



RivCoNOW



COUNTY OF RIVERSIDE
STATE OF CALIFORNIA

FISCAL YEAR 2023/24

THIRD QUARTER BUDGET REPORT

PREPARED BY THE EXECUTIVE OFFICE

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BUDGET OUTLOOK

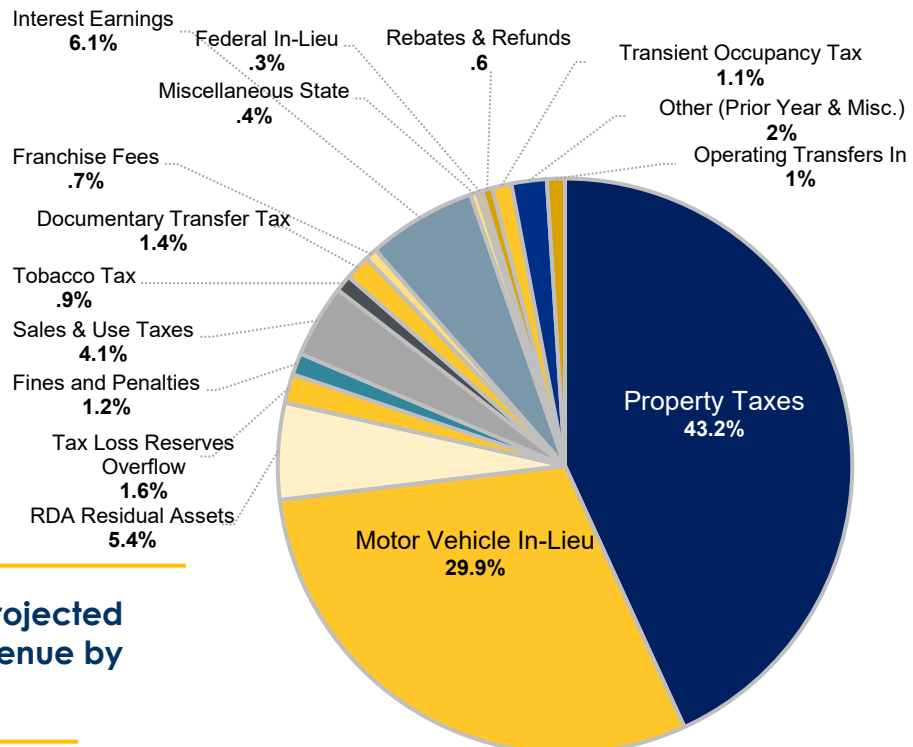
Discretionary Revenue Projections

Revenue Available for General Purpose Spending (Projected)

In Millions

	FY2023/24 Adopted Budget	Third Quarter Estimate	Change From Adopted Budget	% Change
Property Taxes	\$505.1	\$528.9	\$23.9	5%
Motor Vehicle In-Lieu	357.9	366.5	8.6	2%
RDA Residual Assets	59.4	66.6	7.2	12%
Tax Loss Reserve Overflow	20.0	20.0	0.0	0%
Fines and Penalties	15.7	14.9	(0.8)	-5%
Sales & Use Taxes	49.4	50.3	0.9	2%
Tobacco Tax	11.5	11.5	0.0	0%
Documentary Transfer Tax	19.6	17.6	(2.0)	-10%
Franchise Fees	7.0	8.2	1.2	16%
Interest Earnings	40.0	75.0	35.0	88%
Miscellaneous State	4.9	4.9	0.0	1%
Federal In-Lieu	3.6	3.6	0.0	0%
Rebates & Refunds	6.5	6.9	0.4	6%
Transient Occupancy Tax	12.7	13.4	0.7	5%
Other (Prior Year & Misc.)	17.5	24.3	6.8	39%
Operating Transfers In	12.4	12.4	0.0	0%
	\$1,143.2	\$1,224.9	\$81.7	7%

General purpose revenue, or discretionary revenue, is unrestricted funds that counties receive from various sources, such as property taxes, sales and use taxes, motor vehicle in-lieu, interest earnings, and other revenue streams. Discretionary revenue is used to fund a wide range of government functions and services, including mandates and other services not covered by state and federal grants or service charges. As of Third Quarter, total Projected Discretionary Revenue estimates are up \$81.7 million from adopted budget projections.



Percent of Total Projected Discretionary Revenue by Source

Prop 172 Revenue

Prop 172 was enacted by California voters in November 1993 to establish a permanent statewide half-cent sales tax for support of local public safety functions. Currently, Prop 172 revenue is projected \$8.8 million lower than adopted budget. Revenue is expected to hold at projected level with nominal growth estimated in FY 2024/25.

Revenue Available for Public Safety Functions (Projected)

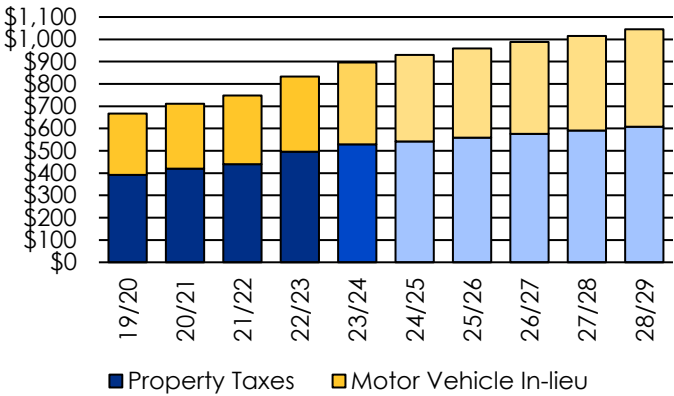
In Millions

	FY 2023/24 Adopted Budget	Third Quarter Estimate	Variance
Prop. 172 Public Safety Sales Tax	\$303.8	\$295.0	(8.8)

Property Taxes

According to The California Economic Forecast, elevated interest rates throughout 2024 will likely keep the existing housing market soft, although the new housing market is expected to contribute some much-needed inventory for buyers. With fewer transactions, there will be fewer property transfers. The growth of assessed valuation is projected to be more modest in 2024, however, it is still forecasted to rise significantly due to the expectation that home prices will not decline.

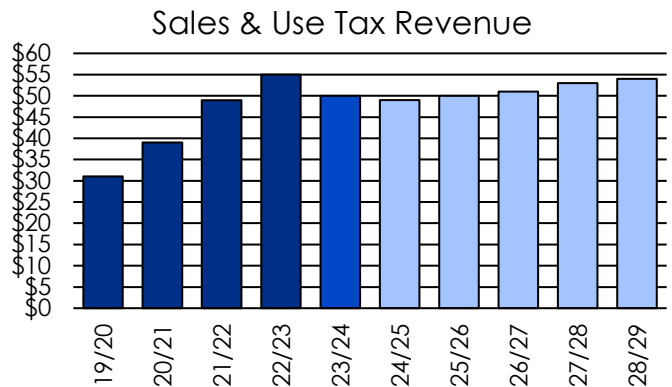
Property Taxes & Motor Vehicle In-lieu (in millions)



Property tax revenue and motor vehicle fee revenue received in lieu of property taxes were both budgeted based on a 5% growth in assessed values. Property tax revenue and motor vehicle in-lieu revenue are up by \$23.9 million and \$8.6 million, respectively, from the adopted budget.

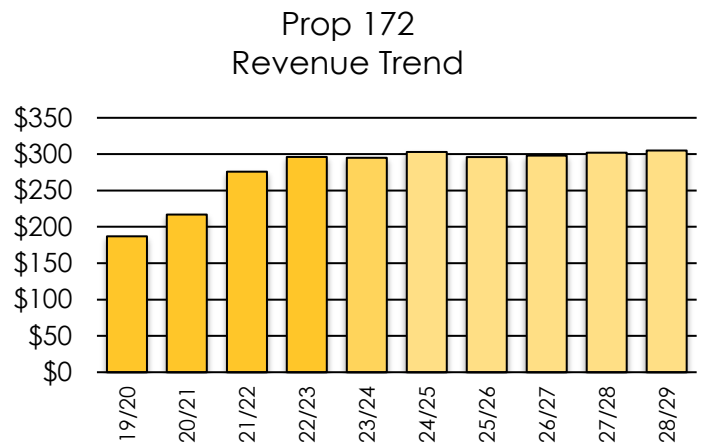
Sales and Use Taxes

In this report, the county’s current sales and use tax projections anticipates an increase of \$1 million from the adopted budget. Overall, most sales tax categories are performing similarly to the prior year, with the most notable deficit impacting the Business and Industry category. Based on data received from HdL Companies, it is expected that revenues will decrease nominally in FY 2024/25 with steady and gradual growth beginning in FY 2025/26. A similar forecast from The California Economic Forecast suggests that sales and use taxes for the unincorporated county should stabilize in 2024 and 2025 due to a projected decrease in employment growth and anticipates declines in spending levels in line with the state’s economic slowdown.



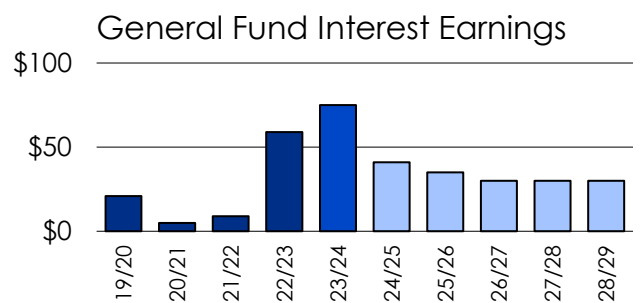
Prop. 172 Public Safety Sales Tax

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. As of this report, HdL Companies is projecting FY 2023/24 ending revenue to be \$295 million, a decrease of \$8.8 million from adopted budget projections. However, despite the estimated shortage this fiscal year, in FY 2024/25 the County’s allocation is projected to see a slight increase driven by pending one-time adjustments anticipated from the California Department of Tax and Fee Administration (CDTFA).



Interest Earnings

The Treasurer’s projection for interest earnings in the FY 2023/24 County General Fund has been revised upwards from \$60 million to \$75 million. This adjustment is due to the Federal Reserve (FED) maintaining its funds rate, which has influenced the Treasurer’s update. The new estimate considers interest earnings for the first three quarters, projected General Fund balance in the Treasurer-Tax Collector’s Pooled Investment Fund (TPIF), as well as current and projected interest rates.

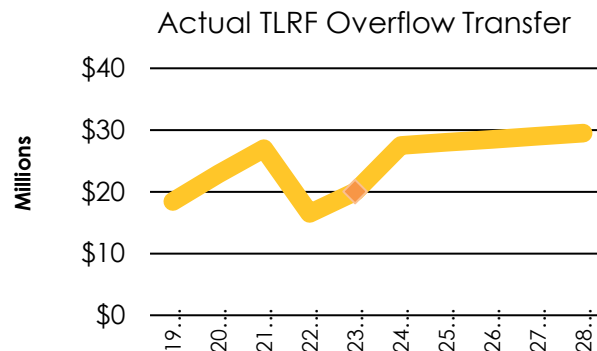


On March 20, 2024, the Federal Open Market Committee (FOMC) decided to maintain the FED funds target rate range at 5.25% - 5.50%. This decision was influenced by strong employment data, which has shifted previous market expectations of a rate cut. However, economic data and market expectations still suggest that a rate cut by the FED is likely to occur later this year. The anticipated rate cuts are expected to happen towards the end of the current fiscal year or at the beginning of the next fiscal year.

The composition of the TPIF's maturity will determine how quickly rate changes impact the TPIF's earnings. The current estimate is sensitive to the pace and magnitude of the FED funds rate cuts, as well as any significant deviations in the expected General Fund balances for the fourth quarter. The Treasurer-Tax Collector will closely monitor earnings projections and will promptly notify budget staff of any significant changes.

Teeter Tax Losses Reserve Fund (TLRF) Overflow

The Teeter Plan provides for a tax distribution procedure by which secured roll taxes are distributed to taxing agencies within the County included in the Teeter Plan on the basis of the tax levy, rather than on the basis of actual tax collections. In return, the county retains the actual taxes received, plus penalties and interest on delinquent taxes. The TLRF captures revenues and expenditures associated with the program. Revenue exceeding financing costs and the necessary tax loss reserve is discretionary revenue released to the general fund annually. The annual release is in accordance with the revenue and taxation code, and consistent with prudent risk management. The TLRF revenue has remained at \$20 million, the same from the adopted budget projections.



Long-Range Budget Schedule*

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

- **June 10, 2024** - Presentation of the FY 2024/25 Recommended Budget and opening of budget hearings.
- **June 11, 2024 (as necessary)** - Presentation of the FY 2024/25 Recommended Budget and opening of budget hearings.
- **June 25, 2024** - Approval of FY 2024/25 Adopted Budget
- **June 30, 2024** - Statutory deadline for approval of FY 2024/25 Budget

*These dates have been coordinated to work with the Board's approved 2024 meeting calendar.

CURRENT BUDGET STATUS

APPROPRIATIONS FOR CONTINGENCY

Contingency covers urgent, unforeseeable events such as revenue shortfalls, unanticipated expenditures, uncorrectable budget overruns and mission-critical issues at the Board's discretion. The adopted budget appropriated \$20 million for contingency. This report contains a contingency reduction of \$95,288. The total net reduction for the year will be \$7.4 million, taking the contingency level to \$12.6 million, as summarized in the table below.

