



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: MAY 8, 2018

FROM: FINANCE DEPARTMENT WARDS: ALL
PARKS, RECREATION AND COMMUNITY SERVICES DEPARTMENT
LIBRARY DEPARTMENT
MUSEUM DEPARTMENT
COMMUNITY AND ECONOMIC DEVELOPMENT DEPARTMENT

SUBJECT: PROPOSED FISCAL YEAR 2018-2020 TWO-YEAR BUDGET OVERVIEW FOR THE PARKS, RECREATION AND COMMUNITY SERVICES DEPARTMENT, LIBRARY, MUSEUM, AND COMMUNITY AND ECONOMIC DEVELOPMENT DEPARTMENT.

ISSUE:

Receive and provide input on the proposed Fiscal Year 2018-2020 Two-Year Budget, General Fund balancing measures, and critical unfunded needs for the Parks, Recreation and Community Services Department, Library, Museum, and Community and Economic Development Department.

RECOMMENDATION:

That the City Council receive and provide input on the proposed Fiscal Year 2018-2020 Two-Year Budget, General Fund balancing measures, and critical unfunded needs for the Parks, Recreation and Community Services Department, Library, Museum, and Community and Economic Development Department.

BACKGROUND:

In November 2017, departments began development of the Fiscal Year (FY) 2018-2020 Two-Year Budget. Departments were asked to identify balancing measures that would help the City to close projected General Fund shortfalls of approximately \$4 million in FY 2018/19 and \$6.3 million in FY 2019/20. The General Fund FY 2018-20 Baseline Budget was presented to the City Council on January 16, 2018.

In a series of meetings occurring in January 2018, the General Fund FY 2018-20 Baseline Budget, balancing measures, critical unfunded needs, and an overview of individual City department budgets were presented to the Budget Engagement Commission (BEC) for review and input. Additional input on balancing measures and critical unfunded needs was received

from the BEC, Council members and the Riverside community during the months of January and February. Refined balancing measures were incorporated into the two-year budget to arrive at a balanced General Fund biennial budget for FY 2018-20. The proposed FY 2018-2020 Two-Year Budget and 2018-23 Capital Improvement Program (CIP) were presented to the City Council for review and input on May 1, 2018.

DISCUSSION:

Parks, Recreation and Community Services

The Parks, Recreation and Community Services (PRCS) Department employs over 200 full-time equivalent positions organized into five sections to provide innovative recreation experiences and social enrichment opportunities to people of all ages and cultures, in a variety of sage and attractive parks, trails, landscapes and facilities. The table below provides a summary of the Department's total budget by section and funding source:

DEPARTMENT BUDGET SUMMARY BY DIVISION				
Division	FY 2016/17 Actual	FY 2017/18 Adopted	FY 2018/19 Proposed	FY 2019/20 Proposed
520000 - Administration	1,937,600	1,644,775	1,899,496	2,040,923
520011 - Plan & Des-Park Project	1,811,781	1,451,001	1,451,000	1,380,366
520012 - Plan & Des-Regional Prk Dev	109,708	-	-	-
520020 - Special Transit Services	4,465,308	3,484,851	4,148,538	4,346,157
520500 - Park & Recreation-Recreation	4,206,619	4,168,873	4,666,598	4,953,618
521000 - Janet Goeske Center	409,661	403,590	403,919	404,165
521500 - Parks	9,957,331	9,878,405	10,581,975	10,995,161
521520 - Spec District Park Maint	-	-	43,100	43,100
521540 - Fairmount Park Golf Course	347,730	403,805	435,149	459,326
522500 – Community Services	2,208,194	1,615,390	1,654,426	1,772,594
529900 - PR-Managed Savings	-	(400,000)	-	-
Total	25,453,932	22,650,690	25,284,201	26,395,410

DEPARTMENT BUDGET SUMMARY BY FUND				
Fund	FY 2016/17 Actual	FY 2017/18 Adopted	FY 2018/19 Proposed	FY 2019/20 Proposed
101 - General Fund	19,080,726	17,714,838	19,641,563	20,625,787
291 - Special Districts	-	-	43,100	43,100
411 - Special Capital Improvement	1,451,000	1,451,001	1,451,000	1,380,366
413 - Regional Park Special Cap Imp	456,898	-	-	-
560 - Special Transit	4,465,308	3,484,851	4,148,538	4,346,157
Total	25,453,932	22,650,690	25,284,201	26,395,410

The PRCS Department continually seeks grant funding to supplement City funds, including funding for personnel. Appropriations related to grants are sought when grants are applied for and awarded, separately of the biennial budget process. PRCS capital projects are contingent upon CDBG funding, which will be awarded at a later date; therefore, no capital funding is requested for PRCS projects in the FY 2018-20 budget.

Operating Budget Summary

Specific department challenges in this budget cycle included:

- Maintaining service levels and quality while identifying necessary balancing measures; and
- Identifying funding for critical equipment, maintenance and repair.

