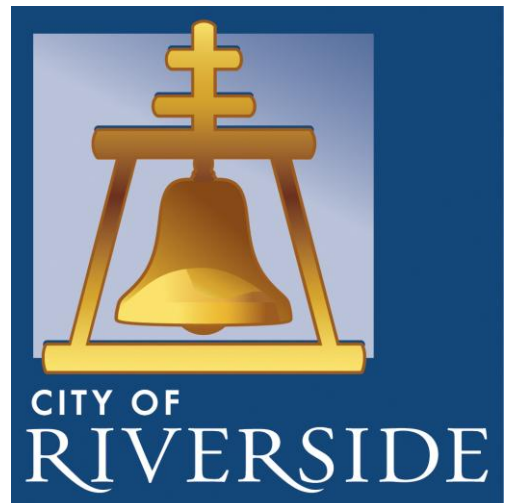


BUDGET SUMMARY



BUDGET SUMMARY

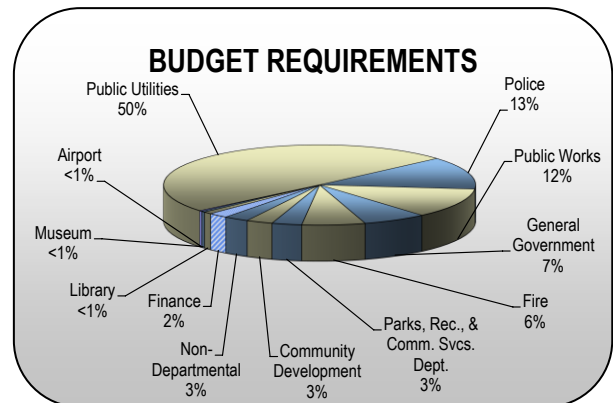
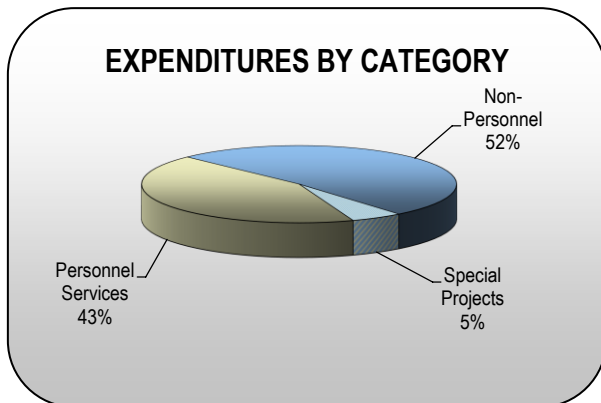
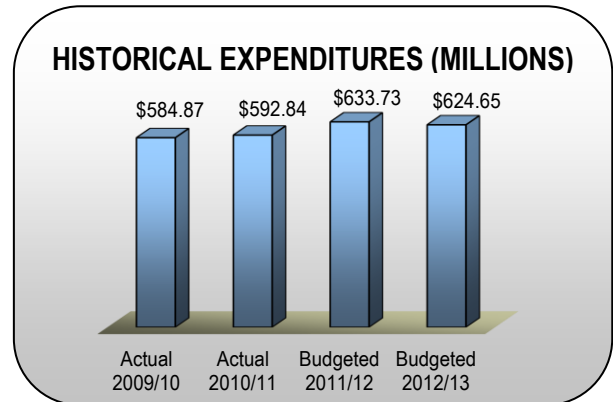
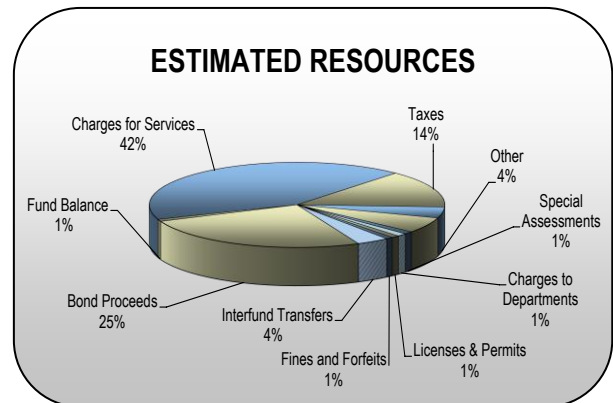
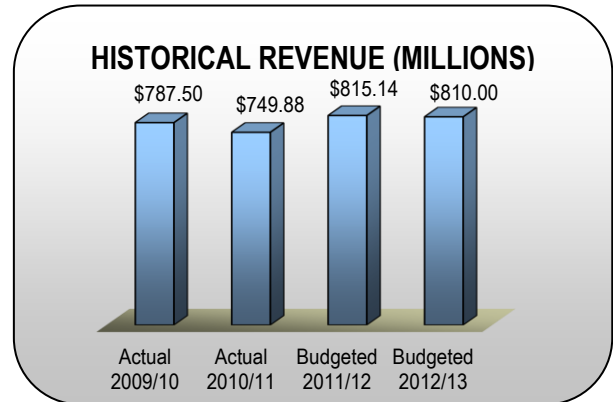
Overview of the Annual Budget

The City's total combined Annual Budget for fiscal year 2012/13 amounts to \$1,153,626,371. This equates to an increase of 16.62% versus the previous year's Budget, excluding interfund transfers and managed savings. The decrease in the current operations, or operating, budget – the Citywide total Budget excluding debt service, capital projects, equipment purchases, charges to/from others, interfund transfers, and managed savings – is 1.43%.

Included in the \$1.15 billion total Annual Budget amount are the City's Internal Service Funds and transfers to the General Fund from the Electric and Water Funds. These expenditures and transfers are found in the budget twice, because the revenue to the Internal Service Funds is a budgeted expenditure in the City's other funds and the interfund transfers are revenue to the General Fund that is then spent by the General Fund departments. When these two items are excluded from the total, the adjusted total Annual Budget amounts to \$1,089,362,445.