Use of General Fund Appropriations for Contingency					
		Cost Adjustment	Revenue Adjustment	Total Adjustment	Balance Available
Adopted Budget Balance:					\$20,000,000
Adjustments to date:					
7/11/23 Item 3.7	EO - Coachella Valley Energy Service Project	200,000	-	(200,000)	
10/17/23 Item 3.41	EO - Fentanyl Awareness Outreach/Marketing Campaign.	100,000	-	(100,000)	
10/31/23 Item 3.3	ROV - Five Additional Positions	335,037	-	(335,037)	
10/31/23 Item 3.6	EO - Sales and Use Tax Consulting services.	230,000	-	(230,000)	
10/31/23 Item 3.32	ROV - Printing services	1,140,000	-	(1,140,000)	
11/7/23 Item 3.6	EO - Interpreters for Board Meetings.	96,000	-	(96,000)	
1st Qtr. Rec. #3	EO - General Fund Contributions - Increase County's share of LAFCO Operational Costs.	18,412	-	(18,412)	
1st Qtr. Rec. #7	Facilities Management - Litigation Settlement	550,000	-	(550,000)	
11/28/23 Item 3.18	ROV - Gateway Renovation Project Phase I	192,499	-	(192,499)	
12/12/23 Item 3.8	EO - Federal Lobbying Services	45,000	-	(45,000)	
12/12/23 Item 3.68	ROV - Voter Education Public Outreach and Engagement Plan	786,000	-	(786,000)	
2/6/2024 Item 3.12	ROV - Gateway Renovation Project Phase II	600,000	-	(600,000)	
2/27/24 Item 3.9	EO – Court Reporting Transcripts and Indigent Defense – Increase in Workloads	2,350,000	-	(2,350,000)	
3/5/24 Item 3.3	EO – Contract for Data Analytics	322,845	-	(322,845)	
4/9/24 Item 3.3	EO – Legal Cost Increase	300,000	-	(300,000)	
	Total Adjustments as of April 30, 2024	7,265,793	-	(7,265,793)	12,734,207
Actions recommended in this report:					
3rd Qtr. Rec. 47	Parks – Project costs	95,288	-	(95,288)	
	Recommendations in 3 rd Quarter	95,288	-	(95,288)	
	Total Adjustments to Contingency	7,361,081	-	(7,361,081)	
				Contingency Balance	\$12,638,919

SUMMARY OF BUDGET ADJUSTMENT RECOMMENDATIONS

Budget Adjustments					
Rec No.	Departments	Adjustment Description	General Fund/NCC	Increase in Estimated Departmental Revenues	Estimated Use of Fund Balance
47	Regional Parks and Open-Space District	Contingency funds for project costs deemed ineligible for ARPA funding.	\$95,288		
Rec No.	Departments	Adjustment Description		Increase in Estimated Departmental Revenues	Estimated Use of Fund Balance
1	Assessor	Salary & benefit increases from labor negotiations and class compensation studies.		\$2,930,923	
2	Executive Office-Casa Blanca Operations	Increased revenue and distributions.		12,489	
3	Executive Office – Sub-fund Operations	Proceeds from County property sales fund to Deferred Maintenance Fund.			6,496,580
4	Executive Office – Contributions to Health and Mental Health	Increased revenues and distribution of funds.		1,651,484	
5	Executive Office	Increased salary & benefit reimbursements and leave payouts.		406,557	
6	Executive Office – Health and Juvenile Services	Increased revenues and distributions to Regional Access Project, Inc.		277,653	
7	Executive Office – Capital Improvement Program	0.5% discretionary revenue to Capital Improvement Program funds.			5,716,051
8	Department of Public Social Services	Move budget from Categorical Assistance to County Funded Assistance.		N/A	
9	Housing and Workforce Solutions	Salary & benefit increases from labor negotiations and staff reassignments.		425,619	
10	Facilities Management	Increased ARPA project expenditures for Lakeland Village.		3,901,477	
11	Facilities Management	Move budget from Community Centers to Lakeland Village Division.		N/A	
12	Facilities Management – Custodial Division	Increased janitorial contract costs.			1,023,163
13	Facilities Management – Custodial Division	Vehicles and equipment purchases.			868,088
14	Facilities Management – Energy Division	Increased costs for electricity.			1,118,905
15	Human Resources	Vehicle purchase, fleet, and fuel costs for Air Quality.		34,000	
16	Human Resources – Delta Dental PPO	Increased claims and costs for Delta dental plans.			4,600,000
17	Human Resources – Liability Insurance	Increased claim costs covered by general liability insurance.		32,000,000	

Current Budget Status

Rec No.	Departments	Adjustment Description	Increase in Estimated Departmental Revenues	Estimated Use of Fund Balance
18	Human Resources – Long Term Disability Insurance	Increased costs for LTD resulting from labor negotiations.		1,200,000
19	Human Resources – Local Advantage Plus Dental	Increased plan premiums.		150,000
20	Riverside County Information Technology	Increased replacements of end-of-life equipment and software replacements.		2,800,000
21	District Attorney	Increased salary & benefit costs and increased Auto Insurance Fraud revenues.	28,341	
22	Fire Department	Staff increases, equipment purchases, and purchase authority.	6,610,000	
23	Sheriff – Administration	Increased Concealed Carry Weapons Permit program operations.	584,620	
24	Sheriff	CIP Claims from January through March 2024.	1,272,021	
25	Sheriff – Coroner	Increased forensic pathologist contracts.	N/A	
26	Sheriff – Corrections	DOJ State Criminal Alien Assistance Program reimbursements.	1,794,444	
27	Sheriff – Corrections	Increased revenues from Community Oriented Policing Services, PC4750 reimbursements, Standards and Training reimbursements, and bail bonds advertising revenue.	855,952	
28	Sheriff – Court Services	Increased Civil Process Fee revenues.	350,000	
29	Sheriff – Support	Increased interpreter translation reimbursements from State revenue sources.	72,000	
30	Sheriff – Support	Increased prisoner extradition reimbursements from State revenue sources.	59,000	
31	Sheriff – Support	Increased State reimbursement revenues for Public Safety Enterprise Communication and Telephone Reporting Unit personnel.	17,000	
32	Sheriff – Support	Increased revenues from sales of automotive equipment.	373,000	
33	Sheriff – Public Administrator	Increased revenues from estate sale commissions and special purchase reimbursements.	300,000	
34	CFD 20-2M Prairie Crossing B	Increased revenues to pay for admin fees.	5,000	
35	CFD 21-2M Sunset Crossing	Increased revenues to pay for admin fees.	4,400	
36	CFD 21-3M Eagle Vista/Lake Ranch Area	Increased revenues to pay for admin fees.	4,900	9,300
37	CSA 51 Desert Center	Increased special liability insurance and admin costs.		75,000

Current Budget Status

Rec No.	Departments	Adjustment Description	Increase in Estimated Departmental Revenues	Estimated Use of Fund Balance
38	CSA 62 Ripley Dept Service	Increased vehicle and pipeline construction costs.	20,000	
39	CSA 108 Road Improvement Maint.	Emergency road repairs from Hurricane Hilary.	11,000	29,000
40	CSA 122 Mesa Verde Lighting	Emergency water plant repairs and illegal waste cleanup.		40,000
41	CSA 128 Lake Mathews Road Maint.	Emergency road repairs from Hurricane Hilary, special liability insurance, and admin fees.	11,000	19,000
42	CSA 145 Sun City Park	Disbursement of funds to the City of Menifee.		64,000
43	CSA 152 Sports Park	Maintenance agreement for Sycamore area.		125,000
44	Environmental Health	Microenterprise Home Kitchen Operations grant funds and District Clean Money Program for youth.	71,000	
45	Regional Parks and Open-Space District	Santa Ana River Bottom Management equipment for Encampment Resolution Funding Program and asset purchase authority.	140,000	
46	Regional Parks and Open-Space District	Increased utility, maintenance supplies, and service costs for all park sites.	108,000	56,500
48	TLMA – Transportation	Leon Road and Rice Road bridge projects.		28,000
49	TLMA – Transportation	Mira Loma Road and Bridge Benefit District project.		830,000
50	Waste Resources Management District	Increased salary & benefit costs from labor negotiations.		150,000
<i>All budget adjustment recommendations are shown in attachment A following the department summaries.</i>				

Additional Assets			
Rec No.	Departments	Request	Assets
23	Fire Department	24	Thermal Imaging Cameras
23	Fire Department	1	Hydra Fusion Strut
23	Fire Department	1	Wheel Scale System
45	Regional Parks and Open-Space District	1	Excavator
Total		27	

Current Budget Status

FINANCE & GOVERNMENT SERVICES

Assessor Clerk-Recorder

The Assessor is requesting a budget adjustment to increase payroll appropriations by \$2.8 million and administrative expenses by \$108,812, due to increased costs from various class studies and salary negotiations. The increase will be offset by augmented revenues of \$2.9 million.

Recommendation 1: *That the Board Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues by \$2,930,923 for the Assessor Division.*

Executive Office

Executive Office – Casa Blanca Clinic Operations

The County of Riverside has a legacy redevelopment pass-through agreement with the City of Riverside pertaining to the City's Casa Blanca redevelopment project area that stipulates revenue allocated to the County under that agreement must be deposited to a special fund dedicated to providing specifically for the operations of the Neighborhood Clinic in the City's Casa Blanca area. For FY 2023/24 the revenues in the special fund are projected to be over the budgeted amount and a budget adjustment is requested to increase appropriations and revenues in order to distribute the collected amounts.

Recommendation 2: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues by \$12,489 for Casa Blanca Clinic Operations.*

Executive Office – Sub-fund Operations

Deferred Maintenance (DM) Projects Fund 11208 was newly established to fund and track DM projects revenue, expense, and cash separately from the Capital Improvement Program Fund budget unit. This proposed adjustment will allocate sale of proceeds to the current year budget for the DM Projects Fund 11208, which were previously held within the Proceeds from Sale of County Property Funds.

Recommendation 3: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues for the Deferred Maintenance Projects Fund by \$6,496,580 and increasing appropriations for Proceeds from Sale of County Property Fund by \$6,496,580.*

Executive Office – Contributions to Health and Mental Health

The Health and Mental Health Realignment revenue has been trending higher than budgeted. A budget adjustment is needed to receive the revenue and increase appropriations for distribution to the various departments.

Recommendation 4: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues by \$1,651,484 for Contributions to Health and Mental Health.*

Executive Office

The Executive Office has experienced an increase in salary and benefits expenditures associated with the leave balance payouts and staffing increases in FY 2023/24. The department has also been able to recover these costs through intra-fund salary and benefit reimbursement accounts. The Executive Office is requesting a budget adjustment to align salary and benefit appropriations with the projected year-end retirement leave payouts and intra-fund salary reimbursements.

Recommendation 5: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments of \$406,557 for the Executive Office.*

Executive Office – Health and Juvenile Services

On December 8th, 2020, the Board of Supervisors approved the second amended and reinstated agreement with Regional Access Foundation, Inc. (RAP) for the provision of health, mental health, and juvenile services. Per the cooperative agreement between the County of Riverside and Regional Access Project, a budget adjustment is requested to receive the increased tax increment revenues and distribute those funds to Regional Access Project.

Recommendation 6: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues by \$277,653 for Health and Juvenile Services.*

Executive Office – Capital Improvement Program (CIP)

In the FY 2023/24 Budget, a series of new budget practices were developed to strengthen the General Fund reserves and start building the deferred maintenance and capital improvement reserves for countywide projects.

These practices encompass the allocation of 1% of General Fund discretionary revenue to General Fund reserves, earmarking 0.5% of General Fund discretionary revenue (\$5.7 million) for deferred maintenance and capital improvement projects, and reserving unutilized General Fund Contingency funds for forthcoming countywide capital improvement projects. Based on current forecast, the FY 2023/24 discretionary revenue projections are expected to surpass the Adopted Budget. Accordingly, the Executive Office recommends transferring \$5.7 million from the General Fund to the CIP Fund.

Recommendation 7: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations by \$5,716,051 for General Fund Contributions to Other Funds and increasing appropriations and estimated revenues by \$5,716,051 for the Capital Improvement Program Fund.*

Current Budget Status

HUMAN SERVICES

Department of Public Social Services (DPSS)

The Department of Public Social Services is requesting a budget adjustment to shift savings from Categorical Assistance to County Funded Assistance. The County Funded Foster Care expenditures are projected to exceed the adopted budget. The increase in County Funded Foster Care is due to increased occurrence of costs for 24 hour 2:1 supervision to youth with specific needs as a result of court orders.

Recommendation 8: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations for Department of Public Social Services-County Funded Assistance by \$500,000 and decreasing appropriations for Department of Public Social Services-Categorical Assistance by \$500,000.*

Housing and Workforce Solutions (HWS)

Housing and Workforce Solutions is requesting a budget adjustment to increase appropriations by \$425,619 due to salary and flex benefit increases following the adoption of updated MOUs, as well as staff being reassigned from the Energy grants to CSBG (Community Services Block Grant). CSBG funds are available to cover this increase.

Recommendation 9: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues by \$425,619 for Community Action Agency Fund.*

INTERNAL SERVICES

Facilities Management (FM)

The Facilities Management department will exceed appropriations due to an increase in ARPA funded projects not previously budgeted. The following projects were approved by the Board of Supervisors but require further budget adjustments to draw down the allocated ARPA funding; Item 3.2 dated April 5, 2022, Item 3.1 dated May 10, 2022, Item 3.14 dated May 23, 2023, and Item 3.9 dated October 3, 2023.

Recommendation 10: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues by \$3,901,477 for the Facilities Management Department.*

In an effort to consolidate departments, the Facilities Management Community Centers Division closed the FM-Lakeland Village Rec. Centers Department 720120000 and shifted operations to FM-Community and Recreation Centers Department 7201300000. An adjustment is necessary to transfer the remaining budget to Community and Recreation Centers Department.

Recommendation 11: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations by \$57,008 for the Facilities Management-Community Centers Division and decreasing appropriations for FM-Lakeland Village Division.*

The Facilities Management Custodial Division is projecting to exceed budget appropriations due to increased costs in a janitorial contract. Additionally, there have also been increases in other janitorial service contracts due to minimum wage increases. An adjustment of \$1,023,163 is necessary for the added cost.

Recommendation 12: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations by \$1,023,163 for the Facilities Management-Custodial Division.*

The Facilities Management Custodial Division is requesting the use of its Capital Asset/Project Plan that set aside reserves for capital asset purchases and replacements, approved by the Board of Supervisors on July 11, 2023, Agenda Item 3.10. This plan is part of the department's overall management strategy to ensure FM's infrastructure and systems are properly maintained, managed, and kept up to date. The plan identifies necessary upgrades to address future infrastructure needs and equipment. A budget adjustment to increase appropriations is requested utilizing the capital asset plan reserves to offset costs for the purchase of vehicles and equipment.

Recommendation 13: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations by \$868,088 for the Facilities Management-Custodial Division.*

The Facilities Management Energy Division is projecting to exceed budget appropriations for electricity due to increased costs. The department has sufficient revenue in sub-fund 11154-Energy Conservation Fund to offset the added cost and requests a budget adjustment of \$1,118,905 to increase appropriations.

Recommendation 14: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues by \$1,118,905 for the Facilities Management-Energy Division.*

Human Resources (HR)

The Air Quality Division has begun replacing the existing fleet to ensure compliance with Air Quality funding. The purchase price, fleet cost, and fuel cost for one (1) vehicle has increased and will be fully reimbursed by the Air Quality AB 2766 fund.

Recommendation 15: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues by \$34,000 for Human Resources Air Quality Division.*

Current Budget Status

The County of Riverside self-administers Delta Dental PPO and Delta HMO plans for enrolled employees. FY 2023/24 claims costs are projected to be greater than \$13.6 million which exceeds the budgeted expectation of \$9.0 million. The primary cause for this budget adjustment request is due to increased claims in FY 2023/24. The existing fund balance held in reserve for this purpose will cover the increased expenditures.

Recommendation 16: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations by \$4,600,000 for HR Delta Dental PPO Fund.*

The Board of Supervisors in closed sessions approved settlements for various cases throughout the year. The current appropriations for liability insurance do not meet potential claim costs to support claims resolutions. The County's liability insurance reimburses the County depending upon the case and level of coverage the incident occurred. Existing fund balance held in reserve for this purpose will cover the increased cost.

