

Bill Luna
County Executive Officer



Jay E. Orr
Assistant County Executive Officer

Executive Office, County of Riverside

November 13, 2008

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

Subject: **BUDGET BALANCING STRATEGIES**

Board Members:

On today's agenda are two items presented to help balance the County budget during this local and global financial crisis. As I described at your November 4 meeting, I have implemented five initial strategies to curbing current spending:

- 1) An early retirement incentive
- 2) A lower limit on redeeming management leave
- 3) Containment of overtime pay
- 4) Monitoring the use of temporary employees
- 5) A cap (based on current employment) on departmental hiring called the MFR (Maximum Fill Rate)

Additional strategies are being developed and will be revealed later in this fiscal year.

To activate the first two strategies above, your Board must approve agenda items 3.31 and 3.32. The second two strategies are being coordinated by my staff in the Executive Office. The fifth, the MFR, was described to department heads at our November 10 meeting, and immediately implemented.

The MFR is a mechanism to ensure that County employment does not grow while we are in this challenging period. Department heads, including public safety, have been instructed not to exceed the level of employment that was in place on November 5, 2008. The reasoning behind the MFR is that a department should be able to operate through the remainder of the fiscal year with its current number of employees, if not fewer.

3.31 & 3.32

Budget Balancing Strategies

Page 2

The MFR allows County business to continue as usual while we evaluate more drastic cost containment measures. It allows the public safety departments to operate at their current levels, thereby maintaining your highest priority functions. It also avoids the pain of unnecessary reductions in force.

Each department has access to its number of on-board staff. The Human Resources Director has been instructed that hiring is not to resume for all departments until the number of employees on-board drops below that MFR number. Exemptions for all County departments will require permission from the CEO. The department's budget must also be in balance for consideration.

I appreciate your support in enforcing these employment limits. As CEO, I am charged with establishing control systems such as this to ensure that we function within our means. To forego such controls at this stage would be short-sighted.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Bill Luna", written over a horizontal line.

BILL LUNA

County Executive Officer