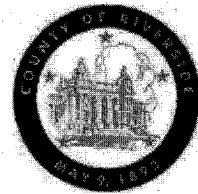


SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA



ITEM
3.44
(ID # 8361)

MEETING DATE:

Tuesday, November 6, 2018

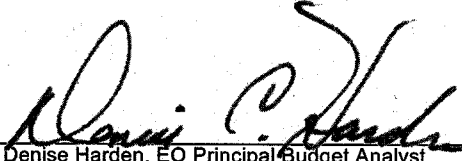
FROM : EXECUTIVE OFFICE:

SUBJECT: EXECUTIVE OFFICE: Receive and File Fiscal Year 2018/2019 First Quarter Budget Report; Approval of the recommendations and associated budget adjustments, All Districts. (4/5 Vote Required)

RECOMMENDED MOTION: That the Board of Supervisors:

1. Receive and file the FY 18/19 first quarter budget report;
2. Approve the recommendations and direct the Auditor-Controller to make the budget adjustments contained in Attachment A;
3. Approve Resolution No. 440-9095 amending Ordinance 440 as contained in Attachment B;
4. Approve the recommended budget policies in Attachment C; and,
5. Approve the revised multi-year budget schedule contained in Attachment D.

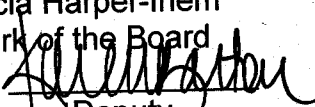
ACTION: (4/5 Vote Required) Policy


Denise Harden, EO Principal Budget Analyst 11/1/2018

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Jeffries, seconded by Supervisor Tavaglione and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended, and that Resolution 440-9095 is adopted as recommended.



Ayes: Jeffries, Tavaglione, Washington, Perez and Ashley
Nays: None
Absent: None
Date: November 6, 2018
xc: EO, HR, Auditor

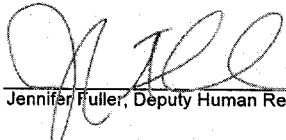
Kecia Harper-Ihem
Clerk of the Board
By: 
Deputy

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

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$	\$	\$	\$
NET COUNTY COST	\$198,031	\$198,031	\$	\$198,031
SOURCE OF FUNDS: 100% General Fund Contingency			Budget Adjustment:	Yes
			For Fiscal Year:	18/19

C.E.O. RECOMMENDATION: APPROVE

 Misley Wang, Supervising Accountant	11/1/2018	 Don R. Kent, Assistant CEO-County Finance Officer	11/1/2018
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 Jennifer Fuller, Deputy Human Resources Director

11/1/2018



COUNTY OF RIVERSIDE
STATE OF CALIFORNIA


FISCAL YEAR 2018/19

First Quarter
Budget Report



125TH ANNIVERSARY
EDITION

RESPECTFULLY SUBMITTED
BY THE
MAJORITY OF THE
PEOPLE OF THE PROPOSED
RIVERSIDE COUNTY.
GEO. FROST,
CHAIRMAN OF THE
COUNTY DIVISION COMMITTEE.



TO THE
MEMBERS
OF THE
THIRTIETH SESSION
OF THE
LEGISLATURE
OF THE
STATE OF CALIFORNIA.

RIVERSIDE COUNTY:
Facts and Figures why it should be Formed.

10 REASONS IN FAVOR OF THE FORMATION OF RIVERSIDE COUNTY.

Based upon the requisite necessary qualifications upon which 39 counties have been formed in this State, none of which presented stronger or even equal figures to those presented in favor of Riverside County:

Number of Inhabitants—RIVERSIDE COUNTY	contains 22,000 inhabitants; 31 counties have less.
Assessed Valuation—	has nearly thirteen million dollars of assessed valuation; 29 counties have less.
Area—	has over 700 square miles of area; 49 counties have less.
Population—	has over 6500 voters.

1st. Least costly will be the county expense.
2d. Because of a homogeneous class, all engaged in horticulture.
3d. Because of unjust discriminations in assessed valuations between San Bernardino and Riverside.
4th. County division is bound to come, but we ask it before being compelled to pay for unjust improvements.
5th. Because the people of the district as a unit request it.
6th. Because it is FAIR AND JUST, and for the welfare of the people.

Prepared by
George A. Johnson
County Executive Officer

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COUNTY OF RIVERSIDE
EXECUTIVE OFFICE

GEORGE A. JOHNSON
COUNTY EXECUTIVE OFFICER



LISA BRANDL
CHIEF OPERATING OFFICER

DON KENT
ASSISTANT COUNTY EXECUTIVE OFFICER
COUNTY FINANCE OFFICER

November 6, 2018

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

4/5th Vote

SUBJECT: *FY 18/19 First Quarter Budget Report*

Board members:

The FY 18/19 budget adopted by the Board in June addressed a number of policy issues while maintaining focus on achieving structural balance over time and replenishing general fund reserves. The budget strategy acknowledged potential 5 percent growth in assessed value, but tempered that with caution regarding the probability that current robust growth will not last, as rising mortgage interest rates create headwinds cooling housing affordability. The budget strategy also acknowledges the substantial fiscal challenges ahead, as the county prepares to operate a new detention facility, upgrade emergency operations, expand health care facilities, address inmate health and behavioral health services, in-home supportive services impacts, and growing pension obligations. Combined, these cost pressures exceed projected revenue growth.

We have asked much of departments in addressing these challenges, and I applaud their continued diligence and cooperation in achieving efficiencies and cost savings. We continue to ask departments to absorb compensation and other cost increases without additional general fund support, and these de facto cuts are reducing service levels. Maintaining fiscal discipline to achieve and sustain a sound financial footing that will remain resilient through future downturns requires dedication to imbedding efficiency and effectiveness in the county's culture. In this first quarter report, we see that transformation taking root. With only a few exceptions, almost all departments report being within their budgeted allocations.

Countywide Departments - Emergency Management Department – Fire Response and Debris Flow Preparation

During the summer, the county experienced two major fire events, the largest in county history. Managing the emergency operations for the fires and any subsequent rainstorms

entail significant effort and coordination of multiple county departments for extended periods. All departments involved in those operations are to be commended.

The Burn Scar Debris Flow Task Force has been meeting these past few months, which is comprised of various county departments, affected cities and other agencies, along with involvement from Supervisors Jeffries' and Washington's offices. Communication with residents and other stakeholders is occurring now to prepare for any winter storm event.

Such immense effort does not come without a price, however, and the lead department for compiling costs, the Emergency Management Department, reports \$1.7 million to date in countywide costs of providing services to address those emergencies. Some portion of this amount may be reimbursed from state and federal disaster funding, but the amount and timing of such reimbursements will not be known for some time. Providing such services in emergencies is part of the reason we maintain contingency and reserves. Subsequent quarterly budget reports will include any additional costs and necessary budget adjustments related to this effort.

Pension Obligations

In addition, as reported previously, pension obligations continue to increase year-over-year. From this fiscal year to next, we are projecting a \$13.6 million increase to general fund departments alone and \$60.9 million in total; and in two years, the increase will be \$28.3 million for the general fund and \$127.1 million in total compared against this year's cost. By FY 20/21, for every non-public safety employee, the county will pay 24.5 percent on top of their regular salaries and benefits, and for public safety employees, the cost will be 40.4 percent for every position. Put another way, within two years, for every four employees, the county is paying for a position strictly in pension costs, and for every two public safety employees, the county is paying for a position in pension costs. These costs continue to put financial strain and pressure on any method of achieving savings and efficiencies we gain.

Department of Public Social Services

The Department of Public Social Services projects a sharp increase in the General Relief program, and currently projects net cost increases \$11.2 million over original assumptions. My staff also continues to work closely with the department to monitor the state's local funding requirements for in-home supportive services. Although the current governor provided relief to counties regarding this cost shift, the future impacts of this program on the county remain uncertain, and could prove substantial in coming years.

Riverside University Health System

Riverside University Health System (RUHS) projects an increase in the net operating loss of the Federally Qualified Health Clinic (FQHC). RUHS budgeted a \$6.4 million loss, but

did indicate in their presentation at budget hearings variables could push that loss to \$20-\$30 million. At this time, RUHS projects a current year net loss of \$16 million. Some level of operating loss was anticipated, as our clinic system is in a transitional period upgrading clinics and reorganizing service delivery to improve patient care, while at the same time benchmarking for a new rate structure for reimbursable services. This is key to improving patient outcomes and expanding healthcare services in our communities. To maximize future FQHC revenues to the greatest extent possible, it is necessary for RUHS to continue multi-year investment so the actual cost of services is more fully reimbursable in future years. Rate setting will occur this fiscal year and next, with the expectation increased revenues will cover expenditures fully beginning in FY 20/21.

However, carrying these losses until new reimbursement rates go into effect requires careful forward planning to ensure adequate cash flow is put in place to support the operations of this enterprise fund until reimbursements increase, and that it is repaid once they do. My staff are working closely with RUHS in developing a multi-year plan to address this, and I expect to return at midyear with further details.

Likewise, my staff have been working closely with RUHS on development of the new medical office building (MOB) located on the medical center campus. New estimates indicate additional capital costs for the lobby connection, bridge connection and security, as well as fixtures, furniture, and equipment for that new facility may total \$52 million. While sizeable, we anticipate these costs to be amortized in future years over the useful lives of the assets beginning next fiscal year so the medical center enterprise fund can recover them over time through their charges and reimbursements for services. Although RUHS will make every attempt to maximize cost recovery through the enterprise fund, additional county general fund support for the MOB lease and capital asset costs may be necessary in the early years. This is an exciting project that promises to enhance access to health care services and improve patient outcomes.

Contingency

At adoption, the Board approved drawing down the \$20 million contingency by \$5.3 million to augment discretionary funding for Probation, the District Attorney, and the Sheriff. Interim adjustments to date, including those in this report and some offsetting cost reductions, leave contingency at \$17.5 million. The Sheriff and Probation both project ending the year within budgeted allocations at this time, and are committed to achieving that. However, the District Attorney currently projects a \$3.9 million overrun, although they also anticipate containing that by year-end as well. Due to unforeseen changes in staffing assumptions, the Public Defender anticipates a \$405,000 cost overrun if they are not successful in achieving offsetting salary savings. Consequently, I plan to recommend replenishing contingency and bolstering reserves as resources become available.

Discretionary Revenue

Due in significant part to the increased projection in assessed value delivered by the Assessor in July, we also anticipate an additional \$14.8 million more in discretionary revenue than was budgeted. Those estimated increases are summarized below. My staff is following these trends closely, and we plan to adjust estimates as appropriate at midyear.

Discretionary Revenue Increases

(in millions)

Property Taxes	\$6.1
Motor Vehicle In Lieu	3.2
RDA Residual Assets	2.6
Fines and Penalties	0.2
Sales & Use Taxes	1.2
Misc. Federal and State	0.7
Federal In Lieu	0.1
Other Prior Year & Misc.	0.7
Total	<u>\$14.8</u>

Summary

Following is a summary of unanticipated costs noted in this report:

\$ 3.9M	District Attorney
0.4M	Public Defender
11.2M	DPSS – General Relief
<u>16.0M</u>	RUHS – Clinics
\$31.5M	Unanticipated costs

As mentioned previously, it will take more than one approach to meet these obligations, not limited to: the current targeted hiring freeze, working with departments to refine/reduce the obligations, full cost recovery, and maximizing efficiencies and revenue. Preparing for these mounting costs is my number one priority, and although we seem to be on positive track, it is only to prepare for the impending storms to come. Staying focused is imperative for our county to be ready for those pressures.

Maintaining fiscal discipline and financial constraint must be core to our corporate culture and drive policy-making to fund the Board's priorities. Much change and opportunity lay ahead, but steady focus on these objectives remain key to our success.

IT IS RECOMMENDED that the Board of Supervisors:

- 1) Receive and file the FY 18/19 first quarter budget report;
- 2) Approve the recommendations and direct the Auditor-Controller to make the budget adjustments contained in Attachment A;
- 3) Approve Resolution No. 440-9095 amending Ordinance 440 as contained in Attachment B;
- 4) Approve the recommended budget policies in Attachment C; and,
- 5) Approve the revised multi-year budget schedule contained in Attachment D.

Respectfully,



George A. Johnson
County Executive Officer

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EXECUTIVE SUMMARY

At the end of the first quarter, some departments report budget difficulties and potential overages. The Executive Office appreciates departments raising these challenges as soon as possible and for seeking solutions. The leadership team is working to increase communications and collaboration across departments to resolve such challenges early in the fiscal year.

The Public Defender anticipates having a \$405,000 cost overrun if they do not achieve the salary savings anticipated. The District Attorney projects a \$3.9 million cost overrun, but anticipates they will be in balance by year-end. The Sheriff anticipates ending the year under budget, barring any unforeseen emergencies.

The Federally Qualified Health Center Clinics project a \$16 million dollar shortfall as RUHS begins the process of resetting clinic reimbursement rates, which should be completed over the next fiscal year.

The Department of Public Social Services projects a sharp increase in General Relief. The department's net costs are anticipated to increase from \$2.4 million to \$13.6 million by year-end. The department plans to refine the numbers at midyear, when they have a full six months of data. At that time, a potential \$11.2 million increase is anticipated.

The Emergency Management Department is gathering cost information regarding the Cranston and Holy fires, up to 75 percent of which may be reimbursed from the Fire Management Assistant Grant. The California Disaster Assistance Act may also provide additional reimbursement to the county. These reimbursements could take up to two years. The department will report at midyear when the claims process has been refined.

Current projections for general fund discretionary revenues indicate a potential increase of approximately \$14.8 million mostly due to higher than anticipated assessed value. The Executive Office is also carefully watching trends in other revenues, and will evaluate the discretionary revenue position and make adjustments as necessary at midyear.

