

# Proposed FY 2024-2026 Biennial Budget

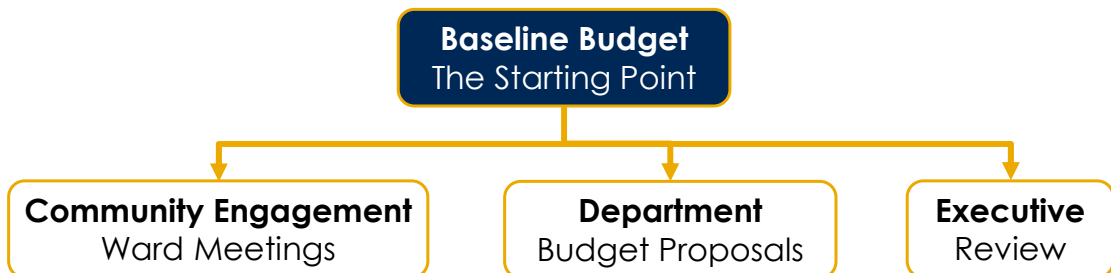
Finance Department

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

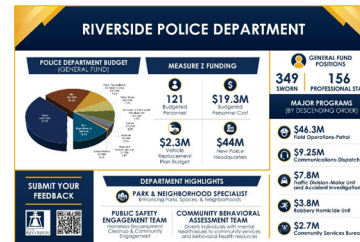


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# CITY MANAGER'S BUDGET PRIORITIES



Financial Stability



Public Safety



Housing & Homelessness



City Infrastructure



Growing the City's Economy

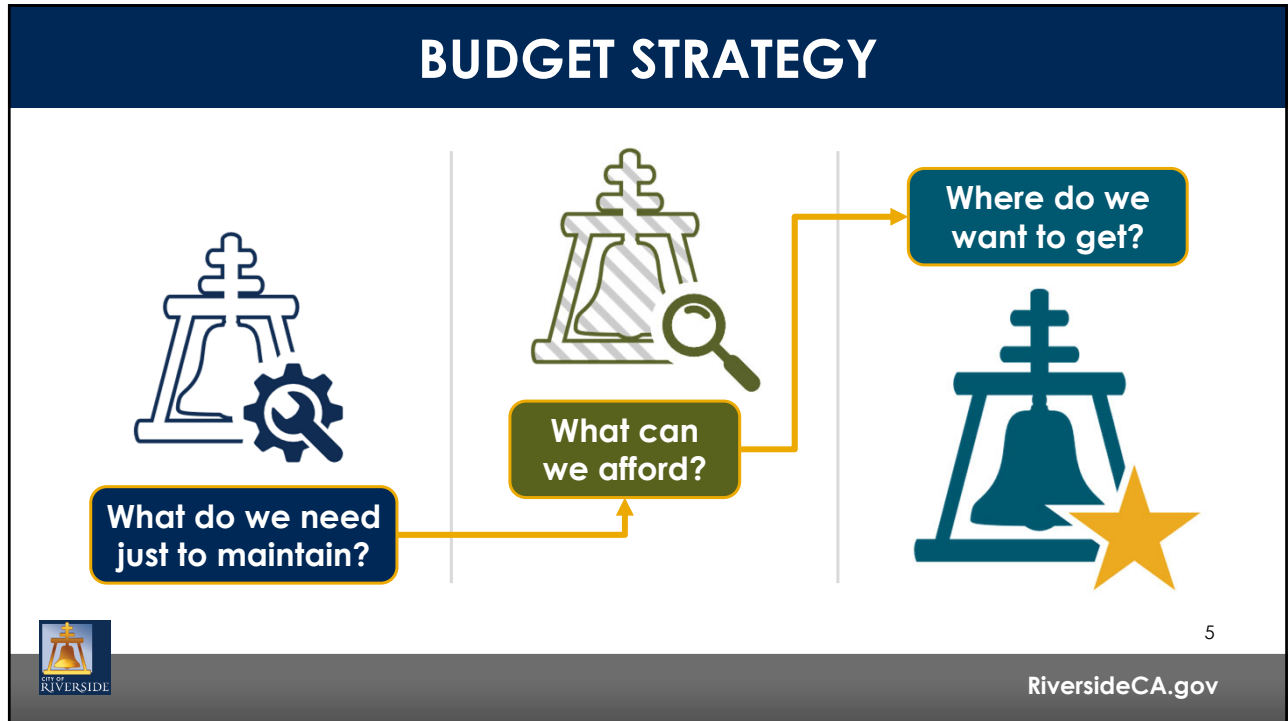


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# Citywide Operating Budget

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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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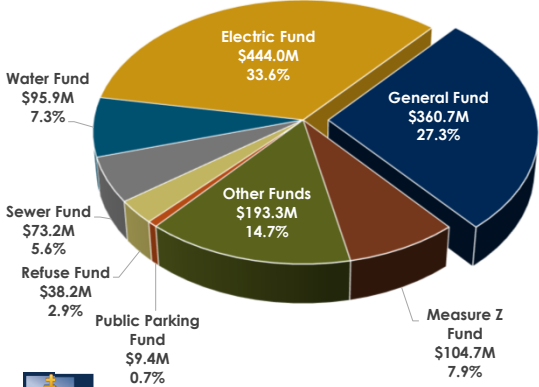
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# Citywide Operating Budget

## FY 2024/25

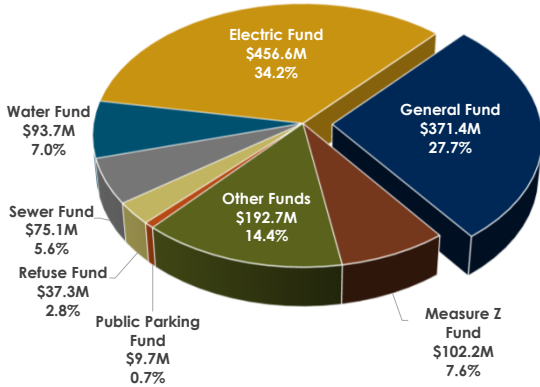
### \$1.32 Billion




Fund	Amount (\$M)	Percentage (%)
General Fund	\$360.7M	27.3%
Electric Fund	\$444.0M	33.6%
Measure Z Fund	\$104.7M	7.9%
Other Funds	\$193.3M	14.7%
Water Fund	\$95.9M	7.3%
Sewer Fund	\$73.2M	5.6%
Refuse Fund	\$38.2M	2.9%
Public Parking Fund	\$9.4M	0.7%

## FY 2025/26

### \$1.34 Billion



Fund	Amount (\$M)	Percentage (%)
General Fund	\$371.4M	27.7%
Electric Fund	\$456.6M	34.2%
Measure Z Fund	\$102.2M	7.6%
Other Funds	\$192.7M	14.4%
Water Fund	\$93.7M	7.0%
Sewer Fund	\$75.1M	5.6%
Refuse Fund	\$37.3M	2.8%
Public Parking Fund	\$9.7M	0.7%



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## 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	-
<b>Grand Total</b>	<b>2,668.15</b>	<b>22.00</b>	<b>2,736.24</b>	<b>46.09</b>	<b>2,738.24</b>	<b>2.00</b>



