



FY 2023/24

Financial Report

(Major Funds)



FISCAL YEAR ENDED

JUNE 30, 2024





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GENERAL FUND

The City adopts a biennial budget and five-year planning process to provide a more informative, long-term outlook on City finances. Typically, amendments to the second fiscal year are minor, focusing on the following:

- Reviewing and adjusting forecasts of major revenue sources.
- Incorporating the financial impact of City Council actions taken during the fiscal year, including the impacts of new employee Memorandums of Understanding.
- Addressing new and significant changes in the operating needs of City departments, including rising costs in certain sectors (utilities, fuel, chemicals).
- Reviewing and re-prioritizing capital project funding.

To proactively address financial and operational changes, an update to the second year of the fiscal year (FY) 2022-2024 biennial budget was necessary for the General Fund and Measure Z. Revenue projections for the FY 2022-2024 Biennial Budget were initially based on early Spring 2022 performance. However, FY 2021/22 year-end results presented significant growth in sales tax revenue, with a 33% increase in both the General Fund and Measure Z revenues since FY 2018/19.

The City's sales and property tax consultant, HdL, anticipated 0% growth in FY 2023/24 with the Federal Reserve forecasting a mild recession beginning in the latter part of calendar year 2023. However, the post-pandemic growth provided a one-time increase in base sales taxes, resetting revenue expectations going forward. Unlike prior years, this budget update allowed the City to leverage these positive financial results to address numerous City priorities and initiatives.

General Fund Results at a Glance (Unaudited)

-0.1%
Revenues
Below
Revised Budget
Projections*

1.0%
Projected
Expenditure
Savings

\$6.10M
NET GAIN
Net of Carryovers

The General Fund's **unaudited** actuals present a net gain of \$6.10M net of encumbrances and recommended carryovers, primarily due to revenues performing exceptionally well and actual expenditure savings of \$3.83M.

**Excludes \$1.42M in Fire Mutual Aid and \$2.47M in sale of capital assets revenues which were anticipated to be received in the following year.*

The adopted FY 2023/24 amended budget for the General Fund totaled \$327.09 million (M) with a projected \$6.41M surplus. In the event of a fiscal year-end budget surplus, the adopted budget included a planned contribution of \$5.00M to the Infrastructure Reserve. Budget adjustments throughout the fiscal year presented a potential \$1.30M shortfall, primarily due to the \$8.57M set-aside of the Water General Fund Transfer (GFT) revenue, the projected fiscal impact of labor negotiations, and the economic slowdown impacting sales tax revenues. Unaudited actuals present a net gain of \$6.10M resulting from positive revenue results and expenditure savings.

GENERAL FUND SUMMARY

(in millions)	Adopted Budget	Adjusted Budget	Unaudited Actuals
Incoming Resources			
FY 2023/24 Revenue	\$ 333.50	\$ 346.52	\$ 350.09
FY 2023/24 Use of Reserves		29.81	29.81
Total Incoming Resources	\$ 333.50	\$ 376.33	\$ 379.90
Outgoing Resources			
FY 2023/24 Expenditures	\$ 327.09	\$ 351.26	\$ 345.63
FY 2023/24 Contributions to Reserves		5.00	5.00
FY 2023/24 Water GFT Escrow		8.57	8.11
FY 2022/23 Encumbrances		7.05	
FY 2022/23 Carryovers		5.75	
FY 2023/24 Encumbrances			10.37
FY 2023/24 Carryovers			4.69
Total Outgoing Resources	\$ 327.09	\$ 377.63	\$ 373.80
Projected Net Gain / (Loss)	\$ 6.41	\$ (1.30)	\$ 6.10

Revenue

Revenue estimates for the adopted FY 2023/24 amended budget were developed using a range of sources, including historical revenue analysis, economic data, input from the City's sales and property tax consultant, City departments, and the County of Riverside. Approximately 80% of the General Fund revenue budget comes from sales tax, property tax, utility users tax, and the General Fund transfers.

Sales tax is a major revenue source for the General Fund, accounting for approximately 28% of the overall revenue budget. The FY 2023/24 amended budget increased revenue projections by 9.5% over the original adopted budget. The revision reflected the strong post-COVID-19 rebound in business and consumer activity, combined with inflation driven by government stimulus measures, supply chain disruptions, and tight labor markets, which led to a significant one-time growth in the City's sales tax revenue base.

Another primary source of General Fund revenue is property tax, accounting for approximately 26% of the overall revenue budget. The amended budget increased property tax revenue estimates by 5.7%, based on updated projections from HdL. This adjustment reflects significant growth in property values driven by low interest rates, high demand, and a housing shortage.

Other revenue adjustments in the FY 2023/24 amended budget reflected faster-than-anticipated recovery from the pandemic in sources such as Transient Occupancy Tax and Developer Fees, along with stronger-than-expected growth in Business Tax revenue and other minor adjustments.

With the Second and Third Quarter Financial Reports, revenue projections were adjusted upward by a net \$8.40M based on FY 2022/23 actual results, year-to-date performance, and anticipated economic impacts through the end of the fiscal year. Actual revenues were below the revised budget by \$320,000, or 0.1%, excluding unbudgeted amounts of \$1.42M in Fire Mutual Aid revenue and \$2.47M from the sale of surplus Riverside Police Department capital assets. The table below includes the impact of these unbudgeted revenues in the "Other Revenues and Transfers In" category.


REVENUES BY CATEGORY

FISCAL YEAR REVENUE RESULTS

(in millions)	Adopted Budget	Total Budget	Unaudited Actuals	\$ Variance	% Variance
Property Tax	\$ 84.43	\$ 88.83	\$ 88.84	\$ 0.01	0.0%
Sales Tax	94.04	93.44	92.41	(1.03)	-1.1%
Utility Users Tax	33.52	32.92	32.22	(0.70)	-2.1%
Transient Occupancy Tax	8.58	8.43	8.78	0.35	4.2%
Franchise Fees	5.84	6.59	6.69	0.10	1.5%
Licenses & Non-Developer Permits	10.03	11.29	10.28	(1.01)	-8.9%
Non-Development Charges for Services	10.91	11.05	12.25	1.20	10.9%
Developer Fees & Charges for Services	7.37	7.37	8.11	0.74	10.0%
General Fund Transfer	53.20	53.40	53.40	0.00	0.0%
Measure Z Transfer	18.27	18.27	18.27	0.00	0.0%
Other Revenues & Transfers In	7.31	11.55	17.43	5.88	50.9%
ARPA Revenue Replacement	-	3.38	1.41	(1.97)	-58.3%
Use of Reserves	-	29.81	29.81	-	0.0%
Total Revenues & Transfers In	\$ 333.50	\$376.33	\$ 379.90	\$ 3.57	0.9%

Explanation of Significant Budget Variances

- Property Taxes** – Property tax revenues increased by 7.3% over the prior year. In the Second Quarter Financial Report, property tax revenue projections were increased by \$4.41M. The City of Riverside continued to experience substantial growth in assessed property values, as



evidenced by the 8.2% increase reported by the County of Riverside Assessor in July 2023. This growth has translated into significant increases in the City's property tax revenues. Additionally, property tax revenue from successor agencies (previously tied to redevelopment) grew by a significant \$1.73M (14.9%) compared to prior year.

- **Sales Tax** – Although slightly below the adjusted budget estimate, sales tax revenue decreased by 1.4% compared to the prior year, primarily driven by the economic slowdown resulting from the Federal Reserve's efforts to counter inflation. In the second quarter, a \$2.10M downward adjustment in projected revenues was made to account for the economic slowdown. However, this overall decline in sales tax revenue was partially mitigated by \$726,000 in sales tax revenue from a new source under the March JPA territory tax and revenue-sharing agreement with the County of Riverside and surrounding cities, which was incorporated into the budget in the third quarter.
- **Non-Development Charges for Services** – Revenues exceeded projections by \$1.20M (10.9%), with the main contributing factors being higher-than-expected revenues from the following sources:
 - \$674,000 for the American Medical Response paramedics program
 - \$371,000 for police special services and miscellaneous receipts
 - \$342,000 from Parks and Recreation Fairmount Golf Course
- **Developer Fees & Charges for Services** – Revenues exceeded projections by \$741,000 (10.0%) due to the following key factors:
 - Building and mechanical permits generated \$400,000 (21%) more than expected.
 - On October 17, 2023, the City Council adopted new guidelines for Storefront Retail Commercial Cannabis Business Permits. The selection process required applicants to pay both an Application Fee and a Site Review Fee, generating \$764,000 in unbudgeted revenue.
 - Offsetting these increases, plan check and inspection fees were \$455,000 (14%) lower than projected.
- **Other Revenues & Transfers In** – Other Revenues and Transfers In are \$8.16M (70.6%) higher than projected. This variance is largely due to a mix of unpredictable or volatile revenue sources and unbudgeted items. Key contributors to the increase include:
 - \$1.42M in unbudgeted Fire Mutual Aid revenue
 - \$2.47M from the unbudgeted sale of surplus Riverside Police Department capital assets (this revenue was anticipated to be received in the following fiscal year)
 - \$945,000 investment revenue, surpassing the updated projection, which had already been adjusted upward by \$1.50M in the second quarter
 - \$392,000 from the Festival of Lights, above expectations
 - \$450,000 in State Mandated Claim reimbursements, exceeding projections
 - \$3.10M from an unbudgeted write-up of investments to market value, a required accounting adjustment that is not typically included in the budget due to its non-cash nature and market volatility

- \$1.62M in lease proceeds recognition
- \$5.57M in revenue reclassifications to unavailable revenue partially offset these increases
- **American Rescue Plan Act (ARPA) Revenue Replacement** – The ARPA revenue replacement was \$1.97M (58.3%) below projections due to a delay in transferring \$2.36M from the Grants and Restricted Fund, American Rescue Plan Act accounts, to FY 2024/25. However, this shortfall was partially offset by recognizing \$389,000 in ARPA revenue for Park & Recreation youth program scholarships.
- **Use of Reserves** – The following details the use of reserves approved by Council during FY 2023/24:
 - Use of General Fund available fund balance for encumbrances and carryovers carried forward from FY 2022/23 as provided for in the Riverside Municipal Code: \$7,072,747
 - Use of General Fund available fund balance surplus for restricted and discretionary carryovers approved by City Council in the FY 2022/23 fourth quarter report: \$5,726,579
 - Use of General Fund Insurance Proceed Reserve for interfund transfer from the General Fund to Public Parking Fund for surface parking lot construction: \$900,000
 - Use of General Fund Infrastructure Reserve for interfund transfer from the General Fund to the Capital Outlay Fund for the Museum Expansion and Renovation Project: \$10,000,000
 - Use of General Fund Infrastructure Reserve for interfund transfer from the General Fund to the Airport fund for Airport building remedial repairs: \$1,000,000
 - Use of General Fund Infrastructure Reserve for interfund transfer from the General Fund to the Capital Outlay Fund for the SPC Jesus S. Duran Eastside Library: \$3,500,000
 - Use of General Fund Infrastructure Reserve for interfund transfer from the General Fund to the Capital Outlay Fund for the Magnolia Roof Replacement Project: \$832,078
 - Use of General Fund Infrastructure Reserve for interfund transfer from the General Fund to the Capital Outlay Fund for the Victoria Avenue Beautification Project: \$775,000

The following table and chart present the 10-year history of General Fund revenues with the impact of **General Fund restructuring and debt proceeds removed to accommodate year-over-year comparability**. The following are not included for any fiscal year: Fire Bond property tax; Fire Mutual Aid; debt proceeds; required non-operating accounting adjustments (such as adjusting investments to market value), and items moved to other funds during General Fund restructuring in 2015-2017.

10-YEAR REVENUE HISTORY

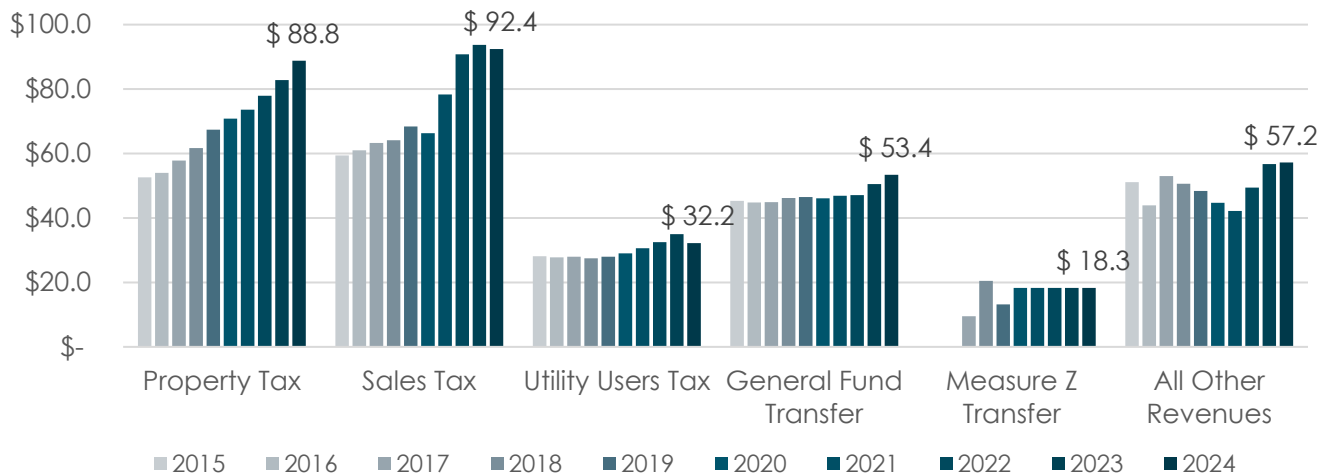
GENERAL FUND REVENUES – 10-YEAR HISTORY

(in millions)	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Property Tax	\$ 52.6	\$ 54.0	\$ 57.8	\$ 61.7	\$ 67.4	\$ 70.8	\$ 73.6	\$ 77.9	\$ 82.8	\$ 88.8
Sales Tax	59.4	61.0	63.3	64.1	68.4	66.3	78.3	90.8	93.7	92.4
Utility Users Tax	28.1	27.8	28.0	27.5	28.0	29.0	30.6	32.5	35.0	32.2
General Fund Transfer	45.3	44.8	44.9	46.2	46.5	46.1	46.9	47.1	50.5	53.4
Measure Z Transfer			9.5	20.5	13.2	18.3	18.3	18.3	18.3	18.3
All Other Revenues	51.1	43.9	53.0	50.6	48.4	44.7	42.2	49.4	56.7	57.2
Total Revenues*	\$ 236.5	\$ 231.5	\$ 256.5	\$ 270.6	\$ 271.9	\$ 275.2	\$ 289.9	\$ 316.0	\$ 337.0	\$ 342.3
Growth over Prior Year	5.7%	-2.1%	10.8%	5.5%	0.5%	1.2%	5.3%	9.0%	6.6%	1.6%

*Excludes items that impair comparability from year-to-year, as previously described.


