CITY MANAGER'S BUDGET MESSAGE

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CITY OF RIVERSIDE

Office of the City Manager

April 24, 2007

Honorable Mayor & City Council
City of Riverside, California

FY 2007-2008 Proposed Budget

I am pleased to submit, for your consideration, a balanced budget proposal for the City of Riverside's 2007/08 Fiscal Year. Next year's proposed spending plan follows two remarkable years of achieving the Council's direction with regard to expanding a broad range of services to the residents of our City. The draft budget sustains progress made under the Council's direction, expands key service areas, preserves a robust General Fund reserve and balances expenditures with revenues.

The City's overall proposed budget for FY 2007/08 is a record $1.1 billion. Proposed General Fund expenditures total $228 million. The budget includes capital projects, and fully funds current service levels as well as terms of Memoranda of Understanding reached with all of the City's bargaining units.

To ease ongoing multi-year trend analysis, capital expenditures have been separated from departmental budget data and shown separately. This minor reorganization will now make it easier (for staff and the public) to quickly compare annual operational expenditures and revenues in each year's approved budget.

Budget Strategy

As proposed, the FY 2007-08 budget reflects the Council's ongoing policy direction that the City of Riverside:

- Enhance Public Safety
- Increase Transportation Investments
- Support Business Development
- Promote Accountability
- Invest in the Future
- Provide Environmental Leadership
- Maintain the Renaissance Momentum

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In response to the Council's direction over the course of the current year, the FY 2007-08 spending plan will:

- Increase Police Staffing with 10 additional Officers
- Provide full-year funding for the 15 new Firefighter positions added late in the current year to staff new fire stations
- Increase Fire Staffing to further expand 4-person staffing with 3 additional Firefighters
- Support Council-approved classification/stipend enhancements for the City's Public Safety Dispatchers, along with 4 additional positions to help reduce current overtime assignments
- Procure key Police/Fire equipment to include specialty fire apparatus, one patrol helicopter, Mobile Data Computers and other technology for Police/Fire units
- Fund nearly $84 million in new transportation projects to ease traffic flow throughout Riverside
- Continue aggressive Code Enforcement by sustaining recently-enhanced Code Enforcement staffing of 17 positions
- Expand security services at City parks with an additional $100,000
- Increase street maintenance by an additional $1.5 million for a total of $9.3 million
- Expand street sweeping by allocating an additional $1 million for a total of $2.8 million
- Augment engineering services to complete Renaissance projects via 9 additional positions
- Expand landscape and tree maintenance throughout the City by allocating $5.6 million, which represents a $1.7 million increase over the current year
- Operate new Youth Opportunity Center programs to serve at-risk youth, dedicating $350,000 for this purpose
- Continue a Zero Tolerance approach to graffiti with nearly $600,000 and 10 positions dedicated to swift clean up and augmented by aggressive pursuit of civil assessments.
- Provide $110 million to build two additional electrical generation facilities to help meet peak demands throughout the City
- Construct a second point of energy delivery to diversify the City's electrical power supply, representing $90 million of a $180 million multiyear project
- Increase Arts & Culture staffing and activities to achieve Mayor/Council priorities, with a total of 10 positions and $3.1 million
- Continue funding for Riverside Renaissance projects

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- Boost investment in community information and outreach via regular mailings, television programming, direct mail and service bulletins
- Fully staff Project BRIDGE with 6 positions to provide outreach, intervention and mentoring for area youth
- Enhance Redevelopment staffing by 2.5 positions to achieve success in La Sierra/Arlanza and Downtown project areas
- Increase Office of Neighborhoods staffing to better serve residents of the City's 26 neighborhoods
- Invest in career training programs and opportunities for City residents through internships, 16 utilities apprenticeships, the Summer Youth Employment Program and other work experience opportunities
- Add 10 RESET worker positions to provide job training opportunities and workforce support for the City's anti-graffiti, street maintenance and solid waste collection programs
- Staff the Digital Inclusion Program to provide computer equipment and training to low-income City residents
- Fully fund the City's new Environmental Programs Manager position
- Allocate $3.4 million to replace gasoline/diesel fleet vehicles and equipment with clean technology and energy efficient models
- Fulfill the City's commitment to enhance its trail system

Summary and Recommendations

Per the Council's previous direction, the City's FY 2007/08 budget is balanced and financial reserves remain strong. While enhancing public services as described above, the spending plan sustains a $46 million General Fund reserve - - prudently positioning our City to address contingencies which may arise over the year ahead. As typically seen, the initial spending plan cannot address all requests from all City departments; consistent with the past two years, my Office will carefully analyze the City's fiscal position based upon detailed FY 2006-07 year-end reports and return to the Council with subsequent information and recommendations for your consideration.

We look forward to the Mayor and Council's continued insight and direction as staff finalizes next year's budget to convey your vision for City services and manage public resources for maximum benefit to the residents of our City.

