

COUNTY OF
RIVERSIDE

STATE OF CALIFORNIA



COUNTY EXECUTIVE OFFICER'S

FY 2005-06
THIRD-QUARTER
BUDGET REPORT

MAY 2, 2006

Prepared by

Larry Parrish
County Executive Officer

3.45



Executive Office
County of Riverside

Larry Parrish
County Executive Officer

May 02, 2006

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 05/06 Third-Quarter Budget Report*

Board members:

The third-quarter budget report updates our financial condition, recommends needed adjustments and provides a preliminary perspective on the FY 06/07 budget.

Local discretionary revenue continues to rise and our economic trends continue to forecast unprecedented growth through the rest of this year and next. Discretion still is needed, given rising interest rates and the state's tentative financial posture. We are closely watching the economy for indications that our explosive growth will level off to an ordinary fiscal environment. Until then, we should continue to monitor ongoing costs, move ahead on key capital projects, and augment our reserves.

The FY 06/07 budget season is upon us. We forecasted FY 06/07 revenue and allocated a portion to previous Board commitments. Costs of doing business have risen and we have made adjustments accordingly. The Executive Office is evaluating and prioritizing requests for additional general-fund support and will submit a prioritized list to the Board at budget hearings on June 5.

We project additional ongoing revenue this quarter from property taxes (\$11 million) and interest earnings (\$3.5 million). With these funds and one-time revenue from prior-year supplemental property taxes (\$10.5 million), our financial forecast remains optimistic. No structural deficit is forecast for FY 06/07, given current programs. Continued fiscal restraint will be needed, however, to balance program increases against discretionary revenue.

FISCAL PROCEDURES APPROVED
ROBERT E. BYRD, Auditor-Controller

BY *Robert E. Byrd* 4/26/06

3.45

The effects of recent and recommended activity on contingency are summarized below

<u>\$ Millions</u>	
31.9	Third-quarter beginning balance
(5.0)	Third-quarter activity
<u>(0.2)</u>	Actions recommended in this report
\$26.7	New contingency balance (page 7)

Potential added costs totaling \$4.1million are summarized below. All of these items will be monitored.

<u>\$ Millions</u>	
0.8	Facilities – Energy Division (page 19)
0.6	CHA – Public Health operations (page 29)
2.4	CHA – California Children Services (page 29)
<u>0.3</u>	DHS prisoner hospital care (page 29)
\$4.1	

Other attachments:

- ATTACHMENT A Recommendations and associated budget-adjustment summary
- ATTACHMENT B Auditor-Controller's internal audit work plan update
- ATTACHMENT C Residential Substance Abuse Treatment shift
- ATTACHMENT D Gang Task Force update

IT IS RECOMMENDED that the Board of Supervisors: 1) receive and file this report; 2) approve the recommendations and associated budget adjustments in Attachment A; and 3) receive and file Attachments C and D.

Respectfully submitted,

LARRY PARRISH
County Executive Officer

**COUNTY OF RIVERSIDE
EXECUTIVE OFFICE
FISCAL YEAR 2005/06
THIRD-QUARTER REPORT**

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A. COUNTY'S FINANCIAL POSITION

1. THIRD-QUARTER ACTIVITY

a) Bond Ratings and Benchmarks

In March the county's credit risk and financial condition was evaluated by three agencies: Moody's Investment Services, Standard & Poor's, and Fitch Investor Services. Each is a nationally recognized statistical rating organizations regulated by the Securities and Exchange Commission. The ratings are a requirement for issuing certificates of participation or bonds for specific construction projects.

The agencies either upgraded or confirmed previous ratings and praised the county's conservative financial management and disciplined approach to budgeting. The agencies also cited expenditure control and rising reserves as evidence of the county's enhanced financial flexibility. Other positive attributes that were mentioned include the low debt burden and management's ability to meet various reserves and designation targets. Examples include a reserve for economic uncertainty (fully funded at approximately 15 percent of discretionary revenue) and a new reserve for land banking and construction.

Both Fitch and Moody's balanced these strengths with concern about the fiscal stability of the county hospital. Each agency noted that the hospital subsidy increased from \$17 million in fiscal year 2004 to \$31 million in fiscal year 2005.

Given the significance that rating agencies place on the hospital subsidy, the Executive Office recommends reallocating discretionary tobacco-tax settlement funds to the county hospital and at the same time lowering the subsidy by the same amount. The details of this recommendation are presented on page 3 of this report with the quarterly discretionary revenue update.

The three rating agencies recognize that the county and other agencies statewide feel the same pressures as they work to address increasing costs for pensions and other post-employment benefits. It was noted that while the county's recent pension obligation bond (POB) issue provided budgetary relief in fiscal 2005, POB debt service payments have also been incorporated into the fiscal 2006 budget, which is structurally balanced. In fact, the county is tracking and, twice a month, setting aside the savings it obtained from the POB. The intent is to use the accumulated savings to pay down either the POB principal or any remaining unfunded pension liability at the end of the fiscal year.

The following chart depicts current benchmarks as upgraded by the rating agencies and presents a comparative perspective on the ratings themselves. The circles indicate the county's current general obligation ratings.

Riverside County's Budget Health Benchmarks

	Target	01/02	02/03	03/04	04/05	05/06	Now
Reserve for Economic Uncertainty	15%	3%	8%	10%	3%	20%	15%
Contingency	4%	5%	6%	3%	4%	4%	4%
Structural Deficit	<1%	0%	0%	3%	6%	1%	0%
General Obligation Rating	AA+	AA-	AA-	AA-	AA-	AA-	AA

	Moody's	S&P	Fitch
Best Quality	Aaa	AAA	AAA
High Quality	Aa1	AA+	AA+
	Aa2	AA	AA
	Aa3	AA-	AA-
Upper Medium Grade	A1	A+	A+
	A2	A	A
	A3	A-	A-
Medium Grade	Baa1	BBB+	BBB+
	Baa2	BBB	BBB
	Baa3	BBB-	BBB-

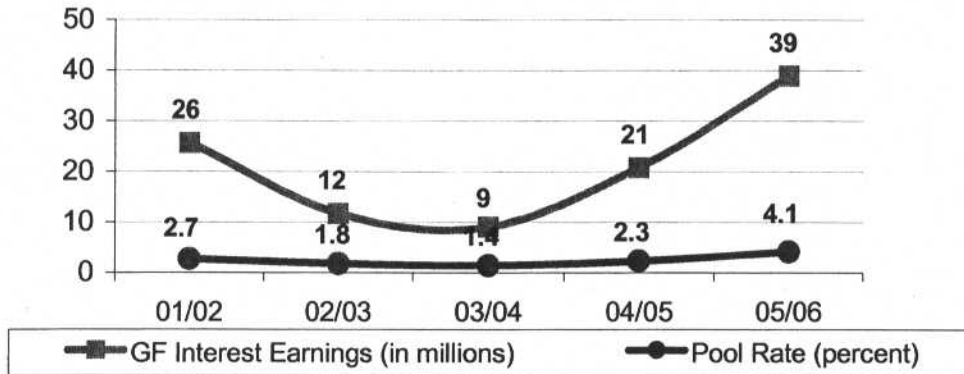
b) Interest Rates and Pool Performance

The Federal Reserve continues to raise the Federal Funds rate and the county is well positioned to take advantage of those increases. The Treasurer has again increased his estimate of general-fund interest earnings. The current fiscal-year estimate stands at \$39 million, a \$3.5 million increase over the mid-year report. Since budget adoption in June 2005, interest estimates have increased \$15 million. The Treasurer estimates that next year's interest revenue also should be at least \$39 million. The Treasurer has indicated that the key variables for FY 06/07 earnings will be: additional Fed activity; ending balances; and the size of the TRAN issue.

The first and primary objective of the Treasurer's investment of public funds is to safeguard investment principal, second to maintain sufficient liquidity within the portfolio for daily cash flow requirements, and third, to achieve a reasonable rate of return on the portfolio consistent with these objectives. At the end of March, the Fed Funds rate was 4.75 percent, an increase of 0.50 percent since the end of December. Since the beginning of the fiscal year the Fed Funds rate has increased 1.5 percent.

The following graph reflects the correlation between interest income and the current investment pool rate through the third quarter. The next section of this report recommends a budget adjustment designating the additional interest revenue.

Pool Rate and General Fund Interest Earnings



c) Quarterly Discretionary Revenue Update

At this time, we can again adjust our annual discretionary revenue estimates. The Auditor-Controller projects additional supplemental property-tax revenue of \$19.5 million and contractual redevelopment revenue of \$2 million. Of the \$19.5 million, \$10.5 million is from the prior year. While current-year supplemental revenue is predictable and ongoing, prior-year supplemental revenue should be considered one-time in nature. The Executive Office recommends designating this revenue for land banking and future construction projects.

Due to the Federal Reserve's increases during the quarter, the Treasurer now projects this year's general-fund interest earnings at \$39 million. This is \$3.5 million more than reported in the mid-year report. The Executive Office recommends reserving this additional discretionary revenue by putting it into the capital project designation for land banking and construction.

Tobacco Settlement Revenue

In January 2000, the Attorney General's Office began receiving California's share of the tobacco settlement. Half goes to the state's general fund and the remainder is divided, based on population, among California's 58 counties and four largest cities. Each local government decides how to use its share. The county's current annual allocation is \$16.6 million.

Annual payments to the county are expected in perpetuity. The exact figures are based on a complex formula that changes, in part, based on the number of cigarettes sold. Declines in tobacco consumption and potential policy changes initiated by the federal government could influence the payments, which have been stable for the past six years.

The county followed Legislative's Analyst Office recommendations and did not dedicate tobacco settlement revenue to new ongoing programs, regarded the revenue as discretionary and deposited it into the general fund. The tobacco settlement agreement does not restrict the money's use but there is a tie to tobacco-related health-care costs.

The Executive Office recommends allocating the county's tobacco settlement revenue to the county hospital, thereby reducing the current general-fund subsidy to the hospital by an equal amount. This allocation will be reevaluated each fiscal year and adjusted based on the hospital's financial condition.

The chart below summarizes total discretionary revenue for FY 05/06.

Summary of FY 05/06 General Fund Discretionary Revenue (in millions)			
Source	2nd Qtr. Estimate	Current Estimate	Variance from Budget
Property Taxes	228.0	239.0	11.0
Tax Losses Reserve Fund Overflow	10.0	10.0	0.0
Sales Tax *	35.5	35.5	0.0
Motor Vehicle In Lieu	163.5	163.5	0.0
Federal In-Lieu Taxes	1.0	1.0	0.0
Documentary Transfer Tax	34.0	34.0	0.0
Transient Occupancy Tax	1.5	1.5	0.0
Franchise Tax	5.1	5.1	0.0
Fines and Penalties	26.5	26.5	0.0
El Sobrante	2.2	2.2	0.0
Interest	35.5	39.0	3.5
Tobacco Settlement	16.6	16.6	0.0
Other (Prior Year & Miscellaneous)	31.2	41.7	10.5
TOTALS	590.6	615.6	25.0

* Does not include public safety sales tax revenue

Recommended Motion: That the Board of Supervisors approve and direct the Auditor-Controller to: 1) recognize tobacco tax settlement revenue as departmental revenue in the hospital budget; and 2) make the following changes to Board designations and estimated revenue:

Increase estimated revenue:		
10000-1300100000-704000	Prop. tax – current supplemental	\$9,000,000
10000-1300100000-705000	Prop. tax – prior supplemental	10,500,000
10000-1300100000-781000	Contractual revenue	2,000,000
10000-1400100000-740010	Interest – invested funds	3,500,000
	Total	\$25,000,000
Increase fund balance:		
10000-1100100000-320109	DFB – capital projects	\$25,000,000
Increase estimated revenue:		
40050-4300100000-782000	Tobacco tax settlement	\$16,600,000

Decrease estimated revenue: 10000-1100100000-782000	Tobacco tax settlement	\$16,600,000
Decrease appropriations: 10000-1101000000-551100	Contribution to other funds	\$16,600,000
Decrease estimated revenue: 40050-4300100000-790600	Contributions from other funds	\$16,600,000

d) Board Designations

The Executive Office recommends that the Board continue to set aside new discretionary revenue. Capital construction and land designations should be augmented whenever additional funding becomes available and critical reserve targets are on mark. The two critical reserve targets are the reserve for economic uncertainty (REU) and appropriations for contingency. Both reserves have targets based on total discretionary revenue and will meet, or exceed, Board-adopted thresholds if this report's recommendations are approved. The target for REU is 15 percent of ongoing discretionary revenue, while contingency is at 4 percent.

The economic uncertainty designation is not dedicated to a specific purpose. It was established and increased to buffer Riverside County against state actions that could increase county costs or cut revenue. This designation will be critical until the state eliminates the structural deficit in its budget. The contingency budget is a cushion against unanticipated expenses or revenue shortfalls during the fiscal year.

Board Designations (in millions)				
	Current Target	04/05 Ending Balance	05/06 Mid-year Balance	Current as recommended
Economic Uncertainty	86.0	124.8	88.6	88.6
Capital Projects	150.0	0.0	77.0	82.0
DPSS		4.1	11.4	11.4
SB90 Deferral		10.0	10.0	10.0
Hospital		10.0	10.0	0.0
Community Improvement		0.0	3.0	3.0
Mental Health		0.0	4.5	0.5
800 MHz		4.5	4.5	4.5
ROV operations		0.0	1.7	0.6
CAC Maintenance		0.8	1.0	1.0
TOTAL		154.2	211.7	201.6

The previous chart reflects about \$202 million in general funds designated by the Board and invested in the county pool. About \$31 million is earmarked to fund specific, potential needs and almost \$89 million is set aside to protect against "harmful" state actions. The remaining \$82 million is being held for capital construction projects and land banking. These funds can be increased, decreased, or spent only with Board approval.

On March 28, minute order 3.21 granted a bid award to ASR constructors for the Perris sheriff's complex and family care center. The total project cost is \$30 million. The Capital Improvement Program team is securing bonds for various projects, which include the Perris complex. Because bonds have not been sold yet, the award was temporarily secured with general funds from the capital project designation. An accounting adjustment segregated \$30 million of the general fund for this purpose. When the bonds for capital projects are sold and money received, an adjustment will reimburse the general fund. When this is accomplished, these designations will increase and total \$231.6 million. It is estimated that this process will take place in early June.

