

FY 2024-2026 Biennial Budget Workshop

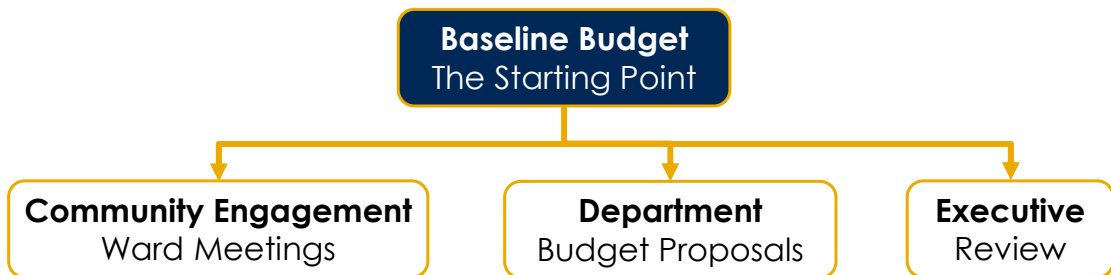
Finance Department

Finance Committee
April 30, 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

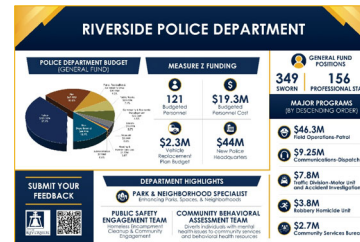


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CITY MANAGER'S BUDGET PRIORITIES

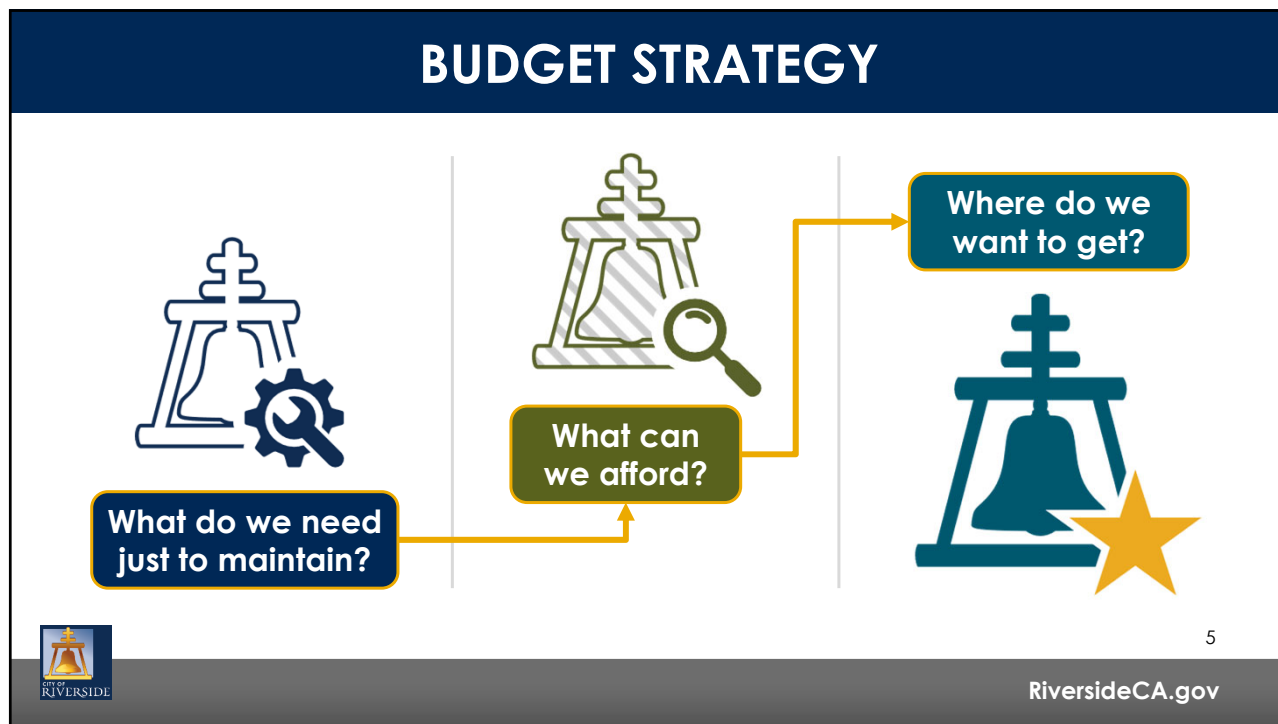
- Financial Stability
- Public Safety
- Housing & Homelessness
- City Infrastructure
- Growing the City's Economy



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Citywide Operating Budget

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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



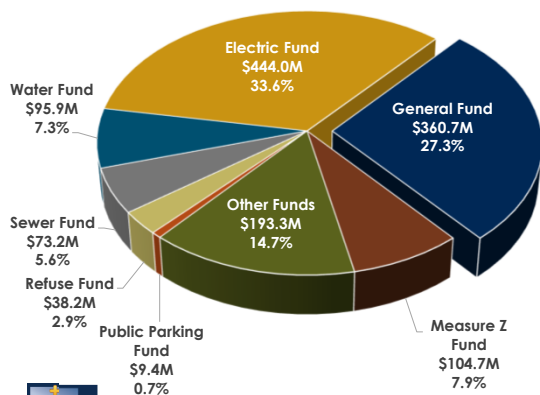
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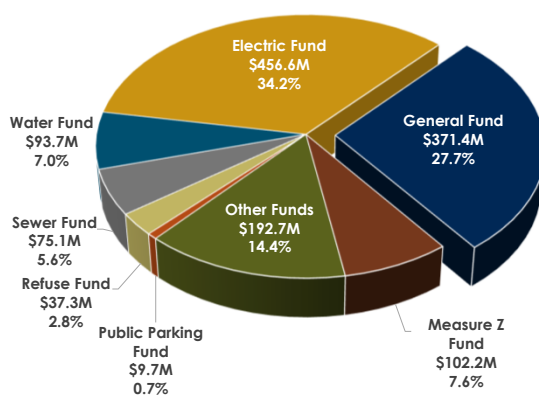
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Citywide Operating Budget

