June 25, 2019

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

SUBJECT: Approval of FY 19/20 Budget Amendments & Resolution of Adoption

Board members:

As we continue to transform Riverside County government, I want to recognize departments for coming together to make the necessary adjustments to finalize this year’s budget. Some requests for additional NCC from the prior year were decreased, while other departments’ ongoing NCC was reduced. Additionally, some departments have been asked to reevaluate and pursue new revenue opportunities.

The county must continue to progress towards our shared mission, vision and set of goals to ensure the long-term fiscal sustainability for our county, and the health, welfare and safety of our residents. All of this must be achieved while implementing strong cost controls. Hard decisions must be made while we balance the county’s priorities and the increased strain for services. This task is an absolute reality that all county departments and agencies must adopt and apply.

The Recommended Budget

On June 10, 2019, I presented the Board a FY 19/20 recommended budget that provides $6.1 billion in overall spending authority and $3.5 billion for general fund operations. This includes $838 million in discretionary general fund spending funded by $838 million in general-purpose revenue, and $20 million in contingency funded by one-time revenue opportunities. The proposal included a multi-year discretionary spending plan with targeted cuts to certain general fund departments’ FY 19/20 net cost allocations to keep discretionary spending within the reserve limits set by the Board.

Also included is funding for IHSS, General Assistance, the phased opening of the John J. Benoit Detention Center, inmate healthcare settlement costs, the medical office building for RUHS, Community Health Centers, the new property tax system, and various pending obligations as previously presented to the Board. In crafting the recommended
budget, my office took a number of steps aimed at containing costs and minimizing further deficit spending.

**Budget Hearings**

On June 10 and 11, the Executive Office overview stated my office’s recommendations to provide additional net county cost funding in the amount of $29 million, offset by targeted cuts of $21 million. The Board took testimony from departments and the public regarding spending needs and operational challenges. Specifically, the Board sought to address the request by Cooperative Extension for $562,064, with the current budget of $112,000, funding would be brought back to the prior year allocation of $674,064. The Board members’ also raised concerns about service levels in Code Enforcement and proposed restoring $500,000.

Budget Hearings were continued to June 18 where the Board requested to include the reinstatement of a $1 million cut to EDA – Economic Development Programs as well as an increase of $500,000.

To ensure baseline-spending authority for FY 19/20 was in place by June 30, as required by law, the Board approved the Recommended Budget as presented and asked the Executive Office to return with the final recommendations requested during budget hearings.

**Revised Recommendations**

As discussed above, the recommendation is to now restore $562,064 for Cooperative Extension, $500,000 for Code Enforcement, and $1.5 million for EDA - Economic Development Programs. These total $2.6 million in ongoing discretionary spending.

The net discretionary spending increases recommended at this time are summarized below:

<table>
<thead>
<tr>
<th></th>
<th>$ in millions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cooperative Extension</td>
<td>0.6</td>
</tr>
<tr>
<td>Code Enforcement</td>
<td>0.5</td>
</tr>
<tr>
<td>Economic Development Programs</td>
<td>1.5</td>
</tr>
<tr>
<td><strong>Total Recommended</strong></td>
<td><strong>2.6</strong></td>
</tr>
</tbody>
</table>

These spending increases are covered in the near term by reductions in appropriations for contingency in FY 19/20 until general-purpose revenues rise sufficiently to sustain this long-term. If revenues do not materialize this will impact fund balance.

The recommendations contain certain technical adjustments to be included in the Adopted Budget, including the reduction of budgets for EDA Maintenance, Custodial, Real Estate and Project Management Office that were inadvertently left out of the book.
Also included is a separate motion for approval of Ord 440-9117 including five positions for Code Enforcement as part of the reinstatement of $500,000.

Multi-Year Impact

The spending increases recommended above are projected to keep us on the path to structural balance and maintaining reserves above the $150 million level. This is achieved by offsetting these spending increases with draws on general fund contingency, leaving a remaining balance of $17.4 million to begin the year. Also, pending labor negotiations could potentially change the multi-year strategy if on-going funding sources are not achieved.

As we implement more cost-effective operations, we may see more flexibility in our options. However, until then, we must use discipline and collaboration to address the rising demand for services within these financial constraints.

