

FY 2023/24 Second Quarter Financial Update

Finance Department

City Council
April 16, 2024

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GENERAL FUND – FUND BALANCE

General Fund Reserves at December 31, 2023
(in millions)

General Fund	
Economic Reserves (15%)	\$ 49.06 M
Economic Contingency Reserves (5%)	\$ 16.36 M
Infrastructure Reserve	\$ 15.29 M
Technology Reserve	\$ 3.00 M
Insurance Reserves	\$ 2.00 M
Section 115 Trust	
Section 115 Trust Fund Reserve	\$ 67.70 M

Infrastructure Reserve Balance
(in millions)

Beginning Balance (7/1/23)		\$ 20.62 M
Museum Renovation (12/12/23)	\$ (10.00) M	
FYE Surplus Reserves (12/19/23)	\$ 4.68 M	
Eastside Library (1/16/24)	\$ (3.50) M	
Airport Capital Projects (1/16/24)	\$ (1.00) M	
Ending Balance (1/31/24)*		\$ 10.80 M

* At the time of the writing of this report, two additional requests for use of the General Fund Infrastructure Reserves are scheduled for Council consideration:

- Victoria Avenue Funding Plan (\$775,000) – On 3/14/24, Mobility and Infrastructure Committee voted to recommend Council approve this item.
- Airport Infrastructure Loan (\$2,000,000) – To be heard by Council on 4/16/2024

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GENERAL FUND OVERVIEW

FY 2023/24 (in millions)	Adopted Budget	Total Budget As of 12/31/23	Projected	\$ Change	% Change
Revenue & Transfers In	\$ 333.50	\$ 334.79	\$ 341.54	\$ 6.75	2.0%
Expenditures & Transfers Out*	327.09	352.07	353.91	1.84	0.5%
Balance Before Changes in Reserves	\$ 6.41	\$ (17.28)	\$ (12.37)	\$ 4.91	-28.4%
Changes in Reserves					
Decreases to Reserves	\$ -	\$ 23.70	\$ 28.20	\$ 4.50	19.0%
Water GFT Escrow	-	(8.57)	(8.57)	-	0.0%
Total Change in Reserves	\$ -	\$ 15.13	\$ 19.63	\$ 4.50	29.7%
Net Surplus/(Deficit)	\$ 6.41	\$ (2.15)	\$ 7.26	\$ 9.41	-437.7%

* Includes \$7.05M in encumbrances and \$0.02M project/grant carryovers carried over as allowed by the Riverside Municipal Code. Also includes \$5.73M discretionary carryovers approved by Council in the FY 22/23 4th Quarter report.

Recommendation: From projected surplus: allocate \$3M to Infrastructure Reserves and \$5M to Technology Reserves.

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GENERAL FUND REVENUE

(in millions)	Adopted Amended Budget	Total Budget as of 12/31/2023	Year-End Projection	\$ Change	% Change
Property Taxes	\$ 84.43	\$ 84.43	\$ 88.83	\$ 4.40	5.2%
Sales Tax	94.04	94.04	91.94	(2.10)	-2.2%
Utility Users Tax	33.52	33.52	32.92	(0.60)	-1.8%
Transient Occupancy Tax	8.58	8.58	8.28	(0.30)	-3.5%
Franchise Fees	5.84	5.84	6.59	0.75	12.8%
Licenses & Non-Developer Permits	10.03	10.03	11.03	1.00	10.0%
Non-Development Charges for Services	10.91	10.93	10.93	0.00	0.0%
Development Fees & Charges	7.37	7.37	7.37	0.00	0.0%
General Fund Transfer	53.20	53.20	53.40	0.20	0.4%
Measure Z Transfer	18.27	18.27	18.27	0.00	0.0%
Other Revenues & Transfers In	7.31	8.58	11.98	3.40	39.6%
Subtotal: Revenues and Transfers In	\$ 333.50	\$ 334.79	\$ 341.54	\$ 6.75	2.0%
Use of Reserves	-	\$ 23.70	\$ 28.20	\$ 4.50	19.0%
Total Incoming Resources	\$ 333.50	\$ 358.49	\$ 369.74	\$ 11.25	3.1%

