

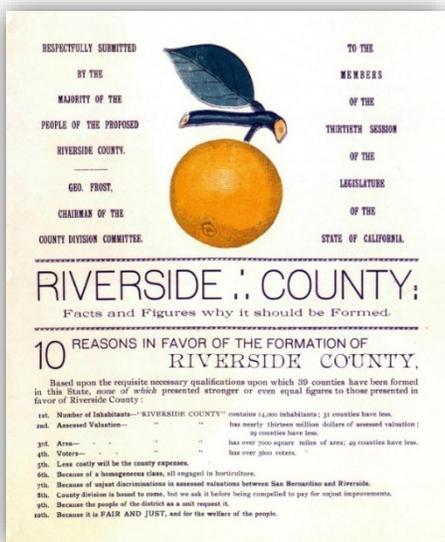


COUNTY OF RIVERSIDE
STATE OF CALIFORNIA



FISCAL YEAR 2018/19

Midyear
Budget Report



125TH ANNIVERSARY
EDITION

Prepared by
George A. Johnson
County Executive Officer

COUNTY OF RIVERSIDE

EXECUTIVE OFFICE

GEORGE A. JOHNSON
COUNTY EXECUTIVE OFFICER



LISA BRANDL
CHIEF OPERATING OFFICER

DON KENT
ASSISTANT COUNTY EXECUTIVE OFFICER
COUNTY FINANCE OFFICER

February 5, 2019

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 18/19 Midyear Budget Report*

Board members:

As reported to you in the first quarter report, the FY 18/19 budget strategy acknowledges the substantial fiscal challenges ahead, as the county prepares to operate the new John J. Benoit Detention Center (JJBDC), plan for the phasing of correctional health and behavioral health at JJBDC, expand health care facilities, upgrade emergency operations, increasing labor costs, and ongoing pension obligations. The combination of these cost pressures will continue to exceed projected revenue growth.

At midyear, most departments continue to report hitting the fiscal targets established in the adopted budget. The Sheriff and Probation both project ending the year within budgeted allocations at this time and are committed to achieving that. A few, such as the District Attorney and Public Defender, have realized some cost savings and reduced their year-end deficit projections to \$3.4 million, and \$290,000, respectively. All departments are working to manage their allotted resources and should be commended for their efforts in achieving efficiencies and cost savings.

A few departments are still facing budget challenges and continue to work with my staff to reduce impacts to the general fund. As identified in the first quarter report, there are two requests that now need to be resolved. The first department request is for the General Assistance program provided through the Department of Public Social Services (DPSS). The second request is for the countywide fire and debris flow response in recent months. As summarized in this report's executive summary, there are still other department challenges that the Executive Office will continue to monitor and update during the third quarter report. One notable challenge is the net operating loss the Riverside University Health System identified within the Federally Qualified Health Center Clinics (FQHC's).

Department of Public Social Services

The Department of Public Social Services previously reported on the sharp increase in the General Assistance program and projected a net cost increase of \$11.2 million. \$6 million was provided to the department in December with the anticipation of more analysis to identify the true ramifications. Now that six months of data has been analyzed, the department is requesting an additional \$4.4 million to carry them through the end of the year, for a total of \$10.4 million. Staff will continue to monitor these programs and notify the Board of any changes.

Countywide Departments - Emergency Management Department – Fire Response

In first quarter, the Emergency Management Department (EMD) reported on the two largest fire events in county history, the Cranston Fire and Holy Fire. Both fires were proclaimed local and state emergencies requiring a massive response of emergency resources, support personnel and deployment of equipment to protect the lives and property of county residents. The EOC was activated for extended periods and staffed by multiple county departments to support field operations and provide critically needed resources to communities impacted by the fires. EMD has applied for State and Federal reimbursement for costs incurred by the county though only a portion of the costs will be reimbursed as mentioned in the department narrative.

EMD is assuming the aggregated costs for these fire events within their budget. The total cost is \$1,963,907. It is recommended to give the department general fund support at this time to offset the costs in anticipation of the State and Federal reimbursements. Due to the timelines for approval and receipt, the department does not anticipate receiving those funds this fiscal year. The Executive Office will work with the department to designate the revenue for the general fund once received.

Riverside University Health System

Riverside University Health System (RUHS) continues to project a current year net operating loss for the FQHC's of \$16 million. As reported earlier, some level of operating loss was anticipated, as our clinic system is in a transitional period of upgrading clinics and reorganizing service delivery to improve patient care, while at the same time benchmarking for a new rate structure for reimbursable services. Rate setting will occur this fiscal year and next, with the expectation that increased revenues will fully cover expenditures beginning in FY 20/21. Carrying these losses until new reimbursement rates go into effect requires careful forward planning to ensure adequate cash flow is put in place to support the operations of this enterprise fund until reimbursements increase, and that it is repaid once they do. My staff continues to work closely with RUHS in developing a multi-year plan to address this.

Pension Obligations

Rising pension obligations will remain a challenge for the County through the next decade and into the early 2030's. With the latest CalPERS valuation report information available, from this fiscal year to next, we are now projecting a \$12.7 million increase to general fund departments alone and \$56.9 million in total; and, in two years, the increase will be \$25.3 million for the general fund and \$113.5 million in total compared against this year's cost. By FY 20/21, for every non-public safety employee, the county will pay 24.1 percent on top of their regular salaries and benefits, and for public safety employees, the cost will be 41.4 percent for every position. Put another way, within two years, for every four employees, the county is paying for a position strictly in pension costs, and for every two public safety employees, the county is paying for a position in pension costs. These costs continue to put financial strain and pressure on any method of achieving savings and efficiencies we gain.

Contingency

At the end of first quarter, contingency was at \$17.5 million. With adjustments made during the second quarter and in this report, contingency is now at \$4.6 million. Consequently, I recommend replenishing contingency and bolstering reserves as resources become available.

\$ 17.5M	First Quarter Ending Balance
6.0M	DPSS – 1 st General Assistance request
4.4M	DPSS – 2 nd General Assistance request
2.2M	EMD – Fire Events & Preliminary EOC Scoping
<u>0.3M</u>	Hemet Sheriff Station
\$ 4.6M	Ending balance

Summary of Other Projected Year-End Costs

As described earlier the District Attorney and the Public Defender have realized some cost saving to date, reducing their projected year end deficits. RUHS-Clinics is still projecting a net operating loss.

\$ 3.4M	District Attorney
0.3M	Public Defender
<u>16.0M</u>	RUHS – Clinics
\$19.7M	Total

Fund Balance

As a result of the completion of the County's Comprehensive Annual Financial Report (CAFR), the actual ending fund balance for FY 17/18 is updated to reflect the full carry over of \$16.5 million, for a total of \$234.5 million. At third quarter, Executive Office staff will make recommendation as to the best use of one-time resources. The largest contributing factor for the growth is due to the Sheriff Department's recruitment challenges.

Discretionary Revenue

For FY 18/19 it is now anticipated that an additional \$15.6 million more in discretionary revenue will be realized than was budgeted. This is primarily attributed to property tax revenue as seen in the table on page 6 of this report. Those estimated increases are summarized in the table within this report. Even with the increase in discretionary revenue, expenditures are still out pacing revenue. Staff will monitor this closely and will report on year end projections at third quarter.

Summary

It will take more than one approach to meet ongoing and future obligations, and not limited to: the targeted hiring freeze that remains in place, full cost recovery, and maximizing efficiencies and revenue. Preparing for these mounting costs is my number one focus as we continue to embrace Vision 2030 and our county priorities; county fiscal strength, public safety, healthy communities, and modern infrastructure. Maintaining fiscal discipline remains the foundation on which we build our future as we implement policy in support of the Board's priorities, while providing optimum levels of service.

IT IS RECOMMENDED that the Board of Supervisors:

- 1) Receive and file the FY 18/19 midyear budget report;
- 2) Approve the recommendations and direct the Auditor-Controller to make the budget adjustments contained in Attachment A;
- 3) Approve Resolution No. 440-9103 amending Ordinance 440 as contained in Attachment B; and,
- 4) Approve the revised multi-year budget schedule contained in Attachment C.

Respectfully,



George A. Johnson
County Executive Officer

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ATTACHMENT A SUMMARY OF RECOMMENDATIONS
ATTACHMENT B RESOLUTION NO. 440-9103
ATTACHMENT C BUDGET SCHEDULE

EXECUTIVE SUMMARY

The multi-year model is revised to reflect the FY 17/18 ending fund balance of \$218 million, which demonstrates how finding efficiencies and offsetting cost reductions, fully deploying annual departmental revenues, accumulated reserves, and maximizing cost recovery can be imperative to maintaining fiscal viability.

The projected discretionary revenue increased from the adopted budget by \$15.6 million. Additionally, the budget adjustments in this report resulted in a net draw of \$6.4 million on contingency, bringing the total balance to \$4.6 million. The increased fund balance combined with draw on contingency result in a projected ending FY 18/19 fund balance of \$218 million. As recommended in the first quarter report, fund balance will be used to replenish contingency, reserves next, then the capital improvement fund. Following this recommendation leaves a balance of \$16.9 million. To assist the Board, the Executive Office will bring back a report of prioritized capital improvement projects for review to best determine how to apply this one-time money.

As reported in first quarter, the Department of Public Social Services has seen a sharp increase in General Relief. The department has refined the numbers now that they have a full six months of data. Currently, they request an increase of \$4.4 million, bringing the FY 18/19 budget adjustment to \$10.4 million.

The Emergency Management Department has gathered cost information regarding the Cranston and Holy fires, up to 75 percent of which may be reimbursed from the Fire Management Assistant Grant. The California Disaster Assistance Act may also provide additional reimbursement to the county. These reimbursements could take up to two years. Currently, the department is requesting \$1.9 million in anticipation of these reimbursements.

The Public Defender's Office reduced their projected year-end overage to \$290,000 from \$405,000 in first quarter, while the District Attorney's Office reduced their projected overage to \$3.4 from \$4.6 million in first quarter.

The Probation department projects being within their net cost allocation at year-end.

The Sheriff reports that by yearend they will be under budget by \$10 million, barring any unforeseen emergencies. While the Board has committed funds to increase staffing levels at the John J. Benoit Detention Center (JJBDC), other correctional facilities as a result of the federal consent decree (PLO), and in the unincorporated areas, hiring has not yet caught up to the demand.

The Medical Center reports a surplus of \$3 million by year-end. The Federally Qualified Health Center Clinics still projects a \$16 million net operating loss as RUHS begins the process of resetting clinic reimbursement rates, which should be completed over the next fiscal year. RUHS and the Executive Office will continue to work together to resolve the deficit. Correctional Health & Detention Behavioral Health now project \$5 million in combined savings, due to the challenges in filling necessary positions needed for the county

Executive Summary

jail facilities. The Executive Office is working with RUHS to resolve these issues.

With significant cost pressures from opening new facilities within the year, continuing costs of the inmate legal settlement, the potential for the softening of discretionary revenue growth, increasing labor costs, and rising pension costs, the Executive Office remains increasingly cautious. To achieve fiscal viability, every effort must be made across all departments to maintain fiscal discipline and hold the line on discretionary spending, while providing optimum levels of service.

