

City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: MAY 9, 2017
FROM: CITY MANAGER'S OFFICE WARDS: ALL
SUBJECT: UPDATED MEASURE Z SPENDING PRIORITIES

ISSUE:

Receive and provide input on staff's revised Measure Z spending priorities (presented in this report), in conjunction with separately presented Measure Z spending recommendations from the Budget Engagement Commission (BEC), in preparation for City Council deliberation and direction to staff on Measure Z five-year spending at the May 16, 2016 City Council meeting.

RECOMMENDATIONS:

That the City Council:

1. Receive and provide input on staff's revised Measure Z spending priorities over a five-year period (presented in this report), in conjunction with separately presented Measure Z spending recommendations from the Budget Engagement Commission (BEC); and
2. Continue this item to the May 16, 2017 City Council meeting, in order for the City Council to provide direction to staff on Measure Z spending over the next five years, which will be incorporated into the City's Mid-Cycle budget update on June 13, 2017.

BACKGROUND:

During the FY 2016-2018 Budget Process in February-June 2016, staff presented to the community, City employees and labor unions, and the City Council a listing of the City's critical unfunded operational and capital needs. The operational needs alone (excluding new facilities) totaled more than \$225 million over five years (approximately \$45 million per year). The City's unfunded capital needs, included in the five-year Capital Improvement Plan (CIP) approved by the City Council, are over \$1 billion. In addition to the unfunded needs analysis, the City Council approved approximately \$11 million in annual General Fund reductions to balance the FY 2016-2018 Budget. The reductions have affected essential City services to residents and businesses and hampered public safety response times.

To help address the service cuts as well as a portion of the City's critical unfunded needs, at staff's recommendation, the Mayor and the City Council placed Measure Z on the November 8, 2016, ballot. The measure authorized a one-cent increase in the City's sales tax rate and was approved by over 60% of Riverside voters. On April 1, 2017, the City's sales tax rate increased

from 7.75% to 8.75%. Measure Z is estimated to generate approximately \$10 million in revenues in Fiscal Year (FY) 2016-17 and over \$50 million annually beginning in FY 2017-18.

On December 20, 2016, the City Council authorized Measure Z revenues and expenditures to be tracked in a separate fund for accountability and transparency, and appropriated funding for the restoration of a Fire Squad, eliminated during the budget. The restored cost of the Fire Squad is \$450,000 in FY 2016-17 and \$800,000 in FY 2017-18. On February 21, 2017, the City Council approved the appropriation of Measure Z funds for one position in the City Attorney’s Office (Deputy City Attorney II) to support the newly established Ward Action Teams.

At a January 31, 2017, City Council Special Meeting, staff presented the Proposed Measure Z Spending Priorities to the City Council for comment and direction (Attachment 1). A copy of the staff report and related materials are in Attachments 2 and 3. The City Council provided comments (documented in Attachment 4) and directed staff to work with the Budget Engagement Commission (BEC) to refine the five-year spending plan for Measure Z in time for the May 9, 2016 City Council meeting.

The BEC met five times between February 23, 2017 and April 19, 2017 to develop their own recommendations on Measure Z spending. On May 4, 2017, after the posting of this agenda, the BEC will finalize their recommendations to the City Council. Either the BEC Chair or another representative will present the BEC’s Measure Z recommendations to the City Council on May 9, 2017. BEC’s report will be distributed to the Mayor and City Council, and made available to the public, on May 5, 2017.

DISCUSSION:

Based on City Council input at the January 31, 2017 meeting (see Attachment 4), meetings with City Departments to refine needs, and meetings with the Budget Engagement Commission, staff has developed Revised Measure Z Spending Priorities (see Attachment 5). Changes from the Original Measure Z Spending Priorities (as reflected in Attachment 1) are summarized below, followed by a narrative discussion.

Proposed Measure Z Spending Priorities (Years 1-5)					
<i>Major Category</i>	<i>Original</i>		<i>Revised</i>		<i>Difference</i>
Fiscal Discipline/Responsibility	\$47,774,507	21.8%	\$43,344,207	19.8%	\$(4,430,300)
Critical Operating Needs	\$48,129,948	21.9%	\$56,034,250	25.6%	\$7,904,302
Public Safety	\$55,911,629	25.5%	\$68,497,813	31.2%	\$12,586,184
Quality of Life	\$15,539,556	7.1%	\$3,837,199	1.7%	\$(11,702,357)
Facility Capital Needs	\$48,200,000	22.0%	\$42,833,882	19.5%	\$(5,366,118)
Technology	\$3,750,000	1.7%	\$4,750,000	2.2%	\$1,000,000
TOTALS	\$219,305,640	100%	\$219,297,352	100%	\$(8,288)

Fiscal Discipline/Responsibility: It is imperative for the City to continue strengthening its financial position, increasing reserves and paying off debt / liabilities. Not only is this good business practice, but importantly: 1) fiscal discipline measures were promised to voters during the Measure Z campaign; and 2) bond rating agencies and investors, who spoke with City leadership in personal meetings in late April, insist on strengthening the City’s reserves, paying

off debt and properly funding liabilities. Consequently, staff continues to recommend strongly Fiscal Discipline / Responsibility measures, with the following adjustments:

- General Fund Reserve: The amount needed to maintain a 20% General Fund Reserve has been adjusted based on the Second Quarter Financial Report (Attachment 6). Total costs over five years have increased from \$29.2 million to \$32.3 million.
- Pension Obligation Bond (POB): Based on discussion at the April 25, 2017 City Council meeting, amounts reflect the General Fund portion of a fully amortized 10-year pension bond. Total costs over five years have decreased from \$9.5 million to \$7.6 million.
- Worker's Compensation and General Liability Funding: The original requested funding of \$8 million was reduced to \$3.5 million to accommodate increased public safety spending priorities.
- Vacation Liability: The request to fund \$1 million in excess vacation liability (mostly related to retirements) has been removed to allow for increased public safety spending priorities.

Critical Operating Needs (Non-Safety): These items represent critical, non-public safety related items that are necessary to avoid reducing services to the public. Key changes from the original proposal include:

- General Fund Operating Shortfall: The amount needed for the General Fund shortfall has increased minimally based on the Second Quarter Financial Report (Attachment 6). Total costs over five years have increased from \$45.3 million to \$48.2 million.
- General Plan Update: To continue investing in the future of Riverside, funding is needed for a General Plan Update, including updates to the zoning code. The total five-year cost is \$5 million.

Critical Public Safety Needs:

- Recruitment of Police Officers and Dispatchers: Both the Original and Revised Measure Z Spending Priority plans call for the addition of many police department employees, both sworn and non-sworn. In order to hire a significant number of additional officers, a new Senior Analyst position will be required in the Human Resources Department. In addition, hiring incentives are recommended for officers and dispatchers. The total increased cost over the next five years is \$1.8 million.
- Replacement of Police and Fire Vehicles: After meeting with the Fire and Police Departments along with fleet management, staff have revised the plan for vehicle replacement. The revised plans provide for an immediate replacement of vehicles that are at or near the end of life, followed by an annual replacement based on the estimated useful life per industry standards. Total costs over five years have increased from \$14.4 million to \$22.2 million.
- Crown Victoria Pilot Program: At the City Council's request, \$50,000 has been added for a refurbishment pilot program for two Crown Victoria vehicles in the Police Department. If successful, the program could save \$25,000 per vehicle until the available pool of Crown Victoria vehicles is exhausted.
- Police and Fire Vehicle Maintenance: Proactive maintenance is essential to the longevity and safety of City vehicles. In order to provide proper maintenance for first responder vehicles, four additional mechanics will be needed, along with one-time fleet facility modifications. The total cost over the next five years is \$1.7 million.

Quality of Life Needs: The Proposed Measure Z Spending Plan included funding for streets, tree trimming and personnel to address quality of life needs in the community. As a result of the recently passed State transportation funding bill (SB 1, Road Repair and Accountability Act of 2017), the City estimates to receive \$7.4 million in additional annual revenue from the State for road projects. Consequently, staff has reallocated Measure Z funding previously recommended for street maintenance and repair (\$11.5 million over the first five years) to critical public safety priorities.

Facility/Capital Needs: The Riverside Renaissance capital improvement project successfully revitalized the City. However, it has been over 10 years since that significant capital investment, and the facilities built during the Renaissance require proper maintenance. Changes from the original recommendations include:

- The total bonded amount for capital projects has been revised from \$165 million to \$105 million, over the 20-year period.
- One parking facility and expansion of the Convention Center have been removed from the recommended projects. In their place, \$20 million of 20-year bonding capacity has been added for Citywide projects that will be determined on subsequent needs analysis and direction from the City Council.
- The recommended funding remained unchanged for a new Downtown Main Library, new Police Headquarters, expansion/enhancement of the Museum, and one new a parking facility.
- Total costs over five years have decreased from \$36 million to \$25.6 million.

Technology: A quick review of the national news in the past several months provides ample evidence of the need to improve technology, especially in the field of cybersecurity. Changes to Technology needs include:

- Enterprise Resource Planning (ERP) System: The City’s financial system dates back to 1999. While upgrades to the system have been made over the past 18 years, the City needs to determine if a new ERP system is necessary to alleviate many of the current system shortcomings. Total costs over five years have increased from \$2 million to \$3 million.

FISCAL IMPACT:

Measure Z will generate over \$50 million in annual revenue for the City. While the City’s unfunded needs will continue to exceed available resources, Measure Z will provide the funding to address many of them. Further, Measure Z allows the City to fund and enhance many critical public safety and quality of life items that may have been eliminated if Measure Z revenues were not available. Once approved, staff will incorporate the five-year Revised Measure Z Spending Priorities with the City’s FY 2016-2018 Two-Year Budget during the Mid-Cycle Update on June 13, 2017.

Prepared by: Adam Raymond, Assistant Chief Financial Officer
Certified as to availability of funds: Scott G. Miller, PhD, Chief Financial Officer/Treasurer
Approved by: John A. Russo, City Manager
Marianna Marysheva, Assistant City Manager
Approved as to form: Gary G. Geuss, City Attorney

Attachments:

1. Original Proposed Measure Z Spending Priorities (five years)
2. January 31, 2017 – City Council Special Meeting Measure Z Item
3. BEC Measure Z Revenue Estimates Presentation (April 19, 2017)
4. City Council Information Requests
5. Revised Measure Z Spending Priorities
6. FY 2016/17 Second Quarter Financial Update
7. Presentation

ATTACHMENT 1

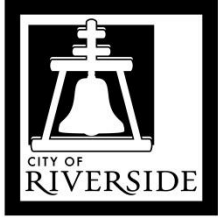
ATTACHMENT 3: Proposed Measure Z Spending Priorities

Category	Year 1	Year 2	Year 3	Year 4	Year 5	5 Year Totals	Notes
	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21		
Estimated 1% Transactions and Use Tax Revenue	\$ 10,000,000	\$ 51,557,000	\$ 52,072,570	\$ 52,593,296	\$ 53,119,229	\$ 219,342,094	Revenue estimates reflect 1% annual increases.
Financial Discipline/Responsibility	\$ 6,073,592	\$ 24,268,018	\$ 12,308,007	\$ 2,718,101	\$ 1,301,789	\$ 46,669,507	
General Fund Reserve (15%)	\$ 6,073,592	\$ -	\$ -	\$ -	\$ -	\$ 6,073,592	
General Fund Reserve (20%)	\$ -	\$ 15,768,018	\$ 3,308,007	\$ 2,718,101	\$ 1,301,789	\$ 23,095,915	
Payoff of the Balloon \$32 million Pension Obligation Bond	\$ -	\$ 4,500,000	\$ 5,000,000	\$ -	\$ -	\$ 9,500,000	Paid off over 10 Years. Final payoff schedule will be determined based on market rates and financing options available at that time.
50% Funding for Workers Comp and General Liability	\$ -	\$ 4,000,000	\$ 4,000,000	\$ -	\$ -	\$ 8,000,000	\$8 million is estimated to result in a 50% funding level by FY 2021
Critical Operating Needs	\$ 3,476,408	\$ 5,606,203	\$ 10,890,091	\$ 17,352,773	\$ 10,804,472	\$ 48,129,948	
Funding Gap - Existing Services (based on the FY 16-17 1st Qtr General Fund Operating Deficit estimate)	\$ 3,471,408	\$ 4,914,203	\$ 10,189,841	\$ 16,643,861	\$ 10,086,464	\$ 45,305,777	Based on 5-Year Model and largely associated with union contracts. Model assumes no raises for SEIU in Year 5.
Principal Analyst (City Manager's Office)	\$ -	\$ 165,000	\$ 173,250	\$ 181,913	\$ 191,008	\$ 711,171	
Budget Engagement Commission Support	\$ 5,000	\$ 27,000	\$ 27,000	\$ 27,000	\$ 27,000	\$ 113,000	Supplies, printing and mailing, video and security staff
Contingency Replenishment	\$ -	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 2,000,000	
Public Safety	\$ 450,000	\$ 9,875,418	\$ 12,995,389	\$ 15,624,884	\$ 18,184,260	\$ 57,129,951	
Additional Sworn Police Positions	\$ -	\$ 3,700,000	\$ 6,500,000	\$ 8,800,000	\$ 11,000,000	\$ 30,000,000	Year 2: Add back 17 sworn officers reduced during FY 2016-18 Two-Year Budget Year 3: Add 16 additional officers Year 4: Add 14 additional officers Year 5: Add 13 additional officers * 60 total sworn positions; all positions have an estimated 5% annual increase for salaries, benefits, etc.
Additional Dispatchers	\$ -	\$ 260,000	\$ 480,000	\$ 705,000	\$ 930,000	\$ 2,375,000	Year 2: Add 3 additional dispatchers Year 3: Add 2 additional dispatchers Year 4: Add 2 additional dispatchers Year 5: Add 2 additional dispatchers * 9 total dispatchers are all net "new" positions; all positions have an estimated 5% annual increase for salaries, benefits, etc.
Civilian Personnel (non-dispatchers)	\$ -	\$ 790,000	\$ 813,700	\$ 838,111	\$ 888,398	\$ 3,330,209	Year 2: Add back all non-sworn FY 2016-18 Two-Year Budget Reductions, including records specialist (2), sr. office specialist (2), assistant range master (0.75), sr. police records specialist (2), background investigator (1.25), custodian (1), general service worker (1), office specialist (1) * 11 total civilian (non-dispatchers); all positions have an estimated 3% annual increase for salaries, benefits, etc.
Reinstatement of Fire Squad	\$ 450,000	\$ 792,798	\$ 832,438	\$ 874,060	\$ 917,763	\$ 3,867,058	Estimates include 5% annual increases (salaries, benefits, etc.).
Reinstatement of Captains (Training and Arson)	\$ -	\$ 450,025	\$ 472,526	\$ 496,153	\$ 520,960	\$ 1,939,664	Estimates include 5% annual increases (salaries, benefits, etc.).
Reinstatement of Battalion Chief	\$ -	\$ 282,595	\$ 296,725	\$ 311,561	\$ 327,139	\$ 1,218,020	Estimates include 5% annual increases (salaries, benefits, etc.).
Police Vehicles (Replacement, maintenance, and repair)	\$ -	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 8,000,000	
Fire Vehicles (Replacement, maintenance, and repair)	\$ -	\$ 1,600,000	\$ 1,600,000	\$ 1,600,000	\$ 1,600,000	\$ 6,400,000	
Quality of Life	\$ -	\$ 8,440,000	\$ 2,909,500	\$ 479,975	\$ 3,451,474	\$ 15,280,949	
Street Maintenance and Repair - Partial Funding	\$ -	\$ 7,000,000	\$ 1,500,000	\$ -	\$ 3,000,000	\$ 11,500,000	
Tree Trimming - Partial Funding	\$ -	\$ 1,000,000	\$ 1,000,000	\$ -	\$ -	\$ 2,000,000	
Community Advocate (City Manager's Office)	\$ -	\$ 165,000	\$ 173,250	\$ 181,913	\$ 191,008	\$ 711,171	Salary and Benefits: Based on Tier 2 employee. 5% increased for first four years. 2% increases thereafter.
Prosecutor (City Attorney's Office)	\$ -	\$ 225,000	\$ 236,250	\$ 248,063	\$ 260,466	\$ 969,778	
Quality of Life Survey	\$ -	\$ 50,000	\$ -	\$ 50,000	\$ -	\$ 100,000	Quality of life surveys

Category	Year 1	Year 2	Year 3	Year 4	Year 5	5 Year Totals	Notes
	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21		
Facility Capital Needs	\$ -	\$ 3,000,000	\$ 10,700,000	\$ 16,650,000	\$ 17,850,000	\$ 48,200,000	
New Police Headquarters							Estimated \$50 million - Depending on features, liability costs will increase.
New Downtown Main Library							Estimated \$30 million
New Parking Garage 1	\$ -	\$ -	\$ 7,200,000	\$ 14,400,000	\$ 14,400,000	\$ 36,000,000	Estimated \$15 million
New Parking Garage 2							Estimated \$15 million
Convention Center Expansion							Estimated \$40 million
Museum Expansion and Rehab							Estimated \$15 million
Annual Deferred Maintenance (Existing Facilities) - Partial Funding	\$ -	\$ 1,000,000	\$ 1,500,000	\$ 250,000	\$ 1,450,000	\$ 4,200,000	
Annual Allocation for Neighborhood Capital Projects (New)	\$ -	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 8,000,000	\$250,000 utilized per Councilmember and the Mayor for capital related projects each year.
Technology	\$ -	\$ -	\$ 2,000,000	\$ -	\$ 1,750,000	\$ 3,750,000	
New Enterprise Resource Planning (ERP) System - Partial Funding	\$ -	\$ -	\$ 1,000,000	\$ -	\$ 1,000,000	\$ 2,000,000	General Fund portion only.
Cybersecurity - Partial Funding	\$ -	\$ -	\$ 500,000	\$ -	\$ 250,000	\$ 750,000	
Hardware (servers, storage, and network equipment) - Partial Funding	\$ -	\$ -	\$ 500,000	\$ -	\$ 500,000	\$ 1,000,000	
						\$ -	
						\$ -	
1% Tax Expenditure Plan Totals	\$ 10,000,000	\$ 51,189,640	\$ 51,802,987	\$ 52,825,733	\$ 53,341,995	\$ 219,160,355	
Annual Net Surplus/(Deficit)	\$ 0	\$ 367,360	\$ 269,583	\$ (232,438)	\$ (222,766)	\$ 181,739	

CRITICAL ITEMS THAT REMAIN UNFUNDED							
FY 2016-18 Budget Reductions (non-sworn)	\$ -	\$ 3,659,044	\$ 3,659,044	\$ 3,659,044	\$ 3,659,044	\$ 14,636,176	
Intern and Volunteer Coordinator	\$ -		\$ 90,000	\$ 94,500	\$ 99,225	\$ 283,725	
Liability for excess unused vacation	\$ -	\$ -	\$ 1,000,000	\$ -	\$ -	\$ 1,000,000	
Facility Capital Needs - Additional Need		\$ 2,000,000	\$ 1,500,000	\$ 2,750,000	\$ 1,550,000	\$ 7,800,000	
Street Maintenance and Repair - Additional Need	\$ -	\$ 3,000,000	\$ 8,500,000	\$ 10,000,000	\$ 7,000,000	\$ 28,500,000	
Tree Trimming - Additional Need	\$ -	\$ 1,000,000	\$ 1,000,000	\$ 2,000,000	\$ 2,000,000	\$ 6,000,000	
New Enterprise Resource Planning (ERP) System - Additional Need	\$ -	\$ -	\$ -	\$ 1,000,000	\$ 2,000,000	\$ 3,000,000	
Technology Items (hardware, cybersecurity, etc. not included) - Additional Need	\$ -	\$ -	\$ 1,500,000	\$ 2,500,000	\$ 1,750,000	\$ 5,750,000	
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Total Critical Items Not Included	\$ -	\$ 9,659,044	\$ 17,249,044	\$ 22,003,544	\$ 18,058,269	\$ 66,969,901	

ATTACHMENT 2



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: JANUARY 31, 2017
FROM: FINANCE DEPARTMENT WARDS: ALL
SUBJECT: MEASURE Z SPENDING PRIORITIES

ISSUES:

Receive and provide input on Measure Z spending priorities, and direct staff to work with the Budget Engagement Commission to develop a five-year spending plan for Measure Z in time for the May 9, 2017 City Council meeting.

RECOMMENDATIONS:

That the City Council:

1. Receive and provide input on Measure Z spending priorities; and
2. Direct staff to work with the Budget Engagement Commission to refine a five-year spending plan for Measure Z in time for the May 9, 2017 City Council meeting.

BACKGROUND:

Approved by the residents of Riverside on November 8, 2016, Measure Z is a one-percent transaction and use tax (sales tax), estimated to generate approximately \$10 million in revenues in Fiscal Year (FY) 2016-17 and \$51.5 million annually beginning in FY 2017-18. Measure Z will sunset in 20 years unless it is approved again in a mandatory election in November 2036.

During the FY 2016-2018 Budget Process in February-June 2016, staff presented to the community, City employees and unions, and the City Council a listing of the City's critical unfunded operational and capital needs. The operational needs alone (excluding new facilities) totaled more than \$225 million over five years, or approximately \$45 million per year. The most critical examples of highly critical unfunded needs are presented on Attachment 1A. In addition to these totals, the annual Capital Improvement Plan (CIP) approved by the City Council, includes more than \$1.1 billion of unfunded projects (e.g. new facilities, road projects, etc.). See Attachment 1B.

In addition to the unfunded needs analysis, the City Council approved approximately \$11 million in annual General Fund reductions to balance the FY 2016-2018 Budget (Attachment 2). The reductions have impacted services to residents/business and have hampered public safety response times.

To help address the service cuts as well as a portion of the City's critical unfunded needs, at staff's recommendation, the Mayor and the City Council placed a measure on the November 8, 2016, ballot for a one-percent increase in the City's sales tax rate. The residents of Riverside approved Measure Z with 60% approval. Effective April 1, 2017, the City's sales tax rate will increase from the current 7.75% to 8.75%.

On December 20, 2016, the City Council authorized Measure Z revenues and expenditures to be tracked in Fund 110, and appropriated funding for the restoration of a Fire Squad. (The cost of the Fire Squad is \$450,000 in FY 2016-17 and \$800,000 in FY 2017-18).

DISCUSSION:

How the Sales Tax Revenue is Calculated?

Sales Tax revenue is remitted to the City by the State Board of Equalization on a monthly basis. The monthly payments are discounted based on a formula determined by the State; the City receives the majority but not all revenue collected by local retailers. Every third month, the State transmits to the City a "true-up" payment to fully account for the discounted amounts in the preceding two months.

In Fiscal Year 2016-17, the City expects to receive from the State \$10 million of Measure Z revenue. Beginning July 1, 2017, annual Measure Z revenue is expected to total over \$50 million. Staff's projections include a 1% growth rate for Measure Z revenues.

Proposed Measure Z Spending Priorities

Based on the City's fiscal needs outlined during the budget process, which ultimately led to the placement of Measure Z on the ballot, the following spending priorities are recommended for Measure Z. Attachment 3 provides details in the format of a five-year spending plan for Measure Z.

Fiscal Discipline: It is imperative for the City to continue strengthening its financial position, increasing reserves and paying off debt / liabilities.

A. Maintain Healthy General Fund Reserve: Increase the General Fund Reserve to the 20% aspirational goal approved by the City Council by the end of FY 2017/18.

B. Pay Off Most Risky Debt / Liabilities:

- 1) Over a 10-year term, pay off the \$31.1 million Pension Obligation Bond.
In 2004 and 2005, the City made a decision to issue Pension Obligation Bonds (POBs) to prefund its unfunded retirement liability as calculated by the State CalPERS system. On 6/29/2004, \$89,540,000 of fixed-rate POBs were issued for the public safety retirement obligation, and on 6/30/2005, an additional \$60,000,000 in POBs were sold related to non-sworn employees. In plain terms, the City of Riverside had accumulated

\$150 million in pension liability without setting aside funds to cover this debt. This pension liability means that the cost of public safety and other services supplied by the City of Riverside before 2004 was not fully paid for at the time the service was provided – hence, it was “unfunded”.

Half of the 2005 POBs were financed using a fixed-rate bond, and the other half was issued at a variable rate, with principal “balloon payments” in the final five years of its 20-year term. In February 2008, the variable-rate \$30 million POB that carried a balloon payment was further restructured into an annual bond, which requires remarketing every year. The current outstanding principal amount on this variable-rate annual POB is \$31,145,000. **The current annual POB instrument leaves the principal unpaid indefinitely.** Unless this debt is paid off soon, it will continue to create an unsustainable and unfair burden for future generation of taxpayers in the City.

- 2) Increase funding for claim and settlement liabilities from the current 33% level to a 50% level. The industry standard is 100% - however, the City can only afford a 50% funding at this time.

Critical Non-Safety Service Needs: These items represent critical, non-public safety related, items that are necessary to avoid reducing services to the public.

- A. **General Fund Shortfall:** The Proposed Measure Z Spending Plan includes funding for the General Fund’s estimated annual shortfalls. Continued revenue weakness in the City’s key revenues sources (primarily the base sales tax, property tax and utility consumption tax) leads to projected – and growing – gaps in funding necessary to pay for **existing** critical services. The projected gaps, unless addressed with Measure Z revenues, would lead to service cuts. The projections are based on the actual revenues and spending during July-December 2016, as detailed in the First Quarter Financial Report (see Attachment 4).
- B. **Replenishment of Contingency Funding:** The FY 2016-18 budget initially contained \$500,000 in annual contingency funding, to address critical needs during the year. The funding has been almost completely used, mainly to create a formal Budget Office.
- C. **Principal Analyst:** During the FY 2016-20118 Two-Year Budget, the City Manager’s Office eliminated two Principal Analyst positions. Staff recommends restoring one of these two analyst positions.

Critical Public Safety Needs:

- A. **Additional Sworn Officers:** The Riverside Police Department, with the current sworn staffing of 350, is 234 officers below an average of other similar West Coast cities. The Police Department believes that instead of 234, 60 additional new police officer positions should be sufficient to significantly improve public safety response and outreach in the Riverside community. Staffing up of the Department will be accomplished first by reinstating the Police Department’s FY 2016-2018 4% reductions (17 positions) in FY 2017/18, with the additional 43 employees being added in the three years after that.
- B. **Additional Civilian Positions:** The additional sworn officers will require addition of nine new dispatchers and reinstatement of all other civilian cuts (a total of 20 additional positions).

- C. Fire Personnel: The proposed spending plan includes funding for the fire squad that was returned to service in December 2016, along with the reinstatement of two Fire Captain positions reduced during the FY 2016-2018 Budget process.
- D. Police and Fire Vehicles: Currently, the City does not set aside funding for repair and replacement of police and fire vehicles. The proposed spending plan includes the necessary annual amounts- i.e., \$2 million for police and \$1.6 million for fire, annually, for the first five years, later decreasing to \$400,000 for police and \$320,000 for fire.

Quality of Life Issues: The Proposed Measure Z Spending Plan includes funding for streets, tree trimming and personnel to address quality of life issues in the community. Riverside made a significant investment in its infrastructure during the Renaissance, and needs to continue building on that momentum.

- A. Street Maintenance and Repair: The proposed plan more than doubles the annual street funding set aside in the General Fund, from \$2 million annually to an average of \$4.3 million annually. Additional significant funding is available through federal and state sources. These new funds will not place all of the City's streets and sidewalks in an excellent condition – however, they should help to significantly improve the current quality of pavement in the city. Public Works staff estimates that the additional \$2.3 million in annual funding will allow paving or preserving approximately 15 additional miles per year, compared to the current annual cycle of 28 miles.
- B. Tree Trimming: \$2 million in additional tree trimming funding is recommended over the next five years, or an average of \$400,000 per year. This represents a 44% increase from the current annual funding of \$900,000. Public Works staff estimates that this additional funding would double the number of trees trimmed each year, reducing the tree trimming cycle from the current 8-9 years to six years starting in 2019.
- C. Community Advocate and Prosecutor: These two positions (one in the City Manager's Office and the other in the City Attorney's Office) are necessary to effectively support the multi-functional Ward Action Teams – which, upon City Council approval, will be deployed throughout the City to attack and resolve quality of life issues such as homelessness and vandalism.
- D. Quality of Life Survey: No funding currently exists for the biennial Quality of Life survey, to gauge the residents' satisfaction with the quality of life in the City, and identify any concerns that require corrective action.

Critical Infrastructure Needs: The Riverside Renaissance capital improvement project successfully revitalized the City. However, it has been over 10 years since that significant capital investment was made. The City has significant additional capital needs, which must be addressed. The most critical capital investment needs include:

- A. New and Expanded City Facilities: Funding from Measure Z could support issuance of approximately \$165 million in an infrastructure bond, to pay for new police headquarters, new Downtown Main Library, two new downtown parking garages, expansion of the Convention Center, and renovation, expansion and improvement of the Metropolitan Museum. Measure Z was approved by voters for a 20-year term, and the capital bond to construct the additional facilities would be issued for the same term.

- B. Facility Repair and Maintenance: The City has many facilities that are in need of repair and improvements, including but not limited to police and fire stations, libraries and recreation centers, and government offices. Currently, very limited funding exists to properly maintain and repair these facilities. An additional \$4.2 million over the next five years will help improve the condition of many of the City’s facilities, thereby avoiding unsustainable major repair or replacement costs. This funding, however, is insufficient to address all facility repair needs, and over \$1.5 million annually will remain unfunded.
- C. Ward Specific Capital Projects: Staff proposes to provide the Mayor and each City Council ward with \$250,000 per year in funding for capital projects throughout in the City. This will allow the Mayor and each Council member to improve existing capital facilities, purchase equipment or address other critical needs existing in specific City neighborhoods. Multiple years of funding could be combined to pay for larger projects, and/or Mayor and Council members could pool their individual funding allocations for joint projects. Unspent funds will be carried over into future years.

These proposed funds are in addition to the already approved capital projects included in the City’s five-year Capital Improvement Program (CIP). The approved CIP projects are located throughout the City, in various wards. A summary of these projects, by dollar amount, can be found below.

Ward	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21
1	5,477,300	3,082,500	3,626,000	1,265,000	1,285,000
2	2,350,000	2,950,000	-	-	-
3	9,495,556	5,003,433	3,771,900	4,000,500	36,000
4	30,000	240,000	100,000	-	-
5	13,325,000	-	-	10,000	-
6	22,000	25,000	-	-	-
7	10,000	-	-	-	-
<i>Multiple Wards</i>	<i>6,901,130</i>	<i>5,075,000</i>	<i>6,327,500</i>	<i>1,304,800</i>	<i>1,328,900</i>
<i>All Wards</i>	<i>54,838,000</i>	<i>48,393,000</i>	<i>62,124,000</i>	<i>52,185,000</i>	<i>53,547,000</i>
TOTALS	92,448,986	64,768,933	75,949,400	58,765,300	56,196,900

Technology: A quick review of the national news in the past several months provides ample evidence of the need to improve technology, especially in the field of cybersecurity. The City has many needs for critical technology items, such as a new enterprise resource planning (ERP) system to effectively manage financial and personnel resources, cyber security tools, and hardware replacements (servers, storage, network, etc.). While the City’s unfunded needs in the area of technology are much more significant, staff recommends setting aside a total of \$3.75 million over five years to address the most critical technology requirements.

What Remains Unfunded

During presentation of critical unfunded needs in early 2016, and subsequent conversations regarding Measure Z, staff has repeatedly pointed out that the \$50 million annual Measure Z revenue would be insufficient to address all of the City’s critical needs. The Measure Z proposed spending priorities discussed above reflect staff’s recommendations on the needs that must be addressed immediately, i.e. in the first five years. However, this leaves a number of other critical needs unaddressed. These are summarized in Attachment 3, and include the following:

- A. FY 2016-18 Budget Cuts: Approximately \$11 million in annual budget reductions were made during the FY 2016-18 budget. The only budget cuts that staff has proposed restoring with Measure Z funds are for police and fire staffing, as discussed above. Currently no funds remain to restore other budget reductions, such as Community Livability Programs totaling \$900,000, City Manager's Office staffing of \$200,000, Innovation and Technology staffing of \$320,000, Code Enforcement Abatement of \$160,000 and Community and Economic Development professional services of \$200,000.
- B. Volunteer and Intern Coordinator: The City requires a designated professional to effectively engage in City government the next generation of employees through internships, and City residents and businesses through volunteer opportunities. Unfortunately, funds are currently not available for this critical position.
- C. Excess Vacation Liability: The City has traditionally allowed employees to accrue vacation in excess of annual maximum amounts. On a going forward basis, this issue will need to be resolved in collaboration with employees and employee unions. However, even with a prospective solution in place, the City currently owes approximately \$1 million to its employees for earned but unused vacation. The City has never set aside funds to address this ongoing liability.
- D. Additional Needed Facility Repair and Maintenance: As discussed above, additional \$1.5 million-\$2.0 million is needed annually to fully address all of the City's current facility repair needs – which traditionally have been grossly underfunded.
- E. Additional Needed Street and Tree Maintenance: The funding recommended above will make significant improvements in street and tree maintenance. However, additional funding is required to fully address the City's needs in these categories.
- F. Additional Critical Technology Investments: Similar to streets, trees and facilities, additional funds are needed for critical technology investments.

What's Next

Staff is seeking initial input from the City Council on the Measure Z spending priorities, as reflected in Attachment 3, and recommends that the priorities be finalized into a formal five-year spending plan in collaboration with the Budget Engagement Commission (BEC).

The timeline below reflects various related meetings and actions, by the City Council and the BEC, for planning purposes.

- 1. February 14, 2017 - City Council Meeting: Appointment of BEC members by the City Council.
- 2. February 23, 2017 – BEC Meeting: Introduction, Rules of Order and Measure Z planning.
- 3. March 9, 2017 – BEC Meeting: Measure Z five-year spending plan.
- 4. April 6, 2017 – BEC Meeting: Second Quarter financial report (FY 16/17) and Measure Z.

5. April 11, 2017 – City Council Meeting: Second Quarter financial report (FY 16/17).
6. **May 9, 2017 – Joint City Council and BEC Meeting: Measure Z Recommendations.**
7. June 8, 2017 – BEC Meeting: Third Quarter financial report (FY 16/17) and FY 17/18 Mid-Cycle proposed adjustments.
8. **June 13, 2017 – City Council Meeting: Third Quarter financial report (FY 16/17) and FY 17/18 Mid-Cycle proposed adjustments.**

FISCAL IMPACT:

There is no fiscal impact associated with the preliminary discussion on Measure Z spending priorities.

Prepared by: Adam Raymond, Assistant Chief Financial Officer
Certified as to
availability of funds: Scott G. Miller, PhD, Chief Financial Officer/Treasurer
Approved by: Marianna Marysheva, Assistant City Manager
Approved as to form: Gary G. Geuss, City Attorney

Attachments:

- 1A: Critical Unfunded Needs
- 1B: Capital Improvement Plan – Unfunded Projects
- 2: FY 2016-2018 General Fund Reductions
- 3: Proposed Measure Z Spending Priorities (five years)
- 4: FY 2016/17 First Quarter Financial Report

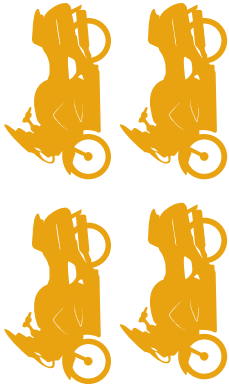


City of Riverside's Critical Unfunded Needs

Based on the FY 2016-2018
Budget Review

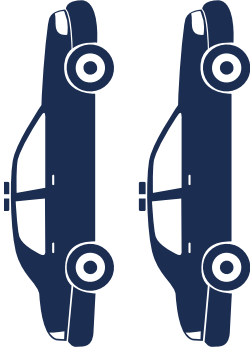
POLICE VEHICLES

NEEDS FOR CURRENT STAFFING



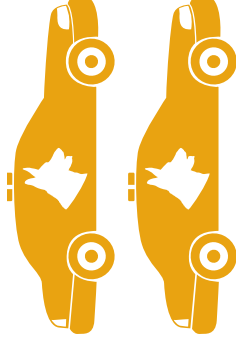
Motorcycles
4 Needed

Total Cost: \$106,000



Reserved Vehicles
2 Needed

Total Cost: \$106,000



K-9 Units
4 Needed

Total Cost: \$106,000



Unmarked Vehicles
25 Needed

Total Cost: \$530,000



Marked Vehicles
18 Needed

Total Cost: \$955,000

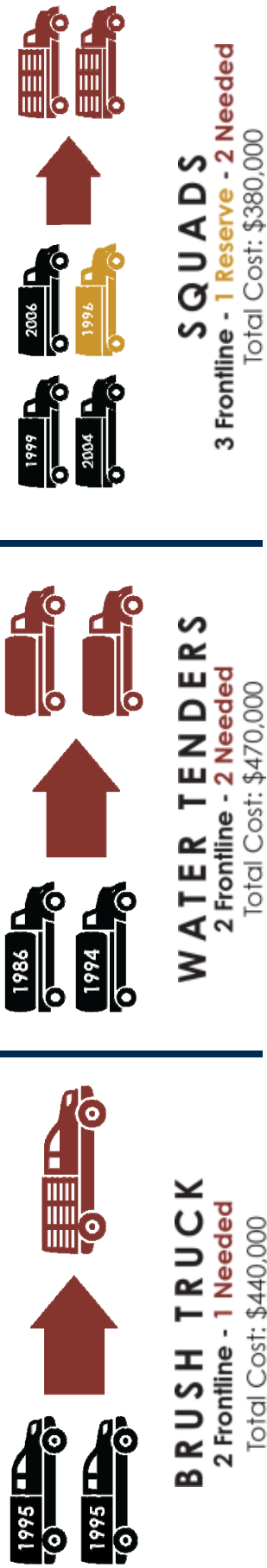
TOTAL REPLACEMENTS NEEDED: 51

Total Cost: \$9.2 million; approximately \$1.8 million annually



FIRE VEHICLES

NEEDS FOR CURRENT STAFFING



TOTAL VEHICLES: 40 **TOTAL REPLACEMENTS NEEDED: 15**
Total Cost: \$7.89 million; approximately \$1.58 million annually

LEGEND | FRONTLINE | RESERVE | REPLACEMENT



OTHER FLEET REPLACEMENT AND REPAIR NEEDS



Water Trucks



Dump Trucks



Sedan



Pickups & SUV



Flatbeds



Large Line Heavy Trucks



Vans



Refuse Packers



Sweepers

POLICE STAFFING NEEDS

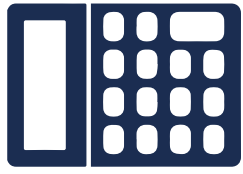
Police Staffing	Riverside	Industry Standard*
Number of Officers	350	584
Total Population	324,696	N/A
Officers per 1,000 residents	1.08	1.8

* Per 2014 FBI Uniform Crime Rate Report. Average per cities on the West Coast

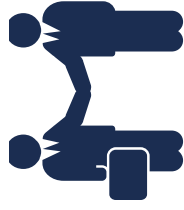
- Police Department estimates 410 sworn personnel are needed
 - Approximately \$11 million annually (60 additional officers)
 - Includes salary and benefits, misc. equipment, ballistic vests, weapons, tasers, polygraphs, exams, and background investigations



OTHER STAFFING NEEDS



FINANCE



HUMAN
RESOURCES



CITY MANAGER'S
OFFICE



PARKS & REC



LIBRARIES



FLEET AND BUILDINGS



FACILITY MAINTENANCE GAPS

Maintenance Budget & FTE History

Current Year

\$368,000 (Maintenance Budget)

13.25 FTEs (7 Field Technicians)

Estimated Annual Need

\$668,000 (Maintenance Budget)

18 FTEs (12 Field Technicians)

Deferred Annual Maintenance

\$ 2 - 3 Million

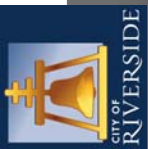
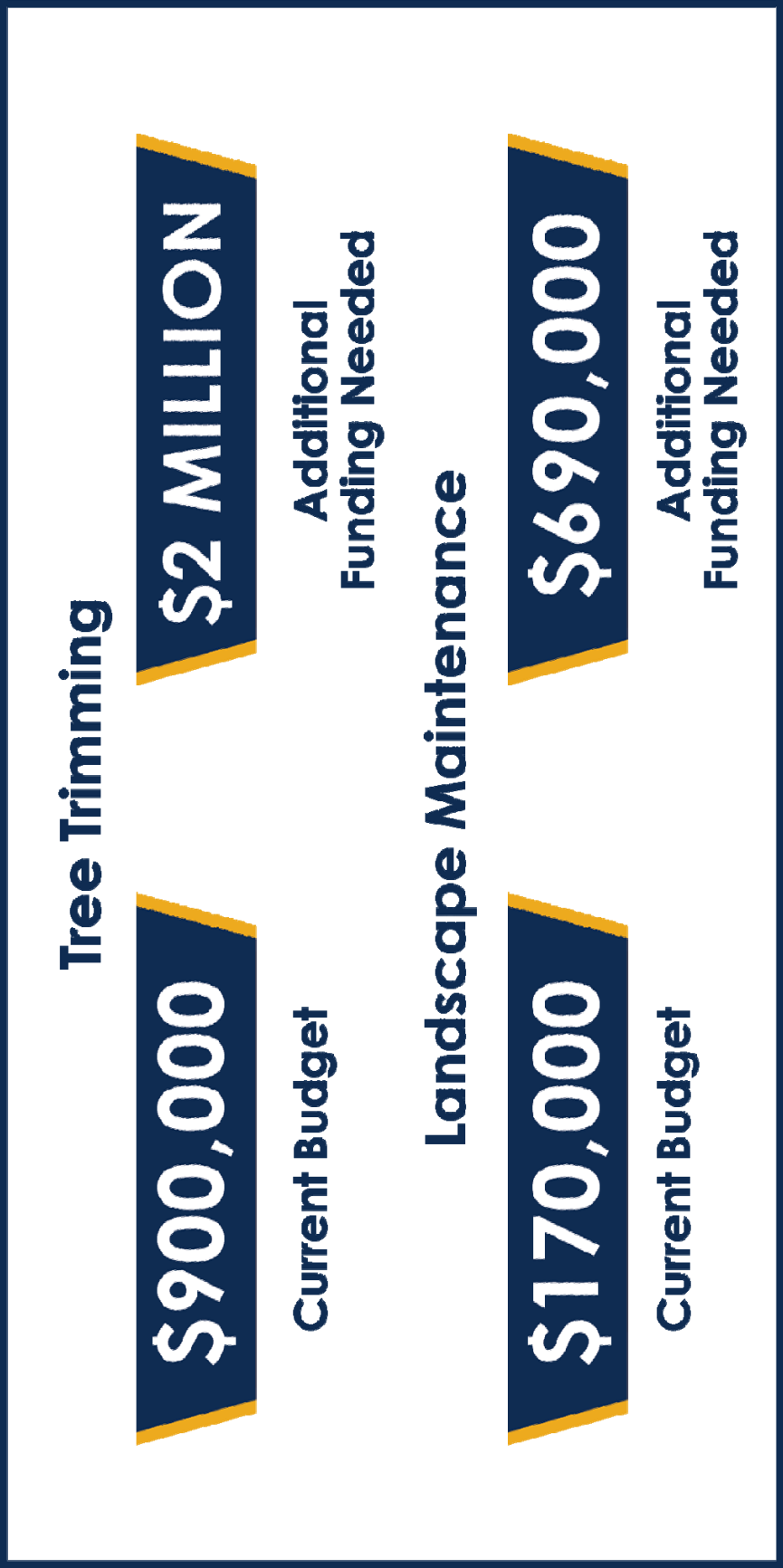


BACKLOG OF STREET REPAIRS

Category	Arterials	Minor Streets
Current Budget	\$2,400,000	\$3,300,000
Funded Miles Per Year	2.4	21.56
Current Backlog of Repairs	56 Miles	400 Miles
Estimated Funding Needed Based on Backlog	\$53,000,000	\$160,000,000
Estimated Annual Need (Best Practice)	\$10,100,000	\$16,500,000



UNDERFUNDED TREE AND LANDSCAPE MAINTENANCE



UNFUNDED CRITICAL I.T. PROJECTS

Total cost: \$36.5 million; approximately \$7.3 million annually

Hardware

\$13 MILLION

(e.g. network, storage, servers, etc.)

System Upgrades

\$8.5 MILLION

(e.g. financial, work order, GIS etc.)

Citywide Computer Replacement

\$6.5 MILLION

(e.g. financial, work order, GIS etc.)

Cybersecurity Related Tools, Training & Staff

\$4.5 MILLION

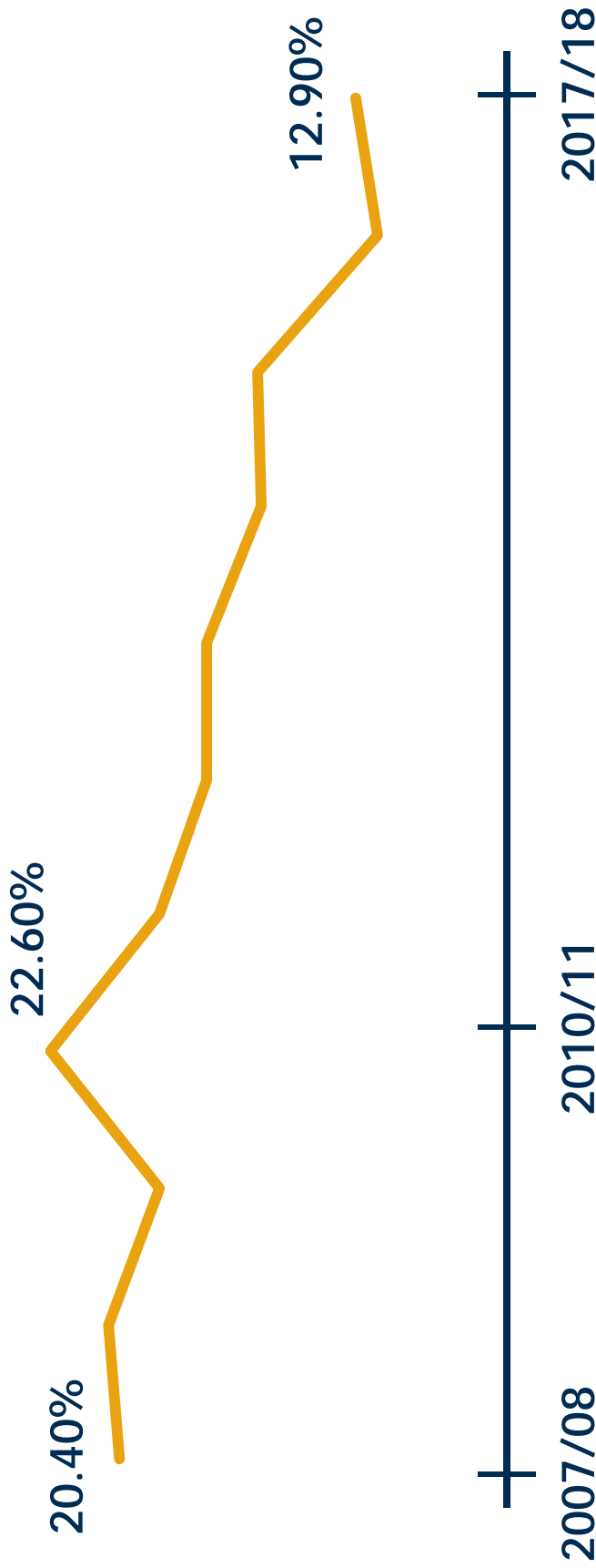
Additional Staffing

\$4 MILLION

(e.g. application development, project management, etc.)



DIMINISHING RESERVES



Healthy reserves are a key factor for consideration by bond rating agencies.



UNFUNDED PENSION BOND PRINCIPAL



\$31 MILLION



YEARS OF CONSTRAINED FUNDED AND SHORT-TERM BALANCING MEASURES



Resulted in an \$11 million annual budget gap, leading to cuts and leaving the unfunded needs unaddressed

NEW LABOR CONTRACTS: PARTNERSHIP COMPENSATION MODEL

Employees will be responsible for:



Their portion of
pension costs



½ of Medical
Increases



Raises tied to
performance of
City/General
Fund

NEED FOR NEW REVENUE

Measure Z: \$48-50 million annually to the General Fund, for critical City services



City Council will approve spending priorities based on input from staff (critical unfunded needs and cuts), Budget Engagement Commission, and constituents

**Attachment C
Capital Improvement Program Unfunded Projects (All Years)**

Unfunded CIP Projects by Department and Project	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	Unfunded 5-Year Total	Unfunded Beyond 5-Years	Unfunded CIP Total All Years
General Services								
Add Value/Increase Efficiency								
Branch Library Improvements (Misc)	100,000	100,000	100,000	100,000	100,000	500,000	-	500,000
City Buildings - Automation Systems (Energy Efficiency) (2 of 2, Unfunded Portion)	-	-	-	-	-	-	195,000	195,000
City Buildings - Fox Theater Facility Repairs (Ongoing) (2 of 2, Unfunded Portion)	-	-	-	-	-	-	170,000	170,000
City Hall Fan/HVAC	100,000	-	-	-	-	100,000	-	100,000
City Hall Parking Lot Rehab	30,000	-	-	-	-	30,000	-	30,000
Convention Center Facility Refurbishment (Ongoing)	20,000	20,000	20,000	20,000	20,000	100,000	-	100,000
Convention Center Minor Facility Repairs (Ongoing)	40,000	40,000	40,000	40,000	40,000	200,000	-	200,000
Corp Yard EV Chargers	-	41,000	-	-	-	41,000	-	41,000
Corporation Yard Parking Lot Repaving	150,000	50,000	50,000	50,000	50,000	350,000	-	350,000
Downtown Library Renovation	-	-	-	-	-	-	15,000,000	15,000,000
Fire Department USAR Building Roof Repairs	-	30,000	-	-	-	30,000	-	30,000
Fire Station 3 Metal Parking Structure/Cover	-	-	178,000	-	-	178,000	-	178,000
Fire Station 5 Install waterwise landscaping	-	-	-	-	15,000	15,000	-	15,000
Fire Station 7 Install waterwise landscaping	-	-	-	-	15,000	15,000	-	15,000
Fire Station 8 New Roof	35,000	-	-	-	-	35,000	-	35,000
Fox Theater Facility Repairs (Ongoing)	40,000	40,000	10,000	40,000	40,000	170,000	-	170,000
Harada House - Robinson House Preservation (Interior and Exterior)	-	-	-	50,000	-	50,000	-	50,000
Heritage House - Replace HVAC with Custom System	25,000	25,000	25,000	25,000	-	100,000	-	100,000
Heritage House - Soffit/gutter/exterior wood repairs	18,000	18,000	18,000	18,000	18,000	90,000	-	90,000
La Sierra Library HVAC / Fans	45,000	-	-	-	-	45,000	-	45,000
La Sierra Library Roof Replacement	-	85,000	-	-	-	85,000	-	85,000
La Sierra Window Replacement	-	20,000	5,000	-	-	25,000	-	25,000
Marcy HVAC Replacement	-	-	-	-	125,000	125,000	-	125,000
Metropolitan Museum - Copper Roof Repair	40,000	-	-	-	-	40,000	-	40,000
Municipal Auditorium Replace / Repair Wood Floors	-	-	-	-	20,000	20,000	-	20,000
Orange Terrace HVAC Upgrades/Replacements	-	25,000	-	-	-	25,000	-	25,000
Police Department - Orange Street Roof Repair	50,000	-	-	-	-	50,000	-	50,000
Police Department Aviation Fuel Tank Assessment and Replacement	-	220,000	-	-	-	220,000	-	220,000
TV Screen in main shop to monitor Lincoln & Acorn cameras	-	6,500	-	-	-	6,500	-	6,500
Add Value/Increase Efficiency Total	\$ 693,000	\$ 720,500	\$ 446,000	\$ 343,000	\$ 443,000	\$ 2,645,500	\$ 15,365,000	\$ 18,010,500
Cost Reduction								
AIM2 Wireless devices for FMU's	-	50,000	-	-	-	50,000	-	50,000
Automation Systems (Energy Efficiency)	75,000	60,000	60,000	-	-	195,000	-	195,000
Fire Station 4 Generator & Transfer Switch Replacement	47,000	-	-	-	-	47,000	-	47,000
Fire Station 7 Generator & Transfer Switch Replacement	47,000	-	-	-	-	47,000	-	47,000
Fire Station 8 Generator & Transfer Switch Replacement	47,000	-	-	-	-	47,000	-	47,000
Cost Reduction Total	\$ 216,000	\$ 110,000	\$ 60,000	\$ -	\$ -	\$ 386,000	\$ -	\$ 386,000
Enhancement/Beautification								
Arlington Library Garden Area Renovation	10,000	10,000	-	-	-	20,000	-	20,000
Casa Blanca Library Drywall Repair	5,000	-	-	-	-	5,000	-	5,000
City Hall Carpet Replacements (incl Chambers)	32,000	32,000	32,000	32,000	60,000	188,000	-	188,000
City Hall Parking Garage Elevator Replacement	-	-	-	-	100,000	100,000	-	100,000
Convention Center Annex/Expansion/Events Center	-	-	-	-	-	-	80,000,000	80,000,000
Corp Yard Satellite Building Paint	12,000	-	-	-	-	12,000	-	12,000
Eastside Carpet Replacement	-	-	-	-	46,000	46,000	-	46,000
Fire Station 10 Bath & Recreation Room Remodel	10,700	-	-	-	-	10,700	-	10,700
Fire Station 2 Battalion 2 office & bath remodel	-	40,000	-	-	-	40,000	-	40,000
Fire Station 4 Kitchen Remodel (cabinets, flooring, paint & appliances)	-	45,000	-	-	-	45,000	-	45,000
Fire Station 7 Kitchen Remodel (Cabinets, flooring, paint & appliances)	-	45,000	-	-	-	45,000	-	45,000
Fire Station 8 Concrete Driveway Replacement	42,000	-	-	-	-	42,000	-	42,000
Fire Station 8 Kitchen Remodel (cabinets, flooring, paint & appliances)	45,000	-	-	-	-	45,000	-	45,000
Fire Station 9 Install Waterwise Landscaping	-	-	-	-	15,000	15,000	-	15,000
Harada House - Restoration and Historic Preservation	-	-	-	-	3,000,000	3,000,000	-	3,000,000
Harada House Full Rehabilitation	-	-	-	-	-	-	5,000,000	5,000,000
Heritage House - Repaint	-	60,000	-	-	-	60,000	-	60,000
Heritage House - Rewiring, Period Lighting	-	150,000	-	-	-	150,000	-	150,000
La Sierra Interior Renovation	-	-	40,000	-	-	40,000	-	40,000
Marcy Carpet Replacement	-	30,000	-	-	-	30,000	-	30,000

Capital Improvement Program Unfunded Projects (All Years)

Unfunded CIP Projects by Department and Project	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	Unfunded 5-Year Total	Unfunded Beyond 5-Years	Unfunded CIP Total All Years
Metropolitan Museum Improvements - Medallion Relocation	40,000	-	-	-	-	40,000	-	40,000
Municipal Auditorium Carpet Replacement	-	-	-	45,000	-	45,000	-	45,000
Municipal Auditorium New Electronic Sign	-	-	-	-	35,000	35,000	-	35,000
New Downtown Library	-	-	-	-	-	-	30,000,000	30,000,000
Police Department - Flooring for Magnolia & Lincoln	-	-	-	-	180,000	180,000	-	180,000
Replace Carpet	-	-	-	-	350,000	350,000	-	350,000
Terminal Parking Lot Slurry Seal	-	-	-	150,000	-	150,000	-	150,000
Enhancement/Beautification Total	\$ 196,700	\$ 412,000	\$ 72,000	\$ 227,000	\$ 3,786,000	\$ 4,693,700	\$ 115,000,000	\$ 119,693,700
Health and Safety								
City Buildings - Fire Station Improvements (All) (2 of 2, Unfunded Portion)	50,000	50,000	50,000	-	-	150,000	-	150,000
City Buildings - Miscellaneous Improvements at City Facilities (2 of 2, Unfunded Portion)	110,000	110,000	110,000	110,000	110,000	550,000	-	550,000
City Buildings - Police Department Improvements (2 of 2, Unfunded Portion)	50,000	30,000	30,000	50,000	30,000	190,000	-	190,000
City Hall - Install Fire Suppression System in Basement (IT System)	250,000	-	-	-	-	250,000	-	250,000
CNG Dispenser drive-off protection	-	30,000	-	-	-	30,000	-	30,000
Fire - EOC Data Center Sprinkler Removal and Security Improvements	-	-	250,000	-	-	250,000	-	250,000
Fire Station 10 Security Fencing	20,000	20,000	-	-	-	40,000	-	40,000
Fire Station 3 Flooring Replacement (Carpet to Tile)	10,000	-	-	-	-	10,000	-	10,000
Fire Station 4 Flooring Replacement (Carpet to Tile)	10,000	-	-	-	-	10,000	-	10,000
Fire Station 4 Security Fencing	20,000	20,000	-	-	-	40,000	-	40,000
Fire Station 9 Security Fencing	20,000	20,000	-	-	-	40,000	-	40,000
Fire Station Security Systems (All)	20,000	20,000	20,000	20,000	20,000	100,000	-	100,000
Harada House - Foundation Repairs	500,000	500,000	-	-	-	1,000,000	-	1,000,000
Harada House - Robinson House Foundation Repairs	-	-	-	20,000	-	20,000	-	20,000
Heritage House - Exterior Lighting for Barn, Carriage House, Path Replacement	200,000	-	-	-	-	200,000	-	200,000
Heritage House - Structural Assessments	-	15,000	-	-	-	15,000	-	15,000
Heritage House - Various Security Enhancements	50,000	-	-	-	-	50,000	-	50,000
Heritage House-Perimeter Fencing	-	60,000	-	-	-	60,000	-	60,000
Metropolitan Museum Improvements (reconfigure basement, waterproof basement walls, security, key system, flooring)	95,000	75,000	75,000	75,000	75,000	395,000	-	395,000
Orange Terrace Library Security Camera	-	-	10,000	-	-	10,000	-	10,000
Police Department - Orange Street Material Abatement	50,000	-	-	-	-	50,000	-	50,000
Police Department Surveillance Cameras	30,000	-	-	-	-	30,000	-	30,000
Police Department Improvements - Unfunded Component	-	-	-	-	-	-	30,000,000	30,000,000
Police Department Magnolia Sprinkler Line Removal and Security Improvements	40,000	-	-	-	-	40,000	-	40,000
Security System Improvements Citywide	150,000	-	-	-	-	150,000	-	150,000
Upgrade Security Cameras	-	50,000	-	-	-	50,000	-	50,000
Health and Safety Total	\$ 1,675,000	\$ 1,000,000	\$ 545,000	\$ 275,000	\$ 235,000	\$ 3,730,000	\$ 30,000,000	\$ 33,730,000
Legal Mandate								
City Buildings - Americans with Disabilities Act Modifications at Various City Facilities (2 of 2, Unfunded Portion)	110,000	110,000	150,000	150,000	150,000	670,000	-	670,000
Fire Station 11 Gender Modifications	-	750,000	-	-	-	750,000	-	750,000
Fox Theater Carpet Replacement	-	300,000	-	-	-	300,000	-	300,000
Harada House - Robinson House Construct Interpretive Center	-	-	-	-	500,000	500,000	-	500,000
Heritage House - ADA Elevator	-	-	-	20,000	-	20,000	-	20,000
Municipal Auditorium - Install elevator/lift for ADA Access to Third Floor	-	-	-	-	300,000	300,000	-	300,000
Museum Storage Collection Facility	-	-	-	-	-	-	8,000,000	8,000,000
Upgrade Terminal Restrooms ADA	50,000	-	-	-	-	50,000	-	50,000
Legal Mandate Total	\$ 160,000	\$ 1,160,000	\$ 150,000	\$ 170,000	\$ 950,000	\$ 2,590,000	\$ 8,000,000	\$ 10,590,000
General Services Total	\$ 2,940,700	\$ 3,402,500	\$ 1,273,000	\$ 1,015,000	\$ 5,414,000	\$ 14,045,200	\$ 168,365,000	\$ 182,410,200
Parks, Recreation, and Community Services								
Add Value/Increase Efficiency								
Andulka Park - Drainage and landscaping improvements around tennis courts	-	-	-	-	-	-	100,000	100,000
Arlington Heights Sports Park - Secure bioswale with decorative permanent fencing	-	-	-	-	-	-	75,000	75,000