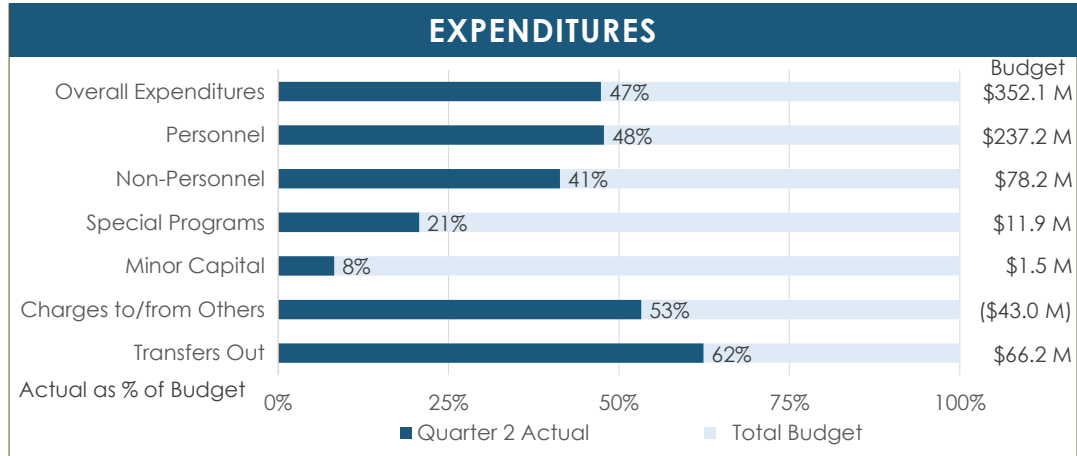
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GENERAL FUND EXPENDITURES



*Includes \$7.07 million prior year encumbrances and carryovers carried per RMC and \$5.73M discretionary carryovers approved by Council in the FY 22/23 4th Quarter report.

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MEASURE Z SPENDING PLAN

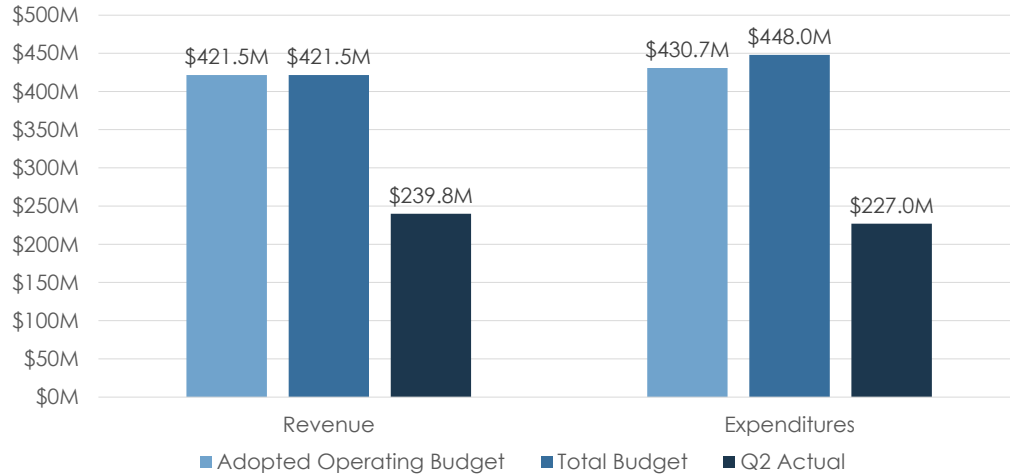
(in millions)	Actuals				Projected
	2020	2021	2022	2023	2024
Revenue	\$ 63.14	\$ 72.65	\$ 83.91	\$ 85.84	\$ 80.54
Expenditures	(49.56)	(50.85)	(67.45)	(69.61)	(96.25)
Encumbrances & Carryovers				(48.65)	
Net Change in Fund Balance	\$ 13.58	\$ 21.80	\$ 16.46	\$(32.42)	\$(15.71)
Beginning Unallocated Fund Reserves	\$ 39.56	\$ 53.14	\$ 74.94	\$ 91.40	\$ 58.98
Net Change in Fund Balance	13.58	21.80	16.46	(32.42)	(15.71)
Fund Balance Reserve Policy	-	-	-	-	-
Ending Unallocated Fund Reserves	\$ 53.14	\$ 74.94	\$ 91.40	\$ 58.98	\$ 43.27



