

MINUTES OF THE BOARD OF SUPERVISORS  
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA



**24.1** (MT 14931)

1:30 p.m. being the time set for Executive Office: Budget Planning Workshop for April 13, 2021.

**EXECUTIVE OFFICE - OPENING COMMENTS**

Jeff Van Wagenen presented the matter and gave a PowerPoint presentation.

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I hereby certify that the foregoing is a full true, and correct copy of an order made and entered on April 13, 2021 of Supervisors Minutes.

WITNESS my hand and the seal of the Board of Supervisors  
Dated: April 13, 2021  
Kecia R. Harper, Clerk of the Board of Supervisors, in  
and for the County of Riverside, State of California.

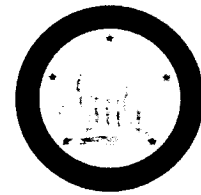
(seal)

By: David Boyle Deputy

AGENDA NO.  
24.1

xc: EO

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



**ITEM: 24.1  
(ID # 14931)**

**MEETING DATE:**  
Tuesday, April 13, 2021

**FROM :** EXECUTIVE OFFICE:

**SUBJECT:** EXECUTIVE OFFICE: Budget Planning Workshop for April 13, 2021. All Districts.  
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**RECOMMENDED MOTION:** That the Board of Supervisors:

1. Hold a Budget Planning Workshop.

**ACTION:Policy**

  
Jeff Van Wagenen, County Executive Officer 4/8/2021

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**MINUTES OF THE BOARD OF SUPERVISORS**

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

<b>FINANCIAL DATA</b>	<b>Current Fiscal Year:</b>	<b>Next Fiscal Year:</b>	<b>Total Cost:</b>	<b>Ongoing Cost</b>
<b>COST</b>	N/A	N/A	N/A	N/A
<b>NET COUNTY COST</b>	N/A	N/A	N/A	N/A
<b>SOURCE OF FUNDS: N/A</b>			<b>Budget Adjustment:</b>	No
			<b>For Fiscal Year:</b>	20/21

**C.E.O. RECOMMENDATION:** Approve

**BACKGROUND:**

This next fiscal year will bring continued challenges as we look to align our County policy and budget priorities with our rising costs and constrained financial resources. In anticipation of these issues, the Executive Office (EO) began budget planning discussions with the Board of Supervisors in a workshop on February 9<sup>th</sup>. At that time, the EO suggested that the Board hold a “Recommended Budget Workshop” in mid-April to provide the Board with additional opportunities to consider and discuss the path forward. This workshop will assist in formulating strategies for the Fiscal Year 21/22 Recommended Budget that will be coming before the Board during budget hearings, which are currently scheduled for June 14 and June 15.

The Recommended Budget Workshop will discuss the following key factors going into the FY 21/22 Recommended Budget:

- Current and projected general fund financial position and structural budget deficit
- Increased labor and pension costs
- Targeted Net County Cost (NCC) cuts
- Requests for additional NCC from departments
- Utilization of the Augmentation Fund.
- Feedback from the Board

Looking ahead, and in addition to the budget hearings in June, later this month the EO will present a preliminary framework to the Board for the use of revenue from the American Rescue Plan Act (ARPA). We will also return to the Board with the Third Quarter Budget Report in May.



# **Fiscal Year 2021/22 Recommended Budget Workshop**

**Board of Supervisors Meeting  
Agenda Item 24.1  
April 13, 2021**

# Overview

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## Today's Presentation:

- Background
- Updated Revenue Projection
- Requested NCC Increases from Departments: **\$117 million**
- Next Steps
- Questions and Feedback

# Background

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## **FY20/21 Budget Process was ... Unique**

- Unprecedented costs
- Inconsistent revenue
- One-time money offered short-term solutions
- Costs continue to exceed revenue

## **Begin to Improve the Budget Process in FY21/22**

- Establish a budget strategy for FY21/22
- Present information earlier and more often

## **Continue to Improve the Budget Process in FY22/23**

- Establish long term planning, with stability and consistency
- Align policy priorities with budget decisions

## Background: Establish a Budget Strategy for FY21/22

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- 1) Reduce structural deficit
- 2) Maintain healthy general fund reserve\*
- 3) Minimize impacts to services
- 4) Continue robust COVID-19 response and recovery efforts
- 5) Create augmentation fund to support priorities and policy decisions\*

