$4,763, as follows:*

Decrease appropriations:		
10000-1109000000-581000	Appropriation for contingencies	\$4,763
Increase unassigned fund balance:		
10000-1109000000-370100	Unassigned fund balance	4,763
Increase appropriations:		
10000-1101000000-551100	Contributions to other funds	4,763
Use of unassigned fund balance:		
10000-1101000000-370100	Unassigned fund balance	4,763

Recommendation 5: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustment increasing estimated revenue for Contributions to Other Funds and appropriations for Contingency by \$879,428, as follows:*

Increase estimated revenue:		
10000-1101000000-781140	Unclaimed money	\$879,428
Anticipated increase of unassigned fund balance:		
10000-1101000000-370100	Unassigned fund balance	879,428
Increase appropriations:		
10000-1109000000-581000	Appropriations for contingencies	879,428
Anticipated decrease of unassigned fund balance:		
10000-1109000000-370100	Unassigned fund balance	879,428

Recommendation 6: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments to appropriations and estimated revenue for*

Contributions to Other Funds and the Capital Improvement Fund by \$10,000,000, as follows:

Increase appropriations:		
10000-1109000000-581000	Appropriations for contingencies	\$10,000,000
Increase use of unassigned fund balance:		
10000-1109000000-370100	Unassigned fund balance	10,000,000
Decrease appropriations:		
10000-1101000000-551100	Contributions to other funds	10,000,000
Decrease use of unassigned fund balance:		
10000-1101000000-370100	Unassigned fund balance	10,000,000
Decrease estimated revenue:		
30700-1104200000-790600	Contributions from other county funds	10,000,000
Decrease appropriations:		
30700-1104200000-536780	Interfund expense - capital projects	10,000,000

Recommendation 7: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments to appropriations and estimated revenue for the General Fund by \$6,689,520 as follows:

Increase estimated revenue:		
10000-1100100000-741270	Landfill lease agreement	\$6,689,520
Increase unassigned fund balance:		
10000-1100100000-370100	Unassigned fund balance	6,689,520
Increase appropriations:		
10000-1109000000-581000	Appropriations for contingencies	6,689,520
Use of unassigned fund balance:		
10000-1109000000-370100	Unassigned fund balance	6,689,520

Recommendation 8: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues for County Counsel by \$362,840, as follows:

Increase appropriations:		
10000-1500100000-510040	Regular salaries	\$217,704
10000-1500100000-518100	Budgeted benefits	145,136
10000-1500100000-572800	Intra-fund – miscellaneous	<u>(362,840)</u>
	Total	0

Recommendation 9: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues for County Counsel by \$193,549, as follows:

Increase appropriations:		
10000-1500100000-510040	Regular salaries	\$138,249
10000-1500100000-518100	Budgeted benefits	55,300
10000-1500100000-572800	Intra-fund – miscellaneous	<u>(193,549)</u>
	Total	0

Recommendation 10: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments to appropriations and estimated revenues for Human Resources by \$2,500, as follows:

Increase estimated revenues:		
10000-1130100000-790600	Contribution from other county funds	\$ 2,500

Increase appropriations:		
10000-1130100000-510040	Regular salaries	22,000
10000-1130100000-518100	Budgeted benefits	16,000
10000-1130100000-528120	Board/commission expense	2,500
10000-1130100000-572900	Intra-fund – personnel	<u>(38,000)</u>
	Total	2,500

Recommendation 11: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues for General Liability Fund by \$763,000 as follows:

Increase estimated revenues:		
45960-1131000000-777010	Stop loss reimbursement	\$763,000

Increase appropriations:		
45960-1131000000-534280	Liability adjustment expense	763,000

Recommendation 12: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues for the EDA Administration budget unit by \$402,435, as follows:

Increase appropriations:		
21100-1900100000-520350	IT core services	\$85,000
21100-1900100000-526700	Rent-lease buildings	85,500
21100-1900100000-528920	Carpool expense	56,000
21100-1900100000-536840	Interfund expense-county support services	<u>175,935</u>
	Total	402,435

Increase estimated revenues:		
21100-1900100000-778220	Interfund expense – office expenses	402,435

