

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

423



FROM: Executive Office

SUBMITTAL DATE:
September 16, 2016

SUBJECT: FY 15/16 Year-end Budget Adjustments. All districts. [\$22,723,449]; Departmental revenues and reserves 74%, General Fund Contingency 26%.

RECOMMENDED MOTION: That the Board of Supervisors ratify and approve the FY 15/16 year-end budget adjustments as recommended in Schedule A, attached.

BACKGROUND:

Summary

At year-end, Board approval is sometimes required when budgeted appropriations have not been sufficient to cover the total expenses incurred or accruable by county departments, or to shift remaining appropriations to encumber obligated expenditures. For FY 15/16, there are several budget units that require Board approval of such budget adjustments. In most cases, the adjustments are necessary where ultimate payroll expenditures for salaries and benefits exceeded budgeted appropriations. There are a few cases where this occurred for services and supplies and for other charges. In most cases, these adjustments to appropriations are offset increased intrafund transfers and/or departmental revenue. In a few cases, however, departmental resources are not sufficient to cover the required increases in appropriations, necessitating a \$6 million draw from general fund appropriations for contingency. Additional detail on each set of adjustments is included in Schedule A.

Denise C. Harden
Denise C. Harden

Executive Office Principal Budget Analyst

FISCAL PROCEDURES APPROVED
PAUL ANGLIO, CPA, AUDITOR-CONTROLLER

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost:	POLICY/CONSENT (per Exec. Office)
COST	\$ 22,723,449	\$ 0	\$ 22,723,449	\$	Consent <input type="checkbox"/> Policy <input checked="" type="checkbox"/>
NET COUNTY COST	\$ 6,000,797	\$ 0	\$ 6,000,797	\$	

SOURCE OF FUNDS: Departmental revenues and reserves (74%),
General fund contingency (26%).

Budget Adjustment: Yes
For Fiscal Year: FY 15/16

C.E.O. RECOMMENDATION:

APPROVE

BY: *Ivan M. Chand*
Ivan M. Chand

County Executive Office Signature

MINUTES OF THE BOARD OF SUPERVISORS

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

Ayes: Jeffries, Tavaglione, Washington, Benoit and Ashley
Nays: None
Absent: None
Date: September 20, 2016
xc: EO, Auditor

Kecia Harper-Ihem
Clerk of the Board
By: *Kecia Harper-Ihem*
Deputy

Prev. Agn. Ref.:

District: ALL

Agenda Number:

3-19

- A-30
- Positions Added
- 4/5 Vote
- Change Order

Schedule A Summary of Recommendations

Board of Supervisors

During the fourth quarter, the Clerk of the Board had unexpected expenditures related to Information Technology costs to cover services for video streaming and the new automated agenda system. The Clerk of the Board has received additional departmental revenue that will cover this cost.

Recommendation 1: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenue for the Clerk of the Board by \$48,750, as follows:

Increase estimated revenue:		
10000-1000100000-778280	Interfund – reimbursement for services	\$48,750
Increase appropriations:		
10000-1000100000-537280	Interfund expense – miscellaneous project expense	39,500
10000-1000100000-523600	Audiovisual expense	<u>9,250</u>
	Total	48,750

Executive Office

On March 29, 2016 (Item 16-3), the Board of Supervisors approved an amendment to the agreement with KPMG, LLC for the Criminal Justice System Review for a total amount of \$15.7 million. A \$1.3 million budget adjustment is now needed to pay accrued invoices for FY 15/16 for which budget adjustments were not previously done.

Recommendation 2: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations for the Executive Office and decreasing appropriations for Contingency by \$1,299,000, as follows:

Increase appropriations:		
10000-1100100000-524660	Consultants	\$1,299,000
Decrease appropriations:		
10000-1109000000-581000	Appropriation for contingencies	1,299,000

TRANS Notes

Tax and revenue anticipation notes are short-term notes sold by a municipal issuer as interim financing in anticipation of collection of taxes and revenues. At the end of each fiscal year transaction costs that include professional services, interest and issuance costs are recorded. These adjustments are necessary to accommodate increased costs not originally approved in the FY 15/16 budget.