In this view, Property Tax, Sales Tax, Utility Users Tax, and the General Fund Transfer accounted for 77.9% of all General Fund revenues in 2024. In the past 10 years, the total of these revenue sources as a percent of total revenues has ranged from a low of 73.7% in 2018 to a high of 81.0% in 2016.

10-YEAR GENERAL FUND REVENUE (in millions)



As illustrated in the chart, Property Tax has experienced strong, steady growth over the past decade, driven by increases in assessed property values. Sales Tax exhibited nominal growth until a surge in fiscal years 2021 through 2023, with revenues rising 37% over 2019 levels due to the pandemic, shifts in consumer spending, and inflationary pressures. However, in 2024, revenues declined by 1.4%, reflecting the economic slowdown prompted by the Federal Reserve's actions to curb inflation. Growth in Sales Tax revenue is anticipated to return to typical levels as interest rates are projected to decrease in the latter half of 2024.

After several years of stagnant revenue, Utility Users Tax (UUT) began increasing in 2020, showing a steady upward trend through 2022. A significant spike occurred in 2023, driven by rising natural gas



prices. In 2024, natural gas prices returned to normal due to record-high production levels, leading to an oversupply in the market and a decline in revenues.

The General Fund Transfer saw 0% growth on average until 2023, when rate increases in electric and water services offset declining consumption. All Other Revenues will continue to fluctuate due to factors like interest earnings, bad debt write-offs, and the sale of land and capital assets. The current year's increase compared to the prior year is attributed to strong investment earnings, State Mandated Claim reimbursements, new cannabis application and site review fees, and higher revenues from non-development charges for service.

Expenditures

The FY 2023/24 expenditure budget is comprised of the adopted budget of \$327.09M, \$12.80M of unexpended funds carried forward from the previous fiscal year, \$24.17M of budget adjustments occurring during the fiscal year, the \$8.57M escrow of the Water GFT, and a \$5.00M contribution to the General Fund Infrastructure and Technology Reserve. In the FY 2023/24 second quarter report, supplemental appropriations leveraged a projected net surplus of \$9.41M to contribute \$3.00M to the Infrastructure Reserve and \$2.0M to the Technology Reserve. Major supplemental adjustments posted during the fiscal year included:

- Revisions to various labor MOUs compensation and benefits package: \$1.08M
- Use of Infrastructure for capital project needs totaling \$16.11M, including
 - Museum Expansion and Renovation Project: \$10.00M
 - Airport building remedial repairs: \$1.00M
 - SPC Jesus S. Duran Eastside Library: \$3.5M
 - Magnolia Roof Replacement Project: \$832,078
 - Victoria Avenue Beautification Project: \$775,000

The total adjusted budget for FY 2023/24 is \$377.63M. Actual expenditures at fiscal year-end are \$345.63M, before factoring in encumbrances and recommended carryovers totaling \$15.06M. Encumbrances of \$10.37M and grant carryovers of \$0.03M have been carried forward to FY 2024/25 in accordance with the Riverside Municipal Code. **Staff is requesting Council approval of an additional \$4.66M in discretionary and restricted carryovers**, detailed in Appendix A of this report. If approved, total expenditures savings for FY 2023/24 will be **\$3.83M**, or 1.0%, of the total adjusted budget.

EXPENDITURES BY CATEGORY

FISCAL YEAR EXPENDITURE RESULTS

(in millions)	Adopted Budget	Total Budget	Unaudited Actuals*	\$ Variance	% Variance
Personnel	\$ 227.54	\$ 228.87	\$ 232.22	\$ 3.35	1.5%
CalPERS UAL – Safety	8.95	8.95	8.66	(0.29)	-3.2%
CalPERS UAL – Miscellaneous	-	-	-	-	0.0%
Non-Personnel Costs	67.40	80.98	79.44	(1.54)	-1.9%
Special Projects	9.65	11.84	9.82	(2.02)	-17.1%
Minor Capital & Grants	1.30	1.90	1.43	(0.47)	-24.7%
Debt Service	28.88	28.88	29.42	0.54	1.9%
Charges To/From	(18.88)	(19.72)	(20.74)	(1.02)	5.2%
Cost Allocation Plan	(24.11)	(24.11)	(24.11)	-	0.0%
Operating Transfers	20.92	41.03	39.72	(1.31)	-3.2%
Special Districts Fund Contribution	1.43	1.43	1.56	0.13	9.1%
Convention Center Fund Contribution	2.27	2.27	2.32	0.05	2.2%
Entertainment Fund Contribution	0.73	0.73	-	(0.73)	-100.0%
Cheech Marin Center Fund Contribution	1.01	1.01	0.95	(0.06)	-5.9%
Infrastructure Reserve Contribution	-	3.00	3.00	-	0.0%
Technology Reserve Contribution	-	2.00	2.00	-	0.0%
Water GFT Escrow	-	8.57	8.11	(0.46)	-5.4%
Total Expenditures & Transfers Out	\$ 327.09	\$ 377.63	\$ 373.80	\$ (3.83)	-1.0%

*Unaudited Actuals includes \$10.37M in encumbrances and \$0.03M project/grant carryovers recorded as allowed by the Riverside Municipal Code; and \$4.66M in other carryovers recommended for Council approval (refer to Appendix A).

Explanation of Significant Budget Variances

- Personnel:** Personnel costs are \$3.36M (1.5%) higher than projected. Based on the 13% vacancy rate at the time of the proposed amendment of the FY 2023/24 budget, recruitment and hiring challenges, and fiscal year-end personnel savings during the previous two fiscal years, a 5% savings on total personnel costs was programmed into the amended budget, freeing up funds for allocation to City priorities. Actual savings fell short of this vacancy savings projection by \$1.03M. Additionally, overtime exceeded budget by \$1.61M, net of \$0.71M in fire mutual aid reimbursements. Police Department overtime exceeded budget by \$1.35M, likely influenced by salary increases, personnel shortages, and training incoming staff.
- Special Projects:** Savings were experienced in the Non-Departmental programs for the City Manager's Audit Program, Riverside County Animal Control, Citywide Fiscal Management accounts, and Education Reimbursement Program.

- **Minor Capital & Grants:** Savings in this category is primarily attributable to under-expenditure of the Building and Structures Improvements budget in General Services and Automotive Equipment budget in Parks, Recreation & Cultural Services (PRCS).
- **Fund Contributions:** The General Fund covers debt obligations and provides operating contributions to the Convention Center, Entertainment Fund, and Cheech Marin Center. Total operating revenues for the Fox Performing Arts Theater, the Riverside Municipal Auditorium, and the Box outperformed projected revenues by \$1.81M, resulting in a lower contribution required from the General Fund.

EXPENDITURES BY DEPARTMENT

FISCAL YEAR DEPARTMENTAL RESULTS

(in millions)	Adopted Budget	Total Budget	Unaudited Actuals*	Overage/ (Savings)	% Variance
Mayor	\$ 0.93	\$ 0.96	\$ 0.84	\$ (0.12)	-12.5%
City Council	1.64	1.64	1.76	0.12	7.3%
City Manager	5.70	6.28	5.41	(0.87)	-13.9%
City Clerk	2.18	2.33	2.08	(0.25)	-10.7%
City Attorney	5.48	5.94	6.18	0.24	4.0%
Human Resources	4.23	4.75	4.39	(0.36)	-7.6%
General Services	5.17	5.40	4.82	(0.58)	-10.7%
Finance	8.49	9.73	9.26	(0.47)	-4.8%
Innovation & Technology	13.21	14.78	15.23	0.45	3.0%
Housing & Human Services	-	2.16	1.49	(0.67)	-31.0%
Community Development	21.15	22.82	18.70	(4.12)	-18.1%
Police	111.80	113.94	112.15	(1.79)	-1.6%
Fire	63.58	64.00	64.15	0.15	0.2%
Public Works	20.10	22.31	20.29	(2.02)	-9.1%
Library	9.52	9.81	9.08	(0.73)	-7.4%
Parks, Rec, & Comm. Services	27.45	29.18	28.45	(0.73)	-2.5%
Museum	2.28	2.57	2.21	(0.36)	-14.0%
Non-Departmental	48.29	69.57	78.31	8.74	12.6%
Cost Allocation Plan	(24.11)	(24.11)	(24.11)	0.00	0.0%
Total Expenditures & Transfers Out	\$ 327.09	\$ 364.06	\$ 360.69	\$ (3.37)	-0.9%

* Unaudited Actuals includes \$10.37M in encumbrances and \$0.03M project/grant carryovers recorded as allowed by the Riverside Municipal Code; and \$4.66M in other carryovers recommended for Council approval (refer to Appendix A).

Explanation of Significant Budget Variances

- **Mayor:** The department realized \$64,000 in personnel savings due to vacancies, along with \$39,000 in under-expenditures in the budget for special projects.

- **City Manager:** The department was \$485,000 below budget in professional services spending, along with \$205,000 in expenditure offsets due to higher-than-expected charges for interfund services.
- **City Clerk:** The department experienced \$272,000 in savings on election services spending.
- **General Services:** The department experienced \$306,000 in personnel savings due to vacancies and \$172,000 in unspent funds from the budget allocated for building and structure improvements.
- **Housing & Human Services:** The department experienced \$210,000 in personnel savings due to vacancies, along with \$389,000 in expenditure offsets due to higher-than-expected charges for interfund services.
- **Community Development:** The department realized savings across several areas, including \$2.78M from personnel vacancies, \$205,000 from under-utilized professional services, and \$689,000 from the Special Projects budget allocated for Citywide Events.
- **Museum:** The department realized savings of \$192,000 from personnel vacancies and \$124,000 from the Special Projects budget allocated for Heritage House Projects.
- **Non-Departmental:** The \$8.74M overage is primarily due to a \$12.00M budget adjustment for vacancy savings, which allowed for the reallocation of funds to other spending needs. This amount was not allocated at the departmental level to avoid it being perceived as a specific savings target, but is offset by vacancy savings totaling \$10.97M within the various City departments. Offsetting this adjustment within the Non-Departmental budget, savings were realized in several areas:
 - \$520,000 in under-expenditures in professional services
 - \$542,000 in under-expenditures for Riverside Plaza development agreements
 - \$1.07M in under-expenditures in the Special Projects budgets for the City Manager's Audit Program, Riverside County Animal Control, and the Citywide Fiscal Management accounts
 - \$1.3 million savings due to the timing of operating transfers

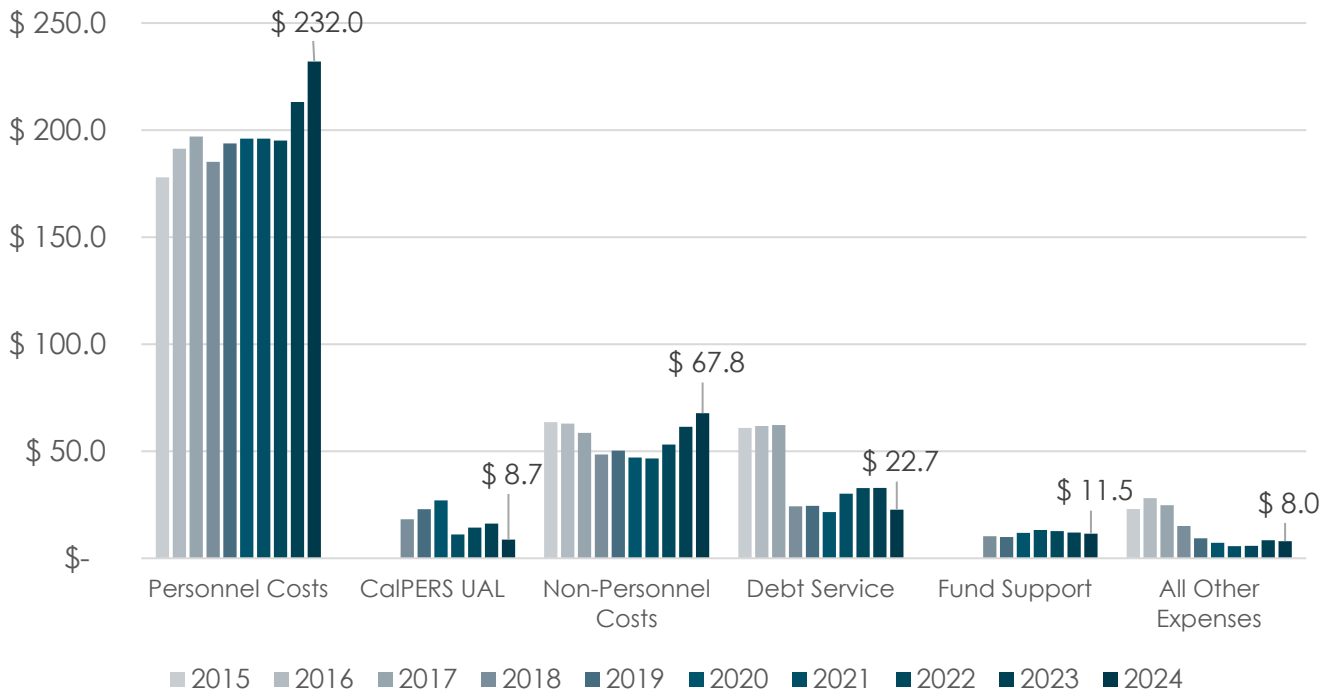
10-YEAR EXPENDITURE HISTORY

The following table and chart show the 10-year history of General Fund expenditures, excluding Operating Transfers. The 2024 actuals in the following table will differ from the previous charts as the actuals below do not include carryovers and encumbrances totaling \$15.06M. FY 2023/24 expenditures increased by a nominal 1% as compared to the prior year; including carryovers for both years, the increase is 1.6%.

