

Fiscal Year 2015/16 Annual Budget Adoption

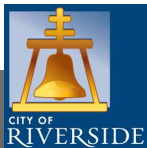
Finance Department

**City Council
June 23, 2015**

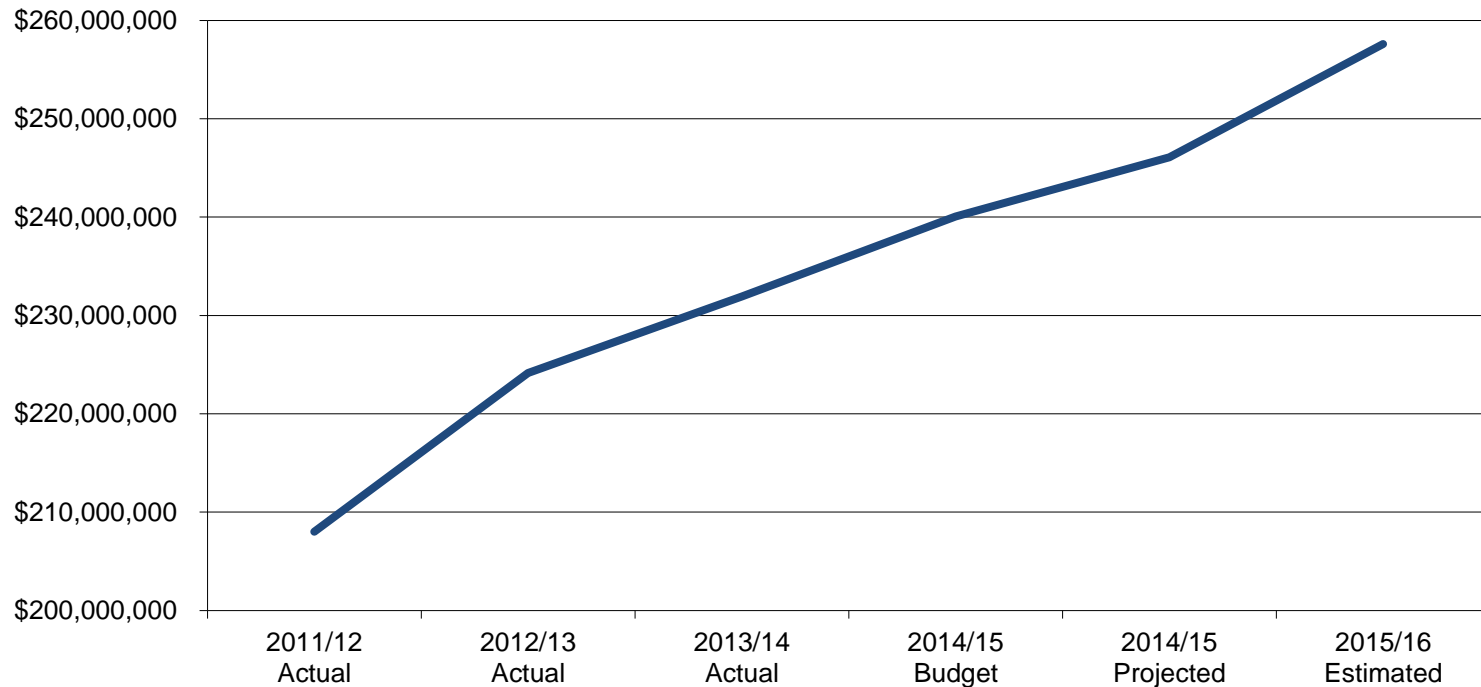
2015/16 PROPOSED BUDGET

	<u>Citywide</u>	<u>General Fund</u>
2014/15 Adopted	\$ 916.6 Million	\$ 240.1 Million
2015/16 Proposed	<u>\$ 983.0 Million</u>	<u>\$ 256.6 Million</u>
Change	\$ 66.4 Million	\$ 16.5 Million

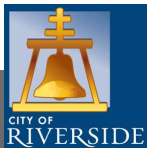
- The citywide budget increase is primarily due to the larger General Fund budget and routine fluctuations in the budget for various capital projects funds
- Responses to various questions posed by the City Council at the public hearing are included in the staff report



