

COUNTY OF RIVERSIDE

STATE OF CALIFORNIA

FISCAL YEAR 2022/2023

THIRD QUARTER BUDGET REPORT



Prepared by:
EXECUTIVE OFFICE



Fiscal Year 2022/23 Third Quarter Report

May 23, 2023

Members of the Board of Supervisors:

At third quarter, the county's financial position remains unchanged compared from the midyear report. While we are showing no change in projected discretionary revenue, our revenues are still anticipated to be significantly higher than they were at the time of the adopted budget.

General Fund
Projected Year-end Financial Position Fiscal Year 2022/23
As of Third Quarter
(\$ in Millions)

	Adopted Budget	First Quarter	Midyear	Third Quarter
Beginning FY 22/23, Reserves	\$368	\$464	\$464	\$464
Discretionary Revenue Less:	1,013	1,076	1,102	1,102
Net County Cost	1,013	1,013	1,029	1,029
Net Savings from Operations	-	63	73	73
Transfer to CIP	-	(16)	-	-
Ending FY 2022/23 Reserves	\$368	\$511	\$537	\$537

This report includes several adjustments to department budgets which will increase their departmental revenue or use of their respective reserves to balance these costs. There are several adjustments totaling \$2.6 million that will reduce general fund contingency from \$10 million to \$7.4 million.

As of this report, the near-term outlook appears stable, however challenges are looming in years to come. While we continue to project increased revenues compared to the adopted budget, it should be noted that the pace of growth is slowing down significantly while costs continue to rise to maintain the status quo, let alone increase service levels. Additionally, the need to maintain or replace our aging facilities adds financial pressure, and to begin to address these issues, the Executive Office has been working with County departments in identifying strategic financial priorities and capital improvement projects. This initiative will be a continuous effort for our office and the county departments.

In closing, I want to thank our departments for their continued efforts to meet the needs of our constituents while working to build resilient and fiscally sound operations.

IT IS RECOMMENDED that the Board of Supervisors:

Receive and file the Fiscal Year 2022/23 Third Quarter Report and approve the recommendations as set forth therein.

Respectfully,


Jeffrey A. Van Wagenen, Jr.
County Executive Officer

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BUDGET OUTLOOK

Discretionary Revenue Projections

Overall, projected discretionary revenue estimates are up \$88.4 million from adopted budget projections. Highlights of the county's key general-purpose revenues are noted below.

General Fund Projected Discretionary Revenue (in millions)			
	Adopted Budget	Current Quarter Estimate	Variance
Property Taxes	\$459.4	\$477.6	\$18.2
Motor Vehicle In Lieu	325.2	334.5	9.3
RDA Residual Assets	47.8	56.1	8.3
Tax Loss Reserve Overflow	20.0	20.0	-
Fines and Penalties	15.9	16.5	0.6
Sales & Use Taxes	42.9	54.0	11.1
Tobacco Tax	11.5	11.5	-
Documentary Transfer Tax	19.4	20.8	1.4
Franchise Fees	6.9	8.4	1.5
Interest Earnings	11.0	45.0	34.0
Misc. State	4.9	5.0	0.1
Federal In-Lieu	3.5	4.0	0.5
Rebates & Refunds	7.1	6.6	(0.5)
Other (Prior Year & Misc.)	25.8	29.7	3.9
Operating Transfers In	12.0	12.0	-
Total	\$1,013.3	\$1,101.7	\$88.4

Prop 172 Revenue

The projected Prop 172 revenue continues with gradual growth mostly due to online shopping strength. This trend is expected to continue through FY 2022/23.

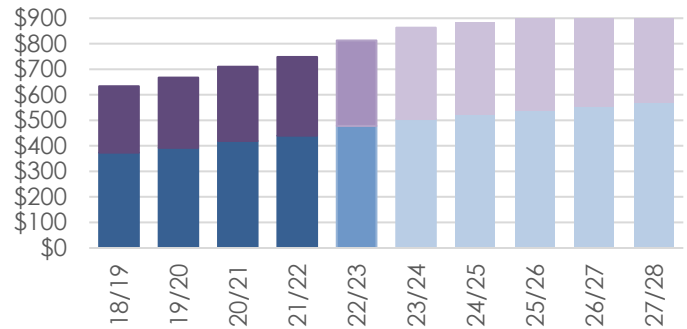
Prop 172 Projected Revenue (in millions)			
	Adopted Budget	Current Quarter Estimate	Variance
Prop. 172 Public Safety Sales Tax	\$284.1	\$297.4	\$13.3

Budget Outlook

Property Taxes

Property tax revenue and motor vehicle fee revenue received in-lieu of property taxes, were both budgeted based on 9% growth in assessed values. Property tax revenue and motor vehicle in-lieu are up by \$18.2 million, and \$9.3 million respectively from the adopted budget.

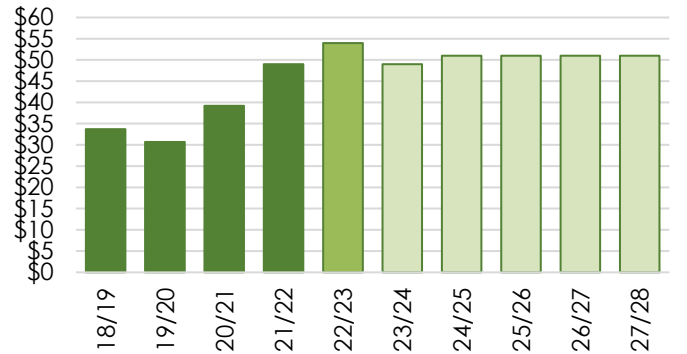
Property Taxes & Motor Vehicle In-lieu (in millions)



Sales and Use Taxes

In this report, the county's current sales and use tax projections assume an increase of \$11.1 million from the adopted budget. Most sales tax categories are still strong. The projected increase is mostly due to updated pro-rata factors for the statewide sales tax pool of revenue. It is anticipated that increases will start leveling off in FY 2023/24.

Sales & Use Tax Revenue

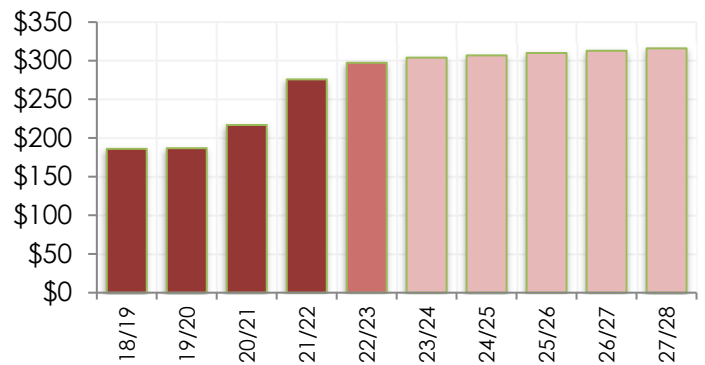


Prop. 172 Public Safety Sales Tax

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.

Due to an increase in the pro rata share of the statewide pool, the county benefited greatly. As of this report, HdL Companies is projecting FY 2022/23 ending revenue to be \$297.4 million, an increase of \$13.3 million from adopted budget projections.

Prop 172 Revenue Trend

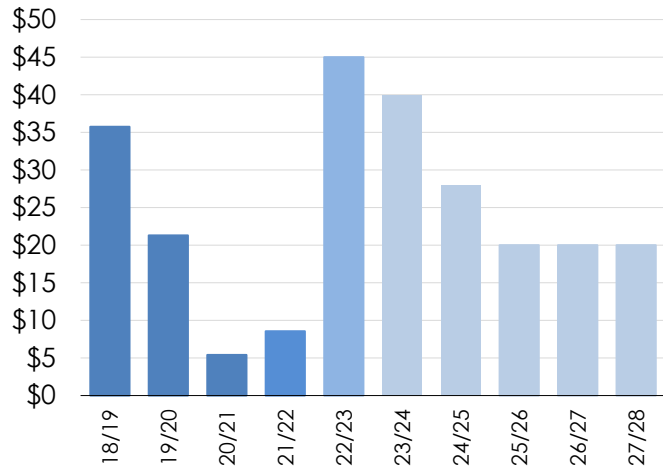


Interest Earnings

The Treasurer’s estimate for FY 2022/23 County General Fund (GF) interest earnings will remain \$45 million. The estimate incorporates interest earnings results for the first three quarters and other factors such as the projected General Fund balances in the Treasurer-Tax Collector’s Pooled Investment Fund (TPIF), as well as current and projected levels of interest rates.

The Federal Open Market Committee (FOMC) increased the FED funds target rate range by a quarter of a percent to 4.75% - 5.00% on March 22, 2023. An additional rate hike is expected within the forecast horizon. The maturity composition of the TPIF will affect how fast recent rate increases or any additional rate changes translate to the TPIF earnings. A significant deviation on the expected General Fund balances would have a strong effect on the actual earnings.

General Fund Interest Earnings

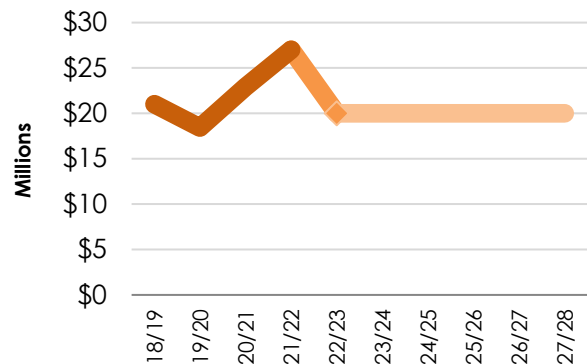


Overall, the risk to the FY 2022/23 earnings estimate is positively biased. Future years are estimated to taper off. The Treasurer-Tax Collector will continue to monitor the earnings projections and will inform budget staff of any significant changes.

Teeter Tax Losses Reserve Fund (TLRF) Overflow

The Teeter Plan provides for a tax distribution procedure by which secured roll taxes are distributed to taxing agencies within the County included in the Teeter Plan based on the tax levy, rather than on the basis of actual tax collections. In return, the county retains the actual taxes received, plus penalties and interest on delinquent taxes. The TLRf 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. The TLRf revenue has remained at \$20 million, the same from the adopted budget projections.