Recommendation 17: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues by \$32,000,000 for the Human Resources Liability Insurance Fund.*

Bargaining units, SEIU & LIUNA previously negotiated shifting employees from Short Term Disability to State Disability Insurance (SDI) with SEIU including a Long-Term Disability wraparound after a one-year SDI coverage. In order to reduce reserves and pay all plan premiums, a budget adjustment is necessary to increase appropriations. The existing fund balance held in reserves for this purpose will cover the increases.

Recommendation 18: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments of \$1,200,000 for the Human Resources Long Term Disability Insurance Fund.*

HR-Local Advantage Plus Dental budget is experiencing higher than expected claims expenditures which exceed member premium collections. The dental industry continues to see an increase in cost of services translating into a rise in the cost of claims. In an effort to spend down fund reserves, the program began to reduce member premiums and increase benefits to all members. A budget adjustment is needed to ensure enough appropriations for the current projected year-end costs.

Recommendation 19: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations by \$150,000 for the Human Resources Local Advantage Plus Dental Fund.*

Riverside County Information Technology (RCIT)

Information Technology strives to enhance and update its software technologies, ensuring optimal performance and delivering high-quality services to the County's stakeholders. However, IT encounters ongoing challenges in cost management while integrating the latest technologies. Increases in other charges are primarily attributed to procurement, renewals, and the increase of software and subscription assets. IT procures End-of-Life internet routers and switches, Tier-3 storage to establish a cost-effective storage model, and network fabric visibility switch hardware. The increase will be offset by Capital Asset Reserve funding.

Recommendation 20: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations by \$2,800,000 for the ISF-Information Technology Fund.*

PUBLIC SAFETY

District Attorney (DA)

The District Attorney's Office is requesting a budget adjustment due to the use of additional sub-fund dollars to cover increased salary and benefit expenses incurred within those funds. This adjustment also includes the revision of California Department of Insurance (Auto Insurance Fraud) revenues to match updates to final awards pursuant to grantor notification. For one of the adjustments, the proposed reduction of revenues is due to initial grant requirements being lifted later in the award cycle. Those revenues are anticipated to be received in the subsequent fiscal year.

Recommendation 21: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues by a net amount of \$28,341 for the District Attorney.*

Fire Department

The Fire Department anticipates additional costs and revenues associated with County partner agreements. Several of the city partners have requested additional County staff during the fiscal year which requires a budget adjustment increasing appropriations and revenues by \$310,000. The additional \$6.3 million in revenues and expenditures are from five city partner structural fire tax agreements and redevelopment agreements for fire protection services. The department is also requesting asset authority of twenty-four (24) Thermal Imaging Cameras (TIC), one (1) Hydra Fusion Strut, and one (1) Wheel Scale System. The expenses will all be included in the Fire's Cost Allocation Plan and proportionally shared with the city partners. There are no general funds requested.

Recommendation 22: *That the Board of Supervisors 1) approve and authorize the purchase of twenty-four (24) Thermal Imaging Cameras, one (1) Hydra Fusion Strut, and one (1) Wheel Scale System and 2) approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues by \$6,610,000 for the Fire Department.*

Current Budget Status

Sheriff

The Riverside County Sheriff's Administration Division is requesting a budget adjustment in the amount of \$584,620 to recognize an increase in appropriations and revenues for services provided for Concealed Carry Weapons (CCW) permits program operations.

Recommendation 23: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues for the Sheriff's Department by \$584,620.*

The Riverside County Sheriff's Department is requesting budget adjustments totaling \$1.3 million for the January through March claims for CIP Fund reimbursements as approved by the Board of Supervisors on April 4, 2023, agenda item 3.24.

Recommendation 24: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues for the Sheriff's Departments by \$1,272,021.*

The Riverside County Sheriff's Coroners Division is requesting a budget adjustment in the amount of \$900,000 to move funding from regular salaries to professional services and transportation. This request is to move funding for vacant Forensic Pathologist IV staff positions to contract Forensic Pathologists and increased decedents transportation contract expenses.

Recommendation 25: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments transferring appropriations for the Sheriff's Department by \$900,000.*

The Riverside County Sheriff's Correction Division is requesting a budget adjustment in the amount of \$1.8 million for the 2022 and 2023 U.S. Department of Justice (DOJ) State Criminal Alien Assistance Program reimbursement. The program reimburses a portion of salaries to the County for incarcerating certain convicted undocumented aliens.

Recommendation 26: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues for the Sheriff's Department by \$1,794,444.*

The Riverside County Sheriff's Correction Division is requesting a budget adjustment in the amount of \$855,952 to recognize additional revenue and increase appropriations for Community Oriented Policing Services (COPS) growth, PC4750 reimbursement for prisoner transportation, Standards and Training for Corrections (STC) reimbursements, and Bail Bonds advertising.

Recommendation 27: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues for the Sheriff's Department by \$855,952.*

The Riverside County Sheriff's Court Services Division is requesting a budget adjustment in the amount of \$350,000 to recognize unbudgeted revenue and increase expenditures for civil process fees.

Recommendation 28: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues for the Sheriff's Department by \$350,000.*

The Riverside County Sheriff's Support Division is requesting a budget adjustment in the amount of \$72,000. This request is to recognize revenue for interpreter translation 911 calls that are reimbursed by the state.

Recommendation 29: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues for the Sheriff's Department by \$72,000.*

The Riverside County Sheriff's Support Division is requesting a budget adjustment in the amount of \$59,000. This request is related to costs associated with prisoner extraditions that are reimbursed by the state.

Recommendation 30: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues for the Sheriff's Department by \$59,000.*

The Riverside County Sheriff's Support Division is requesting a budget adjustment in the amount of \$17,500. This request is for positions assigned to Public Safety Enterprise Communication (PSEC) Division and the Telephone Reporting Unit.

Recommendation 31: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues for the Sheriff's Department by \$17,500.*

The Riverside County Sheriff's Support Division is requesting a budget adjustment in the amount of \$373,000. This request is to recognize the sale of automotive equipment.

Recommendation 32: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues for the Sheriff's Department by \$373,000.*

The Riverside County Sheriff's Public Administrator's Division is requesting a budget adjustment in the amount of \$300,000 to recognize unbudgeted revenue for commissions on estates and reimbursement of special purchases and increase appropriations.

Recommendation 33: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues for the Sheriff's Department by \$300,000.*

Current Budget Status

PUBLIC WORKS AND COMMUNITY SERVICES

Economic Development

Community Facilities Districts

CFD 20-2M Prairie Crossing Area B

CFD 20-2M Prairie Crossing provides drainage, streetlight, and traffic signal maintenance to an unincorporated area south of Winchester and requires an increase in revenue and appropriations to reimburse administrative fees to the CFD Administration budgetary unit.

Recommendation 34: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues for CFD 20-2MB Fund by \$5,000.*

CFD 21-2M Sunset Crossing

CFD 21-2M Sunset Crossing provides drainage, streetlight, and traffic signal maintenance to an unincorporated area north of Highway 74 in Homeland and requires an increase in revenue and appropriations to reimburse administrative fees to the CFD Administration budget unit.

Recommendation 35: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues for CFD 21-2M Fund by \$4,400.*

CFD 21-3M Eagle Vista/Lake Ranch Area A

CFD 21-3MA Eagle Vista/Lake Ranch provides streetlight maintenance to an area between Highway 79 and Washington Street in French Valley, and requires an increase in revenue and appropriations to reimburse revenues back to the CFD Administration budget unit, to rectify a revenue transfer error which occurred during establishment of the CFD Administration budget unit last fiscal year

Recommendation 36: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations by \$14,200 and estimated revenues by \$4,900 for CFD 21-3MA Fund.*

County Service Areas

County Service Area 51 – Desert Center

CSA 51 provides lighting, water, and sewer services to the unincorporated communities of Desert Center and Lake Tamarisk and requires an increase in appropriations to address increased special liability insurance costs and increased prior year administrative fees that were discovered at year end. The budget increase will be offset by use of available fund balance.

Recommendation 37: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations by \$75,000 for CSA 51 Fund.*

County Service Area 62 – Ripley Dept Service

CSA 62 provides water and sewer services to the unincorporated community of Ripley and requires an increase in appropriations to address costs associated with a vehicle transfer to the CSA and to reclass costs related to an unanticipated emergency in-progress pipeline construction project that will be capitalized. The increase will be offset by revenue from interest earnings.

Recommendation 38: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues by \$20,000 for CSA 62 Fund.*

County Service Area 108 – Road Improvement Maintenance

CSA 108 provides road maintenance services for the Minto Way area and requires an increase in appropriations to address costs for emergency road repairs after Hurricane Hilary. The budget increase will be partially offset by an \$11,000 increase to the interest budget with the remaining \$29,000 offset by use of available fund balance.

Recommendation 39: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations by \$40,000 and increasing estimated revenues by \$11,000 for CSA 108 Fund.*

County Service Area 122 – Mesa Verde Lighting

CSA 122 provides lighting and water system services to the unincorporated area community of Mesa Verde and requires a \$35,000 increase in appropriations to cover emergency water plant repairs and an additional \$5,000 to address reimbursement of costs to the Department of Waste Resources for cleanup of illegal waste dumping on the CSA grounds. The increase will be offset by use of available fund balance.

Recommendation 40: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations by \$40,000 for CSA 122 Fund.*

County Service Area 128 – Lake Mathews Road Maintenance

CSA 128 provides road maintenance services to an unincorporated area southeast of Lake Mathews and requires an increase in appropriations to address costs for emergency road repairs due to Hurricane Hilary, an increase in special liability insurance costs, and an increase in administrative fees. The budget increase will be partially offset by interest revenue with the remaining costs offset by use of available fund balance.

Current Budget Status

Recommendation 41: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations by \$30,000 and estimated revenues by \$11,000 for CSA 128 Fund.*

County Service Area 145 – Sun City Park and Recreation

CSA 145 provides for the City of Menifee’s dedicated Park fees and requires an increase in appropriations to address final transfer of funds to the City of Menifee. The Board of Supervisors approved transfer of the balance of CSA 145 to the City of Menifee on August 29, 2023, Item 3.6. This budget adjustment will allow for disbursement of the final tax assessment and interest earnings to the City of Menifee.

Recommendation 42: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations by \$64,000 for CSA 145 Fund.*

County Service Area 152 – Sports Park

CSA 152 provides funding for sports facilities/parks maintenance in unincorporated areas near Corona and requires an increase in appropriations to address a maintenance agreement for the Sycamore area that was originally budgeted under the CSA 134 budget unit. The budget increase will be offset by use of available fund balance.

Recommendation 43: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations by \$125,000 for CSA 152 Sports Park Fund.*

Environmental Health

Environmental Health is requesting a budget adjustment in the amount of \$66,000 for the acceptance of a grant administered by the California Conference of Directors of Environmental Health. This is a one-time statewide grant intended to assist with implementing the Microenterprise Home Kitchen Operations (MEHKO) and other in-home retail food programs.

The department is also requesting budget adjustment in the amount of \$5,000 for the 4th District Clean Money Program to support the Office of Economic Development’s activities related to youth and non-profit group waste cleanup activities. This program has historically been funded by waste collection franchise fees.

Recommendation 44: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues by \$71,000 for the Department of Environmental Health.*

Regional Parks and Open-Space District

The Santa Ana River Bottom Management (SARB) unit received \$500,000 from Housing & Workforce Solutions (HWS) for the Encampment Resolution Funding Program to support individuals living in and around the Santa Ana River Bottom. The department is requesting an increase in appropriations for additional equipment needed by the SARB unit and asset authority to purchase one (1) excavator.

Recommendation 45: *That the Board of Supervisors 1) approve and authorize the purchase of one (1) excavator and 2) approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues by \$140,000 for Santa Ana River Bottom Management.*

The Regional Parks and Open-Space District experienced general price increases in utilities, maintenance supplies, and services on all park sites. An increase in appropriations and estimated revenues is requested for the fiscal year.

Recommendation 46: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations by \$164,500 and estimated revenues by \$108,000 for the Regional Parks and Open-Space District.*

In 2021, the County of Riverside received American Rescue Plan Act (ARPA) funds to provide relief from the pandemic. The Regional Parks and Open-Space District was invited to begin work on two projects that were deemed eligible for ARPA funding and thus incurred administrative costs. One of the projects was the Rancho Jurupa Ditch Replacement, approved on April 5, 2022, and the other was the Rancho Esperanza Housing project, approved on the same date. The two projects have since been reevaluated and, due to unforeseen circumstances, they have been deemed ineligible as the projects will not meet the scheduling deadlines for ARPA funding. As such, the projects have been cancelled.

With recommendation from the Executive Office, the Regional Parks and Open-Space District is requesting a budget adjustment to reimburse costs incurred for the two cancelled projects from General Fund Contingencies.

Recommendation 47: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments 1) increasing appropriations and revenues by \$95,288 for the Regional Parks and Open-Space District, 2) increasing appropriations by \$95,288 for General Fund Contributions to Other Funds, and 3) decreasing appropriations by \$95,288 for Appropriations for Contingencies.*

Transportation & Land Management Agency (TLMA)

TLMA – Transportation

The TLMA – Transportation Division experienced unforeseen project expenses for Leon Road and Rice Road bridge projects and is requesting a budget adjustment to increase appropriations from the capital projects fund.

Current Budget Status

Recommendation 48: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations by \$28,000 for TLMA – Transportation.*

The TLMA – Transportation Division experienced unforeseen project expenses for the Mira Loma project and is requesting a budget adjustment to increase appropriations from the capital projects fund.

Recommendation 49: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations by \$830,000 for TLMA – Transportation.*

Waste Resources Management District (WRMD)

The Waste Resources Management District (WRMD) is projected to exceed budgeted costs by year-end due to cost of living (COLA) increases resulting from recent labor negotiations and leave balance payouts for unanticipated retirements.

The district is requesting a budget adjustment increasing appropriations by \$150,000 in salaries and benefits. This will ensure budgeted appropriations to cover the unanticipated costs. The costs will be offset by use of the district's enterprise fund balance. There is no impact to the County General Fund.

Recommendation 50: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations by \$150,000 for Waste Resources Management District.*

Attachment A Summary of Recommendations

Recommendation 1: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues by \$2,930,923 for the Assessor division.

<u>Fund</u>	<u>Dept ID</u>		<u>Account</u>	<u>Amount</u>
10000	1200100000	Assessor	510040 Regular Salaries	2,822,111
10000	1200100000	Assessor	523350 Administrative Expense	108,812
10000	1200100000	Assessor	770070 Supplemental 5% Charge	2,930,923

Recommendation 2: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues by \$12,489 for Casa Blanca Clinic Operations.

<u>Fund</u>	<u>Dept ID</u>		<u>Account</u>	<u>Amount</u>
22850	1110500000	Casa Blanca Clinic Operations	551100 Contribution To Other Funds	12,489
22850	1110500000	Casa Blanca Clinic Operations	781000 Contractual Revenue-RDV	12,489

Recommendation 3: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues for the Deferred Maintenance Projects Fund by \$6,496,580 and increasing appropriations for Proceeds from Sale of County Property Fund by \$6,496,580.

