

**SUBMITTAL TO THE BOARD OF SUPERVISORS  
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



**FROM:** Executive Office

**SUBMITTAL DATE:**  
June 9, 2009

**SUBJECT:** Fiscal Year 09/10 Budget Process Update .

**RECOMMENDED MOTION:** That the Board of Supervisors receive and file this budget status report and reschedule final budget adoption to June 30, 2009.

**BACKGROUND:** The Board held budget hearings on May 5 and 6, and approved the budget on a preliminary basis, subject to adjustments that would be brought forward at final adoption. Those Board-directed adjustments included increased funding for a number of functions, including public safety plus the incorporation of savings as a result of negotiations with employee groups with open or expiring contracts. Board members made it clear that a shared solution was their preference.

To date, the Human Resources Department, the County's representative at the negotiating table, cannot report the prospect of acceptable negotiated agreements with the represented groups (SEIU, RCDDA and RSA-Probation).

(Continued)

Paul McDonnell, County Finance Director

<b>FINANCIAL DATA</b>	Current F.Y. Total Cost:	\$	In Current Year Budget:
	Current F.Y. Net County Cost:	\$	Budget Adjustment:
	Annual Net County Cost:	\$	For Fiscal Year:

<b>SOURCE OF FUNDS:</b>	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<input type="checkbox"/>

**C.E.O. RECOMMENDATION:**

APPROVE

County Executive Office Signature

BY:   
Jay E. Orr

- Policy
- Policy
- Consent
- Consent

Dep't Recomm.:  
Per Exec. Ofc.:

The size of the projected budget deficit is such that without concessions resulting in either a lower cost for salaries and benefits or layoffs, insolvency would be inevitable. Therefore, it is recommended that the final budget incorporate a reduction in staff costs that will either be met by employee concessions or by an equivalent amount of layoffs.

During budget hearings the Board indicated a firm desire to hold public safety as its highest priority. That position included an important condition: that public safety managers (i.e., the Sheriff and the District Attorney) and public safety employee groups would come to the table and work towards a common solution. To date, unions with contracts in place have not been willing to help us meet budget goals. We will continue to work with the Sheriff's Department and the District Attorney's Office, and with employee groups, to identify budget reductions that address the new economic reality. Otherwise, significant layoffs pose the only real solution for balancing the budget before the new fiscal year begins.

Accordingly, and in order to achieve Board objectives and direction laid out during budget hearings, the final budget will take into consideration the willingness of all stakeholders to come to the table to address our overall problem. At this point we are projecting limited Prop 172 relief for public safety along with across-the-board reductions to most departments; the reductions will capture labor savings projected to be realized via either concessions or layoffs.