Capital Improvement Program Unfunded Projects (All Years)

Unfunded CIP Projects by Department and Project	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	Unfunded 5-Year Total	Unfunded Beyond 5-Years	Unfunded CIP Total All Years
Arlington Park - Challenge Course - Pro 4000 with 40 yard dash	-	-	-	-	-	-	350,000	350,000
Arlington Park - Design and const. of park additional walkway/area lighting improvements and LED Conversion of existing.	-	-	-	-	-	-	275,000	275,000
Arlington Park - Design and const. to replace existing small shade shelter with a new 24' Hex. shade shelter, including 2 picnic tables, trash cans and lighting.	-	-	-	-	-	-	94,000	94,000
Arlington Park - Design and Construction of a new 36" Hex. Shade shelter with 2 trash cans, 4 picnic tables and lighting. Using extra Structure in Maint. Yard.	-	-	-	-	-	-	115,000	115,000
Bergamont Park - Playground Shade Sails	-	-	-	-	-	-	85,000	85,000
Bobby Bonds Park - Cesar Chavez Auditorium - Acoustics and Sound System	-	-	-	-	-	-	103,000	103,000
Bobby Bonds Park - Cesar Chavez Auditorium - Stage Lighting	-	-	-	-	-	-	77,000	77,000
Bobby Bonds Park - Gymnasium automatic adjustment for basketball hoops. Provides a safer way to adjust hoops to serve ea. division of youth sports & adults.	-	-	-	-	-	-	15,000	15,000
Bobby Bonds Park - Pool Filter replacement (9 remaining)	-	-	-	-	-	-	150,000	150,000
Bobby Bonds Park - Refurbish artificial turf field. Included removal and replacement of surface. Which should be scheduled every 10 years	-	-	-	-	-	-	450,000	450,000
Bordwell Park - Design and construction of gymnasium	-	-	-	-	-	-	4,738,000	4,738,000
Bordwell Park - Nati Fuentes Centro de Ninos - VCT Replacement & Sealing	-	-	-	-	-	-	150,000	150,000
Bryant Park - Gymnasium automatic adjustment for basketball hoops. Provides a safer way to adjust hoops to serve ea. division of youth sports & adults.	-	-	-	-	-	-	15,000	15,000
Bryant Park - Tennis court lighting - Design and Construction, with input from adjacent residential prop. required.	-	-	-	-	-	-	190,000	190,000
Castleview Park - Design and construction of park.	-	-	-	-	-	-	11,506,000	11,506,000
Challen Park - Passive Recreational development and improvements; such as, trails, viewpoint, signage, picnic shelter, maybe a playground, parking, etc.	-	-	-	-	-	-	1,875,000	1,875,000
City-wide - Action Skate Parks - Planning, Design and Construction of two new action skate parks at future undetermined locations.	-	-	-	-	-	-	6,000,000	6,000,000
City-wide - Parking Lot Rehabilitation - Grind, overlay and restripe various Park parking lots in all wards	-	-	-	-	-	-	500,000	500,000
City-wide - Trails - Gage Canal Trail Improvements	-	-	-	-	-	-	2,770,000	2,770,000
City-wide - Trails - MWD box Springs Feeder Trail Improvements	-	-	-	-	-	-	5,900,000	5,900,000
City-wide - Trails - Seven Mile Trail Improvements	-	-	-	-	-	-	19,625,000	19,625,000
Collett Park - Install par course / fitness stations (4 total), incl. demo, grading, D.G. area with concrete mow curbs, irrigation. & planting modifications.	-	-	-	-	-	-	90,000	90,000
Don Derr Park - Playground Poured-in-place surfacing replacement	-	-	-	-	-	-	125,000	125,000
Don Jones Park - Challenge Course Teen Playground - Pro 4000 with 40 yard dash (challenge course might not fit on site).	-	-	-	-	-	-	350,000	350,000
Don Jones Park - Decomposed path 10' wide around park - Phase I approx. 450 L.F. with mow curbs, d.g., irrigation adjustments, etc.	-	-	-	-	-	-	50,000	50,000
Don Jones Park - Decomposed path 10' wide around park - Phase I approx. 650 L.F. with mow curbs, d.g., irrigation adjustments, etc.	-	-	-	-	-	-	75,000	75,000
Don Jones Park - Exercise Stations at three areas along pathway (six pieces of equipment) with d.g., mow curbs and landscape modifications.	-	-	-	-	-	-	120,000	120,000
Eldorado Park - Phase II -design and construction of three fitness areas (6 pieces of equipment total)	-	-	-	-	-	-	100,000	100,000
Eldorado Park - Phase II -design and construction of walking/jogging path remaining 800 l.f.	-	-	-	-	-	-	90,000	90,000
Fairmount Park - Dexter Parking Lot(NW of Lake Evans) & lights w/120 spaces	-	-	-	-	-	-	504,000	504,000
Fairmount Park - Duck Island cleanup/controlled burn	-	-	-	-	-	-	12,000	12,000

Capital Improvement Program Unfunded Projects (All Years)

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Fairmount Park - Expand Golf Course to 18 Holes - Not Economically Feasible and recommend addition of putting course per item above in lieu of 9 hole expansion.	-	-	-	-	-	-	500,000	500,000
Fairmount Park - Fairmount Court Parking Lot (by the Tennis Courts) with lights (40 spaces)	-	-	-	-	-	-	250,000	250,000
Fairmount Park - Fairmount Park Banks Intersection/Pedestrian Access	-	-	-	-	-	-	350,000	350,000
Fairmount Park - Fairmount/Historic Core Phase I (Band shell, Amphitheater Renovation)	-	-	-	-	-	-	1,250,000	1,250,000
Fairmount Park - Fairmount/Lighting & Lakeshore Access Improvements Lake Evans-Phase II	-	-	-	-	-	-	825,000	825,000
Fairmount Park - Golf Course - Pitch and Putt Course	-	-	-	-	-	-	950,000	950,000
Fairmount Park - Izaak Walton Kitchen and Restroom Modernization	-	-	-	-	-	-	75,000	75,000
Fairmount Park - Izaak Walton Sound Attenuation / Roof Insulation	-	-	-	-	-	-	50,000	50,000
Fairmount Park - Kitchen upgrade at the Boathouse	-	-	-	-	-	-	65,000	65,000
Fairmount Park - Lawn Bowling Building Replacement and site improvements	-	-	-	-	-	-	650,000	650,000
Fairmount Park - Locomotive repairs/painting (specialty paint)	-	-	-	-	-	-	100,000	100,000
Fairmount Park - Market Street Frontage Improvement - Enhance Entry at Redwood.	-	-	-	-	-	-	65,000	65,000
Fairmount Park - Move Armory and construct New 12,000 SF PRCS Admin Office - Might not be needed now that we have a new location at Marcy	-	-	-	-	-	-	3,500,000	3,500,000
Fairmount Park - North Hill (curb and gutter, sidewalk, trail, picnic table)	-	-	-	-	-	-	750,000	750,000
Fairmount Park - Pathway lighting repairs near bowling green fence/Carousel Playground (not connected at construction)	-	-	-	-	-	-	15,000	15,000
Fairmount Park - R&R rose garden gazebo and arches	-	-	-	-	-	-	75,000	75,000
Fairmount Park - Recreational Adventure Park expansion (West Side of Lake Evans) Mitigate impact at 2008 dredging spoils site.	-	-	-	-	-	-	4,500,000	4,500,000
Fairmount Park - Renovate the old bldg. for bike rental	-	-	-	-	-	-	35,000	35,000
Fairmount Park - Repair Weir Gate	-	-	-	-	-	-	100,000	100,000
Fairmount Park - Re-Roof old stables	-	-	-	-	-	-	15,000	15,000
Fairmount Park - Scout Camp Renovation (Ropes challenge course)	-	-	-	-	-	-	220,000	220,000
Fairmount Park - Signage Improvements (Directional and Interpretive Signs and kiosks)	-	-	-	-	-	-	190,000	190,000
Fairmount Park - Spring Brook Wash renovation (Renovation. Mitigation area, low flow and high flow basin, inlet)	-	-	-	-	-	-	975,000	975,000
Fairmount Park - Tennis court resurfacing	-	-	-	-	-	-	15,000	15,000
Fairmount Park - Wilderness Area Improvements (hiking trails connection to Santa Ana River, spillways, nature center / pavilion); Exchange land area with Fish & Wildlife area near river up north as mitigation.	-	-	-	-	-	-	1,500,000	1,500,000
Fairmount Park -Lake Evans Water quality (Solarbee)	-	-	-	-	-	-	65,000	65,000
Goeske Park - Senior Center - New Senior Playground and Fitness Equipment	-	-	-	-	-	-	375,000	375,000
Golden Star Future Park - Design and Construction of new 19 AC neighborhood park including equestrian amenities, street improvements, basketball, playground, picnic shelter, multi-purpose field and parking lot.	-	-	-	-	-	-	8,880,000	8,880,000
Highland Park - Community Center and Site Improvements	-	-	-	-	-	-	1,750,000	1,750,000
Highland Park - Playground Improvements	-	-	-	-	-	-	250,000	250,000
Highland Park - Walking path around park with area lighting	-	-	-	-	-	-	275,000	275,000
Hole Lake Future Park Site - Hole Lake interpretive Area Expansion-non irrigated with pathways and disc golf course (37.6 AC)	-	-	-	-	-	-	4,000,000	4,000,000
Hole Lake Future Park Site - Hole Lake mitigation area with grading export included (12 AC)	-	-	-	-	-	-	2,000,000	2,000,000
Hole Lake Future Park Site - Rutland park expansion (15.3 AC) with parking lot, soccer fields, restroom, par-course, lighting, landscape, etc.	-	-	-	-	-	-	6,000,000	6,000,000
Hole Lake Future Park Site - Trail head improvements on 7.7 AC	-	-	-	-	-	-	850,000	850,000

Capital Improvement Program Unfunded Projects (All Years)

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Hunt Park - Replace one partition used to accommodate rentals and classes	-	-	-	-	-	-	30,000	30,000
Hunter Park - Design and construction of a Railroad Interpretive Kiosk / signage	-	-	-	-	-	-	68,000	68,000
Hunter Park - Renovate RLS entry fencing with ADA access, mural on bldg. and landscaping.	-	-	-	-	-	-	65,000	65,000
Indian Hill Acquisition	-	-	-	-	-	-	375,000	375,000
Islander Park - New Playground	-	-	-	-	-	-	600,000	600,000
Islander Park - Park and Trailhead improve., parking expansion, trail connections, ADA improve., pool building renovation, pool deck replacement, fencing, etc.	-	-	-	-	-	-	2,900,000	2,900,000
La Sierra Park - ADA pathway (1200 l.f.) from Senior Center Parking lot to ballfield & parking lot, including Decomposed Granite path w/mow curbs, landscaping & Furniture.	-	-	-	-	-	-	168,000	168,000
La Sierra Park - ADA pathway Phase II around ballfields, including Decomposed Granite path w/mow curbs, landscaping & Furniture.	-	-	-	-	-	-	60,000	60,000
Lincoln Park - Basketball Court Improvements (resurface, furniture, landscaping, etc.)	-	-	-	-	-	-	15,000	15,000
Lincoln Park - Community Fruit Tree Grove Garden Enhancements. Including, decomposed granite pathway, benches, trashcans, and landscaping	-	-	-	-	-	-	65,000	65,000
Loring Park - Various Improvements throughout park	-	-	-	-	-	-	2,250,000	2,250,000
Low Park and Parent Navel Lot - Playground area next to library with fencing around, shaded, drinking fountain, benches, lighting, etc.	-	-	-	-	-	-	650,000	650,000
Mission Ranch Future Park per MP - Addition of skate park	-	-	-	-	-	-	2,000,000	2,000,000
Mission Ranch Future Park per MP - Community Center	-	-	-	-	-	-	4,000,000	4,000,000
Mission Ranch Future Park per MP - Design and Construction of new 12 AC park including parking lot, street improvements, ballfield, basketball, playground, picnic shelter, multi-purpose field and restroom storage bldg.	-	-	-	-	-	-	6,550,000	6,550,000
Mount Rubidoux Park - San Andreas Ave. Entry drainage improvements and trail improvements around entry area	-	-	-	-	-	-	175,000	175,000
Mount Rubidoux Park - San Andreas Ave. Streetscape and drainage improvements	-	-	-	-	-	-	175,000	175,000
Mount Rubidoux Park - Trails and Firebreak Repair and Modification	-	-	-	-	-	-	108,000	108,000
Mount Vernon Future Park - Future Park Development - clamshell backstop, picnic shelter, playground, open turf, lighting, walking paths, trail access and street improvement.	-	-	-	-	-	-	4,000,000	4,000,000
Mount Vernon Open space - Trail Improvements including improvements on Park site	-	-	-	-	-	-	1,700,000	1,700,000
Mountain View Park - Playground Poured-in-place Surfacing Replacement	-	-	-	-	-	-	125,000	125,000
Myra Linn Park - Add a shade sail to playground structure at the 5-12 playground. Structure is manufactured by Landscape Structures.	-	-	-	-	-	-	90,000	90,000
Myra Linn Park - Group Picnic shelters (3): Replace tables with concrete ones (3 ea. @ \$1100 ea.), install D.G. around the BBQ (300 sf ea.), add ash can for BBQ, replace trash can with concrete one (1 ea.), paint the metal shade structure.	-	-	-	-	-	-	65,000	65,000
Myra Linn Park - Install 2 conc. picnic tables, a trash can, and a small shelter next to the 2-5 playground	-	-	-	-	-	-	35,000	35,000
Myra Linn Park - Install a companion / expression swing at the 5-12 playground	-	-	-	-	-	-	5,000	5,000
Myra Linn Park - Install lighting for the basketball court	-	-	-	-	-	-	100,000	100,000
Myra Linn Park - Install lighting for the tennis court	-	-	-	-	-	-	150,000	150,000
Myra Linn Park - Install new sidewalk connecting from Cook Ave. to the playground (6'-7' wide) (330 l.f.) = 2310 sf x \$10/sf	-	-	-	-	-	-	35,000	35,000
Myra Linn Park - Install par course / fitness stations (4 total) throughout new sidewalk, including demolition, grading, decomposed granite area with concrete mow curbs, irrigation and planting modifications.	-	-	-	-	-	-	90,000	90,000

Capital Improvement Program Unfunded Projects (All Years)

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Myra Linn Park - Replace flood light fixtures (4) near the playground	-	-	-	-	-	-	12,000	12,000
Myra Linn Park - Replace trash cans with metal ones (B-K Custom); 3 to 10 each	-	-	-	-	-	-	9,600	9,600
Myra Linn Park - Turf conversion @ school side of parking lot for water conservation at \$3/s.f. - turf replaced with drip irrigation and drought tolerant landscaping (390 l.f. x 6' = 2340 sf)	-	-	-	-	-	-	10,000	10,000
Nichols Park - Add a shade sail to playground structure. Structure is manufactured by Landscape Structures	-	-	-	-	-	-	90,000	90,000
Nichols Park - Exercise path around field, 2400 linear feet of 10' wide d.g.(\$50,000) with 3,800 l.f.. of 6" concrete mow curbs (\$61,000). 180 l.f.. of 10' wide concrete path (\$14,000). (4) Trashcans (\$3,400) and (3) dog bag dispensers (\$1,000). Allowance for clear, grub, grading, export, mobilizing, landscape (\$60k)	-	-	-	-	-	-	265,000	265,000
Nichols Park - Exterior Front Entry Lighting for Trellis and Paving and Electrical upgrade	-	-	-	-	-	-	21,000	21,000
Nichols Park - Exterior Storage Container replacement with TuffShed	-	-	-	-	-	-	18,500	18,500
Nichols Park - Front Entry Area Improvements - 500SF Trellis (\$38,000), Fountain/statue (\$25,000), Raised planters 110LF (\$9,000), Foundation planters 500SF (\$3,000), R&R 2000SF front A.C and replace with rose garden (\$18,000), R&R 4000SF paving (\$38,000), Allowance for clear, grub, grading, mobilization, etc. (\$45,000)	-	-	-	-	-	-	246,000	246,000
Nichols Park - Joyce Jackson Building Sign. 14" high cast aluminum letters	-	-	-	-	-	-	7,000	7,000
Nichols Park - New 18,000SF Community Center including all exterior improvements (\$6.6 million)	-	-	-	-	-	-	6,600,000	6,600,000
Nichols Park - New acoustic paneling for walls and repair drop ceiling in multipurpose room.	-	-	-	-	-	-	5,000	5,000
Nichols Park - Rear Entry / Picnic Area Improvements - New 2400SF picnic area with tree arcade (\$24,000), 12 arcade 36" box trees w/ grate (\$18,000) Misc. 2000SF Paving Expansion / ADA Impv.(\$19,000), Convert 2500SF turf to drip and shrub/G.C. areas (\$12,500), Allowance of (\$15,000) for grading, mobilization, etc.	-	-	-	-	-	-	125,000	125,000
Nichols Park - Remove and replace interior solid doors with 6 wood framed glass doors, including new hardware.	-	-	-	-	-	-	11,000	11,000
Nichols Park - Replace Poured-in-place rubberized surfacing. 4,500 sf of removal and replacement of surface coat	-	-	-	-	-	-	125,000	125,000
North Park - Fence along parking lot to isolate park	-	-	-	-	-	-	100,000	100,000
North Park - Stage or area to allow music, eating lunch, reading, etc. WI-FI	-	-	-	-	-	-	100,000	100,000
Orange Terrace Park - Playground Shade Sails	-	-	-	-	-	-	85,000	85,000
Orange Terrace Park - Replace one partition used to accommodate rentals and classes	-	-	-	-	-	-	30,000	30,000
Patterson Park - Park Renovation per Specific Plan with soccer field, picnic shelters, par course, two playgrounds, basketball court and community garden.	-	-	-	-	-	-	2,200,000	2,200,000
Proposed Airport Park - New 4 acre park with playground, walking path, picnic tables and parking lot. Maybe a dog run and open turf area. Park with airplane theme with bike or tricycle runway.	-	-	-	-	-	-	1,500,000	1,500,000
Reid Park - Clubhouse Kitchen Improvements	-	-	-	-	-	-	85,000	85,000
Reid Park - Clubhouse Renovation to improve multi-purpose room including a new deck awning and energy conservation enhancements (lighting, window covering, etc.)	-	-	-	-	-	-	120,000	120,000
Reid Park - Community Center Renovation	-	-	-	-	-	-	850,000	850,000
Reid Park - Community Garden Improvements	-	-	-	-	-	-	50,000	50,000
Reid Park - Little League / Rugby Restroom / Concession building Remove and replace	-	-	-	-	-	-	750,000	750,000
Reid Park - Little League / Rugby Restroom / Concession building Sewer improvement to gravity feed to community center	-	-	-	-	-	-	85,000	85,000
Reid Park - Sports Complex Expansion on 64 AC	-	-	-	-	-	-	27,000,000	27,000,000
Rutland Park - Par Course replacement with new equipment	-	-	-	-	-	-	50,000	50,000

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Ryan Bonaminio Park at Tequesquite Arroyo - Interpretive and way finding signage including 6 signs (Arroyo, alkali meadow, native plants, wildlife, trail head, education)	-	-	-	-	-	-	125,000	125,000
Shamel Park - Shamel Pool Bldg, solar shad structure, paving and landscaping improvements like at Hunt Park.	-	-	-	-	-	-	1,250,000	1,250,000
Swanson Park - Exercise stations areas with d.g. mow curbs and two pieces of equipment each(3 total).	-	-	-	-	-	-	100,000	100,000
Swanson Park - Small playground features	-	-	-	-	-	-	250,000	250,000
Sycamore Canyon Wilderness Park - Sycamore Canyon Trailhead at Barton and Alessandro	-	-	-	-	-	-	1,850,000	1,850,000
Sycamore Canyon Wilderness Park - Trail Maintenance - adjustment of existing trail alignments and fixing ruts and other drainage mitigation	-	-	-	-	-	-	79,000	79,000
Tequesquite Open Space - Trail head improve. and linear agricultural park on 54.99 AC parcel on S. side of Tequesquite. MSCP conserve easement on westerly portion	-	-	-	-	-	-	2,750,000	2,750,000
Tequesquite Open Space - Trail head improve., nature play and agricultural park on 63.65 AC parcels on N. side of Tequesquite. MSCP conserve easement on westerly portion	-	-	-	-	-	-	3,200,000	3,200,000
Thundersky Park - Replacement of existing playground equipment	-	-	-	-	-	-	500,000	500,000
Villegas Park - MP Phase II - baseball field renovation, backstop fencing and bleacher renovation	-	-	-	-	-	-	85,000	85,000
Villegas Park - MP Phase II - improv. to decomposed granite jogging path around N. PL. Including drainage, lighting, and landscape.	-	-	-	-	-	-	675,000	675,000
Villegas Park - MP Phase II - Jogging path expansion around playground with mow curb and landscaping modifications.	-	-	-	-	-	-	60,000	60,000
Villegas Park - MP Phase II - Jogging path expansion around softball field with mow curb and landscaping modifications. Connects to Bunker lot.	-	-	-	-	-	-	60,000	60,000
Villegas Park - MP Phase II - New outfield fencing for softball field, backstop and bleacher renovation	-	-	-	-	-	-	135,000	135,000
Villegas Park - MP Phase II - Synthetic Soccer field to replace existing field	-	-	-	-	-	-	1,100,000	1,100,000
Villegas Park - Replace two partitions used to accommodate rentals and classes	-	-	-	-	-	-	50,000	50,000
White Park - Senior Center Window wood blind replacement for 28 windows.	-	-	-	-	-	-	15,000	15,000
Add Value/Increase Efficiency Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 177,622,100	\$ 177,622,100
Cost Reduction								
Arlington Park - Tennis court resurfacing of existing AC courts (2 courts)	-	-	-	-	-	-	125,000	125,000
Bobby Bonds Park - Cesar Chavez Auditorium wood floor refinish, including stage	-	-	-	-	-	-	15,500	15,500
Bobby Bonds Park - Cesar Chavez Interior and Exterior paint with matching historic colors	-	-	-	-	-	-	62,000	62,000
Bobby Bonds Park - Cesar Chavez Roof Replacement	-	-	-	-	-	-	335,000	335,000
Bobby Bonds Park - Restoration / Repair of auditorium chairs	-	-	-	-	-	-	5,000	5,000
Bobby Bonds Park - Youth Opportunity Center Gym floor refurbishment	-	-	-	-	-	-	10,500	10,500
Bobby Bonds Park - Youth Opportunity Center roof skylight repair	-	-	-	-	-	-	35,500	35,500
Bryant Park - Gym Floor wood refinishing	-	-	-	-	-	-	10,500	10,500
City-wide - Pool Refurbishment - Replace plaster, cracked deck, equipment, etc. at various Pools in all wards.	-	-	-	-	-	-	1,300,000	1,300,000
City-wide - Water Conservation Projects - Remove and replace turf with drip irrigation and draught tolerant planting at various park sites.	-	-	-	-	-	-	500,000	500,000
Collett Park - Playground Equipment Replacement with new surfacing. Over 20 years old.	-	-	-	-	-	-	295,000	295,000
Collett Park - Shade Shelter wood lattice roof replacement - Three total	-	-	-	-	-	-	32,000	32,000
Don Derr Park - Design and Const. to replace existing restroom and concession building with a new building	-	-	-	-	-	-	1,100,000	1,100,000

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Don Jones Park - Remove and replace existing concession building	-	-	-	-	-	-	450,000	450,000
Don Lorenzi Park - Design and Const. to replace existing restroom with a new restroom	-	-	-	-	-	-	412,000	412,000
Eldorado Park - Phase II- Turf Conversion between new path and residents (approx. 40,000 s.f.)	-	-	-	-	-	-	140,000	140,000
Fairmount Park - Design and construct new Visitor Center 2500 SF	-	-	-	-	-	-	500,000	500,000
Fairmount Park - Fairmount/Historic Core Phase III (Lake Fairmount Pedestrian lakeshore Access, Special Event Access Road, Lighting, Parking Improvements)	-	-	-	-	-	-	2,250,000	2,250,000
Fairmount Park - Lake Dredging (20,000 CY) every 5 years to improve lake water quality.	-	-	-	-	-	-	400,000	400,000
Fairmount Park - Lake Evans Weir box repair	-	-	-	-	-	-	115,000	115,000
Fairmount Park - Lakeside Room - Paint In & Out + Out Bldgs	-	-	-	-	-	-	75,000	75,000
Fairmount Park - Market Street Frontage Improvement - New decorative fencing	-	-	-	-	-	-	100,000	100,000
Fairmount Park - paint picnic shelters	-	-	-	-	-	-	30,000	30,000
Fairmount Park - Paint rose garden fence	-	-	-	-	-	-	20,000	20,000
Fairmount Park - Park outbuilding painting (int/ext of restrooms, ext. stables, ext. old pool house).	-	-	-	-	-	-	30,000	30,000
Fairmount Park - Playground wood chip top off	-	-	-	-	-	-	10,000	10,000
Fairmount Park - Repair or replace lumber fishing pier	-	-	-	-	-	-	20,000	20,000
Fairmount Park - Repair plaster walking bridge	-	-	-	-	-	-	10,000	10,000
Fairmount Park - Repair plaster/paint old stables	-	-	-	-	-	-	25,000	25,000
Fairmount Park - Repair Wagner Lake area	-	-	-	-	-	-	300,000	300,000
Fairmount Park - Replace missing rose bushes in Rose Garden	-	-	-	-	-	-	1,500	1,500
Fairmount Park - Road maintenance on Dexter east side of lake	-	-	-	-	-	-	225,000	225,000
Fairmount Park - Road maintenance on other Streets	-	-	-	-	-	-	225,000	225,000
Fairmount Park - Storm drain Clearing - Universal Playground Parking Lot	-	-	-	-	-	-	25,000	25,000
Goeske Park - Senior Center - Replace Skylight and repair roof	-	-	-	-	-	-	75,000	75,000
Harrison Park - Rebuild existing sump pump located in the middle of the park	-	-	-	-	-	-	20,000	20,000
Hunt Park - Add exterior painting of community center, pool bldg & park restroom	-	-	-	-	-	-	75,000	75,000
Hunter Park - Installation of playground shade	-	-	-	-	-	-	75,000	75,000
La Sierra Park - Exercise stations along new walkways (7 total) in d.g. with mow curb and landscaping modifications.	-	-	-	-	-	-	125,000	125,000
La Sierra Park - Gymnasium automatic adjustment for basketball hoops. Provides a safer way to adjust hoops to serve ea. division of youth sports & adults.	-	-	-	-	-	-	15,000	15,000
La Sierra Park - La Sierra Community Center Gym Floor Resurfacing	-	-	-	-	-	-	10,500	10,500
La Sierra Park - La Sierra Community Center Paint Interior and Exterior	-	-	-	-	-	-	36,000	36,000
Loring Park - Remove and replace existing restroom	-	-	-	-	-	-	325,000	325,000
Myra Linn Park - Gate repair	-	-	-	-	-	-	2,500	2,500
Myra Linn Park - Install mow curb to separate the trail along Cook Ave. (450 l.f.)	-	-	-	-	-	-	12,000	12,000
Myra Linn Park - Replace old / broken play panels at the 5-12 playground	-	-	-	-	-	-	10,000	10,000
Myra Linn Park - Turf conversion at west side along Mobley Ave. at \$3/s.f. - turf replaced with drip irrigation and drought tolerant landscaping (195' x 30' = 5850 sf)	-	-	-	-	-	-	25,000	25,000
Nichols Park - 2000 s.f. turf replacement at entry sign at \$3/s.f. - turf replaced with drip irrigation and draught tolerant landscaping.	-	-	-	-	-	-	6,000	6,000
Nichols Park - 21,000 s.f. of turf replacement in parking lot. Replace with synthetic turf. at \$7.50 / s.f. Including R&R of existing turf.	-	-	-	-	-	-	220,500	220,500
Nichols Park - Energy audit recommended Lighting improvements. \$840 potential rebate. 3.6 years effective payback	-	-	-	-	-	-	13,000	13,000
Nichols Park - Gymnasium automatic adjustment for basketball hoops. Provides a safer way to adjust hoops to serve ea. division of youth sports & adults.	-	-	-	-	-	-	15,000	15,000

Capital Improvement Program Unfunded Projects (All Years)

Unfunded CIP Projects by Department and Project	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	Unfunded 5-Year Total	Unfunded Beyond 5-Years	Unfunded CIP Total All Years
Nichols Park - Joyce Jackson Building Paint Interior and Exterior	-	-	-	-	-	-	36,000	36,000
Nichols Park - Par Course exercise stations, 6 total, including demolition, grading, decomposed granite area with concrete mow curbs, irrigation and planting modifications.	-	-	-	-	-	-	100,000	100,000
Nichols Park - Remove and replace 3300SF VCT flooring.	-	-	-	-	-	-	7,000	7,000
Nichols Park - Replace basketball court surfacing	-	-	-	-	-	-	7,500	7,500
Orange Terrace Park - Community Center floor replacement - including moisture test and seal	-	-	-	-	-	-	103,000	103,000
Orange Terrace Park - Community Center Gym floor repair and refinish	-	-	-	-	-	-	15,500	15,500
Orange Terrace Park - Community Center Paint Interior and Exterior	-	-	-	-	-	-	42,000	42,000
Orange Terrace Park - Dance Room wood floor Refinish	-	-	-	-	-	-	10,500	10,500
Orange Terrace Park - Wading pool recirculating filtration system for splash pad, equipment, Health Dept. requirements and water savings	-	-	-	-	-	-	325,000	325,000
Patterson Park - Playground Equipment Replacement with new surfacing	-	-	-	-	-	-	450,000	450,000
Reid Park - Community Center Gym Wood Floor Refinish	-	-	-	-	-	-	11,000	11,000
Reid Park - Community Center Paint Interior and Exterior	-	-	-	-	-	-	36,000	36,000
Reid Park - Gymnasium automatic adjustment for basketball hoops. Provides a safer way to adjust hoops to serve ea. division of youth sports & adults.	-	-	-	-	-	-	15,000	15,000
Reid Park - Tennis Court Resurfacing (3 courts)	-	-	-	-	-	-	25,000	25,000
Reid Park - Water conservation Improvement to Calsense Irrigation Controller to connect to network system and upgrade controllers	-	-	-	-	-	-	75,000	75,000
Ryan Bonaminio Park at Tequesquite Arroyo - Splash pad water play improvement including recirculating system	-	-	-	-	-	-	550,000	550,000
Villegas Park - Community Center area roof replacement	-	-	-	-	-	-	150,000	150,000
Villegas Park - Community Center Sound System Improvement to expand into both gyms and to add a DVD connection in sound room	-	-	-	-	-	-	12,000	12,000
Villegas Park - Gymnasium automatic adjustment for basketball hoops. Provides a safer way to adjust hoops to serve ea. division of youth sports & adults.	-	-	-	-	-	-	15,000	15,000
White Park - ADA site concrete replacement to eliminate cracked and lifted concrete.	-	-	-	-	-	-	25,000	25,000
Cost Reduction Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,260,500	\$ 12,260,500
Enhancement/Beautification								
Ab Brown -Construct Playground	-	-	-	-	-	-	600,000	600,000
Arlanza Community Garden - Community Garden Entry Sign, Gazebo, fountain, demonstration garden and accessible pathway	-	-	-	-	-	-	120,000	120,000
Carlson Park - St. Francis Falls Restoration and Improvement in addition to \$94,000 Grant funding in 2015.	-	-	-	-	-	-	600,000	600,000
City-wide - Acquisition of Park Land - Acquisition of 4 AC Holcomb property adjacent to Ryan Bonaminio Park	-	-	-	-	-	-	110,000	110,000
City-wide - Acquisition of Park Land - Acquisition of various park lands 30AC Regional to meet General Plan goal 3 acres/1000	-	-	-	-	-	-	7,500,000	7,500,000
City-wide - Acquisition of Park Land - Acquisition of various park lands 60AC local to meet General Plan goal 3 acres/1000	-	-	-	-	-	-	30,000,000	30,000,000
City-wide - Wi-Fi at Community Centers - installation of wifi hot spots at all community centers (Bobby Bonds, Bordwell, Bryant, Hunt, La Sierra, La Sierra Senior Center, Dales, Nichols, Orange Terrace, Reid, Patterson, Lincoln) for public and programming use. Estimated \$12K per center.	-	-	-	-	-	-	156,000	156,000
Fairmount Park - Future Quarry Area Improvements - TBD	-	-	-	-	-	-	1,500,000	1,500,000
Lincoln Park - Security Cameras	-	-	-	-	-	-	75,000	75,000
Loring Park - Design Study and MP update to bring back the 1970s lakes powered by windmills. Including well rehabilitation study. County doesn't have plans nor the LA(Randy Hublic).	-	-	-	-	-	-	50,000	50,000

Capital Improvement Program Unfunded Projects (All Years)

Unfunded CIP Projects by Department and Project	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	Unfunded 5-Year Total	Unfunded Beyond 5-Years	Unfunded CIP Total All Years
Loring Park - Disc Golf Course - Design and Install an 18-hole course with tees, course map, info board and signage, etc.	-	-	-	-	-	-	55,000	55,000
Taft Park - Replacement of existing playground equipment	-	-	-	-	-	-	500,000	500,000
Enhancement/Beautification Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 41,266,000	\$ 41,266,000
Health and Safety								
Andulka Park - Wading pool recirculating filtration system for splash pad, equipment, Health Dept. requirements and water savings	-	-	-	-	-	-	325,000	325,000
Arlington Heights Sports Park - Wading pool recirculating filtration system for splash pad, equipment, Health Dept. requirements and water savings	-	-	-	-	-	-	325,000	325,000
Arlington Park - Construction of pool building renovation including chemical room structural rehabilitation, painting, surrounding landscape and lighting	-	-	-	-	-	-	225,000	225,000
Bergamont Park - Replace Playground Equipment and Surface	-	-	-	-	-	-	350,000	350,000
Bobby Bonds Park - Playground area lighting improvement	-	-	-	-	-	-	35,000	35,000
Bordwell Park - Challenge Course - Pro 4000 with 40 yard dash	-	-	-	-	-	-	350,000	350,000
Bordwell Park - Modernize park restrooms (Kansas side)	-	-	-	-	-	-	150,000	150,000
Bordwell Park - Playground poured-in-place surfacing replacement	-	-	-	-	-	-	128,500	128,500
Building Refurbishing Program - Annual Deferred Maintenance Projects	200,000	200,000	200,000	200,000	200,000	1,000,000	-	1,000,000
Carlson Park - Install new meter and backflow connection for Irrigation. Required to separate domestic water from Irrigation as well as to increase efficiency.	-	-	-	-	-	-	125,000	125,000
Castleview Park - Playground Surfacing Replacement	-	-	-	-	-	-	100,000	100,000
City-wide - Automatic Door Locking System for all parks - Add automated door locking system for 40 doors	-	-	-	-	-	-	280,000	280,000
Don Derr Park - Basketball Court Resurfacing	-	-	-	-	-	-	8,500	8,500
Don Jones Park - Remove and replace School property line fence (1,315 l.f.) with 6'-7' high fence adjacent to park to secure park site and add vehicular access gate (\$9,000) to control park access	-	-	-	-	-	-	84,000	84,000
Doty Trust Park - Slope stabilization at back open space trail connections	-	-	-	-	-	-	45,000	45,000
Doty Trust Park - Wading pool recirculating filtration system for splash pad, equipment, Health Dept. requirements and water savings	-	-	-	-	-	-	325,000	325,000
Fairmount Park - Fairmount/Historic Core Phase II (Restroom replacement)	-	-	-	-	-	-	350,000	350,000
Fairmount Park - Golf Course - Add 50' Netting along Freeway (2000 lf)	-	-	-	-	-	-	300,000	300,000
Fairmount Park - Golf Course - Expand and Renovate Cart Paths	-	-	-	-	-	-	250,000	250,000
Fairmount Park - Golf Course - New 75' net/post along Field Lane (450 lf)	-	-	-	-	-	-	90,000	90,000
Fairmount Park - Golf Course - Replace Back Driving Range Net/Post w/75' high Net (320 lf)	-	-	-	-	-	-	65,000	65,000
Fairmount Park - Golf Course - Replace Driving Range 50' Netting & adding 2 poles on Right Side	-	-	-	-	-	-	45,000	45,000
Fairmount Park - Lake Evans Spillway Improvements, Erosion Control	-	-	-	-	-	-	150,000	150,000
Fairmount Park - Lakeside Room - Refinish Wood Floors	-	-	-	-	-	-	15,000	15,000
Fairmount Park - Market Street Frontage Improvement - New landscaping and turf conversion	-	-	-	-	-	-	125,000	125,000
Fairmount Park - Market Street Frontage Improvement - New pedestrian access sidewalk	-	-	-	-	-	-	60,000	60,000
Fairmount Park - Replace lifted concrete fishing pier	-	-	-	-	-	-	10,000	10,000
Fairmount Park - Re-Roof old restroom building	-	-	-	-	-	-	15,000	15,000
Fairmount Park - Security Cameras	-	-	-	-	-	-	95,000	95,000
Fairmount Park - Splash Pad pool recirculating filtration system for splash pad, equipment, Health Dept. requirements and water savings	-	-	-	-	-	-	325,000	325,000
Fairmount Park - Spoils Area - Invasive spp. Clearance	-	-	-	-	-	-	75,000	75,000

Capital Improvement Program Unfunded Projects (All Years)

Unfunded CIP Projects by Department and Project	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	Unfunded 5-Year Total	Unfunded Beyond 5-Years	Unfunded CIP Total All Years
Harrison Park - Playground Engineered Wood Fibar Surfacing top-off.	-	-	-	-	-	-	31,000	31,000
Hunt Park - Paint Community Center Interior	-	-	-	-	-	-	25,000	25,000
Hunt Park - Pool Filter Replacements (3 Tanks)	-	-	-	-	-	-	46,500	46,500
Islander Park - Pool filter tank replacement (3 tanks)	-	-	-	-	-	-	45,000	45,000
Islander Park - Wading pool replacement with ADA splash pad, equipment, Health Dept. requirements, fencing, etc.	-	-	-	-	-	-	375,000	375,000
La Sierra Park - La Sierra Community Center HVAC Replacement	-	-	-	-	-	-	51,500	51,500
Lincoln Park - Playground lighting	-	-	-	-	-	-	45,000	45,000
Myra Linn Park - Provide ADA access to courts - Drainage swale is a tripping hazard	-	-	-	-	-	-	35,000	35,000
Myra Linn Park - Provide ADA path to a group picnic shelter by the playground (45 l.f. x 6' wide = 270 sf)	-	-	-	-	-	-	6,500	6,500
Myra Linn Park - Repair Poured-in-place rubberized surfacing at the 2-5 playground	-	-	-	-	-	-	4,000	4,000
Myra Linn Park - Repair Poured-in-place rubberized surfacing at the 5-12 playgrounds	-	-	-	-	-	-	5,000	5,000
Myra Linn Park - Replace old / broken play panels at the 2-5 playground	-	-	-	-	-	-	10,000	10,000
Myra Linn Park - Tennis court re-surfacing	-	-	-	-	-	-	8,500	8,500
Nichols Park - Front Door removal and replacement with storefront glass door	-	-	-	-	-	-	10,000	10,000
Orange Terrace Park - Exterior Basketball Court Resurfacing	-	-	-	-	-	-	7,500	7,500
Orange Terrace Park - Grease trap and kitchen upgrades for commercial kitchen at Community Center	-	-	-	-	-	-	125,000	125,000
Parks Refurbishing Program - Annual Deferred Maintenance Projects	200,000	200,000	200,000	200,000	200,000	1,000,000	-	1,000,000
Patterson Park - Playground Engineered Wood Fibar Top-off	-	-	-	-	-	-	30,000	30,000
Rancho Loma Park - Basketball Court Resurfacing	-	-	-	-	-	-	7,500	7,500
Rancho Loma Park - Playground Engineered Wood Fibar Surfacing Top-off	-	-	-	-	-	-	31,000	31,000
Reid Park - Rugby Field lighting Improvement	-	-	-	-	-	-	275,000	275,000
Rutland Park - Basketball court resurfacing	-	-	-	-	-	-	8,000	8,000
Rutland Park - Playground Engineered Wood Fibar Surfacing Top-off	-	-	-	-	-	-	31,000	31,000
Shamel Park - Pool filter replacement(3 tanks)	-	-	-	-	-	-	46,000	46,000
Shamel Park - Wading pool replacement with ADA splash pad, equipment, Health Dept. requirements, fencing, etc.	-	-	-	-	-	-	425,000	425,000
Sycamore Highlands Park - Playground poured in place rubber surfacing replacement	-	-	-	-	-	-	129,000	129,000
Sycamore Highlands Park - Wading pool recirculating filtration system for splash pad, equipment, Health Dept. requirements and water savings	-	-	-	-	-	-	325,000	325,000
Taft Park - Existing Tennis court resurfacing	-	-	-	-	-	-	8,000	8,000
Taft Park - Playground Engineered Wood Fibar Top-off	-	-	-	-	-	-	31,000	31,000
Taft Park - Shade Structure for Playground	-	-	-	-	-	-	95,000	95,000
Thundersky Park - Playground Engineered Wood Fibar Top-off	-	-	-	-	-	-	31,000	31,000
Villegas Park - Gym and boxing area wood floor refinish	-	-	-	-	-	-	25,000	25,000
Villegas Park - MP Phase II - Exercise stations along d.g. pathway (7 total) in d.g. with mow curb and landscaping modifications	-	-	-	-	-	-	125,000	125,000
Villegas Park - Wading pool replacement with ADA splash pad, equipment, Health Dept. requirements, fencing, etc.	-	-	-	-	-	-	395,000	395,000
Health and Safety Total	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 2,000,000	\$ 7,674,000	\$ 9,674,000
Legal Mandate								
Ab Brown - Parking lot pavement and other ADA improvements	-	-	-	-	-	-	500,000	500,000
City-wide - Park Master plan Update - GIS Inventory database model	-	-	-	-	-	-	25,000	25,000
Fairmount Park - Repair plaster/paint old RR building	-	-	-	-	-	-	25,000	25,000
Myra Linn Park - ADA Parking Lot Improvements - Add truncated domes on ramps	-	-	-	-	-	-	4,500	4,500
Legal Mandate Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 554,500	\$ 554,500
Parks, Recreation, and Community Services Total	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 2,000,000	\$ 239,377,100	\$ 241,377,100

Capital Improvement Program Unfunded Projects (All Years)

Unfunded CIP Projects by Department and Project	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	Unfunded 5-Year Total	Unfunded Beyond 5-Years	Unfunded CIP Total All Years
Public Utilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 306,102,000	\$ 306,102,000
Add Value/Increase Efficiency								
Advanced Technology Projects	-	-	-	-	-	-	40,900,000	40,900,000
Cable Replacement	-	-	-	-	-	-	23,253,000	23,253,000
City-wide Communications	-	-	-	-	-	-	18,440,000	18,440,000
Distribution Automation/Reliability	-	-	-	-	-	-	12,338,000	12,338,000
Facility Rehab (Wells, Boosters, Pressure Reducing Valves, Reservoirs, SCADA)	-	-	-	-	-	-	21,600,000	21,600,000
GO 165 Upgrades /Line Rebuilds / Relocate	-	-	-	-	-	-	27,557,000	27,557,000
Lines Rebuilds / Relocate	-	-	-	-	-	-	17,050,000	17,050,000
Major 4-12 kV Conversion	-	-	-	-	-	-	9,818,000	9,818,000
Operational Database Management System	-	-	-	-	-	-	2,000,000	2,000,000
Pump Station Replacements	-	-	-	-	-	-	3,000,000	3,000,000
Recycled Water	-	-	-	-	-	-	15,340,000	15,340,000
Riverside North Aquifer Storage and Recovery Project	-	-	-	-	-	-	25,000,000	25,000,000
SCADA	-	-	-	-	-	-	2,194,000	2,194,000
Street Light Improvements	-	-	-	-	-	-	6,680,000	6,680,000
Substation Bus & Upgrades	-	-	-	-	-	-	11,865,000	11,865,000
Substation Transformer Addition	-	-	-	-	-	-	10,950,000	10,950,000
System Substation Modifications	-	-	-	-	-	-	1,980,000	1,980,000
Transformers	-	-	-	-	-	-	5,677,000	5,677,000
Add Value/Increase Efficiency Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 255,642,000	\$ 255,642,000
Cost Reduction								
Add'l. Main Replacements	-	-	-	-	-	-	19,200,000	19,200,000
Meter Replacement	-	-	-	-	-	-	4,000,000	4,000,000
Water Stock (2 of 2, Unfunded Portion)	-	-	-	-	-	-	10,000	10,000
Cost Reduction Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 23,210,000	\$ 23,210,000
Health and Safety								
Hydrant Check Valves (2 of 2, Unfunded Portion)	-	-	-	-	-	-	100,000	100,000
Transmission Mains	-	-	-	-	-	-	23,350,000	23,350,000
Water Treatment Plants	-	-	-	-	-	-	3,800,000	3,800,000
Health and Safety Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 27,250,000	\$ 27,250,000
Public Utilities Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 306,102,000	\$ 306,102,000
Public Works								
Add Value/Increase Efficiency								
14th Street Widening, SR 91 to Martin Luther King	-	-	-	-	-	-	24,000,000	24,000,000
Adams Street/State Route 91 Interchange Improvements (Unfunded Component)	-	-	-	-	-	-	72,900,000	72,900,000
Arlanza Priority C Sewer Construction - Phase 2	-	-	-	-	-	-	4,010,000	4,010,000
Arlington Avenue Widening, Adams to Van Buren	-	-	-	-	-	-	1,500,000	1,500,000
Bio-Solids Handling Rehabilitation - Phase 2	-	-	-	-	-	-	3,000,000	3,000,000
Iowa Avenue Widening - Martin Luther King to University	-	-	-	-	-	-	1,000,000	1,000,000
Plant 2 Activated Sludge Rehabilitation - Phase 2	-	-	-	-	-	-	199,500	199,500
Potable/Recycled Water System Pipeline Rehabilitation - Phase 2	-	-	-	-	-	-	1,000,000	1,000,000
Replace 170 Single Head Meters	-	-	-	-	-	-	124,000	124,000
Replace 32 Version 2 Luke Meters	-	-	-	-	-	-	300,000	300,000
Replace 47 Version 3 Luke Meters	-	-	-	-	-	-	450,000	450,000
RWQCP Rehabilitation - Phase II - Phase 2	-	-	-	-	-	-	2,000,000	2,000,000
Santa Ana Walking Trail-McLean Pk to Fairmount Pk (2 of 2, Unfunded Portion)	-	-	-	-	-	-	1,094,000	1,094,000
Tertiary System Rehabilitation - Phase 2	-	-	-	-	-	-	4,800,000	4,800,000
Tyler/State Route 91 Interchange Improvements*	-	-	-	-	-	-	75,000,000	75,000,000
Van Buren Widening, Indiana to South City Limit	-	-	-	-	-	-	26,640,352	26,640,352
Woodcrest Sewer Construction- Phase 1	-	-	-	-	-	-	6,400,000	6,400,000
Woodcrest Sewer Construction- Phase 2	-	-	-	-	-	-	8,600,000	8,600,000
Add Value/Increase Efficiency Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 233,017,852	\$ 233,017,852
Enhancement/Beautification								
Arlington Avenue Widening, Victoria to Alessandro	-	-	-	-	-	-	16,600,000	16,600,000
Chicago Medians - Le Conte to Martin Luther King	-	-	-	-	-	-	1,800,000	1,800,000
Enhancement/Beautification Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,400,000	\$ 18,400,000
Health and Safety								
BNSF Quiet Zone - Mission Inn, 3rd, Spruce (2 of 2, Unfunded Portion)	-	-	-	-	-	-	2,268,800	2,268,800
Northside Priority C Sewer Construction	-	-	-	-	-	-	2,130,000	2,130,000

Capital Improvement Program Unfunded Projects (All Years)

Unfunded CIP Projects by Department and Project	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	Unfunded 5-Year Total	Unfunded Beyond 5-Years	Unfunded CIP Total All Years
Phase 2 Grade Separation Program (3rd, Spruce, Jackson and/or Mary)	-	-	-	-	-	-	109,500,000	109,500,000
Phoenix Priority A, B and C Sewer Construction - Phase 2	-	-	-	-	-	-	1,920,000	1,920,000
Replace & Enlarge Garages 1 & 2	-	-	-	-	-	-	16,000,000	16,000,000
Spruce Priority B and C Sewer Construction - Spruce 2	-	-	-	-	-	-	290,000	290,000
SR 91 Pedestrian Bridge-MetroLink to Downtown (2 of 2, Unfunded Portion)	-	-	-	-	-	-	512,500	512,500
Tequesquite Priority A, B and C Sewer Construction - Phase 2	-	-	-	-	-	-	4,700,000	4,700,000
Wastewater Lift Station Projects - Phase 2	-	-	-	-	-	-	5,200,000	5,200,000
Health and Safety Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 142,521,300	\$ 142,521,300
Public Works Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 393,939,152	\$ 393,939,152
Grand Total	\$ 3,340,700	\$ 3,802,500	\$ 1,673,000	\$ 1,415,000	\$ 5,814,000	\$ 16,045,200	\$ 1,107,783,252	\$ 1,123,828,452



ADOPTED TWO-YEAR BUDGET BALANCING MEASURES DETAIL

Citywide Detail

4% REDUCTION

Summary by Department	Adopted Reductions	
	FY 2016/17	FY 2017/18
City Council		
Travel Reduction	\$24,500	\$24,500
Office Supply Reduction	\$7,000	\$7,000
	\$31,500	\$31,500
Community and Economic Development Department		
Decrease GrowRiverside Funding	\$22,500	\$22,500
Decrease Board Up Abatement	\$20,500	\$20,500
Decrease Dangerous Building Demo and Abatement	\$70,000	\$70,000
Decrease Green Pool Abatement	\$20,000	\$20,000
Decrease Revenue Experts	\$10,000	\$10,000
Decrease Weed Abatement	\$20,000	\$20,000
Unfund Administrative Assistant	\$51,718	\$51,718
Increase Efficiencies with Go Enforce Software	\$7,000	\$7,000
Decrease Photography and Video Services	\$6,596	\$6,596
Decrease Overtime Budget	\$20,000	\$20,000
Decrease Neighborhood Funding	\$22,000	\$22,000
Decrease Professional Services Funding	\$43,873	\$43,873
Decrease Funding for Scanning Archived Files	\$50,000	\$50,000
Eliminate Strategic Initiatives Funding	\$50,000	\$50,000
Decrease Downtown Specific Plan Funding	\$100,000	\$100,000
	\$514,187	\$514,187
Finance		
Increase Accounting Division Salary Savings	\$62,500	\$62,500
Increase Financial Resources Division Salary Savings	\$191,929	\$191,929
	\$254,429	\$254,429
Fire		
Decrease daily staffing	\$792,728	\$792,728
MOU Pay Increase deferral (RCFA)	\$787,894	\$787,894
MOU Pay Increase deferral (RCMA)	\$52,313	\$52,313
Eliminate Training Captain	\$226,096	\$226,096
Eliminate Arson Captain	\$223,929	\$223,929
Eliminate Chief Officer Reduction	\$282,595	\$282,595
	\$2,365,555	\$2,365,555
General Services		
Transfer 72% of Management Analyst from Admin to Fleet Fund	\$86,630	\$86,630
Defer recruitment for balance of vacant Assistant Director position	\$66,370	\$66,370
	\$153,000	\$153,000



4% REDUCTION

Summary by Department	Adopted Reductions	
	FY 2016/17	FY 2017/18
Human Resources		
Defer Recruitment	\$128,026	\$128,026
	\$128,026	\$128,026
Innovation and Technology		
Decrease professional services	\$115,000	\$115,000
Decrease professional services	\$50,000	\$50,000
Decrease non-personnel costs	\$126,000	\$126,000
Decrease non-personnel costs	\$125,000	\$125,000
Decrease non-personnel costs	\$70,000	\$70,000
Net savings from insourcing	\$12,000	\$17,000
	\$498,000	\$503,000
Museum and Cultural Affairs		
Staffing Adjustments	\$55,916	\$55,916
Reduce Security Guard Schedule	\$16,285	\$16,285
Heritage House Facility Support	\$5,000	\$5,000
Unfilled Staff Position	\$53,915	\$53,915
Public Art Fund	\$20,000	\$20,000
City Sponsorship Program	\$6,090	\$6,090
Riverside Arts Council Agreement	\$4,091	\$4,091
Mission Inn Museum Agreement	\$2,796	\$2,796
	\$164,093	\$164,093
Office of the City Attorney		
Reduction in outside legal counsel costs	\$400,000	\$400,000
	\$400,000	\$400,000
Office of the City Clerk		
Decrease in Elections – Measure A – City Prosecutor	\$88,000	\$65,976
	\$88,000	\$65,976
Office of the City Manager		
Administration Elimination of one Executive Assistant	\$71,000	\$71,000
Police Review Commission Reduction of Professional Services	\$20,000	\$20,000
Office of Communications Elimination of vacant GTV Division Manager	\$129,000	\$129,000
Eliminate Principal Management Analyst position	\$125,500	\$125,500
	\$345,500	\$345,500



4% REDUCTION

Summary by Department	Adopted Reductions	
	FY 2016/17	FY 2017/18
Office of the Mayor ¹		
Reduce Professional Services Spending	\$8,000	\$8,000
Reduce Periodicals & Dues Spending	\$500	\$500
Reduce General Office Expenses	\$500	\$500
Reduce Special Departmental Supplies	\$500	\$500
Reduce Central Printing Charges	\$1,100	\$1,100
Reduce Mayor C Mgr D/Head Travel Meeting Spending	\$1,500	\$1,500
Reduce Telephone Spending	\$1,000	\$1,000
Reduce College Council Spending	\$2,000	\$2,000
Reduce Commission on Aging Spending	\$500	\$500
Reduce Human Relations Commission Spending	\$3,000	\$3,000
Reduce Long Night of Arts/Innovation Spending	\$5,000	\$5,000
Reduce Purple City Spending	\$750	\$750
Reduce Fit, Fresh & Fun Spending	\$2,500	\$2,500
Reduce Sister Cities Spending	\$1,500	\$1,500
Reduce Mayor- Salaries-Regular	\$20,000	\$20,000
Reduce Mayor-Community Relations-Salaries-Regular	\$2,500	\$2,500
Reduction to Multicultural Forum Spending	\$200	\$200
	\$51,050	\$51,050
Parks, Recreation, and Community Services		
Reduce printing for Explore Riverside/Activity Guide	\$15,000	\$15,000
Eliminate Fireworks Shows	\$73,750	\$73,750
Eliminate Free Fishing Derby	\$11,817	\$11,817
Close Arlington Pool	\$0	\$0
Reduce Mobile Phone Spending	\$5,000	\$5,000
Reduce Work Release Program Spending	\$15,000	\$15,000
Terminate Agreement for RCC Aquatics Complex	\$0	\$0
Extend water reduction measures	\$367,000	\$367,000
Reduce gas utilities	\$32,500	\$32,500
Reduce allocation for Janet Goeske Senior Center	\$0	\$0
Discontinue PRIME Time program in partnership with AUSD and RUSD	\$16,000	\$16,000
Increase picnic shelter rental rates by 10% ²	\$8,000	\$8,000
Increase facility rental rates by 10% ²	\$50,000	\$50,000
Increase ball field lighting rates from \$4/hr. to \$9/hr. ²	\$90,000	\$90,000
Adjust various programs fees within current Council-approved cost recovery rates of 50% ²	\$45,000	\$45,000
	\$729,067	\$729,067

NOTE:

¹ The Office of the Mayor's reduction is 6.06%, instead of 4.00%.

² These are revenue adjustments in lieu of expenditure reductions.



4% REDUCTION

Summary by Department	Adopted Reductions	
	FY 2016/17	FY 2017/18
Police		
Reduce Two Detective Positions	\$380,756	\$380,756
Eliminate Eight Vacant Police Officer Positions	\$1,442,072	\$1,442,072
Reduce Five Sergeant Positions	\$1,182,984	\$1,182,984
Reduce Two Pilot Positions	\$410,204	\$410,204
Reduce Three Police Record Specialist Positions	\$238,730	\$238,730
Reduce One Sr. Office Specialist Position	\$163,648	\$163,648
Eliminate .75 Assistant Range Master Position	\$42,260	\$42,260
Reduce One Sr. Police Records Specialist Position	\$89,748	\$89,748
Reduce 1.25 Background Investigator Positions	\$91,000	\$91,000
Reduce One Custodian Position	\$72,518	\$72,518
Reduce One Office Specialist Position	\$63,731	\$63,731
Reduce One General Service Worker Position	\$23,997	\$23,997
Restore Portion of University Neighborhood Enhancement Team (UNET)	(\$750,000)	(\$750,000)
Reduction in Training	\$50,000	\$50,000
	\$3,501,648	\$3,501,648
Public Works		
Reduction in Landscape Repairs	\$250,000	\$250,000
Deletion of Six Full Time Equivalent Funded and Vacant Positions	\$322,921	\$322,921
Reduce funding for traffic signal repairs and spare parts	\$16,000	\$16,000
Eliminate funding to replace computers for work related to inspection	\$21,804	\$21,804
	\$610,725	\$610,725
Riverside Public Library		
	\$0	\$0
Non Departmental		
Reduce Community Livability Overtime (Police)	\$823,680	\$823,680
Community Livability Reduction (City Attorney)	\$50,000	\$50,000
Raincross/Sports Commission Support Revenue *	\$10,554	\$10,554
Raincross/RCVB Revenue *	\$25,000	\$25,000
	\$909,234	\$909,234
Summary by Department		
Citywide: Reductions		
Updated Changes to Cost Plan	\$215,000	\$215,000
Citywide Travel Reduction	\$50,000	\$50,000
	\$265,000	\$265,000
4% Reduction Grand Total (Expenditure, Revenue , and Other)	\$11,009,014	\$10,991,990

NOTE: * These are revenue adjustments in lieu of expenditure reductions.