In this Section, the fund structure of the City's funds is described, significant changes between the current year's Annual Budget and the prior fiscal year are discussed, and other relevant information required to understand the Sections that follow is provided. Subsequently, each of the City's Major Funds, defined as any fund constituting more than 5.00% of the City's Annual Budget, is summarized and described. The City's major funds are:

- The General Fund
- The Electric Fund
- The Water Fund
- The Sewer Fund



BUDGET SUMMARY

REVENUE HISTORY BY REVENUE CATEGORY

	Actual 2009/10	Actual 2010/11	Budgeted 2011/12	Budgeted 2012/13	Change
Charges for Services	436,112,666	451,583,086	474,155,439	486,747,773	2.66%
Taxes	176,792,976	179,416,877	178,237,068	163,723,475	-8.14%
Intergovernmental Revenues	87,369,855	33,715,050	83,384,393	68,367,263	-18.01%
Special Assessments	13,497,900	10,991,388	11,911,221	11,432,573	-4.02%
Fines and Forfeits	10,800,056	12,556,204	12,193,442	8,765,437	-28.11%
Licenses and Permits	8,944,311	9,368,513	10,072,326	10,010,536	-0.61%
Charges to Departments	7,215,363	7,581,487	11,936,687	12,430,282	4.14%
Other	46,761,972	44,670,579	33,245,148	48,524,054	45.96%
Total Revenues \$	787,495,099	\$ 749,883,184	\$ 815,135,724	\$ 810,001,393	-0.63%
Interfund Transfers			39,936,100	40,890,700	
Bond Proceeds			125,702,520	293,277,191	
Fund Balance			12,219,678	9,457,087	
Total Resources \$			992,994,022	\$ 1,153,626,371	

EXPENDITURE HISTORY BY BUDGET CATEGORY

	Actual 2009/10	Actual 2010/11	Budgeted 2011/12	Budgeted 2012/13	Change
Personnel Services	253,907,145	254,500,399	267,145,723	268,334,903	0.45%
Non-Personnel	304,935,422	307,190,447	336,192,837	322,982,231	-3.93%
Special Projects	26,029,897	31,150,521	30,391,929	33,333,739	9.68%
Current Operations Budget \$	584,872,464	\$ 592,841,367	\$ 633,730,489	\$ 624,650,873	-1.43%
Equipment Outlay	7,433,420	4,584,491	7,746,947	4,317,124	-44.27%
Debt Service	126,015,668	141,384,882	147,668,022	145,664,402	-1.36%
Operating Grants	4,468,227	3,834,860	-	-	---
Capital Outlay & Grants	238,991,831	223,035,218	202,074,758	374,121,085	85.14%
Charges From Others	93,742,918	103,046,862	122,317,582	100,584,634	-17.77%
Charges To Others	(126,506,833)	(135,804,716)	(156,232,141)	(132,907,325)	-14.93%
Total Budget \$	929,017,695	\$ 932,922,964	\$ 957,305,657	\$ 1,116,430,793	16.62%
Interfund Transfers			39,936,100	40,890,700	
Managed Savings			(4,247,735)	(3,695,122)	
Total Budget Requirements \$			992,994,022	\$ 1,153,626,371	

EXPENDITURE HISTORY BY ORGANIZATIONAL UNIT

	Actual 2009/10	Actual 2010/11	Budgeted 2011/12	Budgeted 2012/13	Change
Riverside Public Utilities	256,327,803	270,816,879	304,078,214	310,153,851	2.00%
Police Department	80,008,980	79,125,975	81,927,700	82,050,209	0.15%
Public Works Department	62,847,965	63,356,272	72,504,510	74,815,191	3.19%
General Government	49,210,993	53,420,727	52,208,878	54,159,309	3.74%
Fire Department	40,233,281	41,148,376	40,615,277	40,860,831	0.60%
Parks, Recreation, & Community Services Dept.	16,491,650	17,158,107	18,385,662	19,297,294	4.96%
Community Development Department	56,059,215	42,363,297	39,454,708	17,147,353	-56.54%
Non Departmental	15,862,084	17,239,440	16,224,910	16,003,718	-1.36%
Riverside Public Library	5,314,353	5,267,860	5,482,207	5,559,892	1.42%
Riverside Metropolitan Museum	1,160,255	1,489,775	1,078,356	2,856,812	164.92%
Riverside Airport	1,355,885	1,454,659	1,770,067	1,746,413	-1.34%
Current Operations Budget \$	584,872,464	\$ 592,841,367	\$ 633,730,489	\$ 624,650,873	-1.43%

BUDGET SUMMARY

Overview of the Annual Budget (Continued)

Additionally, due to their material nature to the City's operations, the Refuse Fund and the Airport Fund are also reported as Major Funds, though they comprise less than 5.00% of the City's Annual Budget. Similarly, the Capital Outlay Fund, though often more than 5.00% of the City's Annual Budget, is excluded because it is a capital projects fund.

