



COUNTY OF RIVERSIDE

STATE OF CALIFORNIA

FISCAL YEAR 2014/15 RECOMMENDED BUDGET



PREPARED BY
Jay E. Orr
County Executive Officer



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BOARD OF SUPERVISORS

The county is governed by a five-member Board of Supervisors who serve four-year terms. The Supervisors represent five districts.

C
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Jeff Stone
Third District

District3@rcbos.org
(951) 955-1030

Represents constituents from Idyllwild to Anza Borrego Desert State Park, and from Temecula to San Jacinto. Representation includes the cities of Hemet, Murrieta, San Jacinto and Temecula, and the communities of Aguanga, Anza Valley, Cahuilla, East Hemet, Gilman Hot Springs, Homeland, Idyllwild, Lake Riverside, Mountain Center, Murrieta Hot Springs, Pine Cove, Pine Meadow, the Pinyon Communities, Poppet Flats, Rancho California, Soboba Hot Springs, Valle Vista and Winchester.



Kevin Jeffries
First District

District1@rcbos.org
(951) 955-1010

Represents the cities of Wildomar, Lake Elsinore, Canyon Lake and most of the city of Riverside.

Unincorporated communities include DeLuz, Gavilan Hills, Good Hope, Lake Hills, Lake Mathews, LaCresta, Mead Valley, Meadowbrook, Spring Hills, Temescal Valley, Tenaja, Warm Springs, and Woodcrest.



John F. Tavaglione
Second District

District2@rcbos.org
(951) 955-1020

Represents the cities of Corona, Norco, Jurupa Valley, and Eastvale. It also includes approximately 1/3 of the City of Riverside, including the following city of Riverside neighborhoods: Northside, Downtown, Wood Streets, Magnolia Center, Grand and the northern half of Arlanza and La Sierra Acres.

Unincorporated communities include Home Gardens, El Cerrito, Coronita and Highgrove.



John J. Benoit
Fourth District

District4@rcbos.org
(760) 863-8211

Represents the cities of Blythe, Cathedral City, Coachella, Desert Hot Springs, Indian Wells, Indio, La Quinta, Palm Desert, Palm Springs and Rancho Mirage.

Unincorporated communities include Bermuda Dunes, Chiriaco Summit, Colorado River communities, Desert Center, Desert Edge, Eagle Mountain, Indio Hills, Lake Tamarisk, Mecca, Mesa Verde, North Shore, Oasis, Ripley, Sky Valley, Sun City, Palm Desert, Thermal, Thousand Palms and Vista Santa Rosa.

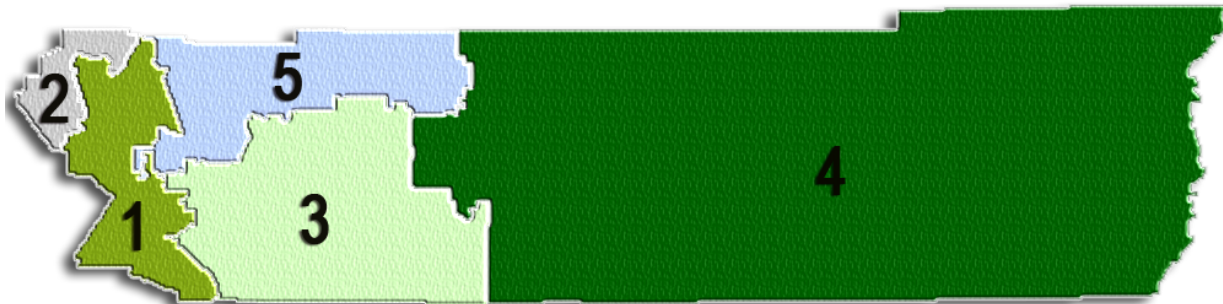


Marion Ashley
Fifth District

District5@rcbos.org
(951) 955-1050

Represents the cities of Banning, Beaumont, Calimesa, Menifee, Perris and Moreno Valley; March Air Reserve Base and the Tribal Lands of the Morongo Band of Mission Indians. It also includes portions of the Tribal Lands of the Agua Caliente Band of Cahuilla Indians, the Soboba Band of Luiseno Indians and the easterly portion of the March Joint Powers Authority.

Unincorporated areas include the Banning Bench, Cabazon, Cherry Valley, Desert Hills and Cabazon Premium Outlets, Desert Hot Springs, El Nido, Juniper Flats, Lake Perris, Lakeview, Mission Lakes, Nuevo, Romoland, North Palm Springs, Painted Hills, Quail Lake, Reche Canyon, San Jacinto Wildlife Reserve, San Timoteo, Snow Creek, Twin Pines, West Garnet, Windy Point and Whitewater.





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TABLE OF CONTENTS

INTRODUCTION 1

- Letter of Transmittal..... 3
- Budget Related Resolutions 5
- Executive Summary 7
 - FY 14/15 Budgetary Highlights 7
 - General Budget Overview..... 7
 - Countywide Revenue and Spending* 7
 - General Fund - Discretionary Revenue and Spending*..... 8
 - Personnel Summary* 8
 - State Impacts on the county Budget..... 9
 - Criminal Justice System Realignment* 9
 - May Revise* 9
 - County Vision and Initiatives - FY 14/15..... 9
 - Goal One – A Business Friendly County* 9
 - Goal Two – A Citizen Centric County* 10
 - Goal Three – A Healthy County*..... 11

COUNTY PROFILE 13

- County History 13
- County Facts and Figures..... 13
 - Economic Profile 14
 - Demographics 15
 - Other Statistical Data and Comparisons..... 17
- Organizational Chart..... 19

COUNTY FINANCIAL POLICIES AND PROCEDURES 21

- Governmental Fund Balance and Reserve Policy..... 21
 - Governmental Fund Balance Categories..... 21
 - Spending Prioritization for Fund Categories 21
 - Minimum Fund Balance Policy for Governmental Funds 22
 - Unassigned Fund Balance - General Fund* 22
 - Fund Balance – Special Revenue Funds* 22
 - Committed Fund Balance - Disaster Relief* 22
- Pension Management Policy 23
 - The Pension Advisory Review Committee (PARC) 23
 - Pension Management Policy Overview 23
 - Pension Obligation Financing 23
- Gann Limitation..... 25
- Investment Policy..... 27
 - Investment Oversight Committee (IOC)..... 27



County of Riverside – Recommended Budget

Fiscal Year
2014/15

Fiduciary Responsibility	27
Portfolio Objectives	27
Debt Management Policy.....	29
Debt Advisory Committee	29
Debt Management Policy Overview.....	29
Conduit Financing	30
Land Secured Financing	30
Alternate Financing Products.....	30
County Debt Profile.....	31
Budgeting and Financial Forecasting	33
Basis of Budgeting	33
Budget Process and Timeline	33
<i>Budget Development and Adoption Process.....</i>	<i>33</i>
<i>Budget Amendment Process.....</i>	<i>35</i>
<i>FY 14/15 Budget Development Schedule at a Glance.....</i>	<i>36</i>
OPERATING BUDGET SUMMARY	37
Budget Overview	37
Countywide Revenue and Spending	37
General Fund Revenue and Spending	41
Discretionary Revenue and Spending	42
<i>Discretionary Revenue</i>	<i>42</i>
<i>Discretionary Expenditure Allocations - Net County Cost</i>	<i>44</i>
Fund Balance Overview.....	47
General Fund Obligated Fund Balances	47
Budgeted Use of Governmental funds.....	48
DEFERRED MAINTENANCE AND CAPITAL IMPROVEMENT PROGRAM	49
Deferred Maintenance	49
Capital Improvement Program (CIP)	50
Capital Projects In Progress	50
OPERATING BUDGET DETAIL	52
General Government	53
Assessment Appeals Board.....	56
Assessor	56
Auditor-Controller	56
<i>Controller and Internal Audits</i>	<i>56</i>
<i>County Payroll</i>	<i>57</i>
<i>Countywide Allocation Cost Allocation Plan Reimbursement (COWCAP).....</i>	<i>57</i>
Board of Supervisors/Clerk of the Board	58
Court Administration	58
<i>Court Transcripts</i>	<i>58</i>



County of Riverside – Recommended Budget

Fiscal Year
2014/15

<i>Court Subfund</i>	58
County Counsel	59
County of Riverside Enterprise Solutions for Property Taxation (CREST).....	59
Economic Development Agency	59
<i>Administration</i>	60
<i>Riverside County Date Festival</i>	60
<i>Capital Projects</i>	61
<i>Facilities Management – Project Services, Energy, and Parking</i>	61
Executive Office	62
<i>Administration</i>	62
<i>Accumulated Capital Outlay Fund</i>	62
<i>Capital Improvement Program</i>	62
<i>Contributions to Other Funds</i>	63
<i>Community Facilities District and Assessment District Administration</i>	64
<i>Development Impact Fee Operations</i>	65
<i>Executive Office Sub-Fund Management</i>	65
<i>Health and Juvenile Services</i>	65
<i>Litigation and Legislative Support</i>	66
<i>Mitigation Project Operations</i>	66
<i>Redevelopment Agency Pass-through Capital Improvement Fund</i>	66
<i>Solar Revenue Fund</i>	67
<i>Tobacco Securitization</i>	67
Fire Construction.....	68
Geographic Information Systems	68
Human Resources Administration	68
Purchasing Services	69
Registrar of Voters	69
Surveyor.....	70
Treasurer Tax Collector	70
Public Protection	71
Agricultural Commissioner	74
<i>Public Protection</i>	74
<i>Range Improvement</i>	75
Air Quality Management Division.....	75
<i>Administration</i>	75
<i>Rideshare</i>	75
Animal Services	76
Building and Safety	77
Child Support Services	77
Clerk-Recorder.....	78



County of Riverside – Recommended Budget

Fiscal Year
2014/15

Code Enforcement	78
Court Services	78
<i>Court Orders, Facilities, and Trial Court</i>	78
<i>Grand Jury Administration</i>	79
District Attorney	80
Environmental Programs	80
Fire Protection	81
Indigent Defense	81
National Pollutant Discharge Elimination System	82
Planning	82
Probation	82
<i>Administration and Support</i>	83
<i>Field Services</i>	83
<i>Juvenile Institutions</i>	84
Public Defender	84
Public Guardian	85
Sheriff	85
<i>Administration and Police Protection</i>	85
<i>Patrol</i>	86
<i>Coroner</i>	87
<i>Corrections</i>	87
<i>Public Administrator</i>	87
Public Ways and Facilities	89
Airport Land Use Commission	91
County Airports	91
Multi-Species Habitat Plan	92
Transportation	92
Transportation and Land Management Agency Administrative Services	93
Health and Sanitation	95
Ambulatory Care Clinics	97
California Childrens Services	97
County Contributions to Health and Mental Health	97
Detention Health Services	98
Environmental Health	98
Low Income Health Program	99
Medically Indigent Services	99
Mental Health	99
<i>Administration</i>	100
<i>Detention Program</i>	100
<i>Substance Abuse Program</i>	100
<i>Treatment Program</i>	101



County of Riverside – Recommended Budget

Fiscal Year
2014/15

Public Health	101
Waste Area 8 Assessment Administration.....	102
Public Assistance.....	103
Community Action Partnership	105
Department of Public Social Services (DPSS)	105
Administration	105
Aid Programs	106
Homeless Program	107
Economic Development Agency Community Programs.....	107
Juvenile Court Placement	108
Office on Aging	108
Veterans Services	108
Education, Recreation and Cultural Services	109
Community Centers	111
Cooperative Extension.....	111
County Free Library	112
Edward Dean Museum	112
Debt Service and Contingency	113
Contingency	115
Debt Service	115
Interest on Tax Revenue Anticipation Notes	115
Pension Obligation Bonds	115
Teeter Debt Service.....	116
Internal Service Funds.....	117
Central Mail	120
Fleet Services	120
Human Resources	120
Delta Dental Self-Insurance.....	120
Disability Insurance.....	121
Employee Assistance Program	121
Exclusive Care Provider Option.....	121
Liability Insurance	122
Local Advantage Plus Dental - Blythe	122
Local Advantage Plus Dental	122
Malpractice Insurance.....	122
Occupational Health Program	123
Property Insurance	123
Safety Loss Control	123
Temporary Assistance Pool.....	124
Unemployment Insurance.....	124



County of Riverside – Recommended Budget

Fiscal Year
2014/15

Wellness Program	124
Workers Compensation	125
Printing Services	125
Property Management	125
Custodial Services	125
Maintenance Services	126
Real Estate	126
Records Management and Archive Program (RMAP).....	127
Riverside County Information Technology.....	127
Administration and Information Technology Services	127
Public Safety Enterprise Communication Project (PSEC).....	128
Supply Services	128
Enterprise Funds	129
Housing Authority Successor Agency.....	131
Housing Authority.....	131
Riverside County Regional Medical Center	132
Waste Management.....	133
SPECIAL DISTRICTS AND OTHER AGENCIES	135
Capital Finance Administration	137
Children and Families Commission – First Five	137
County Service Agencies.....	138
Flood Control	138
Flood Control District Operations and Administration.....	138
Encroachment Permits.....	139
Photogrammetry Operations.....	139
Subdivision Operations	139
In Home Support Services – Public Authority.....	139
Perris Valley Cemetary District.....	140
Regional Parks and Open Space District	140
Waste Management – District Administration.....	141
AUTHORIZED POSITIONS.....	143
Position Policy Overview	143
Schedule 20: Summary of Changes in Authorized Positions.....	144
CAPITAL ASSET AND VEHICLE REQUESTS	259
Fixed Asset Request Detail	259
Vehicle Request Detail	259
Schedule 21: Financed Fixed Asset.....	260
Schedule 22: Cash Purchased Fixed Assets	269
Schedule 23: New Vehicles.....	279
GLOSSARY	283
TABLE OF CONTENTS	



County of Riverside – Recommended Budget

Fiscal Year
2014/15

APPENDICIES	287
List of Budget Combinations and Related Department/Function	289
State Controller Financial Schedules.....	297
<i>Schedule 1: All Funds Summary</i>	297
<i>Schedule 2: Governmental Funds Summary</i>	299
<i>Schedule 3: Fund Balance – Governmental Funds</i>	303
<i>Schedule 4: Reserves and Designation – by Governmental Funds</i>	307
<i>Schedule 5: Summary of Additional Financing Sources by Sources and fund</i>	317
<i>Schedule 6: Detail of Additional Financing Sources by Fund and Account</i>	321
<i>Schedule 7: Summary of Financing Uses by Function and Fund</i>	361
<i>Schedule 8: Detail of Financing Uses by Function, Activity, and Budget Unit</i>	365
<i>Schedule 9: Detail of Financing Sources and Financing Uses</i>	375
<i>Schedule 10: Operation of Internal Service Fund</i>	441
<i>Schedule 11: Operation of Enterprise Fund</i>	471
<i>Schedule 12: Special Districts and Other Agencies Summary</i>	477
<i>Schedule 13: Fund Balance – Special Districts and Other Agencies</i>	483
<i>Schedule 14: Special Districts and Other Agencies – Reserve/Designations</i>	487
<i>Schedule 15: Special Districts and Other Agencies – Financing sources and uses</i>	495
Riverside County Financial Schedule	539
<i>Schedule 15E: Financing Sources For Special District Enterprise Funds</i>	539
INDEX	545



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County of Riverside – Recommended Budget

Fiscal Year
2014/15

INTRODUCTION



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COUNTY OF RIVERSIDE EXECUTIVE OFFICE

JAY E. ORR
COUNTY EXECUTIVE OFFICER

GEORGE A. JOHNSON
CHIEF ASSISTANT COUNTY EXECUTIVE OFFICER

ROB FIELD
ASSISTANT COUNTY EXECUTIVE OFFICER
ECONOMIC DEVELOPMENT AGENCY

MICHAEL T. STOCK
ASSISTANT COUNTY EXECUTIVE OFFICER
HUMAN RESOURCES

ED CORSER
COUNTY FINANCE DIRECTOR

CHRISTOPHER HANS
CHIEF DEPUTY COUNTY EXECUTIVE OFFICER

June 16, 2014

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

SUBJECT: FY 14/15 Recommended Budget

Board members:

Attached is the FY 14/15 recommended budget for your consideration and approval. This budget provides needed spending authority to begin the fiscal year that commences July 1, 2014. The past few annual budgets have included a mix of adversity, progress and change. The county has responded with a continued commitment to being business-friendly and focusing on residents' needs and the community's health. My staff will begin constructing the final budget after budget hearings conclude today. On September 3, 2014, we will hold a budget impact workshop to discuss the recommended budget's implications. The final budget, set to be adopted September 23, 2014, will be built upon the recommended budget and any adjustments you direct staff to make.

On May 6, economists from California State University, Fullerton, and Beacon Economics presented optimistic forecasts for long-term growth in Riverside County. The residential and nonresidential property markets continue to improve while unemployment rates sink to levels consistent with strong economic recovery. Hinderliter, de Llamas & Associates, the county's sales-tax consultant, confirmed the economists' predictions for increased sales-tax revenue. While economic projections are rosy, we should remain fiscally prudent. Restraint is essential as we work to regain balance between ongoing spending and revenue, all while developing solutions to meet Board objectives.

Recent decisions by the state have reshaped the way the county delivers essential public-safety services. The recommended budget includes an additional \$33.9 million to fund Board-approved initiatives mostly related to the direct impacts of these decisions. These initiatives will be funded with \$12.1 million in general-fund discretionary revenue and \$21.8 million in Prop. 172 public safety sales-tax allocations. We continue to formally address the multi-year impacts of these decisions during fiscal year quarterly budget updates.

During FY 14/15 we will continue to contend with other fiscal challenges countywide. Departments were expected to absorb increased labor and operational costs without additional general-fund support. While most departments proposed budgets that remained relatively unchanged from the prior fiscal year, despite rising costs, many report that service levels continue to deteriorate due to reduced revenue in the last five years. The budget impact workshop in September will explore the effects that departments expect the recommended

budget targets will have on service levels. Should the Board find it necessary to increase authorized appropriations at that time, the budget stabilization account is available. Using those funds will cause spending to further exceed revenue.

We continue to work aggressively to improve the fiscal conditions at Riverside County Regional Medical Center (RCRMC). Huron is working with RCRMC staff to implement additional initiatives expected to meet or exceed Huron's mid-range target of \$55.5 million in recurring annual benefits. The current budget reflects hospital spending that does not exceed revenue that is generated. The hospital will likely require additional spending authorization to maintain acceptable service levels. Once the picture of improvements to the hospital's financial health is clearer, we will return with an updated budget, as well as a plan for addressing any additional challenges.

Even with those challenges, we are making progress toward becoming a provider of choice in the region. In addition to obtaining better operation efficiencies and services improvements at RCRMC, we continue working to strengthen affiliations with university and health-provider partners.

Other progress is being made countywide. The Emergency Operations Center in Indio has been completed as has our Public Safety Enterprise Communication (PSEC) public-safety radio project. The Sheriff is also reporting that there will be one sworn officer per 1,000 citizens in the unincorporated area by the end of the fiscal year. As in previous years, we will continue to seek operating efficiencies countywide and ways to achieve more with less. We also will continue to manage major initiatives such as the Affordable Health Care Act, prison realignment under AB 109, and the East County Detention Center and Indio Law Center construction.

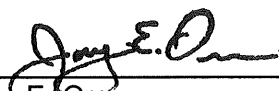
The budget summary on the following pages details the differences between the adopted FY 13/14 budget and the recommended FY 14/15 budget. The budget format continues to be updated for consistency with standards outlined in the Government Finance Officers Association (GFOA), which allows improved transparency and improved ease of use.

IT IS THEREFORE RECOMMENDED that the Board of Supervisors:

- 1) Approve the enclosed FY 14/15 recommended budget effective July 1, 2014, including all appropriations and estimated revenues, reserves and designations, Resolution No. 440-8967 modifying position levels as indicated in Schedule 20, and requests for fixed assets and vehicles contained herein;
- 2) Tentatively schedule Budget Impact Workshops for Wednesday, September 3, 2014;
- 3) Tentatively schedule adoption of the final budget for Tuesday, September 23, 2014; and,
- 4) Open budget hearings.

Respectfully Submitted,

FISCAL PROCEDURES APPROVED
PAUL ANGULO, CPA, AUDITOR-CONTROLLER
BY Susana Garcia-Bocanegra 10/15/14
Susana Garcia-Bocanegra



Jay E. Orr
County Executive Officer

RESOLUTION NO. 440-8967

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3 BE IT RESOLVED by the Board of Supervisors of the County of Riverside, State of California, in
4 regular session assembled on June 16, 2014, that pursuant to Section 4(a)(ii) of Ordinance No. 440, the
5 County Executive Officer is authorized to make the following change(s) as listed in Schedule 20 for the
6 FY 14/15 recommended budget, with an operative date of *July 01, 2014*, a copy of which is attached
7 hereto and by this reference made a part hereof.
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19 **Approved by Michael T. Stock**
Asst. County Executive Officer/
Human Resources Director
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EXECUTIVE SUMMARY

FY 14/15 BUDGETARY HIGHLIGHTS

- In the general fund unassigned fund balance, commitments for economic uncertainty (\$124.7 million) and budget stabilization (\$53.9 million) total about 29 percent of discretionary revenue. The commitment for disaster relief totals \$15 million.
- No ongoing general funds are appropriated in the recommended budget for new capital projects. Previously approved high priority projects will continue.
- General fund contingency is about 3.2 percent of discretionary revenue (\$20 million). If additional funding becomes available during the fiscal year, appropriations for contingency may be increased.
- The amount of discretionary revenue available for budget purposes continues to show growth. Discretionary revenue projections grew from \$590.7 million in FY 13/14 to \$623.5 million in FY 14/15, an increase of \$32.8 million or 5.6 percent.
- Discretionary-revenue estimates were based on data available when the budget was being prepared. Preliminary estimates from the Assessor indicate the assessment roll will increase by at least 4.5 percent. Any changes to this estimate may require additional adjustments to the final budget recommendations.
- General fund carryover at year-end, excluding reserves, was budgeted at \$25.6 million. Additional beginning fund balance may be available when the final budget goes to the Board for adoption in September 2014.
- The effect of state budget issues on the county budget remains difficult to predict. Known impacts are reflected in this budget. The county will address any additional impacts during the fiscal year.

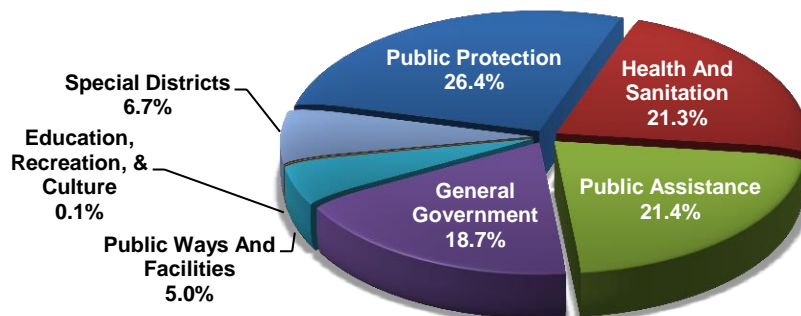
GENERAL BUDGET OVERVIEW

Countywide Revenue and Spending

Countywide, the FY 14/15 recommended budget contains about \$4.8 billion in appropriations, an increase of 4.2 percent from the FY 13/14 projected spending. Most of this spending (86.4%) is funded by revenue sources that are restricted to the purpose for which it was collected (\$4.1 billion). The growth in countywide spending is primarily attributable to funding countywide projects in progress (general government capital projects, flood projects, and transportation projects) as well as expected increases in expenditures related to public assistance and public protection.

Chart 1

FY 14/15 Countywide Allocation by Function





County of Riverside – Recommended Budget

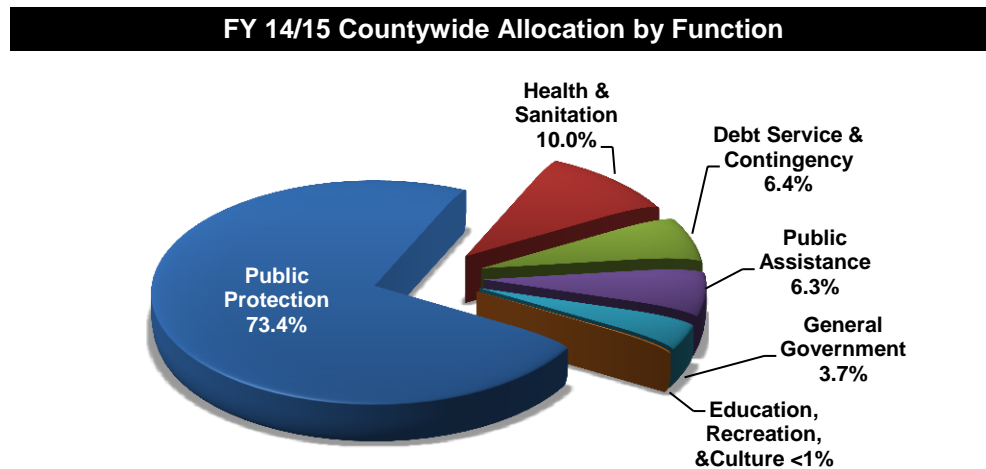
Fiscal Year
2014/15

In May, the independent economists hired by the county provided the Board members with positive news about the area’s economic recovery. The toughest of choices are behind the county but fiscally conservative decisions about spending continue to be a key factor in the county’s full fiscal recovery. A more comprehensive overview of the FY 14/15 budget is available on page 37.