MANAGED SAVINGS

Summary by Department	Adopted Reductions	
	FY 2016/17	FY 2017/18
City Council	\$0	\$0
Community and Economic Development Department	\$400,000	\$400,000
Finance	\$125,000	\$125,000
Fire	\$750,000	\$750,000
General Services	\$200,000	\$200,000
Human Resources	\$100,000	\$100,000
Information and Technology	\$350,000	\$350,000
Museum and Cultural Affairs	\$100,000	\$100,000
Office of the City Attorney	\$50,000	\$50,000
Office of the City Clerk	\$0	\$0
Office of the City Manager	\$100,000	\$100,000
Office of the Mayor	\$0	\$0
Parks, Recreation, and Community Services	\$400,000	\$400,000
Police	\$1,500,000	\$1,500,000
Public Works	\$1,200,000	\$1,200,000
Riverside Public Library	\$150,000	\$150,000
Non Departmental	\$0	\$0
Managed Savings Total	\$5,425,000	\$5,425,000
Balancing Measures Grand Total	\$16,434,014	\$16,416,990

Balancing Measures Summary

	Adopted Reductions	
	FY 2016/17	FY 2017/18
Citywide Managed Savings Grand Total	\$5,425,000	\$5,425,000
Citywide 4% Budget Reduction Grand Total	\$11,009,014	\$10,991,990
Citywide All Reductions Grand Total	\$16,434,014	\$16,416,990

ATTACHMENT 3: Proposed Measure Z Spending Priorities

Category	Year 1	Year 2	Year 3	Year 4	Year 5	5 Year Totals	Notes
	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21		
Estimated 1% Transactions and Use Tax Revenue	\$ 10,000,000	\$ 51,557,000	\$ 52,072,570	\$ 52,593,296	\$ 53,119,229	\$ 219,342,094	Revenue estimates reflect 1% annual increases.
Financial Discipline/Responsibility	\$ 6,078,592	\$ 24,868,018	\$ 12,808,007	\$ 2,718,101	\$ 1,301,789	\$ 47,774,507	
General Fund Reserve (15%)	\$ 6,078,592	\$ -	\$ -	\$ -	\$ -	\$ 6,078,592	
General Fund Reserve (20%)	\$ -	\$ 15,768,018	\$ 3,308,007	\$ 2,718,101	\$ 1,301,789	\$ 23,095,915	
Payoff of the Balloon \$32 million Pension Obligation Bond	\$ -	\$ 5,100,000	\$ 5,500,000	\$ -	\$ -	\$ 10,600,000	Based on current market costs - Paid off over 15 Years (\$32 million at 4.5% interest)
50% Funding for Workers Comp and General Liability	\$ -	\$ 4,000,000	\$ 4,000,000	\$ -	\$ -	\$ 8,000,000	\$8 million is estimated to result in a 50% funding level by FY 2021
Critical Operating Needs	\$ 3,476,408	\$ 5,606,203	\$ 10,890,091	\$ 17,352,773	\$ 10,804,472	\$ 48,129,948	
Funding Gap - Existing Services (based on the FY 16-17 1st Qtr General Fund Operating Deficit Estimate)	\$ 3,471,408	\$ 4,914,203	\$ 10,189,841	\$ 16,643,861	\$ 10,086,464	\$ 45,305,777	Based on 5-Year Model and largely associated with union contracts. Model assumes no-raises for SEU in Year 5.
Principal Analyst (City Manager's Office)	\$ -	\$ 165,000	\$ 173,250	\$ 181,913	\$ 191,008	\$ 711,171	
Budget Engagement Commission Support	\$ 5,000	\$ 27,000	\$ 27,000	\$ 27,000	\$ 27,000	\$ 113,000	
Contingency Replenishment	\$ -	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 2,000,000	Supplies, printing and mailing, video and security staff
Public Safety	\$ 450,000	\$ 9,592,753	\$ 12,698,591	\$ 15,313,246	\$ 17,857,040	\$ 55,911,629	
Additional Sworn Police Positions	\$ -	\$ 3,700,000	\$ 6,500,000	\$ 8,800,000	\$ 11,000,000	\$ 30,000,000	Year 2: Add back 17 sworn officers reduced during FY 2016-18 Two-Year Budget Year 3: Add 16 additional officers Year 4: Add 14 additional officers Year 5: Add 13 additional officers * 60 total sworn positions: all positions have an estimated 5% annual increase for salaries, benefits, etc.
Additional Dispatchers	\$ -	\$ 260,000	\$ 480,000	\$ 705,000	\$ 930,000	\$ 2,375,000	Year 2: Add 3 additional dispatchers Year 3: Add 2 additional dispatchers Year 4: Add 2 additional dispatchers Year 5: Add 2 additional dispatchers * 9 total dispatchers are all net "new" positions: all positions have an estimated 5% annual increase for salaries, benefits, etc.
Civilian Personnel (non-dispatchers)	\$ -	\$ 790,000	\$ 813,700	\$ 838,111	\$ 888,398	\$ 3,330,209	Year 2: Add back all non-sworn FY 2016-18 Two-Year Budget Reductions, including records specialist (2), sr. office specialist (2), assistant range master (0.75), sr. police records specialist (2), background investigator (1.25), custodian (1), general service worker (1), office specialist (1) * 11 total civilian (non-dispatchers): all positions have an estimated 3% annual increase for salaries, benefits, etc.
Fire Squad	\$ 450,000	\$ 1,242,753	\$ 1,304,891	\$ 1,370,135	\$ 1,438,642	\$ 5,806,421	Estimates include 5% annual increases (salaries, benefits, etc.).
Police Vehicles (Replacement, maintenance, and repair)	\$ -	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 8,000,000	
Fire Vehicles (Replacement, maintenance, and repair)	\$ -	\$ 1,600,000	\$ 1,600,000	\$ 1,600,000	\$ 1,600,000	\$ 6,400,000	
Quality of Life	\$ -	\$ 8,500,000	\$ 2,972,500	\$ 546,125	\$ 3,520,931	\$ 15,539,556	
Street Maintenance and Repair - Partial Funding	\$ -	\$ 7,000,000	\$ 1,500,000	\$ -	\$ 3,000,000	\$ 11,500,000	
Tree Trimming - Partial Funding	\$ -	\$ 1,000,000	\$ 1,000,000	\$ -	\$ -	\$ 2,000,000	
Community Advocate (City Manager's Office)	\$ -	\$ 225,000	\$ 236,250	\$ 248,063	\$ 260,466	\$ 969,778	Salary and Benefits: Based on Top Step Tier 2 employee. 5% increased for first four years. 2% increases thereafter.
Prosecutor (City Attorney's Office)	\$ -	\$ 225,000	\$ 236,250	\$ 248,063	\$ 260,466	\$ 969,778	
Quality of Life Survey	\$ -	\$ 50,000	\$ -	\$ 50,000	\$ -	\$ 100,000	Quality of life surveys

Category	Year 1	Year 2	Year 3	Year 4	Year 5	5 Year Totals	Notes
	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21		
Facility Capital Needs	\$ -	\$ 3,000,000	\$ 10,700,000	\$ 16,650,000	\$ 17,850,000	\$ 48,200,000	Estimated \$50 million - Depending on features, liability costs will increase.
New Police Headquarters							Estimated \$30 million
New Downtown Main Library							Estimated \$15 million
New Parking Garage 1							Estimated \$15 million
New Parking Garage 2							Estimated \$40 million
Convention Center Expansion							Estimated \$15 million
Museum Expansion and Rehab							
Annual Deferred Maintenance (Existing Facilities) - Partial Funding	\$ -	\$ 1,000,000	\$ 1,500,000	\$ 250,000	\$ 1,450,000	\$ 4,200,000	
Annual Allocation for Neighborhood Capital Projects (New)	\$ -	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 8,000,000	\$250,000 utilized per Councilmember and the Mayor for capital related projects each year.
Technology	\$ -	\$ -	\$ 2,000,000	\$ -	\$ 1,750,000	\$ 3,750,000	
New Enterprise Resource Planning (ERP) System - Partial Funding	\$ -	\$ -	\$ 1,000,000	\$ -	\$ 1,000,000	\$ 2,000,000	General Fund portion only.
Cybersecurity - Partial Funding	\$ -	\$ -	\$ 500,000	\$ -	\$ 250,000	\$ 750,000	
Hardware (servers, storage, and network equipment) - Partial Funding	\$ -	\$ -	\$ 500,000	\$ -	\$ 500,000	\$ 1,000,000	
						\$ -	
						\$ -	
1% Tax Expenditure Plan Totals	\$ 10,005,000	\$ 51,566,975	\$ 52,069,189	\$ 52,580,245	\$ 53,084,233	\$ 219,305,641	
Annual Net Surplus/(Deficit)	\$ (5,000)	\$ (9,975)	\$ 3,381	\$ 13,050	\$ 34,996	\$ 36,453	

CRITICAL ITEMS THAT REMAIN UNFUNDED							
FY 2016-18 Budget Reductions (non-sworn)	\$ -	\$ 3,659,044	\$ 3,659,044	\$ 3,659,044	\$ 3,659,044	\$ 14,636,176	
Intern and Volunteer Coordinator	\$ -	\$ 90,000	\$ 94,500	\$ 94,500	\$ 99,225	\$ 283,725	
Liability for excess unused vacation	\$ -	\$ 1,000,000	\$ 1,000,000	\$ -	\$ -	\$ 1,000,000	
Facility Capital Needs - Additional Need	\$ -	\$ 2,000,000	\$ 1,500,000	\$ 2,750,000	\$ 1,550,000	\$ 7,800,000	
Street Maintenance and Repair - Additional Need	\$ -	\$ 3,000,000	\$ 8,500,000	\$ 10,000,000	\$ 7,000,000	\$ 28,500,000	
Tree Trimming - Additional Need	\$ -	\$ 1,000,000	\$ 1,000,000	\$ 2,000,000	\$ 2,000,000	\$ 6,000,000	
New Enterprise Resource Planning (ERP) System - Additional Need	\$ -	\$ -	\$ -	\$ 1,000,000	\$ 2,000,000	\$ 3,000,000	
Technology Items (hardware, cybersecurity, etc. not included) - Additional Need	\$ -	\$ -	\$ 1,500,000	\$ 2,500,000	\$ 1,750,000	\$ 5,750,000	
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Total Critical Items Not Included	\$ -	\$ 9,659,044	\$ 17,249,044	\$ 22,003,544	\$ 18,058,269	\$ 66,969,901	



City Council Memorandum

City of Arts & Innovation

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: DECEMBER 20, 2016

FROM: FINANCE DEPARTMENT WARDS: ALL

SUBJECT: FISCAL YEAR 2016/2017 FIRST QUARTER FINANCIAL REPORT, INCLUDING FISCAL YEAR 2017/2018 FINANCIALS, CASH AND INVESTMENT REPORTS AND DEBT REPORTS

ISSUES:

Receive and provide input on the fiscal year (FY) 2016/2017 First Quarter Financial Report, including 2017/2018 financials, cash and investment reports, and debt reports and authorization to amend the FY 2016/17 and 2017/18 Budgets.

RECOMMENDATIONS:

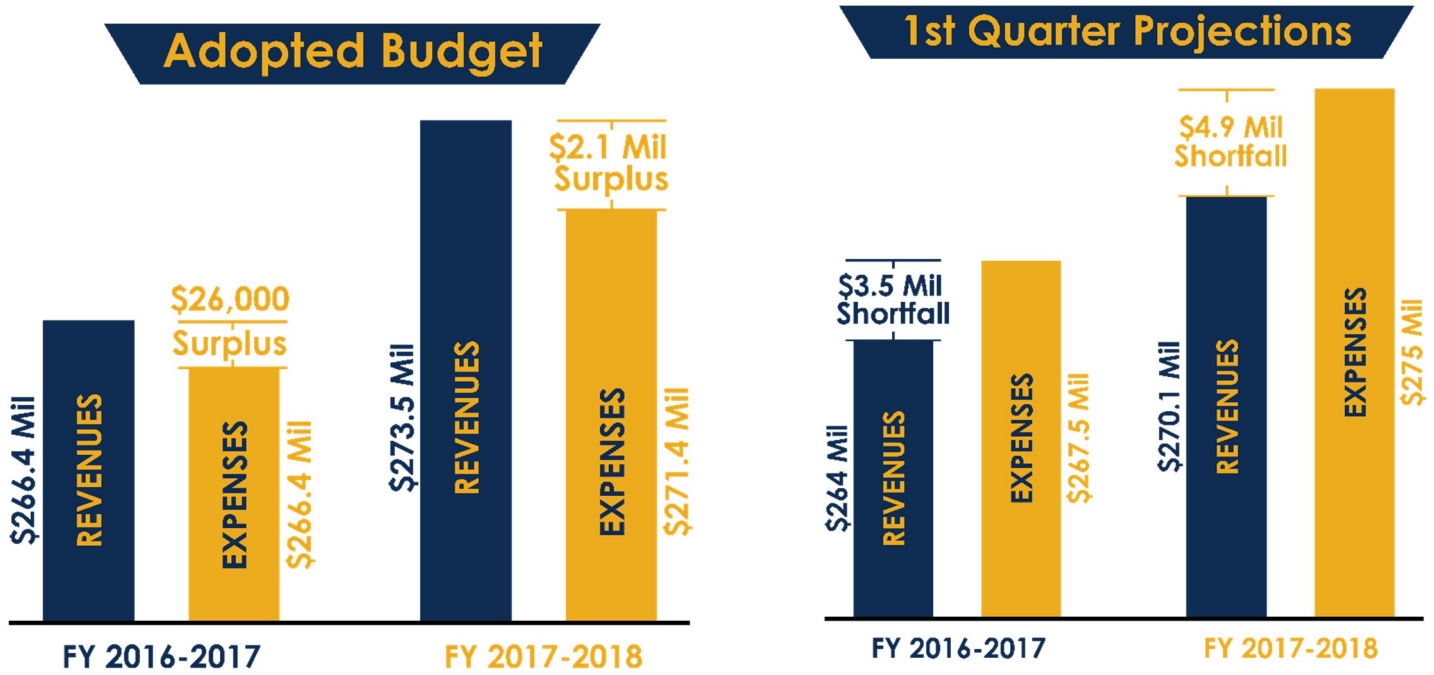
That the City Council:

1. Receive and provide input on the attached FY 2016/2017 First Quarter Financial Report and FY 2017/2018 financials for the General Fund with preliminary analysis of Measure Z revenues, as well as cash, investment and debt reports for all funds;
2. Amend the FY 2016-2018 Two-Year Budget to include the anticipated Measure Z revenues of \$10,000,000 in FY 2016/2017 and \$51,577,000 in FY 2017/2018 (to be accounted in new Fund 110); and
3. Authorize FY 2016/2017 and FY 2017/2018 budget amendment to appropriate Measure Z funding to ratify reinstatement of one Fire squad as directed by the City Manager on December 7, 2016 (costing \$450,000 in FY 2016/2017 and \$792,728 in FY 2017/2018).

EXECUTIVE SUMMARY:

General Fund and Measure Z Analyses

The attached FY 2016/17 First Quarter Financial Report for the General Fund (Attachment 1) summarizes projected revenue and expenditure results for the period from July 1, 2016 through June 30, 2017, based on actual revenues and expenditures from July 1, 2016 through September 30, 2016. The revenues and expenditures included in this report are stated in annualized totals. Also provided are preliminary analyses of: 1) General Fund financials for the following fiscal year (FY 2017/2018), based on the current projections; and, 2) Anticipated Measure Z financials for Fiscal Years 2016/2017 and FY 2017/2018. The following charts summarize these preliminary results, followed by a high-level summary of the key highlights.



Factors Contributing to Projected Shortfall

	FY 2016-2017	FY 2017-2018
Adopted Surplus	\$26,530	\$2,078,014
Union Contracts	\$(819,081)	\$(3,396,309)
Lower Revenues	\$(2,426,858)	\$(3,395,908)
Insufficient Funds for Parks Debt	\$(600,000)	\$(600,000)
Transfers for Sewer Claims	\$900,000	\$900,000
Other	\$(52,004)	
Fire Department Maintenance	\$(500,000)	\$(500,000)
Estimated Shortfall	\$(3,471,413)	\$(4,914,203)

General Fund Reserve Outlook (Based on 1st Quarter Projections)



General Fund

The FY 2016-2018 Two-Year Adopted Budget projected a balanced General Fund budget in both fiscal years, with a slight surplus of approximately \$30,000 in the first year and a larger surplus of over \$2.0 million in the second year.

The current annualized projections – based on the actual revenues received last fiscal year (FY 2015/2016) and receipts to date for the current year, economic outlook for the current and next year, as well as changes to personnel expenditures – reflect **General Fund deficits in both years, of approximately \$3.5 million in FY 2016/2017 and approximately \$4.9 million in FY 2017/2018**. The projected deficits are driven by the following factors:

	FISCAL YEAR 2016/17	FISCAL YEAR 2017/18
ADOPTED BUDGET – ESTIMATED SURPLUS	\$26,530	\$2,078,014
Employee compensation and benefits	-\$819,081	-\$3,396,309
Lower revenues based on last year’s results and reduced growth assumptions (mainly Property Tax, Sales Tax and Utility Users Tax)	-\$2,426,858	-\$3,395,908
Insufficient funds in the Parks Development Impact Fee Fund for debt service – becomes General Fund obligation	-\$600,000	-\$600,000
Unfunded Fire vehicle maintenance	-\$500,000	-\$500,000
Charges of sewer-related claims to the Sewer Fund instead of the General Fund	\$900,000	\$900,000
Other factors	-\$52,000	\$0
FIRST QUARTER PROJECTION – ESTIMATED ANNUAL SHORTFALL	-\$3,471,413	-\$4,914,203

1. Employee Compensation and Benefits

With each union contract presented to City Council, staff provided an estimated cost over a five-year period. While the two-year budget and five-year plan assumed relatively minor salary increases tied the General Fund revenue growth, the recent voter approval of the Measure Z sales tax will change the growth assumptions for FY 2016/2017 – and, as a result, lead to higher salary increases in FY 2017/2018 based on that growth. Specifically, while the budget assumed approximately 2.5% salary increases in the second year (FY 2017/18), the actual increase is now projected to be 4-6%. Similarly, because the full year of new Measure Z sales tax revenue in FY 2017/2018, employee pay increases will also be in the 4-6% range in FY 2018/19. In future years, more moderate salary increases of 2-3% will occur; however, raises in the first two years will establish a higher level of baseline spending. It must be noted, however, that the passage of Measure Z will yield revenue far in excess of the additional expenses triggered by Measure Z.

In addition, the two-year budget and five-year plan did not account for other negotiated changes with financial impacts, such as increases in health premiums in FY 2016/17 and one-time payments to SEIU union members in the first two years.

2. Lower Revenues

Changes in revenues also add significantly to the projected shortfalls, and are based on the weaker performance of the Property, Sales and Utility Users taxes in the prior fiscal year. **Importantly, the current projections take into account the observed weakening of the Sales Tax growth.** The Adopted Budget and Five-Year Plan included somewhat optimistic growth rates of approximately 5.5% to 5.9%. The current analyses of the political and economic factors, including but not limited to the somewhat unexpected presidential election results, suggests that rates in the range of 4% to 4.5% are more realistic over the next two to five years.

3. Insufficient Funds to Pay Parks-Related Debt Service

When debt was issued for the Renaissance initiative, the plan was to utilize annual development impact fees (DIF) to fund parks projects. Unfortunately, with the downturn in the economy, the revenue never materialized, and the General Fund is subsidizing the parks debt by approximately \$600,000 per year. These funds have never been budgeted in the General Fund, and this omission must be corrected.

4. Unfunded Fire Vehicle Maintenance

As presented to the City Council during the FY 2016-2018 Two-Year Budget process, the Fire Department has an aging fleet of vehicles. Early indications are that vehicle maintenance needed will exceed budgeted projections by approximately \$500,000. Until the Fire Department is able to replace its fleet, this will likely continue to be an issue.

5. Transfer of Sewer-Related Charges to the Sewer Fund

For a number of years now, the City's Liability Fund (and, by extension, the General Fund) were utilized to pay for claims related to sewer laterals from the sewer main to the resident's property line. Effective FY 2016/2017, the Sewer Fund has begun to pay these costs, estimated at \$450,000 per year. In addition, the General Fund will recover the \$1.35 million incorrectly charged there for these claims over the past three-year period (\$450,000 per year). In FY 2016/2017 and FY 2017/2018, the total savings to the General Fund will be approximately

\$900,000 per year.

Measure Z

The collection of the additional one-cent sales tax authorized by voters through Measure Z will begin on April 1, 2017. The City will start accruing these revenues in May-June 2017, with the anticipated collection of \$10 million in FY 2016/17 and \$51 million in FY 2017/18 (full year). The City Council is asked to recognize these expected revenues.

Other than noted below, the City Council is not asked at this time to appropriate Measure Z revenues for any specific purposes. The discussion over Measure Z funding use will begin on January 31, 2017, during an initial budget workshop, and again in May 2017 during the Mid-Cycle budget review. By that time, collection of additional General Fund revenues will determine whether the year-end projection (and shortfalls) should be adjusted, and additional expenditure factors may come into play.

Staff is requesting at this time City Council authorization to restore the Fire Squad budget effective December 7, 2016, and appropriate \$450,000 of Measure Z revenues in FY 2016/2017 and \$792,728 in FY 2017/2018.

There will be additional expenses for the City Council's consideration with regards to Measure Z – to be presented and discussed in January-May 2017. For example, the Fire labor contract calls for the reinstatement of several positions effective July 1, 2017, costing an estimated \$450,000 per year, and there is a need to increase police staffing and fund vehicle repair and replacement.

Investment and Debt Reports

Also included are the Quarterly Investment Report (Attachment 2) and the Quarterly Debt Report (Attachment 3), which highlight the City's portfolio of investments (including cash) and its outstanding debts, respectively, across all funding sources. Overall, the City's financial position remains strong, with any negative cash balances being offset by receivables.

DISCUSSION:

FY 2016-2017 First Quarter Financial Report –General Fund

The Bottom Line

In the FY 2016-2017 First Quarter Financial Report, staff anticipates a **General Fund shortfall of \$3.5 million in FY 2016/17 and \$4.9 million in FY 2017/18.** The projected shortfalls are largely driven by lower tax estimates, employee compensation, unfunded parks debt and fire vehicle repair and maintenance.

A. General Fund Revenues

Compared to the Adopted FY 2016-2018 Two-Year Budget, the First Quarter Financial Report General Fund revenues are estimated to be \$2.4 million lower in FY 2016/17 and \$3.4 million lower in FY 2017/18. The difference is largely due to lowering of sales tax projections and actual tax revenues in FY 2015/16 coming in lower than expected, providing for a diminished starting point for FY 2016/17 and FY 2017/18.

In the **Taxes** category, the final FY 2015/16 revenue is projected to be approximately \$3.2 million below the adopted budget estimates in FY 2016/17 and \$4.4 million below FY 2017/18 estimates. Differences of \$250,000 or higher are explained below.

- *Sales tax* is projected to be lower than adopted budget by approximately \$1.5 million in FY 2016/17 and \$2.5 million in FY 2017/18. These decreases are driven by a lowering of expected annual growth and lower actual receipts in FY 2015/16, which create a lower baseline in FY 2016/17 and FY 2017/18.

Historically, sales tax revenues have been the most subjective General Fund revenue to the economy and the hardest to predict. As of the date this report was published, the City does not have final first quarter sales tax revenue figures from the State. Staff will continue to monitor local economic conditions, which are inconclusive but indicate a potential weakening. The highlights are summarized below.

- As of September 30, 2016, local wage increases in Southern California lead the nation at 3.8% year-over-year-growth.
 - As of September 30, 2016, Statewide unemployment is down; however, Riverside County still has higher unemployment rates (6.5%) than the counties of Los Angeles (5.2%), Ventura (5.5%), San Bernardino (5.9%) and Orange (4.1%).
 - California's sales and use tax revenue in October was \$140 million (\$5.6%) below the month's forecast of \$2.499 billion.
 - In the United States online sales recently hit records for Black Friday and Cyber Monday. The increase on sales made via mobile device (33%) is staggering.
 - Increased online sales and sales tax collection is an issue in California; out-of-state retailers do not always add tax.
 - Reports indicate that with the deep discounts on Black Friday, people actually spent 3.5% less than they did the year before. At the same time other reports indicate that people will spend 8% more this holiday season than the prior holiday season.
 - As of September 30, 2016, at the State level, new car sales are down 5.6% compared to last year.
 - Locally, the Galleria at Tyler expects growth to be similar to last year, which equates to annual increases of approximately 4%.
- *Property taxes* are estimated to be lower than adopted budget by approximately \$820,000 in FY 2016/17 and \$864,000 in FY 2017/18 – again due to lower actual collections in FY 2015/16, mainly related to Successor Agency properties.
 - *Utility users tax (UUT)* is estimated to be lower than adopted budget by approximately \$594,000 in FY 2016/17 and \$675,000 in FY 2017/18. Revenues are estimated to be lower due to the rapid decline of telephone related revenues and FY 2015/16 UUT revenue ending lower than projected.
 - *Property Transfer taxes* are estimated to be lower than adopted budget by approximately \$255,000 in FY 2016/17 and \$280,000 in FY 2017/18, due to lower actual receipts in FY 2015/16.

Special Revenue - Entertainment revenues are estimated to be approximately \$817,000 higher

than adopted budget based on FY 2015-16 actual receipts. These additional revenues are largely offset by additional expenditures.

B. General Fund Expenditures

General Fund expenditures are estimated to exceed adopted budget amounts in FY 2016/17 by \$1.1 million and in FY 2017/18 by \$4.3 million. Differences from adopted budget are described below.

- *Employee Costs* are estimated to add to the FY 2016/17 adopted budget approximately \$820,000 and approximately \$3.4 million to the FY 2017/18 budget.
- The *Finance Department* currently anticipates salary savings of approximately \$200,000 in the Business Tax Division; these savings are offset by revenue reductions. As the Finance Department continues to move forward with the Business Tax Inspection Program, including hiring of 2.5 employees, both revenue and expenditures will continue to be evaluated. Additionally, credit card charges paid by the Finance Department on behalf of all City Departments are estimated to decrease by \$500,000. This will also reduce the cost allocation of these costs to other departments (e.g. Public Utilities) by the same amount. This is a net zero impact to the General Fund.
- The *Fire Department* is projected to exceed the adopted FY 2016/17 Budget by approximately \$750,000. \$500,000 of the overage is attributed to unfunded vehicle maintenance costs. The additional \$250,000 is attributed to the delay of implementing budget reductions.
- The *Budget Balancing Measures* adopted by the City Council, included Fire concessions of \$1.24 million related to the removal of a Fire Squad (\$788,000) and two captain positions (\$450,000). As noted earlier in this report, staff is recommending that Measure Z funds are utilized to restore the Fire Squad, effective December 7, 2016, which will incur an additional \$450,000 in estimated expenditures in FY 2016/17.
- As indicated in the FY 2015/16 Final Financial Report the *Parks, Recreation and Community Services* budget does not address \$600,000 needed to cover Renaissance Parks Projects, that did not materialize in the development impact fee revenue accounts. As such, the General Fund has to pick up an unbudgeted debt expense of approximately \$600,000.
- The *Public Works Department, Finance Department, and City Manager's Office* have worked together to identify charges to Public Work's General Fund budget that should have been charged to the Sewer Fund. Specifically, \$1.35 million in sewer lateral repairs that occurred between the sewer main to the property line (residential only), have been paid by the General Fund over the past three years. Per City Council action in October 2008, the City's sewer system is responsible for sewer laterals from the sewer main to the resident's property line, which represented an expansion of the system – previously the City was only responsible for the sewer main, not the laterals. The General Fund will recover the \$1.35 million over a three-year period (\$450,000 per year). Additionally, the Sewer Fund has begun to pick up the annual costs, when appropriate, which will save the General Fund and additional \$450,000 per year. The total savings to the General Fund will be approximately \$900,000 per year in FY 2016/17 and FY 2017/18.

C. Measure Z

On November 8, 2016, the residents of Riverside approved Measure Z, which is a general transaction and use tax of 1%. For FY 2016/17, Measure Z revenues are estimated to be approximately \$10 million and for FY 2017/18, Measure Z revenues are estimated to be approximately \$51.6 million. The anticipated revenue projections are based on recommendations of the City's sales tax consultant, HdL. To account for the revenues and associated expenditures, the Finance Department has established Fund 110, Measure Z.

On January 31, 2017, the City Council and the Budget Engagement Commission will hold a budget workshop to further review General Fund financials and Measure Z revenues. At this time, staff does not recommend any appropriation of Measure Z revenues outside of the Fire Squad. At the January 31st meeting, staff will present the City Council and Budget Engagement Commission with spending options for Measure Z.

D. General Fund Reserves

Without the use of Measure Z revenues, the impact of the variances in General Fund revenues and expenditures amount to a projected draw on the General Fund reserve of approximately \$3.5 million in FY 2016/17 and \$4.9 million in FY 2017/18. **This would effectively reduce the General Fund reserve levels to 11.1% (\$29.7 million) in FY 2016/17 and 9.0% (\$24.8 million).**

Per the City's General Fund Reserve Policy, adopted by the City Council on September 6, 2016, the General Fund reserve should be 15%. The City Council set an aspiration goal of the General Fund Reserve at 20%; this goal was recently reaffirmed through adoption of the "Responsible Spending Vision Pledge" on October 4, 2016.

Quarterly Investment Report Status

Sound investment practices are an essential component of the City's strong fiscal management. The Finance Department is responsible for managing the City's investment portfolio, focusing first on the safety of investments, and then on liquidity and an appropriate rate of return. The investment results and portfolio composition are summarized and reported to the City Council each quarter. As of September 30, 2016, the City's pooled investment portfolio's market value was \$510.7million, with the market value of investments held by fiscal agents (bond proceeds and reserve funds primarily) amounting to an additional \$281.5 million. The weighted average yield of the pooled investment portfolio continues to hold steady at 0.97%. Through prior City Council approval, the Chief Financial Officer/Treasurer has the authority to invest/reinvest funds and to sell or exchange purchased securities, consistent with the City's adopted investment policy. This approval is a requirement of State law and is received at the start of each fiscal year.

The Investment Report, including a listing of cash balances by fund, is included in Attachment 2. These cash balances reflect each fund's share of the City's pooled investment portfolio. Also shown are interfund loan receivables, which are treated as available cash due to the Finance Director/Treasurer's authorization to move loan receivables to other funds as needed.

All listed funds have a positive cash balance with the exception of the following funds:

1. The General Fund (\$1,462,611), which is offset by an outstanding capital lease receivable related to the Police Records Management System and Computronix

permitting system. Historically, the revenues related to the capital lease have been received prior to the initiation of project; however, the City is currently in the process of securing financing to fully offset ongoing project costs.

2. The Urban Areas Security Initiative (\$357,467) and Housing Opportunities for Persons with AIDS (\$620,956), which are fully offset by outstanding grant receivables.
3. Certificates of Participation Projects (\$992,321), Capital Outlay (\$4.6 million), and Transportation Uniform Mitigation Fees (\$1.86 million) have negative cash balances due to the timing of year-end expenditures; however, the negative balances are fully offset by grant receivables.
4. The Liability Insurance Trust Fund has a negative cash balance of approximately \$3 million, but is consolidated with the positive cash balances of the Workers Compensation Insurance Trust Fund (\$15.7 million) and Unemployment Insurance Trust Fund (\$435,000) for financial reporting purposes. Staff is implementing a strategy to return the Liability Insurance Trust Fund to an improved financial condition (cash and fund balance levels) over the next five years. In the current year, the cash position was budgeted to improve by \$1 million, however, due to increased claim expenditures the total cash balance increased by only \$500,000.
5. The Central Stores (\$362,586), which is fully offset by inventory assets that will be recouped when charged out for usage to various departments.

Quarterly Debt Report Status

The Finance Department is also charged with managing the City's debt portfolio, which includes issuing new debt and monitoring opportunities to refinance existing debt as opportunities to reduce interest costs arise. The Quarterly Debt Report (Attachment 3) summarizes the composition of the City's debt portfolio, details the revenue sources utilized to pay the debt service associated with each outstanding debt, and provides detailed information regarding the total principal and interest payments due in the current fiscal year by Fund. There are no changes to the Quarterly Debt Report for this quarter.

FISCAL IMPACT:

The Fiscal Year 2016-2018 Two Year First Quarter Financial Report projects a General Fund shortfall, largely attributed to lower than anticipated tax revenues, employee compensation and benefits, unbudgeted parks debt, and unfunded fire vehicle maintenance. The impact of the variances in General Fund revenues and expenditures amount to a projected draw on the General Fund Reserve of approximately \$3.5 million in FY 2016/17 and \$4.9 million in FY 2017/18.

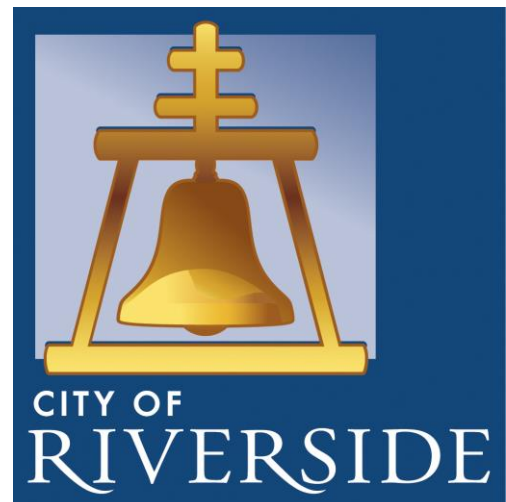
Prepared by: Adam Raymond, Assistant Chief Financial Officer
Certified as to
availability of funds: Scott G. Miller, PhD, Chief Financial Officer/Treasurer
Approved by: Marianna Marysheva, Assistant City Manager
Approved as to form: Gary G. Geuss, City Attorney

Attachments:

1. FY 2016-2018 Quarterly General Fund Financial Report
2. FY 2016-17 First Quarter Investment Report
3. FY 2016-17 First Quarter Fund Financial Status Report
4. Presentation

ATTACHMENT C

DEBT REPORT

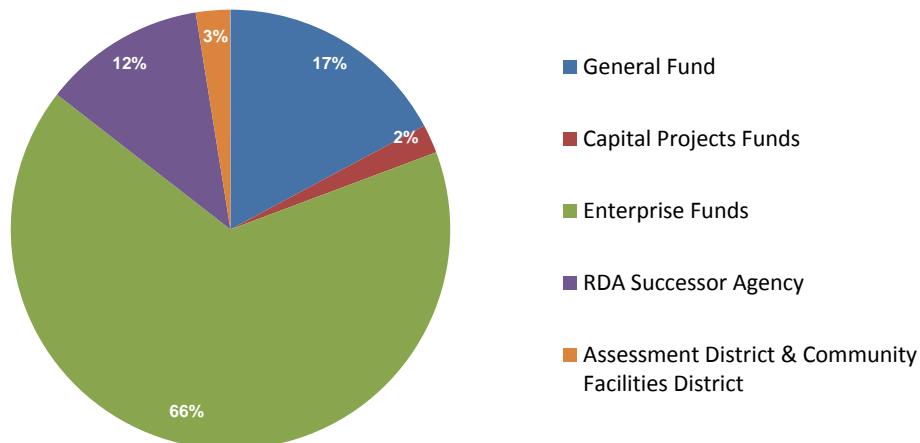


City of Riverside
Fiscal Year 2016/17 Summary of Outstanding Debt ¹
As of September 30, 2016

Debt Issuance ²	Outstanding Principal Balance 6/30/2016	New Debt Issued During Fiscal Year	2016/17 Principal Payments	2016/17 Interest Payments	2016/17 Total Payments	Projected Principal Balance 6/30/2017
General Fund						
General Obligation	12,430,000	-	1,040,000	592,023	1,632,023	11,390,000
Pension Obligation	101,000,000	-	40,025,000	4,280,185	44,305,185	60,975,000
Certificates of Participation	146,690,000	-	4,580,000	5,477,637	10,057,637	142,110,000
Lease Revenue Bonds	37,245,000	-	1,420,000	1,653,125	3,073,125	35,825,000
Capital Leases	12,006,447	-	2,769,156	201,930	2,971,086	9,237,291
Interfund Loans	3,268,541	-	290,972	49,028	340,000	2,977,569
Private Placement Financings	43,481,284	-	2,156,741	2,018,167	4,174,908	41,324,543
Total General Fund	356,121,272	-	52,281,869	14,272,094	66,553,963	303,839,403
Capital Projects Funds						
Local Park Impact Fee Fund Interfund Loans	6,175,220	-	1,358,372	92,628	1,451,000	4,816,849
Measure A Certificates of Participation	33,950,000	-	1,340,000	1,659,688	2,999,688	32,610,000
Total Capital Projects Funds	40,125,220	-	2,698,372	1,752,316	4,450,688	37,426,849
Enterprise Funds						
Electric Fund Revenue Bonds	566,835,000	-	13,320,000	24,862,514	38,182,514	553,515,000
Electric Fund Capital Leases	4,693,715	-	789,052	92,063	881,115	3,904,662
Water Fund Revenue Bonds	193,480,000	-	5,180,000	7,814,183	12,994,183	188,300,000
Sewer Fund Revenue Bonds	412,160,000	-	8,055,000	19,255,123	27,310,123	404,105,000
Sewer Fund Loans	2,979,734	-	759,345	57,516	816,861	2,220,389
Parking Fund Interfund Loans	216,623	-	117,751	3,249	121,000	98,872
Parking Fund Loans	20,246,817	-	976,511	770,193	1,746,704	19,270,306
Total Enterprise Funds	1,200,611,888	-	29,197,659	52,854,841	82,052,500	1,171,414,229
Internal Service Funds						
Central Garage Fund Interfund Loans	1,015,607	-	334,766	15,234	350,000	680,841
Total Internal Service Funds	1,015,607	-	334,766	15,234	350,000	680,841
RDA Successor Agency						
Tax Allocation Bonds	196,070,000	-	6,775,000	9,720,031	16,495,031	189,295,000
Lease Revenue Bonds	18,030,000	-	1,500,000	869,349	2,369,349	16,530,000
Interfund Loans	9,352,727	-	4,663,129	76,694	4,739,823	4,689,597
Loans	1,175,000	-	365,000	29,308	394,308	810,000
Total RDA Successor Agency	224,627,727	-	13,303,129	10,695,381	23,998,511	211,324,597
Housing Authority						
3836-3844 Second Street Acquisition Interfund Loan	-	-	-	-	-	-
Total Housing Authority	-	-	-	-	-	-
Assessment District & Community Facilities District						
Assessment Districts	24,435,000	-	1,220,000	1,186,277	2,406,277	23,215,000
Community Facilities Districts	21,370,000	-	415,000	893,694	1,308,694	20,955,000
Total AD & CFD	45,805,000	-	1,635,000	2,079,971	3,714,971	44,170,000
Total	\$ 1,868,306,713	\$ -	\$ 99,450,795	\$ 81,669,837	\$ 181,120,632	\$ 1,768,855,918

¹ Excludes water stock acquisition rights, copier leases, development agreements, and amortization of premiums and discounts on outstanding debt, none of which are material.

² See the notes of the following page, which detail dedicated revenue streams and certain obligations paid by other funds.



Note: Categories not shown represent less than 1% of the City's debt portfolio.

City of Riverside
Fiscal Year 2016/17 Detail of Outstanding Debt 1
As of September 30, 2016

Debt Issuance	Year of Issuance	Year of Final Maturity	Total Issue Size	Repayment Source	Outstanding Principal Balance 6/30/2016	New Debt Issued During Fiscal Year	2016/17 Principal Payments	2016/17 Interest Payments	2016/17 Total Payments	Projected Principal Balance 6/30/2017
General Obligation										
Measure G Fire Facility Projects Bonds	2004	2024	20,000,000	Existing Special Property Tax	12,430,000	-	1,040,000	592,023	1,632,023	11,390,000
Pension Obligation										
Pension Obligation Bonds (2004)	2004	2023	89,540,000	General Purpose General Fund Revenues	56,600,000	-	5,760,000	3,337,136	9,097,136	50,840,000
Pension Obligation Bonds (2005) Series A	2005	2020	30,000,000	General Purpose General Fund Revenues 2	13,255,000	-	3,120,000	633,589	3,753,589	10,135,000
Pension Obligation Refunding Bond Anticipation Notes	2016	2017	31,145,000	General Purpose General Fund Revenues 2	31,145,000	-	31,145,000	309,460	31,454,460	-
Certificates of Participation										
Galleria Mall Improvements	2006	2036	19,945,000	Project Developer / Successor Agency	17,575,000	-	595,000	790,491	1,325,491	17,040,000
Riverside Renaissance Projects Refunding	2008	2037	128,300,000	General Purpose General Fund Revenues	109,300,000	-	3,600,000	3,644,408	7,244,408	105,700,000
Recovery Zone Facility Hotel Project (Hyatt)	2010	2040	20,660,000	Project Developer / Successor Agency	19,815,000	-	445,000	1,042,738	1,487,738	19,370,000
Lease Revenue Bonds										
Lease Revenue Refunding Bonds Series A	2012	2033	41,240,000	General Purpose General Fund Revenues 3	37,245,000	-	1,420,000	1,653,125	3,073,125	35,825,000
Capital Leases										
VOIP Phone System	2012	2022	1,650,000	General Purpose General Fund Revenues	1,116,334	-	160,771	25,618	186,388	955,564
Police Department Helicopter	2013	2019	1,348,316	General Purpose General Fund Revenues	689,198	-	225,889	10,665	236,554	463,309
Various Vehicles, Software, and Hardware	2013	2019	3,642,934	General Purpose General Fund Revenues	1,862,102	-	610,315	28,816	639,131	1,251,787
Various Vehicles, Software, and Hardware	2013	2018	2,957,221	General Purpose General Fund Revenues	1,498,981	-	594,218	16,210	610,428	904,764
Convention Center, Fox, Muni, and RPD Dispatch FF&E	2013	2020	3,668,000	General Purpose General Fund Revenues	2,666,783	-	514,934	44,426	559,360	2,151,849
Various Vehicles, Software, and Hardware	2014	2022	4,450,000	General Purpose General Fund Revenues	4,173,048	-	663,030	76,194	739,224	3,510,019
Interfund Loans										
Utilities Plaza Purchase Interfund Loan	2012	2028	4,469,221	Building Lease Revenue	3,268,541	-	290,972	49,028	340,000	2,977,569
Private Placement Financings										
Ryan Bonaminio Park Loan	2012	2021	4,000,000	General Purpose General Fund Revenues	2,543,567	-	392,506	746,084	1,138,590	2,161,061
Convention Center Expansion Loan	2012	2034	44,650,000	General Fund Transient Occupancy Tax 4	40,937,717	-	1,764,235	1,272,083	3,036,318	39,173,482
Local Park Impact Fee Fund										
Total General Fund					356,121,272		52,281,869	14,272,094	66,553,963	303,839,403
Local Park Impact Fee Fund										
Riverside Renaissance Debt Service Interfund Loan #1	2010	2020	3,460,000	Development Impact Fee Revenue	3,460,000	-	680,100	51,900	732,000	2,779,900
Riverside Renaissance Debt Service Interfund Loan #2	2011	2019	3,402,000	Development Impact Fee Revenue	2,715,220	-	678,272	40,728	719,000	2,036,949
Total Local Park Impact Fee Fund					6,175,220		1,358,372	92,628	1,451,000	4,816,849
Measure A Fund										
RPFA Local Measure A Sales Tax Revenue COPs	2013	2033	35,235,000	Measure A Sales Tax Revenues	33,950,000	-	1,340,000	1,659,688	2,999,688	32,610,000
Total Measure A Fund					33,950,000		1,340,000	1,659,688	2,999,688	32,610,000
Electric Utility										
Electric Revenue Refunding Bonds (2008) Series A	2008	2029	84,515,000	Existing Electric Rates/Refunding Proceeds	70,540,000	-	-	2,194,499	2,194,499	70,540,000
Electric Revenue Refunding Bonds (2008) Series C	2008	2035	57,325,000	Existing Electric Rates/Refunding Proceeds	41,975,000	-	-	1,344,879	1,344,879	41,975,000
Electric Revenue Bonds (2008) Series D	2008	2038	209,740,000	Existing Electric Rates	209,740,000	-	-	10,246,400	10,246,400	209,740,000
Electric Revenue Bonds (2009) Series A	2009	2018	34,920,000	Existing Electric Rates	3,640,000	-	1,150,000	140,500	1,290,500	2,490,000
Electric Revenue Bonds (2010) Series A	2010	2040	133,290,000	Existing Electric Rates	133,290,000	-	-	6,479,481	6,479,481	133,290,000
Electric Revenue Bonds (2010) Series B	2010	2019	7,090,000	Existing Electric Rates	7,090,000	-	95,000	305,625	400,625	6,985,000
Electric Revenue Bonds (2011) Series A	2011	2035	56,450,000	Existing Electric Rates/Refunding Proceeds	41,925,000	-	-	1,613,274	1,613,274	41,925,000
Electric Revenue Refunding Bonds (2013) Series A	2013	2043	79,080,000	Existing Electric Rates	58,635,000	-	12,075,000	2,537,856	14,612,856	46,560,000
Electric Fund Vehicles Capital Leases	Various	Various	Various	Existing Electric Rates	4,693,715	-	789,052	92,063	881,115	3,904,662
Total Electric Fund					571,528,715		14,109,052	24,954,578	39,063,630	557,419,662
Water Utility										
Water Revenue Bonds (2008) Series B	2008	2038	58,235,000	Existing Water Rates	58,235,000	-	1,610,000	2,798,150	4,408,150	56,625,000
Water Revenue Bonds (2009) Series A	2009	2020	31,895,000	Existing Water Rates	12,730,000	-	2,970,000	517,350	3,487,350	9,760,000
Water Revenue Bonds (2009) Series B	2009	2039	67,790,000	Existing Water Rates	67,790,000	-	-	2,717,377	2,717,377	67,790,000
Water Revenue Bonds (2011) Series A	2011	2035	59,000,000	Existing Water Rates	54,725,000	-	600,000	1,781,306	2,381,306	54,125,000
Total Water Fund					193,480,000		5,180,000	7,814,183	12,994,183	188,300,000
Sewer Utility										
Headworks Project Loan	2000	2019	7,956,419	Existing Sewer Rates	1,383,086	-	452,992	24,395	477,387	930,095
Cogeneration Project Loan	2003	2021	5,374,978	Existing Sewer Rates	1,596,647	-	306,353	33,120	339,474	1,290,294
Sewer Revenue Bonds (2009) Series A	2009	2016	36,835,000	Existing Sewer Rates	8,055,000	-	-	201,375	8,256,375	-
Sewer Revenue Bonds (2009) Series B	2009	2039	204,075,000	Existing Sewer Rates	204,075,000	-	-	9,216,748	9,216,748	204,075,000
Sewer Revenue Bonds (2015) Series A	2015	2040	200,030,000	Existing Sewer Rates	200,030,000	-	-	9,837,000	9,837,000	200,030,000
Total Sewer Fund					415,139,734		8,814,345	19,312,639	28,126,984	406,325,369

Debt Issuance	Year of Issuance	Year of Final Maturity	Total Issue Size	Repayment Source	Outstanding Principal Balance 6/30/2016	New Debt Issued During Fiscal Year	2016/17 Principal Payments	2016/17 Interest Payments	2016/17 Total Payments	Projected Principal Balance 6/30/2017
Parking Fund										
Parking Garages 1 & 2 Interfund Loan #2	2008	2018	942,006	Parking Fund Revenue	216,623	-	117,751	3,249	121,000	98,872
Fox Entertainment Plaza Loan	2010	2032	25,000,000	Parking Fund Revenue ⁵	20,246,817	-	976,511	770,193	1,746,704	19,270,306
				Total Parking Fund	20,463,440	-	1,094,262	773,442	1,867,704	19,369,178
Central Garage Fund										
CNG Refueling Station Interfund Loan	2013	2019	1,674,262	Fuel Sales	1,015,607	-	334,766	15,234	350,000	680,841
				Total Central Garage Fund	1,015,607	-	334,766	15,234	350,000	680,841
RDA Successor Agency										
RPFA Multiple Project Area TABs (1991)	1991	2018	13,285,000	Successor Agency Tax Increment	45,000	-	20,000	3,600	23,600	25,000
California Tower Lease Revenue Bonds Series A	2003	2024	26,255,000	Successor Agency Tax Increment	15,475,000	-	1,275,000	735,500	2,010,500	14,200,000
California Tower Lease Revenue Bonds Series B	2003	2024	4,810,000	Successor Agency Tax Increment	2,555,000	-	225,000	133,849	358,849	2,330,000
RPFA Multiple Project Area TABs (2007) Series A	2007	2037	8,340,000	Successor Agency Tax Increment	8,170,000	-	25,000	356,331	381,331	8,145,000
RPFA Multiple Project Area TABs (2007) Series B	2007	2028	14,850,000	Successor Agency Tax Increment	11,620,000	-	470,000	658,922	1,128,922	11,150,000
RPFA Multiple Project Area TABs (2007) Series C	2007	2037	89,205,000	Successor Agency Tax Increment	85,960,000	-	605,000	4,193,100	4,798,100	85,355,000
RPFA Multiple Project Area TABs (2007) Series D	2007	2032	43,875,000	Successor Agency Tax Increment	31,430,000	-	1,805,000	1,782,519	3,587,519	29,625,000
3615-3653 Main Street Acquisition Interfund Loan	2009	---	4,280,000	Successor Agency Tax Increment	4,239,823	-	4,239,823	-	4,239,823	(0)
HUD Section 108 Refunding Loan - Mission Village	2011	2018	2,695,000	Successor Agency Tax Increment	1,175,000	-	365,000	29,308	394,308	810,000
Reid Park Acquisition Interfund Loan	2011	---	720,000	Successor Agency Tax Increment	662,178	-	55,067	9,933	65,000	607,111
Riverside Golf Course Acquisition Interfund Loan	2011	---	4,837,500	Successor Agency Tax Increment	4,450,726	-	368,239	66,761	435,000	4,082,487
2014 Subordinate Tax Allocation Refunding Bonds Series A	2014	2034	61,250,000	Successor Agency Tax Increment	57,280,000	-	3,690,000	2,681,900	6,371,900	53,590,000
2014 Subordinate Tax Allocation Refunding Bonds Series B	2014	2024	1,730,000	Successor Agency Tax Increment	1,565,000	-	160,000	43,660	203,660	1,405,000
				Total RDA Successor Agency	224,627,727	-	13,303,129	10,695,381	23,998,511	211,324,597
Housing Authority										
3836-3844 Second Street Acquisition Interfund Loan	2012	2015	458,151	Housing Authority Revenue	-	-	-	-	-	-
				Total Housing Authority	-	-	-	-	-	-
Assessment District & Community Facilities District										
Riverwalk Business Center Assessment District Bonds	2005	2029	3,755,000	Existing Special Property Tax	2,690,000	-	130,000	159,693	289,693	2,560,000
Sycamore Canyon Business Park CFD 92-1 Bonds	2005	2034	9,700,000	Existing Special Property Tax	7,690,000	-	250,000	392,990	642,990	7,440,000
Hunter Park Assessment District Bonds	2006	2036	15,269,906	Existing Special Property Tax	12,675,000	-	355,000	641,106	996,106	12,320,000
Riverwalk Assessment District Refunding Bonds	2011	2026	7,805,000	Existing Special Property Tax	6,100,000	-	450,000	267,006	717,006	5,650,000
Auto Center Assessment District Refunding Bonds	2012	2024	4,050,000	General Fund Sales Tax Revenue ⁶	2,970,000	-	285,000	118,472	403,472	2,685,000
Riverwalk Vista CFD 2006-1	2013	2043	4,415,000	Existing Special Property Tax	4,290,000	-	85,000	204,919	289,919	4,205,000
Riverwalk Vista CFD 2006-1 Improv Area No.2 Series A	2016	2046	5,505,000	Existing Special Property Tax	5,505,000	-	-	179,005	179,005	5,505,000
Riverwalk Vista CFD 2006-1 Improv Area No.2 Series B	2016	2031	1,275,000	Existing Special Property Tax	1,275,000	-	80,000	42,934	122,934	1,195,000
Highlands CFD 2014-2 Series A	2016	2046	1,800,000	Existing Special Property Tax	1,800,000	-	-	48,880	48,880	1,800,000
Highlands CFD 2014-2 Series B	2016	2031	810,000	Existing Special Property Tax	810,000	-	-	24,966	24,966	810,000
				Total Assessment District & Community Facilities District	45,805,000	-	1,635,000	2,079,971	3,714,971	44,170,000
Total					\$ 1,868,306,713	\$ -	\$ 99,450,795	\$ 81,659,837	\$ 181,120,632	\$ 1,768,855,918

¹ Excludes water stock acquisition rights, copier leases, development agreements, and amortization of premiums and discounts on outstanding debt, none of which are material.

² 48.3% of the debt service for these bonds is allocated to other Funds based on the percentage of miscellaneous CalPERS plan employees budgeted in those Funds.

³ 25.4% of the debt service for these bonds is allocated to the Parking Fund for the construction of Garage 6 and to the Successor Agency for the construction of the University Village garage.

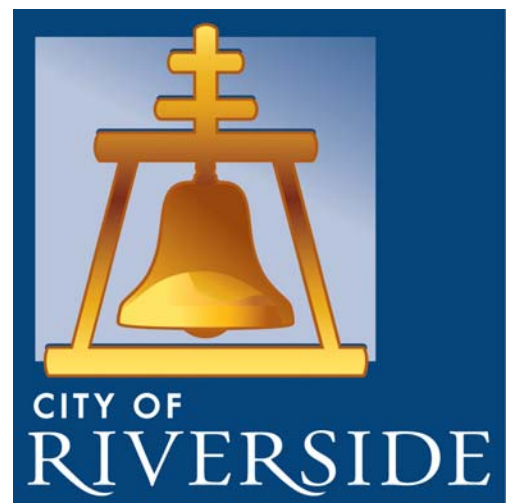
⁴ Debt service for this loan is primarily funded from a voter-approved increase in the transient occupancy tax rate from 11% to 13%.

⁵ A portion of the debt service for this loan related to non-parking facilities is funded by the General Fund.

⁶ Under the terms of an existing development agreement, increased incremental sales tax resulting from the expansion of the Auto Center funds the debt service on these bonds.