GENERAL FUND EXPENDITURES – 10-YEAR HISTORY

(in millions)	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Personnel Costs	\$ 177.9	\$ 191.3	\$ 197.0	\$ 185.2	\$ 193.8	\$ 196.0	\$ 196.0	\$ 195.1	\$ 213.1	\$ 232.0
CalPERS UAL – Safety				11.4	14.3	17.2	7.2	9.5	11.2	8.7
CalPERS UAL – Misc				6.8	8.6	9.8	3.9	4.8	5.0	-
Non-Personnel Costs	63.6	62.9	58.6	48.5	50.3	47.1	46.6	53.1	61.4	67.8
Special Projects	13.9	14.6	16.8	7.3	6.8	6.2	4.5	5.4	7.4	7.8
Minor Capital	4.0	8.0	3.9	2.9	2.1	0.8	0.4	0.3	0.7	0.2
Grants	5.1	5.5	4.1	4.9	0.4	0.2	0.8	0.1	0.3	-
Debt Service	60.9	61.8	62.2	24.3	24.5	21.6	30.2	32.8	32.9	22.7
Charges To/From	(16.9)	(17.2)	(16.7)	(17.4)	(19.5)	(17.2)	(20.6)	(18.6)	(19.3)	(20.7)
Cost Allocation Plan	(18.1)	(20.2)	(19.9)	(18.9)	(24.1)	(26.3)	(23.4)	(23.5)	(21.7)	(24.1)
Fund Subsidies				10.3	9.9	11.9	13.2	12.7	12.0	11.5
Total Expenditures	\$ 290.4	\$ 306.7	\$ 306.0	\$ 265.3	\$ 267.1	\$ 267.3	\$ 258.8	\$ 271.7	\$ 303.0	\$ 305.9
Growth over Prior Year	5.3%	5.6%	-0.2%	-13.3%	0.7%	0.1%	-3.2%	5.0%	11.5%	1.0%

10-YEAR GENERAL FUND EXPENDITURES (in millions)





Explanation of Significant Trend Variations

- **Personnel Costs:** The 7.5% spike in 2016 is due to an additional pay period in the fiscal year and the impact of MOU negotiations. In 2018 and 2019, the Partnership Compensation Model led to maximum salary increases under MOU provisions. The 6.0% reduction in 2018 was due to balancing measures addressing the General Fund's structural deficit and the reallocation of some personnel to Measure Z. The \$18M (9.2%) increase in 2023 is attributed to a lower average annual vacancy rate as compared to the previous year, \$11.6M in employee stipends, and increases in compensation and benefits. The \$18.9M increase in 2024 reflects MOU-approved salary and benefit adjustments, additional budgeted positions, and a continued decline in the average annual vacancy rate.
- **CalPERS UAL:** CalPERS separated the Unfunded Actuarial Liability (UAL) from normal retirement costs in 2018 and established a UAL payment methodology to address unfunded retirement costs. In 2021, the City issued a Pension Obligation Bond which shifted some CalPERS UAL costs to the Debt Service category. The reduction in 2024 costs is attributable to CalPERS exceeding its investment target in 2021, resulting in lower required UAL payments for 2024.
- **Debt Service:** Through 2017, citywide activity related to outstanding Pension Obligation Bonds were passed through the General Fund for accumulation before sending the resources to the Debt Service Fund to make the annual debt payment. This intermediate step was discontinued in 2018. In 2023, the 2004 Safety Pension Obligation Bond was paid off, resulting in a reduction in debt service costs in future years.
- **Fund Support and All Other Expenses:** The entertainment venues that are now housed in the Convention Center and Entertainment Funds were moved into the General Fund in 2015 (reflected in All Other Expenses) and later removed and established as enterprise funds in 2018. General Fund support of these funds is recorded as Fund Support for transparency. All Other Expenses further declined with restructuring that moved activities funded by restricted funds to the new Grants and Restricted Programs Fund. In 2023, All Other Expenses increased due to a \$1.30M increase in Animal Control, which is a service contracted through the County of Riverside, and the resumption of the Festival of Lights following a 2-year hiatus during the pandemic.

PERSONNEL

Explanation of Actual Personnel Expenditures

During the fiscal year, the personnel budget was increased by approximately \$1.08M to accommodate approved MOU fiscal impacts.

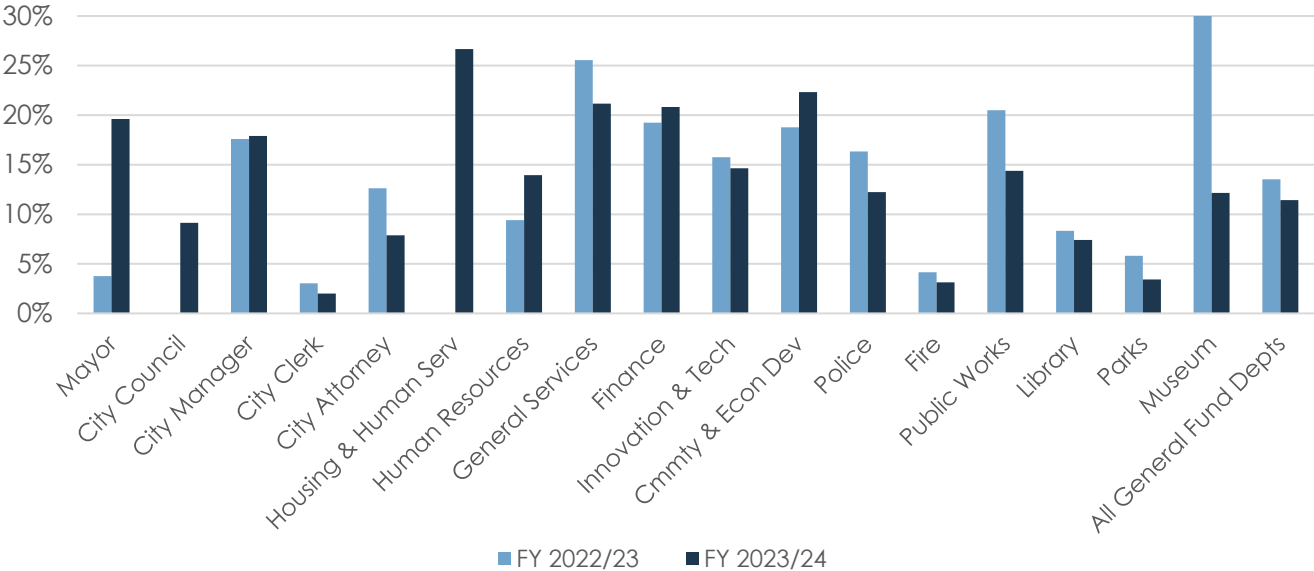
By the end of FY 2023/24, the General Fund saw a continued improvement in its vacancy rate, decreasing from 11.5% at the close of FY 2022/23 to 9.2%. This reduction reflects significant progress in filling vacant positions. This is consistent with respondents to the 2024 State and Local Workforce Survey, where state and local governments are finally experiencing some relief in recruitment



challenges. The Human Resources (HR) Department continues its efforts to fill vacant positions through extended job postings and, in some cases, maintained continuous postings; bolstered advertising efforts; and actively participated in hiring and career fair events. Furthermore, HR is actively working to position the City as an employer of choice, focusing on outreach initiatives to attract a diverse and highly skilled workforce while aligning the recruitment and selection process with values of diversity, equity, and inclusion. However, a significant workforce issue still looms: the impending wave of public service worker retirements.

The following chart depicts the average vacancy rate for FY 2022/23 and FY 2023/24 for each department in the General Fund, as well as the General Fund as a whole. Several departments experienced similar or higher average vacancy rates in FY 2023/24 as compared to the prior year.

GENERAL FUND AVERAGE FTE VACANCY RATE



10-Year Personnel Cost History

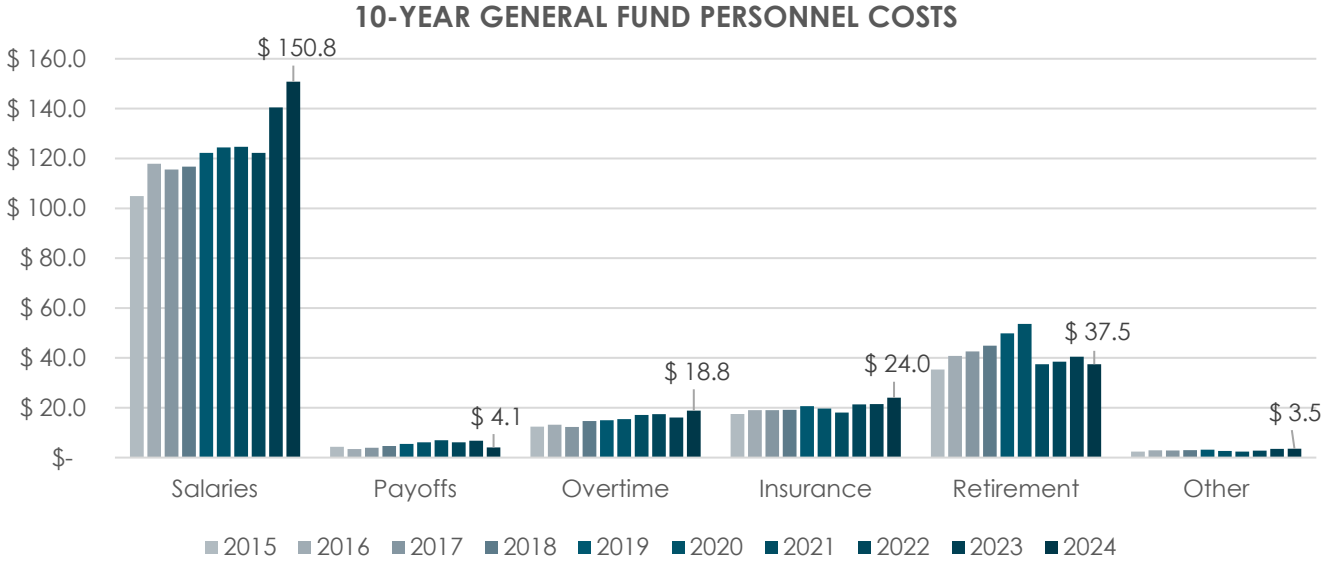
GENERAL FUND PERSONNEL COSTS – 10-YEAR HISTORY

(in millions)	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Salaries	\$104.9	\$117.9	\$115.6	\$116.7	\$122.2	\$124.4	\$124.7	\$122.3	\$140.5	\$232.0
Leave Payoffs	4.3	3.4	4.0	4.7	5.5	6.1	7.0	6.2	6.7	4.1
Overtime	12.4	13.2	12.3	14.7	15.0	15.4	17.1	17.4	16.1	18.8
Insurances	17.5	19.0	19.0	19.1	20.6	19.7	18.1	21.4	21.6	24.0
Retirement	35.3	40.8	42.6	44.9	49.8	53.6	37.5	38.5	40.5	37.5
Payroll Accruals	1.0	(5.9)	0.6	0.4	0.3	1.1	0.3	0.7	0.5	1.8
Other	2.5	2.9	2.9	3.0	3.2	2.7	2.4	2.8	3.5	3.6
Total Personnel & CalPERS UAL Costs	\$177.9	\$191.3	\$197.0	\$203.5	\$216.6	\$223.0	\$207.1	\$209.4	\$229.3	\$240.6
Growth over Prior Year	2.9%	7.6%	3.0%	3.3%	6.4%	3.0%	-7.1%	1.1%	9.5%	4.9%

Explanation of Significant Trend Variations

- **Salaries:**
 - In 2016, the spike in salary costs is attributable to several factors, including:
 - 27 biweekly pay periods in 2016, as compared to the usual 26 pay periods per year.
 - Renegotiation of Memoranda of Understanding (MOU), which included an estimated \$3.90M immediate impact related to the Police MOUs.
 - In 2018 and 2019, the Partnership Compensation Model produced maximum salary increases under MOU provisions. The 2018 impact was partially offset by the shifting of some personnel to Measure Z.
 - In 2023, renegotiation of MOUs resulted in salary increases and employee stipends, leading to a significant growth in salary costs.
- **Overtime:** The 7.5% reduction in overtime in 2023 is due to a \$1.57M decrease in Fire Mutual Aid overtime compared to the previous year. In 2024, excluding Fire Mutual Aid, total overtime increased by 23.8%, with 23.6% attributable to Safety, including a 31.2% increase in Police overtime and 19.0% increase in Fire overtime as compared to 2023. The increases are likely influenced by salary increases, personnel shortages, and training incoming staff.
- **Retirement:** Retirement costs declined \$16.20M in 2021 due to a lump sum paydown with the issuance of a Pension Obligation Bond (POB).

