

# CITY COUNCIL FY 2021/22 BUDGET WORKSHOP - INTRODUCTION

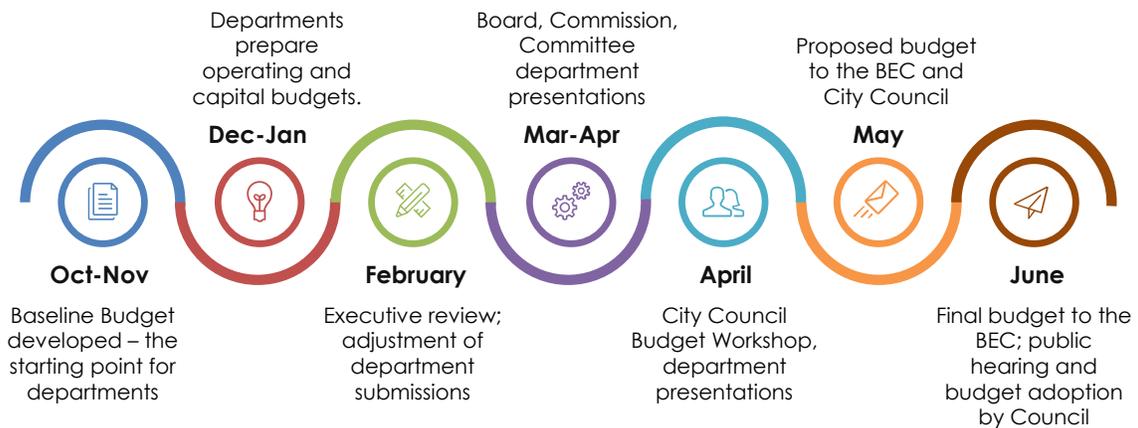
Finance Department

City Council Special Meeting  
April 19, 2021

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## BUDGET DEVELOPMENT PROCESS



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## GENERAL FUND BASELINE BUDGET

Budget Development	Baseline Before <b>Balancing Measures</b>	Presented FY 2021/22 Baseline	Revised FY 2021/22 Baseline	Preliminary Budget*
Revenue	\$219,670,000	\$219,670,000	\$219,670,000	\$220,498,497
General Fund Transfer	47,599,000	47,599,000	47,599,000	48,208,700
<b>Measure Z Contribution</b>	18,266,000	24,266,000	18,266,000	18,266,000
<b>Total Revenue</b>	<b>\$285,535,000</b>	<b>\$291,535,000</b>	<b>\$285,535,000</b>	<b>\$286,973,197</b>
Expenditures	\$295,956,000	\$296,556,000	\$296,556,000	\$296,973,197
<b>Vacancy Target</b>	-	<b>(12,000,000)</b>	<b>(12,000,000)</b>	<b>(10,000,000)</b>
2% MOU Contingency	4,091,000	4,091,000	4,091,000	-
<b>Total Expenditures</b>	<b>\$300,647,000</b>	<b>\$288,647,000</b>	<b>\$288,647,000</b>	<b>\$286,973,197</b>
<b>Surplus/(Deficit)</b>	<b>(\$14,512,000)</b>	<b>\$2,888,000</b>	<b>(\$3,112,000)</b>	-

\*The preliminary budget continues to undergo review and refinement. Feedback will be incorporated and a proposed budget will be presented in May.



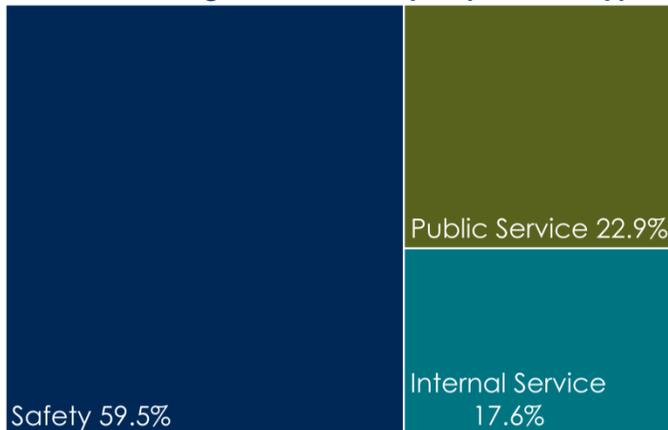
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## GENERAL FUND BALANCING MEASURE

**Personnel Budget Allocation by Department Type**



- \$10M General Fund vacancy savings target
- Proportionally allocated to all General Fund departments
  - Correct disparity
  - Improve ability to mitigate & strategize service level reductions
  - About 5% reduction in departments' personnel budgets
- Internal Service department vacancy impact
  - 40% General Fund savings
  - 60% savings to other funds



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## ELECTRIC 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 GFT currently provides approximately \$40 million annually, or about 14% of the total General Fund operating budget.
3. Loss of the Electric GFT would impact the ability of City departments to remain aligned with the City Council's strategic priorities.



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## PRIORITY BASED BUDGETING

1. City Council received an update on March 2.
2. Significant departmental effort and progress made to date.
3. Departments will share some insights from the project. They considered:
  - a. What is possible?
  - b. What is feasible?



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## RECOMMENDATION

That the City Council receive and provide input on preliminary Fiscal Year 2021/22 departmental budget proposals from City departments.



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