FIVE YEAR GENERAL FUND REVENUE TREND

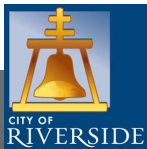


Projected Fiscal Year 2014/15: \$246.1 Million
Budgeted Fiscal Year 2015/16: \$257.6 Million

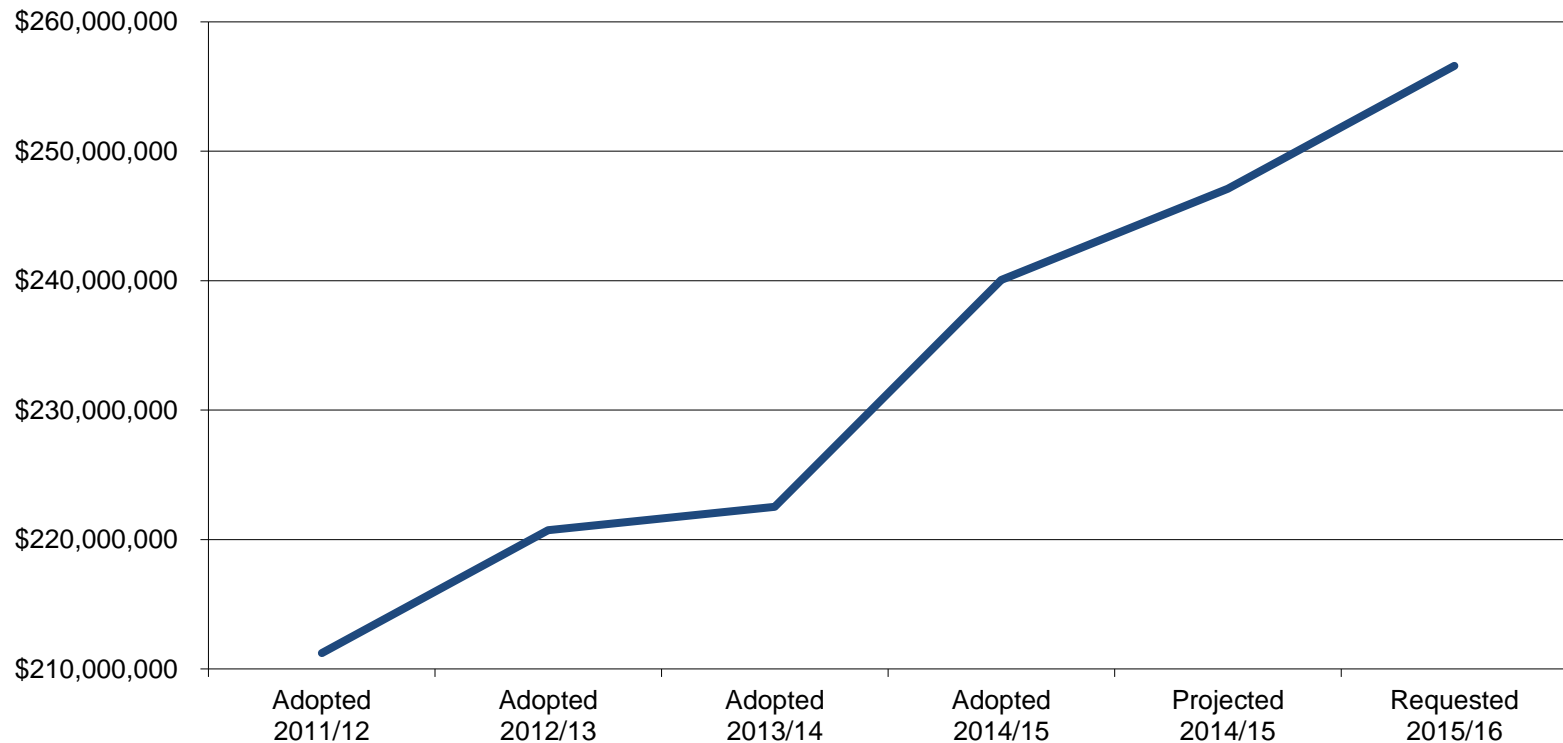


PROJECTED GENERAL FUND REVENUE TRENDS

- Net Projected Change \$11,492,389 4.7% ↑
- Included in the projected General Fund revenue budget is \$2.3 million of anticipated revenue related to approval of an updated user fee study
- This additional revenue would fund additional positions related to the development approval process as well as increase existing cost recovery
- Staff is compiling comparative data for the user fee study and will bring it forward as soon as practicable after seeking community and business input