\* 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



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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
<b>Revenue / Transfers In</b>					
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
<b>Total Revenues/Transfers In</b>	<b>\$ 360.85</b>	<b>\$ 371.61</b>	<b>\$ 385.24</b>	<b>\$ 399.17</b>	<b>\$ 411.16</b>



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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
<b>Expenditures / Transfers Out</b>					
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
<b>Total Expenditures/Transfers Out</b>	<b>\$ 360.85</b>	<b>\$ 371.62</b>	<b>\$ 385.24</b>	<b>\$ 399.17</b>	<b>\$ 411.16</b>
<b>Five-Year Financial Plan Surplus/(Deficit)</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>

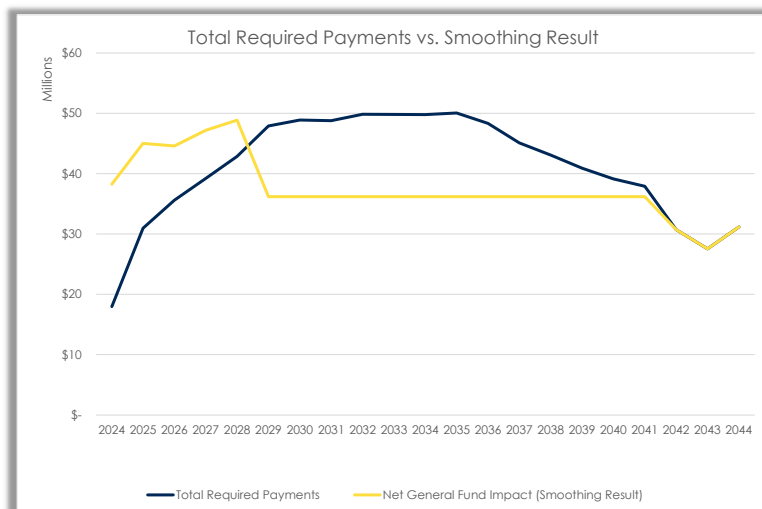


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## Section 115 Trust



### 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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## General Fund Reserves

	Beginning Balance (FY 23/24 Q2)	Proposed Adds/Uses	Projected Ending Balance
<b>General Fund</b>			
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
<b>Total General Fund</b>	<b>\$ 125.71</b>	<b>\$ (22.60)</b>	<b>\$ 103.11</b>
<b>Other General Funds</b>			
Section 115 Trust Fund	\$ 32.72	\$ 41.26	\$ 73.98
Measure Z Policy Reserve	5.00	-	5.00
<b>Total Reserves – All General Funds</b>	<b>\$ 163.43</b>	<b>\$ 18.66</b>	<b>\$ 182.09</b>

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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						
<b>Net Change in Fund Balance</b>	<b>(7.06)</b>	<b>(19.95)</b>	<b>(14.79)</b>	<b>(10.19)</b>	<b>(4.67)</b>	<b>0.76</b>
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						
<b>Ending Available Balance</b>	<b>51.92</b>	<b>31.97</b>	<b>17.18</b>	<b>6.99</b>	<b>2.32</b>	<b>3.08</b>

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

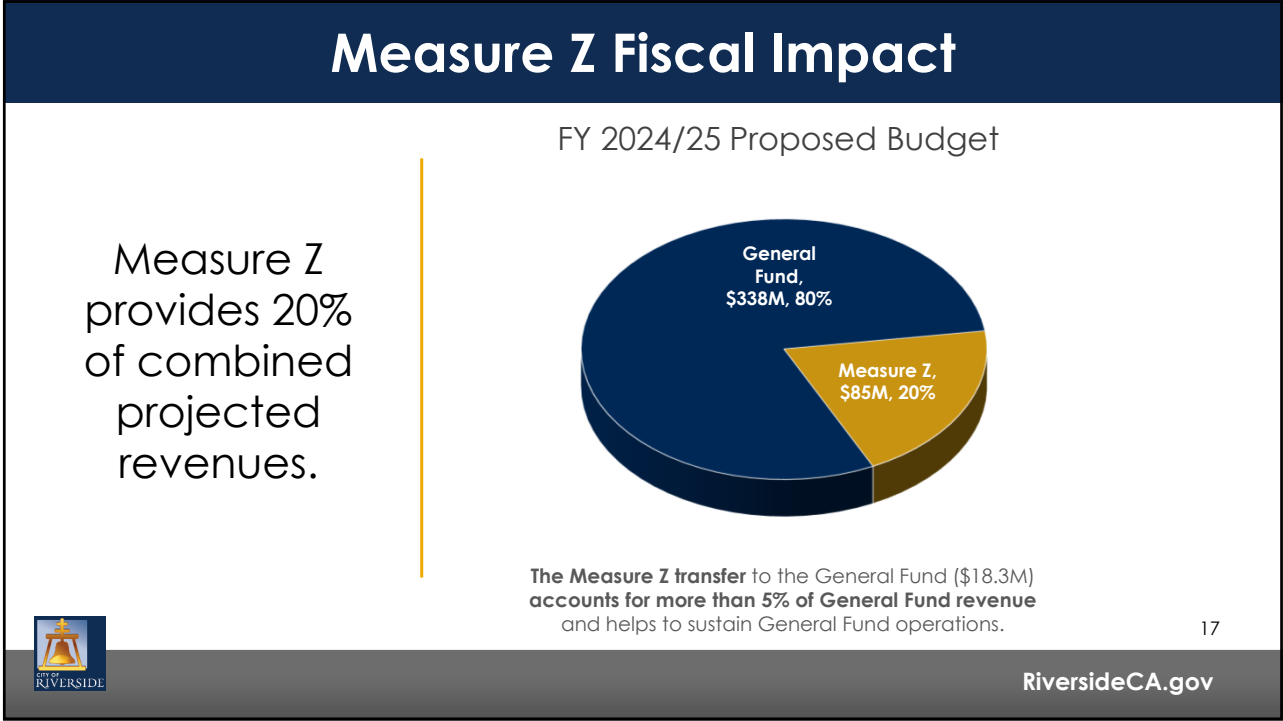
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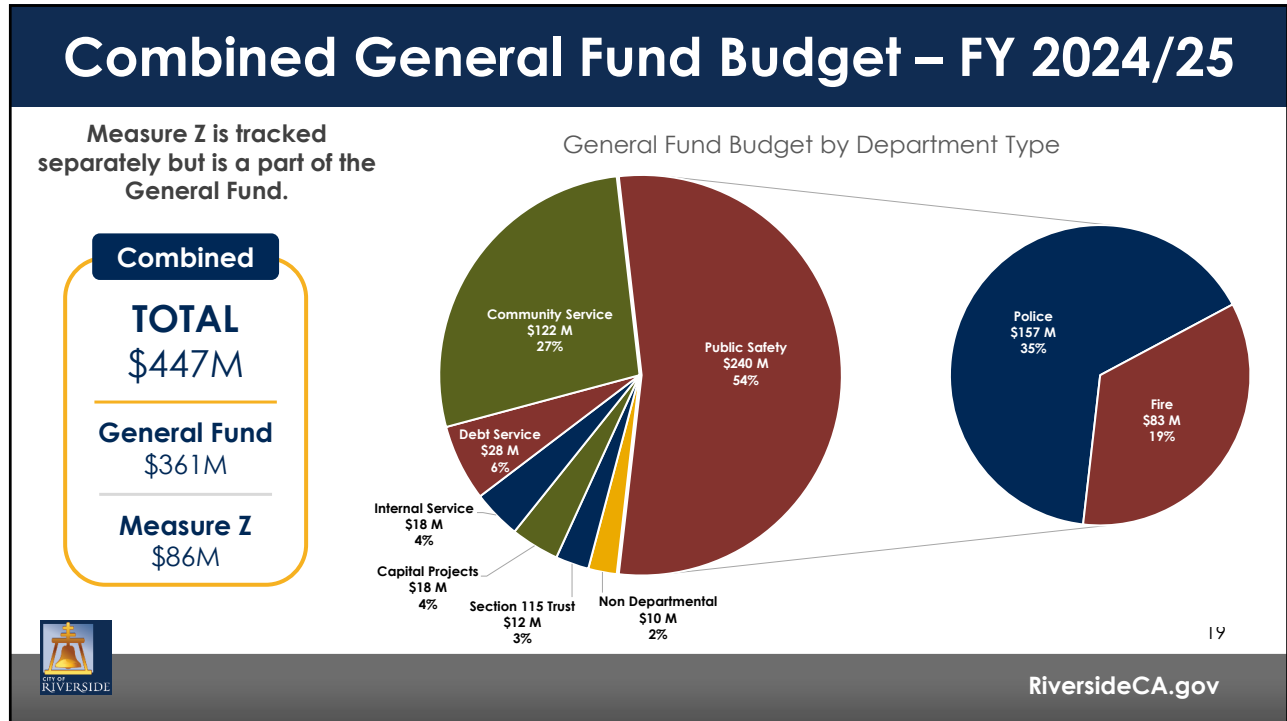




