



PROPOSED AMENDMENT TO CITY CHARTER FOR THE RIVERSIDE SERVICES PROTECTION MEASURE

City Manager's Office

City Council
April 27, 2021

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BACKGROUND

1. City 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 allows a General Fund Transfer (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.
3. The GFT provides approximately \$40 million annually to the General Fund for vital services that include, but are not limited to: 911 response, fire, paramedic, police, street repairs, parks, senior services, homelessness and other general services



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BALLOT MEASURE

1. To maintain this critical General Fund revenue source, staff is recommending that voters consider a ballot measure to amend the City Charter to add a section confirming the Electric Transfer limited to 11.5% of gross revenue.
2. The Charter amendment requires a review by the Charter Review Committee prior to the City Council's consideration to place the measure on the ballot.
3. On February 16, 2021, City Council referred the Riverside Services Protection Measure to the Charter Review Committee for review and consideration to place on the November 2, 2021 ballot.



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BALLOT MEASURE

4. City Council's referral of the Measure did not include the proposed language for the Charter amendment as referenced by Section 1404 of the City Charter:

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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RECOMMENDED SCHEDULE

1. August 6, 2021 is the last day to place a measure on the November 2, 2021 ballot.
2. To meet this deadline, staff is recommending the Charter Review Committee provide their review and recommendation on the proposed Charter amendment to the City Council no later than June 16, 2021.
3. This will ensure the City Council has enough time to consider and respond to the Charter Review Committee's recommendation prior to the August 6, 2021 deadline.



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COMMUNITY ISSUES SURVEY

1. In January 2021, the City enlisted Fairbank, Maslin, Maulin, Metz & Associates (FM3) to examine community satisfaction and funding priorities.
2. The study found that a strong majority of respondents supported amending the City Charter to maintain local funding by continuing the GFT transfer.
3. Key findings from the survey are provided as an attachment to this report.



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RECOMMENDATION

That the City Council:

1. Refer to the Charter Review Committee a proposed amendment to the City Charter based on the City of Riverside Services Protection Measure for review and consideration;
2. Recommend the Charter Review Committee review and make a recommendation as to the proposed amendment to the City Charter by June 16, 2021; and
3. Receive an executive summary of the City of Riverside Community Issues Survey.



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