

COUNTY OF
RIVERSIDE
STATE OF CALIFORNIA



COUNTY EXECUTIVE OFFICER'S

FY 2010-11
THIRD-QUARTER
BUDGET REPORT

Presented by

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County Executive Officer

3.56



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April 27, 2011

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

4/5th Vote

SUBJECT: FY 10/11 Third Quarter Budget Report

Board members:

An analysis of revenue and economic trends and forecasts shows a mixed bag. Sales taxes are up, as are supplemental property taxes, but about one fourth of the county's sales tax revenue will go to newly incorporated cities. Assessed values will at best be stable next year, but will likely fall a little more. Although local unemployment improved to 14 percent, that is still double historic averages. In addition, recent home sale and value improvement reversed in the latest quarter. These are challenging factors when bringing in a balanced budget.

At the end of the first quarter and at mid-year, we reported that most department heads indicated they will end the fiscal year in balance. Several notable exceptions raised concerns because the projected overages are significant and ongoing. These projected shortfalls are reduced, but the total remains significant. The table below compares the projected shortfalls previously reported to the shortfalls projected now.

**Projected Year-end Shortfall
(in millions)**

	1 st Quarter	2 nd Quarter	3 rd Quarter
Sheriff	\$17.0	\$10.0	\$10.0
DPSS	12.8	7.2	5.6
DA	9.1	6.3	5.5
Fire	6.0	4.3	3.7
Registrar of Voters	1.8	0.0	0
Total	46.7	27.8	24.8

The sheriff believes he may be able to narrow his shortfall to \$10 million by year's end. The fire chief has pared his projected shortfall to \$3.7 million. The district attorney continues work to bring spending under control, and narrowed the shortfall for his office to \$5 million.

Due to extension of revenue sources and reduced caseload projections, the department of public social services further revised its projected need for additional general fund support of mandated programs down to \$5.6 million. The department currently projects the county's share of these mandated programs will increase in FY 11/12, as caseload growth continues to increase. The previously projected shortfall for the Registrar of Voters was remedied at mid-year by applying reimbursement for prior-year election costs to cover unanticipated current-year expenses. These are all positive trends, but deficits still remain.

Net discretionary revenues remain relatively flat. Proposition 172 revenue has the potential to exceed estimates. If realized, the Executive Office will reserve those dedicated funds per Board policy.

The Board has shown true grit and determination to close the structural budget deficit. Indeed, correcting that imbalance in a two fiscal year period will be remarkable. Had the Board not taken this action, our situation would be more dire. It is crucial, therefore, to continue this budget discipline and not rely on additional use of reserves to extend the deficit. Dipping into reserves to cure shortfalls deepens the county's budget deficit.

Therefore, the Executive Office continues to recommend that all departments do everything within their authority to maximize external revenue opportunities, reduce expenditures, and draw down departmental reserves to close projected shortfalls before year-end. Further, the severe need for long-term cost containment reinforces the urgent need to address pension costs.

Since the county's revenue forecast overall remains flat at best, and we cannot depend on revenue growth to resolve our structural deficit, we must identify \$45 million in to cover projected overages and provide for a reasonable beginning contingency balance. My recommendations in this report keep the county on track to meet the Board's financial objectives, consistent with Board direction during the recent budget impact hearings.

IT IS RECOMMENDED that the Board of Supervisors: 1) receive and file this report and all its attachments; and, 2) approve the recommendations and associated budget adjustments contained in Attachment A.

Respectfully,



Bill Luna
County Executive Officer

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A. MULTIYEAR BUDGET OUTLOOK

ECONOMIC OUTLOOK

General Outlook

Unemployment and foreclosures improved slightly yet remain the largest factors creating drag on the economy. As of March, the number of unemployed Americans had declined further to 13.5 million, and the unemployment rate edged down to 8.8 percent. The number of those jobless for 27 weeks or more declined slightly to 6.1 million, and remains less than the high of 6.8 million reached in May 2010. Statewide, home building and new commercial construction sagged following an end of year boost prompted by regulatory compliance. The median price of existing, single-family homes continues to slip, down 2.5 percent in February from a year earlier. The index of unsold inventory continued edging up to 7.3 months.

Local Outlook

Unemployment and Jobs

In California and locally, the economy continues its gradual recovery. By the end of March, California's unemployment rate had declined slightly to 12.3 percent, ranging from 8.0 percent in Marin County to 26.7 percent in Colusa County. Over the last quarter, the unemployment rate in Riverside County declined 0.5 percent to 14.1 percent. Our economists at California State University, Fullerton, (CSUF) indicate job growth will likely continue at a slow pace and will not soon offset jobs lost during the recession. They project local unemployment will remain in double digits for an extended period, and will be "uncomfortably high" for the next four years. Economists at the UCLA Anderson Center and Claremont McKenna College issued a forecast in October that projects local unemployment may remain in the double digits into 2014. CSUF currently predicts that economic recovery in the county will occur slowly over a number of years below the pace of broader trends.

Real Estate Market

Ongoing issues with foreclosures leave the real estate market uncertain and open to the potential for even further softening. CSUF projects the housing market will remain weak and commercial real estate prices will not improve appreciably in the near term. Tied to their projection of prolonged high unemployment, the UCLA/McKenna forecast indicated housing may not begin to recover here until at least 2014. As a result, further erosion of property tax revenue remains distinctly possible.

Documentary Transfer Activity

Document recordings remain stable with a slight decrease reported during the third quarter. Although recordings are down slightly, county documentary transfer revenue has increased overall and is projected to exceed budget expectations by \$700,000.

Building Permits

Building and Safety reports that building permit volume (single-family, grading, plan check, etc.) is 1 percent higher for the first eight months of this fiscal year compared to the first eight months of FY 09/10. Permit volume is still on a steady decline from August 2010, except for December, when permit intake spiked to 1,295 due to a change in the building code that now requires sprinklers in new single family homes. The last peak in monthly building permits was 5,423 permits in May 2005. As previously



reported, applications stayed steady at around 1,150 per month from March through August 2010. However, a sharp decline began to emerge, with a drop to 994 permits beginning in September extending to 639 permits in February. Receipts in the first eight months of this fiscal year dropped 2 percent from \$5.6 million to \$5.5 million, compared to the same period a year ago.

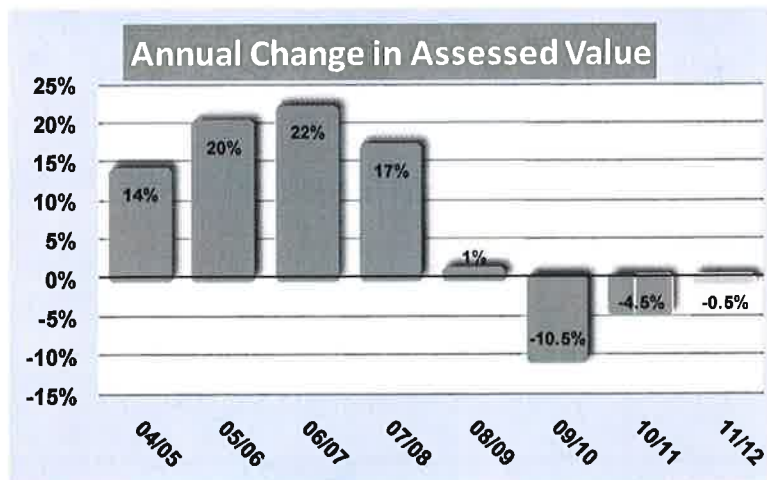
Planning applications received during the first nine months of the fiscal year declined to 604 from 730 during the same period a year ago, a drop of 17 percent. This overall drop correlates with a consistent drop in permit activity since July 2010, and a significant drop in January 2011 to 37 major and minor cases. February and March intake, at 48 and 67 respectively, will slightly improve the fiscal year average.

Assessed Value

For several years, the assessed value of the property tax roll has undergone sharp declines. In July 2010, the county assessor further reduced the assessed value by 4.5 percent for FY 10/11. Consequently, discretionary revenue related to property tax was reduced by more than \$26 million from prior year totals.

The chart at right shows the exceptional annual growth in the county's assessed value beginning in FY 04/05, followed by the abrupt decline that started in FY 07/08.

Although the Assessor was somewhat encouraged about FY 11/12 assessment valuations earlier this fiscal year, current data for reduced sales volume and lower market



values tempered that optimism. The Assessor projects the FY 11/12 assessment roll will remain unchanged or decrease slightly (-0.5 percent). Compared to our previous estimate of 1.4 percent growth, this change would reduce our FY 11/12 property tax related revenue projection by approximately \$8 million. This reduction will likely be offset by a sustained reduction in supplemental property tax refunds, discussed later in this report. Preliminary reports from the economists at CSUF support the assessor's projection. They will provide an updated report on May 16.

STATE BUDGET UPDATE

The state is anxiously trying to solve its \$26.5 billion deficit. The governor's proposed FY 11/12 state budget addressed this budget deficit with cuts, tax extensions, and other solutions. Currently, only cuts have been passed by the legislature, and progress has stalled, as the tax extensions did not pass. The governor and legislature are exploring a range of options that include consideration of an initiative for the November ballot, and a temporary extension of sales tax and vehicle license fees (VLF) to November. If alternatives are unsuccessful, an all cuts budget scenario could result; although a number of alternatives or stop gap measures will likely be explored. Republicans now indicate willingness to consider legislatively supporting tax extensions up to November in order to ensure continuous funding for public safety programs. If the current tax structure expires, the likelihood of restoring funding as tax increases will be difficult.

These funding sources were put into place on a temporary basis in 2009. Gov. Brown proposed to realign various public safety programs by shifting responsibility from the state to counties, and included the extension of surcharges on sales tax and the VLF as a means of funding the plan for a five-year period. The governor proposed a ballot measure to allow voters to approve or reject the tax extensions, but the governor has not garnered the necessary two thirds vote in either house. Without the extensions on the sales tax and VLF, the realignment plan will not be adequately funded.

Although the option of a November ballot initiative is being explored, that option requires signature gathering, and it is not clear that the funding necessary to mount an initiative effort is immediately available. Senator Leno is currently holding exploratory hearings on the Legislative Analyst's Office (LAO) letter dated February 25, 2011, regarding how to achieve an additional \$12.0 billion in cuts to close the remaining budget shortfall should the VLF and sales tax measures expire June 30. These cuts would likely be distributed to programs the county administers, and would further exacerbate the county's own budget deficit and delivery of services.

Realignment

AB 109, the bill that includes the first phase of the governor's realignment plan, was approved by the legislature. Although the bill was signed by the governor, he indicates he will not implement realignment until it is funded. As noted above, the constitutional amendment that includes provisions for putting the tax extension on the ballot to guarantee funding for the realignment plan failed to gain enough votes to pass.

Public Safety Funding

The COPS program, Juvenile Justice Crime Prevention Act programs, and other local

public safety-related activities will run out of funding after June 30 unless the temporary sales tax and VLF measures are extended.

Defunding the COPS program would result in a loss of \$1.7 million. Defunding the Juvenile Justice Crime Prevention Act programs would result in the elimination of \$10.9 million in valuable juvenile crime prevention and diversion programs. To date, neither the governor nor the legislature has pursued alternatives to provide funding for these crucial programs.

Redevelopment

The governor's plan to eliminate redevelopment agencies as a component of his approach to balance the state budget stalled in the legislature. In recent weeks, a number of alternative proposals were developed and presented to the governor, all of which he rejected. However, that has not stopped various groups and individual redevelopment agencies from working on alternatives to outright elimination. Neither house has given an indication when they may take up a vote on the governor's redevelopment proposal.

Revenues

The state's revenues are running roughly \$2 billion ahead of estimates, due in large part to unanticipated personal income tax receipts. If the trend continues for the remainder of the year, the state's remaining \$15 billion deficit will be reduced by any revenues that exceed projections. The governor's May budget revision, scheduled to be released May 16, should provide a clearer picture of revenue and expenditure projections.

MULTIPLE YEAR BUDGET PLAN

The FY 11/12 budget workshops concluded at the beginning of April. During the workshops, department heads presented the Board with information about how budget reductions would affect department operations. Based on the information presented, the Board expressed its intent to move forward with significant reductions to net county cost to sustain general fund reserves.

The county's multi-year budget plan incorporates projected expenditures and revenue four years ahead, and incorporates the budget-cutting plan. As with any plan based on forecasts, revisions will be made as more concrete information becomes available. The long-range projection for discretionary revenue anticipates modest growth beginning in FY 12/13, a trend consistent with many economists' forecasts of a slow economic recovery.

Meeting the Board's financial objective of eliminating our budget deficit and achieving structural balance requires all departments receiving general fund support to contain costs. As discussed in more detail below, several departments project cost overruns by year-end totaling an estimated \$24.8 million. These departments include the sheriff, district attorney, fire, and department of public social services.

The Executive Office does not recommend backfilling these shortfalls at this time. Instead, the Executive Office expects these departments to do everything within their

authority to maximize external revenues, use department reserves, reduce expenditures, and close their projected shortfalls before year-end.

General Fund Multiple-year Projection						
(in millions)						
	BUDGETED	PROJECTED				
	10/11	10/11	11/12	12/13	13/14	14/15
<u>RESOURCES:</u>						
Beginning fund balance	\$20	\$31	\$20	\$20	\$20	\$20
Ongoing discretionary revenue	592	592	582	601	624	652
Use of reserves (to balance budget)	61	61	28	0	0	0
Other one-time revenue and reserves	0	5	0	0	0	0
	673	689	630	621	644	672
<u>APPROPRIATIONS:</u>						
Ongoing GF Allocations (NCC)	724	724	665	611	601	601
Contingency funding	20	20	20	20	20	20
Added to Reserve Balance	0	21	0	0	0	0
Budget cuts and Labor Savings	(71)	(76)	(55)	(10)	0	0
Ongoing GF Allocation (net of cuts)	673	689	630	621	621	621
Available for budget needs	0	0	0	0	23	51
<u>Increase to Reserve Detail</u>						
Additional Fund Balance	0	16	0	0	0	0
LIUNA related savings	0	5	0	0	0	0
Reserve for economic uncertainty	128	149	121	121	121	121
Reserve for disaster relief	15	15	15	15	15	15
Total Reserve Balance	\$143	\$164	\$136	\$136	\$136	\$136
<i>Notes: Departments to absorb retirement benefit costs and cost-of-living allowances. Tentative labor savings included for FY 12/13 - FY 14/15</i>						
<u>Other Potential Unbudgeted Impacts</u>						
Retirement Costs* (current earnings assumption)		0	14	18	35	22
<i>* Reflects countywide increase over Fiscal Year 2010/11 costs</i>						

Eastvale and Jurupa Valley Incorporations

The transition of services from the county to the City of Eastvale began in October 2010. County departments have reported the preliminary cost for services provided on behalf of the city as well as any associated revenues for two quarters. The Executive Office anticipates Eastvale's incorporation will significantly affect this year's revenue if services are transitioned to the city before fiscal year-end. The Executive Office will continue to monitor expenditures and revenues and recommend necessary budget adjustments as more information is available.

On March 8, 2011, voters approved a ballot measure to incorporate Jurupa Valley as the county's 28th city. The city's official incorporation date will be July 1, 2011. As with other new cities, the county is required to continue to provide certain municipal services during the transition period. The cost of these services, offset by any city revenue collected and retained by the county, will be absorbed by the county during FY 11/12.

There may be significant impacts for FY 11/12 and FY 12/13 budgets due to deferred revenue neutrality payments negotiated with Eastvale and Jurupa Valley. These agreements will more than likely result in additional shortfalls. As previously discussed with the Board, the loss to these new cities of ongoing discretionary sales tax alone is currently estimated at approximately \$7.5 million. Further information about these impacts will be provided as it becomes available.

B. SECOND QUARTER ACTIVITY

FUND BALANCE

General Reserves and Designations

The county maintains a number of general fund reserves and designations of fund balance. The following table lists the balances of Board-established general fund discretionary reserves and designations to date. The Board continues to show support for increasing the designation for economic uncertainty. During the third quarter, it was reported the capital improvement program (CIP) fund accumulated significant interest over a six year period as a result of general funds transferred for projects. Interest totaling \$5.1 million was transferred to the designation for economic uncertainty. There are no new changes to discretionary general fund designations contained in this report.