General Fund - Discretionary Revenue and Spending

The discretionary portion of the budget includes \$646.8 million in general fund expenditures. Discretionary revenue to fund this spending totals \$623.5 million, a 5.6 percent increase (\$32.8 million) from last year’s budget. Revenue increased primarily because of growth in property tax values, sales tax, and the landfill lease agreements. The difference between discretionary spending and revenue is covered by general fund carryover balance (\$25.6 million).

Chart 2



As in previous years, the Board expressed support for a budget impact workshop. The workshop will take place in September and will include testimony from county departments about the implications of the recommended budget.

Personnel Summary

The county uses the Schedule 20 form (see page 143) to outline position requests for each fiscal year in accordance with Ordinance 440. For FY 14/15, departments are requesting approval for 22,012 positions of which 18,564 are regular, full-time positions that were filled as of May 1, 2014 and expected to be fully funded for the fiscal year. The remaining positions (3,815) are vacant, seasonal, per diem, or part-time and may not need to be funded for the full fiscal year. The following table provides an overview of the filled positions by function over the last three years.

Table 1

Funded Filled Position Overview by Function¹
As of May 1 of Each Year

Function	2012	2013	2014	Net Change
Public Protection	6,562	6,637	6,757	195
Health and Sanitation	4,750	4,992	5,152	402
Public Assistance	3,712	3,776	3,960	248
General Government	1,868	1,773	1,873	5

¹ Table includes regular, full time positions only



County of Riverside – Recommended Budget

Fiscal Year
2014/15

Function	2012	2013	2014	Net Change
Public Ways and Facilities	402	366	368	(34)
Education, Recreation, & Culture	16	14	14	(2)
Special Districts	429	425	440	11
Total Positions	17,739	17,983	18,564	825

Compared to the previous two fiscal years, regular filled position totals have remained at reduced levels for the general government function. Public Protection positions have grown because of the Board’s direction to return public safety staffing to previous levels. Public Assistance and Health and Sanitation have experienced growth due to increases in non-county funding sources for positions and increase demand for services in the health related function.

STATE IMPACTS ON THE COUNTY BUDGET

Criminal Justice System Realignment

The realignment of the criminal justice system continues to have significant impacts on counties. In October 2011, our county assumed responsibility for the supervision of state prisoners released to the county under the terms of realignment. This includes all monetary allocations to the county for all realignment services as well as direct allocations to the District Attorney, the Public Defender, and the Superior Court. It is impossible to quantify the cost to the community for the early release of prisoners caused by realignment. There is a potential future financial impact as the number of inmates returning to the county increase and the county must expand public safety programs to protect the community.

May Revise

In the state’s proposed budget released in January 2014, a multiyear plan developed that balanced the state budget, paid down budgetary debt from past years, saved for a rainy day, and increased spending for education, the environment, public safety, public works, affordable health care, and CalWORKs.

The May revise of the proposed budget reflects a \$2.4 billion increase in forecasted state revenue due to by higher than expected personal income tax withholding, partnership income, and dividend income. Some of the changes to the proposed budget that directly impact the county include additional funding for unanticipated increases in Medi-Cal costs related to the Affordable Care Act, increases in drought management costs, and costs related to pension obligations. The Governor also reiterated his commitment to pay down state debt by 2017-18 including an additional \$100 million to repay a portion of mandate reimbursement claims owed to counties, cities, and special districts prior to 2004.

COUNTY VISION AND INITIATIVES - FY 14/15

The Executive Office continues to work with departments to increase operating efficiencies countywide. The Executive Officer will continue to meet with department heads to address ongoing budget challenges and build relationships with neighboring cities and counties to work toward regional solutions. Below is a summary of some new and ongoing initiatives that promote the county’s commitment to being business-friendly and focusing on residents’ needs and the community’s health during FY 14/15:

Goal One – A Business Friendly County

Promotion of a “Business Friendly” Riverside County

Because businesses today enjoy great flexibility in deciding where to locate, Riverside County should be even more welcoming to business of all sizes. As businesses thrive in the county, they create quality jobs and strengthen the



County of Riverside – Recommended Budget

Fiscal Year
2014/15

foundation of the local economy. The Executive Office and county departments are exploring ways to interact even more with businesses and meet their needs.

Goal Two – A Citizen Centric County

Organizational Restructuring for Economies of Scale

Obtaining economies of scale allows the county to better use tax dollars paid by citizens. To date, corporate restructuring efforts have reorganized the Community Health Agency. The Executive Office will continue to identify opportunities for cost-saving restructuring.

Riverside County Information Technology Service Consolidation

The Consolidation Project centralizes County IT resources with the objective to realize savings in technology costs, hardware maintenance and support, enterprise solutions, and efficiencies in services through a pooling of resources and training. The project is divided into three phases: Phase 1 – Staffing Consolidation, Phase 2 – Infrastructure Consolidation, and Phase 3 – Applications Consolidation. Phase 1 is at completion and RCIT has progressed into Phase 2.

The consolidation of IT services is expected to improve constituent and customer access to county services and information by consolidating the skills and talents of county information technology professionals, reducing the cost and complexity of the county's computing environment through a more streamlined core infrastructure, and adopting business tools that will improve IT access, reliability, consistency throughout the organization.

East County Detention Center Construction

As part of a multi-phase public safety project in Indio that included a new emergency operations center and law center, the new Eastern Riverside County Detention Center (ECDC) will replace the Indio Jail, triple the number of inmate beds, and employ a few hundred people once fully operational. It will be located across the street from the Larson Justice Center, which is logistically important for transporting inmates to and from court.

The new detention center is expected to help ease overcrowding caused by AB 109 -- the Public Safety Realignment Act of 2011 which allows "non-serious, non-violent" offenders convicted of felonies unrelated to sex crimes to serve their sentences in local detention facilities, rather than state prison. Reducing overcrowding and keeping offenders jailed for their full sentences will promote a safer community. In December 2013, Riverside County is moving ahead with its plans to expand the area's jail facilities by approving the tentative ECDC spending plan and the contractor that would complete demolition work.

Public Defender Building Remodel

In May 2010, the Board committed to remodel the former District Attorney building for the Public Defender's use. Despite unexpected fiscal challenges, including the need for seismic retrofits, the project is expected to be completed November 2014.

Indio Emergency Operation Center Completion

Construction on the new Emergency Operations Center in Indio started July 2013 and was completed in May 2014. The new Emergency Operations Center replaced the 14,400-square-foot former Indio sheriff's station. The \$11.1 million project added a beneficial function to a county-owned facility that sat vacant since the sheriff's department moved to the Thermal Sheriff's Station. Previously, the emergency center was housed in the basement of the County Administrative Center in the Riverside. Relocating the emergency operations center from a constricted basement will also enable the use of cell phones and the most up-to-date emergency response equipment.

Indio Law Center Construction

Construction on the new Law Center in Indio started in early 2014 and is expected to be completed in early 2015. The three-story, 90,000-square-foot facility will house the District Attorney, Public Defender, County Counsel, and



other related tenants at the corner of Highway 111 and Jackson Street in Indio. It will also be home to a county law library.

Public Safety Enterprise Communication (PSEC) Project Completion

The successful completion of the PSEC project was a cooperative effort between the county's Sheriff and Fire departments, the Economic Development Agency (EDA), the county Executive Office, and the Riverside County Information Technology (RCIT) department. The new communication system expanded coverage and added radio links to other agencies that will help protect the public and public safety officers.

California Forward's Partnership for Community Excellence

California Forward's Partnership for Community Excellence selected Riverside County as one of three counties to participate in a three-year effort to build capacity for data driven systems, improve governance through cross system work, and find ways to reduce any negative impacts of public safety realignment. The county expects that working with California Forward departments will strengthen the culture for data-based decision making. This includes regular evaluation, implementation of successful alternatives to incarceration, and exploration of ways to improve public safety outcomes - especially those that reduce the recidivism rate. California Forward is applying for grant funding so there will be no additional costs to the county general fund.

Goal Three – A Healthy County

Riverside County Regional Medical Center (RCRMC) Initiatives and Operational Restructuring

In May 2013, the Board approved the execution of an agreement with Huron Consultants, LLC. The consultant continues to work with hospital staff to implement additional initiatives that are expected to meet or exceed the consultant's mid-range target of \$55.5 million in recurring annual benefits. RCRMC personnel also continue to evaluate and restructure hospital processes to obtain operational efficiencies that will result in savings.

The current budget reflects hospital spending that does not exceed revenue that is generated. The hospital will likely require additional spending authorization to maintain acceptable service levels. Once the picture of improvements to the hospital's financial health is clearer, RCRMC will return with an updated budget, as well as a plan for addressing any additional challenges.

Promotion of a Health Community Initiative

The county intends to use partnerships, policies, systems and initiatives to improve the residents' health and promote livable communities. Baseline data will be assembled to identify strengths and weakness. An evaluation framework that is flexible and relevant will be developed and used to measure progress. Removing barriers and providing tools for individuals and families to manage their health will contribute to a healthier population.

Thrive Across America Challenge

In an effort to combat the chronic health conditions among county employees, the county launched the Kaiser Permanente *Thrive Across America* program in October 2013. The online program promotes an active lifestyle by challenging county employees to aim for at least 30 minutes of physical activity a day, five days a week. Physical activity minutes are recorded in the online system and participants travel from Maine to Hawaii along a virtual route. The route includes more than 50 of the nation's most treasured outdoor attractions through vivid pictures and detailed descriptions. Accessing the *Thrive Across America* website provided lifestyle goal-setting guides, health tips and articles, healthy recipes and fun competition among the teams formed by county employees.

The first eight week challenge ended December 2013 with more than 3,800 employees registered and 325 teams formed. More than 5.5 million minutes of physical activity were logged by county employees. The second 8-week *Thrive Across America* challenge ended in May 2014. Almost 5,400 employees registered and formed more than 350 teams. An impressive 8.3 million minutes of physical activity was logged.



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COUNTY PROFILE

COUNTY HISTORY

In May 1893, voters living within an area extracted from San Bernardino County (to the north) and San Diego County (to the south), approved formation of Riverside County. Taking its name from the City of Riverside, the county officially formed, and began charting a course under its newly elected Board of Supervisors. Riverside County has been blessed with abundant natural resources, a strategic geographic location in Southern California, a diverse and hard-working citizenry, and a tradition of progressive government. Managed wisely by communities working together, these key assets hold vast potential to sustain and enhance the quality of life that it currently enjoys.

While agriculture has been the traditional foundation of the Riverside County economy, a transition has been well underway toward a more urban way of life with a multi-faceted economy. This change has been driven in part by economic and political forces at the regional, state, and national levels. However, Riverside County residents, through their elected representatives, have made the key local decisions that have shaped Riverside County, differentiating it in character and quality of life from adjoining counties.

Recent years have brought dramatic population growth to Riverside County. Between 1990 and 2012, the number of residents grew by over 93 percent, making the county one of the fastest-growing counties in California. By 2012, the county was estimated to be home to over 2.2 million residents.

COUNTY FACTS AND FIGURES

Riverside County is the fourth largest county in the state, stretching nearly 200 miles across and comprising almost 7,300 square miles of fertile river valleys, low deserts, mountains, foothills and rolling plains. Riverside County shares borders with densely populated Los Angeles, Imperial, Orange, San Diego, and San Bernardino counties and spreads to within 14 miles of the Pacific Ocean to the Colorado River.

Riverside County is one of the largest counties in the state containing twenty-eight incorporated cities. More than three-quarters of the county's land area, and one-quarter of the county's population, lie outside these municipalities. Each elected member of the Board of Supervisors represents city, as well as unincorporated, residents.

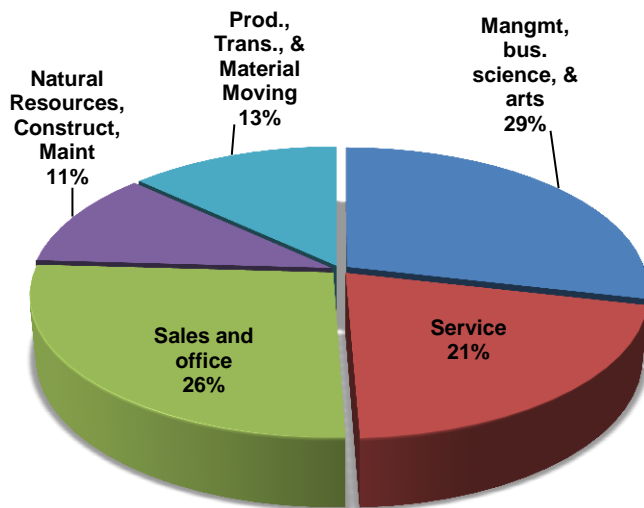


ECONOMIC PROFILE

The economic profile provides an overview of the economic characteristics of the county. The following narrative, charts, and tables illustrate the employment, income, and sales related information of Riverside County and its residents:

2012 Occupations of the Employed (County Civilians 16 years and over)

Source: United States Census Bureau, 2011 American Community Survey 1-Year Estimates



Assessed Valuation (2013): \$205,689,575,778

Source: County of Riverside Assessor-County Clerk-Recorder, 2013-2014 Annual Report

County Employed (2012): 882,903 (51% of the 16 years or older population)

Source: United States Census Bureau, 2011 American Community Survey 1-Year Estimates

Median Family Income (2012): \$52,621

Source: United States Census Bureau, 2011 American Community Survey 1-Year Estimates

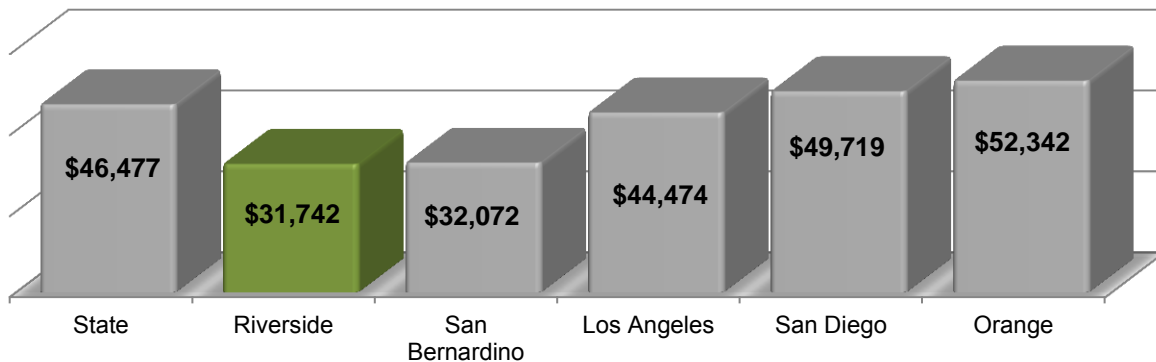
Occupied Housing Units (2012): 685,260

Source: United States Census Bureau, 2011 American Community Survey 1-Year Estimates

Owner Occupied: 442,164 (64.5%)
Renter Occupied: 243,096 (35.5%)

2012 Per Capita Personal Income Comparison

Source: U.S. Department of Commerce, Bureau of Economic Analysis





County of Riverside – Recommended Budget

Fiscal Year
2014/15

DEMOGRAPHICS

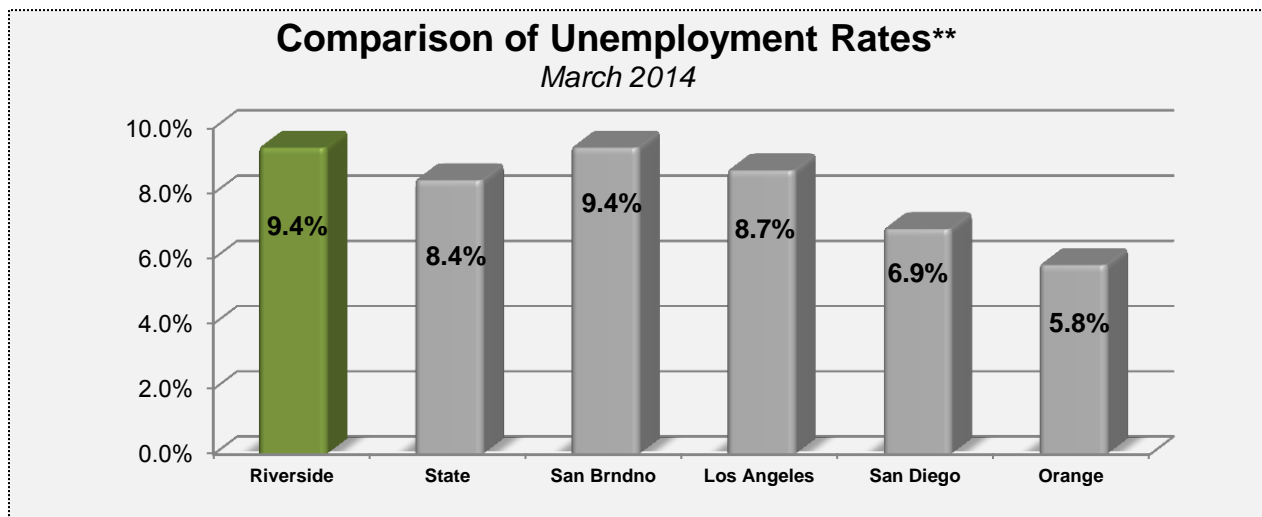
Demographic indicators explain the characteristics of human populations and population segments of a county. The following charts and tables illustrate the age, educational attainment, ethnicity, and household composition of Riverside County residents:

Estimated January 2014 County Population by City

Source: State of California, Department of Finance, E-1 Cities, Counties, and the State Population Estimates with Annual Percent Change - January 1, 2013 and 2014

Banning	30,177	Lake Elsinore	55,444
Beaumont	39,787	La Quinta	38,412
Blythe	19,609	Menifee	82,314
Calimesa	8,096	Moreno Valley	198,183
Canyon Lake	10,771	Murrieta	105,860
Cathedral City	52,350	Norco	26,632
Coachella	42,795	Palm Desert	49,962
Corona	156,864	Palm Springs	45,724
Desert Hot Springs	27,835	Perris	70,983
Eastvale	57,266	Rancho Mirage	17,643
Hemet	80,899	Riverside	312,035
Indian Wells	5,083	San Jacinto	45,229
Indio	81,415	Temecula	104,907
Jurupa Valley	97,272	Wildomar	33,182

Incorporated Population	1,896,729
Unincorporated Population	358,924
Riverside County Total Population	2,255,653

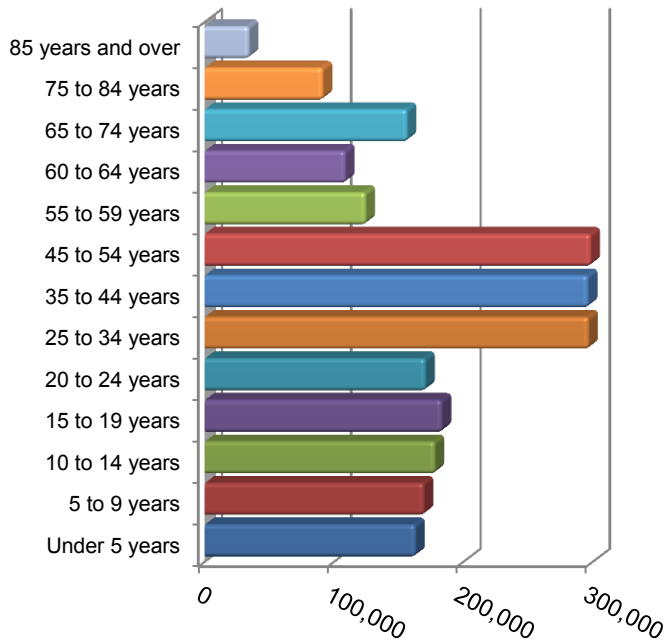


**Source: Employment Development Department, May 2014 Report



2012 County Population by Age

Source: 2012 American Community Survey, 1-year Estimates



Median Age (2012): 34

Source: United States Census Bureau, 2012 Estimates

Live Births (2013): 31,553 - Projected

Source: Historical births through 2012, California Department of Public Health, Center for Health Statistics and Informatics Vital Statistics Unit.

Number of Households (2012): 685,260

Source: United States Census Bureau, 2012 Estimates

Non-Family Households: 184,024

Family Households: 501,236

With own children below 18: 249,457

Average Household Size (2012): 3.26

Source: United States Census Bureau, 2012 Estimates

Education Attainment

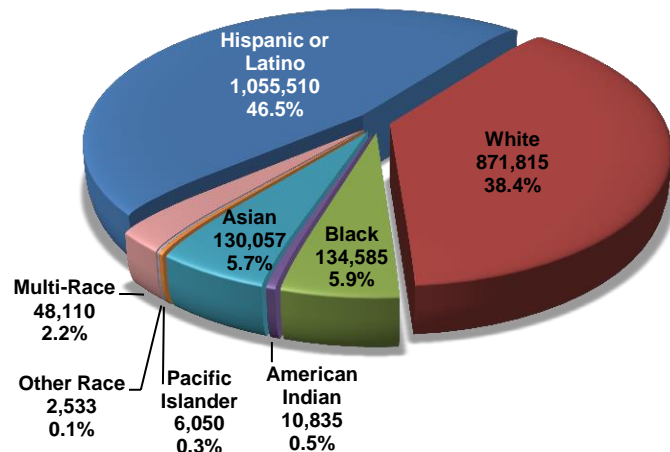
(2012 Estimate for population age 25 and over)

Less than 9 th grade:	10.1%
9 th to 12 th no diploma:	10.6%
High School Graduate:	24.9%
College/no degree:	26.2%
Associates degree:	7.7%
Bachelor's degree:	13.3%
Graduate or Professional degree:	7.2%

Source: U.S. Census Bureau, 2012 American Community Survey

2012 County Population by Race/Ethnicity

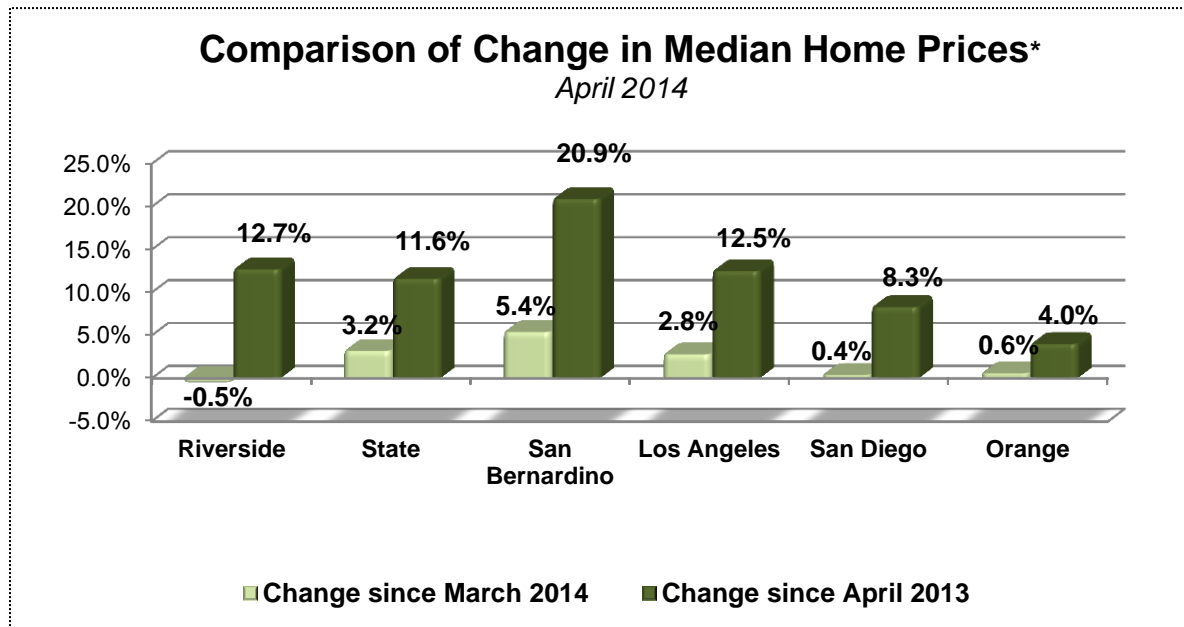
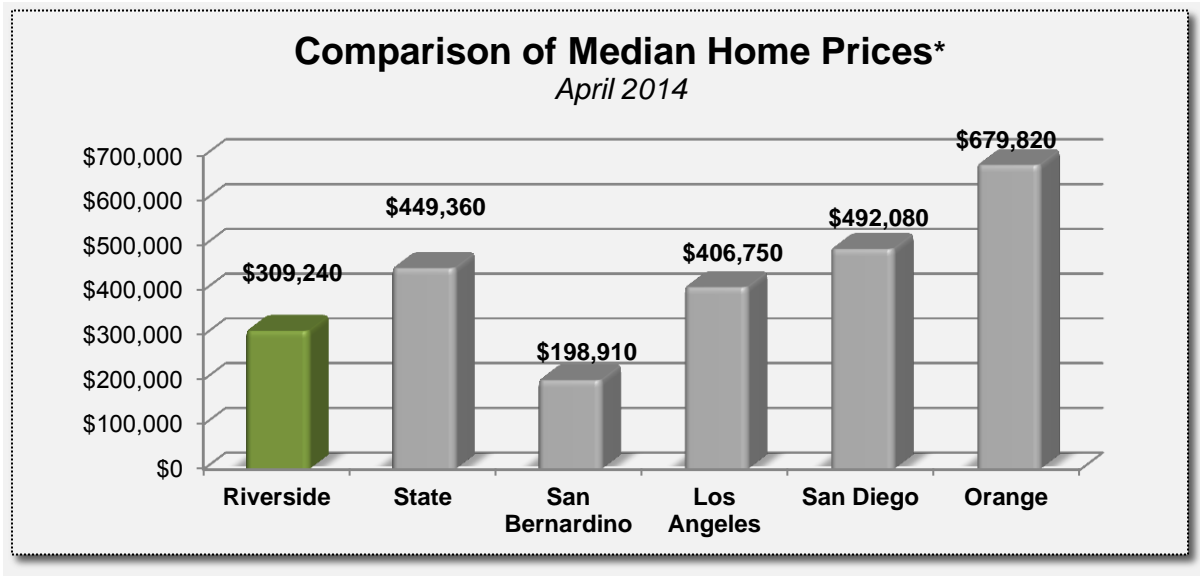
Source: United States Census Bureau, 2012 Estimates





OTHER STATISTICAL DATA AND COMPARISONS

The following are comparisons between the county, state, and surrounding counties.