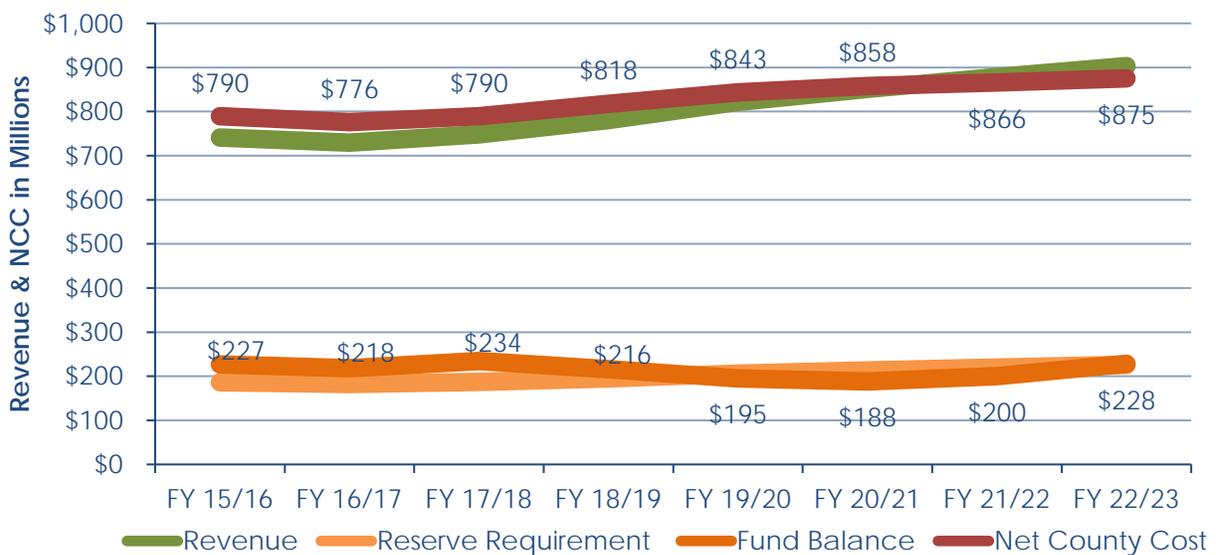
MULTI-YEAR BUDGET OUTLOOK

MULTI-YEAR DISCRETIONARY FORECAST

The outlook presented here includes assumptions regarding the current year, as well as obligations factored in for FY 19/20 and subsequent years. The forecast for FY 17/18 assumed zero fund balance to carry forward. However, the FY 17/18 CAFR confirmed carrying over \$16.5 million in available fund balance. This net savings achieved across departments resulted in less draw on contingency than assumed. This reduces the draw on reserves, lessening the gap to the reserve requirement. Departments deserve credit for continued work to achieve such savings. It is noteworthy, the largest contributing factor for the growth is due to the Sheriff Department’s recruiting challenges. The Executive Office continues working with departments to refine current yearend projections.

The modeling conservatively assumes slower out-year growth in general-purpose revenues, particularly property-driven taxes, and changes to fixed commitments over coming years. Factors mitigating several of those assumptions are discussed below. This includes growth in property-driven taxes from 5 percent in FY 18/19 tapering to 3 percent over several years. The modeling also factors in other obligations, such as additional debt service payments, projections for operating the John J. Benoit Detention Center, the new RUHS medical office building currently under construction, and General Assistance for DPSS.

The forecast below projects deficit spending through FY 20/21. While the reserve requirement has currently been met, future obligations are projected to draw down reserves again below policy. As recommended in the first quarter report, fund balance will be used to replenish contingency, reserves next, then the capital improvement fund. If fiscal discipline is maintained, lower debt service and increased revenue will close the gap and keep reserves at appropriate levels.



Discretionary Revenue Projections

While growth in assessed valuation continues to improve from an assumed 5 percent to 6.26 percent, growth in sales and use tax and Prop. 172 public safety sales tax continues to be moderate. Overall, projected discretionary revenue estimates are up \$15.6 million, summarized at right. Highlights of the county's key general-purpose revenues are noted below.

In the budget, the Executive Office presented a long-term outlook on general-purpose revenue that was optimistic near term, but moderately cautious in the out-years. This was based on the length of the current economic growth cycle and the historic probability of an economic downturn at some point within our planning horizon. Both Beacon Economics and HdL Companies

forsee the probability of a slow economic turn within the next 18 months, so the Executive Office modulated our long-term outlook with a more graduated approach, cooling the growth rate of key revenues. Barring unforeseeable events, we continue to anticipate a blended growth rate around 3.5 percent for the next few years.

General Fund Projected Discretionary Revenue (in millions)			
	Budget Estimate	Current Quarter Estimate	Variance
Property Taxes	\$370.1	376.2	\$6.1
Motor Vehicle In Lieu	255.8	259.0	3.2
RDA Residual Assets	7.2	9.9	2.7
Tax Loss Reserve Overflow	21.0	21.0	-
Fines and Penalties	19.2	19.4	0.2
Sales & Use Taxes*	29.1	30.2	1.2
Tobacco Tax	10.0	10.0	-
Documentary Transfer Tax	15.2	15.8	0.6
Franchise Fees	6.9	6.9	-
Mitigation Fees	0.1	0.1	-
Interest Earnings	18.0	18.0	-
Misc. Federal and State	4.6	5.4	0.8
Federal In-Lieu	3.4	3.5	0.1
Rebates & Refunds	5.2	5.1	(0.1)
Realignment	-	-	-
Other Prior Year & Misc.	15.1	15.8	0.6
Operating Transfers In	-	-	-
Total	781.0	796.6	15.6
Prop. 172 Public Safety Sales Tax	181.9	193.0	11.1
	\$962.9	\$989.6	\$26.7

Property Taxes

Property tax revenue, and motor vehicle fee revenue received in-lieu of property taxes, were both budgeted based on a forecasted 5 percent growth in assessed values. The release of the FY 18/19 projected 6.26 percent assessed value growth prompted an increase in revenue projected for the current year. Due to uncertainty in future economic stability, the Executive Office still assumes a graduated step-down in the growth



rate over the next several years. In addition, residual assets distributed from former redevelopment agencies fluctuates as they are liquidated and are anticipated to decline over time as those agencies wind down.

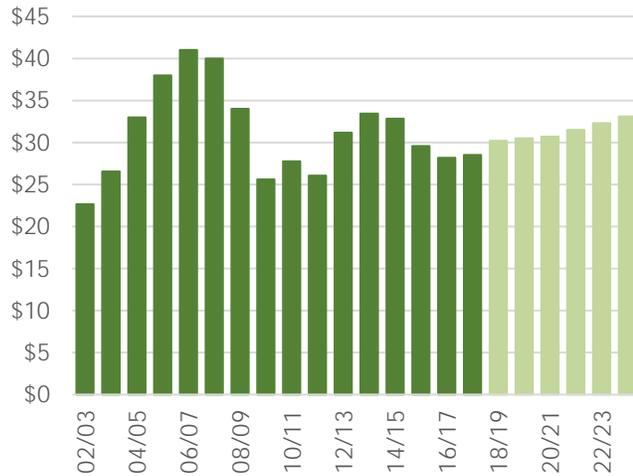
Sales and Use Taxes

The county’s economically adjusted quarterly sales and use tax allocations continue to increase 5 percent on a year-over-year basis. This is due to continued increases, in fuel, food and drugs, and building and construction. Consumer goods, predominantly from sales at the factory outlets, show a one percent increase from a year ago, continuing an ongoing cooling in that sector. HdL Companies’ projections reflect a softened trend in taxable sales, with a modest 1.8 percent growth rate over the next several years.

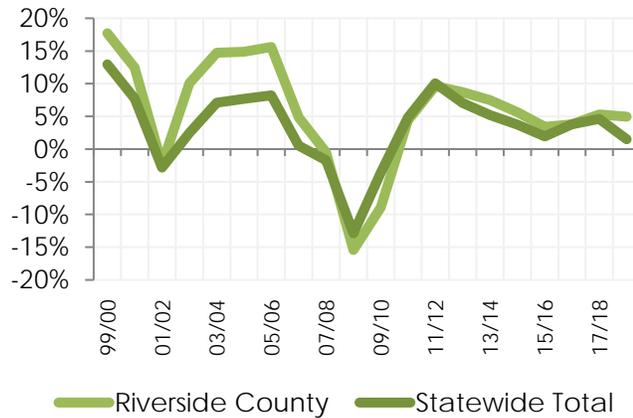
Prop. 172 Public Safety Sales Tax

The county’s Prop. 172 public safety sales tax revenue is affected both by changes in the overall statewide pool of revenue as well as changes in the county’s pro rata share of that pool relative to other participants. During the recession, the statewide pool of Prop. 172 revenue shrank, and then grew again as economic activity in the state’s major metropolitan centers rebounded. Since that occurred, however, the rate of statewide growth steadily declined. As other counties emerged from the recession more rapidly, their allocation factors grew, causing the allocation factors of lagging counties such as Riverside to shrink. Consequently, while Riverside enjoyed double-digit growth in Prop. 172 revenue for several years, that growth rate slowed substantially in recent years. In

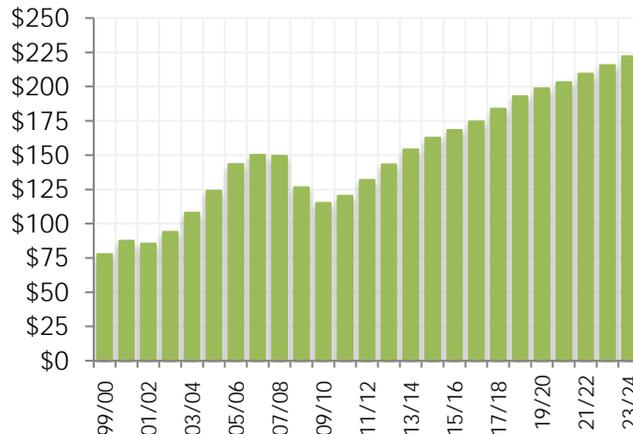
Sales & Use Tax Revenue



Prop 172 Annual Rate of Change



Prop 172 Revenue Trend

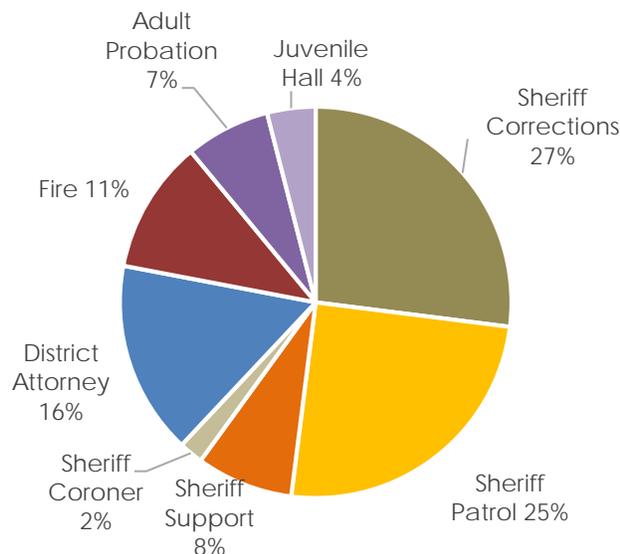


Multi-year Outlook

FY 16/17, this required reassessment of assumptions and restructuring of the disbursements to departments.

The growth rate of the county's Prop. 172 allocation factor is slowing; as discussed above growth in taxable sales remain soft, dampening growth of this revenue. HdL Companies currently projects growth around 2 percent for the next few years. Consequently, it will still be a couple of years before the annual revenue received from Prop. 172 equals what was previously allocated to departments. Trends in this revenue continue to be watched closely, and no adjustments to the disbursement ratios are recommended at this time.

Board-Approved Prop 172 Disbursement Ratios

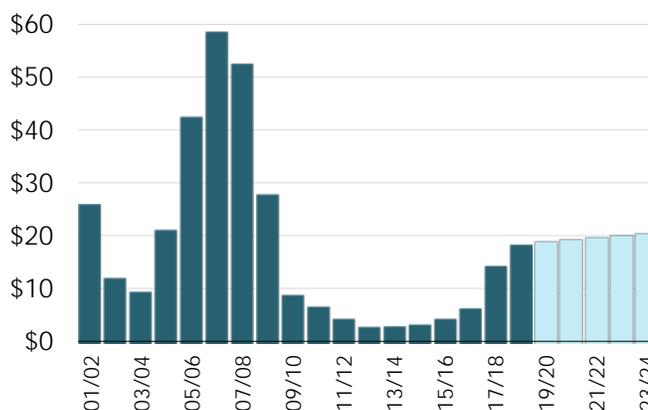


Interest Earnings

The Treasurer's estimate for FY 18/19 county general fund interest earnings includes factors such as general fund balances in the Treasurer's Pooled Investment Fund (TPIF), current and projected level of interest rates.