- Other:** The 25% increase in other personnel costs in 2023 includes an increase in deferred compensation benefits; heightened use of temporary services to backfill position vacancies; and higher Medicare costs coinciding with compensation increases.



MAINTAINING RESERVES

The City's policy reserve level is 20%, comprised of a 15% Emergency Reserve and a 5% Contingency Reserve.

At each fiscal year end, fund reserves are calculated as a percentage of the following year's adopted budget. Since adopted appropriations typically increase from year to year, a 20% corresponding increase in reserves is required to maintain the reserve level (\$200,000 for each \$1M increase in appropriations). However, this annual increase in the reserve requirement is not formally incorporated into the adopted budget, due to the timing of budget adoption. Therefore, General Fund savings is typically needed at the end of each fiscal year to ensure that the reserve level is maintained.

The required increase in the 20% General Fund policy reserve based on the adopted FY 2023/24 budget is \$6.74 million.

The FY 2024/25 adopted budget totals \$361.23 million, requiring 20% reserves of \$72.24 million.

Fund Reserves

The beginning fund balance includes all amounts available to spend at the end of the previous fiscal year and 20% policy reserves. Current year activity, including new encumbrance and carryover balances, required accounting changes in other fund reserves, and recomputed policy reserves are subtracted or added to the beginning fund balance to arrive at the projected ending available reserve balance. This amount is available for allocation per Council direction.

FUND BALANCE (in millions)

Beginning Fund Balance (Audited)	\$ 65.50
FY 2023/24 Activity	
Revenues	\$ 350.09
Use of Infrastructure Reserve	16.11
Use of Insurance Proceed Reserve	0.90
Use of Encumbrance/Carryover Reserve	12.80
Expenditures	(345.63)
Escrow of Water GFT	(8.11)
Contribution to Infrastructure Reserve	(3.00)
Contribution to Technology Reserve	(2.00)
Encumbrances/Projects/Grants	(10.40)
Restricted Carryovers*	(0.82)
Discretionary Carryovers*	(3.84)
Subtotal	\$ 6.10
Change in Other Reserves	\$ (0.90)
Net Change in Fund Balance	\$ 5.20
Policy Reserves	
15% Emergency Reserve	\$ (54.18)
5% Contingency Reserve	(18.06)
Total Policy Reserves	\$ (72.24)
Projected Available Reserves	\$ (1.54)

*Subject to Council approval – refer to Appendix A.

GENERAL FUND RESERVES


The General Fund ended FY 2023/24 with a projected net gain of \$6.10M, driven by outperforming revenues and expenditure savings. At each fiscal year end, a portion of the net gain must be allocated to maintain the 20% policy reserve requirement, along with any necessary adjustments to unavailable fund balances. For FY 2023/24, the required 20% policy reserve contribution is \$6.74M, with other adjustments to unavailable fund balances totaling \$0.90M. As a result, the available reserve shows a negative balance of \$1.54M. However, this negative balance is fully offset by other reserves that are currently in nonspendable form, which will transition to spendable form in the future, mitigating the short-term impact on the General Fund's financial position.

Projected General Fund Reserves are comprised of the following:

GENERAL FUND RESERVES		
(in millions)	Amount	Subtotal
Nonspendable		
Inventories, prepaids, deposits	\$ 1.80	
Parking Fund Loan Receivable	1.81	
Land & Improvements held for resale	0.17	\$ 3.78
Committed		
20% Policy Reserves	72.24	
Reserved for Section 115 Trust Contributions	35.00	
Infrastructure Reserve	12.19	
Technology Reserve	5.00	
Water GFT Escrow	8.11	
Other required reserves	0.52	133.06
Assigned		
Encumbrances/Projects/Grants	10.40	
Restricted Carryovers*	0.82	
Discretionary Carryovers*	3.84	15.06
Unassigned		
Available Reserves ⁽¹⁾	(1.54)	(1.54)
Total General Fund Reserves		\$ 150.36

**Subject to Council approval – refer to Appendix A*

The General Fund's Unassigned fund balance currently shows a negative balance of \$1.54M, primarily due to the nonspendable classification of an interfund loan to the Parking Fund. This nonspendable portion represents resources that are not immediately available for spending but are expected to become available as the loan is repaid. As such, the negative unassigned balance



reflects a timing difference rather than a structural deficit and will be offset as these resources transition back to spendable form.

Section 115 Trust

Section 115 Trust assets are accounted for in a separate fund. This reserve will help the City to smooth fluctuations in the required annual CalPERS UAL payments and minimize the fiscal impact of significant increases that could disrupt the City's ability to maintain service levels and fund ongoing operations. As of 6/30/2024, the unaudited reserve balance is \$58.29M.

GENERAL FUND OUTLOOK

Although sales tax revenue was impacted by the economic slowdown resulting from the Federal Reserve's efforts to combat inflation, overall General Fund revenues grew, partly due to significant increases in property tax revenue. In the short term, the City must prepare for potential headwinds in both sales and property tax revenues as slower economic growth and rising unemployment, driven by industry weaknesses across the state, present challenges. While we took these factors into consideration in the FY 2024/25 revenue projections, the extent of their impact on City revenues remains uncertain. Additionally, in the long term, the General Fund faces financial challenges that could pose risks to its fiscal health:

- **Water General Fund Transfer:** The Water General Fund Transfer (GFT) accounts for approximately 5% of ongoing General Fund revenues. On September 19, 2023, the City Council directed that all future Water GFT collections be placed in a reserve account pending the outcome of litigation. The potential revenue loss ranges from \$8.52M to \$11.26M annually over the next five years, or \$49.31M over the next five years.
- **Deferred Maintenance and Infrastructure:** Following several years of structural deficits in the General Fund, the City has struggled to allocate funding toward capital needs. Historically, capital investments have largely been funded through debt financing, such as the issuance of 2008 Certificates of Participation for street improvements, and Riverside Renaissance Tax Allocation Bonds for new facilities and capital improvements. However, debt financing does not provide a sustainable method to fund annual and ongoing needs for infrastructure repairs and maintenance and the added debt service reduces the amount of funding available for ongoing deferred maintenance.
- **Rising Pension Costs:** The financial markets influenced the CalPERS retirement fund, which yielded a 9.3% return for the fiscal year ended June 30, 2024, exceeding the 6.8% forecasted rate. While this marks a notable improvement over the past two fiscal years, it does not fully offset previous losses. Additionally, future returns below expectations could increase unfunded liabilities and required annual payments.
- **Labor Costs:** With most MOU contracts set to expire in June 2025, the outcome of future labor negotiations holds the potential to significantly impact personnel costs for the City. Balancing the need to provide competitive salary increases to recruit and retain highly qualified employees, while maintaining financial sustainability, will present a challenge.

MEASURE Z FUNDS

The financial reporting of Measure Z focuses on a Spending Plan format, which is a different presentation method than the financial reporting of other funds. The spending plan methodology provides a transparent and accessible illustration of Measure Z activity without the “noise” of formal accounting requirements and debt-funded capital projects:

- Measure Z activity is tracked in two funds as required by accounting rules: the Measure Z operating fund and the Measure Z capital fund. The capital fund includes all major capital activity, while the operating fund includes all other activity. Fund resources are transferred from the operating fund to the capital fund as needed to fund approved capital projects. These interfund transfers have a net zero impact and are not reported in the Spending Plan.
- Some Measure Z capital items are funded by debt, such as Library construction, Fire vehicle replacement, and Police helicopters. Measure Z's current resources are used to pay the annual debt obligations, and these debt payments are reported in the Spending Plan. The spending debt proceeds on capital projects does not represent a use of Measure Z tax revenue, so these expenses are not reported in the Spending Plan.

Revenue

The adopted FY 2023/24 amended budget projected revenues of \$84.46M. However, due to a decline in consumer spending from the Federal Reserve's efforts to slow the economy, transaction and use tax revenue projections were reduced to \$80.54M in the second quarter report. Since its approval in 2017, the Measure Z Transaction and Use Tax (TUT) has grown steadily, peaking at \$84.02M in FY 2022/23. In FY 2023/24, revenues declined 2.5% to \$81.90M from the prior fiscal year, marking the first revenue drop since Measure Z's inception. Previous years' significant growth was driven by post-pandemic shifts in consumer spending patterns and rising inflation.

The following table reports the revenue history for Measure Z since inception:

MEASURE Z REVENUES SINCE INCEPTION

(in millions)	2017	2018	2019	2020	2021	2022	2023	2024
Transaction & Use Tax (TUT)	\$12.61	\$ 56.20	\$ 62.29	\$ 62.38	\$ 72.00	\$ 83.16	\$ 84.02	\$ 81.90
Interest Revenue	-	0.04	0.53	0.76	0.65	0.75	1.82	2.30
Total Revenues	\$12.61	\$ 56.24	\$ 62.82	\$ 63.14	\$ 72.65	\$ 83.91	\$ 85.84	\$ 84.20
TUT Growth over Prior Year	100.0%	346.1%	11.7%	0.5%	15.1%	15.5%	2.3%	(1.9%)

Expenditures

Measure Z expenditures are inconsistent due to the number of long-term initiatives and projects financed by Measure Z resources. This results in an accumulation of resources and carryover of funding in spending items of those types. Actual expenditures at fiscal year-end are \$86.10M before

encumbrances and carryovers of \$47.20M. Encumbrances of \$27.38M and capital carryovers of \$13.43M have been carried forward to FY 2024/25 as provided for in the Riverside Municipal Code. **Staff is requesting Council approval of an additional \$6.39M in discretionary carryovers**, detailed in Appendix A of this report.

For inception-to-date expenditure reporting by funded item, refer to the Measure Z Spending Plan in Appendix B of this report.

Unallocated Fund Reserves

Actual Measure Z revenues of \$84.20M and expenditures of \$86.10M produced a net decrease of fund reserves of \$1.91M. The projected available fund balance (unaudited) is anticipated to total \$58.52M net of encumbrances and recommended carryovers totaling \$47.20M. The FY 2024-2026 Biennial Budget includes a Five-Year Spending Plan with a programmed draw on reserves from FY 2024/25 through FY 2028/29 totaling \$48.79M. Staff recommends that available reserves remain intact pending a FY 2024-2026 mid-cycle budget update.

MEASURE Z ACTIVITY AND PROJECTED FUND RESERVES

(in millions)	2018	2019	2020	2021	2022	2023	2024
Revenue	\$ 56.24	\$ 62.82	\$ 63.14	\$ 72.65	\$ 83.91	\$ 85.84	\$ 84.20
Expenditures	(36.14)	(40.99)	(49.57)	(50.85)	(67.45)	(69.61)	(86.10)
Encumbrances & Carryovers	-	-	-	-	-	-	(47.20)
Net Change in Fund Balance	\$ 20.10	\$ 21.83	\$ 13.57	\$ 21.80	\$16.46	\$ 16.24	\$(49.10)
Beginning Available Fund Balance	\$ 2.63	\$ 22.73	\$ 39.56	\$ 53.14	\$ 74.94	\$ 91.40	\$ 107.63
Net Change in Fund Balance	20.10	21.83	13.57	21.80	16.46	16.24	(49.10)
Fund Balance Reserve Policy	-	(5.00)	-	-	-	-	-
Ending Available Fund Balance	\$ 22.73	\$ 39.56	\$ 53.13	\$ 74.94	\$ 91.40	\$ 107.63	\$ 58.52

Permanent Policy Reserve Set-Aside: \$5M

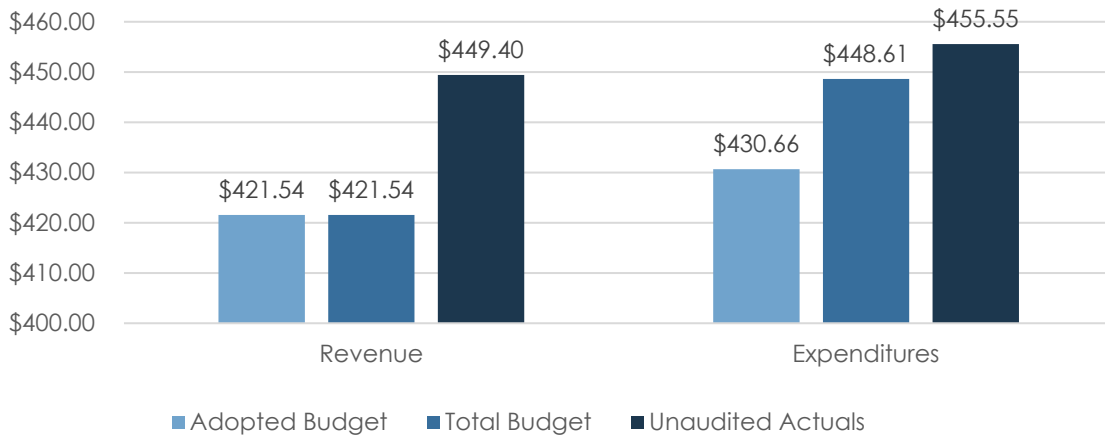
The Measure Z Reserve Policy adopted by City Council on April 2, 2019, requires a minimum \$5M contingency reserve level. This amount was removed from available fund balance in 2019 and is held intact separately of the available fund balance reported in the Spending Plan.

ELECTRIC FUND

The FY 2023/24 adopted operating budget for the Electric Fund included a programmed \$9.12M operating deficit and draw on fund reserves. This is a financial strategy employed to draw reserves down to keep utility rates as low as possible. Unaudited fiscal year end results present an operating deficit of \$6.15M including outstanding encumbrances and carryovers of \$19.75M.

The Total Budget in the following chart and tables includes the carryover of the previous fiscal year's unexpended funds and adjustments to the revenue and expenditure budgets made during the normal course of business. Actual expenditures include \$19.75M of outstanding encumbrances and carryovers to reflect budgetary savings.