## Background: Establish a Budget Strategy for FY21/22

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- 6) Keep internal service costs flat for the departments\*
- 7) Establish greater employee position control
- 8) Look for efficiencies and innovation in service delivery
- 9) Create a countywide performance unit and report progress
- 10) Generally, keep FY21/22 NCC allocations at FY20/21 levels, with departments absorbing labor and pension cost increases



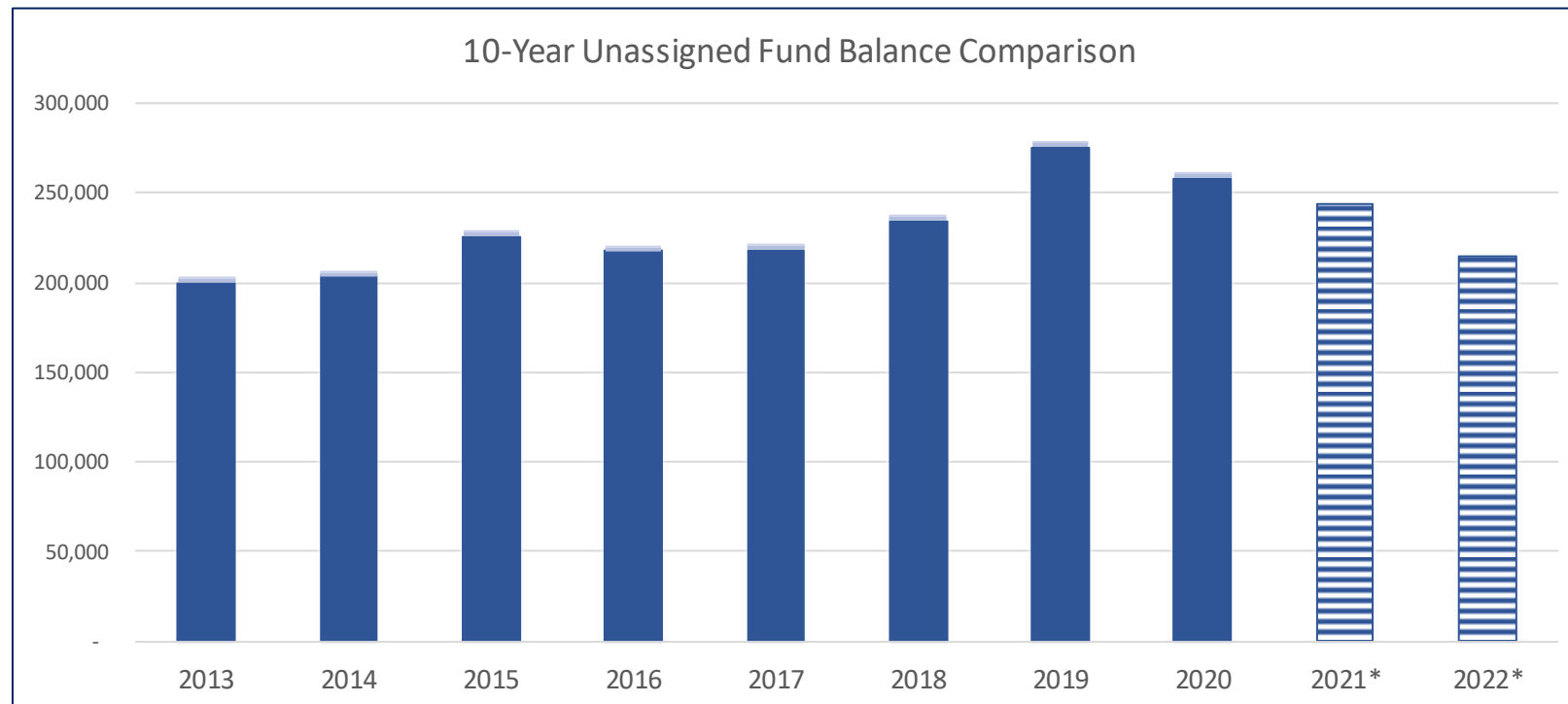
# Background: Establish a Budget Strategy – Healthy General Fund Reserve

