



COUNTY OF
RIVERSIDE
EXECUTIVE OFFICE

GEORGE A. JOHNSON
CHIEF ASSISTANT COUNTY EXECUTIVE OFFICER

ROB FIELD
ASSISTANT COUNTY EXECUTIVE OFFICER
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MICHAEL T. STOCK
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HEALTH SYSTEMS

ED CORSER
COUNTY FINANCE DIRECTOR

CHRISTOPHER HANS
CHIEF DEPUTY COUNTY EXECUTIVE OFFICER

JAY E. ORR
COUNTY EXECUTIVE OFFICER

June 29, 2015

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

SUBJECT: *FY 15/16 Final Budget Recommendations*

Board members:

On June 15, 2015, the Board approved a FY 2015/16 recommended budget that provided \$5.27 billion in baseline spending authority for next fiscal year by June 30, as required by law. That total includes \$3.04 billion for general fund operations, including \$738.3 million in discretionary general fund spending. The Board also held budget hearings to take testimony from departments and the public on further discretionary budget issues and spending needs.

The Board voted to hold the Sheriff's patrol ratio at the current 1.04 per thousand population level, and plan to phase the opening of the East County Detention Center (ECDC) over time to allow for a more gradual ramping up of staffing and operations. The Board requested continuing budget discussions to July 7 for further consideration of policy issues raised in the hearings, and tentatively set adoption of the final budget recommendations for September.

In our budget presentation, my staff and I outlined the limited one-time resources potentially available to address these issues. The Governor's May Revision indicated the county might receive as much as \$64.5 million in one-time revenue from a combination of back-due SB90 reimbursements totaling \$40.8 million, and a \$23.7 million fire credit as compensation to the county for amounts owed by four new cities, of which the general fund portion would be \$20.3 million. We also outlined the potential use of Prop. 172 reserves and use of a portion of \$8.4 in anticipated state reimbursement for prior year growth related to 1991 Realignment. The budget the Governor just signed, however, does not include the fire credit, and therefore the one-time amounts available from the state are limited to the \$40.8 million.

A number of critical issues emerged from the budget hearings. Among these are the Sheriff's and District Attorney's budget shortfalls, the impact of Prop. 47 on departments such as the Public Defender and Mental Health, the unfunded cost of keeping the San Jacinto animal shelter open, caseload growth in the Department of Public Social Services, shortfalls in the Assessor's Office and Economic Development Agency, and the increasing labor costs of the CalFire personnel.

As I noted then, ongoing discretionary revenue is not projected to keep pace with the costs of the Board's long-term commitments and mandates imposed on the county. Current projections indicate ongoing discretionary revenue will fall short of already-planned spending commitments in coming fiscal years, and the issues outlined above amplify that shortfall. To the extent possible, it is essential departments obtain certainty on these budget issues sooner rather than later, and that over the coming year we plan a long-term strategy for achieving structural balance. Consequently, rather than defer until September, I am presenting for your consideration recommended budget adjustments based on the priorities you voiced at budget hearings, and the resolutions necessary for the Board to adopt the final budget now.

A summary and the detail of those budget adjustments are contained in Attachment A. These funding recommendations total \$51 million. Additional estimated revenue anticipated totals \$66.5 million, leaving a remainder of \$15.5 million, which I recommend the Board place in general fund contingency.

When the Board approved the recommended budget, you concurrently approved holding the patrol ratio at its present level of 1.04 officers per thousand population in the unincorporated area. That change in policy helps resolve a portion of the Sheriff's projected deficit. I recommend over this fiscal year holding off on the addition of any further authorized positions for patrol in the unincorporated area, and requesting the Sheriff only hire or fill patrol positions serving the unincorporated area sufficient to address attrition.

The Board also approved planning a phased opening of the East County Detention Center. Over the coming year, I will continue to work closely with the Sheriff to craft phased staffing and cost assumptions for ECDC that reflect the actual construction schedule and the Sheriff's operational realities of bringing such a facility online. During that time, I recommend holding off on the addition of any further correctional positions, and requesting the Sheriff contain hiring and filling vacancies of correctional positions to the level necessary to accommodate attrition. The recommended budget includes \$14.4 million in additional funding for the Sheriff originally intended to offset the costs of ramping up the patrol ratio and hiring for ECDC. I recommend leaving this funding for the Sheriff in place, and reprogramming it in our multi-year planning to address instead the Sheriff's chronic budget shortfall.