Actual TLRf Overflow Transfer



Budget Outlook

Long-Range Budget Schedule

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

- **May 30, 2023** - Clerk of the Board to publish a budget hearing notice stating that the FY 2023/24 Recommended budget is available to members of the public.
- **June 12 thru June 13, 2023 (as necessary)** - Presentation of the FY 2023/24 Recommended Budget, opening of budget hearings, and approval of the budget.
- **June 27, 2023** - Approval of FY 2023/24 Adopted Budget

These dates have been coordinated to work with the Board's approved 2023 meeting calendar.

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 \$20 million for contingency. This report contains a contingency reduction of \$2.6 million. The total net reduction for the year will be \$12.6 million, taking the contingency level to \$7.4 million, as summarized in the table below.

Use of General Fund Appropriations for Contingency

Use of General Fund Appropriations for Contingency					
		Cost Adjustment	Revenue Adjustment	Total Adjustment	Balance Available
Adopted Budget Balance:					\$20,000,000
Adjustments to date:					
7/12/22 Item 3.35	Executive Office-Fentanyl awareness outreach/marketing campaign.	288,255		(288,255)	
11/1/22 Item 3.21	DPSS-Salary adjustments to selected positions.	1,937,070		(1,937,070)	
1st Qtr. Rec #1	EO-General Fund Contributions - Increase County's share of LAFCO operational costs.	39,732		(39,732)	
1st Qtr. Rec #3	Executive Office-Increase in legal costs.	184,000		(184,000)	
1st Qtr. Rec #5	Treasurer-Tax Collector – Encumbrance from prior year.	36,574		(36,574)	
1st Qtr. Rec #8	Purchasing-Add two positions as part of the department's reorganization.	120,000		(120,000)	
1st Qtr. Rec #11	District Attorney-Encumbrance from prior year.	1,857,340		(1,857,340)	
11/29/22 Item 3.40	Public Defender -SB 483 Resentencing Unit.	1,084,065		(1,084,065)	
12/6/22 Item 3.3	EO-Add two positions to oversee the implementation of the initiatives being put in place for Protection of Vulnerable Children and Adults.	200,000		(200,000)	
1/24/23 Item 3.8	Auditor Controller - Cash over/shortage.	623		(623)	
1/24/23 Item 3.39	DPSS-To establish a Workload Management Team to provide additional temporary staffing.	448,000		(448,000)	
2/28/23 Item 3.31	DPSS-CalWORKs assistance caseload increase.	1,250,000		(1,250,000)	
4/18/23 Item 3.8	EO-Fireworks Safety & Enforcement Action Plan.	150,000		(150,000)	
5/9/23 Item 2.28	Correctional Health - To meet Gray Case Remedial Plan.	2,347,611		(2,347,611)	
Total adjustments as of May 9, 2023		9,943,270	-	(9,943,270)	10,056,730
Actions Recommended in this report:					
3 rd Qtr. Rec #3	EO-To transfer TOT to March JPA per sharing agreement.	289,228		(289,228)	
3 rd Qtr. Rec #6	EO-To transfer TOT to Code Enforcement.	600,000		(600,000)	
3 rd Qtr. Rec #8	EO-Court Reporting Transcripts payments.	270,000		(270,000)	
3 rd Qtr. Rec #42	Registrar of Voters-Payment for contractual agreement.	1,473,901		(1,473,901)	
3 rd Quarter Report total		2,633,129		(2,633,129)	
Total Adjustments to Contingency		12,576,399		(12,576,399)	
				Contingency balance	<u>\$7,423,601</u>

SUMMARY OF BUDGET ADJUSTMENT RECOMMENDATIONS

Rec. No.	Departments	Adjustment Description	General Fund/NCC	Increase in Estimated Departmental Revenues	
3	EO - GF Contributions to Other Funds	Transfer of funds to the March JPA for the TOT sharing agreement.	\$ 289,228		
6	EO-GF Contributions to Other Funds	Transfer of Short-term Rental TOT revenues to Code Enforcement.	600,000		
8	EO – Court Reporting	Increase in requests for court ordered court reporting transcripts.	270,000		
42	Registrar of Voters	Increase state funds for 75% reimbursement for payment of election services contractual agreement.	1,473,901	4,421,703	
Budget Adjustments					
Rec. No.	Departments	Adjustment Description		Increase in Estimated Departmental Revenues	Estimated Use of Fund Balance
1	Assessor Clerk-Recorder	Transfer of funds from Conversion to Modernization Fund.			1,896.373
2	Auditor-Controller	Adjustment to report 3 rd Quarter Discretionary Revenue projections in financial system.		48,363,905	
4	Executive Office	State funds for one-time Alcohol Monitoring professional services.		300,787	
5	EO – Matured Financing Program	Transfer of rent payments to CIP fund for future courthouse maintenance projects.		3,000,000	
7	EO – Countywide Oversight Board	Increase in expenses to be reimbursed by department for services.		11,226	
9	EO – DA Fees	Transfer of funds to departments for payment or reimbursement of authorize DA Fees eligible projects.			175,000
10	DPSS	State and Federal funds for increased IHSS Individual Provider Services benefit rates.		3,000,000	
11	DPSS	State and Federal funds for anticipated increased to Categorical Assistance services expenses.		6,800,000	
12	Facilities Management	Recognition of partial reimbursement received for Idyllwild Community Center		3,100	
13	Facilities Management	Increased revenues to cover rood repairs at Indio Fairgrounds-Shalimar Building		175,000	
14	Facilities Management	Transfer of fund balance to Community and Recreational Centers department.			347,951

Rec. No.	Departments	Adjustment Description	Increase in Estimated Departmental Revenues	Estimated Use of Fund Balance
15	Facilities Management	Transfer of budget between department ID's – No impact to budget	N/A	
16	Facilities Management	Transfer of funds to commence with improvement project for Lakeland Village and Perret Park.	157,262	
17	Facilities Management	Allocation of ARPA funds for approved projects for improvements and expansions of Lakeland Village, Good Hop and Mead Valley Parks/Community Centers.	2,250,000	
18	FM – Real Estate	Increase revenues to commence tenant improvements for Sheriff's South Corona-Lake Matthews Office.	4,735,180	
19	Human Resources	Increased requests for Employee and Labor relation services.	700,000	
20	Human Resources	Increase in Delta Dental PPO claim expenditures.		1,000,000
21	Human Resources	Increase in Local Advantage Plus Dental claim expenditures.		200,000
22	Human Resources	Increase in Long-Term Disability claims	1,200,000	
23	Human Resources	Increase in Short-Term Disability admin fees and claims.	30,000	
24	Human Resources	Increase in professional services fees for increased Workers Compensation claim review.		500,000
25	RCIT – Geographical Info System	Increase in retirement payoffs and software costs.		186,000
26	Information Technology	Increase in costs for the PeopleSoft Financial upgrade project.		1,600,000
27	CFD Administration	Transfer of CSA Admin funds to establish CFD Administration budget.	388,917	
28	CFD Administration	Transfer of fund balance from CSA Admin to CFD Admin.		592,896
29	CSA 149	Road repairs due to storm damage.		70,000
30	District Attorney	Recognize funding from State Asset Forfeiture funds, Real Estate Fraud and various Auto Insurance Fraud funds.	538,052	
31	Fire Protection – Contract Services	Additional city partner funding for increased county positions for contract services.	650,000	
32	Sheriff	Reallocation of department funding to cover two emergency Coroner projects.		577,188
33	Sheriff	Federal grant funds for purchase of PSEC radios.	186,218	
34	Sheriff	Recognize Insurance Proceed revenue from used vehicle auctions.	1,280,873	

Current Status

Rec. No.	Departments	Adjustment Description	Increase in Estimated Departmental Revenues	Estimated Use of Fund Balance
35	Sheriff	Federal funds for reimbursement of salaries for patrol services.	1,853,264	
36	Sheriff	Allocation of CIP funds for the first claims for various approved projects.	2,116,850	
37	Animal Services	Increase to insurance and carpool costs.	363,846	
38	Flood Control	Increase in staffing costs and software acquisitions and upgrades.		500,000
39	Parks – MSHCP Reserve Management	RCA funds for additional patrolling and crowd control on RCA lands in anticipation for wildflower superbloom.	70,000	
40	Parks – Park Residences	Increased costs for unforeseen repairs for the caretaker residences.		25,000
41	Parks- Park Acq. And Dev. Fund	Reducing appropriations and estimated revenues for projects approved for ARPA funds.	(2,500,000)	
43	Registrar of Voters	State funds for the mailing of vote-by-mail ballots services.	2,000,000	
44	RUHS – Public Health	Authority to purchase assets and vehicles – No impact to budget		N/A
45	RUHS	Increase appropriations for Medical Center for Psychiatrist services in accordance with new State cost report requirements.	35,000,000	
All budget adjustment recommendations are shown in attachment A and all position requests are shown in attachment B, both following the department summaries.				
Additional Assets				
Rec. No.	Departments	Request		
44	RUHS – Public Health	2 Forklifts, 2 medical freezers and laboratory equipment.		

FINANCE & GOVERNMENT SERVICES

Assessor Clerk-Recorder

The County Clerk-Recorder is requesting an appropriation transfer from the Conversion Fund to Modernization Fund to properly align the department's expenses with applicable funding sources.

Recommendation 1: *That the Board of Supervisors approve and direct the Auditor Controller to make budget adjustments to transfer appropriations from the County Clerk-Recorder Conversion Fund to the Modernization Fund by \$1,896,373.*

Auditor Controller

Working with the Executive Office it has been determined that the third quarter projections for discretionary revenue should be updated in the financial system, PeopleSoft to better align the year-end financial statements. The budget adjustments requested in this report are based on projections of the Auditor Controller by analyzing three quarters of receipts and projecting year-end results. These projections are reported in the quarterly reports but have never been adjusted in the financial system.

In the past, adjustments were not made in the financial system resulting in large variances from the adopted budget to ending balances. It is now requested to make the adjustments to align the financial system with the projection in the RIVCOBudget system.

Recommendation 2: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing estimated revenues for the Auditor Controller by \$48,363,905.*

Executive Office

On July 26, 2022, the Board of Supervisors approved a Second Amendment to an agreement originating in 2007 with March Joint Powers Authority (JPA) for revenue sharing. The JPA is to receive the sales and use tax and franchise fee revenue collected in the March JPA area up to \$750,000. On top of that, they are to receive transient occupancy tax (TOT) generated in that area. The Executive Office is requesting a third quarter budget adjustment in the amount of \$289,228 to make the TOT payment to March JPA for the remainder of the year. These costs are 100% funded through tax revenue generated in the March JPA area.