Recommendation 13: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues Economic Development by a net amount of \$181,335, as follows:

Increase appropriations:		
21100-1901000000-510040	Regular salaries	\$227,652
21100-1901000000-510320	Temporary salaries	7,348

21100-1901000000-523270	Special events	60,000
21100-1901000000-525440	Professional services	50,000
21100-1901000000-527780	Special program expense	50,000
21100-1901000000-536840	Interfund expense – county support services	<u>11,335</u>
	Total	406,335

Increase estimated revenues:

21100-1901000000-781360	Other miscellaneous revenue	170,000
21100-1901000000-778200	Interfund expense – miscellaneous	<u>11,335</u>
	Total	181,335

Decrease appropriations:

21100-1901000000-536920	Interfund expense – general office expense	20,000
21100-1901000000-537180	Interfund expense – salary reimbursement	<u>205,000</u>
	Total	225,000

Recommendation 14: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues for the Community Development Block Grant program by \$1,100,000, as follows:

Increase appropriations:

21350-1900200000-536200	Contribution to other non-county agency	\$1,100,000
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Increase estimated revenues:

21350-1900200000-766000	Federal – community redevelopment hm	1,100,000
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Recommendation 15: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues for the Workforce Development division by \$1,200,000, as follows:

Increase appropriations:

21550-1900300000-530300	Training provider	\$ 200,000
21550-1900300000-530440	Client services	900,000
21550-1900300000-530460	Support services	<u>100,000</u>
	Total	1,200,000

Increase estimated revenues:

21550-1900300000-765000	Federal - WIA	500,000
21550-1900300000-781360	Other miscellaneous revenue	<u>700,000</u>
	Total	1,200,000

Recommendation 16: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments to estimated revenue for the Fair & National Date Festival budget unit by \$617,488, as follows:

Increase estimated revenues:

22200-1920100000-741020	Admissions	\$200,000
22200-1920100000-741320	Miscellaneous event charges	1,512
22200-1920100000-778200	Interfund expense - miscellaneous	<u>415,976</u>
	Total	617,488

Decrease estimated revenues:
 22200-1920100000-790600 Contribution from other county funds 617,488

Recommendation 17: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues for the Facilities Management Administration by \$100,000, as follows:*

Increase appropriations:
 10000-7200100000-528020 Inventory – stores \$100,000

Increase estimated revenues:
 10000-7200100000-777520 Reimbursement for services 100,000

Recommendation 18: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues for Fire by \$1,206,000, as follows:*

Increase appropriations:
 10000-2700200000-527780 Special program expense \$1,206,000

Increase estimated revenues:
 10000-2700200000-767220 Federal - other operating grants 1,206,000

Recommendation 19: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenue for the District Attorney’s Workers’ Compensation Fraud by \$420,000 as follows:*

Increase estimated revenue:
 10000-2200100000-755360 Workers Compensation insurance fraud \$420,000

Increase appropriations:

10000-2200100000-510040	Regular salaries	240,000
10000-2200100000-518100	Budgeted benefits	80,000
10000-2200100000-520220	County Radio 700 MHz System	10,000
10000-2200100000-520250	Communications equipment installation	5,000
10000-2200100000-520820	Janitorial services	5,000
10000-2200100000-521100	Expert Witness Fees	20,000
10000-2200100000-523700	Office Supplies	20,000
10000-2200100000-527840	Training - education/tuition	20,000
10000-2200100000-528920	Carpool expense	15,000
10000-2200100000-528940	Travel/fuel	<u>5,000</u>
	Total	420,000

Recommendation 20: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenue for the District Attorney’s Automobile Insurance Fraud by \$105,000 as follows:*

Increase estimated revenue:
 10000-2200100000-755460 DA auto insurance fraud \$105,000

Increase appropriations:

10000-2200100000-510040	Regular salaries	55,000
10000-2200100000-518100	Budgeted benefits	15,000
10000-2200100000-520220	County Radio 700 MHz System	5,000
10000-2200100000-520250	Communications equipment installation	5,000
10000-2200100000-523700	Office supplies	10,000
10000-2200100000-527840	Training - education/tuition	10,000
10000-2200100000-528920	Carpool expense	<u>5,000</u>
	Total	105,000