FY 2024/25
\$1.32 Billion



FY 2025/26
\$1.34 Billion



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Citywide Personnel

Fund	Adopted FY 2023/24	Proposed FY 2024/25*	Change	Proposed FY 2025/26	Change
101 - General Fund	1,529.90	1,585.99	56.09	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	8.00	1.00	8.00	-
540 - Refuse	62.00	67.00	5.00	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	10.00	5.00	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	2,736.24	68.09	2,738.24	2.00



* Includes 22.0 FTE approved by City Council during FY 2023/24 following the June 2023 adoption of the 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



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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



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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



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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



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General Fund Reserves

PROJECTED RESERVE BALANCES			
	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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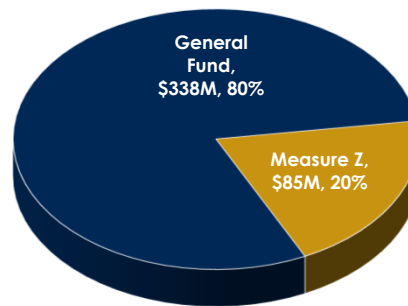
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Measure Z Fiscal Impact

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.

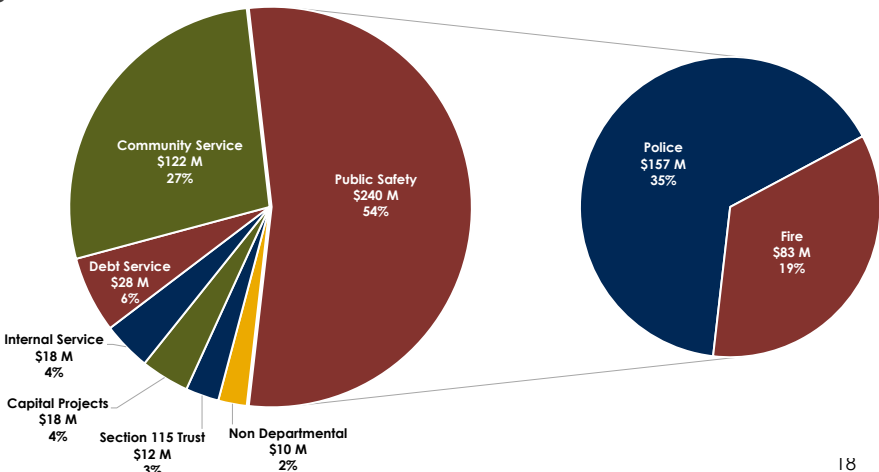
Combined

TOTAL
\$447M

General Fund
\$361M

Measure Z
\$86M

General Fund Budget by Department Type

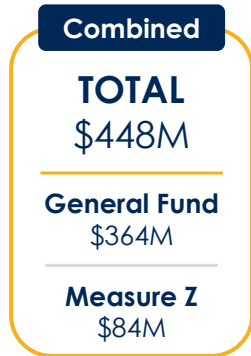


Department Type	Amount (\$M)	Percentage
Public Safety	\$240 M	54%
Community Service	\$122 M	27%
Police	\$157 M	35%
Fire	\$83 M	19%
Debt Service	\$28 M	6%
Internal Service	\$18 M	4%
Capital Projects	\$18 M	4%
Section 115 Trust	\$12 M	3%
Non Departmental	\$10 M	2%

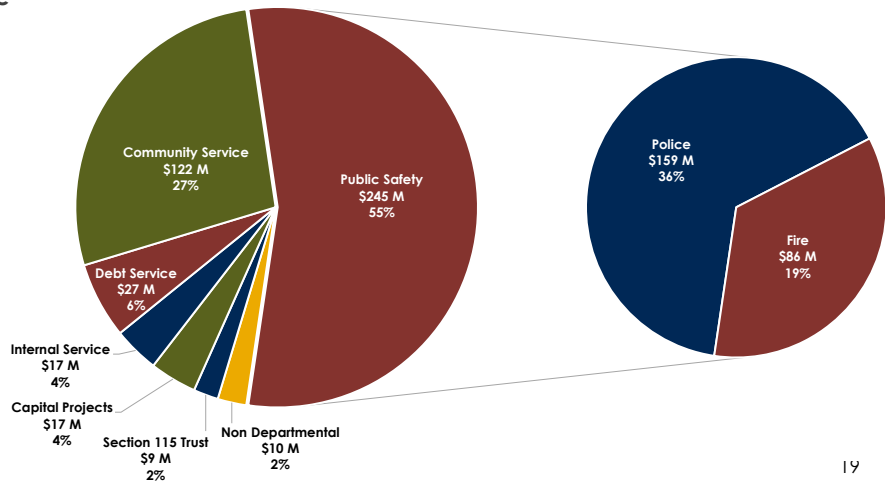
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Combined General Fund Budget – FY 2025/26

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



General Fund Budget by Department Type



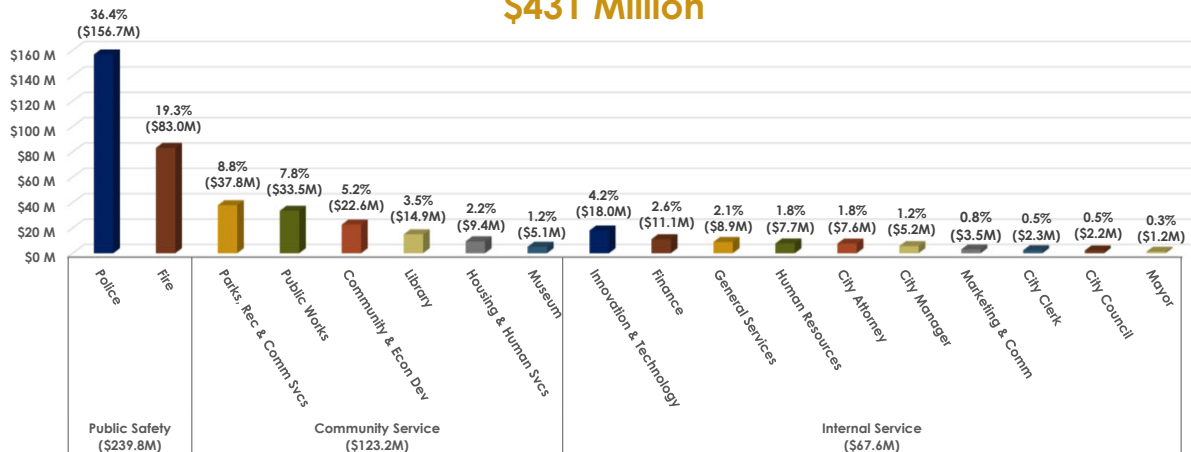
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Where does the \$ go?

