



UPDATE ON COUNCIL-APPROVED MID-CYCLE AMENDMENT TO FISCAL YEAR 2019/20 BUDGET

Finance Department

Budget Engagement Commission
July 11, 2019

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BACKGROUND

1. May 20, 2019: Proposed FY 2019/20 Budget Amendments presented to BEC for discussion and feedback.
 - A. No recommendations for Council consideration
2. May 21, 2019: Proposed FY 2019/20 Budget Amendments presented to City Council for discussion and feedback
 - A. No major adjustments recommended
3. June 18, 2019: City Council approved staff's recommendations to adopt the proposed 2019/20 Budget Amendments and other items.



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CITYWIDE FY 2019/20 BUDGET OVERVIEW

	Adopted Budget	Proposed Adjustments	Amended Budget
Revenues	\$ 1,079,167,639	\$ 13,777,789	\$ 1,092,945,428
Expenditures	1,115,893,012	13,843,349	1,129,736,361
Net*	\$ (36,725,373)	\$ (65,560)	\$ (36,790,933)

*Strategic use of reserves in certain enterprise funds are being used to bridge the shortfalls.



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GENERAL FUND OVERVIEW

Summary of FY 2018/20 Biennial Budget & Proposed Adjustments				
	FY 2018/19 Adopted	FY 2019/20 Adopted	FY 2019/20 Adjustments	FY 2019/20 Amended
Revenues	\$270,070,218	\$280,999,020	\$(1,862,605)	\$279,136,415
Expenditures	268,834,151	282,235,032	(1,862,605)	280,372,427
Total	\$1,236,067	\$(1,236,012)	\$-	\$(1,236,012)



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GENERAL FUND 5 YEAR FORECAST

General Fund	Year 1 FY 2018/19 Projected	Year 2 FY 2019/20 Amended	Year 3 FY 2020/21 Projected	Year 4 FY 2021/22 Projected	Year 5 FY 2022/23 Projected
Beginning Reserve	\$ 59,197,900	\$ 60,433,966	\$ 59,197,954	\$ 42,040,754	\$ 19,930,354
Revenues	271,170,217	279,136,415	276,758,200	279,967,100	284,677,000
Expenditures	269,934,151	280,372,427	293,915,400	302,077,500	312,094,900
Surplus/(Deficit)	1,236,066	(1,236,012)	(17,157,200)	(22,110,400)	(27,417,900)
Ending Reserve	\$ 60,433,966	\$ 59,197,954	\$ 42,040,754	\$ 19,930,354	\$ (7,487,546)
% Reserve*	21.9%	21.6%	20.1%	13.9%	6.4%

* Beginning Reserve/Expenditures

This Forecast includes updated figures from the June 2018 Five Year Forecast based on actual costs, City Council approved supplemental amounts and adjustments throughout FY 2018/2019. It **does not include** any additional funding allocations from Measure Z outside of the adopted budget and approved spending plan which includes planned, but not encumbered expenses.



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MEASURE Z FIVE YEAR SPENDING PLAN

	Year 1 FY 2016/17 Actual	Year 2 FY 2017/18 Actual	Year 3 FY 2018/19 Projected	Year 4 FY 2019/20 Projected	Year 5 FY 2020/21 Projected
Beginning Balance	\$ -	\$ 2,632,981	\$ 12,258,553	\$ 7,804,650	\$ 7,765,449
Revenues	12,606,428	56,250,398	58,200,000	59,100,000	59,690,000
Expenditures	9,973,447	46,624,826	57,653,903	59,139,201	55,575,472
Surplus/(Deficit)	2,632,981	9,625,572	546,097	(39,201)	4,114,528
Reserve	-	-	5,000,000	-	-
Ending Balance	\$ 2,632,981	\$ 12,258,553	\$ 7,804,650	\$ 7,765,449	\$ 11,879,977



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MISCELLANEOUS CITY FUNDS

1. New Grants and Restricted Programs fund
 Certified Unified Program Agencies (CUPA) moved from General Fund to new Grants fund
2. Debt Service Fund
 Measure G/Fire Bond property tax revenue and debt activity moved here
3. Special Gas Tax & Measure A: \$2.1 million additional revenue
4. Workers' Compensation Trust: \$391K for rising mandated costs and claims costs