On December 19, 2018, the Federal Open Market Committee voted to raise the Federal Reserve (FED) funds rate target range by a quarter of a percent, from (2.00 percent to 2.25 percent) to (2.25 percent to 2.50 percent). The FED sighted a strengthening labor market, moderately rising economic activity, and inflation near 2 percent; and indicated that current economic conditions warranted some further gradual increases in the FED rate. However, in the announcement of its decision, the FED revised downward its projections of economic activity and FED funds rate.

General Fund Interest Earnings (in millions)

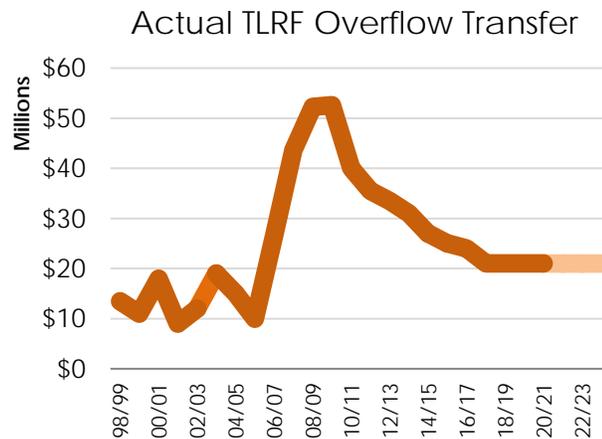


The FED projection signals a change in monetary policy stance. Fixed rate markets reaction to the FED announcement, trade concerns, and geo-political events, indicate reduced expectations of future FED rate hikes. The Treasury Yield Curve became flatter with short term rates moving higher while long term rates moving lower, implying that markets expect an economic slowdown.

A change in the FED's monetary policy stance may reduce interest earnings potential and increase the risk to the FY 18/19 county general fund interest earnings forecast. Depending upon the timing of FED activity in the fiscal year, the impact to general fund earnings will be nominal, due to the weighted average maturity profile of the TPIF. The Treasurer will closely monitor earnings estimates and will provide updates to budget staff if there are any material changes.

Teeter Tax Losses Reserve Fund (TLRF) Overflow

Under the California Teeter plan, the county advances to participating agencies property tax allocations based on enrolled assessed valuation. In return, the county retains the actual taxes received, plus penalties and interest on delinquent taxes. The Tax Losses Reserve Fund captures revenues and expenditures associated with the program. Revenue exceeding financing costs and the necessary tax loss reserve is discretionary revenue released to the general fund annually. The annual release is in accordance with the revenue and taxation code, and consistent with prudent risk management. As delinquency rates decline, this revenue source generally tapers off. The delinquency rate hit an all-time low of 1.2 percent last fiscal year, the tenth consecutive year of decline. For FY 17/18, the TLRf transfer was \$23 million, and the forecast for FY 18/19 is \$21 million.



FY 18/19 Budget Cycle

Budget Policies

The Board of Supervisors approved budget policies for FY 18/19, include:

- Rollover ongoing FY 17/18 net county cost allocations, with adjustments as necessary for limited upcoming obligations.
- Eliminating limited one-time allocations made in FY 17/18.
- No cost of living adjustments beyond current contracts.
- Departments absorbing any increases in fixed costs for pension obligations, insurance, and internal services.
- Apply one-time revenues toward rebuilding reserves or mission critical one-time costs.
- Assume departmental revenue shortfalls will not be backfilled with discretionary revenue.

Multi-year Outlook

- Recognize and use departmental revenues in the fiscal year received, unless otherwise legally restricted, to ensure departmental resources are maximized and discretionary general fund support is minimized. This includes full cost recovery for services provided under contracts with other jurisdictions.

Long-Range Budget Schedule

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

- **Monday, June 10 thru Tuesday, June 11, 2019** (as necessary): Presentation of the FY 19/20 recommended budget, opening of budget hearings, and approval of the budget; and,
- **Tuesday, June 25, 2019**: Approval of any amendments to the budget and formal adoption of the budget.

These dates have been coordinated to work with the Board's approved 2019 meeting calendar. This reflects a schedule change moving up adoption of the budget to the end of June per direction of the Board.

CURRENT BUDGET STATUS**APPROPRIATIONS FOR CONTINGENCY**

Contingency covers urgent, unforeseeable events such as revenue shortfalls, unanticipated expenditures, uncorrectable budget overruns and mission-critical issues at the Board's discretion. The adopted budget appropriated \$14.9 million for contingency, or 2.6 percent of general-purpose revenue. At first quarter, a total net decrease of \$2.6 million, resulted in a contingency level of \$17.5 million. At second quarter, an additional decrease of \$11 million results in a contingency level of \$4.6 million, as summarized in the table below.

Use of General Fund Appropriations for Contingency

	Cost Adjustment	Revenue Adjustment	Total Adjustment	Balance Available
Beginning Balance:				\$ 14,898,330
Adjustments to date:				
8/28/2018 KPMG Contract Adjustment	(3,051,518)		3,051,518	
10/23/2018 Public Defender	226,001		(226,001)	
10/23/2018 Sheriff	333,025		(333,025)	
Q1 Rec. 7 Public Defender	198,031		(198,031)	
12/11/2018 DPSS -General Assistance	6,000,000		(6,000,000)	
1/4/2019 EMD - EOC	200,000		(200,000)	
	3,905,539	-	(3,905,539)	10,992,791
Actions recommended in this report:				
Q2 Rec. 4 EMD	1,963,907		(1,963,907)	
Q2 Rec. 13 DPSS	4,400,000		(4,400,000)	
	6,363,907	-	(6,363,907)	
Total adjustments to Contingency =	10,269,446	-	(10,269,446)	
				4,628,884

Current Status

FINANCE & GOVERNMENT SERVICES

Board of Supervisors / Clerk of the Board

The Board of Supervisors is requesting a transfer between department appropriations of \$49,000 for the purchase of a closed captioning system for the County Administrative Center Board Chambers. The department has sufficient funds to cover this cost and is requesting approval for the capital asset purchase.

Recommendation 1: *That the Board of Supervisors approve the capital asset purchase and approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and decreasing appropriations by \$49,000, as follows:*

Decrease appropriations:		
10000-1000100000-523840	Computer equipment - software	\$49,000
Increase appropriations:		
10000-1000100000-546080	Equipment - computer	49,000

County Counsel

The Office of County Counsel is projecting to operate within budgeted resources. The Office of County Counsel will be adding two full time equivalent Deputy County Counsel positions at the request of the Risk Management Division of the Human Resources Department and the Child Protective Services Division of the Department of Public Social Services. This will enhance services to those departments. These positions will also improve the scope of risk management efforts with County departments. The costs for these positions will be recovered through direct billing to those departments within their current Board-approved budget.

Recommendation 2: *That the Board approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues for County Counsel by \$49,618, as follows:*

Increase estimated revenues:		
10000-1500100000-771440	Liability insurance	\$49,618
Increase appropriations:		
10000-1500100000-510040	Regular salaries	120,577
10000-1500100000-518100	Budgeted benefits	43,078
10000-1500100000-572000	Intrafund - DPSS	<u>(114,037)</u>
	Total	49,618

Executive Office

Development Impact Fees (DIF) provide a portion of funding for identified and approved county capital projects, including parks, fire stations, libraries, traffic signals, roads and bridges. DIF fees and allocations to each identified capital project are approved by the Board of Supervisors, and the Executive Office is responsible for processing payments over the life of each project. Several county departments are proceeding with capital

projects that qualify for receipt of DIF funding; the Executive Office requests a budget adjustment from available DIF collections to cover DIF project reimbursements for the remainder of the fiscal year.

Recommendation 3: *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 Executive Office by \$6,000,000, as follows:*

Increase appropriations:

30500-1103700000-536780	Interfund expense – capital projects	\$6,000,000
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Anticipated use of restricted fund balance:

30501-1103700000-322103	Restricted for capital projects subfund	6,000,000
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PUBLIC SAFETY

Emergency Management Department

Second quarter expenditures for the Emergency Management Department (EMD) are currently over budgeted projections. The department anticipates the need to increase the budget due to Emergency Operations Center (EOC) costs for the Cranston and Holy Fires and debris events. The department requests an adjustment to the general fund budget, which will allow the department to incur the response costs from other county departments.

During the first quarter, the county experienced two of the largest emergencies in its history, the Cranston Fire and the Holy Fire. The fires consumed 36,725 acres in San Jacinto and Santa Ana Mountains, threatening lives and property, causing the evacuations of tens of thousands of residents, extensively damaging critical infrastructure, and causing extended power outages to affected communities. Both fires were proclaimed local and state emergencies requiring a massive response of emergency resources, support personnel and deployment of equipment to protect the lives and property of county residents. The EOC was activated for extended periods and staffed by multiple county departments to support field operations and provide critically needed resources to communities impacted by the fires.

EMD has applied for State and Federal reimbursement for costs incurred by the county due to the Cranston and Holy Fire responses through the Fire Management Assistance Grant (FMAG) Program granted for both fires and the California Disaster Assistance Act (CDAA). Under the FMAG program up to seventy-five percent of fire related costs may be reimbursed. CDAA may provide additional reimbursement to the county, however the state has not yet approved the county's request at this time. To maximize potential cost recovery and streamline the reimbursement process, EMD has worked with involved county departments to account for all costs related to both fires.

Actual costs incurred by all departments for the Holy and Cranston Fires plus pre-staging assets for County Fire total \$1,963,907. EMD will assume these costs in the department

Current Status

budget and requests an increase to the general fund budget, which will be used to reimburse the other county departments while awaiting approval and receipt of State and Federal reimbursement. Due to the timelines for approval and receipt of State and Federal reimbursement, the department does not anticipate receiving those funds this fiscal year.

The fires have left communities below the burn areas vulnerable to flooding, mud and debris flows during storm events. Post-fire planning and damage mitigation activities are on-going to prepare those communities for such events. Storm events capable of producing sufficient rain to trigger flooding and debris flows will necessitate both emergency operations in the field and EOC activations to protect county residents, their property and critical infrastructure. These critical efforts will be ongoing for the foreseeable future and will continue to generate costs for EMD and county departments.

Recommendation 4: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriation and decreasing contingency for the Emergency Management Department by \$1,963,907, as follows:*

Increase appropriations:		
10000-2000100000-510420	Overtime	\$1,245,685
10000-2000100000-525440	Professional services	491,217
10000-2000100000-527180	Operational supplies	121,483
10000-2000100000-528980	Meals	40,735
10000-2000100000-529040	Private mileage reimbursement	<u>64,787</u>
	Total	1,963,907
Use of unassigned fund balance:		
10000-2000100000-370100	Unassigned fund balance	1,963,907
Decrease appropriations:		
10000-1109000000-581000	Appropriations for contingencies	1,963,907
Increase unassigned fund balance:		
10000-1109000000-370100	Unassigned fund balance	1,963,907

Fire

The Fire Department reports that it is currently on track to meet budget targets for FY 18/19. The City of Temecula and the City of Palm Desert have each requested the purchase of a Fire Tractor Drawn Ariel (TDA) under their County Cooperative Agreement. The purchase would be a straight pass through of cost and fully funded by each city partner. The cost of a single TDA is \$1.3 million. The department is requesting a budget adjustment for the expenditures and revenue totaling \$2.6 million.

Recommendation 5: *That the Board approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues for Fire Protection Contracts by \$2,642,000, as follows:*

Increase estimated revenues:		
10000-2700400000-779050	Fire protection	\$2,642,000

Increase appropriations:		
10000-2700400000-546340	Vehicles – fire trucks	2,642,000

Law Office of the Public Defender

The Law Office of the Public Defender projects a current budget deficit of \$286,000. This is an improvement of \$119,000 from the first quarter's projection. The remaining projected deficit of \$286,000 is due primarily to staff retirements and judicial appointments which carried large employee payouts, plus less than anticipated AB109 funding. However, additional AB109 funding is anticipated in the next quarter. The department is currently under a hiring freeze except for critical positions.