General Fund FY 2024/25 Departmental Budgets*

\$431 Million



* Excludes the allocation of Administration, Internal Support, and allocable Non-Departmental costs to receiving departments.



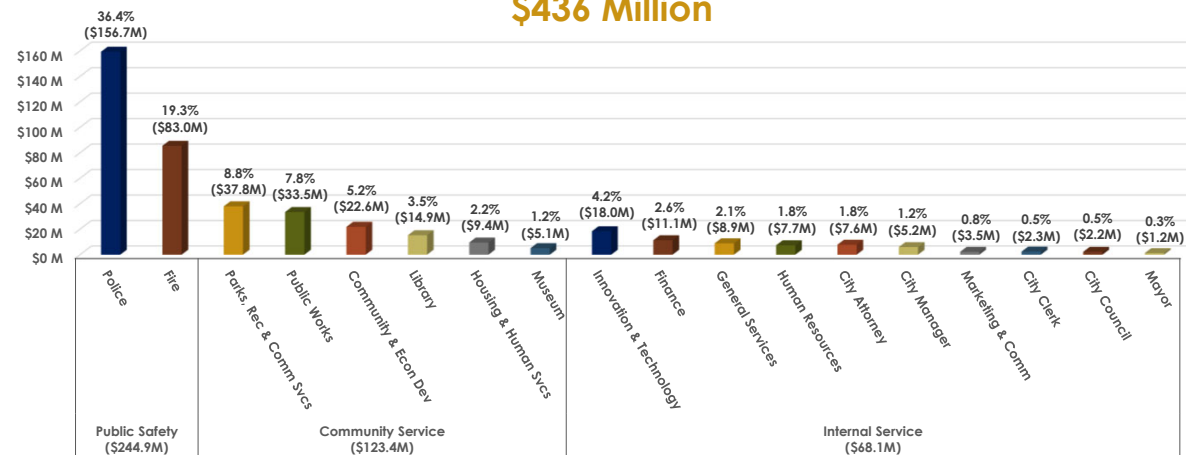
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Where does the \$ go?

General Fund FY 2025/26 Departmental Budgets*

\$436 Million



* Excludes the allocation of Administration, Internal Support, and allocable Non-Departmental costs to receiving departments.

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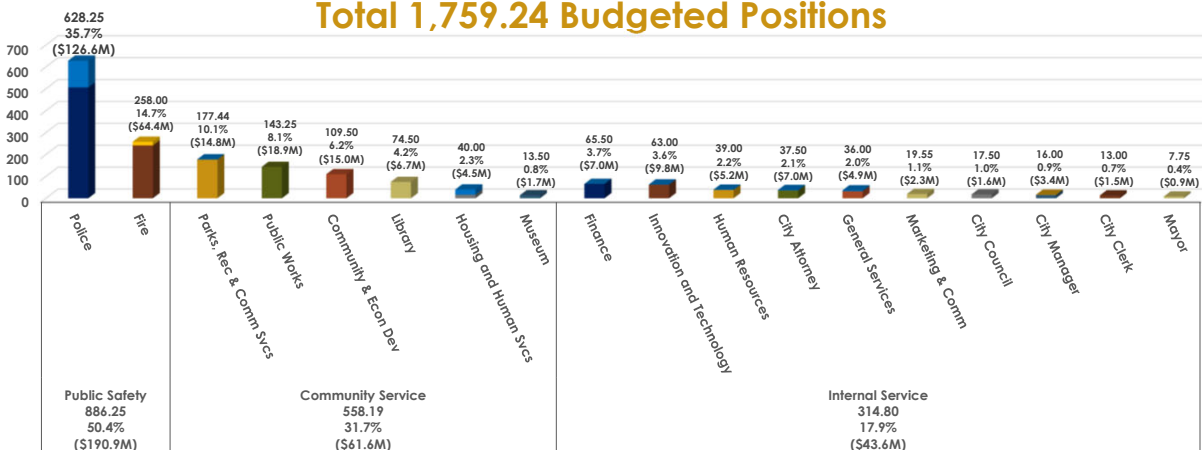
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Who provides the services?

Positions by Department – FY 2024/25

Total 1,759.24 Budgeted Positions



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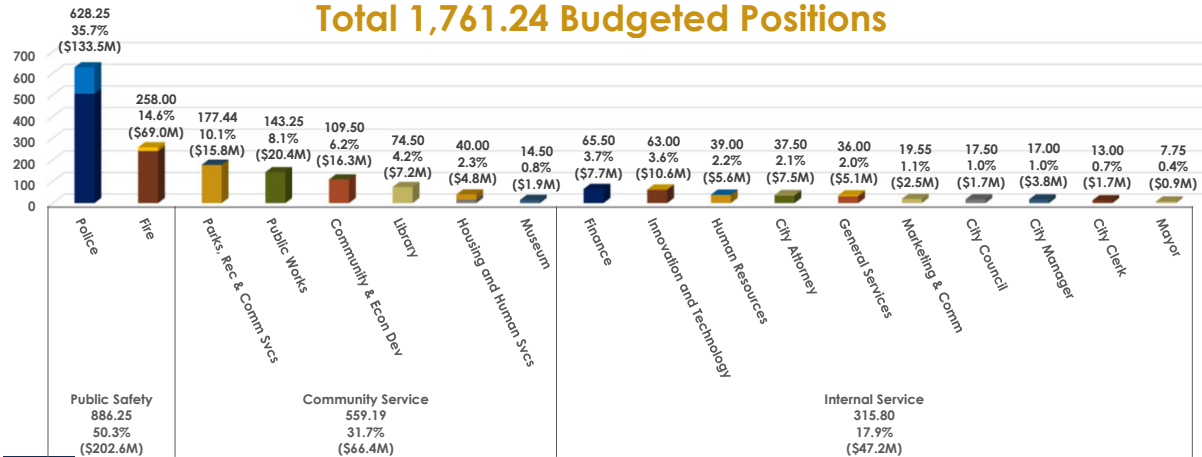
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Who provides the services?