ELECTRIC FUND BUDGET TO ACTUAL (in millions)



Revenue

Total revenues at fiscal year-end are \$27.86M (6.6%) greater than revenue projections in the total budget.

FISCAL YEAR OPERATING REVENUE RESULTS

(in millions)	Adopted Budget	Total Budget	Unaudited Actuals	\$ Variance	% Variance
Retail Sales	\$ 362.51	\$ 362.51	\$ 352.50	\$ (10.01)	-2.8%
Transmission Revenue	29.22	29.22	39.93	10.71	36.7%
Other Operating Revenue	15.60	15.60	26.09	10.49	67.2%
Miscellaneous Revenue	11.26	11.26	23.33	12.07	107.2%
Capital Contributions	2.95	2.95	7.55	4.60	155.9%
Total Revenues	\$ 421.54	\$ 421.54	\$ 449.40	\$ 27.86	6.6%



Explanation of Significant Budget Variances

- **Retail Sales:** Electric revenues were \$10.01M below projections, with overall retail revenues and consumption lower than expected due to milder temperatures. While residential revenues met budget expectations, commercial and industrial revenues were 4.9% below budget, driven by an 8.5% decrease in consumption compared to forecasts. Partially offsetting these declines were nine months of the first-year rate increase from the five-year rate plan approved by City Council on September 19, 2023.
- **Transmission Revenue Requirements:** Revenue exceeded projections by \$10.71M, or 36.7%, due to an increase in transmission revenue requirements reflecting increased transmission costs from Southern California Edison for operating and maintaining the transmission system.
- **Other Operating Revenue:** The City received an allocation of emissions allowances that exceeded what was needed to offset its greenhouse gas emissions. These surplus allowances were sold at higher-than-anticipated market prices, resulting in a revenue increase of \$7.36M. Furthermore, revenue from the sale of excess electricity to external entities exceeded projections by an additional \$4.11M.
- **Miscellaneous Revenue:** Revenue exceeded projections by \$12.07M, or 107.2%, primarily driven by interest revenue, which surpassed expectations by \$11.21M due to higher-than-anticipated market interest rates and required year-end accounting adjustments to reflect investment market value.
- **Capital Contributions:** Revenue exceeded projections by \$4.60M, or 155.9%, due to increased developer activity (construction) and donated underground electrical conduit, donated street lighting, and donated land rights and easements. Revenue from the latter is not budgeted as it is highly unpredictable.

Expenditures

The FY 2023/24 total expenditure budget for the Electric Fund is \$448.61M, which includes the adopted budget of \$430.66M, \$17.33M in unexpended funds carried forward from the previous fiscal year, and \$624,000 in other budget adjustments made during the normal course of business. The table below shows a net budgetary loss of \$6.94M after accounting for \$19.75M in encumbrances and carryovers:

FISCAL YEAR OPERATING EXPENDITURE RESULTS

(in millions)	Adopted Budget	Total Budget	Unaudited Actuals*	\$ Variance	% Variance
Personnel	\$ 74.13	\$ 74.13	\$ 70.52	\$ (3.61)	-4.9%
Power Supply	225.00	224.12	239.65	15.53	6.9%
Operating & Maintenance	24.83	43.01	47.74	4.73	11.0%
Debt Service	58.55	58.55	48.84	(9.71)	-16.6%
General Fund Transfer	44.64	45.29	45.29	-	0.0%
Transfers to Other Funds	3.51	3.51	3.51	-	0.0%
Total Expenditures & Transfers Out	\$ 430.66	\$ 448.61	\$ 455.55	\$ 6.94	1.5%

*Includes \$8.62M in encumbrances as allowed by the Riverside Municipal Code; and \$11.13M in other carryovers recommended for Council approval (refer to Appendix A).

Explanation of Significant Budget Variances

- Personnel:** Personnel costs were \$3.61M, or 4.9%, less than total budget due to a high average annual vacancy rate of 15.3% during the fiscal year. At June 30, 2023, the Electric Fund had 75 vacant positions.
- Power Supply:** Power supply costs were \$15.53M, or 6.9%, higher than total budget due to Intermountain Power Project dispatch restrictions, continuing elevated power prices, and continuing global market disturbances.
- Operating & Maintenance:** Operating and maintenance costs were \$4.73M, or 11.0%, higher than total budget primarily due to carryovers for professional services, maintenance of buildings, heavy vehicle purchases, and software, which will be utilized on an 'as-needed' basis or as technology projects are implemented.
- Debt Service:** Savings of \$9.71M, or 16.6%, were primarily due to the delay of a revenue bond issuance intended to restructure electric variable rate debt, originally scheduled for FY 2022/23. Additional savings resulted from refinancing this variable debt into fixed-rate debt, with repayments starting in FY 2024/25. Although the variable debt was budgeted for the full fiscal year, only eight months of debt service funding was needed due to the restructuring. Further savings came from the amortization of debt issuance costs, including the debt premium, a non-cash accounting adjustment spread over the term of the debt.

Actual operating expenditures at fiscal year-end are \$435.80M before encumbrances and carryovers of \$19.75M. Encumbrances of \$8.62M have been carried forward to FY 2023/24 as provided for in the Riverside Municipal Code. **Staff is requesting Council approval of an additional \$11.13M in operating carryovers**, detailed in Appendix A of this report. If the carryovers are approved, the operating expenditure loss for FY 2023/24 will be \$6.94M, or 1.5%, of the total budget.



Capital expenditures totaling \$320.80M were recorded during the fiscal year; this amount includes \$77.0M of encumbrances and \$217.39M of unexpended capital project funds that have been carried forward to FY 2024/25 as provided for in the Riverside Municipal Code.

Fund Reserves

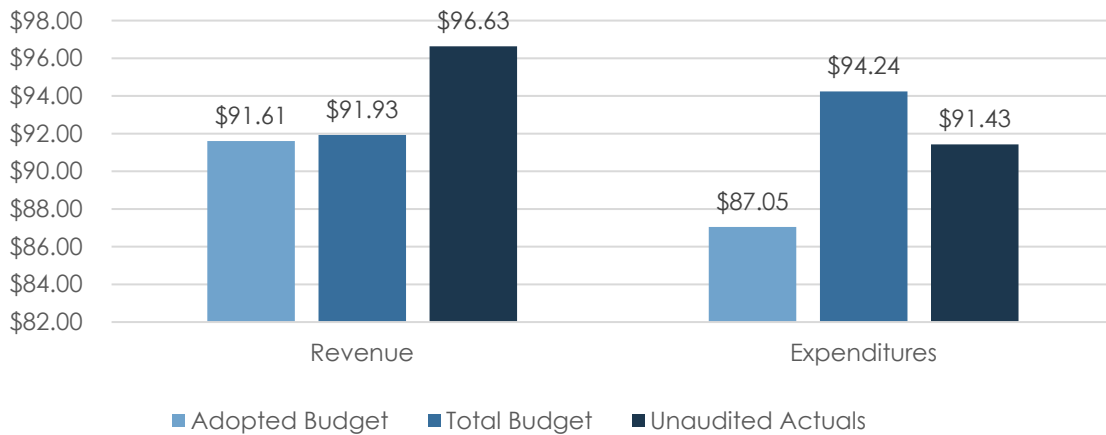
Reserve levels at fiscal year-end are expected to be within established policy levels; final results are pending the completion of the financial audit.

WATER FUND

The FY 2023/24 adopted operating budget for the Water Fund includes an operating gain of \$4.56M. Unaudited fiscal year end results present a budgetary operating gain of \$5.20M after outstanding encumbrances and carryovers of \$7.08M.

The Total Budget in the following chart and tables includes the carryover of the previous fiscal year's unexpended funds, and adjustments to the revenue and expenditure budgets made during the normal course of business. Actual expenditures include \$7.08M of outstanding encumbrances and carryovers to reflect budgetary savings.

WATER FUND BUDGET TO ACTUAL (in millions)



Revenue

Total revenues at fiscal year-end are \$4.70M (5.1%) greater than revenue projections in the total budget.

FISCAL YEAR OPERATING REVENUE RESULTS

(in millions)	Adopted Budget	Total Budget	Unaudited Actuals	\$ Variance	% Variance
Retail Sales	\$ 76.61	\$ 76.61	\$ 73.09	\$ (3.52)	-4.6%
Conveyance/Wholesale	6.00	6.00	4.63	(1.37)	-22.8%
Other Operating Revenue	2.72	2.72	2.72	0.00	0.0%
Miscellaneous Revenue	6.28	6.60	16.19	9.59	145.3%
Total Revenues	\$ 91.61	\$ 91.93	\$ 96.63	\$ 4.70	5.1%

Explanation of Significant Budget Variances

- Retail Sales:** Water revenues were \$3.52M below projections due to increased precipitation and milder weather, leading to a 12.9% decrease in residential consumption and a 13.1% decrease in non-residential consumption compared to budget forecasts. These declines were partially offset by nine months of the first-year rate increase from the five-year rate plan approved by City Council on September 19, 2023.
- Conveyance/Wholesale:** Revenues fell short of projections by \$1.37M, or 22.8%, entirely due to reduced demand from external entities in the wholesale water market.
- Miscellaneous Revenue:** Revenue exceeded projections by \$9.59M, or 145.3%, due to interest revenues exceeding expectations by \$3.46M, including \$2.51M in additional bond interest revenue earned on cash held by fiscal agent for the 2022 Water Revenue Bonds Series A issuance; \$620,000 in excess land and building rental revenues from an one-time temporary construction easement; and \$3.24M unbudgeted contributions due to increased developer activity (construction) and unbudgeted donated plant assets from developers consisting of transmission mains, transmission and distribution services, and transmission and distribution fire hydrants.

Expenditures

The FY 2023/24 total expenditure budget for the Water Fund is \$94.24M, which includes the adopted budget of \$87.05M; \$2.85M of unexpended funds carried forward from the previous fiscal year; and \$4.34M in other budget adjustments made during the normal course of business. The following table shows budgetary savings of \$2.81M after \$7.08M of encumbrances and carryovers:


FISCAL YEAR OPERATING EXPENDITURE RESULTS

(in millions)	Adopted Budget	Total Budget	Unaudited Actuals*	\$ Variance	% Variance
Personnel	\$ 25.41	\$ 25.41	\$ 25.11	\$ (0.30)	-1.2%
System Operations	27.67	35.32	33.45	(1.87)	-5.3%
Debt Service	24.24	24.24	23.60	(0.64)	-2.6%
General Fund Transfer	8.57	8.11	8.11	-	0.0%
Transfers to Other Funds	1.16	1.16	1.16	-	0.0%
Total Expenditures & Transfers Out	\$ 87.05	\$ 94.24	\$ 91.43	\$ (2.81)	-3.0%

*Includes \$6.10M in encumbrances and \$0.10M grant carryovers recorded as allowed by the Riverside Municipal Code; and \$0.88M in other carryovers recommended for Council approval (refer to Appendix A).

Explanation of Significant Budget Variances

- Personnel:** Personnel costs were \$297,000, or 1.2%, less than total budget due to an average annual vacancy rate of 13.68% during the fiscal year. On June 30, 2024, the Water Fund had 18 vacant positions.

- 
- **System Operations:** Savings of \$1.87M, or 5.3%, were realized in the budgets for professional services and software maintenance, which are used on an 'as-needed' basis. These savings were partially offset by an overage in chemical supply costs.
 - **Debt Service:** Savings of \$642,000, or 2.6%, were partially due to budgeting for a full year of debt service for a vehicle capital lease in FY 2023/24. However, delays in vehicle manufacturing, purchasing, and delivery postponed the financing, which was finalized in July 2024. As a result, debt service payments will begin in the third quarter of FY 2024/25. Additional savings came from the amortization of debt issuance costs, including the premium on debt, a non-cash accounting adjustment spread over the debt's term.

Actual operating expenditures at fiscal year-end are \$84.33M before encumbrances and carryovers of \$7.08M. Encumbrances of \$6.10M and grant carryovers of \$102,000 have been carried forward to FY 2024/25 as provided for in the Riverside Municipal Code. **Staff is requesting Council approval of an additional \$880,510 in operating carryovers**, detailed in Appendix A of this report. If the carryovers are approved, operating expenditure savings for FY 2023/24 will be \$2.81M, or 3.0% of the total budget.

Capital expenditures totaling \$75.98M were recorded during the fiscal year; this amount includes \$13.28M of encumbrances and \$32.65M of unexpended capital project funds that have been carried forward to FY 2024/25 as provided for in the Riverside Municipal Code.

Fund Reserves

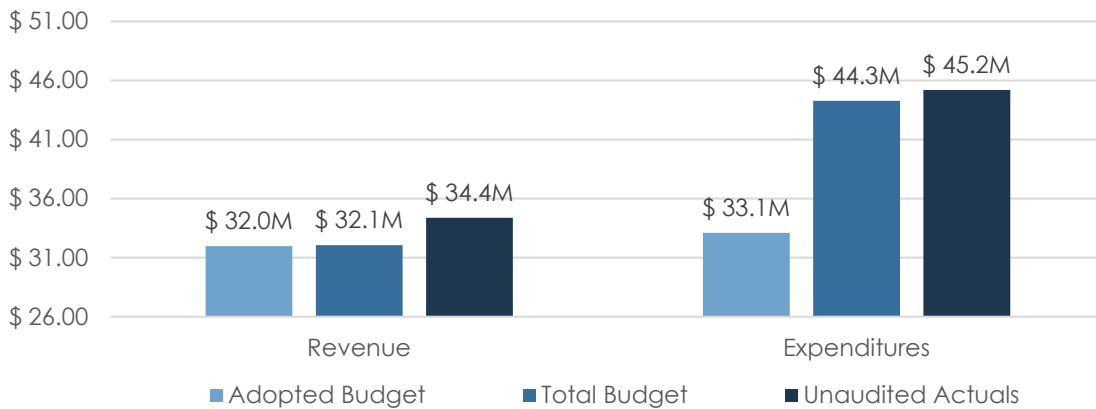
The Water Fund is expected to end the fiscal year with reserves within required policy levels; final results are pending the completion of the financial audit.