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ELECTRIC FUND - OPERATING



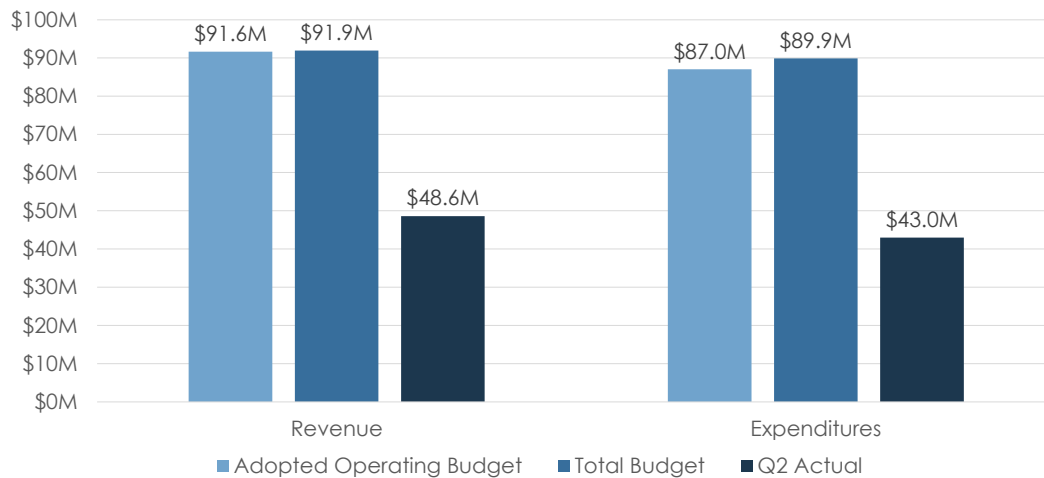
Total Budget includes prior fiscal year encumbrances and carryovers posted in the first quarter.