Recommendation 3: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations by \$769,507 and estimated revenues by \$913,271 for the TRANs Notes, and increasing appropriations for Contingency by the net remainder of \$143,764, as follows:

Increase appropriations:		
10000-1102100000-534000	Interest notes-warrants	\$742,619
10000-1102100000-525440	Professional services	<u>26,888</u>
	Total	769,507
Increase estimated revenue:		
10000-1102100000-781120	Rebates and refunds	17,109
10000-1102100000-781290	Miscellaneous revenue – retirement discount	190,205
10000-1102100000-791020	Premium on bonds issued	<u>705,957</u>
	Total	913,271
Increase appropriations:		
10000-1109000000-581000	Appropriation for contingencies	143,764

Legislative and Administrative Support

Several unanticipated legal fees were incurred toward the end of FY 15/16, resulting in the need for a budget adjustment. The Executive Office is requesting the use of Contingency to cover these costs.

Recommendation 4: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations for Litigation and Legislative Support and decreasing Contingency by \$29,871 as follows:

Increase appropriations:		
10000-1100100000-525020	Legal services	\$29,871
Decrease appropriations:		
10000-1109000000-581000	Appropriation for contingencies	29,871

Registrar of Voters

The Registrar of Voters incurred year-end accruals and encumbrances that require additional appropriations to complete.

Recommendation 5: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations for the Registrar of Voters and decreasing Contingency by \$112,500 as follows:

Increase appropriations:		
10000-1700100000-521560	Maintenance – other	\$112,500
Decrease appropriations:		
10000-1109000000-581000	Appropriation for contingencies	112,500

District Attorney

The District Attorney requires \$7.4 million in adjustments to budgeted benefits offset in part by \$2.7 million in additional revenue and \$4.7 million from Contingency.

Recommendation 6: That the Board approve and direct the Auditor-Controller to make budget for the District Attorney adjustments increasing appropriations by a net amount of \$7,409,746 and estimated revenue by \$2,728,356, and decreasing appropriations for Contingency by \$4,681,390, as follows:

Increase appropriations:

10000-2200100000-518100	Budgeted benefits	\$8,521,154
10000-2200100000-523620	Books/publications	6,370
10000-2200100000-524720	Court reporter fees	9,950
10000-2200100000-525500	Salary/benefit reimbursement	<u>40,070</u>
	Total	8,577,544

Decrease appropriations:

10000-2200100000-518180	Other post-employment benefits	1,167,798
-------------------------	--------------------------------	-----------

Increase estimated revenue:

10000-2200100000-767280	Fed – federal revenue	172,526
10000-2200100000-732140	Other forfeitures & penalties	1,574,077
10000-2200100000-755740	CA – Indian gaming grants	<u>981,753</u>
	Total	2,728,356

Increase use of unassigned fund balance:

10000-2200100000-370100	Unassigned fund balance	4,681,390
-------------------------	-------------------------	-----------

Decrease appropriations:

10000-1109000000-581000	Appropriation for contingencies	4,681,390
-------------------------	---------------------------------	-----------

Decrease use of unassigned fund balance:

10000-1109000000-370100	Unassigned fund balance	4,681,390
-------------------------	-------------------------	-----------

Law Offices of the Public Defender

The Law Offices of the Public Defender requires an adjustment to cover accruals for higher than anticipated expenditures related to Information Technology. This appropriations increase will be offset by Contingency.

Recommendation 7: That the Board approve and direct the Auditor-Controller to make budget adjustments increasing appropriations for the Law Offices of the Public Defender and decreasing appropriations for Contingency by \$20,300, as follows:

Increase appropriations:
 10000-2400100000-510040 Regular salaries \$20,300

Decrease appropriations:
 10000-1109000000-581000 Appropriation for contingencies 20,300

Sheriff

The Sheriff's Department requires \$12.4 million budget adjustments across several budget units, primarily to cover increased costs to deliver contract services offset by revenue. No contingency is required to cover these increased appropriations.

Recommendation 8: That the Board approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues for the Sheriff by a total net amount of \$12,432,000, as follows:

Increase estimated revenue:
 10000-2500200000-773520 Contract city law enforcement 440,000

Increase appropriations:
 10000-2500200000-510040 Regular salaries 264,000
 10000-2500200000-518100 Budgeted benefits 176,000
 Total 440,000

Increase estimated revenue:
 10000-2500300000-732060 Asset forfeiture 1,013,963
 10000-2500300000-773520 Contract city law enforcement 9,692,597
 10000-2500300000-773560 RCRMC security law enforcement 275,048
 10000-2500300000-773570 School services law enforcement 331,045
 10000-2500300000-773590 Sheriff extra duty (GC53069.8) 624,347
 Total 11,937,000

Increase appropriations:
 10000-2500300000-510040 Regular salaries 7,872,000
 10000-2500300000-518100 Budgeted benefits 5,248,000
 10000-2500300000-573400 Intrafund – salary and benefit reimbursement (1,183,000)
 Total 11,937,000

