

FY 2024/25

26-0163 - Q4 Financial Report

(Major Funds)

FISCAL YEAR ENDED

JUNE 30, 2025

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GENERAL FUND

The City adopts a biennial budget and five-year planning process to provide a more informative, long-term outlook on City finances. On June 25, 2024, the City Council adopted Resolution No. 24131 approving the Fiscal Year (FY) 2024-2026 Biennial Budget, which included a budget for FY 2024/25.

Revenue projections for the FY 2024-2026 Biennial Budget were initially based on early Spring 2024 performance. The City's sales and property tax consultant, HdL, anticipated 3.1% growth in FY 2024/25 over FY 2023/24 projections, including 4.2% growth in property tax and 2.1% growth in sales tax. General Fund revenues were revised mid-year as additional data became available, informed by FY 2023/24 actual revenue performance and taking into account economic uncertainties associated with newly enacted federal policies including tariffs, immigration policies, and federal funding reductions. Actual revenues outperformed projections by 1.4%, with property tax and sales tax growth ending 6.4% and 2.7% above prior year actuals, respectively. This growth was partially offset by underperforming revenues in other categories, including business license tax, development fees and charges, and other revenue.

The adopted FY 2024/25 budget for the General Fund totaled \$361.2 million (M). Budget adjustments throughout the fiscal year addressed rising costs and critical needs, such as newly approved labor agreements, public safety overtime, and various legal costs. As a result of lower projected revenue and increased costs, the City adopted various cost savings measures mid-year to ensure a balanced budget and ongoing fiscal sustainability.

As a result of higher than projected revenues and expenditure savings in various categories, the City concluded the fiscal year with net unassigned reserve of \$9.56M, after encumbrances, carryovers, required transfers to reserves, and other required governmental accounting adjustments.

General Fund Results at a Glance (Unaudited)

1.4%

**Revenues
Above**

Revised Budget
Projections

1.6%

Projected
**Expenditure
Savings**

\$9.56M

**Unassigned
Reserve**

The General Fund's **unaudited** results present a net unassigned reserve of \$9.56M, after encumbrances, carryovers, required transfers to reserves, and other required governmental accounting adjustments.

Revenue

Revenue estimates for the FY 2024-2026 Biennial Budget were developed using a range of sources, including historical revenue analysis, economic data, input from the City's sales and property tax consultants, City departments, and the County of Riverside. Approximately 80% of the General Fund revenue budget generally comes from sales tax, property tax, utility users tax, and General Fund transfers.

Sales tax is a major revenue source for the General Fund, accounting for approximately 26% of the overall revenue budget. The FY 2024-2026 Biennial Budget increased sales tax revenue projections by 2.1% over the revised FY 2023/24 budget forecast, estimating moderate growth. The FY 2024/25 sales tax estimate was revised downward by 2% midyear given lower actual performance and economic uncertainties associated with rapidly changing federal policies. However, FY 2024/25 sales tax actuals ended 3.3% above revised projections, in large part due to high performing vehicle sales.

Another primary source of General Fund revenue is property tax, accounting for approximately 26% of the overall revenue budget. The adopted budget increased property tax revenue estimates by 4.2%, largely based on updated projections from HdL that reflected continued growth in property values, high demand, and a housing shortage. Property tax revenue outperformed estimates by 2.1%, primarily driven by increases in Successor Agency revenue, which are outside the scope of HdL's forecasts.

Other revenues in the FY 2024/25 adopted budget projected moderate growth, including higher Developer Fees from anticipated fee increases, increased business license tax revenue associated with a new discovery program, and projected land sale revenue associated with the March JPA revenue sharing agreement. However, most of these revenues significantly underperformed budgeted projections.

As part of mid-year adjustments, revenue projections were adjusted downward by \$7.26M based on the results of FY 2023/24 actuals, performance during the first two quarters of FY 2024/25, updated estimates from the City's sales tax consultants, and continued economic uncertainty for the remainder of the fiscal year. This reduction was partially offset by a \$5.9M increase in transfers from Measure Z to offset public safety costs, as well as a \$30.9 million American Rescue Plan Act revenue replacement adjustment and a \$1.8M in Fire Mutual Aid revenue adjustment, both of which mostly netted with expenditures.

Actual revenues, excluding use of infrastructure reserve and prior year balances for encumbrances and carryovers, were above the revised budget by \$5.58M, or 1.4%.

REVENUES BY CATEGORY

FISCAL YEAR REVENUE RESULTS

(in millions)	Adopted Budget	Total Budget	Unaudited Actuals	\$ Variance	% Variance
Property Tax	\$92.59	\$92.59	\$94.53	\$1.94	2.1%
Sales Tax	93.84	91.93	94.93	3.00	3.3%
Cannabis Business Tax	.50	-	-	-	-
Utility Users Tax	34.94	34.94	35.28	.34	1.0%
Transient Occupancy Tax	8.71	8.71	9.11	.40	4.6%
Franchise Fees	6.91	6.91	6.30	(.61)	-8.8%
Licenses & Non-Developer Permits	11.96	11.96	10.20	(1.76)	-14.7%
Non-Development Charges for Services	12.04	12.04	12.30	.26	2.2%
Developer Fees & Charges for Services	8.46	8.46	6.52	(1.94)	-22.9%
General Fund Transfer	53.40	53.45	53.45	-	-
Measure Z Transfer	18.27	24.16	24.16	-	-
Other Revenues & Transfers In	14.84	54.60	58.55	3.9	6.7%
Use of Reserves	4.76	4.76	4.76	-	-
Total Revenues & Transfers In	\$361.22	\$404.51	\$410.09	\$5.58	1.4%

Explanation of Significant Budget Variances

- **Property Taxes** – Property tax revenues increased by 6.4% over the prior year. The City of Riverside continued to experience substantial growth in assessed property values, as evidenced by the 5.3% increase in the 2024-25 assessment roll. This growth has translated into continued increases in the City's property tax revenues. Additionally, property tax revenue from the successor agency (previously tied to redevelopment) grew by \$1.49M (11.2%) compared to the prior year.
- **Sales Tax** – In the second quarter, a \$1.9M downward adjustment in projected revenues was made to account for continued economic uncertainties associated with the potential impact of rapidly changing federal policies. However, actuals ended 2.7% above prior year and 3.3% above revised FY 2024/25 projections, due in large part to high performing vehicle sales.
- **Licenses & Non-Developer Permits** – Revenues came in under projections by \$1.76M (14.7%) primarily due to lower than projected business license tax and animal license and permit revenue. Business license tax revenue projections were increased as part of the 2024-2026 biennial budget due to anticipated revenues from a newly implemented business discovery program; however, the higher level of revenue did not materialize.
- **Non-Development Charges for Services** – Revenues exceeded projections by \$255,084 (2.2%), primarily due to higher-than-expected revenues from various charges from the Police Department, which are partially offset by decreased revenue from fire inspections.

- **Developer Fees & Charges for Services** – Revenues came in significantly under projections by \$1.9M (22.9%) primarily due to anticipated developer fees and charges increases that were incorporated into revenue projections but did not come into effect until June 2025, compounded by a decreased volume of building permits compared to the prior year.
- **Other Revenues & Transfers In** – Revenues exceeded projections by \$3.9M (6.7%). This variance is largely due to a mix of unpredictable or volatile revenue sources and unbudgeted items. Key contributors to the increase include:
 - \$1.7M increase associated with interest from investments.
 - \$1.23M increase in administrative civil penalties and citation revenue.

Furthermore, there are two main factors contributing to the \$40 million budget adjustment in this category. On December 10, 2024, the City Council approved the allocation of all unexpended American Rescue Plan Act funds, approximately \$30.9M, to Revenue Replacement – Provision of Government Services, supported by qualifying public safety expenditures, to allow the City to safely meet the obligation deadline for all unobligated funds and report all ARPA funding as fully expended well in advance of the expenditure deadline. Unobligated funds were transferred into the General Fund as an unappropriated revenue. These funds were mostly offset by expenditures for former ARPA programs that were shifted to the General Fund. Additionally, \$10M was returned to the General Fund Infrastructure Reserve following Council approval of debt financing for the Museum project. Although that funding is recorded as revenue, it is a repayment to the General Fund Infrastructure Reserve.

The following table and chart present the 10-year history of General Fund revenues with the impact of **General Fund restructuring and debt proceeds removed to accommodate year-over-year comparability**. The following are excluded from this analysis for all fiscal years: Fire Bond property tax; Fire Mutual Aid revenue; debt proceeds; required non-operating accounting adjustments (such as adjusting investments to market value), Infrastructure Reserve adjustments, and items moved to other funds during General Fund restructuring in 2016 and 2017.

10-YEAR REVENUE HISTORY

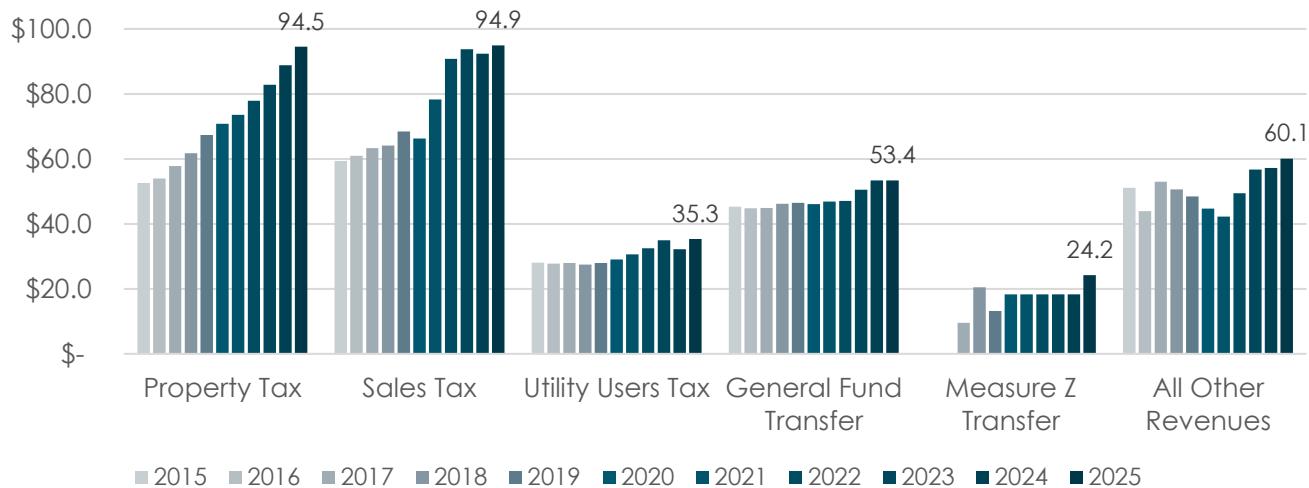
GENERAL FUND REVENUES – 10-YEAR HISTORY

(in millions)	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Property Tax	\$ 54.0	\$ 57.8	\$ 61.7	\$ 67.4	\$ 70.8	\$ 73.6	\$ 77.9	\$ 82.8	\$ 88.8	\$ 94.5
Sales Tax	61.0	63.3	64.1	68.4	66.3	78.3	90.8	93.7	92.4	94.9
Utility Users Tax	27.8	28.0	27.5	28.0	29.0	30.6	32.5	35.0	32.2	35.3
General Fund Transfer	44.8	44.9	46.2	46.5	46.1	46.9	47.1	50.5	53.4	53.4
Measure Z Transfer		9.5	20.5	13.2	18.3	18.3	18.3	18.3	18.3	24.2
All Other Revenues	43.9	53.0	50.6	48.4	44.7	42.2	49.4	56.7	57.2	60.1
Total Revenues*	\$ 231.5	\$ 256.5	\$ 270.6	\$ 271.9	\$ 275.2	\$ 289.9	\$ 316.0	\$ 337.0	\$ 342.4	\$ 362.4
Growth over Prior Year	-2.1%	10.8%	5.5%	0.5%	1.2%	5.3%	9.0%	6.6%	1.6%	5.9%

*Excludes items that impair comparability from year-to-year, as previously described.

In this view, Property Tax, Sales Tax, Utility Users Tax, and the General Fund Transfer accounted for 74.7% of all General Fund revenues in 2025. In the past 10 years, the total of these revenue sources as a percent of total revenues has ranged from a low of 73.8% in 2018 to a high of 81.0% in 2016.

10-YEAR GENERAL FUND REVENUE (in millions)



As illustrated in the chart, Property Tax has experienced strong, steady growth over the past decade, driven by increases in assessed property values. Sales Tax exhibited nominal growth until a surge in fiscal years 2021 through 2023, with revenues rising 37% over 2019 levels due to the pandemic, shifts in consumer spending, and inflationary pressures. In 2024, sales tax revenues declined by 1.4%, reflecting the economic slowdown prompted by the Federal Reserve's actions to curb inflation. Although sales tax revenue grew by 2.7% in 2025, significant uncertainties about future trends remain due to the potential lasting impacts of recently enacted federal policies.

After several years of stagnant revenue, Utility Users Tax (UUT) began increasing in 2020, showing a steady upward trend through 2022. A significant spike occurred in 2023, driven by rising natural gas prices. In 2024, natural gas prices returned to normal due to record-high production levels, leading to an oversupply in the market and a decline in revenues. In 2025, UUT increases are primarily due to higher electric consumption attributed to warmer temperatures and electric transmission revenue due to increased Southern California Edison transmission costs.

The General Fund Transfer experienced 0% growth on average until 2023, when rate increases in electric and water services offset declining consumption. In 2025, General Fund transfers experienced minimal growth. The Measure Z transfer to the General Fund was increased in 2025 by 32% to help offset increased public safety costs in the General Fund, such as Police and Fire overtime.

All Other Revenues will continue to fluctuate due to factors such as interest earnings, bad debt write-offs, and the sale of land and capital assets. The current year's increase compared to the prior year is primarily attributable to continued growth in investment interest earnings and lower bad debt write-offs that are recorded as a direct reduction to revenue.