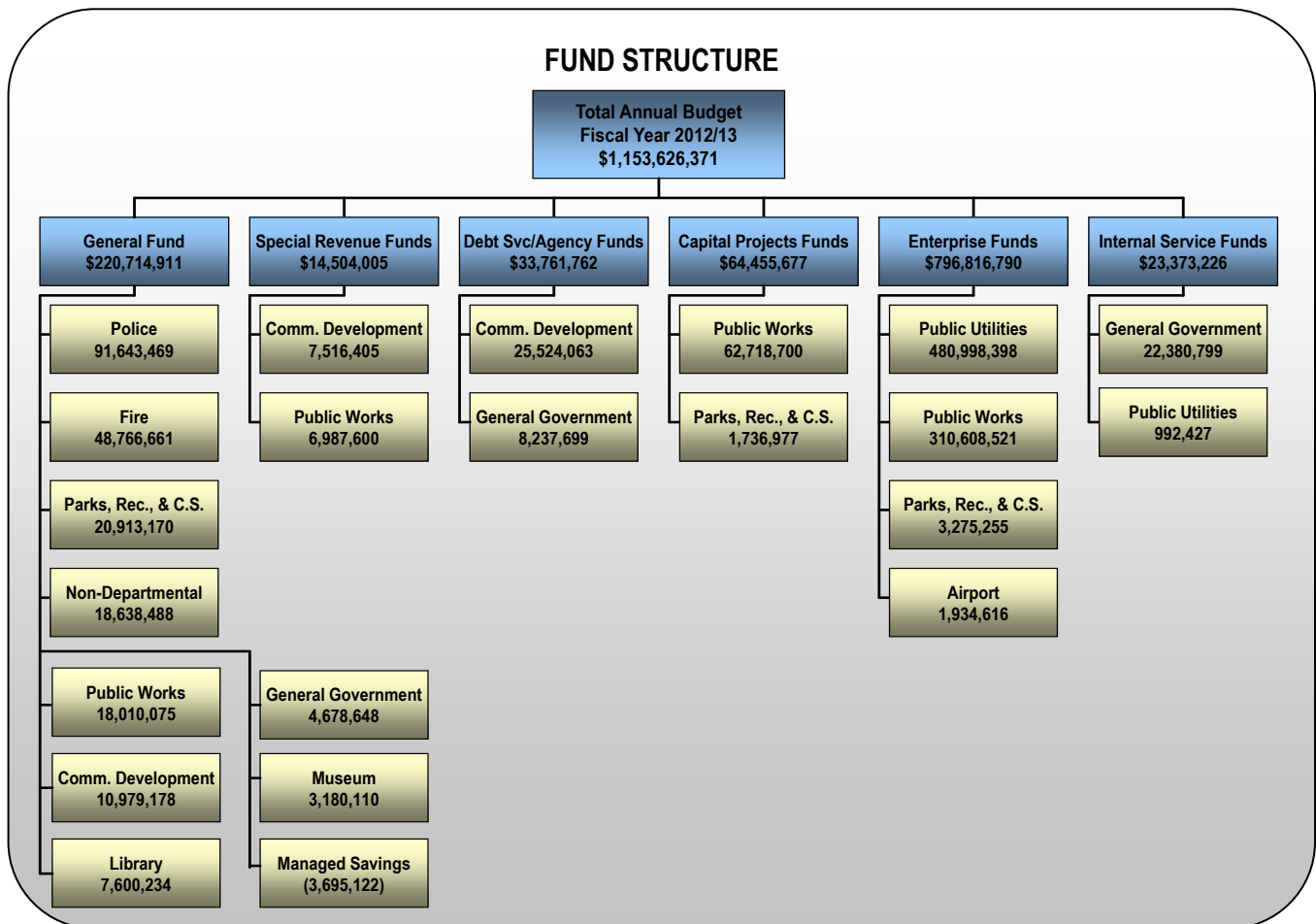
The term "General Government" is used to refer to a combination of all City Departments that are not public service Departments. These Departments include the Office of the Mayor, City Council, Office of the City Attorney, Office of the City Clerk, Office of the City Manager, and the Human Resources, Finance, General Services, and Information Technology Departments.

Grant revenue and expenditures are not typically budgeted. However, historical actual expenditures shown for fiscal years 2009/10 and 2010/11 include grants and other supplemental appropriations.

Fund Structure

The City organizes its resources into seven main fund categories: General Fund, Special Revenue Funds, Debt Service Funds, Capital Projects Funds, Enterprise Funds, Internal Service Funds, and Agency Funds. Within each category are multiple funds that each relate to a Department. Funds are categorized primarily for accounting purposes; therefore the Annual Budget typically discusses funds as they relate to Departments rather than categories. Below is a diagram illustrating the relationship between the seven fund categories and the City's various Departments. Each Department may have more than one fund within each category.

As can be seen from the following descriptions of fund categories, in many cases individual City Departments span multiple funds within a single category, or in some cases multiple categories. The reasons for this separation of activities are primarily of an accounting nature and can be reviewed in more detail in the City's CAFR.



BUDGET SUMMARY

General Fund

The General Fund is the City's primary operating fund where core City services such as police, fire, parks, recreation, and street maintenance are budgeted. The General Fund is described in more detail later in this Section.

Special Revenue Funds

Special Revenue Funds are used to account for specific monies that are legally restricted for use for a particular purpose. Funds included in this category relate to City Departments as follows.

The Community Development Department's budget includes Special Revenue Funds, which are used to account for Federal grants received from the Department of Housing and Urban Development (HUD) to be used for the development of a viable urban community by providing decent housing, a suitable living environment, and expanding economic opportunities principally for persons of low and moderate incomes.

The Public Works Department's budget includes three Special Revenue Funds. These funds include the Special Gas Tax Fund, used to account for the construction and maintenance of City streets funded by the City's share of state gasoline taxes; the Air Quality Improvement Fund, used to account for qualified air pollution reduction programs funded by the South Coast Air Quality Management District; and the National Pollution Discharge Elimination System (NPDES) Fund, used to account for storm drain maintenance and inspection required for California storm water permits funded by a special assessment district of Riverside County.

A final fund included in this category is the Successor Agency Administration Fund. As a result of the dissolution of the Redevelopment Agency, this fund is now being used to track administrative expenditures related to the Successor Agency.

Debt Service Funds

Debt Service Funds are used to account for the accumulation of resources and payment of long-term debt obligations of the City and related entities. Funds in this category are the Debt Service Fund – General, used to account for debt service associated with certificates of participation issued by the Riverside Municipal Improvements Corporation or the Riverside Public

Financing Authority and certain other General Fund-related debt service.

Capital Projects Funds

Capital Projects Funds are used to account for the acquisition and construction of major capital facilities other than those financed by Enterprise Funds or the General Fund.