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WATER FUND - OPERATING

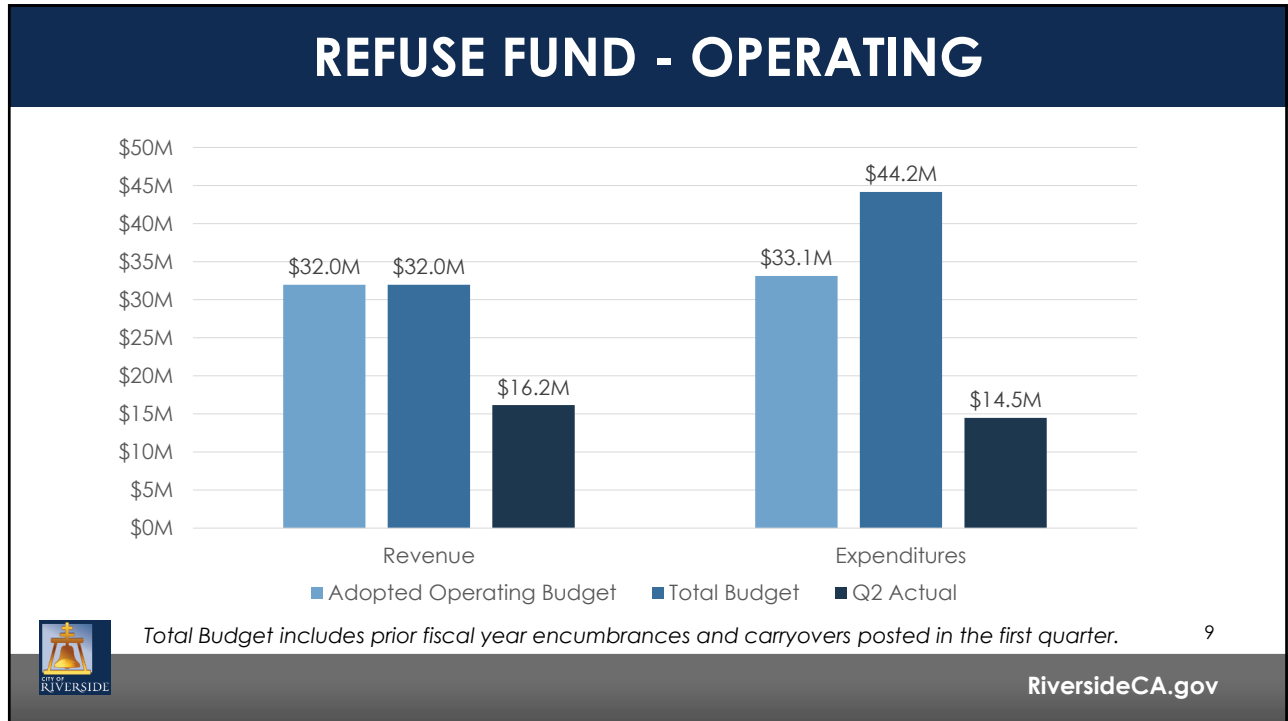


Total Budget includes prior fiscal year encumbrances and carryovers posted in the first quarter.

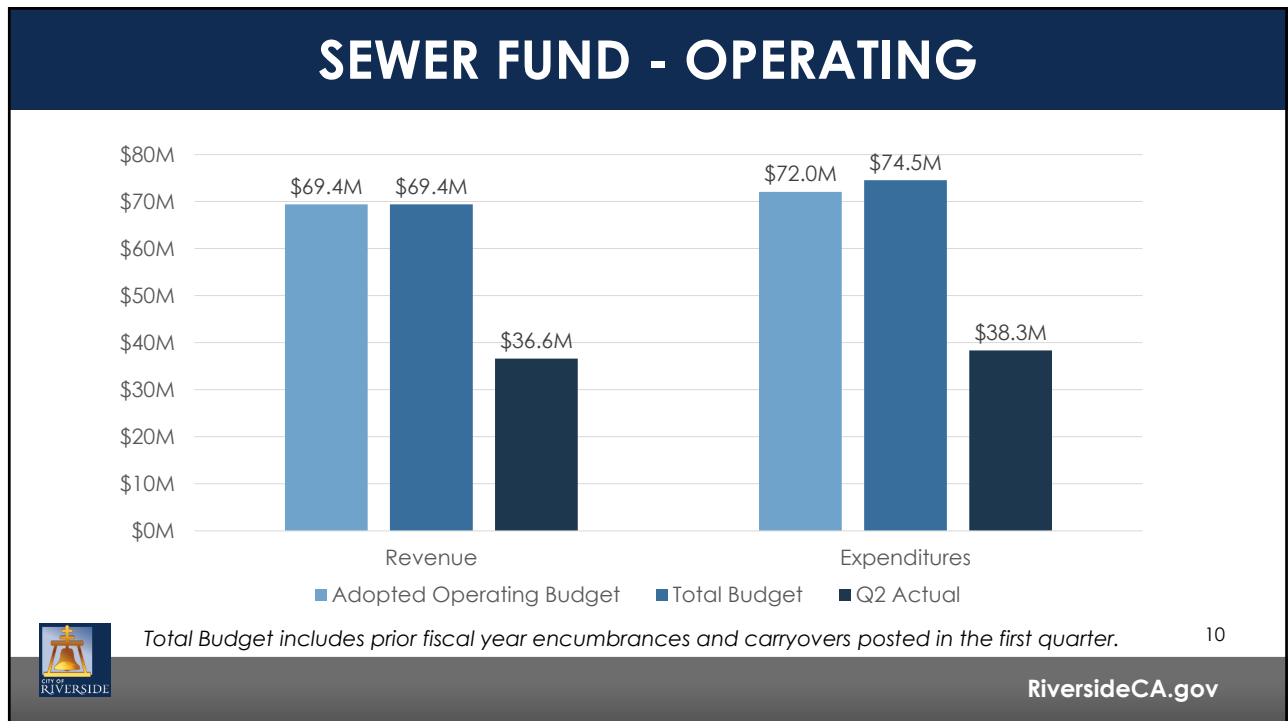
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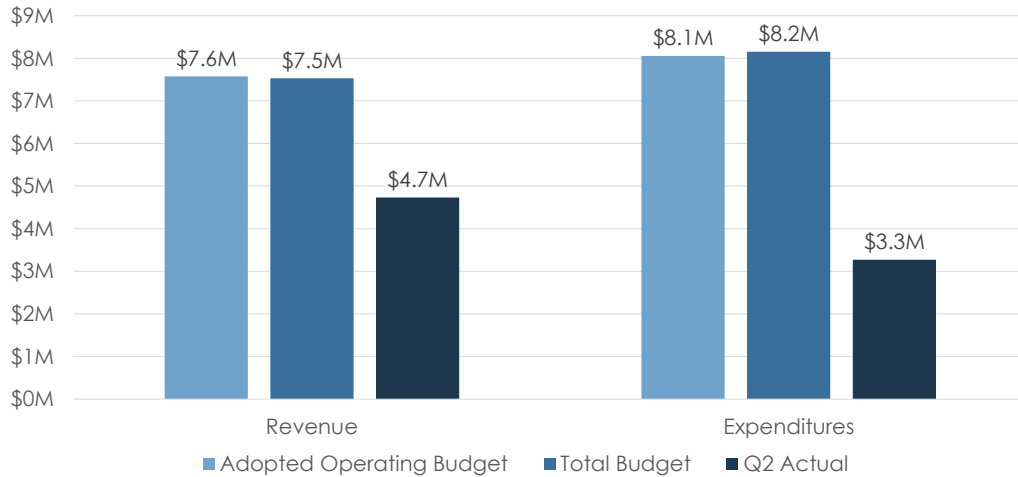