REFUSE FUND

The adopted operating budget for the Refuse Fund projected a draw on fund reserves of \$1.16M, driven by rising operations costs and ongoing personnel shortages, which were expected to cause excess overtime costs. Unaudited fiscal year end results present an operating loss of \$10.83M. This is primarily a timing loss attributable to the carryover of unspent funds for vehicle purchases, totaling \$9.50M, from FY 2023/24. The revenue to fund these purchases was recognized in FY 2022/23 and subsequently fell to fund reserves. The associated expenditures will be drawn from these reserves upon receipt of the vehicles, which has been delayed due to extended procurement timelines. Excluding the impact of this carryover, the Refuse Fund's adjusted operating loss aligns more closely with the budgeted reserve drawdown projection.

The Total Budget in the following chart and tables includes the carryover of the previous fiscal year's unexpended funds totaling \$10.78M and adjustments to revenue and expenditure budgets made during the normal course of business. Actual expenditures include \$9.50M in outstanding encumbrances and carryovers.

REFUSE FUND BUDGET TO ACTUAL (in millions)



Revenue

Total revenue at fiscal year-end is \$2.31M (7.2%) greater than revenue projections in the total budget.

FISCAL YEAR OPERATING REVENUE RESULTS

(in millions)	Adopted Budget	Total Budget	Unaudited Actuals	\$ Variance	% Variance
City Service	\$ 16.91	\$ 16.91	\$ 17.59	\$ 0.68	4.0%
Contracted Service	6.32	6.32	7.05	0.73	11.6%
Administrative Fees	7.17	7.17	7.52	0.35	4.9%
Street Sweeping Fines	1.50	1.50	1.29	(0.21)	-14.0%
Miscellaneous Revenue	0.08	0.16	0.92	0.76	475.0%
Total Revenues	\$ 31.98	\$ 32.06	\$ 34.37	\$ 2.31	7.2%

Explanation of Significant Budget Variances

- **Contracted Services:** Revenues exceeded projections by \$727,000, or 11.6%, due to a billing adjustment. Waste collection services for a specific area within the City were mistakenly billed under a private waste hauler. The billing correction was required to accurately reflect the City as the service provider.
- **Street Sweeping Fines:** Revenues were \$201,000 below budget due to fewer parking fines issued than forecasted in the budget.
- **Miscellaneous Revenue:** This category included interest income that exceeded projection by approximately \$360,000 and refunds and reimbursement of \$316,000 for fuel rebates.

Expenditures

The FY 2023/24 total expenditure budget for the Refuse Fund is \$44.26M, which includes the adopted budget of \$33.13M, \$10.78M of unexpended funds carried forward from the previous fiscal year, and budget adjustments made during the normal course of business. Unexpended funds include \$9.50M of encumbrances for the replacement of heavy vehicles for the fund. The following table shows a net budgetary overage of \$930,000 after \$9.50M in encumbrances and carryovers.

FISCAL YEAR OPERATING EXPENDITURE RESULTS

(in millions)	Adopted Budget	Total Budget	Unaudited Actuals*	\$ Variance	% Variance
Personnel	\$ 6.66	\$ 6.66	\$ 7.23	\$ 0.57	8.6%
Non-Personnel	13.70	16.01	16.68	0.67	4.2%
Special Projects	6.74	7.30	7.28	(0.02)	-0.3%
Minor Capital & Equipment	0.50	8.75	8.75	-	0.0%
Debt Service	0.60	0.60	0.60	-	0.0%
Charges To/From Others	4.94	4.94	4.65	(0.29)	-5.9%
Total Expenditures & Transfers Out	\$ 33.14	\$ 44.26	\$ 45.19	\$ 0.93	2.1%

*Includes \$9.50M in encumbrances recorded as allowed by the Riverside Municipal Code for the purpose of procuring new trash and street sweeping vehicles.



Explanation of Significant Budget Variances

- **Personnel:** Personnel costs exceeded total budget by \$570,000, or 8.6%, due to overtime overages caused by personnel shortages and breakdowns of older vehicles, which led to delays in waste pickups. On June 30, 2024, the Refuse Fund had 15 vacant positions.
- **Non-Personnel:** Expenditures were \$670,000 (4.2%) higher than budgeted, primarily due to an aging fleet, which led to increased vehicle repair costs and higher fuel consumption. Rising CNG fuel costs also contributed to overages in motor fuels and lubricants

Actual operating expenditures at fiscal year-end are \$35.69M before encumbrances and carryovers. Encumbrances and carryovers of \$9.50M have been carried forward to FY 2024/25 as provided for in the Riverside Municipal Code. **Staff is requesting Council approval of an additional \$83,000 in operating carryovers**, detailed in Appendix A of this report.

Fund Reserves

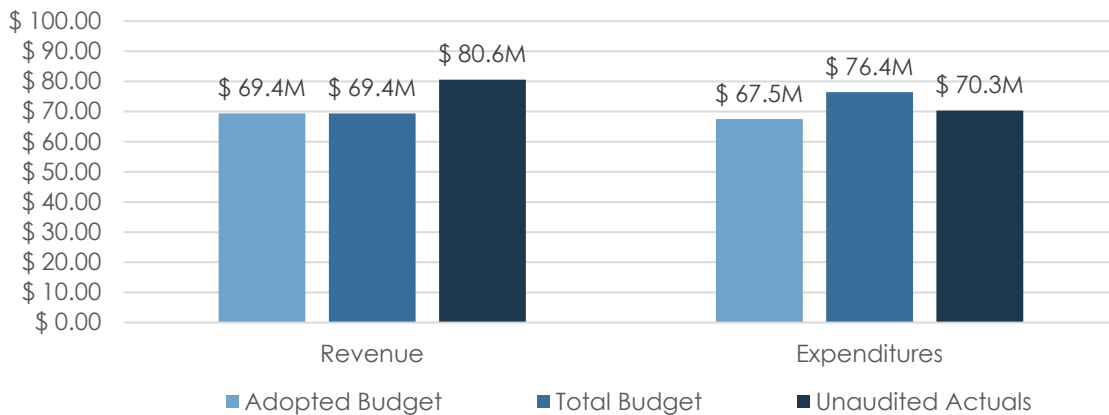
The Refuse Fund is projected to end the fiscal year with \$6.00M in fund reserves, reflecting an operating loss of \$1.33M, excluding the \$9.50M carryover of unspent funds for vehicle purchases, which were recognized as revenue in a prior year.

SEWER FUND

The adopted budget for the Sewer Fund projected a net operating gain of approximately \$1.84M which would be used to fund \$1.34M of planned capital projects included in the FY 2023/24 adopted budget and capital improvement plan. Unaudited fiscal year end results present a budgetary operating gain of \$10.24M after outstanding encumbrances.

The Total Budget in the following chart and tables includes \$2.49M in unexpended funds carried forward from the previous fiscal year and adjustments to the revenue and expenditure budgets made during the normal course of business. Actual expenditures include \$2.50M in outstanding encumbrances to reflect budgetary savings.

SEWER FUND BUDGET TO ACTUAL (in millions)



Revenue

Total operating revenues at fiscal year-end are \$11.16M (16.1%) higher than revenue projections in the adopted budget.

FISCAL YEAR OPERATING REVENUE RESULTS

(in millions)	Adopted Budget	Total Budget	Unaudited Actuals	\$ Variance	% Variance
Residential Rate Revenue	\$ 46.28	\$ 46.28	\$ 46.62	\$ 0.34	0.7%
Commercial Rate Revenue	16.49	16.49	15.36	(1.13)	-6.9%
Wastewater Service Contracts	3.13	3.13	5.15	2.02	64.5%
Miscellaneous Revenue	3.48	3.48	13.42	9.94	284.6%
Total Revenues	\$ 69.38	\$ 69.38	\$ 80.55	\$ 11.17	16.1%

Explanation of Significant Budget Variances

- Wastewater Service Contracts:** Revenue from Wastewater Service Contracts with the Rubidoux, Jurupa, and Edgemont Community Service areas exceeded projections by \$2.02M, representing a 64.5% increase. This variance is primarily attributable to surcharges resulting from higher levels of wastewater sent to the Regional Water Quality Control Plant.
- Miscellaneous Revenue:** This category was bolstered by \$6.37M in sewer connection fees, exceeding the budget due to increased planned development. Additionally, interest revenues were \$3.86M higher than budget, driven by higher-than-anticipated market interest rates and market value adjustments.

Expenditures

The FY 2023/24 total expenditure budget for the Sewer Fund is \$76.41M, which includes the adopted budget of \$67.54; \$2.49M of unexpended funds carried forward from the previous fiscal year; and budget adjustments made during the normal course of business. The following table shows a net budgetary savings of \$6.10M after \$2.50M in encumbrances.


FISCAL YEAR OPERATING EXPENDITURE RESULTS

(in millions)	Adopted Budget	Total Budget	Unaudited Actuals*	\$ Variance	% Variance
Personnel	\$ 15.87	\$ 15.94	\$ 15.06	\$ (0.88)	-5.5%
Non-Personnel	16.92	24.84	23.09	(1.75)	-7.0%
Special Projects	2.33	2.28	2.21	(0.07)	-3.1%
Minor Capital & Equipment	0.98	0.92	0.36	(0.56)	-60.9%
Debt Service	28.02	28.02	25.85	(2.17)	-7.7%
Charges To/From Others	3.42	4.41	3.74	(0.67)	-15.2%
Total Expenditures & Transfers Out	\$67.54	\$ 76.41	\$ 70.31	\$ (6.10)	-8.0%

*Includes \$2.50M in encumbrances recorded as allowed by the Riverside Municipal Code.

Explanation of Significant Budget Variances

- Personnel:** Personnel costs were \$879,000, or 5.5%, less than total budget due an average annual vacancy rate of 19.9% during the fiscal year. On June 30, 2024, the Sewer Fund had 20 vacant positions.
- Non-Personnel:** Non-personnel costs were \$1.75M under budget, primarily due to \$1.60M in savings from the transportation and disposal of biosolids under a new sewer contract.
- Minor Capital & Equipment:** Savings of \$560,000, or 60.9%, were realized in the budget for sewer equipment and construction that is budgeted on an "as needed" basis.

- 
- **Debt Service:** Savings of \$2.17M resulted from the amortization of debt issuance costs, which includes the premium on debt. This is a non-cash accounting adjustment that reflects the gradual allocation of costs over the term of the debt.
 - **Charges To/From Others:** The amount charged to capital projects will vary depending upon project activity.

Actual operating expenditures at fiscal year-end are \$67.81M before encumbrances of \$2.50M, which have been carried forward to FY 2024/25 as provided for in the Riverside Municipal Code.

Capital expenditures totaling \$53.07M were recorded during the fiscal year; this amount includes \$23.63M of encumbrances and \$20.42M of unexpended capital project funds that have been carried forward to FY 2024/25 as provided for in the Riverside Municipal Code.

Fund Reserves

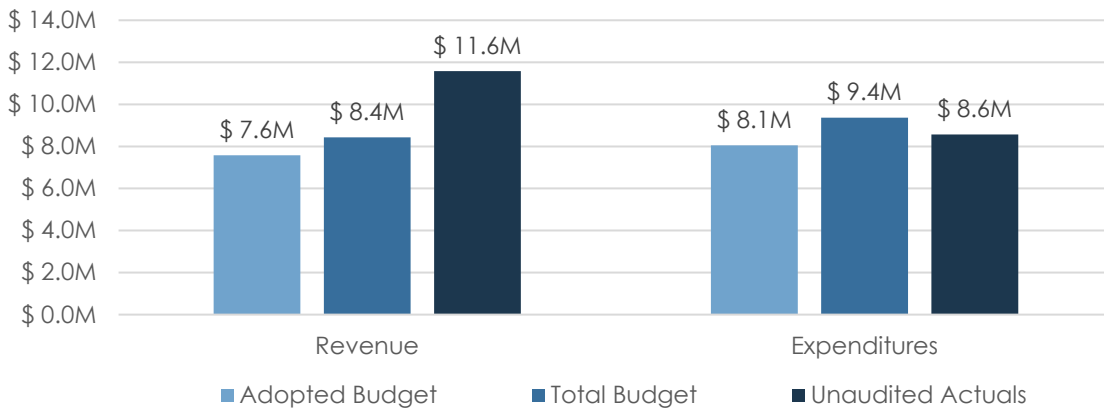
The Sewer Fund is expected to end the fiscal year with \$58.80M in fund reserves following an operating gain of \$10.24M.

PUBLIC PARKING FUND

The FY 2023/24 adopted operating budget for the Public Parking Fund included a projected \$470,000 operating loss. Unaudited fiscal year end results present a budgetary operating gain of \$3.01M after outstanding encumbrances of \$211,000.

The Total Budget in the following chart includes the carryover of \$97,000 in unexpended funds carried forward from the previous fiscal year and adjustments to the revenue and expenditure budgets made during the normal course of business. Actual expenditures include \$212,000 of outstanding encumbrances to reflect budgetary savings.

PUBLIC PARKING FUND BUDGET TO ACTUAL (in millions)



Revenue

On April 18, 2023, the City Council approved a new Parking Rate and Hour Schedule effective July 1, 2023. These adjustments, along with other related expenditure adjustments, are incorporated into the adopted amended budget for FY 2023/24. The total revenue budget for the Public Parking Fund includes a \$900,000 contribution from the General Fund Insurance Reimbursement Reserve for the demolition and repaving of a parking structure.