The PRCS Department administers programs in four City funds. The Special Capital Improvement Fund receives user fees which supplement capital project funding or pay for debt service previously issued for capital projects. If the user fees are insufficient to pay for the debt service, the General Fund must contribute the amount required to pay the debt. The PRCS Department administers the landscape maintenance for the Loving Home and Village at Canyon Crest; the revenues are collected through property tax assessments and are used to pay landscape maintenance in those areas. The Special Transit Fund partners with the Riverside Transportation Authority to provide municipal transit services to the Riverside community.

Within the General Fund, the department's balancing measures total \$485,532 in FY 2018/19 and \$513,620 in FY 2019/20. Approximately 41% of these amounts are expected to be realized through vacancy savings; other proposed balancing measures include delayed equipment replacement at community centers, a reduction in part-time personnel funding, and the consolidation of positions. New sponsorship funding will be sought for events such as the Mariachi Festival and Winter Wonderland.

Riverside Public Library

The Riverside Public Library employs 60 full-time equivalent positions organized into two sections to support the circulation of a collection of more than 480,000 items to nearly 260,000 borrowers. Services are provided through the Main Library and seven neighborhood branches: Arlanza, Arlington, SSgt Salvador J. Lara Casa Blanca, SPC Jesus S. Duran Eastside, La Sierra, Marcy and Orange Terrace. The table below provides a summary of the Department's total budget by section and funding source:

DEPARTMENT BUDGET SUMMARY BY DIVISION				
Division	FY 2016/17 Actual	FY 2017/18 Adopted	FY 2018/19 Proposed	FY 2019/20 Proposed
513000 - Administration	1,261,619	1,348,587	1,492,399	1,587,217
513500 - Neighborhood Services	4,662,107	4,823,030	4,963,835	5,273,282
514000 - Measure I	288,823	325,872	334,917	344,219
514500 - Gift & Trust	478,264	-	-	-
519900 - Managed Savings	-	-150,000	-	-
Total	6,690,813	6,347,489	6,791,151	7,204,718

DEPARTMENT BUDGET SUMMARY BY FUND				
Fund	FY 2016/17 Actual	FY 2017/18 Adopted	FY 2018/19 Proposed	FY 2019/20 Proposed
101 - General Fund	6,690,813	6,347,489	6,791,151	7,204,718
Total	6,690,813	6,347,489	6,791,151	7,204,718

Operating Budget Summary

Specific department challenges in this budget cycle included:

- End of lease agreement for the SPC Jesus Duran Eastside Library branch in October 2019.
- End of Measure I funding in June 2022.

Within the General Fund, the department's balancing measures total \$267,730 in FY 2018/19 and \$284,558 in FY 2019/20. A majority of these amounts are expected to be realized through vacancy savings; other proposed balancing measures include a reduction of office supply purchases and negotiating lower contract prices for professional services. On the other hand, the Department has experienced higher costs related to maintenance of software and facilities.

Museum

The Museum employs 13.5 full-time equivalent positions organized into three divisions that are responsible for the stewardship of the region's history, anthropology, natural history, and selected archival collections; oversight of the Main Museum in downtown Riverside and the Heritage House Victorian House Museum, the National Historic Landmark Harada House, and adjacent Robinson House. The table below provides a summary of the Department's total budget by section and funding source:

DEPARTMENT BUDGET SUMMARY BY DIVISION				
Division	FY 2016/17 Actual	FY 2017/18 Adopted	FY 2018/19 Proposed	FY 2019/20 Proposed
530000 - Administration	389,265	581,436	-	-
530500 - Facilities and Operations	1,183,808	1,330,065	1,957,903	2,090,441
531000 - Arts & Cultural Affairs	2,017,393	1,968,040	-	-
539900 - Managed Savings	-	(100,000)	-	-
Total	3,590,466	3,779,541	1,957,903	2,090,441

DEPARTMENT BUDGET SUMMARY BY FUND				
Fund	FY 2016/17 Actual	FY 2017/18 Adopted	FY 2018/19 Proposed	FY 2019/20 Proposed
101 - General Fund	3,590,466	3,779,541	1,957,903	2,090,441
Total	3,590,466	3,779,541	1,957,903	2,090,441

Operating Budget Summary

Specific department challenges in this budget cycle included:

- Shifting traditional budget focus from operations to collections care and preparing for the renovation and potential expansion of the main museum.
- Identify and develop potential revenue sources.
- Planning for future personnel needs.

Within the General Fund, the department's balancing measures total \$82,418 in FY 2018/19 and \$88,271 in FY 2019/20. These amounts are expected to be realized through vacancy savings of two full time positions. Historically, the Museum has not been a revenue-generating department.

Admission to the Museum is free and educational programs are offered to the public at no charge. During the Museum closure period, the Museum will identify and begin to develop potential revenue sources. When the Museum re-opens, generating revenue will likely be part of the Museum's new business model.

