

COUNTY OF
RIVERSIDE
STATE OF CALIFORNIA



COUNTY EXECUTIVE OFFICER'S
FY 2004-05
THIRD-QUARTER
BUDGET REPORT
May 3, 2005

Presented by

Larry Parrish
County Executive Officer

3.45



Executive Office
County of Riverside

Larry Parrish
County Executive Officer

May 3, 2005

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

**REQUIRES
4/5 VOTE**

SUBJECT: *FY 04/05 Third-Quarter Budget Report*

Board members:

This third-quarter report updates our financial condition and recommends adjustments. All recommendations and adjustments are summarized in Attachment A. The effects of recent and recommended activity on contingency are summarized below.

<u>\$ millions</u>	
26.8	Third-quarter beginning balance (page 26)
(0.05)	Third-quarter activity (page 26)
<u>2.9</u>	Items recommended in this report (page 26)
\$29.7	New contingency balance

Details on anticipated added costs totaling \$6.2 million for the current year are included in departmental narratives and summarized below. The first added costs, approved on September 28, 2004, placed funds in contingency for enhancements in several departments. Some of those enhancements have been completed but changes for the Sheriff (revised to \$2 million) and Animal Services (\$1.5 million) are still pending.

<u>\$ millions</u>	
3.5	Pending actions approved in Item 3.6 of 9/28/04
0.8	Auditor Controller operations (page 5)
<u>1.9</u>	Fire operations (page 13)
\$6.2	

FISCAL PROCEDURES APPROVED
ROBERT E. BYRD, Auditor-Controller

BY *Sue C. [Signature]*

MAY 13 2005 1:21

Third Quarter Status

Positive revenue trends continue in the third quarter. An additional \$20.9 million is recognized and summarized in the table on page 2.

My recommendation is to hold these funds in the reserve for economic uncertainty and contingency, bringing the reserve balance to \$124 million. The balance includes \$32 million for vehicle license fee gap-loan securitization. With strong reserves already in contingency and the reserve for economic uncertainty, reserve balances at year-end are projected to be \$165 million.

The mid-year report noted that the Board's prudent and conservative financial practices are essential elements of our long-term financial health. As outlined in our five-year plan (see table on page 3), we are approaching a structurally balanced budget in FY 06/07, when recurring revenue will offset regular program costs. With structural balance, we will depend less on one-time money and will strengthen our credit ratings. High reserves also generate greater interest earnings.

Our strong reserves and conservative financial practices provide opportunities to use one-time funds to achieve longer-term policy goals. We can improve county infrastructure by acquiring equipment to improve efficiency, revitalize deferred-maintenance plans, create capital facility reserves and establish baseline balances for special reserves. A plan for the use of \$10 million of these reserves to begin capital improvements is discussed later in this report (see page 4); and we will report on those more fully in the budget process.

As always, our strategies must consider the state's continuing budget deficit, estimated at \$6 billion. Our reserves, however, are adequate to guard against those uncertainties.

FY 05/06 Outlook

As the mid-year report indicated, we have adjusted FY 05/06 net-county cost targets to support budget priorities as departmental budget proposals are submitted.

Since the final FY 04/05 budget, we have added \$79 million in new net-county cost plus \$14 million in Proposition 172 funds for public-safety departments to maintain service levels and to support Board priorities. In the FY 05/06 budget, we also will include reserves to backfill any budget uncertainties in DPSS, Mental Health, RCRMC and SB 90 revenue.

Budget hearings are set for June 6 and 7. Budget adoption is scheduled for June 28.

Honorable Board of Supervisors
May 3, 2005
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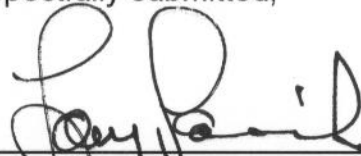
As the first-quarter report signaled, departments were advised to start reviewing their fees and charges to ensure full cost recovery, as Board Policy A-10 requires. The intent is to schedule adjustments en masse and to review and adopt them during budget hearings, with implementation in FY 05/06. Departments should present revisions for Auditor-Controller review as soon as possible.

Attachments Included in this report:

ATTACHMENT A Recommendations and associated budget adjustments
ATTACHMENT B Auditor-Controller Internal Audits Unit status report
ATTACHMENT C Resolution 440-8594 Amending Ordinance No. 440
ATTACHMENT D Code Enforcement Memo

IT IS RECOMMENDED that the Board of Supervisors: 1) Receive and file this report, including Attachments A through D; 2) Approve the recommendations in Attachment A and approve and direct the Auditor-Controller to make the budget adjustments in Attachment A; and 3) Approve Resolution 440-8594 included as Attachment C.

Respectfully submitted,



LARRY PARRISH
County Executive Officer

**COUNTY OF RIVERSIDE EXECUTIVE OFFICE
FISCAL YEAR 04/05
Third-quarter Report**

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A. COUNTY'S FINANCIAL POSITION

1. THIRD QUARTER ACTIVITY

a) Quarterly Discretionary Revenue Update

Record growth continues to fuel accelerated collection of discretionary revenues. Based on current estimates, the county will earn \$26 million in documentary transfer tax, \$7 million more than expected in the current year. If residential and commercial development continues at a similar pace next year, collections should be approximately \$26 million in FY 05/06. However, if the real estate market begins to cool, this revenue might level off or decline.

Likewise, property-related revenues continue to increase. Cautious projections indicate that property-tax collections might increase by \$5 million over budgeted estimates. In addition, projections indicate sales and use taxes might increase by \$4 million over budgeted estimates.

The Executive Office recommends placing these additional collections in the reserve for economic uncertainty.

Recommended Motion: *That the Board of Supervisors approve and direct the Auditor-Controller to increase estimated revenue and designated net assets by \$16 million, as follows:*

Increase estimated revenue:		
10000-1200200000-712000	Documentary transfer tax	\$7,000,000
10000-1300100000-704000	Property Tax – Supplemental	5,000,000
10000-1300100000-710020	Sales & use tax	<u>4,000,000</u>
		\$16,000,000
Increase designated fund balance:		
10000-1109000000-320110	Res. for economic uncertainty	\$16,000,000

b) Interest Earnings Update

Because federal actions continue to raise interest rates, county treasury earnings will be significantly higher than currently budgeted. In March and April, the county Treasurer analyzed this trend and reported to the Executive Office that interest earnings should be \$19 million this year. That amount is \$4.9 million above the amount included in the mid-year budget report. The Executive Office recommends placing these funds in contingency.

Recommended Motion: *That the Board of Supervisors approve and direct the Auditor-Controller to increase estimated revenue and appropriations by \$4.9 million, as follows:*

Increase estimated revenue:		
10000-1400100000-740020	Interest – invested funds	\$4,900,000
Increase appropriations:		
10000-1109000000-581000	Contingency	\$4,900,000

Summary of FY04/05

(in \$ millions)

General Fund Discretionary Revenues

Source	2nd Qtr. Estimate	Current Estimate	Variance from 2nd Quarter
Property Taxes	187.2	192.2	5.0
Tax Losses Reserve Fund Overflow	15.0	15.0	0.0
Sales Tax *	25.6	29.6	4.0
Motor Vehicle In Lieu	117.8	117.8	0.0
Federal In-Lieu Taxes	1.0	1.0	0.0
Documentary Transfer Tax	19.0	26.0	7.0
Transient Occupancy Tax	1.1	1.1	0.0
Franchise Tax	4.9	4.9	0.0
Fines and Penalties	27.7	27.7	0.0
El Sobrante	2.1	2.1	0.0
Interest	14.1	19.0	4.9
Tobacco Settlement	16.6	16.6	0.0
Other (Prior Year & Miscellaneous)	58.7	58.7	0.0
TOTALS	490.8	511.7	20.9

* Does not include Public Safety Sales Tax revenue

GENERAL FUND MULTI-YEAR PROJECTION

(in \$ millions)

	2nd Quarter	Current	05/06	06/07	07/08	08/09
RESOURCES:						
Adjusted Fund Balance	78	78	23	20	20	20
Ongoing Revenue (5% growth)	420	440	479	518	544	571
Prop 172 Growth to Safety (including SWJC)	30	30	45	60	73	86
Tobacco Settlement	17	17	17	16	16	16
State Realignment Reimbursement	18	18	0	0	0	0
Use of Reserves (Including SB90)	33	33	0	0	0	0
Misc. One-Time Revenue	45	45	0	0	0	0
	640	660	564	614	653	693
APPROPRIATIONS:						
Misc. Ongoing NCC	358	358	397	404	418	431
New One-Time FY04/05 Costs	7	7	0	0	0	0
Contingency	27	32	20	20	20	20
Total PERS Safety Costs	31	31	31	31	31	31
SWJC Operations and Safety cost increases	24	24	45	60	73	86
Sheriff/DA/PD COLAs	18	18	24	30	36	43
Probation Salary Increase	4	4	6	6	6	6
3.0 Fire Staffing and New Stations	10	10	13	15	15	15
Deferred Maintenance	1	1	3	3	3	3
Hospital Subsidy	31	31	31	31	31	31
Healthy Kids Program	3	3	3	3	3	3
SB90 State Deferral of Payments	10	10	0	0	0	0
Added to Reserves	116	132	0	0	0	0
	640	661	572	603	636	669
Available for Budget Needs	0	0	(8)	11	17	24
NOTATIONS:						
Reserve for Economic Uncertainties	108	124	124	124	124	124

Assumptions:

- 1) Departments to absorb additional miscellaneous PERS costs
- 2) Discretionary revenues assumed to grow at a 5 percent rate
- 3) State covers SB90 costs, or else programs are cut beginning in FY 06/07
- 4) State covers costs of realignment growth beginning in FY 04/05

B. STATE BUDGET UPDATE AND COUNTY RESPONSE

1. EFFECTS OF STATE ACTIONS

The Governor's proposed FY 05/06 state budget was released in January and its potential impacts on the county were detailed in the mid-year budget report. Since January, state legislators have introduced a number of budget-related bills. The Governor is expected to submit his revised FY 05/06 state budget on May 13. This revised budget will serve as the basis for the final round of state budget discussions, which will culminate in an approved state budget.

Despite growing state revenues in FY 05/06, state over-spending will cause a \$6 billion deficit, according to the state Legislative Analyst's Office. With a looming deficit, the Legislature and Governor will grapple with plans for managing the shortfall. The budget battle this year is expected to be especially brutal considering the number of groups affected by the Governor's proposals.

In light of this, our primary legislative priority is to protect county interests during the state budget process. We need to prevent cuts in local revenue, prevent the state from shifting its costs to the county, and prevent reductions in county programs without a corresponding change in service responsibilities. Even though Proposition 1A confers significant constitutional protections for local revenues; changes in state/county partnership programs and services could have dramatic consequences for our county.

