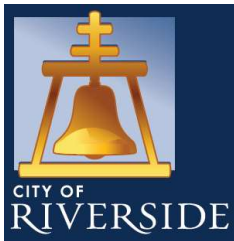


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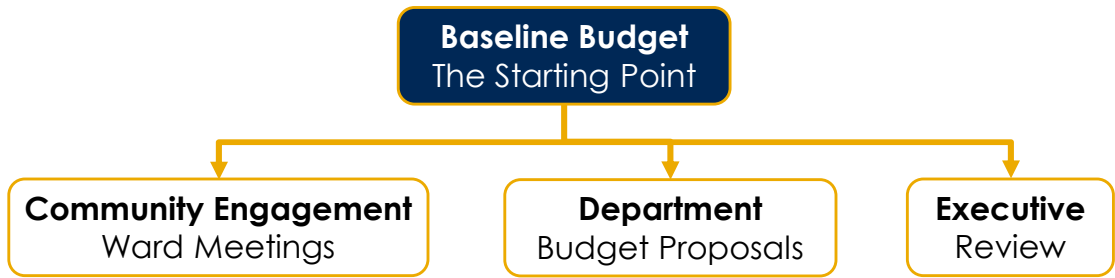
Proposed FY 2024-2026 Biennial Budget

Finance Department

City Council
May 21, 2024

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BUDGET PROCESS – THE JOURNEY SO FAR



What's Next



Engagement and feedback through public meeting bodies



Proposed budget to Council on May 21



Budget adoption on June 25




BUDGET STRATEGY

What do we need just to maintain?

What can we afford?


Where do we want to get?



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Citywide Operating Budget



6

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General City Services

City Services

Police & Fire	Housing & Homelessness	Electric
Code Enforcement	Senior Services	Water
Streets & Public Works	Economic Development	Refuse
Parks & Recreation	Library & Museums	Parking
Voting & Civic Engagement & 311	Communications	Sewer
Planning/Permitting	Community Centers	Airport
General Fund services		Enterprise Funds

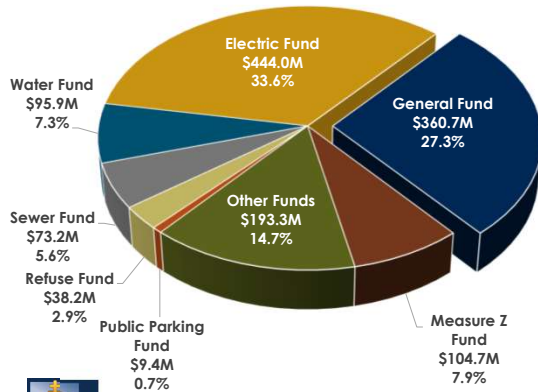


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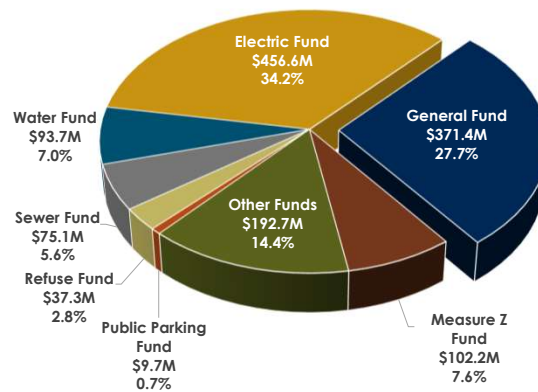
7

Citywide Operating Budget

FY 2024/25
\$1.32 Billion



FY 2025/26
\$1.34 Billion



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8

Citywide Personnel

Fund	Adopted FY 2023/24	Change	Proposed FY 2024/25*	Change	Proposed FY 2025/26	Change
101 - General Fund	1,529.90	11.00	1,585.99	45.09	1,587.99	2.00
110 - Measure Z Fund	172.00	-	173.25	1.25	173.25	-
170 - Development	3.00	-	3.00	-	3.00	-
215 - Grants and Restricted Programs	2.00	-	6.00	4.00	6.00	-
220 - CDBG-Community Development	4.00	-	4.00	-	4.00	-
260 - NPDES Storm Drain	2.00	-	2.00	-	2.00	-
280 - Housing Authority	6.00	-	7.00	1.00	7.00	-
510 - Electric	473.00	-	473.00	-	473.00	-
520 - Water	165.00	-	165.00	-	165.00	-
530 - Airport	7.00	1.00	8.00	-	8.00	-
540 - Refuse	62.00	5.00	67.00	-	67.00	-
550 - Sewer	118.00	-	121.00	3.00	121.00	-
560 - Special Transit	48.25	-	36.00	(12.25)	36.00	-
570 - Public Parking	19.00	-	23.00	4.00	23.00	-
610 - Workers' Compensation Trust	5.00	-	5.00	-	5.00	-
630 - Liability Insurance Trust	5.00	5.00	10.00	-	10.00	-
640 - Central Stores	9.00	-	9.00	-	9.00	-
650 - Central Garage	38.00	-	38.00	-	38.00	-
Grand Total	2,668.15	22.00	2,736.24	46.09	2,738.24	2.00

* Proposed FY 2024/25 total includes 22.0 FTE approved by City Council during FY 2023/24 following the June 2023 adoption of the FY 2023/24 budget. A total of 48.09 FTE are recommended to be added in the FY 2024-2026 proposed biennial budget.

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General Fund and Measure Z

10



Major Revenue Assumptions

3% FY 24/25 growth | **4%** FY 25/26 growth

 **Fees & Charges**
Adjust per study

 **Helicopter Sale**
\$2M

Council Action Needed

- Cannabis Tax
- Fees & Charges

March JPA Revenues

- \$2.7M ongoing: Property Tax, Sales Tax, Transient Occupancy Tax, Franchise Fees
- \$4.78M Land Sales revenue

 **Property taxes**

5% annual growth

 **Sales Tax**

HdL projections, 2.1%-2.9% growth

 **Water GFT Escrow**

\$8.5M to \$9.2M revenue loss

 **Cannabis Tax**

\$500K to \$1M



General Fund Five-Year Plan

(in millions)	Projected FY 2024/25	Projected FY 2025/26	Projected FY 2026/27	Projected FY 2027/28	Projected FY 2028/29
Revenue / Transfers In					
Property Taxes	\$ 92.59	\$ 97.21	\$ 102.08	\$ 107.18	\$ 112.54
Sales Tax	93.84	96.58	99.67	102.8	106.04
Cannabis Tax	0.50	1.00	1.00	1.00	1.00
Other Taxes	43.65	46.13	48.26	49.93	51.44
Licenses & Non-Developer Permits	11.96	13.00	13.95	14.43	14.92
Fees & Charges for Services	20.50	20.90	21.26	21.66	22.05
Other Financing Sources (Asset Sales)	5.13	1.65	1.65	1.65	1.65
Other Revenue	16.25	16.32	16.05	16.55	17.08
General Fund Transfer - Electric	44.88	47.02	50.55	52.92	52.33
General Fund Transfer - Water	8.52	9.18	9.83	10.53	11.26
Use of Section 115 Trust Set-Aside	4.76	4.35	2.67	2.25	2.58
Measure Z Transfer In	18.27	18.27	18.27	18.27	18.27
Total Revenues/Transfers In	\$ 360.85	\$ 371.61	\$ 385.24	\$ 399.17	\$ 411.16