ATTACHMENT A

FINANCIAL REPORT



General Fund and Measure Z Summary
 FY 2016/17 and FY 2017/18 First Quarter Estimates

GENERAL FUND	ADOPTED		PROJECTED (1ST QTR)		DIFFERENCE	
	FY 2016-17	FY 2017-18	FY 2016-17	FY 2017-18	FY 2016-17	FY 2017-18
REVENUES/TRANSFERS IN (See A-3)	\$ 266,444,469	\$ 273,508,401	\$ 264,017,611	\$ 270,112,493	\$ (2,426,858)	\$ (3,395,908)
EXPENDITURES/TRANSFERS OUT (See A-4)	\$ 266,417,939	\$ 271,430,387	\$ 267,489,020	\$ 275,026,696	\$ 1,071,081	\$ 3,596,309
PROJECTED SURPLUS/DEFICIT	\$ 26,530	\$ 2,078,014	\$ (3,471,409)	\$ (4,914,203)	\$ (3,497,939)	\$ (6,992,217)
ENDING: General Fund Reserve	\$ 33,185,259 12.5%	\$ 35,263,273 13.0%	\$ 29,687,320 11.1%	\$ 24,773,116 9.0%	\$ (3,497,939)	\$ (10,490,156)
MEASURE Z			PROJECTED (1ST QTR)			
			FY 2016-17	FY 2017-18		
PROJECTED REVENUES/TRANSFERS IN (See A-3)			\$ 10,000,000	\$ 51,557,000		
RECOMMENDED EXPENDITURES/TRANSFERS OUT (See A-4)			\$ 450,000	\$ 792,728		
ENDING: Measure Z Balance			\$ 9,550,000	\$ 60,314,272		

General Fund and Measure Z Revenue Summary
 FY 2016/17 and FY 2017/18 First Quarter Estimates

GENERAL FUND	ACTUALS		ADOPTED		PROJECTED (1ST QTR)		DIFFERENCE	
	FY 2015-16	FY 2017-18	FY 2016-17	FY 2017-18	FY 2016-17	FY 2017-18	FY 2016-17	FY 2017-18
Sales & Use Taxes	\$ 60,976,046	\$ 70,140,574	\$ 66,567,942	\$ 70,140,574	\$ 65,095,762	\$ 67,636,916	\$ (1,472,180)	\$ (2,503,658)
Property Taxes	\$ 53,337,211	\$ 59,713,414	\$ 56,730,769	\$ 59,713,414	\$ 55,910,544	\$ 58,849,770	\$ (820,225)	\$ (863,644)
Utilities Users Tax	\$ 27,828,010	\$ 29,180,764	\$ 28,577,109	\$ 29,180,764	\$ 27,983,545	\$ 28,505,619	\$ (593,564)	\$ (675,145)
Franchise Fees	\$ 5,729,647	\$ 5,682,700	\$ 5,590,000	\$ 5,682,700	\$ 5,628,360	\$ 5,731,968	\$ 38,360	\$ 49,268
Transient Occupancy Tax	\$ 6,093,430	\$ 6,868,575	\$ 6,541,500	\$ 6,868,575	\$ 6,398,102	\$ 6,718,007	\$ (143,399)	\$ (150,568)
Property Transfer Tax	\$ 2,208,091	\$ 2,952,400	\$ 2,684,000	\$ 2,952,400	\$ 2,428,900	\$ 2,671,790	\$ (255,100)	\$ (280,610)
General Fund Transfer	\$ 44,789,400	\$ 46,142,500	\$ 45,075,000	\$ 46,142,500	\$ 44,886,700	\$ 46,142,500	\$ (188,300)	\$ -
Charges for Services - Development & Building	\$ 4,349,030	\$ 4,742,061	\$ 4,505,786	\$ 4,742,061	\$ 4,692,984	\$ 4,943,881	\$ 187,198	\$ 201,820
Special Revenue - Entertainment	\$ 11,796,183	\$ 11,289,982	\$ 11,151,690	\$ 11,289,982	\$ 11,969,102	\$ 12,121,395	\$ 817,412	\$ 831,413
Charges for Services	\$ 10,372,477	\$ 10,891,110	\$ 10,692,514	\$ 10,891,110	\$ 10,713,437	\$ 10,923,092	\$ 20,923	\$ 31,982
Licenses and Permits	\$ 9,076,943	\$ 10,499,737	\$ 9,825,167	\$ 10,499,737	\$ 9,670,348	\$ 10,322,308	\$ (154,819)	\$ (177,429)
Fines and Forfeits	\$ 1,937,189	\$ 1,745,065	\$ 1,737,000	\$ 1,745,065	\$ 1,685,571	\$ 1,693,444	\$ (51,429)	\$ (51,621)
Special Assessments	\$ 4,423,681	\$ 4,494,029	\$ 4,504,237	\$ 4,494,029	\$ 4,467,333	\$ 4,459,815	\$ (36,904)	\$ (34,214)
Intergovernmental Revenues	\$ 2,899,758	\$ 1,525,000	\$ 1,520,000	\$ 1,525,000	\$ 1,520,000	\$ 1,525,000	\$ -	\$ -
Other	\$ 7,796,640	\$ 7,640,491	\$ 10,741,756	\$ 7,640,491	\$ 10,966,924	\$ 7,866,988	\$ 225,168	\$ 226,497
Projected Total Revenues / Transfers In	\$ 253,613,736	\$ 273,508,401	\$ 266,444,469	\$ 273,508,401	\$ 264,017,611	\$ 270,112,493	\$ (2,426,858)	\$ (3,395,908)
MEASURE Z	FINAL	ADOPTED	ADOPTED	ADOPTED	PROJECTED (1ST QTR)	PROJECTED (1ST QTR)	DIFFERENCE	DIFFERENCE
Measure Z Revenue	FY 2015-16	FY 2016-17	FY 2016-17	FY 2017-18	FY 2016-17	FY 2017-18	FY 2016-17	FY 2017-18
	\$ -	\$ -	\$ -	\$ -	\$ 10,000,000	\$ 51,557,000	\$ 10,000,000	\$ 51,557,000
Projected Total Measure Z Revenues / Transfers In	\$ -	\$ -	\$ -	\$ -	\$ 10,000,000	\$ 51,557,000	\$ 10,000,000	\$ 51,557,000

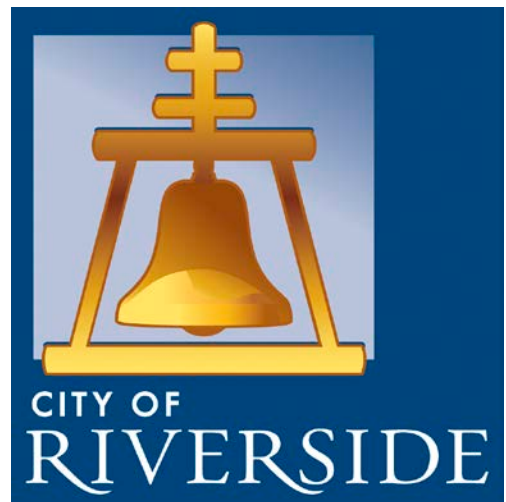
General Fund and Measure Z Expenditure Summary
 FY 2016/17 and FY 2017/18 First Quarter Estimates

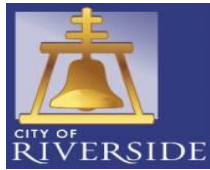
GENERAL FUND	ADOPTED		PROJECTED (1ST Quarter)		DIFFERENCE	
	FY 2016/17	FY 2017/18	FY 2016/17	FY 2017/18	FY 2016/17	FY 2017/18
City Attorney	5,363,115	5,529,013	5,363,115	5,529,013	-	-
City Clerk	1,635,728	1,580,251	1,635,728	1,580,251	-	-
City Council	1,154,498	1,184,984	1,154,498	1,184,984	-	-
City Manager	4,745,799	4,821,270	4,745,799	4,821,270	-	-
Community & Economic Development	15,268,394	13,569,473	15,268,394	13,569,473	-	-
Finance	8,106,718	8,408,463	7,408,718	8,408,463	(698,000)	-
Fire	47,017,090	47,953,565	47,767,090	48,453,565.40	750,000	500,000
General Services	4,400,646	4,460,917	4,400,646	4,460,917	-	-
Human Resources	2,958,276	3,093,091	2,958,276	3,093,091	-	-
Innovation & Technology	11,055,186	11,275,678	11,055,186	11,275,678	-	-
Library	6,461,399	6,647,489	6,461,399	6,647,489	-	-
Mayor	789,653	817,056	789,653	817,056	-	-
Museum & Cultural Affairs	3,834,665	3,879,541	3,834,665	3,879,541	-	-
Non-Departmental	27,245,657	26,821,037	27,245,657	26,821,037	-	-
Non-Departmental - Community Livability	25,000	25,000	25,000	25,000	-	-
Parks, Recreation & Community Services	17,877,800	18,109,838	18,477,800	18,709,838	600,000	600,000
Police	94,609,627	96,934,049	94,609,627	96,934,049	-	-
Public Works	24,608,965	25,090,491	23,708,965	24,190,491	(900,000)	(900,000)
Subtotal	277,158,216	280,201,206	276,910,216	280,401,206	(248,000)	200,000
Estimated Managed Savings	(5,425,000)	(5,425,000)	(5,425,000)	(5,425,000)	-	-
Employee Negotiations	51,764	1,431,685	870,845	4,827,994	819,081	3,396,309
Allocated Costs, Utilization Charges and Operating Transfers	(24,580,201)	(25,034,250)	(24,080,201)	(25,034,250)	500,000	-
Net Debt Service Allocation	19,213,160	20,256,746	19,213,160	20,256,746	-	-
Projected Total Expenditures / Transfers Out	266,417,939	271,430,387	267,489,020	275,026,696	1,071,081	3,596,309

MEASURE Z	ADOPTED		PROJECTED (1ST QTR)		DIFFERENCE	
	FY 2016-17	FY 2017-18	FY 2016-17	FY 2017-18	FY 2016-17	FY 2017-18
<i>Fire Department: Squad</i>	\$ -	\$ -	\$ 450,000	\$ 792,728	\$ 450,000	\$ 792,728
Recommended MEASURE Z Total Expenditures/ Transfers Out	\$ -	\$ -	\$ 450,000	\$ 792,728	\$ 450,000	\$ 792,728

ATTACHMENT B

INVESTMENT REPORT

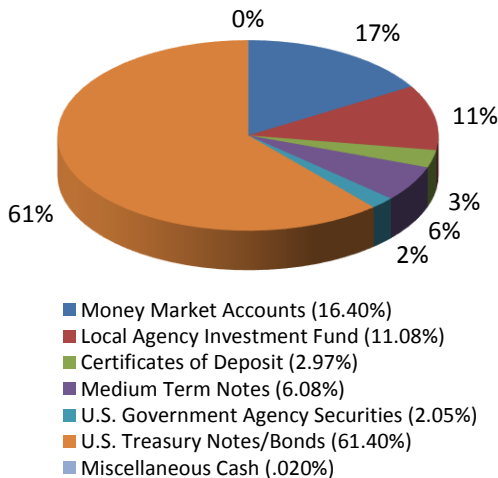




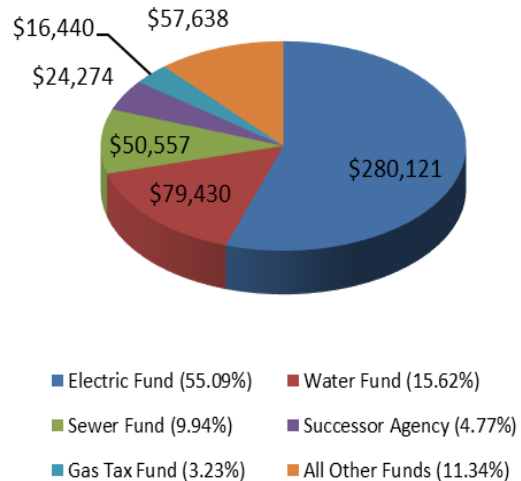
CITY OF RIVERSIDE Quarterly Investment Report September 30, 2016

	AMORTIZED COST	MARKET VALUE
POOLED INVESTMENT PORTFOLIO		
Money Market Accounts	\$ 83,768,228.31	\$ 83,769,829.95
Local Agency Investment Fund (LAIF)	56,591,483.00	56,591,483.00
Certificates of Deposit	15,130,461.52	15,181,422.80
Medium Term Notes	30,966,458.38	31,045,507.52
U.S. Government Agency Securities	10,479,179.97	10,487,000.00
U.S. Treasury Notes/Bonds	311,446,990.58	313,578,893.00
Miscellaneous Cash	77,600.00	77,600.00
TOTAL POOLED INVESTMENT PORTFOLIO	508,460,401.76	510,731,736.27
INVESTMENTS HELD BY FISCAL AGENT	282,862,726.35	281,527,844.67
TOTAL CASH & INVESTMENTS	\$ 791,323,128.11	\$ 792,259,580.94

**COMPOSITION OF POOLED
PORTFOLIO**



**COMPOSITION OF POOLED PORTFOLIO
BY FUND
(In Thousands)**



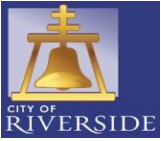
It has been verified that this investment portfolio is in conformity, exclusive of items identified, with the City of Riverside's investment policy which was approved by City Council on 12/15/15. The Treasurer's cash management program and cash flow analysis indicates that sufficient liquidity is on hand to meet estimated future expenditures for a period of six months. The weighted average maturity of the pooled investment portfolio is 1.47 years. Market prices of securities are obtained from Interactive Data Corporation. Weighted average yield on cost is 0.974%. The cash held and invested with fiscal agents is subject to the investment provisions of the related trust indentures associated with the bond transaction which generated the cash.

Verified by:


 Edward P. Enriquez, Controller

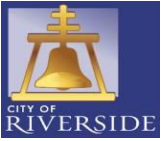
Approvec


 Scott Miller, Interim Finance Director/Treasurer



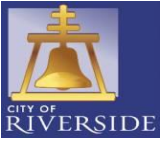
CITY OF RIVERSIDE
Pooled Investment Portfolio Holdings
September 30, 2016

DESCRIPTION OF SECURITY	COUPON RATE	MATURITY DATE	INVEST RATING	PURCH DATE	AMORTIZED COST	YIELD ON MATURITY	MARKET VALUE
<u>MONEY MARKET ACCOUNTS</u>							
CALTRUST Heritage Money Market Fund - Select Class	Varies	Varies	AAA	Varies	19,084,379.81	0.49%	19,084,379.81
CALTRUST Investment Trust of California	Varies	Varies	AA	Varies	28,842,587.61	0.81%	28,844,189.25
Bank of America	Varies	Varies	Coll. ¹	Varies	30,754,920.17	0.50%	30,754,920.17
Citizens Business Bank	Varies	Varies	Coll. ¹	Varies	5,086,340.72	0.35%	5,086,340.72
SUBTOTAL MONEY MARKET ACCOUNTS					83,768,228.31		83,769,829.95
LOCAL AGENCY INVESTMENT FUND (LAIF)	Varies	Varies	NR	Varies	56,591,483.00	0.65%	56,591,483.00
<u>CERTIFICATES OF DEPOSIT</u>							
Medallion Bank	1.10%	10/04/16	FDIC	10/04/13	248,000.00	1.10%	248,009.92
Bank of The Ozarks	1.00%	10/17/16	FDIC	10/17/13	249,000.00	1.00%	249,039.84
Community Financial Services Bank	0.80%	10/17/16	FDIC	10/17/14	248,000.00	0.80%	248,017.36
Lakeside Bank (Inc)	0.90%	10/24/16	FDIC	12/23/14	248,000.00	0.90%	248,039.68
Main Street Bank Corp.	0.90%	12/16/16	FDIC	10/16/14	248,000.00	0.90%	248,104.16
SouthWest Bank	0.75%	02/13/17	FDIC	02/13/15	237,000.00	0.75%	237,004.74
Triad Bank	1.00%	03/14/17	FDIC	11/14/13	249,000.00	1.00%	249,266.43
BMO Harris Bank National Association	0.90%	03/23/17	FDIC	09/23/15	248,000.00	0.90%	248,148.80
Parkway Bank And Trust Company	1.15%	04/07/17	FDIC	10/07/14	248,000.00	1.15%	248,453.84
United Community Bank	1.00%	04/13/17	FDIC	10/14/14	248,000.00	1.00%	248,275.28
Leader Bank, National Association	1.05%	04/21/17	FDIC	10/23/14	248,000.00	1.05%	248,342.24
Georgia Bank & Trust Company of Augusta	1.00%	06/20/17	FDIC	12/20/13	249,000.00	1.00%	249,251.49
First Commercial Bank	1.00%	07/31/17	FDIC	10/30/14	248,000.00	1.00%	248,205.84
American Express Bank, FSB	1.25%	08/21/17	FDIC	08/21/14	248,000.00	1.25%	248,716.72
Capital One, National Association	1.25%	08/21/17	FDIC	08/19/15	249,000.00	1.25%	249,717.12
Discover Bank	1.30%	08/21/17	FDIC	08/20/14	248,000.00	1.30%	248,823.36
Signature Bank of Arkansas	1.05%	08/25/17	FDIC	08/26/15	249,000.00	1.05%	249,278.88
EverBank	1.10%	08/28/17	FDIC	08/28/15	248,000.00	1.10%	248,381.92
Mauch Chunk Trust Company	1.20%	09/11/17	FDIC	10/10/14	248,000.00	1.20%	248,600.16
First Niagara Bank, National Association	1.15%	09/25/17	FDIC	09/25/15	248,000.00	1.15%	248,473.68
First Bank of Highland Park	1.25%	10/10/17	FDIC	10/08/14	248,000.00	1.25%	248,711.76
Third Federal Savings and Loan Association of Clev	1.40%	11/27/17	FDIC	11/27/13	248,000.00	1.40%	249,108.56
BBVA Compass	0.45%	12/04/17	FDIC ²	12/04/15	1,000,000.00	0.45%	1,000,000.00
Wex Bank	1.20%	12/11/17	FDIC	12/11/15	248,000.00	1.20%	248,540.64
Customers Bank	1.25%	12/18/17	FDIC	12/18/15	248,000.00	1.25%	248,679.52
Bank of North Carolina	1.25%	01/16/18	FDIC	01/16/15	247,000.00	1.25%	247,652.08
Cadence Bank, N.A.	1.25%	02/12/18	FDIC	02/10/16	248,000.00	1.25%	248,615.04
Mercantil Commercebank, National Association	1.50%	04/24/18	FDIC	10/24/14	248,000.00	1.50%	249,376.40
GE Capital Bank	1.60%	07/03/18	FDIC	07/03/14	248,000.00	1.60%	249,688.88
United Bank	1.55%	07/17/18	FDIC	10/17/14	248,000.00	1.55%	249,460.72
MB Financial Bank, National Association	1.35%	08/21/18	FDIC	08/21/15	249,000.00	1.35%	249,577.68
Comenity Capital Bank	1.70%	08/24/18	FDIC	08/24/15	249,000.00	1.70%	251,026.86
East Boston Savings Bank	1.40%	08/24/18	FDIC	08/24/15	249,000.00	1.40%	249,771.90
Goldman Sachs Bank USA	1.65%	09/04/18	FDIC	09/03/14	247,000.00	1.65%	248,773.46
Sallie Mae Bank	1.80%	09/04/18	FDIC	09/03/14	247,000.00	1.80%	249,395.90
First Priority Bank	1.45%	09/28/18	FDIC	09/30/15	248,000.00	1.45%	248,870.48
UBS Bank USA	1.40%	10/01/18	FDIC	10/08/15	248,000.00	1.40%	248,657.20
Capital One Bank	1.80%	10/09/18	FDIC	10/08/14	248,000.00	1.80%	250,363.44
Marlin Business Bank	1.70%	10/15/18	FDIC	10/14/14	248,000.00	1.70%	249,946.80
Community Bankers' Bank	1.65%	10/17/18	FDIC	10/17/14	248,000.00	1.65%	249,733.52
American Express Centurion Bank	2.00%	11/28/18	FDIC	11/28/14	248,000.00	2.00%	251,308.32
Flushing Bank	1.50%	12/17/18	FDIC	12/17/15	249,000.00	1.50%	250,043.31
KeyBank National Association	1.55%	01/22/19	FDIC	01/20/16	247,000.00	1.55%	248,239.94



CITY OF RIVERSIDE
Pooled Investment Portfolio Holdings
September 30, 2016

DESCRIPTION OF SECURITY	COUPON RATE	MATURITY DATE	INVEST RATING	PURCH DATE	AMORTIZED COST	YIELD ON MATURITY	MARKET VALUE
Investors Community Bank	1.15%	02/12/19	FDIC	02/12/16	249,000.00	1.15%	248,175.81
Prime Alliance Bank, Inc.	1.15%	02/12/19	FDIC	02/12/16	249,000.00	1.15%	248,175.81
CIT Bank, National Association	2.00%	05/14/19	FDIC	05/14/14	247,000.00	2.00%	250,606.20
Webster Bank, National Association	1.90%	07/02/19	FDIC	07/02/14	247,461.52	1.98%	251,100.00
ConnectOne Bank	1.55%	07/29/19	FDIC	01/28/15	247,000.00	1.55%	248,062.10
Alma Bank	1.70%	09/30/19	FDIC	09/30/15	247,000.00	1.70%	248,869.79
Belmont Savings Bank	1.40%	02/18/20	FDIC	02/17/16	249,000.00	1.40%	248,474.61
Bank of Wisconsin Dells	1.50%	07/17/20	FDIC	02/17/16	249,000.00	1.50%	248,504.49
Bridgewater Bank	1.50%	08/17/20	FDIC	02/17/16	249,000.00	1.50%	248,352.60
Unity Bank	1.50%	08/26/20	FDIC	02/26/16	249,000.00	1.50%	248,312.76
Barclays Bank Delaware	2.20%	09/16/20	FDIC	09/16/15	247,000.00	2.20%	251,616.43
Bank of Charles Town	1.80%	09/30/20	FDIC	09/30/15	249,000.00	1.80%	250,329.66
HSBC Bank USA, National Association	1.60%	11/17/20	FDIC	11/23/15	246,000.00	2.79%	248,467.38
EnerBank USA	1.90%	01/28/21	FDIC	01/28/16	247,000.00	1.90%	248,657.37
The State Bank and Trust Company	1.60%	02/17/21	FDIC	02/17/16	249,000.00	1.60%	248,023.92
SUBTOTAL CERTIFICATES OF DEPOSIT					15,130,461.52		15,181,422.80
<u>MEDIUM TERM NOTES</u>							
GENERAL ELECTRIC CAPITAL CORPORATION	5.38%	10/20/16	AA- / A1	09/10/14	2,004,625.26	0.90%	2,005,080.00
GENERAL ELECTRIC CO	2.30%	04/27/17	AA- / A1	09/10/14	7,634,575.91	1.15%	7,644,011.30
APPLE INC	1.05%	05/05/17	AA+ / Aa1	09/10/14	4,004,941.19	0.84%	4,005,480.00
SHELL INTERNATIONAL FINANCE BV	1.13%	08/21/17	A / Aa2	04/10/14	1,802,363.28	1.29%	1,808,267.05
TOYOTA MOTOR CREDIT CORP	1.25%	10/05/17	AA- / Aa3	04/10/14	2,715,748.64	1.30%	2,722,189.47
CHEVRON CORP	1.10%	12/05/17	AA- / Aa2	04/10/14	2,738,671.98	1.46%	2,748,515.00
WAL-MART STORES INC	5.80%	02/15/18	AA / Aa2	01/28/16	504,147.70	0.48%	501,259.70
BERKSHIRE HATHAWAY FINANCE CORP	1.30%	05/15/18	AA / Aa2	01/28/16	1,001,382.65	1.21%	1,002,240.00
TOYOTA MOTOR CREDIT CORP	1.55%	07/13/18	AA- / Aa3	01/28/16	5,010,296.70	1.43%	5,030,800.00
APPLE INC	2.10%	05/06/19	AA+ / Aa1	01/28/16	3,549,705.08	1.54%	3,577,665.00
SUBTOTAL MEDIUM TERM NOTES					30,966,458.38		31,045,507.52
<u>U.S. GOVERNMENT AGENCY SECURITIES</u>							
FEDERAL HOME LOAN MORTGAGE CORP	5.13%	11/17/17	AA+ / Aaa	01/16/13	10,479,179.97	0.85%	10,487,000.00
SUBTOTAL U.S. GOVERNMENT AGENCY SECURITIES					10,479,179.97		10,487,000.00
<u>U.S. GOVERNMENT TREASURY SECURITIES</u>							
UNITED STATES TREASURY	0.75%	03/15/17	AA+ / Aaa	06/16/14	6,996,257.18	0.87%	7,009,030.00
UNITED STATES TREASURY	0.50%	04/30/17	AA+ / Aaa	07/13/15	14,993,141.27	0.58%	14,996,550.00
UNITED STATES TREASURY	2.75%	05/31/17	AA+ / Aaa	05/22/14	8,104,085.88	0.78%	8,112,480.00
UNITED STATES TREASURY	0.75%	06/30/17	AA+ / Aaa	10/10/14	1,496,378.54	1.08%	1,501,470.00
UNITED STATES TREASURY	0.75%	06/30/17	AA+ / Aaa	07/13/15	15,033,191.17	0.45%	15,014,700.00
UNITED STATES TREASURY	0.88%	07/15/17	AA+ / Aaa	05/24/16	4,204,081.67	0.75%	4,208,022.00
UNITED STATES TREASURY	0.50%	07/31/17	AA+ / Aaa	05/21/14	6,942,255.24	1.50%	6,992,860.00
UNITED STATES TREASURY	1.00%	09/15/17	AA+ / Aaa	05/28/15	11,792,666.25	0.62%	11,786,777.50
UNITED STATES TREASURY	0.63%	09/30/17	AA+ / Aaa	05/21/14	1,984,015.35	1.44%	1,999,060.00
UNITED STATES TREASURY	0.88%	10/15/17	AA+ / Aaa	01/22/16	14,560,578.97	0.80%	14,577,790.50
UNITED STATES TREASURY	0.88%	11/15/17	AA+ / Aaa	03/09/15	6,236,773.00	1.07%	6,261,937.50
UNITED STATES TREASURY	0.75%	12/31/17	AA+ / Aaa	05/24/16	13,534,743.00	0.84%	13,555,284.50
UNITED STATES TREASURY	0.75%	12/31/17	AA+ / Aaa	03/09/15	6,229,273.79	1.02%	6,252,437.50
UNITED STATES TREASURY	2.63%	01/31/18	AA+ / Aaa	05/21/14	12,244,034.27	1.08%	12,298,560.00
UNITED STATES TREASURY	0.88%	01/31/18	AA+ / Aaa	07/16/14	1,982,332.98	1.55%	2,004,220.00
UNITED STATES TREASURY	0.75%	03/31/18	AA+ / Aaa	07/13/15	4,989,588.39	0.89%	5,001,350.00
UNITED STATES TREASURY	2.63%	04/30/18	AA+ / Aaa	05/21/14	11,247,957.21	1.18%	11,323,950.00

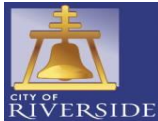


CITY OF RIVERSIDE
Pooled Investment Portfolio Holdings
September 30, 2016

DESCRIPTION OF SECURITY	COUPON RATE	MATURITY DATE	INVEST RATING	PURCH DATE	AMORTIZED COST	YIELD ON MATURITY	MARKET VALUE
UNITED STATES TREASURY	1.00%	05/31/18	AA+ / Aaa	07/13/15	10,273,119.79	0.86%	10,291,205.00
UNITED STATES TREASURY	1.00%	05/31/18	AA+ / Aaa	05/21/14	3,971,796.94	1.43%	4,016,080.00
UNITED STATES TREASURY	1.38%	06/30/18	AA+ / Aaa	10/10/14	1,501,904.67	1.30%	1,515,765.00
UNITED STATES TREASURY	1.50%	08/31/18	AA+ / Aaa	05/21/14	5,535,424.60	1.16%	5,574,360.00
UNITED STATES TREASURY	1.38%	09/30/18	AA+ / Aaa	12/16/15	10,553,779.75	1.11%	10,618,965.00
UNITED STATES TREASURY	1.25%	10/31/18	AA+ / Aaa	05/21/14	4,978,099.42	1.46%	5,045,300.00
UNITED STATES TREASURY	1.25%	11/30/18	AA+ / Aaa	07/13/15	5,321,592.31	1.06%	5,348,442.00
UNITED STATES TREASURY	1.25%	01/31/19	AA+ / Aaa	05/21/14	2,976,472.03	1.59%	3,029,070.00
UNITED STATES TREASURY	2.75%	02/15/19	AA+ / Aaa	07/16/14	2,089,356.17	0.84%	2,090,460.00
UNITED STATES TREASURY	2.75%	02/15/19	AA+ / Aaa	05/21/14	2,102,214.63	0.58%	2,090,460.00
UNITED STATES TREASURY	1.38%	02/28/19	AA+ / Aaa	05/24/16	14,624,720.76	1.01%	14,682,410.00
UNITED STATES TREASURY	1.38%	02/28/19	AA+ / Aaa	10/10/14	2,590,368.03	1.53%	2,632,708.00
UNITED STATES TREASURY	1.63%	04/30/19	AA+ / Aaa	02/26/15	7,074,667.55	1.20%	7,135,660.00
UNITED STATES TREASURY	1.63%	06/30/19	AA+ / Aaa	11/09/15	3,723,382.30	1.39%	3,774,851.00
UNITED STATES TREASURY	1.63%	06/30/19	AA+ / Aaa	05/24/16	6,092,351.95	1.06%	6,121,380.00
UNITED STATES TREASURY	1.63%	07/31/19	AA+ / Aaa	09/09/14	3,495,720.06	1.67%	3,572,450.00
UNITED STATES TREASURY	1.00%	08/31/19	AA+ / Aaa	10/10/14	1,847,953.37	1.97%	1,905,795.00
UNITED STATES TREASURY	1.00%	09/30/19	AA+ / Aaa	05/28/15	3,446,285.09	1.53%	3,509,835.00
UNITED STATES TREASURY	1.00%	09/30/19	AA+ / Aaa	12/16/14	7,840,831.00	1.68%	8,022,480.00
UNITED STATES TREASURY	1.50%	11/30/19	AA+ / Aaa	11/09/15	6,798,609.64	1.51%	6,918,456.00
UNITED STATES TREASURY	1.00%	11/30/19	AA+ / Aaa	07/13/15	2,951,172.79	1.53%	3,005,400.00
UNITED STATES TREASURY	1.13%	12/31/19	AA+ / Aaa	02/26/15	1,874,395.44	1.55%	1,910,241.00
UNITED STATES TREASURY	1.25%	01/31/20	AA+ / Aaa	05/28/15	2,475,977.40	1.55%	2,522,650.00
UNITED STATES TREASURY	1.25%	02/29/20	AA+ / Aaa	11/09/15	9,880,534.05	1.61%	10,087,500.00
UNITED STATES TREASURY	1.38%	05/31/20	AA+ / Aaa	07/13/15	6,950,257.08	1.58%	7,088,060.00
UNITED STATES TREASURY	1.50%	05/31/20	AA+ / Aaa	08/22/16	6,622,835.97	0.97%	6,611,735.00
UNITED STATES TREASURY	1.88%	06/30/20	AA+ / Aaa	03/17/16	7,778,068.05	1.41%	7,883,707.50
UNITED STATES TREASURY	2.13%	08/31/20	AA+ / Aaa	11/09/15	2,038,501.83	1.62%	2,080,620.00
UNITED STATES TREASURY	1.63%	11/30/20	AA+ / Aaa	01/22/16	6,064,124.56	1.36%	6,129,840.00
UNITED STATES TREASURY	2.00%	02/28/21	AA+ / Aaa	03/17/16	5,614,991.25	1.51%	5,704,105.00
UNITED STATES TREASURY	2.25%	03/31/21	AA+ / Aaa	08/22/16	2,942,652.71	1.09%	2,935,408.00
UNITED STATES TREASURY	2.25%	07/31/21	AA+ / Aaa	08/22/16	6,843,475.23	1.12%	6,827,015.00
SUBTOTAL U.S. GOVERNMENT TREASURY SECURITIES					311,446,990.58		313,578,893.00
MISCELLANEOUS CASH					77,600.00		77,600.00
TOTAL POOLED CASH & INVESTMENTS					508,460,401.77		510,731,736.27

¹ Collateralized in accordance with Section 53652 of the CA state code.

² Balance in excess of FDIC insurance limits collateralized in accordance with state statutes.



CITY OF RIVERSIDE
Investments Held by Fiscal Agent
September 30, 2016

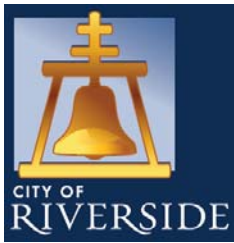
DESCRIPTION OF SECURITY	COUPON RATE	MATURITY DATE	INVEST RATING	PURCH DATE	AMORTIZED COST	YIELD ON MATURITY	MARKET VALUE
<u>CASH & MONEY MARKET ACCOUNTS</u>							
Cash	Varies	Varies	NR	Varies	481,683.37	Varies	481,683.37
Wells Fargo Advantage Heritage Money Market	0.00%	Varies	AAAm	Varies	0.00	0.00%	0.00
Wells Fargo Advantage 100% Treasury Money Market	0.00%	Varies	AAAm	Varies	317,976.77	0.00%	317,976.77
Wells Fargo Advantage Government Money Market	0.00%	Varies	AAAm	Varies	9,101,903.12	0.00%	9,101,903.12
US Bank Money Market Account 10	0.05%	Varies	A+	Varies	1,122,417.22	0.05%	1,122,417.22
US Bank Mmkt 5 - CT	0.02%	Varies	A+	Varies	56,529,385.25	0.02%	56,529,385.25
First American Government Obligation	0.00%	Varies	AAAm	Varies	420,992.56	0.00%	420,992.56
First American Prime Obligations Fund CL " Z "	0.02%	Varies	AAAm	Varies	28,386,574.40	0.02%	28,386,574.40
SUBTOTAL CASH & MONEY MARKET ACCOUNTS					96,360,932.69		96,360,932.69
LOCAL AGENCY INVESTMENT FUND (LAIF)	0.51%	Varies	NR	Varies	62,648,010.97	0.51%	62,648,010.97
<u>BONDS, DEBENTURES, NOTES & AGREEMENTS</u>							
US Bank Na C P	0.10%	05/01/17	A+	09/01/16	332,478.40	0.10%	332,478.40
US Bank Na C P	0.00%	12/01/16	A+	03/30/16	3,711,914.20	0.00%	3,711,914.20
FHLB Disc Note	4.69%	10/12/16	AAA	08/01/16	316,051.00	4.69%	318,984.05
General Electric Cap Corp Medium Term Nts	5.38%	10/20/16	A1	04/30/08	5,478,300.00	5.38%	5,409,612.00
US Govt Agency-Treasury Note	4.63%	11/15/16	AAA	04/30/08	26,347.15	4.63%	27,139.86
FNMA Debt	1.38%	11/15/16	AAA	11/1/12	4,745,268.00	1.38%	4,605,244.00
US Treasury Note	0.88%	12/31/16	AAA	10/20/15	1,132,597.66	0.88%	1,127,643.96
FNAMMT	1.25%	1/30/17	AAA	11/1/12	4,106,960.00	1.25%	4,010,400.00
FHLB Disc Note	4.61%	1/30/17	AAA	8/01/16	3,436,002.48	4.61%	3,506,333.16
US Treasury Note	0.88%	01/31/17	AAA	10/10/14	4,769,788.12	0.88%	4,750,583.02
US Treasury Note	0.50%	01/31/17	AAA	10/20/15	1,129,234.03	0.50%	1,128,665.52
General Electric Cap Corp Medium Term Nts	5.40%	02/15/17	A1	07/05/07	2,029,629.00	5.40%	2,134,230.00
US Treasury Note	0.88%	02/28/17	AAA	12/16/14	1,132,685.63	0.88%	1,128,364.60
US Treasury Note	3.25%	3/31/17	AAA	10/20/15	12,615,309.53	3.25%	12,284,754.71
FNMA Debt	1.13%	4/27/17	AAA	1/16/13	3,559,500.00	1.13%	3,510,920.00
Glaxosmithkline Cap	1.50%	5/8/17	A2	11/1/12	2,040,140.00	1.50%	2,005,040.00
US Govt Agency-F N M A MTN	5.00%	05/11/17	AAA	07/06/07	996,779.15	5.00%	1,067,021.83
US Treasury Bill	0.43%	05/25/17	AAA	06/27/16	1,785,228.34	0.43%	1,787,710.65
Caterpillar	1.63%	6/1/17	A2	11/1/12	2,290,826.72	1.63%	2,242,327.88
US Govt Agency-Federal Home Loan Bks Bonds	5.63%	06/09/17	AAA	06/13/07	5,400,000.00	5.63%	5,584,896.00
FNAMMTN	5.38%	6/12/17	AAA	11/1/12	4,844,520.00	5.38%	4,132,480.00
US Treasury Bill	0.46%	06/22/17	AAA	06/29/16	3,894,446.89	0.46%	3,896,354.10
FHLMCM	1.00%	6/29/17	AAA	11/1/12	3,042,120.00	1.00%	3,008,460.00
FHLB Debt	1.00%	7/28/17	AAA	11/1/12	3,040,080.00	1.00%	3,009,300.00
US Treasury Note	2.38%	07/31/17	AAA	10/20/15	4,914,160.78	2.38%	4,829,906.12
FHLMCM	1.00%	9/29/17	AAA	1/16/13	3,023,340.00	1.00%	3,009,360.00
Oracle Corp	1.20%	10/15/17	A1	11/1/12	4,015,960.00	1.20%	4,000,160.00
FNMA Debt	0.88%	12/20/17	AAA	1/16/13	3,498,145.00	0.88%	3,505,215.00
FHLMCM	0.75%	1/12/18	AAA	3/19/13	3,973,128.00	0.75%	3,998,840.00
US Treasury Note	2.63%	1/31/18	AAA	8/29/14	5,026,442.89	2.63%	4,938,896.72
FHLB Debt	1.25%	06/08/18	AAA	06/28/13	290,532.33	1.25%	297,003.05
US Treasury Note	2.25%	07/31/18	AAA	10/20/15	3,366,614.38	2.25%	3,328,885.60
FHLB Debt	1.00%	09/21/18	AAA	09/21/16	1,335,000.00	1.00%	1,332,810.60
Natixis Funding Corp	1.67%	03/01/19	BBB	02/14/14	7,422,802.00	1.67%	7,422,802.00
FNMA Debt	1.38%	02/26/21	AAA	03/30/16	370,735.63	1.38%	373,448.60
Inv Agmt-Trinity Plus Fdg Co Gic	4.68%	10/01/29	AA-	05/14/08	6,411,744.65	4.68%	6,411,744.65
Inv Agmt-Trinity Plus Fdg Co Gic	4.68%	10/01/35	AA-	05/14/08	4,348,970.73	4.68%	4,348,970.73
SUBTOTAL BONDS, DEBENTURES, NOTES & AGREEMENTS					123,853,782.69		122,518,901.01
TOTAL INVESTMENTS HELD BY FISCAL AGENT					282,862,726.35		281,527,844.67

City of Riverside
Cash Balances by Fund
As of September 30, 2016

Fund		Cash Balance ¹	Interfund Loan Receivables ²	Cash Balance + Loan Receivables
General Fund	101	(1,462,611)	-	(1,462,611)
Successor Agency Administration Fund	170	588,829	-	588,829
Enterprise Funds				
Electric	510	265,611,213	4,689,598	270,300,810
Electric - Public Benefits Charge	511	14,510,260	-	14,510,260
Water	520	76,629,009	-	76,629,009
Water - Conservation & Reclamation Program	521	2,800,746	-	2,800,746
Airport	530	531,480	-	531,480
Refuse Collection	540	4,990,315	-	4,990,315
Sewer Service	550	50,557,463	5,014,518	55,571,981
Special Transit	560	1,570,988	-	1,570,988
Public Parking	570	197,917	-	197,917
SubTotal - Enterprise Funds		417,399,391	9,704,115	427,103,506
Special Revenue Funds				
Urban Areas Security Initiative	205	(357,467)	-	(357,467)
Community Development Block Grant	220	443,983	-	443,983
Home Investment Partnership Program	221	422,662	-	422,662
Housing Opportunities for Persons with AIDS	222	(620,956)	-	(620,956)
Community Development Grants	223	1,850,992	-	1,850,992
Neighborhood Stabilization Program	225	131,184	-	131,184
Special Gas Tax	230	16,440,436	-	16,440,436
Air Quality	240	785,196	-	785,196
NPDES Storm Drain	260	244,289	-	244,289
Housing Authority	280	4,747,102	-	4,747,102
Housing Assets	281	460,130	14,146,520	14,606,650
SubTotal - Special Revenue Funds		24,547,551	14,146,520	38,694,071
Capital Projects Funds				
Certificates of Participation Projects	401	(992,321)	-	(992,321)
Storm Drain	410	1,139,849	-	1,139,849
Local Park Special Capital Improvements	411	416,735	-	416,735
Regional Park Special Capital Improvements	413	2,247,778	-	2,247,778
Capital Outlay	430	(4,598,160)	-	(4,598,160)
Transportation Projects	431	11,844	-	11,844
Measure A Capital Outlay	432	17,742,134	-	17,742,134
Transportation Development Impact Fees	433	3,479,503	-	3,479,503
Transportation Uniform Mitigation Fees	434	(1,859,574)	-	(1,859,574)
Community Facilities Districts and Assessment Districts	Various	1,976,033	-	1,976,033
SubTotal - Capital Project Funds		19,563,821	-	19,563,821
Debt Service Funds				
Debt Service Fund - General	390	1,617,873	-	1,617,873
Debt Service Fund - Public Works	391	762,543	-	762,543
SubTotal Debt Service Funds		2,380,416	-	2,380,416
Agency Funds				
Redevelopment Successor Agency	Various	23,685,039	-	23,685,039
Community Facilities Districts and Assessment Districts	Various	895,855	-	895,855
Special Deposits	Various	15,220,381	-	15,220,381
SubTotal Agency Funds		39,801,275	-	39,801,275
Internal Service Funds				
Workers' Compensation Insurance Trust	610	8,455,432	7,316,264	15,771,696
Unemployment Insurance Trust	620	406,385	-	406,385
Liability Insurance Trust	630	(5,455,684)	-	(5,455,684)
Central Stores	640	(362,586)	-	(362,586)
Central Garage	650	4,869,517	2,779,900	7,649,417
SubTotal - Internal Service Funds		7,913,064	10,096,164	18,009,228
		Total - All Funds \$ 510,731,736	\$ 33,946,799	\$ 544,678,536

¹ Amount reflects each fund's share of the City's pooled investment portfolio.

² Amounts shown are interfund loans outstanding, including the SERAF loan due to the Housing Authority. Interfund loan receivable balances are treated as available cash due to the ability to move loan receivables to other funds as needed.



FY 2016-2018 Two-Year Budget: FY 2016-2017 1st Quarter Update

Finance Department

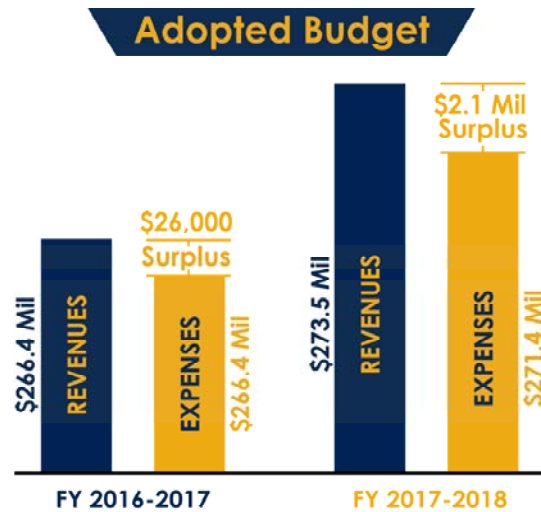
City Council Meeting

December 20, 2016

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BACKGROUND

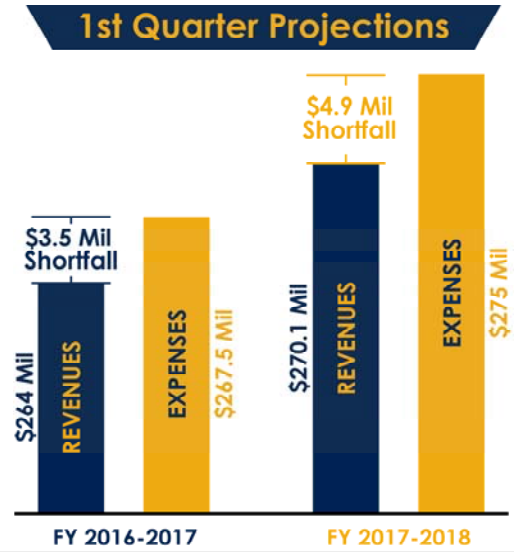
- FY 2016-2018 Budget adopted on June 21, 2016
 - 1st two-year budget and five-year plan
 - Intensive public outreach
 - In-depth departmental budget presentations
 - Identified critical unfunded needs
 - Implemented 4% reductions



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1ST QUARTER PROJECTIONS

- General Fund shortfalls attributed to:
 - Lower revenues
 - Unbudgeted/unfunded vehicle maintenance and parks debt
 - Higher projected personnel costs



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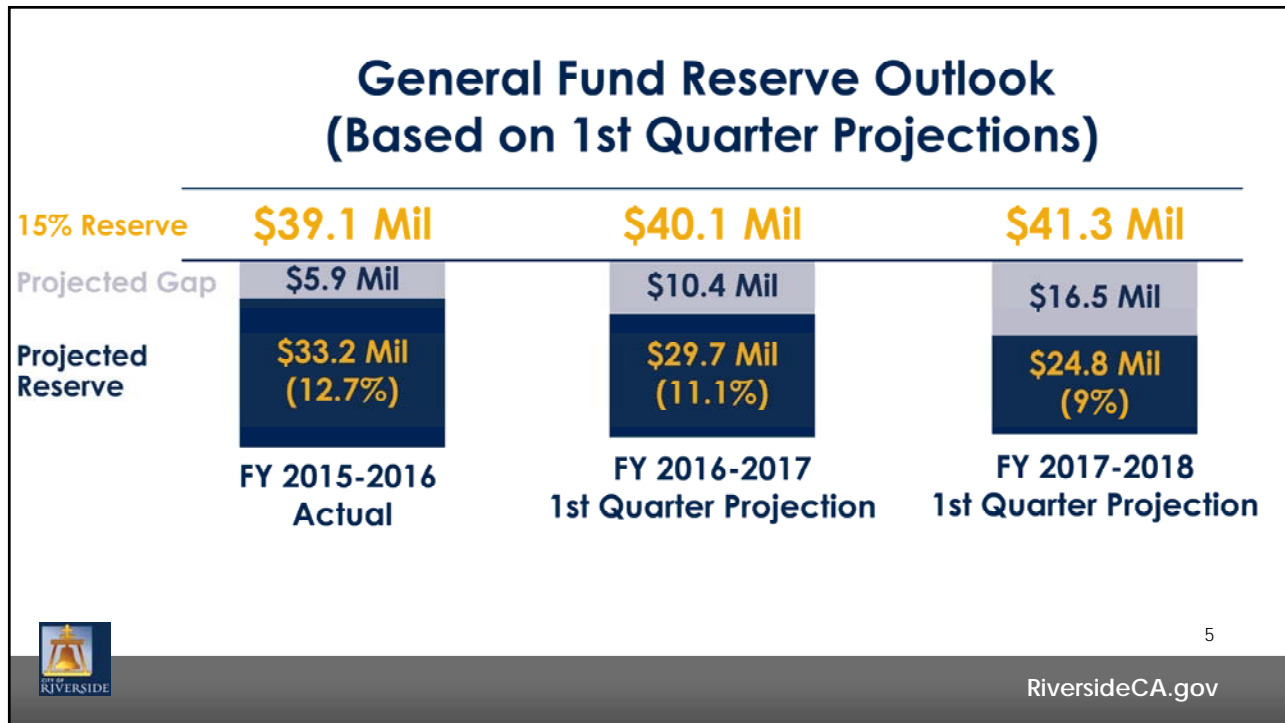
Factors Contributing to Projected Shortfall

	FY 2016-2017	FY 2017-2018
Adopted Surplus	\$26,530	\$2,078,014
Union Contracts	\$(819,081)	\$(3,396,309)
Lower Revenues	\$(2,426,858)	\$(3,395,908)
Insufficient Funds for Parks Debt	\$(600,000)	\$(600,000)
Transfers for Sewer Claims	\$900,000	\$900,000
Other	\$(52,004)	
Fire Department Maintenance	\$(500,000)	\$(500,000)
Estimated Shortfall	\$(3,471,413)	\$(4,914,203)




4

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GENERAL FUND REVENUE

GENERAL FUND	ACTUALS	ADOPTED		PROJECTED (1ST QTR)		DIFFERENCE	
	FY 2015-16	FY 2016-17	FY 2017-18	FY 2016-17	FY 2017-18	FY 2016-17	FY 2017-18
Sales & Use Taxes	\$60,976,046	\$66,567,942	\$70,140,574	\$65,095,762	\$67,636,916	\$(1,472,180)	\$(2,503,658)
Property Taxes	\$53,337,211	\$56,730,769	\$59,713,414	\$55,910,544	\$58,849,770	\$(820,225)	\$(863,644)
Utilities Users Tax	\$27,828,010	\$28,577,109	\$29,180,764	\$27,983,545	\$28,505,619	\$(593,564)	\$(675,145)
Special Revenue - Entert.	\$11,796,183	\$11,151,690	\$11,289,982	\$11,969,102	\$12,121,395	\$817,412	\$831,413


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SALES TAX

- FY 2016-2017: \$1,472,180
- FY 2017-2018: \$2,503,658
- Lower baseline
- Growth projections lowered
 - FY 2016-2017: 5.9% to 4.5%
 - FY 2017-2018: 5.5% to 4%



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ECONOMIC CONDITIONS

- **09/2016:** So. CA lead the nation in wage growth (3.8% year-over-year)
- **09/2016:** Statewide unemployment is down
 - Riverside County(6.5%) higher than other counties - Los Angeles(5.2%), Ventura (5.5%), San Bernardino (5.9%) and Orange (4.1%)
- **09/2016:** CA's new car sales are down (5.6% year-over-year)
- **10/2016:** CA's sales tax revenue in October was lower than projections(5.6%)

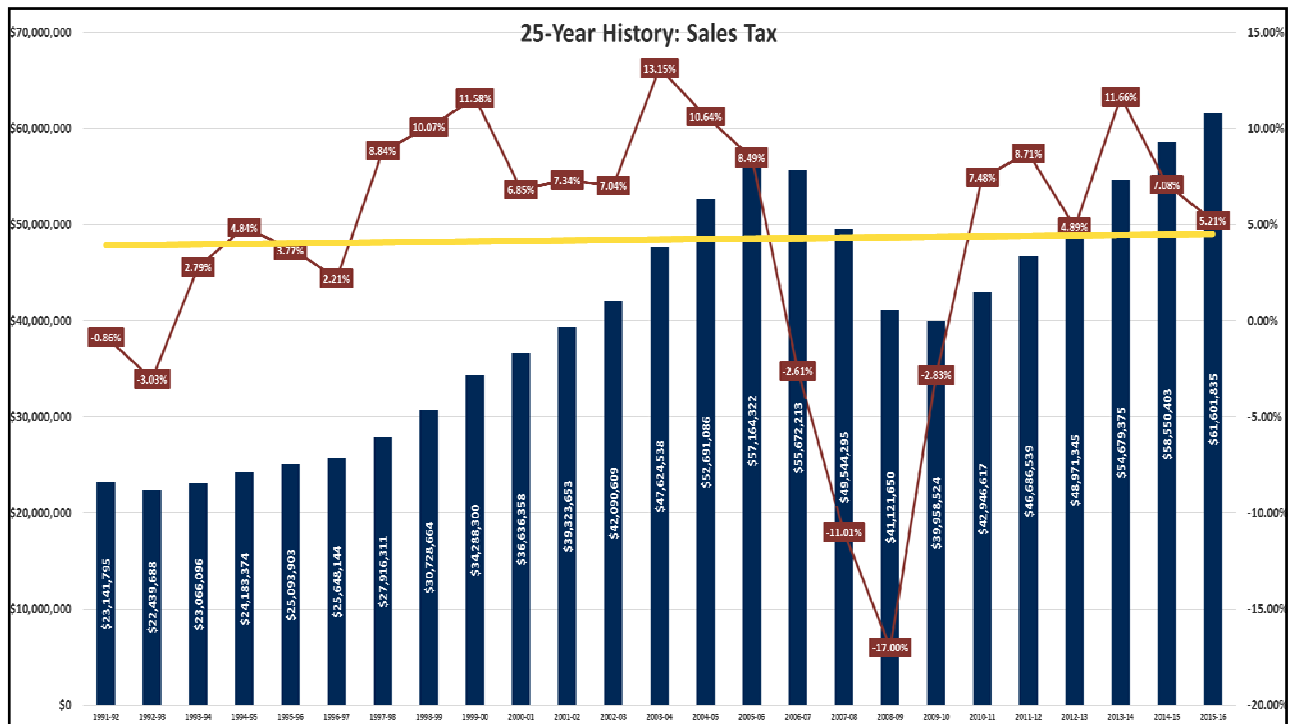


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ECONOMIC CONDITIONS

- **11/2016:** US online sales hit records on Black Friday and Cyber Monday.
 - Increased online sales and sales tax collection is an issue in California; out-of-state retailers do not always add tax.
- **11/2016:** Reports indicate that with deep discounts on Black Friday, people spent less (3.5%) less than last year
 - Other reports indicate that people will spend 8% more this holiday season
- **12/2016:** Galleria at Tyler expects growth to be similar to last year (approx. 4%)



GENERAL FUND EXPENDITURES

Finance Department

- \$698,000 under budget
 - 2.5 Business Tax vacancies (\$198,000)
 - Offsetting reduction in revenue
 - Credit card charges (\$500,000)
 - Offsetting reduction in charges to other departments (e.g. Public Utilities)



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GENERAL FUND EXPENDITURES

Fire Department

- \$750,000 over budget in FY 2016-2017
- \$500,000 over budget in FY 2017-2018
 - Unfunded vehicle maintenance (\$500,000)
 - FY 2016-2017 and FY 2017-2018
 - Personnel (\$250,000)
 - Implementation of 4% reductions in FY 2016-2017



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GENERAL FUND EXPENDITURES

Parks, Recreation, and Community Services

- \$600,000 over budget in FY 2016-2017 and FY 2017-2018
 - Unbudgeted Park's Renaissance debt in General Fund
 - Development Impact Fee Funds unable to pay \$1.1 million annual allocation
 - FY 2015-2016 end-of-year closing process identified issue



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GENERAL FUND EXPENDITURES

Public Works

- \$900,000 under budget in FY 2016-2017 and FY 2017-2018
 - General Fund recovery of lateral repairs from Sewer Fund
 - Annual savings of \$450,000 in estimated lateral costs
 - Three year recovery of previous expenditures at \$450,000/year



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GENERAL FUND EXPENDITURES

Employee Compensation

- \$819,081 in FY 2016-2017
- \$3,396,309 in FY 2017-2018
- Final employee negotiations cost more than anticipated
 - FY 2016-2017:
 - Medical and one-time pay increases in
 - FY 2017-18:
 - Medical, one-time, and Measure Z related salary increases



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MEASURE Z REVENUE

- Adopted by voter on November 8, 2016
 - Estimated FY 2016-17 revenue: \$10 million
 - Estimated FY 2017-17 revenue: \$51.6 million



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MEASURE Z EXPENDITURES

- Workshop on January 31, 2017
- City Manager authorized reinstatement of Fire Squad on December 7, 2016
 - Improve response times
 - Eliminated with 4% reductions
 - \$450,000 in FY 2016-17
 - \$792,728 in FY 2017-18



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DEBT AND INVESTMENT REPORTS

- The quarterly investment report is included in this report:
 - Report showing cash balances by fund has been added as of 09/30/2016
 - Information is provided regarding funds with an unusual cash position.
 - No fund's cash balance is currently a major concern.
- The quarterly debt report is included in this report:
 - There have been no major changes to the City's debt portfolio through 09/30/16.



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RECOMMENDATIONS

That the City Council:

1. Receive and provide input on the attached FY 2016/2017 First Quarter Financial Report and FY 2017/2018 financials for the General Fund with preliminary analysis of Measure Z revenues, as well as cash, investment and debt reports for all funds;
2. Amend the FY 2016-2018 Two-Year Budget to include the anticipated Measure Z revenues of \$10,000,000 in FY 2016/2017 and \$51,577,000 in FY 2017/2018 (to be accounted in new Fund 110); and
3. Authorize FY 2016/2017 and FY 2017/2018 budget amendment to appropriate Measure Z funding to ratify the City Manager's reinstatement of one Fire squad as directed by the City Manager on December 7, 2016 (costing \$450,000 in FY 2016/2017 and \$792,728 in FY 2017/2018).





Measure Z Spending Priorities

Finance Department

City Council Special Meeting
January 31, 2017

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BACKGROUND

1. FY 2016-2018 Budget Process in February-June 2016, staff presented critical unfunded operational and capital needs
2. The operational needs alone (excluding new facilities) totaled more than \$225 million over five years, or approximately \$45 million per year
3. Annual Capital Improvement Plan (CIP) includes more than \$1.1 billion of unfunded projects (e.g. new facilities, road projects, IT replacements, etc.)



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BACKGROUND

4. Council placed a measure on the November 8, 2016 ballot to help address the service cuts and critical unfunded needs
5. Measure Z is a one-percent transaction and use tax (sales tax) – Changing the Tax Rate from 7.75% to 8.75%
6. Measure Z won voter approval by 60% of the residents of Riverside on November 8, 2016
7. Effective date of new Tax Rate: April 1, 2017



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HOW IS SALES TAX REVENUE CALCULATED

1. Remitted to the City by the State Board of Equalization (BOE) on a monthly basis
2. City receive the majority amounts owed each month, but not all revenue
3. Every third month (quarterly), City received a “true-up” payment to account for discounted amounts and potential one-time adjustments
4. Staff reports revenue quarterly



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PAST COUNCIL ACTION

1. Estimated revenues of approx. \$10 million to be received in FY 2016-17 and approx. \$50-\$52 million in FY 2017-18
2. Council approved FY 2016-17 funding for restoration of fire squad in FY 2016-17 (\$450,000) and FY 2017-18 (\$800,000)
3. Asked staff to schedule January 31, 2017, item for further Measure Z discussions



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PROPOSED MEASURE Z SPENDING PRIORITIES

1. Fiscal Discipline
2. Critical Non-Safety Service Needs
3. Additional Sworn Officers
4. Quality of Life Issues
5. Critical Infrastructure Needs
6. Technology



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FISCAL DISCIPLINE

1. General Fund Reserve to 20% *(5-year total: \$29M)*
2. Pay down critical liabilities
 - A. \$32 million Pension Obligation Bond *(5-year total: \$10.6M)*
Currently, an interest only instrument
 - B. Risk and Workers Comp. liabilities from 33% to 50% *(5-year total: \$8M)*



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CRITICAL NON-SAFETY SERVICE NEEDS

1. General Fund shortfalls *(5-year total: \$29M)*
 - A. Due to weakening revenues and increased personnel costs
 - B. Avoids critical service reductions
2. Replenish contingency funds *(5-year total: \$2M)*
Majority of funds utilized to fund Police Dept. Rewards, Internal Audit issues, Museum Needs and Budget Office needs
3. Principal analyst *(5-year total: \$700k)*
Replaces 1 of 2 positions reduced during budget adoption in City Manager's Office



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CRITICAL PUBLIC SAFETY NEEDS

1. Current staffing of 350 sworn officers
Industry standards of 584
2. 60 additional sworn officers (*5-year total: \$30M*)
 - A. 17 net new positions in FY 17/18
 - B. Remainder over the succeeding next 3 years
3. 20 additional non-sworn police department employees
(*5-year total: \$5.7M*)
Including dispatchers and background investigators



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CRITICAL PUBLIC SAFETY NEEDS

4. Reinstatement of two Fire Captains (*5-year total: \$1.8 million*)
Training and arson
5. Replacement and Maintenance of Police Vehicles
(*5-year total: \$8M*)
6. Replacement and Maintenance of Fire Vehicles (*5-year total: \$6.4M*)



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QUALITY OF LIFE ISSUES

1. Street Maintenance and Repair *(5-year total: \$11.5M)*
Doubles General Fund contributions
2. Tree Trimming *(5-year total: \$2M)*
44% increase over current funding
3. Community Advocate and Prosecutor *(5-year total: \$1.9 million)*
Support to multi-functional ward action teams
4. Quality of Life Survey *(5-year total: \$100k)*
Reinstatement of FY 2016-17 budget reduction



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CRITICAL INFRASTRUCTURE NEEDS

- A. \$165M - \$180M infrastructure bond(s) for new and/or expanded City facilities *(5-year total debt service: \$36M)*:
 1. New police headquarters and holding facility
 2. New Downtown Main Library
 3. Two New Downtown parking structures
 4. Convention Center expansion
 5. Museum renovation and expansion



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CRITICAL INFRASTRUCTURE NEEDS

- B. Facility repair and maintenance (*5-year total: \$4.2M*)
1. Facilitate and address unfunded needs for police and fire stations, libraries, recreation centers, and other city government buildings
 2. Safety and security improvement
- C. Ward specific capital projects (*5-year total: \$8M*)
1. \$250,000 for Mayor and City Council members
 2. Improve existing capital facilities, purchase equipment or address other critical capital needs existing in specific City neighborhoods



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TECHNOLOGY

1. New enterprise resource planning (ERP) system (*5-year total: \$2M*)
2. Cybersecurity tools (*5-year total: \$750k*)
3. Hardware replacements (*5-year total: \$5.8M*)



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WHAT REMAINS UNFUNDED

1. FY 2016-2018 Budget Reductions
\$3.6 million of annual reductions not included
2. Unfunded Liability Leave Accruals (sick and vacation)
3. Other Facility Maintenance
4. Volunteer and Intern Coordinator
5. Street and Tree Maintenance
6. Other Critical Technology Needs



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TIMELINE OF EVENTS

1. February 14, 2017- City Council Meeting: Appointment of BEC members by the City Council
2. February 23, 2017- BEC Meeting: Introduction, Rules of Order and Measure Z planning
3. March 9, 2017- BEC Meeting: Measure Z five-year spending plan
4. April 6, 2017- BEC Meeting: Second Quarter financial report (FY 16/17) and Measure Z



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TIMELINE OF EVENTS

5. April 11, 2017 – City Council Meeting: Second Quarter financial report (FY 16/17)
6. May 9, 2017 – Joint City Council and BEC Meeting: Measure Z Recommendations
7. June 8, 2017 – BEC Meeting: Third Quarter financial report (FY 16/17) and FY 17/18 Mid-Cycle proposed budget adjustments
8. June 13, 2017 – City Council Meeting: Third Quarter financial report (FY 16/17) and FY 17/18 Mid-Cycle proposed budget adjustment approvals



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RECOMMENDATIONS

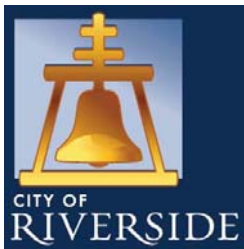
That the City Council:

1. Receive and provide input on Measure Z spending priorities; and
2. Direct staff to work with the Budget Engagement Commission, to refine a five-year spending plan for Measure Z in time for the May 9, 2017 City Council meeting.