The Board will be regularly apprised of state budget developments.

C. FY 04/05 DEPARTMENTAL STATUS

1. INTER-DEPARTMENTAL

a) Capital Improvement Program Team

The Capital Improvement Program (CIP) Team, will conduct a Board workshop to present a brief historical perspective as well as a future outlook for the coming years for the County of Riverside. The workshop will provide a summary of the capital projects previously approved by the Board, and a list of capital projects for the next five years for the Board's consideration. Included in the CIP Team recommendations, is a request to allocate \$10 million to the Capital Improvement Project Fund (previously established by the Board in September 2003). The allocation will fund feasibility studies and the start of programming/design work for recommended capital projects. The CIP Team and the Debt Advisory Committee will develop a financing plan to cover the multi-year project costs, after Board approval of the projects. A financing plan will be submitted to the Board for approval.

b) Development Impact Fees

Development impact fees (DIF) may be used for facilities identified on the Public Facilities Needs List; La Quinta's library is on the list. Previous Board action (Item 3.9 on September 11, 2001) directed payment to the City of La Quinta for building a library. The Riverside

County library system fund advanced \$400,000 to the City of La Quinta to build the library. Funds within the eastern Riverside County public facilities fund (30544) are available to reimburse the library system.

Recommended Motion: That the Board of Supervisors:

- 1) Approve the transfer of \$400,000 in DIF eastern Riverside County public facilities funds to the Riverside County library system to reimburse construction costs associated with the La Quinta library; and,
- 2) Direct the Executive Office to transfer \$400,000 from the DIF eastern Riverside County public facilities fund (30544) to the county free library fund (21200-1101500000-781540).

2. GENERAL GOVERNMENT

a) Assessor-County Clerk-Recorder

The Assessor-County Clerk-Recorder's Office requests a budget adjustment to comply with General Accounting Standards Board requirements that deal with accounting for restricted revenues. Estimated revenue increases reduced the need to use previously designated net assets.

Recommended Motion: That the Board of Supervisors approve and direct the Auditor-Controller to adjust appropriations and estimated revenue of the Assessor-County Clerk-Recorder's Office, as follows:

Decrease estimated revenue:		
10000-1200200000-774050	Recorder modernization	\$4,536,520
Increase estimated revenue:		
10000-1200200000-774000	Recording fees	\$3,708,815
10000-1200200000-777720	Clerk fees	506,130
10000-1200200000-777730	Fish & Game	<u>36,756</u>
		<u>\$4,251,701</u>
Decrease appropriations:		
10000-1200200000-527780	Special program expense	\$284,819

b) Auditor-Controller

At mid-year, the Auditor-Controller projected a net county cost (NCC) overage of \$294,085 due to a departmental revenue shortfall. The Auditor-Controller now projects an NCC overage of \$793,630. Most of the overage can be attributed to a (revised) projected revenue shortfall of \$617,000, including property-tax collection and administration, collection charges and reimbursement for services. The remaining shortfall appears due primarily to cost overruns for salaries and benefits, and services and supplies. This includes \$113,790 for an amendment to the auditing services contract the Board approved in February.

The Auditor-Controller requests use of contingency to offset these cost overruns and revenue shortfalls. There are sufficient funds in contingency for this purpose.

Recommendation: That the Board of Supervisors defer budgetary action until the fourth quarter, and request that the Auditor-Controller contain expenditures to the extent possible through the remainder of the year.

c) Auditor-Controller - Internal Audits Unit

The Board directed that the Executive Office report on the status of the Auditor-Controller's Internal Audits unit work plan and staffing levels. A copy of the status report is attached as Attachment B. Summaries of the audit-plan status and unit staffing levels follow:

Audit plan status

Complete	6
In progress	13
Scheduled	14
Not scheduled	13
Cancelled	<u>1</u>
Total	47

Internal Audits Unit staffing status

Position	Filled	Unfilled
Chief accountant	1	0
Principal accountant	0	1
Senior internal auditor	<u>9</u>	<u>3</u>
Total	10	4

d) Airport Administration

This department provides administrative support for the Airport Land Use Commission and the county's airports. A budget adjustment is needed to account for additional expenses involving the French Valley terminal building, an appraisal of all county airports and an unbudgeted underground fuel tank closure. The department identified enough new revenue to fund the added costs. The recommended adjustments will have no general-fund impact.

Recommended Motion: That the Board of Supervisors approve and direct the Auditor-Controller to make the following budget adjustments:

Increase appropriations:		
22100-1900700000-510040	Regular salaries	\$31,000
22100-1900700000-525440	Professional svcs.	93,000
22100-1900700000-527780	Special program exp.	100,000
22100-1900700000-537120	IF- professional svcs.	82,000
22100-1900700000-537180	IF-salary reimb.	<u>100,000</u>
		\$406,000
Increase estimated revenue:		
22100-1900700000-781360	Other misc. revenue	\$256,000
22100-1900700000-781540	Contrib. from other funds	<u>150,000</u>
		\$406,000

e) Board of Supervisors

On February 15, 2005 (Item 3.1), the Board approved using \$9,000 from the Youth Protection Fund for an economic impact report produced by the AbCd Task Force. A technical adjustment is needed to accomplish this Board directive.

Recommended Motion: That the Board of Supervisors approve and direct the Auditor-Controller to make the following budget adjustments:

Increase appropriations:		
10000-1000100000-527780	DBF – Youth Prot./Inter	\$9,000
Decrease reserve equity:		
11072-1000170000-320120	Professional svcs.	\$9,000

f) Board of Supervisors – Board and Clerk of the Board Budgets

Each Supervisor and the Clerk of the Board has a separate budget to cover their own administrative expenses. A general reserve was included to be used for costs unanticipated at the time the budget was prepared. The Executive Office and the Board monitor these budgets monthly. At this time all budgets are projected to be on or better than target. The Executive Office and Board will continue to monitor these budgets.

g) County Counsel

County Counsel projects lower revenue collections and higher-than-expected salary and benefits expenses. The Executive Office will work with the department to maximize revenue collections and reduce expenditures to minimize additional general-fund costs.

h) EDA – Edward Dean Museum

This quarter, special-event programs held at the Edward Dean Museum generated additional budget demands, as did maintenance necessitated by inclement weather. A budget adjustment is requested to record the increased revenue and expenses generated by special events.

Recommended Motion: That the Board of Supervisors approve and direct the Auditor-Controller to make the following budget adjustments:

Increase appropriations:		
10000-1930100000-522310	Maint-buildings	\$2,190
10000-1930100000-523270	Special events	6,072
10000-1930100000-525080	Temp assist. pool	2,577
10000-1930100000-529510	Heating fuel	1,425
		<u>\$12,264</u>
Increase estimated revenue:		
10000-1930100000-741020	Admissions	1,367
10000-1930100000-741320	Misc event charges	9,045
10000-1930100000-781220	Contributions/Donations	1,852
		<u>\$12,264</u>

i) EDA – Fair and National Date Festival

After completing the 2005 Fair and National Date Festival, EDA requires a budget adjustment to properly account for the fair's expenditures and revenues.

Recommended Motion: That the Board of Supervisors approve and direct the Auditor-Controller to make the following budget adjustments:

Increase appropriations:

22200-1920100000-510200	Payoff perm./season	\$10,000
22200-1920100000-520330	Communications	17,890
22200-1920100000-522310	Maint – bldgs/impr	13,156
22200-1920100000-522320	Maint – grounds	13,275
22200-1920100000-526420	Advertising	75,824
22200-1920100000-527900	Desert expo expense	28,354
22200-1920100000-540060	Improvements - lane	14,818
22200-1920100000-542060	Improvements - buildings	21,144
		<u>\$194,461</u>

Increase estimated revenue:

22200-1920100000-781540	Contribution from other funds	194,461
		<u>\$194,461</u>

j) Radio Replacement Program

Projected expenses exceed budgeted amounts because radio prices are up and because an old-year invoice was paid this year. A budget adjustment is needed to provide for the additional costs.

Recommended Motion: That the Board of Supervisors approve and direct the Auditor-Controller to adjust appropriations and net assets as follows:

Increase appropriations:

10000-1103800000-520240	Communications equipment	\$229,855
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Decrease reserved net assets:

11069-1103800000-308101	General reserve	\$229,855
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k) Executive Office – Sales Tax Recovery

Hinderliter, de Llamas and Associates (HdL) has provided the county with analyses of revenue recovery and sales and use tax for many years. Since 2000, HdL has recovered over \$3.7 million in misallocated sales tax and use-tax revenue for the county. The annual cost for the services during that time averaged less than \$115,000.

Since July 2005, misallocation recoveries have generated nearly \$880,000 for the county, while HdL's contracted fees totaled less than \$140,000. Recent audits, site visits and technology upgrades have identified more business than usual that have incorrectly reported sales-tax revenue to the state. As part of its service, HdL contacts businesses as well as the state and processes the paperwork to ensure that future payments and any allowable

adjustments are allocated to Riverside County. These efforts are partially responsible for the increased sales-tax revenue mentioned earlier in this report.

The firm's fee increases as it successfully increases the county's sales-tax collections. A budget adjustment is requested to allow for this added cost.

Recommended Motion: That the Board of Supervisors approve and direct the Auditor-Controller to make the following budget adjustments:

Increase appropriations:
 10000-1102900000-525440 Professional services \$70,000

Decrease appropriations:
 10000-1109000000-581000 Contingency \$70,000

i) Executive Office – Subfund Operations

Development impact fee (DIF) administration operates through this budget unit. A budget adjustment is requested to reimburse TLMA for salaries and benefits related to DIF collections. The department has identified additional revenue sufficient to meet the new obligation.

Recommended Motion: That the Board of Supervisors approve and direct the Auditor-Controller to make the following budget adjustments:

Increase appropriations:
 10000-1103800000-537180 Interfund expense – salary reimb. \$150,000

Increase estimated revenue
 10000-1103800000-777170 Development mitigation \$150,000

m) Executive Office - Teeter Debt Service Fund

As reported at mid-year, the Executive Office is working with the county's external auditor Vavrinek, Trine, Day and Co., LLP – regarding the cash balance in the Teeter Debt Service Fund. Results of this examination are being finalized and are pending the external auditor's review. The Executive Office will notify the Board if the review indicates the way these assets are handled should be changed.

n) Human Resources – Return to work program

The return-to-work program was implemented on July 1, 2004. It has reduced costs and increased employee productivity as well as early recovery. Since inception, 101 employees within the Sheriff's Department have participated in the program with an estimated savings (mostly cost avoidance) of \$2,014,407. Of the 101 participants, 18 had injuries occurring outside the workplace. Extending the return-to-work program allows participants to return to work sooner, which avoids additional costs to the county.

