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

FROM: Executive Office

SUBMITTAL DATE:
September 23, 2010

SUBJECT: Fiscal Year 2009/10 General Year-end Cleanup

RECOMMENDED MOTION: That the Board of Supervisors:

1. Authorize and direct the Auditor-Controller to make the budget adjustments applicable to Fiscal Year 2009/10 as listed in Attachment A;
2. Authorize and direct the Auditor Controller to designate unreserved general fund balance as reflected in Attachment B; and
3. Receive and file the Fiscal Year 2009/10 general fund department year-end budget report (Attachment C).

BACKGROUND: After the end of each fiscal year, the Executive Office reviews the position of all county departments/agencies and recommends action to the Board as appropriate. Typically, adjustments are required to balance a department's budgeted appropriations with its actuals. Increases to reserves are also advisable to position departments to successfully fulfill Board priorities in the new year. The review of department year-end budget positions found most
(continued on the next page)

Karen L. Johnson, Management Analyst

FINANCIAL DATA

Current F.Y. Total Cost:	\$ 4,484,199	In Current Year Budget:	No
Current F.Y. Net County Cost:	\$ 2,545,306	Budget Adjustment:	Yes
Annual Net County Cost:	\$ 0	For Fiscal Year:	09/10

SOURCE OF FUNDS: general fund equity (54%), non-general fund equity (43%), revenue (3%)	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<input checked="" type="checkbox"/>

C.E.O. RECOMMENDATION:

APPROVE
BY:
Christopher M. Hans

County Executive Office Signature

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Stone, seconded by Supervisor Tavaglione and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Buster, Tavaglione, Stone, Benoit and Ashley
Nays: None
Absent: None
Date: October 5, 2010
xc: EO, Auditor

Kecia Harper-Ihem
Clerk of the Board
By:
Deputy

FISCAL PROCEDURES APPROVED
ROBERT E. BYRD, AUDITOR-CONTROLLER
BY: Samuel Wong 9/28/10
SAMUEL WONG
Dept's Recomm.:
Per Exec. Ofc.:

Departmental Concurrence

Policy

Consent

department heads were successful in meeting the Board's net county cost targets (see attachment C). It should be noted that the District Attorney and Registrar of Voters year-end totals reflect revenue that has not been received for services mandated by law. Under SB-90, the state will be slow to reimburse both departments for expenses related to these services (\$2 million for the District Attorney and \$1.5 million for the Registrar of Voters).

Departments Exceeding Net County Cost Targets

Several departments exceeded the Fiscal Year 2009/10 net county cost targets:

- The net county cost for the interest on Tax Revenue Anticipation Notes (TRANS) was \$466,639 more than budgeted. Typically, the variance between the estimated TRANS costs and actual costs is adjusted with the final budget, when actual costs are known. During Fiscal Year 2009/10, actual borrowing costs were not known until after the final budget was approved.
- The Registrar of Voters exceeded its budgeted net county cost by \$341,590. This overrun was caused by the unexpected costs related to the June 2010 Primary.
- The District Attorney's Office exceeded its budgeted net county cost by \$968,062. The overrun appears to be caused by an unexpectedly large number of early retirements that could not be covered by extra revenue.

Budget Adjustments to Balance Budget to Actual Results

The recommended adjustments correct instances where expenses exceed approved appropriations. In some cases, surplus revenue received by the department may be used to balance the budgeted amounts with actuals. More frequently, the adjustment is made by use of available general fund balance.

For Fiscal Year 2009/10, it is recommended that about \$2.5 million of available fund balance be used to correct expenditures that exceed budgeted appropriations within the general fund. It is also recommended that about \$1.9 million of non-general fund balance be used to make similar adjustment outside of the general fund.

Increases to Designations

Several increases to designations are recommended:

- On June 29, 2010, the Board approved agenda item #3.71 which authorized adjustments to the RDA Capital Improvement Fund budget. These adjustments resulted in a general fund unreserved fund balance increase of about \$16.2 million. It is recommended this unreserved balance be designated as reserve for economic uncertainty.

- Board direction for several years has been to designate savings in the offices of the Auditor-Controller, Treasurer-Tax Collector, and Assessor-Clerk-Recorder for the planned replacement property tax system. It is recommended that this continue. The Fiscal Year 2009/10 budget savings for these departments was almost \$3.4 million.
- During the Fiscal Year 2010/11 budget hearings, the Board expressed concerns regarding budget cuts to public safety departments. It was proposed that public safety departments retain budget savings during Fiscal Year 2009/10 for use during the current budget year. The Sheriff's Office had a net county cost savings of almost \$12.4 million while Probation had a savings of more than \$400,000. Fire had a savings of about \$1,000. It is recommended an additional \$12.8 million of unreserved general fund balance be designated for use by these public safety departments during Fiscal Year 2010/11.
- The county received reimbursements totaling more than \$5.7 million for running state-mandated programs during prior fiscal years. The reimbursements exceeded Fiscal Year 2009/10 budgeted totals, to be received in future years, by approximately \$1.4 million. This amount may be designated to help mitigate the impact of delayed reimbursements in the future.
- The Economic Development Agency divisions that provide maintenance and custodial services converted to Internal Service Fund (ISF) agencies during Fiscal Year 2010/11. As a new ISF, the divisions will need to maintain working capital reserves to fund 60 days of operating expenses. It is recommended that savings from Fiscal Year 2009/10 be designated to facilitate the establishment of these reserves.
- An increase of \$900,000 to the Community Improvement Designation is necessary to meet all obligations.