The only draw on contingency in this report is for the Public Defender's request to fund a position totaling \$198,031 per year. With adjustments made during budget hearings, the unspent funds from the KPMG contract, and the previous request from the Public Defender approved on October 23, 2018, contingency is now \$17.5 million. With potential cost overruns noted above, contingency could be depleted by year-end. Therefore, at midyear the Executive Office will highly recommend using estimated revenue increases and unbudgeted beginning fund balance to first replenish contingency, bolster reserves, and fund select capital improvements.

With significant cost pressures from opening new facilities within the year, uncertainty over in-home supportive services costs, escalating costs of the inmate legal settlement, softening of discretionary revenue growth, and rising pension costs, the Executive Office remains increasingly cautious. To prevent depletion of the county's reserves, every effort must be made across all departments to maintain fiscal discipline and hold the line on discretionary spending.

MULTI-YEAR BUDGET OUTLOOK

Discretionary Revenue Projections

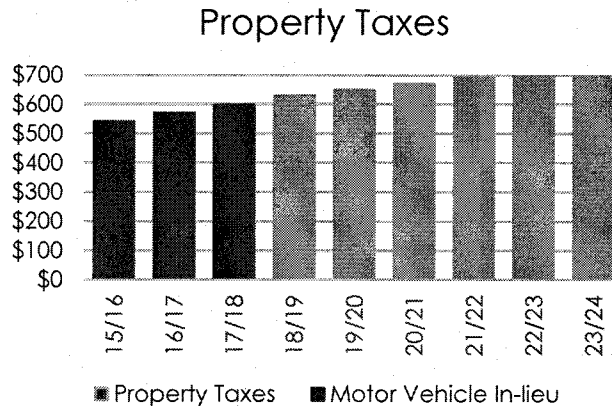
While growth in assessed valuation continues to improve from an assumed 5 percent to 6.26 percent, growth in sales and use tax and Prop. 172 public safety sales tax continues to be moderate. Overall, projected discretionary revenue estimates are up \$14.8 million, summarized at right. Highlights of the county's key general-purpose revenues are noted below.

In the budget, the Executive Office presented a long-term outlook on general-purpose revenue that was optimistic near term, but moderately cautious in the out-years. This was based on the length of the current economic growth cycle and the historic probability of an economic downturn at some point within our planning horizon. Both Beacon Economics and HdL Companies foresee the probability of a slow economic turn within the next 18 months, so the Executive Office modulated our long-term outlook with a more graduated approach, cooling the growth rate of key revenues. Barring unforeseeable events, we continue to anticipate a blended growth rate around 3.5 percent for the next few years.

General Fund Projected Discretionary Revenue (In millions)			
	Budget Estimate	Current Quarter Estimate	Variance
Property Taxes	\$370.1	\$376.2	\$6.1
Motor Vehicle In Lieu	255.8	259.0	3.2
RDA Residual Assets	7.2	9.8	2.6
Tax Loss Reserve Overflow	21.0	21.0	-
Fines and Penalties	19.2	19.4	0.2
Sales & Use Taxes*	29.1	30.2	1.2
Tobacco Tax	10.0	10.0	-
Documentary Transfer Tax	15.2	15.2	-
Franchise Fees	6.9	6.9	-
Mitigation Fees	0.1	0.1	-
Interest Earnings	18.0	18.0	-
Misc. Federal and State	4.6	5.4	0.7
Federal In-Lieu	3.4	3.5	0.1
Rebates & Refunds	5.2	5.2	-
Realignment	-	-	-
Other Prior Year & Misc.	15.1	15.8	0.7
Operating Transfers In	-	-	-
Total	781.0	795.8	14.8
Prop. 172 Public Safety Sales Tax	181.9	191.5	9.6
	\$962.9	\$987.3	\$24.4

Property Taxes

Property tax revenue, and motor vehicle fee revenue received in-lieu of property taxes, were both budgeted based on a forecasted 5 percent growth in assessed values. The release of the FY 18/19 projected 6.26 percent assessed value growth prompted an increase in revenue projected for the current year. Due to uncertainty in future economic stability, the Executive Office still assumes a graduated step-down in the growth



rate over the next several years. In addition, residual assets distributed from former redevelopment agencies fluctuates as they are liquidated, and are anticipated to decline over time as those agencies wind down.

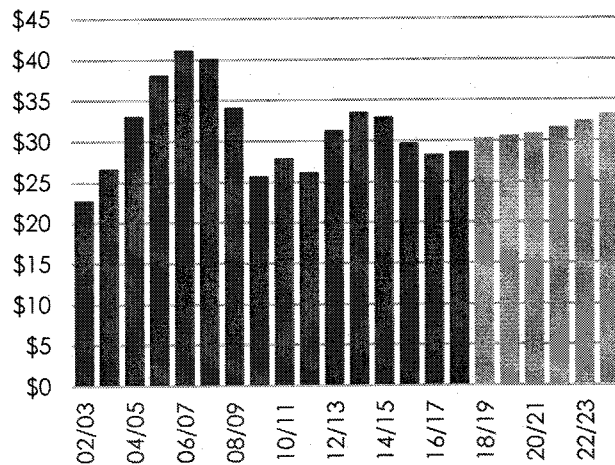
Sales and Use Taxes

In the last quarter, the county's economically adjusted quarterly sales and use tax allocations increased 5 percent on a year-over-year basis. This is due to continued increases, although slight, in fuel, building and construction, business and industry, and autos and transportation. Consumer goods, predominantly from sales at the factory outlets, are flat from a year ago, continuing an ongoing cooling in that sector. HdL Companies' projections reflect a softened trend in taxable sales, with a modest 1.8 percent growth rate over the next several years.

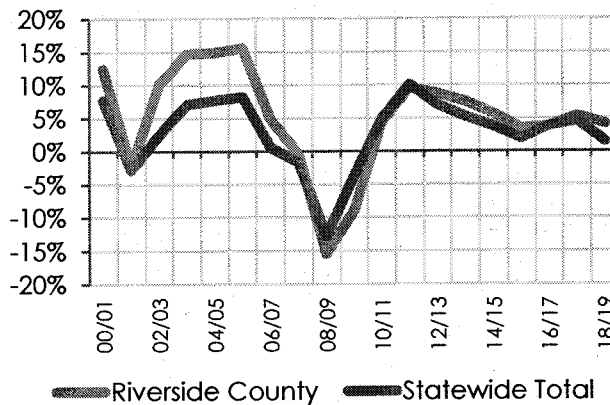
Prop. 172 Public Safety Sales Tax

The county's Prop. 172 public safety sales tax revenue is affected both by changes in the overall statewide pool of revenue as well as changes in the county's pro rata share of that pool relative to other participants. During the recession, the statewide pool of Prop. 172 revenue shrank, and then grew again as economic activity in the state's major metropolitan centers rebounded. Since that occurred, however, the rate of statewide growth steadily declined. As other counties emerged from the recession more rapidly, their allocation factors grew, causing the allocation factors of lagging counties such as Riverside to shrink. Consequently, while Riverside enjoyed double-digit growth in Prop. 172 revenue for several years, that growth rate slowed substantially in recent years. In

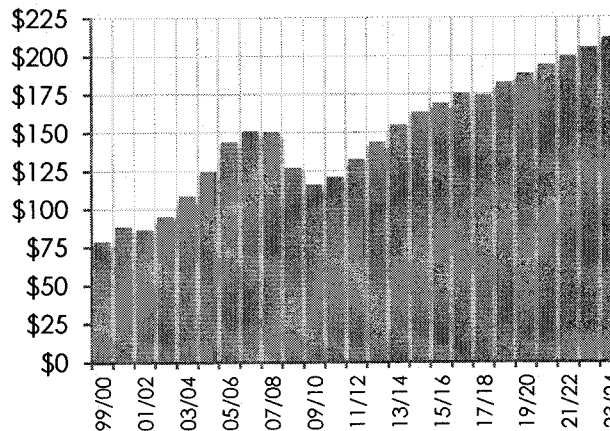
Sales & Use Tax Revenue



Prop 172 Annual Rate of Change



Prop 172 Revenue Trend

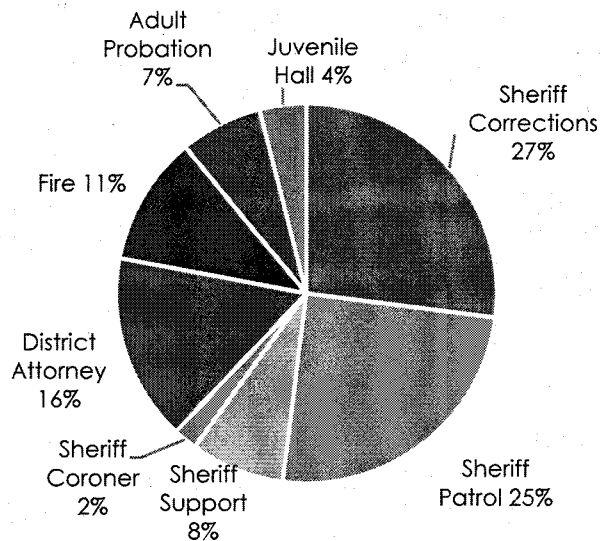


Multi-year Outlook

FY 16/17, this required reassessment of assumptions and restructuring of the disbursements to departments.

The growth rate of the county's Prop. 172 allocation factor is slowing; as discussed above growth in taxable sales remain soft, dampening growth of this revenue. HdL Companies currently projects growth around 2 percent for the next few years. Consequently, it will still be a couple of years before the annual revenue received from Prop. 172 equals what was previously allocated to departments. Trends in this revenue continue to be watched closely, and no adjustments to the disbursement ratios are recommended at this time.

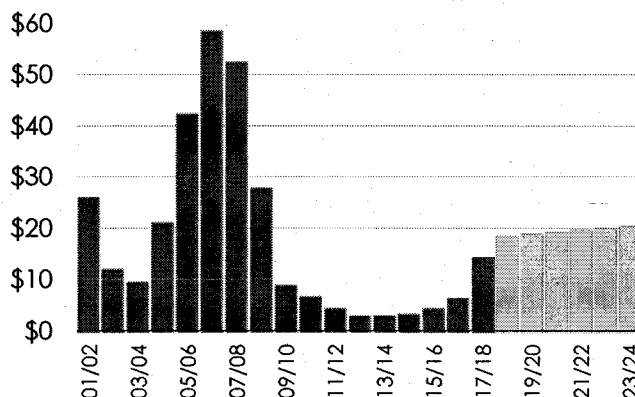
Board-Approved Prop 172 Disbursement Ratios



Interest Earnings

The Treasurer's estimate for FY 18/19 county general fund interest earnings includes factors such as general fund balances in the Treasurer's pooled investment fund, current and projected level of interest rates.

U.S. Federal Reserve (FED) monetary policy influences short-term interest rates. On September 26, 2018, the Federal Open Market Committee (FOMC) voted to raise the FED funds rate target range by a quarter of a percent, from 1.75 percent to 2.00 percent



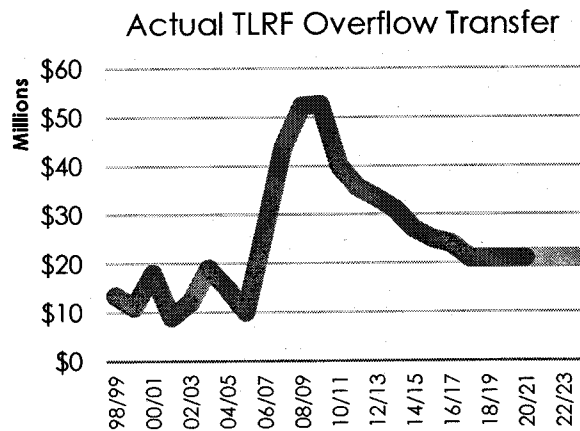
to 2.00 percent to 2.25 percent. Announcing its decision, the FED sighted a strong economy with low unemployment and stable inflation.

This is the third rate hike of the calendar year and eighth since 2008, and moves the FED funds rate within 75 basis points of its projected neutral rate of 3.00 percent. Reaching this neutral rate will increase the likelihood of the FED ending this rate hike cycle. The FOMC remains data-dependent for monetary policy decisions, looking to the labor markets and inflation for input for their decisions.

The timing of increases to the FED funds rate during the fiscal year may nominally affect general fund interest earnings due to the weighted average maturity profile of the investment pool. The Treasurer will closely monitor earnings estimates, and should the FOMC take further action will provide updates on any material changes.

Teeter Tax Losses Reserve Fund (TLRF) Overflow

Under the California Teeter plan, the county advances to participating agencies property tax allocations based on enrolled assessed valuation. In return, the county retains the actual taxes received, plus penalties and interest on delinquent taxes. The Tax Losses Reserve Fund captures revenues and expenditures associated with the program. Revenue exceeding financing costs and the necessary tax loss reserve is discretionary revenue released to the general fund annually. The annual release is in accordance with the revenue and taxation code, and consistent with prudent risk management. As delinquency rates decline, this revenue source generally tapers off. The delinquency rate hit an all-time low of 1.2 percent last fiscal year, the tenth consecutive year of decline. For FY 17/18, the TLRF transfer was \$23 million, and the forecast for FY 18/19 is \$21 million.



FY 18/19 Budget Cycle

Budget Policies

At first quarter, the Executive Office recommends budget policies for the following budget cycle. For FY 19/20, the Executive Office recommends the Board approve the full set of guidance in Attachment C, including:

- Rollover ongoing FY 18/19 net county cost allocations, with adjustments as necessary for limited upcoming obligations.
- Eliminating limited one-time allocations made in FY 18/19.
- No cost of living adjustments beyond current contracts.
- Departments absorbing any increases in fixed costs for pension obligations, insurance, and internal services.
- Apply one-time revenues toward rebuilding reserves or mission critical one-time costs.
- Assume departmental revenue shortfalls will not be backfilled with discretionary revenue.
- Recognize and use departmental revenues in the fiscal year received, unless otherwise legally restricted, to ensure departmental resources are maximized and discretionary general fund support is minimized. This includes

Multi-year Outlook

full cost recovery for services provided under contracts with other jurisdictions.

