



City of Arts & Innovation

Budget Engagement Commission

TO: HONORABLE COMMISSIONERS **DATE: MARCH 13, 2025**
FROM: FINANCE DEPARTMENT **WARDS: ALL**
SUBJECT: BUDGET ENGAGEMENT COMMISSION MEMBERSHIP REDUCTION

ISSUE:

Review and discuss recommendation to amend Chapter 2.90 of the Riverside Municipal Code Section 2.90.030 to reduce the membership of the Budget Engagement Commission.

RECOMMENDATIONS:

That the Budget Engagement Commission:

1. Consider an amendment to Chapter 2.90 Section 2.90.030 of the Riverside Municipal Code to reduce the membership of the Budget Engagement Commission to seven Ward seats and four Citywide seats for a total of eleven members with Resident and Business seat appointments at the discretion of the appointing elected official; and
2. Forward the recommendation to the Inclusiveness, Community Engagement and Governmental Processes Committee for consideration.

BACKGROUND:

On January 10, 2017, the City Council adopted Ordinance 7363 establishing a Budget Engagement Commission by amending Title 2 of the Riverside Municipal Code by adding Chapter 2.90. Section 2.90.030 Membership states:

- A. *Number.* The Budget Engagement Commission shall be composed of 18 members, consisting of:
1. Nine resident members, seven nominated by each of the Council members to represent each of the City's wards, and two Citywide nominations made by the Mayor; and
 2. Nine business members, seven nominated by each of the Council members to represent a business located in their respective City wards or an individual who resides in the respective City ward and who has a business located in any ward in the City, and two Citywide nominations made by the Mayor.

On June 8, 2023, the Budget Engagement Commission considered a staff recommendation to reduce the membership of the Budget Engagement Commission to 7 Ward seats and 4 Citywide seats for a total of 11 members with Resident and Business seat appointments at the discretion of the appointing elected official and forward recommendations to the Inclusiveness, Community Engagement and Governmental Processes Committee (ICEGPC) for consideration. The motion carried with 9 Aye votes, 1 Abstention, and 1 No vote.

On July 5, 2023, the ICEGPC considered the recommendations of City staff and the BEC to reduce the membership of the Budget Engagement Commission to 7 Ward seats and 4 Citywide seats for a total of 11 members with Resident and Business seat appointments at the discretion of the appointing elected official. The ICEGPC voted to continue the item for future consideration to assess whether quorum issues would persist.

DISCUSSION:

Since the inception of the Budget Engagement Commission in 2017, there has been a consistent lack of applications in the pool to fill vacancies, specifically for the Business seats. Several meetings are cancelled due to lack of quorums because of vacancies and absences.

Although meeting attendance has improved since 2023, the BEC continues to struggle with achieving and maintaining full membership, resulting in a misalignment with quorum requirements. Under the Brown Act, a quorum requires more than half of the total membership to be physically present at a designated meeting location, meaning 10 commissioners must be present for the BEC to conduct business. Additionally, effective January 1, 2023, AB 2449 amended the Brown Act to specify that virtual attendance no longer counts toward quorum.

The Budget Engagement Commission will have six vacancies as of March 1, 2025. Reducing the Budget Engagement Commission's membership would benefit the City of Riverside by lowering the quorum requirement, ensuring meetings can proceed as scheduled. Currently, the commission has 12 appointed members out of a total of 18 seats: seven resident and five business seat members.

Importance of the BEC

The Budget Engagement Commission (BEC) serves a vital role in representing both citizen and business stakeholders in Riverside. As an advisory body to the City Council, the BEC ensures that budget decisions align with the priorities of the community, particularly in the allocation of resources from the General Fund and Measure Z. Formed in 2017, the BEC was established “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.”

Through its recommendations, the BEC has influenced key budget decisions, ensuring a more community-centered approach to resource allocation. Its input has been recognized by the City Council and other stakeholders, reinforcing the Commission's significance in promoting transparency and inclusivity in Riverside's financial management.

Impact of Meeting Cancellations

Meeting cancellations due to a lack of quorum have prevented the BEC from fulfilling its advisory role in some instances, resulting in missed opportunities to provide input on proposed Measure Z initiatives, and quarterly financial reports with supplemental appropriations. Additionally, the lack

of quorum at the May 2025 meeting prevented the Commission from reviewing and advising on the proposed amendment to Fiscal Year 2023/24 of the previously adopted Fiscal Year 2022-2024 Biennial Budget before Council adoption of the annual budget.

Furthermore, the cancellation of BEC meetings results in an unnecessary drain on City resources. Accounting only for the BEC secretary and communications team, each BEC meeting requires an average of 25 labor hours and \$1,250 in direct labor and material costs. Additional costs are incurred for other City staff at all levels of the organization to develop, review, and approve meeting content and to be present at the BEC meetings.

Additionally, BEC members routinely make employment, childcare, or other arrangements to attend meetings, yet may arrive and discover that a quorum is lacking.

STRATEGIC PLAN ALIGNMENT:

This report and recommendations contained herein align with the High Performing Government strategic priority, goal 5.3: *Enhance communication and collaboration with community members to improve transparency, build public trust, and encourage shared decision-making* and each of the Cross-Cutting Threads:

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 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 direct fiscal impact associated with this action. However, ensuring the BEC consistently achieves a quorum would enhance the effectiveness of the City's investment in staff time and resources. Reducing the commission's size would lower the quorum requirement, increasing the likelihood of scheduled meetings proceeding and optimizing the use of resources.

Prepared by:	Kristie Thomas, Finance Director/Assistant Chief Financial Officer
Certified as to availability of funds:	Kristie Thomas, Finance Director/Assistant Chief Financial Officer
Approved by:	Edward Enriquez, Assistant City Manager/Chief Financial Officer/ City Treasurer
Approved as to form:	Jack Liu, Interim City Attorney