



City Council Memorandum

City of Arts & Innovation

TO: HONORABLE MAYOR AND CITY COUNCIL

DATE: OCTOBER 21, 2025

FROM: FINANCE DEPARTMENT

WARDS: ALL

SUBJECT: ADOPT ON ORDINANCE TO AMEND CHAPTER 2.90 OF THE RIVERSIDE MUNICIPAL CODE TO REDUCE THE MEMBERSHIP OF THE BUDGET ENGAGEMENT COMMISSION

ISSUE:

Adopt an ordinance amending Chapter 2.90 of the Riverside Municipal Code reducing the membership of the Budget Engagement Commission.

RECOMMENDATION:

That the City Council adopt an ordinance amending Riverside Municipal Code Chapter 2.90, reducing the membership of the Budget Engagement Commission.

INTRODUCTION OF ORDINANCE:

On September 16, 2025, the City Council introduced the proposed ordinance to amend Riverside Municipal Code Chapter 2.90, to reduce the membership of the Budget Engagement Commission. The motion passed unanimously.

COMMITTEE RECOMMENDATION:

The Governmental Processes Committee met on August 6, 2025, with Chair Falcone, Vice Chair Perry, and Member Conder present to consider a proposal to reduce the membership of the Budget Engagement Commission (SEC). The BEC provided and the Committee considered four options:

1. 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;
2. Consider a pathway to membership reduction as follows; (a) immediately eliminate vacant seats for Wards 4, 6, and 7, as well as one of the two vacant Ward 2 seats; (b) as terms expire or members resign, eliminate their seat provided that at least one representative remains for the respective ward;
3. If the will of the Council is to reduce the mayoral appoints from four to two, the BEC recommends the Council follow a similar pathway to membership reduction such that the following occurs: (a) immediately eliminate vacant seats for Wards 4, 6, and 7, as well as one of the two vacant Ward 2 seats and one of the Citywide seats; (b) as terms expire or

members resign, eliminate their seat provided that at least one representative remains for the respective ward and two representatives remain for the Citywide seats. This results in a reduction of the BEG to nine members.

4. Make no revisions to the ordinance.

The Committee unanimously voted to approve Option 3, reducing the Commission to nine members through a phased reduction approach.

COMMISSION RECOMMENDATION:

On March 17, 2025, the Budget Engagement Commission reviewed and discussed the recommendation to amend Chapter 2.90 of the Riverside Municipal Code to reduce the membership of the Budget Engagement Commission. The BEC approved a motion (6 aye and 4 no votes) to forward a recommendation to the Governmental Processes Committee with various options for consideration to decrease the BEG membership:

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 BEG 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.

On March 17, 2025, the Budget Engagement Commission reviewed and discussed the recommendation to amend Chapter 2.90 of the Riverside Municipal Code Section 2.90.030 to reduce the membership of the Budget Engagement Commission with options to either reduce to 11 members (7 Ward seats and 4 Citywide seats) or 9 members (7 Ward seats and 2 Citywide seats) with resident and business seat appointments at the discretion of the appointing elected official.

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 at least 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. Since 2023, a total of 10 commission meetings have been cancelled due to lack of quorum.

The Budget Engagement Commission has five vacancies as of July 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 13 appointed members out of a total of 18 seats.

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 advocates for budget decisions that 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.

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.

Recommendation

To address the quorum issue, the Budget Engagement Commission forwarded a recommendation with options to reduce the membership to the Governmental Processes Committee. The Governmental Processes Committee unanimously voted to recommend that the City Council approve an ordinance to reduce the membership of BEC to 9 members including 7 ward seats appointed by each respective Councilmember and 2 citywide seats appointed by the Mayor, with resident and business seat appointments at the discretion of the appointing elected official. This reduction is proposed to occur incrementally to not remove any existing council members. The proposed pathway to membership reduction includes: (a) immediately eliminate vacant seats for Wards 4, 6, and 7, as well as one of the two vacant Ward 2 seats and one of the Citywide seats;

(b) as terms expire or members resign, eliminate their seat provided that at least one representative remains for the respective ward and two representatives remain for the Citywide seats.

The recommended ordinance reduces BEC's membership to 13 (eliminating five existing vacant seats), and identifies the intent to incrementally reduce membership to 9. As additional vacancies occur, Finance will bring forward additional recommended ordinance changes to eliminate seats until the BEC membership gets to 9 seats, including 1 per ward appointed by each respective Councilmember and 2 citywide seats appointed by the Mayor.

FISCAL IMPACT:

There is no fiscal impact associated with this report.

Prepared by: Sergio Aguilar, Deputy Finance Director

Attachment: Ordinance