Long-Range Budget Schedule

Following are key dates, which remain subject to change as necessary and appropriate:

- **Thursday, January 17, 2019:** Budget kickoff
- **Monday, June 10 thru Tuesday, June 11, 2019 (as necessary):** Presentation of the FY 19/20 recommended budget, opening of budget hearings, and approval of the budget; and,
- **Tuesday, June 25, 2019:** Approval of any amendments to the budget and formal adoption of the budget.

These dates have been coordinated to work with the Board's approved 2019 meeting calendar. This reflects a schedule change moving up adoption of the budget to the end of June per direction of the Board.

CURRENT BUDGET STATUS

APPROPRIATIONS FOR CONTINGENCY

Contingency covers urgent, unforeseeable events such as revenue shortfalls, unanticipated expenditures, uncorrectable budget overruns and mission-critical issues at the Board's discretion. The adopted budget appropriated \$14.9 million for contingency, or 2.6 percent of general-purpose revenue. This report contains a decrease of \$198,031 at this time, for a total net decrease to date of \$2.6 million, taking the contingency level to \$17.5 million, as summarized in the table below.

Use of General Fund Appropriations for Contingency				
	Cost Adjustment	Revenue Adjustment	Total Adjustment	Balance Available
Beginning Balance:				\$ 14,898,330
Adjustments to date:				
8/28/2018 KPMG Contract Adjustment	(3,051,518)		3,051,518	
10/23/2018 Public Defender	226,001		(226,001)	
	(2,825,517)	-	2,825,517	17,723,847
Actions recommended in this report:				
Q1 Rec. 7 Public Defender	198,031		(198,031)	
	198,031	-	(198,031)	
Total adjustments to Contingency =	(2,627,486)	-	2,627,486	
				Contingency balance upon approval of this report = 17,525,816

FINANCE & GOVERNMENT SERVICES

Auditor-Controller

The Auditor Controller anticipates a \$199,000 decrease in departmental revenue by the end of the year. This is mostly attributable to property tax collection fees having to be reevaluated. The department expects expenditures to come in under budget, so the net effect of the revenue shortage should be a budget on target at year-end. The department will monitor the status of the revenue and advise accordingly. The Internal Audits and Payroll divisions are on budget for first quarter.

Assessor Clerk-Recorder

The Assessor is showing revenue projections slightly lower than expected, but offset by slight savings in general operations. The Clerk Recorder is also showing revenue projections slightly lower than expected offset by savings in professional services and salary. The department reserves are adequate to cover the shortfall for the Clerk Recorder.

The Executive Office has been working with the department to fund the CREST project. The department is working closely with the vendor to realize all cost savings and will report at midyear what the actual needs are.

Executive Office

On March 27, 2012 (3-27), the Board of Supervisors approved accepting award of \$100 million in AB900 funding from the Corrections Standard Authority for the John J. Benoit Detention Center. Additionally, the 2015 Public Financing Authority bond financing supplied \$325 million for the construction of the facility and additional capital projects. A large portion of the state reimbursement has been received and payments are now being processed from this source. A budget adjustment is required to increase appropriations to cover these expenses.

Recommendation 1: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and use of restricted fund balance for the Capital Improvement Fund by \$39,305,275, as follows:*

Increase appropriations:		
30700-1104200000-525440	Professional services	\$39,305,275

Anticipated use of restricted fund balance:		
30702-1104200000-322103	Restricted for construction/capital projects	39,305,275

The RDA Capital Improvement Fund captures certain city redevelopment pass-through payments that are contractually restricted for capital projects. Budget adjustments are necessary at this time to accommodate reimbursement for costs of the remodeling of the Public Defender's and Probation's new office building and for security upgrades in the Riverside County Administrative Center. Minor adjustments are also needed for costs of equipment for the budget system implementation and for Executive Office administration inadvertently omitted from the adopted budget.

Current Status

Recommendation 2: *That the Board approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and use of restricted fund balance for the RDA Capital Improvement Fund by \$3,932,845, as follows:*

Increase appropriations:		
31540-1100100000-551100	Contributions to other funds	\$3,930,845
31540-1100100000-546080	Equipment – computer	<u>2,000</u>
	Total	3,932,845

Anticipated use of restricted fund balance:		
31540-1100100000-321158	Restricted for RDA capital Improvements	3,377,666
31541-1100100000-321158	Restricted for RDA capital Improvements	350,728
31542-1100100000-321158	Restricted for RDA capital Improvements	<u>204,451</u>
	Total	3,932,845

On May 22, 2018, (Item 3.3) the Board of Supervisors approved the issuance of the Tax and Revenue Anticipation Notes (TRANS), which provides cash to cover the projected cash flow deficits of the general fund during the fiscal year. During the budget process, the premium and the interest for the TRANS was estimated based on the current market rates at that time. Now that the TRANS has been sold, the final premium and interest amounts have been determined. A budget adjustment is needed to increase the estimated revenue and appropriations to recognize higher premium and interest cost for the TRANS.

Recommendation 3: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenue for TRANS by \$4,022,930, as follows:*

Increase estimated revenues:		
10000-1102100000-791020	Premium on bonds issued	\$4,022,930
Increase appropriations:		
10000-1102100000-534000	Interest notes - warrants	4,022,930

Treasurer-Tax Collector

At the end of the first quarter, the Treasurer-Tax Collector projects to finish the year on target. Although a few revenue types are trending downward, the department plans to mitigate this. They will defer filling some vacancies and reduce various operating expenses. At midyear, the department will have an additional three months of collection data that will enhance the year-end projection.

PUBLIC SAFETY

Emergency Management Department

During the first quarter, the county experienced two of the largest emergencies in its history, the Cranston Fire and the Holy Fire. The fires consumed 36,275 acres in the San

Jacinto and Santa Ana Mountains, threatening lives and property, causing the evacuations of tens of thousands of residents, extensively damaging critical infrastructure, and causing extended power outages to affected communities. Both fires were proclaimed local and state emergencies requiring a massive response of emergency resources, support personnel and deployment of equipment to protect the lives and property of county residents. The Emergency Operations Center (EOC) was activated for extended periods and staffed by multiple county departments to support field operations and provide critically needed resources to communities impacted by the fires.

While the fires were still raging, we applied for state and federal reimbursement for those costs incurred by the county due to the emergency responses through the Fire Management Assistance Grant (FMAG) Program and the California Disaster Assistance Act (CDAA). Our FMAG application was accepted and up to 75 percent of related costs may be reimbursed. CDAA may provide additional reimbursement to the county, however the state has not yet approved the county's request at this time. EMD has worked with involved county departments to account for all costs related to both fires. Unfortunately, it is not anticipated that we will receive reimbursement this fiscal year.

In an effort to improve the reimbursement process and minimize the impact on county departments, EMD is working with the Executive Office and the Auditor-Controller to develop the capacity by which EMD will assume in their budget the emergency response costs of the departments (excluding Fire, which will receive funding from the state). EMD would receive an increase to their general fund budget and reimburse other county general fund departments. When FMAG and CDAA funds are received, those funds will be deposited to the general fund. We expect to come forward with a budget adjustment for this purpose in the midyear report.

Additionally, the fires have left communities below the burn areas vulnerable to flooding, mud and debris flows during storm events. Post-fire planning and damage mitigation activities are on-going to prepare those communities for such events. Storm events capable of producing sufficient rain to trigger flooding and debris flows will necessitate both emergency operations in the field and EOC activations to protect county residents, their property and critical infrastructure. These activities will continue to generate costs for EMD and county departments that are engaged in these critical defensive efforts.

The department requests increases to their general fund and special revenue fund budget units to complete the purchase of Motorola communications equipment approved in the prior year budget, but not completed until the current fiscal year. The project to upgrade interoperability with PSEC during response to a disaster or large-scale emergency was approved by the Board of Supervisors on February 27, 2018, (Item 3.31). EMD did not complete the project because not all of the equipment was received during the last fiscal year. In the special revenue fund budget, Public Health Emergency Preparedness Grants are being used to reimburse a portion of the cost for the interoperability project with PSEC.

Recommendation 4: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments to increase appropriations and estimated revenues for the Emergency Management Department by \$459,529, as follows:*

Current Status

Increase estimated revenues:
10000-2000100000-775560 Other MH charges for services \$459,529

Increase appropriations:
10000-2000100000-525440 Professional services 459,529

Recommendation 5: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments to increasing appropriations and estimated revenues for the Emergency Management Department by \$200,000, as follows:*

Increase estimated revenues:
21800-2000100000-767220 Fed – other operating grants \$200,000

Increase appropriations:
21800-2000100000-525440 Professional services 200,000

Fire

The Fire Department reports that it is currently on track to meet budget targets for FY 18/19. The department has several perimeter fencing projects that began in FY 17/18 and will be completed in FY 18/19. They are located at Fire Station 54 Homeland, Fire Station 72 Valle Vista, and Fire Station 16 Pedley. The projects were approved by the Board of Supervisors on June 5, 2018, Item (3.12), June 5, 2018, Item (3.13), and June 26, 2018, Item (3.26) totaling \$503,255. These projects were anticipated and have the funding available. The department is requesting a budget adjustment for the expenditures and revenue.

Recommendation 6: *That the Board approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues for Fire Protection by \$503,255, as follows:*

Increase estimated revenues:
10000-2700200000-778120 Interfund fire services \$503,255

Increase appropriations:
10000-2700200000-522310 Maintenance – building and improvement 503,255

Law Office of the Public Defender

The Law Office of the Public Defender has had a rolling deficit over the past several fiscal years which has partially been absorbed by salary savings. Currently, the department reflects a \$405,000 budget shortfall, partly due to reduced AB109 funding from the state, and salary and benefit projected overruns. The department is currently under a hiring freeze with the exception of critically needed positions. The department anticipates this deficit to decrease, and will come back with a recommendation in the third quarter budget report if more funding is required this fiscal year. In this first quarter report, the department is requesting funding for a Deputy Public Defender position in the Blythe office. This position is critical for the needs of the citizens in the Blythe area.

Recommendation 7: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations for Public Defender and decreasing appropriations for contingency by \$198,031, as follows:*

Decrease appropriations:		
10000-1109000000-581000	Appropriation for contingency	198,031
Increase unassigned fund balance:		
10000-1109000000-370100	Unassigned fund balance	198,031
Increase appropriations:		
10000-2400100000-510040	Regular salaries	138,621
10000-2400100000-518100	Budgeted benefits	<u>59,410</u>
	Total	198,031
Use of unassigned fund balance:		
10000-2400100000-370100	Unassigned fund balance	198,031

Office of District Attorney

The District Attorney's Office (DAO) is committed to working collaboratively with the Executive Office to end the fiscal year with a balanced budget. As of the end of the first quarter, the DAO states it has already reduced the projected FY 18/19 deficit by 9 percent from \$4.3 million to \$3.9 million. The department reports that as part of the commitment to fiscal responsibility, the office is dedicated to taking several steps to further reduce the projected deficit. Some significant areas where they anticipate additional savings are:

- Elimination/delay of non-critical employee backfills despite significant attrition in recent years.
- Limitation of discretionary employee buy-downs;
- Limitation of non-grant funded and non-reimbursable external travel and training;
- Limitation of private mileage reimbursements;
- Delay in the purchase of cost significant non-grant funded equipment; and
- Increase efficiency through self-funded technology upgrades and modernized deployment of the workforce

In addition, the DAO states it continues to seek alternative grant revenue funding sources via competitive requests for proposals. Already this fiscal year, several applications have been dispatched seeking new funding from the California Office of Emergency Services. If these applications are successful, the DAO believes the increased revenues realized will significantly reduce the remaining deficit. As part of this submittal, the DAO has included a number of budget adjustments which highlight the success of the office in the grant application process translating into increased revenues. In the first quarter, the DAO states it has increased budgeted revenues by \$495,000 (1 percent).

The DAO states it continues to meet regularly with the Board and members of the Executive Office to share issues of concern to the public safety and to ensure fiscal transpar-

Current Status

ency. The DAO will remain committed to providing outstanding prosecutorial, investigative and victim services, while continuing internally to implement feasible cost saving measures.

Recommendation 8: *That the Board approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues for the District Attorney by \$215,198, as follows:*

Decrease estimated revenues:		
10000-2200100000-767280	Fed - federal revenue	\$419,586
Increase estimated revenues:		
10000-2200100000-755360	CA - workers comp insurance fraud	283,994
10000-2200100000-755460	CA - DA auto insurance	44,513
10000-2200100000-755650	CA - disability healthcare fraud	166,277
10000-2200100000-755900	CA - AB118 local revenue	<u>140,000</u>
	Total	634,784
Increase appropriations:		
10000-2200100000-510040	Regular salaries	150,639
10000-2200100000-518100	Budgeted benefits	55,559
10000-2200100000-520230	Cellular phone	5,000
10000-2200100000-523640	Computer equipment – non fixed asset	<u>4,000</u>
	Total	215,198

Probation Department

The Probation Department is projecting that, overall, expenditures will be within appropriations and net county cost allocations at year-end.

During the first quarter, the department continued its efforts to meet service demands while operating with limited or reduced resources. Through the integration and implementation of the Lean Transformation, the department is seeking to create efficiency, eliminate waste and deliver greater value to its customers and stakeholders. The department will continue to monitor the budget and report any concerns to the Executive Office.