It is, therefore, recommended that the City Council:

1. Provide direction to staff regarding any modifications to be made prior to adoption of the FY 2007-08 Final Budget; and

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2. Schedule a Public Hearing on May 8, 2007 to receive citizen comments on the proposed budget plan; and

3. Direct that budget adoption be scheduled for the City Council's May 15, 2007 meeting.

Respectfully submitted,

BRADLEY J. HUDSON
City Manager

Attachments

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CITY OF RIVERSIDE

Office of the City Manager

May 8, 2007

Honorable Mayor & City Council
City of Riverside, California

FY 2007-2008 Budget Hearing

As a follow-up to the April 24, 2007 Budget Workshop, and consistent with provisions of Section 1102 of the City Charter, the Council holds the annual Budget Hearing at tonight's meeting. This important session will provide City residents with an additional opportunity to provide input regarding the proposed spending plan.

As outlined in the Proposed Budget cover letter, next year's fiscal plan has been carefully crafted to address your public service priorities; it increases key services and sustains enhancements directed by the Council over the preceding two years. Additionally, the proposed budget remains fully balanced and maintains a $46 million General Fund Reserve.

Following your direction at the close of this Public Hearing, staff will finalize the document and present it to the Council for recommended adoption on May 15th.

It is, therefore, recommended that the City Council:

1. Convene the FY 2007-08 Budget Hearing; and
2. Provide direction to staff regarding any modifications to be made prior to adoption of the FY 2007-08 Final Budget; and
3. Direct that budget adoption be scheduled for the City Council's May 15, 2007 meeting.

Respectfully submitted,

BRADLEY J. HUDSON
City Manager

Attachments

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CITY OF RIVERSIDE

Office of the City Manager

May 15, 2007

Honorable Mayor and City Council
City of Riverside
3900 Main St., Riverside, CA 92522

Honorable Mayor and Council Members:

I am pleased to submit, for your review and adoption, the City of Riverside's Fiscal Year 2007-08 Budget.

This Final Budget has been prepared consistent with the Council's direction following presentation of the Proposed Budget on April 24thnd as well as the Public Hearing held on May 8th. The Budget remains fully balanced, sustains current year service enhancements, and increases key services to meet Council priorities.

As anticipated, several minor refinements have been prepared for your consideration in adopting the Final Budget. These changes are the result of ongoing review with City Departments throughout the budget preparation process and do not increase the overall General Fund budget:

- Addition of one Project Manager position in the Administration Division of the Parks, Recreation, and Community Services Department. While this position was correctly budgeted, it was not shown in the Personnel Detail. An adjustment of +1 FTE to the total authorized personnel for the department is therefore recommended.

- Addition of one Principal Engineer position in the City Engineering Division of the Public Works Department. This position will be assigned to rail capital projects and will be fully charged to the various transportation capital project funds. Therefore, there is no budget impact to the General Fund as a result of adding the position. An adjustment of +1 FTE to the Department's authorized personnel is recommended.

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- Addition of $50,000 to the Community Police Review Commission budget to fund anticipated professional services expenditures associated with staffing and consultant needs over the coming fiscal year.

Per the Council's clear direction, the City's FY 2007-08 budget is balanced and financial reserves remain strong. The budget plan lays the groundwork for a 2007-08 year-end fund balance currently projected to total $46 million.

City staff sincerely appreciates the clarity with which the Council communicated its vision for providing services while managing City resources in a balanced and prudent manner. Your strong leadership in this process was integral to the success in crafting a Final Budget to fulfill the Council's policy direction for the year ahead.

IT IS, THEREFORE, RECOMMENDED that the City Council:

1. Approve the budget adjustments noted in Attachment A; and

2. Adopt a resolution approving the City of Riverside's Revised Budget for FY 2007-08 totaling $1,099,131,988, of which $227,984,447 million comprises the General Fund; and

3. Authorize the additional personnel adjustments as set forth in Attachment A, with all FY 2007-08 modifications subject to classification review by the Human Resources Department; and

4. Authorize the City Manager, or his designee, to execute contracts approved for funding in the approved budget.

Respectfully Submitted,

BRADLEY J. HUDSON
City Manager

Attachments

CITY MANAGER'S BUDGET MESSAGE

ATTACHMENT A

ADJUSTMENTS TO BE MADE TO THE PRELIMINARY FISCAL YEAR 2007/08 ANNUAL BUDGET

A number of minor administrative adjustments will be made to finalize the budget and the following changes are requested:

1. One Project Manager position is to be added in the Administration Division of the Parks, Recreation, and Community Services Department. While this position was correctly budgeted, it was not shown in the Personnel Detail. An adjustment of +1 FTE to the total authorized personnel for the department is therefore required.

2. One Administrative Intern position in the Benefits Division of the Human Resources Department was budgeted at 0.50 FTE but shown in the personnel detail at 0.40 FTE. An adjustment of +0.10 FTE to the total authorized personnel for the department is therefore required.

3. Staff is requesting the addition of one Principal Engineer position in the City Engineering Division of the Public Works Department. This position will be assigned to rail capital projects and will be fully charged to the various transportation capital project funds. Therefore, there is no budget impact to the General Fund as a result of adding the position. An adjustment of +1 FTE to the total authorized personnel for the Department is required.

4. Staff is requesting the addition of $50,000 in account number 1125000-421000 in the Community Police Review Commission Division of the Office of the City Manager to fund anticipated professional services expenditures associated with staffing and consultant needs over the coming fiscal year.

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