BRI Background

The current MOU and FBSP agreements are consistent in their definition of the revenue components of the BRI. As described in the RPOA MOU:

Wage increases during the term of this agreement are based on the rate of growth in the total combined dollar amount of the Balanced Revenue Index (BRI) in the General Fund, not to exceed one half (i.e. 50%) of the year-over-year rate of growth. The BRI is comprised of the Bradley Burns (1%) and any City of Riverside voter approved portion of the Sales Tax, the City's portion of the Property Tax (general property tax only, excluding local measures), the Transient Occupancy Tax, and the Utility Consumption Tax. Payments will be based on audited financials for each fiscal year.

Fifty percent of the annual change in the BRI results in the maximum percentage increase in salaries tied directly to the BRI. The table below demonstrates raises for a negotiated salary increase of 2% to 6%, given various BRI results.

Scenario	Minimum Raise	Raise based on BRI			
BRI = -1%	2% Minimum Raise	No Additional Raise			
BRI = 2%	2% Minimum Raise	2% Additional Raise			
BRI = 4%	2% Minimum Raise	4% Additional Raise			
BRI = 6%	2% Minimum Raise	4% Additional Raise			
0%	1%	2%	3%	4%	5%	6%

BRI Budget Assumptions (FY 2018-2023)

During the development of the General Fund and Measure Z Fund Five-Year Financial Plans encompassing FY 2018/19 through FY 2022/23, certain baseline revenue forecasts were made based on historical trends, economic data, and the advice of the City's sales tax consultant. Those baseline revenue forecasts provided the basis for the BRI assumptions used to develop the personnel budget that was subsequently adopted in the FY 2018-2020 Two-Year Budget and presented in the General Fund Five-Year Financial Plan (FY 2018-2023).

Revenue Category	Audited FY 15/16	Audited FY 16/17	Estimated FY 17/18	Forecasted FY 18/19	Forecasted FY 19/20
Sales Tax – General Fund	$ 59,409,127	$ 61,664,322	$ 63,205,930	$ 64,470,049	$ 65,437,099
Measure Z TUT	-	12,605,474	51,557,000	52,072,570	52,593,296
Property Tax	50,449,888	54,157,938	56,633,614	58,852,720	61,160,129
Utility Users Tax	27,828,010	27,957,999	28,370,996	27,777,804	27,910,251
Transient Occupancy Tax	6,093,430	6,621,721	6,952,807	7,300,447	7,519,461
Total BRI	**$ 143,780,455**	**$ 163,007,454**	**$ 206,720,347**	**$ 210,473,590**	**$ 214,620,236**
Annual Change		13.37%	26.82%	1.82%	1.97%
50% of Annual Change		6.69%	13.41%	0.91%	0.99%
Effective Date of PCM		January 2018	January 2019	January 2020	January 2021

BRI Assumptions applied to the PCM Impact Analysis

Since the development of the baseline budget for FY 2018-2020, adjustments to revenue forecasts were made as follows:

- General Fund baseline revenue assumptions were updated based on new information and presented in the adopted FY 2018-2020 Two-Year Budget and FY 2018-2023 Five-Year Financial Plan.
- Following the completion of the FY 2017/18 audit of the City's financial statements,
  - Adjustments were made to the FY 2017/18 General Fund revenues to reflect actual revenues received.
  - The Measure Z revenue forecast was updated to reflect the new FY 2017/18 basis (audited actuals) for forecasted revenue growth.

These adjustments are reflected in BRI calculation used for the PCM impact analysis.

Revenue Category	Audited FY 15/16	Audited FY 16/17	Audited FY 17/18	Forecasted FY 18/19	Forecasted FY 19/20
Sales Tax – General Fund	$ 59,409,127	$ 61,664,322	$ 62,440,075	$ 63,837,989	$ 64,476,369
Measure Z TUT	-	12,605,474	56,201,937	56,560,000	57,125,600
Property Tax	50,449,888	54,157,938	58,159,259	59,552,720	61,635,128
Utility Users Tax	27,828,010	27,957,999	27,497,677	28,088,439	28,837,532
Transient Occupancy Tax	6,093,430	6,621,721	6,793,041	7,300,447	7,592,465
Total BRI	**$ 143,780,455**	**$ 163,007,454**	**$ 211,091,989**	**$ 215,339,595**	**$ 219,667,094**
Annual Change		13.37%	29.50%	2.01%	2.01%
50% of Annual Change		6.69%	14.75%	1.01%	1.00%
Effective Date of PCM		January 2018	January 2019	January 2020	January 2021