Recommendation 3: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations for the Non-Executive Office Operations by \$289,228 and decreasing appropriations for Appropriations for Contingency by \$289,228.*

The Executive Office is requesting a budget adjustment to fund one-time costs of \$300,787 for Alcohol Monitoring professional services, which is 100% funded by AB1869 State Revenue. There is no impact to net county cost as a result of the requested budget adjustment.

Current Status

Recommendation 4: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues for the Non-Executive Office Operations by \$300,787.*

Matured Financing was established to record the transactions of matured or defeased bonds and financings. The 2002 County of Riverside Taxable Certificates of Participation (2002 COP), and the 2014 County of Riverside Asset Leasing (CORAL) Lease Revenue Bonds are matured/defeased bonds with lease agreements with the United States of America through its General Services Administration for the use of the U.S. District Court, and the Bankruptcy Court respectively. This fund records the revenue from the lease payments of the U.S. District Court and Bankruptcy Court, and the expenditures associated with leasing the property (services, utilities, maintenance, and other obligations) during the lease term.

In order to restrict the lease payments for the expenditures associated with the lease agreement, a budget adjustment is needed to transfer the cash balance of this fund to the Capital Improvement Fund.

Recommendation 5: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues for Riverside County Executive Office by \$3,000,000.*

On October 18, 2022, Agenda Item 3.52, Ordinance No. 927.1 - Regulating Short Term Rentals and Incorporating by Reference the Abatement and Cost Recovery Procedures of Ordinance No. 725 and Ordinance No. 671.22 - Consolidated Fees for Land Use and Related Functions, were approved. Ordinance 927.1 is intended to provide additional protection and safeguards to communities from potential impacts related to Short-Term Rentals. Ordinance 671.1 which increased short term rental application fees is intended to provide an ongoing funding source for Code Enforcement's efforts related to Short Term Rental inspections and management of the program.

As a result, the Executive Office was directed to set aside 50% of the increase in Transient Occupancy Tax (TOT) generated by Short Term Rentals (using FY2021/22 as a baseline) to further fund ongoing Code Enforcement activities associated with enforcement of Ordinance 927.1. The Executive Office is currently working with the Office of the Treasurer Tax Collector to determine the FY2023/24 increase in TOT to support Code Enforcement's efforts. The amount is estimated at \$600,000, accordingly an increase in NCC is being requested to properly remit the funds from the general fund to Code Enforcement's designated fund for FY2023/24.

Recommendation 6: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations for the EO-General Fund Contributions to Other Funds department and decreasing appropriations for Appropriations for Contingency by \$600,000.*

Executive Office – Countywide Oversight Board Reimb Fund

The Countywide Oversight Board (COB) of the County of Riverside was formed in 2018 pursuant to Health and Safety Code 34179. It was created to oversee the wind-down activities of the various Successor Agencies throughout the County pursuant to Health and Safety Code section 34180 and to direct successor agencies in certain other actions pursuant to Health and Safety Code section 34181. On May 19, 2022, board members of the COB approved the fiscal year 2022-23 budget. A budget adjustment is needed to bring the original budgeted amounts to the approved budget.

Recommendation 7: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues for the Countywide Oversight Board by \$11,226.*

Executive Office – Court Reporting

The Executive Office Court Reporter Transcripts Department ID has experienced an unanticipated increase in the requests for court ordered court reporter transcripts. The Executive Office is requesting NCC of \$270,000 to cover the anticipated transcribing services costs for the remainder of the fiscal year.

Recommendation 8: *That the Board of Supervisors approve and direct the Auditor-Controllers to make budget adjustments increasing appropriations by \$270,000 for the Non-Executive Office Operations and decreasing appropriations for Appropriations for Contingency by \$270,000.*

Executive Office - Developer Agreement Fees

Developer Agreements (DA) are legal contracts between the County and a developer pursuant to Government Code section 65864 et seq. DA fees are no longer collected by the County. However, in order to spend the remaining balance in the fund, a budget adjustment is needed to process payments and reimbursements to other County departments for the various projects authorized by the Board of Supervisors that are funded by DA fees.

Recommendation 9: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations for the Mitigation Project Operation by \$175,000.*

HUMAN SERVICES

Department of Public Social Services

The In-Home Supportive Services (IHSS) Individual Providers (IP) Services under the Department of Public Social Services (DPSS) is projecting expenditures to be over the adopted budget by \$3,000,000. The increase is related to the new approved MOU agreement with United Domestic Workers Union (UDW), which increased the health benefits contribution from \$0.57 per hour to \$0.71 per hour and increased the life insurance to \$0.03 per hour effective May 2023. The increases in the MOU were approved by the Board of Supervisors on February

Current Status

28, 2023 (item 3.25) and DPSS also received confirmation that the State approved the increases.

Recommendation 10: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues for the Department of Public Social Services – Mandated Client Services by \$3,000,000.*

The Department of Public Social Services anticipates an increase in categorical assistance expenditures through the current fiscal year in the amount of \$6,800,000. The Foster Care, Emergency Assistance and Adoptions Assistance program expenditures are projected to be over the adopted budget by approximately \$3,500,000. In addition, KinGap, CAPI and ARC assistance payment are projected to exceed the budgeted amounts by approximately \$3,300,000 combined due to an increase in caseloads.

Recommendation 11: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues for the Department of Public Social Services-Categorical Aid by \$6,800,000.*

INTERNAL SERVICES

Facilities Management

The Facilities Management Community and Recreational Centers Division commenced a Community Center Operation Agreement by and between the County of Riverside and Idyllwild Community Center. The agreement allows Idyllwild Community Center to use the facility as a Community Center. Operator's Reimbursement Fund for Idyllwild Community Center is \$180,000 annually. Due to a partial reimbursement in FY 21/22, the Community Center Budget will have an excess of revenue in FY 22/23. A budget adjustment is requested to increase appropriations for Contributions from Other County Funds and Project Cost Expense.

Recommendation 12: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues for the Facilities Management - Community and Recreational Centers by \$3,100.*

The Facilities Management Community and Recreational Centers Division commenced improvement Projects at the Indio Fairgrounds-Shalimar Building for Roof Repairs. A budget adjustment is requested to increase appropriations for Interfund Expense-Building Improvements Projects.

Recommendation 13: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and increasing estimated revenue for the Facilities Management - Community and Recreational Centers by \$175,000.*

To consolidate Facilities Management Department ID's, Facilities Management combined department ID 7201400000 - FM-Desert Expo with department ID 7201300000 FM-Community and Recreational Centers. To inactivate fund and department ID for Desert Expo a budget

adjustment is being requested to transfer balance back to the general fund.

Recommendation 14: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations for the Facilities Management - Desert Expo Center by \$347,951.*

In an effort to consolidate community and recreational centers into on Department ID, Facilities Management is closing the Desert Expo department ID 7201400000 and transferring NCC allocation to the FM-Community and Recreational Centers department ID 7201300000. The budget adjustment is to decrease the contributions from other county funds and to the inactive Desert Expo special revenue fund.

Recommendation 15: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments decreasing appropriations for Contribution to Other Funds by \$1,444,500 and decreasing estimated revenues for Facilities Management - Community and Recreational Centers by \$1,444,500.*

The Facilities Management Lakeland Village Recreational Centers Division commenced improvement Projects at Lakeland Village and Perret Park including gate and fence repair, concrete pads for trash cans, shade structures, and sidewalk repairs. A budget adjustment to transfer revenues from Community and Recreational Centers will cover the improvement costs associated with the budget adjustment requesting an increase to revenues and appropriations for Interfund Exp-Bldg. Improvements to Lakeland Village Recreational Centers.

Recommendation 16: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues for the Facilities Management Community and Recreational Centers by \$157,262 and increasing appropriations and estimated revenues for the Facilities Management Lakeland Village Recreational Centers by \$157,262.*

Facilities Management Pass-Thru Department commenced projects related to improvements and expansions at the Lakeland Village, Good Hope and Mead Valley Parks/Community Centers under the Neighborhood Revitalization ARPA funding category. Based on Board Item 3.2 on 12/13/22, Facilities Management is authorized to increase appropriations and revenues from the approved ARPA Funding.

Recommendation 17: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues for the Facilities Management Pass-Thru by \$2,250,000.*

Facilities Management Real Estate Division commenced tenant improvement project at the new Sheriff's South Corona-Lake Mathews Office, including full interior improvements and adding an interrogation room. A budget adjustment is requested to increase appropriations for Tenant Improvements.

Recommendation 18: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenue for the*

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Facilities Management - Real Estate by \$4,735,180.

Human Resources

Human Resources has experienced multiple requests from varying internal County departments for increased additional arbitration, professional services, and training materials.

Employee Relations and Labor Relations have seen an overall increase in costs as compared to this time last fiscal year. Arbitration Services expenditures will be monitored for further activity and trending analysis, currently requesting a budget adjustment to increase revenue and expenditures as it relates to arbitration services and learning development subscriptions. To assist RUHS with fully expending grant funding, Human Resources Learning & Organizational Development has procured for additional licenses which require an amendment to the current agreement, not previously budgeted

Recommendation 19: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues for Human Resources by \$700,000.*

HR-Delta Dental PPO budget is performing higher than expected for this point in the fiscal year at 95%. Claims expenditures are higher than member premium collections. This program offered premium price reductions and increased benefits to all members, causing a quarterly budget adjustment to ensure enough appropriations to expense current year projected costs. This program is currently utilizing accumulated fund balance reserves to cover operations.

Recommendation 20: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations for Human Resources – Delta Dental PPO by \$1,000,000.*

HR-Local Advantage Plus Dental budget is performing higher than expected for this point in the fiscal year at 82%. Claims expenditures are higher than member premium collections. This program offered premium price reductions and increased benefits to all members, causing a quarterly budget adjustment to ensure enough appropriations to expense current year projected costs. This program is currently utilizing unrestricted reserves to cover operations.