IT IS THEREFORE RECOMMENDED that the Board of Supervisors:

1) Approve the budget adjustment in Attachment A for Cooperative Extension in the amount of $562,064; and,

2) Approve the budget adjustment in Attachment A for Code Enforcement in the amount of $500,000; and,

3) Approve the budget adjustment in Attachment A for EDA in the amount of $1,500,000; and,

4) Approve the budget adjustment in Attachment A reducing budgets for EDA Maintenance, Custodial, Real Estate, and Project Management Office as a technical change per written submittal during budget hearings; and,

5) Direct the Executive Office to report back on cost efficiencies for the Department of Animal Services before returning to the Board of Supervisors with any proposed changes to rates and fees for unincorporated residents, per written submittal Attachment B; and,

6) Direct the County Executive Office to enforce the proposal submitted by Supervisor Jeffries stating, primarily net county cost funded departments that lease office space, and have declined to utilize available county office space, (provided it is suitable, within a reasonable distance and will result in a net savings), shall be directed by the County Executive Officer to relocate to available county owned office space. If a department does not want to utilize County owned space when available, the net county cost portion of their budget will be reduced in the amount of the difference between the private net annual lease and the county new annual lease.
Waivers from this can be granted by the CEO, provided the Board is notified in advance, per written submittal Attachment C; and,

7) Approve Resolution No. 440-9117 containing amendments to Ordinance 440 and Budget Schedule 20 listed in Attachment D; and,

8) Approve Resolution No. 2019-159 adopting the FY 19/20 budget as amended, contained in Attachment E; and,

9) Affirm that it is the Board’s direction that with the adoption of the budget all departments are expected to operate within approved appropriation levels and meet their budgeted net cost allocations.

Respectfully submitted,

George A. Johnson  
County Executive Officer
Recommended Budget Amendments
(3/5ths Vote)

Recommendation 1: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations for Cooperative Extension and adjusting Appropriations for Contingency by $562,064, as follows:

Increase Appropriations:

10000-6300100000-510040  Regular Salaries  $175,446
10000-6300100000-515200  Retiree Health Ins  382
10000-6300100000-517000  Workers Comp Insurance  410
10000-6300100000-518100  Budgeted Benefits  92,028
10000-6300100000-520200  Communications  9,000
10000-6300100000-520270  County Delivery Services  637
10000-6300100000-520320  Telephone Service  1,500
10000-6300100000-520930  Insurance-Liability  9,413
10000-6300100000-520945  Insurance-Property  10,000
10000-6300100000-522310  Maint-Building and Improvement  16,703
10000-6300100000-523230  Miscellaneous Expense  270
10000-6300100000-523620  Books/Publications  300
10000-6300100000-523700  Office Supplies  3,000
10000-6300100000-524560  Auditing and Accounting  700
10000-6300100000-525140  Personnel Services  5,000
10000-6300100000-526700  Rent-Lease Bldgs  209,119
10000-6300100000-529000  Miscellaneous Travel Expense  156
10000-6300100000-529040  Private Mileage Reimbursement  8,000
10000-6300100000-529540  Utilities  20,000
Total  562,064

Increase Estimated Revenues:

10000-6300100000-790600  Contribution from Other County Funds  562,064

Decrease Appropriations:

10000-1109000000-581000  Appropriation for contingencies  562,064

Increase Appropriations:

10000-1109000000-551100  Contribution to Other Funds  562,064
**Recommendation 2:** That the Board of Supervisors approve and direct the Auditor Controller to make budget adjustments increasing appropriations for Code Enforcement and adjusting Appropriations for Contingency by $500,000, as follows:

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>10000-3140100000-510040</td>
<td>Regular Salaries</td>
<td>257,778</td>
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<tr>
<td>10000-3140100000-518100</td>
<td>Budgeted Benefits</td>
<td>122,384</td>
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<tr>
<td>10000-3140100000-520115</td>
<td>Uniforms-Replacement Clothing</td>
<td>6,236</td>
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<tr>
<td>10000-3140100000-520220</td>
<td>County Radio 700 MHz System</td>
<td>8,800</td>
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<tr>
<td>10000-3140100000-520230</td>
<td>Cellular Phone</td>
<td>3,120</td>
</tr>
<tr>
<td>10000-3140100000-523640</td>
<td>Computer Equip-Non Fixed Asset</td>
<td>10,240</td>
</tr>
<tr>
<td>10000-3140100000-528920</td>
<td>Car Pool Expense</td>
<td>48,591</td>
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**Total Increase Appropriations:** $457,149