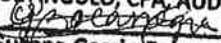
During the budget hearings, the District Attorney requested his budget be funded to maintain existing staffing levels. I recommend providing the District Attorney an additional \$8 million from Prop. 172 reserves, which I believe is adequate to address that concern. However, I also recommend placing a hold on the addition of any authorized positions for the District Attorney, and requesting that he hire or fill vacancies only as necessary to address attrition.

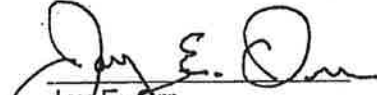
As I indicated in my recommended budget letter, the ongoing, permanent reality of the county's limited discretionary revenues requires adopting leaner, more efficient approaches to managing these scarce resources. The \$32 million in one-time discretionary funding recommended here must be seen only as a temporary reprieve from further tough decisions. It offers an opportunity over the next year to reassess priorities and plan the restructuring necessary to position the county on a sustainable footing moving forward. To this end and per the Board's direction, I will accelerate budget strategy discussions earlier in the fiscal year through which to map out a structurally and programmatically balanced long-range financial plan.

IT IS THEREFORE RECOMMENDED that the Board of Supervisors:

- 1) Approve the adjustments to the recommended budget listed in Attachment A; and,
- 2) Approve Resolution No. 440-9004 containing technical amendments of Ordinance 440 and Budget Schedule 20 listed in Attachment B; and,
- 3) Approve Resolution No. 2015-156 adopting the FY 15/16 final budget (Attachment C), inclusive of the approved FY 2015/16 recommended budget and any adjustments made to it as of the date of adoption, including those contained in Attachment A and Attachment B attached hereto; and,
- 4) Approve a hold for one year on the addition or exchange of further authorized positions for Sheriff's patrol serving the unincorporated area and correctional positions, and for positions in the District Attorney's office; and further, request the Sheriff contain hiring or filling patrol positions serving the unincorporated area and correctional positions only as sufficient to address attrition, and request the District Attorney likewise hire or fill vacancies only as necessary to address attrition.

Respectfully Submitted,

FISCAL PROCEDURES APPROVED
PAUL ANGULO, CPA, AUDITOR-CONTROLLER
BY: 
Susana Garcia-Bocanegra


Jay E. Orr
County Executive Officer



COUNTY OF RIVERSIDE
STATE OF CALIFORNIA

FISCAL YEAR 2015/16
FINAL BUDGET
RECOMMENDATIONS

PREPARED BY
JAY E. ORR
COUNTY EXECUTIVE OFFICER

SUMMARY OF RECOMMENDATIONS

(dollars in millions)

	FY 15/16 Amount Presented with Recommended Budget	Further Additional Amounts	FY 15/16 Amount Presented for Final Budget
<u>FY 15/16 ADDITIONAL FUNDING REQUESTS</u>			
Sheriff	-	-	-
District Attorney		8.0	8.0
Public Defender	0.8	-	0.8
Fire Protection - Forest	5.4	-	5.4
Assessor	3.0	-	3.0
Mental Health			
Treatment - Prop. 47 (Patton patients)	1.5	-	1.5
Detention	2.3	-	2.3
Public Guardian	0.3	-	0.3
DPSS			
Administration (Cal Fresh program)	2.1	2.6	4.7
Categorical Assistance (Foster Care program)	3.0	1.3	4.3
Animal Services	-	3.6	3.6
Other			
Clerk of the Board	0.3	-	0.3
Cooperative Extension	0.06	-	0.06
Contribution to Other Funds			
Office on Aging	0.3	-	0.3
TAP Kids	0.045	-	0.045
Medical Center Record System	10.0	-	10.0
Economic Development Agency Admin	1.5	3.2	4.7
Contingency & Commitments		17.2	17.2
	\$ 30.6	\$ 35.9	\$ 66.5

