



MEASURE Z SPENDING PLAN REVIEW

Finance Department

Budget Engagement Commission
January 14, 2021

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1

HISTORY

- 2016-2018 budget process
 - Unfunded operational needs \$225 million over 5 years / \$45 million per year
 - Unfunded capital projects \$1.1 billion
 - \$11 million annual budget reductions to balance FY 2016/17 and 2017/18 budgets
- Recommended 2016 ballot measure for 1% increase in tax rate to address service cuts and unfunded needs
- 1¢ Transaction & Use Tax, 60% voter approval, effective April 1, 2017



2

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2

BALLOT MEASURE

To prevent cutting police, firefighters, paramedics, 911 emergency response, anti-gang/drug programs, homelessness reduction and youth after-school/senior/disabled services; to repair local streets/potholes/infrastructure; and to provide other general services, shall a one-cent transaction and use tax (sales tax) be implemented providing \$48,000,000 annually through 2036 unless extended by the voters, requiring independent audits with no funds to Sacramento, all funds remaining for Riverside?



3

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3

ORIGINAL SPENDING PRIORITIES

- Fiscal Discipline
- Critical Non-Safety Service Needs
- Critical Public Safety Needs
- Quality of Life Issues
- Critical Infrastructure Needs
- Technology Needs



4

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4

SPENDING PLAN ADOPTION

- Discussed in six BEC meetings prior to Council adoption
- May 9, 2017 Council approved:
 - 20 items that BEC and staff agreed upon
 - Added BEC recommended funding for homeless
- May 16, 2017 following receipt of BEC input, Council approved:
 - Remaining funding items recommended by staff
 - Added funding for Eastside Library site study



5

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5

TYPES OF FUNDED ITEMS

- One-time funding:
 - Could be annual allocations
 - Can be defunded depending upon contractual obligations
 - New construction may result in new ongoing operational costs
 - Examples: cash-funded projects, contracted services
- Ongoing Expenditures:
 - Cannot be easily defunded
 - Examples: cash-funded construction, operational support (personnel, General Fund support)
 - Rising personnel costs require increased funding level each year
- Debt Obligations
 - Cannot be defunded without alternative funding identified



6

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6

ONE-TIME EXPENDITURES

Description	Amount (in millions)
Allocated through FY 2019/20	\$88.5
Expended through FY 2019/20	\$55.3
FY 2019/20 carryover	\$30.3
Returned to Unallocated Fund Reserves	\$2.9



7

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7

ONGOING EXPENDITURES

Description	Amount (in millions)
Allocated through FY 2019/20	\$72.4
Expended through FY 2019/20	\$70.5
FY 2019/20 carryover	\$-
Returned to Unallocated Fund Reserves	\$1.9

Personnel Funded	FTE
Internal Service Departments	10.0
Public Service Departments	4.5
Public Safety Departments	81.0
Total FTE	103.5



8

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8

DEBT

Description	Amount (in millions)
Allocated through FY 2019/20	\$11.3
Expended through FY 2019/20*	\$10.9
FY 2019/20 carryover	\$0.0
Returned to Unallocated Fund Reserves	\$0.4

*Variance in estimated vs. actual debt service



9

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9

RECOMMENDATIONS

That the Budget Engagement Commission review the current Measure Z spending plan and formulate recommendations related to spending priorities and development of the FY 2021/22 Measure Z budget.



10

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10