Discretionary Reserves					
(in millions)					
	FY 09/10 Ending Balances	Draw Downs for Budget Use	FY 10/11 Beginning Balances	Adjustments thru Third Quarter	Balance Upon Approval
Economic uncertainty	\$206.7	(\$78.7)	\$128.0	\$21.2	\$149.2
Disaster Relief	0.0	15.0	15.0		15.0
Property tax system	17.0	0.0	17.0		17.0
SB90 deferred state revenue	1.4	0.0	1.4		1.4
EDA ISF Savings	2.4	0.0	2.4	(2.4)	0.0
Public Safety Savings	12.8	0.0	12.8	(12.8)	0.0
Community improvement	0.9	2.5	3.4	(1.9)	1.5
TOTAL	\$241.2	(\$61.2)	\$180.0	\$4.1	\$184.1

Departmental Reserves and Designations

With the materials for the recent budget impact hearings, the Executive Office included an attachment that listed the balances of departmental sub-funds within the general fund. Many of these sub-funds have accumulated net income over the last several years, and have significant fund balances. The full table of these balances is included in Attachment B. A summary of the more significant balances is listed below. The Executive Office is working closely with departments to ensure these balances are drawn down and used to the greatest extent possible, within the restrictions on the funding sources.

Summary of Significant General Fund Sub-fund Balances

		Balance on Jan 31, 2011
Assessor-County Clerk-Recorder		
11009	AB 818 Prop Tax Admin Program	\$ 2,895,467
11040	Recorder Vital-Health Statistics Fund	395,809
11076	Modernization	20,115,884
11077	Conversion	4,230,117
11128	Social Security Truncation	872,590
11129	Electronic Recording Fee	523,477
District Attorney		
11017	Consumer Protection Prosecution	12,310,681
11018	State Adjudicated Asset Forfeiture	472,744
11019	DA-Vehicle Theft Allocation	789,018
11028	DA Federal Asset Forfeiture	923,768
11041	Real Estate Fraud Prosecution	223,402
11118	DOI - Auto Insurance Fraud	399,668
Mental Health		
11022	Drug Prevention-Education Fund	1,179,059
11024	Prop 36 Sa & Crime Prevention	704,473
11048	AB 2086 Alcohol Control	1,335,773
11115	Mental Health Services Fund	127,181,566
Community Health Agency		
11038	Emergency Medical Services	4,832,950
Sheriff		
11008	AB 709 Court Services Automation	2,115,934
11013	Auto Theft Interdiction	405,185
11026	Federal Equity Share	1,200,546
11042	Asset Forfeiture - Adjudicated	399,295
11067	Sheriff Writ Assessment	2,800,139
11085	Booking Fees Recovery	6,146,456
11087	Automated County Warrant System	670,493

DISCRETIONARY REVENUE

Property Taxes

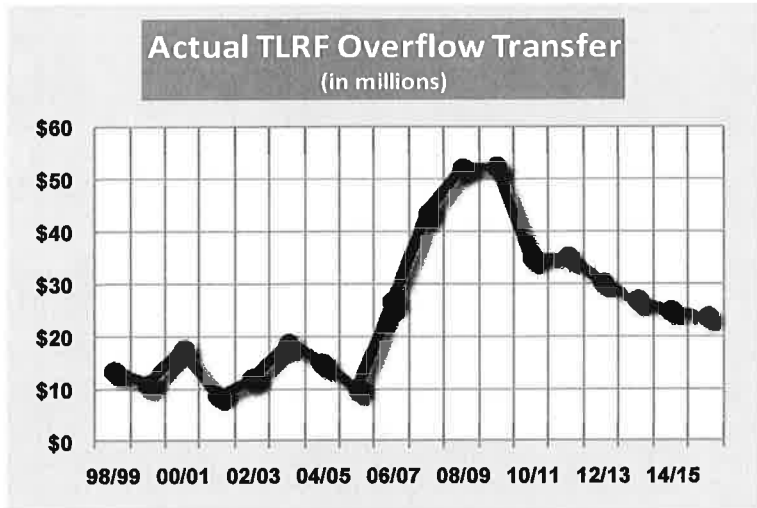
Property tax revenue was estimated at \$263.8 million based on a forecasted 4.5 percent drop in assessed values. Based on current property tax collection trends, the Auditor-Controller projects property tax receipts will be \$269.1 million, \$5.3 million more than currently estimated.

Two factors are influencing property tax receipts. First, the decline in assessed value caused a decline in tax increment pass-through revenue from redevelopment projects. Second, over the past two fiscal years, declines in property values resulted in significant refunds of property taxes paid. The current revenue estimate anticipated that continued

outflow for refunds would negatively impact property tax receipts. However, the Auditor-Controller currently projects a reverse in this trend, and anticipates current year refunds will be \$6.2 million less than originally estimated. These factors account for the net increase in property tax receipts.

Teeter Tax Losses Reserve Fund (TLRF) Overflow

Under the California Teeter Plan, the county advances participating local agencies their property tax revenues based on assessed valuation. The county then retains all collected amounts, including penalties and interest for delinquent taxes. The tax losses reserve fund helps to manage revenues and expenditures associated with the program.



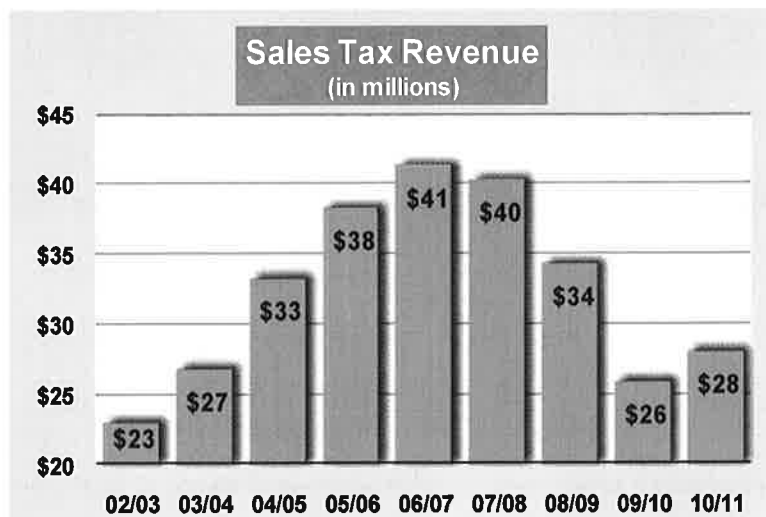
Revenue that exceeds the cost of financing and tax loss reserves is discretionary revenue and is released to the general fund.

The rise in assessed value together with a spike in property tax delinquency rates significantly increased the Teeter Plan overflow in recent years. The overflow peaked at more than \$52 million in FY 09/10. The chart shows both the historical and projected revenue from this source.

Although the local housing market continues to struggle and unemployment levels remain high, there is a downward trend in property tax delinquency rates. Timely payment of property taxes by financial institutions that have taken ownership of distressed properties may be the primary cause. The overflow resulting from declining property tax delinquency rates may be \$35 million this fiscal year, \$11 million less than currently budgeted. This trend, reinforced with a slow economic recovery, will continue to erode this revenue in future years.

Sales and Use Taxes

Hinderliter de Llamas & Associates (HdL), the county's sales tax consultant, reports total quarterly receipts for all jurisdictions in Riverside County from July through December (the most recent quarter available) rose 6.3 percent from the same quarter a year ago. This increase is comparable to receipts



reported among counties in the region. HdL reports the county’s own sales tax receipts were up by 4.1 percent over the same quarter a year ago. This is lower than the state overall, which increased 7.3 percent compared to the same quarter a year ago. Increased sales tax receipts in the county’s unincorporated area continue to be buoyed by rising fuel prices and pent up demand for autos and recreational vehicles. HdL anticipates a negative impact on the autos and transportation category in coming quarters due to disruption in the auto industry resulting from the earthquake in Japan and consequent instability in their power grid. Additional detail is provided in HdL’s sales tax update contained in Attachment C.

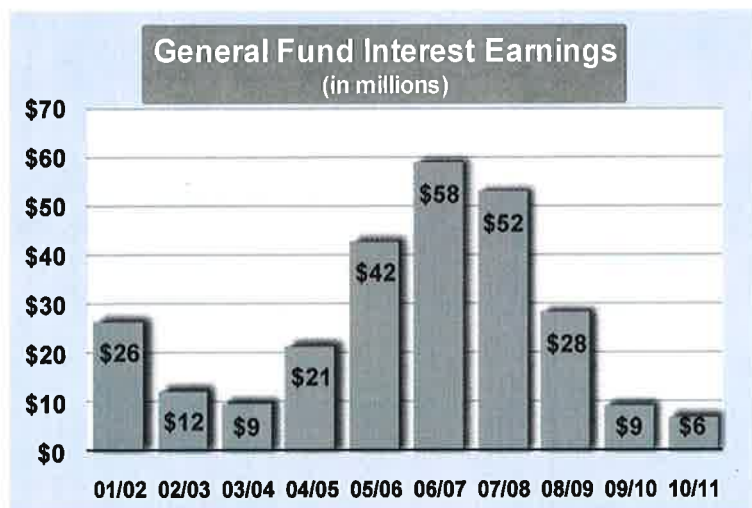
The estimate of sales and use tax revenue in the FY 10/11 final budget was \$23 million, which includes deductions for sales tax revenue picked up by recently incorporated cities. This contributed greatly to declines in the county’s sales tax receipts. HdL currently projects the county to receive \$27.8 million in sales and use tax revenue in FY 10/11, \$4.8 million more than currently budgeted. This factors in the revenue loss to the new City of Eastvale. Annualizing that loss to Eastvale, HdL estimated the county’s FY 11/12 sales and use tax revenue would be \$26.6 million, \$3.6 higher than the county’s current year budgeted estimate. However, with the incorporation of the City of Jurupa Valley effective July 1, 2011, HdL currently estimates the county will lose an additional \$5.9 million in sales and use tax revenue. After factoring out that loss, HdL currently projects the county’s FY 11/12 sales and use tax revenue will drop to \$20.7 million.

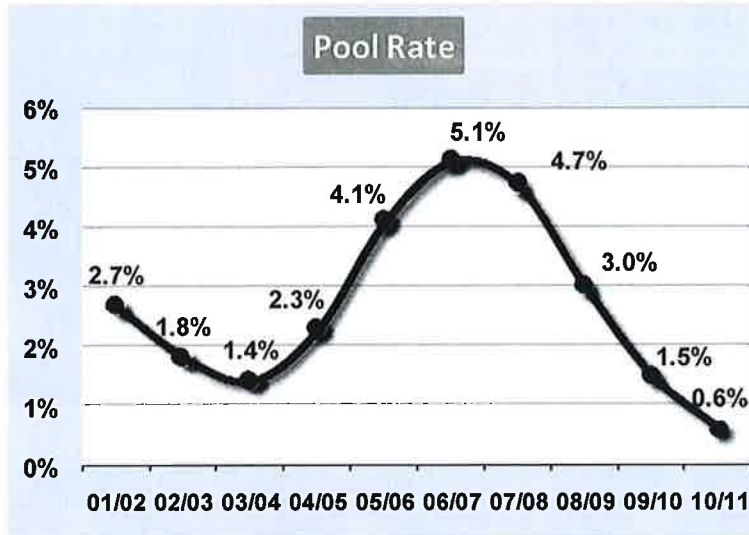
Proposition 172 Public Safety Sales Tax

HdL continues to project statewide public safety sales tax will be up from last fiscal year consistent with the overall trend in sales and use tax. However, the company also projects the county’s pro rata share of that pool will continue to shrink this year and next as the county recovers more slowly than other areas in the state. HdL projects the county may be allocated \$121.8 million in public safety sales tax this fiscal year, although receipts to date have not yet exceeded the total amount budgeted. If receipts for this revenue do exceed the budgeted estimate of \$110 million, the Executive Office will work with the Auditor-Controller to execute the Board’s directives regarding public safety sales tax approved in the FY 09/10 third quarter report.

Interest Earnings

During the last three months, the financial markets were marked by interest rate volatility due to political unrest in the Middle East and North Africa, a full scale nuclear crisis in the aftermath of a devastating earthquake in Japan, and growing uncertainty about the financial viability of many local governments. These events, coupled with federal budgetary





issues, continue the uncertainty about the short-term direction of interest rates.

The Treasurer reports that as of the end of the third quarter, we will meet or exceed the revised FY 10/11 interest earnings target of nearly \$6 million. Due to volatile interest rates during the quarter, certain realized gains could provide for marginally higher year-end earnings than currently forecast.

Revenue Summary

In summary, although certain discretionary general fund revenues show signs of growth, other revenue estimates continue to weaken. If trends hold, the Executive Office does not foresee a significant net increase in discretionary revenue.

The chart at right summarizes the county's discretionary revenue estimates. Overall, net discretionary revenue appears likely to remain relatively flat through the remainder of this fiscal year.

APPROPRIATIONS FOR CONTINGENCY

Appropriations for contingency are intended to cover urgent, unforeseeable events such as shortfalls in discretionary revenue, unanticipated expenditures, uncorrectable departmental

budget overruns and other mission-critical issues at the Board's discretion. The Executive Office cautioned departments that allocations from contingency are being minimized. The adjustments to appropriations for contingency are summarized in the table below.

General Fund Discretionary Revenue Projected
(dollars in millions)

	Final Budget Estimate	3rd Quarter Projection	Variance from Budget
Property Taxes	263.8	269.1	5.3
Motor Vehicle In Lieu	188.8	189.2	0.4
Tax Loss Reserve Overflow	46.0	35.0	(11.0)
Fines and Penalties	25.5	26.7	1.2
Sales Tax*	23.0	27.8	4.8
Tobacco Tax	10.0	10.0	0.0
Documentary Transfer Tax	9.3	10.0	0.7
Franchise Tax	7.0	7.0	0.0
Interest Earnings	6.4	6.0	(0.4)
Misc. Federal and State	5.9	5.9	0.0
Other (Prior Year & Misc.)	6.5	5.0	(1.5)
Total	592.1	591.6	(0.5)

* Does not include public safety sales tax revenue

USE OF CONTINGENCY					
		Cost Adjustment	Revenue Adjustment	Total Adjustment	Balance Available
Beginning Balance:					\$ 20,000,000
Adjustments to date:					
09/28/10	Adj cash shortage (Item 3.14)	\$ 151	\$ -	\$ (151)	\$ 19,999,849
1st Qtr Rpt	DA's SPIRIT Program	24,750	-	(24,750)	19,975,099
02/01/11	Reissue Warrant (Item 3.1)	84		(84)	19,975,015
Midyear Rpt	March JPA Obligation	\$ 397,000	\$ -	(397,000)	19,578,015
Midyear Rpt	Elections reimbursement		\$ 1,854,384	1,854,384	21,432,399
Midyear Rpt	Registrar of Voters	1,680,000		(1,680,000)	19,752,399
02/08/11	Esperanza Fire Reward (Item 3.7)	\$ 50,000		(50,000)	19,702,399
02/15/11	Foster Care (Item 3.24)	650,000		(650,000)	19,052,399
		2,801,985	1,854,384	(947,601)	
Actions recommended in this report:					
					19,052,399
Contingency balance upon approval of this report =					\$ 19,052,399

Currently, the Board-approved contingency target is \$20 million or approximately 3 percent of ongoing discretionary revenue. As of the writing of this report, less than \$1 million of net contingency appropriations have been used. Funds remaining in contingency at year-end will be used to re-establish the appropriations for contingency next year.

C. DEPARTMENTAL STATUS

INTERDEPARTMENTAL AND CAPITAL PROJECTS

Capital Improvement Program (CIP)

On May 18, 2010, (Agenda Item No. 3.22) the Board approved funding from general fund designations for architectural services and selective demolition to begin the remodel of the old District Attorney building for the Office of the Public Defender.