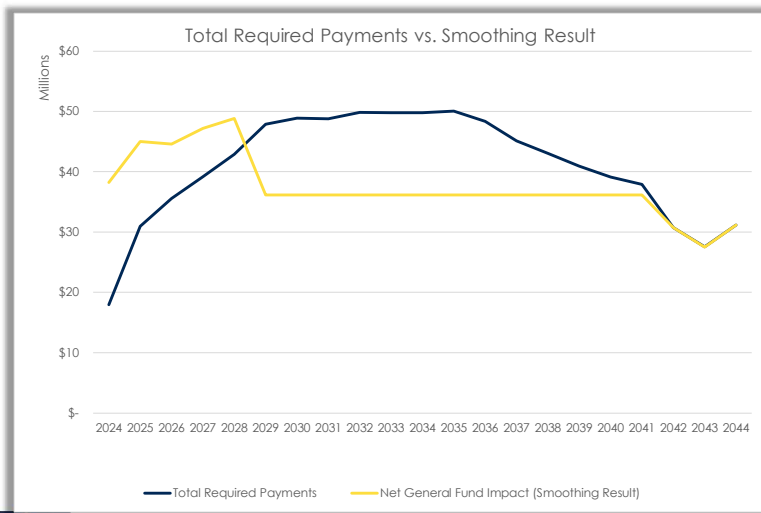


General Fund Five-Year Plan

(in millions)	Projected FY 2024/25	Projected FY 2025/26	Projected FY 2026/27	Projected FY 2027/28	Projected FY 2028/29
Expenditures / Transfers Out					
Personnel	\$ 256.93	\$ 270.42	\$ 281.79	\$ 292.40	\$ 301.80
Vacancy Factor	(15.54)	(15.89)	(16.11)	(16.35)	(16.50)
CalPERS UAL	11.38	16.57	19.46	22.37	28.18
Section 115 Trust Contribution	12.00	9.00	8.00	6.00	-
Departmental Budgets	92.95	89.71	87.43	89.84	92.28
Capital Maintenance	-	-	2.50	2.50	2.50
Debt Service	29.26	28.20	28.81	29.37	30.08
Charges to Others	(42.46)	(43.67)	(44.82)	(46.01)	(47.17)
Transfers to Other Funds	7.81	8.10	8.35	8.52	8.73
Water GFT Escrow	8.52	9.18	9.83	10.53	11.26
Total Expenditures/Transfers Out	\$ 360.85	\$ 371.62	\$ 385.24	\$ 399.17	\$ 411.16
Five-Year Financial Plan Surplus/(Deficit)	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00



Section 115 Trust



Smoothing Strategy

- Limited time to plan/contribute
- \$21M contributions in preliminary budget, \$35M through FY 27/28
- Smooths annual payments to \$36.17M
- Offsets annual fiscal impact >\$11.7M



General Fund Reserves

	Beginning Balance (FY 23/24 Q2)	Proposed Adds/Uses	Projected Ending Balance
General Fund			
Emergency Reserve (15%)	\$ 49.06	\$ -	\$ 49.06
Contingency Reserve (5%)	16.36	-	16.36
Infrastructure Reserve (Projected)	18.29	(11.49)	6.80
Technology Reserve	5.00	-	5.00
Insurance Reserve	2.00	(2.00)	-
Section 115 Trust Set-Aside (Projected)	35.00	(9.11)	25.89
Total General Fund	\$ 125.71	\$ (22.60)	\$ 103.11
Other General Funds			
Section 115 Trust Fund	\$ 32.72	\$ 41.26	\$ 73.98
Measure Z Policy Reserve	5.00	-	5.00
Total Reserves – All General Funds	\$ 163.43	\$ 18.66	\$ 182.09

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Measure Z Spending Plan

(in millions)	Projected FY 2023/24	Projected FY 2024/25	Projected FY 2025/26	Projected FY 2026/27	Projected FY 2027/28	Projected FY 2028/29
Revenue	80.53	84.52	87.00	89.80	92.65	95.59
Expenditures	(87.59)	(104.47)	(101.79)	(99.99)	(97.32)	(94.83)
Encumbrances & Carryovers						
Net Change in Fund Balance	(7.06)	(19.95)	(14.79)	(10.19)	(4.67)	0.76
Beginning Available Balance	58.98	51.92	31.97	17.18	6.99	2.32
Net Change in Fund Balance	(7.06)	(19.95)	(14.79)	(10.19)	(4.67)	0.76
Policy Reserve						
Ending Available Balance	51.92	31.97	17.18	6.99	2.32	3.08

The Measure Z Policy Reserve of \$5M is maintained outside of the Spending Plan.

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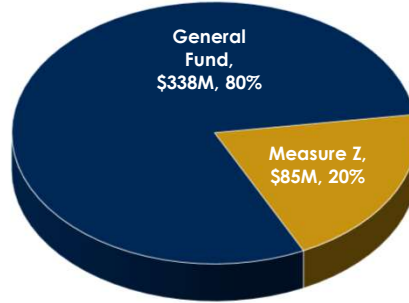


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Measure Z Fiscal Impact

FY 2024/25 Proposed Budget

Measure Z provides 20% of combined projected revenues.



The Measure Z transfer to the General Fund (\$18.3M) accounts for more than 5% of General Fund revenue and helps to sustain General Fund operations.

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Expenditures Overview

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Combined General Fund Budget – FY 2024/25

Measure Z is tracked separately but is a part of the General Fund.

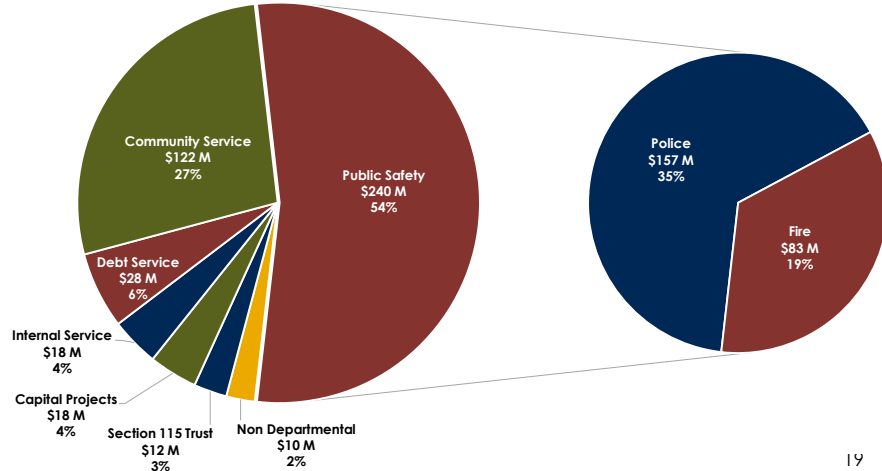
Combined

TOTAL
\$447M

General Fund
\$361M

Measure Z
\$86M

General Fund Budget by Department Type



Combined General Fund Budget – FY 2025/26

Measure Z is tracked separately but is a part of the General Fund.