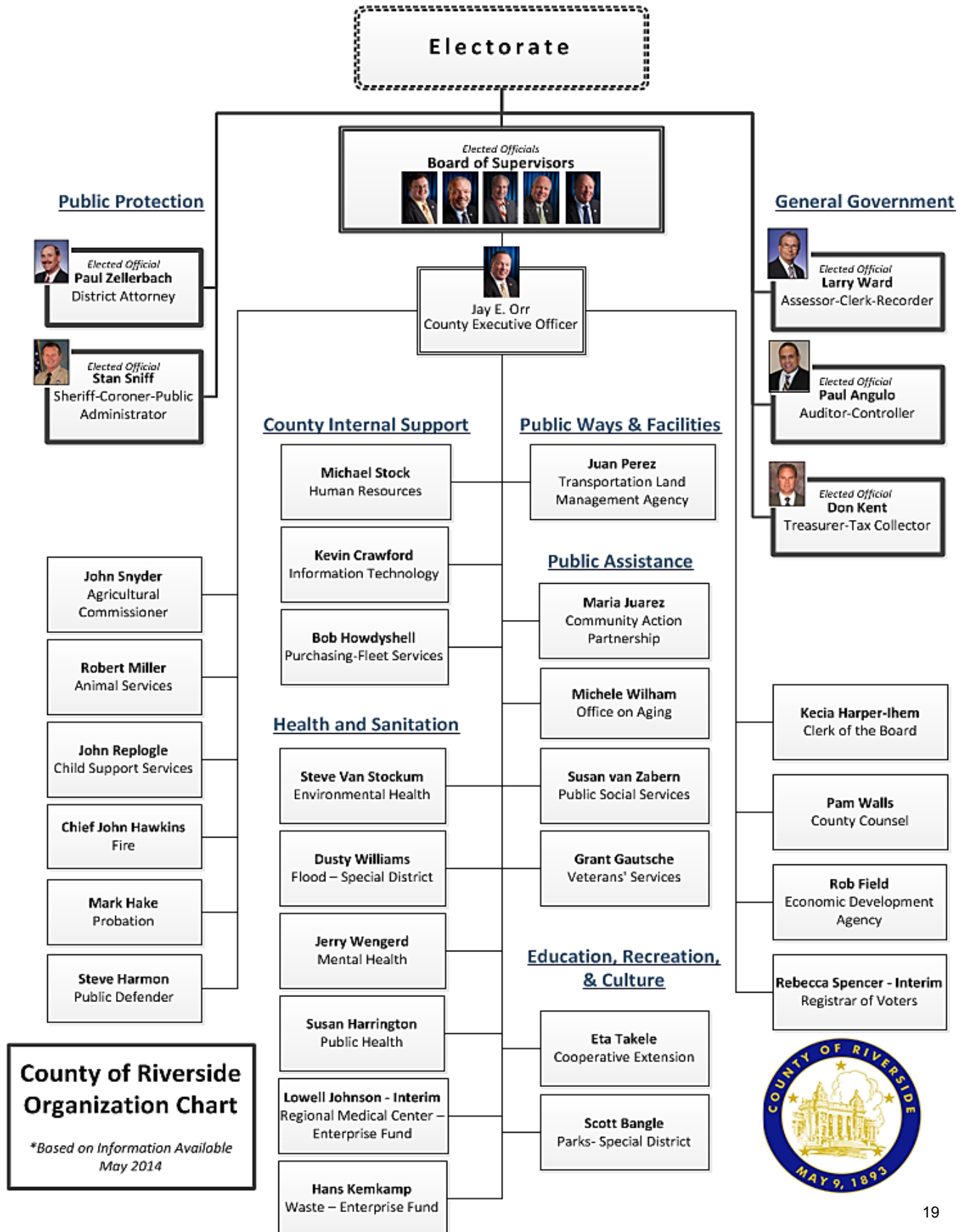
*Source: California Association of Realtors, April 2014



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ORGANIZATIONAL CHART



**County of Riverside
Organization Chart**
*Based on Information Available
May 2014





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COUNTY FINANCIAL POLICIES AND PROCEDURES

The following is an overview of the various policies that the county adheres to in its financial management practices and budgetary decision-making process.

GOVERNMENTAL FUND BALANCE AND RESERVE POLICY

Fund balance, the difference between assets and liabilities in a governmental fund, is a widely used component in government financial statements analysis. The Governmental Accounting Standards Board (GASB) issued Statement No. 54 to improve how fund balance information is reported and enhance its decision-making value. The county fund balance policy (Board of Supervisor Policy B-30, *Government Fund Balance and Reserve Policy*) applies to the governmental fund type which includes the general fund, special revenue funds, capital projects funds, debt service funds, and permanent funds. The policy can be found in its entirety on the county website at: <http://rivcocob.com/policy-b/POLICY-B30.pdf>.

The purpose of this policy is to establish the guidelines for the use of reserves with a restricted purpose versus an unrestricted purpose when both are available for expenditures; the establishment of stabilization arrangements for governmental funds and; the minimum fund balance allowable for governmental funds.

GOVERNMENTAL FUND BALANCE CATEGORIES

In accordance with GASB Statement No. 54, all of the county’s governmental fund balances will be comprised of the following categories:

Nonspendable fund balance – amounts that cannot be spent because they are either not in spendable form or they are legally or contractually required to be maintained intact.

Restricted fund balance – amounts that are constrained to being used for a specific purpose by external parties such as creditors, grantors, laws, or regulations.

Committed fund balance – amounts that are committed for a specific purpose. These funds require action from the Board of Supervisors to remove or change the specified use. *Authority to commit: Commitments will only be used for specific purposes pursuant to a formal action by the Board of Supervisors. Board of Supervisors approval is required to establish, change, or remove a commitment.*

Assigned fund balance – amounts that have been set aside and are *intended* to be used for a specific purpose but are neither restricted nor committed. Assigned amounts cannot cause a deficit in unassigned fund balance. *Authority to assign: assignments within the general fund must be established by the county Executive Officer or an Executive Officer designee. No formal action is required to remove an assignment.*

Unassigned fund balance – funds that are not reported in any other category and are available for any purpose within the General Fund. **The General Fund is the only fund that will have an unassigned fund balance.**

Unrestricted

SPENDING PRIORITIZATION FOR FUND CATEGORIES

When an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, it shall be the policy of the Board to consider restricted amounts to be reduced first. When an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, it shall be the policy of the Board that committed amounts would be reduced first, followed by assigned amounts, and then unassigned amounts.



County of Riverside – Recommended Budget

Fiscal Year
2014/15

MINIMUM FUND BALANCE POLICY FOR GOVERNMENTAL FUNDS

Establishing guidelines for minimum fund balance for governmental funds is essential to ensuring a prudent level of fund balance is maintained for unanticipated expenditures, delays in revenue receipt, or revenue shortfalls.

Unassigned Fund Balance - General Fund

The county shall maintain a minimum unassigned fund balance in its General Fund of at least 25 percent of the fiscal year's estimated discretionary revenue. A significant portion of the minimum unassigned fund balance may be used for one-time or short-term expenditures caused by an economic crisis and should be designated within an "Economic Uncertainty" account. Use of these funds should be as the last resort in balancing the county budget.

During the initial implementation of this policy, the Executive Office will develop a plan to ensure fund balance is at the minimum level within three years. The plan for accomplishing this will be included with the recommended budget submitted to the Board for approval each fiscal year. Following the initial implementation of the policy, if fund balance drops below the established minimum levels, the Executive Office will develop a plan to replenish the balance to established minimum levels within two years and submit the plan to the Board for approval.

Fund Balance – Special Revenue Funds

Special Revenue fund balances shall be kept at the higher of the minimum level dictated by the funding source or an amount that does not fall below zero. In the event that the fund balance drops below the established minimum levels, the department with primary responsibility for expending the special revenue will develop a plan to replenish the balance to established minimum levels within two years and submit the plan to the Board for approval.

Committed Fund Balance - Disaster Relief

The county shall commit a portion of General Fund for Disaster Relief. The use of these funds will be restricted to one-time or short-term expenditures that are the result of a natural disaster or act of terrorism. The funds restricted for this purpose shall be at least two percent of discretionary revenue or \$15 million, whichever is greater.



PENSION MANAGEMENT POLICY

The county has adopted a debt management policy (Board of Supervisor Policy B-25, *Pension Management Policy*) to ensure the financial stability of the county through proper pension plan management. The purpose of this policy is to safeguard the public trust by assuring prudent decisions regarding the county's pension plans and other post-employment benefits, providing proper oversight of the benefits provided by these plans and their associated cost. This policy applies to all county Defined Benefit Pension Plans administered by the California Public Employees Retirement System (CalPERS). The policy can be found in its entirety on the county website at: <http://rivcocob.com/policy-b/POLICY-B25.pdf>.

THE PENSION ADVISORY REVIEW COMMITTEE (PARC)

The Pension Advisory Review Committee (PARC), comprised of the county Treasurer (Chair), Finance Director, and Human Resources Director shall meet quarterly or as necessary to address county pension plan topics. The PARC shall prepare, at least annually each January, a public report of the county's pension plan status and related financing which shall include an analysis of the most recently available actuarial report from CalPERS. As a Board of Supervisor established committee, the PARC is subject to and will comply with all provisions of the Brown Act.

PENSION MANAGEMENT POLICY OVERVIEW

The assets of county's pension plans constitute a trust independently administered by CalPERS which exists to satisfy the county's obligation to provide retirement benefits to all covered employees. The county bears the ultimate obligation to meet distribution obligations. The county will set contribution rates sufficient to:

1. Pay any amounts due to California Public Employees Retirement System,
2. Capture full cost of the annual debt service on any pension obligation bonds that are outstanding,
3. Collect the designated annual contribution if the county has established a Liability Management Fund in connection with the issuance of such bonds, and
4. Pay the cost of consultants hired to assist the Committee.

Any withdrawal of a group of employees from participation in the plans will not necessarily trigger a distribution of any assets. All contracts or grants will include the full amount of estimated pension cost in the contract or grant. Upon the termination of such contracts or grants, a termination payment may be negotiated. Additionally if any employee group or department separates from the county, the associated actuarial liability and pension assets will be subject to an independent actuarially determined "true value."

The county seeks to maintain a minimum funding level of 80 percent. To the extent the funding level falls below that, the county will prepare a plan to address the issue. Any proposed changes to pension benefits or liability amortization schedules will be reviewed by the Pension Advisory Review Committee, which shall provide the Board of Supervisors with an analysis of the long-term costs and benefits and related recommendations. Such evaluations are to take into account any outstanding Pension Obligation Bonds

PENSION OBLIGATION FINANCING

Any issuance of pension related debt will be reviewed first by the PARC. The county will establish a Liability Management Fund in connection with the initial debt issuance pertaining to the Pension Plans and may do so for any future issuance. The Liability Management Fund shall be funded by capturing a portion of the projected savings associated with issuance and be used solely to retire pension bond debt and or be transferred to CalPERS to reduce any unfunded liability. The PARC will make an annual recommendation relating to the prepayment of Pension Obligation Financings or the annual CalPERS contributions and the potential savings available from CalPERS for such an early payment.



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County of Riverside – Recommended Budget

Fiscal Year
2014/15

GANN LIMITATION

Paul Gann was a California-based conservative political activist and founder of People's Advocate, Inc. In the late 1970s, Paul Gann and other spending-limit advocates formed a private group called "The Spirit of 13, Inc." and drafted a spending-limit initiative to restrict growth of tax-funded programs and services. The measure was placed on the November 1979 ballot as Proposition 4 or the "Gann Initiative." The Gann initiative passed with nearly 75 percent of the voters approving. In the late 1980s/early 1990s, additional amendments were made to improve the legislation.

The Gann Initiative establishes and defines annual appropriation limits on state and local tax-funded governmental entities based on annual appropriations from the prior fiscal year. The legislation requires adjustments for changes in cost of living, population, the transfer of financial responsibility for various government activities from one level of government to another, and other specified factors. Appropriation limits may be established or temporarily changed by electorate. Any significant amount of tax revenue received above the Gann Limit must be refunded to taxpayer using future tax rebates or tax cuts within two fiscal years following year excess created. The Gann Limit calculation, as provided by the county Auditor-Controller, is provided on the following page.



County of Riverside – Recommended Budget

Fiscal Year
2014/15

RIVERSIDE COUNTY EXECUTIVE OFFICE GANN LIMIT CALCULATION FY 2014-15

COUNTY ITEM	FY 2014-15
Base Year as adjusted for growth	2,388,219,717
Growth Factors:	
Cost of Living:	
1. Per. Cap.Pers. Inc. %	-0.23
2. Loc. Ass'd. Val. Non-Res. Constr. %	0.08%
Population:	
1. Total County Pop. Change %	1.12%
2. Contiguous County Pop. Change % *	0.92%
3. Incorporated Areas Change %	1.09%
Factor Options:	
1. Per. Cap. Inc.& Tot. Cnty. Pop. Change	1.0089
2. Per. Cap. Inc.& Cont. Cnty. Pop. Change	1.0069
3. Per. Cap. Inc.& Incorp. Area Change	1.0086
4. Loc. Val. Non-Res.& Tot. Cnty. Pop. Change	1.0120
5. Loc. Val. Non-Res.& Cont. Cnty. Pop. Change	1.0100
6. Loc. Val. Non-Res.& Incorp. Area Change	1.0117
Optimum Factor**	1.0120
Gross Appropriation Limit	2,416,779,004
Adjust - Transfer of Responsibility	0.00
GANN LIMIT ADJ. FOR TRANSFER OF RESPONSIBILITIES	2,416,779,004
APPROPRIATIONS OF TAXES SUBJECT TO LIMITATION	
Total Appropriations:	
County Operating Funds	3,477,660,662
County Service Areas	17,032,408
	3,494,693,030
Less: Non-Proceeds of Taxes	
Statutory Exclusions	2,640,337,367
Qualified Capital Outlay	(30,187,569)
CSA Operating funds	9,475,709
Appropriation Subject to Limit	875,067,523
APPROPRIATION OVER (UNDER) LIMIT	(1,541,711,481)
LIMIT OVERRIDE ELECTION	N/A

Note * Calculation based on average of Riverside County and five contiguous counties percent change in total county population.

** The optimum factors are used for the Appropriation Limit calculation.



INVESTMENT POLICY

The Treasurer's Statement of Investment Policy is presented annually to the county Investment Oversight Committee for review and to the Board of Supervisors for approval, pursuant to the requirements of Sections 53646(a) and 27133 of the California Government Code (the Code Section). The policy is limited in scope to only those county, school, special districts and other fund assets actually deposited and residing in the county Treasury. It does not apply to bond funds or other assets belonging to Riverside County, or any affiliated public agency the assets of which reside outside of the county Treasury.

Statutory authority for the Treasurer's investment and safekeeping functions are found in Code Sections 53601 and 53635 et. seq. The Treasurer's authority to make investments is to be renewed annually, pursuant to state law. It was last renewed by the Board of Supervisors on December 27, 2012 by county Ordinance No. 767.16. Code Section 53607 effectively requires the legislative body to delegate investment authority of the county on an annual basis. Investments shall be restricted to those authorized in Code Sections 53601 and 53635 as amended and as further restricted by this policy statement. All investments shall be governed by the restrictions shown in Schedule I which defines the type of investments authorized, maturity limitations, portfolio diversification, credit quality standards (two of the three nationally recognized ratings shall be used for corporate and municipal securities), and purchase restrictions that apply. The Treasurer's Statement of Investment Policy is available in its entirety on the county Treasurer's website: <http://www.countytreasurer.org/pdf/InvestmentPolicy.pdf>

INVESTMENT OVERSIGHT COMMITTEE (IOC)

The Investment Oversight Committee (IOC) shall have 5 to 7 members chosen from the county Treasurer, Auditor-Controller, Executive Office (chair), Board of Supervisor representative, county Superintendent of Schools, schools and community college district representative, special district with funds in the county, Treasury representative and up to two members of the public. The duties of the IOC shall be those specified in sections 27133 (review of investment policies), 27134 (compliance audits) and 27137 (prohibits members from making investment decisions) of the Government Code and shall be limited to funds in the county Treasury pooled investment funds and any other funds outside the county Treasury whose investment are under the direct control of the county Treasurer or Board of Supervisors.

Members of the IOC shall be nominated by the county Treasurer and confirmed by the Board of Supervisors as openings occur. IOC members shall be advised of, and subject to, the conflicts of interest prohibitions in sections 27132.1 through 27132.3, and 27133(d) of the Government Code, as well as the limits on gifts and honoraria set by the Fair Political Practices Commission (FPPC). Each agency/fund investment officer will attend IOC meetings to respond to questions posed by the committee.

FIDUCIARY RESPONSIBILITY

Section 27000.3 of the Code declares each treasurer, or governing body authorized to make investment decisions on behalf of local agencies, to be a trustee and therefore a fiduciary subject to the prudent investor standard. This standard, as stated in Code Section 27000.3 requires that "When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, the county treasurer or the board of supervisors, as applicable, shall act with care, skill, prudence, and diligence under the circumstances then prevailing, specifically including, but not limited to, the general economic conditions and the anticipated needs of the county and other depositors, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the county and the other depositors."

PORTFOLIO OBJECTIVES

The first and primary objective of the Treasurer's investment of public funds is to safeguard investment principal; second, to maintain sufficient liquidity within the portfolio to meet daily cash flow requirements; and third, to achieve a reasonable rate of return or yield on the portfolio consistent with these objectives. The portfolio shall be actively managed in a manner that is responsive to the public trust and consistent with state law.



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DEBT MANAGEMENT POLICY

The county has adopted a debt management policy (Board of Supervisor Policy B-24, *Debt Management Policy*) to ensure the financial stability of the county, reduce the county's cost of borrowing, and protect the county's credit quality through proper debt management. This policy applies to all direct county debt, conduit financing, and land secured financing. The policy can be found in its entirety on the county website at: <http://rivcocob.com/policy-b/POLICY-B24.pdf>.

DEBT ADVISORY COMMITTEE

The Debt Advisory Committee (DAC), comprised of the county Executive Officer (chair), Treasurer, Auditor Controller, County Counsel, Economic Development Agency Director, Community Facilities District/Assessment District Administrator, and General Manager Chief Engineer, Flood Control, and Water Conservation will review proposed county-related financings at least once prior to final approval by the Board of Supervisors. The DAC will act on items brought before it with either a "Review and File" or "Review and Recommend" action. DAC meetings shall take place monthly or on the call of the chairperson. Each proposed financing brought before the DAC will provide the committee with:

1. Detailed description of the type and structure of the financing,
2. Full disclosure of the specific use of the proceeds,
3. Description of the public benefit to be provided by the proposal,
4. Principal parties involved in the financing,
5. Anticipated sources of repayment,
6. Estimated Sources and Uses Statement,
7. Any credit enhancements proposed,
8. Anticipated debt rating, if any, and
9. Estimated debt service schedule.

DEBT MANAGEMENT POLICY OVERVIEW

Long-term debt shall not be used to finance ongoing operational costs. When possible, the county shall pursue alternative sources of funding, such as pay-as-you-go or grant funding, in order to minimize the level of direct debt. Additionally, the county shall use special assessment, revenue, or other self-supporting debt instead of General Fund obligated debt whenever possible. Any debt issued shall not have a maturity date beyond the useful life of the asset being acquired or constructed by the debt proceeds.

Long-term, general fund obligated debt will be incurred, when necessary, to acquire land or fixed assets, based upon the priority of the project, and the ability of the county to pay. This debt shall be limited to those capital improvements that cannot be financed from current revenues. The project should be integrated with the county's long-term financial plan and Capital Improvement Program.

The county shall establish an affordable debt level in order to preserve credit quality and ensure sufficient revenue is available to pay annual debt service. As such, aggregate debt service, excluding self-supporting debt, should not exceed seven percent of General Fund discretionary revenue, and will not exceed ten percent without the Board of Supervisors' approval. The debt level will be recalculated at the time of a new bond issue. The Board of Supervisors will be notified if any bonds to be issued cause the debt level to exceed the seven percent threshold. The debt level will be calculated by comparing seven percent of discretionary revenue to the aggregate debt service, excluding self-supporting debt.

The county will use its best efforts to maintain a variable rate debt ratio in an amount not to exceed 20 percent of the total outstanding debt, excluding variable rate debt that is hedged with cash, cash equivalent, or a fixed-rate swap.



County of Riverside – Recommended Budget

Fiscal Year
2014/15

The county shall review outstanding debt and initiate fixed-rate refundings, or alternative financing products, when there is either an economic benefit or noneconomic benefit to the county's financial or operating position. Net present value savings (calculated according to industry standards) from a fixed-rate refunding should be at least three percent of the refunded bonds. Net present value savings from use of an alternative financing product should be at least five percent of the refunded bonds. Refunding debt shall not extend the maturity beyond the original debt being refunded without compelling justification.

Each county department, agency, district or authority issuing or managing debt will ensure that applicable state and federal regulations and laws regarding disclosure are observed in all financings. Additionally, each responsible county department, agency, district, or authority will ensure that annual reports and material event notices are filed with the appropriate state and/or federal agencies in a timely manner. Each responsible county department, agency, district, or authority will provide an annual certificate to the DAC of its compliance or non-compliance with state and/or federal disclosure laws. As required under the Securities Exchange Act of 1934 each responsible county department, agency, district or authority will notify the DAC as soon as possible of any material event (but not limited to) listed in Rule 15c2-12.

CONDUIT FINANCING

The county encourages the development of residential housing that is intended to provide quality, affordable single family housing for the first time home buyer within both the incorporated and unincorporated areas of the county. The county also encourages:

- Development of residential housing which will comply with both federal and state requirements for low and moderate-income multi-family housing within the incorporated and unincorporated areas of the county.
- Commercial, retail, industrial and other development projects which will increase the employment base within the county in order to create a synergistic jobs/housing balance throughout the county and enhance the overall tax base of the county.

LAND SECURED FINANCING

The county encourages the development of commercial or industrial property that results in reciprocal value to the county (i.e., increased jobs, property or sales tax revenues, major public improvements). The county will consider the use of community facilities districts (CFDs) or special benefits assessment districts (ADs), as well as other financing methods to assist these types of development. When, in the county's opinion, the public facilities of a residential development represent a significant public benefit, public financing may be considered. Significant public benefit may be defined as a public facility having regional impact and/or benefit to that beyond the proposed development.

Projects will comply with the requirements of the Improvement Act of 1911, the Municipal Improvement Act of 1913, the Improvement Bond Act of 1915, or the Community Facilities Act of 1982, and provisions of Board Policy B-12.

ALTERNATE FINANCING PRODUCTS

Alternative financing products shall be used only for appropriate financial objectives, such as: to achieve greater debt savings by taking advantage of market conditions; to better manage of county assets and liabilities; to reduce interest rate risk; and to increase cash flow savings.

The county shall not use an alternative financing product for speculative purposes and Board of Supervisors approval shall be required prior to the initiation of any alternative financing product transactions. Such approval may provide for the delegation of authority to actively manage the transaction.

Each interest rate swap agreement shall include payment, term, security, collateral, default remedy, termination and other terms, conditions and provisions as the county Finance Director, in consultation with County Counsel and the county Treasurer, shall deem necessary or desirable. To minimize counterparty risk the county may enter into swap agreements only with counterparties rated AAA by at least one rating agency, and each counterparty shall



County of Riverside – Recommended Budget

Fiscal Year
2014/15

have a minimum capitalization of \$150 million. Diversification of counterparties is the expressed goal of the county. Selection of counterparties to transactions will take this into account.

The county will not provide collateral to secure its obligations under swap agreements, if the credit rating of the counterparty falls below AAA by any rating agency, collateral shall be posted by the counterparty on a timely basis. Collateral, equaling at least 102 percent of the SWAP amount shall consist of cash or U.S. Government securities deposited with a third party trustee.

All swap agreements shall contain a provision granting the county the right to optionally terminate the agreement at any time over the term of the agreement. A termination payment to or from the county may be required at the time of termination. It is the intent of the county not to make a termination payment to a counterparty that does not meet its contractual obligations under the swap agreement. To the extent possible, the form of the interest rate swap agreement should incorporate the prevailing industry standards (the PSA Master Swap Agreement). Any up-front payments or termination payments shall be used for one-time capital costs only, unless so directed by the Board of Supervisors.