HR will continue to track the success of the return-to-work program and provide quarterly reports to the Board.

o) Registrar of Voters

In the mid-year budget report, the Registrar projected a budget shortfall and committed to closing the shortfall. A review of the department's 2004 mandated reimbursement claim revealed the department budgeted only \$525,000 while the actual reimbursement amount received was \$1,091,786. The additional SB 90 reimbursement revenue is discretionary and should go into contingency. The department will receive full payment for providing paper ballots at the polls, an increase of \$15,102. Cost-cutting and claims re-evaluation yielded a projected year-end \$625,231 surplus.

Many issues critical to the department's ongoing operations, and to public service, were not addressed while there was a projected shortfall. The department has worked with the county information security officer (CISO) to improve security protocols in the department, ensure the integrity of the county's voting system, and validate public confidence in the system. To reduce call waiting time and increase customer satisfaction, the department recommends purchasing modular furniture to improve work space, replacing aging workstations, and replacing the interactive voice response system.

The Registrar requests that the department be allowed to use \$144,398 of the SB 90 reimbursement for these improvements. The remaining SB 90 revenue will go into contingency. The Executive Office supports this proposal.

There are three remaining budgeted and scheduled elections to be conducted in FY 04/05. They are: City of Murrieta, May 3; City of Cathedral City, May 3; and Coachella Valley Unified School District, June 7.

Recommended Motion: That the Board of Supervisors approve and direct the Auditor-Controller to make the following budget adjustments:

Increase estimated revenue:		
10000-1700100000-753360	CA-mandate reimbursement process	\$566,786
10000-1700100000-751680	CA-grant	<u>15,102</u>
		\$581,888
Increase appropriations:		
10000-1700100000-520330	Communications services	\$30,000
10000-1700100000-521560	Maintenance-other	46,000
10000-1700100000-523660	Computer supplies	150,000
10000-1700100000-527580	Furniture stock	<u>25,000</u>
		\$251,000
Decrease appropriations:		
10000-1700100000-546140	Equipment office	\$91,500

Increase appropriations:		
10000-1109000000-581000	Contingency	\$422,388

3. HEALTH AND SANITATION

a) Detention Health Services (DHS)

The department projects a \$1.4 million shortfall due to increased prisoner hospital charges, primarily emergency and special medical services not provided at the county hospital. The projected shortfall was originally identified as a policy item in budget hearings. The original policy item included medical services for prisoners prior to booking at county jails. To offset the projected increases, \$2 million was placed in contingency.

Recommended Motion: *That the Board of Supervisors approve and direct the Auditor-Controller to adjust appropriations as follows:*

Increase appropriations:		
10000-4300300000-525240	Prisoner hospital charges	\$1,400,000
Decrease appropriations:		
10000-1109000000-581000	Contingency	\$1,400,000

Not included in the projected \$1.4 million shortfall are payments withheld by the department for hospital emergency services provided to prisoners prior to booking at county jails. Outstanding charges by year-end should total approximately \$500,000. The department is working with the Executive Office and County Counsel to determine if the county is responsible for these charges. DHS will submit a Form 11 during the fourth quarter with a recommendation for paying the outstanding charges. Another budget adjustment might be needed at that time.

b) Medically Indigent Service Program (MISP)

The MISP budget position remains unchanged since the mid-year budget report. MISP projects a budget shortfall of \$800,000. Approximately 75 percent involves medical services that cannot be provided at the county hospital, such as heart procedures. Nine MISP cases cost over \$50,000 each, compared to only two such cases last year. The remaining 25 percent is attributed to prescriptions filled at non-county pharmacies. Pharmaceutical costs continue to rise.

Recommended Motion: *That the Board of Supervisors approve and direct the Auditor-Controller to adjust appropriations and estimated revenue as follows:*

Increase appropriations:		
10000-4300200000-530260	Medical services	\$200,000
10000-4300200000-530340	Hospital care services	<u>600,000</u>
		\$800,000

Decrease appropriations:
10000-1109000000-581000 Contingency \$800,000

4. PUBLIC PROTECTION

a) Code Enforcement

On July 13, 2004 (Item 3.70), Supervisor Buster requested that Code Enforcement consider how office relocations affect workload. A response from the department is included at the end of this document as Attachment D.

b) DNA Fingerprint, Unresolved Crime and Innocence Protection Act

California's government code (Section 76104.6) directs that California courts levy an additional 10 percent penalty on most convicted criminals to implement the DNA Fingerprint, Unsolved Crime and Innocence Protection Act. Revenue from this penalty is divided quarterly between the state and counties. By April 1 of each year, each county is directed to report to the Legislature and the Department of Justice the amount of fines collected, allocated and expended for each authorized program.

In the first two calendar years following the effective date, 70 percent of the amount collected will be deposited to the state Controller DNA identification fund. In the third calendar year, the state's amount will be reduced to 50 percent. In the fourth calendar year, the state's amount falls to 25 percent.

Riverside County formed a committee to address the new law's implementation. The Sheriff chairs the committee, with members from the Probation Department, District Attorney's Office, Superior Court and Executive Office. The committee met once and follow-up meetings were scheduled. An action plan for complying with the new law will be provided to the Board during the proposed budget.

c) Department of Child Support Services (DCSS)

This fiscal year, DCSS received \$422,000 in general-fund support to maximize federal funding and avoid 30 employee layoffs. After budget adoption, DCSS was notified that one-time state funding was available for its CASES automated child-support system. The department continued its three-year hiring freeze. The additional revenue and salary savings, plus aggressively curtaining services and supplies expenditures, should result in zero net-county cost by year-end. The Executive Office recommends that DCSS be allowed to use the \$422,000 it saved to avoid laying off 23 employees in the upcoming fiscal year.

d) District Attorney

The District Attorney (DA) delayed hiring 32 positions authorized in the FY 04/05 budget due to uncertainty of the Southwest Border Prosecution Initiative (SWBPI) reimbursement grant. This year, the DA experienced higher-than-expected staff turnover. As a result, the DA now projects a substantial appropriations savings. The DA requested an addback of \$408,000 in the FY 05/06 budget to cover one-time costs for these 32 employees.

e) Fire Department

Attempts by the Fire Department to address its \$1.2 million tax reserve shortfall have been compounded by unanticipated expenditures for contracted fire-protection services, station maintenance and fuel. Grant expenditures mistakenly underreported by the department in the mid-year report masked the true extent of Fire's budget shortfall, which now stands at \$1.9 million. There are sufficient funds in contingency for this shortfall. The Executive Office will continue to monitor the situation. Supplemental general-fund support for fire operations will be addressed at the end of the fiscal year.

The Executive Office will recruit for the contract manager position that was recommended in the department audit. This position will be filled in the fourth quarter and is included in the FY 05/06 budget.

f) Probation – Administration

Probation projects a shortfall of \$225,000 in this budget unit, due mostly to a high payoff to a retiring employee and the additional cost of a companion position. Salary savings in another budget unit (Institutions) can offset the increased cost. Below is the budget adjustment to cover this shortfall.

Recommended Motion: *That the Board of Supervisors approve and direct the Auditor-Controller to adjust appropriations between Probation Administration and Institutions as follows:*

Increase appropriations:

10000-2600700000-510040	Regular salaries	\$225,000
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Decrease appropriations:

10000-2600100000-510040	Regular salaries	\$225,000
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g) Probation – Institutions

The department projects substantial salary savings due primarily to two factors: 1) measures implemented to reduce average daily population below budgeted levels and; 2) staff turnover that resulted in higher-salaried staff being replaced by entry-level employees. As indicated in the mid-year report, the savings will be used to offset unplanned expenditures for interpreter services, ergonomics upgrades, copy-machine replacements and a water project for Twin Pines Ranch.

h) Probation - Future Budget Concerns

Propositions 63 (mental health services) and 69 (DNA testing) both require extensive Probation involvement. The department requested an addback in the FY 05/06 budget for staff to begin DNA testing. The workload might exceed that capability and more staff will be requested as soon as the need is better quantified.

The Governor's FY 05/06 budget proposes a 75 percent reduction statewide (from \$100 million to \$25 million) in Juvenile Justice Crime Prevention Act (JJCPA) funding. If allocations are made under the previous distribution formula, Riverside County's share will drop from

about \$5 million to \$1.25 million. JJCPA funds are spent in the year following the allocation, so this will impact the FY 06/07 county budget for Youth Accountability Teams staffed by the Probation, District Attorney, and Sheriff's departments. The Chief Probation Officers of California and other agencies are contesting this cut in Sacramento; the department will report any further developments.

i) Public Defender

The Public Defender's administrative unit copier needs to be replaced and the department has identified sufficient salary savings to cover the cost. The motion recommended below will authorize and fund the purchase.

Recommended Motion: That the Board of Supervisors authorize the purchase of a replacement photocopier for the Public Defender, and approve and direct the Auditor-Controller to make the following budget adjustments:

Decrease Appropriations:

10000-2400100000-510040	Regular Salaries	\$11,000
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Increase Appropriations:

10000-2400100000-546160	Equipment-Other	\$11,000
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j) Sheriff's Department – Various Budget Units

During budget hearings, the Sheriff indicated he needed \$8 million to avoid layoffs. In the mid-year report, the department reported the situation improved and reduced its request to \$6.2 million. The department now projects its need at \$2 million. This further improvement is due to the salary savings from hiring delays. The Executive Office will continue to monitor this budget.

The department anticipates hiring approximately 44 deputies from the May academy. Until then, overtime costs will be high. Contract revenue in the patrol unit is projected to increase significantly due to a FY 04/05 rate adjustment. Another significant revenue increase is at the Ben Clark Training Center, due to a new housing contract with the U.S. Marines. In Corrections, revenue generated by the work-release program has improved because the number of inmates referred to this program increased.

The budget adjustment below is recommended to account for that new revenue to offset critical operating costs. The Executive Office will make final budget adjustments as needed during the year-end closing Form 11.