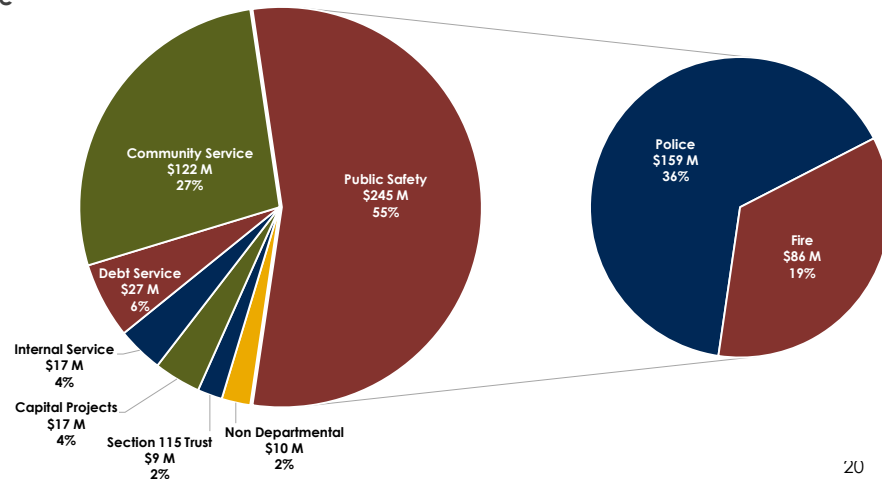
Combined

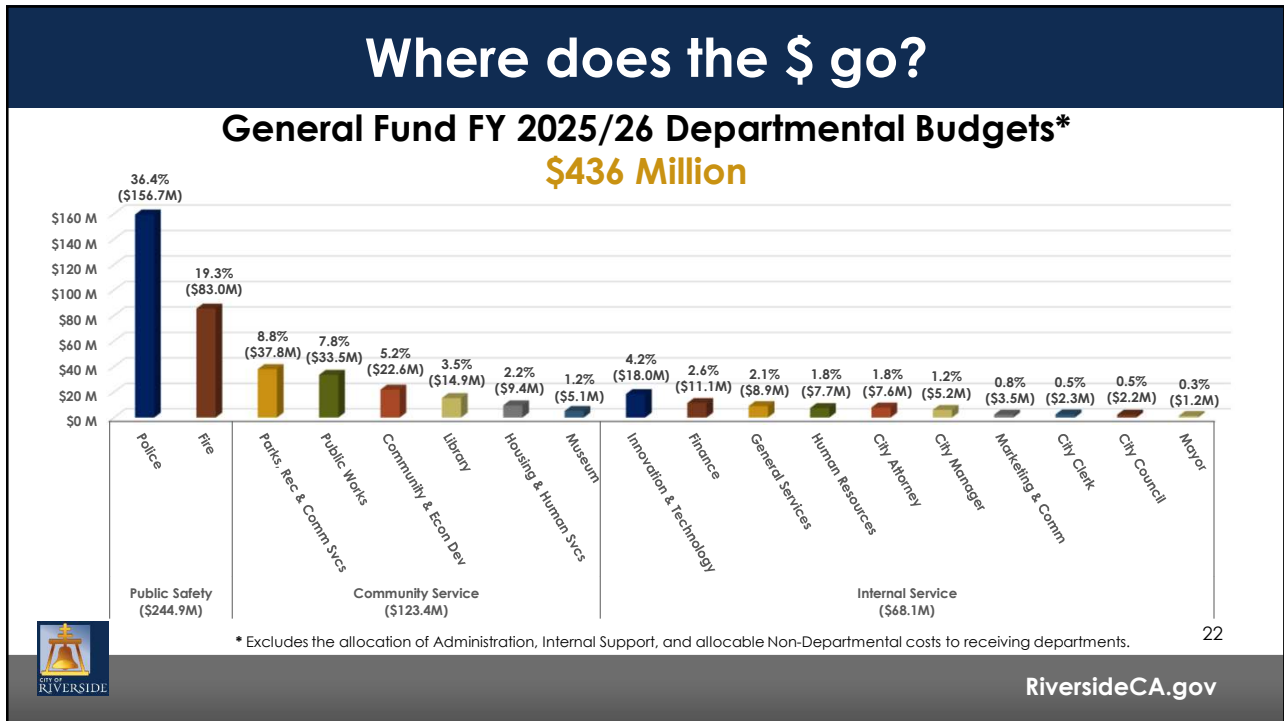
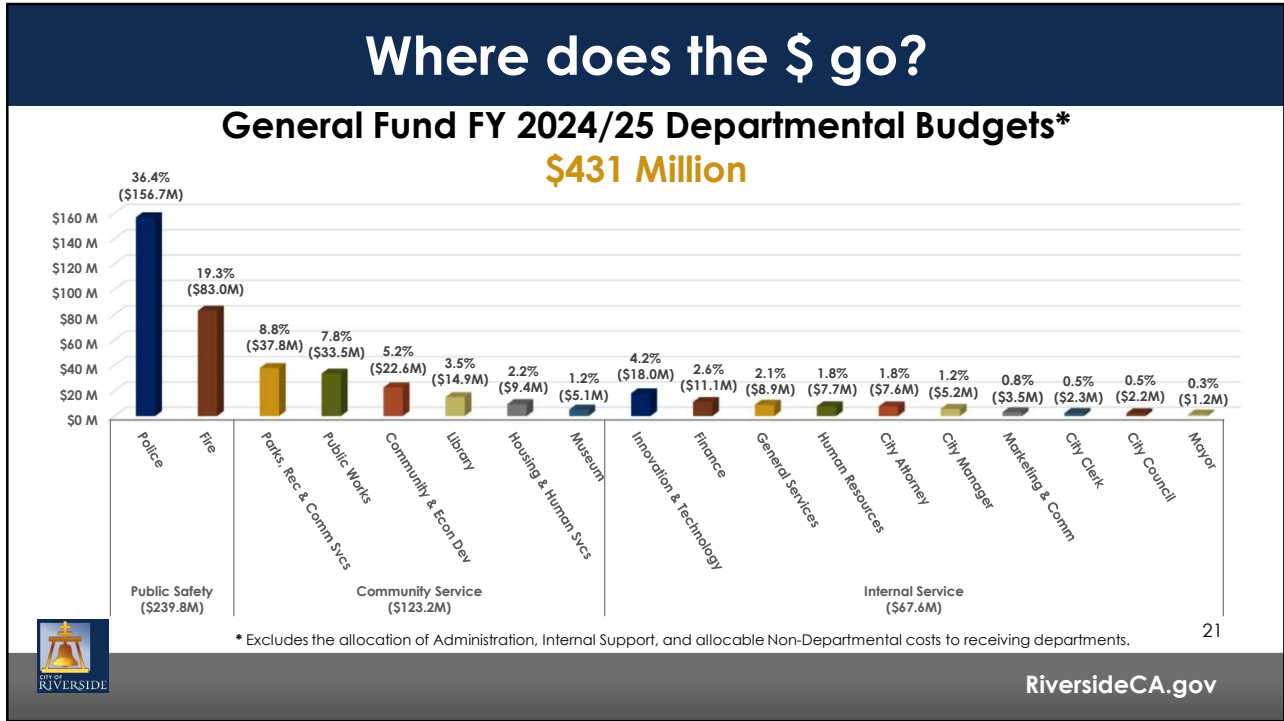
TOTAL
\$448M

General Fund
\$364M

Measure Z
\$84M

General Fund Budget by Department Type

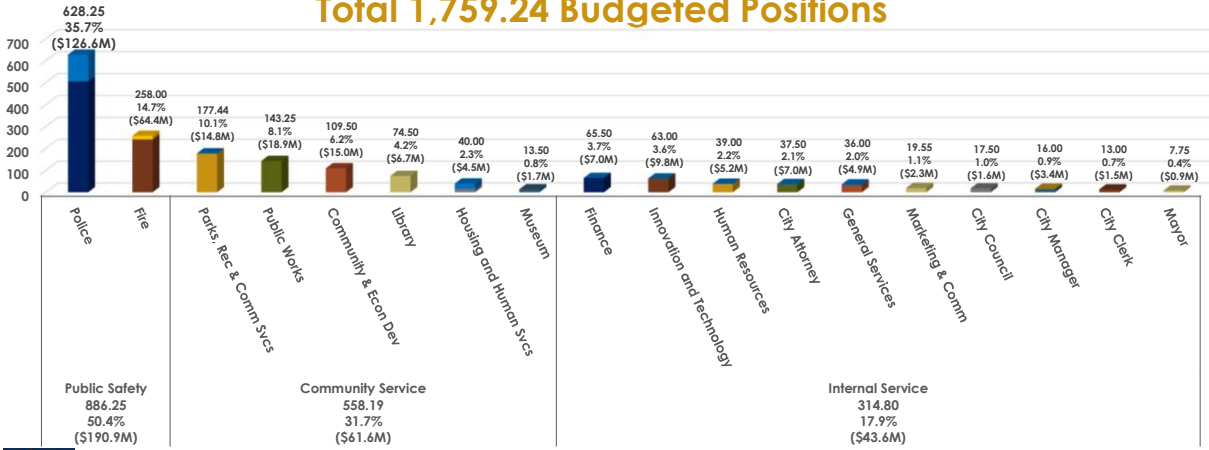




Who provides the services?

