



Budget Engagement Commission

City of Arts & Innovation

TO: HONORABLE COMMISSIONERS **DATE: NOVEMBER 14, 2024**
FROM: FINANCE DEPARTMENT **WARDS: ALL**
SUBJECT: BUDGET ENGAGEMENT COMMISSION WORKPLAN STATUS

ISSUE:

Receive a status report and provide input on the workplan for the Budget Engagement Commission.

RECOMMENDATION:

That the Budget Engagement Commission receive a status report and provide input on the workplan for the Budget Engagement Commission.

BACKGROUND:

The Budget Engagement Commission (BEC) was formed in 2017 “To advise the City Council on spending and policy priorities based on the information received through quarterly financial and performance reports, including revenues from transaction and use tax, to work with City staff to maximize public engagement on municipal budgetary issues and to provide input on performance measures and reporting programs.”

Since its formation, the BEC has been instrumental in creating the Measure Z Spending Plan, providing input on budgetary matters, and providing recommendations to the City Council on numerous financial topics.

DISCUSSION:

In 2023, the Office of the City Clerk directed the creation of workplans for the City’s various Boards and Commissions. The purpose of the workplan is to align the meeting body’s efforts with the City’s strategic plan and ensure meaningful input and action resulting from the Commission’s meetings. The BEC workplan is the result of a collaborative effort between City staff and the Chair and Vice-Chair of the BEC. The workplan was presented for the BEC’s input on November 9, 2023, and was filed and received without formal motion.

This status report on the BEC’s workplan was prepared by City staff in concert with BEC Chair Larry Burns, and is presented for BEC review and input.

The efforts of the BEC align with the City's Envision Riverside 2025 Strategic Plan High Performing Government strategic priority and Goals as follows:

Biennial and/or Annual Budget Development and Measure Z Reporting and Funding Recommendations

Action Item #1:

The Commission serves as a crucial conduit for community engagement during the budget development process. As such, the Commission will receive reports throughout the budget development cycle that incorporate Commissioner and public input on spending priorities for City programs as well as fiscal sustainability strategies for the proposed budget presented for Council adoption.

Action Item #2:

The creation of the Budget Engagement Commission was greatly driven by the passage of Measure Z, a 1% local sales tax. The Commission plays a critical role in advising the Council on the allocation of Measure Z revenue and spending priorities. It regularly receives quarterly reports detailing Measure Z spending and program statuses, which are included within the broader quarterly financial reports. Additionally, the Commission is presented with staff recommendations for the allocation of Measure Z funds and offers its input to the Council regarding these requests.

Strategic Plan Alignment:

- 2.4. Support programs and innovations that enhance community safety, encourage neighborhood engagement, and build public trust.
- 2.5. Foster relationships between community members, partner organizations, and public safety professionals to define, prioritize, and address community safety and social service needs.
- 5.4. Achieve and maintain financial health by addressing gaps between revenues and expenditures and aligning resources with strategic priorities to yield the greatest impact.

Status Report:

The Budget Engagement Commission played an integral role during the budget development process, including receiving and providing feedback on the following agenda items:

- November 2023: Measure Z Funding Revisions
- January 2024: Fiscal Year 2024-2026 Budget Development and Community Engagement
- March 2024: Measure Z Spending Plan Review
- April 2024: Community Engagement Efforts on Budget Priorities
- May 2024: Proposed FY 2024-2026 Biennial Budget Workshop

The BEC's recommendations included adding a Measure Z spending item for senior and disabled programming, which was approved by the City Council with the adoption of the FY 2024-2026 Biennial Budget, and strategies for improving community engagement in future budget development efforts.

Outcome Reports

Action Item:

The Budget Engagement Commission requests and receives reports from staff that provide essential data and performance metrics related to the allocation of funds. This information can be used to drive decision-making, such as reallocating resources within the program or to more effective programs to promote equitable distribution of City resources.

Strategic Plan Alignment:

- 5.2. Utilize technology, data, and process improvement strategies to increase efficiencies, guide decision making, and ensure services are accessible and distributed equitably throughout all geographic areas of the City.
- 5.4. Achieve and maintain financial health by addressing gaps between revenues and expenditures and aligning resources with strategic priorities to yield the greatest impact.