Decrease appropriations:
 10000-2500400000-525440 Professional services 418,000

Increase appropriations:
 10000-2500400000-536780 Interfund expense – capital projects 418,000

Increase estimated revenue:
 10000-2500500000-777540 Reimbursement of salaries 32,000

Increase appropriations:
 10000-2500500000-510040 Regular salaries 19,000

10000-2500500000-518100	Budgeted benefits	<u>13,000</u>
	Total	32,000
Increase estimated revenue:		
10000-2501000000-777420	Reimbursement for coroners services	23,000
Decrease appropriations:		
10000-2501000000-525440	Professional services	14,000
10000-2501000000-526900	Instrument – minor medic equip	<u>1,000</u>
	Total	15,000
Increase appropriations:		
10000-2501000000-510040	Regular salaries	15,000
10000-2501000000-518100	Budgeted benefits	10,000
10000-2501000000-536780	Interfund expense – capital projects	<u>13,000</u>
	Total	38,000

Riverside University Health System – Detention Health

The Detention Health division requests a budget increase of \$2.2 million. This increase can be offset by intrafund transfers, with no new general fund support requested.

The Detention Health budget unit is in the middle of a multi-year expansion designed to enhance health care services provided to the county's detainee population. The bulk of the enhanced services will be provided by additional staff the division is actively recruiting. Efforts to fill these new Board-approved positions have been more successful than anticipated; the result is that there will not be enough old-year appropriations to cover these costs.

Recommendation 9: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations for the Riverside University Health System – Detention Health by \$2,178,972, as follows:

Increase appropriations:		
10000-4300300000-510040	Regular salaries	\$1,100,500
10000-4300300000-518100	Budgeted benefits	449,500
10000-4300300000-523640	Computer equipment – non fixed asset	628,972
10000-4300300000-572300	Intrafund – health	(1,059,281)
10000-4300300000-573400	Intrafund – salary & benefit reimbursement	<u>(1,119,691)</u>
	Total	0

Cooperative Extension

During the fourth quarter, the department encountered staffing difficulties for its office manager and front desk positions. A temporary employee was hired to help cover some of these duties during this period of difficulty. Consequently, appropriations need to be adjusted to ensure payment of these obligations in the fourth quarter.

Recommendation 10: That the Board approve and direct the Auditor-Controller to make budget adjustments increasing appropriations for the Cooperative Extension and decreasing appropriations for Contingency by \$1,500, as follows:

Increase appropriations:		
10000-6300100000-510040	Regular salaries	\$1,500
Decrease appropriations:		
10000-1109000000-581000	Appropriation for contingencies	1,500

Accumulative Capital Outlay Fund

The accumulative capital outlay fund requires an adjustment to cover accruals for higher than anticipated revenue sharing obligations payable to other agencies. This appropriations increase can be covered entirely by available reserves within the fund.

Recommendation 11: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and releasing the reserve for construction/capital projects for the Accumulated Capital Outlay fund by \$500,275, as follows:

Increase appropriations:		
30000-1100300000-536200	Contribution to other non-co agency	\$500,275
Use of restricted fund balance:		
30000-1100300000-322100	Restricted for construction/capital projects	500,275

Flood Control and Water Conservation District – Photogrammetry Operations

The Flood Control and Water Conservation District’s Photogrammetry Operations – Fund 40650 was established to account for revenue earned and expenses incurred for survey control and topographic mapping services. The adjustment is necessary to accommodate increased revenue and expenses related to additional work not originally approved in the District FY 15/16 budget.

Recommendation 12: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenue for the Photogrammetry Operations fund by \$75,000, as follows:

Increase appropriations:		
40650-947120-518100	Budgeted benefits	\$20,000
40650-947120-510040	Regular salaries	15,000
40650-947120-524760	Data processing services	25,000
40650-947120-527180	Operational supplies	<u>15,000</u>
	Total	75,000

Increase estimated revenue:		
40650-947120-772050	Photogrammetry fees	75,000

Flood Control and Water Conservation District – Project Maintenance Operations

The Flood Control and Water Conservation Project Maintenance Operations - Fund 48040 was established to account for revenue earned and expenses incurred to procure inventory supplies and materials used by the District's Operations and Maintenance Division to maintain District flood facilities. The District increased its chemical inventory supply throughout the year to comply with new chemical regulations. The adjustment is necessary to accommodate the increase.

Recommendation 13: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenue for the Project Maintenance Operations fund by \$25,000, as follows:*

Increase appropriations:		
48040-947280-528040	Inventory – chemicals	\$25,000

Increase estimated revenue:		
48040-947280-777760	Stores – county	25,000