Expenditures

The FY 2024/25 expenditure budget is comprised of the adopted budget of \$361.2M, \$15.06M of unexpended funds carried forward from the previous fiscal year, and \$36.60M of other budget adjustments occurring during the fiscal year. Major budget adjustments posted during the fiscal year included:

- Increased expenditures of approximately \$25 million for previously funded ARPA programs, which are fully offset by ARPA revenue replacement transferred to the General Fund.
- Increased overtime for Fire and Police Departments: \$3.5M
- Revisions to various labor MOUs compensation and benefits package: \$1.55M
- Cost savings measures to address a projected deficit totaling \$1.26M including:
 - Various Parks Programs: \$500,000
 - Police Radio Savings: \$365,712
 - City Manager Professional Services: \$300,000
 - Education Reimbursement: \$100,000
- Increased legal costs for various cases: \$914,000
- Decrease General Fund Transfer to the Section 115 Trust to adjust for an overpayment made in Fiscal Year 2023/24: -\$794,000
- Use of Infrastructure Reserves for capital project needs totaling \$10.86M, including
 - Solid Waste Loan for Solid Waste Collection Vehicles: \$2.87M
 - Northside Agriculture Innovation Center: \$2.30M

- Purchase of 9518 Magnolia Avenue: \$2.19M
- Airport Repair Loan: \$2.00M
- Bordwell Park Gymnasium Project: \$600,000
- Iowa Avenue Stormwater Facility Repairs: \$490,00
- Monticello Landscape Maintenance: \$280,000
- Cherry Bekeart Tax Credit Project: \$133,750

The total adjusted budget for FY 2024/25 is \$412.89M. Actual expenditures at fiscal year-end are \$389.98M, before factoring in encumbrances and recommended carryovers totaling \$17.35M. Encumbrances of \$12.5M and project/grant carryovers of \$.07M have been carried forward to FY 2025/26 in accordance with the Riverside Municipal Code. **Staff is requesting Council approval of an additional \$4.78M in discretionary and restricted carryovers**, detailed in Appendix A of this report. If approved, total expenditure savings for FY 2024/25 will be **\$6.55M**, or 1.6%, of the total adjusted budget.

EXPENDITURES BY CATEGORY

FISCAL YEAR EXPENDITURE RESULTS

(in millions)	Adopted Budget	Total Budget	Unaudited Actuals	\$ Variance	% Variance
Personnel	\$241.35	\$248.62	\$253.65	\$5.03	2.0%
CalPERS UAL – Safety	9.21	9.21	9.21	-	-
CalPERS UAL – Miscellaneous	2.18	2.18	2.18	-	-
Non-Personnel Costs	78.57	90.53	73.50	(17.03)	-18.8%
Special Projects	10.89	12.60	8.58	(4.02)	-31.9%
Minor Capital & Grants	3.71	10.70	5.04	(5.66)	-52.9%
Debt Service	29.26	29.26	29.26	-	-
Charges To/From	(20.29)	(20.39)	(22.64)	(2.25)	-11.0%
Cost Allocation Plan	(22.18)	(22.18)	(22.18)	-	-
Operating Transfers	12.00	36.05	36.40	.35	1.0%
Special Districts Fund Contribution	1.67	1.67	1.70	.03	1.8%
Convention Center Fund Contribution	3.51	3.51	3.47	(.03)	-1.1%
Entertainment Fund Contribution	.65	.65	.47	(.19)	-28.8%
Cheech Marin Center Fund Contribution	1.06	1.06	.91	(.15)	-14.2%
Parks Capital Fund	.91	.91	.91	-	-
Water GFT Escrow	8.52	8.52	8.52	-	-
Designated for Future Operations	.19	-	-	-	-
Encumbrances & Carryovers*	-	-	17.35	17.35	-
Total Expenditures & Transfers Out	\$361.22	\$412.89	\$406.33	(\$6.55)	-1.6%

*Unaudited Actuals includes \$12.50M in encumbrances and \$.07M project/grant carryovers recorded as allowed by the Riverside Municipal Code; and \$4.78M in other carryovers recommended for Council approval (refer to Appendix A).

Explanation of Significant Budget Variances

- Personnel:** Personnel costs are \$5.03M, or 2%, higher than projected in the amended FY 2024/25 budget. Recognizing ongoing recruitment and hiring challenges, as well as natural savings, a 6% vacancy savings factor was included in the budget, freeing up funds for allocation to City priorities. Although the City ended the fiscal year with an 8% vacancy rate compared to an average of 9% annually, actual savings fell short of this projection. This is primarily attributable to unanticipated vacation and sick leave payouts due to retirements, staff departures, and leave cash outs allowed under MOU agreements, which are difficult to forecast and would otherwise be covered by vacancy savings. Additionally, overtime exceeded budget by \$930,000, net of \$1.82M in fire mutual aid reimbursements.

- **Non-Personnel:** Non-personnel costs are \$17.03M, or 18.8%, lower than projected in the amended FY 2024/25 budget. This is primarily due to savings in various professional services, maintenance contracts, water usage, software maintenance, and staff training. These savings will be partially offset by approximately \$10.9M in encumbrances and carryovers for a total net savings of approximately \$6.13M.
- **Special Projects:** Special project costs are \$4.02M, or 31.9%, lower than projected in the amended FY 2024/25 budget. Savings were experienced in various programs including but not limited to, Riverside County Animal Control, Citywide Fiscal Management accounts, Citywide Events, Citywide Employee Training, and Education Reimbursement. These savings will be partially offset by approximately \$2.22M in encumbrances and carryovers for a total net savings of approximately \$1.80M.
- **Minor Capital & Grants:** Savings of \$5.66M in this category is primarily attributable to unexpended funds of the Building and Structures Improvements budget in General Services and Automotive Equipment budget in Parks, Recreation & Cultural Services (PRCS). These savings will be partially offset by approximately \$3.62M in encumbrances and carryovers.
- **Charges To/From:** Charges to Departments that impact the General Fund were \$2.25M, or 11.0%, above the total budget primarily attributed to additional charges to grants that offset otherwise General Fund costs.

EXPENDITURES BY DEPARTMENT

FISCAL YEAR DEPARTMENTAL RESULTS

(in millions)	Adopted Budget	Total Budget	Unaudited Actuals	Enc. & Carryovers*	Overage/ (Savings)	% Variance
Mayor	\$1.00	\$1.00	\$0.97	\$-	(\$0.03)	-2.7%
City Council	1.70	1.83	2.00	-	0.17	9.3%
City Manager	4.46	5.11	4.65	0.30	(0.16)	-3.2%
City Clerk	2.07	2.16	1.93	0.01	(0.22)	-10.2%
City Attorney	6.03	7.45	6.94	0.55	0.04	0.6%
Marketing and Comm	3.00	3.01	2.36	0.27	(0.38)	-12.5%
Human Resources	6.77	7.00	4.92	0.32	(1.76)	-25.1%
General Services	5.60	5.73	5.11	0.34	(0.28)	-4.8%
Finance	9.65	10.70	8.75	0.63	(1.32)	-12.3%
Innovation & Technology	14.38	16.06	13.70	1.26	(1.10)	-6.9%
Housing & Human Services	2.73	3.68	2.39	1.17	(0.12)	-3.2%
Community Development	17.87	22.22	15.78	2.55	(3.89)	-17.5%
Police	119.24	125.29	117.85	2.34	(5.10)	-4.1%
Fire	67.05	71.47	70.59	0.76	(0.12)	-0.2%
Public Works	25.72	27.94	22.04	2.07	(3.83)	-13.7%
Library	11.15	11.72	10.49	0.34	(0.89)	-7.6%
Parks, Rec, & Comm. Services	34.13	36.05	31.88	1.97	(2.20)	-6.1%
Museum	2.59	2.74	2.24	0.15	(0.35)	-12.8%
Non-Departmental	48.08	73.90	86.57	2.31	14.98	20.3%
Cost Allocation Plan	(22.18)	(22.18)	(22.18)	-	-	-
Total Expenditures & Transfers Out	\$361.05	\$412.89	\$388.98	\$17.35	(\$6.55)	-1.6%

* Includes \$12.50M in encumbrances and \$.07M project/grant carryovers recorded as allowed by the Riverside Municipal Code; and \$4.78M in other carryovers recommended for Council approval (refer to Appendix A).

Explanation of Significant Budget Variances

- **City Council:** The department exceeded personnel costs by \$223,000, primarily due to staff salary adjustments related to a salary study and changes in employee demographics, such as benefit elections, which were partially offset by savings in non-personnel costs and additional charges to grant funds.
- **City Clerk:** The department experienced \$117,000 savings in professional services and \$42,000 savings in personnel costs.

- **Marketing and Communications:** The department experienced \$178,000 in personnel savings due to vacancies and \$71,000 savings in non-personnel costs, primarily associated with professional services. Additionally, the department charged approximately \$73,000 more to other funds, which resulted in additional General Fund savings.
- **Human Resources:** The department realized \$842,000 savings in non-personnel costs including professional services, outside legal and consulting services related to labor negotiations, and a delay in purchasing a talent management system to avoid potential redundancy, as similar functions are being evaluated as part of the City's broader Enterprise Resource Planning (ERP) system efforts. The department also experienced \$353,000 savings in employee training and \$211,000 savings in employee education reimbursements.
- **Finance:** The department experienced \$700,000 in personnel savings due to vacancies and \$436,000 in professional services savings from various debt and treasury contracts that no longer require carryover, as ongoing funding is budgeted in FY 2025/26 to support future costs.
- **Community Development:** The department experienced \$2.6 million in personnel savings due to vacancies and \$518,000 in savings for various professional services contracts.
- **Public Works:** The department experienced \$1.2 million in personnel savings due to vacancies, \$850,000 in savings associated with planned citywide irrigation replacement projects, \$550,000 in savings for various professional services contracts, and \$473,000 in savings for construction maintenance materials.
- **Museum:** The department experienced \$240,000 in personnel savings due to vacancies and \$108,000 in savings from various non personnel costs.
- **Non-Departmental:** The \$14.98M overage is primarily due to a \$15.25M budget adjustment for vacancy savings, which allowed for the reallocation of funds to other spending needs. This amount was not allocated at the departmental level to avoid being perceived as a specific savings target. Excluding unanticipated vacation and sick leave payouts due to retirements, staff departures, and leave cash-outs, vacancy savings were approximately \$13.38M and are reflected in departmental budget savings. Offsetting this adjustment within the Non-Departmental budget, savings were realized in several areas:
 - \$480,000 in savings from various professional services contracts.
 - \$374,000 in savings associated with General Fund subsidies to the Convention Center Fund, Entertainment Fund, and Cheech Marin Center Funds.

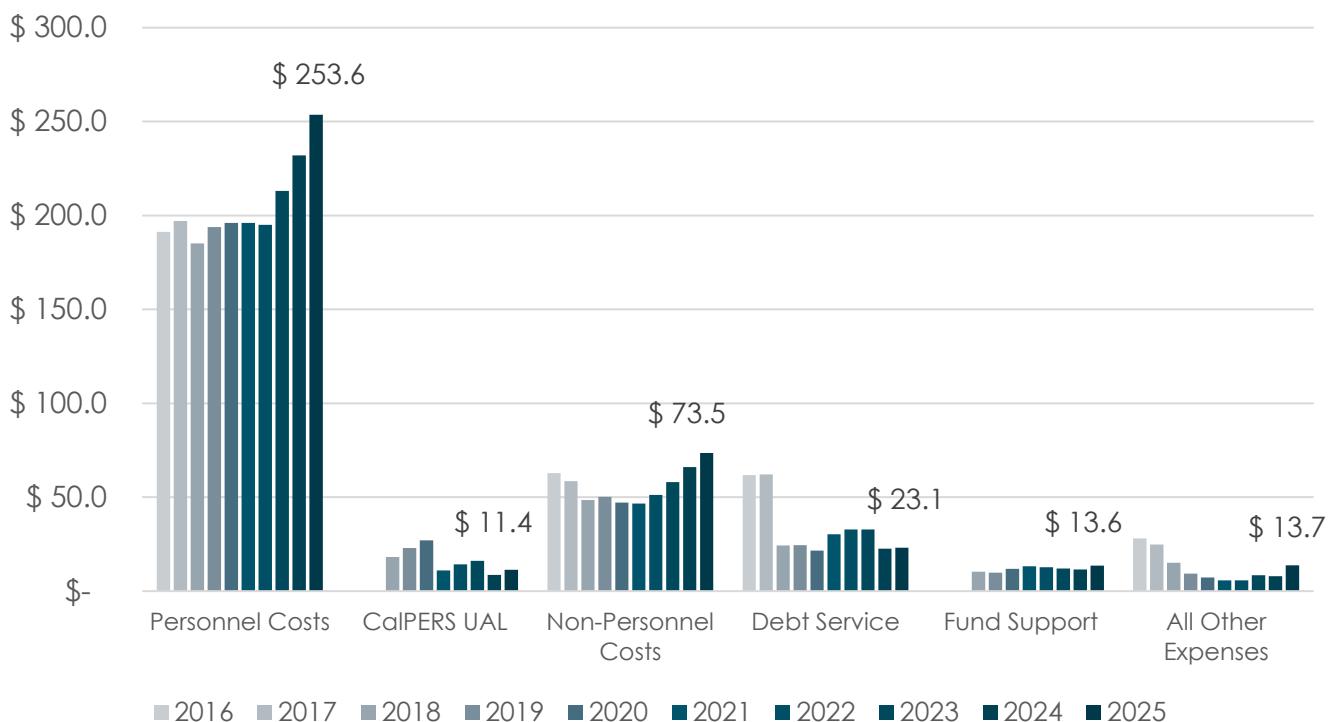
10-YEAR EXPENDITURE HISTORY

The following table and chart show the 10-year history of General Fund expenditures, excluding Operating Transfers. The FY 2024/25 actuals in the following table will differ from the previous charts as the actuals below do not include operating transfers of \$36.6M and carryovers and encumbrances totaling \$17.35M. FY 2024/25 expenditures increased by 13.1% as compared to the prior year.