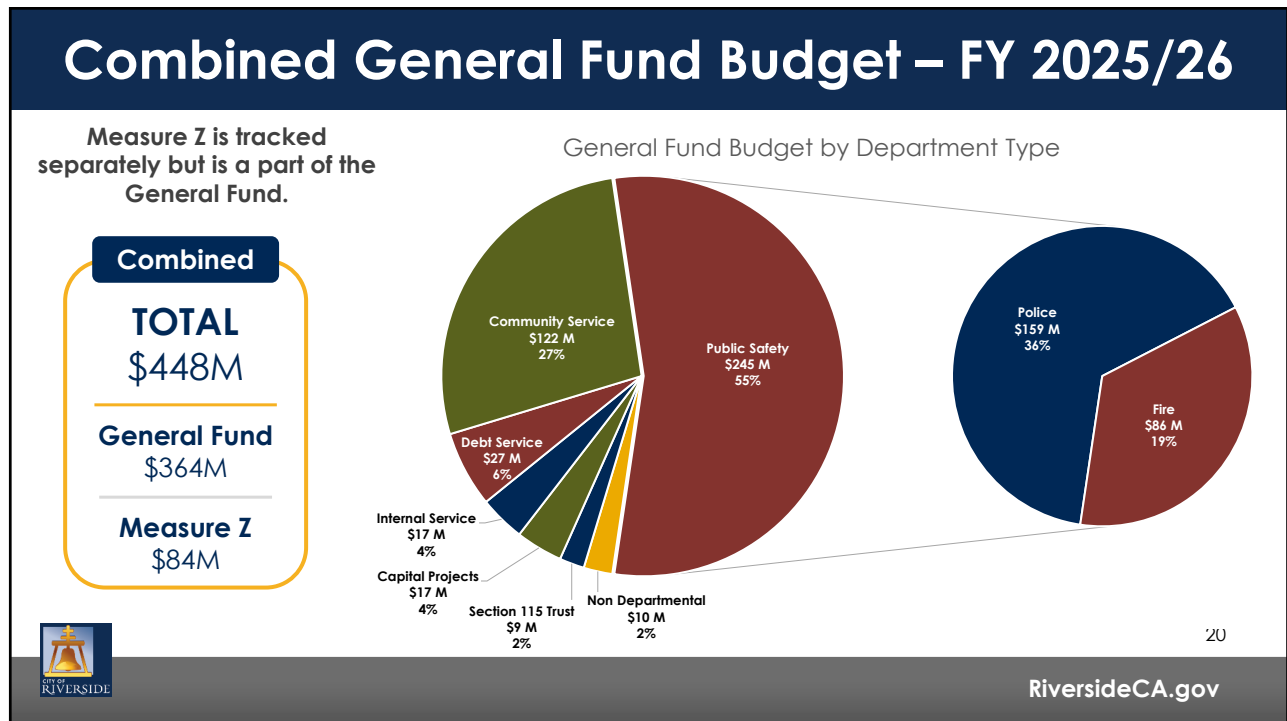
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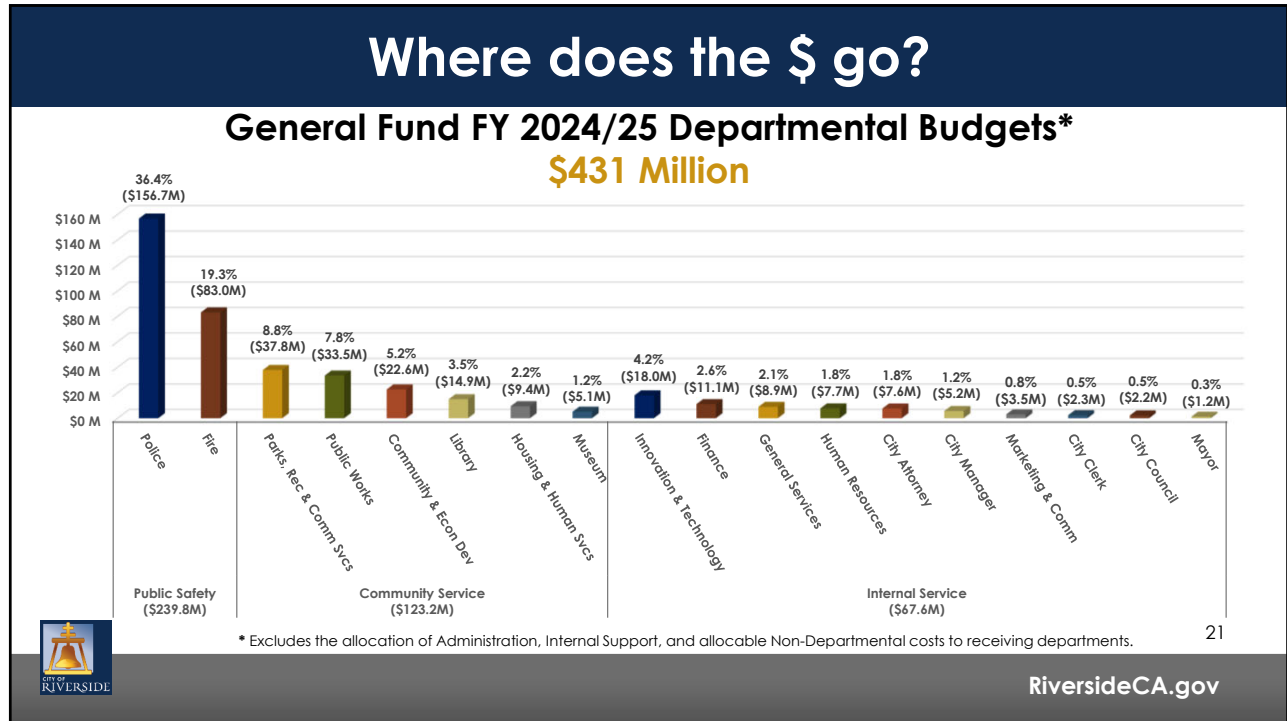
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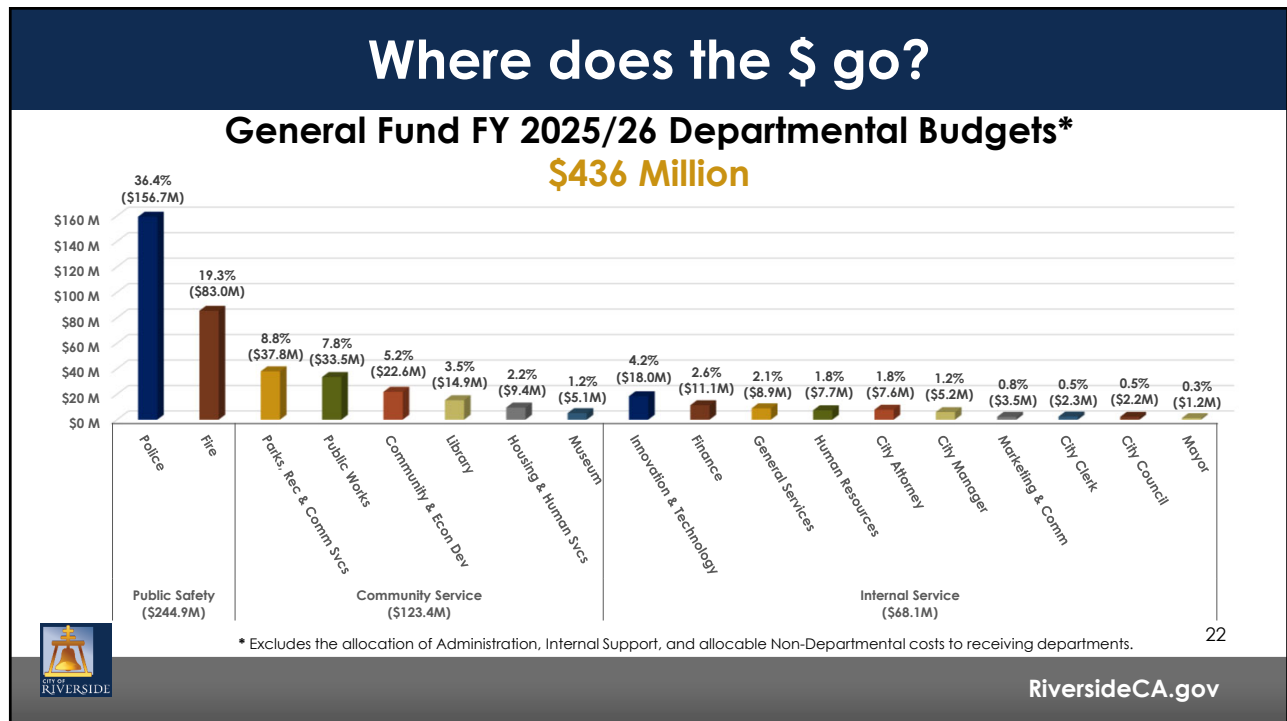