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’s Disability and Healthcare Insurance Fraud program by \$137,394 as follows:

Increase estimated revenue:

10000-2200100000-755650	Disability healthcare fraud	\$137,394
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Increase appropriations:

10000-2200100000-510040	Regular salaries	70,000
10000-2200100000-518100	Budgeted benefits	20,000
10000-2200100000-520220	County Radio 700 MHz System	5,000
10000-2200100000-520250	Communications equipment installation	5,000
10000-2200100000-520820	Janitorial services	7,394
10000-2200100000-521100	Expert Witness Fees	10,000
10000-2200100000-523700	Office supplies	5,000
10000-2200100000-527840	Training - education/tuition	10,000
10000-2200100000-528920	Carpool expense	<u>5,000</u>
	Total	137,394

Recommendation 22: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenue for the District Attorney’s Federal Unserved/Underserved effort by \$84,041 as follows:

Increase estimated revenue:

10000-2200100000-767280	Federal – Federal revenue	\$84,041
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Increase appropriations:

10000-2200100000-510040	Regular salaries	45,000
10000-2200100000-518100	Budgeted benefits	20,000
10000-2200100000-520220	County Radio 700 MHz System	5,000
10000-2200100000-520250	Communications equipment installation	5,000
10000-2200100000-523700	Office supplies	5,000
10000-2200100000-527840	Training – education/tuition	<u>4,041</u>
	Total	84,041

Recommendation 23: That the Board of Supervisors 1) approve amending Ordinance No. 440 to add four (4) Deputy Probation Officer II positions, one (1) Supervising

Probation Officer, one (1) Senior Probation Officer and one (1) Office Assistant III position; and 2) approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenue for the department by \$450,725, as follows:

Increase estimated revenue:		
10000-2600200000-755680	CA – other operating grants	\$450,725
Increase appropriations:		
10000-2600200000-510040	Regular salaries	312,412
10000-2600200000-518100	Budgeted benefits	<u>138,313</u>
	Total	450,725

Recommendation 24: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenue for the Probation Department by \$14,943, as follows:*

Increase estimated revenue:		
10000-2600100000-755680	CA – other operating grants	\$14,943
Increase appropriations:		
10000-2600100000-510040	Regular salaries	14,943

Recommendation 25: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations for Public Guardian and decreasing Contingency by \$347,108, as follows:*

Increase appropriations:		
10000-4100100000-510040	Regular salaries	\$141,432
10000-4100100000-518100	Budgeted benefits	57,684
10000-4100100000-521640	Maintenance – software	21,320
10000-4100100000-525020	Legal services	96,775
10000-4100100000-528920	Carpool expense	16,190
10000-4100100000-529540	Utilities	<u>13,707</u>
	Total	347,108

Use of unassigned fund balance:		
10000-4100100000-370100	Unassigned fund balance	347,108

Decrease appropriations:		
10000-1109000000-581000	Appropriation for contingencies	347,108

Increase unassigned fund balance:		
10000-1109000000-370100	Unassigned fund balance	347,108

Recommendation 26: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues, and use of assigned fund balance for program money for County Airports by for a net total of \$184,741, as follows:*

Increase appropriations:		
22100-1910700000-523220	Licenses and permits	\$57,365
22100-1910700000-523270	Special events	15,388
22100-1910700000-525440	Professional services	31,100
22100-1910700000-526700	Rent - lease buildings.	74,412
22100-1910700000-546140	Equipment - office	<u>6,476</u>
	Total	184,741
Increase estimated revenues:		
22100-1910700000-741320	Miscellaneous event charges	26,600
22100-1910700000-741500	Temporary use lease	<u>72,018</u>
	Total	98,618
Use of assigned fund balance:		
22100-1910700000-350100	AFB for program money	86,123

Recommendation 27: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues for the Small Caps budget unit by \$1,665,395, as follows:

Increase appropriations:		
31650-3130500000-537280	Interfund expense – misc. project expense	\$1,665,395
Increase estimated revenues:		
31650-3130500000-790600	Contribution from other county funds	1,665,395