Recommendation 21: *That the Board Supervisors approve and direct the Auditor-Controller to make budget adjustment increasing appropriations for Human Resources- Local Advantage Plus Dental by \$200,000.*

HR-LTD Disability Insurance budget is trending higher according to expectations (91%). LTD claims are higher this year than the same time last fiscal year causing the need for additional appropriations to ensure adequate funding. On January 1, 2023, a rate adjustment caused an anticipated increase in revenue for the residual of the fiscal year, while recent union negotiations and reclassing specific County positions to different disability categories has caused overspending in this fund.

Recommendation 22: *That the Board of Supervisors approve and direct the Auditor-Con-*

troller to make budget adjustments increasing appropriations and estimated revenues for Human Resources- Long Term Disability Insurance by \$1,200,000.

HR-STD Disability Insurance budget is trending higher than expectations (80%). STD Insurance admin fees and claims projecting higher than expected, while recent union negotiations and reclassing specific County positions to different disability categories has caused overspending in this fund.

Recommendation 23: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues for Human Resources-STD Disability Insurance by \$30,000.*

HR Workers Compensation experienced an increase in Workers Comp claims resulting in increased professional services for the claim review process. Currently, Professional Services has spent \$715,000 compared to \$43,000, this time last fiscal year 03/31/2022. This program is currently utilizing unrestricted reserves to cover operations.

Recommendation 24: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustment increasing appropriations for Human Resources-Workers Compensation by \$500,000.*

Riverside County Information Technology

RCIT anticipates exceeding appropriations due to an increase in retirement payoffs and Software increases. These increases will be offset using the restricted fund balance. RCIT anticipates exceeding appropriations due to an increase in software, mainly the PeopleSoft Financial upgrade to version 9.2. The increase will be offset by Capital Asset Reserve funding.

Recommendation 25: *That the Board of Supervisors approve and direct the Auditor-Controller to make the budget adjustments increasing appropriations for the RCIT-Geographical Information System Fund by \$186,000.*

Recommendation 26: *That the Board of Supervisors approve and direct the Auditor-Controller to make the budget adjustments increasing appropriations for Riverside County Information Technology by \$1,600,000.*

OFFICE OF ECONOMIC DEVELOPMENT

Community Facility District (CFD)

CFD Administration Fund 20605-991000 is a newly created fund intended to track CFD administrative revenue, expense, and cash separately from the CSA Administration budget unit. This proposed adjustment will create the remaining current year budget for CFD Admin Fund 20605.

Recommendation 27: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues for the Community Facility District Administration by \$388,917.*

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County Service Area

CSA Administration Fund 23010-915202 requires appropriations increase of \$592,896 to cover a one-time transfer of Community Facilities District (CFD) administration funds previously received in the CSA Administration budget unit. In February 2023, new CFD Administration Fund 20605 was created to better track CFD revenues collected at various points during establishment of CFDs, and expenditures incurred during administration of the various CFD budget units. This one-time transfer will move administrative funds currently held as fund balance within the CSA Administration budget unit to the newly created CFD Administration fund.

Recommendation 28: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations for CSA Administration and estimated revenues for the Community Facility District Administration by \$592,896.*

County Service Area 149 – Wine Country

CSA 149 requires budget adjustment to increase appropriations by \$70,000 to cover road repairs due to damage caused by recent rainstorms.

Recommendation 29: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations for CSA 149 by \$70,000.*

PUBLIC SAFETY

District Attorney

The District Attorney's Office is requesting a net increase in appropriations and estimated revenues of \$538,052 in the third quarter report as result of various state, federal and other restricted resources. There is no impact to the net county cost as a result of the following adjustments:

Fund 11019 DA Vehicle Theft Allocation – Net Increase of \$170,000

The Department anticipates increased personnel effort(s) to address Vehicle Theft and this adjustment simply provides the additional funding to continue to perform and reimburse for the work. This effort is funded by vehicle license fees and this entry makes the funds available to spend from the restricted sub fund.

Fund 11041 Real Estate Fraud Prosecution – Net Increase of \$205,000

The Real Estate Fraud sub fund is made available to investigate and prosecute victims of property crimes and is funded by County filing fees. This adjustment makes additional funding available for additional staffing needs this year.

Fund 11118 Auto Insurance Fraud – Net Increase of \$70,159

The Auto Insurance Fraud subfund is made available by the California Dept of Insurance. This entry is to increase the original budget to match the additional funds awarded to the department after the original award was made. This was as a result of the approval of rollover funding from the California Dept. of Insurance.

Fund 11156 Auto Insurance Fraud Urban – Net Increase of \$54,224

The Auto Insurance Fraud-Urban sub fund is made available by the California Dept of Insurance. This entry is to increase the original budget to match the additional funds awarded to the department after the original award was made. This was as a result of the approval of rollover funding from the California Dept. of Insurance.

Fund 11158 Workers Compensation Insurance Fraud – Net Increase of \$38,669

The Workers Compensation Insurance sub fund is made available by the California Dept of Insurance. This entry is to increase the original budget to match the additional funds awarded to the department after the original award was made. This was as a result of the approval of rollover funding from the California Dept. of Insurance.

Recommendation 30: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues for the District Attorney by \$538,052.*

Fire Department

The Fire Department will meet its NCC budgetary targets for FY 2022/23. The Department requests a budget adjustment related to our city partner contracts. Over the course of the fiscal year, several of our city partners funded additional county positions a part of their fire contract services. The Department is requesting a budget adjustment for the expense and funding of these additional positions. The Fire Department will meet its NCC budgetary targets for FY 2022/23.

Recommendation 31: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues for the Fire Protection Contract Services by \$650,000.*

Sheriff

The Sheriff Support Division is requesting a budget transfer between orgs to cover additional costs for the Coroner and CAC divisions. This request will not impact the department net county cost as a result of the following adjustments:

Sheriff's Department- CAC 060 – Net Increase of \$121,024

Riverside County Sheriff's Department provides safety to all occupants of the Riverside County Administrative Center, including the Board of Supervisors, elected officials, county employees, and members of the public. The contract for private security guards within the building had a mid-year rate increase.

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Sheriff's Coroner 100 – Net Increase of \$456,164

The Riverside County Sheriff's Coroner Division is requesting a budget adjustment to move appropriations to cover two emergency projects. The morgue refrigeration unit is failing and requires a complete system replacement. The second project is the replacement of an industrial power switch supplying power to critical areas of the Coroner East building.

Recommendation 32: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations for the Sheriff Department by \$577,188.*

The Riverside County Sheriff's Patrol Division is requesting a budget adjustment in the amount of \$186,218 for the purchase of PSEC radios funded by the Homeland Security OES Grant. This grant was accepted by the Riverside County Board of Supervisors on M.O. 3.25 (9/21/21), a portion of these funds were spent on PSEC's ISSI Connection to San Bernardino County and CalOES has approved that the remaining \$186,218 to be used by the division to purchase new PSEC radios.

Recommendation 33: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues for the Sheriff Department-Patrol by \$186,218.*

The Riverside County Sheriff's Patrol Division is requesting a budget adjustment in the amount of \$1,280,873 to recognize Insurance Proceed revenue received from used vehicle auctions. This revenue has posted to the division and offsets the costs to maintain and replace the division's fleet.

Recommendation 34: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues for the Sheriff Department-Patrol by \$1,280,873.*

The DOJ State Criminal Alien Assistance Program reimbursement was delayed for the previous year due to the change in presidential administration. The program reimburses a portion of salaries to the county for incarcerating certain convicted undocumented aliens.

Recommendation 35: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues for the Sheriff Department-Corrections by \$1,853,264.*

The Riverside County Sheriff's Department for various divisions is requesting a net increase in appropriations and estimated revenues of \$2,211,685 as a result of claims for Capital Improvement Program (CIP) Fund reimbursements as approved by the BOS on M.O. 3.24 (4/4/23). Claims were submitted to the Executive Office for posted expenses on approved CIP projects. There is no impact to the net county cost as a result of the following adjustments:

Sheriff's Support 020 – Net Increase of \$249,830

The Riverside County Sheriff Support Division is requesting a budget adjustment for the first monthly claim for Capital Improvement Program (CIP) Fund reimbursement.

Sheriff's Patrol 030 – Net Increase of \$322,967

The Riverside County Sheriff Patrol Division is requesting a budget adjustment for the first monthly claim for Capital Improvement Program (CIP) Fund reimbursement.

Sheriff's Correction 040 – Net Increase of \$1,570,226

The Riverside County Sheriff's Correction Division is requesting a budget adjustment in for the first monthly claim for Capital Improvement Program (CIP) Fund reimbursement.

An additional \$3,356,264 in appropriations will be needed for project expenses that will occur before the end of the fiscal year. A claim will be submitted for the additional expenses when actual costs occur. The request to move \$3,356,264 from Appropriation 1 to Appropriation 4 will allow purchase orders to be issued to continue our Department's CIP projects.

Sheriff's Ben Clark Training Center 070 – Net Increase of \$40,778

The Riverside County Sheriff's Ben Clark Training Center Division is requesting a budget adjustment for the first monthly claim for Capital Improvement Program (CIP) Fund reimbursement.

Sheriff's Coroner 100 – Net Increase of \$27,884

The Riverside County Sheriff's Coroners Division is requesting a budget adjustment for the first monthly claim for Capital Improvement Program (CIP) Fund.

Recommendation 36: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues for the Sheriff Department by \$2,211,685.*

PUBLIC WORKS AND COMMUNITY SERVICES

Animal Services

Riverside County Department of Animal Services is currently operating within the approved budget. The department is requesting two budget adjustments as follows:

The first adjustment will move appropriations from the Programs budget to the Administration budget in the amount of \$165,000. This appropriation transfer covers the shortages created at the beginning of the fiscal year as Animal Services moved several positions from the Programs budget – 4202600000 and placed the expenses in the Administration budget – 4201600000.

The second budget adjustment will increase appropriations and estimated revenue in all three

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departmental budgets by \$363,846. The increase will help cover higher than anticipated insurance and carpool costs.

Recommendation 37: *That the Board approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues for the Animal Services Department by \$363,846.*

Flood Control and Water Conservation District

The requested budget adjustment will increase appropriations within the Flood Control and Water Conservation District Data Processing Fund 48080. The adjustment is necessary for the District to accommodate increased salaries and benefits costs associated with an increase in staffing and unanticipated costs associated with software acquisitions and upgrades.

