

Potential Adjustments to the Proposed Budget

On April 19, 2021, the City Council received an overview of the preliminary budget for the General fund and preliminary department budget presentations from each City Department. Members of the City Council identified several priorities which staff has summarized below as potential adjustments to the proposed FY 2021/22 Annual Budget.

IMPACT SUMMARY			
Fund	Revenue	Expenditure	
General Fund	\$ 20,000	\$ (20,000)	(1)
Measure Z	-	3,965,000	
Grants & Restricted Programs	133,574	133,574	
Electric Fund	-	20,000	
Total Adjustments	\$ 153,574	\$ 4,098,574	

(1) Because the City Manager's Office is an internal service department, the expenditure would be allocated to other City funds and departments via the cost allocation plan, with approximately 40% of the cost remaining in the General Fund. As a result, all City funds subject to the cost allocation plan would be adjusted by an immaterial amount if this adjustment is approved.

General Fund

1. Reclassify vacant Deputy City Manager position to Intergovernmental Affairs Officer (1.0 FTE); position cost \$133,574. The annual savings of the reclassification to the General Fund is approximately \$63,000. The Deputy City Manager position is unfunded in the proposed FY 2021/22 budget, intended to be used to help meet the City Manager's vacancy savings target. The estimated impact of funding the Intergovernmental Affairs Officer is approximately \$45,430 after the cost allocation of the City Manager's Department; this amount will be added to the department's vacancy savings target for a net zero impact to the department's budget. The department expects to be able to achieve the additional savings requirement through attrition, vacancy savings during the recruitment periods, and/or non-personnel savings.
2. With the addition of the Intergovernmental Affairs Officer, Public Utilities has agreed to increase their contribution for legislative affairs from \$80,000 annually to \$100,000 annually.

IMPACT SUMMARY	
	Budget Impact
Deputy City Manager (DCM)	\$ 196,708
Unfunded DCM	(196,708)
Intergovernmental Affairs Officer (IAO)	133,574
Cost allocation of IAO	(80,144)
Revenue Increase - Legislative Affairs	(20,000)

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Measure Z

1. Public Works: \$2,000,000: One-time funding for vehicle replacement and equipment needs in the Streets Division. Refer to Attachment 2A for a detailed replacement/purchase plan. This request for Measure Z funding extends through FY 2024/25. FY 2021/22 funds would be used as follows:
 - a. Replace four (4) dump trucks used to haul asphalt, palms, storm response, debris removal, illegal dumps, etc.
 - b. Replace one (1) sweeper tractor power broom used for bike lanes, paving and slurry.
 - c. Replace one (1) grader used in ditches and for large asphalt permits.
 - d. Replace one (1) patch truck used for water permits, repairing pot holes, and patching.
 - e. Replace one (1) loaders used for water permits, cutouts, granite pit, mud clean-ups and homeless clean-ups.
 - f. Replace two (2) backhoes used for permits, homeless clean-ups and concrete work.
 - g. Replace one (1) skid steer loader used for heavy repairs, sidewalk repairs, curb/gutters and clean-ups.

2. Parks, Recreation, & Community Services: \$1,965,000
 - a. Mt. Rubidoux Trail Surface Rehabilitation: One-time request of \$250,000 to rehabilitate (patch, repair cracks, slurry seal, engineer low lines with gutters) the Mt. Rubidoux Trail. Rehabilitating the Mt. Rubidoux trail will promote safety at this highly utilized location. This item is aligned with strategic goal 1.3 and 1.4.

 - b. Purchase of Tractor: One-time request of \$165,000 to purchase a tractor and blade accessories. The tractor is needed for weed abatement and fire prevention activities. This item is aligned with strategic goals 1.3 and 1.4. Having a tractor designated for fire prevention aligns with the department's goal for maintaining safe and responsible open areas for recreational use and protection of home and property that surround these areas. This aligns with our goal to work in partnership with Riverside Fire Department and public works to maintain additional fire prevention areas throughout Riverside. This item is aligned with strategic goals 1.3 and 1.4.

 - c. Fairmount Park Wier Dam and Storm Drain Project: One-time request of \$800,000 for the Fairmount Park Wier Dam and Storm Drain Project. The California Division of Safety and Dams has given the deadline of July 2021 to complete the Wier Gate Project. This item is aligned with strategic goals 1.3 and 1.4.

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- d. Swimming Pool Maintenance: One-time request of \$750,000 for swimming pool maintenance. Maintenance will include the re-plaster and installation of heaters at the Hunt Park, Reid Park and Villegas Park locations. Installation of heaters at the listed locations will allow expansion of the Senior Aquatics Programming. This item is aligned with strategic goals 1.2, 1.3 and 1.5

PROPOSED MEASURE Z SPENDING PLAN 2021-2026					
Spending Items	Proposed FY 2021/22	Projected FY 2022/23	Projected FY 2023/24	Projected FY 2024/25	Projected FY 2025/26
FUND RESERVES					
Beginning Measure Z Fund Reserve	\$ 21,246,273	\$ 28,412,984	\$ 31,916,900	\$ 38,665,601	\$ 43,974,542
Five-Year Financial Plan Surplus/(Deficit)	7,166,711	3,503,916	6,748,701	5,308,941	5,203,918
Permanent Policy Reserve Set-Aside					
Ending Measure Z Fund Reserve	\$ 28,412,984	\$ 31,916,900	\$ 38,665,601	\$ 43,974,542	\$ 49,178,460

Fiscal Impact of Proposed Items					
Public Works Vehicles/Equipment	2,000,000	1,000,000	1,050,000	1,180,000	-
Parks & Recreation One-Time Needs	1,965,000	-	-	-	-
FUND RESERVES					
Beginning Measure Z Fund Reserve	\$ 21,246,273	\$ 24,447,984	\$ 26,951,900	\$ 32,650,601	\$ 36,779,542
Five-Year Financial Plan Surplus/(Deficit)	3,201,711	2,503,916	5,698,701	4,128,941	5,203,918
Ending Measure Z Fund Reserve	\$ 24,447,984	\$ 26,951,900	\$ 32,650,601	\$ 36,779,542	\$ 41,983,460

Grants & Restricted Programs: The City Council expressed an interest in establishing a position to help identify, apply for, and manage grants. Staff recommends adding a Principal Management Analyst position in the Grants & Restricted Programs fund, fully offset by anticipated grant reimbursements for the administrative grant functions this position would perform.

Electric Fund: With the addition of the Intergovernmental Affairs Officer, Public Utilities has agreed to increase their contribution for legislative affairs from \$80,000 annually to \$100,000 annually.

Other: In response to the feedback received from the Mayor and City Council, staff is exploring implementation of a Park Ranger program based on models currently in place in other jurisdictions. Funding for the program would require General Fund and/or Measure Z resources. Details on the program will be included in the June reports for the final budget to the BEC and City Council.