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PUBLIC PARKING FUND - OPERATING



Total Budget includes prior fiscal year encumbrances and carryovers posted in the first quarter.

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MID-CYCLE BUDGET ADJUSTMENTS

Fund	Revenue	Expenditures	Net Impact to Fund Reserves
101 - General Fund	\$ 6,764,300	\$ 99,921	\$ 6,664,379
110 - Measure Z Fund	(3,923,000)	(13,642)	13,642
215 - Grants and Restricted Programs	225,000	257,085	(32,085)
510 - Electric	-	5,081	(5,081)
530 - Airport	-	(3,445)	3,445
580 - Convention Center Fund	-	41,133	(41,133)
Citywide Total	\$ 3,066,300	\$ 386,133	\$ 2,680,167



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STRATEGIC PLAN ALIGNMENT



HIGH PERFORMING GOVERNMENT

CROSS-CUTTING THREADS



Community Trust



Equity



Innovation



Fiscal
Responsibility



Sustainability
and Resiliency



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RECOMMENDATIONS

That the City Council:

1. Receive and provide input on the Fiscal Year 2022/23 Second Quarter Financial Update;
2. With at least five affirmative votes, authorize the Chief Financial Officer, or designee, to record mid-cycle budget adjustments resulting in total supplemental appropriations of \$386,133 in various funds as detailed in this report, including \$99,921 in the General Fund fully offset by adjusted revenue projections; and
3. With at least five affirmative votes, authorize the Chief Financial Officer, or designee, to record an allocation of \$5 million in projected General Fund surplus to the General Fund Infrastructure Reserve (\$3 million) and the Technology Reserve (\$2 million) fully offset by adjusted revenue projections.



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