Positions by Department – FY 2025/26

Total 1,761.24 Budgeted Positions

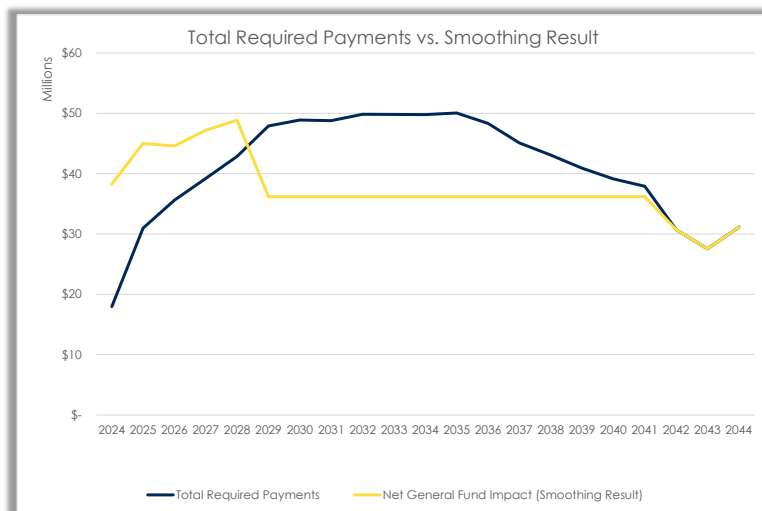


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Section 115 Trust



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



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Departmental Budgets General Fund (Combined Presentation)



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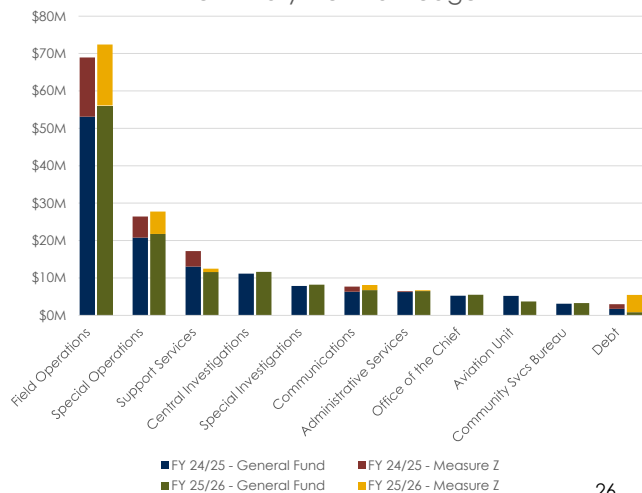
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Police

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

Preliminary Biennial Budget



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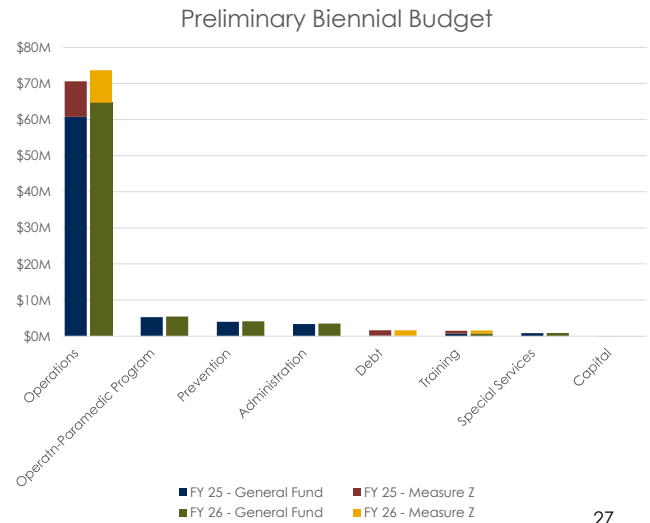
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Fire

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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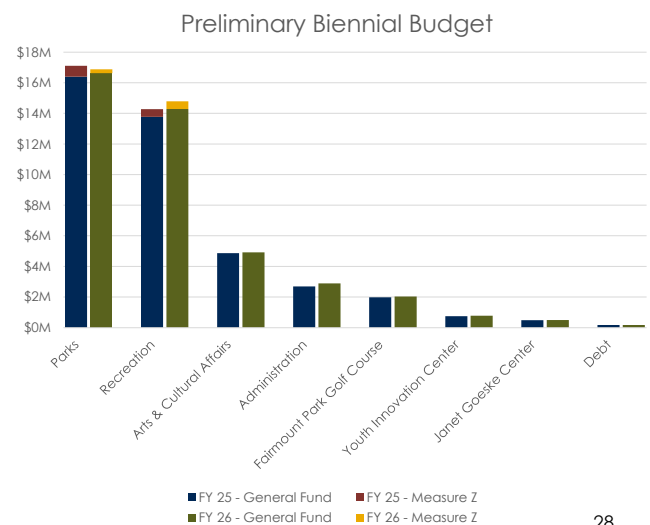
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Community & Economic Development