<u>Fund</u>	<u>Dept ID</u>		<u>Account</u>	<u>Amount</u>
11183	1103800000	EO Subfund Operations	321101 Restricted Program Money	(6,496,580)
11183	1103800000	EO Subfund Operations	551100 Contribution To Other Funds	6,496,580
11208	1104600000	EO Deferred Maintenance	536780 Interfnd Exp-Capital Projects	6,496,580
11208	1104600000	EO Deferred Maintenance	790600 Contrib Fr Other County Funds	6,496,580

Recommendation 4: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues by \$1,651,484 for Contributions to Health and Mental Health.

<u>Fund</u>	<u>Dept ID</u>		<u>Account</u>	<u>Amount</u>
10000	1101400000	County Contrib To Hlth and MH	536100 Realignment - County Match	1,651,484
10000	1101400000	County Contrib To Hlth and MH	750250 CA-Realignment for VLF	1,651,484

Recommendation 5: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments of \$406,557 for the Executive Office.

<u>Fund</u>	<u>Dept ID</u>		<u>Account</u>	<u>Amount</u>
10000	1100100000	Executive Office	510040 Regular Salaries	132,655
10000	1100100000	Executive Office	510200 Payoff Permanent-Seasonal	273,902
10000	1100100000	Executive Office	573400 Intra-Salary and Benefit Reimb	(406,557)

Recommendation 6: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues by \$277,653 for Health and Juvenile Services.

<u>Fund</u>	<u>Dept ID</u>		<u>Account</u>	<u>Amount</u>
22430	1110200000	Health and Juvenile Services	536240 Other Contract Agencies	277,653
22430	1110200000	Health and Juvenile Services	781000 Contractual Revenue-RDV	277,653

Recommendation 7: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations by \$5,716,051 for General Fund Contributions to Other Funds and increasing appropriations and estimated revenues by \$5,716,051 for the Capital Improvement Program Fund.

<u>Fund</u>	<u>Dept ID</u>		<u>Account</u>	<u>Amount</u>
10000	1101000000	Contribution To Other Funds	370100 Unassigned Fund Balance	(5,716,051)
10000	1101000000	Contribution To Other Funds	551100 Contribution To Other Funds	5,716,051
30700	1104200000	Cap Imp Prg-Capital Projects	536780 Interfnd Exp-Capital Projects	5,716,051
30700	1104200000	Cap Imp Prg-Capital Projects	790600 Contrib Fr Other County Funds	5,716,051

Attachment A Summary of Recommendations

Recommendation 8: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations for Department of Public Social Services-County Funded Assistance by \$500,000 and decreasing appropriations for Department of Public Social Services-Categorical Assistance by \$500,000.

<u>Fund</u>	<u>Dept ID</u>		<u>Account</u>	<u>Amount</u>
10000	5100300000	Categorical Aid	370100 Unassigned Fund Balance	500,000
10000	5100300000	Categorical Aid	530480 Categorical Assistance	(500,000)
10000	5100400000	DPSS-Other Aid	370100 Unassigned Fund Balance	(500,000)
10000	5100400000	DPSS-Other Aid	530520 Co Funded Assistance	500,000

Recommendation 9: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues by \$425,619 for Community Action Agency Fund.

<u>Fund</u>	<u>Dept ID</u>		<u>Account</u>	<u>Amount</u>
21050	5500500000	Local Initiative Admin DCA	510040 Regular Salaries	244,218
21050	5500500000	Local Initiative Admin DCA	513000 Retirement-Misc.	69,142
21050	5500500000	Local Initiative Admin DCA	515040 Flex Benefit Plan	97,813
21050	5500500000	Local Initiative Admin DCA	518180 Other Post Employment Benefits	14,446
21050	5500500000	Local Initiative Admin DCA	767200 Fed-Block Grants	425,619

Recommendation 10: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues by \$3,901,477 for the Facilities Management Department.

<u>Fund</u>	<u>Dept ID</u>		<u>Account</u>	<u>Amount</u>
21735	7200800000	FM-Department Pass-Thru	537180 Interfnd Exp-Salary Reimb	51,606
21735	7200800000	FM-Department Pass-Thru	528500 Project Cost Expense	500,000
21735	7200800000	FM-Department Pass-Thru	542040 Buildings-Capital Projects	3,349,871
21735	7200800000	FM-Department Pass-Thru	763520 Fed-American Rescue Plan Act	3,901,477

Recommendation 11: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations by \$57,008 for the Facilities Management-Community Centers Division and decreasing appropriations for FM-Lakeland Village Division.

<u>Fund</u>	<u>Dept ID</u>		<u>Account</u>	<u>Amount</u>
21830	7201200000	FM-Lakeland Village Rec. Ctrs	522310 Maint-Building and Improvement	(26,669)
21830	7201200000	FM-Lakeland Village Rec. Ctrs	525320 Security Guard Services	(30,339)
21830	7201300000	FM-Community & Rec. Centers	522310 Maint-Building and Improvement	26,669
21830	7201300000	FM-Community & Rec. Centers	525320 Security Guard Services	30,339

Recommendation 12: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations by \$1,023,163 for the Facilities Management-Custodial Division.

<u>Fund</u>	<u>Dept ID</u>		<u>Account</u>	<u>Amount</u>
47200	7200200000	FM-Custodial Services	380100 Unrestricted Net Assets	(1,023,163)
47200	7200200000	FM-Custodial Services	520820 Janitorial Services	1,023,163

Recommendation 13: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations by \$868,088 for the Facilities Management-Custodial Division.

<u>Fund</u>	<u>Dept ID</u>		<u>Account</u>	<u>Amount</u>
47200	7200200000	FM-Custodial Services	528920 Car Pool Expense	538,088
47200	7200200000	FM-Custodial Services	546160 Equipment-Other	330,000
47201	7200200000	FM-Custodial Services	313300 Restricted Net Assets	(868,088)

Recommendation 14: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues by \$1,118,905 for the Facilities Management-Energy Division.

<u>Fund</u>	<u>Dept ID</u>		<u>Account</u>	<u>Amount</u>
10000	7200600000	FM-Energy	529500 Electricity	1,118,905
10000	7200600000	FM-Energy	790500 Operating Transfer-In	1,118,905
11154	7200600000	FM-Energy	321101 Restricted Program Money	(1,118,905)
11154	7200600000	FM-Energy	551000 Operating Transfers-Out	1,118,905

Attachment A Summary of Recommendations

Recommendation 15: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues by \$34,000 for Human Resources Air Quality Division.

<u>Fund</u>	<u>Dept ID</u>	<u>Account</u>	<u>Amount</u>
22000	1130300000	Air Quality Division 528920 Car Pool Expense	34,000
22000	1130300000	Air Quality Division 778000 Interfnd -Air Quality AB2766	34,000

Recommendation 16: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations by \$4,600,000 for HR Delta Dental PPO Fund.

<u>Fund</u>	<u>Dept ID</u>	<u>Account</u>	<u>Amount</u>
45860	1130600000	Delta Dental PPO 380100 Unrestricted Net Assets	(4,600,000)
45860	1130600000	Delta Dental PPO 534240 Dental Claims	4,600,000

Recommendation 17: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues by \$32,000,000 for the Human Resources Liability Insurance Fund.

<u>Fund</u>	<u>Dept ID</u>	<u>Account</u>	<u>Amount</u>
45960	1131000000	Liability Insurance 534280 Liab Adj Exp	32,000,000
45960	1131000000	Liability Insurance 777010 Stop Loss Reimbursement	32,000,000

Recommendation 18: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments of \$1,200,000 for the Human Resources Long Term Disability Insurance Fund.

<u>Fund</u>	<u>Dept ID</u>	<u>Account</u>	<u>Amount</u>
46060	1131200000	STD Disability Insurance 380100 Unrestricted Net Assets	(1,200,000)
46060	1131200000	STD Disability Insurance 551100 Contribution To Other Funds	1,200,000
45980	1131400000	Long Term Disability Insurance 520940 Insurance-Other	1,200,000
45980	1131400000	Long Term Disability Insurance 790600 Contrib Fr Other County Funds	1,200,000

Recommendation 19: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations by \$150,000 for the Human Resources Local Advantage Plus Dental Fund.

<u>Fund</u>	<u>Dept ID</u>	<u>Account</u>	<u>Amount</u>
45900	1132600000	Local Advantage Plus Dental 380100 Unrestricted Net Assets	(150,000)
45900	1132600000	Local Advantage Plus Dental 534240 Dental Claims	150,000

Recommendation 20: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations by \$2,800,000 for the ISF-Information Technology Fund.

<u>Fund</u>	<u>Dept ID</u>	<u>Account</u>	<u>Amount</u>
45500	7400101000	Office of CIO 532690 Lease & SBITA Principal Pymt	600,000
45500	7400160000	Technology Services Bureau 546160 Equipment-Other	400,000
45500	7400150000	Converged Communication Bureau 546060 Equipment-Communications	479,289
45500	7400170000	Enterprise Application Bureau 532690 Lease & SBITA Principal Pymt	1,303,721
45500	7400180000	Information Security Office 546160 Equipment-Other	16,990
45501	7400100000	Information Technology 313300 Restricted Net Assets	(2,800,000)

Recommendation 21: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues by a net amount of \$28,341 for the District Attorney.

<u>Fund</u>	<u>Dept ID</u>	<u>Account</u>	<u>Amount</u>
10000	2200100000	District Attorney 510040 Regular Salaries	(183,000)
10000	2200100000	District Attorney 518080 Other Budgeted Benefits	(122,000)
10000	2200100000	District Attorney 767280 Fed-Federal Revenue	(305,000)
11019	2200100000	District Attorney 537180 Interfnd Exp-Salary Reimb	30,000
11019	2200100000	District Attorney 755200 CA-Vehicle Theft SB 2139	30,000
11041	2200100000	District Attorney 537180 Interfnd Exp-Salary Reimb	108,000
11041	2200100000	District Attorney 537200 Interfnd Exp-Supportive Svcs	72,000
11041	2200100000	District Attorney 777050 Real Estate Fraud Prosecution	180,000
11118	2200100000	District Attorney 537180 Interfnd Exp-Salary Reimb	67,060
11118	2200100000	District Attorney 755460 CA-DA Auto Ins Fraud	67,060
11156	2200100000	District Attorney 537180 Interfnd Exp-Salary Reimb	56,281
11156	2200100000	District Attorney 755240 CA-Urban Auto Fraud Grant	56,281

Attachment A Summary of Recommendations

Recommendation 22: That the Board of Supervisors 1) approve and authorize the purchase of twenty-four (24) Thermal Imaging Cameras, one (1) Hydra Fusion Strut, and one (1) Wheel Scale System and 2) approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues by \$6,610,000 for the Fire Department.

<u>Fund</u>	<u>Dept ID</u>		<u>Account</u>	<u>Amount</u>
10000	2700400000	Fire Protection-Contract Svc	510040 Regular Salaries	218,755
10000	2700400000	Fire Protection-Contract Svc	513000 Retirement-Misc.	56,351
10000	2700400000	Fire Protection-Contract Svc	515040 Flex Benefit Plan	34,894
10000	2700400000	Fire Protection-Contract Svc	779050 Fire Protection	310,000
21000	2700300000	Fire Protection-Non Forest	536900 Interfnd Exp-Fire Services	6,300,000
21000	2700300000	Fire Protection-Non Forest	715070 RDV Prty Tax, LMIH Resdul Asts	6,300,000

Recommendation 23: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues for the Sheriff's Department by \$584,620.

<u>Fund</u>	<u>Dept ID</u>		<u>Account</u>	<u>Amount</u>
10000	2500100000	Sheriff Administration	510040 Regular Salaries	231,135
10000	2500100000	Sheriff Administration	524840 Fingerprinting Services	314,241
10000	2500100000	Sheriff Administration	542080 Improvements-Leasehold Blds	29,155
10000	2500100000	Sheriff Administration	546080 Equipment-Computer	10,089
10000	2500100000	Sheriff Administration	726160 Permit-Gun (PC 12050)	531,589
10000	2500100000	Sheriff Administration	773500 Law Enforcement Services	35,894
10000	2500100000	Sheriff Administration	781320 Insurance Proceeds	17,137

Recommendation 24: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues for the Sheriff's Departments by \$1,272,021.

<u>Fund</u>	<u>Dept ID</u>		<u>Account</u>	<u>Amount</u>
10000	2500200000	Sheriff Support	542060 Improvements-Building	8,963
10000	2500200000	Sheriff Support	790600 Contrib Fr Other County Funds	8,963
10000	2500300000	Sheriff Patrol	522310 Maint-Building and Improvement	1,305
10000	2500300000	Sheriff Patrol	524660 Consultants	197
10000	2500300000	Sheriff Patrol	540060 Improvements-Land	71,398
10000	2500300000	Sheriff Patrol	790600 Contrib Fr Other County Funds	72,900
10000	2500400000	Sheriff Correction	522310 Maint-Building and Improvement	334,502
10000	2500400000	Sheriff Correction	542060 Improvements-Building	192,295
10000	2500400000	Sheriff Correction	546160 Equipment-Other	3,355
10000	2500400000	Sheriff Correction	790600 Contrib Fr Other County Funds	530,152
10000	2501000000	Sheriff Coroner	536780 Interfnd Exp-Capital Projects	9,639
10000	2501000000	Sheriff Coroner	540060 Improvements-Land	650,367
10000	2501000000	Sheriff Coroner	790600 Contrib Fr Other County Funds	660,006

Recommendation 25: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments transferring appropriations for the Sheriff's Department by \$900,000.

<u>Fund</u>	<u>Dept ID</u>		<u>Account</u>	<u>Amount</u>
10000	2501000000	Sheriff Coroner	510040 Regular Salaries	(900,000)
10000	2501000000	Sheriff Coroner	525440 Professional Services	500,000
10000	2501000000	Sheriff Coroner	529120 Transportation	400,000

Recommendation 26: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues for the Sheriff's Department by \$1,794,444.

<u>Fund</u>	<u>Dept ID</u>		<u>Account</u>	<u>Amount</u>
10000	2500400000	Sheriff Correction	510040 Regular Salaries	972,118
10000	2500400000	Sheriff Correction	515040 Flex Benefit Plan	822,326
10000	2500400000	Sheriff Correction	767260 Fed-US DOJ SCAAP	1,794,444

Attachment A Summary of Recommendations

Recommendation 27: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues for the Sheriff's Department by \$855,952.