COUNTY DEBT PROFILE

According to the Riverside County's Auditor-Controller Comprehensive Annual Financial Report for the year ended June 30, 2013, net bonded debt per capita equaled \$359.0 million as of June 30, 2013. The calculated legal debt limit for the County is \$2.5 billion. The following are credit ratings maintained by the County:

	<u>Moody's Investors Services, Inc.</u>	<u>Standard & Poor's Corp.</u>	<u>Fitch</u>
Long-term Lease Debt	Aa3	AA	AA-
Issuer Credit	Aa3	AA	AA-

The county had outstanding debt obligations of almost \$1.3 billion as of June, 30, 2013. This was a decrease of \$49.4 million or 3.8 percent over the prior fiscal year. The table below provides summarized information for these liabilities in thousands of dollars:

Table 2

Outstanding Debt Obligations (in thousands of dollars)

	<i>Governmental Activities</i>		<i>Business-Type Activities</i>	
	FY 11/12	FY 12/13	FY 11/12	FY 12/13
Loan Payable	4,925	4,420	-	-
Bonds Payable	750,492	744,460	121,061	143,710
Certificate of participation	309,511	282,095	-	-
Capital Leases	100,995	67,748	12,055	7,224
Total Outstanding	1,165,923	1,098,723	133,116	150,934

Source: Riverside County Auditor-Controller's Comprehensive Financial Report as of June 30, 2013

During fiscal year 2012-13, the County retired \$79.0 million of the \$171.3 million principal amount outstanding at June 30, 2012. The County then issued \$50.5 million of Series D notes, leaving an outstanding balance of \$142.8 million at June 30, 2013. This amount includes funding to advance \$52.9 million fiscal year 2011-12 delinquencies and refunding of \$89.90 million of prior years' property taxes that remain delinquent. The County's General Fund is pledged to the repayment of the Series B delinquent taxes.



County of Riverside – Recommended Budget

Fiscal Year
2014/15

The county has \$709.2 million of lease-backed bonds and \$334.5 million of pension obligation bonds outstanding as of June 1, 2014. In FY 13/14, combined debt service (long-term leases and pension obligation bonds) was \$112.5 million. The existing level of debt service will reach a maximum of \$125.5 million in FY 15/16.

Current Lease payments, excluding 2014 financing, are three percent of projected FY 14/15 general fund revenues. A significant portion of the county's debt service is paid by non-general fund sources. It is the county's policy to identify non-general fund revenues to support debt repayment as much as possible:

- 31 percent of the county's debt is repaid directly from the general fund.
- 69 percent of the county's debt has offsetting sources of revenue including tobacco settlement, hospital revenue, redevelopment pass-through revenues, library fees, and court fees.

The table on the following page lists the county's long-term debt obligations with payments included in the FY 14/15 budget.

Table 3

County of Riverside – Long Term Debt Obligations Payments

	Outstanding as of June, 1, 2014	Amounts Due within one year
Lease Revenue Bonds:		
1993 Series A Hospital Project	7,475,000	0
1997 Series A Hospital Project	38,136,210	4,000,000
1997 Series C Hospital Project	3,265,000	189,697
2012 Series A Hospital Refunding Project	87,230,000	15,229,150
2012 Series B Hospital Refunding Project	3,020,000	98,150
2013 Series Public Defender/Probation Bldg and IT Solutions Ctr Projects	66,015,000	4,283,738
2008 Series A Southwest Justice Center Project	78,895,000	6,483,115
2008 Series A PDFA Lease Revenue Bonds	56,655,000	8,264,600
2008 Series A SCFA Lease Revenue Bonds	14,065,000	1,152,211
2012 CAC Refunding Project	30,680,000	2,514,313
2012 PFA Lease Revenue Bonds	16,280,000	1,391,025
2013 Law Building Project Lease Revenue Bonds	44,380,000	2,438,950
Total Lease Revenue Bonds:	446,096,210	43,605,998
Certificates of Participation:		
1985 Public Facilities	28,000,000	13,200,000
1990 Monterey Avenue Project	4,400,000	873,500
2003 Series A Historic Courthouse	10,900,000	868,560
2003 Series B Capital Facilities Project	1,830,000	407,230
2005 Series A Capital Improv & Family Law Ref Projects	43,335,000	3,399,338
2005 Series B Historic Court Refunding Project	18,025,000	1,607,916
2006 Series A Capital Improvement Projects	30,780,000	2,158,969
2007 Series A PSEC and Refunding Projects	40,395,000	9,370,000
2009 PSEC & Woodcrest Library Refunding Projects	45,345,000	1,911,800
2009 Larson Justice Center Refunding Project	18,800,000	2,560,550
US District Court Project	10,102,258	1,820,656
Bankruptcy Court Project	7,290,000	1,447,678
Total Certificate of Participation:	259,202,258	39,626,196
Private Placement Bond:		
2011 Monroe Park Building Lease	3,890,000	673,016
Taxable Pension Obligation Bond:		
2005 Series A Pension Obligation Bonds	334,515,000	30,378,635



BUDGETING AND FINANCIAL FORECASTING

On or before October 2 of each fiscal year, after conducting public hearings concerning the proposed budget, the Board of Supervisors is mandated to adopt a budget in accordance with California Government Code Sections 29000-29144 and 30200 (commonly known as the County Budget Act). Local governments are required to pass a balanced budget each fiscal year. Although a budget may be balanced by statutory definitions, it may not be structurally balanced to maintain financial stability for multiple years into the future. For FY 14/15, the county's budget is balanced as defined by statute.

The county has a financial planning process that assesses short-term and long-term financial implications of current and proposed policies. The key component in this planning process is the five-year forecast of revenues and expenditures. To assist with the revenue forecast, the county hires independent economists from California State University, Fullerton, and Beacon Economics. These economists gather economic data from a national, state, and local level and develop a five-year revenue forecast for the county. The county uses this information along with anticipated expenditures to develop short-term and long-term plans to maintain the financial health and stability of the county.

BASIS OF BUDGETING

The FY 14/15 operating budget includes all operating, capital, and debt service requirements of the county for the fiscal year which begins July 1, 2014 and ends June 30, 2015. As adopted by the Board, expenditures are controlled by the county at the budgetary unit level, which is the organization level, for each appropriation (object) class. The appropriation classes are salaries and benefits, services and supplies, other charges, capital assets, transfers out, and intra-fund transfers.

For financial reporting purposes, the governmental funds use the modified accrual basis of accounting, under which revenues considered to be both measurable and available for funding current appropriations are recognized when earned. All other revenues are recognized when received in cash, except that revenues of a material amount that have not been received at the normal time of receipt are accrued, and any revenues in advance are deferred. Expenditures are recorded at the time liabilities are incurred, except for accumulated sick leave, which is treated as an expenditure when paid. Proprietary Funds use the accrual basis of accounting under which revenues are recognized when earned, and expenses are recorded when the liabilities are incurred.

For budgetary purposes, the county uses a budget basis that is similar to the basis of accounting for financial reporting purposes. Annual budgets for governmental fund types are adopted on the modified accrual basis of accounting in conformity with generally accepted accounting principles. Budgeted governmental funds consist of the General Fund, major funds, and some non-major funds (all special revenue funds, certain debt service funds, and certain capital projects funds). Proprietary funds use the full accrual basis. The budgetary basis of accounting differs from financial reporting in that depreciation and amortization, which are considered expenses on the accrual basis of accounting for proprietary funds, are ignored under the budget basis because these items do not require an expenditure of funds.

BUDGET PROCESS AND TIMELINE

From inception to adoption, the budget process can take between 9 to 11 months to complete. The budget development and adoption phase of the process begins with the development of service rates by internal service departments and ends with the final adoption of the budget. The budget amendment phase of the process takes place during the fiscal year.

Budget Development and Adoption Process

October through December

Internal service departments develop service rates based on anticipated operating budgets for the next fiscal year and submit to the Auditor-Controller's Office for review and approval in accordance with Board of Supervisor Policies B-4, *Rates Charged for Current Services* and B-28, *Charges for Internal Services*.



County of Riverside – Recommended Budget

Fiscal Year
2014/15

The Executive Office begins to develop budget guidelines for the next fiscal year based on preliminary economic indicators, revenue forecasts, and Board of Supervisors priorities expressed during the first quarter budget report presentation. The Executive Office also works with Riverside County Information Technology (RCIT) and Human Resources to prepare the Budget Administration System for the Enterprise (BASE) for use. BASE is the county system for submitting requested budgets to the Executive Office for inclusion in the budget recommendations submitted to the Board of Supervisors for approval.

January through February

The Executive Office holds two “budget kickoff meetings” for department personnel responsible for budget preparation. Information about budget targets, deadlines, and guidelines are distributed during these meetings. BASE training is also provided when appropriate and time allows. The BASE system “goes live” for budget entry. Internal service rates are also submitted to the Board of Supervisors for approval.

The Executive Office provides an overview of budget conditions for the upcoming fiscal year during the mid-year budget report presentation. Additional guidance regarding budget priorities is solicited from the Board of Supervisors.

March through April

Departments submit budget requests to the Executive Office for review and inclusion in the budget recommendations to be presented to the Board of Supervisors.

If economic conditions allow, departments are requested to submit new capital improvement project requests to the Executive Office. *Due to current economic condition, new requests were not solicited for FY 14/15.*

May through June

The economists from California State University, Fullerton, and Beacon Economics present their economic forecast with the third quarter budget report presentation to the Board of Supervisors in May.

The Capital Improvement Project (CIP) plan and recommended budget are submitted to the Board of Supervisors for approval in June. Budget hearings are conducted and any additional directives from the Board of Supervisors are incorporated into the final adopted budget.



County of Riverside – Recommended Budget

Fiscal Year
2014/15

July through September

The Executive Office modifies the recommended budget to reflect changes addressed during budget hearings. Typically, the recommended changes would be presented to the Board of Supervisors for approval in July. For FY 14/15, the recommended changes will be presented to the Board of Supervisors in September. This will allow the Auditor-Controller to complete the year-end closing of financials and provide a more accurate general fund balance total. This fund balance will be carried over for use in the FY 14/15 budget. Budget impact workshops will also be held to provide information about the anticipated impact of budget guidelines on service levels.

October to November

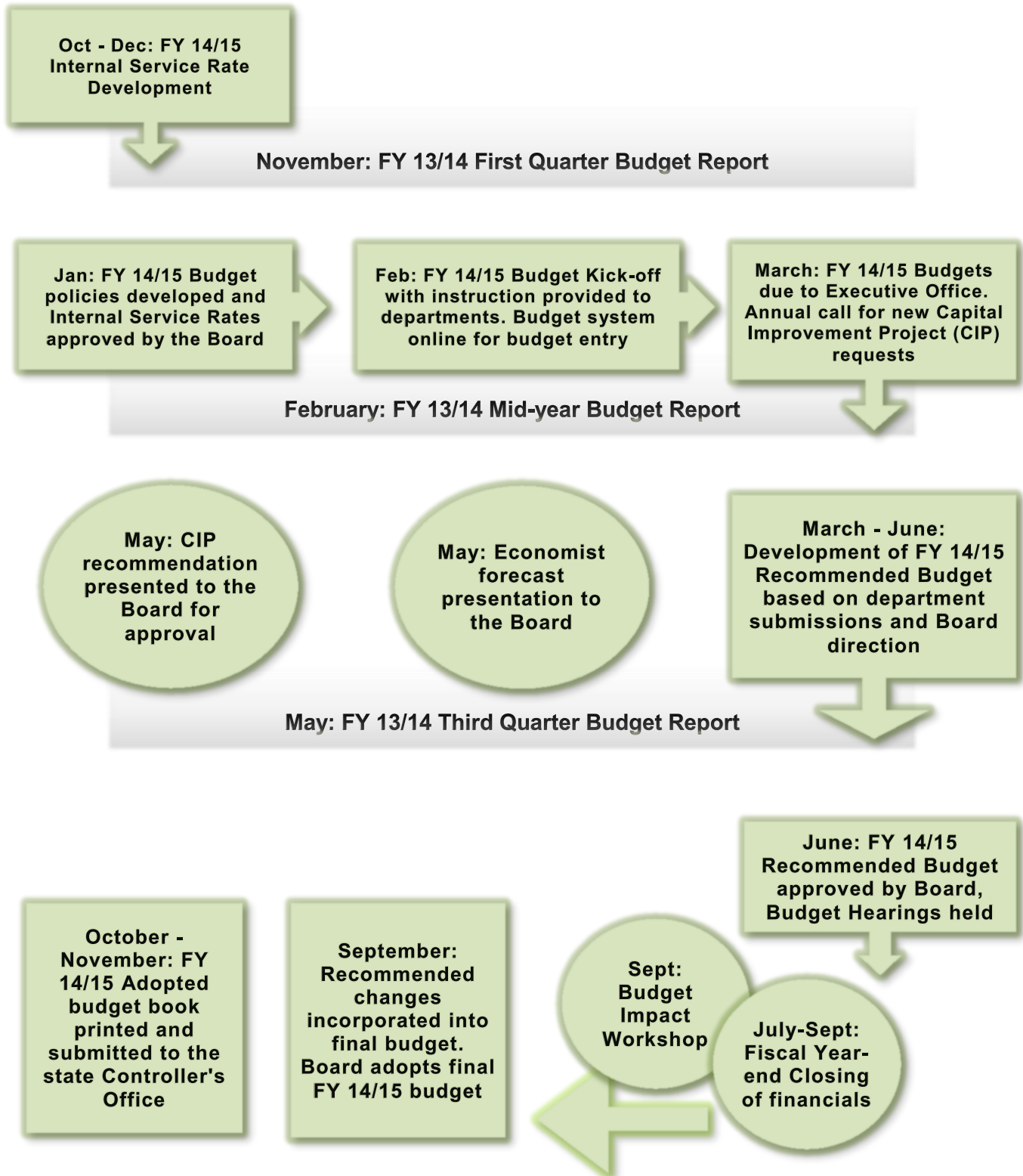
The Executive Office updates the BASE system with the changes and prepares the adopted budget book. Copies of the printed budget book are submitted to the state Controller's Office in accordance with the County Budget Act (California Government Code Sections 29000-29144 and 30200).

Budget Amendment Process

The County Budget Act authorizes counties to amend the adopted budget through a budget revision process. For county departments, amendments may be requested by placing the item on the Board of Supervisors meeting agenda as required by Board of Supervisor Policy A-5, *Board of Supervisors' Agenda Procedure*. The Executive Office also presents a quarterly budget report three times a year (typically November, February, and May) and will recommend amendments to the adopted budget. Amendments to the adopted budget requires a 4/5 vote from the Board of Supervisors.



FY 14/15 Budget Development Schedule at a Glance





OPERATING BUDGET SUMMARY

BUDGET OVERVIEW

COUNTYWIDE REVENUE AND SPENDING

The FY 14/15 budget establishes about \$4.8 billion in appropriations for Riverside County, an increase of 4.2 percent from FY 13/14 spending levels. Countywide revenue is expected to increase to about \$4.5 billion. The difference, \$231.7 million, is backed with fund balance and reserves. These fund balances and reserves represent revenue collected in earlier fiscal years.

The county's budget is divided into three fund groups: governmental, proprietary, and special district. Governmental funds account for basic services such as public protection, social services, and general administration. Proprietary funds, such as the county hospital, reflect activities financed primarily by revenue generated from the activities themselves. Special districts are separate local governmental agencies created to perform governmental or proprietary functions within limited boundaries. When local taxes are inadequate, or when competing demand for existing funds makes it difficult for the county to provide all the services county constituents' desire, special districts can be formed to pay for new or higher levels of existing services. The following table compares the county budget by fund group.

Table 4

Fiscal Year Comparison of the County Budget
(In Millions)

Estimated Appropriations	FY 13/14 Final Budget	FY 14/15 Recommended Budget	Change (\$)	Change (%)
Governmental funds	3,258.7	3,455.9	197.2	6.1%
Proprietary funds	1,055.9	959.0	(97.0)	(9.2%)
Special District funds	250.6	343.7	93.1	37.2%
All County Funds	\$4,565.2	\$4,758.6	\$193.4	4.2%

Estimated Revenue	FY 13/14 Final Budget	FY 14/15 Recommended Budget	Change (\$)	Change (%)
Governmental funds	3,120.5	3,373.9	253.4	8.1%
Proprietary funds	938.2	923.3	(14.9)	(1.6%)
Special District funds	212.0	252.1	40.1	18.9%
All County Funds	\$4,270.7	\$4,549.3	\$278.6	6.5%



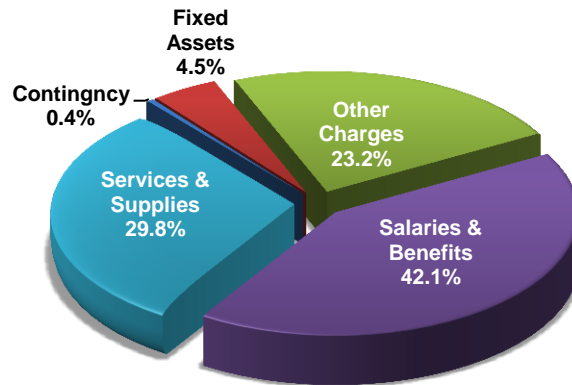
County of Riverside – Recommended Budget

Fiscal Year
2014/15

The county anticipates spending 42 percent of its resources on salaries and benefits. Another 53 percent goes toward payments on debt and intra-county transactions, supplies, and other charges (such as judgments and taxes). About 5 percent of county appropriations are budgeted to acquire capital assets.

Chart 3

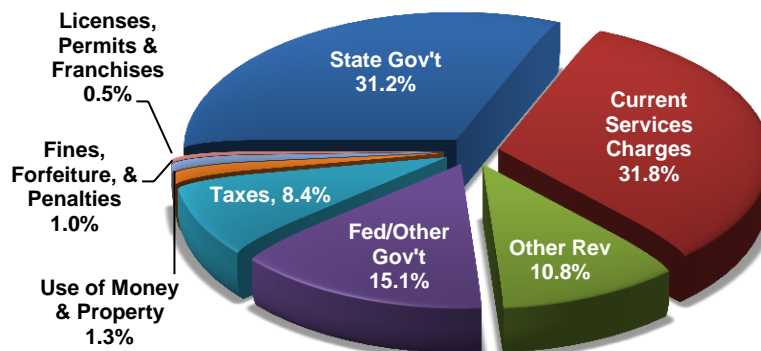
Countywide Appropriations (by Category)



The county's largest revenue source is derived from the charges for services provided with the next largest source of revenue from the state government. The smallest sources come from licenses, permits and franchises; use of money and property; and fines, penalties and forfeitures. Together, the smaller sources represent less than three percent of the county's total revenue.

Chart 4

Countywide Appropriations (by Category)





County of Riverside – Recommended Budget

Fiscal Year
2014/15

The governmental fund group accounts for most of the county's finances and includes:

- General fund - the county's basic operating fund, used to report all operating activity not accounted for in other specialized funds.
- Special revenue funds - used to report the operating activity associated with specific revenue sources restricted to a particular purpose.
- Capital project funds – used to report the operating activity associated with the construction, rehabilitation, and acquiring capital assets.
- Debt service funds – used to report activity associated with debt repayment.

The proprietary fund group includes internal-service and enterprise funds. Internal-service funds are used to account for operating activity between county departments that are supported by cost recovery. Enterprise funds are used to account for county functions primarily supported with user charges to external parties. The following table compares the FY 13/14 final budget to the FY 14/15 recommended budget and summarizes spending by fund group.

Table 5

Fiscal Year Comparison of County Appropriations
(In Millions)

Governmental Funds	FY 13/14 Final Budget	FY 14/15 Recommended Budget	Change (\$)	Change (%)
General fund	2,671.8	2,770.0	98.2	3.7%
Special revenue funds	370.5	404.2	33.7	9.1%
Capital project funds	178.8	242.8	64.1	35.8%
Debt service funds	37.6	38.9	1.3	3.4%
<i>Total governmental funds</i>	<i>\$3,258.7</i>	<i>\$3,455.9</i>	<i>\$197.2</i>	<i>6.1%</i>
Proprietary Funds				
Enterprise funds	677.1	551.5	(125.6)	(18.5%)
Internal service funds	378.9	407.4	28.6	7.5%
<i>Total proprietary funds</i>	<i>\$1,055.9</i>	<i>\$959.0</i>	<i>(\$97.0)</i>	<i>(9.2%)</i>
Special District Budgets				
IHSS Public Authority	2.9	3.7	0.8	27.3%
Parks and Open Space District	16.3	25.6	9.3	57.5%
County service areas	13.3	17.0	3.7	28.1%
Flood Control District	106.7	182.7	76.0	71.2%
Waste Management District	3.4	4.1	0.7	19.5%
Capital Finance	77.6	84.3	6.7	8.7%
Cemetery District	0.5	0.7	0.2	50.9%
Children and Families Comm.	29.9	25.5	(4.3)	(14.5%)
<i>Total special districts</i>	<i>\$250.6</i>	<i>\$343.7</i>	<i>\$93.1</i>	<i>37.2%</i>
Total gross appropriations	\$4,565.2	\$4,758.6	\$193.4	4.2%



County of Riverside – Recommended Budget

Fiscal Year
2014/15

Financing sources include all new revenue, any released reserves, and fund balance carried over from the previous year. Financing uses include all new appropriations and increases to reserves. By law, budgeted financing sources must equal financing uses. The table on the next page summarizes the FY 14/15 spending plan by financing sources and uses. In total, about \$231.7 million in reserves and fund balance will be needed to support planned spending.

Table 6

Summary of Sources and Uses by Fund Type
(In Millions)

Total Financing Sources	Fund Balance and Reserve Cancellations	Financing Sources	Total Available Financing
General Fund	51.3	2,720.7	2,772.0
Special Revenue Fund	9.0	395.2	404.2
Capital Project Fund	43.4	219.2	262.6
Debt Service Fund	0.0	38.9	38.9
Internal Service Funds	16.0	391.9	407.9
Enterprise Funds	20.1	531.4	551.5
Special District and Other Agencies	91.9	252.1	344.0
	\$231.7	\$4,549.4	\$4,781.1

Total Financing Uses	Provisions for Reserves	Operating Expenditures	Total Available Requirements
General Fund	2.0	2,770.0	2,772.0
Special Revenue Fund	0.0	404.2	404.2
Capital Project Fund	18.2	244.4	262.6
Debt Service Fund	0.0	38.9	38.9
Internal Service Funds	0.0	407.9	407.9
Enterprise Funds	0.0	551.5	551.5
Special District and Other Agencies	0.3	343.7	344.0
	\$20.5	\$4,758.6	\$4,781.1

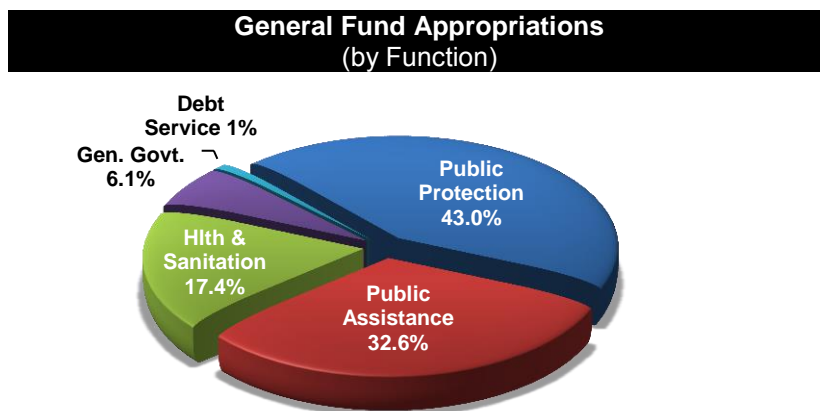
Schedules 1 and 2 provide details about the information summarized above.



GENERAL FUND REVENUE AND SPENDING

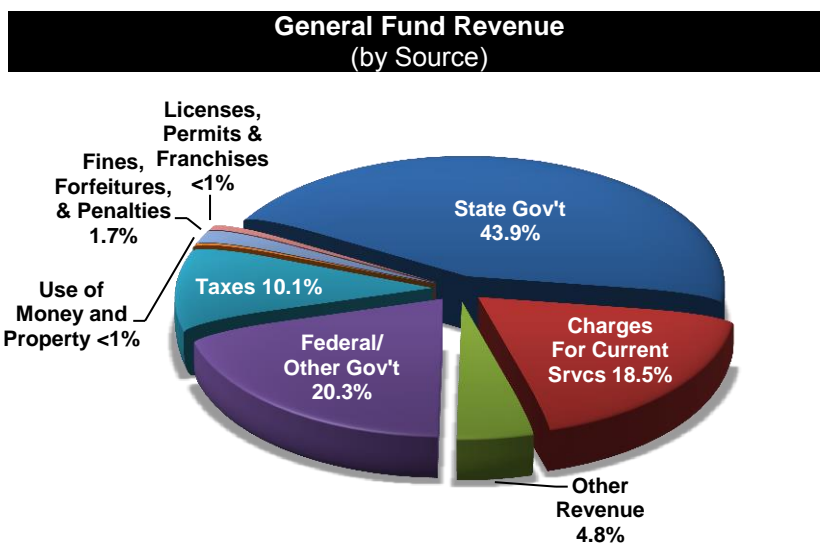
The FY 14/15 General Fund budget includes \$2.8 billion in spending authority to fund the county’s basic operating activities. The chart to the right shows general fund appropriations by function². Public protection accounts for the largest portion of general fund appropriations, totaling slightly more than \$1.2 billion. About \$903 million is appropriated for public assistance and another \$481 million is appropriated to support health and sanitation services. General government services account for under \$169 million.

Chart 5



About \$2.7 billion in revenue is expected to support general fund operations. The next chart reflects all sources of anticipated general fund revenue, the largest portion of which will be received from the state (\$1.2 billion). Revenue received from federal and other government entities is expected to total \$551.8 million. The county expects to receive \$496 million from charges for services.

