



City of Arts & Innovation

REVISED REPORT

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL **DATE: JUNE 21, 2016**

FROM: FINANCE DEPARTMENT **WARDS: ALL**

SUBJECT: ADOPTION OF THE TWO-YEAR BUDGET FOR FISCAL YEARS 2016-2017 and 2017-2018 AND RELATED ACTIONS

ISSUES:

The issues for City Council consideration are to adopt a resolution approving the City's Two-Year Budget for Fiscal Year 2016-17 and Fiscal Year 2017-18, which includes a list of the City's active funds as required by Riverside Municipal Code Section 3.36.010, and authorizing related actions.

RECOMMENDATIONS:

That the City Council:

1. Adopt the attached resolution (Attachment 1) approving the City of Riverside's Two-Year Budget for Fiscal Years 2016-17 and 2017-18 totaling \$990,268,568 in FY 2016-17 and \$971,380,144 in FY 2017-18 across all funds as amended by the budget reduction measures and other adjustments reflected in Attachments 2, 4, 7 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. The addition of these forty-five positions was approved by the City Council on May 17, 2016, when it adopted Resolution No. 22996 amending the Fringe Benefits and Salary Plan.

DISCUSSION:

On May 31, 2016, staff presented to the City Council the Proposed Two-Year Budget for Fiscal Years 2016-2017 and 2017-2018, including revisions to the recommended budget reductions. This presentation followed individual budget presentations, including proposed budget reductions, by all City departments in April and May 2016.

- Attached to this report are the updated recommended budget reductions (Attachment 2) and potential additional reductions suggested by the City Council Members at the May 31, 2016 meeting (Attachment 3).
- Also included in Attachment 4 are changes to the Information Technology positions due to the recently approved insourcing. On May 17, 2016, the City Council approved

Resolution No. 22996 amending the Master Fringe Benefits and Salary Plan to insource forty-five (45) FTE positions to the IT Department. The total staffing in the Proposed Two-Year Budget for the IT Department is 59 FTE authorized positions, consisting of the existing 14 City staff and the additional 45 FTE positions. The budget and financial impact of this staffing change is reflected in the Proposed Two-Year Budget as a net benefit of \$12,000 in FY 2016-2017 and \$17,000 in FY 2017-2018.

- Also attached to this report is an updated document with responses to budget questions asked by the City Council (Attachment 5).

On June 14, 2016, staff presented the City Council with an updated list of budget reductions to restore rolling closures at fire stations/libraries and open the Arlington Pool (Attachment 7). Additionally, the City Council conducted the public hearing, as required by the City Charter, and continued adoption of the Proposed Two Year Budget for FY 2016-2018 until June 21st. In addition to this action, the City Council also: 1) directed staff to seek sponsorships for future fireworks shows (La Sierra Park and Mt. Rubidoux), and 2) authorized travel expenditures for League Officers, as necessary, to further the City's legislative agenda through the League of California Cities.

FISCAL IMPACT:

The City's 2016-2018 Proposed Two Year Budget totals \$990,268,568 in FY 2016-17 and \$971,380,144 in FY 2017-18 – as amended by the budget reduction measures and other adjustments reflected in Attachments 2, 4, 7 and any other Council-directed modifications.

Prepared by: Adam Raymond, Assistant Finance Director
Certified as to
availability of funds: Scott G. Miller, Finance Director/Treasurer
Approved by: Marianna Marysheva-Martinez, Assistant City Manager
Approved as to form: Gary G. Geuss, City Attorney

Attachments:

1. Resolution Approving the City's Fiscal Year 2016-2018 Two-Year Proposed Budget and Budget Balancing Changes
2. Staff's Fiscal Year 2016-2018 Two-Year Proposed Budget Adjustments
3. Potential additional reductions suggested by the City Council Members at the May 31, 2016 meeting
4. Personnel Detail of Information and Technology Department
5. Responses to City Council's Budget Questions
6. Presentation
7. Staff's June 14, 2016 Budget Reduction Adjustments