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Measure Z Revenue Estimates

Finance Department

Budget Engagement Commission

April 19, 2017

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BACKGROUND

- Measure Z is a 1% transactions and use tax
- Approved on November 8, 2016 (60%)
 - Effective as of April 1, 2017



SALES AND USE TAX LAW

- "Local Tax" is the general term for sales and use taxes imposed under the Bradley-Burns Uniform Sales and Use Tax Law
- The basic statewide sales and use tax rate is 7.25% and is divided as follows:
 - 6.00% State, **1.00% Local Jurisdiction (City/County)**, 0.25% Local Transportation Fund (County)
- The City's sales tax revenues are estimated to be \$63.1 million in FY 2016-17 and approximately \$65.6 million in FY 2017-18



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TRANSACTION AND USE TAX LAW

- "District Taxes" are imposed locally under the Transactions and Use Tax Law
 - The tax rate in various cities and counties may be higher than 7.25%
- The City's Measure Z 1.00% transaction and use revenues are estimated to be \$10 million in FY 2016-17 and approximately \$51.6 million in FY 2017-18



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SALES VS TRANSACTION TAX

- Similar revenue generated for sales of:
 - General consumer goods
 - Restaurants
 - Service stations
 - Other merchandise picked-up or consumed at store



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SALES VS TRANSACTION TAX

- Different revenue generated for sales of:
 - Autos, boats, aircraft
 - Building/construction supplies
 - Business-to-Business sales
- Transaction tax only applied to city residents and businesses registered in the city



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MEASURE Z REVENUE ESTIMATES

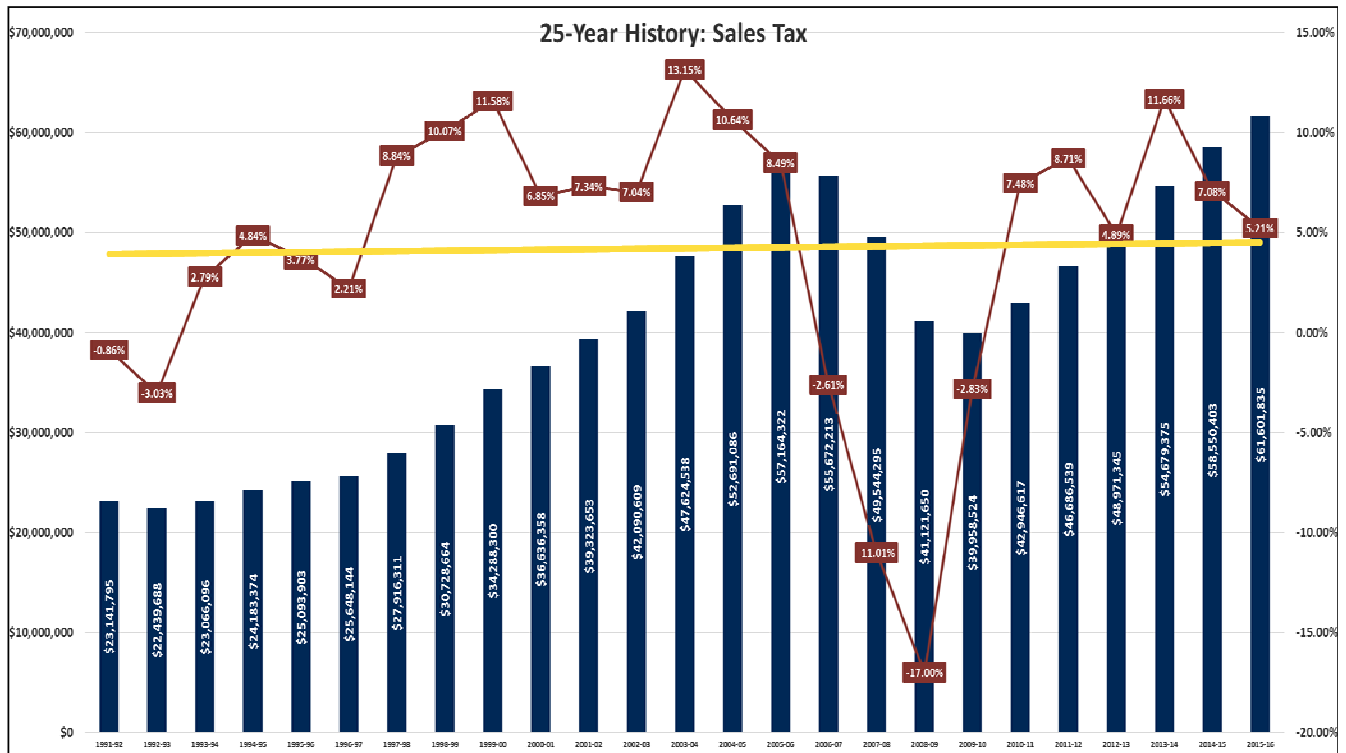
- HdL methodology
- City's 25-year sales tax history
- When will we know accuracy of estimates?



HDL ESTIMATES

- Staff to meet with HdL to update estimates (if needed)
- HdL utilizes :
 - Past audit research and analysis of companies reporting sales in Riverside
 - Per capita averages
 - Analysis other jurisdictions levying a transaction tax that have similar baskets of goods to Riverside





HOW IS SALES TAX REVENUE CALCULATED

Sales In

April

May

June



Revenue In

—

—

June – 30% Adv

July – 30% Adv

August – 40% Adv

Sept – Clean Up



RECOMMENDATIONS

That the Budget Engagement Commission review Measure Z revenue estimates and determine if changes to the revenue assumptions should be applied to the five-year spending recommendations made to the City Council.



ATTACHMENT 4

ATTACHMENT 4

From the January 31, 2017 City Council Meeting Information Presented to the Budget Engagement Commission

DIRECTION FROM MAYOR AND CITY COUNCIL ON MEASURE Z PRIORITIES AND ADDITIONAL STAFF RECOMMENDATIONS

Public Safety – March 9, 2017

1. Consider funding an additional six police vehicles (\$500,000) in FY 16/17.
 - Council member Burnard (Ward 7): Consider utilizing the Wildrose vehicle restoration program. (Staff will provide an analysis of the program versus current practices.) [Exhibit A](#)
2. Consider purchasing replacement fire vehicles sooner than the next five years – accelerate replacement schedule. [Exhibit B](#)
3. Review vehicle replacement schedule for public safety vehicles. [Exhibit A/B](#)
4. Consider the addition of mechanics and minor capital enhancements to better service public safety vehicles. [Exhibit C](#)
5. Consider hiring incentives for certain public safety positions. [Exhibit D](#)
6. Consider funding an additional Senior Human Resources Analyst to work full-time on the proposed Police Department staffing enhancements. [Exhibit D](#)

Capital Investment – March 9, 2017

7. Consider delaying a capital bond until year 4 in favor of technology investments and existing capital facility needs.
 - Council member Gardner (Ward 1): Expedite the Request for Proposals (RFP) for the planning and design of the Main Library at the bus station site, as previously directed by the City Council. **BEC to provide recommendaiton on May 9, 2017.*
 - Council member Davis (Ward 4): Analyze the need to spend \$30 million on a new Main library. Define exact scope of the Convention Center expansion for \$30 million. (Staff will provide these analyses.) [Exhibit E](#)
 - Council member Burnard (Ward 7): Allocate funding to pave / repair 80 miles of streets / road every year. (The current proposal adds \$2.3 million in annual road repair / paving funding, and increases annual miles paved / repaired from 28 to 43. Paving / repairing 80 miles annually would require \$11.6 million in additional annual funding compared to the current proposal of \$2.3 million.) [Exhibit F](#)
8. Analyze bonding for parking garages using rate revenue and not Measure Z. (Staff will provide an analysis.) [Exhibit G](#)
9. Develop parameters for ward-specific capital funds.
 - Council member Melendrez (Ward 2): Assess capital needs of wards with a high concentration of low-income residents; evaluate whether such wards require more than \$250,000 per year for capital improvements, in comparison to other communities. [Exhibit H](#)

- Council member Davis (Ward 4): Consider providing additional fund for ward-specific capital improvements versus downtown capital improvements. For example, in Ward 4 a new skate park is needed in the Mission Grove. **BEC to provide recommendait on on May 9, 2017.*
- Council member Burnard (Ward 7): Re-evaluate the need for ward-specific capital improvements versus downtown capital improvements (proposed through the capital bond). **BEC to provide recommendaiton on May 9, 2017.*

Quality of Life – April 6, 2017

10. Consider spending more funds earlier on tree trimming, road paving / repair and multipurpose trails. **BEC to provide recommendaiton on May 9, 2017.*
11. Provide additional detail on the Ward Action Teams and new positions requested in the City Manager’s Office and City Attorney’s Office. *Exhibit I*
12. Consider adding funding for homeless services. **BEC to provide recommendaiton on May 9, 2017.*

Fiscal Discipline – April 6, 2017

13. If above items change funding priorities, discuss realistic timelines to build up General Fund reserves (to 20%), adequately fund Liability accounts, and refund the \$32 million interest-only Pension Obligation Bond that has a balloon payment every year. **BEC to provide recommendaiton on May 9, 2017.*

ATTACHMENT 4
EXHIBIT A

Attachment 4

Exhibit A – Police Vehicles

Police Vehicles:

The Proposed Measure Z Spending plan included new police vehicle funding of \$2 million per year over the course of the first five-years. Beginning in FY 2017-18, the plan proposed to fund a total of \$8 million towards new Police Department Vehicles through FY 2020-21. At the request of the City Council and in conjunction with the Police Department, staff has performed further analysis on Police Department vehicle needs.

The Police Department currently has a fleet of 100 marked units, 180 unmarked units and 19 motorcycles. The number of Police Department vehicles is largely driven the City's Memorandum of Understanding (MOU) requirements. The useful life is approximately 3-5 years or 120,000 miles for a marked vehicle and 5-7 years or 120,000 miles for an unmarked vehicle. Police motorcycles have an average lifespan of five years with a maximum 60,000-mile threshold for replacement.

From the date of purchase, it generally takes between 90-120 days for a marked unit, unmarked unit, or motorcycles to enter to into service. In today's dollars, a fully equipped marked unit costs approximately \$48,000, unmarked units cost approximately \$29,000 and motorcycles cost approximately \$28,500.

The Police Department has worked with staff from General Services, the City Manager's Office and Finance Department to put together a 20-year funding plan for vehicle replacement. The plan calls for an immediate need of approximately 64 vehicles, which includes 35 marked units, 25 unmarked units, and 4 motorcycles. The total cost is approximately \$2.5 million. Utilizing a four-year capital lease to purchase the 64 vehicles, annual debt service payments would be approximately \$690,000, beginning in FY 2017/18. In addition to the one-time infusion of vehicles, an annual budget of \$2-3 million would be established to fund new vehicle purchases for 19-years. A summary of the plan is attached. The revised vehicle replacement plan takes into account the additional 60 sworn officers included the Proposed Measure Z Spending Plan.

Estimated costs of the revised Police Department vehicle replacement plan would be approximately \$11.1 million through the initial five-year period of the Proposed Measure Z Spending Plan, and a total of approximately \$51.7 million over 20-years.

As an alternative to the proposed 20-year spending plan, the City Council asked staff to look into funding six vehicles in FY 2016-17, instead of waiting until FY 2017-18. On January 10, 2017, the City Council approved the purchase of six 2017 Ford Police Interceptor SUV Pursuit Vehicles for \$187,035. Including additional equipment and vehicle enhancements of approximately \$20,000 per vehicle, the total price to purchase six vehicles in FY 2016-17 would be approximately \$307,000. Any vehicles purchased in FY 2016/17 would reduce the need to purchase vehicles in FY 2017/18.

Staff is currently looking into the possibility of utilizing a vehicle restoration program for its Crown Victoria vehicles. Staff recommends the funding of a test pilot program of two vehicles to see if the vehicles meet the expectations of the Police Department. At

Attachment 4
Exhibit A – Police Vehicles

approximately \$25,000 per vehicle, the plan would reduce the total cost of new vehicles by approximately 50%. Depending on the success of the restoration pilot program, staff can provide further estimates on potential cost savings, which would be limited by the number of Crown Victoria vehicles eligible for the program.

20 Year Replacement Schedule

Marked units		Un-Marked		Motorcycle	
Unit Price	\$31,172.00	Unit Price	\$18,052.00	Unit Price	\$26,362.90
Tire fee	\$8.75	Tire Fee	\$8.75	Tire Fee	\$3.50
Tax	\$2,201.60	Tax	\$1,444.16	Tax	\$2,109.03
Paint	\$1,050.00	Emergency Equipment	\$2,774.90		
Emergency Equipment	\$11,023.89	HT Radio	\$4,400.00		\$28,475.43
Pit bars	\$387.78	Radio Docking station	\$1,400.00		
Coban Cables	\$600.00	Trunk weapons	\$663.00		
Docking station	\$850.00				
			\$28,742.81		
	\$47,294.02				
25 Marked (2 K9)	\$1,182,350.50	25 Unmarked	\$718,570.25	4 Motorcycles	\$113,901.73

YEAR	FISCAL YEAR	COST
CATCH-UP	2017	\$2,488,762
YEAR 1	2018*	\$2,014,822
YEAR 2	2019	\$2,055,119
YEAR 3	2020	\$2,096,221
YEAR 4	2021	\$2,138,146
YEAR 5	2022	\$2,180,909
YEAR 6	2023	\$2,224,527
YEAR 7	2024	\$2,269,017
YEAR 8	2025	\$2,314,398
YEAR 9	2026	\$2,360,686
YEAR 10	2027	\$2,407,899
YEAR 11	2028	\$2,456,057
YEAR 12	2029	\$2,505,179
YEAR 13	2030	\$2,555,282
YEAR 14	2031	\$2,606,388
YEAR 15	2032	\$2,658,515
YEAR 16	2033	\$2,711,686
YEAR 17	2034	\$2,765,919
YEAR 18	2035	\$2,821,238
YEAR 19	2036	\$2,877,663
YEAR 20	2037	\$2,935,216

Status of Current Police Department Fleet

- 5 of 100 Marked Units are set for Disposal
- 30 of 100 Marked Units are over 120K Miles
- 9 of 19 Motorcycles are over 60K Miles
- 40 of 180 Unmarked Units are over 120K Miles

* Starting in FY 2018 a 2% adjustment factor was added for possible increase in cost

ATTACHMENT 4
EXHIBIT B

Attachment 4

Exhibit B – Fire Vehicles

Fire Vehicles:

The Proposed Measure Z Spending Plan included new fire vehicles/apparatus funding of \$1.6 million per year over the course of the first five-years. Specifically, beginning in FY 2017-18, the plan proposed to fund a total of \$6.4 million towards new Fire Department Vehicles through FY 2020/21. At the request of the City Council and in conjunction with the Fire Department, staff has performed further analysis on Fire Department vehicle needs.

The Fire Department currently has a fleet of 32 vehicles, which represents a diverse range of equipment. The useful life of most fire vehicles is approximately 5-20 years. Generally, battalion and squad vehicles have a 5-year useful life. Fire engines have a 12-15 year useful life, with mileage limits of 100,000 and 10,000-hour limits on the engine/pump. Additionally, fire trucks have a 15-20 year useful life, with mileage limits of 100,000 miles and 13,500-hour limits on the engine/pump.

In addition to the in-service vehicles detailed above, the Fire Department has a reserve fleet consisting of nine vehicles (Fire Engines-6, Brush Truck-1, Fire Truck-1, and Squad Vehicle-1). The reserve group of vehicles will be replaced as the Fire Department's active fleet is replaced. The reserve vehicles are a vital part of the Fire Department and are used when a vehicle in the existing fleet is under repair or when vehicles need to be sent out of town for mutual aid. The National Fire Protection (NFPA), the organization which creates standards and best practices for the fire service, states that an organization should not keep reserve vehicles past the age of 25 years old. Currently, the Fire Department's reserve fire engines are 22 years old and are in need of replacement.

From the date of purchase, it generally takes between 90-120 days for smaller vehicles (e.g. battalion vehicle) to enter into service and approximately one-year for larger vehicles (e.g. fire engine/truck) to enter into service. In today's dollars, a fully equipped fire engine will cost approximately \$900,000, larger fire trucks will cost approximately \$1.3 to \$1.6 million, and squad vehicles will cost approximately \$370,000.

The Fire Department has worked with staff from General Services, the City Manager's Office and Finance Department to put together a 20-year funding plan for vehicle replacement. The plan calls for an immediate need of approximately 16 vehicles, which includes eight fire engines, two tiller trucks, one straight truck, two water tender vehicles, one brush truck and two squad vehicles. The total cost is approximately \$13.7 million. Utilizing a ten-year capital lease to purchase the 16 vehicles, annual debt service payments would be approximately \$1.7 million, beginning in FY 2017/18. In addition to the one-time infusion of vehicles, additional vehicles would be needed beginning in FY 2021/22. A summary of the plan is attached.

Estimated costs of the revised Fire Department vehicle replacement plan would be approximately \$11.1 million through the initial five-year period of the Proposed Measure Z Spending Plan, and a total of approximately \$58.5 million over 20-years.

Revised Fire Department Vehicle Replacement Plan

#	Front Line Units	Year	Age	Make	Jan '17 Total Miles	Jan '17 Total Hours	1st Repl.	2nd Repl.	3rd Repl.	4th Repl.
1	Battalion 1	2014	3	Ford Exp	16321		FY 2018/19	FY 2023/24	FY 2028/29	FY 2033/34
2	Battalion 2	2013	4	Chevy Sub	28402		FY 2018/19	FY 2023/24	FY 2028/29	FY 2033/34
3	Brush 1	1995	22	IH	47,925	3,678	FY 2017/18	FY 2032/33		
4	Brush 12	2015	2	HME	8800	412	FY 2029/30			
5	BS 5	2012			5518		FY 2026/27			
6	DC 13	2013			2721	153.7	FY 2027/28			
7	Engine 1	2001	16	KME	122,343	13,241	FY 2017/18	FY 2026/27		
8	Engine 10	2005	12	KME	175,004	5,180	FY 2017/18	FY 2032/33		
9	Engine 11	2006	11	KME	77821	6069	FY 2019/20			
10	Engine 12	2008	9	KME	86,946	7,402	FY 2017/18	FY 2025/26		
11	Engine 13	2009	8	KME	67078	3876	FY 2021/22			
12	Engine 14	2006	11	KME	77290	5384	FY 2019/20			
13	Engine 2	2011	6	KME	43235	1069	FY 2026/27			
14	Engine 3	2016	1	KME	9333	825	FY 2023/24			
15	Engine 4	2016	1	KME	10090	907	FY 2023/24			
16	Engine 5	2003	14	KME	123,875	9,559	FY 2017/18	FY 2027/28		
17	Engine 6	2001	16	KME	141,330	10,534	FY 2017/18	FY 2027/28		
18	Engine 7	2001	16	KME	140,713	13,998	FY 2017/18	FY 2025/26		
19	Engine 8	2007	10	KME	106,547	9,120	FY 2017/18	FY 2025/26		
20	Engine 9	2005	12	KME	118,253	10,338	FY 2017/18	FY 2032/33		
21	Haz Mat 2	2009	8	Spartan	6427	797	FY 2023/24			
22	Patrol 1	2016	1	Ford F450	4028	190	FY 2030/31			
23	Rescue 3	2008	9	Pierce	31448	2849	FY 2021/22	FY 2036/37		
24	Squad 1	2006	11	Ford F550	90,411	N/A	FY 2017/18	FY 2022/23	FY 2027/28	FY 2032/33
25	Squad 2	2003	14	Ford F550	114,270	7,314	FY 2017/18	FY 2022/23	FY 2027/28	FY 2032/33
26	Squad 5	2016	1	Ford F550	10186	259	FY 2020/21	FY 2025/26	FY 2030/31	
27	Truck 1	1997	20	Simon LTI	41,878	11,144	FY 2017/18	FY 2031/32		
28	Truck 13						FY 2017/18	FY 2032/33		
29	Truck 2	2006	11	ALF	45596	4838	FY 2020/21			
30	Truck 3	2001	16	ALF	102,685	8,550	FY 2017/18	FY 2030/31		
31	Water Tender 4	1986	31	IH	54,557	4,490	FY 2017/18	FY 2033/34		
32	Water Tender 5	1995	22	IH	9,341	1,802	FY 2017/18	FY 2033/34		

ATTACHMENT 4
EXHIBIT C

Attachment 4
Exhibit C – Fleet Improvements

Police and Fire Vehicle Fleet Maintenance Improvements – Facility and Staffing:

The City's General Services Department - Fleet Division currently provides vehicle maintenance for all City vehicles, except the vehicles assigned to the Police Department. Police vehicle maintenance will soon be transferred to the General Services Fleet Division.

In order to effectively service both the existing fleet of Police and Fire vehicles, as well as additional vehicles, four additional mechanics will need to be added to the Fleet Division, along with approximately \$100,000 for facility improvements. Two additional mechanics would be assigned to Fire Department vehicles and two mechanics would be assigned to Police Department vehicles. The \$100,000 in facility maintenance would be spent on improvements to the fleet facility to add rollup doors, new lifts, and improve the drive up approach. These changes would allow staff to work two shifts, fixing and proactively maintaining more vehicles. The process to complete these improvements, hire/transfer staff, and begin this plan would be approximately six months from approval of the plan and allocation of funding.

Estimated costs of the proposed fire and vehicle maintenance staffing and facility improvement plan would be approximately \$1.7 million through the initial five-year period of the Proposed Measure Z Spending Plan, and a total of approximately \$9.6 million over 20 years.

ATTACHMENT 4
EXHIBIT D

Attachment 4

Exhibit D – Public Safety Recruitment Efforts

Human Resources Staffing and Hiring Incentives:

The Human Resources Department, Police Department, and City Manager's Office are recommending hiring incentives to actively recruit the 60 sworn officers and nine dispatchers included in the Proposed Measure Z Spending Plan. With the normal turnover due to retirements, the incentives would apply to all dispatcher and lateral police department hires citywide. Potential hiring incentives include:

- Referral bonuses of \$1,000 for City employees if their referral is hired as passes probation;
- Hiring bonus of \$1,000 for dispatchers plus \$1,500 after passing probation, and \$2,500 upon two years of service;
- Vacation bank of 80 hours provided to all dispatchers and lateral sworn officers.

Additionally, the Police Department will need to fund other recruitment and training costs for the Proposed Measure Z Plan positions, which include:

- Advertising
- Office Supplies
- Written/Physical Testing
- Background Investigations

Including the Proposed Measure Z Spending Plan positions, the Police Department estimates hiring 20 dispatchers and 48 lateral officers over the next four years.

In order to recruit timely for the additional Police Department positions, one Senior Human Resources Analyst will need to be added to the Human Resources Department's budget. This position will be dedicated to the Measure Z staffing included in the Proposed Measure Z spending plan.

Estimated costs of the hiring incentives and senior human resources analyst would be approximately \$1.8 million through the initial five-year period of the Proposed Measure Z Spending Plan, and a total of approximately \$4.3 million over 20 years.

ATTACHMENT 4
EXHIBIT E

Attachment 4

Exhibit E – Overview of Potential New Facilities

Overview of Capital Bond Projects:

The Proposed Measure Z Spending Plan included funding for approximately \$160-185 million in capital projects. Potential projects included funding for a new Main Library, new Police Headquarters and Detention Facility, expansion of the Convention Center and Museum, and funding for a pair of 400-space parking garages in Downtown.

On February 23, 2016, the City Council unanimously selected 3911 University Avenue as the site for the new Main Library. A Request for Qualifications (RFQ) was issued for statements of qualification for the development of the new Main Library. The 21 responses were scored by a selection committee composed of staff and community members. On November 10, 2016, a Request for Proposals (RFP) was issued to the top eight firms and the selection committee scored responses and agreed to invite the top four most qualified architectural firms to interviews. The interviews are scheduled for March 2, 2017. Following interviews, staff will negotiate a tentative agreement with the top firm and present a recommendation to the City Council for their consideration. The estimated cost to build a new Main Library is \$30 million.

The City's Downtown Police Headquarters is located at 4102 Orange Street and was constructed in 1963. On June 14, 2007, the County of Riverside (County) and the City entered into a short-term lease agreement for the Orange Street property to be used as the Downtown Police Headquarters. The lease was for a maximum term of five years with an annual rent of \$1.00. The City was responsible for payment of all maintenance and repairs to the Property. During this short-term lease period, the City attempted to relocate the Riverside Police Department from this property to a new, permanent location. As no suitable facilities were identified during this period, the lease was amended on April 21, 2010 and the term was extended for an additional five years with a new expiration date of August 14, 2017. With no additional prospects for relocation of the Downtown Police Headquarters, the County has agreed to lease the facility to the City for an additional five to ten years at market rate. On February 28, 2017, the City Council will hear a request to approve an amended lease at a rate of \$292,000 per year, with annual increases, for a total amount of \$1,460,000 over the initial five years of the amended lease. The amended lease includes a City option to lease for an additional five years, bringing the maximum rent due to \$2,993,000 over the next ten years. The estimated cost to build a new Downtown Police Headquarters is \$50 million.

The existing Convention Center was built in 1972. The facility was recently rehabilitated and expanded to approximately 140,000 square feet at a cost of \$45 million. This project, completed in 2014, significantly increased existing exhibit space and provided for additional meeting areas and a new state of the art kitchen. Currently, the outstanding debt balance on the renovation project is \$39.8 million, with annual debt service payments of approximately \$3 million and a payoff date of April 2034. The Raincross Hospitality Corporation currently operates the Convention Center. In FY 2015/16, Convention Center accounted for 314 events, bringing in more than 160,000 attendees. According to a recent presentation to the City Council in November 2016, the activities at the Convention Center in FY 15/16 had an estimated economic impact of \$10.5 million. The proposed expansion will provide up to an additional 100,000 square feet with more exhibit

Attachment 4

Exhibit E – Overview of Potential New Facilities

and meeting space. The expansion would push into an adjacent parking lot, which would require a new parking garage to accommodate up to 1,200 spaces. Estimated costs of the expansion and parking facilities is approximately \$40 million.

The existing Museum, built in 1912 as a US Post Office, houses more than 200,000 artifacts in its collections and 2000 linear feet of archives in the disciplines of natural history, anthropology, and history. Permanent and special exhibitions are on display throughout the year and are open to the public free of charge. The Museum also offers educational programs, special cultural events, and school programs. The proposed plan to rehabilitate and expand the existing Museum, includes opening up the mezzanine deck to the original building roof skylight, infrastructure repairs, ADA concerns, program/exhibition improvements and expanding the rear of the building to accommodate new exhibit space. The estimated costs of the Museum repairs and expansion is approximately \$15 million.

On January 24, 2017, the City's consultant, Dixon Resources, presented their findings from the Downtown Strategic Parking Plan to the City Council. In order to clarify various questions and concerns, including future parking rates, staff will return to the City Council on March 21, 2017. Included in the Downtown Strategic Parking Plan is the need for additional parking in Downtown. Specifically, due to future development, the City will be losing approximately 341 existing parking spaces, which creates both an immediate need (loss of parking) and long-term need (more spaces needed as development is completed). The proposed cost of two 400 space-parking garages is approximately \$15 million per parking structure, for a total cost of \$30 million.

Fact Sheet: Proposed Convention Center Expansion

Brief History of Existing Facility

The Convention Center was originally built in 1972 and in need of modernization and expansion to remain competitive in the marketplace. Completed in 2014, the facility was renovated and expanded to approximately 140,000 square feet at a cost of \$45 million. This project significantly increased exhibit and meeting space and added a new state of the art kitchen. The outstanding debt balance on the renovation project is \$39.8 million, with annual debt service payments of approximately \$3 million and a payoff date of April 2034.

The Raincross Hospitality Corporation currently operates the Convention Center. In FY 2015/16 the Convention Center hosted 314 events, bringing in more than 160,000 visitors to Riverside. Raincross Hospitality Corporation reported an economic impact of \$10.5 million in 2015/16.

CONVENTION CENTER (THEN)



CONVENTION CENTER (NOW)



Fact Sheet: Proposed Convention Center Expansion

Proposed Expansion

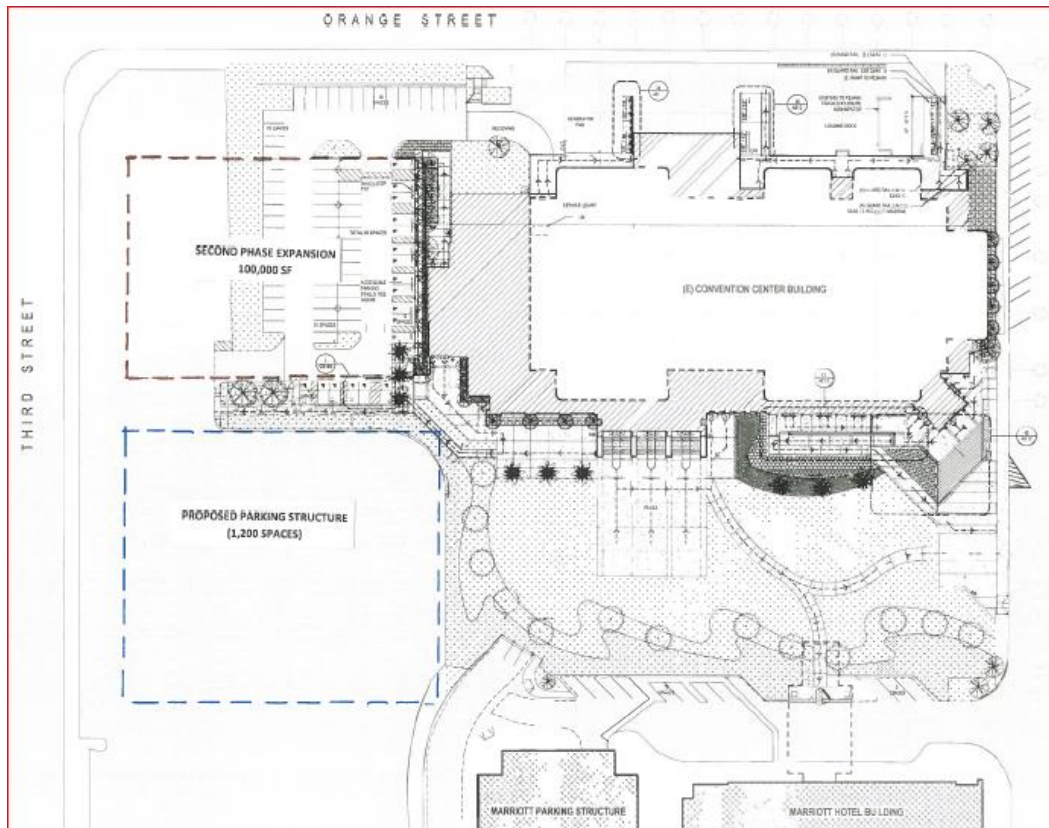
The recent Convention Center rehabilitation and expansion has exceeded market expectations and demand already exists for additional events and for larger conventions. Further expanding the facility will enable the operator to book additional events, bringing more revenue and recognition to the City of Riverside.

The proposed expansion will provide up to an additional 100,000 square feet.

35,000	Exhibit Hall Space
10,500	Ballroom Space
8,750	Meeting Room/Break Out Rooms
15,750	Public Space
30,000	Back of House (service areas, storage, restrooms, food prep, electrical/mechanical rooms)

The expansion would occupy a current City Parking Lot #33 (adjacent to the Convention Center) necessitating a new parking garage for approximately 1,200 spaces.

CONVENTION CENTER (SITE PLAN)



Fact Sheet: Proposed Convention Center Expansion

Estimated Cost:

Estimated costs of the expansion and parking facilities is approximately \$40 million.

Proposed Timeline:

12 months design

24 months construction

Total: Approximately 3 years

Ongoing Maintenance Costs:

Based on the existing footprint, maintenance costs are approximately \$5.80 to \$6.00 per square foot, and include utilities, labor, and interior and exterior items. The annual maintenance cost for the proposed 100,000 square foot expansion would be approximately \$600,000.

Fact Sheet: Proposed Police Head Quarters, Holding Facility and Parking Garage

Brief History of Existing Facility

Constructed in 1963, the City's Downtown Police Headquarters is located at 4102 Orange Street. The current building is 54 years old and in dire need of major capital improvements including the roof, HVAC, electrical and structural repairs. The building is approximately 33,000 square feet and the Police Department estimates it will need closer to 65,000 square feet to accommodate future growth, to include personnel reassignments and a detention facility. The Orange Street Station has very limited parking available for personnel and visitors. The majority of personnel assigned to Orange Street Station are provided parking cards at the City's expense to park in the adjacent County owned parking structure.



RIVERSIDE POLICE HEADQUARTERS AT 4102 ORANGE STREET

Proposed New Facility

Preliminary programming for the new proposed Police Headquarters would include a 50,000 square foot headquarters facility with a community room for public use, a 15,000 square foot 40-50 bed holding center, and a 200 space parking structure. The Police Headquarter facility allows for future expansion as the Department continues to grow and reassigns personnel. The new Police Headquarters would have a life expectancy of approximately 50+ years. The preliminary estimated cost to build the proposed new Downtown Police Headquarters, parking structure, holding facility and land acquisition is \$50 million.

Fact Sheet: Proposed Police Head Quarters, Holding Facility and Parking Garage

Estimated Cost:

Estimated costs of the new proposed Police Headquarters, Holding Center, and parking structure, and land acquisition is \$50 million.

Proposed Timeline:

12 months design

24 months construction

Total: Approximately 3 years

Ongoing Maintenance Costs:

Standard industry benchmarks for maintenance costs for the proposed new Police Headquarters and Facilities are approximately \$2.00 to \$4.00 per square foot per year. The annual maintenance cost for the proposed 65,000 square foot facility would be approximately \$130,000 to \$260,000.

Attachments:

- Exhibit 1: Timeline of Police Headquarters Lease Agreements
- Exhibit 2: City Council Staff Report and Lease Agreement - February 28, 2017

Summary of Police Headquarters and Facilities Timeline

June 14, 2007:

County of Riverside (owner of the property) and the City of Riverside entered into a short-term lease agreement for the continued use of the Downtown Police Headquarters (Orange Street Station). The original lease was for a maximum term of five years with an annual rent of \$1.00. The City was responsible for all maintenance and repairs to the property.

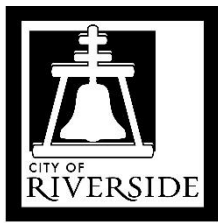
During this short-term lease period, the City searched for viable permanent locations to relocate the Orange Street Police Headquarters. Since there were not feasible locations identified, the lease was amended in April 2010.

April 21, 2010:

The lease agreement term was extended for an additional five years with a new expiration date of August 14, 2017.

February 28, 2017:

The City Council approved the amended lease increasing the previous lease rate of \$1 per year to the market rate of \$292,000 per year, with annual increases, for a total amount of \$1,460,000 over the initial five years of the lease. The amended lease includes a City option to lease for an additional five years, bringing the maximum rent due to \$2,993,000 over the next ten years. Included in the lease agreement is an option to extend five more years.



City Council Memorandum

City of Arts & Innovation

.....

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: FEBRUARY 28, 2017

FROM: COMMUNITY & ECONOMIC DEVELOPMENT WARD: 1
DEPARTMENT

SUBJECT: AMENDED AND RESTATED LEASE BETWEEN THE COUNTY OF RIVERSIDE AND THE CITY TO CONTINUE LEASING 4102 ORANGE STREET, RIVERSIDE, FOR THE DOWNTOWN POLICE HEADQUARTERS FACILITY FOR A RENTAL AMOUNT OF \$1,460,000 OVER A PERIOD OF FIVE YEARS AND A MAXIMUM OF \$2,993,000 OVER A POTENTIAL TEN YEAR LEASE TERM

ISSUE:

Approve an Amended and Restated Lease with the County of Riverside for the City to continue leasing 4102 Orange Street, Riverside, for the downtown police headquarters facility for a rental amount of \$1,460,000 over a five year lease term and a maximum of \$2,993,000 over a potential ten year lease term.

RECOMMENDATIONS:

That the City Council:

1. Approve the Amended and Restated Lease (Attached) between the County of Riverside and the City to continue the lease of 4102 Orange Street for the downtown police headquarters facility for a total rental amount of \$1,460,000 over a five (5) year lease term and a maximum of \$2,993,000 over a potential ten (10) year lease term; and
2. Authorize the City Manager, or his designee, to execute the Amended and Restated Lease, and the optional five year extension, including making minor and non-substantive changes, and to sign all documents and instruments necessary to complete the transaction.

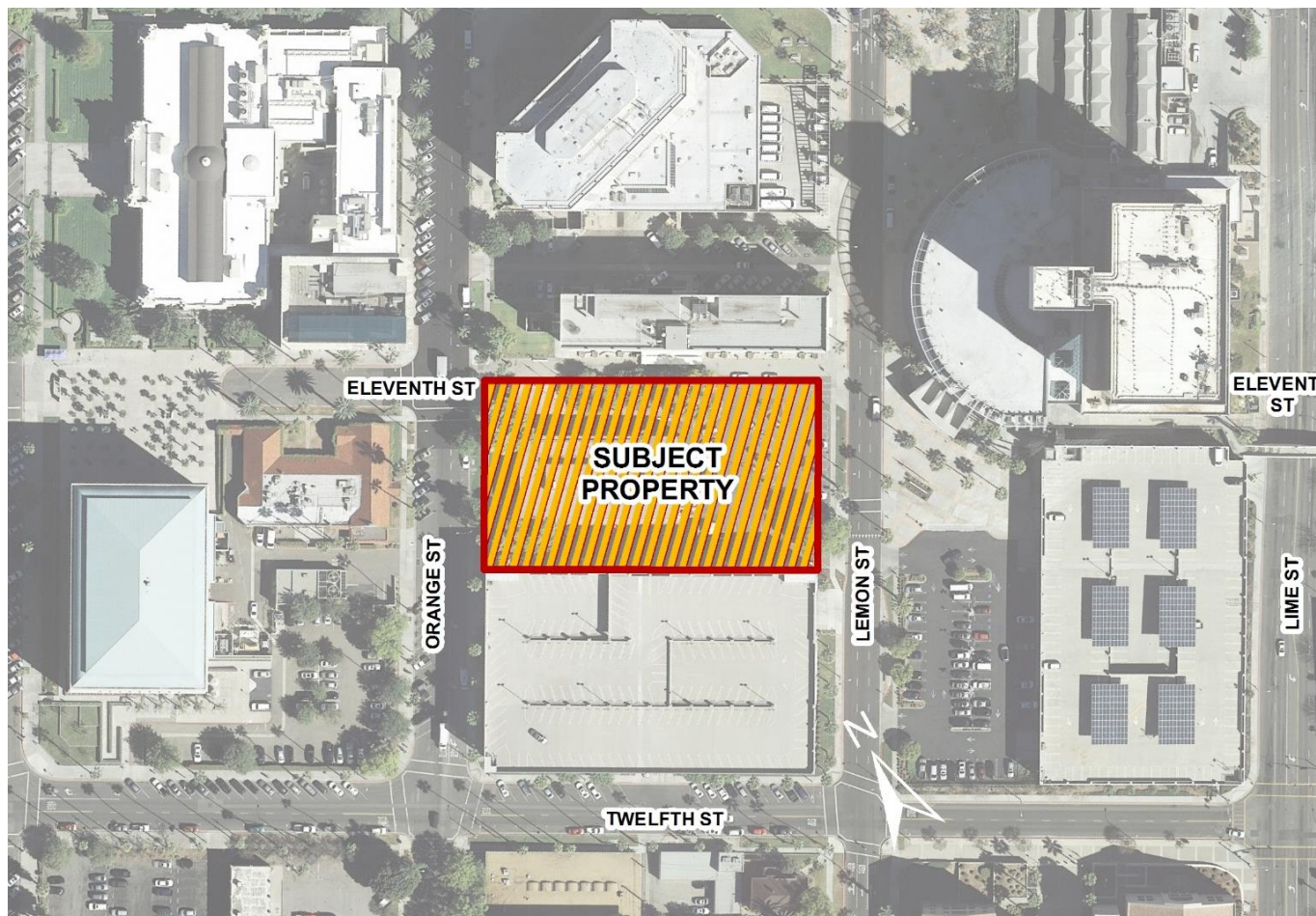
BACKGROUND:

The location at 4102 Orange Street (Property) consists of approximately 32,991 square feet of office space comprised of two-stories plus a basement level and approximately 57 surface parking stalls situated on approximately 1.21 acres of land. The Property was constructed around 1963 and is located in the Downtown Specific Plan – Justice Center District.

On June 14, 2007, the County of Riverside (County) and the City entered into a short term lease agreement for the City to lease the Property for the Riverside Police Department downtown headquarters from the County. The lease was for a maximum term of five (5) years with an annual

rent of \$1.00 and the Riverside Police Department was responsible for payment of all maintenance and repairs to the Property. During this short term lease period, the City would attempt to relocate the Riverside Police Department from this Property to a new location to serve as a permanent downtown police headquarters facility. Since no suitable facilities were identified during this period, the lease was amended on April 21, 2010 and the term was extended for an additional five years with a new expiration date of August 14, 2017.

The Property is shown below in the area highlighted in red and crosshatched in orange.



DISCUSSION:

City and County staff met to discuss the possible sale of the Property from the County to the City. The County is unwilling to sell the Property to the City since the County may need to utilize the Property for a future County facility. However, the County agreed to continue leasing the Property to the City via an Amended and Restated Lease for a term of five years with an option to extend for an additional five years, for a potential maximum lease term of ten years subject to current fair market value rent.

The County had the Property appraised by a third-party independent appraiser. Based on the appraised value of \$3,650,000, the annual fair market rent was calculated at 8% of this value which totals \$292,000. Staff have reviewed the appraisal and are in agreement that the annual rent amount of \$292,000 represents the current fair market rental value for the Property.

The rent shall be fixed at \$292,000 annually during the initial five year term of the Amended and Restated Lease and shall have a one-time increase of five percent (5%) for a fixed annual rent of \$306,600 for years six through ten if the option is exercised by the City. The Amended and Restated Lease requires the City to be responsible for payment of all maintenance and repair costs of the Property.

The City has the right to terminate the Amended and Restated Lease with 180 days written notice to the County. The County has the right to terminate the Amended and Restated Lease with a 365 day written notice to the City at any time during the five year option to renew period. The City shall continue to rent additional parking spaces at the twelfth street parking structure from the County for additional police department personnel on an as needed basis. The Amended and Restated Lease between the County and the City would commence on August 15, 2017, and expire on August 14, 2022 during the initial five-year term and would expire on August 14, 2027 if the optional five year extension was exercised by the City, to provide continuous use of the Property for the Riverside Police Department.

The Chief of Police concurs with the recommendations.

FISCAL IMPACT:

The cost to lease the Property is \$292,000 per year for a total amount of \$1,460,000 over the initial five years of the Amended and Restated Lease and up to a maximum of \$2,993,000 over ten years if the five-year extension option is exercised by the City. There are sufficient funds available in the Police Department Land and Building Rental Account Number 3105000-423200 for fiscal year 2018 and will be requested for approval in future budget cycles for this expense.

Prepared by: Rafael Guzman, Community & Economic Development Director
Certified as to availability of funds: Scott G. Miller, PhD, Chief Financial Officer/City Treasurer
Approved by: Al Zelinka, FAICP, Assistant City Manager
Approved as to form: Gary G. Geuss, City Attorney

Attachment: Amended and Restated Lease

1 **AMENDED AND RESTATED LEASE**

2 County of Riverside and

3 City of Riverside

4 4102 Orange Street, Riverside, California

5 The **COUNTY OF RIVERSIDE**, a political subdivision of the State of California, herein
6 called "County", leases to the **CITY OF RIVERSIDE**, a California charter city and municipal
7 corporation, herein called "City" the property commonly known as 4102 Orange Street,
8 Riverside, California. County and City may be referred to collectively as the "Parties."

8 **RECITALS**

9 A. County is the owner of certain real property located within the city limits of the
10 City of Riverside, County of Riverside, State of California, identified with Assessor's Parcel
11 Number (APN) 215-282-018 (formerly 215-282-015), located at 4102 Orange Street, Riverside,
12 California (the "Property"), which includes the building and on-site parking (collectively, the
13 "Premises"), more particularly described in Exhibit "A", attached hereto and by this reference
14 incorporated herein.

15 B. On or about June 14, 2007, County and City entered into a lease for the
16 Premises on an annual basis for a period not to exceed five (5) years (the "Original Lease").
17 On or about April 21, 2010, the Original Lease was amended and the term was extended an
18 additional five (5) years with an expiration date of August 14, 2017. Collectively, the Original
19 Lease and the First Amendment are referred to as the "Existing Lease."

20 C. County wishes to continue to lease to City, and the City desires to continue to
lease from the County, the Premises, together with certain rights, privileges, and easements
appurtenant to the Premises as further described herein, for the term and subject to the terms,
covenants and conditions in this Lease.

D. NOW, THEREFORE, in consideration of the mutual promises herein contained,
and other good and valuable consideration, the receipt and sufficiency of which are hereby

1 mutually acknowledged, County and City hereby mutually agree that the Existing Lease be
2 amended and restated as of the Effective Date as defined in Section 4 as follows:

3 **1. Statement of Intent.** Prior to the Effective Date, the rights and obligations of
4 County and City are those described in the Existing Lease. On the Effective Date, the Existing
5 Lease shall be deemed amended and restated so as to contain all of the terms of this Lease
and this Lease as amended and restated shall govern all future rights, obligations, duties and
liabilities of the Parties.

6 **2. Description.** The Premises leased hereby consist of approximately 32,991
7 square feet located at 4102 Orange Street, Riverside, California, and consist of a building (or
8 portion thereof) as more particularly shown on Exhibit "A", attached hereto and by this
reference made a part of this Lease.

9 (a) Condition of the Premises. City is currently in possession of the leased
10 Premises and does hereby accept the leased Premises in its present "AS IS" condition, as of
11 the Effective Date. City, as the only occupant of the Premises since its construction, is in the
best position to know the condition of the Premises and all improvements.

12 **3. Use.**

13 (a) The Premises are leased hereby for the purpose of the operation of a
14 downtown police headquarters facility and ancillary office uses. Any such ancillary office uses
that are not related to the Police Department operations are subject to the County's consent, at
County's sole discretion.

15 (b) The leased Premises shall not be used for any other purpose without
16 first obtaining the written consent of County.

17 (c) City shall have the exclusive use of the leased Premises.

18 **4. Term.** This Lease shall be for a period of five (5) years effective as of August
19 15, 2017 and terminating on August 14, 2022.
20

1 **5. Options to Extend.**

2 (a) County grants to City one option to extend the Lease term (the "Option").
3 The extension option shall be for a period of five (5) years, subject to the conditions described
4 in this Section 5 (the "Option Period).

5 (b) The Option(s) shall be exercised by City delivering to County written
6 notice thereof no later than ninety (90) days prior to the expiration of the original term of the
7 Lease.

8 (c) The rent payable by City during any extended term shall be on the same
9 terms and conditions as the Lease.

10 **6. Rent.**

11 (a) City shall pay the sum of \$292,000, on a triple net basis, payable as
12 \$24,333.00 per month to County as rent for the leased Premises, payable, in advance, on the
13 first day of the month, provided, however, in the event rent for any period during the term
14 hereof which is for less than one full calendar month said rent shall be pro-rated based upon
15 the actual number of days of said month.

16 (b) Notwithstanding the provisions of this Section, the monthly rent shall be
17 increased on each anniversary of the Lease by an amount equal to two (2%) percent of such
18 monthly rental.

19 (c) The City shall be responsible for the payment of all costs of interior and
20 exterior property maintenance, utilities and property insurance. City shall not be responsible
21 for the payment of any property or possessory interest taxes as both City and County are
22 public agencies. County acknowledges that no property or possessory interest taxes will be
23 imposed on the City. City acknowledges that it is self-insured. County shall have no
24 responsibility to maintain or repair the Premises.

25 **7. Improvements by City.**

26 (a) County shall not be obligated to provide any monetary allowance or
27 perform any tenant improvements for the Premises. City shall be solely responsible for the

1 payment and installation of any and all tenant improvements necessary for the City's use of the
2 Premises.

3 (b) Any alterations, improvements or installation of fixtures to be undertaken
4 by City shall have the prior written consent of County after City has submitted proposed plans
5 for such alterations, improvements or fixtures to County in writing.

6 (c) All work performed on the Premises shall be by a licensed general
7 contractor and licensed subcontractors holding active licenses with the California State License
8 Board and a business license with the City of Riverside. All tenant improvements must be legal
9 and must comply with the City of Riverside's municipal code requirements and all State and
10 County regulations.

11 (d) All alterations and improvements to be made, and fixtures installed, or
12 caused to be made and installed, by City shall remain the property of City and may be removed
13 by City at or prior to the expiration of this Lease; provided, however, such removal does not
14 cause injury or damage to the Premises, or in the event it does, the Premises shall be restored
15 to its prior condition, if required by County.

16 (e) At the expiration or termination of this Lease, City shall have no
17 reimbursement rights for any amounts expended on tenant improvements, maintenance, or for
18 any other purpose, and all such expenditures and improvements shall be at the City's sole
19 expense, risk and responsibility.

20 **8. Utilities.**

(a) City shall provide and pay for all utilities.

(b) City shall provide and pay for all telephone services.

9. Maintenance.

(a) City shall be responsible for all maintenance of the leased Premises and
City shall keep the Premises in good condition and in compliance with all federal and state
laws, ordinances, rules, codes and regulations, including but not limited to fire, health and
safety.

1 (b) City shall be responsible for providing routine monitoring and
2 maintenance of the fire alarm system, fire extinguishers, and the fire sprinkler system, if
applicable.

3 (c) City shall maintain the mechanical room and other major equipment
4 connected to this facility.

5 **10. Custodial Services.** City shall provide, or cause to be provided, and pay for all
custodial services in connection with the leased Premises.

6 **11. Inspection of Premises.** County, through its duly authorized agents, shall have
7 the right to enter the leased Premises for the purpose of inspecting, monitoring, and evaluating
8 the obligations of City hereunder and for the purpose of doing any and all things which it is
9 obligated and has a right to do under this Lease. County shall give the City twenty-four (24)
prior notice before entering the Premises.

10 **12. Quiet Enjoyment.** City shall have, hold and quietly enjoy the use of the leased
Premises so long as it shall fully and faithfully perform the terms and conditions that it is
11 required to do under this Lease.

12 **13. Compliance with Government Regulations.** City shall, at City's sole cost and
13 expense, comply with the requirements of all local, state and federal statutes, regulations,
14 rules, ordinances and orders now in force or which may be hereafter in force, pertaining to the
leased Premises. The final judgment, decree or order of any court of competent jurisdiction, or
15 the admission of City in any action or proceedings against City, whether City be a party thereto
or not, that City has violated any such statutes, regulations, rules, ordinances or orders, in the
16 use of the leased Premises, shall be conclusive of that fact as between County and City.

17 **14. Termination by County.** County shall have the right to terminate this Lease
forthwith:

18 (a) In the event a petition is filed for voluntary or involuntary bankruptcy for
the adjudication of City as debtor.

19 (b) In the event that City makes a general assignment, or City's interest
20 hereunder is assigned involuntarily or by operation of law, for the benefit of creditors.

1 (c) In the event of abandonment of the leased Premises by City.

2 (d) In the event City fails or refuses to perform, keep or observe any of City's
3 duties or obligations hereunder; provided, however, that City shall have thirty (30) days in
4 which to correct City's breach or default after written notice thereof has been served on City by
County.

5 (e) Without cause upon three hundred and sixty-five (365) days' written
6 notice of its intent to terminate the Lease served upon the City during the Option Period.
County shall not terminate the Lease without cause during the first five (5) years of the Lease.

7 **15. Termination by City.** City shall have the right to terminate this Lease without
8 cause by providing County with at least one hundred and eighty (180) days written notice of its
intent to terminate the Lease and vacate the Premises.

9 **16. Insurance.** The insurance requirements contained in this Agreement may be
10 met with a program(s) of self-insurance acceptable to the County. The City shall pass down
11 all obligations of this Section 16 to any and all third parties or contractors performing work on
12 the Premises. Any insurance carrier providing insurance coverage to any such third party or
13 contractor hereunder shall be admitted to the State of California and have an A M BEST rating
of not less than A: VIII (A:8) unless such requirements are waived, in writing, by the County
Risk Manager. If the County's Risk Manager waives a requirement for a particular insurer
such waiver is only valid for that specific insurer and only for one policy term.

14 **16.1** Without limiting or diminishing the City's obligation to indemnify or hold
15 the County harmless, City shall procure and maintain or cause to be maintained, at its sole
16 cost and expense, the following insurance coverages during the term of this Lease. As
17 respects to the insurance section only, the County herein refers to the County of Riverside, its
18 Agencies, Districts, Special Districts, and Departments, their respective directors, officers,
Board of Supervisors, employees, elected or appointed officials, agents, attorneys or
representatives as Additional Insureds.

19 **16.2 Workers' Compensation.** City shall maintain statutory Workers'
20 Compensation Insurance as prescribed by the laws of the State of California. The policy shall

1 be endorsed to waive subrogation in favor of the County of Riverside.

2 **16.3 Commercial General Liability.** The City is self-insured for \$3,500,000
3 and will provide the County with a self-insured affirmation letter.

4 **16.4 Vehicle Liability.** If vehicles or mobile equipment are used in the
5 performance of the obligations under this Agreement, then City shall maintain liability
6 insurance for all owned, non-owned or hired vehicles so used in an amount not less than
7 \$1,000,000 per occurrence combined single limit. If such insurance contains a general
8 aggregate limit, it shall apply separately to this agreement or be no less than two (2) times
9 the occurrence limit. Policy shall name the County as Additional Insureds.

10 **16.5** For the duration of the Lease while any construction or demolition
11 activities are undertaken, City shall require its Contractor to keep in full force and effect, a
12 policy of Course of Construction Insurance covering loss or damage to the Premises for
13 the full replacement value of such work. The Named Insured shall include the City, County
14 and Contractor as their interests appear. Contractor shall be responsible for any deductible
15 payments that result from a loss at the Premises under this coverage.

16 **16.6** General Insurance Provisions - All lines.

17 **16.6.1** The City must declare its insurance self-insured retention for
18 each coverage required herein. If any such self-insured retention exceed \$500,000 per
19 occurrence each such retention shall have the prior written consent of County Risk
20 Management before the commencement of operations under this Agreement. Upon
notification of self-insured retention unacceptable to the County, and at the election of the
County's Risk Manager, City's carriers shall either; 1) reduce or eliminate such self-insured
retention as respects this Agreement with the County, or 2) procure a bond which guarantees
payment of losses and related investigations, claims administration, and defense costs and
expenses.

16.6.2 City shall cause City's insurance carrier(s) to furnish the
County of Riverside with either 1) a properly executed original Certificate(s) of Insurance
and certified original copies of Endorsements effecting coverage as required herein, and 2) if

1 requested to do so orally or in writing by the County Risk Manager, provide original
2 Certified copies of policies including all Endorsements and all attachments thereto,
3 showing such insurance is in full force and effect. Further, said Certificate(s) and policies
4 of insurance shall contain the covenant of the insurance carrier(s) that a minimum of thirty
5 (30) days written notice shall be given to the County of Riverside prior to any material
6 modification, cancellation, expiration or reduction in coverage of such insurance. If City's
7 insurance carrier(s) policies does not meet the minimum notice requirement found herein,
8 City shall cause City's insurance carrier(s) to furnish a 30 day Notice of Cancellation
9 Endorsement.

10 **16.6.3** In the event of a modification, cancellation, expiration, or
11 reduction in coverage, this Agreement shall terminate forthwith, unless the County of
12 Riverside receives, prior to such effective date, another properly executed original
13 Certificate of Insurance and copies of endorsements evidencing coverage's set forth herein
14 and the insurance required herein is in full force and effect. City shall not commence
15 operations until the County has been furnished original Certificate (s) of Insurance and
16 copies of endorsements. Upon notification of self-insured retention unacceptable to the
17 County, and at the election of the County's Risk Manager, City's carriers shall either; 1)
18 reduce or eliminate such self-insured retention as respects this Agreement with the County,
19 or 2) procure a bond which guarantees payment of losses and related investigations, claims
20 administration, and defense costs and expenses.

15 **16.6.4** It is understood and agreed to by the parties hereto that the
16 City's insurance shall be construed as primary insurance, and the County's insurance
17 and/or deductibles and/or self-insured retention's or self-insured programs shall not be
18 construed as contributory.

18 **16.6.5** City shall pass down the insurance obligations contained herein
19 to all tiers of contractors working under this Agreement.

19 **16.6.6** The insurance requirements contained in this Agreement may
20 be met with a program(s) of self-insurance acceptable to the County.

1 **16.6.7** City agrees to notify County of any claim by a third party or
2 any incident or event that may give rise to a claim arising from the performance of this
3 Agreement.

4 **17. Hold Harmless.**

5 (a) City represents that it has inspected the leased Premises, accepts the
6 condition thereof, accepts the Premises in "as is" condition, and fully assumes any and all risks
7 incidental to the use thereof. County shall not be liable to City, its officers, agents, employees,
8 subcontractors or independent contractors for any personal injury or property damage suffered
9 by them which may result from hidden, latent or other dangerous conditions in, on, upon or
10 within the leased Premises; provided, however, that such dangerous conditions are not caused
11 by the sole negligence of County, its officers, agents or employees.

12 (b) City shall indemnify and hold County, its Board of Supervisors, officers,
13 agents, employees and independent contractors free and harmless from any liability
14 whatsoever, based or asserted upon any act or omission of City, its officers, agents,
15 employees, subcontractors and independent contractors, for property damage, bodily injury, or
16 death (City's employee included) or any other element of damage of any kind or nature,
17 relating to or in anywise connected with or arising from its use and responsibilities in
18 connection therewith of the leased Premises or the condition thereof, and City shall defend, at
19 its expense, including without limitation, attorney fees, expert fees and investigation expenses,
20 County, its officers, agents, employees and independent contractors in any legal action based
upon such alleged acts or omissions. The obligations to indemnify and hold County free and
harmless herein shall survive until any and all claims, actions and causes of action with respect
to any and all such alleged acts or omissions are fully and finally barred by the applicable
statute of limitations.