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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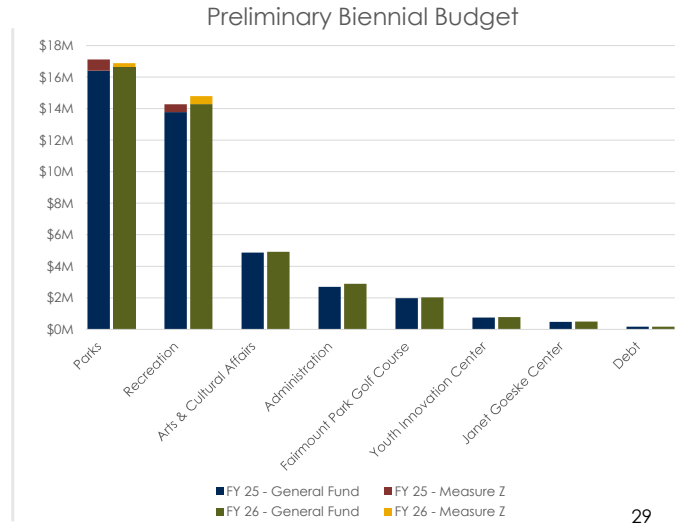
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Parks, Recreation & Community Services

Major Changes to Budget

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



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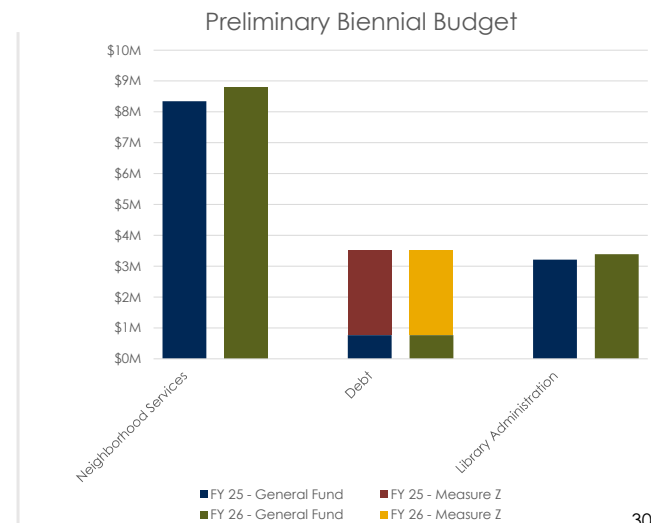
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Library

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



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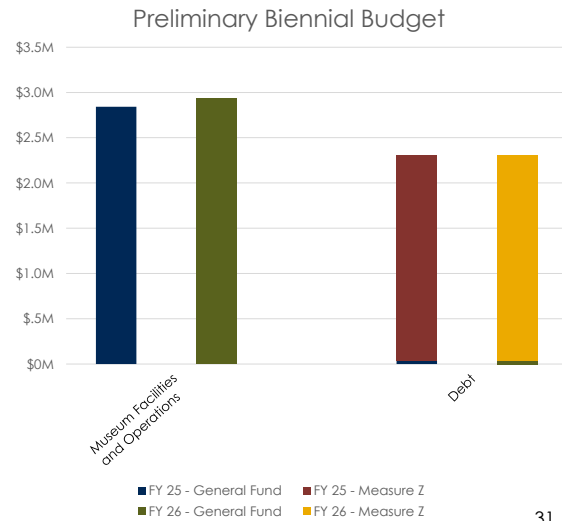
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Museum of Riverside

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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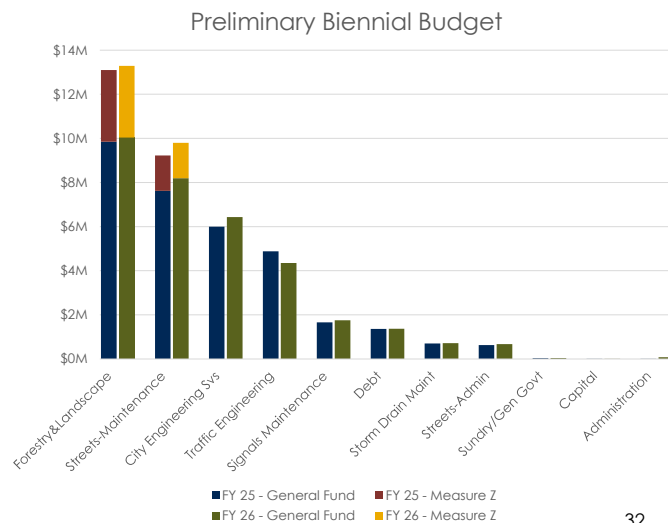
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Public Works

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

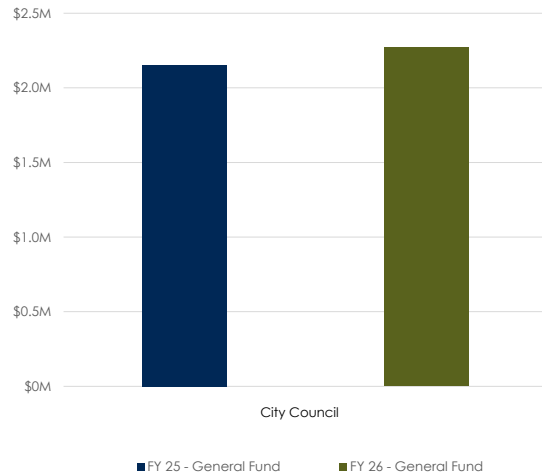
Budget Highlights

- 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



Preliminary Biennial Budget



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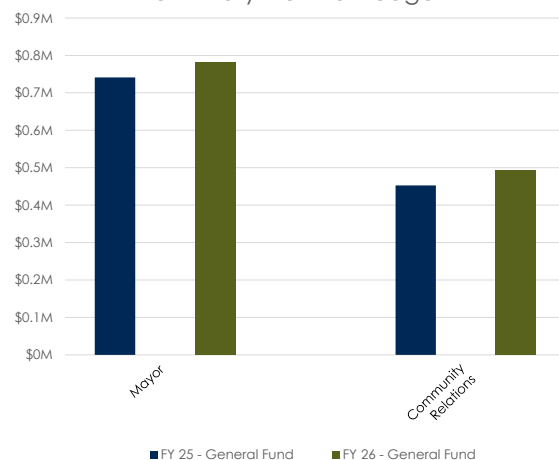
Mayor