FY 15/16 POTENTIAL FUNDING SOLUTIONS

SB90 Reimbursement	33.2	7.7	40.8
CalFire Credit	-	-	-
Use of Prop. 172 reserve	5.4	8.0	13.4
Reimbursement for 1991 Realignment Growth	5.1	3.3	8.4
Federal Public Assistance Revenues		3.9	3.9
	\$ 43.7	\$ 22.9	\$ 66.5

COUNTY OF RIVERSIDE
Final Budget Recommendations
Fiscal Year 2015/16

Budget Unit / Account	Recommended Budget Amount	Final Budget Adjustments Recommended	Final Budget Amount
10000-1000100000 Board of Supervisors/Clerk of the Board			
Appropriations			
510040 Regular salaries	\$ 4,207,684	\$ 104,911	\$ 4,312,595
518100 Budgeted benefits	\$ 1,696,614	\$ 28,411	\$ 1,725,025
527840 Training - education/tuition	\$ 1,205	\$ 7,333	\$ 8,538
528140 Conference/registration fees	\$ 6,699	\$ 11,223	\$ 17,922
528900 Air transportation	\$ 5,150	\$ 10,703	\$ 15,853
528920 Car pool expense	\$ 10,750	\$ 20,031	\$ 30,781
528960 Lodging	\$ 9,150	\$ 16,224	\$ 25,374
528980 Meals	\$ 8,520	\$ 16,120	\$ 24,640
529000 Miscellaneous travel expense	\$ 1,232	\$ 1,044	\$ 2,276
529040 Private mileage reimbursement	\$ 16,000	\$ 84,000	\$ 100,000
Total Increase/(Decrease) in Appropriations		\$ 300,000	
Total Increase/(Decrease) in Net Cost		\$ 300,000	
Fund Balance Reserves			
330135 Committed fund balance for community improvement (CID)	\$ 298,691	\$ 1,675,240	\$ 1,973,931
Total Increase/(Decrease) in Reserves		\$ 1,675,240	
10000-1101000000 Contributions to Other Funds			
Appropriations			
551100 Contribution to other funds	\$ 57,655,257	\$ 15,070,801	\$ 72,726,058
Total Increase/(Decrease) in Appropriations		\$ 15,070,801	
Total Increase/(Decrease) in Net Cost		\$ 15,070,801	
10000-1109000000 Appropriation for Contingency			
Appropriations			
581000 Appropriation for contingencies	\$ 20,000,000	\$ 15,515,211	\$ 35,515,211
Total Increase/(Decrease) in Appropriations		\$ 15,515,211	
Total Increase/(Decrease) in Net Cost		\$ 15,515,211	
10000-1200100000 Assessor			
Appropriations			
510040 Regular salaries	\$ 11,855,903	\$ 2,100,000	\$ 13,955,903
518100 Budgeted benefits	\$ 4,873,132	\$ 900,000	\$ 5,773,132
Total Increase/(Decrease) in Appropriations		\$ 3,000,000	
Total Increase/(Decrease) in Net Cost		\$ 3,000,000	
10000-1300100000 Auditor-Controller			
Estimated Revenue			
740040 Interest - other	\$ -	\$ 7,670,021	\$ 7,670,021
Total Increase/(Decrease) in Estimated Revenue		\$ 7,670,021	
Total Increase/(Decrease) in Net Cost		\$ (7,670,021)	

