



## CITY MANAGER'S PROPOSED FISCAL YEAR 2016-2018 TWO-YEAR BUDGET AND FIVE-YEAR FINANCIAL PLAN

### Finance Department

City Council Meeting  
June 21, 2016  
(Continued from June 14, 2016)

**REVISED**

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## OVERVIEW

- On May 31, 2016, staff presented the FY 2016-2018 Two-Year Budget and Five-Year Plan
- May 31<sup>st</sup> presentation followed individual budget discussions with each City department in April-May 2016, including proposed balancing measures



2

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## JUNE 14<sup>TH</sup> ITEMS

- Public Hearing
- Potential Budget Adoption
- Adoption continued to June 21<sup>st</sup>
  - Additional balancing measure changes were presented
  - Adopted authorization for League of California Cities travel
  - Added direction for staff to seek firework sponsorships (La Sierra and Mt. Rubidoux)



3

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## GENERAL FUND BUDGET SUMMARY – 5 YEARS

Category	3rd Quarter FY 2015/16	Proposed: FY 2016/17	Proposed: FY 2017/18	5-Year FY 2018/19	5-Year FY 2019/20	5-Year FY 2020/21
<b>Beginning General Fund Reserve</b>	<b>\$ 40,085,510</b>	<b>\$ 32,853,252</b>	<b>\$ 32,879,545</b>	<b>\$ 34,957,342</b>	<b>\$ 37,887,492</b>	<b>\$ 39,482,500</b>
Baseline Revenue	\$255,093,517	\$ 266,021,469	\$272,700,401	\$284,163,482	\$291,258,952	\$305,026,077
Baseline Expenditures	\$262,325,775	\$ 277,350,449	\$280,965,952	\$288,947,080	\$294,517,629	\$297,769,973
<b>Initial Baseline Budget Surplus / (Deficit)</b>	<b>\$ (7,232,258)</b>	<b>\$ (11,328,980)</b>	<b>\$ (8,245,551)</b>	<b>\$ (4,743,598)</b>	<b>\$ (3,258,677)</b>	<b>\$ 7,258,104</b>
Union Compensation Model	\$ -	\$ (51,764)	\$ (1,431,685)	\$ (3,779,305)	\$ (6,133,348)	\$ (8,503,184)
Cost Plan Update	\$ -	\$ 600,000	\$ 600,000	\$ 600,000	\$ 600,000	\$ 600,000
RPU Water Revenue Update Due to Anticipated Changes in Drought Restrictions	\$ -	\$ 205,000	\$ 590,000	\$ 290,000	\$ -	\$ -
<b>Revised Baseline Surplus / (Deficit)</b>	<b>\$ (7,232,258)</b>	<b>\$ (10,575,744)</b>	<b>\$ (8,507,234)</b>	<b>\$ (7,462,903)</b>	<b>\$ (8,792,025)</b>	<b>\$ (445,080)</b>



4

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# GENERAL FUND CHANGES TO BUDGET REDUCTIONS BY STAFF (NEXT SLIDES, ATTACHMENT 2)



5

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<b>Initial Balancing Measures</b>							
Departmental Reductions	\$ -	\$ 10,511,377	\$ 10,489,353	\$ 10,489,353	\$ 10,489,353	\$ 10,489,353	\$ 10,489,353
<b>Revised Baseline Surplus / (Deficit) After Initial Balancing Measures</b>	<b>\$ (7,232,258)</b>	<b>\$ (64,367)</b>	<b>\$ 1,982,117</b>	<b>\$ 2,836,450</b>	<b>\$ 1,697,328</b>	<b>\$ 9,844,273</b>	
<b>Revisions To Balancing Measures</b>							
Restore a portion of the University Neighborhood Enhancement Team (UNET) (Police)	\$ -	\$ (750,000)	\$ (750,000)	\$ (750,000)	\$ (750,000)	\$ (750,000)	\$ (750,000)
Restore the RCC Aquatics Cut (PRCSD)	\$ -	\$ (80,000)	\$ (80,000)	\$ (80,000)	\$ (80,000)	\$ (80,000)	\$ (80,000)
Restore Janet Goske Center Cut (PRCSD)	\$ -	\$ (15,000)	\$ (15,000)	\$ (15,000)	\$ (15,000)	\$ (15,000)	\$ (15,000)
Add RCVB reduction proposed by Raincross(Non-Departmental)	\$ -	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Add Community Livability Overtime Elimination (Police)	\$ -	\$ 823,680	\$ 823,680	\$ 823,680	\$ 823,680	\$ 823,680	\$ 823,680
Add Community Livability Program Reduction (City Attorney)	\$ -	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
Add Community Livability Program Reduction (Community and Economic Development)	\$ -	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Add Net Savings from insourcing of Innovation and Technology Staff approved by the City Council on May 17. Updated to Cost Plan, FTE's, etc. will be included in the final budget.	\$ -	\$ 12,000	\$ 17,000	\$ 17,000	\$ 17,000	\$ 17,000	\$ 17,000
Reductions to Police Department will reflect 2 records specialists and 2 senior records specialists. A clerical error in the Proposed Budget lists 3 records specialists and 1 senior record specialist.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Managed Savings of \$1.5 million for the Police Department will be achieved through holding vacant positions throughout the year, as needed (e.g. Deputy Chief, Lieutenant, non-sworn, etc.)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Other Requested Changes Proposed Budget</b>							
Add a position reclassification to Public Works, Change Administrative Services Manager position a Fiscal Manager Position. Change name of CEDD Fiscal Manager job description to Fiscal Manager. No impact to General Fund. Sewer Fund (\$50) expenditures will increase by \$8,892 in FY 16/17 and \$18,033 in FY 17/18.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Revised Baseline Surplus / (Deficit) After Amended Balancing Measures as of 6/1/2016</b>	<b>\$ (7,232,258)</b>	<b>\$ 26,313</b>	<b>\$ 2,077,797</b>	<b>\$ 2,932,130</b>	<b>\$ 1,793,008</b>	<b>\$ 9,939,953</b>	
<b>Ending General Fund Reserve</b>	<b>\$ 32,853,252</b>	<b>\$ 32,879,565</b>	<b>\$ 34,957,362</b>	<b>\$ 37,889,492</b>	<b>\$ 39,682,500</b>	<b>\$ 49,622,453</b>	
<b>% of Baseline Budget (Baseline Less Reductions)</b>	<b>12.5%</b>	<b>12.4%</b>	<b>12.9%</b>	<b>13.5%</b>	<b>13.7%</b>	<b>16.8%</b>	