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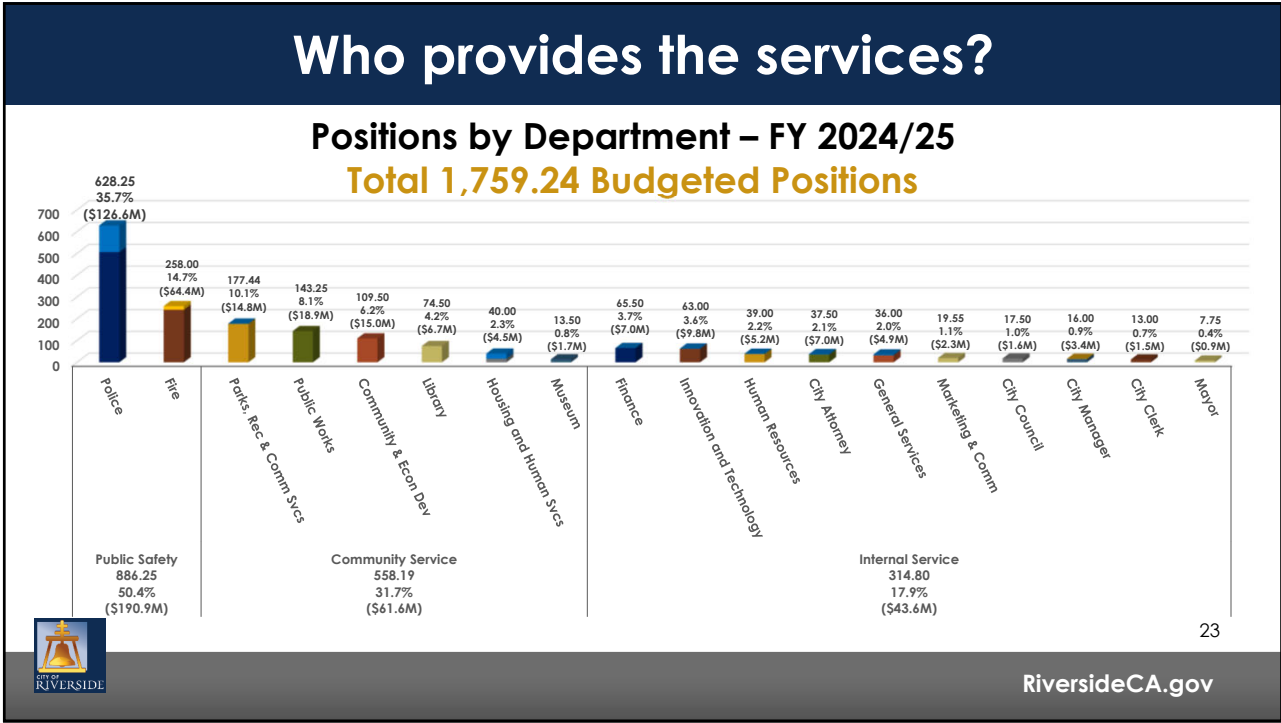
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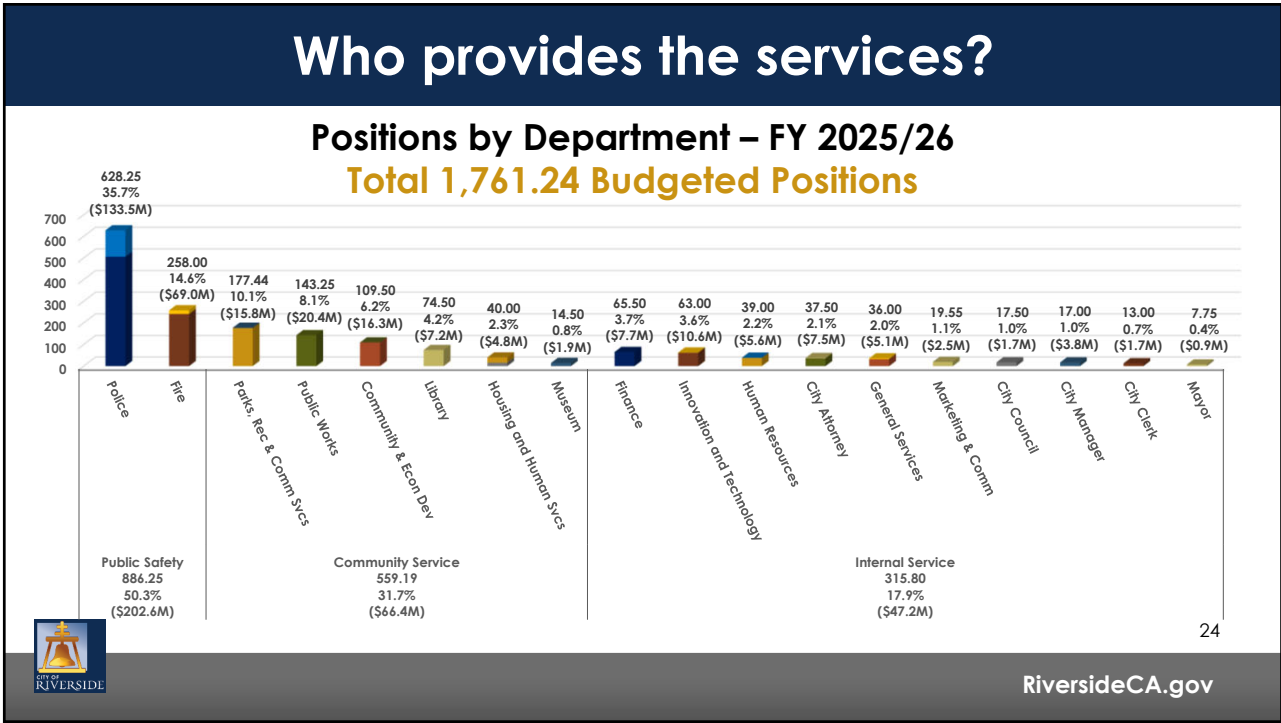
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# Departmental Budgets General Fund (Combined Presentation)