GENERAL FUND EXPENDITURES – 10-YEAR HISTORY

(in millions)	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Personnel Costs	\$ 191.3	\$ 197.0	\$ 185.2	\$ 193.8	\$ 196.0	\$ 196.0	\$ 195.1	\$ 213.1	\$ 232.0	\$ 253.6
CalPERS UAL – Safety			11.4	14.3	17.2	7.2	9.5	11.2	8.7	9.2
CalPERS UAL – Misc			6.8	8.6	9.8	3.9	4.8	5.0	-	2.2
Non-Personnel Costs	62.9	58.6	48.5	50.3	47.1	46.6	53.1	58.0	66.1	73.5
Special Projects	14.6	16.8	7.3	6.8	6.2	4.5	5.4	7.4	7.8	8.6
Minor Capital	8.0	3.9	2.9	2.1	0.8	0.4	0.3	0.7	0.2	3.6
Grants	5.5	4.1	4.9	0.4	0.2	0.8	0.1	0.3	-	1.5
Debt Service	61.8	62.2	24.3	24.5	21.6	30.2	32.8	32.9	22.7	23.1
Charges To/From	(17.2)	(16.7)	(17.4)	(19.5)	(17.2)	(20.6)	(18.6)	(19.3)	(20.7)	(22.6)
Cost Allocation Plan	(20.2)	(19.9)	(18.9)	(24.1)	(26.3)	(23.4)	(23.5)	(21.7)	(24.1)	(22.2)
Fund Subsidies			10.3	9.9	11.9	13.2	12.7	12.0	11.5	13.6
Total Expenditures	\$ 306.7	\$ 306.0	\$ 265.3	\$ 267.1	\$ 267.3	\$ 258.8	\$ 269.9	\$ 299.6	\$ 304.2	\$ 344.1
Growth over Prior Year	5.6%	-0.2%	-13.3%	0.7%	0.1%	-3.2%	4.3%	11.0%	1.5%	13.1%

10-YEAR GENERAL FUND EXPENDITURES (in millions)



Explanation of Significant Trend Variations

- **Personnel Costs:** In 2018 and 2019, the Partnership Compensation Model led to maximum salary increases under MOU provisions. The 6.0% reduction in 2018 was due to balancing measures addressing the General Fund's structural deficit and the reallocation of some personnel to Measure Z. The \$18M (9.2%) increase in 2023 is attributed to a lower average annual vacancy rate as compared to the previous year, \$11.6M in employee stipends, and increases in compensation and benefits. The \$18.9M increase in 2024 and \$21.7M increase in 2025 reflects MOU-approved salary and benefit adjustments, additional budgeted positions, continued increase in Police and Fire Overtime, and a continued decline in the average annual vacancy rate.
- **CalPERS UAL:** CalPERS separated the Unfunded Actuarial Liability (UAL) from normal retirement costs in 2018 and established a UAL payment methodology to address unfunded retirement costs. In 2021, the City issued a Pension Obligation Bond which shifted some CalPERS UAL costs to the Debt Service category. The reduction in 2024 costs is attributable to CalPERS exceeding its investment target in 2021, resulting in lower required UAL payments for 2024. The increase in 2025 is attributed to both CalPERS' underperforming investment targets and increased city payroll costs.
- **Debt Service:** Through 2017, citywide activity related to outstanding Pension Obligation Bonds were passed through the General Fund for accumulation before sending the resources to the Debt Service Fund to make the annual debt payment. This intermediate step was discontinued in 2018. In 2023, the 2004 Safety Pension Obligation Bond was paid off, resulting in a reduction in debt service costs in future years.
- **Fund Support and All Other Expenses:** The entertainment venues that are now housed in the Convention Center and Entertainment Funds were moved into the General Fund in 2015 (reflected in All Other Expenses) and later removed and established as enterprise funds in 2018. General Fund support of these funds is recorded as Fund Support for transparency. All Other Expenses further declined with restructuring that moved activities funded by restricted funds to the new Grants and Restricted Programs Fund. In 2023, All Other Expenses increased due to a \$1.30M increase in Animal Control, which is a service contracted through the County of Riverside, and the resumption of the Festival of Lights following a 2-year hiatus during the pandemic. In 2025, costs increased primarily due to increased costs in the convention center and to capture a subsidy being provided to the Parks Special Capital Improvement Fund.

PERSONNEL

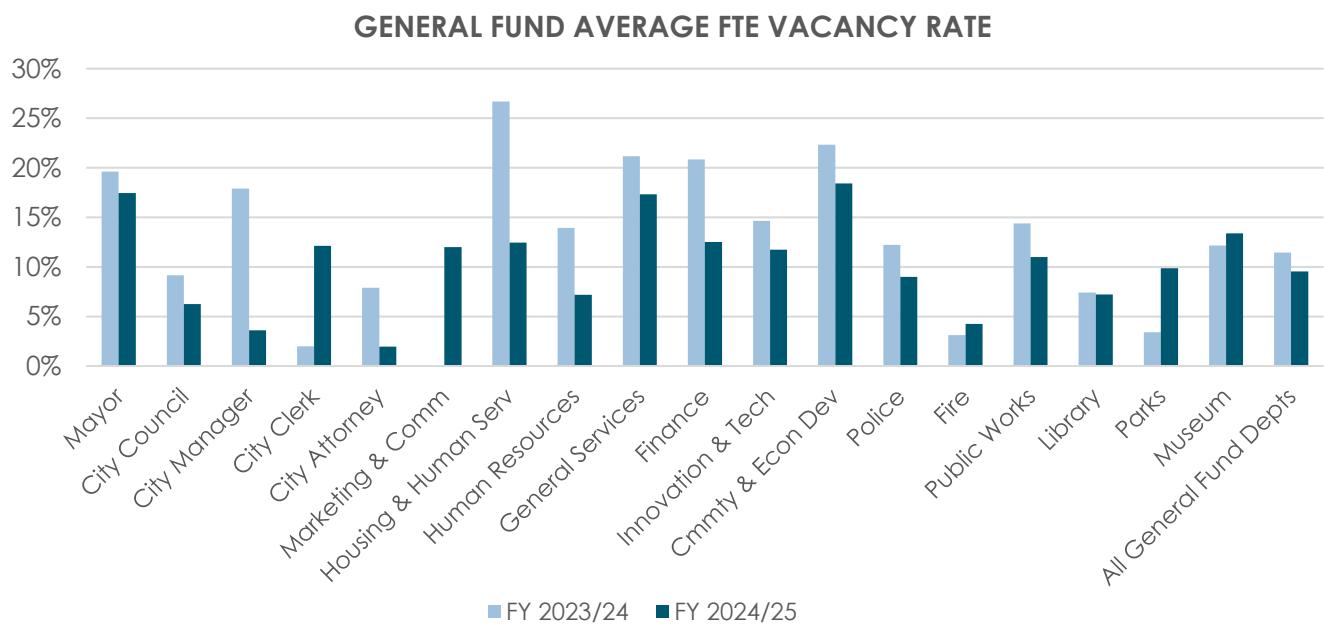
Explanation of Actual Personnel Expenditures

During the fiscal year, the personnel budget was increased by approximately \$7.3M, including \$3.5M for Fire and Police Department overtime, \$1.4M to accommodate approved MOU salary and benefit increases, and \$1.8M in Fire Mutual aid which is offset by revenue.

By the end of FY 2024/25, the General Fund saw a continued improvement in its vacancy rate, decreasing from 11% at the beginning of the fiscal year to 7.8%. This reduction reflects significant progress in filling vacant positions. The Human Resources Department continues its efforts to fill vacant positions through extended job postings and, in some cases, maintained continuous postings; bolstered advertising efforts; and actively participated in hiring and career fair events.

The following chart depicts the average vacancy rate for each department in the General Fund in FY 2023/24 and FY 2024/25, as well as the General Fund overall.

10-Year Personnel Cost History



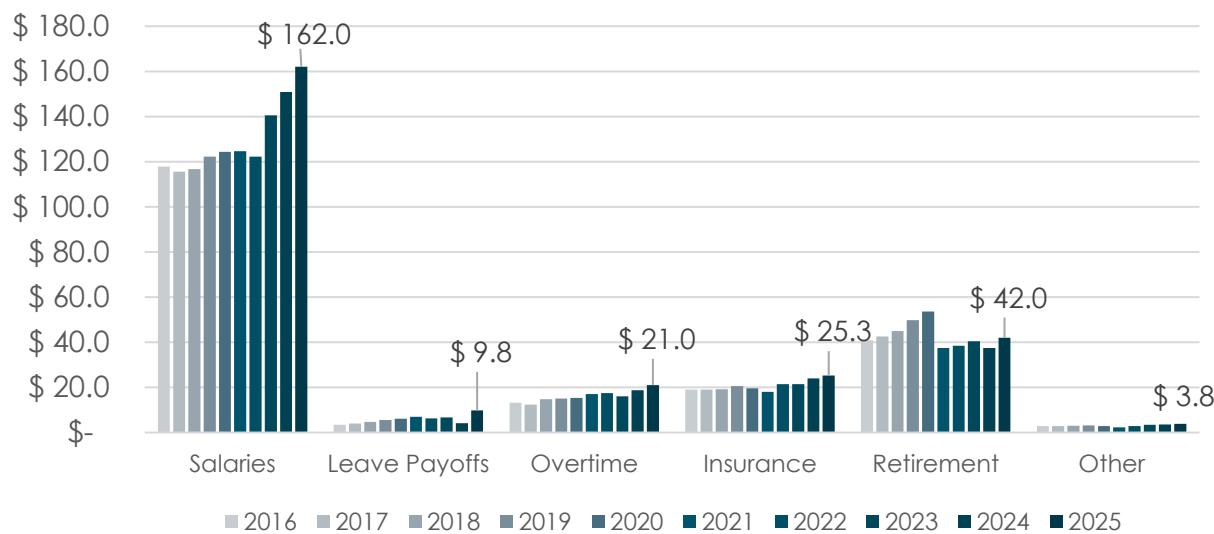
GENERAL FUND PERSONNEL COSTS – 10-YEAR HISTORY

(in millions)	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Salaries	\$117.9	\$115.6	\$116.7	\$122.2	\$124.4	\$124.7	\$122.3	\$140.5	\$150.8	\$162.0
Leave Payoffs	3.4	4.0	4.7	5.5	6.1	7.0	6.2	6.7	4.1	9.8
Overtime	13.2	12.3	14.7	15.0	15.4	17.1	17.4	16.1	18.8	21.0
Insurances	19.0	19.0	19.1	20.6	19.7	18.1	21.4	21.6	24.0	25.3
Retirement	40.8	42.6	44.9	49.8	53.6	37.5	38.5	40.5	37.5	42.0
Payroll Accruals	(5.9)	0.6	0.4	0.3	1.1	0.3	0.7	0.5	1.8	1.1
Other	2.9	2.9	3.0	3.2	2.7	2.4	2.8	3.5	3.6	3.8
Total Personnel & CalPERS UAL Costs	\$191.3	\$197.0	\$203.5	\$216.6	\$223.0	\$207.1	\$209.4	\$229.3	\$240.6	\$265.0
Growth over Prior Year	7.6%	3.0%	3.3%	6.4%	3.0%	-7.1%	1.1%	9.5%	4.9%	10.1%

Explanation of Significant Trend Variations

- **Salaries:**
 - In 2018 and 2019, the Partnership Compensation Model produced maximum salary increases under MOU provisions. The 2018 impact was partially offset by the shifting of some personnel to Measure Z.
 - In 2023, renegotiation of MOUs resulted in salary increases and employee stipends, leading to a significant growth in salary costs.
 - In 2025, salaries increased primarily due to the addition of 56 FTEs included in the 2024/25 budget and renegotiation of MOUs.
- **Leave Payoffs:** The 139% increase reflects vacation and sick leave payouts resulting from retirements, staff departures, and leave cash outs allowed under MOU agreements.
- **Overtime:** The 7.5% reduction in overtime in 2023 is attributable to a \$1.57M decrease in Fire Mutual Aid overtime compared to the previous year. In 2025, overtime costs increased primarily due to an increase in overtime hours and employee compensation from labor agreements for the Police and Fire Departments.
- **Retirement:** Retirement costs declined \$16.20M in 2021 due to a lump sum paydown with the issuance of a Pension Obligation Bond (POB). The 12% increase is primarily associated with additional FTEs added in FY 2024/25 as part of the 2024-2026 Biennial Budget.

10-YEAR GENERAL FUND EXPENDITURES (in millions)



MAINTAINING RESERVES

The City's policy reserve level is 20%, comprised of a 15% Emergency Reserve and a 5% Contingency Reserve.

At each fiscal year end, fund reserves are calculated as a percentage of the following year's adopted budget. Since adopted appropriations typically increase from year to year, a 20% corresponding increase in reserves is required to maintain the reserve level (\$200,000 for each \$1M increase in appropriations). However, this annual increase in the reserve requirement is not formally incorporated into the adopted budget, due to the timing of budget adoption. Therefore, General Fund savings is typically needed at the end of each fiscal year to ensure that the reserve level is maintained.

The required increase in the 20% General Fund policy reserve based on the adopted FY 2025/26 budget is \$4.19 million.

The FY 2025/26 adopted budget totals \$382.16 million, requiring 20% reserves of \$76.43 million.

Fund Reserves

The beginning fund balance includes all amounts available to spend at the end of the previous fiscal year and 20% policy reserves. Current year activity, including new encumbrance and carryover balances, required accounting changes in other fund reserves, and recomputed policy reserves are subtracted or added to the beginning fund balance to arrive at the projected ending available reserve balance. This amount is available for allocation per Council direction.