The Public Works Department's budget includes four Capital Projects Funds. These funds include the Storm Drain Fund, used to account for the acquisition, construction, and installation of storm drains in the City; the Capital Outlay Fund, used to account for the construction and installation of street and highway capital improvements; the Measure A Fund, used to account for transportation improvements funded by the 1/2% sales tax approved by Riverside County voters in 1988; and the Transportation Development Impact Fees Fund, used to account for transportation improvements funded by impact fees.

The Parks, Recreation, and Community Services Department's budget includes two Capital Projects Funds. These funds include the Local Park Special Capital Improvements Fund, used to account for capital projects to construct parks and recreation facilities funded by impact fees; and the Regional Park Special Capital Improvements Fund, used to account for capital projects to construct regional parks and recreation facilities funded by impact fees.

Enterprise Funds

Enterprise Funds are used to account for activities that are financed and operated in a manner similar to private businesses. The City's intent is that the operational and capital costs of providing these services be recovered primarily through user fees and charges.

Riverside Public Utilities is budgeted in four Enterprise Funds. These funds include the Electric Fund, used to account for expenditures of the City's electric utility; the Electric Public Benefits Charge Fund, used to account for public benefits funds related to the City's electric utility; the Water Fund, used to account for expenditures of the City's water utility; and the Water Conservation and Reclamation Program Fund, used to account for public benefits funds related to the City's water utility. The Electric and Water Funds are described in more detail later in this Section.

BUDGET SUMMARY

The Public Works Department's budget includes three Enterprise Funds. These funds include the Refuse Collection Fund, used to account for expenditures associated with the City's refuse collection services; the Sewer Service Fund, used to account for expenditures related to the City's sewer system; and the Public Parking fund, used to account for expenditures related to the various parking facilities operated by the City principally in downtown Riverside. The Refuse and Sewer Funds are described in more detail later in this Section.

The Parks, Recreation, and Community Services Department's budget includes an Enterprise Fund. The Special Transit fund is used to account for expenditures related to the City's fleet of minibuses, which are used to transport senior citizens and disabled persons.

Finally, the Riverside Airport is entirely budgeted in an Enterprise Fund. The Airport Fund is described in more detail later in this Section.

Internal Service Funds

Internal Service Funds are used to account for the operational and capital cost of providing centralized services to City Departments. The costs of these services are recovered through the City's Cost Allocation Plan or other cost reimbursement methods. Funds in this category include the City's insurance-related funds, which are budgeted in the Human Resources Department and Office of the City Manager. They are the Workers' Compensation Insurance Trust Fund, the Unemployment Insurance Trust Fund, and the Liability Insurance Trust Fund. Riverside Public Utilities' budget includes the Central Stores Fund, used to account for purchases; and the General Services Department's budget includes the Central Garage Fund, used to account for vehicle maintenance and motor pool functions.

Agency Funds

Agency Funds are used to account for funds that held by the City as an agent for another entity.

A number of Agency Funds, budgeted in the Finance Department, are used to account for debt service payments for the various assessment districts (ADs) and community facilities districts (CFDs) located throughout the City.

The Community Development Department's budget also includes various Agency Funds, which are used to

account for financial obligations related to the Successor Agency to the City's former Redevelopment Agency.

Funds Not Budgeted

There are certain City funds that do not appear in the budget and that have not been described in this Section, either because they are no longer active or because they are never budgeted in the Annual Budget. Funds in the second category include the Capital Projects Funds related to the City's assessment districts and CFDs, certain Public Works Capital Projects Funds, and certain Capital Projects Funds used to account for expenditures associated with bond or certificate of participation issues completed mid-year in prior budget years. Appropriations were or are made to these funds on an as-needed basis through supplemental appropriations approved by the City Council during the budget year.

Summary of Significant Budget Adjustments

Detailed listings by department of significant budget adjustments can be found in Section I of the Annual Budget. This summary is intended as a high-level overview of significant structural changes to the budget or organization. Please refer to Section I for a detailed discussion of specific budgetary adjustments at the department level.

Fund Reorganizations

As a result of the elimination of the Redevelopment Agency, Fund 170 is now being used by the City to track administrative expenditures related to the Successor Agency. Additionally, the former Redevelopment Agency Debt Service Funds have been re-categorized as Agency Funds and are now being used to account for expenditures associated with the Successor Agency to the Redevelopment Agency. The former Redevelopment Agency's Low and Moderate Income Housing Funds (formerly categorized as Special Revenue Funds) and Capital Projects Funds are no longer utilized and are therefore no longer included in the City's Annual Budget. There were no other material changes to the City's fund structure other than those related to the dissolution of the Redevelopment Agency.

Department Reorganizations

During fiscal year 2011/12 or effective at the beginning of fiscal year 2012/13, the following reorganizations occurred throughout the City. A reorganization can be defined as the transfer of a particular function from one department to

BUDGET SUMMARY

another department or one fund to another fund that has no impact on the net Annual Budget.

1. The Economic Development Division was transferred from the Development Department to the City Manager's Office.
2. The Capital Projects was transferred from the Development Department to the General Services Department.
3. The Arts & Cultural Affairs Division was transferred from the Development Department to the Museum Department.
4. The remaining Divisions of the Development Department were merged into the Community Development Department.
5. The Finance Division was separated from the Office of the City Manager and established as its own Department.
6. The Safety Section of the new Finance Department was transferred to the Human Resources Department.
7. The Network Services, Systems and Operations Services, and Application Services Divisions were consolidated into the Administration Division of the Information Technology Department.
8. The Community Services Bureau of the Police Department was created and staffed with personnel transferred from the Office of the Chief.
9. The Internal Audit function of the Office of the City Manager was split off from the Administration Division into a new Internal Audit Division.
10. The Non-Departmental section of the 2012/13 budget was created to represent activities that are not budgeted within a specific General Fund department, as more specifically described in Section I.

Programmatic and Staffing Changes

Citywide staffing decreased by 6.42 full time equivalents. Due to the constraints imposed by the current economic conditions, additional staffing authorizations were kept to a minimum. However, certain additional staffing requests were approved, the majority of which facilitate addressing identified City Council priorities. Each department's summary in Section I outlines the reasons for the increases or decreases in personnel.