Office of District Attorney

The District Attorney's Office (DAO) is committed to working collaboratively to end the fiscal year within budget. At the end of the second quarter, the DAO has further reduced the projected FY 18/19 deficit by 21 percent from \$4.3 million to \$3.4 million. A significant part of the remaining deficit, \$1 million, is the result of untimely State Mandated Costs (SB90) reimbursements. The department is working with the Executive Office to rectify this. The receipt of this funding would result in a further deficit reduction to \$2.4 million or 44 percent from the initial \$4.3 million projection.

In addition to restricting expenditures and hiring, the DAO has also continuously sought out alternative revenue streams to address the budget shortfall. As a result, in the first half of FY 18/19 the DAO received additional funding from the California Department of Insurance as well as the California Office of Emergency Management. The DAO remains committed to aggressively seeking out alternative revenue sources and focusing on increased efficiencies to cut costs.

The DAO continues to meet regularly with the Board and members of the Executive Office to share issues of concern to the public safety and to ensure fiscal transparency. The department remains committed to providing outstanding prosecutorial, investigative and victim services, while continuing internally to implement feasible cost saving measures.

Probation Department

The Probation Department is projecting that expenditures will be within appropriations and NCC targets at yearend.

During the second quarter, the department continues to move toward Lean Transformation. The department has developed and implemented the Lean Management System (LMS) framework needed to increase efficiency and eliminate waste within the organization. Probation has, to date, mapped the adult supervision, juvenile supervision, institutional service and administration and business services value streams to establish metrics/goals and identify areas needing improvements. The department has developed Strategic Planning that aligns with the county's vision for 2030 and has identified Key

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Performance Indicators (KPI’s) to better measure outcomes. The tools and systems that are being developed as part of the department’s transformation will allow Probation to effectively evaluate programs, ensure that the systems and processes eliminate waste, add value to the service delivery, and ensure the resources are allocated appropriately to provide for better engagement with clients.

The department has created a Lean Management Team (LMT) to provide oversight and coordination of its LMS efforts. The LMT is comprised of a Division Director, four Supervising Probation Officers, and a Senior Probation Officer. To date, the LMT has facilitated 11 Rapid Improvement Events (RIE’s) and assisted in the implementation of Continuous Improvement Pilot Programs to test and measure the effectiveness of new processes identified in each value stream. The staff currently assigned to the LMT are budgeted positions previously assigned to various divisions throughout the department. However, to maximize the LMS continuous improvement efforts, these positions are now housed within the Probation Administrative and Business Services location and budget. The department requests the transfer of appropriation from the Institution Services to Administration budget unit to offset the cost of the LMT. There is no additional net county cost associated with the request due to sufficient savings within the Institution Services budget unit.

Recommendation 6: *That the Board approve and direct the Auditor-Controller to make budget adjustments to appropriations for the Probation Department by \$250,000, as follows:*

Decrease appropriations:		
10000-2600100000-510040	Regular salaries	\$250,000
Increase unassigned fund balance:		
10000-2600100000-370100	Unassigned fund balance	250,000
Increase appropriations:		
10000-2600700000-510040	Regular salaries	100,000
10000-2600700000-518100	Budgeted benefits	50,000
10000-2600700000-525440	Professional services	<u>100,000</u>
	Total	<u>250,000</u>
Use of unassigned fund balance:		
10000-2600700000-370100	Unassigned fund balance	250,000

In addition to Lean Transformation, the Probation department continues to provide leadership in the Justice System Change Initiative (J-SCI) efforts; oversight of the building and program development of a transitional reentry facility in the City of Riverside; and partnership with the State on major construction projects. To assist with the oversight of these special projects, the department is requesting a Chief Deputy Probation Officer position. There is no additional net county cost associated with the request due to sufficient savings within the Institution Services budget unit.

Recommendation 7: *That the Board 1) approve amending Ordinance No. 440 to add*

one (1) Chief Deputy Probation Officer position; and 2) approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and use of unassigned fund balance for the Probation Department by \$100,000, as follows:

Decrease appropriations:		
10000-2600100000-510040	Regular salaries	\$100,000
Increase unassigned fund balance:		
10000-2600100000-370100	Unassigned fund balance	100,000
Increase appropriations:		
10000-2600700000-510040	Regular salaries	100,000
Use of unassigned fund balance:		
10000-2600700000-370100	Unassigned fund balance	100,000

Sheriff's Department

The Sheriff's Department remains committed to ending the year with a balanced budget. Barring any unforeseen emergencies, the department is currently projecting a year-end surplus of approximately \$10 million (an amount that is within 1.3 percent approved total appropriations). Additionally, if the Board approves the annual increase to the contract policing rate, as it normally does before the end of the current fiscal year that projected surplus will likely increase. The Board has committed funds to increase staffing levels at the John J. Benoit Detention Center (JJBDC), other correctional facilities as a result of the federal consent decree (PLO), and in the unincorporated areas of the county as per the department's budget agreement on priorities at fiscal year start.

Staffing levels across the department are a major concern for the newly elected Sheriff. The department will need to focus on restoring staff losses due to attrition, hiring for JJBDC and restoring unincorporated patrol staffing to safe levels throughout the county. The department states it will be a challenge this fiscal year to make any staffing gains because they only have one more sworn academy (#207) planned this fiscal year, beginning February 14. The hiring process has many steps that can take six months or more. The newly elected Sheriff is reviewing that process and will be making improvements where appropriate.

Other concerns include a significant amount of unplanned, and therefore unbudgeted, retirement "payouts". As of mid-year, the department anticipates payouts to be \$7 million over budget. Also, overtime trends will continue until staffing normalizes. Additionally, any increases in labor, pension and/or ISF costs will continue to reduce the department's projected surplus and limit the department's ability to increase staffing. Finally, AB109 realignment continues to have a significant impact on the Corrections division and the state allocation is still drastically underfunded.

HEALTH & HOSPITAL SERVICES

Riverside University Health System

The Riverside University Health System (RUHS) is on a path to becoming an integrated healthcare system centered on improving access and quality by providing the right care, at the right time, in the right setting and driving for the lowest cost. Key initiatives like the medical office building (MOB), new community health clinics, and integration of behavioral health and primary health care will provide the necessary infrastructure to ensure the long-term success of RUHS. These initiatives will take some time to fully mature, but once complete will provide expanded capacity and fill system care needs that will allow patient needs to be cared for at the lowest possible level of care.

Providing the right care, at the right time, in the right setting is better for the patient, better for the quality of care, and better from a fiscal perspective. It helps preserve our highest levels of intensive and inpatient care for those patients in greatest need, and provides the outpatient capacity to expand preventative care, helping keep more people well and out of more costly inpatient care. This philosophy is in line with healthcare industry best practices, and RUHS is in a strong position for an integrated county health system comprised of the Medical Center, Federally Qualified Health Centers, Behavioral Health, and Public Health, which together can provide coordinated access to care from preventive to the most intensive levels.

While implementing a forward-looking strategic plan, RUHS must also manage the challenges and volatility of today, including rising operating and pension costs, as well as reimbursement shortfalls for ambulatory care clinic rates, inmate health, and behavioral health care. The Federal government shutdown is expected to strain cash flow in the third quarter as federal payments are delayed during the shutdown.

Medical Center

The Riverside University Health System – Medical Center (RUHS – MC) is on target with budget and projects to finish the fiscal year with an approximate net operating income of \$3 million. However, while achievable, this is dependent on the state's new Quality Incentive Program revenue that, while earned, may not be received until after the fiscal year, placing a strain on cash flow. Volatility of state and federal funding, particularly the incentive program revenues, continue to leave the budget at risk.

County Federally Qualified Health Center Clinics

As reported in the first quarter report, the RUHS - Federally Qualified Health Center (FQHC) is projecting a year-end FQHC net operating loss of approximately \$16 million.

This projected operating loss is the result of decade-old clinic reimbursement rates that have seen rising labor, pension, and operating costs threaten financial viability. Few triggering events allow clinics the opportunity to reset rates; opening a new site and integrating behavioral healthcare provide such resetting opportunities. The infrequency of these opportunities requires strategic planning and precise implementation to maximize the rate-setting event and secure reimbursement rates more reflective of current labor and

operating costs.

This process does not allow a quick fix; but a multi-phased plan to optimize operations, trigger rate resetting, and maximize new rates is underway. Optimization requires adherence to strict provider productivity requirements and staffing standardization of important support positions. The planned triggering of rate resetting has been underway for some time. New facilities have worked their way through planning, design, and construction, and are now beginning to open, with Corona, Moreno Valley, and Jurupa operational by the end of this fiscal year.

Once the rate-setting period begins, continuation and monitoring of optimization efforts will be critical as operations expand and integration of behavioral healthcare begins. Adherence to strict state cost reporting, an intensive audit, and final rate negotiation will complete the process.

This multi-year plan will ultimately improve operating results, but the timing of revenue receipts and cash flow will continue to remain a challenge due to the length of the process and delays in settlement payments by the state. RUHS is working closely with the Executive Office to address the operating loss and will continue to provide updates in the quarterly budget reports.

Behavioral Health Detention and Correctional Health

While Correctional Health is projected to end the year within allocated net county cost, Detention Behavioral Health is projected to be under allocated net county cost by \$5 million due to continued challenges filling necessary positions to meet healthcare needs in the county jail facilities. This difficulty in recruiting staff will be further tested by additional healthcare demands that will arise with the opening of the John J. Benoit Detention Center. RUHS projects needing an additional 120 positions at an estimated annual cost of \$21 million to meet the expanded healthcare needs of the new facility. The proposed staffing plan for John J. Benoit Detention Center was developed in accordance with the remedial plan requirements considering the number of beds, inmates, and layout of the facility compared to actual performance and healthcare service requirements of the existing facilities. The proposed staffing plan will be operationalized over the previously discussed three phases of the jail opening. RUHS is planning to utilize existing staffing during Phase I, but would require approximately 60 positions for Phase II and the final 60 positions for Phase III with each phase requiring an approximately six-month lead time to complete the hiring and background process upon approval. RUHS is engaged in continuous improvement efforts in the jails to further streamline healthcare service delivery and reduce costs. RUHS will continue to work with the Executive Office to determine timing of positions and budget approval so that the facility can be properly staffed upon the phased opening of the facility.

Department of Public Health

Funding for Public Health's Family Planning Title X Program was reduced by \$78,051. The department requests a budget adjustment to reflect this change.

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Recommendation 8: *That the Board of Supervisors approve and direct the Auditor Controller to make the budget adjustments for Public Health by \$78,051, as follows:*

Decrease estimated revenues:		
10000-4200100000-762040	Federal - health grants	\$78,051
Decrease appropriations:		
10000-4200100000-510040	Regular salaries	53,482
10000-4200100000-518100	Budgeted benefits	24,099
10000-4200100000-522890	Pharmaceuticals	470
	Total	<u>78,051</u>

Department of Public Health – Nutrition

The Nutrition Branch was instructed by the State to transfer rollover funds of \$157,266 from the Tobacco Prop. 99 program to the Tobacco Prop. 56 program. A budget adjustment is needed to transfer the funds from the general to a special revenue fund to allow for continued use of these rollover funds.