Community and Economic Development Department

The Community and Economic Development Department (CEDD) employs over 125 full-time equivalent positions organized into eleven sections to work with community stakeholders to accomplish investment that contributes to economic development and advances the City's outstanding quality of life. The table below provides a summary of the Department's total budget by section and funding source:

DEPARTMENT BUDGET SUMMARY BY DIVISION				
Division	FY 2016/17 Actual	FY 2017/18 Adopted	FY 2018/19 Proposed	FY 2019/20 Proposed
280000 - Administration	1,216,653	1,400,879	1,481,280	1,575,218
281000 - Planning	2,892,191	3,503,929	4,857,958	5,177,787
281500 - Economic Development	762,637	1,177,339	1,135,655	1,212,961
282500 - Building & Safety	3,112,690	2,553,436	3,015,424	3,255,862
284000 - Code Enforcement	2,835,959	3,035,680	3,183,650	3,364,525
284500 - Property Services	584,888	688,003	826,322	878,641
281025 - Neighborhoods	663,631	780,211	537,364	575,582
281510 - Arts & Cultural Affairs	-	-	13,528,482	13,652,739
285500 - CDBG- Grants	6,246,132	5,716,446	6,026,661	6,080,573
283010 - Successor Agency	19,897,235	20,954,884	20,977,413	20,308,575
287500 - Housing Authority & Homeless Outreach	1,344,300	1,401,021	2,141,151	2,257,476
289900 - Managed Savings	-	(400,000)	-	-
Total	39,556,316	40,811,828	57,711,360	58,339,939

DEPARTMENT BUDGET SUMMARY BY FUND				
Fund	FY 2016/17 Actual	FY 2017/18 Adopted	FY 2018/19 Proposed	FY 2019/20 Proposed
101 - General Fund	12,473,223	13,169,473	16,162,776	17,286,391
110 - Measure Z Fund	-	-	2,000,000	2,000,000
170 - Development	694,377	548,469	576,155	625,700
220 - CDBG-Community Development	2,506,691	2,986,672	3,022,823	3,046,696
221 - Home Investment Partnership	390,610	785,393	788,277	796,160
222 - Hsng Opport for Persons w/ AIDS	1,615,351	1,944,381	2,215,561	2,237,717
223 - Development Grants	1,724,686	-	-	-
225 - Neighborhood Stabilization	8,794	-	-	-
280 - Housing Authority	939,726	971,025	1,122,402	1,208,715
401 - Capital Outlay	290,017	-	-	-
480 - RDSA 2007 Bonds	737,753	-	-	-
581 - Entertainment	-	-	11,422,108	11,455,685
471 - Successor Agency Capital	551,980	-	-	-
371 - Successor Agency	17,623,108	20,406,415	20,401,258	19,682,875
Total	39,556,316	40,811,828	57,711,360	58,339,939

The Arts and Cultural Affairs Division was transferred from Museum to CEDD. In addition to promoting art programs and cultural activities in the City, this division provides oversight and

guidance for four entertainment venues (Fox Performing Arts Center, The Box, Showcase and Riverside Municipal Auditorium). As such, the operating budget for these venues are included in the Department's budget and are funded by the Entertainment Fund.

Operating Budget Summary

Specific department challenges in this budget cycle included:

- Addressing the challenges related to homelessness in the City.
- Growing the local economic base through actions to support the creation and expansion of businesses.
- Develop new markets for goods and services and attract top talent into the workforce.

Within the General Fund, the department's balancing measures total \$658,215 in FY 2018/19 and \$704,036 in FY 2019/20. Most of the savings will be achieved through labor savings from positions that are vacant during the recruitment process and charging eligible expenses to the reserve established for General Plan related activity. Additional reductions were accomplished through reduced office expenses, professional service costs, and training related expenditures.

Budget Timeline

Upcoming budget hearings for City departments will take place as follows:

May 15, 2018:

- Riverside Public Utilities
- Public Works
- General Services
- Police
- Fire

May 22, 2018

- Finance
- Human Resources
- Innovation & Technology
- City Attorney
- City Clerk
- City Manager's Office
- City Council
- Mayor

June 12, 2018

On May 1, 2018, the City Council approved a public hearing for the adoption of the FY 2018-20 Two-Year CIP and Operating budgets on June 12, 2018. All feedback and requested changes from the City Council during the budget hearings on May 1st through May 22nd will be incorporated into the budget materials reviewed by the City Council on June 12, 2018.

The Parks, Recreation and Community Services Department, Library, Museum, and Community and Economic Development Department concur with the recommendations in this report.

FISCAL IMPACT:

There is no direct fiscal impact resulting from this report. The budget of each City department was included in the proposed FY 2018-2020 Two-Year Budget presented to the City Council on May 1, 2018, and will be included in the FY 2018-2020 Two-Year Budget presented to the City Council for adoption on June 12, 2018.

Prepared by: Kristie Thomas, Interim Budget Manager
Certified as to
availability of funds: Adam Raymond, Chief Financial Officer/Treasurer
Approved by: Marianna Marysheva, Assistant City Manager
Approved as to form: Gary G. Geuss, City Attorney

Attachments: Department Presentations