Recommendation 38: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations for the Flood Control and Water Conservation District – Data Processing Fund by \$500,000.*

Regional Parks and Open Space District

The District's MSHCP Reserve Management program was approved funding from RCA for additional patrolling and crowd control at RCA lands in anticipation of wildflower superbloom. A budget increase is needed to reflect the approved funding.

Recommendation 39: *That the Board of Supervisors approve and direct the Auditor Controller to increase appropriations and estimated revenues for the Regional Park and Open Space District-MSHCP Reserve Management by \$70,000.*

The Park Residences fund is used to maintain, repair and improve caretaker residences at our park sites. A budget increase is required to finish the tenant improvements needed for the residences to be ready for occupancy. This will also cover any unforeseen repairs for the remainder of the year.

Recommendation 40: *That the Board of Supervisors approve and direct the Auditor Controller to increase appropriations for the Regional Park and Open Space District-Park Residences Utilities and Maintenance by \$25,000.*

During the budget development for FY2022-23, the District budgeted for American Rescue Plan Act (ARPA) projects in our capital improvement fund 33120 as project costs will be reimbursed through the ARPA fund 21735. However, in October 2022, the Executive Office established a budget for Parks within the ARPA fund for all our approved projects. The District is requesting a budget decrease in fund 33120 for the remainder of the year.

Recommendation 41: *That the Board of Supervisors approve and direct the Auditor Controller to make budget adjustments for the Regional Park and Open Space District – Park Acq. And Dev. DIF Fund by \$2,500,000.*

REGISTRAR OF VOTERS

The Registrar of Voters is requesting a budget adjustment to increase both expenditures and revenue to cover contract payments for election services and will meet the State reimbursement cutoff date. The State of California will reimburse 75% of the election services contract. The department is requesting additional NCC from the general fund contingency for the 25% portion that will not be reimbursed by the State of California.

Recommendation 42: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations by \$5,895,604 and estimated revenues by \$4,421,703 for the Registrar of Voters and decreasing appropriations for Appropriations for Contingency by \$1,473,901.*

In addition, the Registrar of Voters is requesting a budget adjustment to cover expenses related to mailing all voters the vote-by-mail ballots. The State of California will reimburse 100% of the costs by the end of the fiscal year.

Recommendation 43: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues for the Registrar of Voters by \$2,000,000.*

RIVERSIDE UNIVERSITY HEALTH SYSTEM

Public Health (RUHS-PH)

Since January 2020, RUHS-Public Health has led the COVID-19 response efforts. As we are now in the recovery phase, with the federal Public Health Emergency to expire in May 2023, we are in a better position to transition away from the emergency phase, ensuring our County becomes more resilient to any future emergencies and/or challenges. Addressing COVID-19 remains a public health priority; however, our focus will be on improving standards of care and services for the constituents of Riverside County. The department is closely monitoring all expenditures and anticipates ending the fiscal year within budget targets.

A budget adjustment is requested to increase budget capacity for the purchase of equipment for the RUHS-PH Laboratory to test for pathogens like SARS-CoV2 and other emerging diseases to provide surveillance and detect outbreaks in the community and for two (2) large medical freezers to increase storage capacity of specimens and reagents for SARS-CoV2 testing.

In addition, the department requests to increase budget capacity for the purchase of two (2) forklifts for the RUHS-PH Warehouses. One forklift will be replacing a recently retired aging asset and the other additional forklift is needed due to the increased workload and demand of the warehouse operations.

Recommendation 44: *That the Board of Supervisors 1) approve and direct the Auditor-Controller to make budget adjustments for RUHS-Public Health by \$297,000 and 2) approve and*

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authorize the purchase of two forklifts.

RUHS Medical Center (RUHS-MC)

The requested budget adjustment will increase appropriation two within the Riverside University Health System Medical Center – department 4300100000, fund 40050. The adjustment is necessary to transition expenditures related to psychiatrists from RUHS Behavioral Health to the Medical Center in accordance with new State cost report requirements. No additional expenditures, revenue, or NCC are required.

Recommendation 45: *That the Board of Supervisors approve and direct the Auditor-Controller to increase appropriations and estimated revenues for the RUHS by \$35,000,000.*

Attachment A Summary of Recommendations

Recommendation 1: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments to transfer appropriations from the County Clerk-Recorder Conversion Fund to the Modernization Fund by \$1,896,373.

<u>Fund</u>	<u>Dept ID</u>		<u>Account</u>	<u>Amount</u>
11076	1200200000	County Clerk-Recorder	523230 Miscellaneous Expense	1,896,373
11076	1200200000	County Clerk-Recorder	370100 Unassigned Fund Balance	(1,896,373)
11077	1200200000	County Clerk-Recorder	523230 Miscellaneous Expense	(1,896,373)
11077	1200200000	County Clerk-Recorder	370100 Unassigned Fund Balance	1,896,373

Recommendation 2: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing estimated revenues for the Auditor-Controller by \$48,363,905.

<u>Fund</u>	<u>Dept ID</u>		<u>Account</u>	<u>Amount</u>
10000	1300100000	Auditor-Controller	700020 Prop Tax Current Secured	5,941,859
10000	1300100000	Auditor-Controller	701020 Prop Tax Current Unsecured	1,198,177
10000	1300100000	Auditor-Controller	704000 Prop Tax Current Supplemental	2,522,300
10000	1300100000	Auditor-Controller	705000 Prop Tax Prior Supplemental	(649,354)
10000	1300100000	Auditor-Controller	710020 Sales & Use Taxes	11,124,760
10000	1300100000	Auditor-Controller	714000 Non Commn Aircraft	(64,578)
10000	1300100000	Auditor-Controller	715070 RDV Prty Tax, LMIH Resdul Asts	8,274,755
10000	1300100000	Auditor-Controller	750200 CA-Motor Vehicle In-Lieu Tax	9,788,940
10000	1300100000	Auditor-Controller	752800 CA-Homeowners Tax Relief	(17,948)
10000	1300100000	Auditor-Controller	752820 CA-Suppl Homeowners Tax Relief	17,991
10000	1300100000	Auditor-Controller	753620 CA-Mandate Reimbursement	63,689
10000	1300100000	Auditor-Controller	764500 Federal In Lieu Taxes	532,566
10000	1300100000	Auditor-Controller	781000 Contractual Revenue-RDV	9,020,360
10000	1300100000	Auditor-Controller	781100 EI Sobrante Land Fill	428,379
10000	1300100000	Auditor-Controller	781140 Unclaimed Money	152,031
10000	1300100000	Auditor-Controller	781170 Restitution	29,978
10000	1300100000	Auditor-Controller	370100 Unassigned Fund Balance	48,363,905

Recommendation 3: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations for the Non-Executive Office Operations by \$289,228 and decreasing appropriations for Appropriations for Contingency by \$289,228.

<u>Fund</u>	<u>Dept ID</u>		<u>Account</u>	<u>Amount</u>
10000	1102900000	Non-EO Operations	536200 Contrib To Other Non-Co Agcy	289,228
10000	1102900000	Non-EO Operations	370100 Unassigned Fund Balance	(289,228)
10000	1109000000	Approp For Contingency-General	581000 Approp For Contingencies	(289,228)
10000	1109000000	Approp For Contingency-General	370100 Unassigned Fund Balance	289,228

Recommendation 4: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues for the Non-Executive Office Operations by \$300,787.

<u>Fund</u>	<u>Dept ID</u>		<u>Account</u>	<u>Amount</u>
10000	1102900000	Non-EO Operations	525440 Professional Services	300,787
10000	1102900000	Non-EO Operations	755850 CA - AB 1869 Backfill	300,787

Recommendation 5: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues for Riverside County Executive Office by \$3,000,000.

<u>Fund</u>	<u>Dept ID</u>		<u>Account</u>	<u>Amount</u>
10000	1110000000	RiversideCnty Executive Office	551100 Contribution To Other Funds	3,000,000
10000	1110000000	RiversideCnty Executive Office	741300 Lease To Non-County Agency	3,000,000

Attachment A Summary of Recommendations

Recommendation 6: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations for the EO-General Fund Contributions to Other Funds department and decreasing appropriations for Appropriations for Contingency by \$600,000.

<u>Fund</u>	<u>Dept ID</u>		<u>Account</u>	<u>Amount</u>
10000	1101000000	Contribution To Other Funds	551100 Contribution To Other Funds	600,000
10000	1101000000	Contribution To Other Funds	370100 Unassigned Fund Balance	(600,000)
10000	1109000000	Approp For Contingency-General	581000 Approp For Contingencies	(600,000)
10000	1109000000	Approp For Contingency-General	370100 Unassigned Fund Balance	600,000

Recommendation 7: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues for the Countywide Oversight Board by \$11,226.

<u>Fund</u>	<u>Dept ID</u>		<u>Account</u>	<u>Amount</u>
11186	1111200000	Countywide OB Reimb Fund	523350 Administrative Expense	3,515
11186	1111200000	Countywide OB Reimb Fund	525020 Legal Services	(4,000)
11186	1111200000	Countywide OB Reimb Fund	525500 Salary/Benefit Reimbursement	11,711
11186	1111200000	Countywide OB Reimb Fund	777520 Reimbursement For Services	11,226

Recommendation 8: That the Board of Supervisors approve and direct the Auditor-Controllers to make budget adjustments increasing appropriations by \$270,000 for the Non-Executive Office Operations and decreasing appropriations for Appropriations for Contingency by \$270,000.

<u>Fund</u>	<u>Dept ID</u>		<u>Account</u>	<u>Amount</u>
10000	1104300000	Court Reporting Transcripts	524720 Court Reporter Fees	270,000
10000	1104300000	Court Reporting Transcripts	370100 Unassigned Fund Balance	(270,000)
10000	1109000000	Approp For Contingency-General	581000 Approp For Contingencies	(270,000)
10000	1109000000	Approp For Contingency-General	370100 Unassigned Fund Balance	270,000

Recommendation 9: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations for the Mitigation Project Operation by \$175,000.

<u>Fund</u>	<u>Dept ID</u>		<u>Account</u>	<u>Amount</u>
30500	1103500000	Mitigation Project Operation	551100 Contribution To Other Funds	175,000
30500	1103500000	Mitigation Project Operation	322103 Rst For Capital Project subfunds	(175,000)

Recommendation 10: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues for the Department of Public Social Services – Mandated Client Services by \$3,000,000.