Recommended Motion: That the Board of Supervisors approve and direct the Auditor-Controller to make the following budget adjustments:

Increase appropriations:

10000-2500100000-510040	Regular salaries	\$250,000
10000-2500100000-518100	Budgeted benefits	100,000
10000-2500100000-530400	Surviving spouse health insurance	20,000

10000-2500200000-510040	Regular salaries	100,000
10000-2500200000-510420	Overtime	525,000
10000-2500200000-518100	Budgeted benefits	175,000
10000-2500400000-510040	Regular salaries	2,200,000
10000-2500400000-510420	Overtime	180,000
		<u>\$3,550,000</u>
Decrease appropriations:		
10000-2500300000-518080	Other budgeted benefits	\$1,660,000
Increase estimated revenue:		
10000-2500200000-773520	Contract city law enforcement	\$205,000
10000-2500300000-773520	Contract city law enforcement	1,130,000
10000-2500700000-741040	Building use	525,000
10000-2501000000-777090	Collections program	20,000
10000-2501000000-755720	CA-trans of prisoners PC4750	10,000
		<u>\$1,890,000</u>

In his third-quarter budget report, the Sheriff also submitted an analysis of the need to replace the computer aided dispatch (CAD) system. The system is operating near capacity, which can result in lost data and delays. The Sheriff presented three options to keep the system functional during peak summer periods; costs ranged from \$101,000 to \$600,000. The Executive Office recommends that the Sheriff invest in a new system (at a cost of \$420,000 this fiscal year) that will provide the optimum improvement to ensure public safety and officer safety. The Sheriff indicates this solution will rectify the problem and provide adequate performance for three to five years. A budget adjustment will provide for the purchase of the necessary hardware and operating software.

Recommended Motion: That the Board of Supervisors approve and direct the Auditor-Controller to make the following budget adjustments:

Increase appropriations:		
10000-2500200000-546080	Equipment-computer	\$312,000
10000-2500200000-546280	Equipment-software	108,000
		<u>\$420,000</u>
Increase estimated revenue:		
10000-2500200000-773520	Contract city law enforcement	\$420,000

A technical adjustment is recommended to add 19 deputy positions funded by the Riverside County Indian Gaming Local Community Benefits Committee.

Recommended Motion: That the Board of Supervisors amend Ordinance No. 440 pursuant to Resolution No. 440-8594 included in this report as Attachment C.

k) Superior Court – County Responsibility (Pretrial and Unallowable)

California rules of court (Rule 810) identify court operational expenditures for which the county is responsible. County costs include repair and maintenance, property insurance, juror parking, detention-release staff, supervision of court security and optional local judicial benefits. The court projects a shortfall of \$105,000 for current-year court security costs. A budget adjustment is needed to provide for this cost, which will be paid out of contingency.

Recommended Motion: That the Board of Supervisors approve and direct the Auditor-Controller to make the following budget adjustments:

Increase appropriations:		
10000-2100100000-525600	Security-TCF unallowable	\$105,000
Decrease appropriations:		
10000-1100900000-581000	Contingency	\$105,000

5. PUBLIC ASSISTANCE

a) DPSS- Categorical Aid

The FY 04/05 assistance projections have been updated with the latest case data. Based on these projections, CalWORKs expenditures for FY 04/05 will increase to \$10.8 million over budgeted levels. The combined Foster Care, Foster Care/Emergency Assistance and Adoptions Assistance projection decreased by \$4.4 million. This net increase in assistance expenditures requires additional appropriations of \$6.4 million. There is no general-fund impact because the county-share increase in one program is offset by reductions in the county-share requirement in other programs.

Recommended Motion: That the Board of Supervisors approve and direct the Auditor-Controller to make the following budget adjustments:

Increase appropriations:		
10000-5100300000-530480	Categorical assistance	\$ 6,421,148
Increase estimated revenue:		
10000-5100300000-761000	Fed-public assistance program	\$2,182,317
10000-5100300000-750700	CA-public assistance program	<u>4,238,831</u>
		\$6,421,148

b) DPSS - County Only Funded Foster Care

Expenditures in county-only funded foster care are increasing significantly. This is mainly due to increases in the number of cases involving undocumented children. Those cases jumped from 145 in FY 03/04 to a projected 282 cases this year.

The monthly average placement cost also has increased, from \$243 per case in FY 03/04 to \$1,250 per case in FY 04/05. Placement costs are climbing, in part, due to compliance with AB 490, which keeps sibling groups together and maintains children in their current schools

and neighborhoods. To achieve these goals, many placements are made in the more expensive Foster Family Agency homes.

Finally, the number of youths in court-ordered dependency past age 18 has increased significantly. This markedly increased the county funds needed to comply with the court-ordered payments.

The department requests an appropriations transfer between budget units to provide for this increase. The required appropriations are available because of Child Welfare Service's salary savings.

Recommended Motion: That the Board of Supervisors approve and direct the Auditor-Controller to make the following budget adjustments:

Increase appropriations:		
10000-5100400000-530520	County funded foster care	\$473,000
Decrease appropriations:		
10000-5100100000-510040	Regular salaries	\$473,000

c) DPSS - DCA Emergency Homeless Shelters

HUD administration and operation costs for emergency shelters continue to increase. Appropriations were established as part of the first-quarter budget report to meet the anticipated expenditure obligations. Expenditures related to DCA Indirect Cost Rate, Homeless, and HUD Homeless programs will necessitate an additional appropriation. The department will need to use all its available fund balance to meet this need.

Recommended Motion: That the Board of Supervisors approve and direct the Auditor-Controller to make the following budget adjustments:

Increase Appropriations:		
21050-5200300000-536740	Interfund Exp. Admin. Support	\$271,487

Unreserved fund balance is available to offset this increase. The department projects that all the available fund balance will be used in the current fiscal year. Without further policy changes, the unmet need will continue into FY 05/06 in the amount of \$1,245,833. The department has alerted the Executive Office of this issue for planning purposes and has included this unmet need in its FY 05/06 budget request.

6. PUBLIC WAYS AND MEANS

a) TLMA - Garage

The Transportation Department's Garage Division requests a budget adjustment to cover significant increases in fuel, maintenance and repair costs. In addition, as a result of storm damage, equipment use has greatly increased, increasing costs and generating additional

revenue. Finally, Garage recently received a grant to reimburse the cost of particulate-matter traps, which also necessitates an adjustment.

Recommended Motion: That the Board of Supervisors approve and direct the Auditor-Controller to make the following budget adjustments:

Increase appropriations:		
20000-3130700000-521420	Maintenance-field equipment	\$292,500
20000-3130700000-528460	Inventory-fuel/oil	115,625
20000-3130700000-572100	Intra-equipment rental	<u>(82,193)</u>
		\$325,932
Increase estimated revenue:		
20000-3130700000-778200	Interfund-miscellaneous	\$244,632
20000-3130700000-778360	Interfund-equipment usage	46,300
20000-3130700000-780040	Sale of miscellaneous materials	<u>35,000</u>
		\$325,932

b) Landscape Maintenance Districts

Because of a significant number of annexations, the Landscape Maintenance District has grown by one-third. A staffing increase of half a full-time equivalent is needed to help manage the program. Assessments from the new annexations will fund the increased cost.

Recommended Motion: That the Board of Supervisors approve and direct the Auditor-Controller to make the following budget adjustments:

Increase appropriations:		
20300-3130100000-537180	Interfund-Salary Reimbursement	\$65,000
Increase estimate revenue:		
20300-3130100000-781640	Special District Income	\$65,000

c) TLMA - Transportation

The Transportation Department's Operations Division reassigned resources designated for capital projects so that storm damage could be repaired. This increased costs in certain categories. FEMA was billed for the majority of these costs but it could be several years before funds are received. A budget adjustment is necessary to cover the increased costs with fund balance until reimbursement is received.

Recommended Motion: That the Board of Supervisors approve and direct the Auditor-Controller to adjust appropriations and fund balance as follows:

Increase appropriations:		
20000-3130100000-527980	Contracts	\$1,100,000
20000-3130100000-528000	Equipment	550,000

20000-3130100000-528060	Materials	750,000
		\$2,400,000
Use of fund balance:		
20000-3130100000-325100	Unreserved fund balance	\$2,400,000

7. ENTERPRISE FUNDS

a) Riverside County Regional Medical Center (RCRMC)

The contribution to the medical center is \$31 million for the current year. Included in the hospital's revenue budget is \$11.75 million that was not completely certain at the time the budget was adopted. Current projections indicate that all this revenue will be realized and that there will be no need to draw from the \$10 million hospital reserve.

The medical center will continue to implement performance improvements presented at quarterly Board workshops. The medical center projects revenues and expenditures will balance at year-end.

As reported previously, the medical center plan is subject to changes from unforeseen state actions that could affect Medi-Cal or realignment revenue. Overall, though, the trend for the current fiscal year is positive, as Insurance, Medi-Cal, and Medicare revenues all are coming in strong.

8. INTERNAL SERVICE FUNDS

a) Fleet Services

Fleet requests permission to purchase 46 additional vehicles, bringing its non-patrol vehicle authorization to 228. DPSS will pay in full for 42 of these vehicles out of its FY 04/05 budget and will finance the remaining four vehicles over four years. DPSS and Fleet are able to manage these purchases within their current budgets.

Recommended Motion: *That the Board of Supervisors approve and authorize Fleet Services to purchase 46 additional vehicles.*

b) Human Resources – Insurance Funds (Various)

Due to increases in program participation and claims, budget adjustments are needed to cover anticipated costs. Corresponding revenue increases will offset the cost increases. The Occupational Health Program is still relatively new and requires adjustments related to start-up costs.

Recommended Motion: *That the Board of Supervisors approve and direct the Auditor-Controller to make the following budget adjustments:*

- Local Advantage Plus Dental

Increase appropriations:		
45900-1132600000-525440	Professional services	\$35,000

45900-1132600000-534250	Dental claims	<u>265,000</u>
		\$300,000
Increase estimated revenue:		
45900-1132600000-781320	Insurance proceeds	\$300,000

- Exclusive Care

Increase appropriations:		
45800-1132000000-522890	Pharmaceuticals	900,000
45800-1132000000-534500	Hospital care	<u>1,095,000</u>
		\$1,995,000
Increase estimated revenue:		
45800-1132000000-774970	Premiums	\$1,995,000

- Occupational Health & Wellness

Increase appropriations:		
46120-1132900000-522860	Medical supplies	\$200,000
46120-1132900000-525100	Medical lab supplies	<u>200,000</u>
		\$400,000
Increase estimated revenue:		
46120-1132900000-781360	Other misc. revenue	\$351,600
46120-1132900000-774500	Health services	<u>48,400</u>
		\$400,000

c) Riverside County Information Technology (RCIT)

RCIT will hire a consultant to review all its lines of business and align all costs associated with each line of business. This effort will refine Information Technology's cost recovery rates to reflect the actual expenses associated with each line of business. In addition, RCIT and the Auditor Controller's Office are reviewing net-asset and capital-asset issues within RCIT's fund. Both departments are working together to evaluate, clarify and address any potential issues that might affect fund balances in the Auditor's Comprehensive Annual Financial Report. Further information on the findings will be provided in the FY 05/06 proposed budget.

d) Supply Services

Supply Services has expended its systems furniture budget. In order to meet higher-than-expected demand, the budget needs to be increased by \$722,000. Additional revenue from customer departments will balance this cost, so there is no direct general-fund impact.