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<tr>
<td>10000-3140100000-731100</td>
<td>Code Enforcement</td>
<td>42,851</td>
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**Increase Estimated Revenues:**

<table>
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<th>Code</th>
<th>Description</th>
<th>Amount</th>
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</thead>
<tbody>
<tr>
<td>10000-3140100000-790600</td>
<td>Contribution from Other County Funds</td>
<td>500,000</td>
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**Decrease Appropriations:**

<table>
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<tr>
<th>Code</th>
<th>Description</th>
<th>Amount</th>
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</thead>
<tbody>
<tr>
<td>10000-1109000000-581000</td>
<td>Appropriation for contingencies</td>
<td>500,000</td>
</tr>
</tbody>
</table>

**Increase Appropriations:**

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>10000-1109000000-551100</td>
<td>Contribution to Other Funds</td>
<td>500,000</td>
</tr>
</tbody>
</table>

**Recommendation 3:** That the Board of Supervisors approve and direct the Auditor Controller to make budget adjustments increasing appropriations for EDA and adjusting Appropriations for Contingency by $1,500,000, as follows:

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>21100-1901000000-790600</td>
<td>Contribution From Other County Funds</td>
<td>$1,500,000</td>
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</table>

**Increase Appropriations:**

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
<th>Amount</th>
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<tbody>
<tr>
<td>21100-1901000000-510040</td>
<td>Regular Salaries</td>
<td>585,291</td>
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<tr>
<td>21100-1901000000-518100</td>
<td>Budgeted Benefits</td>
<td>282,647</td>
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<td>21100-1901000000-510320</td>
<td>Temporary Salaries</td>
<td>45,462</td>
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<tr>
<td>21100-1901000000-523130</td>
<td>Memberships-Other</td>
<td>117,060</td>
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<tr>
<td>21100-1901000000-523270</td>
<td>Special Events</td>
<td>34,682</td>
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<tr>
<td>21100-1901000000-526420</td>
<td>Advertising</td>
<td>39,690</td>
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<tr>
<td>21100-1901000000-527980</td>
<td>Contracts</td>
<td>77,500</td>
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<td>21100-1901000000-525440</td>
<td>Professional Services</td>
<td>116,673</td>
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<tr>
<td>21100-1901000000-523640</td>
<td>Computer Equip Non-Fixed Asset</td>
<td>28,793</td>
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<td>21100-1901000000-525500</td>
<td>Salary/Benefit Reimbursement</td>
<td>24,604</td>
</tr>
<tr>
<td>21100-1901000000-537180</td>
<td>Interfnd Exp-Salary Reimb</td>
<td>147,598</td>
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**Total Increase Appropriations:** $1,500,000
Honorable Board of Supervisors
FY 19/20 Amendments to the Recommended Budget June 25, 2019
Attachment A

Decrease Appropriations:
10000-1109000000-581000 Appropriation for contingencies 1,500,000

Increase Appropriations:
10000-1109000000-551100 Contribution to Other Funds 1,500,000

**Recommendation 4:** That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments decreasing estimated revenues and appropriations for the EDA Maintenance Services Division by $437,792, as follows:

Decrease Estimated Revenues:
47210-7200300000-777340 Maintenance $437,792

Decrease Appropriations:
47210-7200300000-510040 Regular salaries 280,459
47210-7200300000-518100 Budgeted benefits 157,333
Total 437,792

**Recommendation 5:** That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments decreasing estimated revenues and appropriations for the EDA Custodial Services Division by $296,913, as follows:

Decrease Estimated Revenues:
47200-7200200000-777150 Custodial $296,913

Decrease Appropriations:
47200-7200200000-510040 Regular salaries 178,330
47200-7200200000-518100 Budgeted benefits 118,583
Total $296,913

**Recommendation 6:** That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments decreasing estimated revenues and appropriations for the EDA Real Estate Services Division by $96,686, as follows:

Decrease Estimated Revenues:
47220-7200400000-777520 Reimbursement for services $96,686

Decrease Appropriations:
47220-7200400000-524740 County Support Services $96,686
Recommendation 7: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments adjusting appropriations for the EDA Project Management Office by $99,304, as follows:

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>10000-7200500000-575300</td>
<td>Intra-facilities projects</td>
<td>($99,304)</td>
</tr>
<tr>
<td>10000-7200500000-510040</td>
<td>Regular salaries</td>
<td>67,209</td>
</tr>
<tr>
<td>10000-7200500000-518100</td>
<td>Budgeted benefits</td>
<td>32,095</td>
</tr>
<tr>
<td>Total</td>
<td></td>
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</tbody>
</table>
June 18, 2019

To: Executive Officer & Board of Supervisors

From: Kevin Jeffries

Re: Budget Proposal

With regards to proposed budget Reductions for Animal Services, and the likely resulting delays in service, as well as fee/rate increases, that may result for residents in portions of our unincorporated communities, the Executive office is hereby directed to evaluate utilizing / contracting with existing non-profits, city animal services, and/or joint powers animal services providers to determine the most cost effective, responsive and affordable service delivery system for the residents to be served.

The Executive Office shall return with a report of its findings before returning to the Board of Supervisors with any proposed changes to rates and fees for unincorporated residents.
June 11, 2019

To: Executive Officer & Board of Supervisors

From: Kevin Jeffries

Re: Budget Proposal

Departments that are primarily NCC funded, that occupy (lease) office space, and have resisted or declined to utilize available county owned office space, shall be directed by the County Executive Officer to relocate into available county office space (provided it is suitable, within a reasonable distance and will result in a net savings). Any Department declining to participate in the re-location shall have their NCC portion of their annual NCC budget reduced in the amount of the difference between the private net annual lease and the county new annual lease. Waivers from this can be granted by the CEO, provided the Board is notified in advance.
RESOLUTION NO. 440-9117

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY RIVERSIDE
AMENDING ORDINANCE NO. 440 BE IT RESOLVED by the Board of Supervisors of the
County of Riverside, State of California, in regular session assembled on June 25, 2019, that
pursuant to Section 4(a)(ii) of Ordinance No. 440, the Executive Office is authorized to
make the following listed change(s), operative on the date of approval, as follows:

<table>
<thead>
<tr>
<th>Job code</th>
<th>+/-</th>
<th>Department ID</th>
<th>Class Title</th>
<th>Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>33239</td>
<td>+4</td>
<td>3140100000</td>
<td>Code Enforcement Officer II</td>
<td>Regular</td>
</tr>
<tr>
<td>33243</td>
<td>+1</td>
<td>3140100000</td>
<td>Sr. Code Enforcement Officer</td>
<td>Regular</td>
</tr>
</tbody>
</table>
RESOLUTION NO. 2019-159

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY RIVERSIDE
ADOPTING THE FISCAL YEAR 2019/20 BUDGET

BE IT RESOLVED AND ORDERED by the Board of Supervisors of the County of Riverside, State of California in regular session assembled on June 25, 2019, that pursuant to Sections 29080 through 29092 of the Government Code, the budget of the County of Riverside, including all districts, agencies, and authorities governed by this Board, is hereby adopted for Fiscal Year 2019/20, in accordance with the financing requirements of the recommended budget, less such deletions and reductions plus such additions and increases as have been made by order of this Board during and after the budget hearings commenced on June 10, 2019, and prior to and including the adoption of this resolution, said adoption including by reference the financing requirements of the recommended budget on file with the Clerk of this Board and the minutes of this Board as to changes therein, and that said adopted budget shall consist of:

(a) Appropriations by objects of expenditures within each budget unit;
(b) Other financing uses by budget unit;
(c) Intrafund transfers by budget unit;
(d) Residual equity transfers-out by fund;
(e) Appropriations for contingencies by fund;
(f) Cancellations and provisions for reserves and designations by fund and purpose, as may finally be determined;
(g) The means of financing the budget requirements;
(h) The gross appropriations limit and the total annual appropriations subject to limitation, as finally determined; and,

BE IT FURTHER RESOLVED that, within the object of Salaries and Employee Benefits, the object of Services and Supplies, the object of Other Charges, and the subobject of Fixed Assets for Equipment for each budget unit, the listing of items are only for convenience, and shall not restrict expenditure within the limits of the total appropriation approved for the specified object or subobject by the official responsible for that budget unit, except as otherwise provided by procedures and adopted by the Board of Supervisors.