 (c) The specified insurance limits required in Section 16 above shall in no
way limit or circumscribe City's obligations to indemnify and hold County free and harmless
herein.

1 (d) County shall indemnify and hold harmless the City, its departments,
2 directors, officers, City Councilmembers, elected and appointed officials, employees, agents,
3 attorneys and representatives from any liability, claim, damage or action arising from the gross
4 negligence or willful misconduct of County, its officers, employees, contractors, agents or
5 representatives arising out of or in any way relating to this Lease, including but not limited to
6 property damage, bodily injury, or death. County shall defend, at its sole cost and expense,
7 including but not limited to attorney fees, cost of investigation, defense and settlements or
8 awards, the City of Riverside, its Departments, directors, officers, City Councilmembers,
9 elected and appointed officials, employees, agents, attorneys and representatives in any such
10 action or claim. With respect to any action or claim subject to indemnification herein by County,
11 County shall, at its sole cost, have the right to use counsel of its own choice and shall have the
12 right to adjust, settle, or compromise any such action or claim without the prior consent of City;
13 provided, however, that any such adjustment, settlement or compromise in no manner
14 whatsoever limits or circumscribes County's indemnification of City. County's obligations
15 hereunder shall be satisfied when County has provided to City the appropriate form of
16 dismissal (or similar document) relieving the City from any liability for the action or claim
17 involved.

18 (e) County agrees to notify City of any claim by a third party or any incident
19 or event that may give rise to a claim arising from the performance of this Agreement.

20 **18. No Assignment or Subletting.** City may not assign, sublet, mortgage,
hypothecate or otherwise transfer in any manner any of its rights, duties or obligations
hereunder to any person or entity.

19. Toxic Materials. During the term of the Lease and any extensions thereof, City
shall not violate any federal, state or local law, ordinance or regulation, relating to industrial
hygiene or to the environmental condition on, under or about the leased Premises, including,
but not limited to, soil and groundwater conditions. Further, City shall not use, generate,
manufacture, produce, store or dispose of on, under or about the leased Premises or transport
to or from the leased Premises any flammable explosives, asbestos, radioactive materials,

1 hazardous wastes, toxic substances or related injurious materials, whether injurious by
2 themselves or in combination with other materials (collectively, "hazardous substances",
3 "hazardous materials" or "toxic substances") in the Comprehensive Environmental Response,
4 Compensation and Liability Act of 1980, as amended, 42 U.S.C. Section 9601, et seq; the
5 Hazardous Materials Transportation Act, 49 U.S.C. Section 1801, et seq; the Resource
6 Conservation and Recovery Act, 42 U.S.C. Section 6901, et seq; and those substances
7 defined as "Hazardous Wastes" in Section 25117 of the California Health and Safety Code or
8 as "Hazardous Substances" in Section 25316 of the California Health and Safety Code; and in
9 the regulations adopted in publications promulgated pursuant to said laws.

10 **20. Free From Liens.** City shall pay, when due, all sums of money that may
11 become due for any labor, services, material, supplies, or equipment, alleged to have been
12 furnished or to be furnished to City, in, upon, or about the leased Premises, and which may be
13 secured by a mechanic's, material man's or other lien against the leased Premises or County's
14 interest therein, and will cause each such lien to be fully discharged and released at the time
15 the performance of any obligation secured by such lien matures or becomes due; provided,
16 however, that if City desires to contest any such lien, it may do so, but notwithstanding any
17 such contest, if such lien shall be reduced to final enforcement thereof is not promptly stayed,
18 or if so stayed, and said stay thereafter expires, then and in such event, City shall forthwith pay
19 and discharge said judgment.

20 **21. Employees and Agents of City.** It is understood and agreed that all persons
hired or engaged by City shall be considered to be employees or agents only of City and not of
County.

21.2. Binding on Successors. The assigns and successors in interest to each party,
shall be bound by all the terms and conditions contained in this Lease, and all the parties
thereto shall be jointly and severally liable hereunder.

21.3. Waiver of Performance. No waiver by County at any time of any of the terms
and conditions of this Lease shall be deemed or construed as a waiver at any time thereafter

1 of the same or of any other terms or conditions contained herein or of the strict and timely
2 performance of such terms and conditions.

3 **21.4. Severability.** The invalidity of any provision in this Lease as determined by a
4 court of competent jurisdiction shall in no way affect the validity of any other provision hereof.

5 **21.5. Venue.** Any action at law or in equity brought by either of the parties hereto for
6 the purpose of enforcing a right or rights provided for by this Lease shall be tried in a court of
7 competent jurisdiction in the County of Riverside, State of California, and the parties hereby
8 waive all provisions of law providing for a change of venue in such proceedings to any other
9 county.

10 **21.6. Notices.** Any notice required or desired to be served by either party upon the
11 other shall be addressed to the respective parties as set forth below:

12 County:

City:

13 Real Estate Division

City of Riverside

14 Economic Development Agency

Community & Economic Development

15 3403 10th Street, Suite 400

3900 Main Street

16 Riverside, California 92501

Riverside, California 92501

17 or to such other addresses as from time to time shall be designated by the respective parties.

18 **21.7. Permits, Licenses and Taxes.** City shall secure and maintain, at its expense,
19 all necessary permits and licenses as it may be required to obtain and/or hold, and City shall
20 pay for all fees and taxes levied or required by any authorized public entity.

21.8. Section Headings. The section headings herein are for the convenience of the
parties only, and shall not be deemed to govern, limit, modify or in any manner affect the
scope, meaning or intent of the provisions or language of this Lease.

21.9. County's Representative. County hereby appoints the Assistant County
Executive Officer of the Economic Development Agency as its authorized representatives to
administer this Lease.

21.10. Nondiscrimination. The Parties shall not discriminate on the grounds of race,
religious creed, color, national origin, ancestry, age, physical or mental disability, medical

1 conditions, including the medical condition of Acquired Immune Deficiency Syndrome (AIDS) or
2 any condition related thereto, marital status, genetic information, gender, gender identity, sex
3 or sexual orientation, in connection with the performance of this Agreement. The parties
4 further agree to conform to the requirements of the Americans with Disabilities Act in the
performance of this Lease.

5 **21.11. Brokers.** Both Parties acknowledge that neither County nor City is
represented by a real estate broker in this transaction.

6 **21.12. Entire Lease.** This Lease is intended by the parties hereto as a final
7 expression of their understanding with respect to the subject matter hereof and as a complete
8 and exclusive statement of the terms and conditions thereof and supersedes any and all prior
9 and contemporaneous leases, agreements and understandings, oral or written, in connection
herewith. The Lease may be changed or modified only upon the written consent of the parties
hereto.

10 **21.13. Approval.** This Lease shall not be binding or consummated until its approval
11 by the Chairman of the Riverside County Board of Supervisors and the City Council of the City
of Riverside.

12 SIGNATURE PROVISIONS FOLLOW

1 IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first
2 written above.

3 COUNTY OF RIVERSIDE

CITY OF RIVERSIDE

4
5 By: _____
6 John J. Benoit, Chairman
7 Board of Supervisors

By: _____
John A. Russo
City Manager

8 ATTEST:
9 Kecia Harper-Ihem
10 Clerk of the Board

ATTEST:
Colleen J. Nicol
City Clerk

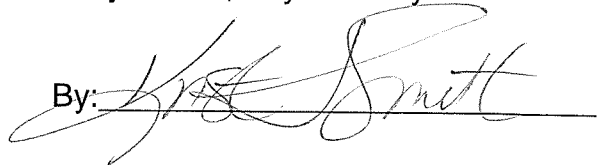
11 By: _____
12 Deputy

By: _____
Deputy

13 APPROVED AS TO FORM:
14 Gregory P. Priamos, County Counsel

APPROVED AS TO FORM:
Gary Geuss, City Attorney

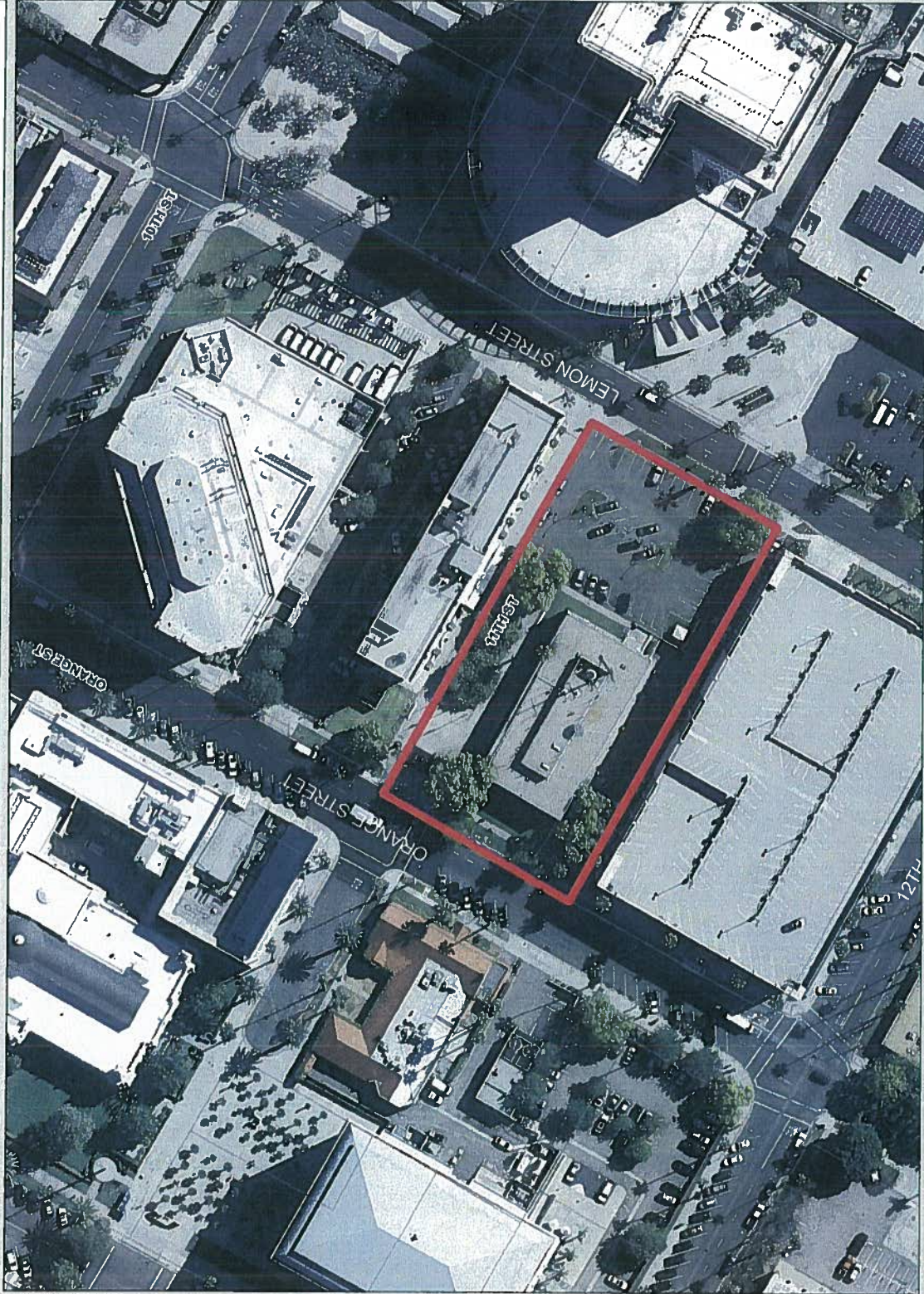
15 By: _____
16 Todd Frahm
17 Deputy County Counsel

By:  _____

18
19 CAO:ra/092716/RV509/18.460

EXHIBIT A

APN: 215-282-018



- Legend**
- roadsanno
 - highways
 - HWY
 - INTERCHANGE
 - INTERSTATE
 - OFFRAMP
 - ONRAMP
 - USHWY
 - counties
 - cities
 - hydrographylines
 - waterbodies
 - Lakes
 - Rivers

Notes

"IMPORTANT" Maps and data are to be used for reference purposes only. Map features are approximate, and are not necessarily accurate to surveying or engineering standards. The County of Riverside makes no warranty or guarantee as to the content (the source is often third party), accuracy, timeliness, or completeness of any of the data provided, and assumes no legal responsibility for the information contained on this map. Any use of this product with respect to accuracy and precision shall be the sole responsibility of the user.

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296 Feet

148

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Fact Sheet: Proposed New Main Library

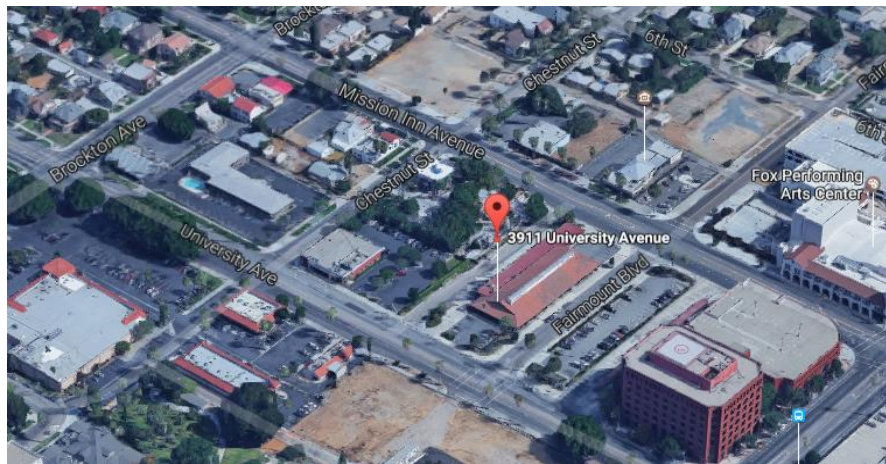
Brief History of Existing Facility

Built in 1965, the Main Library has served the community for more than 50 years. Advancements in library services and technology coupled with the needs of end users and the facility's lack of transparency render it no longer functional for the purpose of operating a modern library or a library of the future. Since October 2006, several proposals on expanding, modernizing or moving the Main Library have been considered. In early 2016, the City Council unanimously approved 3911 University Avenue as the site of a new Main Library. Staff expects to return to City Council in April 2017 with a proposed contract for architectural/development of the new facility.

(Current facility from Mission Inn Ave)



Current facility from Lemon St.)



(City Council approved site)

Fact Sheet: Proposed New Main Library

Proposed New Facility

Leading library futurists agree the library of the future will be more about services, engaging with the space and the people in it, and less about checking items out and leaving the space to use them. The future library is about creation, innovation, hand-on learning and discovery, collaboration and community gathering. Planning flexible spaces will ensure the community has the library it deserves, a library that can evolve alongside change. The existing facility, while a Riverside cultural resource, requires significant adaptive reuse, and were such an endeavor undertaken, still would not incorporate the attributes of modern libraries. Achieving a state-of-the-art Main Library is more readily accomplished by investing public financial resources in new construction.

Estimated Cost:

\$30 million, including \$2-3 million in architectural/development costs.

Proposed Timeline:

Assuming funding in FY 2018/19, the proposed timeline is:

Design – 12 months

Construction – 18 months

Total – 30 months or 2 ½ years

Ongoing Maintenance:

Standard industry benchmarks for maintenance costs for the proposed new Main Library are approximately \$1.75 to \$2.50 per square foot per year. The annual maintenance cost for the proposed 45,000 square foot Main Library would be approximately \$78,750 to \$112,500.

Bottom Line:

Public discussion on the City's Main Library has been thorough. With City Council direction received in February 2016 and an architectural/development agreement coming to the City Council in April 2017, the source of funding remains the last major piece to move this item forward.

Attachments:

- [Exhibit 1](#): Updated Timeline of City Council and Public Discussion on Main Library
- [Exhibit 2](#): City Council Staff Report and Presentation - February 23, 2016

Summary of Main Library Project Timeline

October 2006: City Council includes a Main Library expansion in the Riverside Renaissance Plan.

April 2007: City Council hires Pfeiffer Architects to prepare a 29,000 to 40,000 expansion for the Main Library that includes an exhibit hall.

September 2007: A plan for a joint Main Library/Museum expansion is presented.

January 2008: City Council receives community comment in support of two separate projects for the future needs of the Museum and Main Library.

March 2008: City convenes a Blue Ribbon Task Force to review the issue.

June 2008: Arlington Library Renovation and Expansion (4,000 sq. ft. to 13,000 sq. ft.)

August 2008: City Council accepts Task Force recommendations for a major expansion of the Main Library on the current site based on a size recommended by the Board of Trustees.

October 2008: Orange Terrace Library Opening (13,640 sq. ft.)

March 2009: City Council approves a 100,000 square foot new Main Library as part of a plan for Arts and Culture Facilities Enhancement.

November 2010: Arlanza Library Opening (10,000 sq. ft.)

May 2011: Marcy Library Relocation and Expansion (4,000 sq. ft. to 9,000 sq. ft.)

February 14, 2012: City Council workshop on the Downtown Library to receive EIR update, project cost estimates for a new 100,000 sq. ft. library, a rehabilitated 60,000 sq. ft. library, and related library statistics.

February 28, 2012: City Council cancels Environmental Impact Report receives report on Downtown Library community outreach plan for exterior design development, the creation of a key stakeholders group, the creation of a financing team, and a revised scope of work for Pfeiffer Partners Architects.

March 21, 26, and 29, 2012: Community meetings and community engagement via City website.

March 28, 2012: City Historic Preservation Officer meets with Historic preservation groups.

April 12, 2012: Workshop with Pfeiffer, Trustees, and Stakeholders to review community comment and provide direction to Pfeiffer for design development.

June 14, 18, and 20, 2012: Community meetings and community engagement via City website to receive feedback on four design options. Transcript of comments received provided to Pfeiffer, Trustees and stakeholders for their review and consideration.

June 18, 2012: City Historic Preservation Officer meets with Historic preservation groups to receive feedback on four design options. Transcript of comments received provided to Pfeiffer, Trustees and stakeholders for their review and consideration.

August 13, 2012: Trustees and key stakeholders recommend options 1 and 5, with a preference for option 5, to City Council. The two main areas of consensus were to preserve the exterior to the extent possible while adding natural light and focusing the majority of the funding on the interior.

September 25, 2012: City Council unanimously agrees to proceed with option 5 and directs staff to bring back an alternative to include (a) maintaining current location of elevator and stairway; (b) reducing or eliminating the number of windows; (c) use of skylights; (d) analysis of public use for front of Library; (e) access to roof for public use; and (f) evaluating impact of elevator access on roof line relative to adjacent buildings.

June 11, 2013: City Council receives a workshop on the Main Library and following discussion, 1) received the report on the environmental review, exterior design, cost estimate, and proposed financing options; (2) approved the concept design, a) removing the skylights and roof development, (b) requesting that windows be bid as an optional add- on, (c) including a significant redesign of the front plaza area, (d) reusing existing interior materials to the extent possible, and (e) including up to \$100,000 for exterior elevations and interior design drawings in next year' s budget to include exterior renderings with and without windows.

December 9, 2014: City Council receives an update on the Main Library and following discussion, 1) received the update on the exterior, interior and plaza designs, cost estimate, and proposed financing options for the Main Library Rehabilitation located at 3581 Mission Inn Avenue; (2) approved the Main Library concept designs; and (3) directed the City Manager to include discussion of Library funding during the mid-year budget review and hold a workshop to discuss overall funding at a future meeting.

June 23, 2015: City Council requests additional funding be allocated to the Main Library project in order to continue moving forward the design process, including the study of alternative locations.

September 14 and 21, 2015: Community meetings held to receive feedback on prospective alternative locations.

December 14, 2015: Board of Library Trustees votes unanimously to recommend the current building be committed to a public, cultural reuse, the Main Library be relocated, and staff provide additional information on alternative locations.

January 25, 2016: Board of Library Trustees votes 5 Ayes/3 Noes/1 absent to recommend 3911 University Avenue or a portion as the location for the new Main Library.

February 2016: City Council unanimously selected 3911 University Avenue as the site for the new Main Library.

June 2016: A Request for Qualifications (RFQ) was issued for statements of qualification for the development of the new Main Library. An addendum was subsequently issued with submissions due August 5, 2017. The twenty-one responses were scored by a selection committee composed of staff and community members.

November 2016: A Request for Proposals (RFP) was issued to the top eight firms with submissions due November 28, 2017. The selection committee scored responses and agreed to invite the top four most qualified architectural firms to interviews.

March 2017: The top four architectural firms were interviewed. The top firm was recommended to the City Manager.

April 2017: Staff expects to return to City Council with a proposed contract for architectural/development of the new facility.



City Council Memorandum

City of Arts & Innovation

TO: HONORABLE MAYOR AND CITY COUNCIL **DATE: FEBRUARY 23, 2016**
FROM: RIVERSIDE PUBLIC LIBRARY **WARDS: ALL**
SUBJECT: ITEM 42A - MAIN LIBRARY PROJECT

ISSUE:

The issue for City Council consideration is to receive a report on the Main Library Project which pertains to committing the current library building located at 3581 Mission Inn Avenue to a cultural, public reuse; the selection of 4019 Mission Inn Avenue (at Chestnut Street) as the location for the new Main Library; and directing the City Manager to determine funding options and begin planning the new Main Library.

RECOMMENDATION:

That the City Council receive and provide direction on:

1. Committing the current library building located at 3581 Mission Inn Avenue to a cultural, public reuse;
2. Selection of 4019 Mission Inn Avenue (at Chestnut Street) as the location for the new Main Library; and
3. Directing the City Manager to determine funding options and begin planning the new Main Library.

BACKGROUND:

The Main Library Project has been a topic of community discussion and city planning for more than a decade (Attachment 1). There is broad consensus that the project move forward now. Staff recommends responsible design that focuses on the future of library services. Building anew ensures that Riverside will have a Main Library that accommodates the community of today *and* the community of tomorrow.

On June 23, 2015, the City Council directed the City Manager to move the Main Library project forward, including the study of alternate locations, enter into an agreement between the City and the Successor Agency to appropriate \$25,000 of unallocated former Redevelopment Agency bond proceeds to an account to be assigned by the Finance Department to be utilized for the continued development of Main Library design and location alternatives and return to the City Council with recommendations.

Library staff worked with the Community and Economic Development Department to prepare a list of potential alternate locations. Considerations for viability included, but were not limited to:

1. Impact to future redevelopment

2. Impact to surrounding residences and businesses
3. Location in the downtown core
4. Loss of existing city revenue
5. Loss of future sale revenue
6. Lot size
7. Proximity to other cultural venues
8. Site acquisition costs
9. Vehicle and pedestrian accessibility
10. Visibility

As such, on August 7, 2015, staff, Board of Library Trustees (Board) members Evans, Christmas and Yonezawa and Riverside Public Library Foundation Chair Wahlin toured several prospective alternate locations, with concurrence centering on the Successor Agency-owned property located at 4019 Mission Inn Avenue.

On August 24, 2015, the Board received a presentation from Library staff regarding the proposed acquisition of 4019 Mission Inn Avenue as the new location of the future Main Library. At the meeting staff also indicated to the Board that the Community & Economic Development Department had previously conducted community meetings regarding the community's preferred use of the 4019 Mission Inn Avenue site, which was identified to be housing.

With this in mind, the Board directed staff to work with the Community & Economic Development Department to develop conceptual massing plans for two potential locations: Successor Agency-owned 4019 Mission Inn Avenue and City-owned 3911 University Avenue and to schedule meetings in which the community could provide feedback, and report back to the Board.

Community meetings were held on September 14 and 21, 2015, to receive public comment on the Main Library Project. Some attendees focused on the importance of the future of library services regardless of the location. The majority consensus was against leaving the current building, primarily due to its location and history of being there. However, rehabilitation of the existing building will not provide a modern library as would be possible through construction of a new Main Library, unrestricted by the current building and its requirements. To provide this context visually, special meetings of the Board were held on November 13 and 17, 2015, for tours of the Main Library, to get a first-hand account of the building's deficiencies.

On December 14, 2015, the Board received a presentation from Library staff regarding limitations of the current building, changes in library operations since the building opening in 1964, the future of library services and building needs necessary to accommodate superior service. After discussion, the Board voted on each of the recommendations separately. The recommendations are listed below:

Recommendation No. 1: Approve receipt of the report was unanimous.

Recommendation No. 2: Recommend that the City Council direct the City Manager to move the Main Library and commit the current Main Library location at 3581 Mission Inn Avenue to a cultural, public reuse was unanimous.

Recommendation No. 3: Recommend that the City Council select 4019 Mission Inn Avenue as the alternative location for the future Main Library was amended to include that the City Council direct staff look in more detail at 4019 Mission Inn Avenue, 3911 University Avenue, the Northwest Corner of University and Park Avenues, and other potential alternative sites and return to the Board of Library Trustees was unanimous.

Recommendation No. 4: Recommend that the City Council direct the City Manager to determine funding options and begin planning the future Main Library was unanimous.

On January 25, 2016, the Board received a presentation from Library staff regarding twelve potential alternative locations. Considerations for viability included, but were not limited to, location, program needs, lot size, visibility, proximity to other cultural venues, loss of existing city revenue, loss of future city revenue, impact to neighborhood, vehicle and pedestrian accessibility, site acquisition costs, impact to future redevelopment, impact to existing patrons.

After community comment and discussion, the Board could not reach consensus and voted 5 Ayes, 3 Noes, with 1 absent, to recommend the 3911 University Avenue site, or a portion of the site, as the location for the new Main Library.

DISCUSSION:

The Library Board recommendation that the City Council direct the City Manager to move the Main Library and commit the current Main Library location at 3581 Mission Inn Avenue to a cultural, public reuse was unanimous.

Staff concurs with the unanimous recommendation.

Architects of the existing Main Library, which opened in 1965, designed a building that was contemporary, flexible and functional. The building and ensuing operations were progressive for their time. Fifty years later, function is impacted by form and technological advancements, changes in the way materials are stored and presented to customers, progressions in building codes and accessibility requirements, enhancements in information delivery, and the collaborative manner in which customers utilize the library beyond checking out print materials. This necessitates a new design that not only lends itself to these factors, but places them at the forefront.

The Board received community comment in support of razing the current building and building a new Main Library at the current location. However, a 2013 report (Attachment 2) completed by historic preservation firm Page & Turnbull which completed review of the rehabilitation project for conformance with the *Secretary of the Interior's Standards for the Treatment of Historic Properties, Standards for Rehabilitation* provided guidance for the treatment of character-defining features and significant spaces that are slated for alteration or removal in the project. The report notes that the building is a historic resource under CEQA. Removal of the building's character defining features does not comply with the Secretary's Standards and was not approved. Thus, demolition of the current building is not the staff recommendation.

Building anew will allow for the optimal scenario of function dictating form. Flexible, fluid library operations and the delivery of innovative library services now and in the future are dependent on functional, flexible building design that begins with current and future activity on the interior.

Over the course of the decade long conversation on the Main Library Project, there have been several designs proposed for the current site – none of them coming to fruition. Meanwhile, discussion continued regarding design particulars, including what the Library should look like, building size, and parking. One decade, two Mayors, four City Managers, five Library Directors, fifteen City Councilmembers, and a host of concerned citizens later, debate continues on these same issues.

Several branch library openings and renovations occurred as the conversation continued. In 2008, Arlington Library was renovated and expanded from 4,000 square feet to 13,000 square feet; Orange Terrace Library opened in 2008 offering 13,640 square feet; Arlanza Library opened in 2010 offering 10,000 square feet; and Marcy Library was relocated and expanded from 4,200 square feet to 9,000 square feet in 2011. This represents a gain of 28,440 square feet across the city.

The staff recommendation for a new Main Library of approximately 40,000 square feet is supported by the increase in square footage gained through the addition and expansion of branch libraries coupled with advances in technology, enhancements in materials shelving solutions and the outdated design of the Main Library. Non-flexible spaces, such as the second floor Auditorium and Computer Lab, are unused and sit empty during non-program periods. Programmed for flexibility, square footage allotted to these spaces could be multi-purpose and serve additional library program needs. Further, square footage allotted to large staff spaces once needed for the hands-on processing of materials is no longer needed – the process has been automated for some time.

Most can agree that rapid shifts in technology have occurred over the past decade and that technology will continue to change, enhance and shape our lifestyles. The same is true regarding the impact technology has on the interior activity of the Library. Technology continues to transform library tools, and subsequently, the manner in which the community uses the library. Where customers once sought private rooms to hold meetings and discussions, the reverse is now the norm; customer discussions, meetings, library programs and other collaborative activities are taking place throughout the library. This transformation happened alongside the evolution of the tools within libraries; moving from quiet tools and services, such as books, microfilm, and magazines, to collaborative and interactive tools and services, such as computers and other tech devices, early learning play and discovery areas, maker and other creative spaces, and participatory programs like open mic, gaming, and career engagement.

Leading library futurists agree the library of the future will be more about services, engaging with the space and the people and tools in it, and less about checking items out and leaving the space to use them. The future library is about creation, innovation, hands-on learning and discovery, collaboration, and community gathering. Most agree that we can continue to count on change being a constant. Accordingly, planning flexible spaces will ensure the community has the library it deserves, a library that can evolve alongside change. Flexible spaces include furniture that can be easily rearranged, low height shelving on casters, and rooms that can be sectioned, shared, and easily repurposed.

The need for an enhanced Main Library is evident. Leading library architects site flexibility, open space, natural light, and views connecting interior and exterior activity among the most significant elements in future design. Staff recommend proceeding with responsible design encompassing these features. This approach gives the community the Main Library it deserves; an inviting, functional space that accommodates future library service needs.

Interior activity is further impacted by natural light and views into and out of the space. Libraries of the future are being placed curbside with large windows that invite the community in and showcase library offerings and activity to passersby. Natural light is an energizer and connector to those using the space and is crucial in providing a welcoming environment in which people want to stay and enjoy.

Following are examples of libraries that have embraced these features in their designs. The recommendation is not to simply replicate one of these libraries in Riverside. The focus is also

not on the size of the libraries. The size speaks to the needs of those respective communities, who, amongst other things, may not match the over 137,900 sq. ft. of library space across 81 sq. miles that Riverside offers in its eight library locations. The focus is on the design features. Good design based on interior function and exterior/interior connectors makes for excellent, functional, long term use.



Walnut Creek Public Library, California



Madison Public Library, Wisconsin



Lawrence Public Library, Kansas



Almere Library, Amsterdam



Gatos Public Library, California

In February 2015, the American Library Association interviewed eight winners of the 2014 International Interior Design Association/American Library Association Interior Design Award, honoring excellence in library interior design, about the future of library design and how their award-winning work reflects the constant state of evolution of libraries.

Interior designer Lenda Sturdivant of Dewberry Architects states, "Libraries of the past were very heavy in shelving and housing of materials, whereas modern libraries have made a drastic shift to being almost collection-free. The thought [behind this is] that open space allows users to access more technology, and books could be retrieved from offsite storage locations. I think libraries of the future see the need for both." Sturdivant designed the Schaumburg (IL) Township Main Library Teen Quad. Sturdivant notes the need to carefully consider the space materials collections occupy, leaving "plenty of open room for tech and social spaces, making libraries a community center for multiple activities."



The program room can be used as a meeting room, computer lab, craft room, or a secondary study area. A folding glass wall makes the space flexible.

Principal architect Lyn Rice of Rice+Lipka Architects notes, “Libraries are becoming more open and light-filled and, in turn, becoming a less formal place for groups to come together and meet.” Rice designed a space for the New York Public Library with an open floor plan and optimal sightlines in which one staff member could oversee the entire area.

Libraries of the future will be designed to allow for greater interaction between staff and customers. Customer service desks will decrease in size, be mobile in design, and be equipped with mobile technology that allows staff to move from behind the service desk and interact with customers wherever the customer is (Attachments 6 and 7).



New York Public Library Hamilton Grange Teen Center



New York Public Library Hamilton Grange Teen Center

Principal architect Joel Sanders of Joel Sanders Architect says, “The transformative impact of digital technologies on 21st-century learning environments is central to my firm’s work. Libraries are no longer single-purpose repositories of books dedicated to quiet study. They have become dynamic community hubs that function now more than ever as IT centers for students, adults, and underserved communities, including seniors and immigrants. Libraries have morphed from formal compartmentalized facilities into casual multipurpose destinations that allow a diverse range of people, alone or in groups, to engage in a variety of media-centric activities, both day and night.”

The design features noted here would be achievable at the current location, but at a premium price that is cost-prohibitive and would include the relocation of the staircase and elevators, which was not approved under the Secretary of the Interior’s Rehabilitation Standards Review.

FEATURE	CURRENT LIBRARY	FUTURE LIBRARY
Function dictating form	No	Yes
Flexible spaces	No	Yes
Flexible furnishings	Partial* (Optimal use would not be achieved without flexible space)	Yes
Curbside/Showcase	No	Yes
Natural Light	Maybe/Partial* (Maybe: Entry and 2nd Floors; No: Basement)	Yes
Optimal Sight Lines	No	Yes

Cost projections to completely rehabilitate the existing 60,000 square foot Main Library are approximately \$22 million. To achieve optimal flexibility for library operations and programming would add approximately \$5 to 10 million. This includes, but is not limited to, seismic upgrades, removal and relocation of the existing elevator shafts and two staircases, protection and repair of the precast dove panels, increased size of existing freight elevator, skylights and roof enhancements.

In summary, the current building design is outdated and allocates space for processes made obsolete by technological advances; rehabilitation of the existing Main Library to accommodate future needs is projected to exceed \$27 million; and the City has gained 28,440 square feet for library services through the addition and expansion of branch libraries since 2008. It is thus the staff recommendation to commit the current library building located at 3581 Mission Inn Avenue to another cultural, public reuse.

Alternate Location

On December 14, 2015, the Board voted unanimously to relocate the Main Library to an alternate location and commit the current Main Library location to a cultural, public reuse. On January 25, 2016, the Board recommendation for the location of the new Main Library at 3911 University Avenue site or a portion of the site was split with 5 in favor, 3 opposed, and 1 absent. Some board members expressed concern and some objected to the location proposed by staff. Board discussion included differing opinions on rehabilitating the current library building; whether the proposed location and size is suitable for the new Main Library; the ability to place adequate parking on the site; the proximity of the proposed building to the neighborhood; potential impact to privacy of neighborhood residents; and existing blight in the area.

Staff respectfully disagrees with the split recommendation.

Staff has reviewed 3911 University Avenue, located west of Market Street and between Mission Inn Avenue and University Avenue, and determined that its highest best use is a private mixed use dense development. The City will be well served with the proceeds of sale in the range of \$2.5 million to \$3.0 million and by the subsequent tax revenue generated by private development that may reach an assessed valuation in excess of \$50 million. The economic impact and job creation of such a development may offer a significant part of the necessary resources for capital improvement needs in the City including a new Main Library. Also, because the site has a Federal Transit use restriction that is not expected to be removed until the end of this year; because it has a building on it that would need to be razed; and because it will be a private development whose schedule will require several years of private party planning before construction begins, we can't start anything there for years to come.



Potential Conceptual Idea



After the initial site review process and the most recent site review directed by the Board of Library Trustees, staff recommend construction at 4019 Mission Inn Avenue. Only 0.3 miles from the current location and fronting Mission Inn Avenue, this buildable site offers high visibility and the opportunity to better define the gateway into the city traveling southeast on Mission Inn

Avenue. Additional positives include transit, vehicle and pedestrian accessibility, proximity to cultural venues and the new Riverside Community College development, unobstructed views, Successor Agency owned with a low acquisition cost estimated to be \$300,000, and a parking count that is comparable to or higher than the current location, depending on design. Also, 4019 Mission Inn Avenue site is City-controlled. It is vacant. It is clean. It is ready to build on. We can get started right away.

Surface parking against the building would yield approximately 38 spaces, a count comparable to the unmetered number of spaces at the current library location. The 0.64 acre site can also accommodate surface parking, with the library occupying higher floors, or upper level parking, with the library occupying lower floors, yielding up to 60 spaces per parking floor.

The Miami Lincoln Parking Structure is an award-winning example of this design concept.



Miami Lincoln Parking Structure in Miami, Florida

Retail and restaurant space is located on the ground floor, fifth floor, and roof. The structure also boasts a rooftop penthouse.



Events held in the parking structure take advantage of sweeping city views and warm year-round weather. Designing with some of these design features could accommodate library customer parking, offer outdoor event space and generate revenue to enhance library programs and services while respecting the privacy of adjacent residences.

The City of Riverside's Library staff brings demonstrated experience in site selection, design, interior programming, and dedication to exemplary service. With over 20 years in professional library service, Library Director Tonya Kennon has overseen many successful library projects. A partial list includes:

1. Highgrove Public Library
2. Idyllwild Public Library
3. Mead Valley Public Library
4. Palm Desert Public Library Renovation

The Board received repeat comments from the community that the new Main Library be modeled after the Robidoux Library in Jurupa Valley. Kennon oversaw operations at the Robidoux Library while serving as Riverside County Librarian. Opened in 2011, the Robidoux Library is 40,000 square feet.

General Services Director Carl Carey brings more than 30 years of construction and leadership experience to the City. Formerly serving as the City's Capital Improvements Manager, Carey oversaw planning and construction management of numerous Renaissance projects, including:

1. State of the art Emergency Operations Center
2. Urban Search and Rescue building
3. Rehabilitation of the historic Arlington Library
4. Arlanza Library
5. Marcy Library
6. Orange Terrace Library
7. Metropolitan Museum
8. Historic Fox Theater

Additionally, Carey lead construction oversight of economic development and public use projects including:

1. Fox Entertainment Plaza
2. Downtown Fire Station
3. Municipal Auditorium rehabilitation
4. Award winning Convention Center expansion and rehabilitation

Deputy Director of Community and Economic Development Emilio Ramirez brings nearly 20 years' experience in redevelopment and property transactions that includes long range property management planning, more than 10,000 units of affordable housing, acquisition and subsequent disposition and development of blighted properties for public improvement projects including medical services campuses, assisted living, homeless shelters, hotel sites, community centers, park and recreation facilities, as well as private economic development opportunities.

Riverside has the once-in-a-lifetime opportunity to realize a new Main Library that will meet future service needs while retaining the current building for a cultural, public reuse that will strengthen the City's position as a regional leader. It is thus the staff recommendation that the project move forward with responsible design and a new Main Library be realized at 4019 Mission Inn Avenue. This approach gives the community the Main Library it deserves; an inviting, functional space that accommodates future library program needs and provides superior customer service to the residents of today and the residents of tomorrow.

The General Services Director and the Community and Economic Development Director concur with this recommendation.

FISCAL IMPACT:

There is no fiscal impact associated with this report.

Prepared by: Tonya Kennon, Library Director
Certified as to
availability of funds: Brent A. Mason, Finance Director/Treasurer
Approved by: Alexander T. Nguyen, Assistant City Manager
Approved as to form: Gary G. Geuss, City Attorney

Attachments:

1. Summary Project Timeline
2. Secretary of the Interior's Rehabilitation Standards Review
3. Board of Library Trustees Minutes for August 24, 2015
4. Board of Library Trustees Minutes for December 14, 2015
5. Board of Library Trustees Minutes for January 25, 2016
6. New York Public Library Press Release May 7, 2015
7. New York Times May 7, 2015
8. Presentation



MAIN LIBRARY PROJECT

Library Department

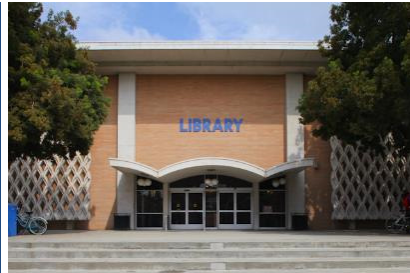
City Council
February 23, 2016

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MAIN LIBRARY PROJECT

Project Planning + Discussion =
10+ Years

1. Opened in 1965
2. No longer functional
3. Community meeting consensus to remain at current location
4. Current location will not yield cost effective modern library
5. Broad community consensus to move project forward now



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IMPACT OF TECHNOLOGY



3

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IMPACT OF TECHNOLOGY

Transitions:

1. Electronic information delivery
2. Shift from quiet tools to interactive tools
3. Collaborative activity
4. Change in manner of presenting information to customers
5. Mobile technology



Almere Library, Netherlands

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IMPACT OF TECHNOLOGY



Schaumburg, Illinois
Township Main Library



Hamilton, New York,
Public Library
Grange Teen Center



5

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IMPACT OF OUTDATED DESIGN

No Exterior Connectivity

1. Did you know over 230,000 persons visited Main Library last year?
2. Need views connecting exterior and interior
3. Need curbside placement and windows to showcase activity and collections
4. 60,000 square feet not needed to address operational needs



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IMPACT OF OUTDATED DESIGN



7



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IMPACT OF OUTDATED DESIGN



8



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IMPACT OF OUTDATED DESIGN



9



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IMPACT OF OUTDATED DESIGN



10



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RESTRICTIONS AT CURRENT SITE

Additional \$5-10 Million for Optimal Design:

1. Seismic upgrades
2. Existing elevators and staircases
3. Existing side entry
4. Protection and repair of doves
5. Skylights and roof enhancements
6. Interior pillars



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BUILDING FOR THE FUTURE

Design Goals:

1. Flexible & blended spaces
2. Focus on electronic service delivery
3. Open floor plans for a mix of gathering, collaborative, and contemplative spaces
4. State-of-the-art technologies



Austin, Texas

12



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BUILDING FOR THE FUTURE

Design Goals:

1. Function Dictating Form
2. Exterior/Interior Connector
3. Adequate Parking
4. Natural Light
5. Inviting Spaces
6. Best Value for Cost



Los Gatos, CA 13

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BUILDING FOR THE FUTURE



Denver, CO

14



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BUILDING FOR THE FUTURE



Lawrence, Kansas

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MAIN LIBRARY PROJECT

December 14, 2015

Board of Trustees voted unanimously to:

1. Approve receipt of report.
2. Recommend current location be committed to a cultural, public reuse.
3. Amend the recommendation to include that staff provide additional detail on 4019 Mission Inn Ave, 3911 University Ave, NW Corner of Park & University, and other potential alternative locations.
4. Recommend funding options be determined and planning begin.



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POTENTIAL ALTERNATIVE LOCATIONS

ADDRESS	PARCEL SIZE	PRICE	DISTANCE FROM CURRENT LOCATION
4785 Chicago Avenue	2.29 AC	\$320,000	2.5 Miles
3210 Main Street	1.47 AC	Not listed	0.5 Miles
2941 Market Street	0.68 AC	\$630,000	0.7 Miles
NWC of Market St. & Northbend (2462-2498 Market St.)	2 AC	\$1,302,444	1 Mile
4019 Mission Avenue	0.60 AC	\$300,000 *	0.4 Miles
2275 Northbend Street	1.42 AC	\$250,000	1.2 Miles
2849 N Orange Street	1.51 AC	\$1,100,000	0.8 Miles
1329 University Avenue	2.26 AC	\$3,000,000	2.26 AC
1550 University Avenue	1.03 AC	\$1,950,000	1.8 Miles
2015, 2025 & 2039 University Avenue	0.68 AC	\$450,000 - \$600,000*	1.3 Miles
2731-2871 University Avenue	1.96 AC	\$1,250,000 - \$1,700,000 *	0.9 Miles
3911 University Avenue	2.5 AC	tbd appraisal	0.3 Miles

* Staff Estimate subject to appraisal 17



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MAIN LIBRARY PROJECT

January 25, 2016:

Board of Trustees voted unanimously to:

1. Approve receipt of report.

Board of Trustees voted 5 Ayes / 3 Noes / 1 Absent to:

2. Recommend a portion of the site at 3911 University Avenue as the location for the New Main Library.



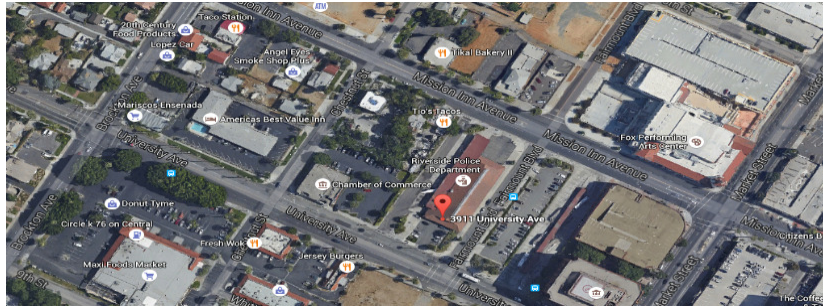
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POTENTIAL ALTERNATIVE LOCATIONS

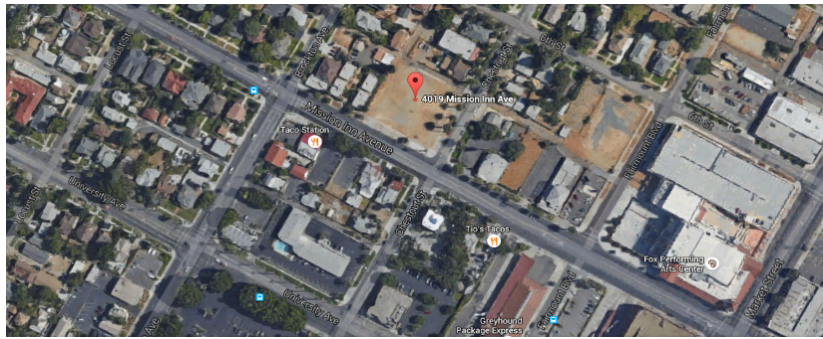
3911 University Avenue



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POTENTIAL ALTERNATIVE LOCATIONS

4019 Mission Inn Avenue



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4019 MISSION INN AVENUE

1. Total site area: 0.64 acres
2. Approximate lot dimensions: 180' x 160'
3. No visible obstructions to build a multi-story library approximately 12,000 – 15,000 per floor
4. Vehicular and pedestrian accessibility
5. Low acquisition costs: \$300,000



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4019 MISSION INN AVENUE

1. 0.4 miles from current location
2. High visibility
3. High population density of immediate surrounding area
4. Better define gateway
5. Responsible design

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POTENTIAL. CONCEPTUAL. IDEA.



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MAIN LIBRARY PROJECT

1. Innovative
2. Parking count comparable or higher than current location
3. Flexible design
4. Multipurpose space
5. Community meetings and events
6. Potential revenue

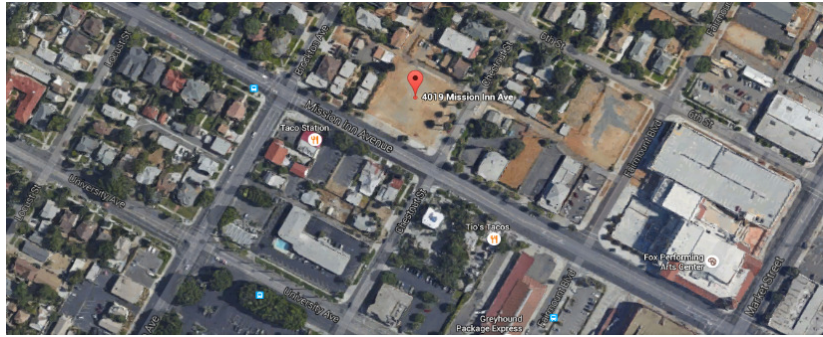


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BUILDING FOR THE FUTURE

4019 Mission Inn Avenue



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BUILDING FOR THE FUTURE



Almere Public Library, Netherlands

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BUILDING FOR THE FUTURE



Amsterdam Public Library, Netherlands

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BUILDING FOR THE FUTURE



New York, NY

28



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BUILDING FOR THE FUTURE



New York, NY



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RECOMMENDATION

That the City Council:

1. Receive an update on the Main Library Project;
2. Direct the City Manager to commit the current location at 3581 Mission Inn Avenue to a cultural, public reuse;
3. Select 4019 Mission Inn Avenue as the alternative location for the future Main Library; and
4. Direct the City Manager to determine funding options and begin planning the future Main Library.



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RECOMMENDATION



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POTENTIAL. CONCEPTUAL. IDEA.



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ATTACHMENT 4
EXHIBIT F

Attachment 4
Exhibit F – 80 Miles of Paving

Street Maintenance: Current, Proposed, and Potential Changes:

The City of Riverside has approximately 873 miles of roadways, which is comprised of residential streets (716 miles – 82%), major arterials (131 miles – 15%), and alleys (26 miles – 3%). The annual budget for pavement preservation and restoration includes funding from several sources including the City General Fund, local gas taxes, and Riverside County Measure A, ½ cent sales tax funds. The following page includes a breakdown of the budget for FY 2016/17 and FY 2017/18.

Source		Adopted Budget FY 16/17	Adopted Budget FY 17/18
	Description		
General Fund			
	General Fund Contribution	\$2,197,205	\$2,245,329
Non -General Fund (54% Measure A, 46% Gas Tax)			
	Subsidy for Street Maintenance	\$2,287,097	\$2,287,097
	Pavement Rehabilitation	\$5,525,000	\$5,025,000
	Sidewalks, Curb & Gutter, Pedestrian Ramps	\$1,100,000	\$1,100,000
	Debt Service for Transportation COP	\$3,002,988	\$2,999,588
	Subtotal Non-General Fund	\$11,915,085	\$11,411,685
	Total Budget Pavement Rehab/Maintenance & Sidewalks	\$14,112,290	\$13,657,014

The budget for road rehabilitation is allocated for various types of pavement treatment such as crack filling, slurry sealing, pavement overlays, asphalt rubber hot mix, asphalt recycling and pavement reconstruction. The actual cost of each varies based on specific road conditions, such as the width of the road, its type (residential or arterial) and the number amenities such as striping, signal loops, speed humps, curbs, gutters and sidewalks. Work completed on each project varies based on the individual needs of the roads.

The typical residential roadway includes approximately 36 feet of pavement width. Crack fill and slurry seal is desired every eight to ten years at an average cost of \$40,000 per mile. Edge grind and pavement overlay or reconstruct is desired every 25 to 30 years at an average cost of \$350,000 per mile. Arterials vary from four to six lanes in width; the most typical width varies from 64 feet to 88 feet width in asphalt paving. Pavement rehabilitation desired every 15 years. Cost, varies from \$800,000 to \$1,200,000 per mile, depending on the scope of work and road improvement needs.

Council recently approved a contract to implement a computerized pavement management system that will provide for a proactive systematic review of the City Streets

Attachment 4
Exhibit F – 80 Miles of Paving

and aid in the management and prioritization of needed maintenance. The work will be performed over a four-year term, assessing one quarter of the City’s streets per year. Ideally, the City will continue these efforts on an on-going basis to facilitate a review of the condition of every road, every four years. Annually as the work progresses, a report will be provided with recommendations on how to best allocate resources for the roads surveyed. The next report will be provided to the City Council within the next two to three months.

During the January 31, 2017 City Council Special Meeting, the request to fund up to 80 miles of street repair was raised. Currently, the number of miles paved per year varies based on annual needs and budget. In general, many City roads are in poor condition, requiring most of our funds to be allocated to pavement restoration, which is more costly than routine pavement maintenance such as slurry sealing. To reach a goal of 80 miles a year, it would be recommended that roads be placed on a routine schedule for maintenance based on the type of road.

The Proposed Measure Z Spending Plan, included \$11.5 million in funding for street related projects over the initial five years. On average, this would provide for \$2.3 million in annual funding. The request to fund 80 miles per year would require additional funding of approximately \$12.2 million per year.

Potential Funding Allocation to Improve 80 Miles Per Year						
Work Type	Miles Per Year	Cycle (Years)	Cost Per Mile	Total Cost	Current Budget	Additional Needed
Residential Slurry	49	10.3	\$40,000	\$1,960,000	\$350,000	\$1,610,000
Residential Paving	23	32.2	\$350,000	\$8,050,000	\$2,250,000	\$5,800,000
Arterial Rehabilitation	8	16.6	\$900,000	\$7,200,000	\$2,400,000	\$4,800,000
Total	80			\$17,210,000	\$5,000,000	\$12,210,000

Eight additional staff members would be needed to provide for engineering design and construction inspection in order to provide routine pavement maintenance of 80 miles per year. This cost is included in the per mile cost estimates - however, it would approximately six months to hire the additional staff necessary to design the projects and another six months to prepare them for bidding.

ATTACHMENT 4
EXHIBIT G

Attachment 4

Exhibit G – Standalone Parking Structure Financing

Parking Structure Financing:

At the January 31, 2017 City Council Special Meeting, staff was asked to provide an analysis about the potential to fund the two 400-space parking garages through revenue generated by these facilities. In order to make this determination, staff needed to consider many variables, including, but not limited to:

- Estimated cost per parking structure (\$15 million per garage)
- Financing length and terms (30 years at 5% bond financing)
- Operating and maintenance costs
- Current parking rates (e.g. first 90 minutes free, special event fees, etc.)
- Potential long-term clients (e.g. Downtown businesses)
- Existing garage performance (e.g. Fox Theater Parking – 398 spaces)

Utilizing the factors noted above, the revenue generated (approximately \$250,000/year) would be able to meet its annual operational costs (approximately \$250,000/year), but would not be able to support any of the debt service costs of approximately \$1 million per year per parking structure. In order to make the parking structures cost neutral, the existing parking rates would have to be raised substantially (e.g., four-fold).

ATTACHMENT 4
EXHIBIT H

Attachment 4
Exhibit H – Ward Specific Capital Funding

Ward (City Council) and Citywide (Mayor) Capital Funding Program Outline:

The Proposed Measure Z Spending Plan included a program to allocate \$250,000 in annual capital funding to each City Council Member and the Mayor. Specifically, the proposed program will provide discretionary funding for current and future unfunded capital ward-specific and citywide projects. The proposed rules are as follows:

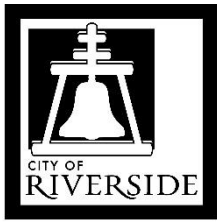
1. Funds must be spent on City specific capital projects.
 - a. Capital is defined as an asset owned by the City (e.g. library, street light, sidewalk, etc.), but may also include significant repairs that extend the life of a capital asset (e.g. roof, fence, and playground repairs).
 - b. Funds will not be utilized as grant and/or sponsorships to third parties.
2. All spending will be conducted in accordance with the City's current and future purchasing rules and regulations.
3. Each year, \$250,000 will be allocated to eight accounts (each ward and citywide).
 - a. The funding allocated to each account may be carried over from year to year to fund larger projects.
 - b. The funding, with written approval from the appropriate elected officials(s), can be shared to fund projects.

ATTACHMENT 4
EXHIBIT I

Attachment 4
Exhibit I – Ward Action Teams

Ward Action Teams

The Proposed Plan Measure Z Plan includes two positions to support the multi-functional Ward Action Teams, one in the City Attorney's Office and one in the City Manager's Office. These positions will be deployed throughout the City to find solutions to complex problems such as homelessness and vandalism. The City Attorney's Office position was approved by City Council on February 21, 2017. On March 28, 2017, the City Manager's Office provided an update on the formation of the Ward Actions Teams; additional information on the goals and objectives are attached



City Council Memorandum

City of Arts & Innovation

TO: HONORABLE MAYOR AND CITY COUNCIL **DATE: MARCH 28, 2017**
FROM: CITY MANAGER'S OFFICE **WARDS: ALL**
SUBJECT: FORMATION OF THE WARD ACTION TEAMS TO ADDRESS MAJOR QUALITY OF LIFE PROBLEMS

ISSUE:

Receive an update on the formation of the Ward Action Teams to address the most pressing quality of life concerns in each ward of the City.

RECOMMENDATION:

That the City Council:

1. Receive an update on the formation of the Ward Action Teams (WAT) to address the most pressing quality of life concerns in each Ward of the City; and
2. Participate in their respective Ward Action Team meetings and assist the staff as it prioritizes concerns that impact the quality of life in their Wards.

BACKGROUND:

On January 31, 2017 the Proposed Measure Z Spending Plan was presented to City Council. Specific needs were identified in this Citywide initiative that included critical non-safety service needs, critical public safety needs, quality of life issues, critical infrastructure needs and technology needs. Some of these required addition of positions.

On February 21, 2017, City Council approved the addition of a Deputy City Attorney II classification to the City Attorney's Office, to be solely dedicated to the WAT. This position was established to join the proposed Community Advocate in the City Manager's office. The Community Advocate will lead and coordinate the Ward Action Teams.

DISCUSSION:

The Problem

Major quality of life issues are among the most complex of the problems facing municipal government. There is often concern over the nature of the response and the response time from

different departments when addressing problems such as homeless encampments, vagrants, blight, marijuana dispensaries, and so on. These problems usually involve more than one department of the City, and sometimes require assistance from the County of Riverside or even the State of California.

Often, the problem is being monitored by different departments each using their respective authority, methodology, and expertise. Coordination amongst departments does occur with varying degrees of success, however the lines of accountability are usually unclear causing unnecessary time delays. This is often compounded by a lack of consistent communication between the community, the community's elected official, and staff.

The Solution

Fortunately, lack of coordination and ownership, unclear accountability, and inadequate communication are easily solved through the creation of interdepartmental Ward Action Teams. There will be seven teams – one for each of the seven wards – with staff representation from the following Offices and Departments

1. Ward Councilmember
2. Mayor's Office
3. City Manager's Community Advocate
4. City Attorney's WAT attorney
5. Community & Economic Development Department
6. Fire Department
7. Police Department
8. Public Utilities Department
9. Public Works Department
10. Riverside County District Attorney's Office
11. Riverside County Health Department (as needed)

The primary purpose of the WAT is to improve coordination and streamline our responses to high priority quality of life cases, to prevent undue bureaucratic delay, and to produce efficient, effective results.

The City Manager's Office will convene monthly WAT meetings in close consultation with the Councilmember for each Ward. The Team will identify a list of Quality of Life concerns in that ward to be prioritized. The Team will have a collective responsibility for the resolution of those priorities and will provide an action plan with clear expectations and team member assignments.

This is a new program, NOT a new division. Aside from the coordinator and city attorney's representative, no new staff are needed. No one needs to be reassigned from their usual

responsibilities. The WAT includes staff who already have the knowledge and tools to perform the work in their respective departments. This is about coordination, streamlining, ownership, and accountability in order to handle such cases as quickly as possible and preventing the usual confusion and bureaucratic delays from occurring.

Given the concern that councilmembers have expressed in the wake of last December's Ghost Ship fire in Oakland, creating the WAT program now is especially timely. That tragedy serves as a significant case study. We already perform WAT functions, but usually in a "fire drill" mode when a situation has reached critical mass of complaints and frustration. The WAT provides opportunity to work proactively and directly with the Councilmember to help prioritize the most important concerns in their Wards, and to address those concerns in a timely manner.

Funding

The City Attorney's Office requested, and was approved, additional funding for a Deputy City Attorney II dedicated solely to the WAT. There will also be the proposed Community Advocate in the City Manager's office. The other City departments will absorb the cost within their existing budget appropriations for staff participation with the Ward Action Teams.