Status Report:

The Budget Engagement Commission played an integral role during the budget development process, including receiving and providing feedback on the following agenda items:

- January 2024: Fiscal Year 2024-2023 Budget Development and Community Engagement
- March 2024: Update on Office of Sustainability
- March 2024: Performance and Fiscal Impact reports for the Riverside Convention Center, Riverside Convention and Visitors Bureau, Riverside Sports Commission, Fox Performing Arts Center, Riverside Municipal Auditorium, The Box, and the Cheech Marin Center for Chicano Art & Culture
- May 2024: Implementation of a Real Time Crime Center
- July 2024: Pavement Management Program Update
- August 2024: Update on the Lease Agreement with Live Nation for the Fox Performance Arts Center and the Riverside Municipal Auditorium

The Budget Engagement Commission recommended the City Council allocate Measure Z funding for the Real Time Crime Center, and this recommendation was subsequently approved by the City Council. The BEC also recommended prioritizing funding for street projects as funds become available. Staff will align this recommendation with the next quarterly financial report to Council. Additionally, per the BEC's request, an annual financial performance report on the Fox Performance Arts Center and the Riverside Municipal Auditorium will be provided to the Commission for their input.

Quarterly Financial Reporting and Financial Performance Indicators

Action Item #1:

Quarterly financial reports enhance transparency in the City's financial performance and foster accountability in the responsible management of City finances. The Commission will receive these reports, which include budget-to-actual results for the City's major funds, including the General Fund, Measure Z, Electric, Water, Sewer, and Refuse funds. Together, these funds make up over 85% of the citywide budget.

Action Item #2:

The Commission annually receives a Financial Performance Indicators report, offering valuable context on how the City's finances compare to those of its peers. These performance reports add an additional dimension to the Commissioners' comprehension of the City's financial situation, enriching their contributions to budget discussions.

Strategic Plan Alignment:

- 5.4. Achieve and maintain financial health by addressing gaps between revenues and expenditures and aligning resources with strategic priorities to yield the greatest impact.

Status Report:

The Budget Engagement Commission played an essential role during the budget development process, including receiving and providing feedback on the following agenda items:

- December 2023: Fiscal Year 22/23 Fourth Quarter Report and Carryover of Unexpended Funds
- January 2024: Fiscal Year 2023-2024 First Quarter Financial Update
- April 2024: Fiscal Year 2023/24 Second Quarter Financial Update and Proposed Mid-cycle Budget Adjustments
- June 2024: Assessing City's Financial Health through the use of Financial Health Indicators to Maintain Fiscal Responsibility
- July 2024: Fiscal Year 2023-2024 Third Quarter Financial Update

The Budget Engagement Commission engaged in active discussions during the presentation of the quarterly reports and financial performance indicators, which enhanced their understanding of City finances and provided valuable perspectives to City staff. These discussions also improved other meeting attendees' understanding of City finances and provided City staff with valuable insights to adjust and enhance future communications.

Collaborative Commission & Staff Effort to Improve Public Engagement

Action Item:

The Chair and Vice-Chair will work with City staff to improve public engagement via the Budget Engagement Commission. These efforts would include social media, attendance at community meetings, and informal engagement of the Chair and Vice-Chair with other meeting bodies.

Strategic Plan Alignment:

- 5.3. Enhance communication and collaboration with community members to improve transparency, build public trust, and encourage shared decision-making.

Status Report:

The Budget Engagement Commission played an integral role during the budget development process, including receiving and providing feedback on the following agenda items:

- January 2024: Fiscal Year 2024-2023 Budget Development and Community Engagement
- April 2024: Community Engagement Efforts on Budget Priorities

The BEC's extensive discussion on these topics included suggestions and strategies to improve community engagement in future budget development efforts. City staff will use this

feedback to refine outreach approaches, ensuring more effective and inclusive community involvement in the budget process.

STRATEGIC PLAN ALIGNMENT:

This report aligns with **Strategic Priority 5: High Performing Government** and with each of the Cross-Cutting Threads as follows:

1. **Community Trust** – Riverside is transparent and makes decisions based on sound policy, inclusive community engagement, involvement of City Boards & Commissions, and timely and reliable information. Activities and actions by the City serve the public interest, benefit the City’s diverse populations, and result in greater public good.
2. **Equity** – Riverside is supportive of the City’s racial, ethnic, religious, sexual orientation, identity, geographic, and other attributes of diversity and is committed to advancing the fairness of treatment, recognition of rights, and equitable distribution of services to ensure every member of the community has equal access to share in the benefits of community progress.
3. **Fiscal Responsibility** – Riverside is a prudent steward of public funds and ensures responsible management of the City’s financial resources while providing quality public services to all.
4. **Innovation** – Riverside is inventive and timely in meeting the community’s changing needs and prepares for the future through collaborative partnerships and adaptive processes.
5. **Sustainability & Resiliency** – Riverside is committed to meeting the needs of the present without compromising the needs of the future and ensuring the City’s capacity to persevere, adapt and grow during good and difficult times alike.

FISCAL IMPACT:

There is no fiscal impact associated with this report.

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Attachments:
1. BEC Workplan