Recommended Motion: That the Board of Supervisors approve and direct the Auditor-Controller to make the following budget adjustments:

Increase appropriations:		
45700-7300400000-527600	Indirect materials	\$722,000
Increase estimated revenues:		
45700-7300400000-781600	Systems furniture	\$722,000

9. SPECIAL DISTRICTS

a) EDA - County Service Areas (Various)

More than 50 county service areas (CSAs) in Riverside County provide services ranging from street lighting to fire protection. A review of each budget has identified several CSAs that need budget adjustments to allow the timely payment of expenses.

Recommended Motion: That the Board of Supervisors approve and direct the Auditor-Controller to make the following budget adjustments:

Increase appropriations:

23750-907301-529530	Street lights CSA 73 Crestmore	\$4,000
23825-908401-529530	Street lights CSA 84 Sun City	9,000
23925-908901-529530	Street lights CSA 89 Lakeview	2,600
24075-910301-529530	Street lights CSA 107 La Serene	5,000
40400-912211-529530	Street lights CSA 122 Mesa Verde	16,000
24525-914201-529530	Street lights CSA 142 Wildomar	8,000
23350-903301-537180	IF salaries CSA 33 Sun City	500
23375-903601-537180	IF salaries CSA 36 Idyllwild	1,000
23575-905301-537180	IF salaries CSA 53 Indio	150
23825-908401-537180	IF salaries CSA 84 Sun City	8,000
24075-910301-537180	IF salaries CSA 103 La Serene	1,000
24175-911301-537180	IF salaries CSA 113 Woodcrest	500
24225-911701-537180	IF salaries CSA 117 Mead Valley	1,000
24300-912501-537180	IF salaries CSA 125 Thermal	250
24325-912601-537180	IF salaries CSA 126 Highgrove	5,000
24400-913201-537180	IF salaries CSA 132 Lake Mathews	1,500
24425-913401-537180	IF salaries CSA 134 Temescal	15,000
24450-913501-537180	IF salaries CSA 135 Temescal	200
24475-913801-537180	IF salaries CSA 138 Sun City	500
24525-914201-537180	IF salaries CSA 142 Wildomar	500
24550-914301-537180	IF salaries CSA 143 Rancho CA	65,000
24575-914501-537180	IF salaries CSA 145 Sun City	10,000
23525-905102-510040	Regular salaries CSA 51 Desert Center	15,000
40440-906203-510040	Regular salaries CSA 62 Ripley	26,000
40400-912211-510040	Regular salaries CSA 122 Mesa Verde	10,000
24100-910401-522610	Road maintenance CSA 104	123,000
24375-912801-537160	IF-road maint CSA128	34,000
24600-914901-537160	IF-road maint CSA 149	155,000
24575-914501-527780	Special pgm exp CSA 145	10,000

Decrease unrestricted net assets:

40400-912211-380100	Unrestricted net assets	\$26,000
40440-906203-380100	Unrestricted net assets	\$26,000

For all other funds, offset is from available unreserved fund balance.

b) Flood Control and Water Conservation District – Subdivision Operations

Flood's Subdivision Operations Division provides development-review services that are required for construction projects in the county. To address the high demand and ensure timely processing, it has become necessary to employ outside contractors to assist district staff. The requested budget adjustment also addresses the issue of fee deposits being posted as a liability (deferred revenue) until revenue is earned, which creates a delay between work performed and revenue received. The following budget adjustments do not require general-fund support.

Recommended Motion: That the Board of Supervisors approve and direct the Auditor-Controller to make the following budget adjustments:

Increase appropriations:

40660-947140-510040	Regular salaries	\$245,000
40660-947140-524820	Engineering services	240,000
40660-947140-526530	Rent-lease equipment	<u>60,000</u>
		\$545,000

Increase revenue:

40660-947140-771930	Deposit-based fee draws	\$300,000
40660-947140-771830	Improvement plan check fees	<u>245,000</u>
		\$545,000

c) Flood Control and Water Conservation District – Encroachment Permits

Flood Control's Encroachment Permits Section issues encroachment permits to agencies, developers and individuals allowing temporary access or use of district property to complete projects. Salary costs have increased due to increased issuing, monitoring and inspecting work. The requested budget adjustment also reflects the recent change to the deposit-based fee structure for encroachment permits, which requires establishment of certain appropriations. The following budget adjustments do not require general-fund support.

Recommended Motion: That the Board of Supervisors approve and direct the Auditor-Controller to make the following budget adjustments:

Increase appropriations:

40670-947160-510040	Regular salaries	\$7,000
40670-947160-525400	Title service companies	8,000
40670-947160-572800	Intra-miscellaneous	<u>(8,000)</u>
		\$7,000

Increase estimated revenue:

40670-947160-772020	Encroachment permit fees	\$7,000
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d) Flood Control and Water Conservation District – Mapping Services

The Mapping Services fund provides reproduction and binding services for the district and public. Charges in a prior period were erroneously posted and require an adjustment to correct the error. The following budget adjustments do not require general-fund support.

Recommended Motion: That the Board of Supervisors approve and direct the Auditor-Controller to make the following budget adjustments:

Increase appropriations:		
48060-947300-526530	Rent-lease equipment	\$75,000
Decrease unrestricted net assets:		
48060-947300-380100	Unrestricted net assets	\$75,000

e) Flood Control and Water Conservation District – NPDES – Santa Ana Assessment

Increased permit requirements and related activities require increased appropriations for the federally-mandated National Pollutant Discharge Elimination System program for the Santa Ana watershed. The following budget adjustments do not require general-fund support.

Recommended Motion: That the Board of Supervisors approve and direct the Auditor-Controller to make the following budget adjustments:

Increase appropriations:		
25190-947560-510040	Regular salaries	\$37,000
25190-947560-518100	Budgeted benefits	13,000
		\$50,000
Decrease designated fund balance:		
25190-947560-320114	Designated fund balance-FC	\$50,000

f) Flood Control and Water Conservation District – NPDES – Santa Margarita Assessment

The District is working diligently to establish cooperative agreements with cities and other agencies, to recover revenues to administer the National Pollutant Discharge Elimination System program for the Santa Margarita watershed. The following budget adjustments do not require general-fund support.

Recommended Motion: That the Board of Supervisors approve and direct the Auditor-Controller to make the following budget adjustments:

Increase appropriations:		
25200-947580-510040	Regular salaries	\$14,800
25200-947580-518100	Budgeted benefits	5,200
25200-947580-524500	Administrative support-direct	30,000
25200-947580-525440	Professional services	25,000

25200-947580-527240	NPDES contributions	25,000
		\$100,000
Increase estimated revenue:		
25200-947580-781560	Contributions-other agencies	\$100,000

g) Regional Park and Open Space District – Roy E. Shipley Reserve Trust

Park personnel provide management services at the Shipley Reserve and conduct interpretive programs in conjunction with Lake Skinner Park. During peak seasons, temporary personnel are used to remove non-native species and to maintain trails and fencing. Heavy seasonal rains have created additional program costs. The requested budget adjustments do not require general-fund support.

Recommended Motion: That the Board of Supervisors approve and direct the Auditor-Controller to make the following budget adjustments:

Increase appropriations:		
25580-931106-525080	Temp assist. pool svcs.	\$10,000
25580-931106-537080	Interfund misc.	5,000
		\$15,000

Fund balance is available to offset these increases.

h) Regional Park and Open Space District – Residence Utility

The Parks District rents residences to its employees who, in turn, provide security at park facilities. Heavy winter weather severely damaged several rental residences in the San Jacinto Mountains. Revenue accrued from renting these residences is sufficient for a budget adjustment to pay for repairs. The following budget adjustments do not require general fund support.

Recommended Motion: That the Board of Supervisors approve and direct the Auditor-Controller to make the following budget adjustments:

Increase appropriations:		
25510-931108-522310	Maintenance bldg. improve.	\$10,000
25510-931108-537180	Interfund exp-salary reimb.	5,000
		\$15,000
Increase estimated revenue:		
25510-931108-741000	Rents	\$15,000

i) Regional Park and Open Space District – Environmental Education Grant

Visitors at the Santa Rosa Plateau Interpretive Center and trails have increased because of abundant spring flora and fauna, including vernal pools. The Metropolitan Water District amended its contract with the district and increased funding for programs at the plateau. The requested budget adjustment reflects this funding increase and includes appropriations for activities at the plateau. The following budget adjustments do not require general fund support.

Recommended Motion: That the Board of Supervisors approve and direct the Auditor-Controller to make the following budget adjustments:

Increase appropriations:		
25530-931117-520800	Household expense	\$4,540
25530-931117-527780	Special program expense	35,000
25530-931117-537080	Interfund misc.	<u>15,000</u>
		\$54,540
Increase estimated revenue:		
25530-931117-781560	Contrib. from non-county agencies	\$54,540

j) Redevelopment Special Revenue Fund

On December 7, 2004, the Board approved a resolution authorizing the issuance of 2004 tax allocation revenue bonds and 2004 tax allocation housing bonds. A budget adjustment is necessary to appropriate funds for housing projects identified in the financing.

Recommended Motion: That the Board of Supervisors approve and direct the Auditor-Controller to make the following budget adjustments:

Increase appropriations:		
25000-934001-526700	Rent/Lease buildings	\$1,200
25000-934001-527980	Contracts	600
25000-934001-523230	Misc. expense	1,500
25000-934001-525440	Professional services	4,000
25000-934001-525500	Salary/Benefit reimbursement	17,000
25000-934001-536280	Contr.-project imp. costs	<u>1,000,000</u>
		\$1,024,300
Increase estimated revenue:		
25000-934001-740020	Interest	\$24,300
25000-934001-790500	Operating transfer-in	<u>1,000,000</u>
		\$1,024,300

k) Redevelopment Debt Service Fund

This year, the annual ERAF payment made to the state was incorrectly budgeted in the capital projects fund (32700). The expense will actually be paid out of the debt service fund (37100); therefore, a budget adjustment is needed to properly record the expense and revenue.

