

Measure Z Spending Priorities: *Focus on Public Safety and Capital/Infrastructure*

Finance Department

Budget Engagement Commission

March 9, 2017

BACKGROUND

- City Council Special Meeting held on January 31, 2017
 - City Staff presented Proposed Measure Z Spending Plan
 - City Council provided direction on proposed plan and directed staff to refine plan with the Budget Engagement Commission (BEC)

BACKGROUND

- BEC Meeting on February 23, 2017
 - City Staff presented Proposed Measure Z Spending Plan
 - BEC requested additional information on personnel expenditures
 - BEC requested for input from the City's Boards/Commissions

POTENTIAL CHANGES TO MEASURE Z SPENDING PRIORITIES

1. Public safety and capital/infrastructure – *March 9*
2. Quality of life issues, fiscal discipline, operating needs, and CalPERS – *April 6*
3. City Boards/Commissions – *April 6*
4. Additional BEC request(s) for information – *April 6 and May 4*

** City departments will be in attendance to answer questions*



PUBLIC SAFETY

- Police vehicles
- Fire vehicles
- Fleet maintenance improvements
- Human Resources staffing and hiring incentives

POLICE VEHICLES

- Fleet of 299 vehicles
 - 180 unmarked vehicles (\$48,000/vehicle)
 - 5-7 years/120,000 miles
 - 100 marked vehicles (\$29,000/vehicle)
 - 3-5 years/120,000 miles
 - 19 motorcycles (\$28,500/vehicle)
 - 5 years/60,000 miles
- 85 vehicles are at or near end-of-useful life



POLICE VEHICLES

- Proposed Measure Z Spending Plan - \$8 million over the first 5 years
- Revised plan - \$11.1 million over first 5 years and \$51.7 million over 20 years
 - One-time infusion of 64 vehicles through a 4-year capital lease
 - Annual replacement of 25 marked vehicles, 25 unmarked vehicles, and 4 motorcycles
 - Includes Proposed Measure Z staff additions

POLICE VEHICLES

- Alternative Plan
 - Fund 6 marked vehicles in FY 2016/17
 - Approximately \$300,000
 - Reduce need by 6 for catchup purchase in FY 2017/18
- Pilot Program for Crown Victoria Restoration
 - Evaluate the process for 2 vehicles
 - \$25,000 per vehicle
 - Savings of 50% compared to a new vehicle

FIRE VEHICLES

- Fleet of 32 vehicles plus 9 reserve vehicles
 - Battalion and Squad vehicles (\$150,000 - \$450,000/vehicle)
 - 5 years/100,000 miles
 - Fire Engines (\$950,000/vehicle)
 - 12-15 years/100,000 miles/10,000 hours
 - Fire Truck (\$1.3-\$1.6 million/vehicle)
 - 15-20 years or 60,000 miles/13,500 hours
- More than half of the fleet and reserve vehicles are at or near end-of-useful life

FIRE VEHICLES

- Proposed Measure Z Spending Plan - \$6.4 million over the first 5 years
- Revised Plan - \$11.1 million over first 5 years and \$58.5 million over 20 years
 - One-time infusion of 16 vehicles through a 10-year capital lease
 - Annual replacement varies based on age and mileage

FLEET MAINTENANCE NEEDS

- Addition of 4 mechanics
 - 2 for Police Department
 - 2 for Fire Department
- Facility improvements of \$100,000
 - Allows for Fleet Division to maintain Police Department vehicles
- Proposed Measure Z Spending Plan - \$0
- Revised Plan - \$1.7 million over first 5 years and \$9.6 million over 20 years

STAFFING AND HIRING INCENTIVES

- Addition of 1 Senior Human Resources Analyst
 - Dedicated to hiring of Police Department employees
- Hiring incentives and recruitment costs
 - Hiring bonus (dispatchers)
 - Vacation bank (dispatchers and lateral hire sworn officers)
 - Background, testing, and advertising
- Proposed Measure Z Spending Plan - \$0
- Revised Plan - \$1.8 million over first 5 years and \$4.3 million over 20 years

CAPITAL INVESTMENT

- Overview of capital bond projects
- Parking structure financing
- Mayor and City Council unfunded capital improvement program
- Street maintenance