<u>Fund</u>	<u>Dept ID</u>		<u>Account</u>	<u>Amount</u>
10000	2500400000	Sheriff Correction	521500 Maint-Motor Vehicles	138,726
10000	2500400000	Sheriff Correction	522310 Maint-Building and Improvement	170,312
10000	2500400000	Sheriff Correction	527680 Public Signs	174,601
10000	2500400000	Sheriff Correction	527880 Training-Other	139,289
10000	2500400000	Sheriff Correction	527720 Safety-Security Supplies	233,024
10000	2500400000	Sheriff Correction	741080 Exhibits	174,601
10000	2500400000	Sheriff Correction	755520 CA-Citizens Option Ps	233,024
10000	2500400000	Sheriff Correction	755700 CA-STC Reimbursement	139,289
10000	2500400000	Sheriff Correction	755720 CA-Trans Of Prisoners PC4750	170,312
10000	2500400000	Sheriff Correction	781320 Insurance Proceeds	138,726

Recommendation 28: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues for the Sheriff's Department by \$350,000.

<u>Fund</u>	<u>Dept ID</u>		<u>Account</u>	<u>Amount</u>
10000	2500500000	Sheriff Court Services	510420 Overtime	170,000
10000	2500500000	Sheriff Court Services	523680 Office Equip Non Fixed Assets	180,000
10000	2500500000	Sheriff Court Services	772700 Civil Process Fees	350,000

Recommendation 29: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues for the Sheriff's Department by \$72,000.

<u>Fund</u>	<u>Dept ID</u>		<u>Account</u>	<u>Amount</u>
10000	2500200000	Sheriff Support	524960 Interpreters-Translator Fees	72,000
10000	2500200000	Sheriff Support	755320 CA-Misc State Reimbursements	72,000

Recommendation 30: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues for the Sheriff's Department by \$59,000.

<u>Fund</u>	<u>Dept ID</u>		<u>Account</u>	<u>Amount</u>
10000	2500200000	Sheriff Support	529020 Prisoner Extradition	59,000
10000	2500200000	Sheriff Support	755480 CA-Extradition Of Prisoners	59,000

Recommendation 31: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues for the Sheriff's Department by \$17,500.

<u>Fund</u>	<u>Dept ID</u>		<u>Account</u>	<u>Amount</u>
10000	2500200000	Sheriff Support	510040 Regular Salaries	7,000
10000	2500200000	Sheriff Support	518020 Flexible Spending Account Fees	10,500
10000	2500200000	Sheriff Support	755320 CA-Misc State Reimbursements	17,500

Recommendation 32: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues for the Sheriff's Department by \$373,000.

<u>Fund</u>	<u>Dept ID</u>		<u>Account</u>	<u>Amount</u>
10000	2500200000	Sheriff Support	522310 Maint-Building and Improvement	373,000
10000	2500200000	Sheriff Support	790050 Sale Of Automotive Equipment	373,000

Recommendation 33: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues for the Sheriff's Department by \$300,000.

<u>Fund</u>	<u>Dept ID</u>		<u>Account</u>	<u>Amount</u>
10000	2501100000	Public Administrator	525020 Legal Services	30,000
10000	2501100000	Public Administrator	520910 Insurance-Estate	120,000
10000	2501100000	Public Administrator	527520 Indigent Burial	100,000
10000	2501100000	Public Administrator	529540 Utilities	50,000
10000	2501100000	Public Administrator	773010 Pa Stat Commn Xtraord PC7660	270,000
10000	2501100000	Public Administrator	777500 Reimb Of Special Purchase	30,000

Attachment A Summary of Recommendations

Recommendation 34: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues for CFD 20-2MB Fund by \$5,000.

<u>Fund</u>	<u>Dept ID</u>	<u>Account</u>	<u>Amount</u>
20750	991175	CFD20-2MPrairieCrssngAreaB 537080 Interfnd Exp-Miscellaneous	5,000
20750	991175	CFD20-2MPrairieCrssngAreaB 770100 Special Assessments	5,000

Recommendation 35: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues for CFD 21-2M Fund by \$4,400.

<u>Fund</u>	<u>Dept ID</u>	<u>Account</u>	<u>Amount</u>
20770	991185	CFD21-2M Sunset Crossing 537080 Interfnd Exp-Miscellaneous	4,400
20770	991185	CFD21-2M Sunset Crossing 770100 Special Assessments	4,400

Recommendation 36: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations by \$14,200 and estimated revenues by \$4,900 for CFD 21-3MA Fund.

<u>Fund</u>	<u>Dept ID</u>	<u>Account</u>	<u>Amount</u>
20780	991190	CFD21-3MEagleVista/LakeRnchIAA 321170 Rst-Community Facility Dist	(9,300)
20780	991190	CFD21-3MEagleVista/LakeRnchIAA 551000 Operating Transfers-Out	14,200
20780	991190	CFD21-3MEagleVista/LakeRnchIAA 770100 Special Assessments	4,900

Recommendation 37: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations by \$75,000 for CSA 51 Fund.

<u>Fund</u>	<u>Dept ID</u>	<u>Account</u>	<u>Amount</u>
23525	905102	CSA 051 Desert Centre-Multi 321101 Restricted Program Money	(75,000)
23525	905102	CSA 051 Desert Centre-Multi 522400 Maint-Improve Water	55,000
23525	905102	CSA 051 Desert Centre-Multi 536740 Interfnd Exp-Admin Supt Indir	20,000

Recommendation 38: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues by \$20,000 for CSA 62 Fund.

<u>Fund</u>	<u>Dept ID</u>	<u>Account</u>	<u>Amount</u>
40440	906203	CSA 062 Ripley Dept Service 527690 Fleet Services-ISF Costs	17,000
40440	906203	CSA 062 Ripley Dept Service 548200 Infrastructure	3,000
40440	906203	CSA 062 Ripley Dept Service 740020 Interest-Invested Funds	20,000

Recommendation 39: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations by \$40,000 and increasing estimated revenues by \$11,000 for CSA 108 Fund.

<u>Fund</u>	<u>Dept ID</u>	<u>Account</u>	<u>Amount</u>
24150	910801	CSA 108 Road Improvement Maint 321101 Restricted Program Money	(29,000)
24150	910801	CSA 108 Road Improvement Maint 537160 Interfnd Exp-Road Maint Gradng	40,000
24150	910801	CSA 108 Road Improvement Maint 740020 Interest-Invested Funds	11,000

Recommendation 40: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations by \$40,000 for CSA 122 Fund.

<u>Fund</u>	<u>Dept ID</u>	<u>Account</u>	<u>Amount</u>
40400	912211	CSA 122 Mesa Verde Lighting 380100 Unrestricted Net Assets	(40,000)
40400	912211	CSA 122 Mesa Verde Lighting 522400 Maint-Improve Water	35,000
40400	912211	CSA 122 Mesa Verde Lighting 537080 Interfnd Exp-Miscellaneous	5,000

Recommendation 41: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations by \$30,000 and estimated revenues by \$11,000 for CSA 128 Fund.

<u>Fund</u>	<u>Dept ID</u>	<u>Account</u>	<u>Amount</u>
24350	912801	CSA 128 Lake Mathews Rd Maint 321101 Restricted Program Money	(19,000)
24350	912801	CSA 128 Lake Mathews Rd Maint 520290 Repairs Outside Contractor	25,000
24350	912801	CSA 128 Lake Mathews Rd Maint 536740 Interfnd Exp-Admin Supt Indir	5,000
24350	912801	CSA 128 Lake Mathews Rd Maint 740020 Interest-Invested Funds	11,000

Attachment A Summary of Recommendations

Recommendation 42: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations by \$64,000 for CSA 145 Fund.

<u>Fund</u>	<u>Dept ID</u>		<u>Account</u>	<u>Amount</u>
31555	914501	CSA 145 Sun City Park & Recr	322100 Rst For Const/Capital Projects	(64,000)
31555	914501	CSA 145 Sun City Park & Recr	536200 Contrib To Other Non-Co Agcy	64,000

Recommendation 43: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations by \$125,000 for CSA 152 Sports Park Fund.

<u>Fund</u>	<u>Dept ID</u>		<u>Account</u>	<u>Amount</u>
24875	915201	CSA 152 NPDES	321101 Restricted Program Money	(125,000)
24875	915201	CSA 152 NPDES	522320 Maint-Grounds	125,000

Recommendation 44: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues by \$71,000 for the Department of Environmental Health.

<u>Fund</u>	<u>Dept ID</u>		<u>Account</u>	<u>Amount</u>
10000	4200430000	District Environmental Service	523230 Miscellaneous Expense	66,000
10000	4200430000	District Environmental Service	751680 CA-State Grant Revenue	66,000
11089	4200420000	Environmental Resource Mgmt	537080 Interfnd Exp-Miscellaneous	5,000
11089	4200420000	Environmental Resource Mgmt	778200 Interfnd -Miscellaneous	5,000

Recommendation 45: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues by \$140,000 for Santa Ana River Bottom Management.

<u>Fund</u>	<u>Dept ID</u>		<u>Account</u>	<u>Amount</u>
25400	931270	Santa Ana River Bottom Management	528920 Car Pool Expense	40,000
25400	931270	Santa Ana River Bottom Management	546160 Equipment-Other	100,000
25400	931270	Santa Ana River Bottom Management	778280 Interfnd -Reimb For Service	140,000

Recommendation 46: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations by \$164,500 and estimated revenues by \$108,000 for the Regional Parks and Open-Space District.

<u>Fund</u>	<u>Dept ID</u>		<u>Account</u>	<u>Amount</u>
25400	931104	Regnl Parks & Open-Space Dist	330100 Committed Fund Balance	(56,500)
25400	931220	Administration	525440 Professional Services	12,000
25400	931306	Idyllwild Nature Center	528020 Inventory-Stores	15,000
25400	931306	Idyllwild Nature Center	780160 Other Taxable Sales	15,000
25400	931307	Santa Rosa Plateau Nature Ctr	522310 Maint-Building and Improvement	12,000
25400	931402	Hurkey Creek Park	529500 Electricity	10,000
25400	931402	Hurkey Creek Park	520845 Trash	10,000
25400	931402	Hurkey Creek Park	776700 Camping	20,000
25400	931403	Idyllwild Park	522320 Maint-Grounds	6,500
25400	931404	Kabian Park	521600 Maint-Service Contracts	21,000
25400	931405	Lake Cahuilla Park	529500 Electricity	13,000
25400	931405	Lake Cahuilla Park	776700 Camping	13,000
25400	931406	Lawler Lodge & Alpine Cabins	522310 Maint-Building and Improvement	15,000
25400	931406	Lawler Lodge & Alpine Cabins	776700 Camping	15,000
25400	931408	McCall Park	520330 Communication Services	5,000
25400	931421	Mayflower Park	522310 Maint-Building and Improvement	5,000
25400	931421	Mayflower Park	529500 Electricity	40,000
25400	931421	Mayflower Park	776700 Camping	45,000

Attachment A Summary of Recommendations

Recommendation 47: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments 1) increasing appropriations and revenues by \$95,288 for the Regional Parks and Open-Space District, 2) increasing appropriations by \$95,288 for General Fund Contributions to Other Funds, and 3) decreasing appropriations by \$95,288 for Appropriations for Contingencies.

<u>Fund</u>	<u>Dept ID</u>	<u>Account</u>	<u>Amount</u>
33100	931105	Park Acq & Dev, District 525440 Professional Services	36,704
33100	931105	Park Acq & Dev, District 537020 Interfnd Exp-Legal Services	2,178
33100	931105	Park Acq & Dev, District 542120 Improvements-Infrastructure	56,406
33100	931105	Park Acq & Dev, District 790600 Contrib Fr Other County Funds	95,288
10000	1101000000	Contribution To Other Funds 370100 Unassigned Fund Balance	(95,288)
10000	1101000000	Contribution To Other Funds 551100 Contribution To Other Funds	95,288
10000	1109000000	Approp For Contingency-General 370100 Unassigned Fund Balance	95,288
10000	1109000000	Approp For Contingency-General 581000 Approp For Contingencies	(95,288)

Recommendation 48: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations by \$28,000 for Transportation Land Management Agency – Transportation.

<u>Fund</u>	<u>Dept ID</u>	<u>Account</u>	<u>Amount</u>
31600	3130500000	Transportation Const Projects 350200 AFB For Const/Capital Projects	(28,000)
31600	3130500000	Transportation Const Projects 537220 Interfnd Exp-Labor	28,000

Recommendation 49: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations by \$830,000 for Transportation Land Management Agency – Transportation.

<u>Fund</u>	<u>Dept ID</u>	<u>Account</u>	<u>Amount</u>
31640	3130500000	Transportation Const Projects 322100 Rst For Const/Capital Projects	(830,000)
31640	3130500000	Transportation Const Projects 537280 Interfnd Exp-Misc Project Exp	830,000

Recommendation 50: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations by \$150,000 for Waste Resources Management District.

<u>Fund</u>	<u>Dept ID</u>	<u>Account</u>	<u>Amount</u>
40250	943001	WRMD Operating 380100 Unrestricted Net Assets	(150,000)
40250	943001	WRMD Operating 510040 Regular Salaries	150,000

RIVERSIDE COUNTY UNINC.

SALES TAX UPDATE

4Q 2023 (OCTOBER - DECEMBER)



RIVERSIDE COUNTY

TOTAL: \$ 13,381,827

-10.4%

COUNTY UNINC.



-0.9%

COUNTY



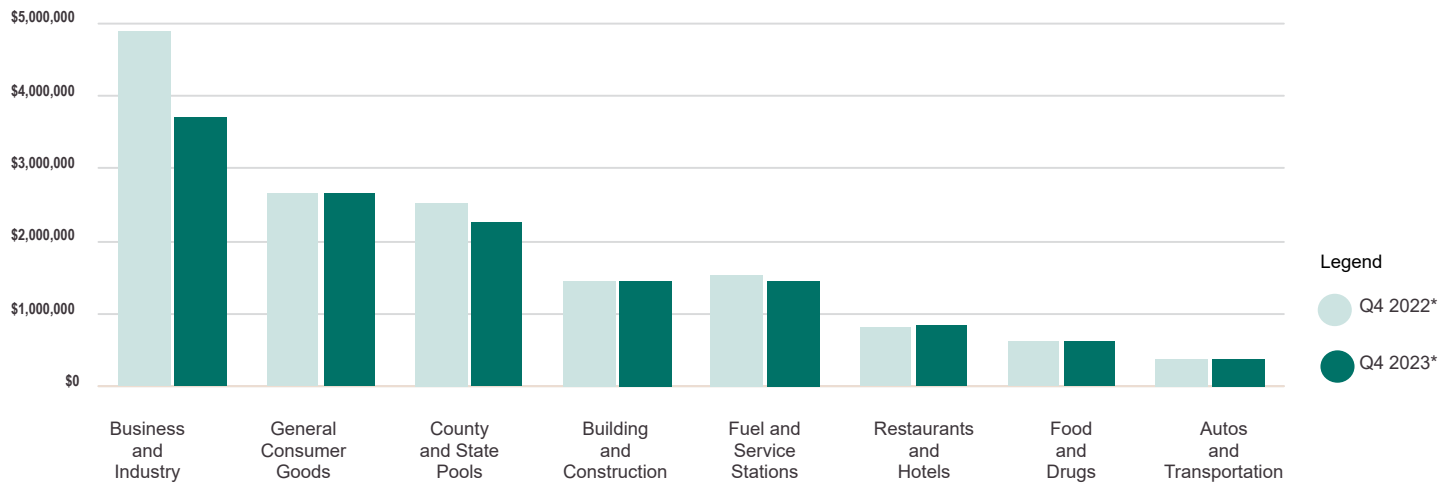
-2.5%

STATE



**Allocation aberrations have been adjusted to reflect sales activity*

SALES TAX BY MAJOR BUSINESS GROUP



RIVERSIDE COUNTY UNINCORPORATED HIGHLIGHTS

The unincorporated area's receipts from October through December were 13.6% below the fourth sales period in 2022. Excluding reporting aberrations, actual sales were down 10.4%.