Recommended Motion: That the Board of Supervisors approve and direct the Auditor-Controller to make the following budget adjustments:

Increase appropriations:		
37100-934001-535220	Taxes & assessments	\$2,600,000
Increase estimated revenue:		
37100-934001-700020	Property tax current sec.	\$2,600,000

D. DETAIL OF IMPACT ON GENERAL FUND

FY04/05 USE OF CONTINGENCY

		Cost Adjust.	Revenue Adjust.	Total Adjust.	Contingency
Final Budget Balance:					\$16,484,733
First Quarter Adjustments:					\$12,391,978
Second Quarter Adjustments:					(\$2,088,549)
Third-Quarter Beginning Balance					\$26,788,162
Third-Quarter Adjustments:					
3.26 of 11/2/04	Correction from 1Q report	(\$47,440)		\$47,440	\$26,835,602
3.42 of 1/4/05	Cash Shortage Fund	\$1,635		(\$1,635)	\$26,833,967
3.43 of 1/25/05	Cash Shortage Fund	\$2,681		(\$2,681)	\$26,831,286
3.26 of 2/15/05	Cash Shortage Fund	\$6,060		(\$6,060)	\$26,825,226
3.2 of 3/1/05	NPDES Contract	\$40,228		(\$40,228)	\$26,784,998
3.29 of 3/15/05	Cold Weather Shelter	\$45,400		(\$45,400)	\$26,739,598
3.25 of 3/22/05	Cash Shortage Fund	\$1,654		(\$1,654)	\$26,737,944
Recommended Actions Affecting Contingency:					
	Additional Interest Revenue	\$0	\$4,900,000	\$4,900,000	\$31,637,944
	Court Costs	\$105,000		(\$105,000)	\$31,532,944
	Detention Health	\$1,400,000		(\$1,400,000)	\$30,132,944
	E.O. sales tax recovery	\$70,000		(\$70,000)	\$30,062,944
	Medically Indigent	\$800,000		(\$800,000)	\$29,262,944
	ROV surplus	(\$422,388)		\$422,388	\$29,685,332
Contingency at end of Third Qtr. =					\$29,685,332
Pending Actions That May Affect Contingency					
3.6 of 9/28/04	Misc pending, approved	\$3,500,000		(\$3,500,000)	\$26,185,332
	ACO operations	\$793,630		(\$793,630)	\$25,391,702
	Fire Operations	\$1,900,000		(\$1,900,000)	\$23,491,702
Projected Year End Contingency =					\$23,491,702

ATTACHMENT A: RECOMMENDATIONS

This section repeats the recommendations contained in the main document. There is no new information in Attachment A.

• **Quarterly Discretionary Revenue Update**

Recommended Motion: That the Board of Supervisors approve and direct the Auditor-Controller to increase estimated revenue and designated net assets by \$16 million, as follows:

Increase estimated revenue:

10000-1200200000-712000	Documentary transfer tax	\$7,000,000
10000-1300100000-704000	Property Tax – Supplemental	5,000,000
10000-1300100000-710020	Sales & use tax	4,000,000
		\$16,000,000

Increase designated fund balance:

10000-1109000000-320110	Res. for economic uncertainty	\$16,000,000
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• **Interest Earnings Update**

Recommended Motion: That the Board of Supervisors approve and direct the Auditor-Controller to increase estimated revenue and appropriations by \$4.9 million, as follows:

Increase estimated revenue:

10000-1400100000-740020	Interest – invested funds	\$4,900,000
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Increase appropriations:

10000-1109000000-581000	Contingency	\$4,900,000
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• **Development Impact Fees**

Recommended Motion: That the Board of Supervisors:

- 1) Approve the transfer of \$400,000 in DIF eastern Riverside County public facilities funds to the Riverside County library system to reimburse construction costs associated with the La Quinta library; and,
- 2) Direct the Executive Office to transfer \$400,000 from the DIF eastern Riverside County public facilities fund (30544) to the county free library fund (21200-1101500000-781540).

• **Assessor-County Clerk-Recorder**

Recommended Motion: That the Board of Supervisors approve and direct the Auditor-Controller to adjust appropriations and estimated revenue of the Assessor-County Clerk-Recorder's Office, as follows:

Decrease estimated revenue:

10000-1200200000-774050	Recorder modernization	\$4,536,520
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Increase estimated revenue:

10000-1200200000-774000	Recording fees	\$3,708,815
10000-1200200000-777720	Clerk fees	506,130

10000-1200200000-777730	Fish & Game	36,756
		<u>\$4,251,701</u>
Decrease appropriations:		
10000-1200200000-527780	Special program expense	\$284,819

• **Auditor-Controller**

Recommendation: That the Board of Supervisors defer budgetary action until the fourth quarter, and request that the Auditor-Controller contain expenditures to the extent possible through the remainder of the year.

• **Airport Administration**

Recommended Motion: That the Board of Supervisors approve and direct the Auditor-Controller to make the following budget adjustments:

Increase appropriations:		
22100-1900700000-510040	Regular salaries	\$31,000
22100-1900700000-525440	Professional svcs.	93,000
22100-1900700000-527780	Special program exp.	100,000
22100-1900700000-537120	IF- professional svcs.	82,000
22100-1900700000-537180	IF-salary reimb.	<u>100,000</u>
		\$406,000
Increase estimated revenue:		
22100-1900700000-781360	Other misc. revenue	\$256,000
22100-1900700000-781540	Contrib. from other funds	<u>150,000</u>
		\$406,000

• **Board of Supervisors**

Recommended Motion: That the Board of Supervisors approve and direct the Auditor-Controller to make the following budget adjustments:

Increase appropriations:		
10000-1000100000-527780	DBF – Youth Prot./Inter	\$9,000
Decrease reserve equity:		
11072-1000170000-320120	Professional svcs.	\$9,000

• **EDA – Edward Dean Museum**

Recommended Motion: That the Board of Supervisors approve and direct the Auditor-Controller to make the following budget adjustments:

Increase appropriations:		
10000-1930100000-522310	Maint-buildings	\$2,190
10000-1930100000-523270	Special events	6,072
10000-1930100000-525080	Temp assist. pool	2,577
10000-1930100000-529510	Heating fuel	<u>1,425</u>
		\$12,264
Increase estimated revenue:		
10000-1930100000-741020	Admissions	\$1,367

10000-1930100000-741320	Misc event charges	9,045
10000-1930100000-781220	Contributions/Donations	<u>1,852</u>
		<u>\$12,264</u>

• **EDA – Fair and National Date Festival**

Recommended Motion: That the Board of Supervisors approve and direct the Auditor-Controller to make the following budget adjustments:

Increase appropriations:

22200-1920100000-510200	Payoff perm./season	\$10,000
22200-1920100000-520330	Communications	17,890
22200-1920100000-522310	Maint – bldgs/impr	13,156
22200-1920100000-522320	Maint – grounds	13,275
22200-1920100000-526420	Advertising	75,824
22200-1920100000-527900	Desert expo expense	28,354
22200-1920100000-540060	Improvements - lane	14,818
22200-1920100000-542060	Improvements - buildings	<u>21,144</u>
		<u>\$194,461</u>

Increase estimated revenue:

22200-1920100000-781540	Contribution from other funds	\$194,461
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• **Radio Replacement Program**

Recommended Motion: That the Board of Supervisors approve and direct the Auditor-Controller to adjust appropriations and net assets as follows:

Increase appropriations:

10000-1103800000-520240	Communications equipment	\$229,855
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Decrease reserved net assets:

11069-1103800000-308101	General reserve	\$229,855
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• **Executive Office – Sales Tax Recovery**

Recommended Motion: That the Board of Supervisors approve and direct the Auditor-Controller to make the following budget adjustments:

Increase appropriations:

10000-1102900000-525440	Professional services	\$70,000
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Decrease appropriations:

10000-1109000000-581000	Contingency	\$70,000
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• **Executive Office – Subfund Operations**

Recommended Motion: That the Board of Supervisors approve and direct the Auditor-Controller to make the following budget adjustments:

Increase appropriations:

10000-1103800000-537180	Interfund expense – salary reimb.	\$150,000
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Increase estimated revenue:
 10000-1103800000-777170 Development mitigation \$150,000

• **Registrar of Voters**

Recommended Motion: That the Board of Supervisors approve and direct the Auditor-Controller to make the following budget adjustments:

Increase estimated revenue:
 10000-1700100000-753360 CA-mandate reimbursement process \$566,786
 10000-1700100000-751680 CA-grant 15,102
 \$581,888

Increase appropriations:
 10000-1700100000-520330 Communications services \$30,000
 10000-1700100000-521560 Maintenance-other 46,000
 10000-1700100000-523660 Computer supplies 150,000
 10000-1700100000-527580 Furniture stock 25,000
 \$251,000

Decrease appropriations:
 10000-1700100000-546140 Equipment office \$91,500

Increase appropriations:
 10000-1109000000-581000 Contingency \$422,388

• **Detention Health Services (DHS)**

Recommended Motion: That the Board of Supervisors approve and direct the Auditor-Controller to adjust appropriations as follows:

Increase appropriations:
 10000-4300300000-525240 Prisoner hospital charges \$1,400,000

Decrease appropriations:
 10000-1109000000-581000 Contingency \$1,400,000

• **Medically Indigent Service Program (MISP)**

Recommended Motion: That the Board of Supervisors approve and direct the Auditor-Controller to adjust appropriations and estimated revenue as follows:

Increase appropriations:
 10000-4300200000-530260 Medical services \$200,000
 10000-4300200000-530340 Hospital care services 600,000
 \$800,000

Decrease appropriations:
 10000-1109000000-581000 Contingency \$800,000

• **Probation – Administration**

Recommended Motion: That the Board of Supervisors approve and direct the Auditor-Controller to adjust appropriations between Probation Administration and Institutions as follows:

Increase appropriations:		
10000-2600700000-510040	Regular salaries	\$225,000
Decrease appropriations:		
10000-2600100000-510040	Regular salaries	\$225,000

• **Public Defender**

Recommended Motion: That the Board of Supervisors authorize the purchase of a replacement photocopier for the Public Defender, and approve and direct the Auditor-Controller to make the following budget adjustments:

Decrease Appropriations:		
10000-2400100000-510040	Regular Salaries	\$11,000
Increase Appropriations:		
10000-2400100000-546160	Equipment-Other	\$11,000

• **Sheriff's Department – Various Budget Units**

Recommended Motion: That the Board of Supervisors approve and direct the Auditor-Controller to make the following budget adjustments:

Increase appropriations:		
10000-2500100000-510040	Regular salaries	\$250,000
10000-2500100000-518100	Budgeted benefits	100,000
10000-2500100000-530400	Surviving spouse health insurance	20,000
10000-2500200000-510040	Regular salaries	100,000
10000-2500200000-510420	Overtime	525,000
10000-2500200000-518100	Budgeted benefits	175,000
10000-2500400000-510040	Regular salaries	2,200,000
10000-2500400000-510420	Overtime	180,000
		\$3,550,000
Decrease appropriations:		
10000-2500300000-518080	Other budgeted benefits	\$1,660,000
Increase estimated revenue:		
10000-2500200000-773520	Contract city law enforcement	\$205,000
10000-2500300000-773520	Contract city law enforcement	1,130,000
10000-2500700000-741040	Building use	525,000
10000-2501000000-777090	Collections program	20,000
10000-2501000000-755720	CA-trans of prisoners PC4750	10,000
		\$1,890,000

Recommended Motion: That the Board of Supervisors approve and direct the Auditor-Controller to make the following budget adjustments:

Increase appropriations:		
10000-2500200000-546080	Equipment-computer	\$312,000
10000-2500200000-546280	Equipment-software	<u>108,000</u>
		\$420,000
Increase estimated revenue:		
10000-2500200000-773520	Contract city law enforcement	\$420,000

Recommended Motion: That the Board of Supervisors amend Ordinance No. 440 pursuant to Resolution No. 440-8594 included in this report as Attachment C.