FUND BALANCE (in millions)

Beginning Fund Balance (Audited)	\$ 145.77
FY 2024/25 Activity	
Revenues	\$ 405.33
Expenditures	(380.64)
Encumbrances/Projects/Grants	(12.57)
Restricted Carryovers*	(.74)
Discretionary Carryovers*	(4.04)
Other Adjustments	(3.55)
Subtotal	\$ 3.79
Policy Reserves	
15% Emergency Reserve	\$ (57.32)
5% Contingency Reserve	(19.11)
Total Policy Reserves	\$ (76.43)
Other Reserves	
Water GFT Escrow	(\$16.63)
Infrastructure Reserve	(11.71)
Technology Reserve	(5.00)
Section 115 Trust Set-Aside	(30.24)
Total Other Reserves	\$ (63.27)
Projected Unassigned Reserves	\$ (9.56)

*Subject to Council approval – refer to Appendix A

GENERAL FUND RESERVES

The General Fund is projected to end FY 2024/25 with a net unassigned reserve of \$9.56M, after encumbrances, carryovers, required transfers to reserves, and various other prior year and required governmental accounting adjustments. Projected General Fund Reserves are comprised of the following:

GENERAL FUND RESERVES (UNAUDITED)

(in millions)	Amount	Subtotal
Nonspendable		
Inventories, prepaids, deposits	\$.91	
Advances and Notes	5.66	
Land & Improvements held for resale	.17	\$ 6.74
Committed		
20% Policy Reserves	76.43	
Reserved for Section 115 Trust Contributions	30.24	
Infrastructure Reserve	11.71	
Technology Reserve	5.00	
Water GFT Escrow	16.63	
Section 115 Trust	76.85	
Other required reserves	6.93	\$ 223.79
Assigned		
Encumbrances/Projects/Grants	12.50	
Carryovers*	4.84	
Special Deposit Funds	1.67	\$ 19.01
Unassigned		
Available Reserves	9.56	\$ 9.56
Total General Fund Reserves		\$ 259.10

*Subject to Council approval – refer to Appendix A

The General Fund's Unassigned fund balance is projected to be \$9.56M, pending completion of the City's financial audit. Staff recommend applying the audited unassigned fund balance toward addressing potential deficits in the next budget and will present a plan for the use of these funds as part of the FY 2026-2028 Biennial Budget development process.

Section 115 Trust

Section 115 Trust assets are accounted for in a separate fund and are legally restricted for the payment of pension-related obligations. This reserve will help the City smooth fluctuations in the required annual CalPERS UAL payments and minimize the fiscal impact of significant increases that

could disrupt the City's ability to maintain service levels and fund ongoing operations. As of 6/30/2025, the unaudited reserve balance is \$76.85M.

GENERAL FUND OUTLOOK

Although the future remains uncertain and potential risks, including the effects of rapidly changing federal policies, continue to present challenges to the City's financial outlook in the current year and future years, overall General Fund revenues grew in FY 2024/25. In the short term, the City must prepare for potential impacts in both sales and property tax revenues as slower economic growth and rising unemployment may present challenges. While these factors were considered in the FY 2025/26 revenue projections, the extent of their impact on the City's outyear revenues remains uncertain. Additionally, in the long term, the General Fund faces several financial challenges that could pose risks to its fiscal health:

- **Water General Fund Transfer:** The Water General Fund Transfer (GFT) accounts for approximately 2.5% of budgeted FY 2025/26 General Fund revenues. On September 19, 2023, the City Council directed that all future Water GFT collections be placed in a reserve account pending the outcome of litigation. The potential revenue loss ranges from \$9.18M to \$12.05M annually over the next five years, or \$52.84M over the next five years.
- **Deferred Maintenance and Infrastructure:** Following several years of structural deficits in the General Fund, the City struggled to allocate funding toward capital needs. Historically, capital investments have largely been funded through debt financing, such as the issuance of 2008 Certificates of Participation for street improvements, and Riverside Renaissance Tax Allocation Bonds for new facilities and capital improvements. However, debt financing does not provide a sustainable method to fund annual and ongoing needs for infrastructure repairs and maintenance and the added debt service reduces the amount of funding available for ongoing deferred maintenance. Although the City has made additional deferred maintenance and infrastructure investments through Measure Z and American Rescue Plan Act funds, significant ongoing needs remain to support these activities in the future.
- **Rising Pension Costs:** The financial markets influenced the CalPERS retirement fund, which yielded a 11.6% return for the fiscal year ended June 30, 2025, exceeding the 6.8% forecasted rate. While this marks continued improvement, pension costs are expected to continue to rise due to increased payroll and CalPERS' methodology of smoothing investment gains over several years to minimize significant year-to-year fluctuations. Additionally, future returns below expectations could further increase unfunded liabilities and required annual payments.
- **Labor Costs:** MOU contracts were updated in 2025 and have continued to result in increased salary and benefits costs. Balancing the competing needs of providing competitive salary increases to recruit and retain highly qualified employees and maintaining long-term financial sustainability will remain an ongoing challenge for the City.

MEASURE Z FUNDS

The financial reporting of Measure Z focuses on a Spending Plan format, which is a different presentation method than the financial reporting of other funds. The spending plan methodology provides a transparent and accessible illustration of Measure Z activity without the “noise” of formal accounting requirements and debt-funded capital projects:

- Measure Z activity is tracked in two funds as required by accounting rules: the Measure Z operating fund and the Measure Z capital fund. The capital fund includes all major capital activity, while the operating fund includes all other activity. Fund resources are transferred from the operating fund to the capital fund as needed to fund approved capital projects. These interfund transfers have a net zero impact and are not reported in the Spending Plan.
- Some Measure Z capital items are funded by debt, such as Library and Museum construction, Fire vehicle replacement, and Police helicopters. Measure Z's current resources are used to pay the related annual debt obligations, and those debt payments are reported in the Spending Plan. The spending of debt proceeds on capital projects does not represent a use of Measure Z tax revenue, so these expenditures are not reported in the Spending Plan.

Revenue

The adopted FY 2024/25 budget projected revenues of \$84.52M, which includes \$83.72M for transaction and use tax. Due to a decline in consumer spending and updated projections from the City's sales tax consultant, HdL, transaction and use tax revenue projections were reduced to \$80.51M in the second quarter report. However, actual revenues exceeded budgeted expectations by \$0.82M (1%) for transaction and use tax and \$1.55M (193%) for interest revenue.

Since its approval in 2017, the Measure Z Transaction and Use Tax (TUT) has grown steadily, peaking at \$84.02M in FY 2022/23. In FY 2023/24, revenues declined 2.5% to \$81.90M from the prior fiscal year, marking the first revenue drop since Measure Z's inception. In FY 2024/25, revenues continued to decline, falling by 0.7% to \$81.33M. Previous years' significant growth was driven by post-pandemic shifts in consumer spending patterns and rising inflation.

The following table reports the revenue history for Measure Z since 2018:

MEASURE Z REVENUES SINCE 2018

(in millions)	2018	2019	2020	2021	2022	2023	2024	2025
Transaction & Use Tax (TUT)	\$ 56.20	\$ 62.29	\$ 62.38	\$ 72.00	\$ 83.16	\$ 84.02	\$ 81.90	\$ 81.33
Interest Revenue	0.04	0.53	0.76	0.65	0.75	1.82	2.30	2.35
Total Revenues	\$ 56.24	\$ 62.82	\$ 63.14	\$ 72.65	\$ 83.91	\$ 85.84	\$ 84.20	\$ 83.67
TUT Growth over Prior Year	345.9%	10.8%	0.2%	15.4%	15.5%	1.0%	(2.5%)	(.7%)

Expenditures

Measure Z expenditures fluctuate significantly due to the timing of long-term capital initiatives and projects. This creates an accumulation of unspent resources and carryover balances in spending categories for those projects. Actual expenditures at fiscal year-end are \$100.9M before encumbrances and carryovers of \$44.44M. Encumbrances of \$22.1M and capital carryovers of \$16.5M have been carried forward to FY 2025/26 as provided for in the Riverside Municipal Code. **Staff is requesting Council approval of an additional \$5.83M in discretionary carryovers**, detailed in Appendix A of this report.

For inception-to-date expenditure reporting by funded item, refer to the Measure Z Spending Plan in Appendix B of this report.

Unallocated Fund Reserves

Actual Measure Z revenues of \$83.67M and expenditures of \$100.9M produced a net decrease of fund reserves of \$17.23M. The projected available fund balance (unaudited) is anticipated to total \$44.05M net of encumbrances and recommended carryovers totaling \$44.44M. These funds are intended to be drawn down over the next several years. Staff recommend that available reserves remain intact pending the completion of the FY 2026-2028 Biennial Budget.

MEASURE Z ACTIVITY AND PROJECTED FUND RESERVES

(in millions)	2019	2020	2021	2022	2023	2024	2025
Revenue	\$ 62.82	\$ 63.14	\$ 72.65	\$ 83.91	\$ 85.84	\$ 84.20	\$ 83.67
Expenditures	(40.99)	(49.57)	(50.85)	(67.45)	(69.61)	(86.10)	(100.90)
Encumbrances & Carryovers	-	-	-	-	-	-	(44.44)
Net Change in Fund Balance	\$ 21.83	\$ 13.57	\$ 21.80	\$ 16.46	\$ 16.24	\$ (1.90)	\$ (61.67)
Beginning Available Fund Balance	\$ 22.73	\$ 39.56	\$ 53.14	\$ 74.94	\$ 91.40	\$ 107.63	\$ 105.72
Net Change in Fund Balance	21.83	13.57	21.80	16.46	16.24	(1.90)	(61.67)
Fund Balance Reserve Policy	(5.00)	-	-	-	-	-	-
Ending Available Fund Balance	\$ 39.56	\$ 53.13	\$ 74.94	\$ 91.40	\$ 107.63	\$ 105.72	\$ 44.05

Permanent Policy Reserve Set-Aside: \$5M

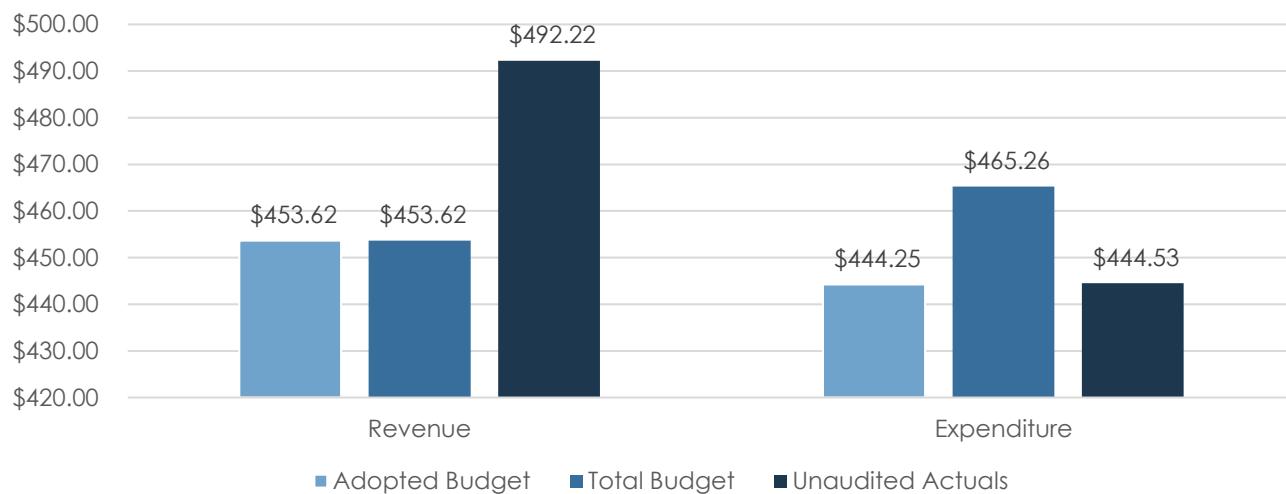
The Measure Z Reserve Policy adopted by City Council on April 2, 2019, requires a minimum \$5M contingency reserve level. This amount was removed from available fund balance in 2019 and is held intact, separately of the available fund balance reported in the Spending Plan.

ELECTRIC FUND

The FY 2024/25 adopted operating budget for the Electric Fund included a programmed \$9.4M operating gain, excluding bond proceeds and capital project allocations. Unaudited fiscal year end results present an operating surplus of \$48.01M including encumbrances and carryovers of \$18.40M.

The Total Budget in the following chart and tables includes the carryover of the previous fiscal year's unexpended funds and adjustments to the revenue and expenditure budgets made during the normal course of business. Actual expenditures include encumbrances and carryovers to reflect budgetary savings.

ELECTRIC FUND BUDGET TO ACTUAL (in millions)



Revenue

Total revenues at fiscal year-end are \$38.60M (8.5%) greater than revenue projections in the total budget.

FISCAL YEAR OPERATING REVENUE RESULTS

(in millions)	Adopted Budget	Total Budget	Unaudited Actuals	\$ Variance	% Variance
Retail Sales	\$ 379.56	\$ 379.56	\$ 395.61	\$16.05	4.2%
Transmission Revenue	26.27	26.27	32.75	6.48	24.7%
Other Operating Revenue	26.17	26.17	33.95	7.78	29.7%
Miscellaneous Revenue	16.76	16.76	21.16	4.40	26.2%
Capital Contributions	4.85	4.85	8.75	3.90	80.4%
Total Revenues	\$ 453.62	\$ 453.62	\$ 492.22	\$38.60	8.5%

Explanation of Significant Budget Variances

- **Retail Sales:** Electric revenues were \$16.05M above projections, primarily due to increased electric consumption from warmer temperatures throughout the fiscal year and a \$11.00M year-end accounts receivable adjustment reflecting implementation of a more precise unbilled accounts receivable methodology. While residential revenues exceeded budget expectations, they were partially offset by declines in commercial categories.
- **Transmission Revenue Requirements:** Revenue exceeded projections by \$6.48M, or 24.7%, due to a higher rate reflective of an increase in Southern California Edison transmission costs for operating and maintaining the transmission system.
- **Other Operating Revenue:** Revenues exceeded projections by \$7.78M, or 29.7%, primarily driven by increased outside sales of excess resource adequacy, the capacity commitments the City procures to meet state reliability requirements.
- **Miscellaneous Revenue:** Revenue exceeded projections by \$4.40M, or 26.2%, primarily driven by higher than anticipated interest earnings on investments and bond proceeds.
- **Capital Contributions:** Revenue exceeded projections by \$3.90M, or 80.4%, primarily due to increased developer activity (construction) and donated underground electrical conduit, donated street lighting, and donated land rights and easements. Revenue from the latter is not budgeted, as it is highly unpredictable.

Expenditures

The FY 2024/25 total expenditure budget for the Electric Fund is \$465.26M, which includes the adopted budget of \$444.25M, \$19.75M in unexpended funds carried forward from the previous fiscal year, and other budget adjustments made during the normal course of business. The table below shows year-end savings of \$21.06M after accounting for \$18.40M in encumbrances and carryovers.