Consumer prices are still rising at a rate higher than the Fed's inflation target and nearly half of consumers consider inflation a major concern. While various economic reports indicate solid job growth and unemployment remains low, consumers pulled back on discretionary purchases with shrinking savings and tight credit conditions.

Capital investments in energy/utility projects had been a big driver in the business-industry group. However, as projects are completed, receipts turn negative. Even solid gains from fulfillment centers and warehouse/farm could not mitigate the double-digit decline.

Fuel-service station payments continued to diminish as oil prices remain volatile. The food-drug group sales slowed as shoppers searched for bargains at larger discount stores. On the plus side, cannabis sales saw excellent growth.

Weaker sales in building-construction with less demand for contractors, although building materials helped to offset with positive receipts.

Quick service restaurants shined as patrons sought more budget-friendly options with higher menu pricing contributing to the gains reported.

Net of aberrations, taxable sales for all of Riverside County declined 0.9% over the comparable time period; the Southern California region was down 2.0%.



TOP 25 PRODUCERS

- 7 Eleven
- Amazon Fulfillment Center - March Air Reserve Base
- Amazon MFA
- Builders Firstsource
- Burberry
- Circle K
- Coach
- Gucci
- Hajoca Corporation
- Nike
- Pilot Travel Center
- Plant Galaxy
- Prada
- Ralph Lauren
- Ralphs Fresh Fare
- RDO Equipment Co.
- Sams Club
- Sigler HVAC
- Spates Fabricators
- Stater Bros
- Superior Ready Mix Concrete
- Sysco
- Tory Burch
- Volvo Construction Equipment
- Vons Fuel



STATEWIDE RESULTS

California’s local one cent sales and use tax receipts during the months of October through December were 2.5% lower than the same quarter one year ago after adjusting for accounting anomalies. The fourth quarter is notably the highest sales tax generating quarter of the year and exhibited diminished year-over-year returns as consumers balanced higher prices and financing costs with essential household needs.

Higher interest rates impacted the auto-transportation sector, especially luxury vehicles, as the group dropped 6.2%. Inventories for many dealers returned, creating downward pressure on prices, further constraining receipts. Lenders have tightened credit standards, making loan financing challenging. Improved leasing activity was the lone bright spot. With slow movement expected by the Federal Treasury setting interest rate policy, future revenue growth may stagnate.

Fuel and service stations contributed a similar downturn, as lower fuel prices reduced receipts from gas stations and petroleum providers. While this has been the trend throughout 2023, recently global crude oil prices have been on the rise and should see growth in the coming year. This decline also impacted the general consumer goods category as those retailers selling fuel experienced a similar drop.

During this holiday shopping period, general consumer goods experienced lackluster sales as results pulled back 3.4%. Most sectors saw reductions with home furnishings, women’s apparel, shoe and electronic-appliance stores being the most significant. Returns also marked the fourth consecutive quarter showing comparable declines. Similar to the anticipated trend of new vehicles, consumer spending may be sluggish in the near term.

Even though revenue from most major

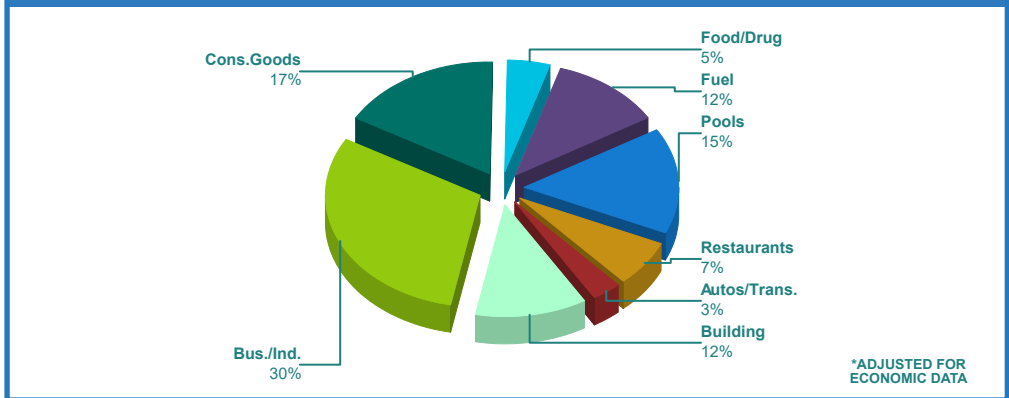
sectors slowed, restaurant sales remained steady with a modest gain of 1.0%. Results from casual dining establishments grew during the early winter period as patrons enjoyed indoor dining. However, following the greater trend of consumers looking for value, fine dining eateries experienced lower receipts. The industry is still bracing for implementation of AB 1228, a new law increasing minimum wages for ‘fast food restaurants’, on April 1, 2024.

Use taxes remitted via the countywide pools grew 1.0%, marking the first positive rebound after four consecutive quarters of decline. While overall online sales volume is steady, pool collections contracted with more taxes allocated directly to local agencies via in-state fulfillment and through

existing retail outlets.

Statewide, calendar year 2023 ended with a 2.3% decline from 2022. Elevated inflation and interest rates led to higher cost of goods resulting in consumers not spending as much as they had prior. Following multiple years of post-pandemic tax growth assisted by federal tax policy and temporary workplace accommodations, consumers reassessed their economic conditions and limited purchases. As the Federal Reserve considers delaying softening rates, consumer spending could likely stagnate delaying a return to the normal historical growth trend in 2024.

REVENUE BY BUSINESS GROUP
Riverside Co. Uninc This Calendar Year*



TOP NON-CONFIDENTIAL BUSINESS TYPES

Unincorporated County Business Type	Q4 '23*	Change	County Change	HdL State Change
Fulfillment Centers	1,454.0	35.0% ↑	2.0% ↑	0.0% ↑
Family Apparel	1,360.8	1.6% ↑	-1.2% ↓	-0.4% ↓
Service Stations	1,350.7	-5.9% ↓	-4.3% ↓	-4.9% ↓
Contractors	1,003.7	-4.1% ↓	6.0% ↑	1.3% ↑
Warehse/Farm/Const. Equip.	537.5	32.8% ↑	33.1% ↑	1.9% ↑
Wineries	454.4	-1.4% ↓	-2.6% ↓	-5.6% ↓
Quick-Service Restaurants	349.8	6.0% ↑	1.8% ↑	0.4% ↑
Women's Apparel	347.6	-1.0% ↓	-7.1% ↓	-6.1% ↓
Grocery Stores	303.2	-6.5% ↓	-2.9% ↓	-4.6% ↓
Building Materials	286.5	11.4% ↑	-4.6% ↓	-2.0% ↓

*Allocation aberrations have been adjusted to reflect sales activity *In thousands of dollars

Riverside County Economic and Revenue Forecast



April 2024



The 2024 Economic and Revenue Forecast for Riverside County

April 2024

Prepared for:



COUNTY OF RIVERSIDE EXECUTIVE OFFICE

4080 Lemon Street, 4th Floor
Riverside, CA 92501
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Prepared by:



The California Economic Forecast

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ECONOMIC OUTLOOK THE U.S. ECONOMY



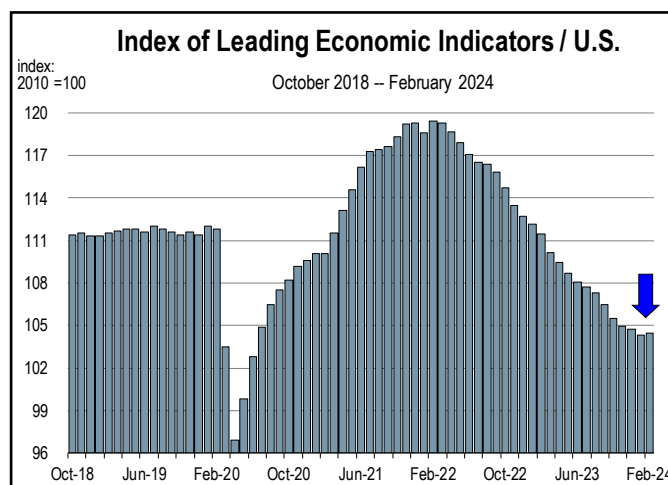
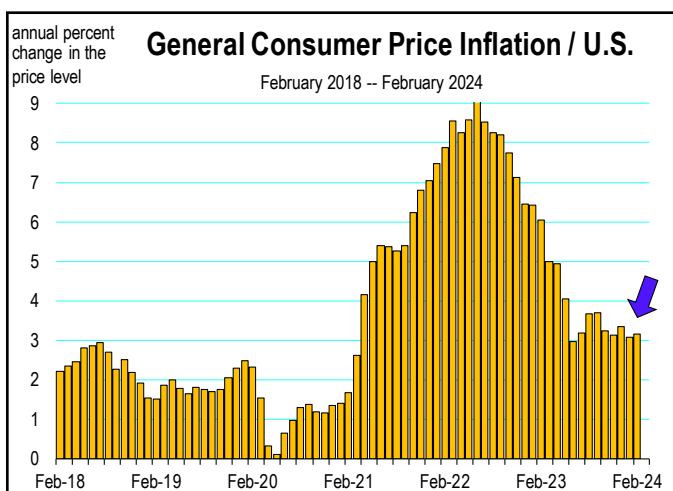
Inflation has receded meaningfully in the U.S. without the corresponding increase in joblessness historically observed when restrictive policy is needed to extinguish inflation. The progress on inflation over the last year has led policymakers within the Federal Reserve becoming more upbeat that their interest rate tightening has worked, and the target of 2.0 percent will be met this year.

Furthermore however, the urgency to cut interest rates this year---up to 3 cuts proclaimed by the Fed last December---is unlikely in view of recent reports of higher-than-expected inflation.

The fully anticipated recession of 2023 never manifested, and the Fed and economists in

general are now more upbeat about a soft landing than they were last fall. The “soft landing” refers to the continuous growth of the economy---with no recession---despite sharp interest rate hikes over the last 24 months.

Incoming data for the nation have generally been positive. The key reports indicate that consumers are feeling more optimistic about this year’s economy, homebuilding jumped higher in February, and homebuilders are becoming more optimistic about sales this year. Stock market prices are at record highs, industrial production ticked higher in February, and the index of leading indicators also moved higher in February for the first time since February 2022.



ECONOMIC OUTLOOK

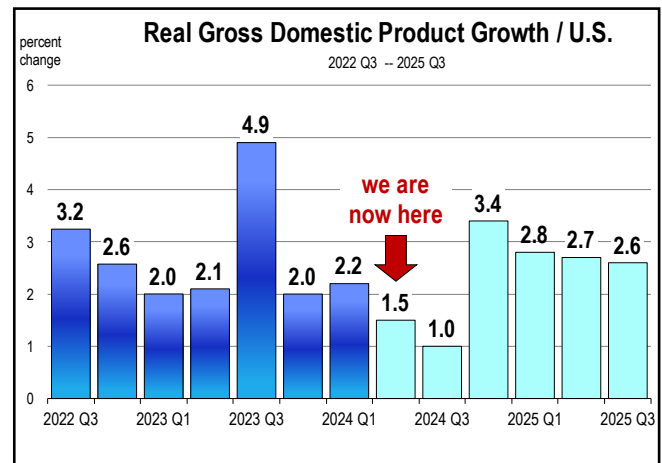
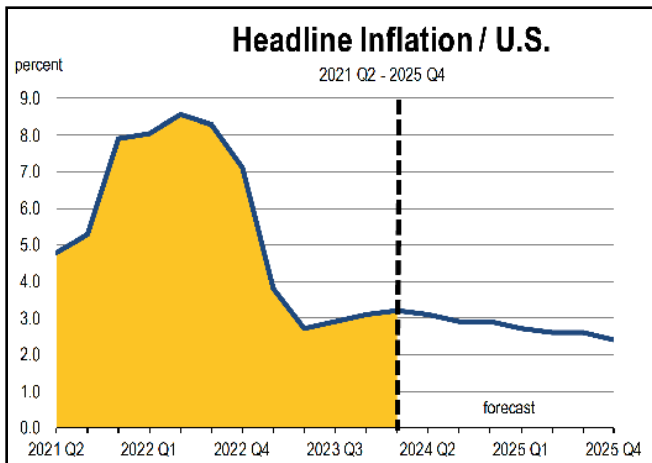
The labor market remains surprisingly strong evidenced by low unemployment rates, low numbers of unemployment insurance claim filings, historically high levels of job openings, and general wage increases. The latter threatens to stall progress on inflation this year if the rate of unemployment continues to remain under 4.0 percent, which it has for the last 25 consecutive months.

We believe that the election year combined with not-so-consistent progress on lowering overall headline inflation will not necessarily induce further rate hikes, but will postpone any rate cuts during much of 2024.

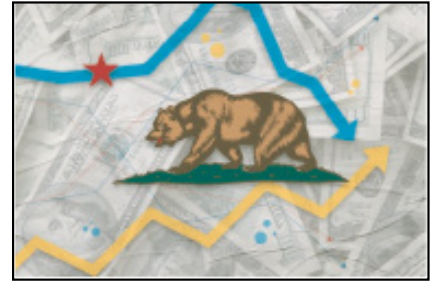
A meaningful part of the inflation problem rests with the housing component of the local CPI. The improvement in housing inflation has been only marginal, and the increase in housing prices and rents generally eclipsed headline inflation through much of 2023.

The forecast for inflation is for slower improvement in 2024, with more progress occurring in 2025.

The UCLA Anderson GDP forecast for 2024 was revised upward from 2.1 percent to 2.5 percent. Subsequently, UCLA predicts 2.5 percent growth for 2025 and 2026, and lower rates of unemployment than previously forecast back in December.