The budget was increased primarily to address identified City Council priorities as articulated in the City Manager's Budget Message. Additionally, as a result of the dissolution of the Redevelopment Agency due to the State's redirection of resources to its own budgetary challenges, General Fund support for these programs was increased per the direction of the City Council. Each department's summary in Section I outlines the reasons for significant increases or decreases in expenditures.

The transmittal letter included in Section A references "minor administrative adjustments" in addition to any listed last minute additions to the budget. These minor administrative adjustments do not have a material impact on the budget as a whole, though the budget numbers presented in the City Manager's Budget Message may be slightly different than the final budget numbers presented in the Annual Budget.

Interfund Transfers

Throughout the Annual Budget reference is made to interfund transfers. An interfund transfer is a transfer of funds from one City fund to another City fund. These transfers appear as a resource in the fund receiving the transfer and as a budget requirement in the fund that is sending the transfer. While this does result in the revenue and expenditure being "double counted" in the Annual Budget, this presentation provides a truer picture of the actual expenditures for the City's Enterprise Funds, from which the transferred funds originate. Transfers for fiscal year 2012/13 are budgeted at \$34,423,500 from the Electric Fund to the General Fund and \$6,467,200 from the Water Fund to the General Fund. Both transfers are made as authorized by City Charter Section 1204(f).

Outstanding Debt

As discussed in the City's Debt Management Policy, found in the Guide to the Budget Section, the City's legal debt limit is set by State of California Statute at 15% of the City's adjusted assessed valuation. Of the \$1.72 billion in debt currently outstanding, only \$16.1 million is supported by tax revenues (the Measure G Fire Facility Projects Bonds) and is therefore subject to the legal debt

BUDGET SUMMARY

limit. The City's assessed valuation for the current fiscal year is \$16.3 billion, resulting in a debt limit of \$612.9 million and a current ratio of debt to assessed value of 2.63%. The remaining outstanding debt detailed in the table on the facing page is supported by other specific revenue streams and is not subject to the legal debt limit. Excluded are minor debts such as capital leases.

During fiscal year 2011/12, several debt transactions were completed. The General Fund entered into a private placement financing totaling \$4.0 million to finance a portion of the construction of a new park facility at the Tequesquite Arroyo. The Electric Fund issued revenue refunding bonds totaling \$56.5 million and entered into a loan totaling \$45.6 million to acquire a previously constructed power plant from the City of Corona. The Water Fund issued revenue refunding bonds totaling \$59.0 million. The General Fund entered into a private placement financing on behalf of the Parking Fund totaling \$25.0 million to construct a new parking garage and adjacent exhibit and theater spaces to service the Fox Performing Arts Center. Lastly, two assessment district bond issues were refunded totaling \$11.9 million.

Bond proceeds totaling \$293.3 million are included in the Measure A, Electric Fund, Water Fund, and Sewer Fund portions of the Annual Budget that relate to various debt issues. These funds are reflected as a resource in the various revenue tables but are not included in revenue to avoid skewing historical comparisons, as bond proceeds are not included in historical revenues.

The Electric Fund, Water Fund, and Sewer Fund bond proceeds shown in the Annual Budget are proceeds of previous bond issues that remain on hand. The bond proceeds shown in the Measure A Fund relate to a planned financing that will be supported by both Gas Tax and Measure A revenues. The proceeds of the proposed financing will be utilized to construct and rehabilitate streets throughout the City. Two additional debt transactions were completed following June 30, 2012, but prior to publication of the Annual Budget. First, the City refunded the Series 2003 Certificates of Participation to achieve a lower interest rate. Second, the City entered into a private placement transaction to finance the rehabilitation and expansion of the City's Convention Center, which will be supported by a recently approved increase in the City's transient occupancy tax rate. No other debt issuances are planned for the 2012/13 fiscal year

LEGAL DEBT LIMIT CALCULATION

	As of June 30, 2012
Fiscal Year 2011/12 Assessed Valuation	16,342,830,000
Conversion Percentage	25.00%
Adjusted Assessed Valuation for Calculation Purposes	4,085,707,500
Debt Limit Percentage	15.00%
Legal Debt Limit	\$ 612,856,125
Less: Outstanding General Obligation Debt Payable from Property Taxes Measure G Fire Facility Projects Bonds	16,107,000
Remaining Debt Capacity	\$ 596,749,125
Ratio of Debt to Legal Debt Limit	2.63%
Debt per Capita (2012 Population Estimate of 308,511)	\$52.21