In order to preserve general fund designation, re-programming \$981,119 of the CIP fund reserve can fund initial steps of the Public Defender's downtown Riverside building remodel. The Public Defender's Indio expansion project will move forward only after new revenue sources are available.

Recommendation 1: That the Board of Supervisors approve re-programming \$981,119 in the CIP fund reserve from construction of the Indio Public Defender expansion project to the downtown Riverside Public Defender building remodel.

Public Safety Enterprise Communication System (PSEC)

GENERAL GOVERNMENT

Human Resources (HR)

All departmental revenue is trending significantly lower, in part because departments are sending fewer employees to courses at the Center for Government Excellence, position growth is minimal and HR has reduced its administrative rate. The department has lowered expenditures and kept vacant positions open. Revenue is sufficient to cover expenditures except for approximately \$413,000 associated with the IRS audit. When the IRS completes this audit, payment will need to be made on behalf of the county.

Delta Dental Plan activity has been significantly higher than expected even for the first quarter of a new program. In addition, there has been a 20 percent spike in family enrollment attributable to a family’s ability to secure coverage for dependents up to age 26. Since the quarter’s activity outpaced the planned budget, the department requests increased spending authority. Insurance revenues are sufficient to cover the costs incurred.

Recommendation 2: *That the Board of Supervisors approve and direct the Auditor-Controller to make adjustments to estimated revenue and appropriations in the amount of \$200,000 for Delta Dental, as follows:*

Increase estimated revenue:		
45860-1130600000-781320	Insurance proceeds	\$200,000
Increase appropriations:		
45860-1130600000-534240	Dental claims	200,000

Workers’ compensation claims are trending slightly lower than anticipated. The iVOS system is in place and all claims are processed using this software. The department expects to draw down the fund surplus by approximately \$9 million this year; thus far \$6.1 million has been drawn. The end-of-quarter fund balance is \$10.3 million. Any spike in claims will be handled through the fund surplus.

Short term disability claims are higher than anticipated. Unfortunately, the fund’s reserves were used to offset rate increases over the last few years, and there are not sufficient resources remaining to pay current claims. Consequently, HR requests approval for a three-year loan from the workers’ compensation fund to provide working capital to the short term disability fund.

Employees are utilizing services available through the Employee Assistance Program more than in past years. Increased staffing to meet the demand has caused the fund to exceed its budget. Funds are requested to handle payments made during the third quarter. Workers’ compensation funds the Employee Assistance effort. Human Resources requests adjustments in the amount of \$640,000, including an increase to appropriations of \$240,000 to provide requested employee assistance and approval to

make a \$400,000 three-year loan to short term disability.

Recommendation 3: That the Board of Supervisors approve and direct the Auditor-Controller to make adjustments to unrestricted net assets, estimated revenues and appropriations in the amount of \$640,000, as follows:

Increase appropriations:		
46100-1132200000-510040	Regular Salaries	\$ 115,000
46100-1132200000-525080	Temporary assistance pool services	25,000
46100-1132200000-520260	Computer lines	10,883
46100-1132200000-526700	Rent/lease buildings	6,832
46100-1132200000-527780	Special program expense	3,000
46100-1132200000-523700	Office supplies	29,285
46100-1132200000-523640	Computer equipment, non-fixed asset	50,000
46100-1132200000-572800	Intrafund miscellaneous	<u>(240,000)</u>
		0

Increase appropriations:		
46100-1130800000-551100	Contribution to other county fund	400,000

Use of unrestricted net assets:		
46100-1130800000-380100	Unrestricted net assets	400,000

Increase estimated revenue:		
46060-1131200000-790600	Contribution from other county funds	400,000

Increase appropriations:		
46060-1131200000-534260	Disability claims	400,000

Employees are using Local Advantage Plus Dental services at a higher rate than anticipated. One possibility for the increase is families' ability to provide insurance for dependents up to age 26. Current service levels will cause a shortfall in budget appropriations; however, fund reserves are sufficient to cover utilization costs. The department requests using fund balance to cover increased usage of the Local Advantage Dental plan.

Recommendation 4: That the Board of Supervisors approve and direct the Auditor-Controller to make adjustments to the Local Advantage Plus Dental fund balance and appropriations in the amount of \$55,000, as follows:

Increase appropriations:		
45900-1132600000-523350	Administrative expense	\$20,000
45900-1132600000-534240	Dental claims	<u>35,000</u>
		55,000

Use of unrestricted net assets:		
45900-1132600000-380100	Unrestricted net assets	55,000

The Wellness Program is popular with employees. There have been concomitant increases in medical evaluations and incentive payments. Increased program revenue is sufficient to pay the current costs; however, HR will evaluate the funding rates to

ensure that continuing the incentive program is worthwhile. The department requests using program revenue to support additional costs incurred.

Recommendation 5: *That the Board of Supervisors approve and direct the Auditor-Controller to make adjustments to the estimated revenue and appropriations of Occupational Health and Wellness in the amount of \$150,000, as follows:*

Increase estimated revenue:		
46120-1132900000-774500	Health services	\$150,000
Increase appropriations:		
46120-1132900000-525100	Medical lab services	50,000
46120-1132900000-527780	Special program expense	<u>100,000</u>
		150,000

Registrar of Voters

The Registrar of Voters expects to meet its current year net county cost target. To accomplish this, the department requests the following budget adjustments to account for increased revenue from the March 8, 2011, Jurupa Valley incorporation election and the June 7, 2011, municipal elections for the cities of Riverside, Canyon Lake, Menifee, and Wildomar. The following adjustment will allow the department to purchase equipment that will increase ballot processing rates.

Recommendation 6: *That the Board approve and direct the Auditor-Controller to make budget adjustments to estimated revenue and appropriations for the Registrar of Voters, as follows:*

Increase estimated revenue:		
10000-1700100000-771230	City election services	\$232,904
Decrease appropriations:		
10000-1700100000-523800	Printing	242,096
Increase appropriations:		
10000-1700100000-510200	Payoff permanent/seasonal	20,000
10000-1700100000-546080	Equipment – computers	19,000
10000-1700100000-546160	Equipment – other	<u>436,000</u>
	Total	475,000

Facilities Management was directed to review options to increase space for new equipment and operations. Based on its assessment, a major move is currently cost prohibitive and not likely to occur before the November 2011 election or the 2012 presidential primary election. The Registrar and the Executive Office are working on lower cost solutions.

Also, the special statewide election requested by the governor for June 2011 is increasingly unlikely to happen. If it does occur, an additional \$2 million will be needed to conduct that election. The cost for these elections is typically reimbursed, but not guaranteed, and reimbursement can take the state two years. The California Association of Clerks and Election Officials plans to lobby for reimbursement language

to be included in a bill for this election, as well as future special elections.

Economic Development Agency/Facilities Management (EDA/FM)

Project Management

Facilities Management requests a budget adjustment to enable unanticipated repairs on the First American Title Company building and additional minor capital projects.

Recommendation 7: *That the Board of Supervisors approve and direct the Auditor-Controller to make adjustments to estimated revenue and appropriations for Facilities Management’s Project Management Office division, as follows:*

Increase estimated revenue:		
10000-7200500000-778280	Interfund-reimbursement for service	\$1,500,000
Increase appropriations:		
10000-7200500000-537320	Interfund-bldg improvement	500,000
10000-7200500000-537280	Interfund-misc project expense	<u>1,000,000</u>
	Total	<u>1,500,000</u>

Capital Projects

Facilities Management proposes to reprogram the following deferred maintenance projects as a result of project completions or scope changes.

Recommendation 8: *That the Board of Supervisors approve the proposed reprogramming of deferred maintenance projects, as follows:*

The following projects are completed or had a scope change:

Building#	Project Description	Savings
RV904	CJB boiler replacement	8,000
RV1045	Riverside Centre HVAC repairs	50,000
RV967	DPSS Arlington-HVAC control	35,000
IN742	Fair roof repairs	100,000
IN703	Indio Annex roof repair	40,000
DH1701	Desert Hot Springs Library-replace roof	30,000
PG1101	Palm Springs CAC-replace evaporation coil	5,000
IN741	Fair restroom upgrade	2,000
IN743	Fair exterior upgrade and finish	32,500
BA104	Smith Correctional-HVAC repair	100,000
MU1307	SWJC-plant heat exchanger	<u>80,000</u>
	TOTAL	<u>\$482,500</u>

Additional funding is requested for the following projects:

Building#	Project Description	Overage
MU1317	SWJC-plant absorber repair	3,600
IN750	Fair-courtyard ADA barrier removal	22,164
BL317	Blythe CAC-trim trees	5,060
BA173	Smith Correctional-grinder valve replacement	11,659
	French Valley BMP repair	7,500
MU1302	SW Bldg B-remove and replace floor sink	3,400

RV914	RPDC-pump grease inceptor	5,500
PR810	Perris Sheriff -replace air conditioning compressor	5,000
PR808	Perris Coroner-replace air conditioning compressor	10,500
MV1214	BCTC Cal Fire-replace air conditioning unit	10,000
RV901	Historic Courthouse-repair roof	9,500
Various	UST	100,000
Various	Emergency maintenance	<u>288,617</u>
	TOTAL	\$482,500

Aviation

The department requests a budget adjustment for unanticipated charges related to the Hemet Ryan Air Show funded from existing fund balance.

Recommendation 9: That the Board of Supervisors approve and direct the Auditor-Controller to make adjustments to appropriations in the amount of \$90,000 for Aviation, as follows:

Increase appropriations:		
22100-1910700000-523270	Special events	\$90,000
Use of fund balance:		
22100-1910700000-325100	Unreserved fund balance	90,000

PUBLIC PROTECTION

Fire

The Fire Department currently projects a \$3.7 million shortfall for FY 10/11. This shortfall improvement from the mid-year report has been achieved through cost cutting measures and some reduction in the CAL FIRE state contract. The Executive Office will continue to work with the fire chief to reduce costs and explore possible new revenue sources.

Sheriff

The sheriff provided the following information, taken verbatim from his report:

At the third quarter mark of this fiscal year, we anticipate a year-end deficit of approximately \$10 million dollars. This is a \$3.5 million dollar improvement from our mid-year position. As detailed in our previous report, we began the fiscal year with a \$26.1 million structural deficit. This deficit was substantially reduced by the Boards decision to roll prior year savings into our current operating budget. On February 1st, 2011, the Sheriff advised the Board that the forward momentum of the County's jail system, as well as adherence to Board prescribed patrol ratios, would prevent us from closing the remaining \$10 million budget gap.

Jail hiring assumptions that were embedded in our earlier estimates have now been eliminated. We have also reduced our year-end projections in the areas of recruiting and advertising. In addition to savings resulting from recent policy changes, we continue to apply every effort possible to control expenditures. The Sheriff has directed staff to pursue cost savings, wherever possible, through the end of the FY. Measures may include deferring certain planned expenditures

until next fiscal year (if practical).

Conclusion

As reported during the second quarter, many of the structural issues that contributed to our shortfall still need to be addressed in order for us to achieve a balanced budget by the end of the fiscal year. This is not a new issue. The Sheriff has repeatedly updated the Board and your office of our budget issues. Our de facto NCC cut of 11% is far deeper than publicly stated. The Sheriff has followed Board guidance regarding the level of service to provide in the jails and the unincorporated areas throughout the County. Operational flexibility has been exhausted over the last several years and a balanced budget cannot be achieved without significant program cuts or a budget solution. In the interim, we will continue to pursue budgetary savings wherever possible. Also, we want to reiterate to your office that the savings from last fiscal year was accomplished through many short-term budget devices, and cannot be viewed as a long-term solution to unfunded budget commitments. We will continue to work closely with your office and the Board of Supervisors to reduce this deficit by the end of the fiscal year. Based on our current projections, we can close this gap effectively with an NCC add back of about \$10 million (this would make our cut effectively 5-6% in this FY).

Recommendations

The following action is recommended

- Reinstatement of budget savings associated with furloughed positions (\$1.3 million).
- Correct the CORAL funding error (84k).
- Fund current year negotiated pay increases (\$8.5 million).
- Reinstatement of NCC funding cuts that took us beyond our original 3%.
- Work closely with Detention Health Services and our Department to determine the appropriate amount of add backs that need to be reinstated to the DHS budget. Our intent is to get a budgetary resolution on this jail issue for next fiscal year.

CEO Analysis

The sheriff requests a net county cost addback of \$10 million by year's end. The Executive Office does not recommend this budget adjustment be made at this time; it will be reexamined at year end. In the interim, the Sheriff's Department should take step to reduce and eliminate its cost overrun.

The Sheriff's Department has requested two additional budget adjustments to align federal stimulus hiring grant revenue to match actual costs.

Recommendation 10: *That the Board of Supervisors approve and direct the Auditor-Controller to make adjustments to estimated revenue for Sheriff's Department, as*

follows:

Decrease estimated revenue:		
10000-2500300000-767430	Federal AARA prime recipient	\$812,210
Increase estimated revenue:		
10000-2500400000-767430	Federal AARA prime recipient	812,210

District Attorney

The District Attorney’s Office continues to project a deficit that will be approximately \$5 million based on the district attorney’s latest report. This improved by \$800,000 from the mid-year report in January. Revenue projections are down slightly but still \$1.3 million higher than anticipated in the mid-year report. The decreasing deficit is the realization of salary savings from personnel decisions made during the first three months of the new administration. As stated previously, the department is doing everything possible to balance its FY 10/11 budget. The Executive Office has been working closely with the new district attorney and his staff to find savings for the balance of this fiscal year.

The district attorney’s forensics department is expecting revenues and associated expenses to be greater than originally budgeted. In order to accommodate this increase the following budget adjustment is being requested. This adjustment will have no impact on net county cost.

Recommendation 11: *That the Board of Supervisors approve and direct the Auditor-Controller to make adjustments to appropriations in the amount of \$159,000 for the District Attorney, as follows:*

Increase estimated revenue:		
10000-2200200000-731060	Fine-Ch90-78 forensic test	\$159,000
Increase appropriations:		
10000-2200200000-525100	Medical – lab services	159,000

Law Office of the Public Defender

At mid-year, the Public Defender’s Office projected exceeding its FY 10/11 budget by \$782,238 due to increased salary and benefit costs, retirement payouts totaling \$592,189, annual leave buyouts totaling \$307,809, and lower than anticipated reimbursement from the state. The department now estimates that budget gap will be \$401,171. However, Executive Office analysis indicates the department has only expended 69 percent of its budget with three quarters of the year completed, although the department has expended 75.1 of its salaries and benefits. Analysis indicates the Alternate Public Defender, also known as the Capital Defender, has expended 55.7 percent of its FY 10/11 allocation. The Public Defender’s Office continues to cut costs, and is working with the Executive Office to develop a plan for handling any shortfall without requesting additional funds from contingency or reserve.

Probation Department

Probation will end the year with a balanced budget. Cost containment measures include closure of a wing at Southwest Juvenile Hall, leaving vacant positions open, transferring staff to handle the most essential assignments, closely monitoring overtime, consolidating operations, standardizing facility meals and reevaluating the agricultural programs at Twin Pines Ranch. Initially the department anticipated an additional 5 percent reduction (\$900,000) to Prop 172 funding, however during the third quarter, holiday sales were strong and it appears that there will be no further reductions this fiscal year. Implementation of the Adult Evidence Based Probation Supervision Program is yielding results, as probation officers target their efforts to avoid recidivism. Adult probationers are using the kiosk reporting system, which increases oversight without adding staff. The department continues to work with EDA/Facilities and the Executive Office to complete state-required due diligence for the \$24.7 million award to construct a 100-bed juvenile treatment facility in the City of Riverside.

At the end of the third quarter, Gov. Brown signed AB109 realigning from the state to local jurisdictions certain responsibilities for lower level offenders, adult parolees, and juvenile offenders. A condition of this law is it will not go into effect until a community corrections grant program is created and funded. However, Probation is working on a plan to supervise the non-serious, non-violent, non-sex offender felons who will be gradually released to Riverside County. Through the Chief Probation Officers of California, the California State Association of Counties, and other statewide associations, the department will continue to monitor state budget activity that may potentially impact local operations.