BOND PROJECTS – MAIN LIBRARY



BOND PROJECTS – MAIN LIBRARY

- On February 23, 2016, the City Council unanimously selected 3911 University Avenue as the site for the new Main Library
- A Request for Qualifications (RFQ) was issued for the development of the new Main Library
- On November 10, 2016, a Request for Proposals (RFP) was issued to the top eight firms
- Top four responses are scheduled for interviews on March 2, 2017
- Staff will negotiate a tentative agreement with the top firm and present a recommendation to the City Council
- The estimated cost to build a new Main Library is \$30 million



BOND PROJECTS – POLICE HQ



BOND PROJECTS – POLICE HQ

- The City's Police Headquarters was constructed in 1963
- On June 14, 2007, the County and the City entered into a 5-year lease for the Downtown Police Headquarters at \$1 per year
 - Lease was amended on April 21, 2010 for an additional 5-years
 - City attempted to relocate the Riverside Police Department to a permanent location - no suitable facilities were identified
- On February 28, 2017, the City Council will hear a request to approve an additional 5-years at a rate of \$292,000 per year (plus annual increases)
 - City option for an additional 5 years
 - Maximum rent due of \$2,993,000 over the next ten years
- The estimated cost to build a new Downtown Police Headquarters is \$50 million



BOND PROJECTS – CONVENTION CENTER



BOND PROJECTS – CONVENTION CENTER

- The existing Convention Center was built in 1972
- Rehabilitated and expanded to 140,000 square feet at a cost of \$45 million (2014)
- Outstanding debt balance on the renovation project is \$39.8 million
 - Annual debt service payments of approximately \$3 million (payoff -April 2034)
- Operated by the Raincross Hospitality Corporation
- In FY 2015/16, - 314 events, bringing in more than 160,000 attendees
 - According to a recent presentation, activities in FY 15/16 had an estimated economic impact of \$10.5 million
- Proposed expansion of 100,000 square feet (exhibit and meeting space)
 - Push into an adjacent parking lot – require a new parking garage to accommodate up to 1,200 parking spaces
- Estimated costs of the expansion and parking facilities is approximately \$40 million



BOND PROJECTS – MUSEUM



BOND PROJECTS – MUSEUM

- Built in 1912 as a US Post Office
- Houses more than 200,000 artifacts in its collections and 2,000 linear feet of archives
- Open to the public free of charge
- Plan to rehabilitate and expand the existing Museum
 - Opening up the mezzanine deck to the original building roof skylight
 - Infrastructure repairs, including ADA concerns
 - Expanding the rear of the building to accommodate new exhibit space
- Estimated costs of repairs and expansion is approximately \$15 million



BOND PROJECTS – PARKING GARAGE



BOND PROJECTS – PARKING GARAGE

- On January 24, 2017, the Downtown Strategic Parking Plan was presented to the City Council
- Staff will return to the City Council on March 21, 2017 to clarify questions and address concerns
- Included in the Downtown Strategic Parking Plan
 - Future development will eliminate approximately 350 existing parking spaces
 - Immediate need (loss of parking) and long-term need (more spaces needed as development is completed)
- The proposed cost of two 400-space parking garages is approximately \$15 million per parking structure - \$30 million total



CAPITAL INVESTMENT

- Original Plan - \$36 million over first 5 years and \$266.4 million over 20 years
- Potential Measure Z sunset of 20-years
 - Debt service structured over the last 18-years
 - Changes in timeline may limit the ability to fund projects or impact certain projects underway (e.g. Main Library)

BOND PROJECTS – BEC REQUEST

The City Council has asked the BEC to recommend:

1. If any project should be expedited; and
2. If any or all projects should be delayed in favor of allocating funds for other capital needs, including roads, existing facility repairs, technology needs, or other items

PARKING STRUCTURE FINANCING

- Staff was asked about the potential to fund the two 400-space parking garages through revenue generated by these facilities
- Staff considered many variables, including:
 - Estimated cost per parking structure (\$15 million per garage)
 - Financing length and terms (30 years at 5% bond financing)
 - Operating and maintenance costs
 - Current parking rates (e.g. first 90 minutes free, special event fees, etc.)
 - Potential long-term clients (e.g. Downtown businesses)
 - Existing garage performance (e.g. Fox Theater Parking – 398 spaces)
- Revenue generated (approximately \$250,000/year) would be able to meet its annual operational costs (approximately \$250,000/year)
- Would not support any of the debt service costs of approximately \$1 million per year per parking structure
- Would require substantial parking rate increases to be cost neutral