Positions by Department – FY 2024/25

Total 1,759.24 Budgeted Positions



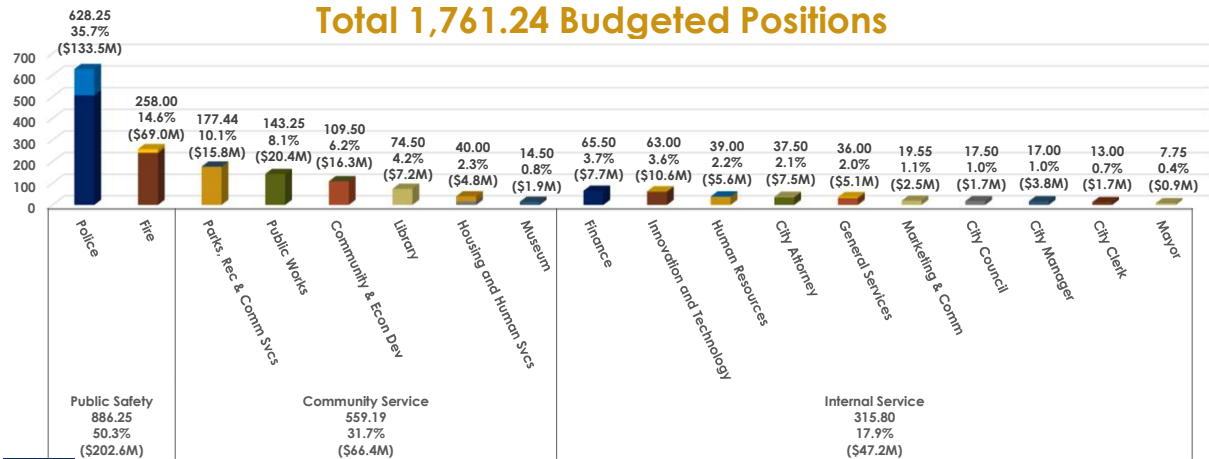
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Who provides the services?

Positions by Department – FY 2025/26

Total 1,761.24 Budgeted Positions



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Departmental Budgets General Fund (Combined Presentation)

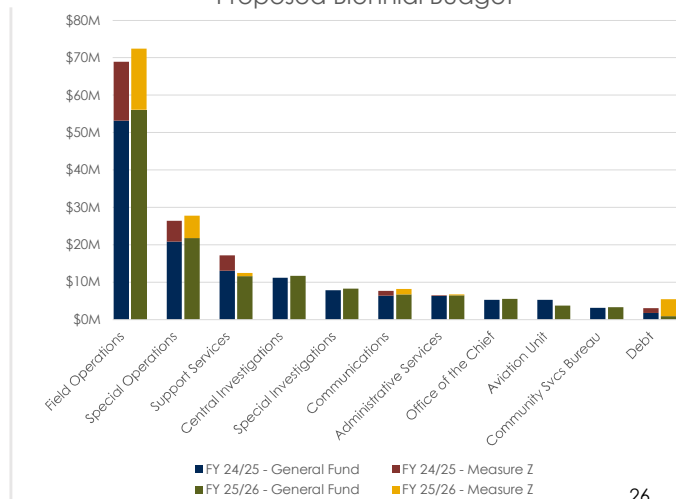


Police

Major Changes to Budget

- New Police Radios \$5.3M partially offset by projected \$2M sale of helicopters
- Range & Firearms Training – 0.25 FTE increase
- Emergency Response – 1.0 FTE Programmer Analyst

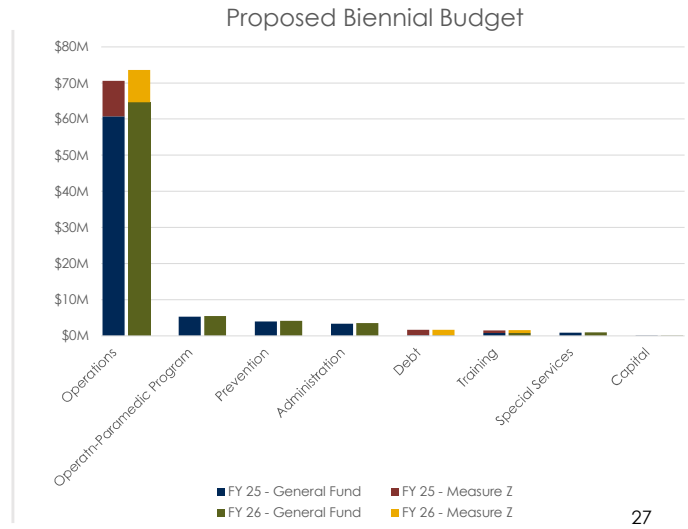
Proposed Biennial Budget



Fire

Major Changes to Budget

- Administration & Operations Personnel – 10.0 FTE increase
- First Watch Implementation – Capturing Realtime Data & Motorola Upgrade
- Westnet First-In Altering System Upgrade
- Computer Replacement Plan



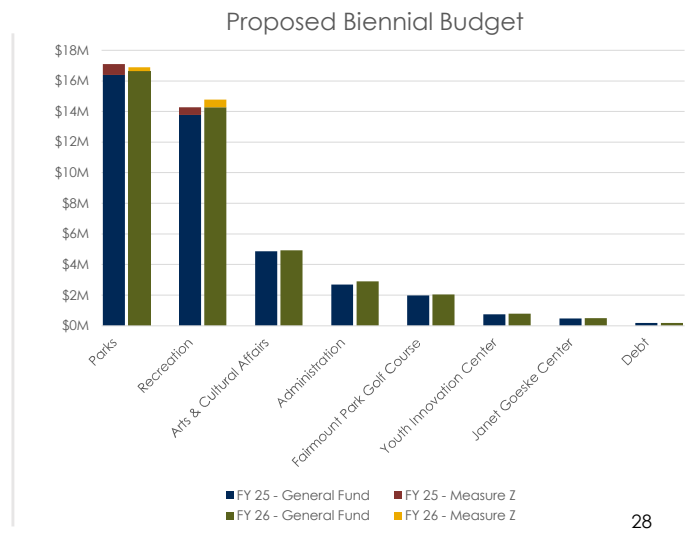
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Community & Economic Development

Major Changes to Budget

- Move Arts & Cultural Affairs to Parks, Recreation & Community Services
- One-Stop Shop Software Refresh
- Ohmio Inc Autonomous All-Electric Shuttles Impact Studies & Strategic Plans
- 2.0 FTEs – Real Property Agent & 2nd Deputy Director