Budget Highlights

- U.S. Conference of Mayors
- Big City Mayors
- Community Relations:
 - Sister Cities
 - Multicultural Forum
 - Long Night of Arts & Innovation
 - College Council of Riverside
 - Big Tent Tour
 - Art Project



Preliminary Biennial Budget



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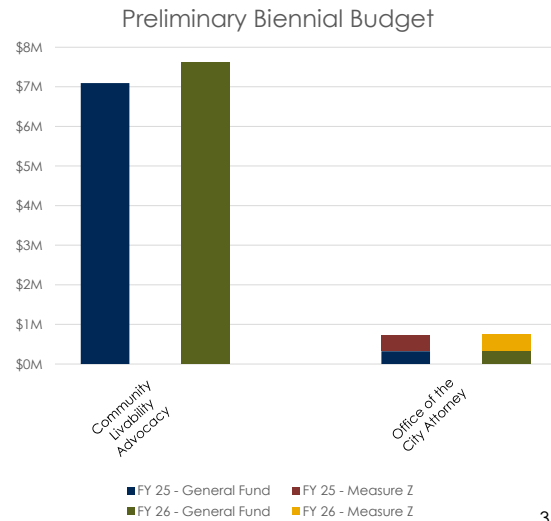
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City Attorney

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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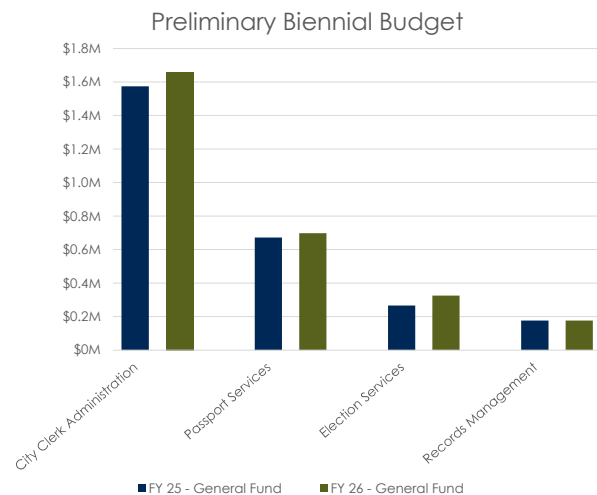
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City Clerk

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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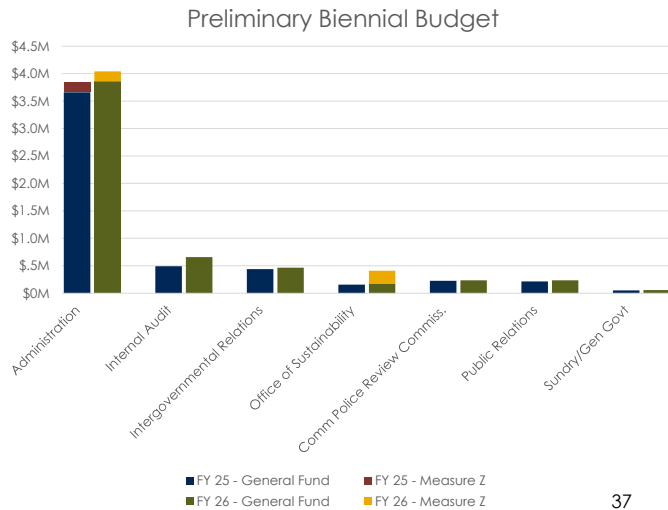
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City Manager

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



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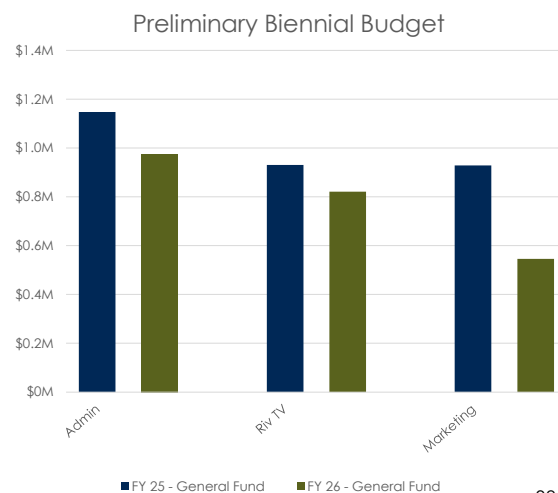
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NEW - Marketing & Communications

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



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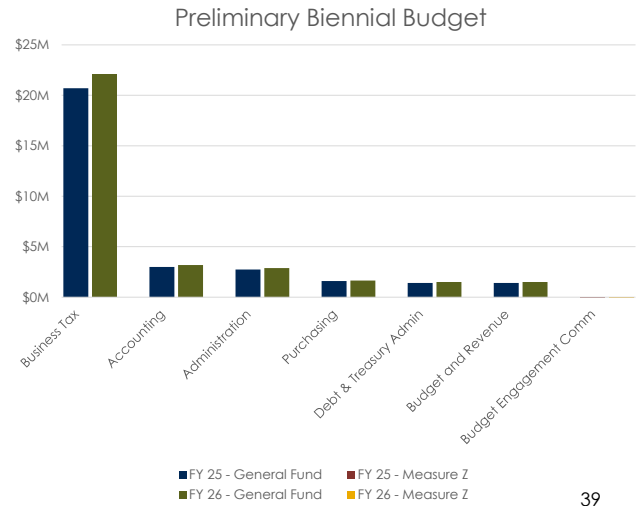
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Finance