MAYOR AND CITY COUNCIL CAPITAL PROJECT PROGRAM

- Funds must be spent on City specific capital projects
 - Capital is defined as an asset owned by the City (e.g. library, street light, sidewalk, etc.), but may also include significant repairs that extend the life of a capital asset (e.g. roof, fence, and playground repairs)
 - Funds will not be utilized as grants and/or sponsorships to third parties
- All spending will be conducted in accordance with the City's current and future purchasing rules and regulations
- Each year, \$250,000 will be allocated to eight accounts (each ward and citywide)
 - The funding allocated to each account may be carried over from year to year to fund larger projects
 - The funding, with written approval from the appropriate elected official(s), can be shared to fund projects



MAYOR AND CITY COUNCIL CAPITAL PROJECT PROGRAM – BEC REQUEST

- Original Plan - \$2 million per year, beginning in FY 2017/18
- The City Council has asked the BEC to recommend:
 1. If more funding should be allocated for ward-specific capital projects instead of the proposed downtown projects (e.g. Main Library, Police Headquarters, etc.); and
 2. If the proposed program funding should be allocated on a different methodology, including, but not limited to low-income residential areas



STREET MAINTENANCE

- The City of Riverside has approximately 873 miles of roadways
 - Residential streets (716 miles – 82%)
 - Major arterials (131 miles – 15%)
 - Alleys (26 miles – 3%)
- Staff was requested to provide analysis on paving 80 miles per year

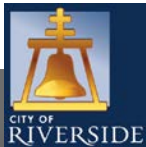
STREET MAINTENANCE

- Residential roadway – typically width of 36 feet
 - Crack fill and slurry seal – 8 to 10 years - average cost of \$40,000 per mile
 - Edge grind and pavement overlay or reconstruct - 25 to 30 years - average cost of \$350,000 per mile
- Arterials vary from 4 to 6 lanes – typical width of 64 feet to 88 feet
 - Pavement rehabilitation desired every 15 years
 - Cost, varies from \$800,000 to \$1,200,000 per mile, depending on the scope of work and road improvement needs
- Council recently approved a computerized pavement management system
 - provides a proactive systematic review of the City Streets
 - Aid in the management and prioritization of needed maintenance (4-year cycle)
 - Reports are provided with recommendations on how to best allocate resources for the roads surveyed
 - The next report will be provided to the City Council within the next two to three months

STREET MAINTENANCE

- Original Plan - \$11.5 million over first 5 years
- 80 miles per year would require \$12.2 million per year