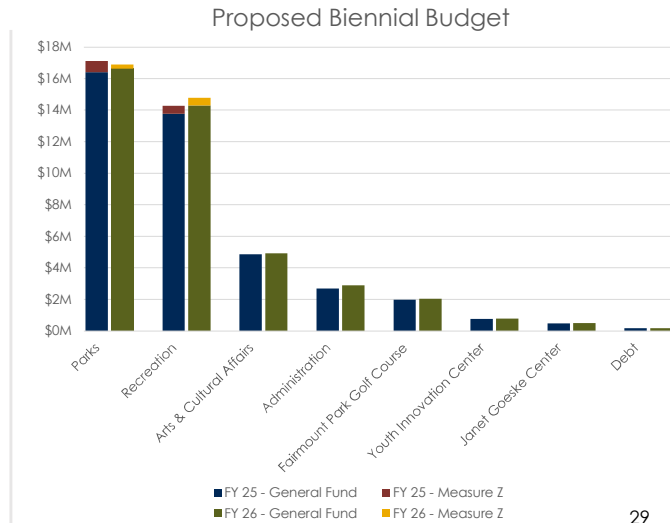
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Parks, Recreation & Community Services

Major Changes to Budget

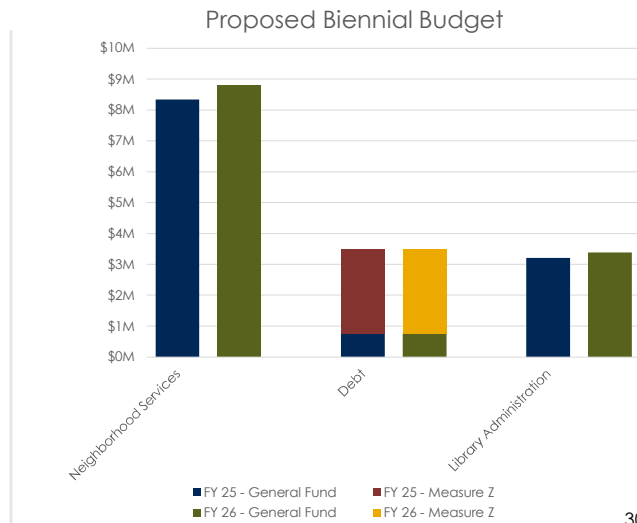
- Welcoming Arts & Cultural Affairs to PRCSD
- 13.34 FTE Additions
- Senior & Disabled Programming
- Arts Grants Funding
- Community Events



Library

Major Changes to Budget

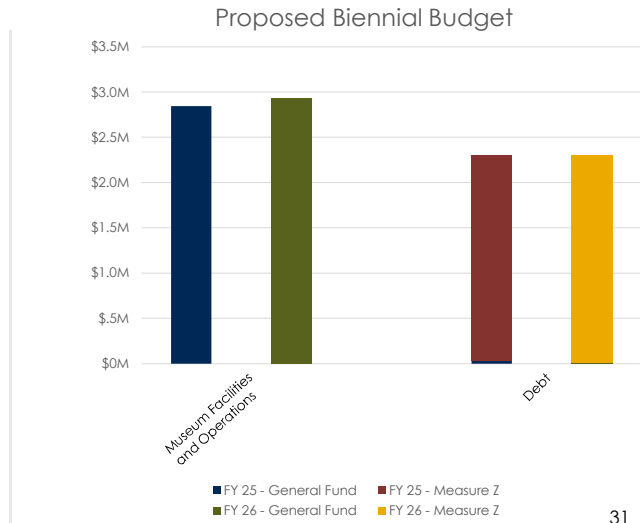
- \$500,000 Increase to Library Materials
 - Per capita amount increases from \$1.23 to \$2.80 per resident
 - State average \$5.31 per capita
- 6.5 FTE Additional Staffing
 - Expand Library programs
 - Technology Support



Museum of Riverside

Major Changes to Budget

- 100th Anniversary Gala
 - Sponsorship and ticket sales anticipated
- Overtime funding to support after-hours and weekend events and programs
- Web developer in Marketing – 50%
- 1.0 FTE in FY 2025/26 - Marketing & Outreach Coordinator



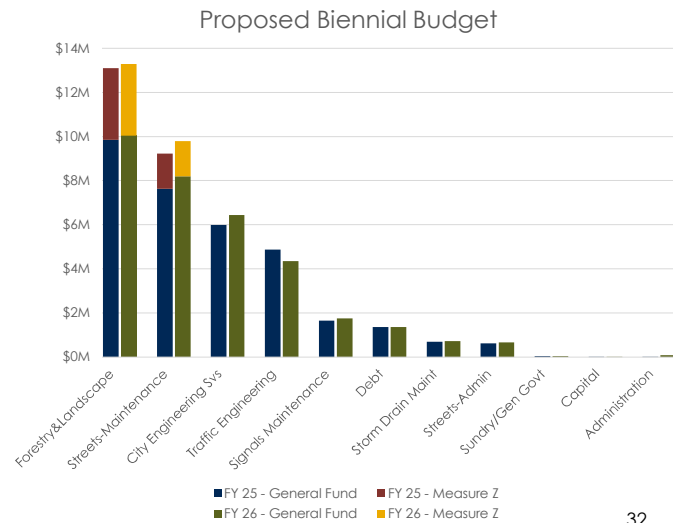
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Public Works

Major Changes to Budget

- Landscape Maintenance
 - Medians and general
- Removeable Bollards – community safety enhancement
- Traffic Signal Cabinet Art Project
- 4.25 FTE increase – landscape, storm drain, transportation planning, signal maintenance, traffic



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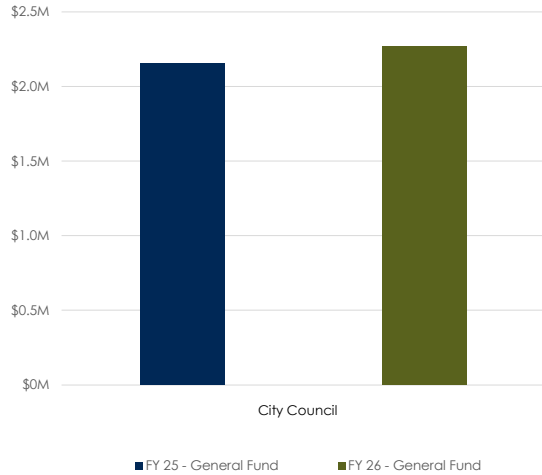
City Council

Budget Highlights

- Personnel: 17.50 FTE
 - 1.50 FTE Council Assistants per Council member
- Ward-specific Non-Personnel Budgets:

Item	FY 2024/25	FY 2025/26
Periodicals & Dues	\$ 2,031	\$ 2,092
Office Expense	6,000	6,000
Travel/Meeting	5,000	5,150
Total	\$ 13,031	\$ 13,422

Proposed Biennial Budget



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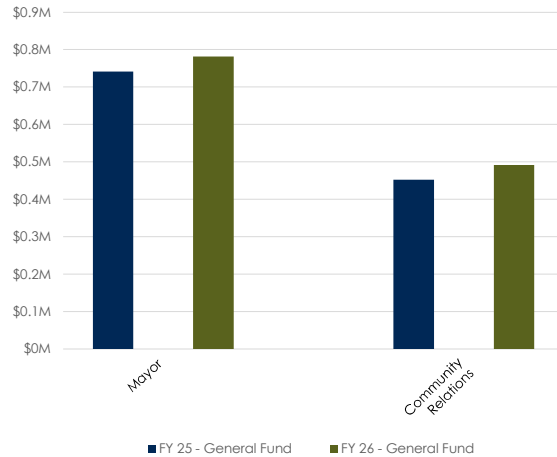
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Mayor