If this report's recommendations are approved, \$25 million in newly-identified discretionary revenue will be placed into the capital project designation, increasing it from \$57 to \$82 million. When the \$30 million borrowed from the capital projects funds is repaid, this designation will increase to \$112 million.

The Registrar of Voters has asked to use \$1.1 million of the \$1.7 million set aside at the beginning of the year. Details on this request are included in the department's status report on page 21.

Mental Health has asked to use \$4 million of the \$4.5 million set aside at the beginning of the year. More details on this request are available in Mental Health's department status report on page 29.

During FY 03/04 the Board established a \$10 million general fund designation to cover a potential RCRMC shortfall. It was to be used in case of dire economic emergency. The hospital has performed well - it started this year with an \$18 million cash surplus - and no longer projects a fiscal emergency. The designated funds should be set aside for another purpose. It is recommended that these funds be placed in the capital project designation. The hospital director has identified several important capital projects he thinks should be considered for general fund support. He plans to bring these projects to the Board's attention through the normal CIP process.

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

Increase designated fund balance:		
10000-1100100000-320109	DFB – Capital Projects	\$10,000,000
Decrease designated fund balance:		
10000-1100100000-320130	DFB – Hospital Shortfall	\$10,000,000

e) General Fund Impact

The following chart illustrates third-quarter use of contingency appropriations for unanticipated expenses or revenue shortfalls during the fiscal year.

FY 05/06 USE OF CONTINGENCY					
	Cost	Adjust.	Revenue Adjust.	Total Adjust.	Contingency Status
Second Quarter Ending Balance:				\$31,958,965	
Third Quarter Adjustments:					
3.23 of 01/31/06 Cash Shortage Fund		\$2,105		(\$2,105)	\$31,956,860
3.36 of 02/07/06 Registrar of Voters		\$5,454,116		(\$5,454,116)	\$26,502,744
3.9 of 02/28/06 Animal Services		(\$512,748)		\$512,748	\$27,015,492
3.55 of 02/28/06 Cash Shortage Fund		\$5,214		(\$5,214)	\$27,010,278
3.21 of 03/21/06 Cash Shortage Fund		\$1,483		(\$1,483)	\$27,014,009
Recommended Actions (in this report) Affecting Contingency:					
Riverside Co. Integrated Plan (RCIP)		\$500,000	\$0	(\$500,000)	\$26,514,009
Auditor-Controller		\$0	\$433,839	\$433,839	\$26,947,848
Animal Services		\$150,000	\$0	(\$150,000)	\$26,797,848
Contingency at end of Third Quarter =				\$26,797,848	
Pending Actions That Might Affect Contingency:					
CHA - Public Health		\$640,000		(\$640,000)	\$26,157,848
CHA - California Childrens Services		\$2,400,000		(\$2,400,000)	\$23,757,848
Detention Health Svcs		\$251,000		(\$251,000)	\$23,506,848
Facilities Mgmt- Energy Division		\$850,000		(\$850,000)	\$22,656,848
Projected Third Quarter Contingency =				\$22,656,848	
Contingency Target (4% of Disc. Rev) =				\$23,000,000	

f) FY 06/07 Budget Outlook

The FY 06/07 budget process kicked off in early February. Departments were directed to submit balanced budgets, adhere to their net-county-cost targets, and to absorb cost-of-living increases. To mitigate other cost increases in internal service fund charges and the countywide cost allocation plan (COWCAP), departments also were directed to maximize revenues by updating their fees. While most departments met those objectives, others are struggling to balance their budgets within the requirements and are seeking additional general-fund support. The Executive Office is evaluating these requests on a case-by-case basis and will submit a prioritized recommendation list to the Board on June 5 with the proposed budget.

Current requests for additional general-fund support (addback requests) total about \$150 million, far more than could be funded without recreating a structural budget deficit. The

Executive Office will identify at budget hearings how much discretionary revenue is available to allocate without creating a structural deficit in the final 06/07 budget.

2. GENERAL FUND MULTIPLE-YEAR PROJECTION

The multiple-year projection is displayed in a five-year format. Based on recent growth in discretionary revenue and assuming the current program levels, we project a balanced budget in FY 06/07 with no structural deficit.

General Fund Multiple-year Projection (in millions)						
	FINAL BUDGET	PROJECTED ACTUAL				
	05/06	05/06	06/07	07/08	08/09	09/10
<u>RESOURCES:</u>						
Adjusted Fund Balance	34	47	24	25	26	27
Ongoing Revenue (5% growth)	483	549	615	646	678	712
Tobacco Settlement	16	16	0	0	0	0
State Realignment Reimbursement	11	11	0	0	0	0
Use of Reserves	5	5	0	0	0	0
Misc. One-Time Revenue	0	40	0	0	0	0
	548	667	639	671	704	739
<u>APPROPRIATIONS:</u>						
Misc. Ongoing NCC	463	469	486	505	526	547
Projected Ongoing FY05/06 Costs	0	5	0	0	0	0
Misc. One-Time Costs	0	19	0	0	0	0
Contingency	20	24	25	25	26	27
Smith Correctional Facility	0	0	9	9	10	10
Public Safety COLA's	7	7	13	18	23	28
Sheriff 1.2 Staffing	7	7	18	19	20	21
Capital Project Funding	20	20	25	30	35	40
Hospital Subsidy	31	31	14	14	13	13
SB90 State Deferral of Payments	0	0	0	0	0	0
Added to Reserves	0	85	0	0	0	0
	548	667	590	620	653	686
Available for Budget Needs	0	0	49	51	52	54
<u>NOTATIONS:</u>						
All discretionary reserves	154	203	233	233	233	233

Assumptions:

- 1) Departments to absorb additional miscellaneous PERS costs
- 2) Discretionary revenues assumed to grow at a five percent rate

3. QUARTERLY HIRING TRENDS

The table below illustrates nine months of progress in filling vacant positions authorized for staffing: Sheriff's unincorporated patrols at 1.2 deputies per 1,000 residents; District Attorney positions for prosecution, investigation and support; and Public Defender and Probation positions to maintain balance in the criminal-justice system. Positions were authorized to strengthen code-enforcement and animal-control efforts. Positions also were authorized mid-year for the public-safety gang initiative. Overall, the departments mentioned are filling positions at a higher pace than the county average. Numbers in the chart do not include individuals who are in background check, awaiting medical or psychological exams, or scheduled for interviews.

A more specific analysis on Sheriff's staffing is available in the departmental status section of this report, on page 27.

Department	July 2005			March 2006			3 rd Quarter Cumulative Progress
	Filled Regular Positions	Authorized Regular Positions	Percent Filled	Filled Regular Positions	Authorized Regular Positions	Percent Filled	
Animal Control	91	150	60.7%	120	149	80.5%	19.87%
Code Enforcement	54	76	71.1%	72	77	93.5%	22.45%
District Attorney	498	606	82.2%	565	630	89.7%	7.50%
Public Defender	160	244	65.6%	195	244	79.9%	14.34%
Sheriff Patrol	1,389	1,682	82.6%	1,510	1,771	85.3%	2.68%
Sheriff Corrections	903	1,065	84.8%	939	1,069	87.8%	3.05%
Countywide*	13,720	17,678	77.6%	14,404	18,311	78.7%	1.05%

*excludes Parks, Flood, and CSA's

B. STATE BUDGET UPDATE

The proposed state budget will likely contain a structural deficit, currently estimated at more than \$6 billion. Unlike the past few years, health and human-services programs are not put at great risk by the budget the Governor proposed in January. Still, some items could affect the county budget and should be considered. Any effects will not be certain until after the state adopts its budget.

Concerns that might materialize are discussed below. Specific information on county impacts will be provided as the proposals move toward resolution.

Freeze on state contributions for county overhead and salary reimbursements

The Governor does not want to fund these costs, potentially placing the county in the position of having to fund rising costs associated with administering state programs.

Mental-health services to special education pupils

The Governor proposes \$100 million to fund this program, with another \$50 million from the state general fund for services that are not federally mandated. It is unclear whether the funds are sufficient to fund the program.

Delay incentive payments to counties for improved CalWORKS programs

The Governor's budget proposes to delay approximately \$10 million due statewide in incentive payments.

Child-support collection system automation

California continues to accrue penalties because it has not developed and implemented a system that meets federal requirements. The governor's budget contains an optimistic assessment about whether the state can comply this year and notes that penalties are held in abeyance until the certification process is done. The Office of Child Support Services, however, has told many counties that they should expect to share in the penalties if compliance is not achieved.

Community-care licensing

Partially in response to concerns raised by Riverside County and others, the governor has proposed a \$46.7 million increase to reform the Community Care Licensing program, including group-home oversight.

Hospital waiver

The waiver implementation and resulting payments for hospital services were delayed because of negotiations between the state and the federal government. That problem appears to have been rectified, although the state has been forced to advance funds to certain counties, including Riverside. The outstanding issue is the allocation formula among public hospitals, which was only agreed upon for one year. It appears that public hospitals have reached tentative agreement on a formula (our hospital administration agrees).

Booking fees

A proposal by police chiefs and sheriffs could end years of rancor over counties charging cities a booking fee to process individuals arrested by city agencies. The proposal provides state funds to counties that have imposed a booking fee, as well as to counties that have not imposed the fee. The Legislature has not approved the proposal, which has received a mixed response from counties. In the meantime, the Executive Office has taken action to present an updated booking fee to the Board for adoption prior to the new fiscal year.

New judgeships

The governor's budget would create 150 new judgeships over the next three years, with 50 posts to be established during FY 06/07. The Legislature has not approved the proposal. If implemented, the proposal would begin to address the shortage of judgeships throughout the Inland Empire. A focus for administrative and legislative discussions involves assurances that judicial appointees reflect the state's ethnic and racial diversity.

C. FISCAL YEAR 2005/06 DEPARTMENTAL STATUS

1. INTER-DEPARTMENTAL

a) Capital Improvement Program (CIP)

A number of downtown projects are moving forward. The project architect for the new District Attorney building will be selected in May 2006. Also taking place in May is the contractor selection for the new Fleet Services facility in Rubidoux. Site selection is currently in progress for the Northwest Animal Shelter, TLMA Pedley Road Yard Relocation, and the Fleet Services Fueling station.

A draft assessment of parking needs in downtown Riverside has been completed by the Executive Office. Strategies and options to provide juror parking under Senate Bill 1732 and to address parking needs downtown will be presented to the Board in the CIP workshop June 19, 2006.

A greater number of CIP projects are in the development stage where architectural services are needed to complete the programming process and to move the projects forward. The FY 06/07 CIP proposed budget will fund over 20 projects. A project development fund was established earlier this fiscal year to keep projects progressing.

Development Impact Fees

Development Impact Fees (DIF) may be used only for facilities identified on the public facilities needs list. The Woodcrest Library is a named facility and eligible for DIF funding up to \$330,000. Previous Board action (Items 9.6 April 4, 2006, and 3.20 on July 26, 2005) authorized the project. The Riverside County library fund advanced funds for architectural services for the Woodcrest Library and now should be reimbursed from DIF.

Recommended Motion: *That the Board of Supervisors approve the transfer of \$330,000 in DIF western Riverside County public facilities funds to the Riverside County Library and direct the Executive Office to transfer \$330,000 from the DIF western Riverside County public facilities fund (30545) to the county free library fund.*

b) Public Safety Enterprise Communication Project (PSEC)

April 2005 - Radio RFP

In April 2005, the Board authorized a request for proposals to solicit plans for resolving the county's 800 MHz radio coverage issues. The Board was advised that RCC Consulting estimated it would cost \$46 million to \$83 million to "fix" the existing radio system. The cost range is driven by the vendor's ability to provide a complete turnkey radio system. The request for proposal (RFP) stipulates that the county would hold back final payment until the system is certified as fully operational and provides the required coverage.

At that time, the Board was advised that the estimate did not include the cost of purchasing or leasing property needed for new towers; however, the cost of constructing tower sites was included. RCC Consulting estimated that 15 new tower sites were needed to augment the

existing 18 towers. Facilities Management estimated it would cost \$120,000 to acquire each site, a total of \$1.8 million.

To raise and address issues promptly, the Board established the project steering committee, which includes staff from the Sheriff's Department, Fire Department, Facilities Management, Information Technology and the Executive Office. The committee monitors the project's progress and makes high-level decisions to keep the project on time and within budget.

In a letter to the Board, the Executive Office advised that the \$46 million to \$83 million estimate did not include a contingency estimate. Contingency requirements were to be evaluated after a vendor was selected and negotiations completed.

Public Safety Enterprise Communication (PSEC) Project Team

In September 2005, the Board established the 800 MHz radio project team and authorized funding for the team's administrative expenses to complete the RFP evaluation, select a vendor, negotiate a contract, and implement the new radio system.

The team is composed of staff from the Sheriff's Department, County Fire, Facilities Management and Information Technology (RCIT). The project team will make a recommendation on a vendor to the project steering committee.

A separate budget of \$2.1 million was established to pay for items such as expert counsel and technical assistance to support the project team. These expenses go beyond the cost of the vendor installing the radio system. Costs for the PSEC are an estimated \$1.7 million in FY 05/06. The PSEC proposed project budget for FY 06/07 is \$5 million.

After the new radio system is installed and certified, the project team's members will return to their respective departments. Maintaining and operating the radio system will be incorporated into RCIT's operations. New backbone rates and radio replacement rates will have to be developed based on the new system's cost.

Bid Reviews

The minimum coverage requirements specified in the RFP are designed to enhance radio signal quality and strength in the existing coverage areas, those areas identified as problem areas by the Sheriff's Department, and the areas where growth is projected to occur over the next ten years. The estimated cost of these requirements is included in the proposed cost range.

In addition, the RFP requires the vendors to propose, as an option, coverage in those areas within the Riverside County boundary that are not covered as specified above. This option will provide the county with the costs and level of effort required to provide 95% radio coverage of the county's geographical area. This optional cost is not included in the proposed project cost; it will be an additional cost and might increase the overall project budget.

Two vendors responded to the 800 MHz RFP. The PSEC team has met repeatedly with the two vendors to clarify gaps in their responses. Addendums to the RFP have been issued to

address vendors' questions about technical specifications and county requirements. The PSEC team evaluated the addenda and vendor responses, further delaying a final recommendation.

As stated in the mid-year report, the vendors proposed sites in federal wilderness land and environmentally sensitive areas. Initial discussions with the Bureau of Land Management and the Forestry Service indicated that the likelihood of acquiring land-use exemptions for public-safety radio sites is small.