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



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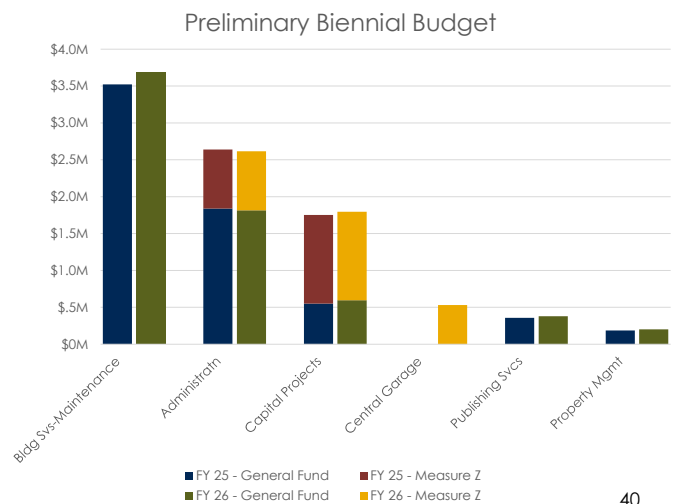
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General Services

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



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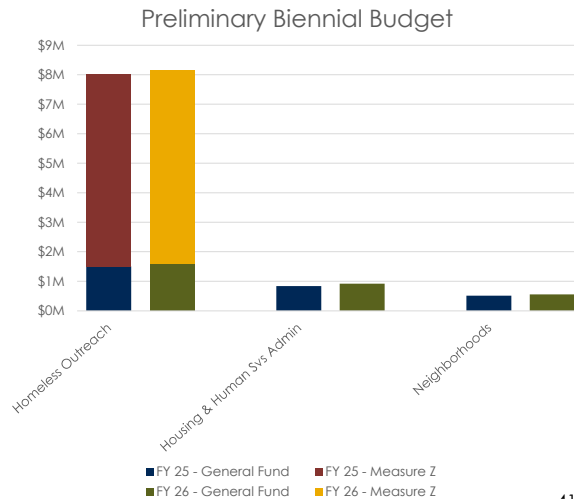
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Housing & Human Services

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



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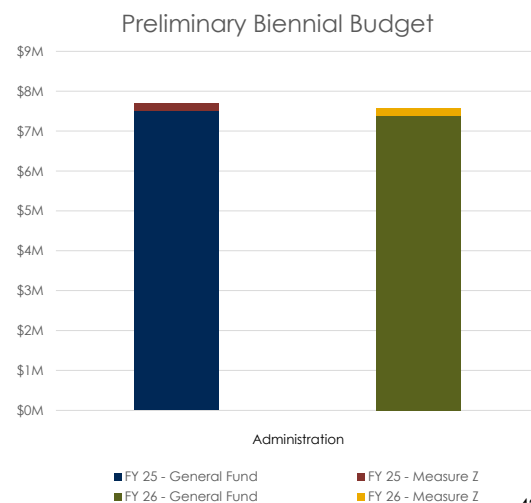
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Human Resources

Major Changes to Budget

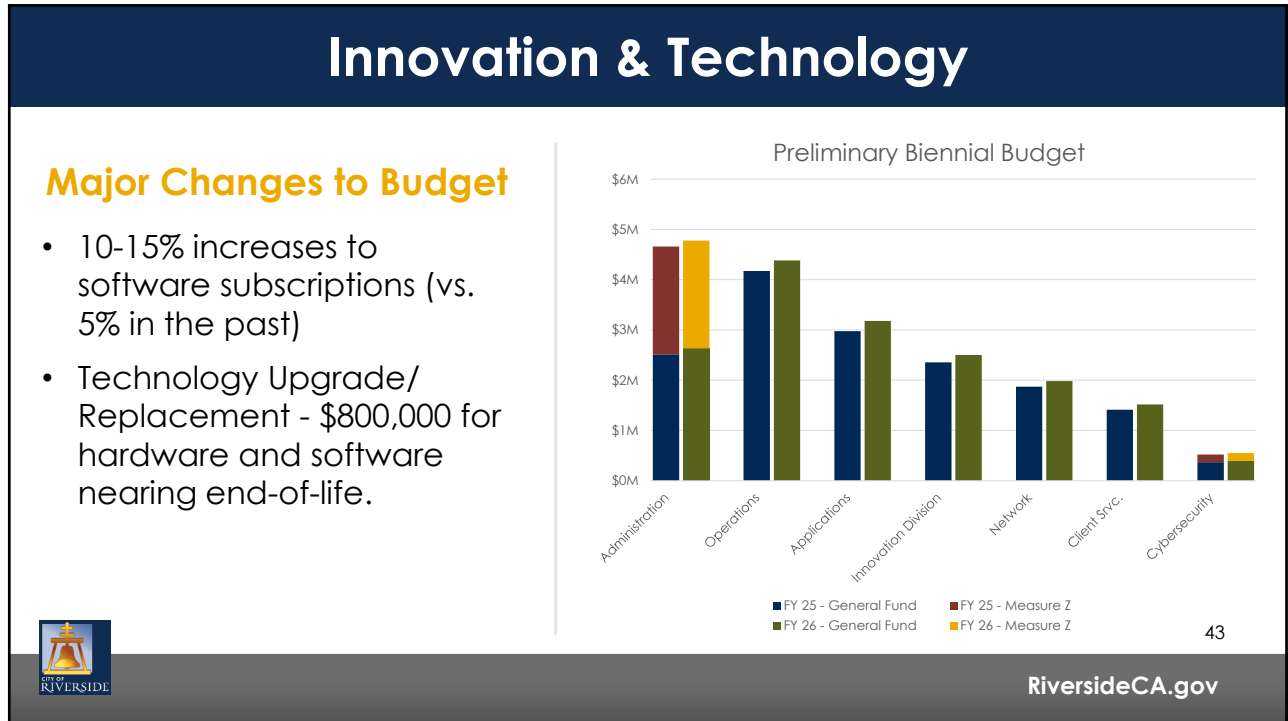
- Talent Management / Learning Management System
- Employee Experience
 - Succession Planning
 - Career Development
 - Employee Engagement
 - Employee Training
- Essential Job Functions Analysis
- Pre-employment Physicals and Drug Screening