Budget Highlights

- Advocacy
 - \$300M+ State/Federal support
 - 400+ letters of support
- Public Policy
 - Reformed mental healthcare laws, first in 50+ years
- Community Relations:
 - 1300+ certificates
 - 200+ Proclamations
 - 11,000+ Calls for services
 - 500+ Public events/outreach
 - 25+ Delegation visits

Proposed Biennial Budget



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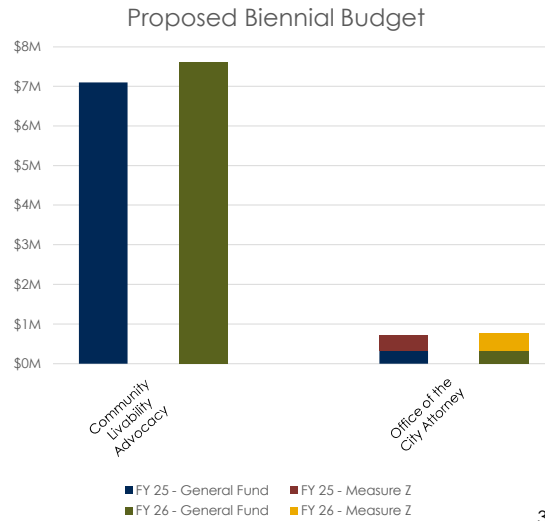


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City Attorney

Major Changes to Budget

- Added 1.0 FTE Legal Secretary; offset with elimination of 0.5 FTE Law Clerk.
- Software investment to increase efficiency and enhance customer service levels to client departments.



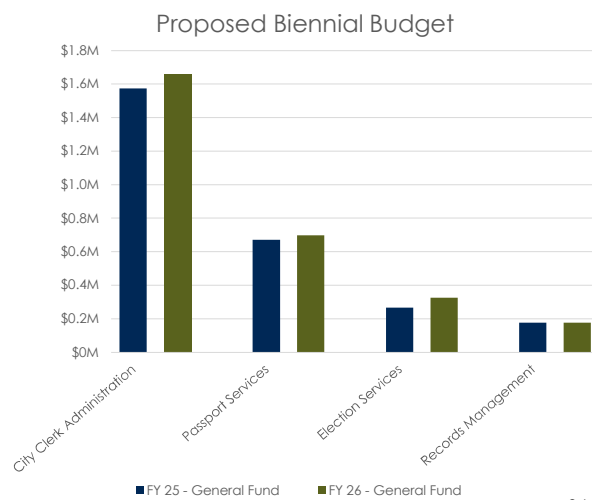
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City Clerk

Major Changes to Budget

- Recodification of the Riverside Municipal Code
- 1.0 FTE - Records Manager
- Election - November 5, 2024, for Inspector General Ballot Measure
- Election – June 2, 2026, for Wards 2, 4, and 6 City Council Seats



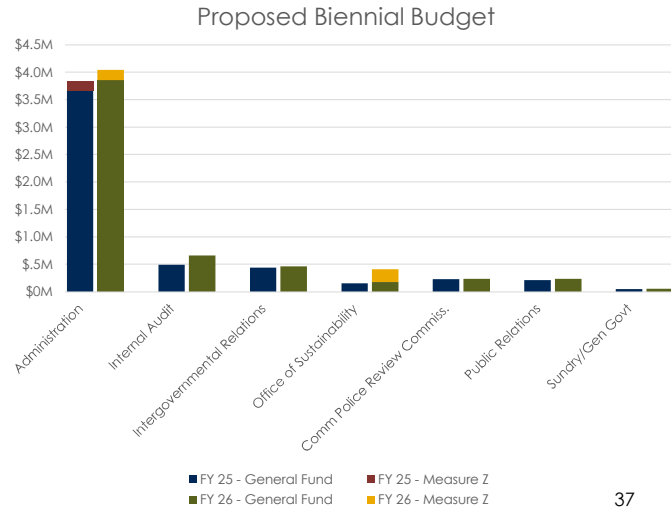
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City Manager

Major Changes to Budget

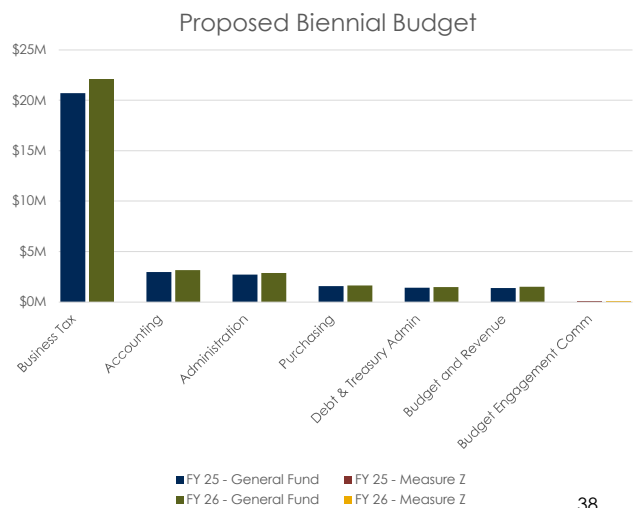
- Extract Marketing & Communications Division → New Department (17.55 FTE)
- 1.0 FYE Administrative Analyst – grant support
- 1.0 FTE Senior Internal Auditor – FY 2025/26



Finance

Major Changes to Budget

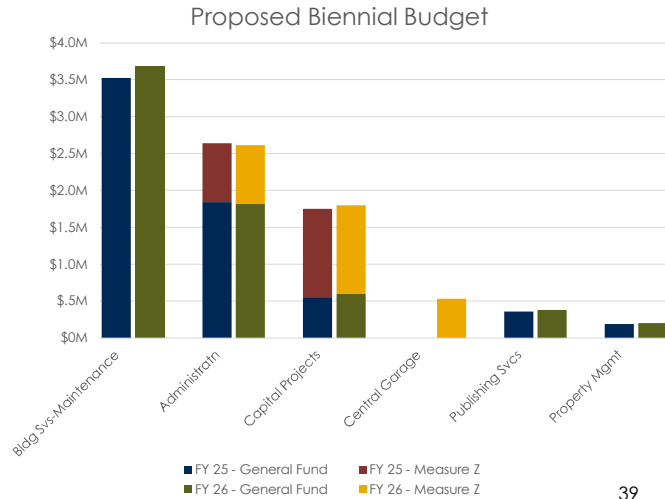
- Budget Office – 2.0 FTE Principal Management Analysts – new revenue generation, cost savings opportunities
- Purchasing – 4.0 FTE
 - Local Vendor Preference Policy
 - Disadvantaged Business Enterprises
 - Vendor Management
 - Contract Lifecycle Management
- Treasury – 0.50 FTE, workload balancing