Chart 6



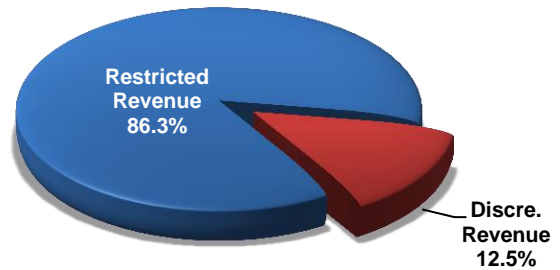
² Functions not shown are public ways and facilities and education, recreation, and culture which account for less than one percent (\$2 million) of general fund appropriations.



DISCRETIONARY REVENUE AND SPENDING

Discretionary Revenue

Overall, county spending is dominated by mandated core functions (such as health, welfare, and criminal justice) which are heavily supported by state and federal subventions. The Board of Supervisors has discretion over a limited amount of the county's overall financial resources, and the service priorities of the community are reflected in the manner by which the Board allocates its "discretionary revenue" to the countywide services. The chart on the right reflects the amount of countywide revenue that is discretionary.



The greater part (77 percent) of general fund revenue is restricted and can only be used toward the purpose for which it was collected. The Board alone decides how unrestricted revenue (23 percent) will be spent. For FY 14/15, general fund discretionary revenue is an estimated \$623.5 million, a 5.6 percent increase (\$5.6 million) from last year's budget projection. Revenue increased primarily because of growth in property tax values, sales tax, and the landfill lease agreements.

Table 7

**Year to Year Comparison of General Fund Discretionary Revenue
(In Millions)**

	FY 13/14 Adopted Budget	FY 14/15 Recommended Budget	Change (\$)	Change (%)	Percent of Revenue
Property Taxes	270.3	282.2	11.9	4.4%	45.3%
Motor Vehicle In-Lieu	192.9	202.3	9.4	4.9%	32.5%
Teeter Overflow	31.0	27.0	(4.0)	(12.9%)	4.3%
Fines & Penalties	24.0	22.8	(1.2)	(4.9%)	3.7%
Sales Tax*	29.3	33.5	4.2	14.2%	5.4%
Tobacco Tax	10.0	10.0	0.0	0.0%	1.6%
Documentary Transfer Tax	11.5	12.4	0.9	7.4%	2.0%
Franchise Fees	5.0	5.0	0.0	0.0%	0.8%
Interest Earnings	2.6	2.9	0.3	11.5%	0.5%
Misc. Federal & State	4.8	10.7	5.9	123.8%	1.7%
Other Miscellaneous	9.3	14.7	5.4	57.9%	2.4%
Total	\$590.7	\$623.5	\$32.8	5.6%	100.0%

* Does not include Public Safety Sales Tax

Property Taxes

Property-tax revenue is estimated at \$282 million for FY 14/15. This revenue represents 45 percent of the county's discretionary revenue and includes \$85 million in redevelopment tax-increment pass-through funds. As property values in the county increase, this revenue increases.



County of Riverside – Recommended Budget

Fiscal Year
2014/15

Property tax estimates are based on 4.5 percent growth in assessed valuation for property values. In July, the Assessor will close the FY 14/15 assessment roll and provide a report to the Board of Supervisors. Any changes in the assessed valuation will impact discretionary revenue. Budget changes will be recommended to the Board as needed.

Motor Vehicle In-lieu Fees

Motor vehicle in-lieu revenue is estimated at \$202 million and represents about 33 percent of the county's discretionary revenue. The state converted this revenue source to property-tax revenue several years ago. This revenue is now tied to county assessed property values, and any changes to assessed valuation will have an impact.

Teeter Overflow

In 1993, the county adopted the Teeter Plan, which provides an alternate procedure to distribute property taxes. The Teeter Plan is financed, and the debt service paid, as delinquent properties are redeemed. State law requires that a tax-loss reserve fund be established with a balance equal to 1 percent of the Teeter roll. Any delinquent collections exceeding the 1 percent may be transferred to the general fund. This excess is called the Teeter overflow.

As the local housing and employment markets are continue to strengthen, property-tax delinquency rates continue to decline. This trend will continue to erode this revenue in future years. The FY 14/15 budget projects the Teeter overflow at about \$27 million.

Court Fines and Penalties

Fines and penalties are estimated at \$23 million. Representing almost four percent of the county's revenue, fines and penalties are mostly dedicated to funding the county's obligation to the trial courts and are subject to state maintenance-of-effort requirements. The county continues to shift fines and fees resulting from trial-court reform to the state. Based on a trend analysis of this revenue type and reports from county departments, it is anticipated that this revenue will decrease by \$1.2 million in FY 14/15.

Sales Taxes

Sales and use taxes are estimated at \$33.5 million and represent about 5 percent of the county's discretionary revenue. This amount reflects significant growth and assumes some continued receipts from solar projects as well as growth in other sales sources. The recent expansion of the factory outlets in Cabazon is expected to have a positive impact on growth in this revenue source.

Tobacco Taxes

In 1998, when the master tobacco litigation settlement was finalized, tobacco companies agreed to pay for causing tobacco-related problems across the nation. California cities and counties entered into an agreement with the state establishing allocation of the proceeds. In 2007, the county sold bonds backed by the future tobacco-settlement income for a lump-sum amount, reducing what it otherwise would have received to \$10 million per year. These funds are passed on to the county hospital.

Documentary Transfer Tax

Documentary Transfer Tax revenue, which is tied to the transfer of real property ownership, is expected to increase over last year's estimates by \$1 million. As reported by the economist from California State University, Fullerton, this revenue source is highly correlated with home sales/ building permits and expected to continue to grow.

Franchise Fees

Franchise Fee revenue is collected as part of a franchise agreement executed between the county and utility, waste, and cable franchises. The revenue from these agreements are typically a fee that is calculated as a percentage of the franchises revenue from services and sales to customers within the county. This revenue is expected to remain unchanged for FY 14/15.



County of Riverside – Recommended Budget

Fiscal Year
2014/15

Interest Earnings

The Treasurer's estimates for FY 14/15 interest earnings include several factors: general fund balances in the Treasurer's Pooled Investment Fund, current interest rates, and the continuation of accommodative U.S. Federal Reserve monetary policy. The U.S. Federal Reserve has stated it will seek to foster maximum employment and price stability, an approach consistent with its statutory mandate.

In a shift from prior comments, the U.S. Federal Reserve has scrapped its view of associating rates to 6.5 percent unemployment and is instead looking at a broader range of economic data when considering an increase in borrowing costs. This positively impacts interest earned by investors such as the Treasurer's Pooled Investment Fund.

Short term rates, specifically the federal funds and discount rate, are likely to remain unchanged for the foreseeable future. It should be noted that U.S. Federal Reserve stated, after the March 2014 Federal Open Market Committee meeting, it will evaluate and begin to increase rates as economic indicators dictate, after the tapering of open bond market purchases is complete. It is anticipated that through the end of 2014, a reduction of \$10 billion per month will result with a positive bias for long term interest rates. A steepening U.S. Treasury yield curve is likely if the economy continues its slow strengthening-growth mode.

When these conditions are optimal, we can expect short-term rates to eventually start to move incrementally higher in the future. Potential headwinds for financial markets include an economic slowdown in China and/or sustained geopolitical and military conflict in Eastern Europe. Updates will be forthcoming with revisions if there are any material impacts to the general fund.

Miscellaneous Federal and State

A small portion of the revenue received from federal and state sources is unrestricted and available for discretionary use. In his May Revision to the FY 14/15 state budget, Governor Brown reaffirmed his commitment to paying of outstanding debt to local agencies. The \$5.9 million increase in this revenue is primarily due to the expected receipt of reimbursements due from the state.

Other Miscellaneous

The Other Miscellaneous revenue category includes other revenue not readily classified in other categories. Some examples are revenue from land lease agreements and the distribution of assets formerly held by redevelopment agencies. The \$5.4 million increase in this revenue is primarily due to revenue from the landfill lease agreement entered into with Riverside County Waste Management in November 2013.

Discretionary Expenditure Allocations - Net County Cost

Under Board policy, two components establish the general fund's net county cost (NCC) allocation in the budget. Those components of general fund support the Board authorized in the previous year's final budget plus ongoing commitments the Board approved during the year.

The table on the next page compares ongoing net county cost for FY 13/14 and FY 14/15. It shows that most of the increase in discretionary spending was related to public protection and public assistance.



County of Riverside – Recommended Budget

Fiscal Year
2014/15

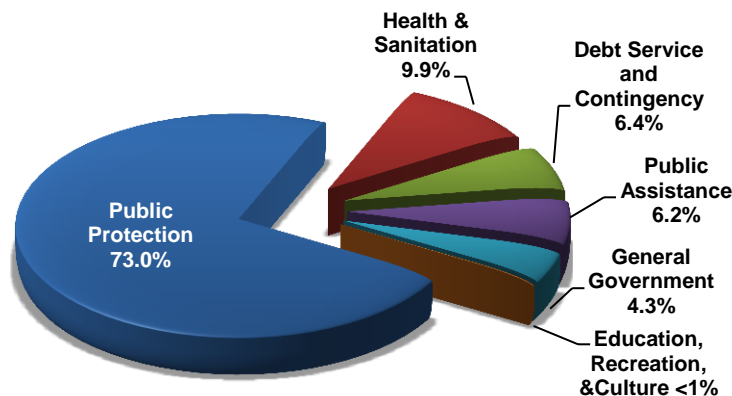
Table 8
Changes in Ongoing Net County Costs
(In Millions)

	FY 13/14 Adopted Budget	FY 14/15 Recommended Budget	Change (\$)	Change (%)
Public Protection	462.7	471.6	8.9	1.9%
General Government	26.6	27.7	1.1	4.2%
Health & Sanitation	59.2	64.2	5.0	8.4%
Public Assistance	41.3	40.1	(1.2)	(3.0%)
Education, Recreation, & Culture	1.2	0.7	(0.5)	(42.7%)
Debt Service and Contingency	43.4	41.4	(2.0)	(4.7%)
Total Net County Cost	\$634.4	\$645.6	\$11.2	1.8%

The largest share of discretionary resources (73 percent) is allocated to public protection (\$472 million). The Sheriff's Department will receive almost \$234 million. The District Attorney's Office will receive about \$57 million. The Fire Department, which also receives structural fire-tax revenue, will receive about \$47 million in general fund support. As required by state law, the county plans to allocate almost \$43 million to the Public Defender's Office, confidential court orders, and indigent defense. The Probation Department will receive about \$34 million. All other budget units related to public protection, such as the Agricultural Commissioner and Code Enforcement, will receive a total of about \$104 million. Public ways and facilities will not have a general fund allocation. Education, recreation, and culture make up less than 1 percent of general fund net-county-cost allocations (about \$1 million). The chart illustrates ongoing general fund allocations by function.

Chart 7

General Fund Revenue
(by Source)



Departments were given NCC targets in January 2014. For FY 14/15, these targets remained unchanged from the previous year in most cases. Departments were expected to absorb any labor cost increases without additional



County of Riverside – Recommended Budget

Fiscal Year
2014/15

support from the general fund. Sheriff, Fire, and Probation were among the few departments that had increases in its NCC allocation for FY 14/15. The table below lists the NCC allocations as presented in the budget.

Table 9

FY 14/15 Net County Cost Allocation by Department

Department	FY 14/15 Allocation	% of Spending
Agricultural Commissioner	842,622	0.1%
Animal Control Services	8,192,294	1.3%
Contingency	20,000,000	3.1%
Assessor-County Clerk-Recorder	5,761,714	0.9%
Auditor Controller	3,802,064	0.6%
Board Of Supervisors/Clerk of Board	3,720,326	0.6%
California Childrens Services	6,380,365	1.0%
Code Enforcement	8,509,269	1.3%
Confidential Court Orders	560,014	0.1%
Contribution To Trial Court Funding	29,482,836	4.6%
Contribution To Other Funds	46,039,023	7.1%
Cooperative Extension	614,064	0.1%
County Contribution To Health and Mental Health	8,878,775	1.4%
County Counsel	2,119,052	0.3%
Court Facilities	4,895,120	0.8%
Court Reporting Transcripts	1,500,000	0.2%
COWCAP Reimbursement	(19,221,274)	-3.0%
Department of Public Social Services	36,406,858	5.6%
Detention Health System	19,488,022	3.0%
District Attorney	57,381,816	8.9%
Edward Dean Museum	73,381	0.0%
Environmental Health	249,875	0.0%
Executive Office	1,736,993	0.3%
Facilities Management	7,693,348	1.2%
Fire	46,933,100	7.3%
Grand Jury Admin	567,471	0.1%
Indigent Defense	11,157,605	1.7%
Interest On Trans & Teeter	1,256,073	0.2%
Legislative-Administrative Support	1,600,749	0.2%
Medically Indigent Services Program	2,224,058	0.3%
Mental Health	10,222,658	1.6%
National Pollutant Discharge Elimination System	1,062,124	0.2%
Planning	1,531,176	0.2%
Probation	34,621,228	5.4%
Public Defender	31,762,531	4.9%
Public Health	6,554,396	1.0%
Purchasing	844,077	0.1%
Registrar Of Voters	4,700,000	0.7%
Sheriff	233,701,275	36.2%
Treasurer-Tax Collector	871,744	0.1%
Veterans Services	902,950	0.1%
Total	645,619,772	100.0%



County of Riverside – Recommended Budget

Fiscal Year
2014/15

FUND BALANCE OVERVIEW

The county has two types of fund balances: obligated and unassigned. Unassigned fund balances are not restricted for a specific purpose. Obligated fund balances are restricted, committed, or assigned for a specific purpose as defined by Governmental Accounting Standards Board (GASB) issued Statement No. 54. Balances for these funds can increase or decrease depending upon whether the funds are being accumulated for later use, are being used because of fluctuating workloads, or to make scheduled payments over a limited period of time. A summary of the county’s governmental fund balance and reserve policy is available on page 21.

The “Fund Balance Available” as reflected on Schedule 1 (page 295), Schedule 2 (page 297-297), and Schedule 3 (page 301) is the amount of anticipated fund balance at the end FY 13/14 that will be used for FY 14/15. The general fund “Fund Balance Available” includes estimated year-end remaining contingency and unexpended prior year revenue.

GENERAL FUND OBLIGATED FUND BALANCES

The budget incorporates the use of \$25.8 million in non-discretionary reserves to support spending. Additionally, \$1.9 million will be set aside for community improvements.

Table 10

**Estimated General Fund Obligated Fund Balance and Designations
(In Millions)**

Name	FY 13/14 Balance	FY 14/15 Changes	FY 14/15 Reserves & Designations
Economic Uncertainty (<i>Unassigned Designation*</i>)	124.7	0.0	124.7
Budget Stabilization (<i>Unassigned Designation*</i>)	53.9	0.0	53.9
Disaster Relief	15.0	0.0	15.0
SB90 Deferral	1.4	0.0	1.4
Historic Courthouse Remodel	0.5	0.0	0.5
CAC Remodel	0.5	0.0	0.5
Legal Liabilities	3.7	0.0	3.7
ACO Internal Audits	0.1	0.0	0.1
DPSS Realignment Growth	7.3	0.0	7.3
Community Improvement	0.0	1.9	1.9
<i>Total Discretionary</i>	<i>\$ 207.1</i>	<i>1.9</i>	<i>\$ 209.0</i>
Non-Discretionary Reserves and Designations	106.4	(25.8)	80.6
Total Reserves and Designations	\$313.5	(\$23.9)	\$289.6

* Not included on Schedule 3 and 4. These are “unassigned” and not considered obligated per GASB 54.



County of Riverside – Recommended Budget

Fiscal Year
2014/15

BUDGETED USE OF GOVERNMENTAL FUNDS

Table 11

Budgeted Sources and Uses of Governmental Funds by Fund Type (In Millions)

	General Fund	Special Revenue Funds	Capital Project Funds	Debt Service Funds	Total All Funds
Beginning Budgetary Fund Balance	160.4	155.7	152.1	15.8	484.0
<i>Add:</i>					
Fund Balance Use & Reserve Cancellations	51.3	9.0	43.4	0.0	103.7
Financing Sources	2,720.7	395.2	219.2	38.9	3,374.0
Total Available Financing	2,772.0	404.2	262.6	38.9	3,477.7
<i>Less:</i>					
Provisions for Reserves	2.0	0.0	18.2	0.0	20.2
Operating Expenditures	2,770.0	404.2	244.4	38.9	3,457.5
Total Available Requirements	2,772.0	404.2	262.6	38.9	3,477.7
Provisions for Reserves	2.0	0.0	18.2	0.0	20.2
Ending Fund Balance	109.1	146.7	108.7	15.8	380.3

Some major changes (greater than 10 percent) in fund balance are projected in the following funds:

The General Fund is projected to use \$25.6 million in fund balance in FY 14/15. These will be used to fund increases in public safety costs and as well as other general fund expenditures. This fund balance may not have to be drawn down if departments have budget surpluses at year-end.

The Capital Projects fund is projected to use \$43.4 million in fund balance and the release of committed/restricted funds for various countywide capital projects including the East Valley Detention Center and Indio Law Library.



DEFERRED MAINTENANCE AND CAPITAL IMPROVEMENT PROGRAM

DEFERRED MAINTENANCE

Deferred maintenance projects are managed by the Economic Development Agency (see page 61). The deferred-maintenance budget for FY 14/15 is set at \$607,500 and the following projects are planned:

	Building	Activity	Estimated Costs
1	Annual Emergencies Countywide	Emergency Repair & Response	100,000
2	Robert Presley Detention Center	Emergency Power System & ATS Upgrade	100,000
3	Robert Presley Detention Center	Replace boilers/AQMD Compliance	25,000
4	Riverside County Administrative Center	Replace boiler/AQMD Compliance	25,000
5	Sheriff Coroner Facility	Upgrade HVAC System for Forensic Area	56,000
6	Palm Springs Courthouse	Refurbish existing cooling tower	75,000
7	Larry D. Smith Detention Facility	Replace HVAC for housing units	75,000
8	Temecula Administration Center	Resurface parking Area	50,000
9	Indio Fairgrounds	Upgrade HVAC/electrical distribution system/regulatory compliance	50,000
10	Environmental Compliance	Underground storage tank remediation countywide	51,500
	<i>Total Western, Eastern, and Southwest Regions</i>		<i>507,500</i>
	Emergency Maintenance		\$100,000
	Total Deferred Maintenance Funding for FY 14/15		\$607,500



CAPITAL IMPROVEMENT PROGRAM (CIP)

About June of each year, the Executive Office presents a Capital Improvement Program (CIP) project priority update to the Board of Supervisors. The most recent annual CIP update was brought to the Board as part of the Five-Year Plan in June 2013. Information included in the update was based on funding for projects underway and new project requests relative to the impacts on the county’s net county cost and available debt service.

The CIP focus has shifted with the economy and with AB109 Realignment. Before the recession, the CIP program priority was to support public safety and provide for future growth. The CIP focus going forward is jail construction, completion of active projects, and prioritization of new projects as resources become available.

Without one-time cash, many worthy projects will be competing with bond financing preserved for jail construction, while an increase in general fund support will be needed to pay for debt and jail operations. The most recent CIP annual update report in June 2013 made three recommendations for long term project requests:

- Debt capacity should be used sparingly after considering the jail construction schedule and impacts on net county cost for debt and jail operations.
- Evaluate (estimate costs including operations, timetable) and prioritize important projects that lack funding.
- If the economy continues to improve, consider approving projects from the “on-deck” list or allocate more resources to the CIP program.

Information included in the update was based on new requests and project updates submitted to the CIP committee. See page 62 for the CIP FY 14/15 budget.

CAPITAL PROJECTS IN PROGRESS



THE EAST COUNTY DETENTION CENTER

The East County Detention Center is planned at the site of the current County Administrative Center to meet the need for jail space in the growing county. Currently it houses eight percent of the total county jail population. The addition of 1,250 jail beds will bring much-needed additional jail capacity to Riverside County.

Expected Completed Project Cost: \$274 Million

INDIO LAW BUILDING (PUBLIC/PRIVATE PARTNERSHIP)

The Indio Law Building will be located in Indio on the southwest corner of Highway 111 and Jackson Street. The building will relocate county offices from the Indio County Administrative Center and provide offices for the District Attorney, Public Defender, County Counsel, Law Library and other related tenants. The 90,000-square-foot building will be approximately will replace the facility built in the 1950s. The building will be constructed by a private entity then leased by the county upon completion.





County of Riverside – Recommended Budget

Fiscal Year
2014/15



RIVERSIDE PUBLIC DEFENDER REMODEL

This Project is a remodel of the approximately 67,000 square feet, eight story building located at 4075 Main Street, Riverside, CA. The major renovation of the existing building will house the Law Offices of the Public Defender.

Expected Completed Project Cost: \$19 Million

RIVERSIDE COUNTY INNOVATION CENTER

In July 2013, the county finalized the purchase of the Press Enterprise Building at 3450 Fourteenth Street in Riverside. The approximately 140,000 square feet and 5 stories tall building will be the Riverside County Innovation Center (RCIC). RCIC will house all Riverside Information Technology staff, including those from transitioned agencies, as well as several hi-tech training rooms and the Operations Command Center (Help Desk, Network Operations Center, Call Center), and much more.

Expected Completed Project Cost: \$44 Million



OTHER CAPITAL IMPROVEMENT PROJECTS IN PROGRESS FY 14/15

<u>Project</u>	<u>Expected Completed Project Cost</u>
Van Horn Youth Treatment and Education Center project	\$30 Million
Ben Clark Training Center Classroom project	\$22 Million
911 Backup Generator at Alessandro Boulevard (CIP portion).....	\$1.6 Million
Wildomar Fire Station Expansion (CIP portion)	\$175,000



County of Riverside – Recommended Budget

Fiscal Year
2014/15

OPERATING BUDGET DETAIL

Each budget unit is classified, at minimum, by function and activity. These functions and activities have been defined by Chapter 7 of the state Controller's *Accounting Standards and Procedures for Counties Manual*. Budget units that perform more than one function or activity may be classified according to the activity or function of greatest expenditure.





County of Riverside – Recommended Budget

GENERAL GOVERNMENT

Overview and Comparison of Budget versus Actuals

The following budget units perform services that are aimed at accomplishing the purpose of general government. These services are for the benefit of the community overall and affect multiple government functions and activities. Specific lines of work carried on by the county to perform this function include legislative and administrative, finance, counsel, personnel, elections, property management, plant acquisition, and promotion. The following tables summarize the general government function's three-year trend for revenue and expenditures and filled versus authorized positions.