## Internal Comparison over 10 Years:

Description	2013	2014	2015	2016	2017	2018	2019	2020	2021*	2022*
<b>Unassigned Fund Balance</b>	<b>199,919</b>	<b>203,444</b>	<b>225,855</b>	<b>217,322</b>	<b>217,891</b>	<b>234,477</b>	<b>275,181</b>	<b>257,959</b>	<b>244,000</b>	<b>215,000</b>
Population	2,255	2,280	2,308	2,348	2,385	2,416	2,440	2,442	2,520	2,550
Per Capita	\$ 88.7	\$ 89.2	\$ 97.9	\$ 92.6	\$ 91.4	\$ 97.1	\$ 112.8	\$ 105.6	\$ 96.8	\$ 84.3

\* Estimated

\*\* Source: Audited Financials



# Background: Establish a Budget Strategy – Healthy General Fund Reserve

## External Comparison with Other Counties:

County	Unassigned Fund Balance*	Population	Per Capita
Riverside	\$ 275,181,000	2,440,000	\$ 112.80
Ventura	100,899,000	857,000	117.70
Orange	196,517,000	3,222,000	61.00
San Bernardino	477,914,000	2,192,000	218.00
San Diego	712,149,000	3,352,000	212.50
Los Angeles	2,641,551,000	10,254,000	257.60

\*Fiscal Year 2018/19

# Background: Establish a Budget Strategy – Create Augmentation Fund

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## \$16 million set aside to pay for:

- Board priorities
- Policy decisions
- Needs identified after setting original budget targets
- Requested NCC Increases from Departments
- One-time costs or ongoing operations\*

\*Could increase structural deficit

# Background: Establish a Budget Strategy – Keep Internal Service Costs Flat

## FY20/21:

- Many internal service departments took cuts, totaling \$14 million

Department	Reduction	Cut as % of Total Budget
RCIT	\$ 3,914,565	5.0%
PSEC	685,055	5.0%
FM: Maintenance	2,290,424	6.3%
FM: Custodial	3,775,350	22.7%
Purchasing: Fleet	583,472	5.8%
Purchasing: Central Mail	58,812	5.0%
Purchasing: Supply	3,022,299	100%

## FY21/22:

- Internal service department costs to departments remain flat
- Absorb labor and pension increases

## Background: Present Information Earlier and More Often

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### FY21/22 Budget Schedule:

February 9 <sup>th</sup> :	Board Workshop
March 9 <sup>th</sup> :	FY20/21 Mid-Year Report
April 13 <sup>th</sup> :	Board Workshop
April 20 <sup>th</sup> *:	CARES Update
April 27 <sup>th</sup> *:	ARP Framework Presentation
May 18 <sup>th</sup> *:	FY20/21 Third Quarter Report
May 28 <sup>th</sup> :	Publish Recommended Budget
June 14 <sup>th</sup> :	Budget Hearings
June 29 <sup>th</sup> :	Budget Adoption

# Updated Revenue Projection

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## Projected discretionary revenue up \$10 million:

- February 9<sup>th</sup> Workshop: \$909 million
- Today's Workshop: \$919 million

## Reasons for projected increase:

- Continued evolution of estimates to actuals
- Some line-item revenues up and some down, but an overall net increase
- Largest increases:
  - Property tax revenue
  - Change in “RDA Property Tax Residual Asset” calculation

## Results in a reduction of anticipated structural deficit:

- February 9<sup>th</sup> Workshop: \$13 million
- Today's Workshop: \$ 3 million

# Requested Net County Cost (NCC) Increases from Departments

DEPARTMENT	NCC REQUEST (in millions)
Sheriff	\$ 71.1
District Attorney	16.3
DPSS	8.7
Registrar of Voters	6.5
Fire	4.1
Animal Services	4.1
Emergency Management	2.0
Public Defender	1.9
Facilities Management: Energy	1.4
Facilities Management: Parking	0.5
Office on Aging	0.3
Purchasing & Fleet Services	0.2
Facilities Management: Fairgrounds	0.2
Cooperative Extension	0.1
<b>TOTAL</b>	<b>\$117.4</b>

## Next Steps

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### **The Executive Office will:**

- Work closely with Department to understand their requests
- Acknowledge that not all requests can be funded
- Differentiate “needs” vs. “wants”
- Balance “needs” vs. “needs”
- Make tough choices
- Develop options and recommendations for the Board



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# Questions and Feedback