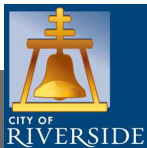


FIVE YEAR GENERAL FUND EXPENDITURE TREND



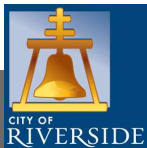
Budgeted Fiscal Year 2014/15: \$240.1 Million

Requested Fiscal Year 2015/16: \$256.6 Million



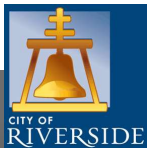
GENERAL FUND EXPENDITURE HIGHLIGHTS

- Revenues are projected to increase by \$11.5 million in Fiscal Year 2015/16
- After adding all required and recommended additions to the budget, expenditures exceeded revenues
- Departments made targeted cuts to balance the budget, including deferring funding for the Public Safety Vehicle Replacement Program for the upcoming fiscal year
- Staff is recommending continued deferral for a one-year period of the principal payment due on one of two interfund loans made to the Local Park Fees Fund related to the Riverside Renaissance, with the other loan to begin amortizing in the upcoming fiscal year
- Staff is proposing that the City Council conduct a public hearing to adopt the user fee study within 90 days, following review by the City Council's Finance Committee and the receipt of feedback from various interested community groups
- Staff is recommending that \$100,000 of Successor Agency bond proceeds be allocated to moving forward the design process for the Main Library project, including the study of alternative locations
 - The City Manager would return to the City Council in six months with a status update



2015/16 BUDGET SUMMARY

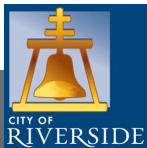
- Revenue budget
 - 2014/15 projected revenue budget \$246,101,000
 - 2015/16 revenue growth + 7,493,000
 - Convention Center adjustment + 4,000,000
 - \$257,594,000
- Expenditure budget
 - 2014/15 adopted expenditure budget \$240,057,000
 - Additions to budget targets + 12,537,000
 - Convention Center adjustment + 4,000,000
 - \$256,594,000
- Addition to reserves \$ 1,000,000



PROJECTED STATUS OF GENERAL FUND RESERVE

- The budget as proposed is balanced with revenues exceeding expenditures by \$1 million
- Any mid-year appropriations would draw on reserves absent additional revenues
- The fiscal year 2016/17 budget strategy will include maintaining a reserve balance consistent with the City's reserve policy

	2014/15 Projected	2015/16 Projected	Change
Reserve Balance 7/1	\$ 38,438,826	\$ 37,436,735	\$ (1,002,091)
Revenue	246,101,330	257,593,718	11,492,388
Expenditures	(247,103,421)	(256,593,718)	(9,490,297)
Reserve Balance 6/30	\$ 37,436,735	\$ 38,436,735	\$ 1,000,000



RECOMMENDATIONS

That the City Council:

1. Adopt a resolution approving the Annual Budget for Fiscal Year 2014/15;
2. Approve staffing authorizations noted in the report;
3. Authorize the City Manager to execute contracts approved for funding in the Annual Budget;
4. Receive the list of active City funds;
5. Adopt a Resolution amending the Master Fringe Benefits and Salary Plan;
6. Approve the various minor adjustments to the preliminary budget;
7. Direct staff to return as soon as practicable with a public hearing to consider adoption of increases to various City user fees;
8. Approve an adjustment to the repayment schedule for one of two outstanding interfund loans made to the Local Park Impact Fees Fund; and
9. Direct the City Manager to move the Main Library project forward, including the study of alternative locations, enter into an agreement between the City and the Successor Agency to appropriate \$100,000 of bond proceeds, and return to the City Council in six months with a status update.