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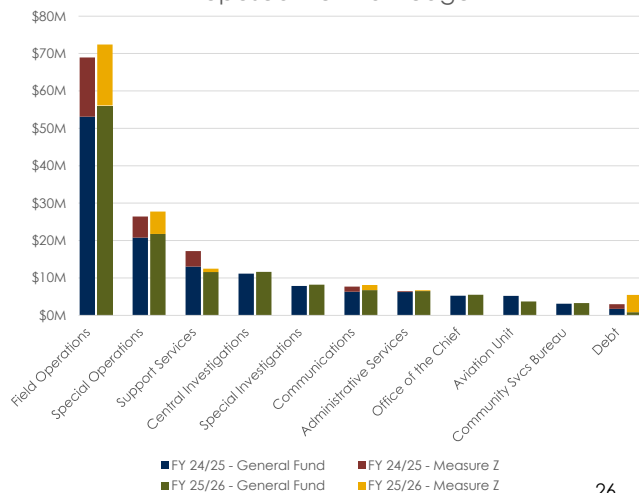
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## Police

### 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

Proposed Biennial Budget



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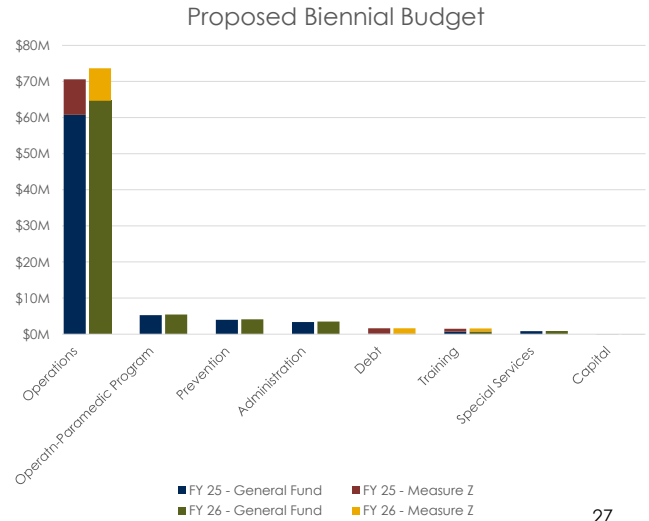
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## Fire

### 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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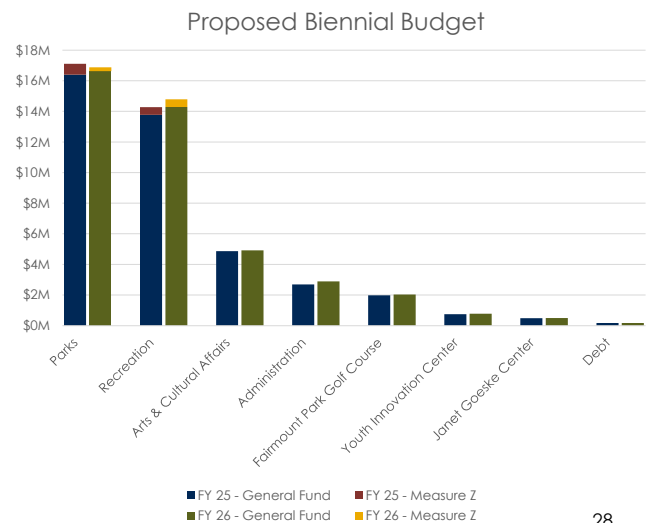
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## Community & Economic Development

### 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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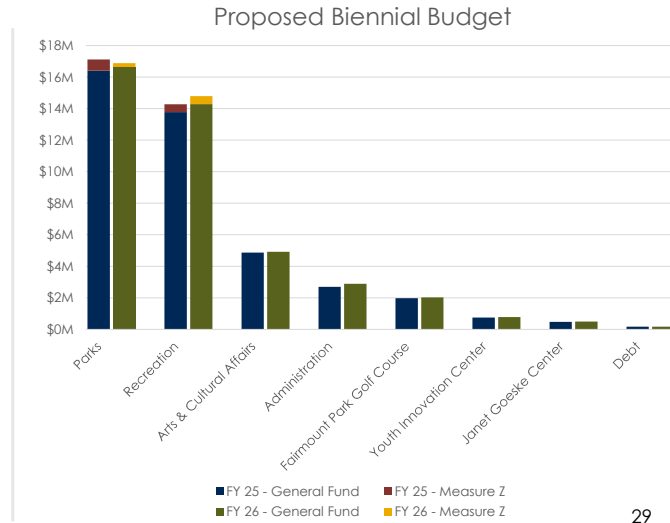
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## Parks, Recreation & Community Services

### 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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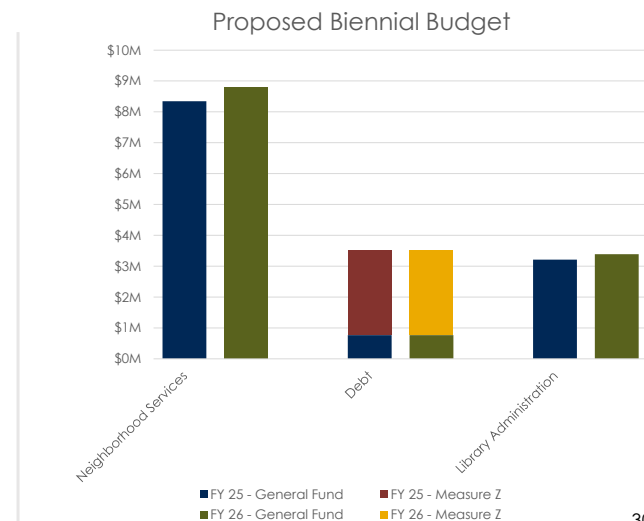
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## Library