FISCAL YEAR OPERATING EXPENDITURE RESULTS

(in millions)	Adopted Budget	Total Budget	Unaudited Actuals	\$ Variance	% Variance
Personnel	\$ 76.90	\$ 76.90	\$ 70.04	\$ (6.86)	-8.9%
Power Supply	237.07	237.14	225.62	(11.51)	-4.9%
Operating & Maintenance	25.70	46.23	31.14	(15.10)	-32.7%
Debt Service	59.69	59.78	53.79	(5.98)	-10.0%
General Fund Transfer	44.88	45.22	45.22	-	0.0%
Carryovers & Encumbrances*	-	-	18.40	18.40	0.0%
Total Expenditures & Transfers Out	\$ 444.25	\$ 465.26	\$ 444.21	\$ (21.06)	-4.5%

*Includes \$9.64M in encumbrances as allowed by the Riverside Municipal Code; and \$8.76M in other carryovers recommended for Council approval (refer to Appendix A)

Explanation of Significant Budget Variances

- **Personnel:** Personnel costs were \$6.86M, or 8.9%, less than total budget due to a high average annual vacancy rate of 11% during the fiscal year. At June 30, 2025, the Electric Fund had 56 vacant positions.
- **Power Supply:** Power supply costs were \$11.51M, or 4.9%, less than total budget. Lower transmission and capacity costs were partially offset by higher energy charges.
- **Operating & Maintenance:** Operating and maintenance costs were \$15.1M, or 32.7%, below total budget, primarily due to carryover of professional services, building maintenance, heavy vehicle purchases, and software costs , which will be utilized on an 'as-needed' basis or as technology projects are implemented.
- **Debt Service:** Savings of \$5.98M, or 10.0%, were primarily due to the planned delay of issuing the 2024A Electric Revenue Bonds, which resulted in lower interest and related debt service costs for the year.

Actual operating expenditures at fiscal year-end totaled \$425.81M before encumbrances and carryovers of \$18.40M. Encumbrances of \$9.64M have been carried forward to FY 2025/26 as provided for in the Riverside Municipal Code. **Staff is requesting Council approval of an additional \$8.76M in operating carryovers**, detailed in Appendix A of this report. If the carryovers are approved, the operating expenditure savings for FY 2024/25 will be \$21.06M, or 4.5%, of the total budget.

Capital expenditures totaling \$355.43M were recorded during the fiscal year; this amount includes \$90.66M of encumbrances and \$209.85M of unexpended capital project funds that have been carried forward to FY 2025/26 as provided for in the Riverside Municipal Code.

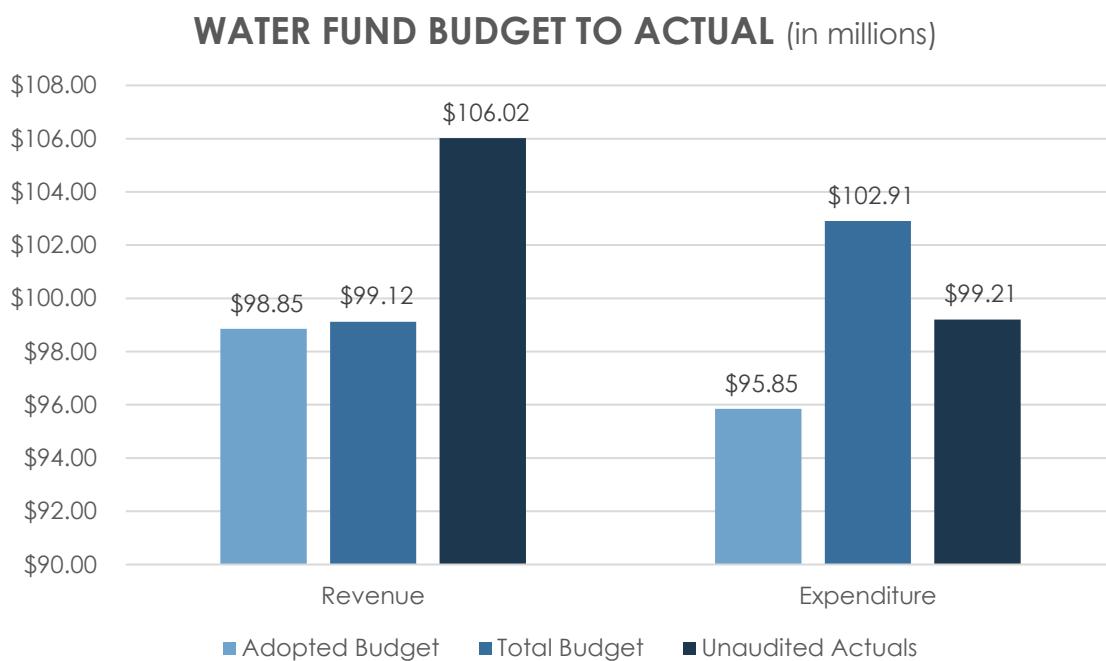
Fund Reserves

The fund reserve level at fiscal year-end is expected to be within established policy levels; final results are pending the completion of the financial audit.

WATER FUND

The FY 2024/25 adopted operating budget for the Water Fund included a projected operating gain of \$3.0M. Unaudited fiscal year end results present a budgetary operating gain of \$6.81M after encumbrances and carryovers of \$9.84M.

The Total Budget in the following chart and tables includes the carryover of the previous fiscal year's unexpended funds, and adjustments to the revenue and expenditure budgets made during the normal course of business. Actual expenditures include encumbrances and carryovers to reflect budgetary savings.



Revenue

Total revenues at fiscal year-end are \$6.90M (7%) greater than revenue projections in the total budget.

FISCAL YEAR OPERATING REVENUE RESULTS

(in millions)	Adopted Budget	Total Budget	Unaudited Actuals	\$ Variance	% Variance
Retail Sales	\$ 81.59	\$ 81.59	\$ 89.07	\$ 7.49	9.17%
Conveyance/Wholesale	5.92	5.92	3.73	(2.91)	-37.04%
Other Operating Revenue	2.87	2.87	3.08	0.21	7.3%
Miscellaneous Revenue	8.48	8.75	10.14	1.39	15.9%
Total Revenues	\$ 98.85	\$ 99.12	\$106.02	\$6.90	7.0%

Explanation of Significant Budget Variances

- **Retail Sales:** Water revenues were \$7.49M, or 9.2% above projections primarily due to increased water consumption from warmer temperatures and below average precipitation. This drove increases in both residential and non-residential consumption compared to budget forecasts. Additionally, a \$3.0M year-end accounts receivable adjustment reflected implementation of a more precise unbilled accounts receivable methodology.
- **Conveyance/Wholesale:** Revenues fell short of projections by \$2.91M, or 37%, entirely attributable to reduced demand from external entities in the wholesale water market.
- **Miscellaneous Revenue:** Revenue exceeded projections by \$1.39M, or 15.9%, due to increased settlement recovery, bond interest, and increased developer activity (construction), partially offset by decreased property rental income.

Expenditures

The FY 2024/25 total expenditure budget for the Water Fund is \$99.21M, which includes the adopted budget of \$95.85M, \$7.08M of unexpended funds carried forward from the previous fiscal year, and other budget adjustments made during the normal course of business. The following table shows budgetary savings of \$3.70M after \$9.84M of encumbrances and carryovers.

FISCAL YEAR OPERATING EXPENDITURE RESULTS

(in millions)	Adopted Budget	Total Budget	Unaudited Actuals	\$ Variance	% Variance
Personnel	\$26.51	\$26.51	\$24.77	(\$1.71)	-6.6%
System Operations	35.50	42.82	34.51	(8.30)	-19.4%
Debt Service	25.33	25.36	21.86	(3.50)	-13.8%
General Fund Transfer	8.52	8.23	8.23	-	0.0%
Carryovers & Encumbrances*	-	-	9.84	9.84	0.0%
Total Expenditures & Transfers Out	\$95.85	\$102.9	\$99.21	\$(3.70)	-3.6%

*Includes \$2.94M in encumbrances and \$.07M in grant carryovers recorded as allowed by the Riverside Municipal Code, and \$6.82M in other carryovers recommended for Council approval (refer to Appendix A).

Explanation of Significant Budget Variances

- **Personnel:** Personnel costs were \$1.7M, or 6.6%, less than total budget due to an average annual vacancy rate of 5.4% during the fiscal year. On June 30, 2025, the Water Fund had 14 vacant positions.
- **System Operations:** Savings of \$8.30M, or 19.4%, were realized in the budgets for professional services and software maintenance, which are used on an 'as-needed' basis. These savings will be partially offset by carryovers and encumbrances, which generally fall within this expenditure category but are reported separately in the table above.
- **Debt Service:** Savings of \$3.5M, or 13.8%, were primarily attributable to debt-related costs coming in below budget, and lower costs associated with the Hillwood Enterprise Project.

Actual operating expenditures at fiscal year-end are \$89.37M before encumbrances and carryovers of \$9.84M. Encumbrances of \$2.9M and grant carryovers of \$.07M have been carried forward to FY 2025/26 as provided for in the Riverside Municipal Code. **Staff is requesting Council approval of an additional \$6.82M in operating carryovers**, detailed in Appendix A of this report. If the carryovers are approved, operating expenditure savings for FY 2024/25 will be \$3.70M, or 3.6% of the total budget.

Capital expenditures totaling \$77.56M were recorded during the fiscal year; this amount includes \$13.78M of encumbrances and \$59.13M of unexpended capital project funds that have been carried forward to FY 2025/26 as provided for in the Riverside Municipal Code.

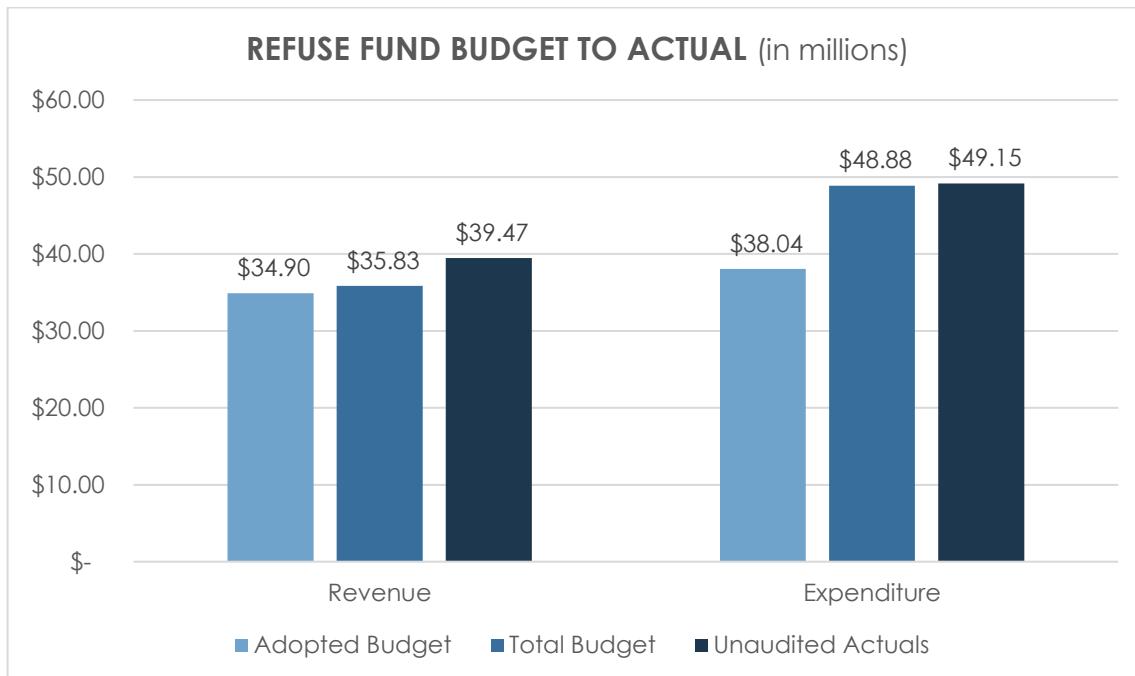
Fund Reserves

The Water Fund is expected to end the fiscal year with reserves within required policy levels; final results are pending the completion of the financial audit.

REFUSE FUND

The adopted operating budget for the Refuse Fund projected a draw on fund reserves of \$3.1M, primarily due to rising disposal costs, compliance with state mandates, and operational challenges related to fleet maintenance and staffing shortages. Unaudited fiscal year end results present an operating deficit of \$9.68M, including encumbrances and carryovers of \$6.84M. This deficit primarily reflects a budgetary timing variance related to solid waste vehicle purchases. Revenue to fund these purchases was recognized in FY 2022/23 and allocated to fund reserves; however, the actual expenditures for vehicle purchases (initiated in FY2023/24) will be drawn upon receipt of the vehicles, which has been delayed due to extended supplier timelines. Excluding this impact, the Refuse Fund's adjusted operating result is near break-even.

The Total Budget in the following chart and tables includes the carryover of the previous fiscal year's unexpended funds totaling \$9.48M and adjustments to revenue and expenditure budgets made during the normal course of business. Actual expenditures include \$6.84M in encumbrances and carryovers.



Revenue

Total revenue at fiscal year-end is \$3.64M, or 10.2%, greater than revenue projections in the total budget.

FISCAL YEAR OPERATING REVENUE RESULTS

(in millions)	Adopted Budget	Total Budget	Unaudited Actuals	\$ Variance	% Variance
City Service	\$ 18.77	\$ 18.77	\$ 19.73	\$ 0.96	5.1%
Contracted Service	7.04	7.04	7.68	0.64	9.1%
Administrative Fees	7.40	7.40	8.74	1.34	18.1%
Street Sweeping Fines	1.46	1.46	1.29	(0.17)	-11.5%
Miscellaneous Revenue	0.24	0.06	0.93	0.87	1,382%
Charges To/From Others	-	1.10	1.10	-	0.0%
Total Revenues	\$ 34.90	\$ 35.83	\$39.47	\$3.64	10.2%

Explanation of Significant Budget Variances

- **City Services:** Revenues exceeded projections by \$961,000, or 5.12%, primarily due to increased curbside residential, automated waste, and multi-family unit city service revenue.
- **Contracted Services:** Revenues exceeded projections by \$640,000, or 9.1%, primarily due to increased service levels provided by the City's private hauler.
- **Street Sweeping Fines:** Revenues were \$169,000 below budget primarily due to delays in new street sweeper deliveries that have affected operational efficiency and fine collection.
- **Miscellaneous Revenue:** This category included interest income that exceeded projection by approximately \$367,000 and refunds and reimbursement of \$185,000 for fuel rebates.

