



REVIEW AND MAKE A RECOMMENDATION AS TO CITY OF RIVERSIDE SERVICES PROTECTION MEASURE

City Manager's Office

Charter Review Committee
February 17, 2021

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CITY COUNCIL REFERRAL

1. On February 16, 2021, the City Council considered whether to refer the City of Riverside Services Protection Measure to the Charter Review Committee for its review and consideration to place it on the June 8, 2021 ballot.
2. City staff will report on the City Council's action during the Charter Review Committee meeting.



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BACKGROUND

1. City Charter (Charter) has called for transfers from its electric utility to the General Fund since voters adopted the first Charter in 1907.
2. In 1968, Riverside voters adopted a Charter amendment that specifically called for a general fund transfer (GFT) from utilities in "an amount equal to 11.5% of the [utilities'] gross operating revenues."
3. City Charter Section 1204, subdivision (f), currently allows a GFT in "an amount not to exceed 11.5%" of the utilities' gross operating revenues for the prior fiscal year.
 - a. This language was approved by 64.5% of Riverside voters in 1981.



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GENERAL FUND TRANSFER (GFT)

1. The GFT provides an unrestricted revenue source to the General Fund
 - a. Funds services that include, but are not limited to: 911 response, fire, paramedic, police, street repairs, parks, senior services, homelessness and other general services
2. The Electric Transfer currently provides approximately \$40 million annually, or about 14% of the total General Fund operating budget



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BALLOT MEASURE

1. To maintain this critical General Fund revenue source, staff is recommending that the voters consider a ballot measure at the June 8, 2021 election which would amend the Riverside City Charter to add a section confirming the Electric Transfer limited to 11.5% of gross revenue.
2. Following the Charter Review Committee's review and recommendation, item will be considered by the City Council
 - a. March 12, 2021 is the last day to place a measure on the ballot.



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CITY CHARTER AMENDMENT

Sec. 1204.2. – Electric utility revenue.

*The revenue of the electric public utility for each fiscal year shall be kept separate and apart from all other moneys of the City by deposit in the appropriate revenue fund and shall be used for the purposes and in the order set forth in Section 1204 and for the annual payment by the electric utility into the general fund in twelve equal monthly installments during each fiscal year, an amount not to exceed 11.5 percent of the gross operating revenues, exclusive of surcharges, of the electric utility for the last fiscal year ended and reported upon by independent public auditors. **The proceeds shall be used to maintain local general purposes as the City Council may by budget or other appropriation direct such as 9-1-1 response, fire, paramedic, police, street repairs, parks, senior services, homelessness and other general services.***



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RECOMMENDATION

That the Charter Review Committee review and make a recommendation as to the City of Riverside Services Protection Measure.



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