### 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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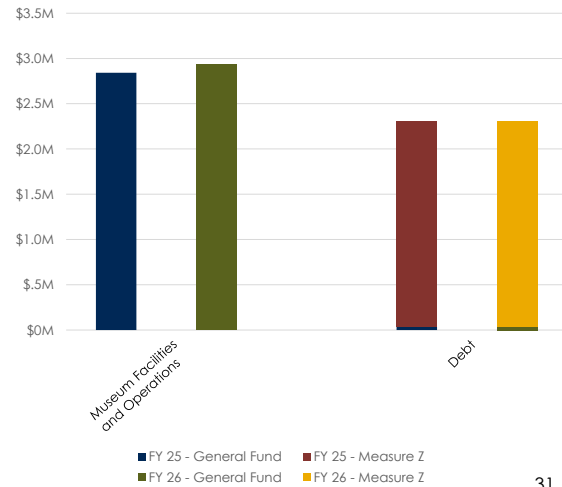
## Museum of Riverside

### 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



Proposed Biennial Budget



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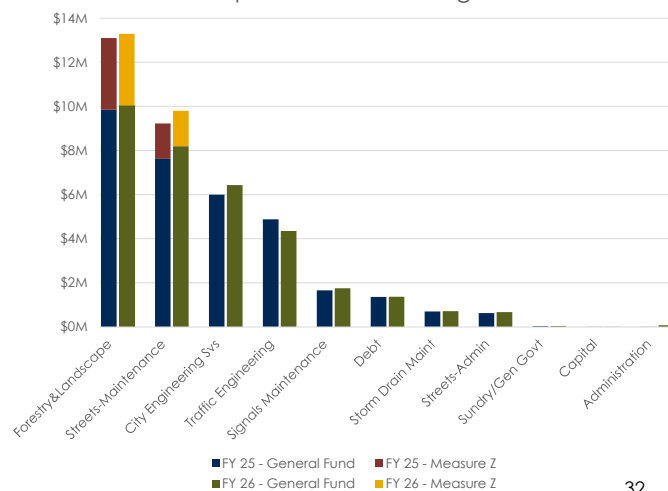
## Public Works

### 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



Proposed Biennial Budget



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## City Council

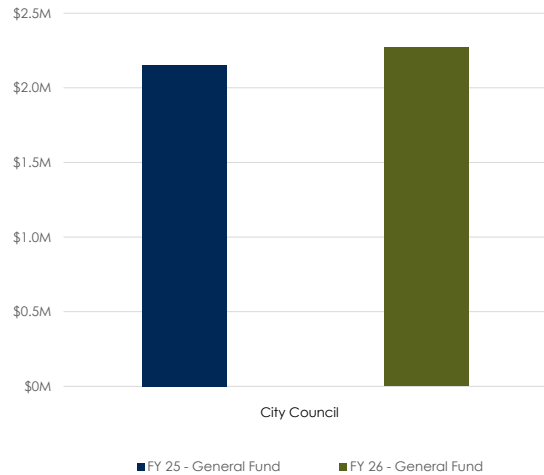
### Budget Highlights

- 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
<b>Total</b>	<b>\$ 13,031</b>	<b>\$ 13,422</b>



Proposed Biennial Budget



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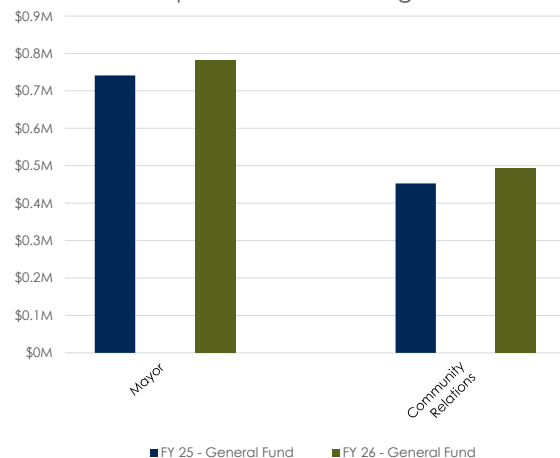
## Mayor

### 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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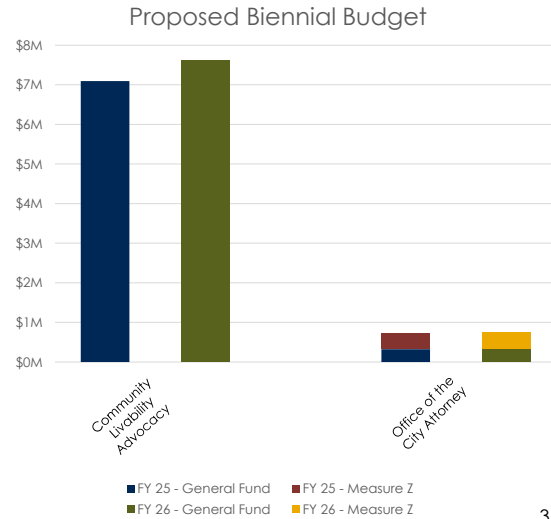
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## City Attorney

### 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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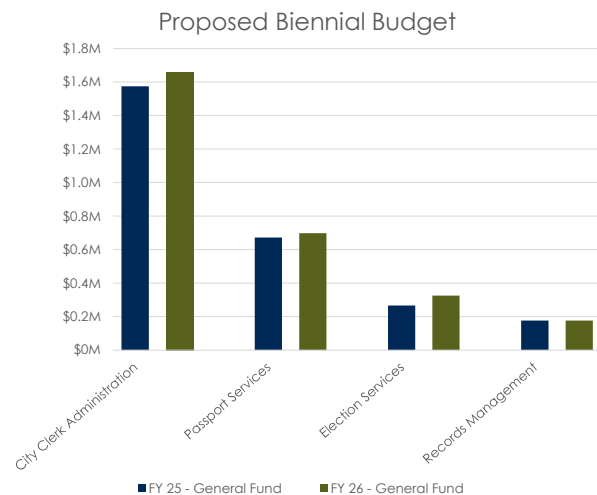
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## City Clerk

### 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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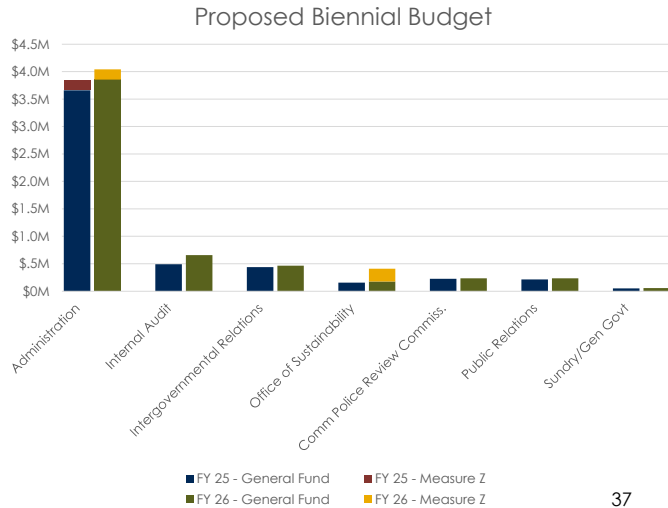
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## City Manager