Recommendation 28: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and anticipated use of restricted fund balance for Transportation Capital Projects by \$13,178,341, as follows

Increase appropriations:		
20000-3130500000-523230	Miscellaneous expense	\$13,178,341
20000-3130500000-572800	Intra-fund – miscellaneous	(13,178,341)

Recommendation 29: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenue for Public Health by \$86,731, as follows:

Increase appropriations:		
10000-4200100000-510040	Regular salaries	\$366,387
10000-4200100000-510240	Per diem salaries	19,601
10000-4200100000-528100	Training post STC	151,833
10000-4200100000-520230	Cellular phones	380
10000-4200100000-520330	Communication services	1,000
10000-4200100000-523700	Office supplies	10,841
10000-4200100000-523760	Postage – mailing	50
10000-4200100000-523800	Printing/binding	1,275
10000-4200100000-524500	Administrative support – direct	4,069,122
10000-4200100000-526700	Rent-lease buildings	3,419
10000-4200100000-527780	Special program expense	4,560
10000-4200100000-527840	Training – education/tuition	5,699
10000-4200100000-528140	Conference/registration fees	150

10000-4200100000-528920	Carpool expense	300
10000-4200100000-528940	Travel – fuel	1,000
10000-4200100000-529040	Private mileage reimbursement	300
10000-4200100000-572200	Intra-fund – grant	(377,740)
10000-4200100000-572800	Intra-fund – miscellaneous	<u>(4,171,446)</u>
	Total	86,731
Increase estimated revenue:		
10000-4200100000-751680	CA – state grant revenue	80,842
10000-4200100000-774530	Detention facilities	1,500
10000-4200100000-778200	Interfund expense – miscellaneous	<u>4,389</u>
	Total	86,731

Recommendation 30: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues for the Department of Public Social Services by \$49,495, as follows:

Increase estimated revenues:		
21300-5100600000-767220	Federal - other operating grants	\$49,495
Increase appropriations:		
21300-5100600000-525440	Professional services	49,495

Recommendation 31: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenue for Office on Aging by \$114,596, as follows:

Increase estimated revenue:		
21450-5300100000-751600	CA - other aid to health	\$113,579
21450-5300100000-767140	Federal - miscellaneous reimbursement	<u>1,017</u>
	Total	114,596
Increase appropriations:		
21450-5300100000-510040	Regular salaries	1,017
21450-5300100000-536200	Contribution to non-county agency	<u>113,579</u>
	Total	114,596

Recommendation 32: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations, estimated revenues, and use of restricted fund balance for County Free Library by \$322,500, as follows:

Increase appropriations:		
21200-1900700000-526700	Rent-lease buildings	\$ 28,000
21200-1900700000-527660	Operational marketing	5,000
21200-1900700000-528920	Carpool expense	165,000
21200-1900700000-537320	Interfund expense – improvements building	<u>124,500</u>
	Total	322,500
Increase estimated revenues:		
21200-1900700000-770830	Communications services	111,990
21200-1900700000-778330	Interfund expense – salary reimbursement	<u>30,000</u>
	Total	141,990
Use of restricted fund balance:		

21200-1900700000-321101 Restricted program money 180,510

Recommendation 33: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments to estimated revenue for the Edward Dean Museum budget unit by \$134,857, as follows:

Increase estimated revenues:
10000-1930100000-778200 Interfund expense – miscellaneous \$134,857

Decrease estimated revenues:
10000-1930100000-790600 Contribution from other county funds 134,857

Recommendation 34: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments decreasing appropriations and estimated revenue for Purchasing by \$500,000, as follows:

Decrease estimated revenue:
45600-7300300000-777670 Printing services county departments \$500,000

Decrease Appropriations:
45600-7300300000-510040 Regular salaries 192,000
45600-7300300000-518100 Budgeted benefits 113,000
45600-7300300000-527650 Paper and envelopes 120,000
45600-7300300000-527600 Indirect materials 30,000
45600-7300300000-528060 Materials 45,000
Total 500,000

Recommendation 35: That the Board of Supervisors 1) authorize acquisition of four vans, one conventional sedan, one hybrid sedan, and one sport utility vehicle; and 2) approve and direct the Auditor-Controller to make adjustments to appropriations, estimated revenue and anticipated use of net assets for Fleet Services by \$282,546, as follows.