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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	38,042,057	(3,141,364)
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	37,042,913	2,679
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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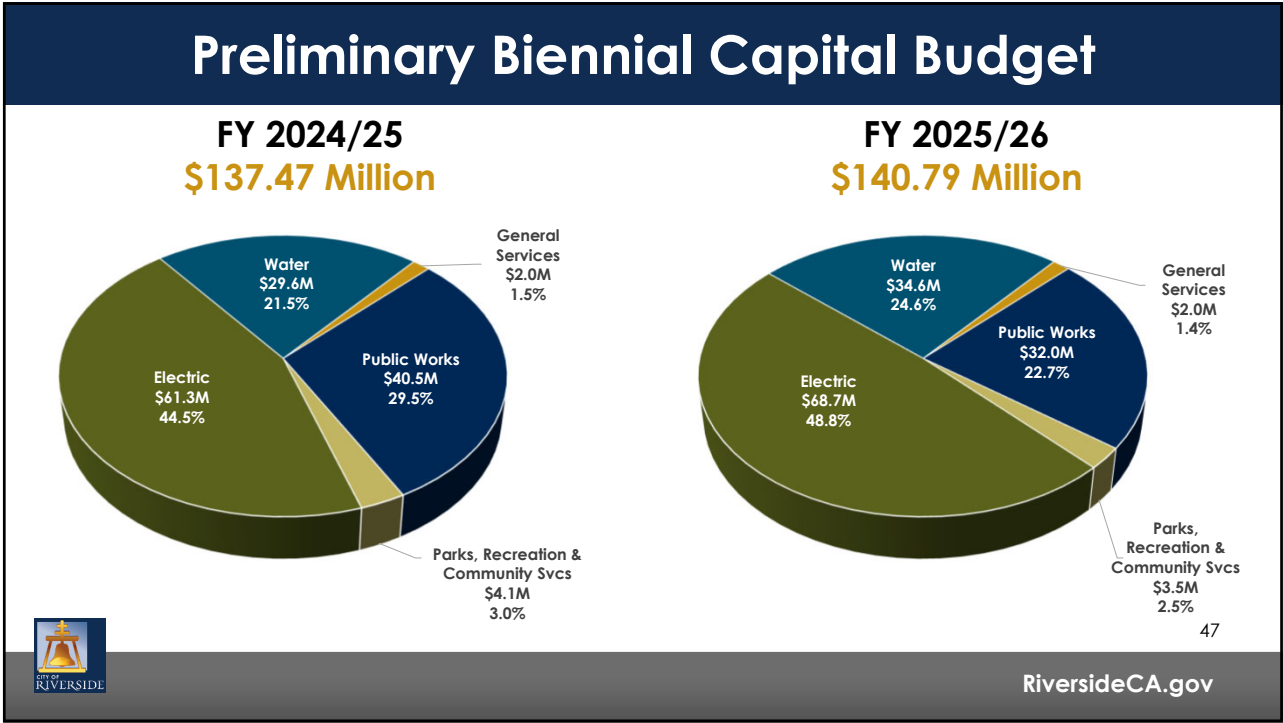
Capital Budget



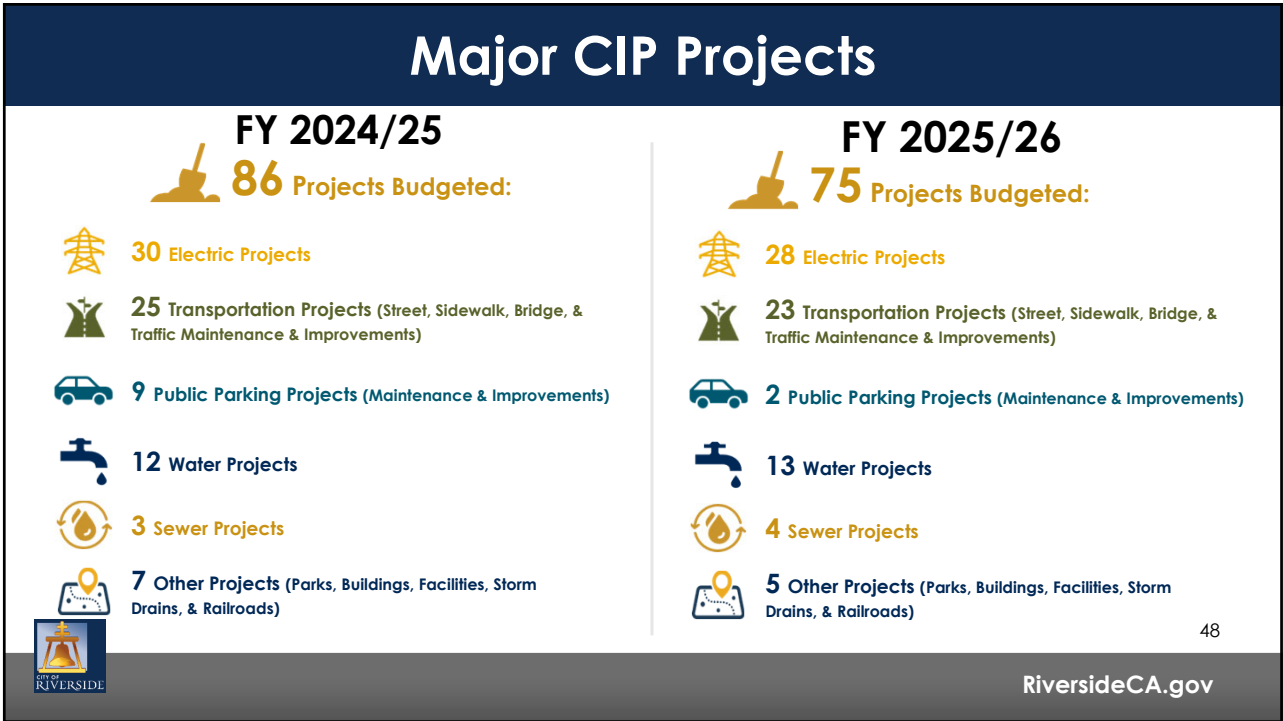
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Questions?



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