Total operating revenues at fiscal year-end are \$3.15M (37.4%) higher than revenue projections. The downtown parking operation has experienced a significant turnaround in utilization due to the implementation of the Parking Your Way program. This program includes more accessible free parking, new parking rates, expanded hours, new monthly parking programs, the Park Riverside app, and the installation of Parking Access Revenue Control Systems (PARCS) in garages.

FISCAL YEAR OPERATING REVENUE RESULTS

(in millions)	Adopted Budget	Total Budget	Unaudited Actuals	\$ Variance	% Variance
User Fees	\$ 6.47	\$ 6.42	\$ 9.02	\$ 2.60	40.5%
Miscellaneous Revenue	1.11	1.11	1.66	0.55	49.5%
General Fund Contribution	-	0.90	0.90	-	0.0%
Total Revenues	\$ 7.58	\$ 8.43	\$ 11.58	\$ 3.15	37.4%

Explanation of Significant Budget Variances

- **User Fees:** Parking revenues significantly exceeded projections, driven by the new Council-approved Parking Rate and Hour Schedule, increased demand as people returned to work and resumed pre-pandemic activities, and the implementation of the Parking Your Way program. These factors resulted in a 40.5% increase in parking revenue compared to original estimates.
- **Miscellaneous Revenue:** A one-time land sale of Parking Fund property, alongside higher-than-average interest earnings, contributed \$550,000 (49.5%) to the positive variance.

Expenditures

The FY 2023/24 total expenditure budget for the Public Parking Fund is \$9.37M, which includes the adopted budget of \$8.05M, \$97,000 of unexpended funds carried forward from the previous fiscal year, and budget adjustments made during the normal course of business. The following table shows budgetary savings of \$804,000 after \$212,000 of encumbrances:

FISCAL YEAR OPERATING EXPENDITURE RESULTS

(in millions)	Adopted Budget	Total Budget	Unaudited Actuals*	\$ Variance	% Variance
Personnel	\$ 1.49	\$ 1.49	\$ 1.40	\$ (0.09)	-6.0%
Non-Personnel	5.05	6.37	5.59	(0.78)	-12.2%
Debt Service	1.78	1.78	1.85	0.07	3.9%
Charges To/From Others	(0.27)	(0.27)	(0.27)	-	0%
Total Expenditures & Transfers Out	\$ 8.05	\$ 9.37	\$ 8.57	\$ (0.80)	-8.5%

*Includes \$0.21M in encumbrances recorded as allowed by the Riverside Municipal Code.

Explanation of Significant Budget Variances

- **Non-Personnel:** Expenditures were \$778,000 (12.2%) below budget, largely due to \$790,000 in savings from underutilized professional services, which were budgeted on an 'as-needed' basis.



Actual operating expenditures at fiscal year-end are \$8.57M after \$212,000 in encumbrances, which have been carried forward to FY 2024/25 as provided for in the Riverside Municipal Code.

Capital expenditures totaling \$3.32M were recorded during the fiscal year; this amount includes \$459,000 of encumbrances and \$1.70M of unexpended capital project funds that have been carried forward to FY 2024/25 as provided for in the Riverside Municipal Code.

Fund Reserves

Following a FY 2023/24 net gain of \$3.01M, the Public Parking Fund is expected to end the fiscal year with \$5.88M in fund reserves.

APPENDIX A – CARRYOVER RECOMMENDATIONS

Restricted Carryovers represent appropriations of funding designated for a specific use per a third-party agreement, including donations, endowments, and grant matches.

Discretionary Carryovers include amounts appropriated for a specific purpose in previous periods, but unexpended due to timing or for other reasons. Discretionary carryovers may also include a reallocation of amounts from their original purpose to a new purpose, either identified as an emerging need or not funded in the adopted budget due to budget constraints.

CARRYOVER SUMMARY BY FUND

	Restricted	Discretionary	Total
General Fund	\$ 818,322.23	\$ 3,837,062.44	\$ 4,655,384.67
Measure Z Fund	-	6,385,292.77	6,385,292.77
Grants and Restricted Programs Fund	7,205,771.42	-	7,205,771.42
Gas Tax Fund	-	206,044.92	206,044.92
Housing Authority Fund	652,721.47	-	652,721.47
Special Districts Fund	406,968.13	-	406,968.13
Riverwalk Landscape Maintenance District Fund	281,268.00	-	281,268.00
Storm Drain Fund	-	90,313.12	90,313.12
Regional Park Special Capital Fund	-	50,161.49	50,161.49
Measure A Fund	-	771,861.51	771,861.51
Redevelopment Successor Agency 2007 Bonds	573,593.23	-	573,593.23
Electric Fund	-	11,128,497.01	11,128,497.01
Electric Public Benefits Programs Fund	-	8,397,252.98	8,397,252.98
Water Fund	-	880,510.02	880,510.02
Water Conservation Fund	-	1,601,189.97	1,601,189.97
Refuse Fund	83,000.00	-	83,000.00
Central Stores Fund	-	56,417.07	56,417.07
Central Garage Fund	-	125,800.00	125,800.00
CFD 90-1-Highlander Fund	191,816.00	-	191,816.00
Total Recommended Carryovers	\$ 10,213,460.48	\$ 33,530,403.30	\$ 43,743,863.78

101 – GENERAL FUND

Department	Description	Amount
Restricted		
Cmmtly & Econ Dev	SB-1186 Certified Access Specialist Training	\$ 546,168.22
Cmmtly & Econ Dev	Seismic Education Training & Supplies	5,004.86
Housing & Hum Svcs	Donations for Hulen Pet Shelter	14.99
Museum	Endowment Fund for Botany Exhibit	67,401.49
Parks & Recreation	ARPA Scholarship Program	84,685.63
Parks & Recreation	Maintenance Endowment Fund	14,537.75
Police	Donations for K-9s	2,784.81
Police	Evidence Trust Funds - Renovation of Police Facilities	52,845.45
Police	Vehicle Purchase for PACT	44,879.03
Total Restricted		\$ 818,322.23
Discretionary		
City Clerk	Destruction of Records/Archival Materials for City Archive	\$ 70,221.00
City Manager	On-Call Grant Writing Services	50,000.00
Cmmtly & Econ Dev	Grow Riverside	51,210.32
Cmmtly & Econ Dev	Improvements to Computronix to Enhance Customer Service	97,400.43
Cmmtly & Econ Dev	Northside Specific Plan	67,886.62
Cmmtly & Econ Dev	Riverside Alive	50,408.75
Finance	ARPA Consultant	100,000.00
Finance	Budget Software Upgrade/Customizations	12,000.00
Finance	Harvard Kennedy GPL Consultant – Procurement Reform Project	330,000.00
Finance	Cubicle construction	33,820.59
Finance	Development Fee Impact Study	120,000.00
Finance	Citywide Fees & Charges Study	20,120.00
Finance	Payment Card Industry (PCI) Compliance	246,670.00
Finance	Payment Reconciliation Streamlining – Software Enhancements	52,479.55
Fire	Clothing/ Linen/Safety Supplies - Turnout Gear	17,840.00
Fire	Hazmat Team Required Annual Physicals	13,358.00
Human Resources	City-Wide Employee Training	137,988.08
Human Resources	Education Reimbursement	208,354.03
Innov & Tech	Citywide Security Cameras	152,657.00
Museum	Harada House	2,014.85
Parks & Recreation	Citywide Events	257,000.00
Parks & Recreation	Downtown Summer Concert Series	47,544.18
Public Works	Median Landscape Improvements	1,599,485.60
Public Works	Public Works Vehicles & Equipment	98,603.44
Total Discretionary		\$ 3,837,062.44
Total Carryover Recommendations – General Fund		\$ 4,655,384.67

110 - MEASURE Z

Department	Spending Item & Description	Amount
Discretionary		
Cmmtly & Econ Dev	#19 - General Plan Update	\$ 1,886.08
Fire	#14 - Fire Vehicle Replacement (Cash Funding)	2,254,396.69
Fire	#34 - Clothing/Linen/Safety Supplies - Turnout Gear	4,130.63
General Services	#28 - Annual Deferred Maintenance	24,687.41
Innov & Tech	#33 - Technology Improvements	3,024,926.79
Museum	#26 - Museum Rehabilitation - Grand Opening	444,343.00
Police	#12 - PD Vehicle Replacement and Maintenance Plan	443,542.10
Police	#46 - Park and Neighborhood Specialist (PANS) Program	10,000.00
Police	#54 - Police K9	118,443.51
Public Works	#43 - Public Works Vehicles & Equipment	58,936.56
Total Discretionary		\$ 6,385,292.77
Total Carryover Recommendations – Measure Z		\$ 6,385,292.77

215 - GRANTS AND RESTRICTED PROGRAMS

Department	Description	Amount
Restricted		
City Manager	Grant Management	\$ 75,000.00
City Manager	Non-Profit Revolving Loan Funds	2,813,766.00
Cmmtly & Econ Dev	Downtown Safety Ambassador Program	61,323.75
Fire	California Fire and Rescue Training Authority Task Force Mobilization Training	140,861.39
Fire	Certified Unified Program Agencies (CUPA)	47,432.88
Fire	CFFJAC Firefighter Joint Apprentice	125,726.53
Fire	Rancho Santiago/Riverside Community College Moreno Valley Inter-Agency Instructional Services Agreement	116,624.14
Housing & Hum Svcs	Homeless Campus (Department of Public Social Services)	596,423.17
Housing & Hum Svcs	Hulen Campus Rehab Sponsorship	16,225.00
Housing & Hum Svcs	Hulen Place-Access Center	177,808.86
Housing & Hum Svcs	Hulen Rehabilitation	2,061,383.87
Housing & Hum Svcs	PSET Riverside County Flood Control MOU	130,331.42
Human Resources	Donations for the Wellness Program	123,640.40
Library	Donations, Gifts, and Trust Funds	128,518.61
Mktg & Comm	PEG (Public, Educational, or Governmental access)	218,198.62
Museum	Donations from The Riverside Museum Associates for Museum Projects	13,107.00
Parks & Recreation	Donation for Aquatics	20,981.67
Parks & Recreation	Donation for Riverside Arts Academy	38,456.40
Parks & Recreation	Donation for Senior Programming	840.00

Department	Description	Amount
Parks & Recreation	Donation for Special Events	7,931.70
Parks & Recreation	Donations from LA84 Foundation for Learn-to-Swim Lessons	2,100.39
Police	Asset Forfeiture	286,089.62
Police	Donations for Shop With a Cop	3,000.00
Total Restricted		\$ 7,205,771.42
Total Carryover Recommendations – Grants and Restricted Programs		\$ 7,205,771.42

230 – GAS TAX

Department	Description	Amount
Discretionary		
Public Works	Pavement Management Program	\$ 15,505.61
Public Works	Railroad Project Management	140,403.02
Public Works	Surplus Property Disposal	50,136.29
Total Discretionary		\$ 206,044.92
Total Carryover Recommendations – Gas Tax		\$ 206,044.92

280 – HOUSING AUTHORITY

Department	Description	Amount
Restricted		
Housing & Hum Svcs	Housing Authority Projects (Multiple)	\$ 652,721.47
Total Restricted		\$ 652,721.47
Total Carryover Recommendations – Housing Authority		\$ 652,721.47

291 – SPECIAL DISTRICTS

Department	Description	Amount
Restricted		
Parks & Recreation	Loving Homes Landscape Maintenance District	\$ 77,776.45
Parks & Recreation	Village at Canyon Crest Landscape Maintenance District	329,191.68
Total Restricted		\$ 406,968.13
Total Carryover Recommendations – Special Districts		\$ 406,968.13

292 – RIVERWALK LANDSCAPE MAINTENANCE DISTRICT FUND

Department	Description	Amount
Restricted		
Parks & Recreation	Riverwalk Trail Fencing	\$ 281,268.00
Total Restricted		\$ 281,268.00
Total Carryover Recommendations – Riverwalk Landscape Maintenance District Fund		\$ 281,268.00

410 – STORM DRAIN

Department	Description	Amount
Discretionary		
Public Works	Miscellaneous Drainage Studies	\$ 84,815.30
Public Works	Sycamore Canyon Business Park Habitat Restoration	5,497.82
Total Discretionary		\$ 90,313.12
Total Carryover Recommendations – Storm Drain		\$ 90,313.12

413 – REGIONAL PARK SPECIAL CAPITAL FUND

Department	Description	Amount
Discretionary		
Parks & Recreation	Sycamore Canyon Trail Development	\$ 50,161.49
Total Discretionary		\$ 50,161.49
Total Carryover Recommendations – Regional Park Special Capital Fund		\$ 50,161.49

432 – MEASURE A

Department	Description	Amount
Discretionary		
Public Works	Railroad Project Management	\$ 716,783.43
Public Works	Railroad Quiet Zone Maintenance	55,078.08
Total Discretionary		\$ 771,861.51
Total Carryover Recommendations – Measure A		\$ 771,861.51

480 - REDEVELOPMENT SUCCESSOR AGENCY 2007 BONDS

Department	Description	Amount
Restricted		
Cmmtly & Econ Dev	Unprogrammed 2007 Taxable Bonds	\$ 443,516.41
Cmmtly & Econ Dev	Splash Pad	23,095.00
Cmmtly & Econ Dev	Villegas Park Brown Room Renovation	51,996.86
Cmmtly & Econ Dev	Villegas Park Construction	54,034.39
Cmmtly & Econ Dev	Ward 3 Street Improvements	950.57
Total Restricted		\$ 573,593.23
Total Carryover Recommendations – Redevelopment Successor Agency 2007 Bonds		\$ 573,593.23