Recommendation 9: *That the Board of Supervisors approve and direct the Auditor Controller to make the budget adjustments for Public Health by \$157,266, as follows:*

Decrease appropriations:		
10000-4200100000-510040	Regular salaries	\$58,975
10000-4200100000-515260	Unemployment insurance	144
10000-4200100000-517000	Workers comp insurance	1,836
10000-4200100000-518100	Budgeted benefits	26,574
10000-4200100000-520230	Cellular phone	675
10000-4200100000-520320	Telephone service	612
10000-4200100000-520705	Food	600
10000-4200100000-520930	Insurance - liability	2,462
10000-4200100000-521640	Maintenance - software	634
10000-4200100000-523760	Postage - mailing	1,000
10000-4200100000-523800	Printing/binding	2,500
10000-4200100000-524500	Administrative support - direct	16,961
10000-4200100000-524560	Auditing and accounting	137
10000-4200100000-524740	County support service	2,066
10000-4200100000-525140	Personnel services	1,144
10000-4200100000-525440	Professional services	13,637
10000-4200100000-525840	RCIT device access	2,123
10000-4200100000-525900	RCIT MS dynamics	4
10000-4200100000-526420	Advertising	19,131
10000-4200100000-526700	Rent - lease buildings	3,667
10000-4200100000-528140	Conference/registration fees	300
10000-4200100000-528180	Freight	8
10000-4200100000-528900	Air transportation	488
10000-4200100000-528920	Car pool expense	500
10000-4200100000-528960	Lodging	240
10000-4200100000-528980	Meals	92
10000-4200100000-529000	Miscellaneous travel expense	50
10000-4200100000-529040	Private mileage reimbursement	500

10000-4200100000-529060	Public service transportation	50
10000-4200100000-529540	Utilities	<u>156</u>
	Total	157,266

Decrease estimated revenues:

10000-4200100000-754010	CA - tobacco tax prop. 99	157,266
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Increase appropriations:

21840-4200100000-510040	Regular salaries	58,975
21840-4200100000-515260	Unemployment insurance	144
21840-4200100000-517000	Workers comp insurance	1,836
21840-4200100000-518100	Budgeted benefits	26,574
21840-4200100000-520230	Cellular phone	675
21840-4200100000-520320	Telephone service	612
21840-4200100000-520705	Food	600
21840-4200100000-520930	Insurance - liability	2,462
21840-4200100000-521640	Maintenance - software	634
21840-4200100000-523760	Postage - mailing	1,000
21840-4200100000-523800	Printing/binding	2,500
21840-4200100000-524500	Administrative support - direct	16,961
21840-4200100000-524560	Auditing and accounting	137
21840-4200100000-524740	County support service	2,066
21840-4200100000-525140	Personnel services	1,144
21840-4200100000-525440	Professional services	13,637
21840-4200100000-525840	RCIT device access	2,123
21840-4200100000-525900	RCIT MS dynamics	4
21840-4200100000-526420	Advertising	19,131
21840-4200100000-526700	Rent - lease buildings	3,667
21840-4200100000-528140	Conference/registration Fees	300
21840-4200100000-528180	Freight	8
21840-4200100000-528900	Air transportation	488
21840-4200100000-528920	Car pool expense	500
21840-4200100000-528960	Lodging	240
21840-4200100000-528980	Meals	92
21840-4200100000-529000	Miscellaneous travel expense	50
21840-4200100000-529040	Private mileage reimbursement	500
21840-4200100000-529060	Public service transportation	50
21840-4200100000-529540	Utilities	<u>156</u>
	Total	157,266

Increase estimated revenues:

21840-4200100000-754020	CA – prop. 56 tobacco act 2016	157,266
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Department of Public Health - Community Action Partnership

CAP requests a budget adjustment of \$200,000 to reduce Low-Income Heat Energy Assistance Program funding. The funding was transferred to the Utility Assistance Program, which is coordinated between the state and utility companies.

Recommendation 10: *That the Board of Supervisors approve and direct the Auditor Controller to make budget adjustments for Community Action Partnership by \$200,000,*

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as follows:

Decrease estimated revenues:		
21050-5200200000-767220	Federal – other operating grants	\$200,000

Decrease appropriations:		
21050-5200200000-536240	Other contract agencies	200,000

Department of Public Health – California Children’s Services (CCS)

California Children’s Services is requesting approval to purchase 6 treadmills including balance and weight control devices that would be used in several medical therapy sites. Evidence suggests that repeated practice with this equipment can improve function in patients with neurological dysfunctions, as well as increased walking speed, endurance, weight acceptance, and gross motor skill. This system is required to provide evidence-based practice for our clients treated at the Medical Therapy Units. The total cost for the training and equipment is \$80,000 and will be offset by additional realignment revenue anticipated this year. The Department requests a budget adjustment for the capital equipment purchase.

Recommendation 11: *That the Board of Supervisors approve the purchase of capital assets and approve and direct the Auditor Controller to make the budget adjustments increasing estimated revenue and appropriations and approve the purchase of capital assets for California Children’s Services by \$80,000, as follows:*

Increase appropriations:		
10000-4200200000-546160	Equipment - other	\$77,000
10000-4200200000-527840	Training - education/tuition	1,500
10000-4200200000-526910	Field equipment - non assets	<u>1,500</u>
	Total	80,000

Increase estimated revenues:		
10000-4200200000-751500	CA – realignment - health	80,000

HUMAN SERVICES

Department of Public Social Services

SB850 was signed into law on June 27, 2018 and authorized both the Homeless Emergency Aid (HEAP) and California Emergency Solutions and Housing (CESH) Programs to address the homeless crisis throughout California. As reported during the first quarter, the state has allocated \$9.8 million to the Riverside County Continuum of Care (CoC) for HEAP over the next three years, and \$1.3 million to CoC for CESH over the next five years. DPSS submitted applications to access this funding during 2018 and expects to receive award letters by the end of January 2019. The state mandates that portions of HEAP and CESH funds be contractually obligated by specified deadlines. Accordingly, DPSS initiated the request for proposal (RFP) process, and received a total of 46 applications; the department plans to have executed contracts for HEAP and CESH by April 2019. Due to late implementation, DPSS estimates expenditures of approximately \$2.0 million in the current fiscal year, but will closely monitor implementation of these programs

and provide an update in the third quarter budget report.

Recommendation 12: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenue for the Department of Public Social Services by \$2,000,000, as follows:*

Increase estimated revenue:		
21300-5100500000-767220	Federal - other operating grants	\$2,000,000
Increase appropriations:		
21300-5100500000-536200	Contribution to other non-county agency	2,000,000

Department of Public Social Services - General Assistance

On April 24, 2018 (Agenda Item 3.31), the Board of Supervisors adopted changes to the county-funded General Assistance (GA) program pursuant to Welfare and Institutions Code sections 17000, et seq., and supporting case law. These changes took effect July 1, 2018 and resulted in significantly increased caseload and administrative costs during the first and second quarters. On December 11, 2018 (Agenda Item 3.30), the Board of Supervisors approved allocation of \$6 million to the GA program, approximately half of the projected funding required to maintain the estimated program caseload for the fiscal year. DPSS continuously monitors program expenditures and has identified new program changes and processes that will assist in decreasing quarterly administrative costs going forward. Due to prudent analysis and implementation of these practices, the department now projects that an additional \$4.4 million will be sufficient to cover program expenditures for the remainder of the fiscal year.

Recommendation 13: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations for the Department of Public Social Services and decreasing appropriations for contingency by \$4,400,000, as follows:*

Decrease appropriations:		
10000-110900000-581000	Appropriations for contingencies	\$4,400,000
Increase unassigned fund balance:		
10000-110900000-370100	Unassigned fund balance	4,400,000
Increase appropriations:		
10000-510040000-530520	Co funded assistance	1,300,000
10000-510010000-510040	Regular salaries	<u>3,100,000</u>
	Total	4,400,000
Use of unassigned fund balance:		
10000-510040000-370100	Unassigned fund balance	1,300,000
10000-510010000-370100	Unassigned fund balance	<u>3,100,000</u>
	Total	4,400,000

Current Status

Department of Child Support Services

The California Department of Child Support Services has reduced the state allocation to DCSS' general program budget by an amount of \$758,628. Ventura County currently provides DCSS with call center services; this portion of the state allocation had been used by DCSS to pay for costs of this service. The California Department of Child Support Services will now reallocate this funding to pay Ventura County directly for call center services provided to the County. In addition, DCSS was recently granted state-facilitated federal Procedural Justice-Informed Alternative to Contempts (PJAC) grant funds, which are allocated on a reimbursement basis. Reimbursements in the amount of \$154,045 were received as miscellaneous revenue, and must be moved to the regular salaries appropriation code within the approved budget.

Recommendation 14: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenue for the Department of Child Support Services by \$154,045, and decreasing appropriations and estimated revenue by \$758,628, as follows:

Increase estimated revenues:		
10000-2300100000-781360	Other miscellaneous revenue	\$154,045
Increase appropriations:		
10000-2300100000-510040	Regular salaries	154,045
Decrease estimated revenues:		
10000-2300100000-750320	CA support enf incentives	758,628
Decrease appropriations:		
10000-2300100000-525500	Salaries/benefits reimbursement	658,628
10000-2300100000-525440	Professional services	<u>100,000</u>
	Total	758,628

Office on Aging

The department requests a budget adjustment to reflect an increase in available funds in the amount of \$89,534, based on Health Insurance Counseling and Advocacy Program (HICAP) contract amendment #2 between the California Department of Aging, and Riverside County Office on Aging. This budget adjustment also reflects a revenue increase from contributions and donations in the amount of \$4,500 from local non-profit and governmental agencies to support aging services.

Recommendation 15: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenue for the Riverside County Office on Aging by \$94,034, as follows:

Increase estimated revenues:		
21450-5300100000-767140	Federal - miscellaneous reimbursement	\$89,534
21450-5300100000-781220	Contributions & donations	<u>4,500</u>
	Total	94,034

Increase appropriations:		
21450-5300100000-510040	Regular salaries	5,895
21450-5300100000-513000	Retirement - miscellaneous.	2,558
21450-5300100000-523700	Office supplies	500
21450-5300100000-527780	Special program expense	4,500
21450-5300100000-536200	Contribution to other non-county agency	<u>80,581</u>
	Total	94,034

PUBLIC WORKS

Transportation

On December 11, 2018 (Agenda Item 3-54), the Board of Supervisors approved a contract award in the amount of \$3,000,000 to Granite Construction Company to perform emergency storm damage repair work at Box Canyon Road, near the community of Mecca. On January 15, 2019 (Agenda Item 3-6), the Board approved a contract award in the amount of \$665,555 to Mamco Inc. dba Alabassi of Perris to perform emergency repair work on the 70th Avenue Bridge in the community of North Shore. The Department requests a budget adjustment to expend the approved contracted amounts, and quickly reopen Box Canyon Road and the 70th Avenue Bridge to the public.

Recommendation 16: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues for the Transportation Department by \$3,665,555, as follows:*

Increase estimated revenues:		
20000-3130100000-750030	CA - hwy users/gas tax sec 2103	\$3,665,555
Increase appropriations:		
20000-3130100000-524660	Consultants	3,665,555

Flood Control and Water Conservation District

The requested budget adjustments will establish an appropriation for the A/R Bad Debt Expense account. District Fiscal Policy F1 – Accounts Receivable Management, Board approved on March 26, 2013, authorizes account balances older than 180 days and less than \$1,000 to be written off with the approval of the Finance Director and account balances greater than \$1,000 but less than \$5,000 to be written off with the approval of the General Manager – Chief Engineer.

Recommendation 17: *That the Board of Supervisors approve and direct the Auditor-Controller to establish an appropriation and use of committed fund balance for the NPDES Whitewater Assessment fund by \$21,596, as follows:*

Increase appropriations:		
25180-947540-535820	AR bad debt expense (system)	\$21,596
Use of committed fund balance:		
25180-947540-330100	Committed fund balance	21,596

Current Status

Recommendation 18: *That the Board of Supervisors approve and direct the Auditor-Controller to establish an appropriation and use of committed fund balance for the NPDES Santa Ana Assessment fund by \$2,610, as follows:*

Increase appropriations:		
25190-947560-535820	AR bad debt expense (system)	\$2,610
Use of committed fund balance:		
25190-947560-330100	Committed Fund Balance	2,610

Recommendation 19: *That the Board of Supervisors approve and direct the Auditor-Controller to establish an appropriation and use of committed fund balance for the NPDES Santa Margarita Assessment fund by \$15, as follows:*

Increase appropriations:		
25200-947580-535820	AR bad debt expense (system)	\$15
Use of committed fund balance:		
25200-947580-330100	Committed fund balance	15

Recommendation 20: *That the Board of Supervisors approve and direct the Auditor-Controller to establish an appropriation and decrease unrestricted net assets for the Sub-division Operations fund by \$186,000, as follows:*

Increase appropriations:		
40660-947140-535810	AR bad debt expense (manual)	\$186,000
Use of unrestricted net assets:		
40660-947140-380100	Unrestricted net assets	186,000

Recommendation 21: *That the Board of Supervisors approve and direct the Auditor-Controller to establish an appropriation and decrease unrestricted net assets for the Encroachment Permit fund by \$1,055, as follows:*

Increase appropriations:		
40670-947160-535810	AR bad debt expense (manual)	\$1,055
Use of unrestricted net assets:		
40670-947160-380100	Unrestricted net assets	1,055

Recommendation 22: *That the Board of Supervisors approve and direct the Auditor-Controller to establish appropriations and use of unassigned fund balance for the Special Accounting fund by \$35,071, as follows:*

Increase appropriations:		
15000-947180-535810	AR bad debt expense (manual)	\$35,071
Use of unassigned fund balance:		
15000-947180-370100	Unassigned fund balance	35,071

Recommendation 23: *That the Board of Supervisors approve and direct the Auditor-Controller to increase appropriations for the Mapping Services fund by \$8,875, as follows:*

Increase appropriations:		
48060-947300-535820	AR bad debt expense (system)	\$8,875
Use of unrestricted net assets:		
48060-947300-380100	Unrestricted Net Assets	8,875

Note: The Mapping Services Fund 48060 will be closed into the Data Processing Fund 48080 in FY 18/19. This entry will create a deficit in the Mapping Services Fund 48060 which will be absorbed by the Data Processing Fund 48080 upon closure.