The California Money Bail Reform Act, SB10, was signed by the Governor on August 28, 2018. Effective October 1, 2019, SB10 repeals existing laws regarding bail and replaces those laws with a risk assessment-based system to determine if an arrested individual should be released pending trial or kept in jail. That system will take into account a defendant's risk to public safety, as well as their risk of not showing up to court. Under the new law, the state's Judicial Council has broad authority to adopt Rules of Court and forms to implement the provisions of the bill. Each county will use the council's framework as a basis to set its own procedures for deciding whom to release before trial.

AB1828 (Committee on the Budget) and SB862 (Committee on Budget and Fiscal Review) contain language that require the Judicial Council to allocate funds to local courts

to contract with local probation departments for pretrial assessment services. The California Department of Finance will be responsible for allocating funds to local probation departments for pretrial monitoring services. Anticipated workload data is being collected at this point to determine the amount and timeframe for funds to be distributed to local probation departments. As this legislation is in the early stages of implementation, the program and fiscal impact to Riverside County is uncertain. Probation will continue to work closely with the courts and other criminal justice partners on the implementation. The Probation Department will continue to monitor and communicate any issues that may impact the department's funding and programs.

The Probation Department has agreed to a deletion of 52 positions. These are vacant unfunded positions that have no impact on the level of service provided by the department. There has been a gradual increase of unfunded positions over the years, and this action will begin to address that increase.

Recommendation 9: *That the Board of Supervisors approve amending Ordinance No. 440 to delete 52 positions for Probation, as indicated in Attachment B.*

Sheriff's Department

At first quarter, the Sheriff's department is planning for and committed to projecting a balanced budget, barring any unforeseen emergencies. The Sheriff formally signaled to the Board of Supervisors during the June 11 budget hearings that staffing has fallen to critically low levels and additional funding is needed to restore positions that the department lost during tough budget times. Also, the Sheriff requested \$7.4 million in funding for the Phase I staffing of the John J. Benoit detention center (JJBDC) for 68 new positions and \$7.6 million for 65 positions to address the Prison Law Office Federal (PLO) consent decree. The Board agreed that the additional staffing is critically needed, and agreed in the recommended budget to fund both requests totaling \$15 million. The Board also approved an additional \$2 million in funding for enhanced patrols in the unincorporated areas of the county.

Staffing levels across the department remain a concern for the Sheriff. The department is focused on hiring for JJBDC Phase I and the unincorporated areas of the county. The department has academy classes scheduled, but the hiring process can take six months or more, as applicants must complete a series of tests and pass a background check. Overtime trends will continue until staffing normalizes. The department is also focused on restoring the regional teams and task forces that have been downsized or eliminated due to budget cuts.

The department has been awarded several grants totaling \$3 million during the first quarter. A grant in the amount of \$1.5 million from the U.S. Department of Justice was awarded on September 25, 2018. The grant will provide funding to assist with the ongoing project to upgrade the Department's Computer-Aided Dispatch and Records Management System. This upgrade will allow the Department to switch to the National Incident Based Reporting System standard for crime data reporting. Also, the Riverside County Anti-Human Trafficking Task Force received a combined total of \$1.5 million in federal grant funding following receipt of two awards announced by the United States Department

Current Status

of Justice. The grant awards were made possible through the U.S. Justice Department's Bureau of Justice Assistance and Office for Victims of Crime divisions under the "Enhanced Collaborative Model to Combat Human Trafficking" program. The grant awards were announced on September 29, 2018, following a successful application for funding submitted by the task force in the spring of this year.

Trial Court Funding realignment creates a department revenue deficit of \$1.4 million. The Executive Office is committed to working cooperatively with the Sheriff's department to resolve this issue. The department stated that AB109 realignment continues to have a significant impact on Corrections. The system is not back to its previously approved levels. The state allocation is still drastically underfunded.

The department expressed that the additional \$15 million addresses the need for new positions required for JJBDC Phase I and the PLO consent decree within Corrections. However, the Sheriff is increasingly concerned about the continued reductions in staffing on the safety of employees, and their ability to properly safeguard the public through patrol, jail, court, and coroner operations with uniformed 24/7 emergency first-responders, as required under the law. The department states at a minimum, in the face of the county's fiscal challenges, further degradation in staffing levels needs to stop and not plummet any lower.

The Sheriff's Department has agreed to a deletion of 291 positions. These are vacant unfunded positions that have no impact on the level of service provided by the department. There has been a gradual increase of unfunded positions over the years and this action will begin to address that increase.

Recommendation 10: *That the Board of Supervisors approve amending Ordinance No. 440 to delete 291 positions for the Sheriff, as indicated in Attachment B.*

HEALTH & HOSPITAL SERVICES

Riverside University Health System

The Riverside University Health System (RUHS) is on a path to becoming an integrated healthcare system centered on improving access and providing quality care while driving for the lowest cost. Key initiatives like the medical office building (MOB), new community health clinics, and integration of behavioral health and primary health care will provide the necessary infrastructure to ensure the long-term success of RUHS. These initiatives will take some time to fully mature, but once complete will provide expanded capacity and fill system care needs that will allow patients to be cared for at the lowest possible level of care.

Providing the right care, at the right time, in the right setting is better for the patient, better for the quality of care, and better from a fiscal perspective. It helps preserve our highest levels of intensive and inpatient care for those in greatest need, and provides the outpatient capacity to expand preventative care, helping keep more people well and out of more costly inpatient facilities. This philosophy is in line with healthcare industry best practices, and RUHS is in a strong position for an integrated county health system comprised of the

Medical Center, Federally Qualified Health Centers, Behavioral Health, and Public Health, which together can provide coordinated access to care from preventive to the most intensive levels.

While implementing a forward-looking strategic plan, RUHS must also manage the challenges and volatility of today, including rising operating and pension costs, as well as reimbursement shortfalls for ambulatory care clinics, inmate health, and behavioral health care.

Medical Center

The Riverside University Health System – Medical Center (RUHS – MC) projects to finish the fiscal year with an approximate net operating income of \$3 million. However, while achievable, this is dependent on the state's new Quality Incentive Program revenue that, while earned, may not be received until after the fiscal year, placing a strain on cash flow. Volatility of state and federal funding, particularly the incentive program revenues, continue to leave the budget at risk. RUHS is also working closely with the Executive Office to address the MOB's additional capital costs for the lobby connection, bridge connection, and security, as well as fixtures, furniture, and equipment needs discussed at the June 11 County budget hearings, now estimated to total \$52 million, most of which will be amortized over future years.

County Federally Qualified Health Center Clinics

RUHS - Federally Qualified Health Center (FQHC) budgeted a projected net operating loss of \$6.4 million, with variables regarding volumes and timing of revenue receipts discussed at the June 11 County budget hearings possibly driving this loss into the \$20-\$30 million range. Based on first quarter results, RUHS now projects a year-end FQHC net operating loss of approximately \$16 million.

This projected operating loss is the result of decade-old clinic reimbursement rates that did not keep pace with rising labor, pension, and operating costs that threaten financial viability. Few triggering events allow clinics the opportunity to reset rates; opening a new site and integrating behavioral healthcare provide such resetting opportunities. The infrequency of these opportunities requires strategic planning and precise implementation to maximize the rate-setting event and secure reimbursement rates more reflective of current labor and operating costs.

This process does not allow a quick fix; but a multi-phased plan to optimize operations, trigger rate resetting, and maximize new rates is underway. Optimization requires adherence to strict provider productivity requirements and staffing standardization of important support positions. New facilities have worked their way through planning, design, and construction, and are now beginning to open, with Corona, Moreno Valley, and Jurupa operational by the end of this fiscal year. Once the rate-setting period begins, continuation and monitoring of optimization efforts will be critical as operations expand and integration of behavioral healthcare begins. Adherence to strict state cost reporting, an intensive audit, and final rate negotiation will complete the process.

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This multi-year plan will ultimately improve operating results, but the timing of revenue receipts and cash flow will continue to remain a challenge due to the length of the process and delays in settlement payments by the state. RUHS is working closely with the Executive Office to address the operating loss and will continue to provide updates in the quarterly budget reports.

Behavioral Health Detention and Correctional Health

While Correctional Health is projected to end the year within allocated net county cost, Detention Behavioral Health is projected to be under allocated net county cost by \$4 million due to continued challenges filling necessary positions to meet healthcare needs in the county jail facilities. This difficulty in recruiting staff will be further tested by additional healthcare demands that will arise with the opening of the John J. Benoit Detention Center. RUHS projects ultimately needing an additional 120 positions at an estimated annual cost of \$21 million to meet the expanded healthcare needs of the new facility. RUHS will continue to work with the Executive Office to determine timing of positions and budget approval so the facility can be properly staffed on the phased opening of the facility.

Department of Public Health

The Local Oral Health Plan (LOHP) budget currently resides in the general fund under the Children's Medical Services (CMS) Branch. Since the LOHP is funded by State Tobacco Tax funds, the state is requiring the department to track LOHP activity under a special revenue fund. A budget adjustment of \$692,799 is requested to transfer LOHP budget to the new fund.

Recommendation 11: *That the Board of Supervisors approve and direct the Auditor Controller to make the budget adjustments for Public Health by \$692,799, as follows:*

Decrease appropriations:

10000-4200100000-510040	Regular salaries	\$303,593
10000-4200100000-515260	Unemployment insurance	693
10000-4200100000-517000	Workers comp insurance	8,819
10000-4200100000-518100	Budgeted benefits	136,799
10000-4200100000-520230	Cellular phone	2,000
10000-4200100000-520320	Telephone service	8,000
10000-4200100000-520930	Insurance - liability	10,110
10000-4200100000-521640	Maintenance - software	13,037
10000-4200100000-523620	Books/publications	5,000
10000-4200100000-523680	Office equip non-fixed assets	19,000
10000-4200100000-523700	Office supplies	6,051
10000-4200100000-523720	Photocopying	1,000
10000-4200100000-523800	Printing/binding	1,500
10000-4200100000-524500	Administrative support - direct	112,649
10000-4200100000-524560	Auditing and accounting	656
10000-4200100000-524740	County support service	8,484
10000-4200100000-525140	Personnel services	5,494
10000-4200100000-525440	Professional services	19,438
10000-4200100000-525840	RCIT device access	10,197
10000-4200100000-525900	RCIT MS dynamics	21

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10000-4200100000-527780	Special program expense	13,000
10000-4200100000-528140	Conference/registration fees	500
10000-4200100000-528180	Freight	32
10000-4200100000-528900	Air transportation	932
10000-4200100000-528960	Lodging	478
10000-4200100000-528980	Meals	100
10000-4200100000-529040	Private mileage reimbursement	5,136
10000-4200100000-529060	Public service transportation	80
	Total	<u>692,799</u>

Decrease estimated revenues:

10000-4200100000-751680	CA - state grant revenue	692,799
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Increase appropriations:

21840-4200100000-510040	Regular salaries	303,593
21840-4200100000-515260	Unemployment insurance	693
21840-4200100000-517000	Workers comp insurance	8,819
21840-4200100000-518100	Budgeted benefits	136,799
21840-4200100000-520230	Cellular phone	2,000
21840-4200100000-520320	Telephone service	8,000
21840-4200100000-520930	Insurance - liability	10,110
21840-4200100000-521640	Maintenance - software	13,037
21840-4200100000-523620	Books/publications	5,000
21840-4200100000-523680	Office equip non-fixed assets	19,000
21840-4200100000-523700	Office supplies	6,051
21840-4200100000-523720	Photocopying	1,000
21840-4200100000-523800	Printing/binding	1,500
21840-4200100000-524500	Administrative support-direct	112,649
21840-4200100000-524560	Auditing and accounting	656
21840-4200100000-524740	County support service	8,484
21840-4200100000-525140	Personnel services	5,494
21840-4200100000-525440	Professional services	19,438
21840-4200100000-525840	RCIT device access	10,197
21840-4200100000-525900	RCIT MS dynamics	21
21840-4200100000-527780	Special program expense	13,000
21840-4200100000-528140	Conference/registration fees	500
21840-4200100000-528180	Freight	32
21840-4200100000-528900	Air transportation	932
21840-4200100000-528960	Lodging	478
21840-4200100000-528980	Meals	100
21840-4200100000-529040	Private mileage reimbursement	5,136
21840-4200100000-529060	Public service transportation	80
	Total	<u>692,799</u>

Increase estimated revenues:

21840-4200100000-754020	CA - prop 56 Tobacco Act 2016	692,799
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Department of Behavioral Health

Department of Behavioral Health programs are expected to remain within allocated NCC.

Current Status

HUMAN SERVICES

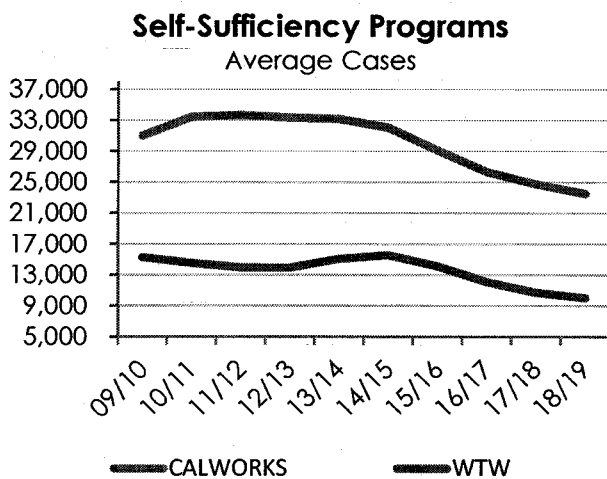
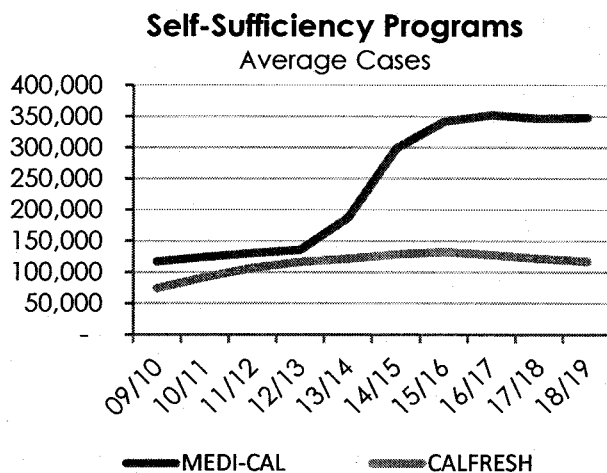
Department of Social Services

The Department of Public Social Services (DPSS) reports annualized growth of 9 percent in In-Home Supportive Services, 4 percent in adoptions and 1 percent in child welfare services through August 2018. The other social services and self-sufficiency programs experienced negative movement in the following percentages: foster care decreased 26 percent, welfare-to-work decreased 11 percent, CalWORKs decreased 6 percent, CalFresh decreased 5 percent, adult protective services decreased 1 percent, and Medi-Cal decreased 1 percent.