Table 12

Three-Year Trend for Revenue and Expenditures

	Revenue			Change from Prior Year	Expenditures			Change from Prior Year
	FY 12/13 Actuals	FY 13/14 Projected	FY 14/15 Recom		FY 12/13 Actuals	FY 13/14 Projected	FY 14/15 Recom	
Assessment Appeals Board	512,358	386,752	540,000	153,248	697,545	704,971	926,861	221,890
Assessor	17,279,407	17,575,694	18,673,621	1,097,927	22,215,258	23,537,407	24,435,335	897,928
ACO: Controller/Internal Audits	4,269,303	4,250,106	4,637,495	387,389	7,289,276	7,914,558	8,439,559	525,001
ACO: County Payroll	823,189	831,501	792,068	(39,433)	366,162	698,878	792,068	93,190
ACO: COWCAP Reimbursement**	4,511,195	6,885,534	6,880,131	(5,403)	(11,679,859)	(10,646,260)	(12,341,143)	(1,694,883)
Board of Supervisors/Clerk of Board	4,297,100	4,342,000	4,558,639	216,639	9,958,868	8,986,604	8,130,836	(855,768)
County Counsel	2,190,340	2,850,747	2,848,500	(2,247)	5,349,656	4,969,799	4,967,552	(2,247)
Court Administration: Court Subfund	8,832,610	8,925,881	7,196,434	(1,729,447)	9,650,189	14,874,057	12,324,645	(2,549,412)
Court Administration: Court Transcripts	-	-	-	-	1,512,671	1,500,000	1,500,000	-
CREST Property Tax Mngmnt Sys	9,375,229	10,231,547	5,037,220	(5,194,327)	5,221,015	7,499,566	10,032,390	2,532,824
EDA: Administration	14,049,725	14,057,424	14,233,007	175,583	193,665,945	13,269,722	16,099,892	2,830,170
EDA: Capital Projects	31,448,404	46,021,345	140,243,808	94,222,463	31,124,152	46,130,948	140,243,808	94,112,860
EDA: Project Svcs/Energy/Parking	11,302,971	13,261,764	14,894,388	1,632,624	19,502,789	21,834,116	22,587,736	753,620
EDA: Riverside County Date Festival	3,748,422	4,321,538	4,097,565	(223,973)	3,806,295	4,323,993	4,100,065	(223,928)
EO: Accumulated Capital Outlay	1,167,724	1,240,795	1,186,270	(54,525)	756,155	1,652,363	1,186,270	(466,093)
EO: Administration	1,387,807	2,728,175	2,568,049	(160,126)	3,122,866	4,465,168	4,305,042	(160,126)
EO: Capital Improvement Prog	9,689,244	17,450,000	27,753,000	10,303,000	20,349,901	39,129,429	11,480,100	(27,649,329)
EO: CFD and AD Administration	801,318	780,000	780,000	-	613,515	790,000	790,000	-
EO: Contributions	12,200,000	1,524,429	-	(1,524,429)	56,858,995	50,025,339	46,039,023	(3,986,316)



Fiscal Year
2014/15

County of Riverside – Recommended Budget

	Revenue			Change from Prior Year	Expenditures			Change from Prior Year
	FY 12/13 Actuals	FY 13/14 Projected	FY 14/15 Recom		FY 12/13 Actuals	FY 13/14 Projected	FY 14/15 Recom	
EO: Development Impact Fees	2,694,346	6,006,000	6,000,000	(6,000)	18,101,801	22,892,500	20,696,000	(2,196,500)
EO: Health/Juvenile Svcs	-	-	-	-	4,111,389	1,385,647	1,400,941	15,294
EO: Litigation/Legislative Support	51,363	50,000	50,000	-	2,615,702	1,850,749	1,650,749	(200,000)
EO: Mitigation Project Operations	236,005	400,000	300,000	(100,000)	117,023	1,075,000	545,100	(529,900)
EO: RDA Pass-Through	24,143,917	25,321,924	26,753,667	1,431,743	26,338,378	24,421,950	25,091,673	669,723
EO: Solar Revenue	-	436,237	346,086	(90,151)	-	334,228	1,067,488	733,260
EO: Subfund Management	1,319,216	4,508,196	5,364,181	855,985	7,779,648	9,065,295	9,271,379	206,084
EO: Tobacco Securitization	343,500	350,000	360,000	10,000	6,106,807	23,206,100	8,134,100	(15,072,000)
Fire Construction	-	-	-	-	48,941	167,294	1,421,729	1,254,435
Geographic Information Systems	747,825	968,490	1,214,000	245,510	1,582,486	1,940,413	1,660,266	(280,147)
Human Resources: Administration	7,612,801	7,624,911	8,383,082	758,171	7,981,689	7,624,911	8,383,082	758,171
Purchasing	611,432	790,360	1,348,624	558,264	1,450,347	1,634,437	2,192,701	558,264
Registrar of Voters	4,810,709	1,661,937	4,242,650	2,580,713	8,905,726	8,481,662	8,942,650	460,988
Surveyor	4,289,950	4,279,714	4,695,244	415,530	4,083,347	4,457,166	4,701,122	243,956
Treasurer - Tax Collector	15,033,592	12,434,927	12,888,772	453,845	13,589,719	13,448,337	13,760,516	312,179
Total	199,781,002	222,497,928	328,866,501	106,368,573	483,194,397	363,646,347	414,959,536	51,313,189

** Negative Expenditures reflect Intrafund transfer



County of Riverside – Recommended Budget

Fiscal Year
2014/15

Table 13

Three-Year Comparison Budgeted Authorized Positions*

	FY 12/13 Initial Appvd	FY 13/14 Initial Appvd	FY 13/14 Current**	FY 14/15 Requested	Net Change	Filled Positions***
Assessment Appeals Board	6	6	5	6	-	5
Assessor	200	204	204	204	4	187
ACO: Controller/Internal Audits	75	76	79	73	(2)	71
ACO: County Payroll	22	22	23	22	-	21
ACO: COWCAP Reimbursement	-	-	-	-	-	-
Board of Supervisors/Clerk of Board	58	58	61	58	-	51
County Counsel	66	68	68	68	2	66
Court Administration: Court Subfund	-	-	-	-	-	-
Court Administration: Court Transcpt	-	-	-	-	-	-
CREST Property Tax Mnmnt Sys	16	15	18	32	16	14
EDA: Administration	127	122	96	100	(27)	75
EDA: Capital Projects	-	-	-	-	-	-
EDA: Project Svcs/Energy/Parking	78	55	60	57	(21)	45
EDA: Riverside County Date Festival	18	18	18	19	1	15
EO: Accumulated Capital Outlay	-	-	-	-	-	-
EO: Administration	21	25	27	26	5	25
EO: Capital Improvement Prog	-	-	-	-	-	-
EO: CFD and AD Administration	5	5	4	4	(1)	4
EO: Contributions	-	-	-	-	-	-
EO: Development Impact Fees	-	-	-	-	-	-
EO: Health/Juvenile Svcs	-	-	-	-	-	-
EO: Litigation/Legislative Support	-	-	-	-	-	-
EO: Mitigation Project Operations	-	-	-	-	-	-
EO: RDA Pass-Through	-	-	-	-	-	-
EO: Solar Revenue	-	-	-	-	-	-
EO: Subfund Management	-	-	-	-	-	-
EO: Tobacco Securitization	-	-	-	-	-	-
Fire Construction	-	-	-	-	-	-
Geographic Information Systems	10	15	10	8	(2)	8
Human Resources: Administration	160	166	168	175	15	156
Purchasing	19	21	21	23	4	19
Registrar of Voters	36	32	32	33	(3)	24
Surveyor	39	40	40	33	(6)	31
Treasurer - Tax Collector	112	112	113	108	(4)	103
Total	1,068	1,060	1,047	1,049	(19)	920

*Authorized includes Full-time, Part-time, Seasonal, Temporary, and Regular employees

**Authorized as of May 1, 2014.

***Filled Positions as of May 1, 2014 – Regular Full-time Only



County of Riverside – Recommended Budget

Fiscal Year
2014/15

General Government Function Budget Detail

ASSESSMENT APPEALS BOARD

Description of Major Services

The Assessment Appeals Board receives and processes applications for changed assessment; schedules and publishes hearings in accordance with legal requirements; maintains the official records of the Appeals Boards; provides administrative support to Assessment Appeal Board members and Hearing Officers; and provides assistance to the general public on the assessment appeals process.

Budget Changes and Operational Impact

There are no significant budget changes with operational impacts for this fiscal year.

FY 14/15 Budget at a Glance	
Expenditures	\$ 926,861
<i>Less Revenue</i>	\$ 540,000
<i>Less Subfund Use</i>	\$ -
= Net County Cost	\$ 386,861
Total Staff Requested	6

ASSESSOR

Description of Major Services

The elected county Assessor's legislative mandate is to locate, inventory, and value all taxable and exempt secured and unsecured property in Riverside County in accordance with the applicable constitutional, legislative and administrative provisions. Although the Assessor's Office does not set tax amounts or collect taxes, it must complete an assessment roll showing the assessed values for all property and maintain records of the above.

Budget Changes and Operational Impact

In prior years, the Assessor was able to mitigate the impact of the reduction in general fund support by restructuring business processes and with support from the Clerk-Recorder division. For FY 14/15, the department has submitted an initial budget that maintains prior year spending levels although labor costs have increased. This spending level will impact the departments ability to provide services at prior year levels.

FY 14/15 Budget at a Glance	
Expenditures	\$ 24,435,338
<i>Less Revenue</i>	\$ 18,673,621
<i>Less Subfund Use</i>	\$ -
= Net County Cost	\$ 5,761,717
Total Staff Requested	204

AUDITOR-CONTROLLER

Controller and Internal Audits

Description of Major Services

Controller: This function of the Auditor-Controller's Office maintains the integrity of the county "checkbook" to ensure accuracy of the financial data going into and out of the county's financial reporting system. In its centralized role, the office monitors and processes countywide payments to vendors and employees. This is also accomplished by monitoring approved changes to the county budget and by monitoring and distributing major county revenue sources: property taxes, sales tax, motor vehicle in-lieu taxes, redevelopment tax increment, and state-mandated reimbursements. In addition, the office provides standards, training, and advice countywide in the accounting arena.

FY 14/15 Budget at a Glance	
Expenditures	\$ 8,439,559
<i>Less Revenue</i>	\$ 4,637,495
<i>Less Subfund Use</i>	\$ -
= Net County Cost	\$ 3,802,064
Total Staff Requested	73



County of Riverside – Recommended Budget

Fiscal Year
2014/15

Internal Audits: The internal audits division provides assurance that sound checks and balances are in place through the internal audit function. Besides performing legislatively mandated audits, requests for audit services continue to increase from county departments and special districts in an effort to improve the efficiencies and performance of services to the public.

Budget Changes and Operational Impact

There are no significant budget changes with operational impacts for this fiscal year.

County Payroll

Description of Major Services

The payroll division provides centralized payroll functions for the county, including payroll processing, reporting, accounting, and reconciliation. Additionally, the division provides payroll services to special districts within the county. More than 20,000 payroll warrants (checks) and direct deposits are processed every two weeks by the payroll staff. The payroll division serves as the authority on payroll matters (other than benefits) to all county departments and provides individual guidance and group training sessions on payroll topics and issues.

Expenditures	\$ 792,068
<i>Less Revenue</i>	\$ 792,068
<i>Less Subfund Use</i>	\$ -
= Net County Cost	\$ -
Total Staff Requested	22

Budget Changes and Operational Impact

There are no significant budget changes with operational impacts for this fiscal year.

Countywide Allocation Cost Allocation Plan Reimbursement (COWCAP)

Description of Major Services

Since federally-supported awards are performed within individual operating agencies, there must be a process to identify and assigned the cost of providing these service to benefited activities on a reasonable and consistent basis. The cost allocation plan provides a process to calculate the county's indirect costs and allocate to the receivers of the service. The receiving department then reimburses the General Fund for its allocated indirect costs. The COWCAP budget unit is used to collect reimbursements as determined by the countywide allocation cost allocation plan. Reimbursements are used to offset discretionary spending.

Intrafund Transfers In	\$ (12,341,143)
<i>Add Revenue</i>	\$ 6,880,131
= Net County Reimbursement	\$ (19,221,274)

Budget Changes and Operational Impact

There are no significant budget changes with operational impacts for this fiscal year.



County of Riverside – Recommended Budget

Fiscal Year
2014/15

BOARD OF SUPERVISORS/CLERK OF THE BOARD

Description of Major Services

Board of Supervisors: The Board of Supervisors' budget supports the Board's policy-making role and its local legislative functions. The transition from a suburban county to a rapidly urbanizing environment, plus growing constituent requests, increased this budget unit's need for resources.

Clerk of the Board: The Clerk of the Board provides administrative support to the Board, prepares agendas, processes claims, and manages the county's pipeline, transmission, and cable television activities.

Expenditures	\$ 8,130,836
<i>Less Revenue</i>	\$ 4,558,639
<i>Less Subfund Use</i>	\$ 238,732
= Net County Cost	\$ 3,333,436
Total Staff Requested	58

Budget Changes and Operational Impact

The department reports that its budget will be on target without significant impacts to operations.

COURT ADMINISTRATION

Court Transcripts

Description of Major Services

The County, when ordered by the Superior Court, is responsible for paying transcriptionists who create a verbatim record in criminal matters, appeals, juvenile proceedings, proceedings to declare a minor free from custody, probate proceedings and some civil matters. In those cases court reporters submit an invoice along with a minute order for each case (CA Government Code §70131). Requests for transcripts by the prosecutor or defense counsel are charged to the requestor.

Expenditures	\$ 1,500,000
<i>Less Revenue</i>	\$ -
<i>Less Subfund Use</i>	\$ -
= Net Use of Fund Balance	\$ 1,500,000

Budget Changes and Operational Impact

There are no significant budget changes with operational impacts for this fiscal year

Court Subfund

Description of Major Services

California Government Code 76100 provides for the establishment and funding of courthouse construction. These funds are from the state and local distribution of penalties on fines, penalty, and forfeitures. These funds, which are deposited in the court subfunds, must be used to assist the county in the acquisition, rehabilitation, construction, and financing of criminal justice and court facilities.

Budget Changes and Operational Impact

There are no significant budget changes with operational impacts for this fiscal year.

Expenditures	\$ 12,324,645
<i>Less Revenue</i>	\$ 7,196,434
<i>Less Subfund Use</i>	\$ 5,128,211
= Net Use of Fund Balance	\$ -



County of Riverside – Recommended Budget

Fiscal Year
2014/15

COUNTY COUNSEL

Description of Major Services

The Office of County Counsel is a full-service law office that handles civil matters for the County of Riverside. The office defends and prosecutes cases and renders legal advice and litigation support on issues of vital concern to the county and its residents such as health care, public safety, child welfare, land development, environmental protection, public finance, taxation and elections. The office is staffed by experienced attorneys who have dedicated their careers to public service.

Expenditures	\$ 4,967,552
<i>Less Revenue</i>	\$ 2,848,500
<i>Less Subfund Use</i>	\$ -
= Net County Cost	\$ 2,119,052
Total Staff Requested	68

The office's primary clients are the county Board of Supervisors, elected officials, and county agencies, departments, commissions and officers. Under certain circumstances, legal services may be provided to other public entities within the county, including special districts and school districts. The office does not provide legal services to private citizens.

Budget Changes and Operational Impact

There are no significant budget changes with operational impacts for this fiscal year.

COUNTY OF RIVERSIDE ENTERPRISE SOLUTIONS FOR PROPERTY TAXATION (CREST)

Description of Major Services

The property tax system maintains an inventory of parcels and associated assessments in the county. It also stores assessment values and other pertinent information used for property taxation in accordance with state law. California property tax law mandates an event-driven system, as opposed to the rest of the nation, where date-driven systems govern the process.

Expenditures	\$ 10,032,390
<i>Less Revenue</i>	\$ 5,062,220
<i>Less Subfund Use</i>	\$ -
= Net Use of Fund Balance	\$ 4,970,170
Total Staff Requested	32

The County of Riverside continues to advance in its commitment to modernize the county's aging enterprise property tax administration system. The County of Riverside's Enterprise Solutions for Property Taxation (CREST) Project unites the county's three property tax departments in this cooperative venture. The goal is to capitalize on latest information technology advancements, and design and implement a new Integrated Property Tax Management System to meet the business and operational needs of the Assessor-County Clerk-Recorder, Auditor-Controller, and Treasurer-Tax Collector departments.

Budget Changes and Operational Impact

The project continues to progress with anticipation of Thomson Reuters' first planned release of a new Government Revenue Management system in the county's test environment early in the fiscal year. Work continues in earnest on other project tasks in the areas of system design, data conversion, infrastructure build-out, testing, and report writing.

ECONOMIC DEVELOPMENT AGENCY

The Riverside County Economic Development Agency (EDA) brings together the talents, resources, and dedication of public and private entities to:

- Create communities where all residents have access to quality housing in neighborhoods that are attractive, functional and safe;



County of Riverside – Recommended Budget

Fiscal Year
2014/15

- Support a broad spectrum of business growth and ensure companies have ongoing access to an ample and globally competitive workforce;
- Provide recreational and cultural activities that enrich residents' lives.

The Economic Development Agency (EDA) is comprised of more than 20 budget units that provide multiple services including public assistance (page 107), education (page 112), recreation/cultural services (page 111), property management services (page 127), housing services (page 133), county service area management (page 140), promotion related services, and project management activities.

Administration

Description of Major Services

The following EDA budget units are associated with promotion related services:

Administration: EDA Administration provides administrative and fiscal support to the other EDA divisions including the Facilities Management divisions.

EDA Sub-fund Management: The EDA Single Family Revenue Bond Fund is a subsidiary fund to the agency administration fund. It was established to account for special revenue activities and projects.

EDA Mitigation Fund: This fund is used for special projects at the Edward Dean Museum and Gardens. Funding, anticipated in the amount of \$36,500, will come from sponsorships and donations raised through the annual golf tournament and gala.

Economic Development Program: This is a new division under EDA and provides Economic Development, Business Intelligence, Marketing, Office of Foreign Trade, Office of Film and TV, Office of Military and Defense Services and Salton Sea. These programs attract new businesses and industries to the county from other regions of the state, the nation and the world.

Budget Changes and Operational Impact

In FY 13/14, the Economic Development Agency consolidated related functions into the Economic Development Program division. The Office of Film and TV and the Office of Military and Defense Services are newly created functions that fulfill the economic development goal of raising the profile and attracting industry to the county, as well as retaining military facilities throughout the county.

Riverside County Date Festival

Description of Major Services

The Riverside County Fair and National Date Festival provides educational and entertainment activities to the public, while boosting the local economy. In addition to traditional fair activities, off-track wagering is offered as well as interim use events. Interim use events include an open-air market, RV rallies, monster truck shows, concerts, and special community events. The fair runs for 10 days every February.

Expenditures	\$ 16,099,892
<i>Less Revenue</i>	\$ 14,234,907
<i>Less Subfund Use</i>	\$ -
= Net Use of Fund Balance	\$ 1,864,985
Total Staff Requested	100

Expenditures	\$ 4,100,065
<i>Less Revenue</i>	\$ 4,097,565
<i>Less Subfund Use</i>	\$ -
= Net Use of Fund Balance	\$ 2,500
Total Staff Requested	19



County of Riverside – Recommended Budget

Fiscal Year
2014/15

Budget Changes and Operational Impact

There are no significant budget changes with operational impacts for this fiscal year.

Capital Projects

Description of Major Services

The Capital Projects division performs deferred maintenance projects, including: emergency maintenance, major repairs, Americans with Disabilities Act compliance and underground storage tank repair and compliance. In addition, the division is responsible for major facility improvements, expansions and new construction. Deferred maintenance projects are funded by the general fund, and design and construction services are funded through a combination of financings, county/department funds and developer fees.

FY 14/15 Budget at a Glance	
Expenditures	\$ 140,243,808
<i>Less Revenue</i>	\$ 140,243,808
<i>Less Subfund Use</i>	\$ -
= Net Use of Fund Balance	\$ -

Budget Changes and Operational Impact

The Van Horn Youth Treatment and Education Center, and the East County Detention Center are significant projects that have been approved by the Board of Supervisors. These projects have a combined total budget of approximately \$313 million. The award of the construction activities will be made during the fall or summer of 2014.

Facilities Management – Project Services, Energy, and Parking

Description of Major Services

Facilities Management cleans, maintains, and manages county facilities. In addition, the department provides architectural, engineering and project management services for additions, renovations, and infrastructure and construction projects. Facilities Management also operates the county's parking structures, including enforcement. The department provides some of these services for other local governments through revenue agreements.

FY 14/15 Budget at a Glance	
Expenditures	\$ 22,587,736
<i>Less Revenue</i>	\$ 14,894,388
<i>Less Subfund Use</i>	\$ -
= Net Use of Fund Balance	\$ 7,693,348
Total Staff Requested	57

In FY 10/11, the custodial, maintenance and real estate divisions began operating as internal service funds and general fund support was eliminated for these divisions. Budget information about these functions and activities can be found in the Internal Service Funds section beginning on page 125.

Project Management: The Project Management Office is composed of three functional areas: administration, construction inspection, and project management. Administrative services include but are not limited to: preparing requests for Board of Supervisor approval, processing project requests, compiling contract information and maintaining project documentation. Construction inspection is responsible for plan check, inspection, and permitting; as well as the enforcement of building codes adopted by the county and state for all facilities that are occupied, utilized or owned by the county or the Successor Agency. Project management staff oversees construction of county facilities and infrastructure, building renovations, additions and new construction.

Energy Management: The Energy Management division maintains utilities for all county departments and facilities.

Parking: Parking services operates the county parking structures and lots and provides enforcement of regulations.

Budget Changes and Operational Impact

There are no significant budget changes with operational impacts for this fiscal year.



County of Riverside – Recommended Budget

Fiscal Year
2014/15

EXECUTIVE OFFICE

Administration

Description of Major Services

The Executive Office is responsible to the Board of Supervisors for the proper and efficient administration of all county departments, agencies, and special districts under the jurisdiction of the Board of Supervisors.

The Executive Office ensures Board of Supervisors policies and priorities are followed, monitors departmental spending, and makes budget recommendations to the Board during the fiscal year. Additional responsibilities include analyzing and advocating legislation as well as coordinating capital projects and debt management. Budget Changes and Operational Impact

There are no significant budget changes with operational impacts for this fiscal year.

Budget Changes and Operational Impact

There are no significant budget changes with operational impacts for this fiscal year.

Expenditures	\$ 4,305,042
<i>Less Revenue</i>	\$ 2,568,049
<i>Less Subfund Use</i>	\$ -
= Net County Cost	\$ 1,736,993
Total Staff Requested	26

Accumulated Capital Outlay Fund

Description of Major Services

The accumulative capital outlay fund budget funds tax sharing arrangements resulting from industrial and commercial projects. Contributions are based on specified portions of actual discretionary general fund sales taxes generated within the respective project areas. Tax sharing arrangements provided for in the recommended budget include agreements with the City of Banning, the March Joint Powers Authority, and various settlement agreements. These tax sharing arrangements are funded through transfers from the county general fund.

Budget Changes and Operational Impact

There are no significant budget changes with operational impacts for this fiscal year.

Expenditures	\$ 1,186,270
<i>Less Revenue</i>	\$ 1,186,270
<i>Less Subfund Use</i>	\$ -
= Net Use of Fund Balance	\$ -

Capital Improvement Program

Description of Major Services

The Capital Improvement Program (CIP) is the capital planning mechanism for new facilities, major facility expansions, and purchases of large capital assets. The CIP committee includes personnel from the Executive Office, Economic Development Agency's Facilities Management, and Riverside County Information Technology, evaluates immediate and long-term capital needs, as well as financing and budget requirements, in order to best use the county's limited capital funds. Current projects underway include the Eastern County Detention Center (ECDL), RCIT Consolidated Facility and Data Center, the Riverside Public Defender building remodel, and the Probation Van Horn Youth Facility.

Expenditures	\$ 11,480,100
<i>Less Revenue</i>	\$ 27,753,000
<i>Less Subfund Use</i>	\$ -
= Net (Increase) Fund Bal.	\$ (16,272,900)



County of Riverside – Recommended Budget

Fiscal Year
2014/15

Budget Changes and Operational Impact

Given the current economy, there are few new general fund projects. Due to the transfer of capital funds for budget purposes, the CIP has significantly reduced its ability to fund major department projects. These transfers boosted critical reserves at a time of great economic turmoil. A \$24 million loan from Waste Management during the FY 13-14 fiscal year provided cash support for the Eastern County Detention Center (ECDC) and related projects in advance of the planned bond financing that will take place in FY 14/15.

The CIP will continue to focus on the financing of new jail construction. Several projects will still be under way in FY 14/15, representing about \$8 million in outstanding CIP budget commitments and Board obligations. The Executive Office is monitoring all project activity on commitments to determine when a project commitment may be closed. Remaining commitments from inactive or completed projects will be transferred to the General Fund for budget stabilization.

Contributions to Other Funds

Description of Major Services

This budget unit is used to provide contributions to support several operations and programs. These contributions may include required state “maintenance of effort” payments for certain programs as well as public safety, library services, revenue-sharing agreements, and debt service related expenditures that require general fund support.

Budget Changes and Operational Impact

These contributions total about \$46 million in the recommended budget and support ongoing and one-time needs. The largest contribution is for debt service to Capital Finance Administration for various county facilities (\$20.1 million). Also included is a \$10 million subsidy for the county medical center, paid from tobacco settlement revenue. Contributions for the County of Riverside Enterprise Solutions for Property Taxation project (\$1.8 million), the homeless program (\$2.5 million), and deferred maintenance (\$0.6 million) have also been included. A list of all recommended contributions for FY 14/15 follows:

Expenditures	\$ 46,039,023
<i>Less Revenue</i>	\$ -
<i>Less Subfund Use</i>	\$ -
= Net County Cost	\$ 46,039,023

<u>Contribution</u>	<u>Amount</u>
Airport Land Use Commission	262,991
Capital Finance Administration	20,102,123
Center for Government Excellence (CGE)	450,000
City of Banning	450,000
Coachella Valley Enterprise Zone Authority	100,000
Commission of Women	13,500
Community Action Partnership	72,718
Counter Services	684,692
Unallowable Superior Court Expenditures	472,351
County of Riverside Enterprise Solutions for Property Taxation (CREST)	1,804,157
Deferred Maintenance	607,500
Department of Public Social Services Homeless Program	2,475,052
EI Sobrante to UCR Agreement	300,000
Environmental Programs	175,000
Geographic Information Systems	144,000



County of Riverside – Recommended Budget

Fiscal Year
2014/15

Healthy Kids Contribution	865,688
Local Agency Formation Commission (LAFCO)	244,195
New City Savings Offset Agreements	1,275,276
Office on Aging	1,102,624
Parks	246,768
Property Tax Admin Fee Settlements	1,887,915
Riverside County Information Technology	392,386
Riverside County Regional Medical Center support	10,000,000
Sheriff CAL-ID program	358,827
Southwest Animal Shelter	325,678
Tax agreements	1,186,270
Temporary Agency Program Dependent Premiums	39,312
	<u>46,039,023</u>

Community Facilities District and Assessment District Administration

Description of Major Services

This budget unit supports the administrative activities of the county's land-secured finance districts, which include community facilities districts and assessment districts.

Community Facilities Districts (Mello-Roos): In 1982, the "Mello-Roos Community Facilities Act of 1982" was enacted and it authorized local governments and developers to create Community Facilities Districts (CFDs) for the purpose of selling tax-exempt bonds to fund public improvements. These CFDs allow the infrastructure (streets, sewers, storm drains) in a new home development to be funded with the bonds instead of passed on to the homebuyer through an increased home selling price.

Assessment Districts: A special assessment district, established pursuant to the Municipal Improvement Act of 1913 to finance public facilities, exists through the use of various improvement bond acts. These types of special assessments finance public improvements such as streets, water distribution and sewer systems, and utilities. These assessment districts are different from Mello-Roos districts in that the improvements benefit specific properties.

Budget Changes and Operational Impact

Although there are no significant budget changes with operational impacts for this fiscal year, the administration is actively looking at refunding possibilities to reduce tax liability for the property owners within the community facilities and assessment districts.

Expenditures	\$ 790,000
<i>Less Revenue</i>	\$ 780,000
<i>Less Subfund Use</i>	\$ -
= Net Use of Fund Balance	\$ 10,000
Total Staff Requested	4



County of Riverside – Recommended Budget

Fiscal Year
2014/15

Development Impact Fee Operations

Description of Major Services

Development impact fees (DIF) pay for projects the Board authorizes. Projects and eligible funding amounts are published within the public facilities needs list. The list is the official public document that identifies facilities eligible for financing, in whole or in part, through DIF funds levied on new development within unincorporated Riverside County. There is no general fund cost associated with this fund.