As a result, vendors were asked to redesign their proposals for voice and data coverage. New designs must exclude sites on federal wilderness land and in environmentally sensitive areas while maintaining the coverage density defined in the original RFP. The redesign will delay the project in order to give vendors adequate time. Because the coverage design is the project's most critical component, the project team is giving the vendors a reasonable period of time to respond.

To keep the Board apprised of the project, the PSEC team developed a monthly update and distributed the first report in December 2005. That report advised that vendors proposed as many as 38 additional radio sites in their coverage designs. The final number of sites will be refined once a vendor is selected and the final coverage design is developed.

The new estimate means the cost of purchasing and leasing property for towers will need to be revised. Those costs are the county's financial responsibility and are not included in the vendors' cost proposals. Costs for site construction, foundations, buildings and components will be included in the vendor's cost proposal, including the costs for any additional sites proposed.

The following table reflects estimated project cost ranges.

800 MHz Radio Project	One-time Cost Range
RCC Consulting projected radio system cost	\$46 million to \$83 million
RCC Consulting projected 15 new tower sites. Facilities Management provided land acquisition cost range of \$120,000 to \$150,000.	\$1.8 million to \$2.25 million
Vendors advise as many as 38 additional tower sites. <i>Note: A number of the tower sites may be on BLM land which will reduce this cost.</i>	\$4.56 million to \$5.7 million
PSEC Project Team: Team of 24 staff from Sheriff, Fire, RCIT and Consultants. Estimated two year team involvement.	\$10 million to \$12 million

Current 800 MHz Radio System Costs	One-time Cost Range
Suggested Project Contingency	\$15 million
Estimated Project Cost Range	\$77.36 million to \$117.95 million
Cost represents land acquisition/lease and constructions costs for Edom Hill, Pine Cove and Indio Hill towers for the current radio system. These sites will also serve the new radio system.	\$4 million (current investment)
On-going operating costs of the new system will eventually replace the current annual radio costs and will be supported through radio rates charged to departments. Additionally, the radio replacement rates will be updated to reflect the new radio unit costs.	Unknown

The various addenda will delay the PSEC team's award recommendations to the project steering committee until November. The committee's recommendations on a vendor and implementation costs will then go to the Board. The Executive Office is reviewing funding options. The RFP also directed the vendors to provide financing options. The RFP requires all project work to be completed no later than 24 months after a notice to proceed is received.

As noted earlier, the Board approved a budget for the 800 MHz Project Team and a general fund budget (10000-7400300000) was established. The Auditor-Controller has advised that the PSEC Project should be a capital project fund. Capital projects funds are created to account for major financial resources, including debt proceeds and other sources, to be used for the acquisition or construction of specified, major capital facilities. This project represents a major county investment in public safety.

Recommended Motion: *That the Board of Supervisors approve and direct the Auditor-Controller to move 800 MHz Radio Project fund 10000-7400300000 appropriations and estimated revenue to 800 MHz Radio Project fund 33500-7400300000.*

2. GENERAL GOVERNMENT

a) Assessment Appeals Board

The department projects that current appropriations will not cover unanticipated expenses for salaries and benefits, administration support, and for computer equipment. The department requests additional appropriations to meet these obligations, and has identified additional revenue to cover this new expense without adding new net county cost.

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

Increase appropriations:		
10000-1000200000-510040	Regular salaries	\$28,000
10000-1000200000-523640	Computer equip - non fixed asset	8,000
10000-1000200000-524500	Administrative support-direct	<u>37,000</u>
	Total	<u>\$73,000</u>
Increase estimated revenue:		
10000-1000200000-770030	Prop tax collection & admin	\$73,000

b) Assessor-Clerk Recorder

Assessor's Office

The Assessor's Office anticipates cost savings of \$972,247 and net excess departmental revenue of \$3,378,422 due primarily to higher-than-anticipated revenue from processing supplemental assessments. The department currently plans to embark on an extensive records-preservation and imaging project to index, microfilm, archive and electronically image its significant holdings of permanent county property records. The Executive Office recommends reserving portions of the current and future surplus fund balance from this budget unit to set aside sufficient resources to preserve, protect and archive such permanent records. This is necessary both to address space needs and to ensure the long-term viability and business continuity of mission critical property records.

Recommended Motion: *That the Board approve and direct the Auditor-Controller to establish a new reserve of available fund balance for the purpose of records preservation in the amount of \$2 million, as follows:*

Increase reserve fund balance:		
10000-1200100000-new	Reserve for records preservation	\$2,000,000

c) Auditor-Controller

In February, the Auditor-Controller was authorized to release funds held in reserve from FY 04/05 encumbrances and increase current-year appropriations for various departments. A portion of the reserve (\$433,839) was neither appropriated nor reserved. The Executive Office recommends appropriating that amount in contingency so it may properly be accounted for during the budget process.

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

Decrease unreserved fund balance:		
10000-1100100000-325100	Unreserved fund balance	\$433,839
Increase appropriations:		
10000-1109000000-581000	Appropriation for contingency	\$433,839

d) Auditor Controller – Internal Audits Unit

The Board has directed the Executive Office to report on the status of the work plan and staffing levels in the Auditor-Controller's internal audits unit. A complete copy of the status report is included in this report as Attachment B, and an audit summary is provided on the next page. Also following is a position update.

<u>Audit status:</u>		<u>Position status:</u>	Filled	Unfilled
Complete	6			
In Progress	25	Chief accountant	1	0
Scheduled	10	Principal accountant	1	1
Not Scheduled	7	Senior internal auditor	7	4
Cancelled	1			
Total	49		9	5

e) Board of Supervisors

Current appropriations will not cover unanticipated expenses for salaries and benefits and for computer server equipment. Additional appropriations are needed to meet these obligations, and additional revenue is available to cover this new expense without adding new net county cost.

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

Increase appropriations:		
10000-1000100000-510040	Regular salaries	\$175,000
10000-1000100000-546080	Equipment - computer	<u>55,000</u>
	Total	\$230,000
Increase estimated revenue:		
10000-1000100000-726080	License-CATV	\$165,000
10000-1000100000-753360	CA-mandate reimbursement process	55,000
10000-1000100000-777520	Reimbursement for services	<u>10,000</u>
	Total	\$230,000

f) Economic Development Agency

Administration – 1900100000

An adjustment is required to transfer funds to another EDA budget unit to track project-driven costs more efficiently.

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

Increase appropriations:		
21100-1900100000-536280	Contributions - project improve. costs	\$1,322,680

Increase estimated revenue:		
21100-1900100000-778330	Interfund - salary reimbursement	\$ 207,095
Use unreserved fund balance:		
21100-1900100000-325100	Unreserved fund balance	\$1,115,585

Fair

Revenue is projected to exceed budgeted revenue. A budget adjustment is requested to insure sufficient appropriations in order to complete the fiscal year. There is no effect on the general fund.

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

Increase appropriations:		
22200-1920100000-537180	Interfund exp.- salary reimbursement	\$76,000
Increase estimated revenue:		
22200-1920100000-741020	Admissions	\$76,000

Aviation

The Aviation budget requires adjustments for a long-time employee's retirement, removal of an underground fuel tank at French Valley airport, and special-event expenses. In addition, an appropriation increase is needed to reappropriate funds previously moved to unreserved funded balance. There is no effect on the general fund.

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

Increase appropriations:		
22100-1910700000-518100	Budgeted benefits	\$20,000
22100-1910700000-522310	Maintenance - building & improvements	156,098
22100-1910700000-523270	Special events	60,000
22100-1910700000-537120	Interfund exp. - pro. & spec. svcs	100,000
22100-1910700000-537180	Interfund exp. - salary reimbursement	60,000
22100-1910700000-546360	Vehicles - heavy equipment	<u>56,924</u>
		\$ 453,022
Increase estimated revenue:		
22100-1910700000-740020	Interest - invested funds	\$10,500
22100-1910700000-790020	Sale of real estate	<u>359,250</u>
		\$369,750
Use unreserved fund balance:		
22100-1910700000-325100	Unreserved fund balance	\$83,272

EDA-Mitigation Fund

A budget adjustment is requested to account for additional expenses and revenue. There is no effect on the general fund.

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

Increase appropriations:		
32710-1900100000-536280	Cont. - project improv. costs	\$1,200,000
Increase estimated revenue:		
32710-1900100000-722000	Mitigation fee	\$1,200,000

g) Executive Office

Since funding for the Riverside County Integrated Plan (RCIP) began in 1997 the county has spent approximately \$30 million. The RCIP was visionary – the development of a new general plan, a multi-species habitat conservation plan and the Community and Environmental Transportation and Acceptability Process. Although RCIP development is complete, implementation is ongoing and its expense needs to be addressed. Funds for implementing the RCIP inadvertently were omitted from the FY 05/06 budget. The following budget adjustment is needed to provide funding for current-year expenditures.

Recommended Motion: *That the Board of Supervisors approve and direct the Auditor-Controller to increase appropriations for the contributions to other funds account \$500,000 and decrease contingency by \$500,000, as follows:*

Increase appropriations:		
10000-1101000000-551100	Contributions to other funds	\$500,000
Decrease appropriations:		
10000-1109000000-581000	Contingency	\$500,000

h) Executive Office – Contribution to Other Funds

The Public Authority projects that revenue and expenditures will remain consistent with the approved budget. No additional appropriations are being requested but the department requests a cash transfer of the already-approved county contribution of \$733,560 from the DPSS Realignment reserve. The recommended motion will allow the Executive Office to transfer these funds to the Public Authority.

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

Increase appropriations:		
10000-1101000000-551100	Contributions to other funds	\$733,560

Decrease designations:		
10000-1100100000-320129	DPSS realignment growth	\$733,560

i) Facilities Management

On February 7, 2006, via minute order 3.18, the Board increased the Riverside County Administrative Center (CAC) Energy Conservation and Temperature Stabilization Project by \$125,000. The funding source is the CAC annex maintenance reserve, a designated fund within the Executive Office that can be used for future facility needs in the annex. A technical budget adjustment is required to release the designated fund balance for this project.

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

Increase appropriations:		
10000-1101200000-536780	Interfund - capital projects	\$125,000

Decrease designated fund balance:		
10000-1101200000-308163	Res - CAC annex maintenance	\$125,000

Energy (Utilities) Division

During the FY 05/06 proposed budget, Facilities Management requested \$850,000 in additional general-fund support for increased utilities costs. Action was deferred to the quarterly reports, when costs could be re-evaluated for overall effect on the budget. As reported in the mid-year quarterly report, the department projects that utility rate increases might affect the budget for FY 05/06. The final determination will not be available until the close of the year. The Executive Office will continue to monitor the situation. Supplemental general-fund support for this division will be addressed at the end of the fiscal year.

At this time, Facilities Management requests an adjustment to account for an energy rebate check related to the southwest co-generation plant. Minute order 9.2 on May 25, 2004, authorized the rebate check to be applied to the project cost. A technical accounting adjustment is required to make the payment to the project vendor.

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

Increase appropriations:		
10000-7200600000-532600	Cap.lease-purchase principal	\$1,175,000

Increase estimated revenue:		
10000-7200600000-777610	Utilities	\$1,175,000

Parking

This division has experienced a large number of costly repairs to, and replacements of, the parking gate arms. Modifications have been made to eliminate this problem. Additional revenue is expected, which will cover these additional costs.

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

Increase appropriations:		
10000-7200700000-522310	Maint.-building & improvements	\$65,000
Increase estimated revenue:		
10000-7200700000-741360	Concessions	\$65,000

Capital Project Division

Facilities Management proposes reprogramming of the following deferred-maintenance projects:

Recommended Motion: *That the Board of Supervisors approve the proposed reprogramming of deferred maintenance projects.*

Cancelled projects:	
CJB elevator modifications	\$542,000
Wilderness roof replacement	100,000
SWJC roof replacement	225,000
Hemet CAC air handler	250,000
Mental Health roof treatment	<u>75,000</u>
Available amount to reprogram	\$1,192,000

Proposed Reprogramming:	
TLMA chiller	\$550,000
Central Mail canopy installation	75,000
Riverside CAC exhaust fans	25,000
SWJC central plant HVAC	15,000
Indio Sheriff station	24,500
Indio Jail HVAC repairs	95,000
Historic Courthouse exterior cleaning and doors	100,000
McCandless Library HVAC	100,000
Indio Sheriff HVAC	100,000
Countywide-emergency (water leaks, asbestos)	<u>107,500</u>
Requested reprogramming amount	\$1,192,000

Maintenance Division

Facilities Management expects the maintenance division to exceed its budgeted net county cost at the end of the year. A number of factors contribute to this problem, such as buildings that do not receive maintenance billings, regularity of invoicing and COLAs. The Executive Office will continue to monitor the division's expenses and work with the department to enhance revenue collection. Board policy C-1, 4.c. requires that each newly-appointed department head submit a written assessment of the department after 90 days in office. The new department head's report should address this division's billing strategy, identify the

department's key weaknesses and strengths and outline the goals, objectives and strategies to deal with this issue.

j) Human Resources

Human Resources has reported a potential \$216,300 deficit through FY 05/06 and has implemented cost-saving measures since January to minimize the overextension. The issue resulted from several retirement payouts, finalized employee-relations lawsuits and other compensation increases. Human Resources and Executive Office staff will monitor expenditures and make adjustments at year-end to address the budget overrun.

Rideshare

Budget adjustments are needed to accurately reflect expenditures and revenue in the appropriate accounting codes. There is no effect on the general fund.

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

Increase appropriations:		
22000-1130300000-536790	Interfund carpool	\$600,000
Increase estimated revenue:		
22000-1130300000-741380	Parking	\$300,000
22000-1130300000-781360	Vanpool revenue	<u>300,000</u>
	Total	<u>\$600,000</u>

Temporary Assistance Pool (TAP)

Human Resources is projecting only a \$22,000 cash drawdown on fund reserves, compared to the \$307,000 drawdown originally budgeted for the year. Cash reserves are used to offset any revenue shortages; however, TAP's fund balance is moving lower than the recommended 60-day reserve for ISF funds. Human Resources has implemented cost-saving measures to minimize the cash drawdown.

k) Registrar of Voters

As previously reported, the Registrar of Voters expected to exceed net county cost by \$1.7 million in response to the "even-year" election cycle. That cycle (two countywide elections) also included the added expense of a special statewide election. This amount was set aside in the general fund at the beginning of the fiscal year. Prudent budget oversight has reduced the expected overage to \$1.09 million.

