

FY 2018-20 Budget Outlook

Finance Department

Budget Engagement Commission

January 30, 2018

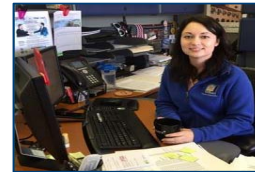
DEPARTMENT OVERVIEW – SERVICES AND STAFFING



Administration
4 Full-Time Equivalents



General Accounting
18 Full-Time Equivalents



Purchasing
9 Full-Time Equivalents



Budget and Revenue
5 Full-Time Equivalents



**Treasury and Debt
Management**
9 Full-Time Equivalents



Business Tax
10 Full-Time Equivalents



Risk Management
5 Full-Time Equivalents

60 FULL-TIME EQUIVALENT POSITIONS BUDGETED FOR FISCAL YEARS 2018-19 AND 2019-20



DEPARTMENT OVERVIEW – PURPOSE AND GOALS

Provide fiduciary control of the City's assets, perform fiscally related services, and provide accurate, timely, and useful financial information to support the delivery of municipal services to the City organization and the public.

Strategic Goals (Riverside 2.1)

Streamline processes to improve customer service and operational efficiency in risk management.

Implement an effective and efficient contract management process applicable to all City procurement contracts and agreements.

Ensure effective management of the City's investment portfolio with a goal of increasing returns on investment.

Project, monitor and manage the City's major revenues and expenditures, and provide financial indicators in order to present a comprehensive view of the City's financial health.

Streamline Finance business processes to maximize revenue, realize cost savings and improve customer service.

Ensure reliable Financial System

Transform Business Tax Administration to enhance customer service and improve compliance through proactive and business-friendly practices.

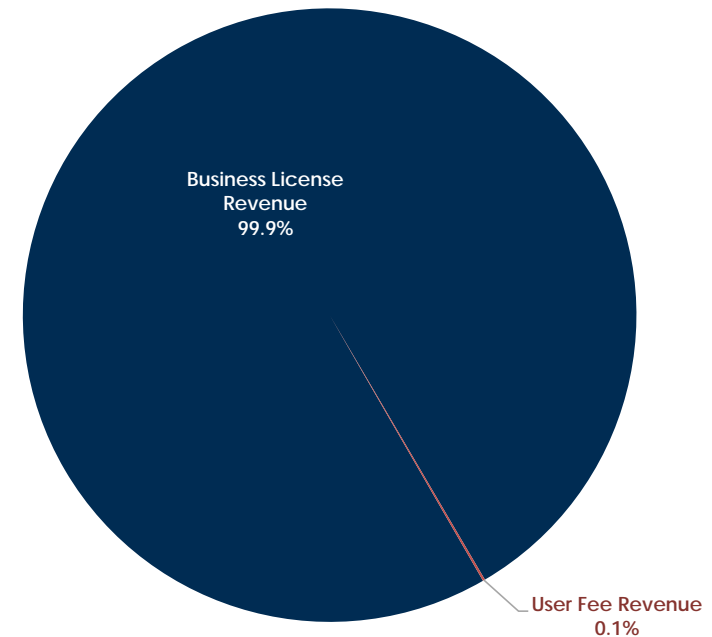


2018-20 BIENNIAL BASELINE BUDGET OVERVIEW

REVENUE – GENERAL FUND

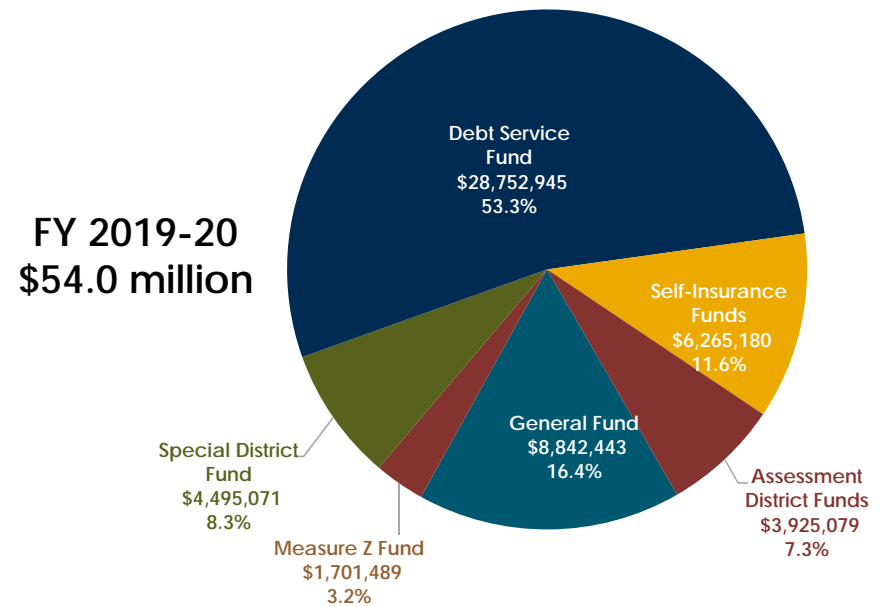
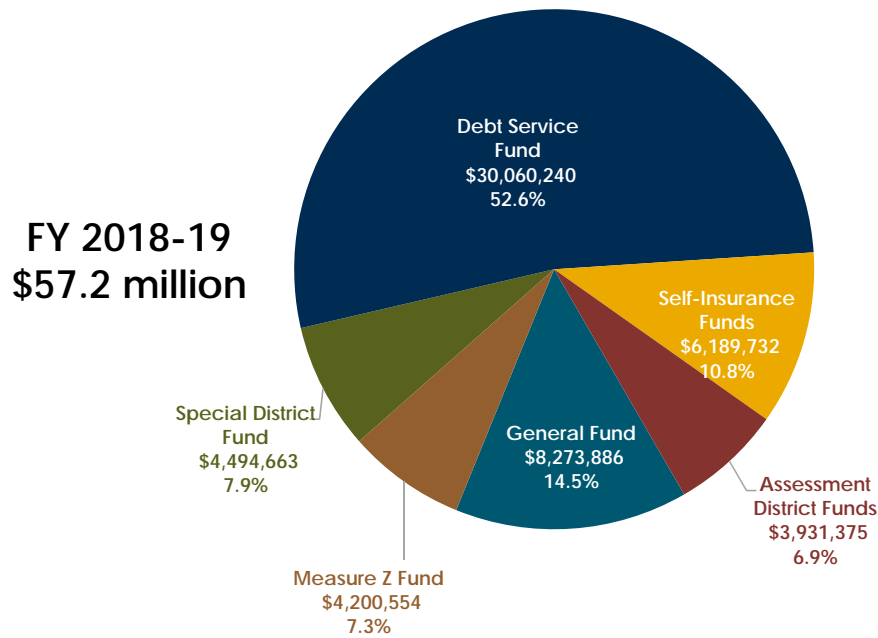
Primary Revenue Sources