Flood Control and Water Conservation District – Zone 3

The Flood Control and Water Conservation District Zone 3 requests an appropriation increase from department net assets. The adjustment is necessary for the District to accommodate increased costs associated with the Storm/Flood Emergency contract work in the Holy Fire Burn Area.

Recommendation 24: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and use of committed fund balance for the Zone 3 construction–maintenance - miscellaneous fund by \$1,500,000, as follows:*

Increase appropriations:		
25130-947440-525440	Professional services	\$1,500,000
Use of committed fund balance:		
25130-947440-330100	Committed fund balance	1,500,000

ECONOMIC & COMMUNITY DEVELOPMENT

Agricultural Commissioner

In accordance with Section 12844 of the California Food and Agricultural Code, the Department of Pesticide Regulation (DPR) collects an assessment on pesticides sold in the state. Each year, DPR allocates these funds to California counties based on each county's pest control activities, costs, workload, and performance.

For FY 18/19, Riverside County's Pesticide Mill Fee allocation will exceed the department's budget estimate by approximately \$120,000. The department requests a budget adjustment to allocate this revenue to the relocation of the Administrative Office from the basement of the Riverside County Administrative Center into the Riverside Centre office building. This revenue offsets the one-time costs associated with the office relocation.

Recommendation 25: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues for the Agricultural Commissioner by \$120,000, as follows:*

Current Status

Increase appropriations:		
10000-2800100000-537080	Interfund expense - miscellaneous	\$120,000

Increase estimated revenues:		
10000-2800100000-752020	CA - agriculture comm - sale econ poisons	120,000

Department of Animal Services

Animal Services is experiencing lower than projected shelter services revenue from contract cities due to a decrease in the number of impounded animals within contract city boundaries. The department will continue to monitor this trend to determine if projected revenues require an adjustment. The department anticipates a significant increase in grant revenue, licensing revenue, and spay and neuter clinic fees in the second half of the fiscal year; in addition, a request for contract services from a large city may correct impound shortages.

EDA - Home Investment Partnership

The Home Investment Partnership program has received the FY 18/19 allocation to continue the goal of creating affordable housing for those of very low and moderate-income. The program provides eligible candidates with home ownership opportunities for first-time buyers; and funding offers services for improved conditions for substandard housing and rental housing. The FY 18/19 award, received in November 2018, requires programming for new construction projects and the first-time homebuyers program.

Recommendation 26: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues for the EDA-HOME Investment Partnership by \$1,248,000, as follows:*

Increase appropriations:		
21250-1900600000-530360	Home/shelter services	\$1,248,000

Increase estimated revenues:		
21250-1900600000-766000	Federal - community redevelopment hm	1,248,000

EDA - Community Centers

EDA Community Centers requests a budget adjustment to establish an account to recover costs for leases and custodial services provided to the Department of Public Social Services. The EDA will be able to recover \$92,532 for building occupancy services rendered at the Mead Valley Community Center.

Recommendation 27: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and decreasing estimated revenue for the EDA-Community Centers by \$92,532, as follows:*

Increase appropriations:		
10000-7201300000-572500	Intrafund - leases	\$84,132
10000-7201300000-571700	Intrafund - custodial	8,400
	Total	92,532

Decrease estimated revenues:		
10000-7201300000-741460	Rental of buildings	92,532

EDA – Custodial Services Division

The EDA Custodial Services Division anticipates ending the year with a structural deficit of approximately \$288,575 due to the minimum wage increase effective January 1, 2019. The division would benefit from a rate increase to improve revenue attainment. The Custodial Division continues to effectively manage staffing resources and exhibits high levels of productivity. Staff works efficiently in providing cleaning services and floor care options that provide customers budgetary options and conformance.

Parking Services

The EDA Parking Services Division anticipates ending the year with a deficit of approximately \$156,681. The relocation of the parking office, extensive maintenance services needed for the parking structures, and reduced revenues are contributing factors to the deficit. The division continues to operate with minimal staff and would benefit from a long-term solution for the replacement of the parking system and equipment that is beyond useful life. EDA will continue to monitor expenditures and revenues closely while looking for opportunities to mitigate the deficit.

County Service Areas (CSA)

The department requests to increase the budget for CSA 69 in Hemet to ensure sufficient appropriations for processing yearend accruals for lighting. The FY 17/18 yearend closing process identified the need for this additional appropriation. Sufficient restricted program money is available to fund this increase.

Recommendation 28: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and use of restricted fund balance for CSA 69 by \$7,500, as follows:*

Increase appropriations:		
23675-906901-537240	Interfund expense - utilities	\$7,500
Use of restricted fund balance:		
23675-906901-321101	Restricted program money	7,500

The department requests to increase the budget for CSA 134 in Temescal to fund emergency costs associated with the Holy fire and other maintenance costs. Sufficient restricted program money is available to fund an additional \$262,000.

Recommendation 29: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and use of restricted fund balance for CSA 134 by \$262,000, as follows:*

Increase appropriations:		
24425-913401-522320	Maintenance - grounds	\$262,000

Current Status

Use of restricted fund balance:		
24425-913401-321101	Restricted program money	262,000

The department requests to increase the budget for CSA 143 in Murrieta to fund maintenance costs to replace irrigation controllers and various onetime costs. The CSA is working with local water districts to shift to a more efficient long-term use of water resources. Eastern Valley Water District will reimburse CSA 143 for the cost of the irrigation controllers. Sufficient restricted program money is available to fund the additional \$274,000 until receipt of the reimbursement for the irrigation controllers.

Recommendation 30: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and use of restricted fund balance for CSA 143 by \$274,000, as follows:*

Increase appropriations:		
24550-914301-522320	Maintenance - grounds	\$274,000
Use of restricted fund balance:		
24550-914301-321101	Restricted program money	274,000

The department requests to increase the budget for CSA 152 Quimby Zone A in District 1 to fund project improvements planned for Lakeland Village Community Center. On October 31, 2017, Item 3.15 approved the funding of the Lakeland Village Community Center Tenant Improvement Project. This CSA provides 98 percent of the funding for this project for a total of \$625,715. With the approval of this request, this CSA will fund the remaining portion of the project. Funding has been provided in the amount of \$312,857 and the rest of the funding is now needed to complete the project. After this transfer of funds is completed this fund will be closed.

Recommendation 31: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and use of restricted fund balance for CSA 152A by \$320,354, as follows:*

Increase appropriations:		
31560-915201-551000	Operating transfers - out	\$320,354
Use of restricted fund balance:		
31560-915201-322100	Restricted for construction/capital projects	320,354
Increase assigned fund balance:		
30100-7200800000-350200	AFB for construction/capital projects	320,354
Increase estimated revenues:		
30100-7200800000-790500	Operating transfer-in	320,354

Registrar of Voters

The Registrar of Voters (ROV) is required to conduct two elections during FY 18/19. The department conducted the Consolidated General Election on November 6, 2018 and will

conduct the June 4, 2019 City of Riverside Election. The department anticipates that the budget can accommodate the scheduled elections. The Board of Supervisors requested the establishment of an Ad Hoc Committee to evaluate the cost and technology for new voting equipment, as well as an opt-in decision on the Voter's Choice Act. The ultimate goal of the committee is to come up with short- and long-term solutions to improve the county's election performance.

INTERNAL SUPPORT

Human Resources

At second quarter, the Human Resources General Fund does not have any budgetary concerns. However, the need has arisen to replace aging equipment with new capital purchases. Human Resources is requesting a budget adjustment to allow for the purchase of capital equipment.

Recommendation 32: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments to appropriations of the Human Resources General Fund, as follows:*

Increase appropriations:		
10000-1130100000-546140	Equipment - office	\$20,000
Decrease appropriations:		
10000-1130100000-523840	Computer equipment - software	20,000

Workers' Compensation

The Workers' Compensation Insurance fund requires an increase to appropriations to cover claims expense. Human Resources will continue to monitor these claims costs.

Recommendation 33: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and use of unrestricted net assets of the Workers' Compensation Fund by \$ 3,300,000, as follows:*

Increase appropriations:		
46100-1130800000-534220	Comp claims	\$3,300,000
Use of unrestricted net assets:		
46100-1130800000-380100	Unrestricted net assets	3,300,000

Malpractice Insurance

There is a possibility that some outstanding claims could be settled before year-end. Use of unrestricted net assets will offset these increased claims costs. Increased appropriations to pay claims are needed to ensure pending claims can be paid before year-end. Human Resources will continue to monitor the spending on medical malpractice claims.

Recommendation 34: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and use of unrestricted*

Current Status

net assets for the Medical Malpractice Insurance Fund by \$1,000,000, as follows:

Increase appropriations:		
46000-1130900000-534340	Malprac - liability	\$1,000,000
Use of unrestricted net assets:		
46000-1130900000-380100	Unrestricted net assets	1,000,000

General Liability Insurance

There is a possibility that some outstanding general liability claims could be settled before year-end. Use of unrestricted net assets will offset these increased claims costs. Increased appropriations to pay claims are needed to ensure pending claims can be paid before year-end. Human Resources will continue to monitor the spending on general liability claims.

Recommendation 35: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments to appropriations, estimated revenues, and use of unrestricted net assets for the General Liability Fund by \$16,330,300, as follows:*

Increase estimated revenues:		
45960-1131000000-741320	Miscellaneous event charges	\$ 2,100
45960-1131000000-777010	Stop loss reimbursement	<u>6,629,700</u>
	Total	6,631,800
Decrease appropriations:		
45960-1131000000-520930	Insurance - liability	590,000
45960-1131000000-520940	Insurance - other	<u>80,000</u>
	Total	670,000
Increase appropriations:		
45960-1131000000-534280	Liability adj expense	17,000,300
Use of unrestricted net assets:		
45960-1131000000-380100	Unrestricted net assets	9,698,500

Safety Loss Control

The Safety Division requires an increase to appropriations in salaries and benefits because of greater than expected pension expense. Also, additional appropriations are required for timely replacement of a large number of Automated External Defibrillator (AEDs).

Recommendation 36: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and use of unrestricted net assets of the Safety Loss Control Fund by \$300,000, as follows:*

Increase appropriations:		
46040-1131300000-518100	Budgeted benefits	\$120,000
46040-1131300000-522860	Medical - dental supplies	<u>180,000</u>
	Total	300,000
Use of unrestricted net assets:		

46040-1131300000-380100 Unrestricted net assets 300,000

Purchasing & Fleet Services

Purchasing Services will exceed budgeted appropriations for salaries and benefits due to increased overtime expenses and unplanned retirement payouts.