Increase estimated revenue:
45300-7300500000-777620 Vehicle cost recovery \$256,860

Increase appropriations:
45300-7300500000-535560 Depreciation – equipment 25,686
45300-7300500000-546320 Vehicles – cars/light trucks 256,860
Total 282,546

Anticipated use net assets:
45300-7300500000-380100 Unrestricted net assets 25,686

Recommendation 36: That the Board of Supervisors 1) authorize and direct the Purchasing Agent to acquire five (5) replacement vehicles for Animal Services; and 2) direct the Auditor-Controller to make budget adjustments increasing appropriations, estimated revenue and use of available net assets for Fleet Services by \$ 250,000 as follows:

Increase estimated revenue:

45300-7300500000-777620	Vehicle cost recovery	\$225,000
Increase appropriations:		
45300-7300500000-535560	Depreciation-equipment	25,000
45300-7300500000-546320	Vehicles-cars/light trucks	<u>225,000</u>
	Total	250,000
Decrease net assets:		
45300-7300500000-380100	Unrestricted net assets	25,000

Recommendation 37: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenue for the Zone 4 Operations Fund by \$1,010,222 as follows:

Increase appropriations:		
25140-94746-551100	Contribution to other funds	\$1,010,222
Use of committed fund balance:		
25140-94746-330100	Committed fund balance	1,010,222
Increase estimated revenue:		
38530-9474600000-790600	Contributions from other funds	1,010,222
Increase appropriations:		
38530-94746-531900	Bond redemption	350,000
38530-94746-533020	Interest – bonds	<u>660,222</u>
	Total	1,010,222

Recommendation 38: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations, estimated revenues, and use of reserved fund balance for the Regional Park and Open Space District by \$1,083,185, as follows:

Increase appropriations:		
25400-931104-513150	Supplemental contribution	\$ 339,052
25400-931104-522320	Maintenance - grounds	10,000
25400-931104-546080	Equipment - computer	330,000
25400-931104-546200	Equipment - shop and yard	<u>10,000</u>
	Total	689,052
Increase estimated revenue:		
25400-931104-776740	Recreation fees	284,919
25400-931104-781120	Rebates & refunds	10,000
25400-931104-790500	Operating transfer-in	<u>394,133</u>
	Total	689,052
Increase appropriations:		
25540-931116-551000	Operating transfers-out	39,445
Use of fund balance:		
25540-931116-321101	Restricted program money	39,445

Increase appropriations:

25590-931150-551000	Operating transfers-out	354,688
Use of Fund Balance:		
25590-931150-370100	Restricted program money	354,688

Recommendation 39: That the Board of Supervisors approve and direct the Auditor Controller to make budget adjustments increasing appropriations, estimated revenues, and unassigned fund balance for the Regional Park and Open Space District by \$332,000, as follows:

Increase appropriations:		
25440-931160-540060	Improvements – land	\$ 300,000
25440-931160-542120	Improvements – infrastructure	<u>32,000</u>
	Total	332,000
Increase estimated revenue:		
25440-931160-754300	CA – capital grants and contribution	\$32,000
Use of fund balance:		
25440-931160-370100	Unassigned fund balance	300,000

Recommendation 40: That the Board of Supervisors approve and direct the Auditor Controller to make budget adjustments increasing appropriations and use of reserved fund balance for the Regional Park and Open Space District by \$60,500, as follows:

Increase appropriations:		
25430-931170-528920	Carpool expense	\$60,500
Use of fund balance:		
25430-931170-370100	Unassigned fund balance	60,500

Recommendation 41: That the Board of Supervisors approve and direct the Auditor Controller to make budget adjustments increasing appropriations and use of restricted fund balance for the Regional Park and Open Space District by \$183,738, as follows:

Increase appropriations:		
25600-931155-542100	Parks buildings	\$ 57,000
25600-931155-542100	Parks buildings	71,738
	Total	128,738
Increase estimated revenue:		
25600-931155-790600	Contributions from Other County Funds	128,738
Increase appropriations:		
25600-931156-525320	Security guard services	<u>55,000</u>
Use of committed fund balance:		
25600-931156-330100	Committed fund balance	55,000

Recommendation 42: That the Board of Supervisors approve and direct the Auditor Controller to make budget adjustments increasing appropriations and use of restricted fund balance for the Regional Park and Open Space District by \$114,400, as follows:

Increase appropriations:		
33200-931002-510040	Regular salaries	\$ 25,000
33200-931002-521743	Maintenance-HVAC parts & supplies	9,400
33200-931002-524660	Consultants	25,000
33200-931002-525320	Security guard services	<u>55,000</u>
	Total	114,400
Use of fund balance:		
33200-931002-321100	Restricted program money	114,400

Recommendation 43: *That the Board of Supervisors approve and direct the Auditor Controller to make budget adjustments increasing appropriations and use of reserved fund balance for the Regional Park and Open Space District by \$100,000, as follows:*

Increase appropriations:		
33100-931105-542120	Improvements – infrastructure	\$100,000
Use of Fund Balance:		
33100-931105-322100	Restricted for construction/capital projects	100,000

Recommendation 44: *That the Board of Supervisors approve and direct the Auditor Controller to adjust appropriations for the Regional Park and Open Space District by 4,156,457, as follows:*

Increase appropriations:		
33120-931800-510040	Regular salaries	\$ 40,000
33120-931800-536780	Interfund expense - capital projects	15,000
33120-931800-537020	Interfund expense legal services	20,000
33120-931800-542120	Improvements - infrastructure	<u>4,081,457</u>
	Total	4,156,457
Decrease appropriations:		
33120-931122-510040	Regular salaries	40,000
33120-931122-536780	Interfund expense - capital projects	10,971
33120-931122-537020	Interfund expense - legal services	18,764
33120-931122-542120	Improvements - infrastructure	<u>4,086,722</u>
	Total	4,156,457

Attachment B Resolution No. 440-9019 Amending Ordinance No. 440**Resolution No. 440-9019**

BE IT RESOLVED by the Board of Supervisors of the County of Riverside, State of California, in regular session assembled on November 17, 2015, that pursuant to Section 4(a)(ii) of Ordinance No. 440, the Executive Office is authorized to make the following listed change(s), operative on the date of approval, as follows:

<u>Job code</u>	<u>+/-</u>	<u>Department ID</u>	<u>Class Title</u>	<u>Type</u>
13866	+1	2600200000	Office Assistant III	Regular
79532	+4	2600200000	Deputy Probation Officer II	Regular
79533	+1	2600200000	Senior Probation Officer	Regular
79534	+1	2600200000	Supervising Probation Officer	Regular

Attachment C Sales and Use Tax Update

Q2 2015



Riverside County Sales Tax *Update*

Third Quarter Receipts for Second Quarter Sales (April - June 2015)