Expenditures

The FY 2024/25 total expenditure budget for the Refuse Fund is \$48.88M, which includes the adopted budget of \$38.04M, \$9.48M of unexpended funds carried forward from the previous fiscal year, and budget adjustments made during the normal course of business. The following table shows a net budgetary overage of \$0.27M after \$6.84M in encumbrances and carryovers. Further, on September 17, 2024, the City Council approved a \$2.87 million loan from the General Fund Infrastructure Reserves to the Refuse Waste Fund to purchase additional solid waste collection vehicles that is expected to be repaid by 2028.

FISCAL YEAR OPERATING EXPENDITURE RESULTS

(in millions)	Adopted Budget	Total Budget	Unaudited Actuals	\$ Variance	% Variance
Personnel	\$ 7.80	\$ 7.20	\$ 6.04	\$ (1.16)	-16.1%
Non-Personnel	15.75	14.33	14.24	(0.08)	-0.6%
Special Projects	7.47	9.83	10.01	0.18	1.9%
Minor Capital & Equipment	1.57	12.08	6.86	(5.22)	-43.2%
Debt Service	0.62	0.62	0.69	0.06	10.1%
Charges To/From Others	4.82	4.82	4.47	(0.36)	-7.4%
Carryovers & Encumbrances*	-	-	6.84	6.84	0.0%
Total Expenditures & Transfers Out	\$ 38.04	\$ 48.88	\$49.15	\$0.27	0.5%

*Includes \$6.76M in encumbrances recorded as allowed by the Riverside Municipal Code, and \$.08M in other carryovers recommended for Council approval (refer to Appendix A).

Explanation of Significant Budget Variances

- **Personnel:** Personnel costs were \$1.16M, or 16.1%, below total budget due to personnel vacancies, which averaged 25% throughout the fiscal year. On June 30, 2025, the Refuse Fund had 15 vacant positions.
- **Minor Capital & Equipment:** Expenditures were \$5.22M, or 43.2% lower than the total budgeted, primarily due to delays in replacement of solid waste vehicles. Associated costs are encumbered and will be carried forward to FY2025/26.

Actual operating expenditures at fiscal year-end are \$42.3M before encumbrances and carryovers. Encumbrances and carryovers of \$6.76M have been carried forward to FY 2025/26 as provided for in the Riverside Municipal Code. **Staff is requesting Council approval of an additional \$78,525.64 in operating carryovers**, detailed in Appendix A of this report.

Capital expenditures totaling \$1.63M were recorded during the fiscal year; this amount includes \$0.07M of encumbrances and \$1.19M of unexpended capital project funds that have been carried forward to FY 2025/26 as provided for in the Riverside Municipal Code.

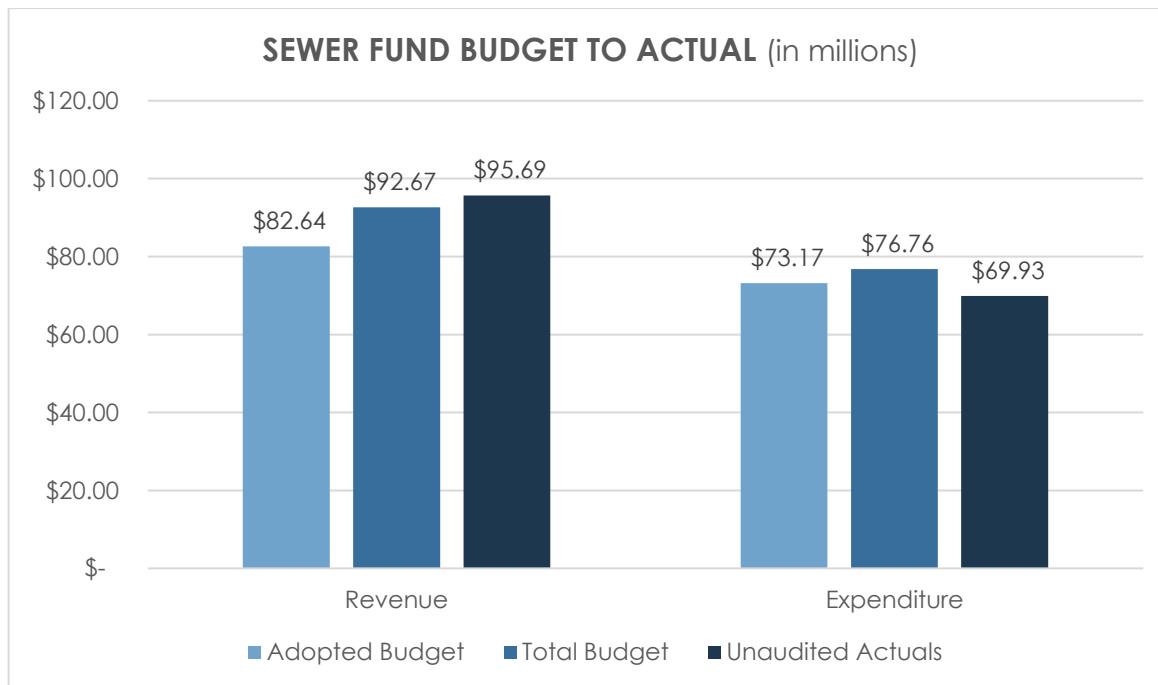
Fund Reserves

The Refuse Fund is expected to end the fiscal year with positive reserves levels; final results are pending the completion of the financial audit.

SEWER FUND

The adopted budget for the Sewer Fund projected a net operating gain of approximately \$9.5M to support planned capital projects. Unaudited fiscal year end results present a budgetary operating surplus of \$25.76M after encumbrances and carryovers.

The Total Budget in the following chart and tables includes \$2.5M in unexpended funds carried forward from the previous fiscal year and adjustments to the revenue and expenditure budgets made during the normal course of business. Actual expenditures include \$2.55M in encumbrances to reflect budgetary savings.



Revenue

Total operating revenues at fiscal year-end are \$3.02M, or 3.3%, higher than revenue projections in the adopted budget.

FISCAL YEAR OPERATING REVENUE RESULTS

(in millions)	Adopted Budget	Total Budget	Unaudited Actuals	\$ Variance	% Variance
Residential Rate Revenue	\$ 46.54	\$ 46.54	\$ 47.94	\$ 1.40	3.0%
Commercial Rate Revenue	11.49	11.49	12.51	1.02	8.9%
Industrial Rate Revenue	4.16	4.16	3.78	(0.39)	-9.3%
Community Service Districts	4.09	4.09	5.51	1.43	34.9%
Connection Fees	3.88	3.88	1.36	(2.51)	-64.8%
Other Fees & Charges	0.73	0.73	0.93	0.19	26.5%
Miscellaneous Revenue	11.74	21.78	23.65	1.87	8.6%
Total Revenues	\$ 82.64	\$ 92.67	\$95.69	\$3.02	3.3%

Explanation of Significant Budget Variances

- **Residential Rate Revenue:** Revenue from residential services exceeded projections by \$1.4M, or 3.0%, due to an increase in the total number of customers paying sewer service charges.
- **Community Service Districts:** Revenue from Wastewater Service Contracts with the Rubidoux, Jurupa, and Edgemont Community Service areas exceeded projections by \$1.43M, representing a 34.9% increase. This increase was primarily driven by surcharges on higher volumes of wastewater processed at the Regional Water Quality Control Plant.
- **Connection Fees:** Revenue from connection fees were \$2.51M, or 64.8%, below budget primarily due to a slowdown in new development and sewer hookups.
- **Miscellaneous Revenue:** This category exceeded projections by \$1.87M, or 8.6%, primarily due to higher revenue from other agencies and interest from investments.

Expenditures

The FY 2024/25 total expenditure budget for the Sewer Fund is \$76.76M, which includes the adopted budget of \$73.17M, \$2.5M of unexpended funds carried forward from the previous fiscal year, and budget adjustments made during the normal course of business. The following table shows a net budgetary savings of \$6.83M after \$2.55M in encumbrances and carryovers.

FISCAL YEAR OPERATING EXPENDITURE RESULTS

(in millions)	Adopted Budget	Total Budget	Unaudited Actuals*	\$ Variance	% Variance
Personnel	\$ 16.84	\$ 17.11	\$ 14.39	\$ (2.71)	-15.9%
Non-Personnel	21.03	24.38	20.93	(3.45)	-14.1%
Special Projects	2.39	2.39	2.24	(0.15)	-6.1%
Minor Capital & Equipment	1.17	1.15	0.91	(0.24)	-20.7%
Debt Service	28.10	28.10	25.85	(2.25)	-8.0%
Charges To/From Others	3.63	3.63	3.04	(0.59)	-16.3%
Carryovers & Encumbrances	-	-	2.55	2.55	0.0%
Total Expenditures & Transfers Out	\$73.17	\$76.76	\$69.93	\$(6.83)	-8.9%

*Includes \$2.06M in encumbrances recorded as allowed by the Riverside Municipal Code, and \$0.49M in other carryovers recommended for Council approval (refer to Appendix A).

Explanation of Significant Budget Variances

- **Personnel:** Personnel costs were \$2.71M, or 15.9%, less than total budget due an average annual vacancy rate of 19% during the fiscal year. On June 30, 2025, the Sewer Fund had 18 vacant positions.
- **Non-Personnel:** Non-personnel costs were \$3.45M, or 14.1% less than budget, primarily due to savings from professional and legal services and chemical supplies. However, most of this amount will be carried over into the next fiscal year.
- **Debt Service:** Savings of \$2.25M, or 8.0%, were primarily due to non-cash debt-related accounting adjustments that spread certain financing costs over the life of the debt.

Capital expenditures totaling \$70.46M were recorded during the fiscal year; this amount includes \$20.28M of encumbrances and \$26.90M of unexpended capital project funds that have been carried forward to FY 2025/26 as provided for in the Riverside Municipal Code.

Actual operating expenditures at fiscal year-end are \$67.38M before encumbrances and carryovers of \$2.06M. **Staff is requesting Council approval of an additional \$488,813.28 in operating carryovers**, detailed in Appendix A of this report.

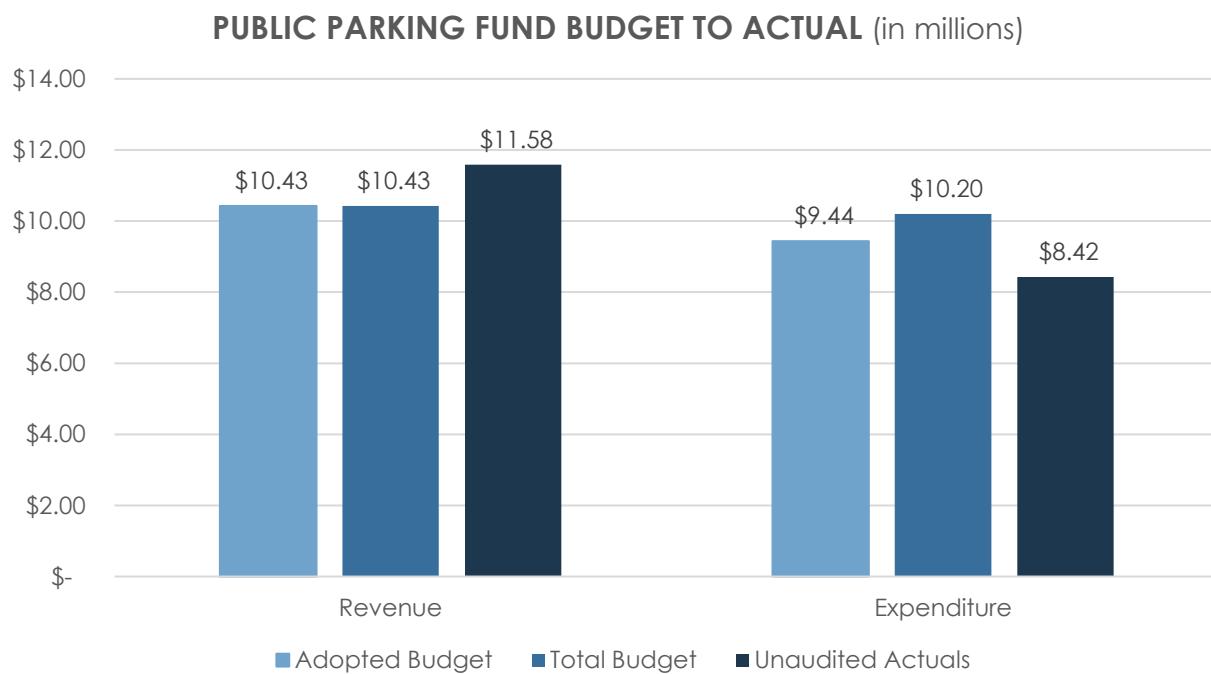
Fund Reserves

The Sewer Fund is expected to end the fiscal year with reserves within required policy levels; final results are pending the completion of the financial audit.

PUBLIC PARKING FUND

The FY 2024/25 adopted operating budget for the Public Parking Fund included a projected \$1.0M net gain. Unaudited fiscal year end results present a budgetary operating surplus of \$3.16M after encumbrances of \$250,000.

The Total Budget in the following chart includes the carryover of \$212,000 in unexpended funds carried forward from the previous fiscal year and adjustments to the revenue and expenditure budgets made during the normal course of business. Actual expenditures include encumbrances to reflect budgetary savings.



Revenue

On April 18, 2023, the City Council approved a new Parking Rate and Hour Schedule effective July 1, 2023. These adjustments, along with other related expenditure adjustments, were incorporated into the adopted budget for FY 2024/25.