Reimbursement of Special Election Costs

As stated in the mid-year report, the November 2005 consolidated special election cost the county \$1.3 million. Of that amount, \$648,066 was attributable to the special election. The governor included \$54 million (\$45 million for counties and \$9 million for the state) in his proposed FY 06/07 budget as reimbursement for special-election costs. The Legislature subsequently narrowed the parameters of reimbursable costs to exclude overhead and

absentee-ballot costs. Two competing bills, AB 1634 (McCarthy) and SB 306 (Ackerman), have different reimbursement methods. The Assembly bill reimburses counties but the Senate bill does not. Counties continue to push for reimbursement, which may be handled through the state budget process.

Poll Worker Pay

The department will use around 2,500 volunteers as poll workers for the June primary election. Each polling place is staffed by four poll workers – one inspector and three precinct board members. The per-diem stipend, last increased in 1998, is \$100 for poll-worker inspectors and \$75 for poll-worker board precinct members.

Recruiting poll workers is becoming increasingly difficult due to the long workdays (14-hour minimum) and added responsibilities in response to state mandates. With the voter-verifiable audit trail (VVPAT) implementation, poll workers now are required to replace VVPATs during the day when the paper roll is exhausted. A Secretary of State directive also requires poll workers, if requested by voters, to issue paper ballots. That adds to poll workers' responsibilities in an already complex primary election.

In addition to the 14-hour election day, each poll worker is required to attend two hours of training prior to election day. A volunteer cannot serve as a poll worker without completing the mandatory training prior to each election. Poll workers receive no payment or mileage reimbursement for training classes, yet cannot serve as a poll worker without the training. Neighboring counties pay higher stipends and compensate their poll workers for training. The Registrar of Voters recommends a \$20 stipend for each poll worker attending mandatory training to serve as a poll worker. To cost of implementing the stipend for the June primary is included in the projected year-end cost. The Registrar has requested additional general-fund support in the FY 06/07 proposed budget for this training stipend.

Bar Coding System

On March 20, 2006, the Secretary of State certified the Sequoia Edge II voting unit with the VVPAT (known as VeriVote) for use in the primary election. The Registrar has received initial shipments of the new units. Multiple pieces of election equipment (e.g., five voting units, six VeriVotes, an audio unit, a ballot box, etc.) are deployed to each of the 600 polling places for use on election day. The Registrar and the Purchasing Department are working together on a request to solicit proposals to put a bar-coding system in place before the June 6 primary election. This new system will help track equipment, ensuring its return when assigned to various remote polling places across the county. The Registrar will present a negotiated contract with the most responsive bidder to the Board for policy consideration in the near future and might seek additional general-fund support if this project cannot be accomplished within the department's budget.

The department requests budget adjustments from the \$1.7 million designated at the beginning of the year to assist in the June primary election. The remaining designation might help fund the bar-coding system, but a cost has not yet been determined. The Executive Office will work with the department to assess the system's cost and evaluate any potential budget effects.

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

Increase appropriations:		
10000-1700100000-523660	Computer supplies	\$7,000
10000-1700100000-523760	Postage	483,521
10000-1700100000-523800	Printing	351,715
10000-1700100000-525340	Temporary help	338,740
10000-1700100000-527380	Elections	342,844
10000-1700100000-529000	Miscellaneous travel	<u>198,470</u>
		\$1,722,290
Decrease appropriations:		
10000-1700100000-546380	Vehicle-other	\$7,000
Increase estimated revenue:		
10000-1700100000-753300	City elections	\$159,539
10000-1700100000-771210	School elections	428,961
10000-1700100000-771220	Spec. district elections	37,402
10000-1700100000-778280	Interfund – reimb. for services	<u>500</u>
		\$626,402
Decrease unreserved fund balance:		
10000-1100100000-325100	Unreserved fund balance	\$1,088,888

I) Treasurer-Tax Collector

The county's explosive growth in the number and value of parcels continues. The various effects include increased property taxes. Our aging property-tax system tracks property ownership and bills property owners. The Treasurer-Tax Collector, Auditor-Controller and Assessor-Clerk Recorder together recommend replacing this system with one that is newer, more efficient and more reliable. The Board already has approved the first planning phase by allowing the three departments to hire new staff dedicated to the upgrade process. The departments will request additional staff and consultants in the FY 06/07 budget.

Recommended Motion: *That the Board of Supervisors approve and direct the Executive Office to segregate unused Treasurer-Tax Collector departmental revenue to be used to plan for and implement the new property-tax system.*

Over the past two years, the Treasurer-Tax Collector reduced the number of tax-defaulted properties by conducting several tax sales per year. This laudable effort has made abandoned property available to investors, returned thousands of parcels to the tax rolls, and generated about \$3.7 million in unclaimed excess proceeds. California revenue and taxation code dictates that the unclaimed excess proceeds, less administration and processing fees (estimated at \$1,443,000 in this case), be distributed to the taxing entities.

Recommended Motion: That the Board of Supervisors approve and direct the Auditor-Controller to distribute the excess unclaimed proceeds in accordance with the Revenue and Taxation Code.

3. PUBLIC PROTECTION

a) Assessor-Clerk-Recorder

Clerk-Recorder's Office

In the current year, the Clerk-Recorder's Office budgeted \$1,872,469 from its reserves for conversion and modernization. However, due to cost savings and unanticipated revenues, the department projects that it will not use the full amount during the current year. Consequently, the Executive Office recommends placing those restricted resources back into reserve at this time.

Recommendation: That the Board approve reserving a total of \$1,872,469 in available fund balance for the County Clerk-Recorder, as follows:

Increase reserved fund balance:

10000-1200200000-308105	Reserve for recorder conversion	\$260,000
10000-1200200000-308108	Reserve for recorder modernization	\$1,612,469

b) CHA – Department of Animal Services

In the final budget the Board approved 14 new positions and start-up costs for a spay/neuter vehicle. The total funding of \$1.1 million, including \$250,000 for the spay/neuter vehicle, was deferred until more accurate cost projections could be made, based on filled funded positions.

The department began the year with 59 vacant positions. The department made significant strides, filling 30 positions by the end of the third quarter, but has fallen short of filling all vacant positions. The resulting salary savings will offset some costs for the spay/neuter vehicle and require no adjustments for the 14 unfunded positions approved in the final budget. The total budget adjustment requested at this time is \$150,000 to retrofit and supply the spay/neuter vehicle by the end of the current fiscal year.

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

Increase appropriations:

10000-4200600000-546160	Equipment - other	\$150,000
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Decrease appropriations:

10000-1109000000-581000	Contingency	\$150,000
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c) District Attorney

The District Attorney continues to project significant savings at the end of this fiscal year due to vacancies and through careful monitoring of operating expenditures.

d) Fire Department

Budget adjustments are needed to reflect the receipt and distribution of additional supplemental structural fire taxes, which support county and city fire operations.

Additionally, the following adjustments to department ID 2700300000 are necessary to correct a typo in the mid-year budget report.

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

Increase appropriations:		
21000-2700300000-536900	Interfund exp. - fire services	\$3,000,000
Increase estimated revenue:		
21000-2700300000-700020	Prop. tax current secured	\$790,752
21000-2700300000-705000	Prop. tax prior supplemental	1,109,248
21000-2700300000-781000	Redevelopment pass-thru	<u>1,100,000</u>
	Total	\$3,000,000
Increase appropriations:		
21000-2700300000-536900	Interfund exp. - fire services	\$2,581,304
Increase estimated revenue:		
21000-2700300000-705000	Prop. tax prior supplemental	\$2,581,304
Decrease appropriations:		
21000-2700100000-536900	Interfund exp. - fire services	\$2,581,304
Decrease estimated revenue:		
21000-2700100000-705000	Prop. tax prior supplemental	\$2,581,304
Increase appropriations:		
10000-2700200000-525440	Professional services	\$1,900,000
Increase estimated revenue:		
10000-2700200000-778120	Interfund - fire services	\$1,900,000
Increase estimated revenue:		
10000-2700400000-778120	Interfund - fire services	\$1,100,000
Decrease estimated revenue:		
10000-2700400000-779050	Fire protection	\$1,100,000

e) Indigent Defense

Reimbursements from clients who are able to repay the county for the cost of their court-appointed attorneys are slightly higher than anticipated during budget preparation. However, costs for court-appointed attorneys also are higher than anticipated. The budget adjustments below have no net cost and will prevent payment delays at year-end.

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

Increase estimated revenue:		
10000-1109900000-771460	Public Defender service	\$20,000
Increase appropriations:		
10000-1109900000-525440	Professional services	\$20,000

f) Probation Department

The Probation Department continues to project savings at the end of this fiscal year. The projected savings are attributable to the department's high number of vacancies. The negotiated salary increase for the sworn staff, effective Feb. 2, 2006, will partially offset the savings. Any remaining savings will be used to cover unplanned, one-time expenditures such as equipment purchases.

The following information updates the Board with the various programs implemented in FY 04/05 and the current fiscal year:

Home Supervision Program: During calendar year 2005, about 266 minors were released from detention to home supervision and 83 percent completed the program successfully. This program reduced juvenile hall populations by an average of 31 beds each day, which meets the original objective. Although population growth and other factors might increase the detention population, the Home Supervision Program offers a safe and effective alternative to confinement and keeps Juvenile Hall populations within rated capacities.

DNA Testing: The department was granted nine positions in FY 05/06 to complete DNA testing on the backlog of probationers mandated under Proposition 69. The department has tested more than 2,314 cases from the program's inception in August 2005 through March 2006. The location, testing, and violation follow-up takes 2.5 hours (per two workload studies). The department will continue testing with existing staff until the backlog is eliminated, which could take as long as four years. Probation will continue to evaluate and modify the process but might request additional staff to complete the testing backlog within two years.

Replacement of Case Management System: The project's first phase included a gap analysis and proposed pricing of the software system. The department and Information Technology are evaluating lower-cost alternatives because of the shortfalls identified in this process and the high price to modify the system. This will likely delay implementation into mid FY 06/07, so the \$2.3 million budgeted for this year will not be expended. Of the budgeted amount, \$1.1

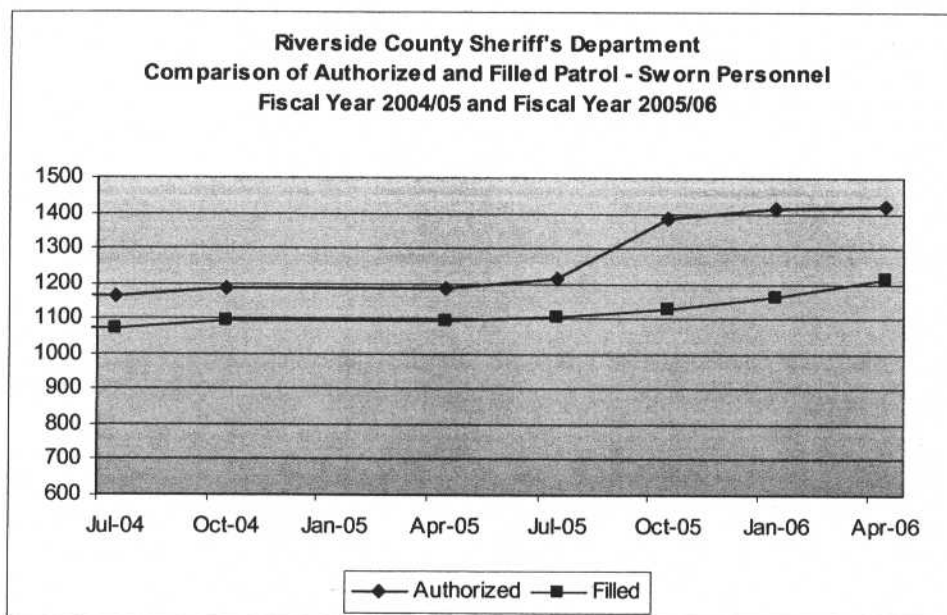
million that was to come from Probation designated funds can remain in the designated balance. The department requests that the other \$1.2 million be earmarked for future expenditure on this project.

g) Sheriff's Department

The Sheriff's Department reported that its budget condition for the third quarter improved significantly. The patrol budget unit projects a \$6 million savings due primarily to vacant positions. The anticipated savings will be used to offset a projected deficit in the corrections budget. The corrections overtime budget is projected to exceed appropriations due to the high number of vacancies; however, the Sheriff's Department's overall budget projects a net savings of at least \$2.8 million at the end of the fiscal year.

Although the Sheriff's Department hired 205 total positions from July 2005 to March 2006, the total vacant positions for sworn and non-sworn remained high. As of March 16, 2006, there were 457 vacant positions department-wide. The next basic academy will begin on June 5, 2006 with 85 sworn personnel participating. The department continues to hire laterals between academies as backgrounds checks are completed. In addition, retirements and promotions continue adding to the number of vacant positions.

The following graph illustrates the changes from July 2004 to April 2006 in the number of authorized and filled positions for deputy (sworn) personnel in the patrol budget. As the Board may recall, a total of 130 new sworn personnel were approved in the patrol budget for FY 05/06. Funding for these positions was phased in throughout the fiscal year to allow for recruiting and hiring to coincide with academy start dates. The trend for filled positions shows upward progress since the beginning of the fiscal year. Between July 2004 and April 2006, 150 sworn personnel were added to payroll.



In addition, the Sheriff's Department submitted a white paper on the Residential Substance Abuse Treatment (RSAT) program operating at the Smith Correctional Facility. More than 1,451 inmates had entered the RSAT program through FY 04/05. This program was funded by the Bureau of Justice grant. In January 2006, the department was notified that the funding would be suspended. The Sheriff's Department will request general-fund support to continue this program. Board Policy A-30 states that any staff positions funded by virtue of grant funding shall be deleted once the external funding is terminated. Attachment C provides detailed information about the program, staffing and funding. No actions are necessary at this time.

On December 6, 2005, agenda item 3.25, the Board approved funding for 44 new positions to implement a gang task force throughout the county. According to the Sheriff, various regional teams are being formed. It is anticipated that all the teams will be operational and fully staffed by the early part of the next fiscal year. Attachment D provides detail information regarding program status.

h) Superior Court – Trial Court Funding

The California State Association of Counties (CSAC) notified Riverside County that through the provisions of AB145, the Trial Court Funding Maintenance of Effort (MOE) for FY 05/06 will be reduced by \$286,598. This amount represent one-half the total annual amount of \$573,196 for FY 06/07 and onward. With this reduction the revised MOE will be \$24,965,789. This reduction in the MOE will satisfy the required provisions of AB145 with regards to the standard filing fees.

