

# 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

June 25, 2019

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

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

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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:

	<b>\$ in millions</b>
❖ Cooperative Extension	\$0.6
❖ Code Enforcement	0.5
❖ Economic Development Programs	<u>1.5</u>
<b>Total Recommended =</b>	<b>\$2.6</b>

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	<u>20,000</u>
	Total	562,064

Increase Estimated Revenues:

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

10000-1109000000-581000	Appropriation for contingencies	562,064
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Increase Appropriations:

10000-1109000000-551100	Contribution to Other Funds	562,064
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Honorable Board of Supervisors  
 FY 19/20 Amendments to the Recommended Budget June 25, 2019  
 Attachment A

**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:

Increase Appropriations:		
10000-3140100000-510040	Regular Salaries	257,778
10000-3140100000-518100	Budgeted Benefits	122,384
10000-3140100000-520115	Uniforms-Replacement Clothing	6,236
10000-3140100000-520220	County Radio 700 MHz System	8,800
10000-3140100000-520230	Cellular Phone	3,120
10000-3140100000-523640	Computer Equip-Non Fixed Asset	10,240
10000-3140100000-528920	Car Pool Expense	<u>48,591</u>
	Total	457,149
Decrease Estimated Revenues:		
10000-3140100000-731100	Code Enforcement	42,851
Increase Estimated Revenues:		
10000-3140100000-790600	Contribution from Other County Funds	500,000
Decrease Appropriations:		
10000-1109000000-581000	Appropriation for contingencies	500,000
Increase Appropriations:		
10000-1109000000-551100	Contribution to Other Funds	500,000

**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:

Increase Estimated Revenues:		
21100-1901000000-790600	Contribution From Other County Funds	\$1,500,000
Increase Appropriations:		
21100-1901000000-510040	Regular Salaries	585,291
21100-1901000000-518100	Budgeted Benefits	282,647
21100-1901000000-510320	Temporary Salaries	45,462
21100-1901000000-523130	Memberships-Other	117,060
21100-1901000000-523270	Special Events	34,682
21100-1901000000-526420	Advertising	39,690
21100-1901000000-527980	Contracts	77,500
21100-1901000000-525440	Professional Services	116,673
21100-1901000000-523640	Computer Equip Non-Fixed Asset	28,793
21100-1901000000-525500	Salary/Benefit Reimbursement	24,604
21100-1901000000-537180	Interfnd Exp-Salary Reimb	<u>147,598</u>
	Total	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	<u>157,333</u>
	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	<u>118,583</u>
	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

Honorable Board of Supervisors  
FY 19/20 Amendments to the Recommended Budget June 25, 2019  
Attachment A

**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:

Decrease Appropriations:		
10000-7200500000-575300	Intra-facilities projects	(\$99,304)
10000-7200500000-510040	Regular salaries	67,209
10000-7200500000-518100	Budgeted benefits	<u>32,095</u>
	Total	0



## ATTACHMENT B

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.

## ATTACHMENT C

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.

**Attachment D****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:

<u>Job code</u>	<u>+/-</u>	<u>Department ID</u>	<u>Class Title</u>	<u>Type</u>
33239	+4	3140100000	Code Enforcement Officer II	Regular
33243	+1	3140100000	Sr. Code Enforcement Officer	Regular

1 RESOLUTION NO. 2019-159

2 A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY RIVERSIDE  
3 ADOPTING THE FISCAL YEAR 2019/20 BUDGET  
4

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

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

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