ECONOMIC OUTLOOK THE CALIFORNIA ECONOMY

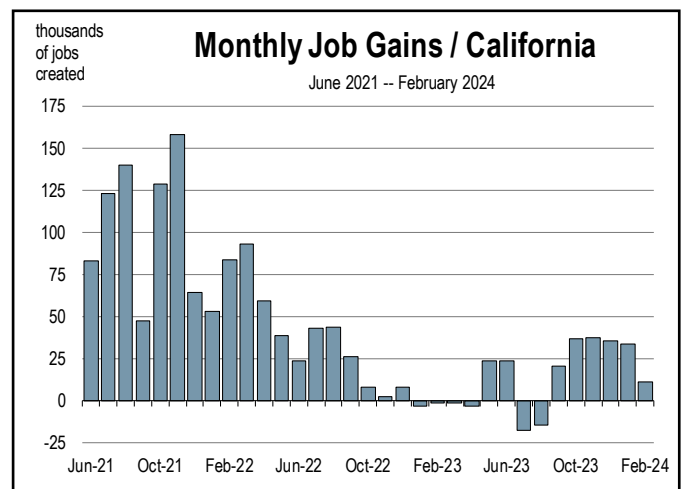
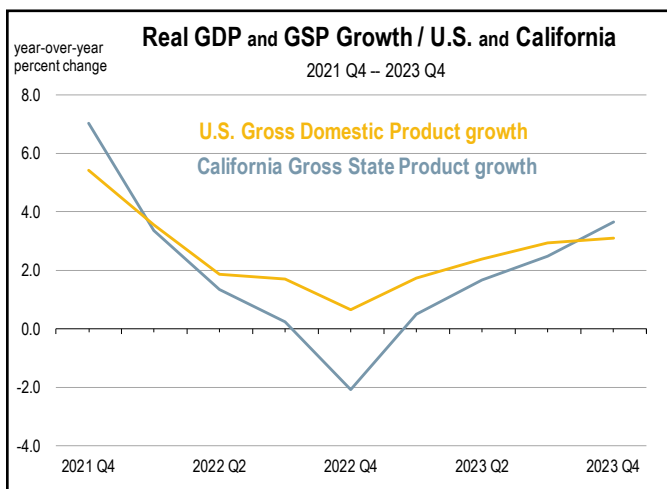


During 2023, the total gross value of goods and serviced produced in California was slightly behind U.S. GDP growth during the first three quarters of 2023. However, in the fourth quarter, gross state product eclipsed U.S. GDP, carrying that same momentum into 2024.

Labor markets have been strong since the economic recovery began after the pandemic. Total jobs increased by 5.6 percent in 2022, 0.7 percent in 2023, and 1.5 percent growth is expected in 2024. The fact that 2023 2 lower is more a function of running out of workers than an absence of jobs.

The slowdown in job creation suggests that out-migration and a reliance on hard-hit industries including technology and information are responsible factors. Population in California has been in decline now since 2019, and this has negatively impacted the growth of the labor force, defined as people wanting to work in California.

Recent revisions in the employment data by the State show that California struggled with job creation from late 2022 through May of 2023, the period when layoffs within the tech and retail sectors were the most prolific. Job creation now appears to have stabilized, averaging 28,000 new jobs filled per month.



ECONOMIC OUTLOOK

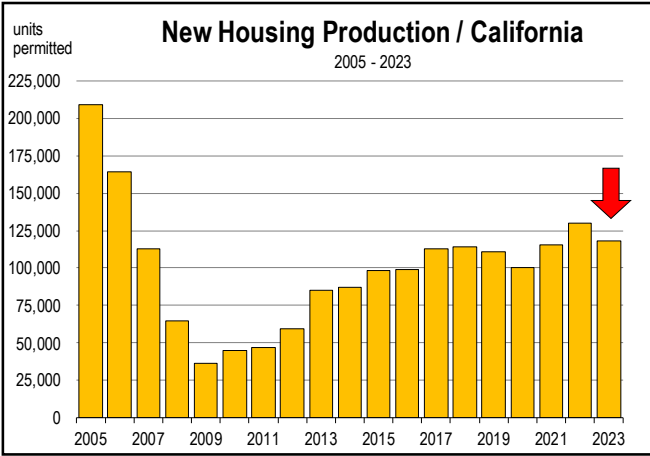
In the Southern California region, the growth of employment over the last 18 months has been similar across counties. Riverside, Ventura, and Orange Counties have all now converged at 1.5 percent year over year growth in February 2024.

Construction employment in California reached a record high in 2023 due to the volume of new construction projects---both residential and non-residential---continues to expand.

Except for last year—2022—the total of new housing starts in 2023 was the highest volume since 2006. Expansions in Southern California, Sacramento Valley and the Central Valley led the state in homebuilding.

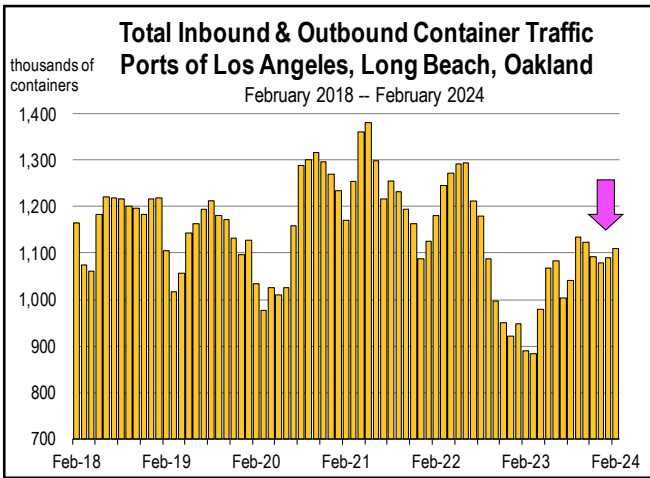
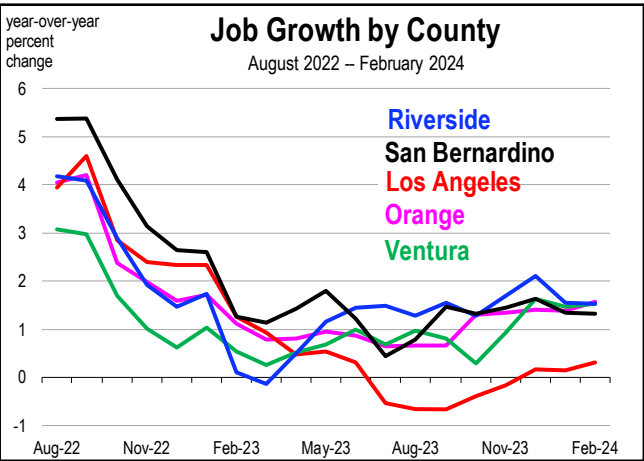
California’s seaports are now returning to normal again. International exports are no longer in decline.

Cargo volumes are recovering at the principal ports in the state—Los Angeles, Long Beach, and Oakland---where the dockworker’s strike interrupted significant container activity for approximate 14 months. The labor dispute ended in August 2023.



But the slowdown in China, Germany, and elsewhere in the Pacific suggests that a complete rebound to 2021 or even 2020 levels of cargo is still a year or more away.

Nevertheless, with higher volumes of goods now arriving into California’s west coast ports, the growing need for warehouse and distribution space, along with conveyance systems will increase moderately in 2024, accelerating in 2025.



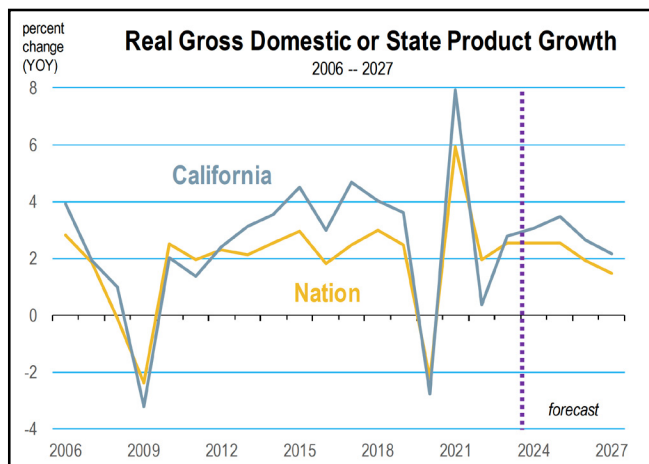
The 2024 Outlook

The expectation of California economic growth exceeding the U.S. remains probable this year, because of

1. The positive outlook for technology, especially AI development in the Bay Area,
2. More venture capital investment coming into San Francisco and Los Angeles
3. The potential for expanded trade flows due to East Coast Port labor disputes and bottlenecks at the Panama Canal
4. Positive homebuilder sentiment and continued homebuilding exceeding normal levels over the last 10 years, and
5. The return of production in the TV, Movie and Sound Recording industries.

Real incomes are expected to rise in 2024, due to the containment of inflation. Consumer spending is forecast to slow but still contribute positively to gross state product growth over the year.

The unemployment rate will rise as open job positions fill and more workers are expected to enter the labor force, especially from the record college senior graduating class this year.



ECONOMIC OUTLOOK THE RIVERSIDE COUNTY ECONOMY

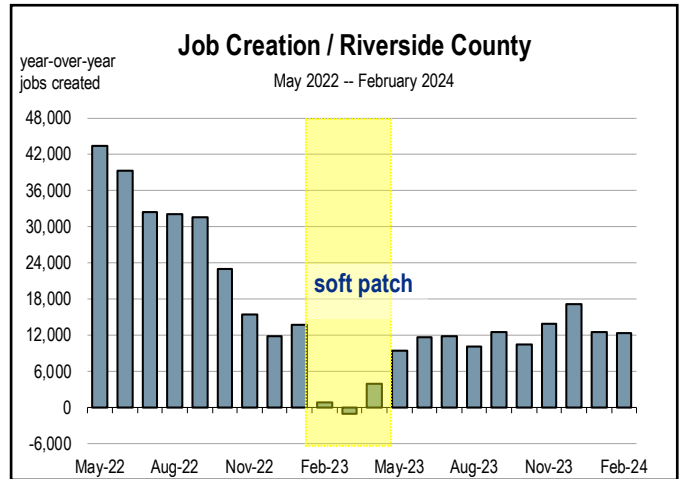


The long anticipated slowdown of the general economy afflicted the Bay Area and many inland counties of California during the first half of last year. But the creation of jobs resumed moderately by mid-year.

The rate of unemployment rose a half percentage point in Riverside County during 2023 as a result of the soft patch. The expectation for 2024 is for the rate to remain in a contained 5 to 6 percent range. Like the U.S. and California economies, no major change in the trajectory of the Riverside County economy is expected in 2024.

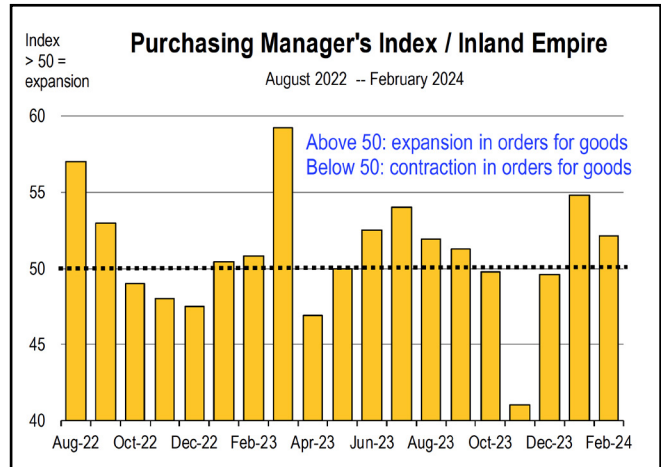
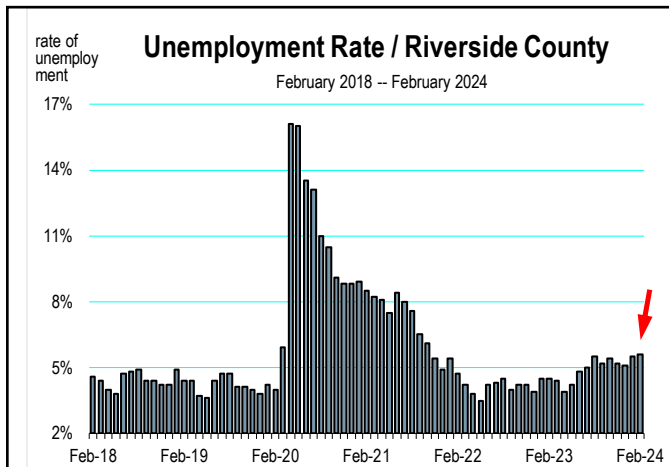
The regional economy is now creating jobs at an annual rate exceeding 12,000, starting out 2024 on a more consistent pace than in 2023.

The latest Inland Empire Purchasing Managers' Index (PMI) registered 52.1 in February, implying



an expansion in the region's manufacturing orders for the last 2 months, compared to contraction in the previous three.

A rebound of the region's manufacturing output this year should also turn around manufacturing employment which has been consolidating since mid-2022.

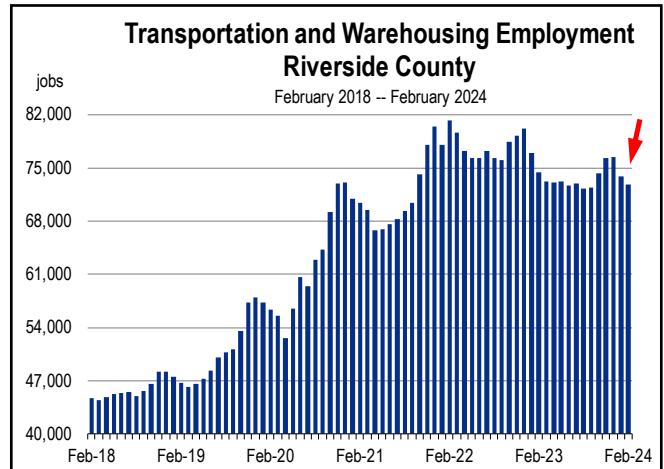


ECONOMIC OUTLOOK

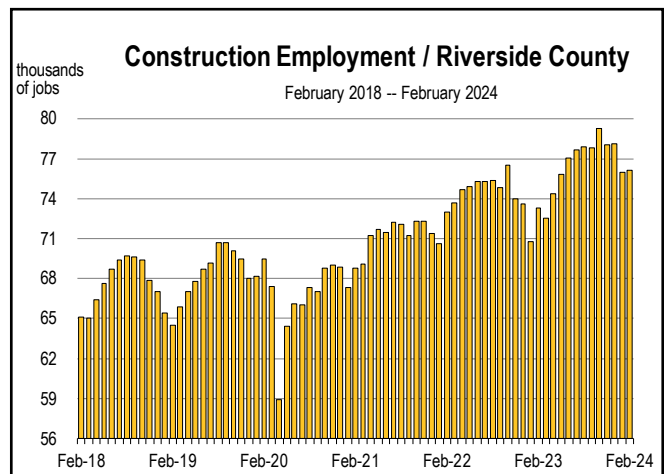
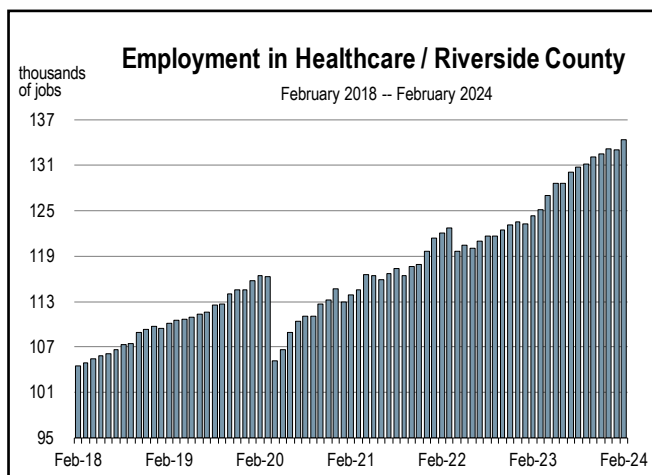
Along with manufacturing, the other sector where consolidations of the workforce have continued into 2024 include transportation and warehousing. These two industrial-using sectors contributed a third of all new jobs in the Inland Empire from 2019 to 2022. Consequently, they represent meaningful labor market engines of growth for the County’s economy.