COUNTY OF RIVERSIDE
Final Budget Recommendations
Fiscal Year 2015/16

Budget Unit / Account	Recommended Budget Amount	Final Budget Adjustments Recommended	Final Budget Amount
10000-2200100000 District Attorney			
Estimated Revenue			
755120 CA - Public safety sales tax	\$ 22,818,306	\$ 8,000,000	\$ 30,818,306
Total Increase/(Decrease) in Estimated Revenue		\$ 8,000,000	
Appropriations			
510040 Regular salaries	\$ 64,331,465	\$ 8,000,000	\$ 72,331,465
Total Increase/(Decrease) in Appropriations		\$ 8,000,000	
Total Increase/(Decrease) in Net Cost		\$ -	
10000-2400100000 Public Defender			
Appropriations			
510040 Regular salaries	\$ 21,997,086	\$ 552,882	\$ 22,549,968
526700 Rent-lease buildings	\$ 193,599	\$ 260,000	\$ 453,599
Total Increase/(Decrease) in Appropriations		\$ 812,882	
Total Increase/(Decrease) in Net Cost		\$ 812,882	
10000-2700200000 Fire Protection - Forest			
Estimated Revenue			
755120 CA - Public safety sales tax	\$ 14,230,290	\$ 5,400,000	\$ 19,630,290
Total Increase/(Decrease) in Estimated Revenue		\$ 5,400,000	
Appropriations			
525440 Professional services	\$ 69,771,564	\$ 5,400,000	\$ 75,171,564
Total Increase/(Decrease) in Appropriations		\$ 5,400,000	
Total Increase/(Decrease) in Net Cost		\$ -	
10000-4100100000 Mental Health - Public Guardian			
Appropriations			
510040 Regular salaries	\$ 1,712,989	\$ 300,000	\$ 2,012,989
Total Increase/(Decrease) in Appropriations		\$ 300,000	
Total Increase/(Decrease) in Net Cost		\$ 300,000	
10000-4100200000 Mental Health - Treatment			
Appropriations			
530280 Private provider care	\$ 77,755,603	\$ 1,500,000	\$ 79,255,603
Total Increase/(Decrease) in Appropriations		\$ 1,500,000	
Total Increase/(Decrease) in Net Cost		\$ 1,500,000	

COUNTY OF RIVERSIDE
Final Budget Recommendations
Fiscal Year 2015/16

Budget Unit / Account	Recommended Budget Amount	Final Budget Adjustments Recommended	Final Budget Amount
10000-4100300000 Mental Health - Detention			
Appropriations			
510040 Regular salaries	\$ 4,320,873	\$ 1,346,580	\$ 5,667,453
518100 Budgeted benefits	\$ 1,821,374	\$ 897,720	\$ 2,719,094
520230 Cellular phone	\$ 1,824	\$ 1,500	\$ 3,324
520260 Computer lines	\$ 186	\$ 920	\$ 1,106
520320 Telephone service	\$ 7,680	\$ 1,320	\$ 9,000
520330 Communication services	\$ 6,804	\$ 3,800	\$ 10,604
523680 Office equipment - non-fixed asset	\$ 40,969	\$ 40,000	\$ 80,969
525330 RMAP services	\$ 8,759	\$ 3,060	\$ 11,819
528920 Car pool expense	\$ 3,762	\$ 5,100	\$ 8,862
Total Increase/(Decrease) in Appropriations		\$ 2,300,000	
Total Increase/(Decrease) in Net Cost		\$ 2,300,000	
10000-4200600000 Animal Control Services			
Appropriations			
510040 Regular salaries	\$ 7,529,762	\$ 1,653,898	\$ 9,183,660
518100 Budgeted benefits	\$ 3,589,482	\$ 876,942	\$ 4,466,424
520200 Communications	\$ 3,034	\$ 25,500	\$ 28,534
520220 County radio 700 Mhz system	\$ 37,089	\$ 263,300	\$ 300,389
520710 Feed - animals	\$ 151,907	\$ 35,404	\$ 187,311
522310 Maintenance - buildings & improvements	\$ 854,942	\$ 260,000	\$ 1,114,942
523640 Computer equipment - non-fixed assets	\$ 21,801	\$ 27,700	\$ 49,501
523840 Computer equipment - software	\$ 82,394	\$ 120,426	\$ 202,820
528920 Car pool expense	\$ 672,634	\$ 225,000	\$ 897,634
546080 Equipment - computer	\$ -	\$ 41,955	\$ 41,955
546160 Equipment - other	\$ -	\$ 69,875	\$ 69,875
Total Increase/(Decrease) in Appropriations		\$ 3,600,000	
Total Increase/(Decrease) in Net Cost		\$ 3,600,000	
10000-5100100000 Department of Public Social Services - Administration			
Estimated Revenue			
760000 Federal - public assistance administration	\$ 313,247,335	\$ 2,586,998	\$ 315,834,333
Total Increase/(Decrease) in Estimated Revenue		\$ 2,586,998	
Appropriations			
510040 Regular salaries	\$ 213,234,795	\$ 3,214,286	\$ 216,449,081
515040 Flex benefit plan	\$ 39,585,612	\$ 1,486,222	\$ 41,071,834
Total Increase/(Decrease) in Appropriations		\$ 4,700,508	
Total Increase/(Decrease) in Net Cost		\$ 2,113,510	
10000-5100300000 Department of Public Social Services - Categorical Aid			
Estimated Revenue			
755440 CA - Local government financial assistance	\$ 37,222,643	\$ 8,418,507	\$ 45,641,150
761000 Federal - public assistance programs	\$ 122,589,225	\$ 1,285,714	\$ 123,874,939
Total Increase/(Decrease) in Estimated Revenue		\$ 9,704,221	
Appropriations			
530480 Categorical assistance	\$ 367,564,386	\$ 4,285,714	\$ 371,850,100
Total Increase/(Decrease) in Appropriations		\$ 4,285,714	
Total Increase/(Decrease) in Net Cost		\$ (5,418,507)	