- **Superior Court – County Responsibility (Pretrial and Unallowable)**

Recommended Motion: That the Board of Supervisors approve and direct the Auditor-Controller to make the following budget adjustments:

Increase appropriations:		
10000-2100100000-525600	Security-TCF unallowable	\$105,000
Decrease appropriations:		
10000-1100900000-581000	Contingency	\$105,000

- **DPSS- Categorical Aid**

Recommended Motion: That the Board of Supervisors approve and direct the Auditor-Controller to make the following budget adjustments:

Increase appropriations:		
10000-5100300000-530480	Categorical assistance	\$ 6,421,148
Increase estimated revenue:		
10000-5100300000-761000	Fed-public assistance program	\$2,182,317
10000-5100300000-750700	CA-public assistance program	<u>4,238,831</u>
		\$6,421,148

- **DPSS - County Only Funded Foster Care**

Recommended Motion: That the Board of Supervisors approve and direct the Auditor-Controller to make the following budget adjustments:

Increase appropriations:		
10000-5100400000-530520	County funded foster care	\$473,000
Decrease appropriations:		
10000-5100100000-510040	Regular salaries	\$473,000

• **DPSS - DCA Emergency Homeless Shelters**

Recommended Motion: That the Board of Supervisors approve and direct the Auditor-Controller to make the following budget adjustments:

Increase Appropriations:		
21050-5200300000-536740	Interfund Exp. Admin. Support	\$271,487

• **TLMA - Garage**

Recommended Motion: That the Board of Supervisors approve and direct the Auditor-Controller to make the following budget adjustments:

Increase appropriations:		
20000-3130700000-521420	Maintenance-field equipment	\$292,500
20000-3130700000-528460	Inventory-fuel/oil	115,625
20000-3130700000-572100	Intra-equipment rental	(82,193)
		<u>\$325,932</u>
Increase estimated revenue:		
20000-3130700000-778200	Interfund-miscellaneous	\$244,632
20000-3130700000-778360	Interfund-equipment usage	46,300
20000-3130700000-780040	Sale of miscellaneous materials	35,000
		<u>\$325,932</u>

• **Landscape Maintenance Districts**

Recommended Motion: That the Board of Supervisors approve and direct the Auditor-Controller to make the following budget adjustments:

Increase appropriations:		
20300-3130100000-537180	Interfund-Salary Reimbursement	\$65,000
Increase estimate revenue:		
20300-3130100000-781640	Special District Income	\$65,000

• **TLMA - Transportation**

Recommended Motion: That the Board of Supervisors approve and direct the Auditor-Controller to adjust appropriations and fund balance as follows:

Increase appropriations:		
20000-3130100000-527980	Contracts	\$1,100,000
20000-3130100000-528000	Equipment	550,000
20000-3130100000-528060	Materials	750,000
		<u>\$2,400,000</u>
Use of fund balance:		
20000-3130100000-325100	Unreserved fund balance	\$2,400,000

• **Fleet Services**

Recommended Motion: That the Board of Supervisors approve and authorize Fleet Services to purchase 46 additional vehicles.

• **Human Resources – Insurance Funds (Various)**

Recommended Motion: That the Board of Supervisors approve and direct the Auditor-Controller to make the following budget adjustments:

• **Local Advantage Plus Dental**

Increase appropriations:

45900-1132600000-525440	Professional services	\$35,000
45900-1132600000-534250	Dental claims	<u>265,000</u>
		\$300,000
Increase estimated revenue:		
45900-1132600000-781320	Insurance proceeds	\$300,000

• **Exclusive Care**

Increase appropriations:

45800-1132000000-522890	Pharmaceuticals	\$900,000
45800-1132000000-534500	Hospital care	<u>1,095,000</u>
		\$1,995,000
Increase estimated revenue:		
45800-1132000000-774970	Premiums	\$1,995,000

• **Occupational Health & Wellness**

Increase appropriations:

46120-1132900000-522860	Medical supplies	\$200,000
46120-1132900000-525100	Medical lab supplies	<u>200,000</u>
		\$400,000
Increase estimated revenue:		
46120-1132900000-781360	Other misc. revenue	\$351,600
46120-1132900000-774500	Health services	<u>48,400</u>
		\$400,000

• **Supply Services**

Recommended Motion: That the Board of Supervisors approve and direct the Auditor-Controller to make the following budget adjustments:

Increase appropriations:

45700-7300400000-527600	Indirect materials	\$722,000
Increase estimated revenues:		
45700-7300400000-781600	Systems furniture	\$722,000

• **EDA - County Service Areas (Various)**

Recommended Motion: That the Board of Supervisors approve and direct the Auditor-Controller to make the following budget adjustments:

Increase appropriations:

23750-907301-529530	Street lights CSA 73 Crestmore	\$4,000
23825-908401-529530	Street lights CSA 84 Sun City	9,000
23925-908901-529530	Street lights CSA 89 Lakeview	2,600
24075-910301-529530	Street lights CSA 107 La Serene	5,000
40400-912211-529530	Street lights CSA 122 Mesa Verde	16,000
24525-914201-529530	Street lights CSA 142 Wildomar	8,000
23350-903301-537180	IF salaries CSA 33 Sun City	500
23375-903601-537180	IF salaries CSA 36 Idyllwild	1,000
23575-905301-537180	IF salaries CSA 53 Indio	150
23825-908401-537180	IF salaries CSA 84 Sun City	8,000
24075-910301-537180	IF salaries CSA 103 La Serene	1,000
24175-911301-537180	IF salaries CSA 113 Woodcrest	500
24225-911701-537180	IF salaries CSA 117 Mead Valley	1,000
24300-912501-537180	IF salaries CSA 125 Thermal	250
24325-912601-537180	IF salaries CSA 126 Highgrove	5,000
24400-913201-537180	IF salaries CSA 132 Lake Mathews	1,500
24425-913401-537180	IF salaries CSA 134 Temescal	15,000
24450-913501-537180	IF salaries CSA 135 Temescal	200
24475-913801-537180	IF salaries CSA 138 Sun City	500
24525-914201-537180	IF salaries CSA 142 Wildomar	500
24550-914301-537180	IF salaries CSA 143 Rancho CA	65,000
24575-914501-537180	IF salaries CSA 145 Sun City	10,000
23525-905102-510040	Regular salaries CSA 51 Desert Center	15,000
40440-906203-510040	Regular salaries CSA 62 Ripley	26,000
40400-912211-510040	Regular salaries CSA 122 Mesa Verde	10,000
24100-910401-522610	Road maintenance CSA 104	123,000
24375-912801-537160	IF-road maintenance CSA128	34,000
24600-914901-537160	IF-road maintenance CSA 149	155,000
24575-914501-527780	Special program exp CSA 145	10,000

Decrease unrestricted net assets:

40400-912211-380100	Unrestricted net assets	\$26,000
40440-906203-380100	Unrestricted net assets	\$26,000

For all other funds, offset is from available unreserved fund balance.

• **Flood Control and Water Conservation District – Subdivision Operations**

Recommended Motion: That the Board of Supervisors approve and direct the Auditor-Controller to make the following budget adjustments:

Increase appropriations:		
40660-947140-510040	Regular salaries	\$245,000
40660-947140-524820	Engineering services	240,000
40660-947140-526530	Rent-lease equipment	<u>60,000</u>
		\$545,000
Increase revenue:		
40660-947140-771930	Deposit-based fee draws	\$300,000
40660-947140-771830	Improvement plan check fees	<u>245,000</u>
		\$545,000

• **Flood Control and Water Conservation District – Encroachment Permits**

Recommended Motion: That the Board of Supervisors approve and direct the Auditor-Controller to make the following budget adjustments:

Increase appropriations:		
40670-947160-510040	Regular salaries	\$7,000
40670-947160-525400	Title service companies	8,000
40670-947160-572800	Intra-miscellaneous	<u>(8,000)</u>
		\$7,000
Increase estimated revenue:		
40670-947160-772020	Encroachment permit fees	\$7,000

• **Flood Control and Water Conservation District – Mapping Services**

Recommended Motion: That the Board of Supervisors approve and direct the Auditor-Controller to make the following budget adjustments:

Increase appropriations:		
48060-947300-526530	Rent-lease equipment	\$75,000
Decrease unrestricted net assets:		
48060-947300-380100	Unrestricted net assets	\$75,000

• **Flood Control and Water Conservation District – NPDES – Santa Ana Assessment**

Recommended Motion: That the Board of Supervisors approve and direct the Auditor-Controller to make the following budget adjustments:

Increase appropriations:		
25190-947560-510040	Regular salaries	\$37,000
25190-947560-518100	Budgeted benefits	<u>13,000</u>
		\$50,000
Decrease designated fund balance:		
25190-947560-320114	Designated fund balance-FC	\$50,000

- **Flood Control and Water Conservation District – NPDES – Santa Margarita Assessment**

Recommended Motion: That the Board of Supervisors approve and direct the Auditor-Controller to make the following budget adjustments:

Increase appropriations:

25200-947580-510040	Regular salaries	\$14,800
25200-947580-518100	Budgeted benefits	5,200
25200-947580-524500	Administrative support-direct	30,000
25200-947580-525440	Professional services	25,000
25200-947580-527240	NPDES contributions	<u>25,000</u>
		\$100,000
Increase estimated revenue:		
25200-947580-781560	Contributions-other agencies	\$100,000

- **Regional Park and Open Space District – Roy E. Shipley Reserve Trust**

Recommended Motion: That the Board of Supervisors approve and direct the Auditor-Controller to make the following budget adjustments:

Increase appropriations:

25580-931106-525080	Temp assist. pool svcs.	\$10,000
25580-931106-537080	Interfund misc.	<u>5,000</u>
		\$15,000

Fund balance is available to offset these increases.