4. PUBLIC WAYS AND FACILITIES

a) Transportation Department

Additional projects for Road District 4 have been identified and the department desires to use fund balance to schedule the work.

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

Increase appropriations:		
22400-3130400000-537160	Interfund expense – road maintenance	\$286,000
Use unreserved fund balance:		
22400-3130400000-325100	Unreserved fund balance	\$286,000

5. HEALTH AND SANITATION

a) Community Health Agency – Department of Public Health

The department is concerned about the revenue stream from the Family Planning, Access, Care and Treatment (PACT) program. The state has rejected some charges for lab services due to a programming error that is being corrected. If not corrected in time, the problem could delay receipt of the revenue for the current fiscal year and cause an estimated \$640,000 shortfall. The department will continue working with the state to correct the problem and will keep the Executive Office informed on the progress

b) Community Health Agency – California Children's Services

The county's treatment costs for children who are not eligible for Medi-Cal or Healthy Families insurance are trending considerably higher than in the past. The same holds true for children who are eligible for the Healthy Families insurance program, which required that counties pay 17.5 percent of the costs. The state is auditing the program to determine why counties' costs are increasing so quickly and to look for solutions. If the problem cannot be fixed, it could cause a shortfall of approximately \$2 to 2.4 million in the current fiscal year. The department will continue to monitor the situation and report back before year end.

c) Detention Health Services (DHS)

Detention Health Services projects that it might exceed its budget by approximately \$251,000. As prior quarterly reports noted, the overage is spurred significantly by requirements that DHS transport county prisoners to the closest hospital for emergency treatment. As of the end of March, the department has expended approximately \$1.6 million of the \$1.7 million in appropriations for this purpose. The department anticipates that it will need approximately \$650,000 to cover prisoner hospital charges for the remainder of the year. Savings elsewhere in the department are expected to reduce the shortfall to approximately \$251,000. Final budget adjustments will be recommended at year end when the exact shortfall is identified.

Detention Health Services is also preparing a Form 11 with a budget adjustment to cover costs associated with the opening of the Smith Correctional Facility as reported in the mid-year budget report.

d) Mental Health

As previous quarterly reports indicated, the adopted budget shifted \$4.5 million in Mental Health's treatment costs from the Riverside County Regional Medical Center to Mental Health. A \$4.5 million designation was established in the FY 05/06 budget for Mental Health but budget adjustments were put off while the department's overall budgetary needs were analyzed. The department now reports it will only need \$4,028,121 from the designation to balance its budget at year end.

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

Increase appropriations:		
10000-4100200000-530280	Private care providers	\$5,301,103
10000-4100200000-525440	Professional services	800,000
10000-4100200000-530280	Maintenance - building improv.	<u>700,000</u>
	Total	<u>\$6,801,103</u>
Decrease appropriations:		
10000-4100200000-510040	Regular salaries	\$1,500,000
10000-4100200000-572800	Intra miscellaneous	<u>1,166,371</u>
	Total	<u>\$2,666,371</u>
Increase estimated revenue:		
10000-4100200000-767180	Fed - Medi-Cal FFP	\$106,611
Decrease fund balance:		
10000-1100100000-325100	Unrestricted fund balance	\$4,028,121

6. PUBLIC ASSISTANCE

a) DPSS - In Home Supportive Services (IHSS)

Funding for IHSS growth was deferred in the budget until budgetary needs could be more accurately projected. The department now projects 4.8 percent growth in individual-provider hours and a decrease of 12.2 percent in contract-provider hours. This combination and savings within the department creates a positive budgetary outlook for the program. No budget adjustments are anticipated for the remainder of the fiscal year.

b) DPSS - Public Authority

In previous reports the Public Authority projected a potential budget shortfall. The department now projects that revenue and expenditures will remain consistent with the approved budget. No additional appropriations are being requested at this time.

7. EDUCATION, RECREATION, AND CULTURE

There is nothing to report at this time.

8. ENTERPRISE FUNDS

a) Riverside County Regional Medical Center (RCRMC)

The hospital expects to be in balance, on the basis of revenues earned and actual expenditures. There has been a significant improvement in receiving MediCal inpatient hospital payments from the state, compared to the second quarter report. The majority of those funds have now been received. However, it is not yet clear if the state will make the entire payment due RCRMC, prior to June 30. The state will owe the county approximately \$96 million for FY 05/06. We can project that we will have received \$78 million of it by June 30. The uncertainty remains over the timing of receiving the remaining \$18 million.

9. INTERNAL SERVICE FUNDS

a) Printing Services

Requests for printing services have been greater than anticipated. In response, spending authority must be adjusted to ensure continuous operations through year-end. The following adjustment increases estimated expenditures and offsetting revenue.

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

Increase appropriations:		
45600-7300300000-527650	Paper and envelopes	\$270,000
Increase estimated revenue:		
45600-7300300000-777670	Printing – county departments	\$270,000

b) Supply Services

System furniture requests have been greater than anticipated. In response, spending authority must be adjusted to ensure continuous services through year-end. The following adjustment increases estimated expenditures and offsetting revenue.

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

Increase appropriations:		
45700-7300400000-527560	ISF - direct materials	\$865,000
Increase estimated revenue:		
45700-7300400000-777760	Stores - county	\$865,000

10. SPECIAL DISTRICTS

a) Flood Control and Water Conservation District – Special Accounting

The Flood Control and Water Conservation District's Design and Construction Division provides construction inspection services that are required for construction projects within the county. Because of growth and increased inspection requests, outside contractors have been needed in the past year to help the district's staff provide services in a timely manner.

The requested budget adjustment also addresses the lag between the time the district receives a fee deposit and when that fee deposit becomes actual earned revenue. The following budget adjustments do not require general-fund support.

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

Increase appropriations:		
15000-947180-524820	Engineering services	\$592,566
15000-947180-572800	Intra-miscellaneous	<u>(167,490)</u>
	Total	\$425,076
Increase estimated revenue:		
15000-947180-771800	Engineering services	\$30,000
15000-947180-772180	Inspections	323,962
15000-947180-777520	Reimbursement for services	<u>71,114</u>
	Total	\$425,076

b) Flood Control and Water Conservation District – Administration

The Flood Control and Water Conservation District pays salaries and benefits from the district's administration fund. The fund is reimbursed via an allocation journal charging these costs to the appropriate fund and project number. The requested budget adjustment addresses the lag between salary and benefit costs being charged to the district's administration fund and the allocation journal being processed to reimburse the fund. The following budget adjustments are required for operational purposes only and do not represent actual salary and benefit increases.

The following budget adjustments do not require general-fund support.

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

Increase appropriations:		
15100-947200-510040	Regular salaries	\$300,000
15100-947200-518100	Budgeted benefits	<u>200,000</u>
	Total	\$500,000
Increase estimated revenue:		
15100-947200-705000	Property tax prior supplemental	\$200,000
15100-947200-700020	Property tax current secured	<u>300,000</u>
	Total	\$500,000

c) Flood Control and Water Conservation District – Zone 3 Operations

The requested budget adjustment will establish an appropriation for land purchase within the Flood Control and Water Conservation District's Zone 3 boundaries. The land costs are associated with pending construction of flood control facilities in the area and were inadvertently omitted in the current year's budget.

The following budget adjustments do not require general-fund support.

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

Increase appropriations:		
25130-947440-540040	Land	\$175,000
Decrease fund balance:		
25130-947440-320114	Designated fund balance – Flood	\$175,000

d) Flood Control and Water Conservation District – Encroachment Permits

The Flood Control and Water Conservation District's encroachment permits section issues encroachment permits to agencies, developers and individuals. The permits allow temporary access to, or use of, district property to complete construction projects. Salary costs have increased as the number of permits issued, monitoring and inspection services have increased.

The following budget adjustments do not require general fund support.

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

Increase appropriations:		
40670-947160-510040	Regular salaries	\$70,730
40670-947160-572800	Intra-miscellaneous	<u>(8,260)</u>
	Total	\$62,470
Increase estimated revenue:		
40670-947160-772020	Encroachment permit fees	\$15,618
40670-947160-772030	Encroachment permit inspection fees	3,123
40670-947160-772130	Inspections	<u>43,729</u>
	Total	\$62,470

e) Flood Control and Water Conservation District – Project Maintenance

The Flood Control and Water Conservation District's project maintenance operation section provides project maintenance services. The services include weed abatement, repair and preventative maintenance for all district flood-control facilities. These services are charged to the zone funds on a cost reimbursement basis. The requested budget adjustment will increase the district's appropriation in this fund to accommodate increased maintenance responsibilities and the maintenance staff's increased use of inventory materials associated with facility maintenance. The following budget adjustments do not require general-fund support.

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

Increase appropriations:		
48040-947280-528040	Inventory – chemicals	\$80,883
48040-947280-528020	Inventory – stores	<u>9,997</u>
	Total	\$90,880

Increase estimated revenue:		
48040-947280-777760	Stores - county	\$80,000
Decrease unrestricted net assets:		
48040-947280-380100	Unrestricted net assets	\$10,880

f) Parks - Regional Parks District

Parks wants to replace the 1999 Ford Contour sedan (00-628) at its headquarters. The Contour was purchased in December 1999 using district fund balance. The district has unused appropriations in the current budget and would like to increase the appropriations by another \$10,000 to purchase a new vehicle. The district also requests authorization to sell or surplus the 1999 Contour. The car has a very low Blue Book value, needs frequent repairs and is in unreliable condition. Also, in the FY 05/06 budget, the Board of Supervisors approved an increase of \$68,693 in contributions to other funds for Parks to reflect increased salary costs. The following budget adjustment is needed to reflect this approved increase.

The following budget adjustments do not require general-fund support. Unreserved fund balance will be used to offset this appropriations increase.

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

Increase appropriations:		
25400-931104-510040	Regular salaries	\$68,693
25400-931104-546320	Vehicles-cars/light trucks	\$10,000
Increase estimated revenue:		
25400-931104-781540	Contributions from other funds	\$68,693
Use unreserved fund balance:		
25400-931104-325100	Unreserved fund balance	\$10,000

g) Parks - Shipley Reserve Trust Fund

The Shipley Reserve has been using Temporary Employees Assistance Pool personnel to clear non-native flora from the Roy E. Shipley Reserve and to construct barriers to limit trespassing in sensitive areas. This line item was not appropriated during the 2006 budget process. The expenditures' effect on the current year's budget was unclear until recently. The following budget adjustments do not require general-fund support. Unreserved fund balance will be used to offset this increase in appropriations.

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

Increase appropriations:		
25580-931106-525080	Temp. assist pool services	\$20,000

Use unreserved fund balance:		
25580-931106-325100	Unreserved fund balance	\$20,000

h) Parks - MSHCP Reserve Management

The Western Riverside County Regional Conservation Authority (RCA) has contracted with the Regional Park and Open Space District as the reserve management contractor for wildlife habitat properties the county acquires in support of the MSHCP. During property negotiations, RCA was offered a used tractor. The RCA has requested that the district purchase this tractor for use on RCA properties. The purchase will be reimbursed to the district under the contract provisions.

The following budget adjustments do not require general fund support.

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

Increase appropriations:		
25590-931150-546100	Equipment construction	\$30,000
Increase estimated revenue:		
25590-931150-778280	Interfund reimbursements	\$30,000

i) County Service Areas

The budgets for various county service areas do not include sufficient appropriations. Budget adjustments are necessary to accurately reflect expenses. No general fund impact will result from these adjustments.

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

Increase appropriations:		
23125-901501-537180	Interfund exp. - salary reimb.	\$340
Use unreserved fund balance:		
23125-901501-325100	Unreserved fund balance	\$340
Increase appropriations:		
23300-902701-537180	Interfund exp. - salary reimb.	\$300
Use unreserved fund balance:		
23300-902701-325100	Unreserved fund balance	\$300
Increase appropriations:		
23350-903301-537180	Interfund exp. - salary reimb.	\$500

Use unreserved fund balance: 23350-903301-325100	Unreserved fund balance	\$500
Increase appropriations: 23375-903601-537180	Interfund exp. - salary reimb.	\$5,000
Use unreserved fund balance: 23375-903601-325100	Unreserved fund balance	\$5,000
Increase appropriations: 23400-903801-546160	Equipment – other	\$26,000
Use unreserved fund balance: 23400-903801-325100	Unreserved fund balance	\$26,000
Increase appropriations: 23450-904101-520930	Insurance - liability	\$500
Use unreserved fund balance: 23450-904101-325100	Unreserved fund balance	\$500
Increase appropriations: 23475-904301-537180	Interfund exp. - salary reimb.	\$3,000
Use unreserved fund balance: 23475-904301-325100	Unreserved fund balance	\$3,000
Increase appropriations: 23525-905102-537180	Interfund exp. - salary reimb.	\$10,000
Use unreserved fund balance: 23525-905102-325100	Unreserved fund balance	\$10,000
Increase appropriations: 23575-905301-537180	Interfund exp. - salary reimb.	\$100
Use unreserved fund balance: 23575-905301-325100	Unreserved fund balance	\$100
Increase appropriations: 23625-906001-537180	Interfund exp. - salary reimb.	\$500
23625-906001-546160	Equipment - other	<u>29,000</u>
	Total	\$29,500
Use unreserved fund balance: 23625-906001-325100	Unreserved fund balance	\$29,500

Increase appropriations: 40440-906203-510040	Regular salaries	\$5,000
Use unreserved fund balance: 40440-906203-325100	Unreserved fund balance	\$5,000
Increase appropriations: 23675-906901-537180	Interfund exp. - salary reimb.	\$3,000
Use unreserved fund balance: 23675-906901-325100	Unreserved fund balance	\$3,000
Increase appropriations: 23825-908401-529530	Street lights	\$3,000
23825-908401-537180	Interfund exp. - salary reimb.	<u>20,000</u>
	Total	\$23,000
Use unreserved fund balance: 23825-908401-325100	Unreserved fund balance	\$23,000
Increase appropriations: 23850-908501-529530	Street lights	\$10,000
Use unreserved fund balance: 23850-908501-325100	Unreserved fund balance	\$10,000
Increase appropriations: 23875-908601-537160	Interfund exp. - road maintenance	\$150,000
23875-908601-537180	Interfund exp. - salary reimb.	<u>15,000</u>
	Total	\$165,000
Use unreserved fund balance: 23875-908601-325100	Unreserved fund balance	\$165,000
Increase appropriations: 23900-908701-537180	Interfund exp.-salary reimb.	\$500
Use unreserved fund balance: 23900-908701-325100	Unreserved fund balance	\$500
Increase appropriations: 24050-909701-529530	Street lights	\$20,000
24050-909701-537180	Interfund exp.-salary reimb.	<u>2,500</u>
	Total	\$22,500
Use unreserved fund balance: 24050-909701-325100	Unreserved fund balance	\$22,500