FISCAL IMPACT:

There is no fiscal impact with this update.

Prepared by: Alexander T. Nguyen, Assistant City Manager
Certified as to
availability of funds: Scott G. Miller, PhD., Chief Financial Officer/City Treasurer
Approved by: John Russo, City Manager
Approved as to form: Gary G. Geuss, City Attorney

Attachment: Participation Letter from District Attorney Hestrin



MICHAEL A. HESTRIN
DISTRICT ATTORNEY

OFFICE OF
THE DISTRICT ATTORNEY
COUNTY OF RIVERSIDE
3960 ORANGE STREET
RIVERSIDE, CALIFORNIA 92501-3643

January 31, 2017

William R. "Rusty" Bailey, III
Mayor, City of Riverside
3900 Main Street
Riverside, CA 92522

Dear Mayor Bailey,

Thank you for reaching out to me to discuss the City of Riverside's proposed Ward Action Team. I am grateful for the proactive communication and I also respect the City of Riverside's ongoing commitment to a high quality of life for its residents. I believe that you know that I share this commitment. I would like to offer my support for the Ward Action team proposal. My team looks forward to working with you to ensure smooth implementation and to provide the safest neighborhoods possible for our constituents.

Very truly yours,

A handwritten signature in black ink that reads "Michael A. Hestrin". The signature is written in a cursive, flowing style.

MICHAEL A. HESTRIN
District Attorney
Riverside County

MAH:ljt

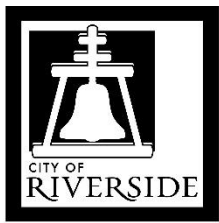
Attachment 5: Revised Measure Z Spending Priorities

Item #	Funding Request	Category	Original Proposal (Funded/Unfunded) / Revised	Year 1 FY 2016/17	Year 2 FY 2017/18	Year 3 FY 2018/19	Year 4 FY 2019/20	Year 5 FY 2020/21	Year 1-5 Totals	Notes
			Beginning Measure Z Fund Balance	\$ -	\$ (0)	\$ 4,003,668	\$ 7,365,757	\$ 1,657,818		
										* Adoption Year (Year 1) anticipates one quarter of revenue (April 2017 -June 2017) and Year 21 anticipates three quarters of revenue (July 2036 - March 2037)
1	General Fund Reserve (15%)	Financial Discipline/ Responsibility	Revised	\$ 5,549,224	\$ -	\$ -	\$ -	\$ -	\$ 5,549,224	
2	General Fund Reserve (20%)	Financial Discipline/ Responsibility	Revised	\$ -	\$ 16,292,387	\$ 3,983,232	\$ 3,440,679	\$ 3,025,485	\$ 26,741,783	Based on 2nd Quarter Financial Report (FY 2016/17)
3	Payoff of the Balloon \$32 million Pension Obligation Bond	Financial Discipline/ Responsibility	Revised	\$ -	\$ 1,900,800	\$ 1,900,800	\$ 1,900,800	\$ 1,900,800	\$ 7,603,200	February 2017 Finance Committee recommendation to utilize Measure Z funding to pay off the BAN. The General Fund portion of the POB costs is approximately 48% of the total. The revised 10-year financing reflects approximately \$40 million in total principal and interest payments. The total amounts presented are the General Fund portion only. City Council approved 10-year financing on April 25, 2017, subject to final City Council approval on May 16, 2017.
4	50% Funding for Workers Comp and General Liability	Financial Discipline/ Responsibility	Revised	\$ -	\$ 3,450,000	\$ -	\$ -	\$ -	\$ 3,450,000	Original request \$8 million; revised request \$3.45 million
5	Additional Sworn Police Positions	Public Safety	Original	\$ -	\$ 3,700,000	\$ 6,500,000	\$ 8,800,000	\$ 11,000,000	\$ 30,000,000	Year 2: Add back 17 sworn officers reduced during FY 2016-18 Two-Year Budget Year 3: Add 16 additional officers Year 4: Add 14 additional officers Year 5: Add 13 additional officers * 60 total sworn positions; all positions have an estimated 5% annual increase for salaries, benefits, etc.
6	Police Officer Lateral Hire Incentives and Recruitment Costs	Public Safety	New	\$ -	\$ -	\$ 344,360	\$ 344,360	\$ 344,360	\$ 1,033,080	Includes hiring and retention bonuses, vacation bank accruals, and testing/background expenditures.
7	Additional Dispatchers	Public Safety	Original	\$ -	\$ 260,000	\$ 480,000	\$ 705,000	\$ 930,000	\$ 2,375,000	Year 2: Add 3 additional dispatchers Year 3: Add 2 additional dispatchers Year 4: Add 2 additional dispatchers Year 5: Add 2 additional dispatchers * 9 total dispatchers are all net "new" positions; all positions have an estimated 5% annual increase for salaries, benefits, etc.
8	Dispatcher Hiring Incentives and Recruitment Costs	Public Safety	New	\$ -	\$ -	\$ 107,533	\$ 107,533	\$ 107,533	\$ 322,600	Includes vacation bank accruals and testing/background expenditures.
9	Civilian Personnel (non-dispatchers)	Public Safety	Original	\$ -	\$ 790,000	\$ 813,700	\$ 838,111	\$ 888,398	\$ 3,330,209	Year 2: Add back all non-sworn FY 2016-18 Two-Year Budget Reductions, including records specialist (2), sr. office specialist (2), assistant range master (0.75), sr. police records specialist (2), background investigator (1.25), custodian (1), general service worker (1), office specialist (1) * 11 total civilian (non-dispatchers); all positions have an estimated 3% annual increase for salaries, benefits, etc.
10	Human Resources - Senior Analyst	Public Safety	New	\$ -	\$ 113,500	\$ 119,175	\$ 125,134	\$ 131,390	\$ 489,199	Total salary and benefits - based on existing position. Final amounts may differ based on starting salary and CalPERS tier. Current costs anticipated 5% annual increases
11	Reinstatement of Fire Squad	Public Safety	Original	\$ 450,000	\$ 792,798	\$ 832,438	\$ 874,060	\$ 917,763	\$ 3,867,058	Approved by City Council in December 2016. Estimates include 5% annual increases (salaries, benefits, etc.).
12	Reinstatement of Captains (Training and Arson)	Public Safety	Original	\$ -	\$ 450,025	\$ 472,526	\$ 496,153	\$ 520,960	\$ 1,939,664	Estimates include 5% annual increases (salaries, benefits, etc.).
13	Reinstatement of Battalion Chief	Public Safety	Original	\$ -	\$ 282,595	\$ 296,725	\$ 311,561	\$ 327,139	\$ 1,218,020	Estimates include 5% annual increases (salaries, benefits, etc.).
14	Revised PD Vehicle Replacement and Maintenance Plan	Public Safety	Revised	\$ -	\$ 2,704,822	\$ 2,745,119	\$ 2,786,221	\$ 2,828,146	\$ 11,064,308	Annual debt services of \$690,000 plus replacement of vehicles each year. Useful life of 3-5 years; 4 year financing (\$2.5 million)
15	Refurbish PD Vehicle (Pilot Program)	Public Safety	New	\$ -	\$ 50,000	\$ -	\$ -	\$ -	\$ 50,000	\$25,000 per vehicle - 2 vehicle pilot program.
16	Revised Fire Vehicle Replacement and Maintenance Plan	Public Safety	Revised	\$ -	\$ 1,690,000	\$ 1,990,000	\$ 3,574,252	\$ 3,894,158	\$ 11,148,410	One-time replacement of 16 vehicle; 10-year financing (\$13.7 million). Additional layering in of vehicle replacement for remainder of vehicles.
17	Fleet Facility Capital Repairs Needed	Public Safety	New	\$ -	\$ 100,000	\$ -	\$ -	\$ -	\$ 100,000	Facility improvements to doors, lifts and drive approach.
18	Additional Fleet Mechanics for Police Department (2)	Public Safety	New	\$ -	\$ 181,000	\$ 190,050	\$ 199,553	\$ 209,530	\$ 780,133	Total salary and benefits - based on existing position. Final amounts may differ based on starting salary and CalPERS tier. Current costs anticipated 5% annual increases for first 5-years with 2% increases thereafter.
19	Additional Fleet Mechanics for Fire Department (2)	Public Safety	New	\$ -	\$ 181,000	\$ 190,050	\$ 199,553	\$ 209,530	\$ 780,133	Total salary and benefits - based on existing position. Final amounts may differ based on starting salary and CalPERS tier. Current costs anticipated 5% annual increases for first 5-years with 2% increases thereafter.
20	Funding Gap - Existing Services (based on the FY 16-17 2nd Qtr General Fund Operating Deficit estimate)	Critical Operating Needs	Revised	\$ 3,939,526	\$ 5,482,404	\$ 10,787,847	\$ 17,266,026	\$ 10,734,277	\$ 48,210,080	Based on 5-Year Model and largely associated with union contracts. Model assumes no-raises for SEIU in Year 5.
21	Principal Analyst (City Manager's Office)	Critical Operating Needs	Original	\$ -	\$ 165,000	\$ 173,250	\$ 181,913	\$ 191,008	\$ 711,171	
22	Budget Engagement Commission Support	Critical Operating Needs	Original	\$ 5,000	\$ 27,000	\$ 27,000	\$ 27,000	\$ 27,000	\$ 113,000	Supplies, printing and mailing, video and security staff
23	Contingency Replenishment	Critical Operating Needs	Original	\$ -	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 2,000,000	

Attachment 5: Revised Measure Z Spending Priorities

Item #	Funding Request	Category	Original Proposal (Funded/Unfunded) / Revised	Year 1 FY 2016/17	Year 2 FY 2017/18	Year 3 FY 2018/19	Year 4 FY 2019/20	Year 5 FY 2020/21	Year 1-5 Totals	Notes
			Beginning Measure Z Fund Balance	\$ -	\$ (0)	\$ 4,003,668	\$ 7,365,757	\$ 1,657,818		
24	General Plan Update (Includes Zoning Code Changes)	Critical Operating Needs	New	\$ -	\$ 2,000,000	\$ 1,500,000	\$ 1,500,000	\$ -	\$ 5,000,000	* Adoption Year (Year 1) anticipates one quarter of revenue (April 2017 -June 2017) and Year 21 anticipates three quarters of revenue (July 2036 - March 2037) Over the past 20 years, the City's regulatory environment for development has become burdensome. In order to make an investment in the future of Riverside, funding is needed for a General Plan Update, including zoning code, in the near future.
25	New Downtown Main Library	Facility Capital Needs	Revised	\$ -	\$ -	\$ 1,867,412	\$ 2,561,824	\$ 2,561,824	\$ 6,991,059	Estimated \$30 million
26	New Police Headquarters	Facility Capital Needs	Revised	\$ -	\$ -	\$ 2,801,118	\$ 3,842,735	\$ 3,842,735	\$ 10,486,588	Estimated \$45 million - Depending on features, liability costs will increase.
27	Museum Expansion and Rehab	Facility Capital Needs	Revised	\$ -	\$ -	\$ 1,244,941	\$ 1,707,882	\$ 1,707,882	\$ 4,660,706	Estimated \$15 million
28	Parking Garage	Facility Capital Needs	Revised	\$ -	\$ -	\$ 933,706	\$ 1,280,912	\$ 1,280,912	\$ 3,495,529	Estimated \$15 million
29	Future Capital Projects	Facility Capital Needs	New	\$ -	\$ 2,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 5,000,000	The City has many capital needs moving forward that are not specifically addressed through Measure Z. Funding will be for future facilities (e.g. new park) and major upgrades to existing facilities. Priority for funding will be based on needs assessment and tools, such as the upcoming Parks Master Plan. Total funding over 20-years is estimated to be \$20 million.
30	Annual Allocation for Neighborhood Capital Projects	Facility Capital Needs	Original	\$ -	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 8,000,000	\$250,000 utilized per Councilmember and the Mayor for capital related projects each year.
31	Annual Deferred Maintenance (Existing Facilities) - Partial Funding	Facility Capital Needs	Original	\$ -	\$ 1,000,000	\$ 1,500,000	\$ 250,000	\$ 1,450,000	\$ 4,200,000	
32	Tree Trimming - Partial Funding	Quality of Life	Original	\$ -	\$ 1,000,000	\$ 1,000,000	\$ -	\$ -	\$ 2,000,000	
33	Ward Action Team - Community Advocate (City Manager's Office)	Quality of Life	Original	\$ -	\$ 165,000	\$ 173,250	\$ 181,913	\$ 191,008	\$ 711,171	Salary and Benefits: Based on Tier 2 employee. 5% increased for first four years. 2% increases thereafter.
34	Ward Action Team - Deputy City Attorney II (City Attorney's Office)	Quality of Life	Revised	\$ 56,250	\$ 225,000	\$ 236,250	\$ 248,063	\$ 260,466	\$ 1,026,028	Approved by City Council in February 2017.
35	Quality of Life Survey	Quality of Life	Original	\$ -	\$ 50,000	\$ -	\$ 50,000	\$ -	\$ 100,000	Quality of life surveys
36	New Enterprise Resource Planning (ERP) System - Partial Funding	Technology	Revised	\$ -	\$ -	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 3,000,000	General Fund portion only.
37	Cybersecurity - Partial Funding	Technology	Original	\$ -	\$ -	\$ 500,000	\$ -	\$ 250,000	\$ 750,000	
38	Hardware (servers, storage, and network equipment) - Partial Funding	Technology	Original	\$ -	\$ -	\$ 500,000	\$ -	\$ 500,000	\$ 1,000,000	
Staff Recommended Revised Measure Z Expenditure Totals				\$ 10,000,000	\$ 47,553,331	\$ 48,710,481	\$ 58,301,234	\$ 54,732,304	\$ 219,297,352	
Estimated 1% Transactions and Use Tax Revenue				\$ 10,000,000	\$ 51,557,000	\$ 52,072,570	\$ 52,593,296	\$ 53,119,229	\$ 219,342,094	Revenue estimates reflect 1% annual increases. Revised totals Received from HdL
Net Savings / (Expense)				\$ (0)	\$ 4,003,669	\$ 3,362,089	\$ (5,707,939)	\$ (1,613,076)	\$ 44,742	
Ending Measure Z Fund Balance				\$ (0)	\$ 4,003,668	\$ 7,365,757	\$ 1,657,818	\$ 44,742	\$ 44,742	

ATTACHMENT 6



City Council Memorandum

City of Arts & Innovation

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: APRIL 11, 2017

FROM: FINANCE DEPARTMENT WARDS: ALL

SUBJECT: FISCAL YEAR 2016-2017 SECOND QUARTER FINANCIAL REPORT, INCLUDING PRELIMINARY ANALYSIS OF MEASURE Z AND FISCAL YEAR 2017-2018 FINANCIALS, CASH AND INVESTMENT REPORTS AND DEBT REPORTS

ISSUES:

The issue for City Council consideration is to receive and file the fiscal year (FY) 2016-2017 Second Quarter Financial Report, including preliminary analysis of Measure Z and FY 2017/18 General Fund financials, supplemental appropriations, cash and investment reports, and debt reports.

RECOMMENDATIONS:

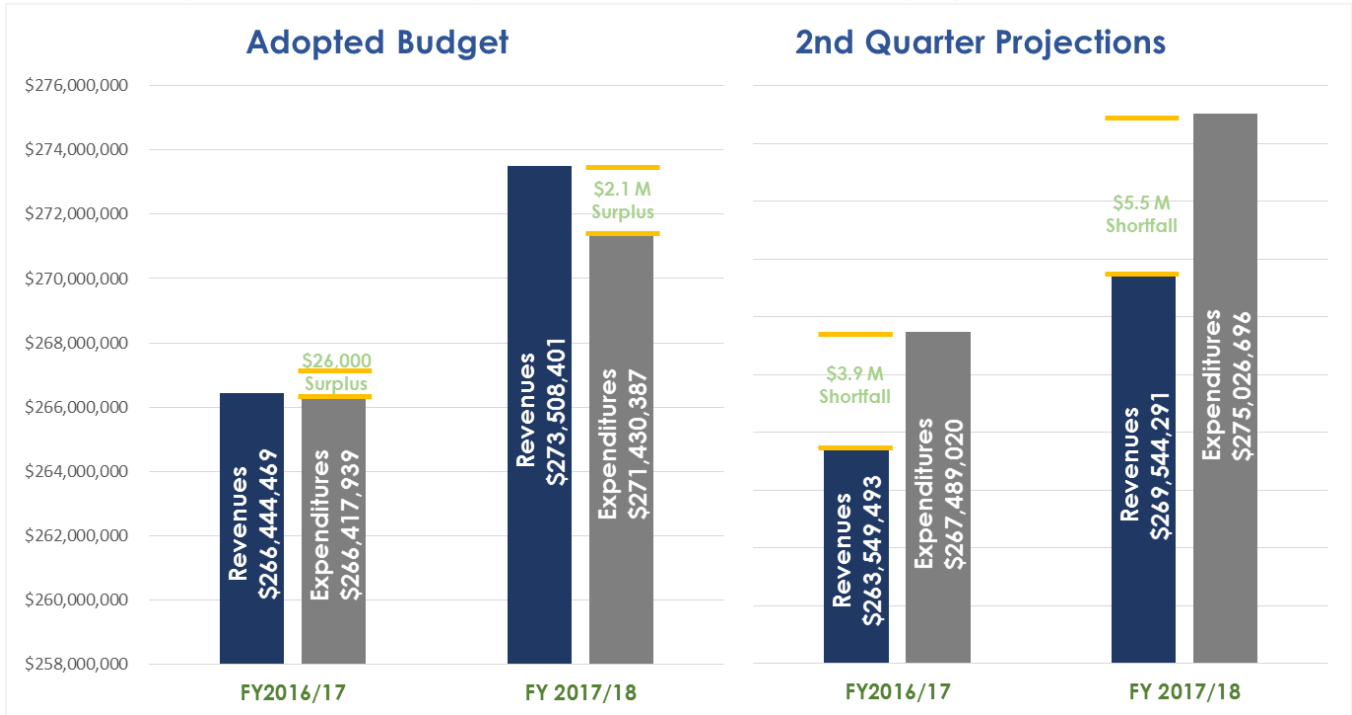
That the City Council receive and file the attached FY 2016/17 Second Quarter Financial Report for the General Fund with preliminary analysis of Measure Z and FY 2016/17 General Fund financials, as well as cash, investment and debt reports for all funds.

EXECUTIVE SUMMARY:

A. Attachment A: General Fund and Measure Z Analyses

On December 20, 2016, the City Council received and provided input on the FY 2016/17 First Quarter Financial Report that included the projected revenues and expenditures for fiscal years 2016-17 and 2017-18 based on actuals from July 1, 2016 through September 30, 2016. The FY 2016/17 Second Quarter Financial Report provides an update on the projected revenues and expenditures based on actuals from July 1, 2016 through December 31, 2016. **The difference in projections between the first and second quarters is insignificant (\$0.4 million in further deficit for FY 2016/17 and \$0.6 million for FY 2017/18), and mainly attributable to fluctuations in the sales tax revenues.**

The following charts summarize the second quarter projections as compared to the original adopted budget, followed by a high-level summary of the key highlights.

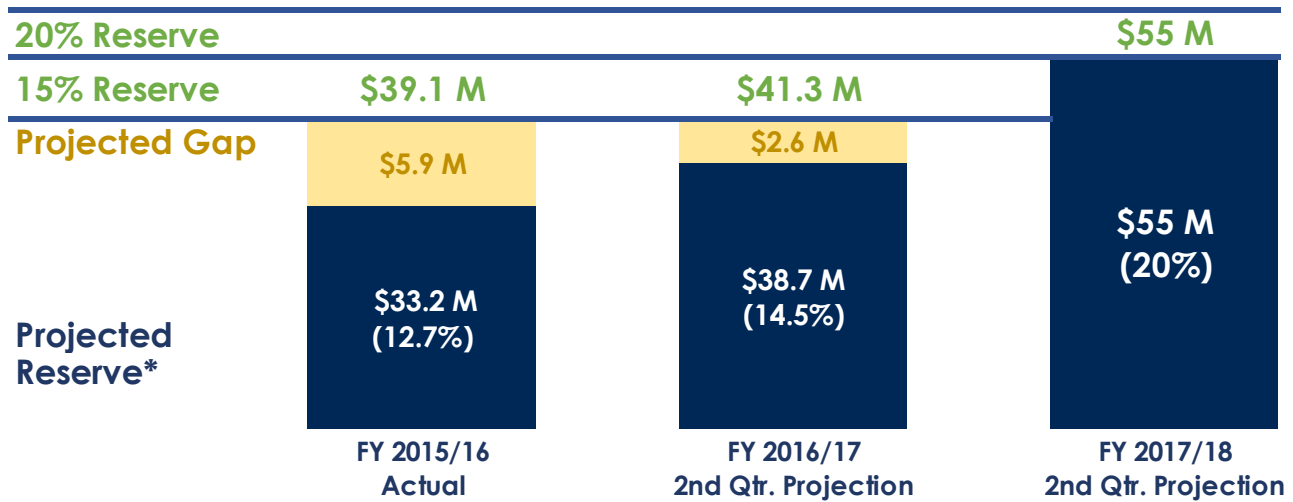


Factors Contributing to Projected Shortfall (2nd Quarter)

	FY 2016-17	FY 2017-18
Adopted Surplus	\$ 26,530	\$ 2,078,014
Union Contracts	\$ (819,081)	\$ (3,396,309)
Lower Revenues	\$ (2,894,976)	\$ (3,964,110)
Insufficient Funds for Parks Debt	\$ (600,000)	\$ (600,000)
Transfers for Sewer Claims	\$ 900,000	\$ 900,000
Other	\$ (52,004)	
Fire Department Maintenance	\$ (500,000)	\$ (500,000)
Estimated Shortfall	\$ (3,939,531)	\$ (5,482,405)
Management Action*	\$ 3,939,531	\$ 5,482,405
Net General Fund Surplus/Deficit	\$ -	\$ -

* Staff has recommended the use of Measure Z funds to cover the General Fund shortfalls in FY 2016/17 and FY 2017/18. Alternative options to using Measure Z funds include elimination of carryovers and expenditure reductions that limit service impact to the extent possible (e.g. spending freeze and holding positions vacant).

General Fund Reserve Outlook (Based On Second Quarter Projections)



**With staff's recommendation to utilize Measure Z funding to eliminate the General Fund deficit and increase reserves, the General Fund reserve will meet the City Council's Responsible Spending Pledge "aspirational" goal of 20% by FY 17/18. Without Measure Z or alternative management action, the Second Quarter projected deficit would decrease the General Fund reserve to 10.9% (\$29.2 million) in FY 16/17 and 8.6% (\$23.7 million) in FY 17/18.*

General Fund

The FY 2016-2018 Two-Year Adopted Budget projected a balanced General Fund budget in both fiscal years, with a slight surplus of approximately \$30,000 in the first year and a larger surplus of \$2.0 million in the second year.

The first quarter financial report projected General Fund shortfalls of \$3.5 million in FY 2016/17 and \$4.9 million in FY 2017/18. **As of the second quarter, General Fund deficits are still projected in both years, of approximately \$3.9 million in FY 2016/17 and \$5.5 million in FY 2017/18.** Same as in the first quarter analysis, the projected deficits are driven by employee compensation and benefits, lower revenues, insufficient budgeted funds to pay for Parks and Recreation debt, and unfunded vehicle maintenance needs. The slightly larger deficits projected during the second quarter are due to declining revenues (mainly sales tax), as discussed below.

Staff is recommending the use of Measure Z funds or alternative management action (e.g. non-safety spending freeze and elimination of carryovers) in FY 2016/17 and FY 2017/18 to cover the General Fund deficits and increase reserves.

1. Employee Compensation and Benefits (no change from the first quarter)

The two-year budget and five-year plan assumed relatively minor salary and medical insurance increases, and did not anticipate one-time payments to SEIU union members in the first two years. With all union agreements now finalized, the anticipated employee costs are higher than the minimal changes included in the baseline projections. Total changes in employee compensation and benefits from the adopted budget are approximately \$850,000 in FY 2016/17 and \$4.8 million in FY 2017/18.

2. Lower Revenues (**additional shortfalls** projected from the first quarter)

Changes in revenues add significantly to the projected shortfalls, and are based on the weaker performance of the Property Tax, Sales and Utility Users taxes. Specifically, the sales and property transfer taxes, franchise fees, and fines and forfeits are below the adopted budget. Compared to the first quarter, the sales and property transfer taxes are \$542,000 weaker, the franchise fees are \$353,000 lower, and fines and forfeitures decreased by \$242,000 from the first quarter.

3. Insufficient Funds to Pay Parks-Related Debt Service (**no change** from the first quarter)

When debt was issued for the Renaissance initiative, the plan was to utilize annual development impact fees (DIF) to fund parks projects. Unfortunately, with the downturn in the economy, the revenue never materialized, and the General Fund is subsidizing the parks debt by approximately \$600,000 per year. These funds have never been budgeted in the General Fund.

4. Unfunded Fire Vehicle Maintenance (**no change** from the first quarter)

As presented to the City Council during the FY 2016-2018 Two-Year Budget process, the Fire Department has an aging fleet of vehicles. Early indications are that vehicle maintenance of the aging fleet will exceed budgeted projections by approximately \$500,000.

5. Transfer of Sewer-Related Charges to the Sewer Fund (**no change** from the first quarter)

For a number of years now, the City's Liability Fund (and, by extension, the General Fund) were utilized to pay for claims related to sewer laterals from the sewer main to the resident's property line. Effective FY 2016/17, the Sewer Fund has begun to pay these costs, estimated at \$450,000 per year. In addition, the General Fund will recover the \$1.35 million incorrectly charged there for these claims over the past three-year period (\$450,000 per year). In FY 2016/17 and FY 2017/18, the total savings to the General Fund will be approximately \$900,000 per year.

Given significant budget reductions during the FY 2016-2018 biennial budget process, no current budget or service cuts are proposed to address the projected shortfalls. Instead, it is recommended that Measure Z revenues be used to maintain the essential General Fund services, such as public safety and quality of life.

Measure Z

The collection of the additional one-cent sales tax authorized by voters through Measure Z begins on April 1, 2017. Based on projections from the City's sales tax consultant, HdL, the City will start receiving these revenues in May-June 2017, with the anticipated collection of \$10 million in FY 2016/17 and the entire year's worth of \$51.5 million in FY 2017/18.

The Budget Engagement Commission has been reviewing the plan for Measure Z funding, and will present its recommendations to the City Council on May 9, 2017. As indicated in this report, staff is recommending the use of Measure Z funds to eliminate the General Fund deficits and increase General Fund reserves to 20%.

B. Attachments B-C: Investment and Debt Reports

Also included are the unaudited and unadjusted Second Quarter Investment Report (Attachment B) and the Second Quarter Debt Report (Attachment C), which highlight the City's portfolio of investments (including cash) and its outstanding debts, respectively, across all funding sources. Overall, the City's financial position remains strong, with any negative cash balances being offset by receivables.

DISCUSSION:

FY 2016/17 Second Quarter Financial Report –General Fund

The Bottom Line

In the FY 2016/17 Second Quarter Financial Report, staff anticipates a **General Fund shortfall of \$3.9 million in FY 2016/17 and \$5.5 million in FY 2017/18**. The projected shortfalls are largely driven by the same factors discussed in the first quarter, mainly lower tax estimates, employee compensation, unfunded maintenance and unfunded parks debt.

A. General Fund Revenues

Compared to the first quarter FY 2016-2018 projections, the Second Quarter Financial Report General Fund revenues are estimated to be approximately \$468,000 lower in FY 2016/17 and \$568,000 lower in FY 2017/18. (Attachment A-3)

Taxes are projected to be \$3.3 million below the adopted budget in FY 2016/17 and \$4.5 million in FY 2017/18. Differences of \$200,000 or more between the first and second quarters are explained below.

- *Sales tax* is projected to be lower than first quarter projections by approximately \$321,000 in FY 2016/17 and \$336,000 in FY 2017/18. Historically, sales tax revenues have been the most subjective General Fund revenue to the economy and the hardest to predict. The decline from the first quarter to the second quarter is mainly driven by more modest sales tax growth than anticipated during budget adoption.

The City receives financial reports from both HdL and Beacon Economics, which staff uses to prepare the City's revenue projections. These reports, in conjunction with local and county sources of economic indicators provides a good information base to project revenues. Overall, sales tax receipts from the most current HdL quarterly report showed a 2.3% growth from the same period last year.

However, the outlook for the remaining half of the fiscal year is positive. Locally, the Galleria at Tyler expects growth to be similar to last year or approximately 4%. The Regional Intelligence Report of Beacon Economics indicates that consumer spending in 2016 was 3.2% above 2015 levels. The restaurants, hotels and autos categories saw significant increases in taxable sales. The auto and transportation industries reported a 5.2% year over year growth.

Beacon Economics also reports that the City of Riverside's job creation is up 3.5%, growing faster than Inland Empire that is at 3.2%. This increased the average annual wage up by 4.2% (to \$47,374). The optimistic economic indicators may translate to sustained or higher sales tax growth in the remaining months of FY 2016/17.

- *Property Transfer taxes* are estimated to be lower than first quarter projections by approximately \$221,000 in FY 2016/17 and \$243,000 in FY 2017/18, due to lower actual year to date receipts. Although economic indicators show property sales volume is up 7% to 8% from last year in the Riverside, the total value of property sales has lagged.
- *Franchise Fees* are expected to be lower than first quarter projections by \$353,000 in FY 2016/17 and \$359,000 in FY 2017/18 due to a significant decline in ATT cable franchise fees year to date as customers move from traditional cable to satellite (e.g. AT&T U-Verse to recently purchased DIRECTV).
- *Licenses and Permits* revenues are projected to be higher than first quarter projections by \$250,000 in FY 2016/17 and \$237,000 in FY 2017/18 due to a steady growth in Animal Licenses resulting from more personnel, changed enforcement measures, and public outreach.

B. General Fund Expenditures

General Fund expenditures are estimated to continue to exceed first quarter projections in FY 2016/17 by \$1.1 million and in FY 2017/18 by \$3.6 million. There are no changes in the City's bottom line expenditures from the first quarter to the second quarter. (Attachment A-4)

C. Measure Z

On November 8, 2016, the residents of Riverside approved Measure Z, which is a general transaction and use tax of 1%. For FY 2016/17, Measure Z revenues are estimated to be approximately \$10 million and for FY 2017/18, Measure Z revenues are estimated to be approximately \$51.5 million. The anticipated revenue projections are based on recommendations of the City's sales tax consultant, HdL. To account for the revenues and associated expenditures, the Finance Department has established Fund 110, Measure Z.

To date, the City Council has approved four items as they relate to Measure Z financial decisions, as listed below.

1. Approved the establishment of Fund 110 on December 20, 2016 to track all expenditures and revenues relating to Measure Z. This facilitates transparency and efficient accounting of Measure Z revenues and expenditures.
2. Approved the estimated Measure Z revenues for the current two-year budget (from July 1, 2016 through June 30, 2018) on December 20, 2016. This appropriates the Measure Z revenues from which the offsetting expenditure appropriations for specific programs can be budgeted.
 - July 1, 2016 – June 30, 2017 (FY 2016/17): \$10 million
 - July 1, 2017 – June 30, 2018 (FY 2017/18): \$51.5 million
3. Approved the reinstatement of the budget for a Fire Squad that was reduced during the recent budget adoption process. Approved on December 20, 2016 as part of the First Quarter Financial Update, this is critical to address response times for the Fire Department.
 - FY 2016/17: \$450,000
 - FY 2017/18: \$800,000

4. On January 31, 2017, staff presented a five-year Measure Z Proposed Spending Plan to the City Council, which included funding to eliminate the FY 2016-2018 Two-Year Budget deficits and increase reserves to City Council's "aspirational goal" of 20%. The City Council provided commentary and directed staff to refine the recommendations for City Council consideration on May 9, 2017.

5. Approved the addition of a City Attorney position for staffing of the Ward Action Teams on February 21, 2017. This is critical to provide additional resources to address existing Ward specific quality of life issues.
 - FY 2016/17: \$56,250
 - FY 2017/18: \$225,000

D. General Fund Reserves

The City's General Fund Reserve Policy, adopted by the City Council on September 6, 2016, requires the General Fund reserve should be 15%. The City Council set an aspiration goal of the General Fund Reserve at 20%; this goal was recently reaffirmed through adoption of the "Responsible Spending Vision Pledge" on October 4, 2016.

The second quarter projections of the General Fund Reserves decreased from the first quarter. Without the use of Measure Z revenues or alternative management action, the projected draw on the General Fund reserve is approximately \$3.9 million in FY 2016/17 and \$5.5 million in FY 2017/18, effectively reducing the General Fund reserve levels to 10.9% (\$29.2 million) in FY 2016/17 and 8.6% (\$23.7 million). With staff recommendation to use Measure Z funds, the General Fund reserves are projected to be 14.5% (\$38.7 million) in FY 2016/17 and 20% (\$55 million) in FY 2017/18.

Quarterly Investment Report Status

Sound investment practices are an essential component of the City's strong fiscal management. The Finance Department is responsible for managing the City's investment portfolio, focusing first on the safety of investments, and then on liquidity and an appropriate rate of return. The investment results and portfolio composition are summarized and reported to the City Council each quarter. As of December 31, 2016, the City's pooled investment portfolio's market value was \$526 million, with the market value of investments held by fiscal agents (bond proceeds and reserve funds primarily) amounting to an additional \$234 million. The weighted average yield of the pooled investment portfolio is 1.059%. Through prior City Council approval, the Chief Financial Officer/Treasurer has the authority to invest/reinvest funds and to sell or exchange purchased securities, consistent with the City's adopted investment policy. This approval is a requirement of State law and is received at the start of each fiscal year.

The Investment Report, including a listing of cash balances by fund, is included in Attachment B. These cash balances reflect each fund's share of the City's pooled investment portfolio. Also shown are interfund loan receivables, which are treated as available cash due to the Finance Director/Treasurer's authorization to move loan receivables to other funds as needed.

All listed funds have a positive cash balance with the exception of the following funds:

1. The General Fund (\$11,005,869), which is offset by an outstanding capital lease receivable related to the Police Records Management System and Computronix permitting system. Historically, the revenues related to the capital lease have been

received prior to the initiation of project; however, the City is currently in the process of securing financing to fully offset ongoing project costs.

2. The Public Parking (\$384,732), which is based on year to date actual receipts that are lower than projected.
3. The Urban Areas Security Initiative (\$138,831) and Housing Opportunities for Persons with AIDS (\$654,043), which are fully offset by outstanding grant receivables.
4. Certificates of Participation Projects (\$497,135), Capital Outlay (\$4.3 million), and Transportation Uniform Mitigation Fees (\$1.86 million) have negative cash balances due to the timing of expenditures; however, the negative balances are fully offset by grant receivables.
5. The Liability Insurance Trust Fund has a negative cash balance of approximately (\$2.6 million), but is consolidated with the positive cash balances of the Workers Compensation Insurance Trust Fund \$17.8 million and Unemployment Insurance Trust Fund \$439,803 for financial reporting purposes. Staff implemented a strategy to return the Liability Insurance Trust Fund to an improved financial condition (cash and fund balance levels) over the next five years.
6. The Central Stores (\$516,666), which is fully offset by inventory assets that will be recouped when charged out for usage to various departments.

Quarterly Debt Report Status

The Finance Department is also charged with managing the City's debt portfolio, which includes issuing new debt and monitoring opportunities to refinance existing debt as opportunities to reduce interest costs arise. The Quarterly Debt Report (Attachment C) summarizes the composition of the City's debt portfolio, details the revenue sources utilized to pay the debt service associated with each outstanding debt, and provides detailed information regarding the total principal and interest payments due in the current fiscal year by Fund. As of the second quarter, the City's outstanding principal balance is projected to decrease by \$99,450,795 if no new debt is issued.

FISCAL IMPACT:

The Fiscal Year 2016-2018 Two-Year Second Quarter Financial Report projections are relatively unchanged from the first quarter report. There is still a General Fund shortfall, largely attributed to lower than anticipated tax revenues (not including Measure Z), employee compensation and benefits, unbudgeted parks debt, and unfunded fire vehicle maintenance. The net impact of the variances in General Fund revenues and expenditures is projecting a draw from reserves of approximately \$3.9 million in FY 2016/17 and \$5.5 million in FY 2017/18. Staff is recommending the use of Measure Z funds or alternative management action (e.g. non-safety spending freeze and elimination of carryovers) in FY 2016/17 and FY 2017/18 to cover the General Fund deficits and increase reserves. The Budget Engagement Commission is reviewing the plan for Measure Z funding, and the City Council will vote on the recommended Measure Z spending on May 9, 2017.

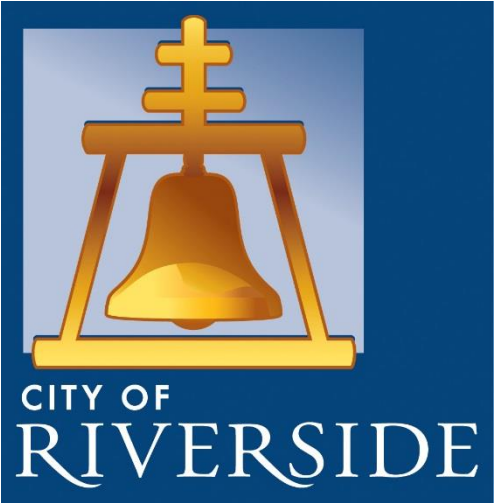
Prepared by: Adam Raymond, Assistant Chief Financial Officer
Certified as to
availability of funds: Scott Miller, Chief Financial Officer/Treasurer
Approved by: Marianna Marysheva, Assistant City Manager
Approved as to form: Gary G. Geuss, City Attorney

Attachments:

- A. FY 2016-2018 Quarterly General Fund Financial Report
- B. FY 2016/17 Second Quarter Investment Report
- C. FY 2016/17 Second Quarter Fund Financial Status Report
- D. Presentation

ATTACHMENT A

FINANCIAL REPORT



General Fund and Measure Z Summary

FY 2016/17 and FY 2017/18 Second Quarter Projections

As of December 31, 2016

GENERAL FUND	ADOPTED		PROJECTED (2ND QTR)		DIFFERENCE (Adopted vs 2nd Quarter Projections)		DIFFERENCE (1st vs 2nd Quarter Projections)	
	FY 2016/17	FY 2017/18	FY 2016/17	FY 2017/18	FY 2016/17	FY 2017/18	FY 2016/17	FY 2017/18
REVENUES/TRANSFERS IN <i>(See A-3)</i>	\$ 266,444,469	\$ 273,508,401	\$ 263,549,493	\$ 269,544,291	\$ (2,894,976)	\$ (3,964,110)	\$ (468,119)	\$ (568,202)
EXPENDITURES/TRANSFERS OUT <i>(See A-4)</i>	\$ 266,417,939	\$ 271,430,387	\$ 267,489,020	\$ 275,026,696	\$ 1,071,081	\$ 3,596,309	\$ -	\$ -
PROJECTED SURPLUS/(DEFICIT)	\$ 26,530	\$ 2,078,014	\$ (3,939,527)	\$ (5,482,405)	\$ (3,966,057)	\$ (7,560,419)	\$ (468,119)	\$ (568,202)
ENDING: General Fund Reserve	\$ 33,185,259	\$ 35,263,273	\$ 29,219,202	\$ 23,736,797	\$ 32,717,140	\$ 34,226,952	\$ 3,497,938	\$ 10,490,155
	12.5%	13.0%	10.9%	8.6%				
MEASURE Z	ADOPTED		PROJECTED (2ND QTR)		DIFFERENCE (Adopted vs 2nd Quarter Projections)		DIFFERENCE (1st vs 2nd Quarter Projections)	
	FY 2016/17	FY 2017/18	FY 2016/17	FY 2017/18	FY 2016/17	FY 2017/18	FY 2016/17	FY 2017/18
PROJECTED MEASURE Z REVENUES/ TRANSFERS IN <i>(See A-3)</i>	\$ -	\$ -	\$ 10,000,000	\$ 51,557,000	\$ 10,000,000	\$ 51,557,000	\$ -	\$ -
PROJECTED MEASURE Z EXPENDITURES/ TRANSFERS OUT <i>(See A-4)</i>	\$ -	\$ -	\$ 9,943,750	\$ 22,567,519	\$ 9,943,750	\$ 22,567,519	\$ 9,493,750	\$ 21,774,791
ENDING: Measure Z Reserve	\$ -	\$ -	\$ 56,250	\$ 29,045,730	\$ 56,250	\$ 29,045,730	\$ (9,493,750)	\$ (31,268,542)
ENDING: General Fund Reserve with Measure Z Staff Recommendations	\$ 33,185,259	\$ 35,263,273	\$ 38,712,952	\$ 55,005,339	\$ 5,527,693	\$ 19,742,066	\$ 9,025,631	\$ 30,232,221
	12.5%	13.0%	14.5%	20.0%				

General Fund and Measure Z Revenue Summary
 FY 2016/17 and FY 2017/18 Second Quarter Projections
 As of December 31, 2016

GENERAL FUND	PROJECTED (2nd Qtr)		DIFFERENCE (Adopted vs 2nd Qtr Projections)		DIFFERENCE (1st Qtr vs 2nd Qtr Projections)	
	FY 2016/17	FY 2017/18	FY 2016/17	FY 2017/18	FY 2016/17	FY 2017/18
Sales & Use Taxes	\$ 64,774,596	\$ 67,301,060	\$ (1,793,346)	\$ (2,839,514)	\$ (321,166)	\$ (335,856)
Property Taxes	\$ 56,013,942	\$ 58,955,324	\$ (716,827)	\$ (758,090)	\$ 103,398	\$ 105,554
Utilities Users Tax	\$ 27,987,000	\$ 28,497,775	\$ (590,109)	\$ (682,989)	\$ 3,455	\$ (7,844)
Franchise Fees	\$ 5,275,000	\$ 5,372,500	\$ (315,000)	\$ (310,200)	\$ (353,360)	\$ (359,468)
Transient Occupancy Tax	\$ 6,541,500	\$ 6,868,575	\$ -	\$ -	\$ 143,398	\$ 150,568
Property Transfer Tax	\$ 2,208,091	\$ 2,428,900	\$ (475,909)	\$ (523,500)	\$ (220,809)	\$ (242,890)
General Fund Transfer	\$ 44,902,400	\$ 46,142,500	\$ (172,600)	\$ -	\$ 15,700	\$ -
Charges for Services - Development & Building	\$ 4,717,984	\$ 4,971,445	\$ 212,198	\$ 229,384	\$ 25,000	\$ 27,564
Special Revenue - Entertainment	\$ 11,969,102	\$ 12,121,395	\$ 817,412	\$ 831,413	\$ 0	\$ (0)
Charges for Services	\$ 10,713,437	\$ 10,923,092	\$ 20,923	\$ 31,982	\$ -	\$ 0
Licenses and Permits	\$ 9,920,348	\$ 10,559,461	\$ 95,181	\$ 59,724	\$ 250,000	\$ 237,153
Fines and Forfeits	\$ 1,444,000	\$ 1,427,669	\$ (293,000)	\$ (317,396)	\$ (241,571)	\$ (265,775)
Special Assessments	\$ 4,514,237	\$ 4,504,029	\$ 10,000	\$ 10,000	\$ 46,904	\$ 44,214
Intergovernmental Revenues	\$ 1,575,959	\$ 1,578,834	\$ 55,959	\$ 53,834	\$ 55,959	\$ 53,834
Other	\$ 10,991,897	\$ 7,891,732	\$ 250,141	\$ 251,241	\$ 24,973	\$ 24,744
Projected Total Revenues/ Transfers In	\$ 263,549,493	\$ 269,544,291	\$ (2,894,976)	\$ (3,964,110)	\$ (468,119)	\$ (568,202)

MEASURE Z	PROJECTED (2nd QTR)		DIFFERENCE		DIFFERENCE	
	FY 2016-17	FY 2017-18	FY 2016-17	FY 2017-18	FY 2016-17	FY 2017-18
Measure Z Revenue	\$ 10,000,000	\$ 51,557,000	\$ 10,000,000	\$ 51,557,000	\$ -	\$ -
Projected Total Measure Z Revenues/ Transfers In	\$ 10,000,000	\$ 51,557,000	\$ 10,000,000	\$ 51,557,000	\$ -	\$ -

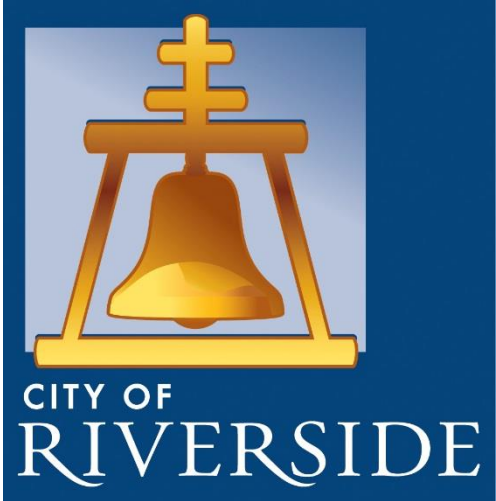
General Fund and Measure Z Expenditure Summary
 FY 2016/17 and FY 2017/18 Second Quarter Projections
 As of December 31, 2016

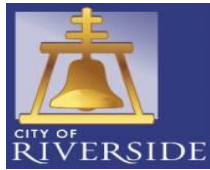
GENERAL FUND	PROJECTED (2nd Quarter)		DIFFERENCE (Adopted vs 2nd Quarter Projections)		DIFFERENCE (1st Quarter vs 2nd Quarter Projections)	
	FY 2016/17	FY 2017/18	FY 2016/17	FY 2017/18	FY 2016/17	FY 2017/18
City Attorney	5,363,115	5,529,013	-	-	-	-
City Clerk	1,635,728	1,580,251	-	-	-	-
City Council	1,154,498	1,184,984	-	-	-	-
City Manager	4,745,799	4,821,270	-	-	-	-
Community & Economic Development	15,268,394	13,569,473	-	-	-	-
Finance	7,408,718	8,408,463	(698,000)	-	-	-
Fire	47,767,090	48,453,565	750,000	500,000	-	-
General Services	4,400,646	4,460,917	-	-	-	-
Human Resources	2,958,276	3,093,091	-	-	-	-
Innovation & Technology	11,055,186	11,275,678	-	-	-	-
Library	6,461,399	6,647,489	-	-	-	-
Mayor	789,653	817,056	-	-	-	-
Museum & Cultural Affairs	3,834,665	3,879,541	-	-	-	-
Non-Departmental	27,245,657	26,821,037	-	-	-	-
Non-Departmental - Community Livability	25,000	25,000	-	-	-	-
Parks, Recreation & Community Services	18,477,800	18,709,838	600,000	600,000	-	-
Police	94,609,627	96,934,049	-	-	-	-
Public Works	23,708,965	24,190,491	(900,000)	(900,000)	-	-
Subtotal	276,910,216	280,401,206	(248,000)	200,000	-	-
Estimated Managed Savings	(5,425,000)	(5,425,000)	-	-	-	-
Employee Negotiations	870,845	4,827,994	819,081	3,396,309	-	-
Allocated Costs, Utilization Charges and Operating Transfers	(24,080,201)	(25,034,250)	500,000	-	-	-
Net Debt Service Allocation	19,213,160	20,256,746	-	-	-	-
Total	267,489,020	275,026,696	1,071,081	3,596,309	-	-

MEASURE Z	PROJECTED (2nd Quarter)		DIFFERENCE (Adopted vs 2nd Quarter Projections)		DIFFERENCE (1st Quarter vs 2nd Quarter Projections)	
	FY 2016/17	FY 2017/18	FY 2016/17	FY 2017/18	FY 2016/17	FY 2017/18
Fire Department: Squad and Captains	450,000	792,728	450,000	792,728	-	-
Fire Department: Vehicle Maintenance	-	-	-	-	-	-
Quality of Life Prosecutor	-	-	-	-	-	-
<i>Transfer Out: SUBTOTAL General Fund Council Approved Adjustments</i>	<i>450,000</i>	<i>792,728</i>	<i>450,000</i>	<i>792,728</i>	-	-
<i>Recommended Transfer Out: General Fund Operating Deficit</i>	<i>3,939,526</i>	<i>5,482,404</i>	<i>3,939,526</i>	<i>5,482,404</i>	<i>3,939,526</i>	<i>5,482,404</i>
<i>Recommended Transfer Out: General Fund Reserve</i>	<i>5,554,224</i>	<i>16,292,387</i>	<i>5,554,224</i>	<i>16,292,387</i>	<i>5,554,224</i>	<i>16,292,387</i>
MEASURE Z TOTAL EXPENDITURES / TRANSFERS OUT	9,943,750	22,567,519	9,943,750	22,567,519	9,493,750	21,774,791

ATTACHMENT B

INVESTMENT REPORT

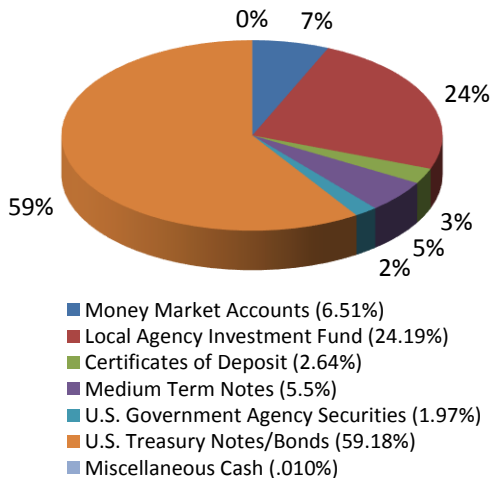




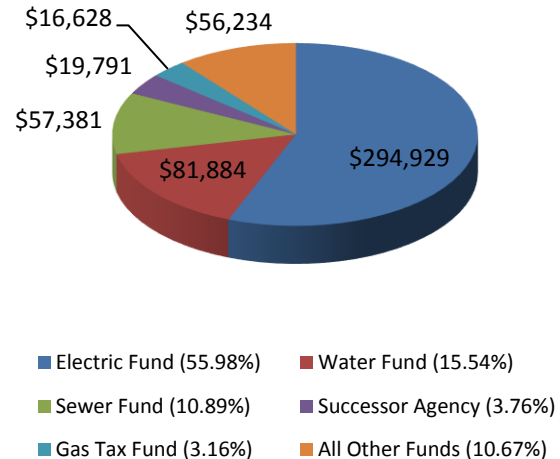
CITY OF RIVERSIDE Quarterly Investment Report December 31, 2016

	AMORTIZED COST	MARKET VALUE
POOLED INVESTMENT PORTFOLIO		
Money Market Accounts	\$ 34,222,672.29	\$ 34,222,657.88
Local Agency Investment Fund (LAIF)	127,224,277.09	127,224,277.09
Certificates of Deposit	13,889,510.87	13,875,919.48
Medium Term Notes	28,928,712.39	28,903,270.15
U.S. Government Agency Securities	10,372,468.67	10,371,000.00
U.S. Treasury Notes/Bonds	312,132,013.71	311,312,296.50
Miscellaneous Cash	77,600.00	77,600.00
TOTAL POOLED INVESTMENT PORTFOLIO	526,847,255.02	525,987,021.10
INVESTMENTS HELD BY FISCAL AGENT	235,550,271.46	234,023,111.68
TOTAL CASH & INVESTMENTS	\$ 762,397,526.48	\$ 760,010,132.78

**COMPOSITION OF POOLED
PORTFOLIO**



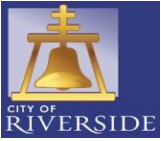
**COMPOSITION OF POOLED
PORTFOLIO BY FUND
(In Thousands)**



It has been verified that this investment portfolio is in conformity, exclusive of items identified, with the City of Riverside's investment policy which was approved by City Council on 12/15/15. The Treasurer's cash management program and cash flow analysis indicates that sufficient liquidity is on hand to meet estimated future expenditures for a period of six months. The weighted average maturity of the pooled investment portfolio is 1.52 years. Market prices of securities are obtained from Interactive Data Corporation. Weighted average yield on cost is 1.059%. The cash held and invested with fiscal agents is subject to the investment provisions of the related trust indentures associated with the bond transaction which generated the cash.