510 - ELECTRIC

Department	Description	Amount
Discretionary		
RPU - Administration	311 Upgrade Project	\$ 418,752.13
RPU - Administration	Customer Information System (CIS) Disaster Recovery Project	500,000.00
RPU - Administration	Customer Web Portal	1,037,502.16
RPU - Administration	Department of Homeland Security Recommended Security Projects	128,224.12
RPU - Administration	Electric Fund Cost of Service Analysis (COSA)	400,000.00
RPU - Administration	Mission Square ADA Accommodations (Floors 3-5)	122,623.73
RPU - Administration	Mission Square Heating and Air Conditioning (HVAC) Improvements	1,500,000.00
RPU - Administration	Mission Square Outdoor Concourse Improvements	324,951.00
RPU - Administration	Mission Square Roof Replacement	500,000.00
RPU - Administration	Obsolete Inventory Write-off	250,000.00
RPU - Administration	Orange Square Generator	100,000.00
RPU - Administration	Physical Security Projects	93,150.00
RPU - Administration	Proportional Share of Measure Z Technology Projects	1,163,876.91
RPU - Administration	Workforce Development (WFD) Internal Training	119,440.97
RPU - Electric	Integrated Resource Plan	68,565.43
RPU - Electric	Legal Fees for FERC Proceedings and TRR Filing	544,567.30
RPU - Electric	Maintenance Projects for RERC	150,000.00
RPU - Electric	Maintenance Projects for Springs	250,000.00
RPU - Electric	National Joint Apprenticeship and Training Committee (NJATC) Training for Linework Power Line Technicians (PLT)	347,755.00
RPU - Electric	New Trucks Purchased	300,000.00
RPU - Electric	Obsolete Inventory Write-off	642,221.50
RPU - Electric	Publicly Accessible Electric Vehicles Charging Stations	500,000.00
RPU - Electric	Vehicle Capital Leases	1,666,866.76
Total Discretionary		\$ 11,128,497.01
Total Carryover Recommendations – Electric		\$ 11,128,497.01

511 – ELECTRIC PUBLIC BENEFITS PROGRAM

Department	Description	Amount
Discretionary		
RPU - Administration	Implement Energy Efficient Measures at Medium and Small Sized Businesses	\$ 125,000
RPU - Administration	Unprogrammed Funds	8,272,252.98
Total Discretionary		\$ 8,397,252.98
Total Carryover Recommendations – Electric Public Benefits Program		\$ 8,397,252.98

520 - WATER

Department	Description	Amount
Discretionary		
RPU - Water	Advanced Metering Infrastructure project	\$ 174,787.00
RPU - Water	Foreman Academy training	3,261.04
RPU - Water	Obsolete Inventory Write-off	100,000.00
RPU - Water	Seven Oaks Dam Operations and Maintenance	176,326.63
RPU - Water	Proportional Share of Measure Z Technology Projects	426,135.35
Total Discretionary		\$ 880,510.02
Total Carryover Recommendations – Water		\$ 880,510.02

521 – WATER CONSERVATION

Department	Description	Amount
Discretionary		
RPU - Water	Water Energy Community Action Network's Turf Removal Program	\$ 1,067,787.34
RPU - Water	Water Conservation Surcharge Programs Enhancements	533,402.63
Total Discretionary		\$ 1,601,189.97
Total Carryover Recommendations – Water Conservation		\$ 1,601,189.97

540- REFUSE

Department	Description	Amount
Restricted		
Public Works	Solid Waste SHARE Program – City Funded	\$ 83,000.00
Total Restricted		\$ 83,000.00
Total Carryover Recommendations – Refuse		\$ 83,000.00

640 - CENTRAL STORES

Department	Description	Amount
Discretionary		
Finance	Vending Machine and Barcode Scanning System	\$ 56,417.07
Total Discretionary		\$ 56,417.07
Total Carryover Recommendations – Central Stores		\$ 56,417.07

650 - CENTRAL GARAGE

Department	Description	Amount
Discretionary		
General Services	Payment Card Industry (PCI) Compliance	\$ 125,800.00
Total Discretionary		\$ 125,800.00
Total Carryover Recommendations – Central Garage		\$ 125,800.00

753 – CFD 90-1-HIGHLANDER

Department	Description	Amount
Restricted		
Finance	Community Facilities District 90-1 Irrigation Maintenance	\$ 191,816.00
Total Restricted		\$ 191,816.00
Total Carryover Recommendations – CFD 90-1 – Highlander		\$ 191,816.00

APPENDIX B – MEASURE Z SPENDING PLAN

The Measure Z Spending plan includes only those expenditures and carryovers that utilize current revenues. Expenditures and carryovers related to the use of debt proceeds are not included in the Spending Plan. Refer to the description of the Measure Z Spending Plan on page 20.

Spending Items	Actual FY 2017/18	Actual FY 2018/19	Actual FY 2019/20	Actual FY 2020/21	Actual FY 2021/22	Actual FY 2022/23	Actual FY 2023/24	Carryover FY 2023/24
REVENUE								
Transaction & Use Tax	\$ 56,201,937	\$ 62,283,444	\$ 62,380,085	\$ 71,999,092	\$ 83,156,696	\$ 84,015,703	\$ 81,892,623	\$ -
Interest Earnings	35,265	532,684	755,392	654,898	752,491	1,825,380	2,303,372	-
Total Revenues	\$ 56,237,202	\$ 62,816,128	\$ 63,135,477	\$ 72,653,990	\$ 83,909,187	\$ 85,841,083	\$ 84,195,995	\$ -
EXPENDITURES								
1 20% General Fund Reserve	\$ 15,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2 Payoff of the Balloon \$32 million Pension Obligation Bond	1,706,290	1,673,554	1,674,490	1,674,500	1,679,490	1,673,080	1,673,530	-
3 Funding for Workers' Compensation and General Liability	2,500,000	2,500,000	-	-	-	-	-	-
4 Measure Z Spending Contingency - General Fund Balancing Measure	-	-	-	-	-	-	-	-
5 Additional Sworn Police Positions	2,671,321	5,588,853	7,639,210	10,163,726	10,745,658	13,751,855	14,278,338	-
6 Public Safety Non-Sworn Positions and Recruitment Costs	450,833	795,676	877,104	913,458	897,576	952,016	981,520	-
7 Police Officer Lateral Hire Incentives and Recruitment Costs	-	30,049	9,994	300	46,856	73,986	133,853	45,000
8 Additional Public Safety Dispatchers	254,112	477,694	566,809	656,263	857,136	1,407,570	1,372,577	-
9 Maintain Firefighter Staffing Level	838,478	992,571	1,291,460	1,406,709	4,137,516	2,178,353	2,135,230	-
10 Reinstatement of Fire Captains (Training and Arson)	522,192	559,538	556,919	469,733	507,235	657,475	693,595	-
11 Reinstatement of Fire Battalion Chief	355,402	368,948	390,025	611,747	396,056	416,987	405,715	-
12 Police Vehicle Replacement and Maintenance Plan	2,434,081	1,738,555	1,199,786	627,585	3,735,056	2,143,480	2,063,080	1,533,036
13 Refurbish Police Vehicles (Pilot Program)	50,000	-	-	-	-	-	-	-
14 Fire Vehicle Replacement and Maintenance Plan	823,208	1,607,452	3,143,742	2,521,600	1,572,275	1,706,747	1,939,520	6,525,564

Spending Items	Actual FY 2017/18	Actual FY 2018/19	Actual FY 2019/20	Actual FY 2020/21	Actual FY 2021/22	Actual FY 2022/23	Actual FY 2023/24	Carryover FY 2023/24
15 Fleet Facility Capital Repairs	100,000	-	-	-	-	-	-	-
16 Additional Fleet Mechanics for Police Department	176,329	173,230	202,610	219,713	225,454	149,860	184,487	-
17 Additional Fleet Mechanics for Fire Department	184,275	221,068	231,352	237,262	244,309	297,025	280,007	-
18 General Fund Support - Maintain Existing Services	5,482,007	13,238,623	18,266,026	18,266,026	18,266,026	18,266,026	18,266,026	-
19 General Plan Update	-	33,419	9,525	300,069	37,534	279,886	30,249	4,309,318
20 Homeless Services	8,775	184,619	528,954	4,197	693,012	503,743	434,065	679,745
21 Principal Management Analyst - City Manager's Office	108,724	148,684	161,803	175,948	180,941	170,144	126,740	-
22 Budget Engagement Commission Support	10,280	27,000	8,365	23,364	15,648	10,868	15,384	338
23 New Downtown Main Library & Archives	1,541,139	3,386,205	5,119,500	(434,155)	2,751,200	2,738,151	2,738,750	-
24 SPC Jesus S. Duran Eastside Library	-	-	-	18,900	75,600	-	1,117,999	887,501
25 New Police Headquarters	-	-	26,394	43,556	-	-	-	-
26 Museum Expansion and Rehabilitation	-	-	89,053	175	-	1,474	44,801	963,717
27 New Downtown Parking Garage	-	-	-	-	-	-	-	-
28 Annual Deferred Maintenance (Existing Facilities)	458,210	1,111,923	1,025,461	838,450	959,363	1,859,493	1,630,681	111,752
29 Maximize Roads/Streets (Pavement Condition Index)	58,482	2,276,844	460,494	4,825,070	12,974,269	7,219,089	16,927,952	12,882,802
30 Tree Trimming	114,807	890,259	2,018,472	994,585	983,450	1,842,682	3,956,958	1,216,909
31 Ward Action Team - City Attorney's Office	173,578	263,704	295,205	303,967	326,426	388,006	343,233	-
32 Ward Action Team - City Manager's Office	-	-	-	-	-	-	-	-
33 Technology Improvements	112,288	433,629	679,248	2,792,116	1,686,690	1,470,850	1,033,871	3,590,438
34 4-Person Staffing on Fire Trucks	-	202,119	1,284,098	1,244,499	1,006,903	979,106	1,017,827	4,131
35 Fire Equipment and One-Time Operating Needs	-	60,473	64,019	52,466	89,769	-	-	-
36 Fire Radios	-	1,931,769	45,920	-	-	-	-	-
37 Recreation – Summer Pools	-	50,000	50,000	-	3,006	-	-	-

Spending Items	Actual FY 2017/18	Actual FY 2018/19	Actual FY 2019/20	Actual FY 2020/21	Actual FY 2021/22	Actual FY 2022/23	Actual FY 2023/24	Carryover FY 2023/24
38 Bourns Family Youth Innovation Center – Furnishing & Operating Costs	-	-	183,961	49,536	342,145	(2,808)	-	-
39 Public Safety & Engagement Team (PSET) – Urban	-	21,691	1,226,821	1,518,578	1,126,665	2,657,537	2,731,728	347,031
40 Library Security Guards	-	-	121,809	339,822	380,393	-	-	-
41 Homeless Temporary Housing	-	-	112,204	(112,204)	-	-	-	-
42 Orangecrest Fire Station Dormitory Improvements	-	-	427	108,384	-	-	-	-
43 Public Works Streets Vehicle & Equipment Needs	-	-	-	-	-	490,337	1,578,114	3,161,514
44 Parks, Recreation & Community Services Infrastructure, Vehicles, and Equipment	-	-	-	-	11,735	189,894	288,277	1,236,062
45 Motorhome Removal & Disposal	-	-	-	-	5,000	9,000	12,000	3,000
46 Park and Neighborhood Safety (PANS) Program	-	-	-	-	493,808	1,296,852	1,692,713	10,000
47 Police Helicopter Capital Lease	-	-	-	-	-	1,238,158	1,238,158	-
48 Office of Homeless Solutions Expansion	-	-	-	-	-	47,454	147,518	-
49 Public Safety & Engagement Team (PSET) - Wildlands	-	-	-	-	-	613,870	3,443,270	660,829
50 Public Safety Enterprise Communication System (PSEC) Radios	-	-	-	-	-	343,438	456,456	-
51 Office of Sustainability	-	-	-	-	-	13,402	53,809	55,445
52 Sidewalk Repair	-	-	-	-	-	371,776	20,238	807,986
53 Mt Rubidoux Trail Resurfacing	-	-	-	-	-	1,198,947	404,350	176,703
54 Police K9	-	-	-	-	-	-	21,556	118,444
55 Parks Capital Improvement Projects	-	-	-	-	-	-	186,897	6,305,103
56 Fire - Analog Simulcast Communication System	-	-	-	-	-	-	3,788	1,562,653
Total Expenditures	\$ 36,134,811	\$ 40,988,149	\$ 49,561,260	\$ 50,855,945	\$ 67,454,200	\$ 69,605,809	\$ 86,104,860	\$ 47,195,021
Five-Year Financial Plan Surplus/(Deficit)	\$ 20,102,391	\$ 21,827,979	\$ 13,574,217	\$ 21,798,045	\$ 16,454,987	\$ 16,235,274	\$ (1,908,865)	\$ (47,195,021)

Spending Items	Actual FY 2017/18	Actual FY 2018/19	Actual FY 2019/20	Actual FY 2020/21	Actual FY 2021/22	Actual FY 2022/23	Actual FY 2023/24	Carryover FY 2023/24
FUND RESERVES								
Beginning Measure Z Available Balance	\$ 2,632,981	\$ 22,735,372	\$ 39,563,351	\$ 53,137,568	\$ 74,935,613	\$ 91,390,600	\$ 107,625,874	\$ 105,717,009
Five-Year Financial Plan Surplus/(Deficit)	20,102,391	21,827,979	13,574,217	21,798,045	16,454,987	16,235,274	(1,908,865)	(47,195,021)
Permanent Policy Reserve Set-Aside		(5,000,000)						
Ending Measure Z Available Balance	\$ 22,735,372	\$ 39,563,351	\$ 53,137,568	\$ 74,935,613	\$ 91,390,600	\$ 107,625,874	\$ 105,717,009	\$ 58,521,988

Permanent Policy Reserve Set-Aside: \$5M

The Measure Z Reserve Policy adopted by City Council on April 2, 2019, requires a minimum \$5M contingency reserve level. This amount was removed from available fund balance in 2019 and is held intact, separately of the available fund balance reported in the Spending Plan.