BUDGET SUMMARY**SUMMARY OF CITYWIDE DEBT OBLIGATIONS**

Debt Issue	Budgeted Fund	Year of Issuance	Year of Final Maturity	Total Issue Size	Outstanding Principal 6/30/2013	2012/13 Principal	2012/13 Interest
General Obligation							
Measure G Fire Facility Projects Bonds	General Fund	2004	2024	20,000,000	15,135,000	780,000	736,758
Pension Obligation							
Pension Obligation Bonds (2004)	General Fund	2004	2023	89,540,000	70,370,000	3,565,000	4,285,668
Pension Obligation Bonds (2005) Series A	General Fund	2005	2020	30,000,000	20,695,000	1,910,000	1,071,008
Pension Obligation Refunding Bond Anticipation Notes	General Fund	2012	N/A	30,940,000	30,940,000	-	232,050
Certificates of Participation							
Riverside Public Financing Authority (RPFA) Projects	General Fund	2003	2033	53,185,000	42,660,000	1,365,000	2,118,113
Galleria Mall Improvements	General Fund	2006	2036	19,945,000	19,055,000	455,000	871,841
Riverside Renaissance Projects Refunding	General Fund	2008	2037	128,300,000	119,300,000	3,100,000	4,089,033
Recovery Zone Facility Hotel Project (Hyatt)	General Fund	2010	2040	20,660,000	20,660,000	-	1,076,538
Private Placement Financings							
Ryan Bonaminio Park	General Fund	2012	2021	4,000,000	3,652,253	347,747	119,368
Total General Fund					342,467,253	11,522,747	14,600,377
Electric Utility							
Electric Revenue Bonds (2003)	Electric Fund	2003	2013	75,405,000	6,880,000	8,535,000	550,775
Electric Revenue Bonds (2004) Series A	Electric Fund	2004	2014	27,500,000	6,340,000	3,505,000	423,100
Electric Revenue Refunding Bonds (2008) Series A	Electric Fund	2008	2029	84,515,000	84,515,000	-	2,629,262
Electric Revenue Refunding Bonds (2008) Series C	Electric Fund	2008	2035	57,325,000	53,750,000	1,375,000	1,733,164
Electric Revenue Bonds (2008) Series D	Electric Fund	2008	2038	209,740,000	209,740,000	-	10,246,400
Electric Revenue Bonds (2009) Series A	Electric Fund	2009	2018	34,920,000	21,075,000	3,260,000	1,004,300
Electric Revenue Bonds (2010) Series A	Electric Fund	2010	2040	133,290,000	133,290,000	-	6,479,481
Electric Revenue Bonds (2010) Series B	Electric Fund	2010	2019	7,090,000	7,090,000	-	307,050
Electric Revenue Bonds (2011) Series A	Electric Fund	2011	2036	56,450,000	53,750,000	1,375,000	2,081,528
Clearwater Plant Acquisition Loan (City of Corona)	Electric Fund	2011	2015	45,568,916	42,660,233	1,480,387	2,342,098
Total Electric Fund					619,090,233	19,530,387	27,797,158
Water Utility							
Water Revenue Bonds (2001)	Water Fund	2001	2013	20,000,000	510,000	490,000	32,725
Water Revenue Bonds (2008) Series B	Water Fund	2008	2038	58,235,000	58,235,000	-	2,830,350
Water Revenue Bonds (2009) Series A	Water Fund	2009	2020	31,895,000	24,715,000	3,380,000	1,207,350
Water Revenue Bonds (2009) Series B	Water Fund	2009	2039	67,790,000	67,790,000	-	2,717,377
Water Revenue Bonds (2011) Series A	Water Fund	2011	2035	59,000,000	57,375,000	825,000	1,889,817
Total Water Fund					208,625,000	4,695,000	8,677,619
Sewer Utility							
Sewer Revenue Bonds (2009) Series A	Sewer Fund	2009	2016	36,835,000	30,075,000	6,760,000	1,495,350
Sewer Revenue Bonds (2009) Series B	Sewer Fund	2009	2039	204,075,000	204,075,000	-	9,216,748
Total Sewer Fund					234,150,000	6,760,000	10,712,098
Parking Fund							
Fox Entertainment Plaza Loan (City National Bank)	Parking Fund	2010	2032	25,000,000	22,962,543	838,362	908,343
Total Parking Fund					22,962,543	838,362	908,343
RDA Successor Agency							
RPFA Multiple Project Area TABs (1991)	Redev. Funds	1991	2018	13,285,000	100,000	15,000	9,200
Univ. Corridor/Sycamore Canyon TABs Series A	Redev. Funds	1999	2027	17,025,000	11,935,000	520,000	592,535
Univ. Corridor/Sycamore Canyon TABs Series B	Redev. Funds	1999	2027	6,055,000	4,345,000	180,000	247,700
Casa Blanca TABs	Redev. Funds	1999	2025	20,395,000	12,995,000	715,000	644,018
Downtown/Airport TABs	Redev. Funds	2003	2034	40,435,000	28,330,000	1,500,000	1,433,725
California Tower Lease Revenue Bonds Series A	Redev. Funds	2003	2024	26,255,000	18,835,000	970,000	910,208
California Tower Lease Revenue Bonds Series B	Redev. Funds	2003	2024	4,810,000	3,170,000	190,000	173,279
Arlington Tax Allocation Bonds Series A	Redev. Funds	2004	2034	4,550,000	4,225,000	45,000	197,960
Arlington Tax Allocation Bonds Series B	Redev. Funds	2004	2024	2,975,000	2,140,000	125,000	121,138
Multiple Project Area Housing TABs	Redev. Funds	2004	2034	24,115,000	19,155,000	715,000	870,171
ERAF Loan Program Through CSCDA	Redev. Funds	2005	2015	1,465,000	355,000	165,000	27,046
RPFA Multiple Project Area TABs (2007) Series A	Redev. Funds	2007	2037	8,340,000	8,240,000	20,000	360,031
RPFA Multiple Project Area TABs (2007) Series B	Redev. Funds	2007	2028	14,850,000	12,960,000	420,000	751,563
RPFA Multiple Project Area TABs (2007) Series C	Redev. Funds	2007	2037	89,205,000	87,650,000	520,000	4,286,225
RPFA Multiple Project Area TABs (2007) Series D	Redev. Funds	2007	2032	43,875,000	36,335,000	1,475,000	2,125,477
Total Redevelopment Agency					250,770,000	7,575,000	12,750,276
Assessment District & Community Facilities District							
Sycamore Canyon Business Park No. 1 Bonds	Asmt. Funds	1992	2012	4,416,947	-	420,000	17,850
Auto Center Assessment District Refunding Bonds	Asmt. Funds	2012	2024	4,050,000	3,795,000	255,000	160,458
Highlander CFD 90-1 Refunding Bonds	Asmt. Funds	2001	2015	14,325,000	3,860,000	1,155,000	244,063
Riverwalk Assessment District Refunding Bonds	Asmt. Funds	2011	2026	7,805,000	7,385,000	420,000	311,306
RPFA Refunding Bonds Series A	Asmt. Funds	2001	2016	16,730,000	3,875,000	865,000	198,485
RPFA Refunding Bonds Series B	Asmt. Funds	2001	2016	1,620,000	540,000	120,000	33,261
Riverwalk Business Center Assessment District Bonds	Asmt. Funds	2005	2029	3,755,000	3,035,000	105,000	184,365
Sycamore Canyon Business Park CFD 92-1 Bonds	Asmt. Funds	2005	2034	9,700,000	8,375,000	210,000	433,096
Hunter Park Assessment District Bonds	Asmt. Funds	2006	2036	15,269,906	13,650,000	295,000	700,753
Assessment District & Community Facilities District					44,515,000	3,845,000	2,283,637
Total Debt					\$1,722,580,029	\$ 54,766,496	\$ 77,729,508

NOTE: "TABs" refers to Tax Allocation Bonds.