<u>Fund</u>	<u>Dept ID</u>		<u>Account</u>	<u>Amount</u>
10000	5100200000	Mandated Client Services	530440 Client Services	3,000,000
10000	5100200000	Mandated Client Services	750700 CA-Public Asst Program	1,300,000
10000	5100200000	Mandated Client Services	761000 Fed-Publ Assistance Programs	1,700,000

Recommendation 11: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues for the Department of Public Social Services-Categorical Aid by \$6,800,000.

<u>Fund</u>	<u>Dept ID</u>		<u>Account</u>	<u>Amount</u>
10000	5100300000	Categorical Aid	530480 Categorical Assistance	6,800,000
10000	5100300000	Categorical Aid	750700 CA-Public Asst Program	2,000,000
10000	5100300000	Categorical Aid	750740 CA-DPSS Realignment	2,500,000
10000	5100300000	Categorical Aid	761000 Fed-Publ Assistance Programs	2,300,000

Attachment A Summary of Recommendations

Recommendation 12: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues for the Facilities Management Community and Recreational Centers by \$3,100.

<u>Fund</u>	<u>Dept ID</u>	<u>Account</u>	<u>Amount</u>
10000	7201300000	FM-Community & Rec. Centers 528500 Project Cost Expense	3,100
10000	7201300000	FM-Community & Rec. Centers 790600 Contrib Fr Other County Funds	3,100

Recommendation 13: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and increasing estimated revenue for the Facilities Management Community and Recreational Centers by \$175,000.

<u>Fund</u>	<u>Dept ID</u>	<u>Account</u>	<u>Amount</u>
10000	7201300000	FM-Community & Rec. Centers 537320 Interfnd Exp-Improvements Bldg	175,000
10000	7201300000	FM-Community & Rec. Centers 741000 Rents	175,000

Recommendation 14: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations for the Facilities Management - Desert Expo Center by \$347,951.

<u>Fund</u>	<u>Dept ID</u>	<u>Account</u>	<u>Amount</u>
22200	7201400000	FM-Desert Expo Center 521420 Maint-Field Equipment	85
22200	7201400000	FM-Desert Expo Center 522310 Maint-Building and Improvement	20
22200	7201400000	FM-Desert Expo Center 522320 Maint-Grounds	310
22200	7201400000	FM-Desert Expo Center 551000 Operating Transfers-Out	347,536
22200	7201400000	FM-Desert Expo Center 350100 AFB For Program Money	(347,951)

Recommendation 15: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments decreasing appropriations for Contribution to Other Funds by \$1,444,500 and decreasing estimated revenues for Facilities Management - Community and Recreational Centers by \$1,444,500.

<u>Fund</u>	<u>Dept ID</u>	<u>Account</u>	<u>Amount</u>
10000	1101000000	Contribution To Other Funds 551100 Contribution To Other Funds	(1,444,500)
10000	1101000000	Contribution To Other Funds 370100 Unassigned Fund Balance	1,444,500
10000	7201300000	FM-Community & Rec. Centers 790600 Contrib Fr Other County Funds	(1,444,500)
10000	7201300000	FM-Community & Rec. Centers 370100 Unassigned Fund Balance	(1,444,500)

Recommendation 16: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues for the Facilities Management Community and Recreational Centers by \$157,262 and increasing appropriations and estimated revenues for the Facilities Management Lakeland Village Recreational Centers by \$157,262.

<u>Fund</u>	<u>Dept ID</u>	<u>Account</u>	<u>Amount</u>
10000	7201300000	FM-Community & Rec. Centers 551100 Contribution To Other Funds	157,262
10000	7201300000	FM-Community & Rec. Centers 790600 Contrib Fr Other County Funds	157,262
21830	7201200000	FM-Lakeland Village Rec. Ctrs 525320 Security Guard Services	16,000
21830	7201200000	FM-Lakeland Village Rec. Ctrs 537320 Interfnd Exp-Improvements Bldg	141,262
21830	7201200000	FM-Lakeland Village Rec. Ctrs 790600 Contrib Fr Other County Funds	157,262

Recommendation 17: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues for the Facilities Management Pass-Thru by \$2,250,000.

<u>Fund</u>	<u>Dept ID</u>	<u>Account</u>	<u>Amount</u>
21735	7200800000	FM-Department Pass-Thru 528500 Project Cost Expense	250,000
21735	7200800000	FM-Department Pass-Thru 542040 Buildings-Capital Projects	2,000,000
21735	7200800000	FM-Department Pass-Thru 763520 Fed-American Rescue Plan Act	2,250,000

Attachment A Summary of Recommendations

Recommendation 18: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenue for the Facilities Management - Real Estate by \$4,735,180.

<u>Fund</u>	<u>Dept ID</u>	<u>Account</u>	<u>Amount</u>
47220	7200400000	522410 Maint-Tenant Improvement	4,735,180
47220	7200400000	781360 Other Misc Revenue	4,735,180

Recommendation 19: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues for Human Resources by \$700,000.

<u>Fund</u>	<u>Dept ID</u>	<u>Account</u>	<u>Amount</u>
10000	1130100000	525440 Professional Services	400,000
10000	1130100000	527860 Training-Materials	300,000
10000	1130100000	778280 Interfnd -Reimb For Service	400,000
10000	1130100000	778340 Interfnd -Training	300,000

Recommendation 20: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations for Human Resources – Delta Dental PPO by \$1,000,000.

<u>Fund</u>	<u>Dept ID</u>	<u>Account</u>	<u>Amount</u>
45860	1130600000	534240 Dental Claims	1,000,000
45860	1130600000	380100 Unrestricted Net Assets	(1,000,000)

Recommendation 21: That the Board Supervisors approve and direct the Auditor-Controller to make budget adjustment increasing appropriations for Human Resources- Local Advantage Plus Dental by \$200,000.

<u>Fund</u>	<u>Dept ID</u>	<u>Account</u>	<u>Amount</u>
45900	1132600000	534240 Dental Claims	200,000
45900	1132600000	380100 Unrestricted Net Assets	(200,000)

Recommendation 22: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues for Human Resources- Long Term Disability Insurance by \$1,200,000.

<u>Fund</u>	<u>Dept ID</u>	<u>Account</u>	<u>Amount</u>
45980	1131400000	520940 Insurance-Other	1,200,000
45980	1131400000	781220 Contributions & Donations	1,200,000

Recommendation 23: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues for Human Resources-STD Disability Insurance by \$30,000.

<u>Fund</u>	<u>Dept ID</u>	<u>Account</u>	<u>Amount</u>
46060	1131200000	525440 Professional Services	15,000
46060	1131200000	534260 Disability Claims	15,000
46060	1131200000	781220 Contributions & Donations	30,000

Recommendation 24: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustment increasing appropriations for Human Resources-Workers Compensation by \$500,000.

<u>Fund</u>	<u>Dept ID</u>	<u>Account</u>	<u>Amount</u>
46100	1130800000	525440 Professional Services	500,000
46100	1130800000	380100 Unrestricted Net Assets	(500,000)

Attachment A Summary of Recommendations

Recommendation 25: That the Board of Supervisors approve and direct the Auditor-Controller to make the budget adjustments increasing appropriations for the RCIT-Geographical Information System Fund by \$186,000.

<u>Fund</u>	<u>Dept ID</u>		<u>Account</u>	<u>Amount</u>
22570	7400900000	RCIT Geographical Info System	510200 Payoff Permanent-Seasonal	71,000
22570	7400900000	RCIT Geographical Info System	521640 Maint-Software	115,000
22570	7400900000	RCIT Geographical Info System	321101 Restricted Program Money	(186,000)

Recommendation 26: That the Board of Supervisors approve and direct the Auditor-Controller to make the budget adjustments increasing appropriations for Riverside County Information Technology by \$1,600,000.

<u>Fund</u>	<u>Dept ID</u>		<u>Account</u>	<u>Amount</u>
45500	7400100000	Information Technology	521640 Maint-Software	1,600,000
45500	7400100000	Information Technology	313300 Restricted Net Assets	(1,600,000)

Recommendation 27: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues for the Community Facility District Administration by \$388,917.

<u>Fund</u>	<u>Dept ID</u>		<u>Account</u>	<u>Amount</u>
20605	991000	CFD Administration	525440 Professional Services	102,300
20605	991000	CFD Administration	537020 Interfnd Exp-Legal Services	23,000
20605	991000	CFD Administration	537080 Interfnd Exp-Miscellaneous	1,000
20605	991000	CFD Administration	537180 Interfnd Exp-Salary Reimb	7,500
20605	991000	CFD Administration	551000 Operating Transfers-Out	255,117
20605	991000	CFD Administration	772230 Charges for Admin Services	282,920
20605	991000	CFD Administration	778280 Interfnd -Reimb For Service	105,997

Recommendation 28: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations for CSA Administration and estimated revenues for the Community Facility District Administration by \$592,896.

<u>Fund</u>	<u>Dept ID</u>		<u>Account</u>	<u>Amount</u>
20605	991000	CFD Administration	790500 Operating Transfer-In	592,896
20605	991000	CFD Administration	321101 Restricted Program Money	592,896
23010	915202	CSA Administration Operating	551000 Operating Transfers-Out	592,896
23010	915202	CSA Administration Operating	321101 Restricted Program Money	(592,896)

Recommendation 29: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations for CSA 149 by \$70,000.

<u>Fund</u>	<u>Dept ID</u>		<u>Account</u>	<u>Amount</u>
24600	914901	Csa 149	537160 Interfnd Exp-Road Maint Gradng	70,000
24600	914901	Csa 149	321101 Restricted Program Money	(70,000)

Attachment A Summary of Recommendations

Recommendation 30: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues for the District Attorney by \$538,052.

<u>Fund</u>	<u>Dept ID</u>	<u>Account</u>	<u>Amount</u>
11019	2200100000	District Attorney 537180 Interfnd Exp-Salary Reimb	170,000
11019	2200100000	District Attorney 755200 CA-Vehicle Theft SB 2139	170,000
11041	2200100000	District Attorney 537180 Interfnd Exp-Salary Reimb	205,000
11041	2200100000	District Attorney 777050 Real Estate Fraud Prosecution	205,000
11118	2200100000	District Attorney 537180 Interfnd Exp-Salary Reimb	70,159
11118	2200100000	District Attorney 755460 CA-DA Auto Ins Fraud	70,159
11156	2200100000	District Attorney 537180 Interfnd Exp-Salary Reimb	54,224
11156	2200100000	District Attorney 755240 CA-Urban Auto Fraud Grant	54,224
11158	2200100000	District Attorney 537180 Interfnd Exp-Salary Reimb	38,669
11158	2200100000	District Attorney 755360 CA-Workers Comp Ins Fraud	38,669

Recommendation 31: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues for the Fire Protection Contract Services by \$650,000.