Animal Services

Animal Services reports salaries and benefits are slightly higher than budgeted because of leave balance payouts to laid off employees and overtime due to furloughs. The department anticipates reductions in other areas will offset the overage; but if needed, will submit a budget adjustment before year-end.

PUBLIC WAYS AND FACILITIES

Multi-Species Habitat Fund

More tonnage is coming into the El Sobrante landfill than anticipated during budget preparation. This increase has a direct impact on funding for the Riverside Conservation Authority. The department requests an increase in estimated revenue and appropriations.

Recommendation 12: *That the Board of Supervisors approve and direct the Auditor-Controller to make adjustments to appropriations and estimated revenue, as follows:*

Increase estimated revenue:		
22450-1103600000-775900	Disposal fees	\$560,000
Increase appropriations:		
22450-1103600000-525440	Professional services	560,000

Transportation Land Management Agency

Transportation

Developer impact funds (DIF) were previously programmed for both the River Road bridge (September 16, 2008, Agenda Item No. 3.53) and Clinton Keith projects (June 19, 2007, Agenda Item No. 3.35). The department used road and bridge benefit district (RBBD) funding for Clinton Keith, and federal funds for the River Road bridge project. As these funds are exhausted, the department requests DIF funding to complete these projects. A budget adjustment is needed in order to receive and spend the funding.

Recommendation 13: *That the Board of Supervisors approve and direct the Auditor-Controller to make adjustments to appropriations and estimated revenue, as follows:*

Increase appropriations:		
31650-3130500000-537280	Interfund expense – misc. project exp.	\$1,512,727
Increase estimated revenue:		
31650-3130500000-790600	Contributions from other county funds	1,512,727

Crossing Guards

The department requested and received approval in the mid-year report for additional appropriations to cover five positions added to the crossing guard program after the budget was approved. However, the amount requested was not sufficient. Therefore, the department requests a second budget adjustment to increase appropriations to account for the additional expense and offsetting use of fund balance.

Recommendation 14: *That the Board of Supervisors approve and direct the Auditor-Controller to make adjustments to appropriations and use of unreserved fund balance by \$6,000 for the crossing guard program, as follows:*

Increase appropriations:		
20000-3130300000-510340	Seasonal salaries	\$6,000
Use of unreserved fund balance:		
20000-3130300000-325100	Unreserved fund balance	6,000

Landscape Maintenance District

The department reports that the Landscape Maintenance District requires unexpected fence repair and tree spraying. Unreserved fund balance will be used to offset the additional expense.

Recommendation 15: *That the Board of Supervisors approve and direct the Auditor-Controller to make adjustments to appropriations and use of unreserved fund balance, as follows:*

Increase appropriations:		
20300-3130100000-521600	Maintenance – service contracts	\$40,000

Use of unreserved fund balance:
 20300-3130100000-308152 Reserve for landscape maintenance districts 40,000

Scott Road Road and Bridge Benefit District

The department reports the Scott Road project is moving faster than anticipated. Therefore, the department is requesting a budget adjustment to cover costs this fiscal year.

Recommendation 16: That the Board of Supervisors approve and direct the Auditor-Controller to make adjustments to appropriations and reserved fund balance, as follows:

Increase appropriations:		
31693-3130500000-537220	Interfund expense – labor	\$ 65,000
31693-3130500000-537280	Interfund expense – misc. project expense	<u>244,810</u>
	Total	309,810

Decrease reserved fund balance:		
31693-3130500000-309103	Reserve for capital project subfunds	309,810

HEALTH AND SANITATION

Community Health Agency

Community Health Agency Administration

The Community Health Agency (CHA) requests Board approval to purchase two computer servers and associated software to replace equipment nearing the end of its useful life. The department has sufficient appropriations budgeted to cover this cost.

Recommendation 17: That the Board of Supervisors approve the acquisition of two computer servers and associated software for the Community Health Agency.

Public Health

Public Health requests Board approval to purchase an auto dialer and copier for grant-funded programs and the budget adjustments necessary to shift grant revenue and expenses.

Recommendation 18: That the Board of Supervisors 1) approve the acquisition of an auto dialer and one copier; and, 2) approve and direct the Auditor-Controller to make adjustments to estimated revenue and appropriations for Public Health, as follows:

Increase estimated revenue:		
10000-4200100000-751680	CA – grant revenue	\$ 13,858
10000-4200100000-754000	CA – Prop. 10 tobacco tax	29,867
10000-4200100000-778330	Interfund expense – salary reimbursement	<u>85,000</u>
	Total	128,725

Decrease estimated revenue:		
10000-4200100000-781360	Other miscellaneous revenue	620,000

Increase appropriations:

10000-4200100000-510040	Regular salaries	348,004
10000-4200100000-518100	Budgeted benefits	156,915
10000-4200100000-520260	Computer lines	3,000
10000-4200100000-520930	Insurance-liability	1,500
10000-4200100000-521700	Maintenance -alarms	2,000
10000-4200100000-522310	Maintenance -building improvements	5,000
10000-4200100000-523620	Books/publications	500
10000-4200100000-523700	Office supplies	3,000
10000-4200100000-523800	Printing/binding	4,000
10000-4200100000-524500	Administrative support direct	45,100
10000-4200100000-524760	Data processing services	1,200
10000-4200100000-525320	Security guard service	150
10000-4200100000-525340	Temporary salaries	65,200
10000-4200100000-526700	Rent lease building	8,000
10000-4200100000-526720	Rent lease storage	1,000
10000-4200100000-526960	Small tools & equipment	17,296
10000-4200100000-527780	Special program expense	12,500
10000-4200100000-528140	Conference/registration fees	8,558
10000-4200100000-528920	Car pool expense	500
10000-4200100000-529040	Private mileage reimbursement	7,300
10000-4200100000-529540	Utilities	1,600
10000-4200100000-572800	Intrafund expense – miscellaneous	<u>(585,098)</u>
	Total	107,225

Decrease appropriations:

10000-4200100000-523640	Computer equipment – non-fixed asset	108,500
10000-4200100000-523840	Computer equipment/software	400,000
10000-4200100000-546080	Equipment computer	20,000
10000-4200100000-546160	Equipment other	<u>70,000</u>
	Total	598,500

Public Health also requests a budget adjustment to reflect additional funding for program expansion.

Recommendation 19: That the Board of Supervisors approve and direct the Auditor-Controller to make adjustments to estimated revenue and appropriations in the amount of \$29,867 for Public Health, as follows:

Increase estimated revenue:

22700-4200100000-754000	CA Prop.10 tobacco tax	\$29,867
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Increase appropriations:

22700-4200100000-526960	Small tools & equipment	29,867
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Department of Environmental Health

Environmental Health continues to work with County Counsel to determine the effect of Proposition 26 on the department's ability to adjust franchise fees. In addition, the department plans further discussions with the Executive Office and Auditor-Controller regarding their concerns.

Environmental Health requests Board approval to purchase equipment for the Hazardous Materials Division. The department has sufficient appropriations to cover the cost of the equipment.

Recommendation 20: *That the Board of Supervisors approve the acquisition of a spectroscope and field assay kit for Environmental Health.*

California Children's Services

The California Children's Services program (CCS) reports the county share of cost for diagnosis and treatment services is higher than expected for the fiscal year. The department anticipates salary savings will be available to offset most, if not all, of this expense. CCS is working with the state to resolve on-going allocation issues between CCS and healthy families programs; however, it is unknown if the issues will be resolved before year-end. The department will continue to monitor and report any developments.

CCS staff provided assistance for H1N1 activities funded in part by an emergency preparedness grant. The department requests approval of a budget adjustment to reflect the reimbursement.

Recommendation 21: *That the Board of Supervisors approve and direct the Auditor-Controller to make adjustments to estimated revenue and appropriations for California Children's Services, as follows:*

Increase estimated revenue:		
10000-4200200000-778330	Interfund expense – salary reimbursement	\$ 30,000
Decrease appropriations:		
10000-4200200000-510040	Regular salaries	320,000
10000-4200200000-518100	Budgeted benefits	<u>150,000</u>
	Total	470,000
Increase appropriations:		
10000-4200200000-530220	Support and care of persons	500,000

Riverside County Regional Medical Center Programs

Medically Indigent Services Program

The Medically Indigent Services Program (MISP) reports that although utilization levels and the associated cost per eligible enrollee decreased, the number of enrollees continues to increase. Although less than reported at mid-year, the department projects a shortfall in appropriations that may exceed \$1.7 million at year-end. RCRMC anticipates realignment revenue sufficient to cover the shortfall. Beginning in FY 11/12, the department anticipates a significant number of enrollees will become eligible for the Low Income Health Plan (LIHP). Funding will be available to cover a portion of the currently uncompensated costs for these patients.

Detention Health

Detention Health Services (DHS) anticipates expenses may exceed appropriations by

\$222,324 at year-end. Primarily due to reduced staffing levels, DHS anticipates overtime will exceed budgeted appropriations. However, the department continues to implement cost saving measures, and anticipates charges for outside hospital care will be sufficiently under budget to offset the overtime costs.

Mental Health

Mental Health reports that treatment, administration and substance abuse program budgets are within appropriations through the third quarter. The department continues to monitor the Public Guardian and detention mental health services budgets, but does not anticipate additional general fund support will be necessary. Mental Health requests a budget adjustment for Public Guardian to reflect a projected increase in client transportation costs and use of temporary employees. Salary savings are available to offset the increase. The department also requests a budget adjustment and approval to purchase several copiers to replace those reaching the end of their useful lives.

Recommendation 22: That the Board of Supervisors: 1) approve the acquisition of five copiers; and, 2) approve and direct the Auditor-Controller to make adjustments to estimated revenue and appropriations for Mental Health, as follows:

Increase estimated revenue:		
10000-4100400000-751040	Mental health services act	15,000
Increase appropriations:		
10000-4100400000-546160	Equipment – other	15,000

PUBLIC ASSISTANCE

Department of Public Social Services (DPSS)

Administration

The Department of Public Social Services (DPSS) reports that two new temporary welfare-to-work participation exemptions reduce the need for Stage 1 childcare by approximately \$6 million. There are no savings to the general fund, as federal and state sources provide the funds in excess of the county maintenance of effort (MOE). The department requests a budget adjustment to reflect the reduction in state and federal funding.

Recommendation 23: That the Board of Supervisors approve and direct the Auditor-Controller to make adjustments to estimated revenue and appropriations by \$6 million for the Department of Public Social Services, as follows:

Decrease estimated revenue:		
10000-5100100000-760000	Fed – public assistance administration	\$5,500,000
10000-5100100000-750300	CA – public assistance administration	<u>500,000</u>
	Total	6,000,000
Decrease appropriations:		
10000-5100100000-530420	Child care services	6,000,000

Categorical Aid

State funding to provide mental health and residential services for emotionally disturbed special education students was eliminated in October 2010 retroactive to July 1, 2010. Because this occurred well into the fiscal year, DPSS had already incurred residential placement costs of \$1.1 million and requires general fund support to cover the suspended mandate.

The DPSS FY 10/11 budget identified a need for additional general fund support for mandated and categorical aid programs of \$22 million. As a result of extended federal medical assistance percentage (FMAP) funding, increases in realignment revenue, and lower than anticipated caseload growth in some areas, the department now anticipates the need for additional general fund support may be reduced to \$4.5 million. The Executive Office is working with the department to cover this shortfall.

County Funded Programs

On February 15, 2011, (Agenda Item No. 3.24), the Board approved a budget adjustment allocating additional county funds of \$650,000, to DPSS to support the mandated county-funded foster care program. Caseload continues to grow and may require an additional \$50,000 by year-end. The department requested a budget adjustment in anticipation of the increased expense. The Executive Office recommends DPSS continue to monitor these costs and, if needed, request a budget adjustment at year-end.

Homeless

DPSS implemented cost saving measures that partially mitigate the need for additional county funds to support homeless programs at this time. However, the department anticipates that net assets will be exhausted in FY 11/12, and general fund support will be necessary to maintain existing service levels in FY 12/13.

Veterans' Services

The Department of Veterans Services is currently leasing space in a non-county-owned facility for \$3,600 per month. On March 29, 2011, the Board of Supervisors authorized EDA to make necessary repairs to the First American Title Company building located at the intersection of 14th Street and Orange Street in downtown Riverside. The county purchased the building in 2009. EDA will have it ready for Veterans Services to occupy prior to expiration of its current lease.

Related project costs are being covered by EDA and the capital improvement fund, and will not affect Veterans Services' current-year budget. The department anticipates saving approximately \$25,000 in lease costs per year by occupying a county-owned building. Relocation to the more centralized downtown building will also improve services to veterans through better access to public transportation and improved Americans with Disabilities Act features. Veterans Services is expected to occupy the building on Veterans Day, November 11, 2011.

EDUCATION, RECREATION, AND CULTURE

Cooperative Extension

A memorandum of understanding between the University of California Regents and the county dictates funding through the general fund for Cooperative Extension to maintain support staff, office space, utilities and other miscellaneous operational costs. Cooperative Extension reports that expenditures are in line with projections through the third quarter. The department will continue to monitor expenditures and contain costs.

ENTERPRISE FUNDS

Riverside County Regional Medical Center

Riverside County Regional Medical Center (RCRMC) projects it will end the fiscal year with net assets of \$116 million, an increase of \$23.6 million from the beginning of the fiscal year. Due to projected revenue decreases in FY 11/12, the department anticipates much of the net assets will be needed to cover expenses. The department continues to explore alternatives for financing capital improvement projects.

INTERNAL SERVICE FUNDS

Records Management and Archives Program (RMAP)

The need to better serve departments in an efficient and cost effective manner will require the purchase of additional operational equipment this fiscal year. Items needed include shelving, a scissor lift, and eight portable data terminals to replace outdated models. The estimated cost for these purchases is \$55,500. RMAP will need an additional \$27,280 to add security guard services to its Wilderness annex facility and upgrade its alarm system. There have been several security breaches at the facility.

Recommendation 24: *That the Board of Supervisors approve and direct the Auditor-Controller to make adjustments to appropriations totaling \$82,780 for RMAP, as follows:*

Increase appropriations:

45100-1200300000-520820	Janitorial services	\$10,000
45100-1200300000-522310	Maintenance – building and improvement	2,000
45100-1200300000-523640	Computer equipment – non-fixed asset	35,500
45100-1200300000-524740	County support service	8,000
45100-1200300000-525320	Security guard services	17,280
45100-1200300000-546160	Equipment – other	<u>10,000</u>
	Total	82,780

Use of unrestricted net assets:

45100-1200300000-380100	Unrestricted net assets	82,780
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Fleet Services

Per guidance from two vehicle policies, the number of county vehicles is gradually shrinking to meet the needs of the county’s workforce and mission. As a result, county departments saved \$115,043 in mileage charges and fuel purchases in the third

quarter. A total of 25 vehicles, 19 patrol and six general use, were retired between January 1 and March 31, 2011, and are now pending sale. During the same period, 44 previously retired units, 19 patrol and 25 general use, were sold, for an additional savings of \$31,680. Attachment D includes a detailed report summarizing the steps taken to right size the fleet.

SPECIAL DISTRICTS

Redevelopment Agency (RDA)

In accordance with Board direction, the RDA issued bonds in March 2011 to begin work on needed projects. The agency requests a budget adjustment to enable use of the bond proceeds.

Recommendation 25: *That the Board of Supervisors approve and direct the Auditor-Controller to make adjustments to appropriations for RDA Capital Projects, as follows:*

Increase estimated revenue:		
32700-934001-791000	Bond proceeds	\$15,000,000
Increase appropriations:		
32700-934001-536280	Contribution – project improvement costs	15,000,000

Flood Control and Water Conservation District

Mapping Services

The requested budget adjustment will establish an appropriation for operating transfers out within the Flood Control and Water Conservation District funds. In prior years, Flood Control's Mapping Services internal service fund 48060 overcharged the zone funds for services by of \$250,000. The department requests the following budget adjustments to facilitate refunding the zone funds for the overpayment.