### 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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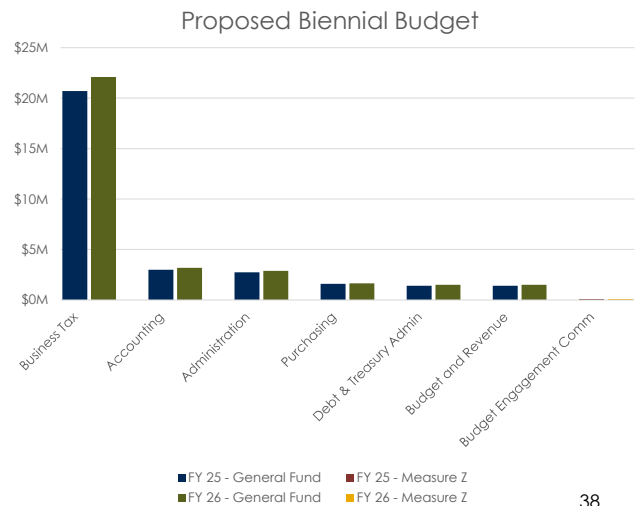
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## Finance

### 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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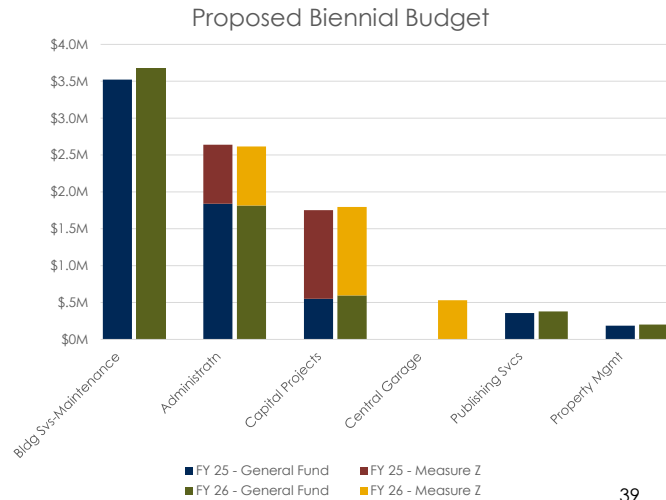
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## General Services

### 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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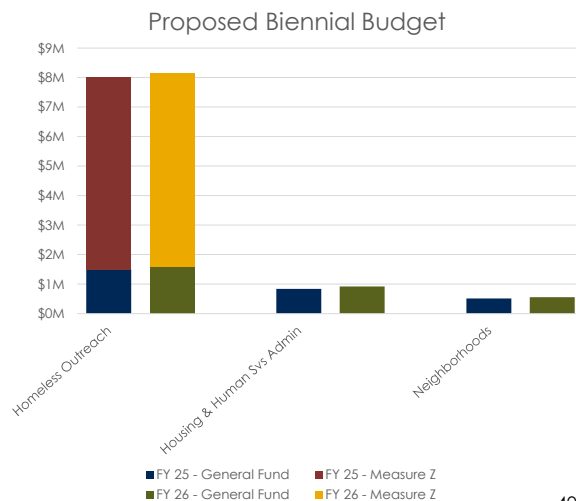
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## Housing & Human Services

### 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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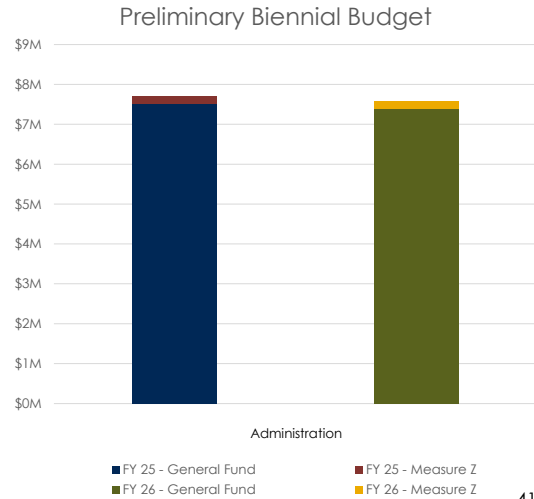
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## Human Resources

### 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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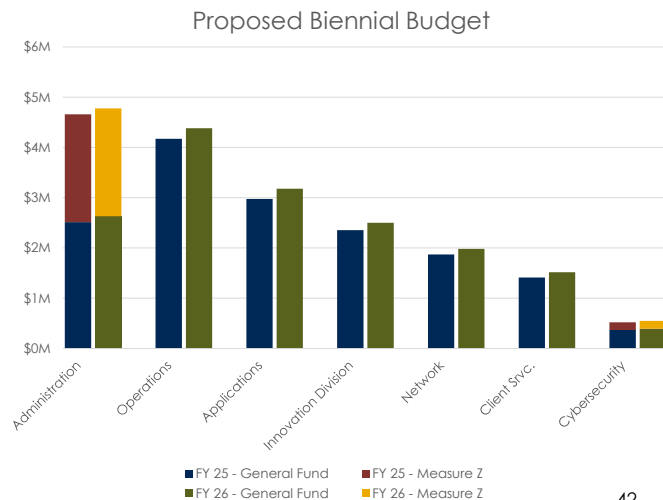
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## Innovation & Technology

### 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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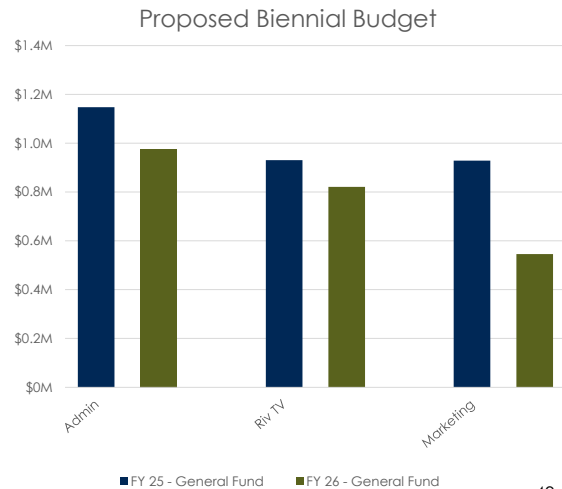
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## NEW - Marketing & Communications

### 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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## 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.