<u>Fund</u>	<u>Dept ID</u>	<u>Account</u>	<u>Amount</u>
10000	2700400000	Fire Protection-Contract Svc 510040 Regular Salaries	383,500
10000	2700400000	Fire Protection-Contract Svc 518100 Budgeted Benefits	266,500
10000	2700400000	Fire Protection-Contract Svc 779050 Fire Protection	650,000

Recommendation 32: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations for the Sheriff Department by \$577,188.

<u>Fund</u>	<u>Dept ID</u>	<u>Account</u>	<u>Amount</u>
10000	2500200000	Sheriff Support 510040 Regular Salaries	(577,188)
10000	2500200000	Sheriff Support 370100 Unassigned Fund Balance	577,188
10000	2500600000	CAC Security 525320 Security Guard Services	121,024
10000	2500600000	CAC Security 370100 Unassigned Fund Balance	(121,024)
10000	2501000000	Sheriff Coroner 521480 Maint-Morgue Equipment	69,914
10000	2501000000	Sheriff Coroner 542060 Improvements-Building	211,250
10000	2501000000	Sheriff Coroner 546160 Equipment-Other	175,000
10000	2501000000	Sheriff Coroner 370100 Unassigned Fund Balance	(456,164)

Recommendation 33: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues for the Sheriff Department- Patrol by \$186,218.

<u>Fund</u>	<u>Dept ID</u>	<u>Account</u>	<u>Amount</u>
10000	2500300000	Sheriff Patrol 546060 Equipment-Communications	186,218
10000	2500300000	Sheriff Patrol 767220 Fed-Other Operating Grants	186,218

Recommendation 34: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues for the Sheriff Department-Patrol by \$1,280,873.

<u>Fund</u>	<u>Dept ID</u>	<u>Account</u>	<u>Amount</u>
10000	2500300000	Sheriff Patrol 528920 Car Pool Expense	1,280,873
10000	2500300000	Sheriff Patrol 781320 Insurance Proceeds	1,280,873

Recommendation 35: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues for the Sheriff Department-Corrections by \$1,853,264.

<u>Fund</u>	<u>Dept ID</u>	<u>Account</u>	<u>Amount</u>
10000	2500400000	Sheriff Correction 510040 Regular Salaries	1,853,264
10000	2500400000	Sheriff Correction 767260 Fed-US DOJ SCAAP	1,853,264

Attachment A Summary of Recommendations

Recommendation 36: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues for the Sheriff Department by \$2,211,685.

<u>Fund</u>	<u>Dept ID</u>	<u>Account</u>	<u>Amount</u>
10000	2500200000	Sheriff Support 522310 Maint-Building and Improvement	4,330
10000	2500200000	Sheriff Support 523680 Office Equip Non Fixed Assets	97,072
10000	2500200000	Sheriff Support 524660 Consultants	34,138
10000	2500200000	Sheriff Support 525440 Professional Services	7,724
10000	2500200000	Sheriff Support 542060 Improvements-Building	106,566
10000	2500200000	Sheriff Support 790600 Contrib Fr Other County Funds	249,830
10000	2500300000	Sheriff Patrol 522310 Maint-Building and Improvement	109,100
10000	2500300000	Sheriff Patrol 542060 Improvements-Building	213,867
10000	2500300000	Sheriff Patrol 790600 Contrib Fr Other County Funds	322,967
10000	2500400000	Sheriff Correction 510040 Regular Salaries	(3,356,264)
10000	2500400000	Sheriff Correction 522310 Maint-Building and Improvement	270,226
10000	2500400000	Sheriff Correction 542060 Improvements-Building	4,656,264
10000	2500400000	Sheriff Correction 790600 Contrib Fr Other County Funds	1,570,226
10000	2500700000	Ben Clark Training Center 522310 Maint-Building and Improvement	40,778
10000	2500700000	Ben Clark Training Center 790600 Contrib Fr Other County Funds	40,778
10000	2501000000	Sheriff Coroner 536780 Interfnd Exp-Capital Projects	1,305
10000	2501000000	Sheriff Coroner 540060 Improvements-Land	1,684
10000	2501000000	Sheriff Coroner 542060 Improvements-Building	24,895
10000	2501000000	Sheriff Coroner 790600 Contrib Fr Other County Funds	27,884

Recommendation 37: That the Board approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues for the Animal Services Department by \$363,846.

<u>Fund</u>	<u>Dept ID</u>	<u>Account</u>	<u>Amount</u>
10000	4200600000	DAS - Operations 528920 Car Pool Expense	324,846
10000	4200600000	DAS - Operations 720000 County Animal Licenses	60,000
10000	4200600000	DAS - Operations 773200 Adoption-Auction Fees	51,000
10000	4200600000	DAS - Operations 773210 City Billings-Animal Shelt Svc	39,630
10000	4200600000	DAS - Operations 773240 Impounds Boards Disposal	45,000
10000	4200600000	DAS - Operations 773250 Spay&Neuter Clinic Fees	20,000
10000	4200600000	DAS - Operations 777520 Reimbursement For Services	24,000
10000	4200600000	DAS - Operations 781850 Grants-Nongovtl Agencies	36,549
10000	4200600000	DAS - Operations 370100 Unassigned Fund Balance	(48,667)
10000	4201600000	DAS Administration 510040 Regular Salaries	141,000
10000	4201600000	DAS Administration 520930 Insurance-Liability	63,000
10000	4201600000	DAS Administration 720000 County Animal Licenses	55,262
10000	4201600000	DAS Administration 781480 Program Revenue	10,545
10000	4201600000	DAS Administration 781850 Grants-Nongovtl Agencies	3,643
10000	4201600000	DAS Administration 370100 Unassigned Fund Balance	(134,550)
10000	4202600000	DAS - Programs 510040 Regular Salaries	(65,000)
10000	4202600000	DAS - Programs 510420 Overtime	(15,000)
10000	4202600000	DAS - Programs 510440 Annual Leave Buydown	(8,500)
10000	4202600000	DAS - Programs 513000 Retirement-Misc.	(29,000)
10000	4202600000	DAS - Programs 513120 Social Security	(14,000)
10000	4202600000	DAS - Programs 515040 Flex Benefit Plan	(4,500)
10000	4202600000	DAS - Programs 526420 Advertising	(19,000)
10000	4202600000	DAS - Programs 526900 Instrument-Minor Medic Equip	(10,000)
10000	4202600000	DAS - Programs 781850 Grants-Nongovtl Agencies	18,217
10000	4202600000	DAS - Programs 370100 Unassigned Fund Balance	183,217

Attachment A Summary of Recommendations

Recommendation 38: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations for the Flood Control and Water Conservation District – Data Processing Fund by \$500,000.

<u>Fund</u>	<u>Dept ID</u>	<u>Account</u>	<u>Amount</u>
48080	947320	Data Processing 510040 Regular Salaries	150,000
48080	947320	Data Processing 518100 Budgeted Benefits	50,000
48080	947320	Data Processing 523840 Computer Equipment-Software	300,000
48080	947320	Data Processing 380100 Unrestricted Net Assets	(500,000)

Recommendation 39: That the Board of Supervisors approve and direct the Auditor Controller to increase appropriations and estimated revenues for the Regional Park and Open Space District - MSHCP Reserve Management by \$70,000.

<u>Fund</u>	<u>Dept ID</u>	<u>Account</u>	<u>Amount</u>
25590	931150	MSHCP Reserve Management 510420 Overtime	60,000
25590	931150	MSHCP Reserve Management 546160 Equipment-Other	10,000
25590	931150	MSHCP Reserve Management 777520 Reimbursement For Services	70,000

Recommendation 40: That the Board of Supervisors approve and direct the Auditor Controller to increase appropriations for the Regional Park and Open Space District - Park Residences Utilities and Maintenance by \$25,000.

<u>Fund</u>	<u>Dept ID</u>	<u>Account</u>	<u>Amount</u>
25510	931108	Park Residences Util & Maint 522310 Maint-Building and Improvement	25,000
25510	931108	Park Residences Util & Maint 330100 Committed Fund Balance	(25,000)

Recommendation 41: That the Board of Supervisors approve and direct the Auditor Controller to make budget adjustments for the Regional Park and Open Space District – Park Acq. And Dev. DIF Fund by \$2,500,000.

<u>Fund</u>	<u>Dept ID</u>	<u>Account</u>	<u>Amount</u>
33120	931800	Park Acq & Dev, DIF 542120 Improvements-Infrastructure	(2,500,000)
33120	931800	Park Acq & Dev, DIF 790600 Contrib Fr Other County Funds	(2,500,000)

Recommendation 42: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations by \$5,895,604 and estimated revenues by \$4,421,703 for the Registrar of Voters and decreasing appropriations for Appropriations for Contingency by \$1,473,901.

<u>Fund</u>	<u>Dept ID</u>	<u>Account</u>	<u>Amount</u>
10000	1109000000	Approp For Contingency-General 581000 Approp For Contingencies	(1,473,901)
10000	1109000000	Approp For Contingency-General 370100 Unassigned Fund Balance	1,473,901
10000	1700100000	Registrar Of Voters 525440 Professional Services	5,895,604
10000	1700100000	Registrar Of Voters 753360 CA-Mandate Reimbrsment Process	4,421,703
10000	1700100000	Registrar Of Voters 370100 Unassigned Fund Balance	(1,473,901)

Recommendation 43: That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues for the Registrar of Voters by \$2,000,000.