Total operating revenues at fiscal year-end are \$1.15M or 11.1%, higher than revenue projections. The downtown parking operation has continued to experience a significant turnaround in utilization due to the implementation of the Parking Your Way program. This program includes more accessible free parking, new parking rates, expanded hours, new monthly parking programs, the Park Riverside app, and the installation of Parking Access Revenue Control Systems (PARCS) in garages.

FISCAL YEAR OPERATING REVENUE RESULTS

(in millions)	Adopted Budget	Total Budget	Unaudited Actuals	\$ Variance	% Variance
User Fees	\$9.43	\$9.43	\$10.25	\$0.83	8.8%
Miscellaneous Revenue	1.00	1.00	1.33	0.32	32.2%
Total Revenues	\$10.43	\$10.43	\$11.58	\$1.15	11.0%

Explanation of Significant Budget Variances

- **User Fees:** Parking revenues exceeded projections by \$0.83M, or 8.8%, primarily due to increases in parking garage revenue and parking fines.
- **Miscellaneous Revenue:** Revenues exceeded projections by \$0.32M, or 32.2%, primarily driven by increased revenue from leased office space in Garage 6.

Expenditures

The FY 2024/25 total expenditure budget for the Public Parking Fund is \$10.20M, which includes the adopted budget of \$9.44M, \$212,000 of unexpended funds carried forward from the previous fiscal year, and budget adjustments made during the normal course of business. The following table shows budgetary savings of \$1.77M after \$250,000 of encumbrances.

FISCAL YEAR OPERATING EXPENDITURE RESULTS

(in millions)	Adopted Budget	Total Budget	Unaudited Actuals*	\$ Variance	% Variance
Personnel	\$1.88	\$1.88	\$1.74	(\$0.14)	-7.2%
Non-Personnel	6.03	6.42	5.00	(1.43)	-22.2%
Minor Capital & Equipment	0.11	0.11	0.11	0.00	0.1%
Debt Service	1.76	2.04	1.61	(0.43)	-21.0%
Charges To/From Others	(0.34)	(0.25)	(0.28)	(0.03)	13.0%
Carryovers & Encumbrances	-	-	0.25	0.25	0.0%
Total Expenditures & Transfers Out	\$9.44	\$10.20	\$8.42	(\$1.77)	-17.4%

*Includes \$0.25M in encumbrances recorded as allowed by the Riverside Municipal Code.

Explanation of Significant Budget Variances

- **Non-Personnel:** Expenditures were \$1.43M, or 22.2%, below budget, primarily due to \$1.07M in savings from professional services that were underutilized (budgeted on an 'as-needed' basis). Encumbrances carried forward to FY 2025/26 partially offset this savings.

Actual operating expenditures at fiscal year-end are \$8.42M after \$250,000 in encumbrances, which have been carried forward to FY 2025/26 as provided for in the Riverside Municipal Code.

Capital expenditures totaling \$3.7MM were recorded during the fiscal year; this amount includes \$219,000 of encumbrances and \$2.66M of unexpended capital project funds that have been carried forward to FY 2025/26 as provided for in the Riverside Municipal Code.

Fund Reserves

The Parking Fund is expected to end the fiscal year with positive reserves levels; final results are pending the completion of the financial audit.

APPENDIX A – CARRYOVER RECOMMENDATIONS

Restricted Carryovers represent appropriations of funding designated for a specific use per a third-party agreement, including donations, endowments, and grant matches.

Discretionary Carryovers include amounts appropriated for a specific purpose in previous periods, but unexpended due to timing or for other reasons.

CARRYOVER SUMMARY BY FUND

	Restricted	Discretionary	Total
General Fund	\$736,735.15	\$4,039,261.96	\$4,775,997.11
Measure Z Fund	-	5,825,526.98	5,825,526.98
Grants and Restricted Programs Fund	9,294,980.76	-	9,294,980.76
Gas Tax Fund	-	153,088.89	153,088.89
Housing Authority Fund	1,209,546.98	-	1,209,546.98
Special Districts Fund	445,676.18	-	445,676.18
Riverwalk Landscape Maintenance District Fund	-	333,734.46	333,734.46
Storm Drain Fund	-	140,030.30	140,030.30
Regional Park Special Capital Fund	-	50,161.49	50,161.49
Measure A Fund	-	700,022.51	700,022.51
Redevelopment Successor Agency 2007 Bonds	550,498.23	-	550,498.23
Electric Fund	-	8,757,800.55	8,757,800.55
Electric Public Benefits Programs Fund	-	2,590,030.00	2,590,030.00
Water Fund	-	6,823,366.34	6,823,366.34
Water Conservation Fund	-	1,199,439.00	1,199,439.00
Refuse Fund	78,525.64	-	78,525.64
Sewer Fund	-	488,813.28	488,813.28
Entertainment Fund	-	1,115,721.40	1,115,721.40
Cheech Marin Fund	-	100,000.00	100,000.00
Central Stores Fund	-	59,481.30	59,481.30
CFD 90-1-Highlander Fund	191,816.00	-	191,816.00
Total Recommended Carryovers	\$12,507,778.94	\$32,376,478.46	\$44,884,257.40

101 – GENERAL FUND

Department	Description	Amount
Restricted		
Cmmty & Econ Dev	SB-1186 Certified Access Specialist Training	\$628,408.77
Housing & Hum Svcs	Donations for Hulen Pet Shelter	14.99
Museum	Endowment Fund for Botany Exhibitions	67,401.49
Police	Donations for K-9s	2,274.73
Police	Evidence Trust Funds - Renovation of Police Facilities	38,635.17
Total Restricted		\$736,735.15
Discretionary		
Cmmty & Econ Dev	Magnolia Specific Plan	\$30,000.00
Fire	Clothing/ Linen/Safety Supplies - Turnout Gear	55,693.39
Fire	Hazmat Team Required Annual Physicals	8,034.38
General Services	Annual Deferred Maintenance	160,791.00
Housing & Hum Svcs	Access Center Remodel Furniture Fixtures Equipment	360,049.99
Housing & Hum Svcs	Senior Supplemental Rental Assistance	632,167.92
Innov & Tech	Citywide Security Cameras	21,817.42
Innov & Tech	Emergency Outage Staff Augmentation Services	32,708.99
Finance	Arlington BID Improvement Funding & Public Notice Printing Costs	100,000.00
Finance	Payment Streamlining	51,000.00
Finance	Treasury Payment Processing Assessment	100,000.00
Parks & Recreation	Low Income Mobile Home Repair Program	35,516.28
Parks & Recreation	Sport Parks Landscape Maintenance	245,869.24
Parks & Recreation	Work Trucks for Parks Maintenance	155,000.00
Parks & Recreation	Childcare Support	62,366.35
Police	Land Purchase	1,895,000.00
Public Works	Public Works Vehicles & Equipment	93,247.00
Total Discretionary		\$4,039,261.96
Total Carryover Recommendations – General Fund		\$4,775,997.11

110 - MEASURE Z

Department	Spending Item & Description	Amount
Discretionary		
Fire	#14 - Fire Vehicle Replacement	\$431,809.03
Fire	#63 - Fire Table Command Incident Mgmt Software	51,087.92
Fire	#65 - Fire Personal Protective Equipment (PPE)	9,234.23
General Services	#58 - Community Safety - Security Guards Expansion	245,757.65
Innov & Tech	#33 - Technology Improvements	3,498,950.35
Museum	#26 - Museum Rehabilitation - Grand Opening	60,000.00
Police	#46 - Park and Neighborhood Specialist (PANS) Program	25,680.00
Police	#54 - Police K9	52,956.25
Police	#62 - Real-Time Crime Center	50,792.58
Public Works	#29 - Maximize Roads/Streets (Pavement Condition Index)	1,399,258.97
Total Discretionary		\$5,825,526.98
Total Carryover Recommendations – Measure Z		\$5,825,526.98

215 - GRANTS AND RESTRICTED PROGRAMS

Department	Description	Amount
Restricted		
City Manager	Non-Profit Revolving Loan Funds	\$1,000,000.00
Cmmty & Econ Dev	Downtown Safety Ambassador Program	9,715.75
Cmmty & Econ Dev	Historic District Sign Program	135,292.00
Cmmty & Econ Dev	One Stop Shop Refresh	431,813.50
Fire	California Fire and Rescue Training Authority Task Force Mobilization Training	140,861.39
Fire	Certified Unified Program Agencies	1,282,023.00
Fire	CFFJAC Firefighter Joint Apprentice	64,548.71
Fire	Rancho Santiago/Riverside Community College Moreno Valley Inter-Agency Instructional Services Agreement	131,679.55
Housing & Hum Svcs	Homeless Campus (Department of Public Social Services)	280,971.33
Housing & Hum Svcs	Hulen Campus Rehab Sponsorship	16,225.00
Housing & Hum Svcs	Hulen Place-Access Center	111,777.23
Housing & Hum Svcs	Hulen Rehabilitation	684,218.80
Housing & Hum Svcs	Opioid Abatement Settlement	264,187.31
Housing & Hum Svcs	Opioid Distributor Settlement	2,548,060.00
Housing & Hum Svcs	Opioid Janssen Settlement	1,372,739.00
Housing & Hum Svcs	PSET Riverside County Flood Control MOU	130,331.42
Human Resources	Donations for the Wellness Program	114,480.35
Library	Donations, Gifts, and Trust Funds	106,526.69
Mktg & Comm	PEG (Public, Educational, or Governmental Access)	270,148.78
Museum	Donations from The Riverside Museum Associates for Museum Projects	13,107.00
Parks & Recreation	Donation for Special Events	7,931.70
Parks & Recreation	Donation for Aquatics	14,168.01
Parks & Recreation	Donation for Recreational Services	2,485.00
Parks & Recreation	Donation for Recreational Supplies	2,017.21
Parks & Recreation	Donation for Riverside Arts Academy	38,584.82
Parks & Recreation	Donation for Senior Programming	840.00
Parks & Recreation	Donations from LA84 Foundation for Learn-to-Swim Lessons	169.09
Parks & Recreation	Sycamore Canyon Endowment Fund	121,486.35
Police	Asset Forfeiture	(4,408.23)
Police	Donations for Shop With a Cop	3,000.00
Total Restricted		\$9,294,980.76
Total Carryover Recommendations – Grants and Restricted Programs		\$9,294,980.76

230 – GAS TAX

Department	Description	Amount
Discretionary		
Public Works	Pavement Management Program	\$54,825.03
Public Works	Surplus Property Disposal	98,263.86
Total Discretionary		\$153,088.89
Total Carryover Recommendations – Gas Tax		\$153,088.89

280 – HOUSING AUTHORITY

Department	Description	Amount
Restricted		
Housing & Hum Svcs	Housing Authority Projects (Multiple)	\$1,209,546.98
Total Restricted		\$1,209,546.98
Total Carryover Recommendations – Housing Authority		\$1,209,546.98

291 – SPECIAL DISTRICTS

Department	Description	Amount
Restricted		
Parks & Recreation	Loving Homes Landscape Maintenance District	\$93,668.97
Parks & Recreation	Village at Canyon Crest Landscape Maintenance District	352,007.21
Total Restricted		\$445,676.18
Total Carryover Recommendations – Special Districts		\$445,676.18

292 – RIVERWALK LANDSCAPE MAINTENANCE DISTRICT FUND

Department	Description	Amount
Discretionary		
Parks & Recreation	Riverwalk Trail Fencing / Playground	\$333,734.46
Total Discretionary		\$333,734.46
Total Carryover Recommendations – Riverwalk Landscape Maintenance District Fund		\$333,734.46

410 – STORM DRAIN

Department	Description	Amount
Discretionary		
Public Works	Miscellaneous Drainage Studies	\$134,532.48
Public Works	Sycamore Canyon Business Park Habitat Restoration	5,497.82
Total Discretionary		\$140,030.30
Total Carryover Recommendations – Storm Drain		\$140,030.30

413 – REGIONAL PARK SPECIAL CAPITAL FUND

Department	Description	Amount
Discretionary		
Parks & Recreation	Sycamore Canyon Trail Development	\$50,161.49
Total Discretionary		\$50,161.49
Total Carryover Recommendations – Regional Park Special Capital Fund		\$50,161.49

432 – MEASURE A

Department	Description	Amount
Discretionary		
Public Works	Railroad Project Management	\$639,805.97
Public Works	Railroad Quiet Zone Maintenance	60,216.54
Total Discretionary		\$700,022.51
Total Carryover Recommendations – Measure A		\$700,022.51

480 - REDEVELOPMENT SUCCESSOR AGENCY 2007 BONDS

Department	Description	Amount
Restricted		
Cmmty & Econ Dev	Unprogrammed 2007 Taxable Bonds	\$443,516.41
Cmmty & Econ Dev	Villegas Park Brown Room Renovation	51,996.86
Cmmty & Econ Dev	Villegas Park Construction	54,034.39
Cmmty & Econ Dev	Ward 3 Street Improvements	950.57
Total Restricted		\$550,498.23
Total Carryover Recommendations – Redevelopment Successor Agency 2007 Bonds		\$550,498.23

510 - ELECTRIC

Department	Description	Amount
Discretionary		
RPU - Administration	311 Upgrade Project	\$469,422.12
RPU - Administration	Capital Repairs at Mission Square Building	2,003,215.72
RPU - Administration	Capital Repairs at Public Utility Buildings	39,085.73
RPU - Administration	Printer leases and maintenance services	33,000.00
RPU - Administration	Customer Information System (CIS) Disaster Recovery Project	500,000.00
RPU - Administration	Customer Web Portal	750,000.00
RPU - Administration	Electric Fund Cost of Service Analysis	814,859.88
RPU - Administration	Physical Security Projects	210,346.67
RPU - Administration	Proportional Share of Technology Projects	1,358,309.92
RPU - Administration	Workforce Development Internal Training	176,054.49
RPU - Electric	Training for Linework Power Line Technicians	86,132.97
RPU - Electric	Grounding (Earthing) and Electromagnetic Analysis Software	73,000.00
RPU - Electric	Integrated Resource Plan	268,890.44
RPU - Electric	Legal fees related to power supply and generation projects	330,527.00
RPU - Electric	Public Utilities Vehicles and Equipment	368,000.00
RPU - Electric	Publicly Accessible Electric Vehicles Charging Stations	500,000.00
RPU - Electric	Vehicle Capital Leases	776,955.61
Total Discretionary		\$8,757,800.55
Total Carryover Recommendations – Electric		\$8,757,800.55