BUDGET SUMMARY – GENERAL FUND

Overview of the General Fund

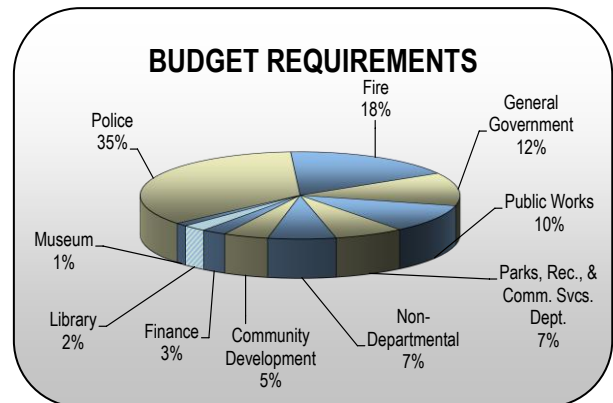
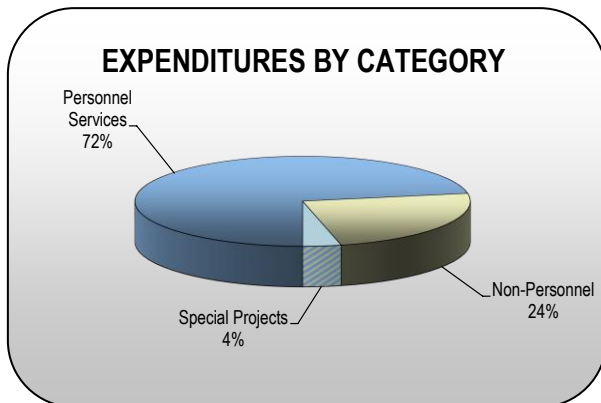
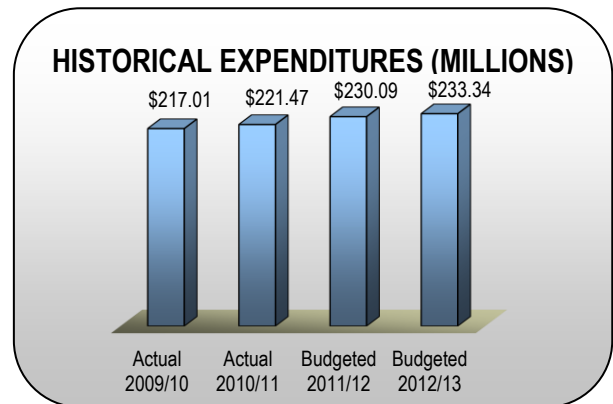
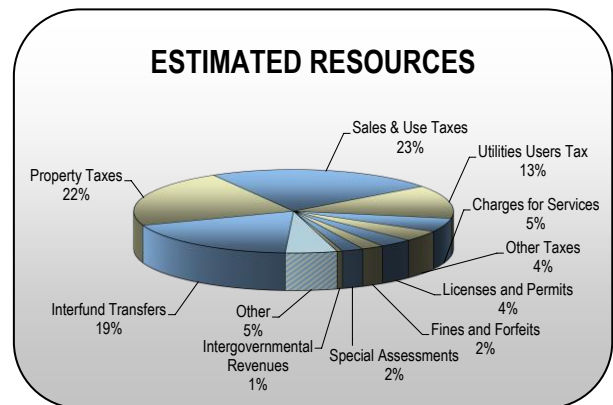
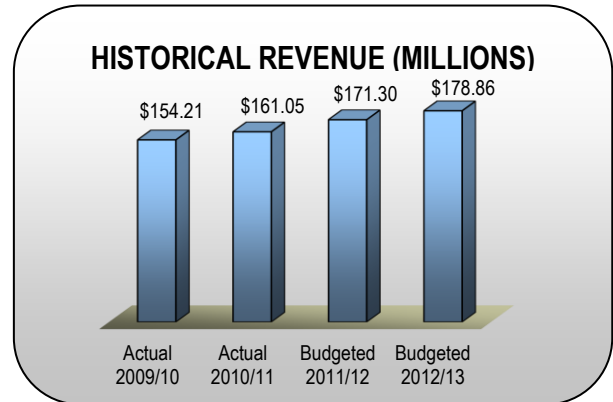
The City's General Fund budget for fiscal year 2012/13 amounts to \$220,714,911, including managed savings. This equates to an increase of 4.48% versus the previous year's Annual Budget. The increase in the current operations budget is 1.41%.

Core city services such as police, fire, parks, recreation, and street maintenance are budgeted in the General Fund. Therefore, the General Fund's growth can be more closely tied to the growth of the City and the economic activity within the City than the Annual Budget as a whole. The General Fund budget increase this year reflects the current economic conditions while cautiously increasing the City's investment in public safety, transportation, economic development, and other critical needs as outlined in the City Manager's Budget Message.

General Fund Revenue Sources

The General Fund is supported by a diverse set of revenue sources. Included are tax revenues, fees charged for services, licenses and permits, and other more minor sources. In the pages that follow, each of the major General Fund revenue sources is described with information about historical trends, current budgeted revenues, and forecast methodology.

An important part of the overall General Fund financial picture is interfund transfers. The General Fund will receive \$40.9 million from the Electric and Water Funds, which is a transfer of certain operating revenues as authorized by the City Charter.