The department incurred increased overtime expenses due to the department's support to the fire and flood emergency incidents as member of the Emergency Operations Center (EOC). Reimbursement of \$22,193 in overtime costs for response to EOC events is anticipated to be received from Emergency Management Department (EMD) before June 2019. The department will also incur costs of approximately \$123,000 for unplanned retirement payouts. The department will strive to partially close the gap with salary savings and any other additional cost savings measures to reduce the impact on the general fund. The department will work with the Executive Office to determine if a budget adjustment will be requested in the third quarter report.

For Fleet Services, the first and second quarter fuel prices were higher than expected. The department requests a budget adjustment of \$585,000 to increase appropriations and estimated revenues.

In addition, Fleet Services requests authorization to purchase fifty-six vehicles for, Building and Safety (6), Code Enforcement (5), Behavioral Health (10), Environmental Health (15), Office on Aging (5), and RCIT (15). Fleet Services also requests a budget adjustment of \$380,485 to increase appropriations and estimated revenues to cover the purchase costs and three months of depreciation. Departments will reimburse Fleet Services for purchase costs and will request a budget adjustment if needed.

Recommendation 37: *That the Board of Supervisors 1) approve and authorize the purchase of fifty-six vehicles; and, 2) approve and direct the Auditor-Controller to make budget adjustments increasing appropriations, estimated revenues and use of unrestricted net assets for Fleet Services by \$965,485, as follows:*

Increase estimated revenues:

45300-7300500000-777070	Fuel sales	\$585,000
45300-7300500000-777620	Vehicle cost recovery	<u>321,115</u>
	Total	906,115

Increase appropriations:

45300-7300500000-527100	Fuel	585,000
45300-7300500000-532600	Capital lease - purchase principal	45,750
45300-7300500000-533720	Capital lease - purchase interest	2,965
45300-7300500000-535515	Amortization - vehicles	45,750
45300-7300500000-535560	Depreciation – equipment	13,620
45300-7300500000-546320	Vehicles - cars/light trucks	<u>272,400</u>
	Total	965,485

Use of unrestricted net assets:

45300-7300500000-380100	Unrestricted net assets	59,370
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Attachment A Summary of Recommendations

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

Recommendation 1: *That the Board of Supervisors approve the capital asset purchase and approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and decreasing appropriations by \$49,000, as follows:*

Decrease appropriations:		
10000-1000100000-523840	Computer equipment - software	\$49,000
Increase appropriations:		
10000-1000100000-546080	Equipment - computer	49,000

Recommendation 2: *That the Board approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues for County Counsel by \$49,618, as follows:*

Increase estimated revenues:		
10000-1500100000-771440	Liability insurance	\$49,618
Increase appropriations:		
10000-1500100000-510040	Regular salaries	120,577
10000-1500100000-518100	Budgeted benefits	43,078
10000-1500100000-572000	Intrafund - DPSS	<u>(114,037)</u>
	Total	49,618

Recommendation 3: *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 Executive Office by \$6,000,000, as follows:*

Increase appropriations:		
30500-1103700000-536780	Interfund expense – capital projects	\$6,000,000
Anticipated use of restricted fund balance:		
30501-1103700000-322103	Restricted for capital projects subfund	6,000,000

Recommendation 4: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriation and decreasing contingency for the Emergency Management Department by \$1,963,907, as follows:*

Increase appropriations:		
10000-2000100000-510420	Overtime	\$1,245,685
10000-2000100000-525440	Professional services	491,217
10000-2000100000-527180	Operational supplies	121,483
10000-2000100000-528980	Meals	40,735
10000-2000100000-529040	Private mileage reimbursement	<u>64,787</u>
	Total	1,963,907

Attachment A

Use of unassigned fund balance:		
10000-2000100000-370100	Unassigned fund balance	1,963,907
Decrease appropriations:		
10000-1109000000-581000	Appropriations for contingencies	1,963,907
Increase unassigned fund balance:		
10000-1109000000-370100	Unassigned fund balance	1,963,907

Recommendation 5: *That the Board approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues for Fire Protection Contracts by \$2,642,000, as follows:*

Increase estimated revenues:		
10000-2700400000-779050	Fire protection	\$2,642,000
Increase appropriations:		
10000-2700400000-546340	Vehicles – fire trucks	2,642,000

Recommendation 6: *That the Board approve and direct the Auditor-Controller to make budget adjustments to appropriations for the Probation Department by \$250,000, as follows:*

Decrease appropriations:		
10000-2600100000-510040	Regular salaries	\$250,000
Increase unassigned fund balance:		
10000-2600100000-370100	Unassigned fund balance	250,000
Increase appropriations:		
10000-2600700000-510040	Regular salaries	100,000
10000-2600700000-518100	Budgeted benefits	50,000
10000-2600700000-525440	Professional services	<u>100,000</u>
	Total	250,000
Use of unassigned fund balance:		
10000-2600700000-370100	Unassigned fund balance	250,000

Recommendation 7: *That the Board 1) approve amending Ordinance No. 440 to add one (1) Chief Deputy Probation Officer position; and 2) approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and use of unassigned fund balance for the Probation Department by \$100,000, as follows:*

Decrease appropriations:		
10000-2600100000-510040	Regular salaries	\$100,000

Increase unassigned fund balance:		
10000-2600100000-370100	Unassigned fund balance	100,000
Increase appropriations:		
10000-2600700000-510040	Regular salaries	100,000
Use of unassigned fund balance:		
10000-2600700000-370100	Unassigned fund balance	100,000

Recommendation 8: That the Board of Supervisors approve and direct the Auditor Controller to make the budget adjustments for Public Health by \$78,051, as follows:

Decrease estimated revenues:		
10000-4200100000-762040	Federal - health grants	\$78,051
Decrease appropriations:		
10000-4200100000-510040	Regular salaries	53,482
10000-4200100000-518100	Budgeted benefits	24,099
10000-4200100000-522890	Pharmaceuticals	<u>470</u>
	Total	78,051

Recommendation 9: That the Board of Supervisors approve and direct the Auditor Controller to make the budget adjustments for Public Health by \$157,266, as follows:

Decrease appropriations:		
10000-4200100000-510040	Regular salaries	\$58,975
10000-4200100000-515260	Unemployment insurance	144
10000-4200100000-517000	Workers comp insurance	1,836
10000-4200100000-518100	Budgeted benefits	26,574
10000-4200100000-520230	Cellular phone	675
10000-4200100000-520320	Telephone service	612
10000-4200100000-520705	Food	600
10000-4200100000-520930	Insurance - liability	2,462
10000-4200100000-521640	Maintenance - software	634
10000-4200100000-523760	Postage - mailing	1,000
10000-4200100000-523800	Printing/binding	2,500
10000-4200100000-524500	Administrative support - direct	16,961
10000-4200100000-524560	Auditing and accounting	137
10000-4200100000-524740	County support service	2,066
10000-4200100000-525140	Personnel services	1,144
10000-4200100000-525440	Professional services	13,637
10000-4200100000-525840	RCIT device access	2,123
10000-4200100000-525900	RCIT MS dynamics	4
10000-4200100000-526420	Advertising	19,131
10000-4200100000-526700	Rent - lease buildings	3,667
10000-4200100000-528140	Conference/registration fees	300
10000-4200100000-528180	Freight	8
10000-4200100000-528900	Air transportation	488
10000-4200100000-528920	Car pool expense	500
10000-4200100000-528960	Lodging	240

Attachment A

10000-4200100000-528980	Meals	92
10000-4200100000-529000	Miscellaneous travel expense	50
10000-4200100000-529040	Private mileage reimbursement	500
10000-4200100000-529060	Public service transportation	50
10000-4200100000-529540	Utilities	<u>156</u>
	Total	157,266

Decrease estimated revenues:

10000-4200100000-754010	CA - tobacco tax prop. 99	157,266
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Increase appropriations:

21840-4200100000-510040	Regular salaries	58,975
21840-4200100000-515260	Unemployment insurance	144
21840-4200100000-517000	Workers comp insurance	1,836
21840-4200100000-518100	Budgeted benefits	26,574
21840-4200100000-520230	Cellular phone	675
21840-4200100000-520320	Telephone service	612
21840-4200100000-520705	Food	600
21840-4200100000-520930	Insurance - liability	2,462
21840-4200100000-521640	Maintenance - software	634
21840-4200100000-523760	Postage - mailing	1,000
21840-4200100000-523800	Printing/binding	2,500
21840-4200100000-524500	Administrative support - direct	16,961
21840-4200100000-524560	Auditing and accounting	137
21840-4200100000-524740	County support service	2,066
21840-4200100000-525140	Personnel services	1,144
21840-4200100000-525440	Professional services	13,637
21840-4200100000-525840	RCIT device access	2,123
21840-4200100000-525900	RCIT MS dynamics	4
21840-4200100000-526420	Advertising	19,131
21840-4200100000-526700	Rent - lease buildings	3,667
21840-4200100000-528140	Conference/registration Fees	300
21840-4200100000-528180	Freight	8
21840-4200100000-528900	Air transportation	488
21840-4200100000-528920	Car pool expense	500
21840-4200100000-528960	Lodging	240
21840-4200100000-528980	Meals	92
21840-4200100000-529000	Miscellaneous travel expense	50
21840-4200100000-529040	Private mileage reimbursement	500
21840-4200100000-529060	Public service transportation	50
21840-4200100000-529540	Utilities	<u>156</u>
	Total	157,266

Increase estimated revenues:

21840-4200100000-754020	CA – prop. 56 tobacco act 2016	157,266
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Recommendation 10: That the Board of Supervisors approve and direct the Auditor Controller to make budget adjustments for Community Action Partnership by \$200,000, as follows:

Decrease estimated revenues:		
21050-5200200000-767220	Federal – other operating grants	\$200,000

Decrease appropriations:		
21050-5200200000-536240	Other contract agencies	200,000

Recommendation 11: *That the Board of Supervisors approve the purchase of capital assets and approve and direct the Auditor Controller to make the budget adjustments increasing estimated revenue and appropriations and approve the purchase of capital assets for California Children’s Services by \$80,000, as follows:*

Increase appropriations:		
10000-4200200000-546160	Equipment - other	\$77,000
10000-4200200000-527840	Training - education/tuition	1,500
10000-4200200000-526910	Field equipment - non assets	<u>1,500</u>
	Total	80,000

Increase estimated revenues:		
10000-4200200000-751500	CA – realignment - health	80,000

Recommendation 12: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenue for the Department of Public Social Services by \$2,000,000, as follows:*

Increase estimated revenues:		
21300-5100500000-767220	Federal - other operating grants	\$2,000,000

Increase appropriations:		
21300-5100500000-536200	Contribution to other non-county agency	2,000,000

Recommendation 13: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations for the Department of Public Social Services and decreasing appropriations for contingency by \$4,400,000, as follows:*

Decrease appropriations:		
10000-1109000000-581000	Appropriations for contingencies	\$4,400,000

Increase unassigned fund balance:		
10000-1109000000-370100	Unassigned fund balance	4,400,000

Increase appropriations:		
10000-5100400000-530520	Co funded assistance	1,300,000
10000-5100100000-510040	Regular salaries	<u>3,100,000</u>
	Total	4,400,000

Use of unassigned fund balance:		
10000-5100400000-370100	Unassigned fund balance	1,300,000
10000-5100100000-370100	Unassigned fund balance	<u>3,100,000</u>
	Total	4,400,000

Attachment A

Recommendation 14: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenue for the Department of Child Support Services by \$154,045, and decreasing appropriations and estimated revenue by \$758,628, as follows:

Increase estimated revenues:		
10000-2300100000-781360	Other miscellaneous revenue	\$154,045
Increase appropriations:		
10000-2300100000-510040	Regular salaries	154,045
Decrease estimated revenues:		
10000-2300100000-750320	CA support enf incentives	758,628
Decrease appropriations:		
10000-2300100000-525500	Salaries/benefits reimbursement	658,628
10000-2300100000-525440	Professional services	<u>100,000</u>
	Total	<u>758,628</u>

Recommendation 15: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenue for the Riverside County Office on Aging by \$94,034, as follows:

Increase estimated revenues:		
21450-5300100000-767140	Federal - miscellaneous reimbursement	\$89,534
21450-5300100000-781220	Contributions & donations	<u>4,500</u>
	Total	<u>94,034</u>
Increase appropriations:		
21450-5300100000-510040	Regular salaries	5,895
21450-5300100000-513000	Retirement - miscellaneous.	2,558
21450-5300100000-523700	Office supplies	500
21450-5300100000-527780	Special program expense	4,500
21450-5300100000-536200	Contribution to other non-county agency	<u>80,581</u>
	Total	<u>94,034</u>

Recommendation 16: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues for the Transportation Department by \$3,665,555, as follows:

Increase estimated revenues:		
20000-3130100000-750030	CA - hwy users/gas tax sec 2103	\$3,665,555
Increase appropriations:		
20000-3130100000-524660	Consultants	3,665,555

Recommendation 17: That the Board of Supervisors approve and direct the Auditor-

Controller to establish an appropriation and use of committed fund balance for the NPDES Whitewater Assessment fund by \$21,596, as follows:

Increase appropriations:		
25180-947540-535820	AR bad debt expense (system)	\$21,596
Use of committed fund balance:		
25180-947540-330100	Committed fund balance	21,596

Recommendation 18: *That the Board of Supervisors approve and direct the Auditor-Controller to establish an appropriation and use of committed fund balance for the NPDES Santa Ana Assessment fund by \$2,610, as follows:*

Increase appropriations:		
25190-947560-535820	AR bad debt expense (system)	\$2,610
Use of committed fund balance:		
25190-947560-330100	Committed Fund Balance	2,610

Recommendation 19: *That the Board of Supervisors approve and direct the Auditor-Controller to establish an appropriation and use of committed fund balance for the NPDES Santa Margarita Assessment fund by \$15, as follows:*

Increase appropriations:		
25200-947580-535820	AR bad debt expense (system)	\$15
Use of committed fund balance:		
25200-947580-330100	Committed fund balance	15

Recommendation 20: *That the Board of Supervisors approve and direct the Auditor-Controller to establish an appropriation and decrease unrestricted net assets for the Subdivision Operations fund by \$186,000, as follows:*

Increase appropriations:		
40660-947140-535810	AR bad debt expense (manual)	\$186,000
Use of unrestricted net assets:		
40660-947140-380100	Unrestricted net assets	186,000

Recommendation 21: *That the Board of Supervisors approve and direct the Auditor-Controller to establish an appropriation and decrease unrestricted net assets for the Encroachment Permit fund by \$1,055, as follows:*

Increase appropriations:		
40670-947160-535810	AR bad debt expense (manual)	\$1,055
Use of unrestricted net assets:		
40670-947160-380100	Unrestricted net assets	1,055

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Recommendation 22: *That the Board of Supervisors approve and direct the Auditor-Controller to establish an appropriation and use of unassigned fund balance for the Special Accounting fund by \$35,071, as follows:*

Increase appropriations:		
15000-947180-535810	AR bad debt expense (manual)	\$35,071
Use of unassigned fund balance:		
15000-947180-370100	Unassigned fund balance	35,071

Recommendation 23: *That the Board of Supervisors approve and direct the Auditor-Controller to increase appropriations for the Mapping Services fund by \$8,875, as follows:*

Increase appropriations:		
48060-947300-535820	AR bad debt expense (system)	\$8,875
Use of unrestricted net assets:		
48060-947300-380100	Unrestricted Net Assets	8,875

Recommendation 24: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and use of committed fund balance for the Zone 3 construction–maintenance - miscellaneous fund by \$1,500,000, as follows:*

Increase appropriations:		
25130-947440-525440	Professional services	\$1,500,000
Use of committed fund balance:		
25130-947440-330100	Committed fund balance	1,500,000

Recommendation 25: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues for the Agricultural Commissioner by \$120,000, as follows:*

Increase appropriations:		
10000-2800100000-537080	Interfund expense - miscellaneous	\$120,000
Increase estimated revenues:		
10000-2800100000-752020	CA - agriculture comm - sale econ poisons	120,000

Recommendation 26: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues for the EDA-HOME Investment Partnership by \$1,248,000, as follows:*

Increase appropriations:		
21250-1900600000-530360	Home/shelter services	\$1,248,000

Increase estimated revenues:		
21250-1900600000-766000	Federal - community redevelopment hm	1,248,000

Recommendation 27: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and decreasing estimated revenue for the EDA-Community Centers by \$92,532, as follows:

Increase appropriations:		
10000-7201300000-572500	Intrafund - leases	\$84,132
10000-7201300000-571700	Intrafund - custodial	<u>8,400</u>
	Total	92,532

Decrease estimated revenues:		
10000-7201300000-741460	Rental of buildings	92,532

Recommendation 28: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and use of restricted fund balance for CSA 69 by \$7,500, as follows:

Increase appropriations:		
23675-906901-537240	Interfund expense - utilities	\$7,500

Use of restricted fund balance:		
23675-906901-321101	Restricted program money	7,500

Recommendation 29: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and use of restricted fund balance for CSA 134 by \$262,000, as follows:

Increase appropriations:		
24425-913401-522320	Maintenance - grounds	\$262,000

Use of restricted fund balance:		
24425-913401-321101	Restricted program money	262,000

Recommendation 30: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and use of restricted fund balance for CSA 143 by \$274,000, as follows:

Increase appropriations:		
24550-914301-522320	Maintenance - grounds	\$274,000

Use of restricted fund balance:		
24550-914301-321101	Restricted program money	274,000

Recommendation 31: That the Board of Supervisors approve and direct the Auditor-

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Controller to make budget adjustments increasing appropriations and use of restricted fund balance for CSA 152A by \$320,354, as follows:

Increase appropriations:		
31560-915201-551000	Operating transfers - out	\$320,354
Use of restricted fund balance:		
31560-915201-322100	Restricted for construction/capital projects	320,354
Increase assigned fund balance:		
30100-7200800000-350200	AFB for construction/capital projects	320,354
Increase estimated revenues:		
30100-7200800000-790500	Operating transfer-in	320,354

Recommendation 32: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments to appropriations of the Human Resources General Fund, as follows:*

Increase appropriations:		
10000-1130100000-546140	Equipment - office	\$20,000
Decrease appropriations:		
10000-1130100000-523840	Computer equipment - software	20,000

Recommendation 33: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and use of unrestricted net assets of the Workers' Compensation Fund by \$ 3,300,000, as follows:*

Increase appropriations:		
46100-1130800000-534220	Comp claims	\$3,300,000
Use of unrestricted net assets:		
46100-1130800000-380100	Unrestricted net assets	3,300,000

Recommendation 34: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and use of unrestricted net assets for the Medical Malpractice Insurance Fund by \$1,000,000, as follows:*

Increase appropriations:		
46000-1130900000-534340	Malprac - liability	\$1,000,000
Use of unrestricted net assets:		
46000-1130900000-380100	Unrestricted net assets	1,000,000

Recommendation 35: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments to appropriations, estimated revenues, and use*

of unrestricted net assets for the General Liability Fund by \$16,330,300, as follows:

Increase estimated revenues:		
45960-1131000000-741320	Miscellaneous event charges	\$ 2,100
45960-1131000000-777010	Stop loss reimbursement	<u>6,629,700</u>
	Total	6,631,800
Decrease appropriations:		
45960-1131000000-520930	Insurance - liability	590,000
45960-1131000000-520940	Insurance - other	<u>80,000</u>
	Total	670,000
Increase appropriations:		
45960-1131000000-534280	Liability adj expense	17,000,300
Use of unrestricted net assets:		
45960-1131000000-380100	Unrestricted net assets	9,698,500

Recommendation 36: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and use of unrestricted net assets of the Safety Loss Control Fund by \$300,000, as follows:*

Increase appropriations:		
46040-1131300000-518100	Budgeted benefits	\$120,000
46040-1131300000-522860	Medical - dental supplies	<u>180,000</u>
	Total	300,000
Use of unrestricted net assets:		
46040-1131300000-380100	Unrestricted net assets	300,000

Recommendation 37: *That the Board of Supervisors 1) approve and authorize the purchase of fifty-six vehicles; and, 2) approve and direct the Auditor-Controller to make budget adjustments increasing appropriations, estimated revenues and use of unrestricted net assets for Fleet Services by \$965,485, as follows:*

Increase estimated revenues:		
45300-7300500000-777070	Fuel sales	\$585,000
45300-7300500000-777620	Vehicle cost recovery	<u>321,115</u>
	Total	906,115
Increase appropriations:		
45300-7300500000-527100	Fuel	585,000
45300-7300500000-532600	Capital lease - purchase principal	45,750
45300-7300500000-533720	Capital lease - purchase interest	2,965
45300-7300500000-535515	Amortization - vehicles	45,750
45300-7300500000-535560	Depreciation – equipment	13,620
45300-7300500000-546320	Vehicles - cars/light trucks	<u>272,400</u>
	Total	965,485
Use of unrestricted net assets:		
45300-7300500000-380100	Unrestricted net assets	59,370

RESOLUTION NO. 440-9103

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

3 BE IT RESOLVED by the Board of Supervisors of the County of Riverside, State of California, in
 4 regular session assembled on February 5, 2019, that pursuant to Section 4(a)(ii) of Ordinance No. 440, the
 5 Executive Office is authorized to make the following listed change(s), operative on the date of approval, as
 6 follows:

<u>Job Code</u>	<u>+/-</u>	<u>Department ID</u>	<u>Class Title</u>	<u>Type</u>
79538	+1	2600700000	Chief Deputy Probation Officer	Regular

**County of Riverside Executive Office
High-level Budget Schedule**

	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22
1st quarter department status reports	10/10/17	10/09/18	10/07/19	10/13/20	10/12/21
1st quarter report to Board (EO Execs Lead)	11/14/17	11/06/18	11/19/19	11/17/20	11/16/21
2nd quarter department status reports	01/08/18	01/09/19	01/09/20	01/11/21	01/10/22
Budget kickoff for next budget cycle (EO Budget Team Leads/Dept budget staff attends)	01/24/18	01/17/19	01/16/20	01/19/21	01/13/22
ISF Rate Approval for next cycle (EO Execs Lead)	01/30/18	01/29/19	01/28/20	01/26/21	01/25/22
2nd quarter report to Board (EO Execs Lead)	02/06/18	02/05/19	02/04/20	02/09/21	02/08/22
Budget submittals due for next budget	03/12/18	03/11/19	03/09/20	03/15/21	03/14/22
3rd quarter department status reports	04/09/18	04/08/19	04/06/20	04/12/21	04/11/22
Suspend CTRs	05/01/18	05/01/19	05/01/20	05/01/21	05/01/22
3rd quarter report & budget preview (EO Execs Lead)	05/22/18	05/07/19	05/12/20	05/11/21	05/17/22
3rd budget preview (if needed)		05/21/19			
Recommended budget presented & budget hearings opened (EO Execs Lead)	06/11/18	06/10/19	06/15/20	06/14/21	06/13/22
Budget Adopted	06/26/18				
<u>Statutory deadline by which Board must approve next recommended budget</u>	06/30/18	06/30/19	06/30/20	06/30/21	06/30/22
Adjustments to next recommended budget presented (as needed) (EO Execs Lead)	07/31/18	07/30/19	07/28/20	07/27/21	07/26/22
Year-end clean-up adjustments due	08/06/18	08/05/19	08/03/20	08/09/21	08/08/22
Year-end clean-up of old year budgeted appropriations (as needed) (EO Budget Team Leads)	08/28/18	08/27/19	08/25/20	08/31/21	08/30/22
Next budget adopted (No later than) (EO Execs Lead)	09/25/18	09/24/19	09/29/20	09/28/21	09/27/22
<u>Statutory deadline by which Board must formally adopt next budget</u>	10/02/18	10/02/19	10/02/20	10/02/21	10/02/22
<u>Statutory deadline by which to file next adopted budget with Clerk of the Board and State Controller</u>	12/01/18	12/01/19	12/01/20	12/01/21	12/01/22

All dates not in *italics* are tentative and subject to change.
Items in **bold** indicate Board dates.
Items underlined are statutory deadlines.