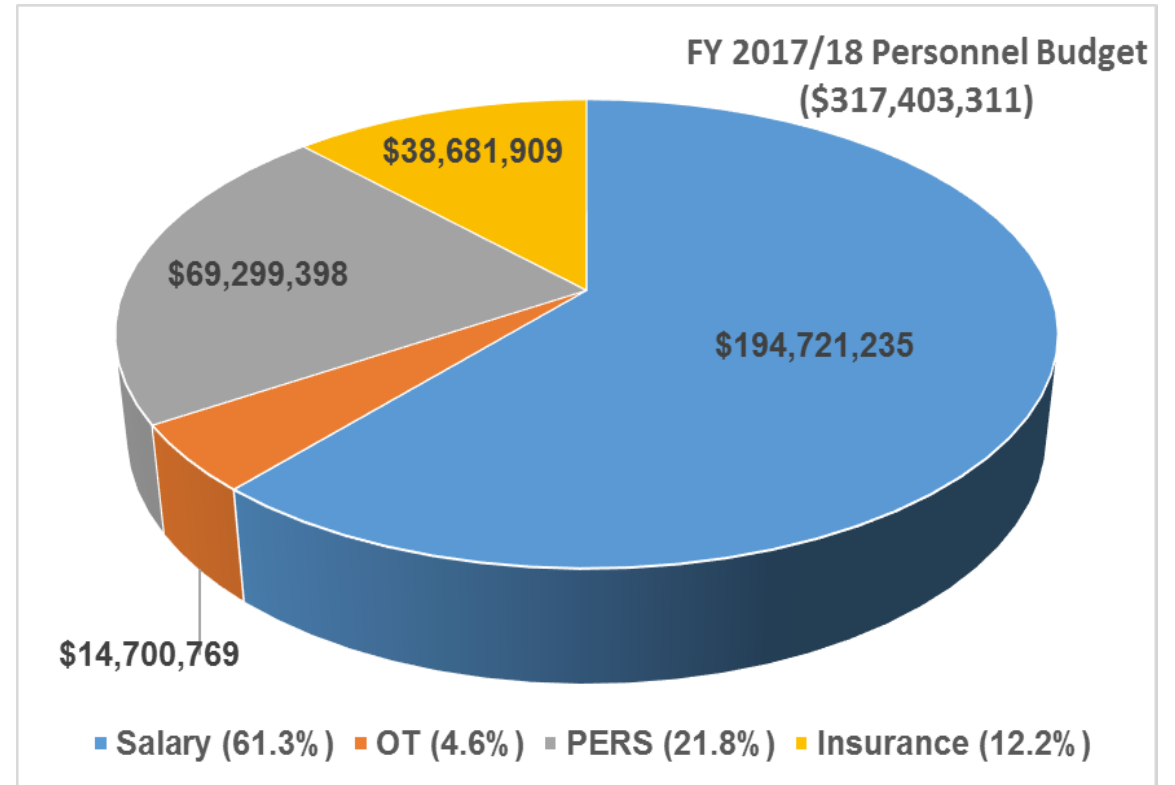
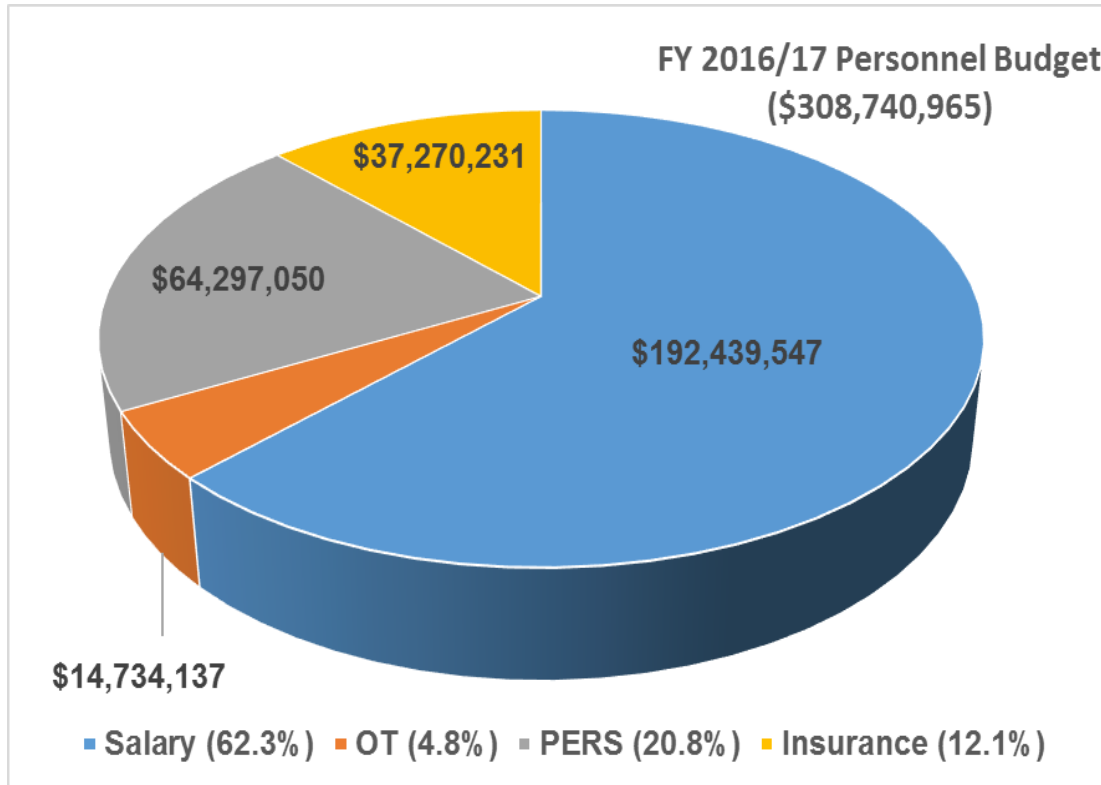
Potential Funding Allocation to Improve 80 Miles Per Year						
Work Type	Miles Per Year	Cycle (Years)	Cost Per Mile	Total Cost	Current Budget	Additional Needed
Residential Slurry	49	10.3	\$40,000	\$1,960,000	\$350,000	\$1,610,000
Residential Paving	23	32.2	\$350,000	\$8,050,000	\$2,250,000	\$5,800,000
Arterial Rehabilitation	8	16.6	\$900,000	\$7,200,000	\$2,400,000	\$4,800,000
Total	80			\$17,210,000	\$5,000,000	\$12,210,000