During FY 13/14 the 2020 Development Impact Fee Nexus study, a revised fee schedule, and updated public facilities needs list went into effect. Replenishment of fund balances for capital projects on the public facilities needs list will take time and some projects may be delayed.

Budget Changes and Operational Impact

There are no significant budget changes with operational impacts for this fiscal year.

FY 14/15 Budget at a Glance

Expenditures	\$ 20,696,000
<i>Less Revenue</i>	\$ 6,000,000
<i>Less Subfund Use</i>	\$ -
= Net Use of Fund Balance	\$ 14,696,000

Executive Office Sub-Fund Management

Description of Major Services

The Executive Office Sub-funds functions as a “pass-through” account for revenue from Teeter Overflow activity, as well as administrative activity for development impact fees, sales tax sharing agreement escrow, other post employment benefit designated funds, tobacco securitization, radio replacement, and dispute resolution.

Budget Changes and Operational Impact

There are no significant budget changes with operational impacts for this fiscal year.

FY 14/15 Budget at a Glance

Expenditures	\$ 9,857,271
<i>Less Revenue</i>	\$ 5,336,390
<i>Less Subfund Use</i>	\$ 4,520,881
= Net Use of Fund Balance	\$ -

Health and Juvenile Services

Description of Major Services

The Health and Juvenile Services Fund was established under the terms and conditions of a redevelopment pass-through agreement approved by the Board of Supervisors on April 7, 1992, (Item 3.43) between the county and the former Palm Desert Redevelopment Agency. Although Palm Desert’s redevelopment agency was dissolved pursuant to AB X1 26, this pass-through agreement remains an enforceable obligation of the city’s Successor Agency. Pursuant to the provisions of Section 11 of the 1992 pass-through agreement, the county receives an amount equivalent to sales and use tax generated quarterly within a specified retail area that spans Monterey Avenue north of Dinah Shore Drive in Palm Desert. In accordance with that section of the agreement, use of these revenues is restricted to the provision of health, mental health, and juvenile services within Regional Statistical Areas 52, 53, and 54. Although contractually restricted for those purposes within that geographical area, this is discretionary, general purpose revenue. Since 1993, this revenue has been allocated exclusively to the Regional Access Project Foundation.

FY 14/15 Budget at a Glance

Expenditures	\$ 1,400,941
<i>Less Revenue</i>	\$ 1,400,941
<i>Less Subfund Use</i>	\$ -
= Net Use of Fund Balance	\$ -



County of Riverside – Recommended Budget

Fiscal Year
2014/15

Budget Changes and Operational Impact

There are no significant budget changes with operational impacts for this fiscal year.

Litigation and Legislative Support

Description of Major Services

The budget funds annual membership dues in the California State Association of Counties, National Association of Counties, Urban Counties Caucus, Southern California Association of Governments, Coachella Valley Association of Governments, and Western Riverside Council of Governments. The budget also includes funding for lobbyists in Washington, D.C., and Sacramento, and funding for legal costs associated with existing and pending lawsuits.

Expenditures	\$ 1,895,749
<i>Less Revenue</i>	\$ 50,000
<i>Less Subfund Use</i>	\$ -
= Net County Cost	\$ 1,845,749

Budget Changes and Operational Impact

There are no significant budget changes with operational impacts for this fiscal year.

Mitigation Project Operations

Description of Major Services

This is an operating fund for Board-authorized projects. It is funded by fee-based developer agreement (DA) and development mitigation (DM) funds. Development impact fees have superseded DM fee collections, so nominal activity is associated with these funds' remaining balances. DA fees use this operating fund as a pass-through for payments associated with authorized projects. The road improvement of "A" Street (Fairway Drive) and the Lake Skinner Recreation area are two current projects underway.

Expenditures	\$ 545,100
<i>Less Revenue</i>	\$ 300,000
<i>Less Subfund Use</i>	\$ -
= Net Use of Fund Balance	\$ 245,100

Budget Changes and Operational Impact

Only one Development Agreement, the Rancho Bella Vista Specific Plan located in the 3rd Supervisorial District, is currently active. Permit activity there has increased recently, and DA fund revenues collected will be used for projects in the Third District.

Redevelopment Agency Pass-through Capital Improvement Fund

Description of Major Services

The RDA capital improvement fund budget receives property tax increment pass-through distributed from certain city redevelopment project areas contractually obligated for use on capital improvements and other commitments. Five million dollars of the tax increment from the city of Moreno Valley project area is contractually dedicated to paying Riverside County Regional Medical Center debt service. In addition, revenue derived from the Moreno Valley project area and the city of Riverside Sycamore project area also supports the county's commitment to the University of California, Riverside, medical school. A portion of the tax increment from the Riverside Sycamore Canyon project area is dedicated to paying debt service on facilities in downtown Riverside. A portion of the tax increment from certain of the City of Palm Desert project areas is contractually dedicated to paying debt service of the Riverside County Palm Desert Finance Authority on the Palm Desert sheriff station and other public facilities in eastern Riverside County.

Expenditures	\$ 25,091,673
<i>Less Revenue</i>	\$ 26,753,667
<i>Less Subfund Use</i>	\$ -
= Net (Increase) Fund Bal.	\$ (1,661,194)



County of Riverside – Recommended Budget

Fiscal Year
2014/15

Budget Changes and Operational Impact

Due to the economically reduced revenue streams from all project areas, going forward the focus of this budget unit over the near term will center on maintaining sufficient reserves to make debt service payments on existing county and finance authority debt obligations, and fully funding the county's commitment to the medical school.

Solar Revenue Fund

Description of Major Services

The Solar Payment Revenue Fund was established as specified by Resolution No. 2013-158 approved by the Board of Supervisors on June 25, 2013, (Item No. 3-46) for the purpose of collecting and disbursing solar power plant revenue received by the County pursuant to Board Policy B-29. This includes revenue from franchises, real property interest agreements, and developer agreements pertaining to solar power plants subject to this policy. Under the terms of Resolution No. 2013-158, 25 percent of these proceeds is to be used for the benefit of the community in which the solar power plant is located and 75 percent are available for discretionary, general purpose use.

FY 14/15 Budget at a Glance	
Expenditures	\$ 1,067,488
<i>Less Revenue</i>	\$ 346,086
<i>Less Subfund Use</i>	\$ -
= Net (Increase) Fund Bal.	\$ (721,402)

Budget Changes and Operational Impact

In FY 13/14, \$400,000 of the balance forward, received from the Desert Sunlight solar power plant located in Desert Center, was earmarked for capital improvements to the Lake Tamarisk Clubhouse in Desert Center, although no appropriations from that amount have been made as of this writing. The FY 14/15 revenue estimated includes only the annual franchise payment owed by the Desert Sunlight project. Although it is anticipated NextEra's McCoy project will commence in FY 14/15, the timing of that is not certain, and consequently the amount of their initially payments cannot be calculated at this time. The budget for this unit includes no recommendations regarding appropriation of these revenues at this time.

Tobacco Securitization

Description of Major Services

In May 2007, the Board of Supervisors approved the securitization of future cash flows of tobacco settlement revenue. The action resulted in a one-time payment of cash to be used for a number of capital projects, including the Smith Correctional Facility Expansion #3, construction of two animal shelters, and the purchase of the downtown law building. General funds deposited into the tobacco tax securitization funds are used for the funding of other qualifying general fund capital projects underway, which includes the Public Safety Enterprise Communications. The Public Safety Enterprise Communications system became fully functional in FY 13-14.

FY 14/15 Budget at a Glance	
Expenditures	\$ 8,134,100
<i>Less Revenue</i>	\$ 360,000
<i>Less Subfund Use</i>	\$ -
= Net Use of Fund Balance	\$ 7,774,100

Budget Changes and Operational Impact

Project activity among the remaining project commitments continues to slow and budgeting is primarily for the Public Safety Enterprise Communications project closeout expenses. The Executive Office is monitoring all project activity on commitments to determine when a project commitment may be closed. Remaining commitments from inactive or completed projects will be transferred to the General Fund for budget stabilization.



County of Riverside – Recommended Budget

Fiscal Year
2014/15

FIRE CONSTRUCTION

Description of Major Services

This budget unit is provides construction and land acquisition for future fire stations and training facilities.

Budget Changes and Operational Impact

There are no significant budget changes with operational impacts for this fiscal year.

FY 14/15 Budget at a Glance	
Expenditures	\$ 1,421,729
<i>Less Revenue</i>	\$ -
<i>Less Subfund Use</i>	\$ -
= Net Use of Fund Balance	\$ 1,421,729

GEOGRAPHIC INFORMATION SYSTEMS

Description of Major Services

The Geographic Information Services Division (GIS) is managed by the Riverside County Information Technology department. GIS provides spatial analysis, cartographic products, demographic services, census preparation, and data analysis in support of land-use planning and permitting processes for county departments, councils of governments, cities, community-based organizations and the public.

The county continues to realize cost benefits as a result of the merging of the Fire and Sheriff GIS agreements into the county's ESRI enterprise license agreement as well as the Registrar of Voters transition to the enterprise platform. GIS is undertaking the formation of a technical user group to advance and promote GIS throughout the county. In 2014 GIS released the Map My County application replacing the former Riverside County Land Information System providing the public with a more modern graphic user interface. GIS continues to develop and refine spatial technology to meet the needs of county departments and the public.

Budget Changes and Operational Impact

There are no significant budget changes with operational impacts for this fiscal year.

FY 14/15 Budget at a Glance	
Expenditures	\$ 1,660,266
<i>Less Revenue</i>	\$ 1,214,000
<i>Less Subfund Use</i>	\$ -
= Net Use of Fund Balance	\$ 446,266
Total Staff Requested	8

HUMAN RESOURCES ADMINISTRATION

Description of Major Services

The Human Resources Department provides recruiting, staffing, classification, employee and labor relations, payroll record support, benefits administration, career development training, leadership development, and other personnel related services for all county departments. .

Human Resources also provides temporary and per diem staffing, workers' compensation, safety, employee assistance programs, occupational health and wellness, rideshare, an EPO health plan, and risk management administration for all county departments. Budget information about these functions and activities can be found in the Internal Service Funds section beginning on page 120

FY 14/15 Budget at a Glance	
Expenditures	\$ 8,383,082
<i>Less Revenue</i>	\$ 8,383,082
<i>Less Subfund Use</i>	\$ -
= Net County Cost	\$ -
Total Staff Requested	175



County of Riverside – Recommended Budget

Fiscal Year
2014/15

Budget Changes and Operational Impact

There are no significant budget changes with operational impacts for this fiscal year.

PURCHASING SERVICES

Description of Major Services

The Department of Purchasing and Fleet Services' purchasing division oversees county purchasing and procurement practices and functions. Its primary support is the general fund.

County purchasing activities include contracts, requests for proposal, bid evaluations, purchase orders, vendor registrations, and special projects. Authority of the Purchasing Agent is described in California Government Code Section 25500 which states the Board of Supervisors may employ a purchasing agent and such assistants as are necessary for him properly to fulfill his duties.

Expenditures	\$ 2,192,701
<i>Less Revenue</i>	\$ 1,348,624
<i>Less Subfund Use</i>	\$ -
= Net County Cost	\$ 844,077
Total Staff Requested	23

The purpose of the statute which provides for the appointment of a purchasing agent is not only to relieve the Board of Supervisors of the details involved in purchasing necessary supplies, but to concentrate these matters in one office to the end that supplies may be purchased in quantities, that the best prices may be obtained, that waste may be eliminated, and that this phase of the county business may be more economically and efficiently administered in the public interest.

Budget Changes and Operational Impact

Purchasing is absorbing salary increases by reducing expenses in areas that will not affect service levels (e.g. training, carpool, office supplies, communication services, professional services). The department has also increased revenues by entering into MOUs with county departments to pay for dedicated purchasing staff. The department will remain focused on maintaining adequate levels of service and providing continued cost savings for countywide purchasing activities.

REGISTRAR OF VOTERS

Description of Major Services

The Registrar of Voters conducts elections for federal, state, and local government entities. The department maintains voter registration records for 900,000 voters, recruits and trains poll workers, provides voter outreach services, and provides a wide variety of other election services

The suspension of SB 90 reimbursements has reduced revenue by \$1.8 million. The department is actively exploring its options for expanding facilities to meet the spacing needs for future elections. The department is also looking into purchasing mail sorting equipment to help process returned vote-by-mail ballots. Vote counting improvement equipment is also being researched to help speed up election night vote counting.

Expenditures	\$ 4,242,650
<i>Less Revenue</i>	\$ 8,942,650
<i>Less Subfund Use</i>	\$ -
= Net County Cost	\$ 4,700,000
Total Staff Requested	33

Budget Changes and Operational Impact

In FY 14/15 the department will conduct one major countywide election and one smaller municipal election. The major election is the November 2014 General Election, followed by the smaller City of Riverside City Council



County of Riverside – Recommended Budget

Fiscal Year
2014/15

Election in June 2015. The operating budget was reduced due to the reduced number of elections to be conducted during the fiscal year. Additional special elections may be called throughout the year.

SURVEYOR

Description of Major Services

Surveyor is a division in the Transportation Department and is responsible for all land surveying functions. The department's services are available to other county departments and local agencies. This division performs field surveys including preliminary, property, construction and geodetic (including GPS) surveys; provides public information and keeps land surveying and public right-of-way records; performs office analysis of all field surveys; performs and reviews right-of-way work for Transportation projects and private developments, reviews LAFCO documents, and checks and recommends for approval street names; performs Tract and Parcel Map checking, Record of Survey and Corner Record checking and the review of Lot Line Adjustments, Mergers and Certificates of Compliance.

Expenditures	\$ 4,701,122
<i>Less Revenue</i>	\$ 4,695,244
<i>Less Subfund Use</i>	\$ -
= Net Use of Fund Balance	\$ 5,878
Total Staff Requested	33

Budget Changes and Operational Impact

There are no significant budget changes with operational impacts for this fiscal year.

TREASURER TAX COLLECTOR

Description of Major Services

The Office of the Treasurer-Tax Collector faces the challenge of managing the \$6 billion pooled investment fund on behalf of the county, school districts, special districts and other discretionary depositors. The stated investment objectives are safety of principal, liquidity, and maximum rate of return. The office also mails out more than one million secured, unsecured, and supplemental tax bills, collects over \$3 billion in property taxes, administers tax sales, and provides an enhanced collection program for the benefit of all taxing entities.

Expenditures	\$ 13,760,516
<i>Less Revenue</i>	\$ 12,888,772
<i>Less Subfund Use</i>	\$ -
= Net County Cost	\$ 871,744
Total Staff Requested	108

The Treasurer-Tax Collector carries out an important fiduciary role as well as recognizes the importance of public service. A significant portion of the department's resources is dedicated to helping the public resolve property tax issues at its four office locations.

Budget Changes and Operational Impact

There are no significant budget changes with operational impacts for this fiscal year.





County of Riverside – Recommended Budget

PUBLIC PROTECTION

Overview and Comparison of Budget versus Actuals

The following budget units perform services that are aimed at accomplishing the purpose of public protection. Specific lines of work carried on by the county to perform this function include judicial, police protection, detention and corrections, fire protection, and inspection. The following tables summarize the public protection function three-year trend for revenue and expenditures and filled versus authorized positions.

Table 14
Three-Year Trend for Revenue and Expenditures

	Revenue			Change from Prior Year	Expenditures			Change from Prior Year
	FY 12/13 Actuals	FY 13/14 Projected	FY 14/15 Recom		FY 12/13 Actuals	FY 13/14 Projected	FY 14/15 Recom	
Agric. Commissioner: Public Protec.	4,783,377	4,521,500	4,737,822	216,322	4,897,547	5,403,548	5,580,444	176,896
Agric. Commissioner: Range Improv.	-	-	-	-	-	-	16,948	16,948
Air Quality: Administration	511,297	475,000	511,297	36,297	747,642	792,747	674,500	(118,247)
Air Quality: Rideshare	1,165,088	735,672	818,500	82,828	1,168,120	812,953	818,500	5,547
Animal Services	7,298,735	10,191,837	10,891,858	700,021	14,955,366	18,027,311	19,084,152	1,056,841
Building and Safety	5,433,635	5,681,507	5,744,394	62,887	5,367,282	5,264,878	5,744,394	479,516
Child Support Services	33,563,978	35,496,604	35,481,765	(14,839)	33,374,754	35,496,604	35,481,765	(14,839)
Clerk-Recorder	11,522,521	17,082,404	17,141,700	59,296	15,758,257	24,233,137	25,656,257	1,423,120
Code Enforcement	4,227,246	2,961,861	3,903,514	941,653	11,608,389	11,661,201	12,412,783	751,582
Court Svcs: Grand Jury Admin.	-	-	-	-	365,604	567,471	567,471	-
Court Svcs: Orders/Facil./Trial Court	23	-	14	14	33,669,373	34,937,023	34,937,984	961
District Attorney	42,284,702	42,312,570	39,522,784	(2,789,786)	96,615,875	98,731,279	99,438,899	707,620
Environmental Programs	1,307,274	1,067,867	905,060	(162,807)	1,306,350	1,067,867	905,060	(162,807)
Fire Protection	124,629,740	135,764,597	151,134,644	15,370,047	217,762,470	231,589,004	248,688,416	17,099,412
Indigent Defense	143,694	147,500	147,500	-	10,567,227	10,869,758	11,305,105	435,347
National Pollutant Disch. Elimination Sys.	50,000	-	-	-	1,221,324	1,062,124	1,062,124	-
Planning	3,570,830	3,215,831	3,188,237	(27,594)	5,406,755	5,028,698	4,719,413	(309,285)
Probation: Administration/Support	1,700,025	1,970,484	3,921,136	1,950,652	8,288,660	9,020,258	11,128,648	2,108,390
Probation: Field Services	36,407,250	48,498,335	53,529,697	5,031,362	41,884,634	60,011,808	61,685,234	1,673,426



Fiscal Year
2014/15

County of Riverside – Recommended Budget

	Revenue				Expenditures				Change from Prior Year
	FY 12/13 Actuals	FY 13/14 Projected	FY 14/15 Recom	Change from Prior Year	FY 12/13 Actuals	FY 13/14 Projected	FY 14/15 Recom	Change from Prior Year	
Probation: Juvenile Institutions	22,031,250	20,702,623	22,951,623	2,249,000	35,931,375	39,460,457	41,919,663	2,459,206	
PSEC Project Administration	2,822,983	-	-	-	3,715,529	-	-	-	
Public Defender	1,015,986	2,656,397	2,993,147	336,750	34,369,127	34,854,275	34,755,678	(98,597)	
Public Guardian	3,408,138	3,206,838	4,141,859	935,021	4,129,283	3,905,321	4,840,342	935,021	
Sheriff: Administration/Police Protect.	57,956,571	61,929,281	63,629,731	1,700,450	90,571,031	100,898,022	99,297,921	(1,600,101)	
Sheriff: Coroner	4,336,168	4,260,942	4,300,511	39,569	8,225,271	8,916,320	8,419,894	(496,426)	
Sheriff: Corrections	66,560,333	67,045,248	76,483,010	9,437,762	174,535,724	196,868,744	195,777,641	(1,091,103)	
Sheriff: Patrol	200,967,381	200,600,437	210,193,635	9,593,198	270,231,906	295,237,477	289,763,453	(5,474,024)	
Sheriff: Public Administrator	441,111	471,361	545,800	74,439	1,328,172	1,615,775	1,536,374	(79,401)	
Total	638,139,336	670,996,696	716,819,238	45,822,542	1,128,003,047	1,236,334,060	1,256,219,063	19,885,003	



County of Riverside – Recommended Budget

Fiscal Year
2014/15

Table 15

Three-Year Comparison Budgeted Authorized Positions*

	FY 12/13 Initial Appvd	FY 13/14 Initial Appvd	FY 13/14 Current**	FY 14/15 Requested	Net Change	Filled Positions***
Agric. Commissioner: Public Protec.	49	50	50	50	1	50
Agric. Commissioner: Range Improv.	-	-	-	-	-	-
Air Quality: Administration	-	-	-	-	-	-
Air Quality: Rideshare	3	3	4	2	(1)	1
Animal Services	197	192	211	206	9	183
Building and Safety	44	44	41	37	(7)	32
Child Support Services	357	346	357	317	(40)	317
Clerk-Recorder	208	204	205	206	(2)	177
Code Enforcement	108	82	82	71	(37)	74
Court Svcs: Grand Jury Admin.	-	1	1	1	1	1
Court Svcs: Orders/Facil./Trial Court	-	-	-	-	-	-
District Attorney	749	771	755	719	(30)	694
Environmental Programs	12	10	11	7	(5)	8
Fire Protection	224	237	245	265	41	212
Indigent Defense	-	-	-	-	-	-
National Pollutant Disch. Elimin. Sys.	2	2	2	2	-	-
Planning	27	21	22	20	(7)	17
Probation: Administration/Support	101	100	100	89	(12)	81
Probation: Field Services	532	603	609	610	78	441
Probation: Juvenile Institutions	461	459	459	459	(2)	320
PSEC Project Administration	13	-	-	-	(13)	-
Public Defender	321	243	249	242	(79)	227
Public Guardian	35	33	37	36	1	33
Sheriff: Administration/Police Protect.	867	884	883	873	6	684
Sheriff: Coroner	77	77	77	79	2	53
Sheriff: Corrections	1,660	1,686	1,685	1,690	30	1,455
Sheriff: Patrol	1,985	1,983	1,994	1,990	5	1,726
Sheriff: Public Administrator	18	19	19	19	1	15
Total	8,050	8,050	8,098	7,990	(60)	6,801

*Authorized includes Full-time, Part-time, Seasonal, Temporary, and Regular employees

**Authorized as of May 1, 2014.

***Filled Positions as of May 1, 2014 – Regular Full-time Only



Public Protection Function Budget Detail

AGRICULTURAL COMMISSIONER

Public Protection

Description of Major Services

The Agricultural Commissioner/Sealer of Weights and Measures protects the health and safety of the county's citizens and environment, and fosters confidence and equity in the marketplace, through education and the fair and uniform enforcement of state and county laws, regulations, and ordinances. The department accomplishes these objectives through administration of the following four divisions:

- *Weights and Measures Division:* County weights and measures officials inspect and test packaged commodities and commercial devices, such as grocery scales, fuel dispensers, electric meters, taxi meters, livestock scales, and concrete batch plant scales. This program effectively protects consumers during retail transactions, and maintains a fair and level playing field for commercial businesses. In addition to inspection, audit and enforcement activities, weights and measures officials provide education, outreach, and training to the public as well as regulated businesses.
- *Pesticide Use Enforcement Division:* Agricultural inspectors regulate and ensure the safe and efficient use of pesticides for both agricultural and structural pest control to protect the public, field workers, pesticide applicators, agricultural crops, landscape areas, and the environment from the potentially adverse effects that can result from misuse or improper handling of pesticides. In addition, this program provides education and outreach to the agricultural industry, growers, and others in the community regarding the safe, effective, and legal use of pesticides.
- *Pest Prevention/Exclusion Division:* In Riverside County, pest exclusion represents the first line of defense against the invasion of exotic insects, plant diseases, weeds, and vertebrate pests that threaten agriculture, landscaped areas, and the environment. Agricultural inspectors conduct inspections at shipping companies, nurseries, planting sites, parks, and grain mills that receive shipments of plant material from other counties, states, and countries. As a second line of defense, pest detection activities aim to prevent introduction and spread of injurious pests not known to occur in our state and county through systematic, targeted searches. This is accomplished by deploying various, specific detection methods, and educating the agricultural industry and the public. In addition to facilitating and promoting distribution of a wide variety of locally grown agricultural products from Riverside County, various commodities are inspected for pests and diseases of concern to the receiving county, state or country as a condition of issuing required phytosanitary (pest cleanliness) certificates.
- *Fruit and Vegetable/Egg Quality Control Division:* Agricultural inspectors ensure fruits vegetables, and eggs sold commercially comply with California's quality standards, and verify compliance with standard container and marking requirements. Inspections are also conducted at certified farmers' growing ground locations and at certified farmers' markets where farmers sell their locally grown products directly to consumers. In addition, producers and handlers of organically certified commodities within Riverside County are inspected and investigations of all complaints of non-compliance are conducted.

Expenditures	\$ 5,580,444
<i>Less Revenue</i>	\$ 4,737,822
<i>Less Subfund Use</i>	\$ -
= Net County Cost	\$ 842,622
Total Staff Requested	50

Budget Changes and Operational Impact

There are no significant budget changes with operational impacts for this fiscal year.



County of Riverside – Recommended Budget

Fiscal Year
2014/15

Range Improvement

Description of Major Services

The Agricultural Commissioner also manages the budget for Range Improvement, a holding account of federal grazing land assessments. The Bureau of Land Management collects and distributes federal grazing fees to participating counties. Disbursements are made as needed for improvements to federal range lands, such as cattle guards, watering facilities, and fencing.

Budget Changes and Operational Impact

There are no significant budget changes with operational impacts for this fiscal year.

Expenditures	\$ 16,948
<i>Less Revenue</i>	\$ -
<i>Less Subfund Use</i>	\$ -
= Net Use of Fund Balance	\$ 16,948

AIR QUALITY MANAGEMENT DIVISION

Administration

Description of Major Services

In FY 12/13 oversight of AB 2766 funding was transferred from the county Executive Office to Fleet Services. Revenue is distributed by the South Coast and Mojave Valley Air Quality Management Districts on a quarterly basis to the cities and counties in the districts, based on the prorated share of their population. Projects that are funded with AB2766 funds must meet California Air Resources Board criteria and guidelines. Annual reports on the use of the funds and the results of programs must be submitted to the Air Quality Management District. Additionally, audits of local government programs are performed every two years.