General Services

Major Changes to Budget

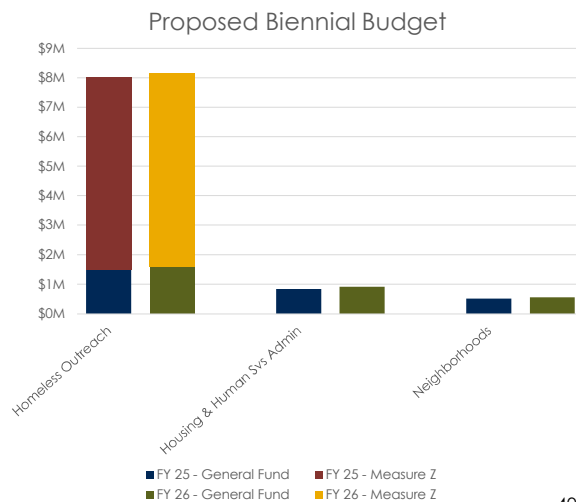
- 1.0 FTE General Service Worker dedicated to Fire Department support
- Measure Z Increase from \$1.5M to \$4M:
 - \$500,000 Deferred Maintenance
 - \$800,000 Repairs & Maintenance
 - \$1,200,000 Facilities Capital Maintenance



Housing & Human Services

Major Changes to Budget

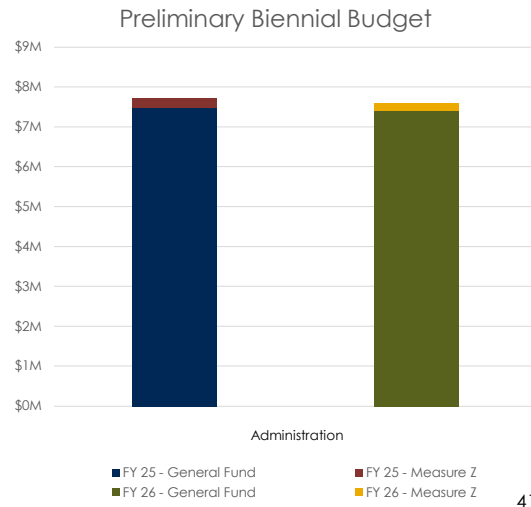
- Homeless Services – new ADA van
- Access Center Security – cover extended weekend hours
- PSET lease – Centralize staff and accommodate new partners
- Special Program budget refinement



Human Resources

Major Changes to Budget

- Talent Management / Learning Management System
- Employee Experience
 - Succession Planning
 - Career Development
 - Employee Engagement
 - Employee Training
- Essential Job Functions Analysis
- Pre-employment Physicals and Drug Screening

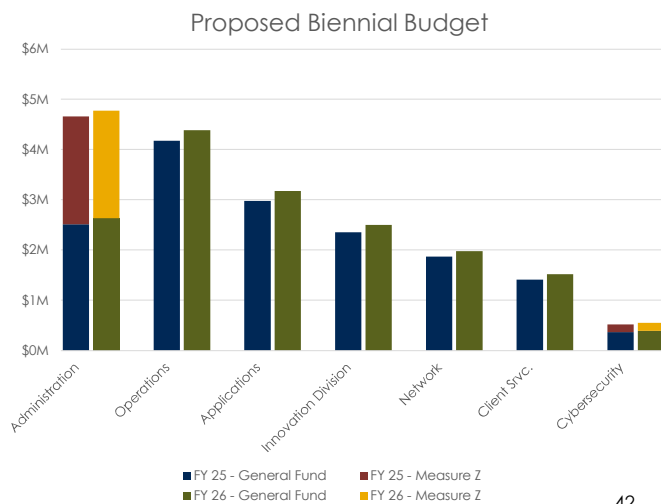


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Innovation & Technology

Major Changes to Budget

- 10-15% increases to software subscriptions (vs. 5% in the past)
- Technology Upgrade/ Replacement - \$800,000 for hardware and software nearing end-of-life.



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NEW - Marketing & Communications

Major Changes to Budget

- NEW - Department of Marketing and Communications
- Visit Riverside - A Destination Marketing Campaign
- Economic Development Brand Audit and Strategic Marketing Efforts
- RiversideTV Content Curation
- 1.0 FTE Deputy Director



BACKGROUND

2015
9 FTE



The Marketing and Communications function separated from Economic Development and became housed in the **Office of the City Manager**.

2020
15 FTE /
2.55 PT



COVID-19 dramatically **increases online broadcast of all City meetings**, public communications, and increased demand for Marketing & Communications.

2023
15 FTE /
2.55 PT



Mission expansion of Marketing & Communications to include a greater role in Economic Development, RiversideTV, crisis communications, branding, social media, City events, tourism, and the external promotion of Riverside.



2024
17 FTE /
2.55 PT

Creation of standalone **Department of Marketing & Communications (MarComm)**, providing greater transparency of activities and budget allocations/expenditures, and focused leadership on branding the City, Economic Development, and connecting with community members.



AREAS OF EXPERTISE



Graphic Design



Social Media



RiversideTV



Photography



Email Marketing



Website



RPU Project Communication



Community Calendar



Electronic Signs



Media Relations



Local Outreach



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COMMUNICATIONS



~1,060 Graphics Projects



365,000 Subscribers



42% Email Engagement Rate



577 Total Video Productions

350

Meetings Broadcasted

152 Other Videos

75 Live Feeds

35

Football Games



7M+ Webpage Views



20,004,083 Social Media Reach
Across All Social Media Accounts

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MARCOMM STRATEGIC GOALS



Brand Development and Enhancement



Economic Development Promotion



Digital Presence and Social Media Management



Media Innovation and Expansion



Tourism Promotion and Destination Branding



Data Analytics and Performance Metrics



Human Capital Expansion for External Collaboration



Major Enterprise Funds



Proposed Operating Budgets

MAJOR ENTERPRISE FUNDS – OPERATING			
(in millions)	Incoming Resources	Outgoing Resources	Surplus / (Deficit)
FY 2024/25			
Electric	\$ 453,619,700	\$ 444,014,486	\$ 9,605,214
Water	98,854,300	95,912,284	2,942,016
Refuse	34,900,693	38,212,068	(3,311,375)
Sewer	82,636,717	73,227,471	9,409,246
Public Parking	10,428,349	9,436,845	991,504
Total	\$ 680,439,759	\$ 660,633,143	\$ 19,806,616
FY 2025/26			
Electric	\$ 485,525,800	\$ 456,572,915	\$ 28,952,885
Water	106,536,475	93,718,471	12,818,004
Refuse	37,045,592	37,267,501	(221,909)
Sewer	78,333,474	75,055,389	3,278,085
Public Parking	11,181,798	9,713,870	1,467,928
Total	\$ 718,623,139	\$ 672,103,558	\$ 46,519,581

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Electric Fund

Budget Highlights

- Operating Gain
 - FY 24/25: \$9.6M
 - FY 25/26: \$29.0M
- Use of Bond Proceeds
 - FY 24/25: \$47.1M
 - FY 25/26: \$49.0M
- Reserves
 - Will fall below minimum levels, recover FY 26/27 – consistent with approved rate plan
 - Designated Dark Fiber

Proposed Biennial Budget



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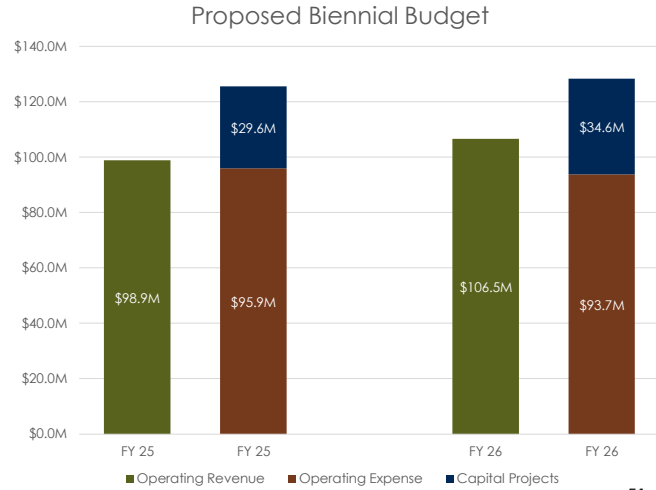