## CHANGES TO BUDGET REDUCTIONS FROM JUNE 14<sup>TH</sup> (NEXT SLIDE, ATTACHMENT 3)



7

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Category	Proposed: FY 2016/17	Proposed: FY 2017/18
<b>Revisions To Balancing Measures (6/14/2016)</b>		
Remove Main and La Sierra Sunday Closures	\$ (107,189)	\$ (107,189)
Remove Two Closures Per Month (All Branches)	\$ (162,768)	\$ (162,768)
Add City Council Travel Reduction	\$ 24,500	\$ 24,500
Add City Council Office Supply Reduction	\$ 7,000	\$ 7,000
Add City Manager Principal Analyst Reduction	\$ 125,500	\$ 125,500
Add Citywide Travel Reduction	\$ 50,000	\$ 50,000
Add Police Department Training Reduction	\$ 50,000	\$ 50,000
Add Mayor's Office Professional Services Reduction	\$ 3,000	\$ 3,000
Add Mayor's Office Printing Reduction	\$ 300	\$ 300
Add Mayor's Office Travel/Training Reduction	\$ 500	\$ 500
Add Mayor's Office Personnel Reduction	\$ 7,000	\$ 7,000
Add Mayor's Office Human Relations Commission Reduction	\$ 1,000	\$ 1,000
Add Mayor's Office Multicultural Forum Reduction	\$ 200	\$ 200
Add Mayor's Office Fit, Fresh and Fun Reduction	\$ 1,000	\$ 1,000



8

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Category	Proposed: FY 2016/17	Proposed: FY 2017/18
<b>Revisions To Balancing Measures (6/14/2016)</b>		
<b>Remove Rolling Closures</b>	<b>\$(1,787,653)</b>	<b>\$(1,787,653)</b>
Add MOU Pay Increase Deferral (RCFA)	\$ 787,894	\$ 787,894
Add MOU Pay Increase Deferral (RFMG)	\$ 52,313	\$ 52,313
Add Training Captain Reduction	\$ 226,096	\$ 226,096
Add Arson Captain Reduction	\$ 223,929	\$ 223,929
Add Chief Officer Reduction	\$ 282,595	\$ 282,595
<b>Remove Arlington Pool Closure</b>	<b>\$ (35,000)</b>	<b>\$ (35,000)</b>
Add Mobile Phone Reduction	\$ 5,000	\$ 5,000
Add Work Release Program Reduction	\$ 20,000	\$ 20,000
Add Funding from Parks Cell Tower Revenues	\$ 10,000	\$ 10,000
Add Updated Changes to Cost Plan	\$ 215,000	\$ 215,000
<b>Net Gain/(Loss)</b>	<b>\$ 217</b>	<b>\$ 217</b>



9

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## RECOMMENDATIONS

That the City Council:

1. Adopt the attached resolution (Attachment 1) approving the City of Riverside's Two-Year Budget as amended by the budget reduction measures and other adjustments reflected in Attachments 2, 3, 4 and any other Council-directed modifications; and
2. Approve the modification of the Personnel Detail Section of the City's Proposed Two-Year Budget to reflect the additional forty-five (45) full-time equivalent (FTE) positions in the Information and Technology (IT) Department as outlined in Attachment 4;



10

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