

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



3.27
(MT 24551)

On motion of Supervisor Spiegel seconded by Supervisor Gutierrez and duly carried, IT WAS ORDERED that the recommendation from County Counsel to Approve Budget Adjustments for County Counsel for FY 2023/24. All Districts, is continued to Tuesday, April 2, 2024, at 9:30 a.m. or as soon as possible thereafter.

Roll Call:

Ayes: Jeffries, Spiegel, Washington and Gutierrez
Nays: None
Absent: Perez

I hereby certify that the foregoing is a full true, and correct copy of an order made and entered on March 19, 2024, of Supervisors Minutes.

(seal) WITNESS my hand and the seal of the Board of Supervisors
Dated: March 19, 2024
Kimberly A. Rector, Clerk of the Board of Supervisors, in
and for the County of Riverside, State of California.

By: Naomy Li Deputy

AGENDA NO.
3.27

xc: CO.CO., COB

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



ITEM: 3.27
(ID # 24551)

MEETING DATE:
Tuesday, March 19, 2024

FROM : COUNTY COUNSEL:

SUBJECT: COUNTY COUNSEL: Approve Budget Adjustments for County Counsel for FY 2023/24. All Districts [Total Cost \$1,350,773, 100% General Fund Appropriation for Contingency] [4/5 Vote Required] (Continued to April 2, 2024)

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve and direct the Auditor Controller to make the budget adjustment shown in Schedule A.

ACTION:4/5 Vote Required

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FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$ 1,350,773	\$ 1,350,773	\$ 2,701,546	\$ 1,350,773
NET COUNTY COST	\$ 1,350,773	\$ 1,350,773	\$ 2,701,546	\$ 1,350,773
SOURCE OF FUNDS: 100% General Fund Contingency			Budget Adjustment: Yes	
			For Fiscal Year: 23/24	

C.E.O. RECOMMENDATION: [CEO use]

BACKGROUND:

Summary

County Counsel operates as a general support service department, where it must either implement a Board approved rate to fully recover costs through charges to client departments and/or be supported by the County's General Fund to cover operational costs. Currently, County Counsel's budget is 90% salary and benefit, and 10% fixed and other costs. All County Counsel's expenditures including employee salaries and benefits, facility leases, and other overhead costs are all fixed by County policies.

In the last couple of years, County Counsel has been evaluating their billing methodologies to find the best method that would provide cost-effective legal services to client departments, and to promote the public service objective of the County of Riverside, while at the same time protect the County from risk of loss.

In 2020, County Counsel started discussing about the 100% Direct Bill program. This shift was intended to bring equity across all client departments and reduce County Counsel's Net County Cost (NCC). Unfortunately, this approach has proven unsuccessful because some County departments could not be billed 100% of all the legal services provided. The County Counsel often provides services, including training, counsel, and advice proactively. Examples of the services that cannot be billed include defending County court cases and the training and implementation of various new State laws such as CARE Court, Brown Act, Public Records Act, Conflict of Interests, redistricting, housing, contracting laws, etc. Many of these County Counsel services benefit multiple departments on an ongoing basis and are contrary to the direct billing methodology, which tends to focus on the cost of each distinct case or matter.

Additionally, direct billings have influenced County Departments' proactive seeking legal advice or training, as they strive to manage costs. Further, there's a reluctance to seek specialized guidance from the County Counsel's office involving multiple attorneys due to concerns about increased costs. In the long term, direct billing methodology may lead to avoidance of needed legal services and thereby exposing the County to greater liabilities.

In the FY 23/24 County Counsel rate approval process, County Counsel was approved to implement a hybrid approach where Non-General Fund departments and client departments with Legal Service Agreements will be direct billed at the Board approved rate and General Fund departments will be billed through a shared cost allocation plan. The shared cost

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allocation method allocates the estimated general fund departments' legal costs to general fund departments through a percentage allocation based on each department's FY 21/22 actual hours of legal services utilized. Year-end projections reflect the need for the additional appropriation to meet demands of the new hybrid budget approach and midyear adjustments to County Counsel's budget.

County Counsel requests \$1,350,773 in contingency funds for the current fiscal year as there are not sufficient departmental funds for projected expenditures in Fiscal Year 2023/24. Approving the additional on-going funding of \$1,350,773 will result in the total General Fund Contribution being 39% of County Counsel's total budget aligning more closely to County Counsel's Offices in the surrounding Counties as shown below.

Fiscal Year 2023/2024 Yearly Budgets and General Fund Contributions

	<u>Total Budget</u>	<u>General Fund Contribution</u>
Orange County	\$12.7 million	\$ 8.4 million (66% of total budget)
Los Angeles County	\$53.8 million	\$17.0 million (32% of total budget)
San Bernardino County	\$15.1 million	\$ 4.4 million (29% of total budget)
San Diego County	\$43.9 million	\$22.7 million (52% of total budget)
Ventura County	\$ 8.3 million	\$ 5.5 million (66% of total budget)
Riverside County	\$ 5.7 million	\$ 0.8 million (15% of total budget)

This request is for \$1.3 million more, totaling -- \$ 2.2 million (39% of total budget)

SCHEDULE A. BUDGET ADJUSTMENT FY23/24

1) Decrease Estimated Revenues:		
10000-1500100000-771410	Flood Control District	\$ 383,486
10000-1500100000-771430	Legal Services	406,958
10000-1500100000-771440	Liability Insurance	297,642
10000-1500100000-771930	Deposit Based Fee Draws	244,342
10000-1500100000-781360	Other Misc Revenue	18,345
2) Anticipated Use of Unassigned Fund Balance		
10000-1500100000-370100	Unassigned Fund Balance	\$ 1,350,773
3) Anticipated Increase of Unassigned Fund Balance:		
10000-1109000000-370100	Unassigned Fund Balance	\$ 1,350,773
4) Decrease Appropriations:		
10000-1109000000-581000	Approp For Contingencies	\$ 1,350,773

 Mary Miller 3/15/2024