Budget Changes and Operational Impact

With the incorporations of Eastvale and Jurupa Valley in FY 10/11, the unincorporated population of the county dropped 28 percent. As a result, AB2766 revenues fell about 16 percent. Although revenue is expected to remain flat, expenses continue to rise. Currently funded programs include Rideshare, Western Riverside Council of Governments Clean Cities, and a contribution to Coachella Valley Association of Governments for street sweeping. Expenses are expected to exhaust fund balances in FY 14/15. Air Quality staff will work with the Executive Office and Human Resources to identify program efficiencies and new revenues in the Rideshare program.

Expenditures	\$ 674,500
<i>Less Revenue</i>	\$ 511,297
<i>Less Subfund Use</i>	\$ -
= Net Use of Fund Balance	\$ 163,203

Rideshare

Description of Major Services

The Rideshare program provides programs and incentives that promote cleaner air through alternative commuting choices. The program is funded by employee participation fees and Air Quality Management District via the AB2766 bill that authorizes the support of programs that reduce air pollution. Human Resources manages the administration of the program.

Budget Changes and Operational Impact

There are no significant budget changes with operational impacts for this fiscal year.

Expenditures	\$ 818,500
<i>Less Revenue</i>	\$ 818,500
<i>Less Subfund Use</i>	\$ -
= Net Use of Fund Balance	\$ -
Total Staff Requested	2



County of Riverside – Recommended Budget

Fiscal Year
2014/15

ANIMAL SERVICES

Description of Major Services

The department of Animal Services provides contract services to many cities within the county. In addition veterinary, field, shelter, public information and community outreach services are provided in unincorporated areas not served by contracts with non-profit organizations.

Veterinary services include, but are not limited to, low cost spay and neuter services and preparing animals for adoption. Services such as de-worming, flea and tick services, rabies control and other medically necessary procedures are performed as determined by the veterinary staff.

Contract field services are provided to the cities of Cathedral City, Coachella, Desert Hot Springs, Eastvale, Indian Wells, Indio, Jurupa Valley, Palm Desert, Rancho Mirage and Riverside. The department provides basic services in the unincorporated county, except for those areas under contract with non-profits to provide services. Field service contracts provide an array of services based on the needs of the individual cities. Some of the services include responding to calls, impoundment, animal bite investigations and prosecution, quarantine of suspected rabid animals or animals that have bitten a person or other animal, nuisance animal complaints from the public, dead animal removal, trapping and removal of domestic and wild animals from public and private property, and license verification.

The cities of Blythe, Cathedral City, Coachella, Desert Hot Springs, Eastvale, Indian Wells, Indio, Jurupa Valley, La Quinta, Menifee, Palm Desert, and Riverside contract with the county for shelter services. Shelter services are provided in unincorporated areas of the county not covered under contracts with non-profit agencies. Shelter services consist of providing food, rabies certificate verification, dog bite investigations, medical care and shelter to all animals received.

The cities of Desert Hot Springs, Eastvale, Indio, Jurupa Valley and Riverside contract with the county for the Integrated Licensing Program. The same services are provided to the unincorporated areas of the county not covered under contracts with non-profit agencies. This program consists of Animal License Inspectors going home to home in search of dogs without license. We integrate the counties GIS information with our database to determine if each home is listed with a licensed dog. Any licensing revenue generated by a contract city is returned to the city.

Phone calls from the public are received at the department’s call center during regular business hours and staff provide general information on the various shelters and services provided by the department. Calls for service in the field are routed to the call center and information is forwarded to field services dispatchers for deployment. In addition, community outreach staff assist the public coming into the shelters with animal licensing and adoptions..

Budget Changes and Operational Impact

There are no significant budget changes with operational impacts for this fiscal year.

Expenditures	\$ 19,084,152
<i>Less Revenue</i>	\$ 10,891,858
<i>Less Subfund Use</i>	\$ -
= Net County Cost	\$ 8,192,294
Total Staff Requested	206



County of Riverside – Recommended Budget

Fiscal Year
2014/15

BUILDING AND SAFETY

Description of Major Services

The Transportation Land Management Agency (TLMA) is composed of six departments: Administrative Services, Building and Safety, Code Enforcement, Planning, Environmental Programs and Transportation. The Building and Safety Department provides several construction-related services, including grading and building plan check, permitting, and field inspections. These activities are funded through fees. Building and Safety also assists the Fire Department/EOC with post-disaster assessments. The department also administers the business registration program, implemented in FY06/07. This program is closely tied to the National Pollutant Discharge Elimination System (NPDES) program.

Expenditures	\$ 5,744,394
<i>Less Revenue</i>	\$ 5,744,394
<i>Less Subfund Use</i>	\$ -
= Net Use of Fund Balance	\$ -
Total Staff Requested	37

Budget Changes and Operational Impact

Ordinance 857 will be updated in July 2014 with a revised fee structure. After the Ordinance revision, outreach efforts will be established to bring into compliance all unregistered businesses in the County's unincorporated area as well to ensure the renewals of the existing active businesses. The Storm Water Inspection program is closely tied to the National Pollutant Discharge Elimination System (NPDES) program, the latter of which has been consolidated into the Transportation Department's NPDES program. This integration has resulted in four staff transferring to Transportation.

CHILD SUPPORT SERVICES

Description of Major Services

The Department of Child Support Services (DCSS) acts as the local arm of the state in operating the child support enforcement program – authorized under Title IV-D of the Social Security Act – to help parents meet their obligations to support and provide health insurance for their children. DCSS provides services at no cost to families by locating absent or nonresponsive parents, establishing paternity, and establishing and enforcing court orders. DCSS collects and disburses funds through the state Disbursement Unit to support families and recoup arrearages from absent parents. Program support is exclusively from federal and state sources.

Expenditures	\$ 35,481,765
<i>Less Revenue</i>	\$ 35,481,765
<i>Less Subfund Use</i>	\$ -
= Net County Cost	\$ -
Total Staff Requested	317

Budget Changes and Operational Impact

Due to the consolidation of Information Technology services, 31 positions were transferred to the Riverside County Information Technology department. There are no other significant budget changes with operational impacts for this fiscal year.



County of Riverside – Recommended Budget

Fiscal Year
2014/15

CLERK-RECORDER

Description of Major Services

The Clerk-Recorder's Office records land and land-ownership documents such as deeds and deeds of trust; is the custodian of marriage, birth, and death certificates; and is responsible for various County Clerk functions such as conducting civil marriage ceremonies and accepting fictitious business name statements.

The department has several automation projects in process: the electronic recording delivery system, working in collaboration with Los Angeles, Orange, and San Diego counties; and various conversion projects that create electronic formats from microfilm. Continuing these projects will improve the department's overall efficiency and help it better serve the public.

Expenditures	\$ 25,656,257
<i>Less Revenue</i>	\$ 17,141,700
<i>Less Subfund Use</i>	\$ 8,514,557
= Net Use of Fund Balance	\$ -
Total Staff Requested	206

Budget Changes and Operational Impact

There are no significant budget changes with operational impacts for this fiscal year.

CODE ENFORCEMENT

Description of Major Services

The Transportation Land Management Agency (TLMA) is composed of six departments: Administrative Services, Building and Safety, Code Enforcement, Planning, Environmental Programs and Transportation. Code Enforcement enforces state law and over 15 county ordinances in unincorporated areas. Code Enforcement strives to develop, establish, and maintain sustainable healthy neighborhoods through its neighborhood enforcement division, and the use of various grant programs. It is tasked with enhancing public safety and the quality of life in partnership with local communities through fair enforcement of laws and codes.

Expenditures	\$ 12,412,783
<i>Less Revenue</i>	\$ 3,903,514
<i>Less Subfund Use</i>	\$ -
= Net County Cost	\$ -
Total Staff Requested	71

Budget Changes and Operational Impact

The department is making efforts to generate revenue by entering into service agreements with cities. Currently, the department has an on-going service contract with the City of Perris. Efforts to secure the use of grants funds remain a focus. There has been a reduction in position from last fiscal year due to the integration of accounting staff into a single reporting structure in TLMA Administrative Services.

COURT SERVICES

Court Orders, Facilities, and Trial Court

Description of Major Services

Confidential Court Orders: This allocation provides reimbursement to the Court for expenses counsel requests to provide indigent defense in a capital case. Attorneys submit an affidavit to the court and specify that the funds are reasonably necessary for the preparation and presentation of defense. Allowable services include payment for investigators, experts, medical and lab support, and legal research. Provisions are outlined in Penal Code §987.9. The FY 14/15 budgeted amount is \$560,014.

Expenditures	\$ 34,937,984
<i>Less Revenue</i>	\$ 14
<i>Less Subfund Use</i>	\$ -
= Net County Cost	\$ 34,937,970



County of Riverside – Recommended Budget

Fiscal Year
2014/15

Court Facilities: Pursuant to Government Code §70353 (a) the county makes required quarterly payments for all court facilities transferred to the state as of December 31, 2009. It was the Legislature’s intent that these payments would provide a source of funding for the ongoing operations and maintenance of court facilities. Initial amounts were calculated using a county’s historical data for operations and maintenance. When the county continues to use space in a transferred court the quarterly payment is reduced by the amount of space the county occupies. However any significant capital or maintenance projects undertaken by the state require county participation comparable to the amount of space the county uses in a designated facility.

Under terms of the Joint Occupancy Agreements between the county and the state, quarterly payments are also made for operations, maintenance and utilities at four facilities that the county and court share. These facilities are Larson Justice Center, Banning Courthouse, Southwest Justice Center and Riverside Juvenile Court. The Court Facilities budget also provides support for county custodial and maintenance at the law libraries and historic courthouse, community identified parking leased for jurors and juror transport from the parking lots to the Hall of Justice in Riverside.

Contribution to Trial Court: The county makes mandatory quarterly payments to the state based on the amount the county spent for court operations in FY 94/95, a time when managing the Superior Court was a county function. The fines and penalty revenues transmitted to the state in FY 94/95 are also used to determine the base amount that each county pays quarterly. The Riverside Superior Court handles most fee, fine and forfeiture collection and after subtracting administrative costs transmits funds to the county. Once the base amount reaches \$11,028,078 all further collections are split with the state on a 50/50 basis. Only four other counties, Placer, San Joaquin, San Mateo and Ventura, have authorized base amounts.

Budget Changes and Operational Impact

There are no significant budget changes with operational impacts for this fiscal year.

Grand Jury Administration

Description of Major Services

The grand jury is a body of 19 persons selected by the court following an application, interview and then random selection of those interviewed. The impaneled jury is charged and sworn to investigate or inquire into county matters of civil concern. Penal Code sections 888-892 and 914.5 provide legislative direction and indication that the Board of Supervisors is required to pay all costs associated with civil and criminal grand juries.

FY 14/15 Budget at a Glance	
Expenditures	\$ 567,471
<i>Less Revenue</i>	\$ -
<i>Less Subfund Use</i>	\$ -
= Net County Cost	\$ 567,471
Total Staff Requested	1

Budget Changes and Operational Impact

There are no significant budget changes with operational impacts for this fiscal year.



County of Riverside – Recommended Budget

Fiscal Year
2014/15

DISTRICT ATTORNEY

Description of Major Services

The District Attorney (DA) is committed to protecting the community and serving the public interest by ethically prosecuting criminal and civil cases while concomitantly safeguarding the rights of victims and witnesses. The department proactively supports crime victims by providing information on their rights and assisting them to access other services. Victims of domestic and/or sexual violence can access services at one of three regional Family Justice Centers. The DA supports innovative crime suppression by assigning investigators to countywide task forces and teams. Special areas of investigation and prosecution include real estate fraud, other types of fraud, abuse, public integrity and environmental crime.

Expenditures	\$ 99,438,899
Less Revenue	\$ 39,522,784
Less Subfund Use	\$ 2,534,299
= Net County Cost	\$ 57,381,816
Total Staff Requested	719

Forensic Tests: This division isolates medical examination and laboratory service costs required for criminal investigations. Of particular focus is collecting testing funds to reimburse DUI testing countywide. The District Attorney allocates these fines among local jurisdictions to obtain forensic services for these cases. The Sheriff's Department bears the cost for services in the unincorporated that exceed the revenue allocation.

Budget Changes and Operational Impact

There are no significant budget changes with operational impacts for this fiscal year.

ENVIRONMENTAL PROGRAMS

Description of Major Services

The Transportation Land Management Agency (TLMA) is composed of six departments: Administrative Services, Building and Safety, Code Enforcement, Planning, Environmental Programs and Transportation. The Environmental Programs Division (EPD) oversees implementation programs for three regional habitat conservation plans and ensuring consistency with the county's existing land development process. EPD also administers other specialized county programs. The department's administrative, technical, and support staff works with the community to ensure compliance with county conservation policies. EPD staff also works closely with other county departments, and local, state, and federal entities to develop and implement regional environmental procedures.

Expenditures	\$ 905,060
Less Revenue	\$ 905,060
Less Subfund Use	\$ -
= Net Use of Fund Balance	\$ -
Total Staff Requested	7

EPD is a separate division of the Planning Department. EPD staff also provide administrative support to the Riverside County Habitat Conservation Agency (RCHCA) and its board of directors by coordinating board meetings, preparing annual reports to state and federal wildlife agencies, developing and administering the budget, administering reserve management endowments, serving as a voting member on several reserve management committees, and chairing a reserve manager's coordinating committee.

Budget Changes and Operational Impact

Potential budget, and resulting staff, reductions in EPD and the Planning department may lead to a complete merger of all staff into the Planning department by FY15/16. TLMA is evaluating options as FY 14/15 gets underway and general fund impacts are more fully assessed in September.



County of Riverside – Recommended Budget

Fiscal Year
2014/15

FIRE PROTECTION

Description of Major Services

The Fire Department contracts with the California Department of Forestry and Fire Protection for services. The Department provides services in all county unincorporated areas, 21 cities, and a community services district. These budget units include county, volunteer, city and state fire stations.

Forest and Contracts: This budget unit provides fire protection, fire prevention, rescue, and medical emergency services and the support functions associated with these services. It facilitates county-wide emergency management responses, implements a multi-hazard functional plan, enforces fire ordinances within the County of Riverside, and administers hazard reduction.

Non Forest: This budget unit collects structural fire tax, redevelopment pass-through, and homeowners' tax relief revenues for the Fire Department and six cities under contract with the County of Riverside.

Budget Changes and Operational Impact

The cost for services provided by the California Department of Forestry and Fire Protection are estimated to increase \$6.7 million, from \$60.9 million, for FY 14/15. The department also increased its budget to include the lease of additional fire engines. To assist with the increase in operating costs, additional general fund support totaling \$306,000 and revenue related to Prop 172 totaling \$7.4 million was added to the department's budget.

Expenditures	\$ 248,688,416
<i>Less Revenue</i>	\$ 151,134,644
<i>Less Subfund Use</i>	\$ -
= Net County Cost	\$ 97,553,772
Total Staff Requested	265

INDIGENT DEFENSE

Description of Major Services

In April 2013, Indigent Defense administration was transferred to the Executive Office. Indigent defense provides legal services to the impoverished, as directed by the court, in criminal, juvenile and probate matters. Services also are provided in some family law cases, including termination of parental rights. Four private firms under contract with the county provide assistance when the Public Defender declares a representation conflict.

Budget Changes and Operational Impact

The alternate public defender/capital defender office will be dissolved in FY 14/15. The budget for the dissolved division was divided proportionately between the Public Defender and the Executive Office to accommodate the conflict capital defense contracts.

Expenditures	\$ 11,305,105
<i>Less Revenue</i>	\$ 147,500
<i>Less Subfund Use</i>	\$ -
= Net County Cost	\$ 11,157,605



County of Riverside – Recommended Budget

Fiscal Year
2014/15

NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM

Description of Major Services

The Executive Office administers and coordinates MS4 Permit compliance for the NPDES program within the unincorporated county. This program is federally mandated and enforced by three Regional Water Quality Control Boards (the Santa Ana, San Diego, and Colorado). The MS4 Permits, which are typically renewed every five to seven years, require the county to participate in a multitude of program development initiatives in order to help mitigate the effects of urban runoff quality and quantity associated with development.

Expenditures	\$ 1,062,124
<i>Less Revenue</i>	\$ -
<i>Less Subfund Use</i>	\$ -
= Net Use of Fund Balance	\$ 1,062,124
Total Staff Requested	2

Budget Changes and Operational Impact

There are no significant budget changes with operational impacts for this fiscal year.

PLANNING

Description of Major Services

Through the general plan and project review process, the Planning Department implements a framework for introducing safety considerations into the land-use planning process; helps identify and mitigate hazards for new development, and thus strengthens existing codes, project review and permitting processes; presents policies directed at identifying and reducing hazards in existing development; and strengthens earthquake, flood, inundation and wildland fire preparedness planning and post-disaster reconstruction policies.

Expenditures	\$ 4,719,413
<i>Less Revenue</i>	\$ 3,188,237
<i>Less Subfund Use</i>	\$ -
= Net County Cost	\$ 1,531,176
Total Staff Requested	20

Budget Changes and Operational Impact

In an effort to obtain greater operating efficiencies, the department is considering consolidating with the Environment Programs unit by FY 15/16.

PROBATION

The Probation Department is a diversified public safety agency with a budget exceeding \$112 million and over 1,000 sworn and non-sworn personnel. Sworn officers work in a variety of assignments including providing intensive supervision to juvenile and adult offenders, conducting investigations on adult and juvenile criminal offenders, assessing pre-trial jail inmates and making recommendations to the Superior Court, providing early intervention and treatment services and participating in county-wide high profile task forces including those for drugs, gangs and sex offenders.

The department operates three juvenile detention facilities and one education and treatment center. Support staff is the key to the success of each of the department's programs as are a cadre of volunteers. Probation is the administrative entity for the Realignment of Public Safety instituted in 2011 and Chief Probation Officer Mark Hake serves as the Chairman of the Community Corrections Partnership Executive Committee which is the governing body overseeing the county effort.



County of Riverside – Recommended Budget

Fiscal Year
2014/15

Administration and Support

Description of Major Services

The executive team and administrative/business services division provide executive leadership, operational management and administrative support to all areas of the department. The administrative and business services budget unit provides a full array of support services and programs to potential and existing employees including human resources, background investigations, professional services/internal affairs, training and staff development, risk management, fiscal and budget development and reporting, procurement and contract/grant management.

Expenditures	\$ 11,128,648
<i>Less Revenue</i>	\$ 3,921,136
<i>Less Subfund Use</i>	\$ -
= Net County Cost	\$ 7,207,512
Total Staff Requested	89

Budget Changes and Operational Impact

Due to the consolidation of Information Technology services, 21 positions were transferred to the Riverside County Information Technology department. There are no other significant budget changes with operational impacts for this fiscal year.

Field Services

Description of Major Services

Probation's Field Services Unit supports adult and juvenile programs and services. Pursuant to Penal Code §1203-1205.5, and 1215, the Adult Services Division provides investigation services to the Courts and supervises adult offenders court-ordered for probation or who are state inmates who have completed their sentences and are realigned to a county in which they were sentenced. Under Welfare and Institutions Code §601-827, the Juvenile Services Division provides intake and investigation services to the Juvenile Court, as well as supervision and placement of juvenile offenders who are wards of the court. Field Services also works in collaboration with other law enforcement agencies and community based agencies to provide pre-delinquency, early intervention programs. Reentry efforts assist probationers in successfully completing their conditions of probation, remain law abiding, and are rehabilitated. In addition, Field Services is involved in multi-agency task forces which protect the community.

Expenditures	\$ 61,685,234
<i>Less Revenue</i>	\$ 53,529,697
<i>Less Subfund Use</i>	\$ -
= Net County Cost	\$ 8,155,537
Total Staff Requested	610

Field Services is also responsible for implementing of grant funded programs including the Evidence Based Probation Supervision Program as provided by Senate Bill 678 (SB678) and Criminal Justice Realignment as provided by Assembly Bill 109 (AB109). Criminal Justice Realignment shifts the responsibility for parolee supervision from the state to county probation departments. As part of the realignment effort, Field Services provides supervision for state inmates released at the completion of their terms if the most recent crime committed was non-violent, non-serious and does not require the individual to register as a sex offender. Other realignment efforts include the implementation of evidence-based supervision strategies, education and treatment programs and Day Reporting Centers.

Budget Changes and Operational Impact

As part of the FY 14/15 budget, the Department will continue the implementation of realignment efforts with either community based supervision or mandatory probation, pre-trial services, court-ordered probation, and Require Every Convict Occupant Reimburse County Expenses (RECORCE); through the recruitment and hiring of vacant positions and continued implementation of evidence based programs. Probation continues to ensure that service



County of Riverside – Recommended Budget

Fiscal Year
2014/15

levels comply with all applicable code sections and regulations. Field personal are also beginning to utilize the Public Safety Enterprise Communication system (PSEC).

Juvenile Institutions

Description of Major Services

This unit supports operations at three detention facilities (Riverside, Southwest, and Indio). The Youthful Offender Program (YOP) operates within the juvenile halls with treatment units at both Indio and Riverside. The Van Horn Youth Center (VHYC) was closed in August 2012 to pave the way for the construction of a new treatment facility in the City of Riverside. The detention facilities house juveniles awaiting court hearings or placement and commitment under Welfare and Institutions §602. The residential centers provide treatment and supervision programs for youth court-ordered to placement out of their home. Facilities also provide re-entry and aftercare services to assist youth as they transition back into the community. The three juvenile halls have a combined capacity of 366 detention beds.

Expenditures	\$ 41,919,663
<i>Less Revenue</i>	\$ 22,951,623
<i>Less Subfund Use</i>	\$ -
= Net County Cost	\$ 18,968,040
Total Staff Requested	459

Budget Changes and Operational Impact

At the beginning of the fiscal year the department will close Twin Pines Ranch and shift personnel to other facilities in order to reduce existing vacancies and overtime. Construction for the Riverside juvenile treatment facility will begin FY 14/15 as well as the recruitment of staff to operation the facility. The facility construction will be funded in part by a state grant.

PUBLIC DEFENDER

Description of Major Services

Attorneys from the Law Offices of the Public Defender represent indigent defendants countywide in superior, probate, and juvenile courts. The Public Defender provides professional representation to ensure that individuals receive equal justice and that personal rights are protected, a provision guaranteed by the sixth amendment to the Constitution. Offices are located in Riverside, Indio, Banning and southwest county.

Expenditures	\$ 34,755,678
<i>Less Revenue</i>	\$ 2,993,147
<i>Less Subfund Use</i>	\$ -
= Net County Cost	\$ 31,762,531
Total Staff Requested	242

Budget Changes and Operational Impact

Beginning FY 14/15, the Public Defender will dissolve the Alternate Public Defender/Capital Defender Office to achieve better transparency in capital cases. In the past, the office accepted capital cases in which the Public Defender had an ethical conflict of interest and was prohibited by law from representing an indigent individual facing the death penalty. Private attorneys will now be hired when the Public Defender has a conflict of interest or if numerous defendants in the same case require representation.



County of Riverside – Recommended Budget

Fiscal Year
2014/15

PUBLIC GUARDIAN

Description of Major Services

The public guardian provides mandated conservatorship and estate administration services as specified under state law. As probate conservator, the department is responsible for financial management, housing, medical care, placement and advocacy. As Lanterman-Petris-Short (LPS) conservator, the public guardian is responsible for investigating and authorizing the mental health treatment and placement of their clients. Conservatorship programs manage the personal affairs and estates of individuals disabled by mental disorders. Probate programs manage the housing/placement needs and estates of the physically disabled and those that suffer from dementia and may be subject to physical or financial abuse or neglect.

Expenditures	\$ 4,840,342
<i>Less Revenue</i>	\$ 4,141,859
<i>Less Subfund Use</i>	\$ -
= Net County Cost	\$ 698,483
Total Staff Requested	36

Budget Changes and Operational Impact

The Courts have requested the public guardian increase staffing in order to provide more timely services to conservatorship clients. The department will continue to work to increase staffing as funding allows.

SHERIFF

The Sheriff's Department is now the second-largest Sheriff's Department in California, with a staff of over 4,000 dedicated men and women. The department manages five correctional facilities, performs coroner-public administrator duties, and provides services to courts in addition to policing the unincorporated areas and 17 cities within the county.

Administration and Police Protection

Description of Major Services

Sheriff Administration: Administration provides leadership, long-term vision, executive oversight over policy and procedures, internal investigations, civil litigation coordination, permits for carrying a concealed-weapon, and public information. Funded positions for FY 14/15 include 41 sworn officers and 14 classified/non-sworn personnel.

Sheriff Support Services: Support Services provides resources and logistical support required to fulfill the Sheriff's law enforcement mission. Included in this unit are accounting, finance, personnel, recruiting, records, dispatch, information technology services, contracts with cities and special districts, and grant administration. In FY 14/15 372 positions are funded, of these 20 are sworn officers.

Expenditures	\$ 99,297,921
<i>Less Revenue</i>	\$ 63,629,731
<i>Less Subfund Use</i>	\$ 173,685
= Net County Cost	\$ 35,494,505
Total Staff Requested	1,690

Sheriff Court Services: Court Services provides entry screening and courtroom security in all Superior Courts in Riverside County. In addition to security Court Services serves and enforces all writs, orders, warrants of arrest, and other civil processes issued by the Court or the public. Of the 194 positions assigned for FY 14/15 158 are sworn officers.

Sheriff County Administrative Center Security: Under the direction of Court Services sworn officers provide enhanced security at the County Administrative Center in Riverside.