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## 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



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# Major Enterprise Funds



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## Proposed Operating Budgets

MAJOR ENTERPRISE FUNDS – OPERATING			
(in millions)	Incoming Resources	Outgoing Resources	Surplus / (Deficit)
<b>FY 2024/25</b>			
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
<b>Total</b>	<b>\$ 680,439,759</b>	<b>\$ 660,633,143</b>	<b>\$ 19,806,616</b>
<b>FY 2025/26</b>			
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
<b>Total</b>	<b>\$ 718,623,139</b>	<b>\$ 672,103,558</b>	<b>\$ 46,519,581</b>



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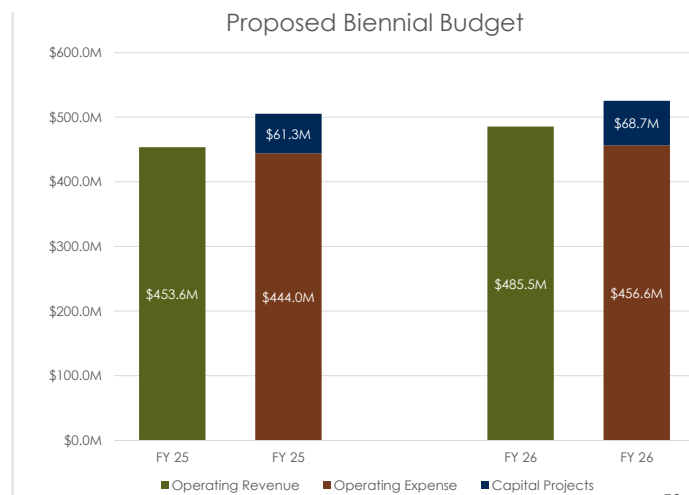
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## Electric Fund

### 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



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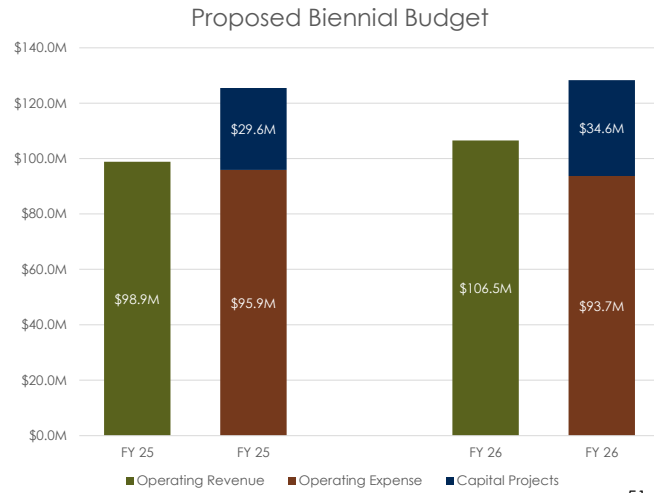
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## Water Fund

### 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



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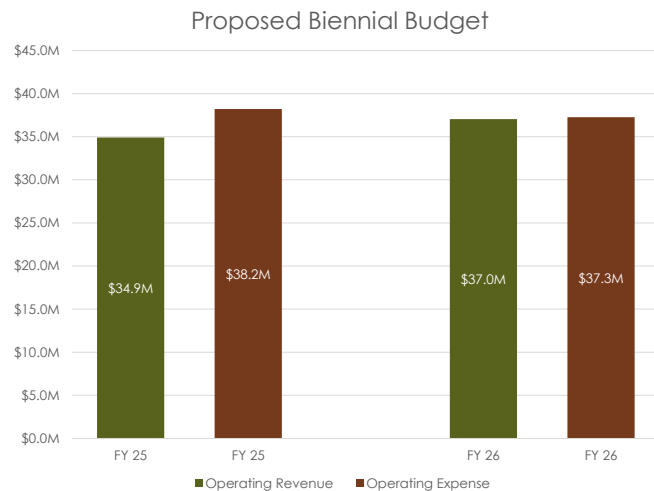
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## Refuse Fund

### 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)



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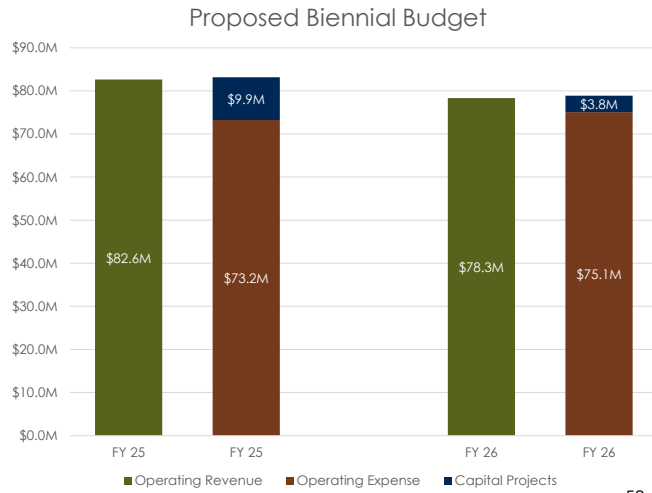
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## Sewer Fund

### 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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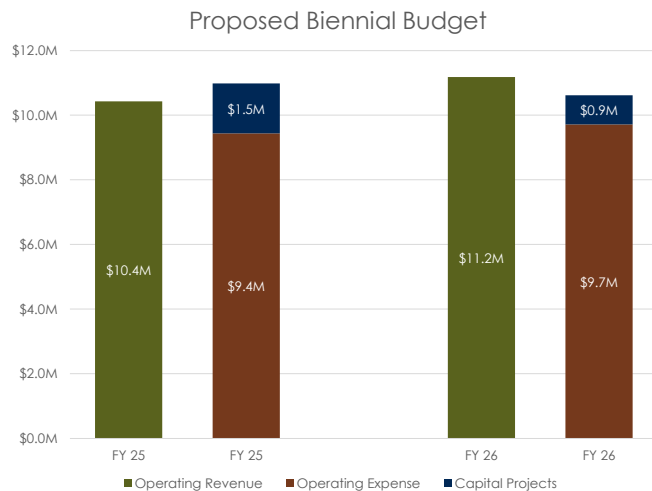
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## Public Parking Fund

### 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



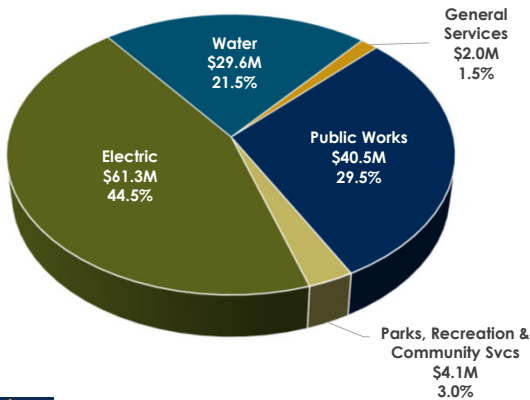
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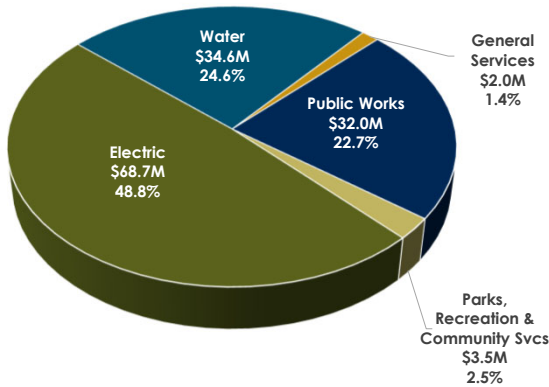
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## Proposed Biennial Capital Budget

**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 Biennial Budget; and

2. Set a public hearing date for adoption of the proposed Fiscal Year 2022-2024 Biennial Budget on June 25, 2024.



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