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SEWER FUND OVERVIEW

Summary of FY 2019/20 Proposed Mid-Cycle Adjustments

Category	Adopted Budget	Proposed Adjustments	Amended Budget	% Amended
Revenues and Transfers In	\$67,552,100	\$887,338	\$68,439,438	1.3%
Expenditures and Transfers Out	71,555,155	(6,646,350)	64,908,805	(9.3%)
Use of Reserves	\$(4,003,055)	\$7,533,688	\$3,530,633	(188.2%)

Overview:

1. Refinancing of 2009B Sewer Bonds significantly reduced expenditures and eliminated projected draw on reserves in FY 2019/20
2. Improved revenues in commercial & residential



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REFUSE FUND OVERVIEW

Summary of FY 2019/20 Proposed Mid-Cycle Adjustments				
Category	Adopted Budget	Proposed Adjustments	Amended Budget	% Amended
Revenues and Transfers In	\$23,096,435	\$2,345,530	\$25,441,965	10.2%
Expenditures and Transfers Out	26,191,876	593,109	26,784,985	2.3%
Use of Reserves	\$(3,095,441)	\$1,752,421	\$(1,343,020)	(56.6%)

Overview:

1. 18-month rate plan (through June 2020) approved by City Council
2. Disposal fee increase approved by Council; includes CIP adjustments and one-time extraordinary costs



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PUBLIC PARKING FUND OVERVIEW

Summary of FY 2019/20 Proposed Mid-Cycle Adjustments				
Category	Adopted Budget	Proposed Adjustments	Amended Budget	% Amended
Revenues and Transfers In	\$6,649,218	\$364,593	\$7,013,811	5.5%
Expenditures and Transfers Out	6,833,697	(31,147)	6,802,550	(0.5%)
Use of Reserves	\$(184,479)	\$395,740	\$211,261	(214.5%)

Overview:

Adopted budget excluded revenue from Garage 3 due to anticipated sale. This sale is no longer planned, so Garage 3 revenues have been reinstated for FY 2019/20 amended budget.



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ELECTRIC FUND OVERVIEW

Summary of FY 2019/20 Proposed Mid-Cycle Adjustments

Category	Adopted Budget	Proposed Adjustments	Amended Budget	% Amended
Revenues and Transfers In	\$394,686,484	\$(3,309,000)	\$391,377,484	(0.8%)
Use of Bond Proceeds for Capital	27,586,000	-	27,586,000	0 %
Expenditures and Transfers Out	449,005,362	7,266,300	456,271,662	1.6%
Use of Reserves	\$(26,732,878)	\$(10,575,300)	\$(37,308,178)	39.6%

Proposed budget adjustments are primarily in the area of:

1. power supply
2. safety
3. operating efficiency



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WATER FUND OVERVIEW

Summary of FY 2019/20 Proposed Mid-Cycle Adjustments

Category	Adopted Budget	Proposed Adjustments	Amended Budget	% Amended
Revenues and Transfers In	\$81,706,486	\$-	\$81,706,486	- %
Use of Bond Proceeds for Capital	12,899,000	5,098,000	17,997,000	39.5%
Expenditures and Transfers Out	94,186,907	7,830,088	102,016,995	8.3%
Use of Reserves	\$418,579	\$(2,732,088)	\$(2,313,509)	(652.7)%

Proposed budget adjustments are primarily in the area of:

1. replacing critical infrastructure
2. professional services



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COUNCIL APPROVALS

That the City Council:

1. Conduct a public hearing on the City of Riverside's Proposed FY 2019/20 Amended Budget and Amended 2019-2024 Five-Year Capital Improvement Plan;
2. Adopt the resolution approving the Amended FY 2019/20 Budget and Amended 2019-2024 Five-Year Capital Improvement Plan; and



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COUNCIL APPROVALS

3. Adopt a resolution approving the amended Master Fees and Charges, including updated fees and charges of Library and Public Works Departments, and authorize the Chief Financial Officer/Treasurer to make any minor non-substantive changes to the Schedule that do not affect the fees; and
4. Delegate investment responsibility to the Chief Financial Officer/Treasurer beginning July 1, 2019 through June 30, 2020.



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BEC RECOMMENDATIONS

That the Budget Engagement Commission receive an update on the Council-approved mid-cycle amendment to the FY 2019/20 Budget.