The cities with the largest warehouse footprints include Perris, Riverside, and Jurupa Valley. Though Norco and Riverside, have issued temporary warehouse moratoriums over the past two years, the overall pace of warehouse construction in southern California has hardly slowed. The City of Riverside developed new standards for warehouse projects after a 2020 moratorium on development in its Northside neighborhood, but has approved several warehouses since.

Through February 2024, employment in the logistics center has yet to rebound, but conditions are likely to change as standards for future warehouse operations are developed.



Meanwhile, during 2023, the professional and business services industry emerged as a principal sector of job creation, all of it occurring in the technology-rich professional, scientific and technical consulting subsector. Since the pandemic, healthcare has created more jobs in the Riverside County labor market than any other sector, followed by logistics and construction. The consistency of jobs generated by construction generally confirms the strength of new development for both housing and commercial buildings.





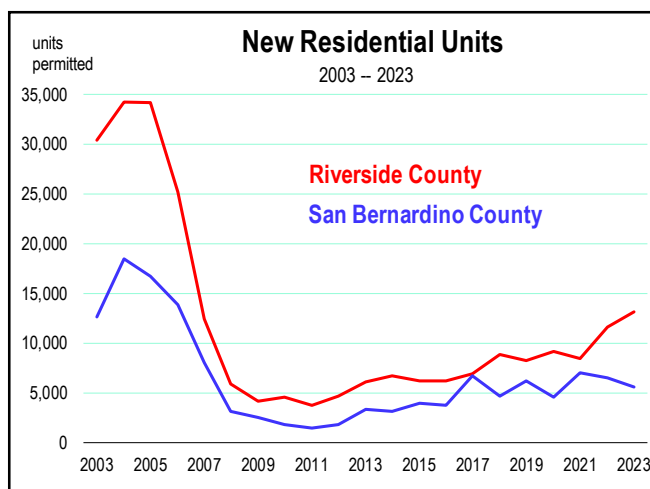
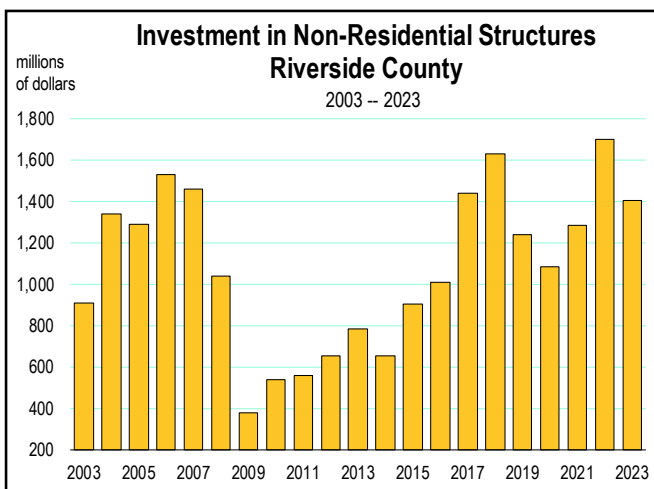
Logistics Plus 375,000 SF Warehouse in Riverside

New Development

The unincorporated area of the County benefits from any new homebuilding that encourages new populations, new spending, and growth of the labor force. It also benefits from development of non-residential structures which accommodate new jobs and rising household incomes that lead to higher spending levels throughout the county.

Homebuilding over the last three years has been dominated by Riverside County which accounted for 63 percent of all housing in the Inland Empire. The volume of housing starts (permits issued) during 2023 was the most since 2007.

Commercial and Industrial development has also been rising sharply in recent years, and now represents an annual \$1.5 billion industry for the County.



ECONOMIC OUTLOOK

World Logistics Center

The largest planned logistics and business park and the largest net zero logistics development in North America is approved and ready to start construction in Moreno Valley.

The facility will contain over 40 million square feet of buildings across 2,600 acres, be constructed over seven years, and serve as a distribution center for destinations across the continent.

Project design is currently under way, with construction slated to start in the spring and conclude in 2030.

The net zero development will have over 40 million square feet of rooftop space for solar integration. It will leverage both autonomous vehicle (AV) and electric vehicle (EV) technologies, including 1,080 EV charging stations.



The World Logistics Center

ECONOMIC OUTLOOK



The Dream Hotel

Hotels in the Coachella Valley

Talus is a luxury resort under construction in La Quinta that includes two hotels totaling 334 rooms, 29 single family homes, 55 condominiums, a golf clubhouse, and a 68,000 square foot conference center. The completion date has now been pushed back from early 2024 to March 2025.

The long-awaited Dream Hotel in Palm Springs has been stalled since 2019 when construction was halted, and further delayed by height concerns and the obstruction of views. Construction is now poised to start this year following negotiations to lower the project height to address the community's concerns.

The resort will now include 169 rooms, 30 private residences, many restaurants and bars, and over 10,000 square feet of meeting space. It is located adjacent to the Palm Springs Convention Center.

A master planned community in Rancho Mirage called Cotino by Disney is now underway. The new community which could accommodate up to 1,900 homes would include a wide range of single family homes and condominiums in the classic Palm Springs architectural style. Cotino is also zoned for a potential hotel and various retail and restaurant storefronts; the crown jewel will be a sustainable, 24-acre water oasis using Crystal Lagoons technology featured at Disney resorts. Pre-sales started in November 2023. The first collection of homes will be completed early in 2024. Prices start at \$2 million.

Palomino Ranch Business Park

One of the largest industrial projects in Southern California broke ground in Norco is underway. The 1.9 million square foot Palomino Ranch Business Park is comprised of 24 buildings on 24 acres. Phase I (700,000 SF) is now completed and for lease. Phase 2 and 3 are under construction. They will generate an additional 1.2 million square feet.

Affordable Housing

The Housing Authority of the City of Riverside currently has 15 affordable housing projects totaling 534 units under development. A large 150-unit affordable housing project in Riverside was awarded \$27 million by the State for construction in September 2023.

Villages of Lakeview

The Notice of Preparation of a draft EIR for the Villages of Lakeview Specific Plan is now complete. The EIR will soon be in preparation. The project calls for 8,725 homes and 1.4 million square feet of commercial uses in the Lakeview/ Nuevo area, just southeast of Lake Perris.

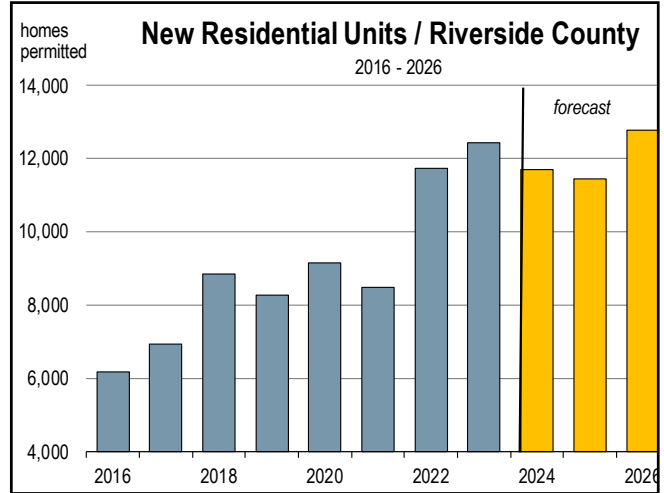
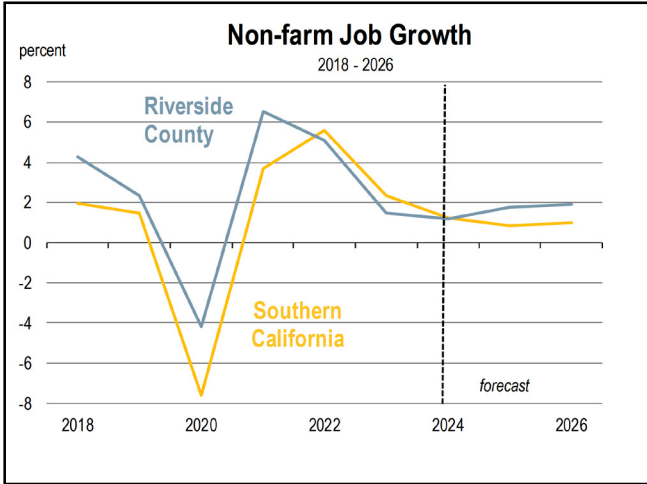
Update on the 2024 Riverside County Economic Outlook

Port cargo volumes are rising at the Los Angeles and Long Beach Harbors. This is leading to larger volumes of goods entering inland warehouses. The soft patch that slowed employment growth in the County last year is now over. Growth in 2024 will remain positive and no recession is forecast.

The County's labor market added 11,500 new jobs in 2023. The forecast for 2024 is for the creation of 9,800 jobs. Slightly fewer job opportunities in 2024 occurs due to a slower national and state economy, combined with slower growth in the labor force.

Labor market growth accelerates in 2025 and 2026, with the regional labor market exceeding labor market growth for the greater Southern California area.

ECONOMIC OUTLOOK



Employment gains in 2024 will be largest in healthcare, state and local government, and the professional business services. Further consolidations in logistics and manufacturing are forecast in 2024. The leisure and hospitality sector will also contribute meaningfully to total employment this year.

The unemployment rate averaged 4.8 percent in 2023. It is expected to average 5.5 percent in 2024, and 5.1 percent in 2025.

Net in-migration which was negative in 2022 and 2023 is expected to rise in 2024 and remain positive over the forecast. The population is still expanding but is forecast to rise slightly faster over the next 3 years.

Over the next three years, homebuilding remains prolific in the county, slowed only by the available labor force.

REVENUE FORECAST RIVERSIDE COUNTY



Revenue Outlook Riverside County

With no principal slowdowns forecast for the regional economy over the next 3 years, tax receipts from the principal categories of tax collections are forecast to move higher.

Sales and use taxes for the unincorporated county should level off in 2024 and 2025 because employment growth will subside and spending levels are forecast to decline in tandem with the state's economic slowdown.

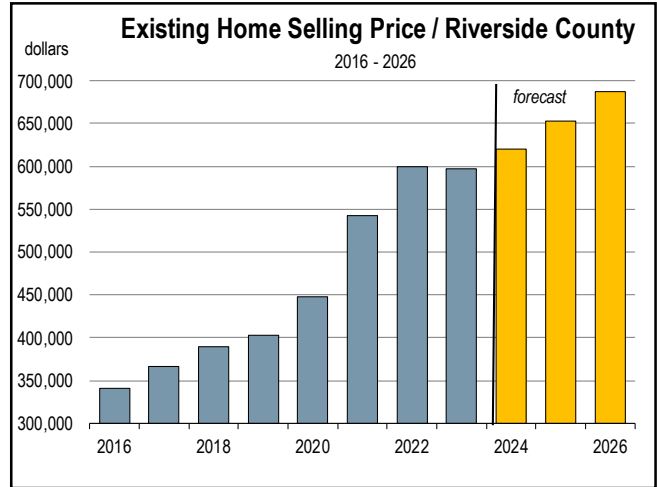
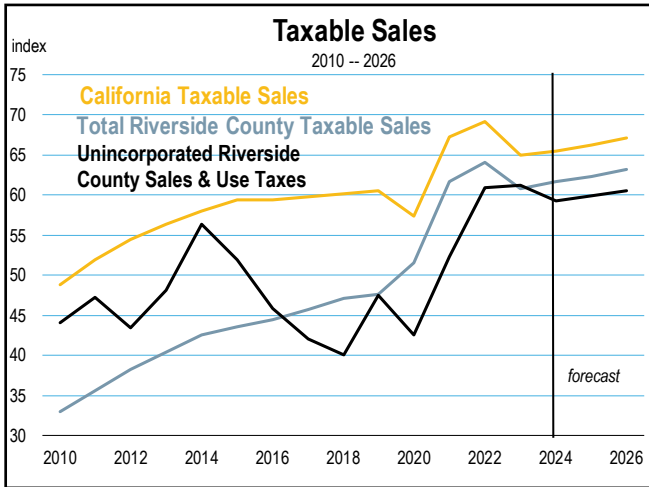
Spending level pull backs are the result of higher interest rates, rising credit card debt that must be contained, and higher price levels resulting during the post-inflation run-up that shocked households in 2022 and 2023.

Sales and use taxes for the Unincorporated Riverside County are forecast to mirror the movement in taxable sales forecast for both California and the entire Riverside County economies.

Because Interest rates remain elevated during 2024, the existing housing market will remain soft though the new housing market will help to provide some needed inventory for buyers. Fewer transactions result in fewer property transfers. Transfers are forecast to begin rising again in 2025 as interest rate policy is loosened by the Federal Reserve.

The growth of assessed valuation will be more austere in 2024 but still forecast to rise 6.3 percent, largely because home prices are not forecast to decline in 2024.

While the Southern California economy averts recession in 2024, slower growth across many economic sectors impacts governmental revenues. Slower growth remains in place until mid 2025.



Type of Tax	unit of measure	Fiscal Year					
		2022	2023	2024	2025	2026	2027
Prop 172 County Apportionment	\$ millions	275.9	296.0	287.7	299.2	311.4	324.8
percent change		47.7	7.3	-2.8	4.0	4.1	4.3
Assessed Valuation	\$ billions	338.3	369.6	392.4	417.5	447.5	480.6
percent change		5.6	9.3	6.2	6.4	7.2	7.4
Property Tax Receipts	\$ millions	791.6	888.1	902.5	959.7	1,028.6	1,103.8
percent change		5.8	12.2	1.6	6.3	7.2	7.3
Taxable Sales	\$ millions	49.0	51.0	51.5	52.9	54.8	56.9
percent change		25.0	4.1	0.9	2.9	3.6	3.8
Property Transfer Tax Receipts	\$ millions	31.1	21.7	19.4	24.3	28.0	31.6
percent change		26.6	-30.2	-10.6	25.5	15.1	12.7

Source: California Economic Forecast, March 2024