511 – ELECTRIC PUBLIC BENEFITS PROGRAM

Department	Description	Amount
Discretionary		
RPU - Administration	Implement Energy Efficient Measures at Medium and Small Sized Businesses	\$250,000.00
RPU - Administration	Program Enhancements For Low Income Energy Efficiency Program.	101,401.00
RPU - Administration	Program Enhancements For Mobile-Home & Multi-Family Energy Efficiency Program.	238,629.00
RPU - Administration	Unprogrammed Funds	2,000,000.00
Total Discretionary		\$2,590,030.00
Total Carryover Recommendations – Electric Public Benefits Program		\$2,590,030.00

520 - WATER

Department	Description	Amount
Discretionary		
RPU - Water	Advanced Metering Infrastructure Project	\$353,067.00
RPU - Water	Heavy Equipment Purchases	4,518,539.00
RPU - Water	Non-Capital Paving Expenses	672,200.00
RPU - Water	Proportional Share of Measure Z Technology Projects	491,537.38
RPU - Water	Seven Oaks Dam Operations and Maintenance	188,022.96
RPU - Water	Weed Abatement and Arc Flash Studies	600,000.00
Total Discretionary		\$6,823,366.34
Total Carryover Recommendations – Water		\$6,823,366.34

521 – WATER CONSERVATION

Department	Description	Amount
Discretionary		
RPU - Water	Water Conservation Surcharge Programs Enhancements	\$476,945.00
RPU - Water	Water Energy Community Action Network's Turf Removal Program	722,494.00
Total Discretionary		\$1,199,439.00
Total Carryover Recommendations – Water Conservation		\$1,199,439.00

540- REFUSE

Department	Description	Amount
Restricted		
Public Works	Landfill Regulatory Compliance Requirement	\$78,525.64
Total Restricted		\$78,525.64
Total Carryover Recommendations – Refuse		\$78,525.64

550 – SEWER

Department	Description	Amount
Discretionary		
Public Works	Backhoe and Coupler Bucket	\$147,329.47
Public Works	Environmental Compliance Tracking Database Software	9,256.30
Public Works	Outside Legal Services	70,000.00
Public Works	Public Works Chemical Purchases	262,227.51
Total Discretionary		\$488,813.28
Total Carryover Recommendations – Sewer		\$488,813.28

581 - ENTERTAINMENT

Department	Description	Amount
Discretionary		
Parks & Recreation	Maintenance & Repair	\$1,115,721.40
Total Discretionary		\$1,115,721.40
Total Carryover Recommendations – Entertainment		\$1,115,721.40

582 – CHEECH MARIN CENTER

Department	Description	Amount
Discretionary		
Parks & Recreation	Maintenance & Repair	\$100,000.00
Total Discretionary		\$100,000.00
Total Carryover Recommendations – Cheech Marin Center		\$100,000.00

640 - CENTRAL STORES

Department	Description	Amount
Discretionary		
Finance	Inventory Vending Machine and Barcode Scanning System	\$59,481.30
Total Discretionary		\$59,481.30
Total Carryover Recommendations – Central Stores		\$59,481.30

753 – CFD 90-1-HIGHLANDER

Department	Description	Amount
Restricted		
Finance	Community Facilities District 90-1 Irrigation Maintenance	\$191,816.00
Total Restricted		\$191,816.00
Total Carryover Recommendations – CFD 90-1 – Highlander		\$191,816.00

APPENDIX B – MEASURE Z SPENDING PLAN

The Measure Z Spending plan includes only those expenditures and carryovers that utilize current revenues. Carryovers in the table below include both encumbrances and discretionary carryovers. Expenditures and carryovers related to the use of debt proceeds are not included in the Spending Plan. Refer to the description of the Measure Z Spending Plan on page 20.

Spending Items	Actual FY 2018/19	Actual FY 2019/20	Actual FY 2020/21	Actual FY 2021/22	Actual FY 2022/23	Actual FY 2023/24	Actual FY 2024/25	Carryover FY 2024/25
REVENUE								
Transaction & Use Tax	\$ 62,283,444	\$ 62,380,085	\$ 71,999,092	\$ 83,156,696	\$ 84,015,703	\$ 81,892,623	\$ 81,326,418	\$ -
Interest Earnings	532,684	755,392	654,898	752,491	1,825,380	2,303,372	2,346,185	-
Total Revenues	\$ 62,816,128	\$ 63,135,477	\$ 72,653,990	\$ 83,909,187	\$ 85,841,083	\$ 84,195,995	\$ 83,672,603	\$ -
EXPENDITURES								
1 20% General Fund Reserve	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2 Payoff of the Balloon \$32 million Pension Obligation Bond	1,673,554	1,674,490	1,674,500	1,679,490	1,673,080	1,673,530	1,673,370	-
3 Funding for Workers' Compensation and General Liability	2,500,000	-	-	-	-	-	-	-
4 Measure Z Spending Contingency - General Fund Balancing Measure	-	-	-	-	-	-	-	-
5 Additional Sworn Police Positions	5,588,853	7,639,210	10,163,726	10,745,658	13,751,855	14,278,338	15,480,597	65,589
5a RPD Drones	-	-	-	-	-	-	77,225	-
6 Public Safety Non-Sworn Positions and Recruitment Costs	795,676	877,104	913,458	897,576	952,016	981,520	1,210,158	-
7 Police Officer Lateral Hire Incentives and Recruitment Costs	30,049	9,994	300	46,856	73,986	133,853	90,967	-
8 Additional Public Safety Dispatchers	477,694	566,809	656,263	857,136	1,407,570	1,372,577	1,359,674	-
9 Maintain Firefighter Staffing Level	992,571	1,291,460	1,406,709	4,137,516	2,178,353	2,135,230	2,599,851	-
10 Reinstatement of Fire Captains (Training and Arson)	559,538	556,919	469,733	507,235	657,475	693,595	1,175,619	-
11 Reinstatement of Fire Battalion Chief	368,948	390,025	611,747	396,056	416,987	405,715	493,392	-
12 Police Vehicle Replacement and Maintenance Plan	1,738,555	1,199,786	627,585	3,735,056	2,143,480	2,063,080	2,918,718	292,228
13 Refurbish Police Vehicles (Pilot Program)	-	-	-	-	-	-	-	-

Spending Items	Actual FY 2018/19	Actual FY 2019/20	Actual FY 2020/21	Actual FY 2021/22	Actual FY 2022/23	Actual FY 2023/24	Actual FY 2024/25	Carryover FY 2024/25
14 Fire Vehicle Replacement and Maintenance Plan	1,607,452	3,143,742	2,521,600	1,572,275	1,706,747	1,939,520	1,948,531	9,611,357
15 Fleet Facility Capital Repairs	-	-	-	-	-	-	-	-
16 Additional Fleet Mechanics for Police Department	173,230	202,610	219,713	225,454	149,860	184,487	219,299	-
17 Additional Fleet Mechanics for Fire Department	221,068	231,352	237,262	244,309	297,025	280,007	285,832	-
18 General Fund Support - Maintain Existing Services	13,238,623	18,266,026	18,266,026	18,266,026	18,266,026	18,266,026	18,266,026	-
18a Public Safety Support							5,889,969	-
19 General Plan Update	33,419	9,525	300,069	37,534	279,886	30,249	1,472,085	2,834,885
20 Homeless Services	184,619	528,954	4,197	693,012	503,743	434,065	391,820	666,699
21 Principal Management Analyst - City Manager's Office	148,684	161,803	175,948	180,941	170,144	126,740	-	-
22 Budget Engagement Commission Support	27,000	8,365	23,364	15,648	10,868	15,384	12,469	85
23 New Downtown Main Library & Archives	3,386,205	5,119,500	(434,155)	2,751,200	2,738,151	2,738,750	2,737,000	-
24 SPC Jesus S. Duran Eastside Library	-	-	18,900	75,600	-	1,117,999	188,211	699,290
25 New Police Headquarters	-	26,394	43,556	-	-	-	333	25,671
26 Museum Expansion and Rehabilitation	-	89,053	175	-	1,474	44,801	120,769	463,208
27 New Downtown Parking Garage	-	-	-	-	-	-	-	-
28 Annual Deferred Maintenance (Existing Facilities)	1,111,923	1,025,461	838,450	959,363	1,859,493	1,630,681	1,067,835	2,219,230
29 Maximize Roads/Streets (Pavement Condition Index)	2,276,844	460,494	4,825,070	12,974,269	7,219,089	16,927,952	15,845,567	9,374,130
30 Tree Trimming	890,259	2,018,472	994,585	983,450	1,842,682	3,956,958	3,794,742	5,448
31 Ward Action Team - City Attorney's Office	263,704	295,205	303,967	326,426	388,006	343,233	369,037	-
32 Ward Action Team - City Manager's Office	-	-	-	-	-	-	-	-
33 Technology Improvements	433,629	679,248	2,792,116	1,686,690	1,470,850	1,033,871	920,172	4,163,859
34 4-Person Staffing on Fire Trucks	202,119	1,284,098	1,244,499	1,006,903	979,106	1,017,827	877,192	
35 Fire Equipment and One-Time Operating Needs	60,473	64,019	52,466	89,769	-	-	-	-
36 Fire Radios	1,931,769	45,920	-	-	-	-	-	16,270

Spending Items	Actual FY 2018/19	Actual FY 2019/20	Actual FY 2020/21	Actual FY 2021/22	Actual FY 2022/23	Actual FY 2023/24	Actual FY 2024/25	Carryover FY 2024/25
37 Recreation – Summer Pools	50,000	50,000	-	3,006	-	-	-	-
38 Bourns Family Youth Innovation Center – Furnishing & Operating Costs	-	183,961	49,536	342,145	(2,808)	-	-	-
39 Public Safety & Engagement Team (PSET) – Urban	21,691	1,226,821	1,518,578	1,126,665	2,657,537	2,731,728	1,997,644	1,130,253
40 Library Security Guards	-	121,809	339,822	380,393	-	-	-	-
41 Homeless Temporary Housing	-	112,204	(112,204)	-	-	-	-	-
42 Orangecrest Fire Station Dormitory Improvements	-	427	108,384	-	-	-	-	-
43 Public Works Streets Vehicle & Equipment Needs	-	-	-	-	490,337	1,578,114	2,248,589	912,935
44 Parks, Recreation & Community Services Infrastructure, Vehicles, and Equipment	-	-	-	11,735	189,894	288,277	567,185	980,120
45 Motorhome Removal & Disposal	-	-	-	5,000	9,000	12,000	3,000	5,400
46 Park and Neighborhood Safety (PANS) Program	-	-	-	493,808	1,296,852	1,692,713	1,831,236	25,680
47 Police Helicopter Capital Lease	-	-	-	-	1,238,158	1,238,158	1,238,200	-
48 Office of Homeless Solutions Expansion	-	-	-	-	47,454	147,518	133,561	-
49 Public Safety & Engagement Team (PSET) - Wildlands	-	-	-	-	613,870	3,443,270	3,007,392	761,512
50 Public Safety Enterprise Communication System (PSEC) Radios	-	-	-	-	343,438	456,456	343,438	-
51 Office of Sustainability	-	-	-	-	13,402	53,809	130,177	-
52 Sidewalk Repair	-	-	-	-	371,776	20,238	-	1,407,986
53 Mt Rubidoux Trail Resurfacing	-	-	-	-	1,198,947	404,350	22,635	154,068
54 Police K9	-	-	-	-	-	21,556	65,487	52,957
55 Parks Capital Improvement Projects	-	-	-	-	-	186,897	3,131,890	6,439,471
56 Fire - Analog Simulcast Communication System	-	-	-	-	-	3,788	753,118	809,535
58 Community Safety - Security Guards Expansion	-	-	-	-	-	-	169,353	330,647
59 Police Radios Replacement	-	-	-	-	-	-	3,296,344	-

Spending Items	Actual FY 2018/19	Actual FY 2019/20	Actual FY 2020/21	Actual FY 2021/22	Actual FY 2022/23	Actual FY 2023/24	Actual FY 2024/25	Carryover FY 2024/25
60 Senior & Disabled Programming	-	-	-	-	-	-	197,041	45,864
62 Real-Time Crime Center	-	-	-	-	-	-	149,207	50,793
63 Fire Table Command Incident Mgmt Software	-	-	-	-	-	-	110,336	780,977
65 Fire SCBA & PPE	-	-	-	-	-	-	18,791	116,209
Total Expenditures	\$ 40,988,149	\$ 49,561,260	\$ 50,855,945	\$ 67,454,200	\$ 69,605,809	\$ 86,104,860	\$100,901,083	\$44,442,355
Five-Year Financial Plan Surplus/(Deficit)	\$ 21,827,979	\$ 13,574,217	\$ 21,798,045	\$ 16,454,987	\$ 16,235,274	\$ (1,908,865)	\$(17,228,480)	\$(44,442,355)
FUND RESERVES								
Beginning Measure Z Available Balance	\$ 22,735,372	\$ 39,563,351	\$ 53,137,568	\$ 74,935,613	\$ 91,390,600	\$ 107,625,874	\$ 105,717,009	\$88,488,529
Five-Year Financial Plan Surplus/(Deficit)	21,827,979	13,574,217	21,798,045	16,454,987	16,235,274	(1,908,865)	(17,228,480)	(44,442,355)
Permanent Policy Reserve Set-Aside	(5,000,000)							
Ending Measure Z Available Balance	\$ 39,563,351	\$ 53,137,568	\$ 74,935,613	\$ 91,390,600	\$107,625,874	\$ 105,717,009	\$88,488,529	\$44,046,174
Permanent Policy Reserve Set-Aside: \$5M								

The Measure Z Reserve Policy adopted by City Council on April 2, 2019, requires a minimum \$5M contingency reserve level. This amount was removed from available fund balance in 2019 and is held intact, separately of the available fund balance reported in the Spending Plan.