Despite caseload decreases in Medi-Cal, CalFresh and CalWORKs from August 2017 to August 2018, applications received in first quarter FY 18/19 increased by 3.3 percent, 19.5 percent and 5.8 percent, respectively, when compared with first quarter FY 17/18. Further, 93 percent of Medi-Cal, 98 percent of CalFresh, and 97 percent of CalWORKs applications were processed within or faster than required timeframes.

The CalWORKs assistance program provides cash to needy families. Funding is provided through the federal Temporary Assistance to for Needy Families (TANF) block grant program, state and county funds. Current law requires the amount of cash aid paid to CalWORKs recipients be determined based on eligibility and the number of individuals in the household. Recent studies show the average CalWORKs grant of \$566 for a family of three is approximately 33 percent of the federal poverty level (FPL). SB982 will incrementally increase cash assistance to more than 50 percent of the FPL for CalWORKs recipients over a three year period, beginning January 2019.

As a result of SB982, the department is projecting a 10 percent increase in CalWORKs cash assistance grants in FY 18/19, resulting in an increased cost of approximately \$17 million above the adopted budget. This will require an additional 2.5 percent local funding match, estimated at \$424,000 for the current year, which the department anticipates covering with departmental revenues. The department is refining the estimated impacts on



the current year budget and will provide a recommended budget adjustment in the mid-year budget report.

During first quarter, Self-Sufficiency continued to experience steady increases in Expanded Subsidized Employment, with a 36 percent increase in placements; Work Experience and Community Service, with a 46 percent increase in placements; Housing Support, with a 19 percent increase in placements; and Family Stabilization Services, with a 42 percent increase in placements. Overall, the average increase in placement programs was 36 percent.

In addition, Self-Sufficiency implemented non-face-to-face initiatives, capitalizing on technology to improve customer service and improve staff effectiveness. District offices used lobby signage and business cards to promote self-service options for customers. This resulted in a 59 percent increase in text messaging, a 42 percent increase in client requests for e-notifications, a 225 percent increase in kiosk use, a 65 percent increase in mobile application use, and a 4 percent increase in C4Yourself e-applications. These alternative means of communication reduced district office traffic by 14 percent.

Finally, Self-Sufficiency trained/cross-trained 118 new and existing staff as combination workers. This practice is consistent with the division's Horizontal Integration initiative to effectively coordinate delivery of services for Medi-Cal and CalFresh programs. The goal is to cross-train all new and existing staff by FY 20/21.

On April 24, 2018 (Item 3.31), the Board of Supervisors adopted changes to the county-funded General Relief program, pursuant to Welfare and Institutions Code sections 17000, et seq., and supporting case law. The changes included increasing the maximum monthly benefit by \$35, increasing asset exemption limits, modifying treatment of lump sum income, eliminating an ineligible period, changing the primary method of assistance issuance to cash, and imposing a three-month cap within a 12-month period for employable individuals.

At that time, the projected net cost increase for these proposed changes was \$2.4 million. However, following a review of three months actual data, the department now projects an average monthly caseload of 2,900 and a year-end net cost of \$13.6 million, an increase of \$11.2 million. DPSS will continue closely monitoring these program costs over the next three months and will update the Board and address the budgetary implications in the midyear report, or earlier should a budget adjustment be required prior to February 2019.

As previously reported, the Continuum of Care Reform (CCR) initiative was implemented statewide in January 2017 with the following key objectives: reducing the number of children living in congregate care; improving the recruitment, selection, and training of relatives and foster families; and enhancing the quality of therapeutic interventions for at-risk youth. Included in CCR is the Resource Family Approval (RFA) program, designed to be a family-friendly and child-centered caregiver approval process. To date, 484 families were approved as resource families and 348 families are in the process, of which 184 have children in placement pending completion of the process.

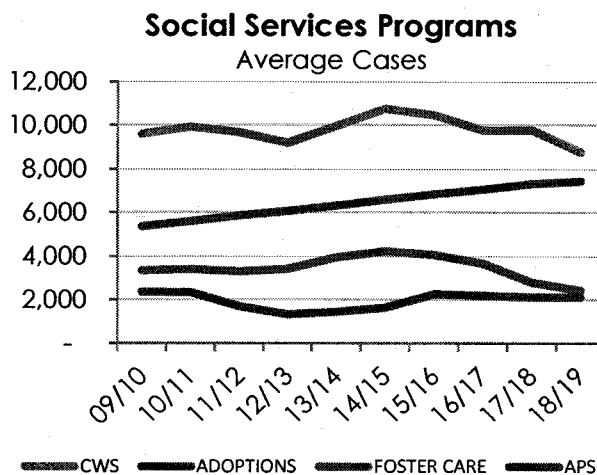
Current Status

In March 2018, legislation was approved enabling payment to caregivers pending RFA approval. For the period March 30, 2018, through June 30, 2018, all counties were required to provide a short-term, interim payment to caregivers who received an emergency or compelling reason placement of a child prior to completing the RFA process. Emergency Caregiver (EC) funding provides continuation of the interim funding, scheduled to end on June 30, 2018. Effective July 1, 2018, all counties must provide payment to the emergency caregiver of a child in an amount equal to the basic level rate for a resource family, pursuant to Welfare and Institutions Code (W&IC) sections 309 or 361.45. Emergency Caregiver (EC) funding will be provided through either the Emergency Assistance (EA) program or through a combination of state and county funding. As a result of the EC legislation, the department anticipates increased expenditures of \$2.3 million above the adopted budget, requiring \$695,000 in local funding, which the department anticipates covering within departmental funding. The department will continue monitoring the Emergency Caregiver expenditure levels and will provide a recommended budget adjustment at midyear.

Under CCR requirements, existing group home providers are required to transition to Short-Term Residential Treatment Programs (STRTP's) by December 31, 2018. All STRTP's will provide specialized/intensive care and supervision, treatment, access to medication management, behavioral health services, crisis intervention and targeted case management. The department continues to partner with the Riverside County Office of Education and the Behavioral Health and Probation departments to assist Group Homes and Foster Family Agencies prepare for the state-required transition.

During first quarter, Adult Protective Services (APS) received 3,868 reports of abuse, a 9 percent increase in reports over first quarter of FY 17/18, and a 1 percent increase in referrals requiring investigation (81 percent in quarter 1 FY 16/17 and 82 percent in quarter 1 FY 17/18). The number of clients with an open case totaled 6,242, a 3 percent decrease from the same quarter last fiscal year.

Consistent with the National Adult Protective Services Association (NAPSA) standards, APS continues to target an average of 25 open cases per social worker each month (this is a combined workload of new investigations and ongoing cases). Currently, a monthly average of 32 open cases are carried by each of the 67 APS case-carrying social workers. Currently, APS has 20 vacant casework positions, including social workers, supervisors and community program specialists.



The Homeless Emergency Aid Program (HEAP) is a \$500 million state block grant program designed to provide direct assistance to cities, counties and Continuums of Care

(CoCs) for addressing the homelessness crisis throughout California. The HEAP program was authorized by SB850, signed into law by Governor Brown on June 27, 2018.

The state allocated \$9.8 million to the Riverside County Continuum of Care (CoC) for the HEAP program, covering a period of three years. To access this funding, the department is required to submit an application by the end of December 2018. The state will issue initial award letters to counties by the end of January 2019. If residual funding is available following initial awards, applications for additional amounts will be accepted later in the year. The HEAP statute mandates that 50 percent of awarded funds must be contractually obligated by January 2020; additionally, 100 percent of the funds must be expended by June 2021.

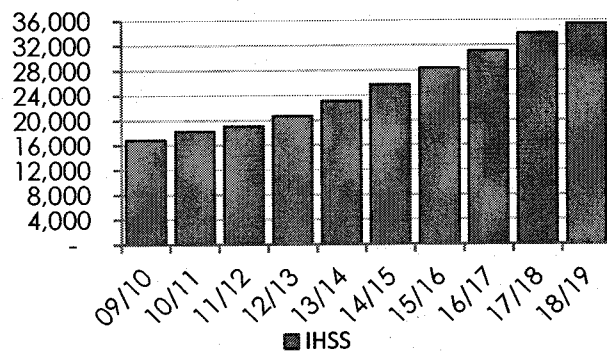
The California Emergency Solutions and Housing (CESH) program provides funding for a variety of activities to assist clients experiencing or at-risk of homelessness, as authorized by SB850 (Chapter 48, Statutes of 2018). The California Department of Housing and Community Development (HCD) administers the CESH program with funding received from the Building Homes and Jobs Act Trust Fund. HCD provides CESH program funds in the form of five-year grants to eligible applicants.

The state allocated \$1.3 million to Riverside County Continuum of Care (CoC) for the CESH program, covering a period of five years. The Department was required to submit an application by October 15, 2018. Initial award letters are expected to be received by January 2019. The Department will continue monitoring the implementation process of the HEAP and CESH programs and will provide an update in the mid-year budget report.

Effective July 1, 2018, In-Home Supportive Services individual providers (IPs) became eligible to receive payable sick leave. Each year, IPs will accrue eight hours of sick time, increasing to 24 hours by 2022, for medical purposes such as doctor's appointments, self-treatment/care and to care for children and family members. Sick time can also be used if the provider is a victim of domestic violence, sexual assault, stalking or seeking services.

During fourth quarter of FY 17/18, IHSS received 3,887 new applications and managed 34,389 continuing cases, an increase of 9 percent for the same period in FY 16/17. In addition, the division received a total of 15,866 new IHSS applications in FY 17/18. When combined with the current workload of 34,389, the total annual workload is 50,255 cases. Riverside County had the highest growth rate for continuing cases of comparable sized counties in the state. IHSS currently has 110 case-carrying social workers with an average caseload of 461 cases per social worker. Currently there are 22 vacant caseworker positions, including social workers and

Social Services Programs
Average Cases



Current Status

social worker supervisors.

The California Association of Public Authorities (CAPA) recently proposed a revised allocation formula to distribute the state's Public Authority general fund allocation among counties, which would have cut funding for Riverside County's IHSS Public Authority by 34 percent. The department successfully requested CAPA reconsider the proposed allocation. However, this issue remains a significant potential liability, and the Executive Office is working closely with the department to represent our interest to CAPA.

Riverside County Children and Families Commission (RCCFC)

During the first quarter of FY 18/19, Children and Families Commission reports actual revenue of 4 percent, due to delayed receipt of the Prop. 10 allocation. Additionally, the California Department of Tax and Fee Administration (CDTFA) was delayed in providing July 2018 revenue amounts, due to a new accounting system, software configuration updates and year-end processes. According to the state, revenue disbursements will be processed expeditiously and they are expected by mid-October.

Salaries and benefits for the first quarter were 16 percent of the annual budget, due to vacant positions funded by Prop. 10 and the Dental Transformation initiative. Operating expenses were 17 percent of the revised budget; however, this is expected to be balanced in the mid-year report by a pending equipment purchase associated with the Dental Transformation initiative, at an approximate cost of \$490,000. Contracts expenditures were approximately 5 percent of the annual budget for the first quarter. However, new contracts for home visitation, in the amount of \$2.3 million, and comprehensive health and development supports, in the amount of \$4.8 million, were executed, based upon the revised strategic plan, with effective dates of July 1, 2018. An increase in contract expenditures is expected in the second quarter. Capital expenses were not incurred during the first quarter, consistent with the same quarter last year.

Office on Aging

Riverside County Office on Aging (RCOoA) receives federal and state funding to provide services, programs and other activities for older adults and persons with disabilities, in accordance with Title III & Title VII of the Older Americans Act and the Older Californians Act. Services include supportive services and senior centers (IIIB), congregate and home delivered nutrition (IIIC & NSIP), preventive health and medication management (IIID), National Family Caregiver Support (IIIE), Long Term Care Ombudsman Services (VII-a) and Elder Abuse Prevention (VII-b).

The department relies heavily on funding through the Older Americans Act (OAA) to provide core services to the county's most frail and vulnerable older adults and persons with disabilities, 18 years of age and older, and is dedicated to providing support and resources to the community through timely and efficient operations and sound fiscal management. In recent years, OAA programs required increased resources to maintain current programs, due to a significant increase in persons 60 years of age and over, which will account for approximately 25 percent of the county's total population by the year 2020.

Although OAA funding levels are not adequate to either meet the increased demand or offset federal and state funding cuts, over the last several years, RCOoA recently received a baseline adjustment and one-time-only funding for Title III & Title VII allocations of the Older Americans Act and the Older Californians Act.

