

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



FROM: Executive Office

SUBMITTAL DATE:
September 22, 2016

SUBJECT: Approval of Resolution No. 2016-215 Adopting the Fiscal Year 2016/17 Budget

RECOMMENDED MOTION: That the Board of Supervisors approve Resolution No. 2016-215 formally adopting the FY 16/17 annual budget, inclusive of the recommended budget and all adjustments thereto approved by the Board up to and including the date of adoption, as required by law.

MINUTES OF THE BOARD OF SUPERVISORS

3-29



**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
ZAREH SARRAFIAN
ASSISTANT COUNTY EXECUTIVE OFFICER
HEALTH SYSTEMS
PAUL McDONNELL
ASSISTANT COUNTY EXECUTIVE OFFICER
COUNTY FINANCE DIRECTOR

September 22, 2016

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

SUBJECT: FY 16/17 Budget Adoption

Board members:

In February, the Board approved a multi-year fiscal strategy aimed at stabilizing the budget long-term that included the objectives of rolling over ongoing discretionary spending, departmental absorption of labor and other cost increases, full cost recovery from contracts and fees, and cost containment through operational efficiencies and use of best practices.

In June, the Board held budget hearings to take testimony from departments and the public on budget issues and spending needs. To ensure baseline-spending authority was in place by June 30 as required by law, the Board also approved the \$5.4 billion recommended budget, with \$3.1 billion for general fund operations that included \$814 million in discretionary general fund spending funded by \$753 million in discretionary revenue and \$61 million in general fund reserves.

Pursuant to Board direction to maintain discretionary reserves above \$150 million, my office returned in July with additional recommendations that reduced the draw on reserves through a combination of liquidation of \$5.7 million in committed fund balance, modest increases to certain discretionary revenue estimates, and a \$14.3 million increase in assumed year-end fund balance. These actions resulted in estimated discretionary revenue of \$757 million, approved discretionary spending of \$821 million, and a net use of reserves of \$53 million.

In conformance with state law that requires adoption of the budget on or before October 2, I recommend the Board adopt the FY 16/17 annual budget based on the year-end results known at this time, including an unaudited unassigned general fund beginning fund balance of \$44.9 million net of reserves. This is a modest \$3.9 million higher than

Honorable Board of Supervisors
FY 16/17 Budget Adoption
September 22, 2016
Page 2

the ending unassigned fund balance assumed that will result in only somewhat less use of reserves than originally anticipated.

Considerable policy challenges regarding both revenues and cost pressures remain, and my staff continue work on long-term solutions to provide a firm footing for ongoing mission-critical operations. In light of these significant challenges, I continue to advise holding the line to contain costs.

IT IS THEREFORE RECOMMENDED that the Board of Supervisors approve Resolution No. 2016-215 formally adopting the FY 16/17 annual budget, inclusive of the recommended budget and all adjustments thereto approved by the Board up to and including the date of adoption, as required by law.

Respectfully submitted,



Jay E. Orr
County Executive Officer

FORM APPROVED COUNTY COUNSEL
BY: JAMES E. BROWN
9/22/16
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RESOLUTION NO. 2016-215

**A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY RIVERSIDE
ADOPTING THE FISCAL YEAR 2016/17 BUDGET**

BE IT RESOLVED AND ORDERED by the Board of Supervisors of the County of Riverside, State of California in regular session assembled on September 27, 2016, 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 2016/17, 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 budget hearings commenced on June 20, 2016, and prior to and including 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 adopted 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 may finally be 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.