Riverside County In Brief

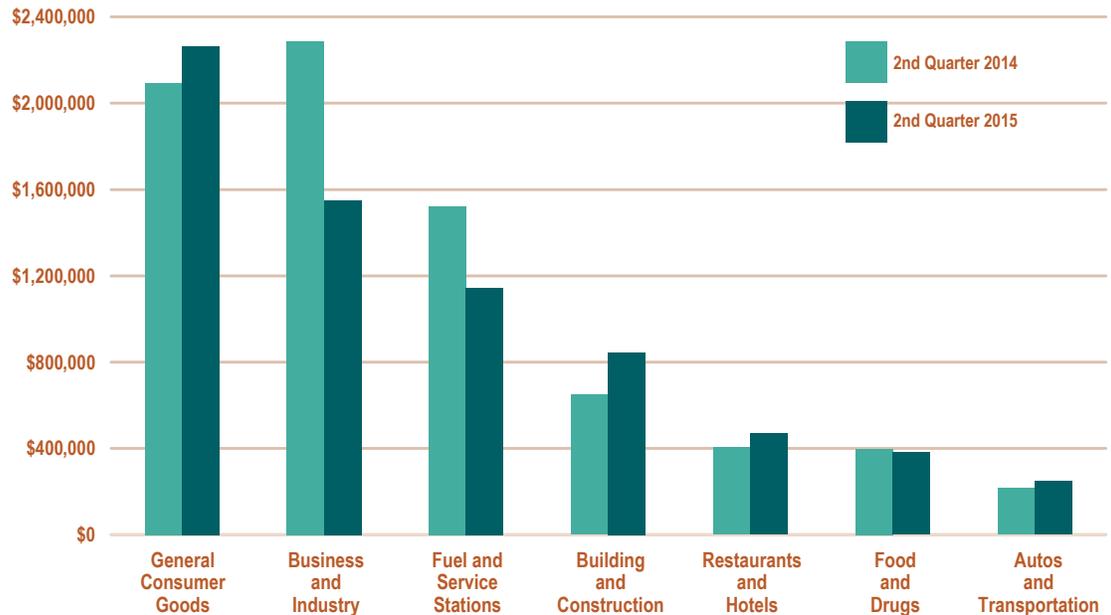
The unincorporated area's receipts from April through June sales were 8.4% less than the same quarter one year ago. Actual sales activity declined 13.2% when onetime accounting events were excluded.

A current quarter adjustment partially offset the impact of the wind down of renewal energy projects on the business and industry group. Group totals were actually down 47.6% net of the adjustment and anomalies that inflated current quarter receipts from wineries and the light industrial sector. The combination of lower fuel prices and a reporting anomaly cut service station returns.

Gains from sales at the Desert Hills Premium Outlets buoyed receipts from general consumer goods while building and construction group comparisons were inflated by accounting events that affected some categories, including contractor supplies. Receipt of taxes due from other periods overstated increases from both quick service and casual dining restaurants. A recent addition helped the automotive group.

Net of aberrations, taxable sales for all of Riverside County grew 2.3% over the same time period; Southern California regional totals were 3.2% higher.

SALES TAX BY MAJOR BUSINESS GROUP



TOP 25 PRODUCERS

IN ALPHABETICAL ORDER

Arco AM PM	Pilot Travel Center
Burberry	Prada
California Trusframe	Ralph Lauren
Calvin Klein	RDO Equipment
Circle K	Russell Sigler
Circle K	Spates Fabricators
Coach	Stater Bros
Desert Sunlight	Sysco
General Electric Company	Superior Ready Mix Concrete
Gucci	Tory Burch
Heavy Equipment Rentals	Volvo Construction Equipment
Michael Kors	Vons Fuel
Nike	

REVENUE COMPARISON

One Quarter – Fiscal Year To Date

	2014-15	2015-16
Point-of-Sale	\$7,568,062	\$6,898,986
County Pool	813,284	780,232
State Pool	5,695	5,720
Gross Receipts	\$8,387,042	\$7,684,937
Less Triple Flip*	\$(2,096,760)	\$(1,921,234)

*Reimbursed from county compensation fund

Statewide Sales Tax Trends

Excluding accounting aberrations, the local one cent share of statewide sales occurring April through June was 3.4% higher than the comparable quarter of 2014.

Receipts from the countywide use tax allocation pools accounted for the largest portion of the increase reflecting a continuing shift in consumer preferences from brick and mortar stores to online shopping for merchandise shipped from out of state.

Sales and leases of new cars continued to post impressive gains as did contractor supplies and restaurants. Overall gains were offset by a 17.1% decline in receipts from service stations and petroleum related industries.

The Remaining Fiscal Year

The state's unemployment rate continues to decline and real disposable income is expected to grow 2.5% to 3.0% in the second half of 2015. This improvement in incomes coupled with easy credit conditions should stimulate an increase in housing starts as well as capital investment in equipment, alternate energy and technology.

The auto industry is anticipating continuing strong sales until tapering to more sustainable levels in 2016-2017. Building and construction, the only retail segment yet to return to pre-recession levels, is gaining momentum in several regions and is expected to account for 10% of sales tax growth in the second half of the fiscal year.