COUNTY OF RIVERSIDE
Final Budget Recommendations
Fiscal Year 2015/16

Budget Unit / Account	Recommended Budget Amount	Final Budget Adjustments Recommended	Final Budget Amount
10000-6300100000 Cooperative Extension			
Appropriations			
510040 Regular salaries	\$ 181,992	\$ 49,250	\$ 231,242
520350 IT core services	\$ 7,687	\$ 1,600	\$ 9,287
520930 Insurance - liability	\$ 6,593	\$ 1,600	\$ 8,193
520945 Insurance - property	\$ 11,136	\$ 1,800	\$ 12,936
521560 Maintenance - other	\$ 3,863	\$ 2,800	\$ 6,663
525140 Personnel services	\$ 5,000	\$ 750	\$ 5,750
526700 Rent-lease buildings	\$ 212,050	\$ 2,200	\$ 214,250
Total Increase/(Decrease) in Appropriations		\$ 60,000	
Total Increase/(Decrease) in Net Cost		\$ 60,000	
Fund Grand Total Net Increase/(Decrease) in Net Cost		\$ 33,159,116	
21450-5300100000 Office on Aging - Title III			
Estimated Revenue			
790600 Contribution from other county funds	\$ 1,102,624	\$ 300,000	\$ 1,402,624
Total Increase/(Decrease) in Estimated Revenue		\$ 300,000	
Appropriations			
510040 Regular salaries	\$ 3,854,271	\$ 125,000	\$ 3,979,271
520350 IT core services	\$ 92,002	\$ 50,000	\$ 142,002
536840 Interfund expense - county support services	\$ 208,294	\$ 125,000	\$ 333,294
Total Increase/(Decrease) in Appropriations		\$ 300,000	
Total Increase/(Decrease) in Net Cost		\$ -	
Fund Grand Total Net Increase/(Decrease) in Net Cost		\$ -	
40050-4300100000 Riverside University Health System - Medical Center			
Estimated Revenue			
790600 Contribution from other county funds	\$ 10,000,000	\$ 10,000,000	\$ 20,000,000
Total Increase/(Decrease) in Estimated Revenue		\$ 10,000,000	
Appropriations			
546400 Capital assets - system	\$ -	\$ 10,000,000	\$ 10,000,000
Total Increase/(Decrease) in Appropriations		\$ 10,000,000	
Total Increase/(Decrease) in Net Cost		\$ -	
Fund Grand Total Net Increase/(Decrease) in Net Cost		\$ -	
47000-1131800000 TAP			
Estimated Revenue			
790600 Contribution from other county funds	\$ -	\$ 84,312	\$ 84,312
Total Increase/(Decrease) in Estimated Revenue		\$ 84,312	
Appropriations			
520970 Insurance - healthy kids	\$ -	\$ 84,312	\$ 84,312
Total Increase/(Decrease) in Appropriations		\$ 84,312	
Total Increase/(Decrease) in Net Cost		\$ -	
Fund Grand Total Net Increase/(Decrease) in Net Cost		\$ -	