- Business Tax Revenue
 - 3.5% of total General Fund Revenues
 - FY 2018-19: \$7.2 million
 - FY 2019-20: \$7.5 million
- User Fee Revenue
 - Approximately \$8,000 annually



2018-20 BIENNIAL BASELINE BUDGET OVERVIEW

EXPENDITURES – ALL FUNDS



Measure Z spending related to Pension Obligation Bond Balloon Payment, Workers Compensation and General Liability Funding and Budget Engagement Commission Administration

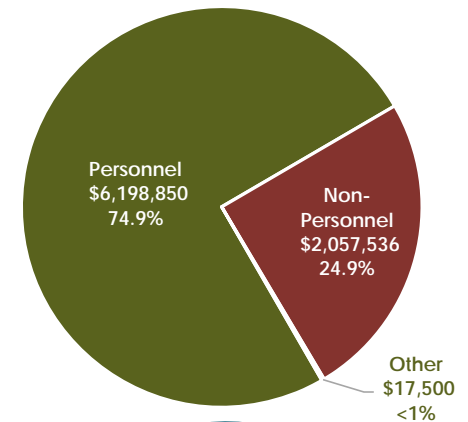


2018-20 BIENNIAL BASELINE BUDGET OVERVIEW

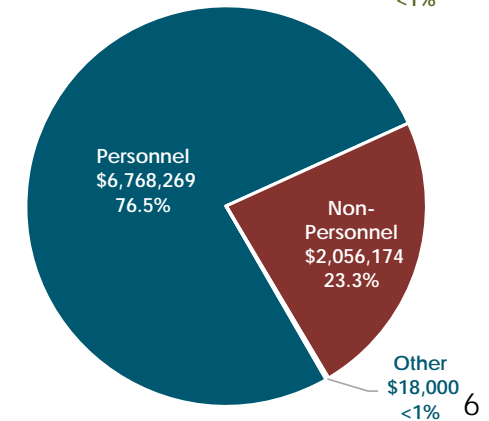
EXPENDITURES – GENERAL FUND

- **Non-Personnel Costs (24.9%/23.3%)**
 - 8.5% of last fiscal year’s non-personnel costs included discretionary spending such as general office supplies, training, and equipment replacement.
 - 91.5% of last fiscal year’s non-personnel costs included non-discretionary spending such as professional services for Investment Portfolio management, debt consulting, and insurance.
- **Personnel Costs (74.9%/76.5%)**
- **All other costs (.2%/.2%)** - equipment leases

FY 2018-19
\$8.3 Million



FY 2019-20
\$8.8 Million



BALANCING MEASURES

- Methodology: Used budget reduction methodology as established by City Management.

Reduction	Service Impact	Fiscal Year 2018-19	Fiscal Year 2019-20
Postage and envelopes	Depending on the success of the Business Tax Action Plan, this reduction may restrict our ability to reach customers and enhance General Fund revenue.	\$13,700	\$13,700
Integrated Transparency Portal	Finance is currently evaluating another transparency option; the less expensive option will not be integrated with the City's financial system as the current product is, so loss of this product may compromise efficiency and require more staff intervention.	\$8,000	\$8,000
Total		\$21,700	\$21,700



REVENUE ENHANCEMENTS

Debt Refinancing:

Refunding of the 2007A-D Tax Allocation Bonds is expected to generate \$1 Million in Property Tax revenues over the next 2 years.

- FY 2018-19: \$650K
- FY 2019-20: \$350K



CRITICAL UNFUNDED NEEDS

Unfunded Need	Justification	Fiscal Year 2018-19	Fiscal Year 2019-20
Training	As the Finance department provides more comprehensive and transparent data on behalf of the City, training of staff becomes more critical.	\$30,000	\$30,000
Professional Services	Finance does not have sufficient funds to hire financial advisory consultants for ad-hoc needs.	\$100,000	\$100,000
Total		\$130,000	\$130,000