The department requests a \$2.1 million budget adjustment to reflect the baseline adjustment and one-time funding provided by the California Department of Aging, through Area Plan Contract Amendment #1. The adjustment also reflects a small increase in local grants/revenue from the Public Social Services and Behavioral Health departments and a slight decrease in state and local grant revenue associated with the Transportation Reimbursement & Information Project (TRIP) and the Long-Term Care Ombudsman Program.

Recommendation 12: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments to appropriations and estimated revenues for Office on Aging by \$2,067,154, as follows:*

Increase estimated revenues:

21450-5300100000-751200	CA - health programs	\$ 77,463
21450-5300100000-751220	CA - congregate nutrition	19,146
21450-5300100000-755260	CA - home delivered meals	50,525
21450-5300100000-767140	Fed - miscellaneous reimbursement	2,125,999
21450-5300100000-778010	Interfund - CDBG	15,272
21450-5300100000-781220	Contributions & donations	1,525
21450-5300100000-790600	Contribution from other county funds	<u>282</u>
	Total	2,290,212

Decrease estimated revenues:

21450-5300100000-711020	Measure A - transit	21,500
21450-5300100000-751600	CA - other aid to health	38,443
21450-5300100000-781850	Grants - non-governmental agencies	<u>163,115</u>
	Total	223,058

Increase appropriations:

21450-5300100000-510040	Regular salaries	835,602
21450-5300100000-518100	Budgeted benefits	120,604
21450-5300100000-525440	Professional services	18,000
21450-5300100000-527780	Special program expense	632,277
21450-5300100000-536760	Interfund expense - audit & accounting fee	<u>460,671</u>
	Total	2,067,154

PUBLIC WORKS

Transportation & Land Management Agency

Building and Safety

In an effort to increase efficiency and better serve the public, the Building and Safety

Current Status

Department offers project applicants the option to submit plans and revisions electronically. Implementation of this process improvement reduces travel, material and fee costs for applicants, while enhancing departmental efficiency through more streamlined plan check review. Purchase of two touch-drafting tables will enhance the department's capability to send, receive, review and approve project plans electronically. The department requests a \$40,000 increase in appropriations for this fixed asset purchase.

Recommendation 13: *That the Board of Supervisors 1) authorize the purchase of two touch drafting tables; and 2) approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and use of restricted fund balance for the Building and Safety Department by \$40,000, as follows:*

Increase appropriations:		
20250-3110100000-546160	Equipment - other	\$40,000
Use of restricted fund balance:		
20250-3110100000-321101	Restricted program money	40,000

Department of Environmental Health

The Department of Environmental Health (DEH) is in good financial condition and is operating within budget. First quarter salaries and benefits are less than budgeted due to several vacancies. In addition, internal service fund departments have yet to journal the DEH for their services, and several expenses, including retirement buyouts, are anticipated to occur in the second quarter. Although there are no financial issues in the DEH, the Executive Office will closely monitor operation expenditures and revenues.

Flood Control and Water Conservation District

The Flood Control and Water Management District (District) is in good financial condition and is operating within budget. Although there are no financial issues at the District, the Executive Office will closely monitor operation expenditures and revenues.

Department of Waste Resources

First quarter salaries and benefits are less than budgeted due to vacancies in positions that were anticipated to be filled. The department has several recruitments in process that have yet to been completed. As positions are filled, an increase in expenses will be seen in subsequent quarters.

First quarter supplies and services expenses are lower than projected due to: 1) first quarter revenue distribution expenses and the September In-County Tonnage payable to Waste Management, Incorporated will not be paid until the second quarter; 2) the import tonnage payment due to the general fund has yet to occur; 3) the land lease annual payment will not be paid until the end of the fiscal year.

The first quarter expenses for fixed assets are lower than anticipated. The majority of the fixed asset expenses are tied to gas collection expansion projects or other landfill construction projects, as well as the purchase of heavy equipment. These costs all require

the bid solicitation process and will be incurred primarily in the third and fourth quarters.

Waste Resources Management District

Anticipated requests for annual leave buy down and retirement payouts have yet to occur resulting in lower than projected expenses for salaries and benefits. No new employees will join the District since district operations have been reverted to a county enterprise fund.

Area 8

The first quarter expenses and revenue are lower than projected. The contract between the department and the hauler calls for payments quarterly with the first quarter payment occurring on October 31, 2018, for FY 18/19. The funds available to be disbursed shall include the basic parcel fees as well as any penalties or interest collected due to late payments or prior year assessments. The larger amounts will be deposited around January and April when the Treasurer-Tax Collector has reconciled property tax collections. An assessment fee increase approved by the Board will result in both an increase to revenue and associated expense in future months as funds are received and passed through to the hauler. A budget adjustment may be necessary in the future due to the anticipated increase in both expenditures and revenues.

ECONOMIC & COMMUNITY DEVELOPMENT

Agricultural Commissioner

The budget is stable, and the department anticipates no major changes in general fund discretionary operational costs or revenue during the fiscal year. As typical, the department receives the majority of outside revenue in the third and fourth quarters, due to the fulfilled State of California contract billings and reimbursements in arrears.

Department of Animal Services

The department typically receives the bulk of annual revenue attributed to licensing fees and spay and neuter clinic fees in the second half and subsequent quarters of the year. In addition, provisions of new contracts for Animal Control and Shelter services to cities within Riverside and San Bernardino counties will increase outside revenue potential. The department continues to develop service and contract rates that allow for full cost recovery, and expects to bring this item forward in FY 18/19.

Special Aviation/Blythe

The department requests a budget adjustment of \$81,000 for an apron pavement construction project at the Blythe Airport. The department anticipates completion of the project this fiscal year. Revenue for all aviation budget units comes from Federal Aviation Administration (FAA) grants.

Recommendation 14: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues for the Special Aviation Blythe by \$81,000, as follows:*

Current Status

Increase appropriations:		
22350-1910100000-542040	Buildings - capital projects	\$81,000

Increase estimated revenues:		
22350-1910100000-767060	Fed - airports improvements	72,900
22350-1910100000-790600	Contribution from other county funds	<u>8,100</u>
	Total	81,000

Special Aviation/Hemet Ryan

The department requests a budget adjustment of \$97,651 for the continuation of the Wild-life Master Plan and the Airport Layout Plan for Hemet Ryan Airport. Revenue for all aviation budget units comes from Federal Aviation Administration (FAA) grants.

Recommendation 15: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues for the Special Aviation Hemet Ryan by \$97,651, as follows:*

Increase appropriations:		
22350-1910300000-525440	Professional services	\$97,651

Increase estimated revenues:		
22350-1910300000-767060	Fed - airports improvements	87,886
22350-1910300000-790600	Contribution from other county funds	<u>9,765</u>
	Total	97,651

County Service Areas (CSA)

The department requests a budget adjustment of \$812 for CSA 41B. The Local Agency Formation Commission (LAFCO) dissolved this fund; therefore the adjustment is necessary as part of the close out process for CSA 41B to further allow remaining balances to transfer to CSA 41A.

Recommendation 16: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and use of restricted program fund balance for CSA 41B by \$812, as follows:*

Increase appropriations:		
23450-904101-551100	Contributions to other funds	\$812

Use of restricted fund balance:		
23450-904101-321101	Restricted program money	812

The department requests a budget adjustment for CSA 128E of \$140,000 to reimburse the Transportation Department for road improvements in the area of Lake Matthews. Sufficient restricted fund balance is available for the reimbursement.

Recommendation 17: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and use of restricted*

program fund balance for CSA 128E by \$140,000, as follows:

Increase appropriations:		
24350-912801-537160	Interfund expense - road maintenance grading	\$140,000
Use of restricted fund balance:		
24350-912801-321101	Restricted program money	140,000

Perris Valley Cemetery

The Perris Valley Cemetery requests a budget adjustment of \$10,238 for a replacement lawnmower to maintain normal lawn care standards for services.

Recommendation 18: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and use of restricted fund balance for the Perris Valley Cemetery by \$10,238, as follows:

Increase appropriations:		
22900-980503-546160	Equipment - other	\$10,238
Use of restricted fund balance:		
22900-980503-321101	Restricted program money	10,238

Community Park & Centers

EDA Community Centers requests a budget adjustment of \$48,614 to fund a new Senior Development Specialist position assigned to provide dedicated services to all community centers, and to establish an account to provide flexibility for custodial services reimbursements at the Mead Valley Community Center.

Recommendation 19: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments to appropriations for the EDA Community Centers Division by \$48,614, as follows:

Increase appropriations:		
10000-7201300000-510040	Regular salaries	\$33,866
10000-7201300000-518100	Budgeted benefits	<u>14,748</u>
	Total	48,614
Decrease appropriations:		
10000-7201300000-528500	Project cost expense	48,614

Registrar of Voters

The Registrar of Voters is required to conduct two elections during FY 18/19. The upcoming elections include the November 6, 2018, Consolidated General Election, and the June 4, 2019, City of Riverside Election. The department anticipates that the budget can accommodate the scheduled elections.

Current Status

INTERNAL SUPPORT

Human Resources

Human Resources' revenues are trending higher than budgeted due to a services agreement for continued support. In addition, Human Resources is experiencing additional payroll and professional services expenditures related to the department requested services, ACA reporting, and CalPERS survivor benefit premiums. Budget adjustments are recommended to increase revenues and offsetting appropriations. Human Resources will continue to monitor this fund closely.

Recommendation 20: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments to appropriations and estimated revenues for Human Resources by \$1,149,862, as follows:*

Increase estimated revenues:		
10000-1130100000-777030	Personnel services	\$1,125,762
10000-1130100000-781360	Other miscellaneous revenue	<u>24,100</u>
	Total	<u>1,149,862</u>

Increase appropriations:		
10000-1130100000-510040	Regular salaries	770,000
10000-1130100000-518100	Budgeted benefits	355,762
10000-1130100000-525440	Professional services	245,100
10000-1130100000-572800	Intra - miscellaneous	<u>(221,000)</u>
	Total	<u>1,149,862</u>

General Liability Insurance

There is a possibility that some outstanding claims could be settled before year-end. Revenues from stop loss payments will offset these increased claims costs. Increased appropriations to pay claims are needed to ensure pending claims can be paid before year-end. Human Resources will continue to monitor the spending on general liability claims.

Recommendation 21: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues for the General Liability Fund by \$1,378,180, as follows:*

Increase estimated revenues:		
45960-1131000000-777010	Stop loss reimbursement	\$1,378,180

Increase appropriations:		
45960-1131000000-534280	Liability adj expense	1,378,180

Unemployment Insurance

The Unemployment Insurance Fund has excess working capital on hand. Rather than refund departments, then charge departments for the Human Capital Management sys-

tem first year amounts, the entries have been consolidated. Human Resources is requesting a budget adjustment to allow further transfer of funds. Any funds remaining in excess of the working capital requirement will be refunded to departments at year-end.

Recommendation 22: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and use of unrestricted net assets of the Unemployment Insurance Fund by \$ 2,338,572, as follows:*

Increase appropriations:		
46080-1131100000-534400	Unemployment claims	\$ 300,000
46080-1131100000-551100	Contribution to other funds	<u>2,038,572</u>
	Total	2,338,572
Use of unrestricted net assets:		
46080-1131100000-380100	Unrestricted net assets	2,338,572

Purchasing & Fleet Services

Purchasing Services will likely exceed budgeted appropriations due to the increased overtime expenses incurred during the department's responding to the Cranston Fire, Holy Fire and the Flood 1 incident. The department will continue to carefully monitor its budget and any adjustments will be requested in the midyear report, if needed.

Fleet Services requests a budget adjustment in the amount of \$66,000 for the purchase of one 4X4 truck for the Sheriff's Department. The Sheriff's Department informed Fleet Services that this is a net new vehicle and was not included in their FY 18/19 budget request. As a result, Fleet Services requires a budget adjustment in the amount of \$66,000 to cover the purchase cost and six months of depreciation expense.

Recommendation 23: *That the Board of Supervisors 1) authorize the purchase of one 4X4 truck and 2) approve and direct the Auditor-Controller to make budget adjustments to the appropriations and estimated revenues for Fleet Services by \$66,000, as follows:*

Increase estimated revenues:		
45300-7300500000-777620	Vehicle Cost Recovery	\$60,000
Increase appropriations:		
45300-7300500000-535560	Depreciation – equipment	6,000
45300-7300500000-546320	Vehicles - cars/light trucks	<u>60,000</u>
	Total	66,000
Use of unrestricted net assets:		
45300-7300500000-380100	Unrestricted net assets	6,000

Attachment A Summary of Recommendations

For convenience, this section repeats the recommendations contained in the main report. There is no new information in Attachment A.