- **Regional Park and Open Space District – Residence Utility**

Recommended Motion: That the Board of Supervisors approve and direct the Auditor-Controller to make the following budget adjustments:

Increase appropriations:

25510-931108-522310	Maintenance bldg. improve.	\$10,000
25510-931108-537180	Interfund exp-salary reimb.	<u>5,000</u>
		\$15,000

Increase estimated revenue:

25510-931108-741000	Rents	\$15,000
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- **Regional Park and Open Space District – Environmental Education Grant**

Recommended Motion: That the Board of Supervisors approve and direct the Auditor-Controller to make the following budget adjustments:

Increase appropriations:

25530-931117-520800	Household expense	\$4,540
25530-931117-527780	Special program expense	35,000
25530-931117-537080	Interfund misc.	<u>15,000</u>
		\$54,540

Internal Audits - Workplan Status Report

No.	Department	Audit Project	Reason For Audit	Scheduled Start	Scheduled Report	Actual Report Status	Apr-05	Feb-05
		✓ = Complete U = In Process → = Scheduled ■ = Not Scheduled X = Cancelled						
2004-017	Countywide	Computer and Office Equipment	FY2003/04 Audit	FY04 4th Quarter		Audit Completed, draft report issued and awaiting managements response. Final report by late April.	U	U
2004-020	Human Resources	Post Employment Plan	FY2003/04 Audit	FY04 4th Quarter		Completed and Report issued	✓	U
2004-022	Human Resources	Temporary Assistance Pool	FY2003/04 Audit	FY04 4th Quarter		Completed and Report issued	✓	U
2005-001	Assessor	Revenue and Tax Code, §95-35 Verification	Mandated	07/15/04	08/31/04	Completed and Report issued	✓	✓
2005-002	TLMA Building and Safety	Review of expenditures to Geopacifica for grading plan check	Management Requested	08/02/04	10/10/04	Completed and Report issued	✓	✓
2005-003	Sheriff Corrections	Review of the Inmate Trust Fund.	Mandated	09/03/04	12/03/04	Completed and Report issued	✓	U
2005-004	Assessor Clerk-Recorder	Review the process associated with changes in property market value.	Management Requested	FY05 1st Quarter		Cancelled	X	X
2005-005	All	Review the accounts payable process.	Internal Control	09/29/04	02/14/05	Draft report pending.	U	U
2005-006	Fire	Examine the financial accounts and records in accordance with Government Code 25250.	Mandated	12/08/04	04/17/05	Project wrap-up, draft report pending.	U	U
2005-007	Veterans Services	Examine the financial accounts and records in accordance with Government Code 25250.	Mandated	12/07/04	02/07/05	Audit Completed, draft report issued and awaiting management's response. Final report by early May.	U	U
2005-008	Perris Valley Cemetery	Financial	Executive Office request.	03/14/05	04/14/05	In process.	U	U
2005-009	Public Guardian	Examine the financial accounts and records in accordance with Government Code 25250.	Mandated	03/01/05	05/16/05	In process.	U	U
2005-010	Coroner/Public Administrator	Examine the financial accounts and records in accordance with Government Code 25250.	Mandated	05/09/05	06/20/05	Announcement letter sent. To start on schedule.	↑	↑
2005-011	Cooperative Extension	Examine the financial accounts and records in accordance with Government Code 25250.	Mandated	06/10/05	07/10/05	Not started.	↑	↑
2005-012	Mental Health	Review of internal controls for Clinic Fee Collections, Mental Health Flexible Program, and Public Guardian accounting.	Mandated	03/07/05	05/13/05	In process.	U	↑
2005-013	Counsel	Examine the financial accounts and records in accordance with Government Code 25250.	Mandated	05/13/05	06/20/05	Not started.	↑	↑
2005-014	District Attorney	Examine the financial accounts and records in accordance with Government Code 25250.	Mandated	04/18/05	06/10/05	Announcement letter sent. To start during the week of April 25.	↑	↑

Internal Audits - Workplan Status Report

No.	Department	Audit Project	Reason For Audit	Scheduled Start	Scheduled Report	Actual Report Status	Apr-05	Feb-05
2005-015	Registrar of Voters	Examine the financial accounts and records in accordance with Government Code 25250.	Mandated	06/20/05	07/30/05	Not started.	↑	↑
2005-016	Clerk of the Board	Examine the financial accounts and records in accordance with Government Code 25250.	Mandated	03/30/05	05/15/05	In process.	↻	
2005-017	Public Defender	Examine the financial accounts and records in accordance with Government Code 25250.	Mandated	05/26/05	06/30/05	Not started.	↑	
2005-018	RCRMC	Discharge of Accountability for Accounts Receivable	Mandated	05/16/05	06/30/05	Not started.	↑	↑
2005-019	Clerk Recorder	Examine the financial accounts and records in accordance with Government Code 25250.	Mandated	05/30/05	06/30/05	Not started.	↑	
2005-020	Information Technology	Review the controls over asset, from acquisition to disposition.	Mandated	05/15/05	07/15/05	Not started.	↑	
2005-021	Office on Aging	Examine the financial accounts and records in accordance with Government Code 25250.	Mandated	06/13/05	07/11/05	Not started.	↑	↑
2005-101	Treasurer/Tax Collector	Quarterly cash count and interest apportionment review.	Mandated	09/30/04	01/15/05	Completed.	✓	↻
2005-102	Treasurer/Tax Collector	Quarterly cash count.	Mandated	12/28/04	03/28/05	In process.	↻	↻
2005-103	Treasurer/Tax Collector	Quarterly cash count.	Mandated	03/01/05	06/01/05	In process.	↻	↻
2005-104	Treasurer/Tax Collector	Quarterly cash count.	Mandated	06/30/05	09/30/05	Not started.	↑	↑
2005-301	RCRMC	Follow-up on audit findings and recommendations from report #2003-006.	Follow-up	01/25/05	05/25/05	In process.	↻	↻
2005-302	All	Follow-up on previously performed audits with findings.	Follow-up	12/13/04	2/30/2005	In process.	↻	↻
2005-303	Courts	Follow-up of California State Audit for Delinquent Collections Program	Follow-up	04/15/05	05/30/05	Not started.	↑	
2005-304	All	Follow-up on previously performed audits with findings.	Follow-up	03/01/05	06/30/05	Not started.	↑	↑
2005-305	RCRMC Auditor-Controller	Follow-up on Nursing Fees Audit Review the adequacy of internal controls over the processing of interface transactions. Annual review of Human Resources Exclusive Care payments to providers via interface transactions.	Follow-up Management Requested	05/16/05	06/30/05	Not started. Included in Project No 2005-005 Accounts Payable Interface Transactions.	↑	↻

Internal Audits - Workplan Status Report

No.	Department	Audit Project	Reason For Audit	Scheduled Start	Scheduled Report	Actual Report	Status
		✓ = Complete U = In Process → = Scheduled ■ = Not Scheduled X = Cancelled					
	Community Action	Examine the financial accounts and records in accordance with Government Code 25250.	Mandated				Not yet scheduled.
	Department of Child Support Services Executive Office	Review of the process over the collection and payment process. Examine the financial accounts and records in accordance with Government Code 25250.	Mandated Mandated				Not yet scheduled. Not yet scheduled.
	Flood Control	Examine the financial accounts and records in accordance with Government Code 25250.	Mandated				Not yet scheduled.
	Waste Management	Examine the financial accounts and records in accordance with Government Code 25250.	Mandated				Not yet scheduled.
	Emergency Management System	Ensure the adequacy of internal controls and performance of the emergency management system.	Operational				Not yet scheduled.
	TLMA	Review the adequacy of controls and the effectiveness and efficiency of the Billing and Accounts Receivable operations.	Mandated	FY05 4th Quarter			Not yet scheduled.
	Mental Health	Performance review of claims filing process and adequacy of services provided.	Management Requested				Not yet scheduled.
	Human Resources	Performance and financial review of collections for extended leave of absences and to ensure compliance with the County's FLSA Program. Review the County-wide process for determining rates. Review the accuracy of rates charged to other departments and to the public.	Internal Control Internal Control				Not yet scheduled. Not yet scheduled.
	Mental Health	Review potential risks for contracted services.	Management Requested				Not yet scheduled.
	All	Review the purchasing process for compliance with laws and regulations. Conduct a performance review to evaluate the efficiency of the process and the financial impact of identified inefficiencies.	Internal Control and Compliance				Not yet scheduled.
	Health Services (CHA)	Review the claims and assistance payments made to recipients and provider organizations.	Management Requested				Not yet scheduled.

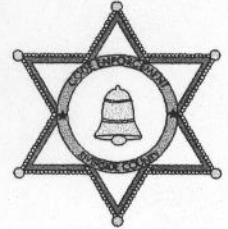
RESOLUTION NO. 440-8594

BE IT RESOLVED by the Board of Supervisors of the County of Riverside, State of California, in regular session assembled on _____, 2005, that pursuant to Section 5.A. of Ordinance No. 440, the Sheriff/Coroner/Public Administrator of Ordinance No. 440, is authorized to make the following listed change(s), operative on the date of approval, as follows:

<u>Job Code</u>	<u>+/-</u>	<u>Department ID</u>	<u>Class Title</u>
37602	+19	2500300000	Deputy Sheriff



COUNTY OF RIVERSIDE
Building and Safety Department
Code Enforcement Administration



MEMORANDUM

James J. Miller
Director

TO: Jennifer Sargent, County Executive Office

FROM: Ed Nicholls, Code Enforcement Division Manager

RE: Third Quarter Budget Report
 Code Enforcement Strategic Plan

DATE: April 21, 2005

Riverside County Code Enforcement Division has developed a strategic plan to reorganize the division in order to provide a more accountable, effective, responsive, and proactive code enforcement team. The division is currently organized in a regional office system, with code offices located in Indio, Murrieta, and Jurupa. These offices respond to five supervisorial district offices, with each code enforcement office responding to complaints and attempting to address the concerns of as many as three separate supervisorial district offices.

The implementation of the strategic plan includes the establishment of a written program outline, which clearly identifies the division mission, vision, values, goals and objectives, and specific roles and responsibilities for staff. A comprehensive training program is included within the plan. Communicating the plan to the staff and developing and implementing the training program will significantly increase accountability allowing staff members to more effectively address an over burdened case load. A Community Improvement Program is being developed allowing staff to better communicate code requirements, reach out to county residents, create educational opportunities, and establish community and neighborhood partnerships that focus on voluntary compliance.

To further ensure the success of the plan, staff will reorganize the geographic responsiveness of the division through the creation of five code enforcement offices. There will be one office responding to each of the five supervisorial district offices, mirroring the geographic boundaries of the supervisorial districts. The reorganized teams will be better prepared to address the unique concerns of each district office and increase the responsiveness to the Board Member, the Legislative Aides, and district residents, as well as other County staff partners.

Staff has prepared a budget request for F/Y 05/06 that includes additional staffing to allow staff to implement the strategic plan and create effective, responsive, and uniquely proactive teams in each of the five supervisorial district offices. This plan has been shared with and is supported by each of the five Board members and their staff members, Transportation and Land Management Agency Administrators, and the Executive Office.

cc: Tony Carstens, TLMA Director
 Jim Miller, Building and Safety Director
 Jim Monroe, Principal Code Enforcement Officer