Increase appropriations 24075-910301-537180	Interfund exp. - salary reimb.	\$15,000
Use unreserved fund balance: 24075-910301-325100	Unreserved fund balance	\$15,000
Increase appropriations: 24100-910401-522610	Road maintenance supplies	\$56,000
24100-910401-537180	Interfund exp. - salary reimb.	<u>5,000</u>
	Total	\$61,000
Use unreserved fund balance: 24100-910401-325100	Unreserved fund balance	\$61,000
Increase appropriations: 24125-910501-537180	Interfund exp. - salary reimb.	\$2,500
Use unreserved fund balance: 24125-910501-325100	Unreserved fund balance	\$2,500
Increase appropriations 24225-911701-537180	Interfund exp. - salary reimb.	\$500
Use unreserved fund balance: 24225-911701-325100	Unreserved fund balance	\$500
Increase appropriations: 24300-912501-529530	Street lights	\$2,000
24300-912501-537180	Interfund exp. - salary reimb.	<u>1,000</u>
	Total	\$3,000
Use unreserved fund balance: 24300-912501-325100	Unreserved fund balance	\$3,000
Increase appropriations: 24325-912601-537180	Interfund exp. - salary reimb.	\$12,000
Use unreserved fund balance: 24325-912601-325100	Unreserved fund balance	\$12,000
Increase appropriations: 24400-913201-537180	Interfund exp. - salary reimb.	\$5,000
Use unreserved fund balance: 24400-913201-325100	Unreserved fund balance	\$5,000
Increase appropriations: 24425-913401-522320	Maintenance - grounds	\$60,000

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24425-913401-529540	Utilities	\$30,000
24425-913401-529550	Water	\$30,000
24425-913401-537180	Interfund exp. - salary reimb.	<u>\$30,000</u>
	Total	\$150,000
Use unreserved fund balance: 24425-913401-325100	Unreserved fund balance	\$150,000
Increase appropriations: 24525-914201-529530	Street lights	\$2,000
24525-914201-537180	Interfund exp. - salary reimb.	<u>4,000</u>
	Total	\$6,000
Use unreserved fund balance: 24525-914201-325100	Unreserved fund balance	\$6,000
Increase appropriations: 24575-914501-522320	Maintenance - grounds	\$30,000
24575-914501-529530	Street lights	30,000
24575-914501-537180	Interfund exp. - salary reimb.	<u>15,000</u>
	Total	\$75,000
Use unreserved fund balance: 24575-914501-325100	Unreserved fund balance	\$75,000

ATTACHMENT A: RECOMMENDATION SUMMARY

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

Cover letter

IT IS RECOMMENDED that the Board of Supervisors: 1) receive and file this report; 2) approve the recommendations and associated budget adjustments in Attachment A; and 3) receive and file Attachments C and D.

Quarterly Discretionary Revenue

Recommended Motion: *That the Board of Supervisors approve and direct the Auditor-Controller to: 1) reorganize tobacco tax settlement revenue to become departmental revenue in the hospital budget; and 2) make the following changes to Board designations and estimated revenue:*

Increase estimated revenue:		
10000-1300100000-704000	Prop. tax – current supplemental	\$9,000,000
10000-1300100000-705000	Prop. tax – prior supplemental	10,500,000
10000-1300100000-781000	Contractual revenue	2,000,000
10000-1400100000-740010	Interest – invested funds	<u>3,500,000</u>
	Total	\$25,000,000
Increase fund balance:		
10000-1100100000-320109	DFB – capital projects	\$25,000,000
Increase estimated revenue:		
40050-4300100000-782000	Tobacco tax settlement	\$16,600,000
Decrease estimated revenue:		
10000-1100100000-782000	Tobacco tax settlement	\$16,600,000
Decrease appropriations:		
10000-1101000000-551100	Contribution to other funds	\$16,600,000
Decrease estimated revenue:		
40050-4300100000-790600	Contributions from other funds	\$16,600,000

Board Designations

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

Increase designated fund balance:		
10000-1100100000-320109	DFB – Capital Projects	\$10,000,000
Decrease designated fund balance:		
10000-1100100000-320130	DFB – Hospital Shortfall	\$10,000,000

**Fiscal Year 05/06 Departmental Status
Inter-Departmental**

Development Impact Fees

Recommended Motion: That the Board of Supervisors approve the transfer of \$330,000 in DIF western Riverside County public facilities funds to the Riverside County Library and direct the Executive Office to transfer \$330,000 from the DIF western Riverside County public facilities fund (30545) to the county free library fund.

Public Safety Enterprise Communication Project (PSEC)

Recommended Motion: That the Board of Supervisors approve and direct the Auditor-Controller to move 800 MHz Radio Project fund 10000-7400300000 appropriations and estimated revenue to 800 MHz Radio Project fund 33500-7400300000.

General Government

Assessment Appeals Board

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

Increase appropriations:

10000-1000200000-510040	Regular salaries	\$28,000
10000-1000200000-523640	Computer equip - non fixed asset	8,000
10000-1000200000-524500	Administrative support-direct	<u>37,000</u>
	Total	\$73,000

Increase estimated revenue:

10000-1000200000-770030	Prop tax collection & admin	\$73,000
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Assessor-Clerk Recorder

Recommended Motion: That the Board approve and direct the Auditor-Controller to establish a new reserve of available fund balance for the purpose of records preservation in the amount of \$2 million, as follows:

Increase reserve fund balance:

10000-1200100000-new	Reserve for Records Preservation	\$2,000,000
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Auditor-Controller

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

Decrease unreserved fund balance:

10000-1100100000-325100	Unreserved fund balance	\$433,839
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Increase appropriations:

10000-1109000000-581000	Appropriation for contingency	\$433,839
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Board of Supervisors

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

Increase appropriations:

10000-1000100000-510040	Regular salaries	\$175,000
10000-1000100000-546080	Equipment - computer	55,000
	Total	\$230,000

Increase estimated revenue:

10000-1000100000-726080	License-CATV	\$165,000
10000-1000100000-753360	CA-mandate reimbursement process	55,000
10000-1000100000-777520	Reimbursement for services	10,000
	Total	\$230,000

Economic Development Agency

Administrations

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

Increase appropriations:

21100-1900100000-536280	Contributions - project improve. costs	\$1,322,680
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Increase estimated revenue:

21100-1900100000-778330	Interfund - salary reimbursement	\$ 207,095
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Use unreserved fund balance:

21100-1900100000-325100	Unreserved fund balance	\$1,115,585
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Fair

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

Increase appropriations:

22200-1920100000-537180	Interfund exp.- salary reimbursement	\$76,000
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Increase estimated revenue:

22200-1920100000-741020	Admissions	\$76,000
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Aviation

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

Increase appropriations:

22100-1910700000-518100	Budgeted benefits	\$20,000
22100-1910700000-522310	Maintenance - building & improvements	156,098
22100-1910700000-523270	Special events	60,000
22100-1910700000-537120	Interfund exp. - pro. & spec. svcs	100,000

22100-1910700000-537180	Interfund exp. – salary reimbursement	60,000
22100-1910700000-546360	Vehicles - heavy equipment	<u>56,924</u>
		\$ 453,022
Increase estimated revenue:		
22100-1910700000-740020	Interest - invested funds	\$10,500
22100-1910700000-790020	Sale of real estate	<u>359,250</u>
		\$369,750
Use unreserved fund balance:		
22100-1910700000-325100	Unreserved fund balance	\$83,272

EDA-Mitigation Fund

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

Increase appropriations:		
32710-1900100000-536280	Cont. - project improv. costs	\$1,200,000
Increase estimated revenue:		
32710-1900100000-722000	Mitigation fee	\$1,200,000

Executive Office

Recommended Motion: That the Board of Supervisors approve and direct the Auditor-Controller to increase appropriations for the contributions to other funds account \$500,000 and decrease contingency by \$500,000, as follows:

Increase appropriations:		
10000-1101000000-551100	Contributions to other funds	\$500,000
Decrease appropriations:		
10000-1109000000-581000	Contingency	\$500,000

Executive Office – Contribution to Other Funds

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

Increase appropriations:		
10000-1101000000-551100	Contributions to other funds	\$733,560
Decrease designations:		
10000-1100100000-320129	DPSS realignment growth	\$733,560

Facilities Management

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

Increase appropriations:		
10000-1101200000-536780	Interfund - capital projects	\$125,000

Decrease designated fund balance:
 10000-1101200000-308163 Res - CAC annex maintenance \$125,000

Energy (Utilities) Division

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

Increase appropriations:
 10000-7200600000-532600 Cap.lease-purchase principal \$1,175,000

Increase estimated revenue:
 10000-7200600000-777610 Utilities \$1,175,000

Parking

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

Increase appropriations:
 10000-7200700000-522310 Maint.-building & improvements \$65,000

Increase estimated revenue:
 10000-7200700000-741360 Concessions \$65,000

Capital Project Division

Recommended Motion: That the Board of Supervisors approve the proposed reprogramming of deferred maintenance projects.

Human Resources

Rideshare

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

Increase appropriations:
 22000-1130300000-536790 Interfund carpool \$600,000

Increase estimated revenue:
 22000-1130300000-741380 Parking \$300,000
 22000-1130300000-781360 Vanpool revenue 300,000
 Total \$600,000

Registrar of Voters

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

Increase appropriations:		
10000-1700100000-523660	Computer supplies	\$7,000
10000-1700100000-523760	Postage	483,521
10000-1700100000-523800	Printing	351,715
10000-1700100000-525340	Temporary help	338,740
10000-1700100000-527380	Elections	342,844
10000-1700100000-529000	Miscellaneous travel	<u>198,470</u>
		\$1,722,290
Decrease appropriations:		
10000-1700100000-546380	Vehicle-other	\$7,000
Increase estimated revenue:		
10000-1700100000-753300	City elections	\$159,539
10000-1700100000-771210	School elections	428,961
10000-1700100000-771220	Spec. district elections	37,402
10000-1700100000-778280	Interfund – reimb. for services	<u>500</u>
		\$626,402
Decrease unreserved fund balance:		
10000-1100100000-325100	Unreserved fund balance	\$1,088,888

Treasurer-Tax Collector

Recommended Motion: That the Board of Supervisors approve and direct the Executive Office to segregate unused Treasurer-Tax Collector departmental revenue to be used to plan for and implement the new property-tax system.

Recommended Motion: That the Board of Supervisors approve and direct the Auditor-Controller to distribute the excess unclaimed proceeds in accordance with the Revenue and Taxation Code.

HEALTH and SANITATION

Mental Health

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

Increase appropriations:		
10000-4100200000-530280	Private care providers	\$5,301,103
10000-4100200000-525440	Professional services	800,000
10000-4100200000-530280	Maintenance - building improv.	<u>700,000</u>
	Total	\$6,801,103
Decrease appropriations:		
10000-4100200000-510040	Regular salaries	\$1,500,000
10000-4100200000-572800	Intra miscellaneous	<u>1,166,371</u>
	Total	\$2,666,371
Increase estimated revenue:		
10000-4100200000-767180	Fed - Medi-Cal FFP	\$106,611

Decrease fund balance:		
10000-1100100000-325100	Unrestricted fund balance	\$4,028,121

PUBLIC PROTECTION

Clerk-Recorder's Office

Recommendation: That the Board approve reserving a total of \$1,872,469 in available fund balance for the County Clerk-Recorder, as follows:

Increase reserved fund balance:		
10000-1200200000-308105	Reserve for Recorder Conversion	\$260,000
10000-1200200000-308108	Reserve for Recorder Modernization	\$1,612,469

CHA – Department of Animal Services

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

Increase appropriations:		
10000-4200600000-546160	Equipment - other	\$150,000
Decrease appropriations:		
10000-1109000000-581000	Contingency	\$150,000

Fire Department

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

Increase appropriations:		
21000-2700300000-536900	Interfund exp. - fire services	\$3,000,000
Increase estimated revenue:		
21000-2700300000-700020	Prop. tax current secured	\$790,752
21000-2700300000-705000	Prop. tax prior supplemental	1,109,248
21000-2700300000-781000	Redevelopment pass-thru	<u>1,100,000</u>
	Total	\$3,000,000
Increase appropriations:		
21000-2700300000-536900	Interfund exp. - fire services	\$2,581,304
Increase estimated revenue:		
21000-2700300000-705000	Prop. tax prior supplemental	\$2,581,304
Decrease appropriations:		
21000-2700100000-536900	Interfund exp. - fire services	\$2,581,304

Decrease estimated revenue: 21000-2700100000-705000	Prop. tax prior supplemental	\$2,581,304
Increase appropriations: 10000-2700200000-525440	Professional services	\$1,900,000
Increase estimated revenue: 10000-2700200000-778120	Interfund - fire services	\$1,900,000
Increase estimated revenue: 10000-2700400000-778120	Interfund - fire services	\$1,100,000
Decrease estimated revenue: 10000-2700400000-779050	Fire protection	\$1,100,000

Indigent Defense

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

Increase estimated revenue: 10000-1109900000-771460	Public Defender service	\$20,000
Increase appropriations: 10000-1109900000-525440	Professional services	\$20,000

PUBLIC WAYS AND MEANS

Transportation Department

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

Increase appropriations: 22400-3130400000-537160	Interfund expense – road maintenance	\$286,000
Use unreserved fund balance: 22400-3130400000-325100	Unreserved fund balance	\$286,000

INTERNAL SERVICE FUNDS

Printing Services

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

Increase appropriations:		
45600-7300300000-527650	Paper and envelopes	\$270,000

Increase estimated revenue:		
45600-7300300000-777670	Printing – county departments	\$270,000

Supply Services

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

Increase appropriations:		
45700-7300400000-527560	ISF - direct materials	\$865,000

Increase estimated revenue:		
45700-7300400000-777760	Stores - county	\$865,000

SPECIAL DISTRICTS

Flood Control and Water Conservation District – Special Accounting

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

Increase appropriations:		
15000-947180-524820	Engineering services	\$592,566
15000-947180-572800	Intra-miscellaneous	<u>(167,490)</u>
	Total	\$425,076