Recommendation 1: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and use of restricted fund balance for the Capital Improvement Fund by \$39,305,275, as follows:

Increase appropriations:		
30700-1104200000-525440	Professional services	\$39,305,275

Anticipated use of restricted fund balance:		
30702-1104200000-322103	Restricted for construction/capital projects	39,305,275

Recommendation 2: That the Board approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and use of restricted fund balance for the RDA Capital Improvement Fund by \$3,932,845, as follows:

Increase appropriations:		
31540-1100100000-551100	Contributions to other funds	\$3,930,845
31540-1100100000-546080	Equipment – computer	<u>2,000</u>
	Total	3,932,845

Anticipated use of restricted fund balance:		
31540-1100100000-321158	Restricted for RDA capital Improvements	3,377,666
31541-1100100000-321158	Restricted for RDA capital Improvements	350,728
31542-1100100000-321158	Restricted for RDA capital Improvements	<u>204,451</u>
	Total	3,932,845

Recommendation 3: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenue for TRANS by \$4,022,930, as follows:

Increase estimated revenues:		
10000-1102100000-791020	Premium on bonds issued	\$4,022,930

Increase appropriations:		
10000-1102100000-534000	Interest notes - warrants	4,022,930

Recommendation 4: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments to increase appropriations and estimated revenues for the Emergency Management Department by \$459,529, as follows:

Increase estimated revenues:		
10000-2000100000-775560	Other MH charges for services	\$459,529

Increase appropriations:		
10000-2000100000-525440	Professional services	459,529

Attachment A

Recommendation 5: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments to increasing appropriations and estimated revenues for the Emergency Management Department by \$200,000, as follows:

Increase estimated revenues:		
21800-2000100000-767220	Fed – other operating grants	\$200,000
Increase appropriations:		
21800-2000100000-525440	Professional services	200,000

Recommendation 6: That the Board approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues for Fire Protection by \$503,255, as follows:

Increase estimated revenues:		
10000-2700200000-778120	Interfund fire services	\$503,255
Increase appropriations:		
10000-2700200000-522310	Maintenance – building and improvement	503,255

Recommendation 7: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations for Public Defender and decreasing appropriations for contingency by \$198,031, as follows:

Decrease appropriations:		
10000-1109000000-581000	Appropriation for contingency	198,031
Increase unassigned fund balance:		
10000-1109000000-370100	Unassigned fund balance	198,031
Increase appropriations:		
10000-2400100000-510040	Regular salaries	138,621
10000-2400100000-518100	Budgeted benefits	<u>59,410</u>
	Total	198,031
Use of unassigned fund balance:		
10000-2400100000-370100	Unassigned fund balance	198,031

Recommendation 8: That the Board approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues for the District Attorney by \$215,198, as follows:

Decrease estimated revenues:		
10000-2200100000-767280	Fed - federal revenue	\$419,586
Increase estimated revenues:		
10000-2200100000-755360	CA - workers comp insurance fraud	283,994
10000-2200100000-755460	CA - DA auto insurance	44,513
10000-2200100000-755650	CA - disability healthcare fraud	166,277
10000-2200100000-755900	CA - AB118 local revenue	<u>140,000</u>

	Total	634,784
Increase appropriations:		
10000-2200100000-510040	Regular salaries	150,639
10000-2200100000-518100	Budgeted benefits	55,559
10000-2200100000-520230	Cellular phone	5,000
10000-2200100000-523640	Computer equipment – non fixed asset	<u>4,000</u>
	Total	215,198

Recommendation 9: That the Board of Supervisors approve amending Ordinance No. 440 to delete 52 positions for Probation, as indicated in Attachment B.

Recommendation 10: That the Board of Supervisors approve amending Ordinance No. 440 to delete 291 positions for the Sheriff, as indicated in Attachment B.

Recommendation 11: That the Board of Supervisors approve and direct the Auditor Controller to make the budget adjustments for Public Health by \$692,799, as follows:

Decrease appropriations:		
10000-4200100000-510040	Regular salaries	\$303,593
10000-4200100000-515260	Unemployment insurance	693
10000-4200100000-517000	Workers comp insurance	8,819
10000-4200100000-518100	Budgeted benefits	136,799
10000-4200100000-520230	Cellular phone	2,000
10000-4200100000-520320	Telephone service	8,000
10000-4200100000-520930	Insurance - liability	10,110
10000-4200100000-521640	Maintenance - software	13,037
10000-4200100000-523620	Books/publications	5,000
10000-4200100000-523680	Office equip non-fixed assets	19,000
10000-4200100000-523700	Office supplies	6,051
10000-4200100000-523720	Photocopying	1,000
10000-4200100000-523800	Printing/binding	1,500
10000-4200100000-524500	Administrative support - direct	112,649
10000-4200100000-524560	Auditing and accounting	656
10000-4200100000-524740	County support service	8,484
10000-4200100000-525140	Personnel services	5,494
10000-4200100000-525440	Professional services	19,438
10000-4200100000-525840	RCIT device access	10,197
10000-4200100000-525900	RCIT MS dynamics	21
10000-4200100000-527780	Special program expense	13,000
10000-4200100000-528140	Conference/registration fees	500
10000-4200100000-528180	Freight	32
10000-4200100000-528900	Air transportation	932
10000-4200100000-528960	Lodging	478
10000-4200100000-528980	Meals	100
10000-4200100000-529040	Private mileage reimbursement	5,136
10000-4200100000-529060	Public service transportation	<u>80</u>
	Total	692,799

Decrease estimated revenues:		
10000-4200100000-751680	CA - state grant revenue	692,799

Attachment A

Increase appropriations:

21840-4200100000-510040	Regular salaries	303,593
21840-4200100000-515260	Unemployment insurance	693
21840-4200100000-517000	Workers comp insurance	8,819
21840-4200100000-518100	Budgeted benefits	136,799
21840-4200100000-520230	Cellular phone	2,000
21840-4200100000-520320	Telephone service	8,000
21840-4200100000-520930	Insurance - liability	10,110
21840-4200100000-521640	Maintenance - software	13,037
21840-4200100000-523620	Books/publications	5,000
21840-4200100000-523680	Office equip non-fixed assets	19,000
21840-4200100000-523700	Office supplies	6,051
21840-4200100000-523720	Photocopying	1,000
21840-4200100000-523800	Printing/binding	1,500
21840-4200100000-524500	Administrative support-direct	112,649
21840-4200100000-524560	Auditing and accounting	656
21840-4200100000-524740	County support service	8,484
21840-4200100000-525140	Personnel services	5,494
21840-4200100000-525440	Professional services	19,438
21840-4200100000-525840	RCIT device access	10,197
21840-4200100000-525900	RCIT MS dynamics	21
21840-4200100000-527780	Special program expense	13,000
21840-4200100000-528140	Conference/registration fees	500
21840-4200100000-528180	Freight	32
21840-4200100000-528900	Air transportation	932
21840-4200100000-528960	Lodging	478
21840-4200100000-528980	Meals	100
21840-4200100000-529040	Private mileage reimbursement	5,136
21840-4200100000-529060	Public service transportation	80
	Total	<u>692,799</u>

Increase estimated revenues:

21840-4200100000-754020	CA - prop 56 Tobacco Act 2016	692,799
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Recommendation 12: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments to appropriations and estimated revenues for Office on Aging by \$2,067,154, as follows:

Increase estimated revenues:

21450-5300100000-751200	CA - health programs	\$ 77,463
21450-5300100000-751220	CA - congregate nutrition	19,146
21450-5300100000-755260	CA - home delivered meals	50,525
21450-5300100000-767140	Fed - miscellaneous reimbursement	2,125,999
21450-5300100000-778010	Interfund - CDBG	15,272
21450-5300100000-781220	Contributions & donations	1,525
21450-5300100000-790600	Contribution from other county funds	282
	Total	<u>2,290,212</u>

Decrease estimated revenues:

21450-5300100000-711020	Measure A - transit	21,500
21450-5300100000-751600	CA - other aid to health	38,443

21450-5300100000-781850	Grants - non-governmental agencies	<u>163,115</u>
	Total	223,058

Increase appropriations:

21450-5300100000-510040	Regular salaries	835,602
21450-5300100000-518100	Budgeted benefits	120,604
21450-5300100000-525440	Professional services	18,000
21450-5300100000-527780	Special program expense	632,277
21450-5300100000-536760	Interfund expense - audit & accounting fee	<u>460,671</u>
	Total	2,067,154

Recommendation 13: That the Board of Supervisors 1) authorize the purchase of two touch drafting tables; and 2) approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and use of restricted fund balance for the Building and Safety Department by \$40,000, as follows:

Increase appropriations:

20250-3110100000-546160	Equipment - other	\$40,000
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Use of restricted fund balance:

20250-3110100000-321101	Restricted program money	40,000
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Recommendation 14: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues for the Special Aviation Blythe by \$81,000, as follows:

Increase appropriations:

22350-1910100000-542040	Buildings - capital projects	\$81,000
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Increase estimated revenues:

22350-1910100000-767060	Fed - airports improvements	72,900
22350-1910100000-790600	Contribution from other county funds	<u>8,100</u>
	Total	81,000

Recommendation 15: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues for the Special Aviation Hemet Ryan by \$97,651, as follows:

Increase appropriations:

22350-1910300000-525440	Professional services	\$97,651
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Increase estimated revenues:

22350-1910300000-767060	Fed - airports improvements	87,886
22350-1910300000-790600	Contribution from other county funds	<u>9,765</u>
	Total	97,651

Recommendation 16: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and use of restricted program fund balance for CSA 41B by \$812, as follows:

Attachment A

Increase appropriations:		
23450-904101-551100	Contributions to other funds	\$812

Use of restricted fund balance:		
23450-904101-321101	Restricted program money	812

Recommendation 17: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and use of restricted program fund balance for CSA 128E by \$140,000, as follows:

Increase appropriations:		
24350-912801-537160	Interfund expense - road maintenance grading	\$140,000

Use of restricted fund balance:		
24350-912801-321101	Restricted program money	140,000

Recommendation 18: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and use of restricted fund balance for the Perris Valley Cemetery by \$10,238, as follows:

Increase appropriations:		
22900-980503-546160	Equipment - other	\$10,238

Use of restricted fund balance:		
22900-980503-321101	Restricted program money	10,238

Recommendation 19: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments to appropriations for the EDA Community Centers Division by \$48,614, as follows:

Increase appropriations:		
10000-7201300000-510040	Regular salaries	\$33,866
10000-7201300000-518100	Budgeted benefits	<u>14,748</u>
	Total	48,614

Decrease appropriations:		
10000-7201300000-528500	Project cost expense	48,614

Recommendation 20: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments to appropriations and estimated revenues for Human Resources by \$1,149,862, as follows:

Increase estimated revenues:		
10000-1130100000-777030	Personnel services	\$1,125,762
10000-1130100000-781360	Other miscellaneous revenue	<u>24,100</u>
	Total	1,149,862

Increase appropriations:		
10000-1130100000-510040	Regular salaries	770,000
10000-1130100000-518100	Budgeted benefits	355,762
10000-1130100000-525440	Professional services	245,100

Attachment A

10000-1130100000-572800	Intra - miscellaneous	<u>(221,000)</u>
	Total	1,149,862

Recommendation 21: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues for the General Liability Fund by \$1,378,180, as follows:

Increase estimated revenues:		
45960-1131000000-777010	Stop loss reimbursement	\$1,378,180
Increase appropriations:		
45960-1131000000-534280	Liability adj expense	1,378,180

Recommendation 22: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and use of unrestricted net assets of the Unemployment Insurance Fund by \$ 2,338,572, as follows:

Increase appropriations:		
46080-1131100000-534400	Unemployment claims	\$ 300,000
46080-1131100000-551100	Contribution to other funds	<u>2,038,572</u>
	Total	2,338,572
Use of unrestricted net assets:		
46080-1131100000-380100	Unrestricted net assets	2,338,572

Recommendation 23: That the Board of Supervisors 1) authorize the purchase of one 4X4 truck and 2) approve and direct the Auditor-Controller to make budget adjustments to the appropriations and estimated revenues for Fleet Services by \$66,000, as follows:

Increase estimated revenues:		
45300-7300500000-777620	Vehicle Cost Recovery	\$60,000
Increase appropriations:		
45300-7300500000-535560	Depreciation – equipment	6,000
45300-7300500000-546320	Vehicles - cars/light trucks	<u>60,000</u>
	Total	66,000
Use of unrestricted net assets:		
45300-7300500000-380100	Unrestricted net assets	6,000

RESOLUTION NO. 440-9095

1 A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY RIVERSIDE

2 AMENDING ORDINANCE NO. 440

3 BE IT RESOLVED by the Board of Supervisors of the County of Riverside, State of California, in
 4 regular session assembled on November 6, 2018, that pursuant to Section 4(a)(ii) of Ordinance No. 440, the
 5 Executive Office is authorized to make the following listed change(s), operative on the date of approval, as
 6 follows:

7	<u>Job Code +/-</u>	<u>Department ID</u>	<u>Class Title</u>	<u>Type</u>
8	13868 -1	2500101100	Supervising Office Assistant II	Regular
9	37576 -1	2500101100	Sheriff Corporal	Regular
10	37699 -1	2500101100	Sheriff Master Investigator IV B	Regular
11	37602 -1	2500101200	Deputy Sheriff	Regular
12	13865 -1	2500201100	Office Assistant II	Regular
13	15915 -2	2500201100	Accounting Technician I	Regular
14	15916 -1	2500201100	Accounting Technician II	Regular
15	15917 -1	2500201100	Supervising Accounting Technician	Regular
16	74740 -1	2500201100	Department H. R. Coordinator	Regular
17	77413 -1	2500201100	Sr. Accountant	Regular
18	37699 -12	2500201200	Sheriff Master Investigator IV B	Regular
19	52262 -1	2500201200	Sheriff Service Officer II	Regular
20	86195 -1	2500201300	IT Web Developer II	Regular
21	13865 -4	2500201400	Office Assistant II	Regular
22	13866 -4	2500201400	Office Assistant III	Regular
23	37570 -2	2500201400	Investigative Technician I	Regular
24	74293 -1	2500201500	Contracts and Grants Analyst	Regular
25	37576 -1	2500201800	Sheriff Corporal	Regular
26	13865 -1	2500302200	Office Assistant II	Regular
27	37576 -2	2500302200	Sheriff Corporal	Regular
28	37602 -14	2500302200	Deputy Sheriff	Regular