COUNTY OF RIVERSIDE
Final Budget Recommendations
Fiscal Year 2015/16

Budget Unit / Account	Recommended Budget Amount	Final Budget Adjustments Recommended	Final Budget Amount
45800-1132000000 Exclusive Provider Option			
Estimated Revenue			
777520 Reimbursement for services	\$ -	\$ 84,312	\$ 84,312
Total Increase/(Decrease) in Estimated Revenue		\$ 84,312	
Appropriations			
534480 Physician care claims	\$ -	\$ 84,312	\$ 84,312
Total Increase/(Decrease) in Appropriations		\$ 84,312	
Total Increase/(Decrease) in Net Cost		\$ -	
Fund Grand Total Net Increase/(Decrease) in Net Cost		\$ -	

RESOLUTION NO. 440-9004

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY RIVERSIDE
 AMENDING ORDINANCE NO. 440

BE IT RESOLVED by the Board of Supervisors of the County of Riverside, State of California, in regular session assembled on July 7, 2015, that pursuant to Section 4(a)(ii) of Ordinance No. 440, the Executive Office is authorized to make the following listed change(s), operative on the date of approval, as follows:

<u>Job code</u>	<u>+/-</u>	<u>Department ID</u>	<u>Class Title</u>	<u>Type</u>
13925	-1	1500100000	Executive Assistant I	Regular
13926	+1	1500100000	Executive Assistant II	Regular
13815	-3	1900300000	Public Service Employee B	Regular
13815	+3	1900300000	Public Service Employee B	Temporary
74186	-1	1900300000	Sr. Development Specialist	Regular
74221	+1	1900300000	Principal Development Specialist	Regular
13931	+1	2400100000	Legal Support Assistant II	Regular
13866	+1	3100200000	Office Assistant III	Regular
98712	-1	4200100000	Clinical Lab Scientist II	Regular
77412	+1	7200100000	Accountant II	Regular
15916	+1	7200100000	Accounting Technician II	Regular


 Approved by Michael T. Stock
 Asst. County Executive Officer/
 Human Resources Director

RESOLUTION NO. 2015-156

**A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY RIVERSIDE
ADOPTING THE FISCAL YEAR 2015/16 BUDGET**

BE IT RESOLVED AND ORDERED by the Board of Supervisors of the County of Riverside, State of California in regular session assembled on July 7, 2015, that pursuant to Sections 29080 through 29092 of the Government Code, the budget of the County of Riverside, including all districts, agencies, and authorities governed by this Board, is hereby adopted for Fiscal Year 2015/16, in accordance with the financing requirements of the recommended budget, less such deletions and reductions plus such additions and increases as have been made by order of this Board during and after the final budget hearing commenced on June 15, 2015, and prior to the adoption of this resolution, said adoption including by reference the financing requirements of the recommended budget on file with the Clerk of this Board and the minutes of this Board as to changes therein, and that said final budget shall consist of:

- (a) Appropriations by objects of expenditures within each budget unit;
- (b) Other financing uses by budget unit;
- (c) Intrafund transfers by budget unit;
- (d) Residual equity transfers-out by fund;
- (e) Appropriations for contingencies by fund;
- (f) Cancellations and provisions for reserves and designations by fund and purpose, as finally determined;
- (g) The means of financing the budget requirements;
- (h) The gross appropriations limit and the total annual appropriations subject to limitation, as finally determined; and,

BE IT FURTHER RESOLVED that, within the object of Salaries and Employee Benefits, the object of Services and Supplies, the object of Other Charges, and the subobject of Fixed Assets for Equipment for each budget unit, the listing of items are only for convenience, and shall not restrict expenditure within the limits of the total appropriation approved for the specified object or subobject by the official responsible for that budget unit, except as otherwise provided by procedures and adopted by the Board of Supervisors.

FORM APPROVED COUNTY COUNSEL
BY:  GREGORY P. PRIAMOS
DATE: 6/29/15