Increase estimated revenue:		
15000-947180-771800	Engineering services	\$30,000
15000-947180-772180	Inspections	323,962
15000-947180-777520	Reimbursement for services	<u>71,114</u>
	Total	\$425,076

Flood Control and Water Conservation District – Administration

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

Increase appropriations:		
15100-947200-510040	Regular salaries	\$300,000
15100-947200-518100	Budgeted benefits	<u>200,000</u>
	Total	\$500,000

Increase estimated revenue:		
15100-947200-705000	Property tax prior supplemental	\$200,000
15100-947200-700020	Property tax current secured	<u>300,000</u>
	Total	\$500,000

Flood Control and Water Conservation District – Zone 3 Operations

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

Increase appropriations:		
25130-947440-540040	Land	\$175,000
Decrease fund balance:		
25130-947440-320114	Designated fund balance – Flood	\$175,000

Flood Control and Water Conservation District – Encroachment Permits

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

Increase appropriations:		
40670-947160-510040	Regular salaries	\$70,730
40670-947160-572800	Intra-miscellaneous	<u>(8,260)</u>
	Total	\$62,470
Increase estimated revenue:		
40670-947160-772020	Encroachment permit fees	\$15,618
40670-947160-772030	Encroachment permit inspection fees	3,123
40670-947160-772130	Inspections	<u>43,729</u>
	Total	\$62,470

Flood Control and Water Conservation District – Project Maintenance

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

Increase appropriations:		
48040-947280-528040	Inventory – chemicals	\$80,883
48040-947280-528020	Inventory – stores	<u>9,997</u>
	Total	\$90,880
Increase estimated revenue:		
48040-947280-777760	Stores - county	\$80,000
Decrease unrestricted net assets:		
48040-947280-380100	Unrestricted net assets	\$10,880

Parks - Regional Parks District

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

Increase appropriations:		
25400-931104-510040	Regular salaries	\$68,693
25400-931104-546320	Vehicles-cars/light trucks	\$10,000

Increase estimated revenue:		
25400-931104-781540	Contributions from other funds	\$68,693
Use unreserved fund balance:		
25400-931104-325100	Unreserved fund balance	\$10,000

Parks - Shipley Reserve Trust Fund

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

Increase appropriations:		
25580-931106-525080	Temp. assist pool services	\$20,000
Use unreserved fund balance:		
25580-931106-325100	Unreserved fund balance	\$20,000

Parks - MSHCP Reserve Management

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

Increase appropriations:		
25590-931150-546100	Equipment construction	\$30,000
Increase estimated revenue:		
25590-931150-778280	Interfund reimbursements	\$30,000

County Service Areas

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

Increase appropriations:		
23125-901501-537180	Interfund exp. - salary reimb.	\$340
Use unreserved fund balance:		
23125-901501-325100	Unreserved fund balance	\$340
Increase appropriations:		
23300-902701-537180	Interfund exp. - salary reimb.	\$300
Use unreserved fund balance:		
23300-902701-325100	Unreserved fund balance	\$300
Increase appropriations:		
23350-903301-537180	Interfund exp. - salary reimb.	\$500

Use unreserved fund balance: 23350-903301-325100	Unreserved fund balance	\$500
Increase appropriations: 23375-903601-537180	Interfund exp. - salary reimb.	\$5,000
Use unreserved fund balance: 23375-903601-325100	Unreserved fund balance	\$5,000
Increase appropriations: 23400-903801-546160	Equipment – other	\$26,000
Use unreserved fund balance: 23400-903801-325100	Unreserved fund balance	\$26,000
Increase appropriations: 23450-904101-520930	Insurance - liability	\$500
Use unreserved fund balance: 23450-904101-325100	Unreserved fund balance	\$500
Increase appropriations: 23475-904301-537180	Interfund exp. - salary reimb.	\$3,000
Use unreserved fund balance: 23475-904301-325100	Unreserved fund balance	\$3,000
Increase appropriations: 23525-905102-537180	Interfund exp. - salary reimb.	\$10,000
Use unreserved fund balance: 23525-905102-325100	Unreserved fund balance	\$10,000
Increase appropriations: 23575-905301-537180	Interfund exp. - salary reimb.	\$100
Use unreserved fund balance: 23575-905301-325100	Unreserved fund balance	\$100
Increase appropriations: 23625-906001-537180	Interfund exp. - salary reimb.	\$500
23625-906001-546160	Equipment - other	<u>29,000</u>
	Total	\$29,500
Use unreserved fund balance: 23625-906001-325100	Unreserved fund balance	\$29,500

Increase appropriations: 40440-906203-510040	Regular salaries	\$5,000
Use unreserved fund balance: 40440-906203-325100	Unreserved fund balance	\$5,000
Increase appropriations: 23675-906901-537180	Interfund exp. - salary reimb.	\$3,000
Use unreserved fund balance: 23675-906901-325100	Unreserved fund balance	\$3,000
Increase appropriations: 23825-908401-529530	Street lights	\$3,000
23825-908401-537180	Interfund exp. - salary reimb.	<u>20,000</u>
	Total	\$23,000
Use unreserved fund balance: 23825-908401-325100	Unreserved fund balance	\$23,000
Increase appropriations: 23850-908501-529530	Street lights	\$10,000
Use unreserved fund balance: 23850-908501-325100	Unreserved fund balance	\$10,000
Increase appropriations: 23875-908601-537160	Interfund exp. - road maintenance	\$150,000
23875-908601-537180	Interfund exp. - salary reimb.	<u>15,000</u>
	Total	\$165,000
Use unreserved fund balance: 23875-908601-325100	Unreserved fund balance	\$165,000
Increase appropriations: 23900-908701-537180	Interfund exp.-salary reimb.	\$500
Use unreserved fund balance: 23900-908701-325100	Unreserved fund balance	\$500
Increase appropriations: 24050-909701-529530	Street lights	\$20,000
24050-909701-537180	Interfund exp.-salary reimb.	<u>2,500</u>
	Total	\$22,500
Use unreserved fund balance: 24050-909701-325100	Unreserved fund balance	\$22,500
Increase appropriations: 24075-910301-537180	Interfund exp. - salary reimb.	\$15,000

Use unreserved fund balance: 24075-910301-325100	Unreserved fund balance	\$15,000
Increase appropriations: 24100-910401-522610	Road maintenance supplies	\$56,000
24100-910401-537180	Interfund exp. - salary reimb.	<u>5,000</u>
	Total	\$61,000
Use unreserved fund balance: 24100-910401-325100	Unreserved fund balance	\$61,000
Increase appropriations: 24125-910501-537180	Interfund exp. - salary reimb.	\$2,500
Use unreserved fund balance: 24125-910501-325100	Unreserved fund balance	\$2,500
Increase appropriations 24225-911701-537180	Interfund exp. - salary reimb.	\$500
Use unreserved fund balance: 24225-911701-325100	Unreserved fund balance	\$500
Increase appropriations: 24300-912501-529530	Street lights	\$2,000
24300-912501-537180	Interfund exp. - salary reimb.	<u>1,000</u>
	Total	\$3,000
Use unreserved fund balance: 24300-912501-325100	Unreserved fund balance	\$3,000
Increase appropriations: 24325-912601-537180	Interfund exp. - salary reimb.	\$12,000
Use unreserved fund balance: 24325-912601-325100	Unreserved fund balance	\$12,000
Increase appropriations 24400-913201-537180	Interfund exp. - salary reimb.	\$5,000
Use unreserved fund balance: 24400-913201-325100	Unreserved fund balance	\$5,000
Increase appropriations: 24425-913401-522320	Maintenance - grounds	\$60,000
24425-913401-529540	Utilities	\$30,000
24425-913401-529550	Water	\$30,000
24425-913401-537180	Interfund exp. - salary reimb.	<u>\$30,000</u>

	Total	\$150,000
Use unreserved fund balance: 24425-913401-325100	Unreserved fund balance	\$150,000
Increase appropriations: 24525-914201-529530	Street lights	\$2,000
24525-914201-537180	Interfund exp. - salary reimb.	<u>4,000</u>
	Total	\$6,000
Use unreserved fund balance: 24525-914201-325100	Unreserved fund balance	\$6,000
Increase appropriations: 24575-914501-522320	Maintenance - grounds	\$30,000
24575-914501-529530	Street lights	30,000
24575-914501-537180	Interfund exp. - salary reimb.	<u>15,000</u>
	Total	\$75,000
Use unreserved fund balance: 24575-914501-325100	Unreserved fund balance	\$75,000

Internal Audits - Workplan Status Report

No.	Department	Audit Project	Reason For Audit	Status	Mar-06
		✓ = Complete = U = In Process → = Scheduled ■ = Not Scheduled X = Cancelled			
2005-010	Sheriff Public Administrator	Public Administrator	FY2004/05 Audit	Audit completed and report issued. Agenda item 3.9 - December 20, 2005.	✓
2005-016	Clerk of the Board	Clerk of the Board	FY2004/05 Audit	Audit completed. Agenda item 2.3 - January 31, 2006.	✓
2005-021	Office on Aging	Office on Aging	FY2004/05 Audit	Audit completed and report issued. Agenda item 3.6 - November 29, 2005.	✓
2005-104	Treasurer Tax Collector	4th qtr	FY2004/05 Audit	Audit completed and report issued on September 30, 2005	✓
2005-301	RCRMC	Patient Charges	FY2004/05 Audit	Audit Completed. Agenda item 3.4 - October 18, 2005.	✓
2006-001	Assessor	Revenue and Tax Code, §95-35 Verification	Mandated	Audit completed and Report issued on August 22, 2005	✓
2006-002	Mental Health	Examine the revolving funds and fixed assets IAW Board Resolution 83-338	Change in Department Head audit, required by Board Resolution	Audit Completed. Agenda item 2.3 - March 31, 2006.	✓
2006-003	Probation	Examine the financial accounts and records in accordance with Government Code 25250.	Mandated	Audit completed. Agenda item 2.4 - January 31, 2006.	✓
2006-005	Counsel	Examine the revolving funds and fixed assets IAW Board Resolution 83-338	Change in Department Head audit, required by Board Resolution	Audit Completed. Report scheduled to be on Board Agenda on October 18	✓
2006-101	Treasurer/Tax Collector	1st Quarter Verification	Mandated	Audit completed and Report issued. Sent to the Clerk of the Board for Posting IAW GC §26922.	✓
2006-102	Treasurer/Tax Collector	2nd Quarter Verification	Mandated	Audit completed and Report issued. Sent to the Clerk of the Board for Posting IAW GC §26922.	✓
2006-302	Veterans' Services	Follow-up on audit 2005-007	Follow-up	Audit Completed. Agenda item 2.3 - March 31, 2006.	✓
2005-014	District Attorney	Examine the financial accounts and records in accordance with Government Code 25250. Carryover audit from FY2004/05	Mandated	Audit completed. Working with Information Security to finalize some aspects of the final report.	U
2006-006	Economic Development Agency	Examine the revolving funds and fixed assets IAW Board Resolution 83-338	Change in Department Head audit, required by Board Resolution	Audit work completed and draft report issued to the department. Management's response due by April 24.	U
2005-018	RCRMC	RCMC Discharge of Accountability	FY2004/05 Audit	Audit work completed, waiting on updated financial information and Form-11 from RCRMC.	U
2005-303	Courts	Follow-up on State Audit	Follow-up	Audit work completed. Draft report in progress.	U
2006-004	Department of Public Social Services	Examine the revolving funds and fixed assets IAW Board Resolution 83-338	Change in Department Head audit, required by Board Resolution	Audit work completed. Draft report issued to the department. Awaiting management's responses.	U
2005-020	Information Technology	IT	FY2004/05 Audit	Audit work completed. Draft report issued to the department. Working with the department as they finalize their response to the draft report.	U
2006-301	RCRMC	Follow-up on Nursing Fees Audit	Follow-up	Audit work completed. Received management's response on April 12. Final report in department review process.	U
2006-103	Treasurer/Tax Collector	3rd Quarter Verification	Mandated	Audit work completed. Report to be filed by April 24.	U
2005-022	Department of Community Action	Examine the financial accounts and records in accordance with Government Code 25250. Carryover audit from FY2004/05	Mandated	Audit work completed. Working with department to finalize their response to the draft report.	U

Internal Audits - Workplan Status Report

No.	Department	Audit Project	Reason For Audit	Status	Mar-06
		✓ = Complete ∪ = In Process → = Scheduled ■ = Not Scheduled X = Cancelled			
2006-010	Registrar of Voters	Examine the financial accounts and records in accordance with Government Code 25250.	Mandated	In progress.	∪
2006-013	Waste Management	Examine the financial accounts and records in accordance with Government Code 25250.	Mandated	In progress.	∪
2006-022	All	Mileage Reimbursement	Internal Control	In progress.	∪
2006-303	Mental Health	Follow-up on audits 2005-009 and 2005-012.	Follow-up	In progress.	∪
2006-304	Human Resources	Follow-up on audit 2004-020 Post Employment Plan	Follow-up	In progress.	∪
2006-307	Human Resources	Follow-up on audit 2004-022 TAP	Follow-up	In progress.	∪
2006-309	Office on Aging	Follow-up on audit 2005-021	Follow-up	In progress.	∪
2006-012	Economic Development Agency	Fair and National Date Festival	Mandated	In progress. Estimated draft report date April 21, 2006.	∪
2006-009	Purchasing	Examine the financial accounts and records in accordance with Government Code 25250.	Mandated	Preliminary work in progress.	∪
2006-007	Facilities Management	Examine the financial accounts and records in accordance with Government Code 25250.	Mandated	Preliminary work in progress.	∪
2006-008	RCRMC	Purchasing and Materials Management	Internal Control	Scheduled for May.	↑
2006-011	Public Defender	Examine the financial accounts and records in accordance with Government Code 25250.	Mandated	Announcement letter sent. Scheduled to start on May 9.	↑
2006-014	RCRMC	Asset Management	Internal Control	Scheduled for June as part of the year-end process.	↑
2006-015	Human Resources	Asset Management	Internal Control	Scheduled for May.	↑
2006-016	Sheriff Corrections	Review of the Inmate Trust Fund.	Management Requested	Announcement letter sent. Scheduled to start on April 18.	↑
2006-020	All	Accounts Payable Interface Transactions	Follow-up	Scheduled for May.	↑
2006-104	Treasurer/Tax Collector	4th Quarter Verification	Mandated	Scheduled for June.	↑
2006-305	Fire	Follow-up audit 2005-006.	Follow-up	Scheduled for May.	↑
2006-308	Public Administrator	Follow-up on audit 2005-010	Follow-up	Scheduled for May.	↑
2006-311	Information Technology	Follow-up on audit 2005-020	Follow-up	Scheduled for June as part of the year-end process.	↑
2006-017	Health Services (CHA)	Review the claims and assistance payments made to recipients and provider organizations.	Management Requested		■
2006-018	Assessor-Clerk Recorder	Examine the financial accounts and records in accordance with Government Code 25250.	Mandated		■
2006-019	Department of Child Support Services	Examine the financial accounts and records in accordance with Government Code 25250.	Mandated		■
2006-021	Agricultural Commissioner	Examine the financial accounts and records in accordance with Government Code 25250.	Mandated		■
2006-023	TLMA	Accounts Receivable	Internal Control		■
2006-306	Clerk of the Board	Follow-up on audit 2005-016	Follow-up		■
2006-310	RCRMC	Follow-up audit 2005-301 and evaluate other strategies for hospital charges.	Follow-up		■
2006-024	Countywide	Management Leave Analysis	Internal Control	Canceled	X