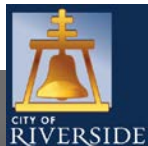
FISCAL IMPACT

- Potential changes to Proposed Measure Z Spending Plan will impact ability to fund other items
- Upon recommendations of the BEC, staff will present those potential impacts for consideration

INFORMATION REQUEST – FEBRUARY 23



Department	FY 2016/17 Personnel Budget		FY 2017/18 Personnel Budget	
Police	\$ 85,102,969	27.6%	\$ 87,520,712	27.6%
Public Utilities	\$ 82,454,065	26.7%	\$ 84,694,118	26.7%
Fire	\$ 43,624,462	14.1%	\$ 44,515,139	14.0%
Public Works	\$ 34,842,113	11.3%	\$ 35,897,201	11.3%
Community and Economic Development	\$ 12,076,142	3.9%	\$ 12,494,550	3.9%
Parks, Recreation and Community Services	\$ 11,189,308	3.6%	\$ 11,444,071	3.6%
General Services	\$ 7,054,707	2.3%	\$ 7,292,429	2.3%
Innovation and Technology	\$ 6,790,378	2.2%	\$ 7,020,318	2.2%
Finance	\$ 5,408,131	1.8%	\$ 5,583,798	1.8%
Library	\$ 4,851,434	1.6%	\$ 4,998,439	1.6%
City Attorney	\$ 4,242,563	1.4%	\$ 4,407,682	1.4%
City Manager	\$ 3,249,119	1.1%	\$ 3,361,047	1.1%
Human Resources	\$ 3,042,055	1.0%	\$ 3,192,579	1.0%
Museum	\$ 1,941,380	0.6%	\$ 2,013,909	0.6%
City Clerk	\$ 1,083,393	0.4%	\$ 1,122,627	0.4%
City Council	\$ 1,080,090	0.3%	\$ 1,110,252	0.3%
Mayor	\$ 708,656	0.2%	\$ 734,440	0.2%
CITYWIDE PERSONNEL TOTALS	\$308,740,965		\$317,403,311	



TIMELINE

- March 9, 2017 – BEC Meeting: Measure with a focus on Public Safety and Capital/Infrastructure
 - *Departmental representatives from Finance, Police, Fire, Public Works, General Services, Library, Museum, Human Resources, and City Manager’s Office will be present to answer departmental specific questions*
- April 6, 2017 – BEC Meeting: Second Quarter financial report (FY 2016/17) including updates on the CalPERS retirement costs, reports from City Commissions, and Measure Z with focus on Quality of Life, Fiscal Discipline, Operating Needs and Technology
 - *Departmental representatives from Finance, Public Works, General Services, Innovation and Technology and City Manager’s Office will be present to answer departmental specific questions*
 - *Additional departments will be asked to attend based on questions and inquiries from the March 9 meeting*
 - *To the extent possible, a representative from each City Board/Commission will be on hand to provide input and answer questions about their recommendations*
- April 11, 2017 – City Council Meeting: Second Quarter financial report (FY 2016/17)



TIMELINE

- May 4, 2017 – BEC Meeting: Riverside 2.0 Goals and Performance Measures, and recommendations on the Measure Z spending
 - *Questions and inquiries from the BEC on March 9 and April 6, will determine what City departments will attend to answer departmental specific questions*
- May 9, 2017 – Joint City Council and BEC Meeting: Measure Z Recommendations
 - *All City departments will be available for questions from the City Council and BEC*
- May 25, 2017 – BEC Meeting: Optional meeting to discuss items within the purview of the BEC
- June 8, 2017 – BEC Meeting: Third Quarter financial report (FY 2016/17), FY 2017/18 Mid-Cycle proposed adjustments, and updates to the five-year financial plan
- June 13, 2017 – City Council Meeting: Third Quarter financial report (FY 2016/17), FY 2017/18 Mid-Cycle proposed adjustments, and updates to the five-year financial plan

RECOMMENDATIONS

That the Budget Engagement Commission:

1. Receive and provide input on potential changes to the Proposed Measure Z Spending Plan; and
2. Develop recommendations to the City Council on Measure Z spending priorities in time for the May 9, 2017 Joint Budget Engagement Commission and City Council meeting