<u>Fund</u>	<u>Dept ID</u>	<u>Account</u>	<u>Amount</u>
10000	1700100000	Registrar Of Voters 510040 Regular Salaries	500,000
10000	1700100000	Registrar Of Voters 510320 Temporary Salaries	500,000
10000	1700100000	Registrar Of Voters 523800 Printing/Binding	1,000,000
10000	1700100000	Registrar Of Voters 753360 CA-Mandate Reimbrsment Process	2,000,000

Attachment A Summary of Recommendations

Recommendation 44: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments for RUHS-Public Health by \$297,000.*

<u>Fund</u>	<u>Dept ID</u>		<u>Account</u>	<u>Amount</u>
10000	4200100000	Public Health	525440 Professional Services	(297,000)
10000	4200100000	Public Health	546160 Equipment-Other	297,000

Recommendation 45: *That the Board of Supervisors approve and direct the Auditor-Controller to increase appropriations and estimated revenues for the RUHS by \$35,000,000.*

<u>Fund</u>	<u>Dept ID</u>		<u>Account</u>	<u>Amount</u>
40050	4300100000	RUHS	525200 Physicians/Dentists	35,000,000
40050	4300100000	RUHS	776440 Traditional Other Governments	35,000,000

RIVERSIDE COUNTY

SALES TAX UPDATE

Q2 2017 (APRIL - JUNE)



RIVERSIDE COUNTY

TOTAL: \$ 14,964,192

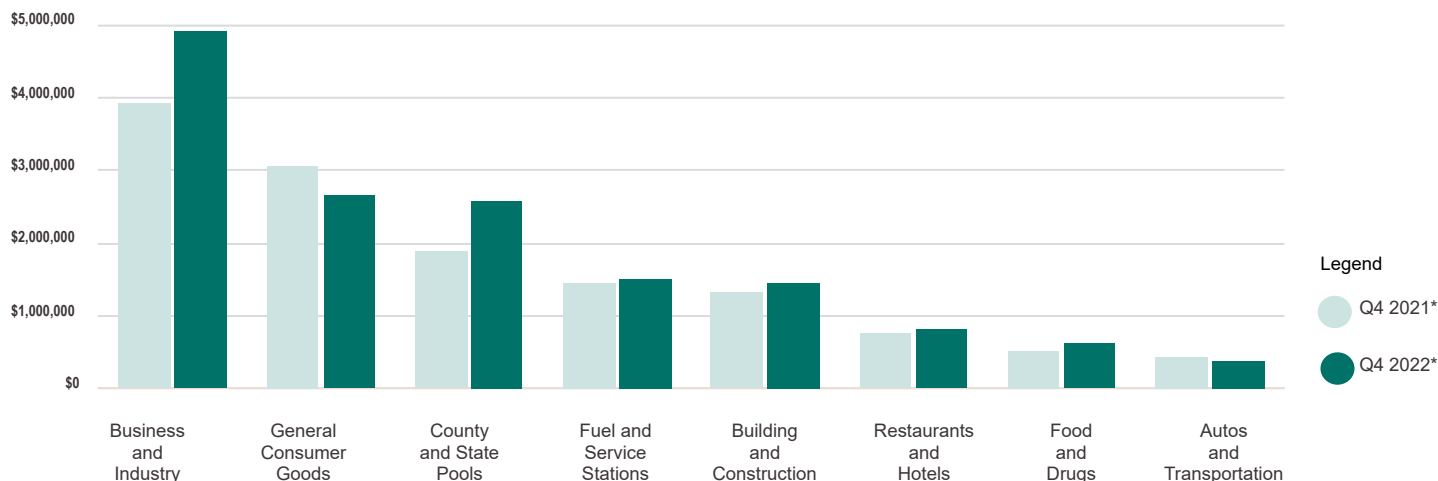
12.1%
COUNTY UNINC.

5.7%
COUNTY

4.7%
STATE

**Allocation aberrations have been adjusted to reflect sales activity*

SALES TAX BY MAJOR BUSINESS GROUP



RIVERSIDE COUNTY HIGHLIGHTS

The unincorporated area’s receipts from October through December were 34.6% above the fourth sales period in 2021. Excluding reporting aberrations, actual sales were up 12.1%.

Business-industry sector receipts benefited from several segments reporting onetime allocations for investments in capital equipment, including energy/utilities and heavy/industrial. On a similar basis, the countywide pool gained with strong growth in business-industry receipts, although this was offset by the declines in general retail and automotive sales.

Building-construction sales jumped as contractors remained busy with improvement projects, as did plumbing/electrical supplies purchases. Rising mortgage rates could help boost this sector in future quarters as homeowners opt to invest in maintenance needs.

Congestion on the highways and elevated prices at the pump bolstered the fuel-service station group revenue. Led by leisure-entertainment venues, restaurants reported more modest sales compared to last year’s double-digit gains during the holiday quarter. Recent reports indicate some slowdown influenced by rising menu prices.

General consumer goods overall weaker sales are also influenced by a lower amount reported by a taxpayer that is being investigated by audit for potential future correction. Trailer/RV sales have diminished from the record highs seen in the prior year when enthusiasts embraced this travel option.

Net of aberrations, taxable sales for all of Riverside County grew 5.7% over the comparable time period; the Southern California region was up 5.1%.



TOP 25 PRODUCERS

- Amazon Com Services
- Amazon MFA
- Builders Firstsource
- Burberry
- Circle K
- Coach
- First Solar
- Gucci
- Hajoca Corporation
- Hi Grade Materials
- Iherb
- Intelligrated Systems
- Nike
- Pilot Travel Center
- Ralphs Fresh Fare
- RDO Equipment
- Sigler HVAC
- Spates Fabricators
- Stater Bros
- Superior Ready Mix Concrete
- Sysco
- TMEIC Corporation
- Vestas American Wind Technology
- Volvo Construction Equipment
- Vons Fuel



STATEWIDE RESULTS

California’s local one cent sales and use tax receipts for sales during the months of October through December were 4.7% higher than the same quarter one year ago after adjusting for accounting anomalies. A holiday shopping quarter, the most consequential sales period of the year, experienced solid results which lifted revenue to local agencies across the State.

Overall, general consumer goods growth was up a meager 1.8%, in large part from merchants also selling gas as prices remained elevated over last year. Otherwise, many brick and mortar retailers experienced mixed results as the phenomenal prior year activity made for an extremely difficult comparison. This was especially true for jewelry stores receipts which had soared tremendously after the pandemic as consumers diversified readily available cash into other assets.

Commuters and seasonal travelers were again burdened with gas prices above \$5 per gallon in most of the State, leaving fuel-service stations 10% higher than a year ago. However, this trend did not distract from spending at local restaurants and hotels. Increased menu prices and return-to-office workplaces enhanced gains, with the Bay Area experiencing it’s greatest amount of post-pandemic rebound.

Although inventory shortages negatively impacted unit sales and leasing activity throughout 2022, year-end returns by new car dealers, especially high-end luxury and electronic/hybrid brands, sustained auto-transportation sector gains. In contrast, rising interest rates and higher gas prices pulled trailer-RV revenues lower. Steady housing demand and pend up construction projects delayed by supply chain interruptions have contractors contributing the majority of growth within the building-construction sector.

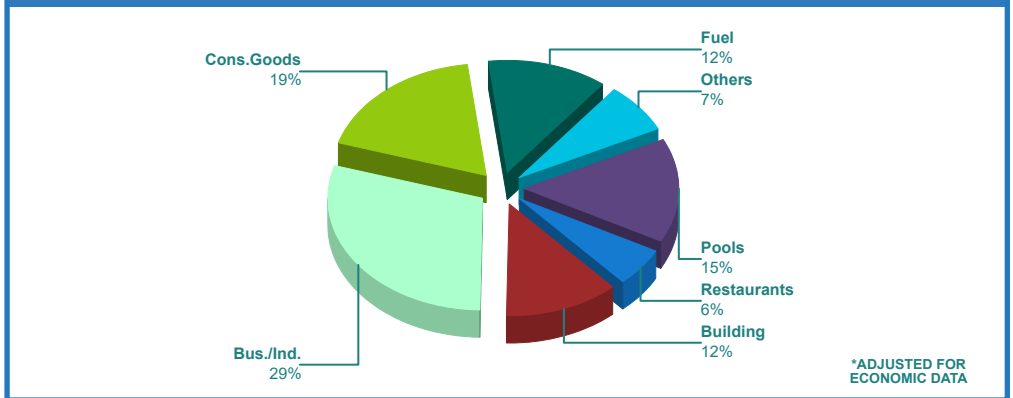
With rising interest rates tempering selling activity, property owners are still likely to maintain home improvement spending.

Use taxes remitted via the countywide pools rose a scant 0.3%. While national ecommerce spending behaviors climbed upward again, expansion of more in-state fulfillment centers plus retailers using existing locations to deliver goods tied to online orders shifted taxes away from pools. The offsetting effect was these dollars being directed to local agency’s coffers where the goods resided. This evolving trend is anticipated to persistently weaken taxes coming from the pools in the near term.

Looking back, calendar year 2022 exhibited a 9.5% surge in tax receipts compared to 2021. Each of the eight major tax categories all reported greater returns. Most influential was inflation that drove up prices on everything from normal daily purchases to vehicles. Secondly, all-time peak global crude oil costs had fuel seller’s payments skyrocketing.

Heading into 2023, additional interest rate hikes along with consumer sentiment waning about the economy foretells minimal change coming from California’s taxable sales in the months ahead.

REVENUE BY BUSINESS GROUP
Riverside Co. Uninc This Calendar Year*



TOP NON-CONFIDENTIAL BUSINESS TYPES

Unincorporated County Business Type	Q4 '22*	Change	County Change	HdL State Change
Service Stations	1,432.1	4.9% ↑	4.2% ↑	7.5% ↑
Family Apparel	1,340.9	1.9% ↑	-0.9% ↓	-1.0% ↓
Energy/Utilities	1,334.7	59.4% ↑	61.1% ↑	-0.2% ↓
Contractors	1,055.5	19.5% ↑	17.4% ↑	11.8% ↑
Fulfillment Centers	1,019.8	8.9% ↑	13.4% ↑	10.5% ↑
Heavy Industrial	542.9	129.3% ↑	33.6% ↑	9.7% ↑
Wineries	461.7	4.8% ↑	4.2% ↑	-3.2% ↓
Warehse/Farm/Const. Equip.	459.8	12.4% ↑	-2.5% ↓	4.1% ↑
Women's Apparel	342.4	1.4% ↑	-4.2% ↓	-3.8% ↓
Quick-Service Restaurants	325.3	-3.9% ↓	5.0% ↑	5.7% ↑

*Allocation aberrations have been adjusted to reflect sales activity *In thousands of dollars