Recommendation 26: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and use of fund balance for Flood Control, as follows:*

Increase appropriations:		
48060-947300-551000	Operating transfers out	\$250,000
Use of net assets:		
48060-947300-380100	Unrestricted net assets	250,000
Increase estimated revenue:		
25110-947400-790500	Operating transfers in	41,575
Increase designated fund balance:		
25110-947400-320114	Designated fund balance – Flood	41,575
Increase estimated revenue:		
25120-947420-790500	Operating transfers in	66,300

Increase designated fund balance:		
25120-947420-320114	Designated fund balance – Flood	66,300
Increase estimated revenue:		
25130-947440-790500	Operating transfers in	9,000
Increase designated fund balance:		
25130-947440-320114	Designated fund balance – Flood	9,000
Increase estimated revenue:		
25140-947460-790500	Operating transfers in	73,025
Increase designated fund balance:		
25140-947460-320114	Designated fund balance – Flood	73,025
Increase estimated revenue:		
25150-947480-790500	Operating transfers in	15,300
Increase designated fund balance:		
25150-947480-320114	Designated fund balance – Flood	15,300
Increase estimated revenue:		
25160-947500-790500	Operating transfers in	22,350
Increase designated fund balance:		
25160-947500-320114	Designated fund balance – Flood	22,350
Increase estimated revenue:		
25170-947520-790500	Operating transfers in	22,450
Increase designated fund balance:		
25170-947520-320114	Designated fund balance – Flood	22,450

NPDES Santa Margarita

In FY 10/11, the district budgeted for professional services in the NPDES Santa Margarita assessment fund. The district is projected to spend more for professional services than originally anticipated, and an appropriation adjustment is necessary. An appropriation adjustment is also necessary to accommodate increased salaries. Sufficient unrestricted fund balance is available to cover these adjustments.

Recommendation 27: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and use of fund balance for Santa Margarita NPDES, as follows:*

Increase appropriations:		
25200-947580-525440	Professional services	\$50,000
25200-947580-510040	Regular salaries	25,000
25200-947580-518100	Budgeted benefits	<u>15,000</u>
	Total appropriation increase	90,000

Release designated fund balance:
 25200-947580-320114 Designated fund balance – Flood 90,000

Regional Parks and Open Space District

Park Acquisition and Development

A \$1 million contribution to Parks from the RDA was originally budgeted under the wrong fund. An adjustment is necessary to correct the revenue estimates. In addition, the original budget included estimated costs for EDA work performed in connection with two capital improvement projects: Rancho Jurupa phase III and Mayflower Park phase II. Actual costs are higher than budgeted, and an increase to appropriations is necessary at this time. There is sufficient fund balance to offset the increase.

Recommendation 28: *That the Board of Supervisors approve and direct the Auditor Controller to make adjusts to estimated revenues and appropriations for Parks, as follows:*

Increase estimated revenues:		
33110-931121-778270	Interfund expense – RDA	\$1,000,000
Decrease estimated revenue:		
33120-931122-790600	Contributions from other county funds	1,000,000
Increase appropriation:		
33110-931121-536780	Interfund expense – capital projects	92,000
Use of fund balance:		
33110-931121-320109	Designated fund balance – capital projects	92,000

West County DIF – Parks

Unanticipated regulatory expenses related to the splash pad at Lake Skinner will require the use of fund balance.

Recommendation 29: *That the Board of Supervisors approve and direct the Auditor Controller to make adjusts to estimated revenues and appropriations for Parks, as follows:*

Increase appropriations:		
33120-931122-536780	Interfund expense – capital projects	\$20,200
Use of fund balance:		
33120-931122-320100	Designated fund balance	20,200

County Service Areas

County Service Area 51

The department requests a budget adjustment to accommodate unanticipated Auditor-Controller and administrative charges.

Recommendation 30: That the Board of Supervisors approve and direct the Auditor-Controller to make adjustments to appropriations for CSA 51, as follows:

Increase appropriations:		
23525-905102-537180	Interfund expense – salary reimbursement	\$15,000
Use of fund balance:		
23525-905102-325100	Unreserved fund balance	15,000

County Service Area 70

The department requests a budget adjustment to accommodate unanticipated annexation charges.

Recommendation 31: That the Board of Supervisors approve and direct the Auditor-Controller to make adjustments to appropriations for CSA 70, as follows:

Increase appropriations:		
23700-907001-523230	Miscellaneous expense	\$25,000
23700-907001-537080	Interfund expense – miscellaneous	<u>25,000</u>
	Total	50,000
Use of fund balance:		
23700-907001-325100	Unreserved fund balance	50,000

County Service Area 97

The department requests a budget adjustment to accommodate an agreement for recreation services.

Recommendation 32: That the Board of Supervisors approve and direct the Auditor-Controller to make adjustments to appropriations for CSA 97, as follows:

Increase appropriations:		
24050-909701-527780	Special program expense	\$12,000
Use of fund balance:		
24050-909701-325100	Unreserved fund balance	12,000

County Service Area 103

The department requests a budget adjustment to accommodate an increase in charges for street lighting.

Recommendation 33: That the Board of Supervisors approve and direct the Auditor-Controller to make adjustments to appropriations for CSA 103, as follows:

Increase appropriations:		
24075-910301-529530	Street lights	\$25,000
Use of fund balance:		
24075-910301-325100	Unreserved fund balance	25,000

County Service Area 115

The department requests a budget adjustment to accommodate unplanned road projects.

Recommendation 34: *That the Board of Supervisors approve and direct the Auditor-Controller to make adjustments to appropriations for CSA 115, as follows:*

Increase appropriations:		
24200-911501-537160	Interfund expense – road maintenance	\$50,000
Use of fund balance:		
24200-911501-325100	Unreserved fund balance	50,000

Attachment A Summary of Recommendations

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

Recommendation 1: *That the Board of Supervisors approve re-programming \$981,119 in the CIP fund reserve for construction from the Indio Public Defender expansion project to the downtown Riverside Public Defender building remodel.*

Recommendation 2: *That the Board of Supervisors approve and direct the Auditor-Controller to make adjustments to estimated revenue and appropriations in the amount of \$200,000 for Delta Dental, as follows:*

Increase estimated revenue:		
45860-1130600000-781320	Insurance proceeds	\$200,000
Increase appropriations:		
45860-1130600000-534240	Dental claims	200,000

Recommendation 3: *That the Board of Supervisors approve and direct the Auditor-Controller to make adjustments to unrestricted net assets, estimated revenues and appropriations in the amount of \$640,000, as follows:*

Increase appropriations:		
46100-1132200000-510040	Regular Salaries	\$ 115,000
46100-1132200000-525080	Temporary assistance pool services	25,000
46100-1132200000-520260	Computer lines	10,883
46100-1132200000-526700	Rent/lease buildings	6,832
46100-1132200000-527780	Special program expense	3,000
46100-1132200000-523700	Office supplies	29,285
46100-1132200000-523640	Computer equipment, non-fixed asset	50,000
46100-1132200000-572800	Intrafund miscellaneous	<u>(240,000)</u>
		0

Increase appropriations:		
46100-1130800000-551100	Contribution to other county fund	400,000

Use of unrestricted net assets:		
46100-1130800000-380100	Unrestricted net assets	400,000

Increase estimated revenue:		
46060-1131200000-790600	Contribution from other county funds	400,000

Increase appropriations:		
46060-1131200000-534260	Disability claims	400,000

Recommendation 4: *That the Board of Supervisors approve and direct the Auditor-Controller to make adjustments to the Local Advantage Plus Dental fund balance and*

appropriations in the amount of \$55,000, as follows:

Increase appropriations:		
45900-1132600000-523350	Administrative expense	\$20,000
45900-1132600000-534240	Dental claims	<u>35,000</u>
		55,000
Use of unrestricted net assets:		
45900-1132600000-380100	Unrestricted net assets	55,000

Recommendation 5: *That the Board of Supervisors approve and direct the Auditor-Controller to make adjustments to the revenue and appropriations of Occupational Health and Wellness in the amount of \$150,000, as follows:*

Increase estimated revenue:		
46120-1132900000-774500	Health services	\$150,000
Increase appropriations:		
46120-1132900000-525100	Medical lab services	50,000
46120-1132900000-527780	Special program expense	<u>100,000</u>
		150,000

Recommendation 6: *That the Board approve and direct the Auditor-Controller to make budget adjustments to estimated revenue and appropriations for the Registrar of Voters, as follows:*

Increase estimated revenue:		
10000-1700100000-771230	City election services	\$232,904
Decrease appropriations:		
10000-1700100000-523800	Printing	242,096
Increase appropriations:		
10000-1700100000-510200	Payoff permanent/seasonal	20,000
10000-1700100000-546080	Equipment – computers	19,000
10000-1700100000-546160	Equipment – other	<u>436,000</u>
	Total	475,000

Recommendation 7: *That the Board of Supervisors approve and direct the Auditor-Controller to make adjustments to appropriations for Facilities Management’s Project Management Office division, as follows:*

Increase estimated revenue:		
10000-7200500000-778280	Interfund-reimbursement for service	\$1,500,000
Increase appropriations:		
10000-7200500000-537320	Interfund-bldg improvement	500,000
10000-7200500000-537280	Interfund-misc project expense	<u>1,000,000</u>
	Total	1,500,000

Recommendation 8: That the Board of Supervisors approve the proposed reprogramming of deferred maintenance projects, as follows:

The following projects are completed or had a scope change:

Building#	Project Description	Savings
RV904	CJB boiler replacement	8,000
RV1045	Riverside Centre HVAC repairs	50,000
RV967	DPSS Arlington-HVAC control	35,000
IN742	Fair roof repairs	100,000
IN703	Indio Annex roof repair	40,000
DH1701	Desert Hot Springs Library-replace roof	30,000
PG1101	Palm Springs CAC-replace evaporation coil	5,000
IN741	Fair restroom upgrade	2,000
IN743	Fair exterior upgrade and finish	32,500
BA104	Smith Correctional-HVAC repair	100,000
MU1307	SWJC-plant heat exchanger	80,000
	TOTAL	\$482,500

Additional funding is requested for the following projects:

Building#	Project Description	Overage
MU1317	SWJC-plant absorber repair	3,600
IN750	Fair-courtyard ADA barrier removal	22,164
BL317	Blythe CAC-trim trees	5,060
BA173	Smith Correctional-grinder valve replacement	11,659
	French Valley BMP repair	7,500
MU1302	SW Bldg B-remove and replace floor sink	3,400
RV914	RPDC-pump grease inceptor	5,500
PR810	Perris Sheriff -replace air conditioning compressor	5,000
PR808	Perris Coroner-replace air conditioning compressor	10,500
MV1214	BCTC Cal Fire-replace air conditioning unit	10,000
RV901	Historic Courthouse-repair roof	9,500
Various	UST	100,000
Various	Emergency maintenance	288,617
	TOTAL	\$482,500

Recommendation 9: That the Board of Supervisors approve and direct the Auditor-Controller to make adjustments to appropriations in the amount of \$90,000 for Aviation, as follows:

Increase appropriations:		
22100-1910700000-523270	Special events	\$90,000
Use of fund balance:		
22100-1910700000-325100	Unreserved fund balance	90,000

Recommendation 10: That the Board of Supervisors approve and direct the Auditor-Controller to make adjustments to estimated revenue for Sheriff's Department, as follows:

Decrease estimated revenue:
 10000-2500300000-767430 Federal AARA prime recipient \$812,210

Increase estimated revenue:
 10000-2500400000-767430 Federal AARA prime recipient 812,210

Recommendation 11: *That the Board of Supervisors approve and direct the Auditor-Controller to make adjustments to appropriations in the amount of \$159,000 for District Attorney, as follows:*

Increase estimated revenue:
 10000-2200200000-731060 Fine-Ch90-78 forensic test \$159,000

Increase appropriations:
 10000-2200200000-525100 Medical – lab services 159,000

Recommendation 12: *That the Board of Supervisors approve and direct the Auditor-Controller to make adjustments to appropriations and estimated revenue, as follows:*

Increase estimated revenue:
 22450-1103600000-775900 Disposal fees \$560,000

Increase appropriations:
 22450-1103600000-525440 Professional services 560,000

Recommendation 13: *That the Board of Supervisors approve and direct the Auditor-Controller to make adjustments to appropriations and estimated revenue, as follows:*

Increase appropriations:
 31650-3130500000-537280 Interfund expense – misc. project exp. \$1,512,727

Increase estimated revenue:
 31650-3130500000-790600 Contributions from other county funds 1,512,727

Recommendation 14: *That the Board of Supervisors approve and direct the Auditor-Controller to make adjustments to appropriations and use of unreserved fund balance by \$6,000 for the crossing guard program, as follows:*

Increase appropriations:
 20000-3130300000-510340 Seasonal salaries \$6,000

Use of unreserved fund balance:
 20000-3130300000-325100 Unreserved fund balance 6,000

Recommendation 15: That the Board of Supervisors approve and direct the Auditor-Controller to make adjustments to appropriations and use of unreserved fund balance, as follows:

Increase appropriations:		
20300-3130100000-521600	Maintenance – service contracts	\$40,000
Use of unreserved fund balance:		
20300-3130100000-308152	Reserve for landscape maintenance districts	40,000

Recommendation 16: That the Board of Supervisors approve and direct the Auditor-Controller to make adjustments to appropriations and reserved fund balance, as follows:

Increase appropriations:		
31693-3130500000-537220	Interfund expense – labor	\$ 65,000
31693-3130500000-537280	Interfund expense – misc. project expense	244,810
	Total	309,810
Decrease reserved fund balance:		
31693-3130500000-309103	Reserve for capital project sub-funds	309,810

Recommendation 17: That the Board of Supervisors approve the acquisition of two computer servers and associated software for the Community Health Agency.

Recommendation 18: That the Board of Supervisors 1) approve the acquisition of an auto dialer and one copier; and, 2) approve and direct the Auditor-Controller to make adjustments to estimated revenue and appropriations for Public Health, as follows:

Increase estimated revenue:		
10000-4200100000-751680	CA – grant revenue	\$ 13,858
10000-4200100000-754000	CA – Prop. 10 tobacco tax	29,867
10000-4200100000-778330	Interfund expense – salary reimbursement	85,000
	Total	128,725

Decrease estimated revenue:		
10000-4200100000-781360	Other miscellaneous revenue	620,000

Increase appropriations:		
10000-4200100000-510040	Regular salaries	348,004
10000-4200100000-518100	Budgeted benefits	156,915
10000-4200100000-520260	Computer lines	3,000
10000-4200100000-520930	Insurance-liability	1,500
10000-4200100000-521700	Maintenance -alarms	2,000
10000-4200100000-522310	Maintenance -building improvements	5,000
10000-4200100000-523620	Books/publications	500
10000-4200100000-523700	Office supplies	3,000
10000-4200100000-523800	Printing/binding	4,000

10000-4200100000-524500	Administrative support direct	45,100
10000-4200100000-524760	Data processing services	1,200
10000-4200100000-525320	Security guard service	150
10000-4200100000-525340	Temporary salaries	65,200
10000-4200100000-526700	Rent lease building	8,000
10000-4200100000-526720	Rent lease storage	1,000
10000-4200100000-526960	Small tools & equipment	17,296
10000-4200100000-527780	Special program expense	12,500
10000-4200100000-528140	Conference/registration fees	8,558
10000-4200100000-528920	Car pool expense	500
10000-4200100000-529040	Private mileage reimbursement	7,300
10000-4200100000-529540	Utilities	1,600
10000-4200100000-572800	Intrafund expense – miscellaneous	<u>(585,098)</u>
	Total	107,225

Decrease appropriations:

10000-4200100000-523640	Computer equipment-non-fixed asset	108,500
10000-4200100000-523840	Computer equipment/software	400,000
10000-4200100000-546080	Equipment computer	20,000
10000-4200100000-546160	Equipment other	<u>70,000</u>
	Total	598,500

Recommendation 19: That the Board of Supervisors approve and direct the Auditor-Controller to make adjustments to estimated revenue and appropriations in the amount of \$29,867 for Public Health, as follows:

Increase estimated revenue:

22700-4200100000-754000	CA Prop.10 tobacco tax	\$29,867
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Increase appropriations:

22700-4200100000-526960	Small tools & equipment	29,867
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Recommendation 20: That the Board of Supervisors approve the acquisition of a spectroscope and field assay kit for Environmental Health.