RIVERSIDE COUNTY SHERIFF'S DEPARTMENT
CORRECTIONS DIVISION
Programs Unit



Smith Correctional Facility – 1627 S. Hargrave Street • Banning, CA 92220
 PH (951) 922-7313 • FAX (951) 922-7326 • Mail Stop #4000

BOB DOYLE, SHERIFF

MEMORANDUM

DATE: March 28, 2006
 TO: Captain Dana Fredendall
 FROM: Rosa Lazenby, Programs Manager
 RE: Position Paper- RSAT Program Funding Shift From IWF to General Fund

The Sheriff's Department has operated a successful Residential Substance Abuse Treatment (RSAT) program at the Larry D. Smith Correctional Facility since October 1998. Through FY 2004-05, over 1451 inmates entered the RSAT program. The program provides both male and female inmates with vital substance abuse treatment. The program was funded by a Bureau of Justice Grant and that was renewed annually. In January 2006, we learned that federal funding was suspended which caused us to review the program and how it is funded.

RSAT is delivered as a collaborative effort between the Sheriff's Department, Probation Department, Riverside County Office of Education (RCOE), and Riverside County Economic Development Agency (EDA). The Sheriff's Department provides custody and segregated housing from general population for the RSAT participants at the Larry D. Smith Correctional Facility; as well as providing substance abuse treatment through Sheriff's Correctional Counselors. RCOE provides the adult basic education and vocational education components; and EDA provides job search and other ReEntry services. Finally, the Probation Department assigns officers to interface with the courts on behalf of the inmates and monitors them after release.

The Sheriff's Department contracts with the Probation Department to maintain and report statistical data on the RSAT program. Statistical data collected and reported by the Probation Department reflects the overall effectiveness of the program. Probation reports quarterly and annually on their statistical research comparing the graduates, program removals, and non-participants. The assigned Probation Officer researches and collects data from their Client Management System (CMS), the Sheriff's Jail Information Management System (JIMS), and the Court's Genesis system. Other collateral sources are researched for defendants who are not on formal probation. During the last reporting period, a comparable study reflected a reduction in recidivism from an average of 33% in the comparison group (Removals + Non-participants) to 16% for RSAT graduates. Recidivism is reduced, thus the impact of offenders returning to the Riverside County Jail System is minimized.

The Governor's Office of Emergency Services (OES) notified the Sheriff's department that the Bureau of Justice Assistance (BJA) announced a 70% reduction in the award for the RSAT 2006 grant. OES projects that this funding will cover expenses for approximately four months of FY 2005-06, in the amount of \$128,333. The RSAT budget in FY 2005-06 is estimated at \$807,252, as detailed below:

EXPENSE

\$728,707 -- 10 Sheriff's correctional deputies (salary and benefits)
\$ 78,545 -- 1 Probation Officer (salary and benefits)
\$807,252 -- TOTAL PROGRAM COST

REVENUE

\$128,333 -- RSAT grant funds
 \$ 32,083 -- 25% required grant match from IWF
\$646,836 -- Additional funds from IWF
\$807,252 -- TOTAL

As noted above, there is a required grant match of 25%. OES, formerly the Office of Criminal Justice Planning (OCJP), experienced extensive budget cuts the past two fiscal years. Each of these cuts decreased the grant award amount for the Sheriff's RSAT program. The annual grant award, 25% match, and additional impact on IWF are reflected below:

<u>FISCAL YEAR</u>	<u>GRANT AWARD</u>	<u>REQUIRED 25% MATCH</u>	<u>ADDITIONAL FUNDING BY IWF</u>
FY 2003-04	\$550,000	\$183,333	\$342,102
FY 2004-05	\$385,000	\$128,333	\$532,811
FY 2005-06	\$128,333	\$ 32,083	\$646,836
FY 2006-07	\$ 0	\$ 0	*\$887,502

Each time OES (OCJP) reported their projected funding decreases they conveyed their expectation that full funding was anticipated once federal monies were released. Based on this premise, the IWF Committee agreed to temporarily support the difference from the decreased grant funds, plus any additional costs to maintain the program. These additional funds were identified as IWF "Overmatch" funds (impact on IWF reflected above) and paid for with IWF uncommitted funds. However, continuing to fund these costs would deplete the IWF trust balance within three years. Currently approximately 94% of the annual IWF commissions/revenues are committed to on-going program expenses (i.e. law library, inmate education, ReEntry services, allotments, etc).

IWF was prepared to pay the 25% match required by the grant for the projected \$385,000 award amount; therefore, IWF could continue funding the match amount, which equates to \$128,333. The match amount would impact the Sheriff's Corrections revenue budget as follows:

IWF PROPOSED MATCH: FY 2006-07

\$ 86,848 -- 1 FTE Probation Officer (salary and benefits)
\$ 41,485 -- .51 FTE Correctional Deputy II (salary and benefits)
\$128,333 -- TOTAL

Because of the high level of success demonstrated by the program and continued need for the services provided, the Board is requested to appropriate sufficient general fund monies to continue staffing the program at its current level in FY06/07. Grant funds will no longer be available after January 2006 and the IWF cannot continue to support the program at the current level. IWF will continue funding the Probation Officer position and .51 of the Correctional Deputy II positions.

Probation was approached regarding the possibility of them contributing funding toward the PO position; however, due to their budget constraints and staffing shortfall they are unable to contribute at this time. Were funding to cease, Probation would pull the position from the program. Probation's role is paramount to the RSAT program; thus, IWF could continue funding the position long-term.

* Research for additional grants and other funding sources have been conducted throughout the past year; however, no grants were found for related services. Some of the available grants were for specific substance abuse populations (e.g. homeless), or for development and implementation of criminal justice treatment networks (e.g. partnership organizations). Even though additional funds to offset the RSAT program have not yet been found, an aggressive and more expansive search will continue.

The Riverside County Courts system is very supportive of the RSAT program and in FY 2004-05 alone referred approximately 325 inmates to the program. RSAT provides options for judges and courts when sentencing offenders. Not all offenders need to go to prison, or belong in prison. Many can be helped through RSAT. RSAT also helps reduce the impact on state prison populations, and slows further criminal mindset that prison tends to create in prisoners. Researchers report that attending in-custody "treatment programs can substantially reduce crime, recidivism and costs to the criminal justice system" (SAPRP, 2005). **The Riverside County Sheriff's RSAT program is the only in-custody program available to incarcerates in Riverside County.** Other private residential programs are available throughout the county; however, beds are limited and opportunities for placement in these programs are sparse. There are significant participant costs associated with attending these private programs. Many of the participants and their families do not have the financial means to enroll in these types of programs. More often than not inmates go untreated and remain imprisoned by their addictive way of life. Through active participation and completion of RSAT, inmates have a viable opportunity to become productive members of society. Family, job, and social skills are improved, substance abuse is reduced, and a paradigm shift begins to take hold on participants' families changing multi-generational tendencies.

**RIVERSIDE COUNTY SHERIFF'S DEPARTMENT
GANG TASK FORCE
MEMORANDUM**

DATE: MARCH 28, 2006

TO: ASSISTANT SHERIFF STAN SNIFF, CHIEF DEPUTY PAT MCMANUS

FROM: CAPTAIN JIM DOMENOE

SUBJECT: GANG TASK FORCE UPDATE FOR BOARD OF SUPERVISORS

This memo provides information regarding the progress on the formation of the County-wide Gang Task Force. All of the information contained in this memo is accurate as of the date of the memo.

Introduction

In November of 2005, the Board of Supervisors was presented, and approved, a recommendation to fund a new Countywide Gang Task Force. The reasons presented for this were because of the huge increase in gang membership and gang related crimes. Because of the county's growth and the increase in gang initiated activities, the Riverside County District Attorney, Riverside County Sheriff's Department and police agencies throughout Riverside County had received regional requests for assistance with gang enforcement at the street level.

The strategy combines resources among the District Attorney's Office, Sheriff's Department, Probation Department, local police departments and the California Department of Justice's Bureau of Narcotics Enforcement (BNE) to create seven (7) new gang task force units across Riverside County. These new task force units were to be similar to the Coachella Valley Violent Crime Gang Task Force (CVVCGTF), which has been in existence since July of 2001. Successful local gang task force units across the nation have used a model of *prevention, intervention, and suppression* for many years. It is our intention to follow this model to meet our goals.

As stated in the original proposal, regional oversight and coordination of the gang task force units will be accomplished by a two-tiered approach. Overall policy, resourcing, and coordination of each of the task force units will be through a governing board comprised of law enforcement department heads countywide. Local control of each task force unit will be through regional boards insuring

efficiency and effectiveness in meeting local needs. The goal was to begin task force operations sometime by March 1, 2006.

In addition to the commitment by the County, personnel from local, state and federal agencies have also committed resources to the task force.

Agencies Represented

Federal: Bureau of Alcohol Tobacco and Firearms (ATF); Federal Bureau of Investigation (FBI); Housing and Urban Development, Office of Inspector General (HUD); US Department of Border Protection, Immigration and Naturalization Service (INS)

State: Department of Justice, Bureau of Narcotics Enforcement (BNE); State Parole; California Department of Corrections and Rehabilitation (CDCR)

County: District Attorney; Probation; Sheriff

Local (City): Banning; Coachella; Corona; Desert Hot Springs; Hemet; Indio; La Quinta; Murrieta; San Jacinto; Temecula

Personnel Commitments

The following positions are committed to the task force and will be working in one of the task force regions:

Sheriff's Department: 1 Sheriff's Captain, 3 Sheriff's Sergeants, 7 Deputy Sheriffs, 2 Crime Analysts, 1 Office Assistant II.

District Attorney: 2 Supervising DA Investigators, 8 DA Investigators, 3 DA IV's, and 1 Crime Analyst

Probation: 1 Supervising Probation Officer, 1 Senior Probation Officer, 7 Deputy Probation Officers II, 1 Supervising Office Assistant I, 7 Office Assistant II's.

BNE: 4 Special Agent Supervisors, 4 Special Agents

Parole: 8 Parole Officers

ATF: 3 Special Agents

FBI: 1 Special Agent

HUD: 1 Special Agent

Banning Police Department: 2 Police Detectives

Cathedral City Police Department: 1 Police Officer

Coachella Police Department: 1 Police Officer

Corona Police Department: 1 Police Detective

Desert Hot Springs Police Department: 1 Police Officer

Hemet Police Department: 1 Police Sergeant, 1 Police Officer

Indio Police Department: 1 Police Officer

La Quinta Police Department: 1 Police Officer

San Jacinto: 1 Police Officer

Temecula: 1 Police Officer

Task Force Team Status

Region 1, Coachella Valley – This team has been operational since July 2001. It was the task force that was used as the model for the Riverside County Gang Task Force.

Region 2, San Geronio Pass Area – This team has been operational since December 15, 2005. They are housed in a city-owned, off-site facility. It is staffed with Banning PD, BNE, DA, and within the next several days, Probation and Sheriff's personnel.

Region 3, Hemet/San Jacinto Valley Area – This team is set to begin operation in early April. They are currently remodeling a building owned by the City of Hemet for use as the task force office. It is located approximately one block from the Hemet Police Department headquarters in the city of Hemet. Hemet PD, Sheriff, DA, Probation and San Jacinto PD personnel will staff the team.

Region 4, Southwest Riverside County Area – This team will be operational on April 5, 2006. The team is housed in the Murrieta Police Department building. It is staffed with Murrieta PD, Temecula PD, INS, BNE, Sheriff, Probation, Parole, ATF and District Attorney personnel.

Region 5, Greater Lake Perris / Moreno Valley Area – This team is expected to be operational on or about July 1, 2006. The team is expected to be housed in an off-site Moreno Valley Police Department location.

Region 6, Perris / Mead Valley / Lake Elsinore Area – This team is expected to be operational on or about August 1, 2006. The team is scheduled to be housed in the Lake Elsinore Sheriff's Station.

Region 7, Northwest Riverside County Area – This team is expected to be operational on or about August 1, 2006. The team will be housed at the Jurupa Valley Sheriff's Station.

Region 8, Greater Corona / Norco / Home Gardens Area – This team is expected to be operational and fully staffed in early May 2006. It is housed in a city-owned building occupied by the Corona Police Department within the city of Corona. It will be staffed with Corona PD, Sheriff, DA, Probation, and Parole personnel.

Training

Formal training of team members will commence on April 17, 2006. Individual agencies have also provided training to their personnel prior to their arrival at their region. Ongoing training of task force personnel is essential and will be managed by the Task Force Director and Assistant Director.

Funding

In addition to the \$5 million dollars authorized by the Board of Supervisors for the Task Force, District Attorney Grover Trask provided \$100,000 to be divided among the regions for start-up funding. The money was taken from the DA's Asset Forfeiture funds.

We plan to pursue other methods of funding to include State and Federal grants, funding from participating and non-participating cities, as well as other potential funding sources. In addition, both the FBI and ATF have funding available for specific missions that are likely to be undertaken by the Gang Task Force.

Summary

The formation of the various regional teams is proceeding at an acceptable pace. It is anticipated that all of the teams will be operational and fully staffed by the early part of the next fiscal year. Staggering the start dates, although not specifically planned, does benefit the overall program and those teams starting later. There is much to learn and as each region builds its team, something new is learned that can be passed on to future teams.