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Water Fund

Budget Highlights

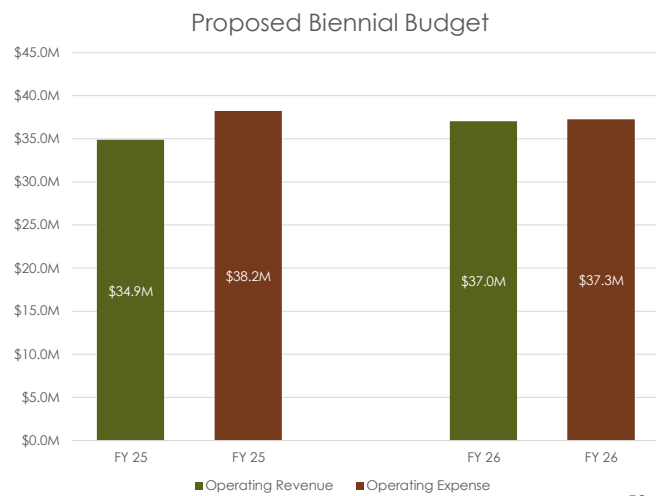
- Operating Gain
 - FY 24/25: \$2.9M
 - FY 25/26: \$12.8M
- Use of Bond Proceeds
 - FY 24/25: \$21.0M
 - FY 25/26: \$30.1M
- Reserves
 - Will remain within policy levels



Refuse Fund

Budget Highlights

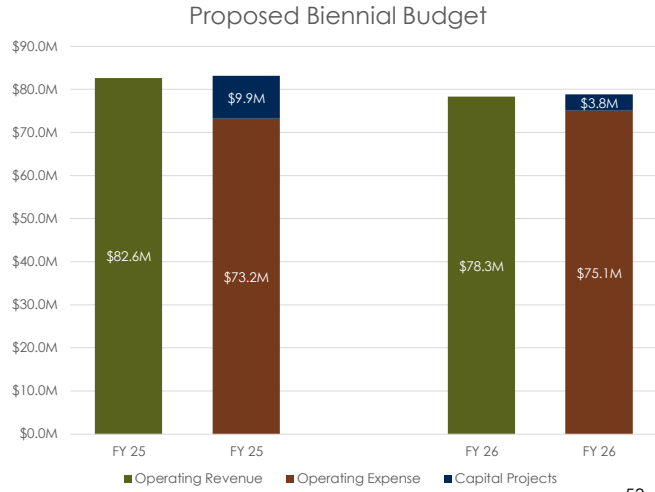
- Operating Projection
 - FY 24/25: \$3.3M deficit
 - FY 25/26: \$210,000 deficit
- RubiconSmartCity Solid Waste Technology
- Tequesquite Landfill - \$1.5M
- Reserves
 - Drawdown in both budget years
 - Breakeven projected in FY 26/27 (three years)



Sewer Fund

Budget Highlights

- Operating Gain
 - FY 24/25: \$9.4M
 - FY 25/26: \$3.3M
- Rising Costs
 - Chemical supplies
 - Biosolids removal and transport
- Reserves
 - Will remain with policy levels
 - FY 24/25: \$462,000 drawdown
 - FY 25/26: \$467,000 drawdown



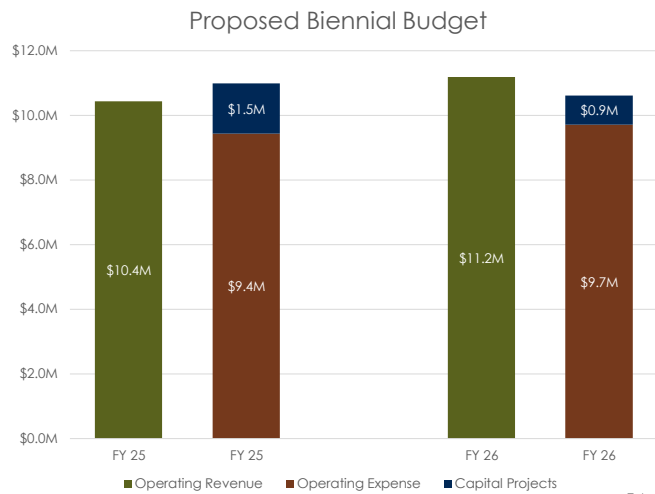
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Public Parking Fund

Budget Highlights

- Operating Gain
 - FY 24/25: \$1.0M
 - FY 25/26: \$1.5M
- "Parking Your Way" program
 - Presents both higher revenues and higher costs
 - Add 4.0 FTE
- Reserves
 - FY 24/25: \$544,000 drawdown
 - FY 25/26: \$570,000 increase



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Capital Budget

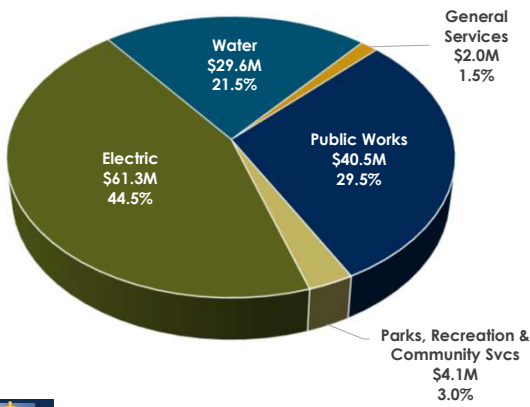


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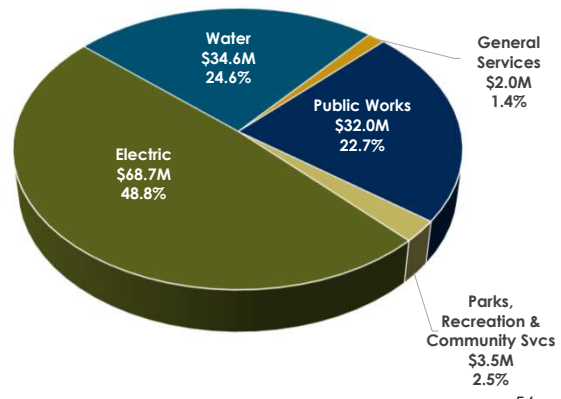
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Proposed Biennial Capital Budget

FY 2024/25
\$137.47 Million



FY 2025/26
\$140.79 Million



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Major CIP Projects

FY 2024/25

 **86** Projects Budgeted:



30 Electric Projects



25 Transportation Projects (Street, Sidewalk, Bridge, & Traffic Maintenance & Improvements)



9 Public Parking Projects (Maintenance & Improvements)



12 Water Projects



3 Sewer Projects



7 Other Projects (Parks, Buildings, Facilities, Storm Drains, & Railroads)



FY 2025/26

 **75** Projects Budgeted:



28 Electric Projects



23 Transportation Projects (Street, Sidewalk, Bridge, & Traffic Maintenance & Improvements)



2 Public Parking Projects (Maintenance & Improvements)



13 Water Projects



4 Sewer Projects



5 Other Projects (Parks, Buildings, Facilities, Storm Drains, & Railroads)

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Recommendations

That the City Council:

1. Receive and provide input on the proposed Fiscal Year ~~2022-2024-~~ **2026** Biennial Budget; and
2. Set a public hearing date for adoption of the proposed Fiscal Year ~~2022-2024-~~ **2026** Biennial Budget on June 25, 2024.



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