Recommendation 21: That the Board of Supervisors approve and direct the Auditor-Controller to make adjustments to estimated revenue and appropriations for California Children’s Services, as follows:

Increase estimated revenue:

10000-4200200000-778330	Interfund expense – salary reimbursement	\$ 30,000
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Decrease appropriations:

10000-4200200000-510040	Regular salaries	320,000
10000-4200200000-518100	Budgeted benefits	<u>150,000</u>
	Total	470,000

Increase appropriations:		
10000-4200200000-530220	Support and care of persons	500,000

Recommendation 22: That the Board of Supervisors: 1) approve the acquisition of five copiers; and, 2) approve and direct the Auditor-Controller to make adjustments to estimated revenue and appropriations for Mental Health, as follows:

Increase estimated revenue:		
10000-4100400000-751040	Mental health services act	15,000

Increase appropriations:		
10000-4100400000-546160	Equipment – other	15,000

Recommendation 23: That the Board of Supervisors approve and direct the Auditor-Controller to make adjustments to estimated revenue and appropriations by \$6 million for the Department of Public Social Services, as follows:

Decrease estimated revenue:		
10000-5100100000-760000	Fed – public assistance administration	\$5,500,000
10000-5100100000-750300	CA – public assistance administration	<u>500,000</u>
	Total	6,000,000

Decrease appropriations:		
10000-5100100000-530420	Child care services	6,000,000

Recommendation 24: That the Board of Supervisors approve and direct the Auditor-Controller to make adjustments to appropriations totaling \$82,780 for RMAP, as follows:

Increase appropriations:		
45100-1200300000-520820	Janitorial services	\$10,000
45100-1200300000-522310	Maintenance – building and improvement	2,000
45100-1200300000-523640	Computer equipment – non-fixed asset	35,500
45100-1200300000-524740	County support service	8,000
45100-1200300000-525320	Security guard services	17,280
45100-1200300000-546160	Equipment – other	<u>10,000</u>
	Total	82,780

Use of unrestricted net assets:		
45100-1200300000-380100	Unrestricted net assets	82,780

Recommendation 25: That the Board of Supervisors approve and direct the Auditor-Controller to make adjustments to appropriations for RDA Capital Projects, as follows:

Increase estimated revenue:		
32700-934001-791000	Bond proceeds	\$15,000,000

Increase appropriations:		
32700-934001-536280	Contribution – project improvement costs	15,000,000

Recommendation 26: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and use of fund balance for Flood Control, as follows:*

Increase appropriations:		
48060-947300-551000	Operating transfers out	\$250,000

Use of net assets:		
48060-947300-380100	Unrestricted net assets	250,000

Increase estimated revenue:		
25110-947400-790500	Operating transfers in	41,575

Increase designated fund balance:		
25110-947400-320114	Designated fund balance – Flood	41,575

Increase estimated revenue:		
25120-947420-790500	Operating transfers in	66,300

Increase designated fund balance:		
25120-947420-320114	Designated fund balance – Flood	66,300

Increase estimated revenue:		
25130-947440-790500	Operating transfers in	9,000

Increase designated fund balance:		
25130-947440-320114	Designated fund balance – Flood	9,000

Increase estimated revenue:		
25140-947460-790500	Operating transfers in	73,025

Increase designated fund balance:		
25140-947460-320114	Designated fund balance – Flood	73,025

Increase estimated revenue:		
25150-947480-790500	Operating transfers in	15,300

Increase designated fund balance:		
25150-947480-320114	Designated fund balance – Flood	15,300

Increase estimated revenue:		
25160-947500-790500	Operating transfers in	22,350

Increase designated fund balance:		
25160-947500-320114	Designated fund balance – Flood	22,350

Increase estimated revenue:		
25170-947520-790500	Operating transfers in	22,450

Increase designated fund balance:		
25170-947520-320114	Designated fund balance – Flood	22,450

Recommendation 27: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and use of fund balance for Santa Margarita NPDES, as follows:

Increase appropriations:		
25200-947580-525440	Professional services	\$50,000
25200-947580-510040	Regular salaries	25,000
25200-947580-518100	Budgeted benefits	<u>15,000</u>
	Total appropriation increase	90,000

Release designated fund balance:		
25200-947580-320114	Designated fund balance – Flood	90,000

Recommendation 28: That the Board of Supervisors approve and direct the Auditor-Controller to make adjusts to estimated revenues and appropriations for Parks, as follows:

Increase estimated revenue:		
33110-931121-778270	Interfund expense – RDA	\$1,000,000

Decrease estimated revenue:		
33120-931122-790600	Contributions from other county funds	1,000,000

Increase appropriation:		
33110-931121-536780	Interfund expense – capital projects	92,000

Use of fund balance:		
33110-931121-320109	Designated fund balance – capital projects	92,000

Recommendation 29: That the Board of Supervisors approve and direct the Auditor-Controller to make adjusts to estimated revenues and appropriations for Parks, as follows:

Increase appropriations:		
33120-931122-536780	Interfund expense – capital projects	\$20,200

Use of fund balance:		
33120-931122-320100	Designated fund balance	20,200

Recommendation 30: That the Board of Supervisors approve and direct the Auditor-Controller to make adjustments to appropriations for CSA 51, as follows:

Increase appropriations:		
23525-905102-537180	Interfund expense – salary reimbursement	\$15,000
Use of fund balance:		
23525-905102-325100	Unreserved fund balance	15,000

Recommendation 31: That the Board of Supervisors approve and direct the Auditor-Controller to make adjustments to appropriations for CSA 70, as follows:

Increase appropriations:		
23700-907001-523230	Miscellaneous expense	\$25,000
23700-907001-537080	Interfund expense – miscellaneous	<u>25,000</u>
	Total	50,000
Use of fund balance:		
23700-907001-325100	Unreserved fund balance	50,000

Recommendation 32: That the Board of Supervisors approve and direct the Auditor-Controller to make adjustments to appropriations for CSA 97, as follows:

Increase appropriations:		
24050-909701-527780	Special program expense	\$12,000
Use of fund balance:		
24050-909701-325100	Unreserved fund balance	12,000

Recommendation 33: That the Board of Supervisors approve and direct the Auditor-Controller to make adjustments to appropriations for CSA 103, as follows:

Increase appropriations:		
24075-910301-529530	Street lights	\$25,000
Use of fund balance:		
24075-910301-325100	Unreserved fund balance	25,000

Recommendation 34: That the Board of Supervisors approve and direct the Auditor-Controller to make adjustments to appropriations for CSA 115, as follows:

Increase appropriations:		
24200-911501-537160	Interfund expense – road maintenance	\$50,000
Use of fund balance:		
24200-911501-325100	Unreserved fund balance	50,000

Attachment B General Fund Sub-fund Balances

General Fund Sub-Fund Balances
June 30, 2008 through January 31, 2011

Fund	Balances Ending June 30, 2008		Balances Ending June 30, 2009		Balances Ending June 30, 2010		Balances Ending January 31, 2011				
	Net Income	Total Liabilities & Fund Balance	Net Income	Total Liabilities & Fund Balance	Net Income	Total Liabilities & Fund Balance	Net Income	Total Assets	Total Liabilities	Total Fund Balance	Total Liabilities & Fund Balance
General Fund Sub-funds Grand Total	(1,657,204)	185,310,348	3,504,679	161,066,283	10,028,928	201,784,956	9,567,939	305,137,561	201,841,516	103,296,045	305,137,561
	0	0.00			0						
Ag Commissioner											
11110 Robert Howie Monument Fund	-	31,171	-	31,171	-	31,171	-	31,171	-	31,171	31,171
Ag Commissioner Total	-	31,171	-	31,171	-	31,171	-	31,171	-	31,171	31,171
Assessor-County Clerk-Recorder											
11009 AB 818 Prop Tax Admin Program	(1,780,076)	3,857,124	-	3,787,873	(892,406)	2,895,467	-	2,895,467	-	2,895,467	2,895,467
11040 Recorder Vital-Hlth Stat Fund	(62,712)	620,171	(69,122)	552,681	(93,149)	452,081	(48,081)	395,809	-	395,809	395,809
11076 Modernization	(4,143,942)	25,795,958	(3,587,831)	22,125,509	(2,376,472)	19,709,814	446,659	20,115,884	-	20,115,884	20,115,884
11077 Conversion	52,419	3,529,484	208,260	3,732,555	331,452	4,054,826	185,965	4,230,117	-	4,230,117	4,230,117
11128 Soc.Security Truncation	168,579	168,579	541,099	709,678	(114,268)	599,209	277,180	872,590	-	872,590	872,590
11129 Electronic Recording Fee	168,579	168,579	376,693	545,272	(44,555)	505,041	22,759	523,477	-	523,477	523,477
Assessor-County Clerk-Recorder Total	(5,597,153)	34,139,895	(2,530,902)	31,453,568	(3,189,397)	28,216,438	884,483	29,033,344	-	29,033,344	29,033,344
Auditor-Controller											
11011 Auditor-Forged Warrants	-	-	-	-	-	-	-	-	-	-	-
11012 Auditor-Undistr Receipts	-	72,554	-	84,951	151,323	152,138	12,002	164,139	815	163,325	164,139
11021 Realignment-Social Services	-	-	0	0	-	-	-	0	-	0	0
11030 Health Realignment	-	581,700	-	-	-	-	-	-	-	-	-
11061 Tax Resources Fund	-	19,076,269	-	219,497	-	272,051	-	870,819	870,819	-	870,819
Auditor-Controller Total	-	19,730,523	0	304,448	151,323	424,189	12,002	1,034,958	871,633	163,325	1,034,958
CHA											
11045 LLEBG 00 Grant Probation	-	-	-	-	-	-	-	-	-	-	-
11058 Cost-STC Training	-	-	-	-	-	-	-	-	-	-	-
11054 TB Prev & Control ALA Award	142,580	417,884	32,213	571,227	125,997	619,468	(66,373)	729,390	402,766	326,624	729,390
11084 Local Lead Tobacco Education	25,213	271,611	(46,354)	228,913	(4,954)	220,652	(142,256)	77,228	4,635	72,593	77,228
11102 CHA Animal Control Services	48,060	155,221	(136,541)	(1,095)	100,232	99,205	(275)	99,412	-	99,412	99,412
11109 Community Health Donations	79,190	386,025	(2,109)	383,869	(182,416)	202,571	(17,444)	183,704	(375)	184,079	183,704
11114 Temescal Valley - Synagro Fund	474,831	1,582,803	259,995	1,842,798	-	1,845,909	-	1,845,909	(500)	1,846,409	1,845,909
11052 LLEBG 01 (DA) Yth Blk Grant #6	-	2,270	(1,997)	14	-	14	-	14	14	-	14
11089 Local Enforce Agency Tip Fees	49,524	675,426	(29,270)	646,156	(43,757)	602,399	-	602,399	-	602,399	602,399
11116 Mosquito Control-VBDS	2,129	49,344	1,120	50,464	602	51,066	108	51,173	-	51,173	51,173
CHA Total	822,527	3,540,584	77,058	3,722,346	(4,297)	3,641,285	(226,240)	3,589,229	406,540	3,182,689	3,589,229

General Fund Sub-Fund Balances
June 30, 2008 through January 31, 2011

Fund	DESCRIPTION	Balances Ending June 30, 2008		Balances Ending June 30, 2009		Balances Ending June 30, 2010		Balances Ending January 31, 2011				
		Net Income	Total Liabilities & Fund Balance	Net Income	Total Liabilities & Fund Balance	Net Income	Total Liabilities & Fund Balance	Net Income	Total Assets	Total Liabilities	Total Fund Balance	Total Liabilities & Fund Balance
Child Support Services												
11029	Fsd Tax Intercept Refunds	-	13,216	-	13,216	-	13,216	-	13,216	-	13,216	13,216
11086	Family Support Reimbursement	63,652	117,988	-	117,988	(9,287)	108,701	3,279	(581,930)	(693,910)	111,980	(581,930)
	Child Support Services Total	63,652	131,204	-	131,204	(9,287)	121,917	3,279	(568,714)	(693,910)	125,196	(568,714)
Clerk of the Board												
11072	Youth Protection/Intervention	(36,627)	862,449	(32,236)	829,522	(59,433)	770,287	(22,163)	747,606	72	747,534	747,606
	Clerk of the Board Total	(36,627)	862,449	(32,236)	829,522	(59,433)	770,287	(22,163)	747,606	72	747,534	747,606
District Attorney												
11017	Consumer Protection Prosecut	1,253,793	6,053,230	(96,955)	5,769,471	5,709,051	11,478,522	832,160	12,310,681	-	12,310,681	12,310,681
11018	Slate Adj DA Asset Forf	(32,923)	590,857	156,319	723,719	22,872	746,838	(275,970)	472,744	2,504	470,240	472,744
11019	DA-Vehicle Theft Allocation	-	288,410	-	387,823	-	587,198	-	789,018	789,018	-	789,018
11028	DA Federal Asset Forfeiture	276,029	720,129	19,826	740,022	(62,232)	677,752	244,175	923,768	1,866	921,899	923,768
11041	Real Estate Fraud Prosecution	(699,086)	624,919	(115,872)	22,399	(22,399)	-	223,402	223,402	-	223,402	223,402
11044	LLEBG 00 DA Yth Blk Grant #5	-	0	-	-	-	-	-	-	-	-	-
11051	Law Enf Bk Gmt-2001-Probation	-	1	-	1	-	1	-	1	1	-	1
11070	LLEBG 2002 DA	10	225	(224)	1	-	-	-	-	-	-	-
11105	Fugitive Apprehension Prog DA	51,418	51,418	(51,418)	-	-	-	-	-	-	-	-
11118	DOI - Auto Insurance Fraud	(28,311)	426,745	(108,468)	219,435	234,572	474,944	(230,772)	399,668	384,914	14,754	399,668
11133	Criminal Forfeiture Adjudicated	-	-	-	-	-	-	-	-	-	-	-
	District Attorney Total	820,928	8,755,935	(196,791)	7,862,870	5,681,864	13,965,254	792,995	15,119,281	1,178,305	13,940,976	15,119,281
DPSS												
11031	Incentives	-	-	-	594,904	-	601,998	-	603,285	603,285	-	603,285
11055	Domestic Violence Prog	96,149	426,883	460,805	880,837	93,143	973,980	34,513	1,008,492	-	1,008,492	1,008,492
11056	DPSS Miscellaneous Grants	-	3,094,444	-	3,661,557	-	6,615,968	-	8,079,180	5,357,830	2,721,350	8,079,180
11063	DPSS Welfare Advance Fund	-	5,404,187	-	5,470,574	-	2,847,275	-	42,925,345	42,925,345	-	42,925,345
	DPSS Total	96,149	8,925,514	460,805	10,607,873	93,143	11,039,220	34,513	52,616,282	48,886,439	3,729,843	52,616,282