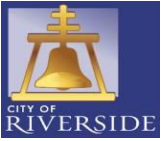
Verified by: 
Edward P. Enriquez, Controller

Approved: 
Scott Miller, Interim Finance Director/Treasurer



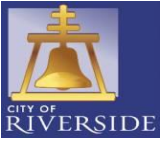
CITY OF RIVERSIDE
Pooled Investment Portfolio Holdings
December 31, 2016

DESCRIPTION OF SECURITY	COUPON RATE	MATURITY DATE	INVEST RATING	PURCH DATE	AMORTIZED COST	YIELD ON MATURITY	MARKET VALUE
<u>MONEY MARKET ACCOUNTS</u>							
CALTRUST Heritage Money Market Fund - Select Class	Varies	Varies	AAA	Varies	54,444.67	0.72%	54,444.67
CALTRUST Investment Trust of California	Varies	Varies	AA	Varies	62,802.31	0.92%	62,787.90
Bank of America	Varies	Varies	Coll. ¹	Varies	29,014,644.94	0.50%	29,014,644.94
Citizens Business Bank	Varies	Varies	Coll. ¹	Varies	5,090,780.37	0.35%	5,090,780.37
SUBTOTAL MONEY MARKET ACCOUNTS					34,222,672.29		34,222,657.88
LOCAL AGENCY INVESTMENT FUND (LAIF)	Varies	Varies	NR	Varies	127,224,277.09	0.74%	127,224,277.09
<u>CERTIFICATES OF DEPOSIT</u>							
SouthWest Bank	0.75%	02/13/17	FDIC	02/13/15	237,000.00	0.75%	237,002.37
Triad Bank	1.00%	03/14/17	FDIC	11/14/13	249,000.00	1.00%	249,112.05
BMO Harris Bank National Association	0.90%	03/23/17	FDIC	09/23/15	248,000.00	0.90%	248,059.52
Parkway Bank And Trust Company	1.15%	04/07/17	FDIC	10/07/14	248,000.00	1.15%	248,208.32
United Community Bank	1.00%	04/13/17	FDIC	10/14/14	248,000.00	1.00%	248,124.00
Leader Bank, National Association	1.05%	04/21/17	FDIC	10/23/14	248,000.00	1.05%	248,156.24
Georgia Bank & Trust Company of Augusta	1.00%	06/20/17	FDIC	12/20/13	249,000.00	1.00%	249,087.15
First Commercial Bank	1.00%	07/31/17	FDIC	10/30/14	248,000.00	1.00%	248,039.68
American Express Bank, FSB	1.25%	08/21/17	FDIC	08/21/14	248,000.00	1.25%	248,337.28
Capital One, National Association	1.25%	08/21/17	FDIC	08/19/15	249,000.00	1.25%	249,338.64
Discover Bank	1.30%	08/21/17	FDIC	08/20/14	248,000.00	1.30%	248,401.76
Signature Bank of Arkansas	1.05%	08/25/17	FDIC	08/26/15	249,000.00	1.05%	249,072.21
EverBank	1.10%	08/28/17	FDIC	08/28/15	248,000.00	1.10%	248,133.92
Mauch Chunk Trust Company	1.20%	09/11/17	FDIC	10/10/14	248,000.00	1.20%	248,267.84
First Niagara Bank, National Association	1.15%	09/25/17	FDIC	09/25/15	248,000.00	1.15%	248,181.04
First Bank of Highland Park	1.25%	10/10/17	FDIC	10/08/14	248,000.00	1.25%	248,332.32
Third Federal Savings and Loan Association of Clev	1.40%	11/27/17	FDIC	11/27/13	248,000.00	1.40%	248,615.04
BBVA Compass	0.45%	12/04/17	FDIC ²	12/04/15	1,000,000.00	0.45%	1,000,000.00
Wex Inc.	1.20%	12/11/17	FDIC	12/11/15	248,000.00	1.20%	248,181.04
Customers Bank	1.25%	12/18/17	FDIC	12/18/15	248,000.00	1.25%	248,285.20
Bank of North Carolina	1.25%	01/16/18	FDIC	01/16/15	247,000.00	1.25%	247,232.18
Cadence Bank, N.A.	1.25%	02/12/18	FDIC	02/10/16	248,000.00	1.25%	248,163.68
Mercantil Commercebank, National Association	1.50%	04/24/18	FDIC	10/24/14	248,000.00	1.50%	248,721.68
GE Capital Bank	1.60%	07/03/18	FDIC	07/03/14	248,000.00	1.60%	248,875.44
United Bank	1.55%	07/17/18	FDIC	10/17/14	248,000.00	1.55%	248,664.64
MB Financial Bank, National Association	1.35%	08/21/18	FDIC	08/21/15	249,000.00	1.35%	248,773.41
Comenity Capital Bank	1.70%	08/24/18	FDIC	08/24/15	249,000.00	1.70%	250,063.23
East Boston Savings Bank	1.40%	08/24/18	FDIC	08/24/15	249,000.00	1.40%	248,960.16
Goldman Sachs Bank USA	1.65%	09/04/18	FDIC	09/03/14	247,000.00	1.65%	247,839.80
Sallie Mae Bank	1.80%	09/04/18	FDIC	09/03/14	247,000.00	1.80%	248,358.50
First Priority Bank	1.45%	09/28/18	FDIC	09/30/15	248,000.00	1.45%	248,007.44
UBS Bank USA	1.40%	10/01/18	FDIC	10/08/15	248,000.00	1.40%	247,776.80
Capital One Bank	1.80%	10/09/18	FDIC	10/08/14	248,000.00	1.80%	249,235.04
Marlin Business Bank	1.70%	10/15/18	FDIC	10/14/14	248,000.00	1.70%	248,863.04
Community Bankers' Bank	1.65%	10/17/18	FDIC	10/17/14	248,000.00	1.65%	248,677.04
American Express Centurion Bank	2.00%	11/28/18	FDIC	11/28/14	248,000.00	2.00%	249,745.92
Flushing Bank	1.50%	12/17/18	FDIC	12/17/15	249,000.00	1.50%	248,825.70
KeyBank National Association	1.55%	01/22/19	FDIC	01/20/16	247,000.00	1.55%	246,883.91
Investors Community Bank	1.15%	02/12/19	FDIC	02/12/16	249,000.00	1.15%	246,771.45
Prime Alliance Bank, Inc.	1.15%	02/12/19	FDIC	02/12/16	249,000.00	1.15%	246,771.45
CIT Bank, National Association	2.00%	05/14/19	FDIC	05/14/14	247,000.00	2.00%	248,526.46
Webster Bank, National Association	1.90%	07/02/19	FDIC	07/02/14	247,510.87	1.98%	249,016.80
ConnectOne Bank	1.55%	07/29/19	FDIC	01/28/15	247,000.00	1.55%	246,283.70



CITY OF RIVERSIDE
Pooled Investment Portfolio Holdings
December 31, 2016

DESCRIPTION OF SECURITY	COUPON RATE	MATURITY DATE	INVEST RATING	PURCH DATE	AMORTIZED COST	YIELD ON MATURITY	MARKET VALUE
Alma Bank	1.70%	09/30/19	FDIC	09/30/15	247,000.00	1.70%	246,822.16
Belmont Savings Bank	1.40%	02/18/20	FDIC	02/17/16	249,000.00	1.40%	246,119.07
Bank of Wisconsin Dells	1.50%	07/17/20	FDIC	02/17/16	249,000.00	1.50%	245,491.59
Bridgewater Bank	1.50%	08/17/20	FDIC	02/17/16	249,000.00	1.50%	245,170.38
Unity Bank	1.50%	08/26/20	FDIC	02/26/16	249,000.00	1.50%	245,075.76
Barclays Bank Delaware	2.20%	09/16/20	FDIC	09/16/15	247,000.00	2.20%	248,385.67
Bank of Charles Town	1.80%	09/30/20	FDIC	09/30/15	249,000.00	1.80%	247,095.15
HSBC Bank USA, National Association	1.60%	11/17/20	FDIC	11/23/15	246,000.00	2.87%	242,327.22
EnerBank USA	1.90%	01/28/21	FDIC	01/28/16	247,000.00	1.90%	245,078.34
The State Bank and Trust Company	1.60%	02/17/21	FDIC	02/17/16	249,000.00	1.60%	244,381.05
SUBTOTAL CERTIFICATES OF DEPOSIT					13,889,510.87		13,875,919.48
<u>MEDIUM TERM NOTES</u>							
GENERAL ELECTRIC CO	2.30%	04/27/17	AA- / A1	09/10/14	7,612,686.66	1.15%	7,606,920.65
APPLE INC	1.05%	05/05/17	AA+ / Aa1	09/10/14	4,002,846.26	0.84%	4,003,160.00
SHELL INTERNATIONAL FINANCE BV	1.13%	08/21/17	A / Aa2	04/10/14	1,803,102.42	1.29%	1,803,447.70
TOYOTA MOTOR CREDIT CORP	1.25%	10/05/17	AA- / Aa3	04/10/14	2,716,060.47	1.30%	2,717,000.00
CHEVRON CORP	1.10%	12/05/17	AA- / Aa2	04/10/14	2,741,076.74	1.46%	2,745,022.50
WAL-MART STORES INC	5.80%	02/15/18	AA / Aa2	01/28/16	497,943.06	0.48%	493,589.30
BERKSHIRE HATHAWAY FINANCE CORP	1.30%	05/15/18	AA / Aa2	01/28/16	1,001,169.50	1.21%	997,150.00
TOYOTA MOTOR CREDIT CORP	1.55%	07/13/18	AA- / Aa3	01/28/16	5,008,869.93	1.43%	4,999,250.00
APPLE INC	2.10%	05/06/19	AA+ / Aa1	01/28/16	3,544,957.34	1.54%	3,537,730.00
SUBTOTAL MEDIUM TERM NOTES					28,928,712.39		28,903,270.15
<u>U.S. GOVERNMENT AGENCY SECURITIES</u>							
FEDERAL HOME LOAN MORTGAGE CORP	5.13%	11/17/17	AA+ / Aaa	01/16/13	10,372,468.67	0.85%	10,371,000.00
SUBTOTAL U.S. GOVERNMENT AGENCY SECURITIES					10,372,468.67		10,371,000.00
<u>U.S. GOVERNMENT TREASURY SECURITIES</u>							
UNITED STATES TREASURY	0.88%	10/15/17	AA+ / Aaa	01/22/16	7,053,882.40	0.80%	7,051,410.00
UNITED STATES TREASURY	0.75%	12/31/17	AA+ / Aaa	05/24/16	13,537,786.33	0.84%	13,526,694.00
UNITED STATES TREASURY	0.75%	12/31/17	AA+ / Aaa	03/09/15	6,233,403.71	1.02%	6,239,250.00
UNITED STATES TREASURY	2.63%	01/31/18	AA+ / Aaa	05/21/14	12,198,493.69	1.08%	12,211,440.00
UNITED STATES TREASURY	0.88%	01/31/18	AA+ / Aaa	07/16/14	1,985,621.31	1.55%	1,998,280.00
UNITED STATES TREASURY	0.75%	03/31/18	AA+ / Aaa	07/13/15	4,991,338.13	0.89%	4,985,150.00
UNITED STATES TREASURY	2.63%	04/30/18	AA+ / Aaa	05/21/14	11,208,607.57	1.18%	11,230,780.00
UNITED STATES TREASURY	1.00%	05/31/18	AA+ / Aaa	07/13/15	10,269,642.34	0.86%	10,245,182.50
UNITED STATES TREASURY	1.00%	05/31/18	AA+ / Aaa	05/21/14	3,976,021.57	1.43%	3,998,120.00
UNITED STATES TREASURY	1.38%	06/30/18	AA+ / Aaa	10/10/14	1,501,635.11	1.30%	1,506,975.00
UNITED STATES TREASURY	2.25%	07/31/18	AA+ / Aaa	11/17/16	11,223,116.89	0.95%	11,198,990.00
UNITED STATES TREASURY	1.38%	07/31/18	AA+ / Aaa	11/17/16	11,068,265.21	0.98%	11,050,270.00
UNITED STATES TREASURY	1.50%	08/31/18	AA+ / Aaa	05/21/14	5,530,764.24	1.16%	5,533,935.00
UNITED STATES TREASURY	1.38%	09/30/18	AA+ / Aaa	12/16/15	10,547,030.79	1.11%	10,539,375.00
UNITED STATES TREASURY	1.25%	10/31/18	AA+ / Aaa	05/21/14	4,980,726.03	1.46%	5,007,600.00
UNITED STATES TREASURY	1.25%	11/30/18	AA+ / Aaa	07/13/15	5,319,105.27	1.06%	5,306,625.00
UNITED STATES TREASURY	1.25%	01/31/19	AA+ / Aaa	05/21/14	2,978,952.11	1.59%	3,001,170.00
UNITED STATES TREASURY	2.75%	02/15/19	AA+ / Aaa	07/16/14	2,080,022.81	0.84%	2,062,500.00
UNITED STATES TREASURY	2.75%	02/15/19	AA+ / Aaa	05/21/14	2,091,508.23	0.58%	2,062,500.00
UNITED STATES TREASURY	0.75%	02/15/19	AA+ / Aaa	11/17/16	9,927,574.56	1.10%	9,900,000.00
UNITED STATES TREASURY	1.38%	02/28/19	AA+ / Aaa	05/24/16	14,611,729.28	1.01%	14,537,410.00
UNITED STATES TREASURY	1.38%	02/28/19	AA+ / Aaa	10/10/14	2,591,365.97	1.53%	2,606,708.00
UNITED STATES TREASURY	1.63%	04/30/19	AA+ / Aaa	02/26/15	7,067,453.40	1.20%	7,053,620.00
UNITED STATES TREASURY	1.63%	06/30/19	AA+ / Aaa	11/09/15	3,721,293.97	1.39%	3,727,750.00



CITY OF RIVERSIDE
Pooled Investment Portfolio Holdings
December 31, 2016

DESCRIPTION OF SECURITY	COUPON RATE	MATURITY DATE	INVEST RATING	PURCH DATE	AMORTIZED COST	YIELD ON MATURITY	MARKET VALUE
UNITED STATES TREASURY	1.63%	06/30/19	AA+ / Aaa	05/24/16	6,084,066.18	1.06%	6,045,000.00
UNITED STATES TREASURY	0.75%	07/15/19	AA+ / Aaa	11/17/16	12,604,520.43	1.21%	12,565,762.50
UNITED STATES TREASURY	0.88%	07/31/19	AA+ / Aaa	11/17/16	12,642,478.26	1.21%	12,602,610.00
UNITED STATES TREASURY	1.63%	07/31/19	AA+ / Aaa	09/09/14	3,496,089.68	1.67%	3,524,080.00
UNITED STATES TREASURY	1.00%	08/31/19	AA+ / Aaa	10/10/14	1,852,378.27	1.97%	1,882,045.00
UNITED STATES TREASURY	1.75%	09/30/19	AA+ / Aaa	12/15/16	5,807,223.14	1.38%	5,805,717.50
UNITED STATES TREASURY	1.00%	09/30/19	AA+ / Aaa	05/28/15	3,450,728.97	1.53%	3,463,635.00
UNITED STATES TREASURY	1.00%	09/30/19	AA+ / Aaa	12/16/14	7,853,973.19	1.68%	7,916,880.00
UNITED STATES TREASURY	1.50%	11/30/19	AA+ / Aaa	11/09/15	6,798,717.86	1.51%	6,813,260.00
UNITED STATES TREASURY	1.00%	11/30/19	AA+ / Aaa	07/13/15	2,954,972.13	1.53%	2,963,670.00
UNITED STATES TREASURY	1.13%	12/31/19	AA+ / Aaa	02/26/15	1,876,318.31	1.55%	1,881,437.00
UNITED STATES TREASURY	1.25%	01/31/20	AA+ / Aaa	05/28/15	2,477,736.63	1.55%	2,481,450.00
UNITED STATES TREASURY	1.25%	02/29/20	AA+ / Aaa	11/09/15	9,889,208.54	1.61%	9,918,800.00
UNITED STATES TREASURY	1.38%	05/31/20	AA+ / Aaa	07/13/15	6,953,583.92	1.58%	6,954,080.00
UNITED STATES TREASURY	1.50%	05/31/20	AA+ / Aaa	08/22/16	6,614,545.10	0.97%	6,477,640.00
UNITED STATES TREASURY	1.88%	06/30/20	AA+ / Aaa	03/17/16	7,769,744.87	1.41%	7,721,757.00
UNITED STATES TREASURY	2.13%	08/31/20	AA+ / Aaa	11/09/15	2,036,073.37	1.62%	2,031,880.00
UNITED STATES TREASURY	2.00%	09/30/20	AA+ / Aaa	12/15/16	10,110,976.88	1.69%	10,110,200.00
UNITED STATES TREASURY	1.63%	11/30/20	AA+ / Aaa	01/22/16	6,060,349.67	1.36%	5,973,780.00
UNITED STATES TREASURY	2.00%	02/28/21	AA+ / Aaa	03/17/16	5,608,571.94	1.51%	5,542,515.00
UNITED STATES TREASURY	2.25%	03/31/21	AA+ / Aaa	08/22/16	2,934,808.26	1.09%	2,849,868.00
UNITED STATES TREASURY	2.25%	07/31/21	AA+ / Aaa	08/22/16	6,826,168.25	1.12%	6,598,995.00
UNITED STATES TREASURY	2.13%	09/30/21	AA+ / Aaa	11/17/16	12,733,438.94	1.71%	12,605,500.00
SUBTOTAL U.S. GOVERNMENT TREASURY SECURITIES					312,132,013.71		311,312,296.50
MISCELLANEOUS CASH					77,600.00		77,600.00
TOTAL POOLED CASH & INVESTMENTS					526,847,255.01		525,987,021.10
WEIGHTED AVERAGE MATURITY							1.52

¹ Collateralized in accordance with Section 53652 of the CA state code.

² Balance in excess of FDIC insurance limits collateralized in accordance with state statutes.



CITY OF RIVERSIDE
Investments Held by Fiscal Agent
December 31, 2016

DESCRIPTION OF SECURITY	COUPON RATE	MATURITY DATE	INVEST RATING	PURCH DATE	AMORTIZED COST	YIELD ON MATURITY	MARKET VALUE
<u>CASH & MONEY MARKET ACCOUNTS</u>							
Cash	Varies	Varies	NR	Varies	41,975.76	Varies	41,975.76
Wells Fargo Advantage 100% Treasury Money Market	0.00%	Varies	AAAm	Varies	161,251.83	0.00%	161,251.83
Wells Fargo Advantage Government Money Market	0.00%	Varies	AAAm	Varies	7,443,841.20	0.00%	7,443,841.20
US Bank Money Market Account 10	0.05%	Varies	A+	Varies	1,122,835.90	0.05%	1,122,835.90
US Bank Mmkt 5 - CT	0.02%	Varies	A+	Varies	20,255,281.76	0.02%	20,255,281.76
First American Government Obligation	0.00%	Varies	AAAm	Varies	422,842.63	0.00%	422,842.63
First American Prime Obligations Fund CL " Z "	0.02%	Varies	AAAm	Varies	36,783,159.06	0.02%	36,783,159.06
SUBTOTAL CASH & MONEY MARKET ACCOUNTS					66,231,188.14		66,231,188.14
LOCAL AGENCY INVESTMENT FUND (LAIF)	0.51%	Varies	NR	Varies	56,229,911.23	0.51%	56,229,911.23
<u>BONDS, DEBENTURES, NOTES & AGREEMENTS</u>							
US Bank Na C P	0.10%	05/01/17	A+	09/01/16	332,562.46	0.10%	332,562.46
US Bank Na C P	0.00%	08/01/17	A+	12/01/16	3,513,185.69	0.00%	3,513,185.69
US Treasury Note	0.88%	12/31/16	AAA	10/20/15	1,132,597.66	0.88%	1,126,000.00
FNMA MT	1.25%	1/30/17	AAA	11/1/12	4,106,960.00	1.25%	4,001,880.00
FHLB Disc Note	4.60%	1/30/17	AAA	8/01/16	3,436,002.48	4.60%	3,508,614.01
US Treasury Note	0.88%	01/31/17	AAA	10/10/14	4,769,788.12	0.88%	4,743,896.80
US Treasury Note	0.50%	01/31/17	AAA	10/20/15	1,129,234.03	0.50%	1,128,124.08
General Electric Cap Corp Medium Term Nts	5.40%	02/15/17	A1	07/05/07	2,029,629.00	5.40%	2,110,227.00
US Treasury Note	0.88%	02/28/17	AAA	12/16/14	1,132,685.63	0.88%	1,126,754.42
US Treasury Note	3.25%	3/31/17	AAA	10/20/15	12,615,309.53	3.25%	12,200,998.60
FNMA Debt	1.13%	4/27/17	AAA	1/16/13	3,559,500.00	1.13%	3,505,285.00
Glaxosmithkline Cap	1.50%	5/8/17	A2	11/1/12	2,040,140.00	1.50%	2,002,960.00
US Govt Agency-F N M A MTN	5.00%	05/11/17	AAA	07/06/07	996,779.15	5.00%	1,054,855.14
US Treasury Bill	0.58%	05/25/17	AAA	06/27/16	1,785,228.34	0.58%	1,788,696.80
Caterpillar	1.63%	6/1/17	A2	11/1/12	2,290,826.72	1.63%	2,239,913.00
US Govt Agency-Federal Home Loan Bks Bonds	5.63%	06/09/17	AAA	06/13/07	5,400,000.00	5.63%	5,514,264.00
FNMA MTN	5.38%	6/12/17	AAA	11/1/12	4,844,520.00	5.38%	4,082,000.00
US Treasury Bill	0.57%	06/22/17	AAA	06/29/16	3,894,446.89	0.57%	3,898,582.80
FHLMCM	1.00%	6/29/17	AAA	11/1/12	3,042,120.00	1.00%	3,004,620.00
FHLMC Debt	1.00%	7/28/17	AAA	11/1/12	3,040,080.00	1.00%	3,004,650.00
US Treasury Note	2.38%	07/31/17	AAA	10/20/15	4,914,160.78	2.38%	4,807,762.82
FHLMCM	1.00%	9/29/17	AAA	1/16/13	3,023,340.00	1.00%	3,002,910.00
Oracle Corp	1.20%	10/15/17	A1	11/1/12	4,015,960.00	1.20%	4,000,960.00
FNMA Debt	0.88%	12/20/17	AAA	1/16/13	3,498,145.00	0.88%	3,498,075.00
FHLMCM	0.75%	1/12/18	AAA	3/19/13	3,973,128.00	0.75%	3,991,840.00
US Treasury Note	2.63%	1/31/18	AAA	8/29/14	5,026,442.89	2.63%	4,904,633.63
FHLB Debt	1.25%	06/08/18	AAA	06/28/13	290,532.33	1.25%	295,672.60
US Treasury Note	2.25%	07/31/18	AAA	10/20/15	3,366,614.38	2.25%	3,300,388.42
FHLB Debt	1.00%	09/21/18	AAA	09/21/16	1,335,000.00	1.00%	1,324,413.45
Natixis Funding Corp	1.67%	03/01/19	BBB	02/14/14	7,422,802.00	1.67%	7,422,802.00
FNMA Debt	1.38%	02/26/21	AAA	03/30/16	370,735.63	1.38%	363,769.21
Invt Agmt-Trinity Plus Fdg Co Gic	4.68%	10/01/29	AA-	05/14/08	6,411,744.65	4.68%	6,411,744.65
Invt Agmt-Trinity Plus Fdg Co Gic	4.68%	10/01/35	AA-	05/14/08	4,348,970.73	4.68%	4,348,970.73
SUBTOTAL BONDS, DEBENTURES, NOTES & AGREEMENTS					113,089,172.09		111,562,012.31
TOTAL INVESTMENTS HELD BY FISCAL AGENT					235,550,271.46		234,023,111.68

City of Riverside
Cash Balances by Fund
As of December 31, 2016

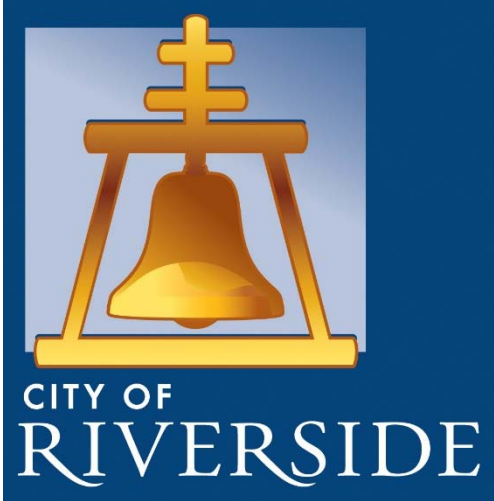
Fund		Cash Balance ¹	Interfund Loan Receivables ²	Cash Balance + Loan Receivables
General Fund	101	(11,005,869)	-	(11,005,869)
Successor Agency Administration Fund	170	268,901	-	268,901
Enterprise Funds				
Electric	510	279,631,108	4,689,598	284,320,706
Electric - Public Benefits Charge	511	15,297,520	-	15,297,520
Water	520	79,078,021	-	79,078,021
Water - Conservation & Reclamation Program	521	2,806,099	-	2,806,099
Airport	530	703,656	-	703,656
Refuse Collection	540	5,578,787	-	5,578,787
Sewer Service	550	57,381,104	5,014,518	62,395,622
Special Transit	560	1,597,896	-	1,597,896
Public Parking	570	(384,732)	-	(384,732)
SubTotal - Enterprise Funds		441,689,459	9,704,115	451,393,574
Special Revenue Funds				
Urban Areas Security Initiative	205	(138,831)	-	(138,831)
Community Development Block Grant	220	249,015	-	249,015
Home Investment Partnership Program	221	257,934	-	257,934
Housing Opportunities for Persons with AIDS	222	(654,043)	-	(654,043)
Community Development Grants	223	1,660,603	-	1,660,603
Neighborhood Stabilization Program	225	127,893	-	127,893
Special Gas Tax	230	16,627,801	-	16,627,801
Air Quality	240	836,431	-	836,431
NPDES Storm Drain	260	(46,918)	-	(46,918)
Housing Authority	280	4,467,741	-	4,467,741
Housing Assets	281	4,061,172	14,146,520	18,207,692
SubTotal - Special Revenue Funds		27,448,799	14,146,520	41,595,319
Capital Projects Funds				
Certificates of Participation Projects	401	(497,135)	-	(497,135)
Storm Drain	410	1,132,204	-	1,132,204
Local Park Special Capital Improvements	411	1,243,178	-	1,243,178
Regional Park Special Capital Improvements	413	2,292,993	-	2,292,993
Capital Outlay	430	(4,279,713)	-	(4,279,713)
Transportation Projects	431	11,861	-	11,861
Measure A Capital Outlay	432	17,364,658	-	17,364,658
Transportation Development Impact Fees	433	3,529,733	-	3,529,733
Transportation Uniform Mitigation Fees	434	(1,863,368)	-	(1,863,368)
Community Facilities Districts and Assessment Districts	Various	1,897,794	-	1,897,794
SubTotal - Capital Project Funds		20,832,205	-	20,832,205
Debt Service Funds				
Debt Service Fund - General	390	1,513,404	-	1,513,404
Debt Service Fund - Public Works	391	684,160	-	684,160
SubTotal Debt Service Funds		2,197,564	-	2,197,564
Agency Funds				
Redevelopment Successor Agency	Various	19,522,556	-	19,522,556
Community Facilities Districts and Assessment Districts	Various	877,596	-	877,596
Special Deposits	Various	11,472,573	-	11,472,573
SubTotal Agency Funds		31,872,725	-	31,872,725
Internal Service Funds				
Workers' Compensation Insurance Trust	610	10,376,818	7,316,264	17,693,082
Unemployment Insurance Trust	620	439,803	-	439,803
Liability Insurance Trust	630	(2,609,615)	-	(2,609,615)
Central Stores	640	(516,666)	-	(516,666)
Central Garage	650	4,992,897	2,779,900	7,772,797
SubTotal - Internal Service Funds		12,683,237	10,096,164	22,779,401
Total - All Funds		\$ 525,987,021	\$ 33,946,799	\$ 559,933,820

¹ Amount reflects each fund's share of the City's pooled investment portfolio.

² Amounts shown are interfund loans outstanding, including the SERAF loan due to the Housing Authority. Interfund loan receivable balances are treated as available cash due to the ability to move loan receivables to other funds as needed.

ATTACHMENT C

DEBT REPORT

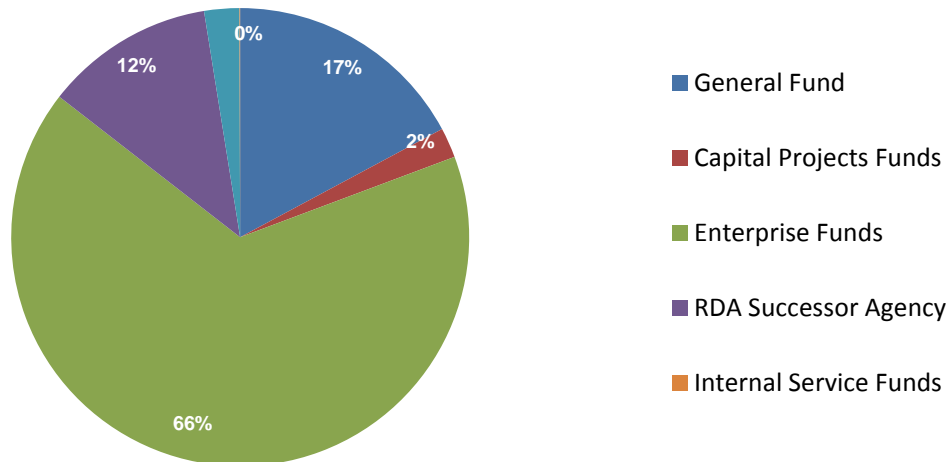


City of Riverside
Fiscal Year 2016/17 Summary of Outstanding Debt ¹
As of December 31, 2016

Debt Issuance ²	Outstanding Principal Balance 6/30/2016	New Debt Issued During Fiscal Year	2016/17 Principal Payments	2016/17 Interest Payments	2016/17 Total Payments	Projected Principal Balance 6/30/2017
General Fund						
General Obligation	12,430,000	-	1,040,000	592,023	1,632,023	11,390,000
Pension Obligation	101,000,000	-	40,025,000	4,280,185	44,305,185	60,975,000
Certificates of Participation	146,690,000	-	4,580,000	5,477,637	10,057,637	142,110,000
Lease Revenue Bonds	37,245,000	-	1,420,000	1,653,125	3,073,125	35,825,000
Capital Leases	12,006,447	-	2,769,156	201,930	2,971,086	9,237,291
Interfund Loans	3,268,541	-	290,972	49,028	340,000	2,977,569
Private Placement Financings	43,481,284	-	2,156,741	1,346,691	3,503,432	41,324,543
Total General Fund	356,121,272	-	52,281,869	13,600,618	65,882,487	303,839,403
Capital Projects Funds						
Local Park Impact Fee Fund Interfund Loans	6,175,220	-	1,358,372	92,628	1,451,000	4,816,849
Measure A Certificates of Participation	33,950,000	-	1,340,000	1,659,688	2,999,688	32,610,000
Total Capital Projects Funds	40,125,220	-	2,698,372	1,752,316	4,450,688	37,426,849
Enterprise Funds						
Electric Fund Revenue Bonds	566,835,000	-	13,320,000	24,862,514	38,182,514	553,515,000
Electric Fund Capital Leases	4,693,715	-	789,052	92,063	881,115	3,904,662
Water Fund Revenue Bonds	193,480,000	-	5,180,000	7,814,183	12,994,183	188,300,000
Sewer Fund Revenue Bonds	412,160,000	-	8,055,000	19,255,123	27,310,123	404,105,000
Sewer Fund Loans	2,979,734	-	759,345	57,516	816,861	2,220,389
Parking Fund Interfund Loans	216,623	-	117,751	3,249	121,000	98,872
Parking Fund Loans	20,246,817	-	976,511	770,193	1,746,704	19,270,306
Total Enterprise Funds	1,200,611,888	-	29,197,659	52,854,841	82,052,500	1,171,414,229
Internal Service Funds						
Central Garage Fund Interfund Loans	1,015,607	-	334,766	15,234	350,000	680,841
Total Internal Service Funds	1,015,607	-	334,766	15,234	350,000	680,841
RDA Successor Agency						
Tax Allocation Bonds	196,070,000	-	6,775,000	9,720,031	16,495,031	189,295,000
Lease Revenue Bonds	18,030,000	-	1,500,000	869,349	2,369,349	16,530,000
Interfund Loans	9,352,727	-	4,663,129	76,694	4,739,823	4,689,597
Loans	1,175,000	-	365,000	29,308	394,308	810,000
Total RDA Successor Agency	224,627,727	-	13,303,129	10,695,381	23,998,511	211,324,597
Assessment District & Community Facilities District						
Assessment Districts	24,435,000	-	1,220,000	1,186,277	2,406,277	23,215,000
Community Facilities Districts	21,370,000	-	415,000	893,694	1,308,694	20,955,000
Total AD & CFD	45,805,000	-	1,635,000	2,079,971	3,714,971	44,170,000
Total	\$ 1,868,306,713	\$ -	\$ 99,450,795	\$ 80,998,362	\$ 180,449,156	\$ 1,768,855,918

¹ Excludes water stock acquisition rights, copier leases, development agreements, and amortization of premiums and discounts on outstanding debt, none of which are material.

² See the notes of the following page, which detail dedicated revenue streams and certain obligations paid by other funds.



Note: Categories not shown represent less than 1% of the City's debt portfolio.

City of Riverside
Fiscal Year 2016/17 Detail of Outstanding Debt¹
As of December 31, 2016

Debt Issuance	Year of Issuance	Year of Final Maturity	Total Issue Size	Repayment Source	Outstanding Principal Balance 6/30/2016	New Debt Issued During Fiscal Year	2016/17 Principal Payments	2016/17 Interest Payments	2016/17 Total Payments	Projected Principal Balance 6/30/2017
General Obligation										
Measure G Fire Facility Projects Bonds	2004	2024	20,000,000	Existing Special Property Tax	12,430,000	-	1,040,000	592,023	1,632,023	11,390,000
Pension Obligation										
Pension Obligation Bonds (2004)	2004	2023	89,540,000	General Purpose General Fund Revenues	56,600,000	-	5,760,000	3,337,136	9,097,136	50,840,000
Pension Obligation Bonds (2005) Series A	2005	2020	30,000,000	General Purpose General Fund Revenues ²	13,255,000	-	3,120,000	633,589	3,753,589	10,135,000
Pension Obligation Refunding Bond Anticipation Notes	2016	2017	31,145,000	General Purpose General Fund Revenues ²	31,145,000	-	31,145,000	309,460	31,454,460	-
Certificates of Participation										
Galleria Mall Improvements	2006	2036	19,945,000	Project Developer / Successor Agency	17,575,000	-	535,000	790,491	1,325,491	17,040,000
Riverside Renaissance Projects Refunding	2008	2037	128,300,000	General Purpose General Fund Revenues	109,300,000	-	3,600,000	3,644,408	7,244,408	105,700,000
Recovery Zone Facility Hotel Project (Hyatt)	2010	2040	20,660,000	Project Developer / Successor Agency	19,815,000	-	445,000	1,042,738	1,487,738	19,370,000
Lease Revenue Bonds										
Lease Revenue Refunding Bonds Series A	2012	2033	41,240,000	General Purpose General Fund Revenues ³	37,245,000	-	1,420,000	1,653,125	3,073,125	35,825,000
Capital Leases										
VOIP Phone System	2012	2022	1,650,000	General Purpose General Fund Revenues	1,116,334	-	160,771	25,618	186,388	955,564
Police Department Helicopter	2013	2019	1,348,316	General Purpose General Fund Revenues	689,198	-	225,889	10,665	236,554	463,309
Various Vehicles, Software, and Hardware	2013	2019	3,642,934	General Purpose General Fund Revenues	1,862,102	-	610,315	28,816	639,131	1,251,787
Various Vehicles, Software, and Hardware	2013	2018	2,957,221	General Purpose General Fund Revenues	1,498,981	-	594,218	16,210	610,428	904,764
Convention Center, Fox, Muni, and RPD Dispatch FF&E	2013	2021	3,668,000	General Purpose General Fund Revenues	2,666,783	-	514,934	44,426	559,360	2,151,849
Various Vehicles, Software, and Hardware	2014	2022	4,450,000	General Purpose General Fund Revenues	4,173,048	-	663,030	76,194	739,224	3,510,019
Interfund Loans										
Utilities Plaza Purchase Interfund Loan	2012	2027	4,469,221	Building Lease Revenue	3,268,541	-	290,972	49,028	340,000	2,977,569
Private Placement Financings										
Ryan Bonaminio Park Loan	2012	2021	4,000,000	General Purpose General Fund Revenues	2,543,567	-	392,506	74,608	467,114	2,151,061
Convention Center Expansion Loan	2012	2034	44,650,000	General Fund Transient Occupancy Tax ⁴	40,937,717	-	1,764,235	1,272,083	3,036,318	39,173,482
Total General Fund					356,121,272	-	52,281,869	13,600,618	65,882,487	303,839,403
Local Park Impact Fee Fund										
Riverside Renaissance Debt Service Interfund Loan #1	2010	2020	3,460,000	Development Impact Fee Revenue	3,460,000	-	680,100	51,900	732,000	2,779,900
Riverside Renaissance Debt Service Interfund Loan #2	2011	2019	3,402,000	Development Impact Fee Revenue	2,715,220	-	678,272	40,728	719,000	2,036,949
Total Local Park Impact Fee Fund					6,175,220	-	1,358,372	92,628	1,451,000	4,816,849
Measure A Fund										
RPPA Local Measure A Sales Tax Revenue COPs	2013	2033	35,235,000	Measure A Sales Tax Revenues	33,950,000	-	1,340,000	1,659,688	2,999,688	32,610,000
Total Measure A Fund					33,950,000	-	1,340,000	1,659,688	2,999,688	32,610,000
Electric Utility										
Electric Revenue Refunding Bonds (2008) Series A	2008	2029	84,515,000	Existing Electric Rates/Refunding Proceeds	70,540,000	-	-	2,194,499	2,194,499	70,540,000
Electric Revenue Refunding Bonds (2008) Series C	2008	2035	57,325,000	Existing Electric Rates/Refunding Proceeds	41,975,000	-	-	1,344,879	1,344,879	41,975,000
Electric Revenue Bonds (2008) Series D	2008	2038	209,740,000	Existing Electric Rates	209,740,000	-	-	10,246,400	10,246,400	209,740,000
Electric Revenue Bonds (2009) Series A	2009	2018	34,920,000	Existing Electric Rates	3,640,000	-	1,150,000	140,500	1,290,500	2,490,000
Electric Revenue Bonds (2010) Series A	2010	2040	133,290,000	Existing Electric Rates	133,290,000	-	-	6,479,481	6,479,481	133,290,000
Electric Revenue Bonds (2010) Series B	2010	2019	7,090,000	Existing Electric Rates	7,090,000	-	95,000	305,625	400,625	6,995,000
Electric Revenue Bonds (2011) Series A	2011	2035	56,450,000	Existing Electric Rates/Refunding Proceeds	41,925,000	-	-	1,613,274	1,613,274	41,925,000
Electric Revenue Refunding Bonds (2013) Series A	2013	2043	79,080,000	Existing Electric Rates	58,635,000	-	12,075,000	2,537,856	14,612,856	46,560,000
Electric Fund Vehicles Capital Leases	Various	Various	Various	Existing Electric Rates	4,693,715	-	789,052	92,063	881,115	3,904,662
Total Electric Fund					571,528,715	-	14,109,052	24,954,578	39,063,630	557,419,662
Water Utility										
Water Revenue Bonds (2008) Series B	2008	2038	58,235,000	Existing Water Rates	58,235,000	-	1,610,000	2,798,150	4,408,150	56,625,000
Water Revenue Bonds (2009) Series A	2009	2020	31,895,000	Existing Water Rates	12,730,000	-	2,970,000	517,350	3,487,350	9,760,000
Water Revenue Bonds (2009) Series B	2009	2039	67,790,000	Existing Water Rates	67,790,000	-	-	2,717,377	2,717,377	67,790,000
Water Revenue Bonds (2011) Series A	2011	2035	59,000,000	Existing Water Rates	54,725,000	-	600,000	1,781,306	2,381,306	54,125,000
Total Water Fund					193,480,000	-	5,180,000	7,814,183	12,994,183	188,300,000
Sewer Utility										
Headworks Project Loan	2000	2019	7,956,419	Existing Sewer Rates	1,383,086	-	452,992	24,395	477,387	930,095
Cogeneration Project Loan	2003	2021	5,374,978	Existing Sewer Rates	1,596,647	-	306,353	33,120	339,474	1,290,294
Sewer Revenue Bonds (2009) Series A	2009	2016	36,835,000	Existing Sewer Rates	8,055,000	-	8,055,000	201,375	8,256,375	-
Sewer Revenue Bonds (2009) Series B	2009	2039	204,075,000	Existing Sewer Rates	204,075,000	-	-	9,216,748	9,216,748	204,075,000
Sewer Revenue Bonds (2015) Series A	2015	2040	200,030,000	Existing Sewer Rates	200,030,000	-	-	9,837,000	9,837,000	200,030,000
Total Sewer Fund					415,139,734	-	8,814,345	19,312,639	28,126,984	406,325,389

Debt Issuance	Year of Issuance	Year of Final Maturity	Total Issue Size	Repayment Source	Outstanding Principal Balance 6/30/2016	New Debt Issued During Fiscal Year	2016/17 Principal Payments	2016/17 Interest Payments	2016/17 Total Payments	Projected Principal Balance 6/30/2017
Parking Fund										
Parking Garages 1 & 2 Interfund Loan #2	2008	2018	942,006	Parking Fund Revenue	216,623	-	117,751	3,249	121,000	98,872
Fox Entertainment Plaza Loan	2010	2032	25,000,000	Parking Fund Revenue ⁵	20,246,817	-	976,511	770,193	1,746,704	19,270,306
Total Parking Fund					20,463,440	-	1,094,262	773,442	1,867,704	19,369,178
Central Garage Fund										
CNG Refueling Station Interfund Loan	2013	2019	1,674,262	Fuel Sales	1,015,607	-	334,766	15,234	350,000	680,841
Total Central Garage Fund					1,015,607	-	334,766	15,234	350,000	680,841
RDA Successor Agency										
RPFA Multiple Project Area TABs (1991)	1991	2018	13,285,000	Successor Agency Tax Increment	45,000	-	20,000	3,600	23,600	25,000
California Tower Lease Revenue Bonds Series A	2003	2024	26,255,000	Successor Agency Tax Increment	15,475,000	-	1,275,000	735,500	2,010,500	14,200,000
California Tower Lease Revenue Bonds Series B	2003	2024	4,810,000	Successor Agency Tax Increment	2,555,000	-	225,000	133,849	358,849	2,330,000
RPFA Multiple Project Area TABs (2007) Series A	2007	2037	8,340,000	Successor Agency Tax Increment	8,170,000	-	25,000	356,331	381,331	8,145,000
RPFA Multiple Project Area TABs (2007) Series B	2007	2028	14,850,000	Successor Agency Tax Increment	11,620,000	-	470,000	658,922	1,128,922	11,150,000
RPFA Multiple Project Area TABs (2007) Series C	2007	2037	89,205,000	Successor Agency Tax Increment	85,960,000	-	605,000	4,193,100	4,798,100	85,355,000
RPFA Multiple Project Area TABs (2007) Series D	2007	2032	43,875,000	Successor Agency Tax Increment	31,430,000	-	1,805,000	1,782,519	3,587,519	29,625,000
3615-3653 Main Street Acquisition Interfund Loan	2009	2017	4,280,000	Successor Agency Tax Increment	4,239,823	-	4,239,823	-	4,239,823	(0)
HUD Section 108 Refunding Loan - Mission Village	2011	2018	2,895,000	Successor Agency Tax Increment	1,175,000	-	365,000	29,308	394,308	810,000
Reid Park Acquisition Interfund Loan	2011	2028	720,000	Successor Agency Tax Increment	682,178	-	55,067	9,933	65,000	607,111
Riverside Golf Course Acquisition Interfund Loan	2011	2028	4,837,500	Successor Agency Tax Increment	4,450,726	-	368,239	66,781	435,000	4,082,487
2014 Subordinate Tax Allocation Refunding Bonds Series A	2014	2034	61,250,000	Successor Agency Tax Increment	57,280,000	-	3,690,000	2,681,900	6,371,900	53,590,000
2014 Subordinate Tax Allocation Refunding Bonds Series B	2014	2024	1,730,000	Successor Agency Tax Increment	1,565,000	-	160,000	43,660	203,660	1,405,000
Total RDA Successor Agency					224,627,727	-	13,303,129	10,695,381	23,998,511	211,324,597
Assessment District & Community Facilities District										
Riverwalk Business Center Assessment District Bonds	2004	2029	3,755,000	Existing Special Property Tax	2,690,000	-	130,000	159,693	289,693	2,560,000
Sycamore Canyon Business Park CFD 92-1 Bonds	2005	2034	9,700,000	Existing Special Property Tax	7,690,000	-	250,000	392,990	642,990	7,440,000
Hunter Park Assessment District Bonds	2006	2036	15,269,906	Existing Special Property Tax	12,675,000	-	355,000	641,106	996,106	12,320,000
Riverwalk Assessment District Refunding Bonds	2011	2026	7,805,000	Existing Special Property Tax	6,100,000	-	450,000	267,006	717,006	5,650,000
Auto Center Assessment District Refunding Bonds	2012	2024	4,050,000	General Fund Sales Tax Revenue ⁵	2,970,000	-	285,000	118,472	403,472	2,685,000
Riverwalk Vista CFD 2006-1	2013	2043	4,415,000	Existing Special Property Tax	4,290,000	-	85,000	204,919	289,919	4,205,000
Riverwalk Vista CFD 2006-1 Improv Area No.2 Series A	2016	2046	5,505,000	Existing Special Property Tax	5,505,000	-	-	179,005	179,005	5,505,000
Riverwalk Vista CFD 2006-1 Improv Area No.2 Series B	2016	2031	1,275,000	Existing Special Property Tax	1,275,000	-	80,000	42,934	122,934	1,195,000
Highlands CFD 2014-2 Series A	2016	2046	1,800,000	Existing Special Property Tax	1,800,000	-	-	48,880	48,880	1,800,000
Highlands CFD 2014-2 Series B	2016	2031	810,000	Existing Special Property Tax	810,000	-	-	24,966	24,966	810,000
Total Assessment District & Community Facilities District					45,805,000	-	1,635,000	2,079,971	3,714,971	44,170,000
Total					\$ 1,868,306,713	\$ -	\$ 99,450,795	\$ 80,998,362	\$ 180,449,156	\$ 1,768,855,918

¹ Excludes water stock acquisition rights, copier leases, development agreements, and amortization of premiums and discounts on outstanding debt, none of which are material.

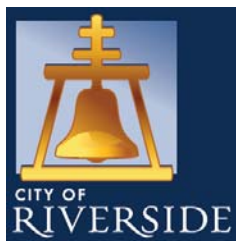
² 48.3% of the debt service for these bonds is allocated to other Funds based on the percentage of miscellaneous CalPERS plan employees budgeted in those Funds.

³ 25.4% of the debt service for these bonds is allocated to the Parking Fund for the construction of Garage 6 and to the Successor Agency for the construction of the University Village garage.

⁴ Debt service for this loan is primarily funded from a voter-approved increase in the transient occupancy tax rate from 11% to 13%.

⁵ A portion of the debt service for this loan related to non-parking facilities is funded by the General Fund.

⁶ Under the terms of an existing development agreement, increased incremental sales tax resulting from the expansion of the Auto Center funds the debt service on these bonds.



FY 2016-2018 Two-Year Budget: FY 2016-2017 2nd Quarter Update

Finance Department

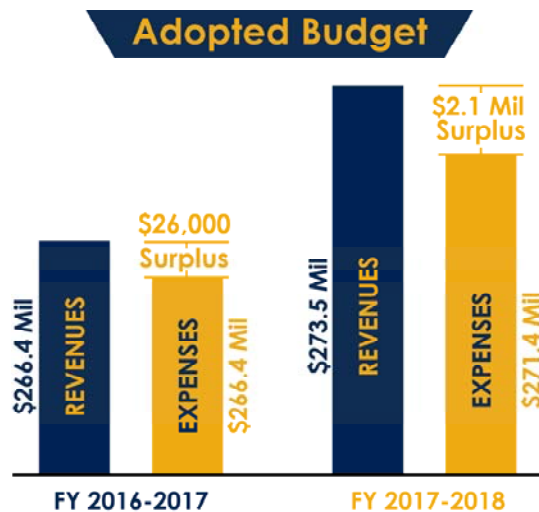
City Council Meeting

April 11, 2017

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BACKGROUND

- FY 2016-2018 Budget adopted on June 21, 2016
 - 1st two-year budget and five-year plan
 - Intensive public outreach
 - In-depth departmental budget presentations
 - Identified critical unfunded needs
 - Implemented 4% reductions



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2ND QUARTER PROJECTIONS

- General Fund shortfalls attributed to:
 - Lower revenues
 - Unbudgeted/unfunded vehicle maintenance and parks debt
 - Higher projected personnel costs
 - Increase of:
 - FY 2016/17 \$468,000
 - FY 2017/18 \$568,000



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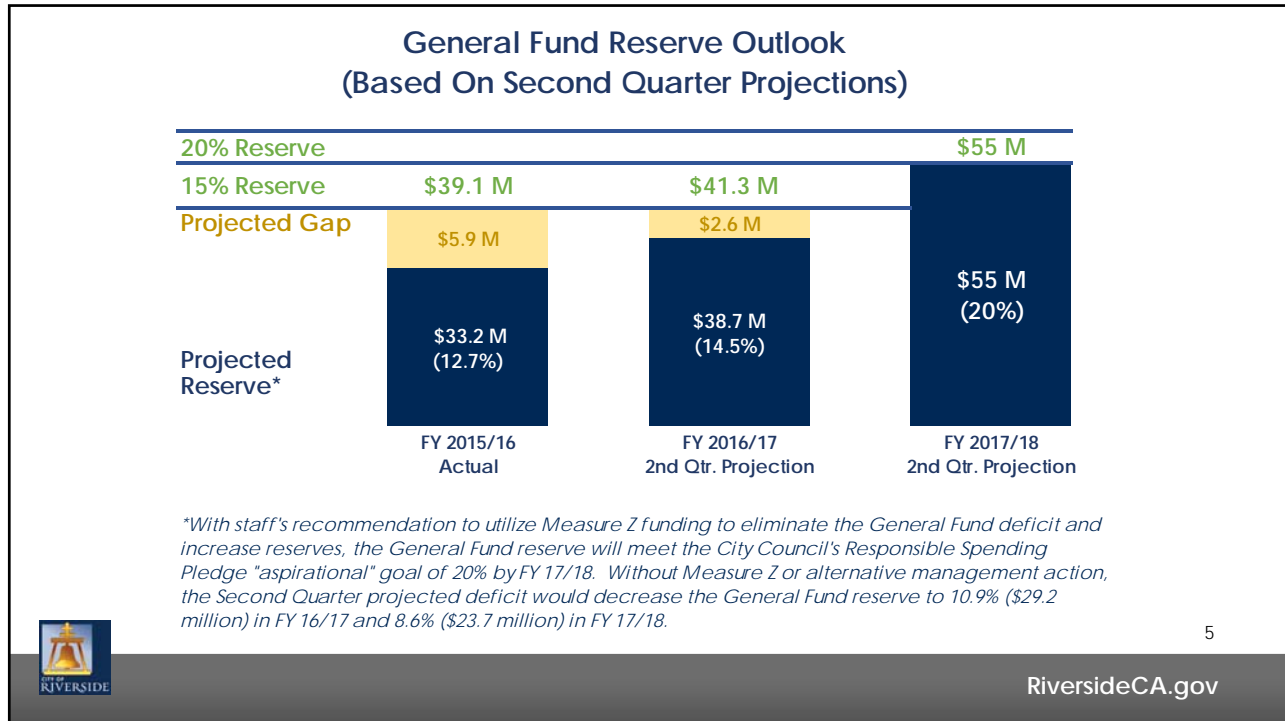
Factors Contributing to Projected Shortfall (2nd Quarter)

	FY 2016-17	FY 2017-18
Adopted Surplus	\$ 26,530	\$ 2,078,014
Union Contracts	\$ (819,081)	\$ (3,396,309)
Lower Revenues	\$ (2,894,976)	\$ (3,964,110)
Insufficient Funds for Parks Debt	\$ (600,000)	\$ (600,000)
Transfers for Sewer Claims	\$ 900,000	\$ 900,000
Other	\$ (52,004)	
Fire Department Maintenance	\$ (500,000)	\$ (500,000)
Estimated Shortfall	\$ (3,939,531)	\$ (5,482,405)
Management Action*	\$ 3,939,531	\$ 5,482,405
Net General Fund Surplus/Deficit	\$ -	\$ -

* Staff has recommended the use of Measure Z funds to cover the General Fund shortfalls in FY 2016/17 and FY 2017/18. Alternative options to using Measure Z funds include elimination of carryovers and expenditure reductions that limit service impact to the extent possible (e.g. spending freeze and holding positions vacant).




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GENERAL FUND REVENUES (2nd Quarter)

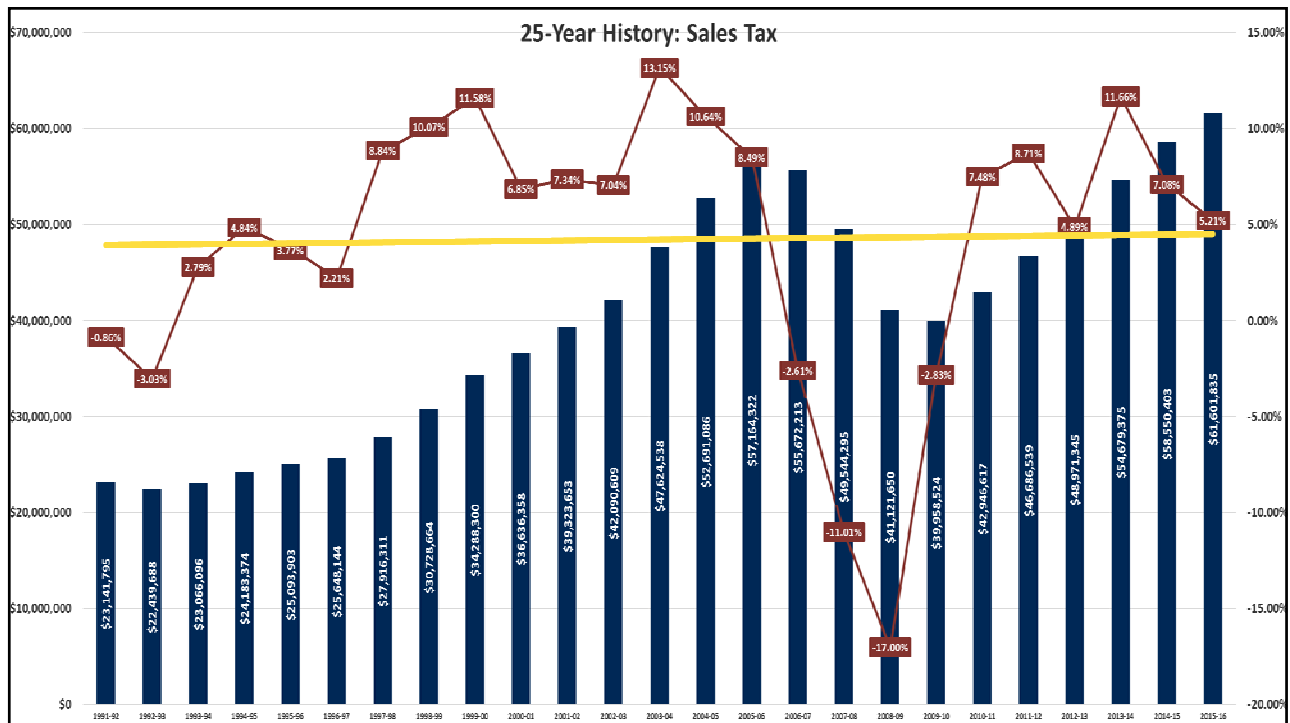
GENERAL FUND	PROJECTED (2nd Qtr)		DIFFERENCE (Adopted vs 2nd Qtr Projections)		DIFFERENCE (1st Qtr vs 2nd Qtr Projections)	
	FY 2016/17	FY 2017/18	FY 2016/17	FY 2017/18	FY 2016/17	FY 2017/18
Sales & Use Taxes	\$ 64,774,596	\$ 67,301,060	\$ (1,793,346)	\$ (2,839,514)	\$ (321,166)	\$ (335,856)
Franchise Fees	\$ 5,275,000	\$ 5,372,500	\$ (315,000)	\$ (310,200)	\$ (353,360)	\$ (359,468)
Property Transfer Tax	\$ 2,208,091	\$ 2,428,900	\$ (475,909)	\$ (523,500)	\$ (220,809)	\$ (242,890)
Licenses and Permits	\$ 9,920,348	\$ 10,559,461	\$ 95,181	\$ 59,724	\$ 250,000	\$ 237,153
Fines and Forfeits	\$ 1,444,000	\$ 1,427,669	\$ (293,000)	\$ (317,396)	\$ (241,571)	\$ (265,775)


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SALES TAX PROJECTION (2nd Quarter)

- FY 2016-2017: \$1,793,346
- FY 2017-2018: \$2,839,514
- Lower baseline
- Growth projections lowered
 - FY 2016-2017: 5.9% to 4.5% (currently at 3.9% growth)
 - FY 2017-2018: 5.5% to 4%



CITY'S ECONOMIC CONDITIONS

- Overall positive outlook for the remaining half of the fiscal year.
- The Galleria at Tyler expects growth to be similar to last year or approximately 4%.
- Consumer spending in 2016 was 3.2% above 2015 levels.
- Restaurants, hotels and autos categories saw significant increases in taxable sales.
- The auto and transportation industries reported a 5.2% year over year growth.
- Job creation is up 3.5%.
- Average annual wage up by 4.2% (to \$47,374).

(Source: HdL Quarterly Report and Regional Intelligence Report from Beacon Economics)



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GENERAL FUND EXPENDITURES (2nd Quarter)

- Zero net difference between 1st and 2nd quarter projections
- Projected Expenditure shortfall:
 - FY 2016/17: \$1,071,081
 - FY 2017/18: \$3,596,309



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MEASURE Z REVENUE

- Approved by voters on November 8, 2016
 - Estimated FY 2016-17 revenue: \$10 million
 - Estimated FY 2017-17 revenue: \$51.6 million



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MEASURE Z EXPENDITURES

- Workshop on January 31, 2017
 - Recommended use of Measure Z for General Fund shortfalls and increasing General Fund Reserves
- Fire Squad reinstatement on December 20, 2016
 - \$450,000 in FY 2016/17
 - \$792,728 in FY 2017/18
- Ward Action Team on February 21, 2017
 - \$56,250 in FY 2016/17
 - \$225,000 in FY 2017/18



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FY 2016/17 SECOND QUARTER COMMENTS FROM THE BUDGET ENGAGEMENT COMMISSION CHAIRPERSON ROBERT MENDEZ



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DEBT AND INVESTMENT REPORTS

- The quarterly investment report is included in this report:
 - Report shows cash balances by fund.
 - Information is provided regarding funds with an unusual cash position.
 - No fund's cash balance is currently a major concern.
- The quarterly debt report is included in this report:
 - There have been no major changes to the City's debt portfolio through December 31, 2016.



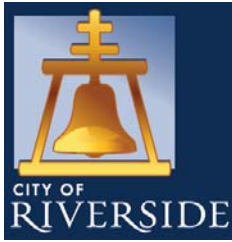
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RECOMMENDATIONS

That the City Council receive and file the attached FY 2016/17 Second Quarter Financial Report for the General Fund with preliminary analysis of Measure Z and FY 2016/17 General Fund financials, as well as cash, investment and debt reports for all funds.





Measure Z Spending Priorities

City Manager's Office

City Council
May 9, 2017

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PAST COUNCIL ACTION


- January 31, 2017 – City Council Special Meeting
 - Staff presented Proposed Measure Z Spending Priorities City.
 - City Council provided feedback and asked questions.
 - City Council directed staff to work with the Budget Engagement Commission (BEC) to refine the five-year spending plan for Measure Z in time for the May 9, 2016 City Council meeting.



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Proposed Measure Z Spending Priorities (Years 1-5)					
Major Category	Original		Revised		Difference
Fiscal Discipline/ Responsibility	\$47,774,507	21.8%	\$43,344,207	19.8%	\$(4,430,300)
Critical Operating Needs	\$48,129,948	21.9%	\$56,034,250	25.6%	\$7,904,302
Public Safety	\$55,911,629	25.5%	\$68,497,813	31.2%	\$12,586,184
Quality of Life	\$15,539,556	7.1%	\$3,837,199	1.7%	\$(11,702,357)
Facility Capital Needs	\$48,200,000	22.0%	\$42,833,882	19.5%	\$(5,366,118)
Technology	\$3,750,000	1.7%	\$4,750,000	2.2%	\$1,000,000
TOTALS	\$219,305,640	100%	\$219,297,352	100%	\$(8,288)


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CHANGES TO FISCAL DISCIPLINE/RESPONSIBILITY

- General Fund Reserve: The amount needed to maintain a 20% General Fund Reserve by FY 2017-18 has been adjusted based on the Second Quarter Financial Report. Total costs over five years have increased from \$29.2 million to \$32.3 million.
- Pension Obligation Bond (POB): Based on discussion at the April 25, 2017 City Council meeting, amounts reflect the General Fund portion of a fully amortized 10-year pension bond. Total costs over five years have decreased from \$9.5 million to \$7.6 million.



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CHANGES TO FISCAL DISCIPLINE/RESPONSIBILITY

- Worker's Compensation and General Liability Funding: The original requested funding of \$8 million was reduced to \$3.5 million to accommodate increased public safety spending priorities.
- Vacation Liability: The request to fund \$1 million in excess vacation liability (mostly related to retirements) has been removed to allow for increased public safety spending priorities.



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CHANGES TO CRITICAL SERVICE NEEDS (NON-SAFETY)

- General Fund Operating Shortfall: The amount needed for the General Fund shortfall has increased based on the Second Quarter Financial Report. Total costs over five years have increased from \$45.3 million to \$48.2 million.
- General Plan Update: To continue investing in the future of Riverside, funding is needed for a General Plan Update, including updates to the zoning code. The total five-year cost is \$5 million.



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CHANGES TO CRITICAL PUBLIC SAFETY NEEDS

- Recruitment of Police Officers and Dispatchers: In order to hire a significant number of additional officers, a new Senior Analyst position will be required in the Human Resources Department. In addition, hiring incentives are recommended for officers and dispatchers. The total increased cost over the next five years is \$1.8 million.
- Replacement of Police and Fire Vehicles: The revised plans provide for an immediate replacement of vehicles that are at or near the end of life, followed by an annual replacement based on the estimated useful life per industry standards. Total costs over five years have increased from \$14.4 million to \$22.2 million.



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CHANGES TO CRITICAL PUBLIC SAFETY NEEDS

- Crown Victoria Pilot Program: \$50,000 has been added for a refurbishment pilot program for two Crown Victoria vehicles in the Police Department. If successful, the program could save \$25,000 per vehicle.
- Police and Fire Vehicle Maintenance: In order to provide proper maintenance for first responder vehicles, four additional mechanics will be needed, along with one-time fleet facility modifications. The total cost over the next five years is \$1.7 million.



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CHANGES TO QUALITY OF LIFE

- Street Maintenance: As a result of SB 1, Road Repair and Accountability Act of 2017, the City estimates to receive \$7.4 million in additional annual revenue from the State for road projects. Staff has reallocated Measure Z funding previously recommended for street maintenance and repair (\$11.5 million over the first five years) to critical public safety priorities.



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CHANGES TO FACILITY/CAPITAL NEEDS

- New Facilities: The total bonded amount for capital projects has been revised from \$165 million to \$105 million, over the 20-year period.
 - One parking facility and expansion of the Convention Center have been removed from the recommended projects.
 - \$20 million of 20-year bonding capacity has been added for Citywide projects that will be determined on subsequent needs analysis and direction from the City Council.
 - Recommended funding remained unchanged for a new Downtown Main Library, new Police Headquarters, expansion/enhancement of the Museum, and one new a parking facility.
 - Total costs over five years have decreased from \$36 million to \$25.6 million.



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CHANGES TO TECHNOLOGY

- Enterprise Resource Planning (ERP) System: The City's financial system dates back to 1999. Total costs over first five years have increased from \$2 million to \$3 million.



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TIMELINE OF EVENTS

- May 9, 2017
 - Measure Z Staff Recommendations
 - Measure Z BEC Recommendations
- May 16, 2017
 - City Council Direction on Measure Z
 - Reaffirm 10-Year POB strategy
- June 20, 2017
 - Mid-Cycle Update, including Measure Z



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RECOMMENDATIONS

That the City Council:

1. Receive and provide input on staff's revised Measure Z spending priorities over a five-year period (presented in this report), in conjunction with separately presented Measure Z spending recommendations from the Budget Engagement Commission (BEC); and
2. Continue this item to the May 16, 2017 City Council meeting, in order for the City Council to provide direction to staff on Measure Z spending over the next five years, which will be incorporated into the City's Mid-Cycle budget update on June 13, 2017.