Restaurant sales continue to rise although there are some concerns that the strong dollar may impact sales in areas that cater to tourists from abroad. Gains from consumer goods are expected to be modest with the strong dollar cutting prices of imported goods and an ongoing shift in consumer spending from tangible goods to services, entertainment and other non-taxable purchases.

Gasoline prices remain well below the previous year due to a worldwide glut

of oil. Barring unexpected supply or refinery disruptions, prices are expected to trend lower through the first half of 2015-16 but begin rebounding in the second half.

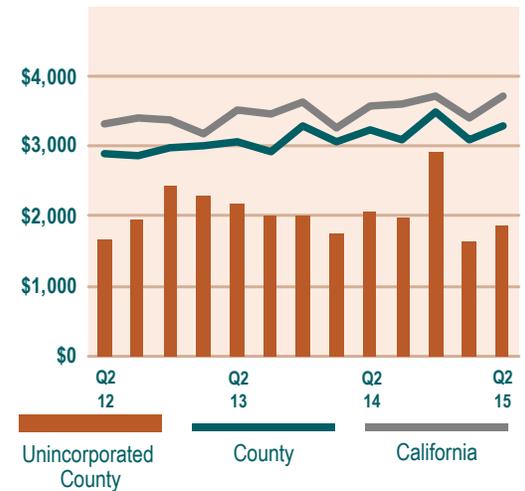
Internet Sales Tax Proposal

HR 2775 (The Remote Transaction Parity Act) is a new proposal by Representative Jason Chaffetz (R-Utah) authorizing states to require remote sellers without physical presence in their state to collect state and local sales tax from in-state buyers.

The bill currently has 52 sponsors and attempts to address objections to elements of the Marketplace Fairness Act that preceded it. The proposal provides for a three year phase in for small businesses, prohibits auditing remote sellers with annual sales under \$5 million, and requires states to provide software to enable remote sellers to collect and remit their tax.

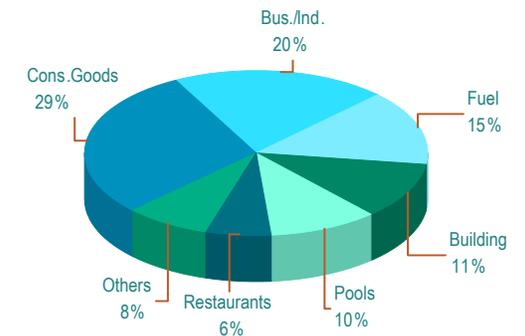
The Board of Equalization estimates that local governments in California currently lose approximately \$44 per capita in uncollected sales and use tax on e-commerce purchases.

SALES PER CAPITA



REVENUE BY BUSINESS GROUP

Riverside County This Quarter



RIVERSIDE COUNTY TOP 15 BUSINESS TYPES

Business Type	*In thousands of dollars			
	Unincorporated County Q2 '15*	County Change	County Change	HdL State Change
Casual Dining	129.5	19.6%	11.5%	6.1%
Contractors	620.5	23.9%	13.4%	8.7%
Energy/Utilities	538.5	-59.6%	-53.0%	30.6%
Family Apparel	962.8	14.5%	6.6%	2.8%
Food Service Equip./Supplies	131.1	7.2%	-6.8%	-6.3%
Grocery Stores Liquor	180.9	4.4%	7.3%	3.6%
Light Industrial/Printers	143.7	218.9%	13.2%	0.3%
Lumber/Building Materials	127.2	82.1%	5.6%	4.5%
Quick-Service Restaurants	258.0	6.6%	11.9%	9.2%
Service Stations	1,135.5	-24.6%	-10.6%	-11.7%
Shoe Stores	233.9	8.4%	9.4%	4.4%
Specialty Stores	222.5	5.5%	-6.3%	5.6%
Warehse/Farm/Const. Equip.	157.1	-0.4%	-2.0%	1.5%
Wineries	267.3	14.2%	19.2%	7.3%
Women's Apparel	515.2	7.6%	1.9%	-3.7%
Total All Accounts	6,899.0	-8.8%	3.0%	2.8%
County & State Pool Allocation	786.0	-4.0%	8.4%	11.8%
Gross Receipts	7,684.9	-8.4%	3.5%	3.8%