



City of Arts & Innovation

News Release

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Riverside leaders to discuss program impacts if Measure A fails

Riverside, Calif. – Next Tuesday night, the Riverside City Council will hear an oral report from City Manager Scott Barber outlining proposed impacts to the budget and City services if Measure A is not approved by voters in June. The update was requested by the City Council in response to public inquiry at a prior meeting.

In March, the City Council unanimously voted to place a measure on the ballot (Measure A) that asks voters to decide whether to reaffirm a century-old practice of transferring a fixed percentage (11.5 percent) of revenue from the Riverside Water Utility Fund to the City's General Fund. Continuing the transfer does not increase taxes and helps to pay for essential city services such as police, fire, parks, libraries and tree trimming, and graffiti removal.

Riverside's fiscal year begins July 1. Because the result of the election will not be known until June 4, Riverside must plan for two very different budget scenarios for next fiscal year -- depending on the outcome of Measure A.

The revenue transfer will continue if more than 50 percent of voters favor Measure A on the June 4 ballot. If Measure A is not approved, the City will be faced with a revenue shortfall of over \$6 million or just under 3 percent of the General Fund revenues. Losing this critical revenue source would require significant budget cuts to essential City services.

"Understanding public safety is a priority of the City Council, we looked across the General Fund to implement cuts as evenly as possible and to avoid cuts to public safety" said City Manager Scott Barber. "Each department is valued by this City and we appreciate that some may be able to trim more than others."

According to Barber, unfortunately, there isn't much more trimming to be done without seriously impacting or eliminating some of the residents' favorite services and the end result is likely to include some cuts to public safety.

The City also faces a reduction to the General Fund reserve if Measure A does not pass with the reserve balance projected to fall to \$31,821,000 or 14.4 percent. Such a decrease could prompt a downgrade by credit rating agencies and increase future borrowing costs for the City.

Also planned for discussion are reserve balance impacts from the time required to implement programmatic cuts and from the settlement of the general fund transfer lawsuit.

The City Council meets on Tuesday, May 7 at 6:30 in the City Council Chambers, 3900 Main Street, Riverside, California. Registered voters in Riverside will begin receiving their ballots in the mail the week of May 6 and must return them in time to be counted by June 4. There is no polling place voting.