



Supervisor Jeffries' Board Report

February 5th, 2019

This week's agenda was nearly entirely dominated by two very important budget related items, the annual report from our Pension Advisory Review Committee, and the Mid-Year Budget Report from our Executive Office.

Pension Advisory Review Committee Report—Item 3.6, Video Time Stamp: 19:40

According to our latest Pension Advisory Review Committee (PARC) Report, CalPERS is going to raise Riverside County annual pension costs by nearly \$300 million over the next handful of years. The annual increase is already underway with an increase of \$56 million for the next fiscal year, and \$113 million the following year. The PARC report to the Board of Supervisors says that within two years, for every four regular employees, the county will be paying for the equivalent of a 5th position in retirement, and for every two public safety employees, the county will be paying the equivalent of a 3rd position in retirement. If we have to continue to hold our spending flat, and had to absorb these increases within our regular budget, this would mean having to have over 4,000 of our 22,000 staff positions in our county held vacant, rather than providing services to our residents. This is possibly the most significant budget challenge our county faces, but the state significantly limits what we can do about it. You can read the report at this link:

http://riversidecountyca.iqm2.com/Citizens/Detail_LegiFile.aspx?Frame=&MeetingID=2030&MediaPosition=&ID=8941&CssClass=

Mid-Year Budget Report—Item 3-21, Video Time Stamp: 43:10 We received a report from our Finance Director and Executive Office on the mid-year status of our FY '18-'19 budget. One critical change to the budget includes almost \$2 million in increased funding to our Emergency Management Department as a result of the summer wildfires and now winter floods (this does not include significant additional costs for Transportation Department, Fire, Sheriff, or Flood Control, currently being absorbed within their existing budgets). Other major changes are massive increases in case loads and costs (\$4.4 million more) in state-mandated general assistance, continued losses in our medical clinics (not the hospital, which is doing well) as they are in the midst of a transition that will hopefully reverse their current trend, and requested

budget additions from the DA and Public Defender have diminished, as a result of ongoing savings in their departments. The Sheriff is also now showing a likely surplus this year of around \$10 million, as a result of a combination of cost-cutting policies and continued difficulties in recruiting new personnel for funded positions in the jail and for deputies in the streets. The long-term budget trend shows the necessity of continuing to hold the line on spending, as we struggle to come into structural balance, particularly as we face a number of continued increased costs from state-mandated programs and the pension costs mentioned above. You can read the budget report here:

http://riversidecountyca.iqm2.com/Citizens/Detail_LegiFile.aspx?Frame=&MeetingID=2030&MediaPosition=728.367&ID=8942&CssClass=

You can see all the agenda items and staff reports, and watch the video of the meeting at this link here:

<http://riversidecountyca.iqm2.com/Citizens/SplitView.aspx?Mode=Video&MeetingID=2030&Format=Minutes>

Our next Board Meeting is February 26th.