General Fund Sub-Fund Balances
June 30, 2008 through January 31, 2011

Fund	DESCRIPTION	Balances Ending June 30, 2008		Balances Ending June 30, 2009		Balances Ending June 30, 2010		Balances Ending January 31, 2011				
		Net Income	Total Liabilities & Fund Balance	Net Income	Total Liabilities & Fund Balance	Net Income	Total Liabilities & Fund Balance	Net Income	Total Assets	Total Liabilities	Total Fund Balance	
Executive Office												
11027	Flood Disaster Relief 1993	-	520,490	-	520,490	-	-	-	-	-	-	-
11033	Multispecies Project	-	1,170,214	(95,246)	1,074,968	(520,490)	761,714	(33,966)	727,747	-	727,747	727,747
11034	Night Court Assess West Riv	183,360	1,170,214	-	1,074,968	(313,255)	761,714	-	-	-	-	-
11039	Public Safety Augmentation	-	517,949	-	3	-	-	-	-	-	-	-
11053	CIWIMB Local Enforce Grant	43,476	45,095	(19,474)	26,151	22,947	51,867	3,219	51,767	1,851	49,916	51,767
11054	Court House Temp Const	(1,957,996)	6,921,224	403,057	7,324,282	782,597	8,106,879	225,547	8,332,426	-	8,332,426	8,332,426
11060	Tax Losses Reserve Fund	-	34,812,527	-	22,263,379	-	15,238,770	-	14,953,792	14,953,792	-	14,953,792
11062	Countywide DIF Program Admin	(178,860)	1,907,695	(507,422)	1,400,964	(335,006)	1,062,617	(117,051)	932,728	-	932,728	932,728
11065	Reg Mobile Homes	22,344	197,745	25,150	222,778	6,312	229,090	42,293	271,383	(117)	271,500	271,383
11069	Radio Replacement Fund	(417,471)	1,328,000	1,736,089	2,845,526	1,974,503	4,820,028	999,336	5,819,364	-	5,819,364	5,819,364
11103	STSA Escrow	1,485,122	2,058,835	625,657	2,684,492	150,522	2,835,014	5,969	2,840,983	-	2,840,983	2,840,983
11104	Capital Improvement Fund	13,048	302,830	6,874	309,704	-	-	-	-	-	-	-
11108	Leased Court Facilities	994	23,070	524	23,594	-	-	-	-	-	-	-
11121	OPEB Designated Funds	(259,024)	7,026	159	112,031	15,571	252,009	835	1,058,020	1,034,427	23,592	1,058,020
11125	Tobacco Securitization Proceed	-	-	-	-	-	-	-	-	-	-	-
11131	Parimutuel In-Lieu	-	-	39,450	93,785	(47,882)	45,903	(65,713)	29,640	-	29,640	29,640
11149	Dispute Resolution Program	-	-	-	-	933,046	936,471	59,755	992,801	-	992,801	992,801
	Executive Office Total	(1,065,008)	49,812,700	2,214,819	38,902,156	2,668,866	34,340,362	1,120,223	36,010,650	15,989,953	20,020,697	36,010,650
Facilities Management												
11130	Idylwild Library Expansion	100,000	100,000	(39,949)	60,051	(9,548)	50,504	106	50,610	-	50,610	50,610
	Facilities Management Total	100,000	100,000	(39,949)	60,051	(9,548)	50,504	106	50,610	-	50,610	50,610
Human Resources												
11119	Educational Support Program	(23,914)	(128,546)	-	-	-	-	-	-	-	-	-
11122	Commission for Women	(2)	159	-	-	-	-	-	-	-	-	-
	Human Resources Total	(23,916)	(128,387)	-	-	-	-	-	-	-	-	-

General Fund Sub-Fund Balances
June 30, 2008 through January 31, 2011

Fund	DESCRIPTION	Balances Ending June 30, 2008		Balances Ending June 30, 2009		Balances Ending June 30, 2010		Balances Ending January 31, 2011				
		Net Income	Total Liabilities & Fund Balance	Net Income	Total Liabilities & Fund Balance	Net Income	Total Liabilities & Fund Balance	Net Income	Total Assets	Total Liabilities	Total Fund Balance	Total Liabilities & Fund Balance
Mental Health												
11022	Drug Prevention-Education Fund	41,754	736,734	282,406	674,723	341,301	1,016,025	163,034	1,179,059	-	1,179,059	1,179,059
11024	Prop 36 Sa & Crime Prevention	5,342	246,479	24,958	729,874	9,240	702,656	1,541	704,473	651,443	53,031	704,473
11032	Mental Health Realignment	-	-	-	-	(0)	(0)	-	(0)	-	(0)	(0)
11048	AB 2086 Alcohol Control	134,349	982,114	128,396	1,110,510	107,002	1,217,512	118,260	1,335,773	-	1,335,773	1,335,773
11091	Prop 10-High Risk Intervention	3	82	0	82	0	83	0	83	-	83	83
11092	Prop 10 - Preschool	15,748	250,123	67	19,975	2,317	22,292	120	22,412	-	22,412	22,412
11093	Prop 10 - Children's Center	2,519	41,310	240	41,550	668	42,218	89	42,306	38,586	3,720	42,306
11094	Prop 10 - VIP Tots	7	184	42	226	1	227	0	228	-	228	228
11095	Sub Abuse - SGF Funds	-	64,610	-	270	-	1	-	1	-	-	1
11096	Sub Abuse - Federal Funds	-	301,531	-	287,549	-	51,839	-	52,073	-	52,073	52,073
11115	Mental Health Services Fund	1,138,579	33,694,475	987,805	35,066,964	802,348	72,210,345	234,711	127,181,566	123,730,163	3,451,403	127,181,566
	Mental Health Total	1,338,301	36,317,642	1,423,914	37,931,723	1,262,878	75,263,198	517,756	130,517,974	124,472,265	6,045,708	130,517,974
Museum												
11081	J Edward Eberle Memorial	1,758	40,811	926	41,737	498	42,235	89	42,323	-	42,323	42,323
11082	Dean Stout Memorial	-	204	-	204	-	204	-	204	-	204	204
	Museum Total	1,758	41,014	926	41,941	498	42,438	89	42,527	-	42,527	42,527
Probation												
11035	Probation Title Iv-A Advances	-	605,743	-	605,743	-	-	-	-	-	-	-
11047	Title IV-E Advances	-	150,587	-	3,699,146	-	8,084,711	-	7,635,572	7,635,572	-	7,635,572
11050	AB 189-Crim Justice Facil	1,342,774	1,758,090	(20,283)	1,737,806	(228,037)	1,509,770	(547,085)	962,685	-	962,685	962,685
11068	LLEBG 2002 Probation	-	-	-	-	-	-	-	2	-	2	2
11107	LLEBG 2003 Probation	-	-	-	-	-	-	-	-	-	-	-
11112	LLEBG 2004 Probation	-	-	-	-	-	-	-	-	-	-	-
11126	Youthful Offender Block Grant	645,641	881,223	-	132,329	(194)	897,450	3,358,929	3,247,775	399	3,247,376	3,247,775
	Probation Total	1,988,414	3,395,645	(20,283)	6,175,026	(228,231)	10,491,933	2,811,844	11,846,034	7,635,973	4,210,060	11,846,034
Public Defender												
11123	Indian Gaming Spc Distribution	206,497	206,497	117,185	323,683	3,860	327,542	690	328,232	-	328,232	328,232
	Public Defender Total	206,497	206,497	117,185	323,683	3,860	327,542	690	328,232	-	328,232	328,232

General Fund Sub-Fund Balances
June 30, 2008 through January 31, 2011

Fund	DESCRIPTION	Balances Ending June 30, 2008		Balances Ending June 30, 2009		Balances Ending June 30, 2010		Balances Ending January 31, 2011				
		Net Income	Total Liabilities & Fund Balance	Net Income	Total Liabilities & Fund Balance	Net Income	Total Liabilities & Fund Balance	Net Income	Total Assets	Total Liabilities	Total Fund Balance	Total Liabilities & Fund Balance
RCRMC												
11036	Prop 99 Gen- CHIP	(204,836)	549,218	25,716	655,790	577,168	661,053	2,347	7,850	-	7,850	7,850
11037	Prop 99 Gen- CHIP	(8,417)	335,296	(31,282)	291,336	274,259	294,620	556	4,019	-	4,019	4,019
11038	Emergency Medical Services	1,821,280	3,373,155	1,924,134	5,050,377	54,623	4,386,676	1,380,863	4,832,950	-	4,832,950	4,832,950
	RCRMC Total	1,608,028	4,257,669	1,918,569	5,997,503	906,049	5,352,349	1,383,766	4,844,819	-	4,844,819	4,844,819
Sheriff												
11008	AB 709 Court Svcs Automation	197,772	1,490,937	143,396	1,890,986	324,795	1,959,128	156,806	2,115,934	-	2,115,934	2,115,934
11013	Auto Theft Interdiction	(109,417)	414,467	(185,612)	189,185	67,335	247,292	189,709	405,185	(32)	405,216	405,185
11016	Citation Sign-Off	11,080	32,929	17,172	50,101	19,301	89,402	16,026	85,582	-	85,582	85,582
11026	Federal Equity Share	632,796	844,918	(105,453)	739,484	199,483	938,947	261,598	1,200,546	-	1,200,546	1,200,546
11042	Asset Forfeiture-Adjudicated	117,311	640,486	78,141	718,627	-	573,634	(174,338)	399,295	-	399,295	399,295
11057	Mental Health Desert Facility	-	-	-	-	-	-	-	-	-	-	-
11067	Sheriff Writ Assessment	(606,873)	2,026,281	453,775	2,480,056	447,144	2,927,200	(127,061)	2,800,139	-	2,800,139	2,800,139
11085	Booking Fees Recovery	776,736	2,570,749	422,899	2,993,648	2,009,687	5,003,335	1,143,121	6,146,456	-	6,146,456	6,146,456
11087	Automated County Warrant Sys	40,706	892,013	34,645	926,558	(261,800)	664,758	5,735	670,493	-	670,493	670,493
11088	Public Safety Intern Academy	-	3,582	-	3,582	-	3,582	-	3,582	-	3,582	3,582
11097	State Domestic Prep Equip Prog	54	1,671	38	1,709	20	1,729	4	1,733	-	1,733	1,733
11111	LLEBG 2004 Sheriff	-	-	-	-	-	-	-	-	-	-	-
11120	JAG 2006 DJ-BX-0176	5,567	98,588	1,864	979	-	-	-	-	-	-	-
11124	Sheriff Department Donations	-	-	-	-	-	-	-	-	-	-	-
11127	JAG 2007 DJ-BX-0456	2,227	184,528	4,156	104,387	-	-	0	0	-	0	0
11132	JAG-2008-DJ-BX-0161	-	-	727	58,598	489	50,056	(1,207)	8	-	8	8
	Sheriff Total	1,067,960	9,201,148	865,648	10,157,880	2,661,461	12,439,063	1,470,392	13,828,952	(32)	13,828,984	13,828,952
TLMA												
11098	Air Quality Program	(285,261)	440,483	(227,512)	135,688	(50,590)	85,098	8,433	93,531	-	93,531	93,531
11099	Wind Implement/Monitor Program	11,420	327,884	(9,942)	259,158	977	260,135	7,448	267,583	-	267,583	267,583
11100	Wind Energy Conversion Sys	30,630	714,095	16,210	730,304	8,708	739,012	1,566	740,568	612,599	127,969	740,568
11101	Planning Special Projects	12,404	287,897	6,483	283,302	(144,878)	138,424	291	138,716	-	138,716	138,716
11075	Survey Monument Preservation	-	629,401	-	604,567	-	-	-	-	-	-	-
	TLMA Total	(230,807)	2,399,760	(214,762)	2,013,019	(185,783)	1,222,669	17,728	1,240,397	612,599	627,799	1,240,397

General Fund Sub-Fund Balances
June 30, 2008 through January 31, 2011

Fund	DESCRIPTION	Balances Ending June 30, 2008		Balances Ending June 30, 2009		Balances Ending June 30, 2010		Balances Ending January 31, 2011					
		Net Income	Total Liabilities & Fund Balance	Net Income	Total Liabilities & Fund Balance	Net Income	Total Liabilities & Fund Balance	Net Income	Total Assets	Total Liabilities	Total Fund Balance	Total Liabilities & Fund Balance	
Unidentified													
11010	Alternative Dispute Resolution	-	-	-	-	-	-	-	-	-	-	-	-
11014	LLEBG-Law Enf Blk Gmt-2000	-	-	-	-	-	-	-	-	-	-	-	-
11015	Law Enf Blk Gmt - 2001	-	-	-	-	-	-	-	-	-	-	-	-
11020	Dept Of Dev Housing Rev	-	-	-	-	-	-	-	-	-	-	-	-
11023	Drug Prog-Excess Fees	-	-	-	-	-	-	-	-	-	-	-	-
11025	Excess Revenue-Child Support	-	233	-	-	-	-	-	-	-	-	-	-
11043	Liebg Grant 99 Probation	-	-	-	-	-	-	-	-	-	-	-	-
11046	Vital-Health Stat Trust Fund	130,262	613,976	47,071	659,796	35,669	698,046	68,466	765,162	1,412	763,749	765,162	
11049	Professional Education	-	-	-	-	-	-	-	-	-	-	-	-
11059	Hazardous Waste Generators	(1,157,911)	1,928,383	336,976	2,265,359	131,292	2,394,121	259,598	2,655,381	1,649,470	1,005,911	2,655,381	
11071	LLEBG 2002 - RSO	-	-	-	-	-	-	-	-	-	-	-	-
11078	Bldg Assmt-Civil	(1,798,903)	1,023,010	(928,791)	94,218	(93,952)	266	1	267	-	267	267	
11079	Fee Building Fund-Fmly Law	5,430	9,504	3,696	13,440	293	13,733	29	13,762	-	13,762	13,762	
11080	Probation Trainee Fee	-	(0)	-	-	-	-	-	-	-	-	-	
11083	Hazard Waste Disposal Effort	-	-	-	-	-	-	-	-	-	-	-	
11090	TDM-Locker Dept Permit Replace	-	-	-	-	-	-	-	-	-	-	-	
11106	LLEBG 2003 Sheriff	-	-	-	-	-	-	-	-	-	-	-	
11117	JAG 2005 DJ-BX-0176	3,215	14,281	273	918	11	929	2	931	(7,688)	8,619	931	
11135	AB158 Pechanga	-	-	620	620	640	1,260	1	1	-	1	1	
11136	AB158 Morongo	-	-	528	164,873	2,313	14,794	(278)	2,563	-	2,563	2,563	
11137	AB158 Cabazon	-	-	120	33,326	280	400	(10)	390	-	390	390	
11138	AB158 Augustine	-	-	138	38,378	323	461	(10)	451	-	451	451	
11139	AB158 Aqua Caliente	-	-	41	10,325	55	96	(3)	93	-	93	93	
11140	AB158 Twenty-Nine Palms	-	-	7	1,923	16	23	(1)	23	-	23	23	
11142	Illegal Dumping Program	-	-	-	100,000	1,076	101,076	213	101,289	-	101,289	101,289	
11143	AB158 Casino Morongo DA	-	-	-	209,862	187	187	20	207	-	207	207	
11144	AB158 Pechanga Resort DA	-	-	-	340,979	307	307	33	340	-	340	340	
11145	AB158 Soboba Casino DA	-	-	-	289,298	261	261	28	289	-	289	289	
11146	AB158 Spotlight 29 Casino DA	-	-	-	201,336	181	181	20	201	-	201	201	
11147	AB158 Augustine Casino DA	-	-	-	95,649	86	86	9	95	-	95	95	
11148	JAG 2009 ARRA	-	-	-	-	5,037	652,602	1,458	523,301	516,806	6,495	523,301	
11150	JAG 2009-DJ-BX-0214	-	-	-	-	887	166,310	375	154,313	153,051	1,262	154,313	
11151	DA Law Enforcement Training	-	-	-	-	-	-	200,037	200,037	-	200,037	200,037	
11152	DA Expert Witness	-	-	-	-	-	-	48,272	48,272	-	48,272	48,272	
11153	Evidence-Based Prib Spvn JAGX	-	-	-	-	-	-	6,849	6,849	-	6,849	6,849	
11154	EDA Energy Conservation Fund	-	-	-	-	-	-	181,338	181,338	-	181,338	181,338	
11155	JAG 2010-DJ-BX-0339	-	-	-	-	-	-	29	168,655	168,626	29	168,655	
	Total Unidentified	(2,817,908)	3,589,386	(539,321)	4,520,300	84,962	4,045,139	766,477	4,824,210	2,481,678	2,342,532	4,824,210	

Attachment C Sales and Use Tax Update

Q4 2010



Riverside County Sales Tax *Update*

First Quarter Receipts for Fourth Quarter Sales (Oct-Dec 2010)

Riverside County In Brief

Fourth quarter receipts from sellers in the county's unincorporated area were up 4.2% compared to the same quarter a year earlier but one-time payment aberrations skewed the data. With anomalies excluded, actual sales gained 6%.