RESOLUTION NO. 440-9095

<u>1</u>	<u>Job Code</u>	<u>+/-</u>	<u>Department ID</u>	<u>Class Title</u>	<u>Type</u>
2	52262	-1	2500302200	Sheriff Service Officer II	Regular
3	13865	-2	2500302300	Office Assistant II	Regular
4	37602	-3	2500302300	Deputy Sheriff	Regular
5	37699	-1	2500302300	Sheriff Master Investigator IV B	Regular
6	37602	-6	2500303100	Deputy Sheriff	Regular
7	37699	-1	2500303100	Sheriff Master Investigator IV B	Regular
8	52262	-1	2500303100	Sheriff Service Officer II	Regular
9	37602	-10	2500303200	Deputy Sheriff	Regular
10	37699	-3	2500303200	Sheriff Master Investigator IV B	Regular
11	37602	-3	2500303300	Deputy Sheriff	Regular
12	37602	-4	2500303400	Deputy Sheriff	Regular
13	13865	-1	2500303500	Office Assistant II	Regular
14	37602	-6	2500303500	Deputy Sheriff	Regular
15	37699	-2	2500303500	Sheriff Master Investigator IV B	Regular
16	52262	-1	2500303500	Sheriff Service Officer II	Regular
17	13865	-2	2500304100	Office Assistant II	Regular
18	13865	-1	2500304200	Office Assistant II	Regular
19	13866	-1	2500304200	Office Assistant III	Regular
20	52262	-2	2500304200	Sheriff Service Officer II	Regular
21	52265	-2	2500304200	Community Service Officer II	Regular
22	37528	-2	2500305300	Documents Examiner	Regular
23	92741	-1	2500305300	Forensic Photo Lab Technician	Regular
24	13865	-1	2500306500	Office Assistant II	Regular
25	37699	-3	2500306500	Sheriff Master Investigator IV B	Regular
26	52262	-1	2500306500	Sheriff Service Officer II	Regular
27	37699	-5	2500306600	Sheriff Master Investigator IV B	Regular
28	52262	-2	2500306600	Sheriff Service Officer II	Regular

RESOLUTION NO. 440-9095


<u>1</u>	<u>Job Code</u>	<u>+/-</u>	<u>Department ID</u>	<u>Class Title</u>	<u>Type</u>
2	52264	-1	2500306600	Community Service Officer I (U)	Regular
3	37602	-1	2500307100	Deputy Sheriff	Regular
4	13866	-3	2500307500	Office Assistant III	Regular
5	37699	-7	2500307500	Sheriff Master Investigator IV B	Regular
6	37576	-1	2500402200	Sheriff Corporal	Regular
7	37576	-1	2500403100	Sheriff Corporal	Regular
8	37602	-13	2500403100	Deputy Sheriff	Regular
9	37699	-1	2500403100	Sheriff Master Investigator IV B	Regular
10	52211	-33	2500403100	Correctional Deputy II	Regular
11	52212	-5	2500403100	Correctional Corporal	Regular
12	54420	-1	2500403100	Correctional Cook	Regular
13	54453	-2	2500403100	Correctional Food Service Worker	Regular
14	66419	-1	2500403100	Building & Maintenance Super Corrections	Regular
15	37576	-2	2500403300	Sheriff Corporal	Regular
16	37602	-8	2500403300	Deputy Sheriff	Regular
17	52211	-18	2500403300	Correctional Deputy II	Regular
18	52212	-2	2500403300	Correctional Corporal	Regular
19	37576	-3	2500404100	Sheriff Corporal	Regular
20	37602	-11	2500404100	Deputy Sheriff	Regular
21	52211	-30	2500404100	Correctional Deputy II	Regular
22	52212	-3	2500404100	Correctional Corporal	Regular
23	54402	-1	2500404100	Correctional Baker	Regular
24	54422	-1	2500404100	Correctional Food Services Supervisor	Regular
25	62739	-1	2500404100	Building Maintenance Mechanic	Regular
26	77413	-1	2500404100	Sr. Accountant	Regular
27	79731	-3	2500406100	Correctional Counselor	Regular
28	13811	-1	2500502100	Court Services Assistant II	Regular

RESOLUTION NO. 440-9095

<u>1</u>	<u>Job Code</u>	<u>+/-</u>	<u>Department ID</u>	<u>Class Title</u>	<u>Type</u>
2	37571	-1	2500502100	Investigative Technician II	Regular
3	13866	-2	2500704100	Office Assistant III	Regular
4	15833	-1	2500704100	Storekeeper	Regular
5	62142	-1	2500704100	Grounds Crew Lead Worker	Regular
6	62171	-1	2500704100	Grounds Worker	Regular
7	62221	-1	2500704100	Maintenance Carpenter	Regular
8	37501	-1	2501002100	Deputy Coroner II	Regular
9	98550	-1	2501005100	Forensic Services Specialist II	Regular
10	37498	-2	2501005200	Coroner Technician	Regular
11	13865	-1	2505100000	Office Assistant II	Regular
12	52262	-2	2505100000	Sheriff Service Officer II	Regular
13	13865	-1	2600100000	Office Assistant II	Regular
14	13866	-1	2600100000	Office Assistant III	Regular
15	15833	-2	2600100000	Store Keeper	Regular
16	15915	-1	2600100000	Accounting Technician I	Regular
17	52412	-7	2600100000	Probation Correctional Office II	Regular
18	54453	-4	2600100000	Correctional Sr. Food Svc. Worker	Regular
19	54480	-1	2600100000	House Manager	Regular
20	62141	-1	2600100000	Gardener	Regular
21	62740	-3	2600100000	Bldg. Maintenance Mechanic	Regular
22	62771	-1	2600100000	Bldg. Maintenance Supervisor	Regular
23	13865	-4	2600200000	Office Assistant II	Regular
24	13866	-6	2600200000	Office Assistant III	Regular
25	57794	-6	2600200000	Probation Assistant	Regular
26	79532	-3	2600200000	Deputy Probation Officer II	Regular
27	79533	-4	2600200000	Senior Probation Officer	Regular
28	13866	-2	2600700000	Office Assistant III	Regular

RESOLUTION NO. 440-9095

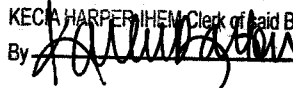
<u>Job Code +/-</u>	<u>Department ID</u>	<u>Class Title</u>	<u>Type</u>
15915 -1	2600700000	Accounting Technician I	Regular
52412 -2	2600700000	Probation Correctional Office II	Regular
74106 -1	2600700000	Admin Services Analyst II	Regular
79532 -1	2600700000	Deputy Probation Officer II	Regular


Approved by Michael T. Bowers
Asst. Human Resources Director

ROLL CALL:

Ayes: Jeffries, ,Tavaglione, Washington, Perez and Ashley
Nays: None
Absent: None

The foregoing is certified to be a true copy of a resolution duly adopted by said Board of Supervisors on the date therein set forth.

KECIA HARPER IHEN Clerk of said Board
By  Deputy

COUNTY OF RIVERSIDE

EXECUTIVE OFFICE

GEORGE A. JOHNSON
COUNTY EXECUTIVE OFFICER



LISA BRANDL
CHIEF OPERATING OFFICER

DON KENT
ASSISTANT COUNTY EXECUTIVE OFFICER
COUNTY FINANCE OFFICER

Budget Policies

November 2018

The budget will be maintained and amended, and future year budgets and long-range budget plans developed, based on the following budget policies:

1. **Strategic Objectives:** Allocation of the county's limited resources will be prioritized based on the county's overarching strategic organizational objectives.
2. **Financial Objectives:** In addition to the basic requirements for a balanced budget required by the state Budget Act, the county budget shall also strive toward meeting the following financial objectives within all of its funds:
 - a. **Structural Balance:** Achieve a structurally balanced budget in which ongoing expenditures do not exceed ongoing revenues, and limiting one-time resources to one-time expenditures.
 - b. **Prudent Reserves:** Achieve and maintain prudent reserves and working capital in all funds as required by Board Policy B-30. Maintain general fund discretionary reserves above \$150 million, and replenish and rebuild these reserves as soon as financial conditions allow.
 - c. **Restricted fund balance and net assets:** Avoid accumulation of unexpended restricted fund balance and net assets, except where necessary for prudent reserves, working capital, or specified purposes as required by Board Policy B-30.
 - d. **Committed and Assigned Fund Balance and Net Assets:** Hold commitments and assignments of fund balance or net assets only as long as necessary to provide for the purpose for which they are established, and release those no longer necessary and apply them either to other one-time uses or reserves.
3. **One-time Resources:** In line with the financial objective of achieving structural balance, one-time resources derived from unexpected or excess revenue or cost savings should be set aside to build reserves, not to backfill ongoing operations.
4. **Net Costs**
 - a. **General Fund Net County Cost (NCC):** Aggregate net county costs shall be held stable until the general fund is structurally balanced and discretionary reserves are rebuilt. Ongoing discretionary funding allocated to general fund departments shall be recommended by the Executive Office; and all general fund budgets will be submitted within these net cost allocations. Budget requests exceeding NCC allocations may either be returned by the Executive Office to department heads for adjustment, or modified by the Executive Office as necessary to meet net cost allocation objectives.

Budget Policies

- b. **Net Costs in Other Funds:** The net costs of other non-general fund budget units will be kept within levels sufficient to maintain budgetary balance and sustainable levels of working capital over the long-term.
5. **Revenue Recognition:** Unless otherwise mandated or restricted, all departmental revenues shall be recognized in the year received in accordance with GASB standards.
6. **General Fund Support "Last In/First Out":** Departmental resources should be applied first, ensuring general fund support is provided only as necessary.
7. **Departmental Revenue:** Departmental revenue shortfalls will not be backfilled by the general fund. Departments should adjust their estimated revenues and appropriations accordingly for expected reductions in all outside revenue including, but not limited to, property tax, grant funds, public safety sales tax, state and federal funding.
8. **Budget Impacts:** Departments shall implement measures necessary to provide core services within allocated NCC, such as attrition, improved efficiency, or program reductions. Detailed written requests to restore cuts shall be presented separately to the Executive Office with the budget submittal. Budgets submitted with backfill assumed and incorporated into budget submittals, and that consequently exceed NCC allocations, may be returned for adjustment or modified by the Executive Office as necessary to meet the NCC allocated.
9. **Priorities in Budget Construction:** Budgets should be built prioritizing first all non-elective obligations, then mission-critical operational costs, and lastly all non-essential elective costs. The unavoidable basic costs of doing business, such as rent, debt service, and utilities should be budgeted first, including any anticipated increases for these expenditures. Next, budget for the operational costs of completing core missions, such as payroll, essential materials and services. Finally, budget for non-essential elective costs, such as subscriptions, memberships, travel, and redecoration.
10. **Cost of Living Allowances (COLAs), Pension Obligations, and Other Labor Costs:** All departments will absorb all cost of living, pension, and other labor increases, including merit increases, cash outs of annual leave, and overtime.
11. **Vacant Positions:** With the exception of extraordinary situations handled on a case-by-case basis, unfunded vacant positions shall be deleted.
12. **Position Activity:** Deletion, addition, or exchange of positions during budget preparation and approval should be limited to prevent conflicts or discrepancies with the requested position levels on which funding decisions depend.
13. **Vehicles and other fixed assets:** Authorization for the acquisition of vehicles and other fixed assets shall only be valid for the year in which they are initially budgeted and shall expire at the end of that fiscal year. Authorized vehicles and other fixed assets for which purchase orders are not initiated by year-end shall not roll over to the subsequent fiscal year, but may be submitted for consideration for reauthorization the following fiscal year subject to availability of funding.
14. **Submittal Deadlines:** All departments will submit their FY 19/20 budget requests to the Executive Office no later than Monday, March 11, 2019. To be considered on time, budget requests must be completed in accordance with these budget policies.

County of Riverside Executive Office
High-level Budget Schedule

	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22
1st quarter department status reports	10/10/17	10/09/18	10/07/19	10/13/20	10/12/21
1st quarter report to Board	11/14/17	11/13/18	11/19/19	11/17/20	11/16/21
2nd quarter department status reports	01/08/18	01/09/19	01/09/20	01/11/21	01/10/22
Budget kickoff for next budget cycle	01/24/18	01/17/19	01/16/20	01/19/21	01/13/22
ISF Rate Approval for next cycle	01/30/18	01/29/19	01/28/20	01/26/21	01/25/22
2nd quarter report to Board	02/06/18	02/05/19	02/04/20	02/09/21	02/08/22
Budget submittals due for next budget	03/12/18	03/11/19	03/09/20	03/15/21	03/14/22
3rd quarter department status reports	04/09/18	04/08/19	04/06/20	04/12/21	04/11/22
Suspend CTRs	05/01/18	05/01/19	05/01/20	05/01/21	05/01/22
3rd quarter report & budget preview	05/22/18	05/14/19	05/12/20	05/11/21	05/17/22
Recommended budget presented & budget hearings opened	06/11/18	06/10/19	06/15/20	06/14/21	06/13/22
Adjustments to recommended budget (as needed) & Budget Adopted	06/26/18	06/25/18	06/30/19	06/29/21	06/28/22
<u>Statutory deadline by which Board must approve next recommended budget</u>	<u>06/30/18</u>	<u>06/30/19</u>	<u>06/30/20</u>	<u>06/30/21</u>	<u>06/30/22</u>
Year-end clean-up adjustments due	08/06/18	08/05/19	08/03/20	08/09/21	08/08/22
Year-end clean-up of old year budgeted appropriations (as needed)	08/28/18	08/27/19	08/25/20	08/31/21	08/30/22
<u>Statutory deadline by which Board must formally adopt next budget</u>	<u>10/02/18</u>	<u>10/02/19</u>	<u>10/02/20</u>	<u>10/02/21</u>	<u>10/02/22</u>
<u>Statutory deadline by which to file next adopted budget with Clerk of the Board and State Controller</u>	<u>12/01/18</u>	<u>12/01/19</u>	<u>12/01/20</u>	<u>12/01/21</u>	<u>12/01/22</u>

All dates not in *italics* are tentative and subject to change.

Items in **bold** indicate Board dates.

Items underlined are statutory deadlines.