Attachment A

FISCAL YEAR 2009/10 YEAR-END CLEANUP ADJUSTMENTS

Fund	DeptID	Name	Acct	Account Description	Amount	Note
Adjustments - General Fund						
10000	1104300000	Court Reporting Transcripts	525440	Professional Services	92,702	Increase appropriations
10000	1104300000	Court Reporting Transcripts	325100	Unreserved Fund Balance	(92,702)	Expected Offset
10000	1109900000	Indigent Defense	525560	Court Appointed Counsel	162,725	Increase appropriations
10000	1109900000	Indigent Defense	755720	CA-Trans Of Prisoners PC4750	(4,883)	Increase estimated revenue
10000	1109900000	Indigent Defense	771430	Legal Services	(3,299)	Increase estimated revenue
10000	1109900000	Indigent Defense	771460	Public Defender Service	(19,410)	Increase estimated revenue
10000	1109900000	Indigent Defense	325100	Unreserved Fund Balance	(135,133)	Expected Offset
10000	1700100000	Registrar of Voters	525440	Professional Services	96,616	Increase appropriations
10000	1700100000	Registrar of Voters	325100	Unreserved Fund Balance	(96,616)	Expected Offset
10000	2200100000	District Attorney: Criminal	510040	Regular Salaries	2,105,141	Increase appropriations
10000	2200100000	District Attorney: Criminal	325100	Unreserved Fund Balance	(2,105,141)	Expected Offset
10000	2200200000	District Attorney: Forensics	731060	Fine-Ch90-78 Forensic Test	(88,122)	Increase estimated revenue
10000	2200200000	District Attorney: Forensics	525100	Medical-Lab Services	88,122	Increase appropriations
10000	1300300000	Auditor-Controller: Payroll Services	573900	Intra-Payroll Distribution	(1,500,000)	Increase appropriations
10000	1300300000	Auditor-Controller: Payroll Services	777520	Reimbursement For Services	1,500,000	Decrease Estimated Revenue
Adjustments - Other Funds						
30000	1100300000	Const & Land Acq-ACO	536240	Other Contract Agencies	29,876	Increase appropriations
30000	1100300000	Const & Land Acq-ACO	325100	Unreserved Fund Balance	(29,876)	Expected Offset
47000	1131800000	HR: Temporary Assistance Pool	510040	Regular Salaries	1,860,714	Increase Appropriations
47000	1131800000	HR: Temporary Assistance Pool	535540	Depreciation-Building	219	Increase Appropriations
47000	1131800000	HR: Temporary Assistance Pool	525140	Personnel Services	48,084	Increase Appropriations
47000	1131800000	HR: Temporary Assistance Pool	325100	Unreserved Fund Balance	(1,909,017)	Expected Offset

Attachment B

Unreserved General Fund Balance Designations

Increase Designated Fund Balance

10000-1000100000-320110	DFB-Economic Uncertainty	16,245,398
10000-1000100000-320125	DFB-Plan Spec Proj	2,357,261
10000-1000100000-320133	DFB-SB90 Deferral	1,380,033
10000-1000100000-320135	DFB-Community Improvement	900,000
10000-1000100000-320141	DFB-Property Tax System	3,358,836
10000-1000100000-320146	DFB-Budget Savings Retention	12,814,643

Decrease in Unreserved Fund Balance

10000-1000100000-325100	Unreserved Fund Balance	37,056,171
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Attachment C

Fiscal Year 2009/10 General Fund Department Year-end Budget Report

Net County Cost Impact Only

Department	Budgeted NCC	Actual NCC	NCC Savings (Overrun)
Board Of Supervisors	7,499,842	6,923,818	576,024
Executive Office	3,743,105	3,461,782	281,323
Contribution to Trial Court	32,781,889	30,384,394	2,397,495
Contribution To Other Funds	13,552,233	11,039,992	2,512,241
Courts	6,757,335	6,475,645	281,690
County Contribution To Health/Mental Health	8,878,775	8,878,618	157
Interest On Trans	2,294,833	2,761,472	(466,639)
Legislative / Admn Services	1,869,638	1,669,399	200,239
Confidential Court Orders/Indigent Defense	13,608,216	13,552,370	55,846
Nat'l Pollutant Discharge Elimination Systems	2,442,085	2,351,013	91,072
Human Resources	0	(377,915)	377,915
Assessor-Clerk-Recorder	6,543,425	6,496,409	47,016
Auditor-Controller	5,701,356	5,455,441	245,915
Treasurer-Tax Collector	1,674,894	(1,391,011)	3,065,905
County Counsel	4,223,887	3,490,211	733,676
Registrar Of Voters	6,038,629	7,830,219	(341,590)
EDA: Edward Dean Museum	180,268	179,634	634
District Attorney	63,367,748	66,341,810	(968,062)
Child Support Services	768,011	609,951	158,060
Public Defender	35,641,713	34,935,390	706,323
Alternate Public Defender	646,999	596,861	50,138
Sheriff	241,063,368	228,650,939	12,412,429
Probation	35,884,084	35,482,858	401,226
Fire	42,995,335	42,994,347	988
Agricultural Commissioner	994,360	96,102	898,258
TLMA	17,139,098	16,426,417	712,681
Mental Health	16,000,494	15,843,601	156,893
CHA	26,975,815	26,326,503	649,312
RCRMC	20,199,712	20,095,985	103,727
DPSS	29,556,470	25,930,125	3,626,345
Veterans Services	711,438	589,754	121,684
Cooperative Extension	660,679	556,309	104,370
EDA	11,832,654	9,475,392	2,357,262
Purchasing	1,359,699	1,359,714	(15)