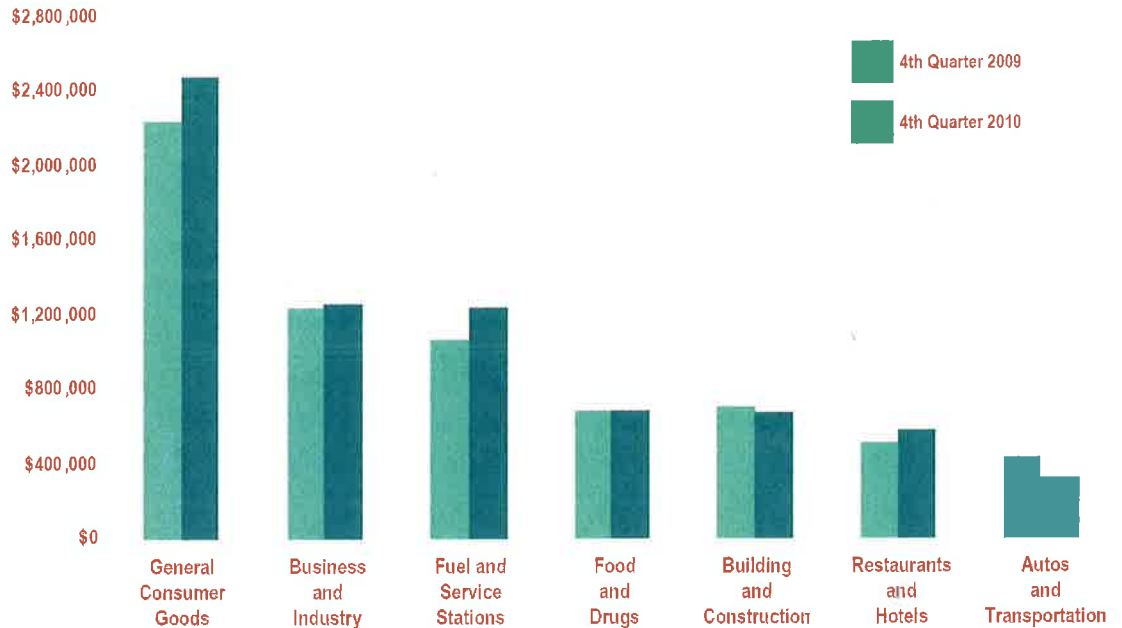
Overall results trailed the county-wide increase of 7.9%; however, annexation activities shifted some accounts to cities. Nevertheless service stations, family apparel, women's apparel, home furnishings and light industrial/printers business types showed solid gains. Late arriving amounts for sales in prior periods boosted the service station and home furnishings comparisons.

Broad general consumer increases, coupled with solid upswings in the restaurant classifications, suggest rising consumer confidence and a renewed interest in spending.

Discount department store, lumber and building materials, contractor, winery and grocery stores with liquor declined. Contractor and lumber results were consistent with continued weakness in the construction industry locally and statewide.

Net of accounting adjustments, the Southern California region gained 6.8%; statewide sales were up 7.3%.

SALES TAX BY MAJOR BUSINESS GROUP



TOP 25 PRODUCERS

In Alphabetical Order

Albertsons	Mecca Travel Center
Arco Travel Zone Center	Subway
Best Buy	Mobile Modular Management
Burberry	Morongo Shell
Circle K	Nike Factory Store
Coach	Pilot Travel Centers
Costco	Ralph Lauren
Directbuy	Ralphs
Edward Don & Company	Stater Bros
G & M Oil	Target
Gucci America	Vons
Home Depot	Vons
Kohls	Walmart.Com

REVENUE COMPARISON

Three Quarters – Fiscal Year To Date

	2009-10	2010-11
Point-of-Sale	\$19,133,857	\$19,750,365
County Pool	2,021,535	1,978,793
State Pool	18,454	9,819
Gross Receipts	\$21,173,846	\$21,738,977
Cty/Cnty Share	0	9,988
Net Receipts	\$21,173,846	\$21,748,965
Less Triple Flip*	\$(5,293,462)	\$(5,437,241)

*Reimbursed from county compensation fund

Statewide Sales Increase!

Adjusted for accounting aberrations, California's local sales and use tax revenues for the fourth quarter of 2010 were 7.3% higher than the same quarter one year ago. This represents the fourth straight quarter of growth and the largest percentage increase since the third quarter of 2005.

Higher fuel prices and usage, robust sales of new autos and rebounds in restaurants and general consumer goods helped boost overall receipts. Capital purchases of business equipment and labor-saving technology were especially strong in the Bay Area and Southern California. A onetime use tax payment for alternative energy equipment added to San Joaquin Valley's pooled use tax totals. Excluding accounting aberrations the state's strongest regions were the San Joaquin Valley +12.5%, the Bay Area +7.7% and the Central Coast +7.1%.

Some Problems Remain

Although recent better than expected improvements in the state's labor markets suggest the rebound is gaining momentum, most economists believe the unemployment rate will remain in double-digits through 2012.

The large volume of unsold residential, commercial and office properties will continue to suppress new construction spending and be a drag on the economy through 2012-13. Soaring oil prices and budget cutbacks by state and local governments will have a short-term negative impact on economic growth.

Post tsunami problems in Japan are likely to cause supply shortages of autos, auto parts and various electronic components. However, the depth and duration of the impact remains unclear at this time.

Green Energy Exemptions

SB 71, which was pushed through the Legislature as one of last year's budget deals, authorizes the previously ob-

scure California Alternative Energy & Advanced Transportation Financing Authority (CAEATFA) to grant sales and use tax exemptions of state and local sales, use and transactions taxes for "green manufacturing" projects. There is no cap on the value of exemptions CAEATFA may approve but the Legislature must be notified if they exceed \$100 million annually. Through March, CAEATFA has approved 28 projects exempting almost \$961 million in qualified property that would have generated about \$87.5 million statewide using an average tax rate of 9.1%. Local government losses are expected to exceed \$19 million. Although approved projects are located in various areas of the state, Santa Clara and Alameda Counties have been the most impacted thus far.

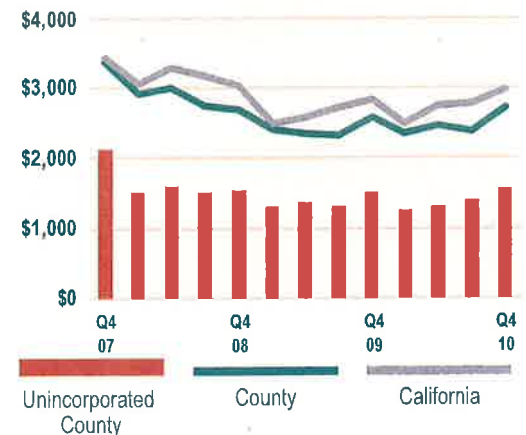
Renewable Energy Exemptions

In late February the CAEATFA Board of Directors postponed expansion of the exemption program with a proposed \$50 million sales and use tax exemption program for renewable

energy generation projects until early 2012 pending a better understanding of the state's fiscal condition. Industry lobbyists are pushing for a much larger program than CAEATFA originally planned.

Local governments will not be notified of applications that could affect their revenues. However, agenda notices can be obtained by visiting <http://www.treasurer.ca.gov/caeatfa/agenda.asp>.

SALES PER CAPITA



RIVERSIDE COUNTY TOP 15 BUSINESS TYPES

Business Type	Unincorporated County		County	HdL State
	Q4 '10*	Change	Change	Change
Contractors	379.5	-7.0%	5.9%	-2.1%
Discount Dept Stores	409.1	-8.2%	3.0%	2.2%
Family Apparel	717.5	8.0%	7.3%	5.8%
Grocery Stores Beer/Wine	217.3	2.2%	4.5%	1.7%
Grocery Stores Liquor	318.3	-4.1%	8.3%	4.7%
Home Furnishings	197.8	109.9%	19.4%	5.8%
Light Industrial/Printers	139.0	16.0%	26.4%	-3.7%
Lumber/Building Materials	204.1	-9.7%	-20.9%	-14.6%
Motion Pictures/Equipment	297.9	38.2%	37.6%	8.2%
Restaurants No Alcohol	367.6	5.1%	3.6%	5.6%
Service Stations	1,227.0	16.3%	15.7%	13.1%
Shoe Stores	148.3	2.9%	2.4%	6.5%
Specialty Stores	276.0	5.4%	4.5%	7.5%
Wineries	142.0	-21.2%	-20.4%	1.4%
Women's Apparel	338.8	15.1%	8.8%	3.4%
Total All Accounts	\$7,238.2	4.4%	6.6%	5.8%
County & State Pool Allocation	738.7	1.2%		
Gross Receipts	\$7,976.9	4.1%		
City/County Share	10.0	na		
Net Receipts	\$7,986.9	4.2%		

*In thousands



California Forecast: Sales Tax Trends and Economic Drivers

April 2011

HdL provides relevant information and analyses on the economic forces affecting California's local government agencies. In addition, HdL's allocation audits and software help clients to maximize revenues.

HdL serves over 335 cities, counties and special districts in California and across the nation.





	2010/11	2011/12
Auto/Transportation	5.6%	8.9%
<p>The average age of light duty vehicles in the U.S. is now at 10.2 years; the highest reported since 1995. Increased pent up demand plus easing credit availability is resulting in higher than previously anticipated sales. Analysts predict that rising fuel prices combined with parts shortages and temporary manufacturing interruptions, caused by Japan's earthquake and tsunami will push up prices on compact and mid-sized cars - the most favored models during periods of high fuel prices.</p>		
Building/Construction	-0.3%	0.0%
<p>Construction spending is at its lowest level in over a decade and at half the pace usually associated with a healthy building sector. Declining home prices, swelling supplies of vacant and unsold properties and government cut-backs will continue to suppress construction related revenues and be a drag on the economy through 2012-13.</p>		
Business/Industry	6.7%	6.1%
<p>The solid recovery in business and industry is expected to continue with companies replenishing inventories and investing in new technology and equipment. Demand from China and other emerging markets continue to boost exports of U.S. made goods. Local gains will be industry and agency specific though use tax on equipment leases and out of state purchases will be spread more widely in the form of higher county pools allocations.</p>		
Food/Drugs	0.0%	0.0%
<p>Growing competition from discounters, dollar and speciality stores are drawing more of the taxable sales associated with grocery and drug chains into the general consumer goods segment. Sales tax revenues from traditional grocery and drug stores are exhibiting little growth and are expected to remain flat.</p>		
Fuel/Service Stations	13.5%	16.1%
<p>Increased demand from a recovering economy and production uncertainties caused by political unrest in the Middle East and North Africa are raising fuel prices to levels not seen since 2008. Prices are not expected to peak until summer with average costs reaching \$4.40 per gallon.</p>		
General Consumer Goods	3.3%	3.5%
<p>Increased employment in the higher paid professional, scientific and technical sectors, stock market gains and historically low income taxes have the wealthy five percent who account for 37% of consumer spending boosting receipts from high end and luxury goods. However, increased costs of food and gas are expected to keep growth in the middle and lower priced retail segments at relatively modest levels.</p>		
Restaurants/Hotels	3.2%	2.3%
<p>Business travel is on the rise and consumers are spending more on dining out although higher fuel prices are expected to pare the rate of increase in 2011-12. Analysts expect the growth to be primarily in the quick and casual service restaurant segments.</p>		
State and County Pools	9.8%	6.5%
<p>Recent strong gains in statewide county use tax pool receipts are likely to continue due to a rising number of private vehicle sales and upswings in equipment leases and out of state purchases of business equipment and supplies. Out of state purchases under \$500,000 are allocated via the use tax pools rather than to place of use.</p>		
TOTAL*	5.4%	5.7%

* For Proposition 172 allocations which are distributed on a federal fiscal year basis, the gains are estimated at 6.1% and 5.1%.



	2010/11	2011/12
U.S. Real GDP Growth	2.9%	3.4%

U.S. real gross domestic product has shown healthy growth over the past few quarters. Driven by rising consumer spending on both goods and services, rising exports, and increased business investment, the economy looks poised to continue its recover over the next two years. The last two quarters should average more than 3%, which should bring the annual average growth for the 2010/11 year in at close to that rate.

California Per Capita Personal Income	\$ 42,229	\$ 44,505
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California continues to post steady gains in personal income. And, given that population growth has been fairly weak throughout the downturn, this is translating into real increases on a per capita basis. This is being driven by increased nonfarm employment statewide, but it is also being aided by increased hours of work among the already employed. Expect incomes to continue to rise into 2012.

California Unemployment Rate	12.4%	11.7%
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The unemployment rate in California remains naggingly high. We have seen some slight reductions in recent months, but it remains severely elevated at 12.2%. Given the gains in employment recently, we predict that the rate will continue to fall gradually. However, unemployment will remain in the double-digits through the end of 2012, and won't get back to "normal" until 2015.

California Home Sales	307,896	324,681
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Home sales have been one reason for the lack of appreciation in addition to the negative price pressure coming from distressed sales. Home sales fell off dramatically in response to the expiration of the federal government's home-buyer tax credits. And, given that jumbo loans and other (non-FHA) financing is still relatively hard to come by, sales should remain soft this year, before picking up again in 2012.

U.S. Savings Rate	5.0%	4.5%
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In the shadow of the "Great Recession" many Americans came to the realization that a near-zero savings rate was an unsustainable path. As job losses became more severe and asset prices dwindled, savings rates nationwide grew from less than 1% to more than 5%. We forecast healthy savings through the remainder of this fiscal year, but see savings rates declining slightly next year. As tax rates climb again, consumers will have less money to stock away in savings.

California Nonfarm Employment	13,953,060	14,240,863
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Recent revisions by the EDD show that California had roughly 60,000 additional jobs than previously reported through December. January and February of 2011 brought additional gains that show the labor markets have turned to corner. However, we shed more than 1.3 million jobs during the recession, and it will take time to recover those positions. Employment will continue to grow in 2012, but at a modest pace.

California Median Home Price	\$ 252,000	\$ 254,100
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Although most of the pain in California's housing market has already been borne by the state, the recovery is leaving much to be desired. Home prices have been relatively flat (or even declining slightly) across the state. The large inventory of distressed properties has been a drag on home prices, and there are still many of these homes that must be worked out of the system. We expect minimal growth over the next year as these issues are worked through.

California Single-Family Building Permits	27,862	39,837
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Given that home prices and sales are expected to remain weak, it is unsurprising that we have seen little in the way of new residential construction. 2010 saw only 25,000 new residential units permitted in California, and indications from the first few months confirm that this sector will be substantially lagging the recovery on the retail, income, and employment sides. We expect that by next year, some of the inventory will have been absorbed and builders will re-enter the market with caution.



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California's allocation data trails actual sales activity by three to six months. HdL compensates for the lack of current information by reviewing the latest reports, statistics and perspectives from fifty or more economists, analysts and trade associations to reach a consensus on probable trends for coming quarters. The forecast is used to help project revenues based on statewide formulas and for reference in tailoring sales tax estimates appropriate to each client's specific demographics, tax base and regional trends.



"Good information leads to good decisions."



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Beacon Economics, LLC has proven to be one of the most thorough and accurate, economic research/analytical forecasters in the country. Their evaluation of the key drivers impacting local economies and tax revenues provides additional perspective to HdL's quarterly consensus updates. The collaboration and sharing of information between Beacon Economics and HdL helps both companies enhance the accuracy of the work that they perform for their respective clients.

Attachment D Quarterly Retired Fleet Vehicle Report

Units Sold by Departments 1/1/2011 to 3/31/2011	
	Units Sold
Board of Supervisors	1
Assessor	1
Dept of Child Support Services	1
Sheriff	25
Probation	2
Agricultural Commissioner	1
Mental Health	1
Community Health Agency	5
DPSS	2
Community Action	1
Facilities Management	1
Motor Pool (Cabazon)	1
Motor Pool (Indio)	1
Rideshare	1
Total	44
Units Pending Sale by Departments 1/1/2011 to 3/31/2011	
	Units Pending Sale
Public Defender	1
Assessor	1
Sheriff	20
Agricultural Commissioner	1
Community Health Agency	1
Purchasing/Fleet	1
Total	25
Note: GAC March 19th auction results and proceeds have yet to be received.	