

Measure Z Spending Priorities

City Manager's Office

City Council
May 16, 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.