GENERAL FUND – BUDGET SUMMARY

REVENUE HISTORY BY REVENUE CATEGORY

	Actual 2009/10	Actual 2010/11	Budgeted 2011/12	Budgeted 2012/13	Change
Sales & Use Taxes	46,713,898	44,988,566	45,807,533	51,079,000	11.51%
Property Taxes	39,644,890	44,156,744	46,611,000	48,765,758	4.62%
Utilities Users Tax	25,831,455	26,690,556	27,525,200	28,397,050	3.17%
Charges for Services	9,312,520	10,653,041	11,192,392	11,758,858	5.06%
Other Taxes	6,964,474	7,669,615	8,167,700	9,011,000	10.32%
Licenses and Permits	6,305,672	6,716,591	7,421,323	7,456,234	0.47%
Fines and Forfeits	4,693,620	5,241,454	8,793,998	4,955,437	-43.65%
Special Assessments	4,038,698	3,954,169	4,525,220	4,749,395	4.95%
Intergovernmental Revenues	1,720,295	1,846,292	2,350,000	1,220,000	-48.09%
Other	8,987,775	9,134,189	8,910,363	11,467,203	28.70%
Total Revenues	\$ 154,213,297	\$ 161,051,217	\$ 171,304,729	\$ 178,859,935	4.41%
Interfund Transfers			39,936,100	40,890,700	
Fund Balance			-	964,276	
Total Resources	\$ 211,240,829	\$ 220,714,911			

EXPENDITURE HISTORY BY BUDGET CATEGORY

	Actual 2009/10	Actual 2010/11	Budgeted 2011/12	Budgeted 2012/13	Change
Personnel Services	164,272,144	161,980,372	166,189,676	168,343,945	1.30%
Non-Personnel	45,453,921	50,501,936	55,414,499	56,665,628	2.26%
Special Projects	7,284,723	8,986,988	8,481,128	8,325,853	-1.83%
Current Operations Budget	\$ 217,010,788	\$ 221,469,296	\$ 230,085,303	\$ 233,335,426	1.41%
Equipment Outlay	1,687,913	1,737,294	2,561,559	440,639	-82.80%
Debt Service	46,716,625	44,341,001	14,138,453	15,050,494	6.45%
Operating Grants	3,816,084	3,524,108	-	-	---
Capital Outlay & Grants	734,449	3,104,231	711,084	386,890	-45.59%
Charges From Others	40,251,725	48,294,440	49,901,667	58,039,073	16.31%
Charges To Others	(77,650,746)	(81,377,207)	(81,909,502)	(82,842,489)	1.14%
Total Budget	\$ 232,566,838	\$ 241,093,163	\$ 215,488,564	\$ 224,410,033	4.14%
Interfund Transfers			-	-	
Managed Savings			(4,247,735)	(3,695,122)	
Total Budget Requirements	\$ 211,240,829	\$ 220,714,911			

EXPENDITURE HISTORY BY ORGANIZATIONAL UNIT

	Actual 2009/10	Actual 2010/11	Budgeted 2011/12	Budgeted 2012/13	Change
Police Department	80,008,980	79,125,975	81,927,700	82,050,209	0.15%
Fire Department	40,233,281	41,148,376	40,615,277	40,860,831	0.60%
General Government	28,466,677	31,786,497	32,102,232	34,524,111	7.54%
Public Works Department	20,875,594	19,472,754	23,429,425	24,415,536	4.21%
Parks, Recreation, & Community Services Dept.	13,972,740	14,554,473	15,645,152	16,434,246	5.04%
Non-Departmental	15,862,084	17,239,440	16,224,910	16,003,718	-1.36%
Community Development Department	11,116,824	11,384,146	13,580,044	10,630,071	-21.72%
Riverside Public Library	5,314,353	5,267,860	5,482,207	5,559,892	1.42%
Riverside Metropolitan Museum	1,160,255	1,489,775	1,078,356	2,856,812	164.92%
Current Operations Budget	\$ 217,010,788	\$ 221,469,296	\$ 230,085,303	\$ 233,335,426	1.41%

BUDGET SUMMARY – GENERAL FUND

Sales and Use Taxes

Sales and Use Taxes are imposed on retail transactions, usually at the point of sale. They are collected and remitted to the California State Board of Equalization, which administers the program. In Riverside County, Sales Tax is assessed at the rate of 7.75% of the transaction value. Included in this rate are one percentage point for local sales tax, 0.5 percentage point for Measure “A” transportation programs, and 0.5 percentage point for Local Public Safety Augmentation (LPSA). The Board of Equalization distributes Sales Tax monies on the basis of point of sale data, while Use Tax monies are allocated from various dollar pools at County or State levels based on taxable sales for the defined areas. The LPSA monies are distributed via the County of Riverside to cities based on their proportionate share of property tax losses due to the State’s Educational Revenue Augmentation Fund (ERAF) shifts.

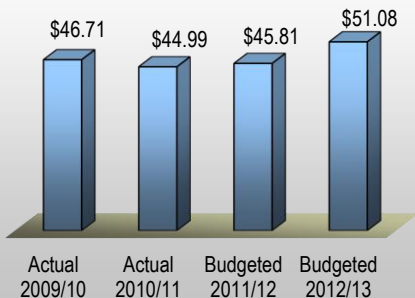
Sales and Use Tax revenues are one of the two largest revenue sources for the General Fund, representing 28.56% of total estimated revenues in fiscal year 2012/13. Following the downturn in the economy beginning in 2007, sales tax revenues declined sharply. Recent years have seen a steadily increasing trend, which is anticipated to continue. For fiscal year 2012/13, budgeted Sales and Use Tax revenues are estimated to increase from the prior year’s budgeted revenues based on forecast data prepared by outside expert consultants and validated by the City staff. The budgeted amount of \$51.08 million represents an increase of 11.51%, though the increase versus the actual amount in the prior year is smaller.

Property Taxes

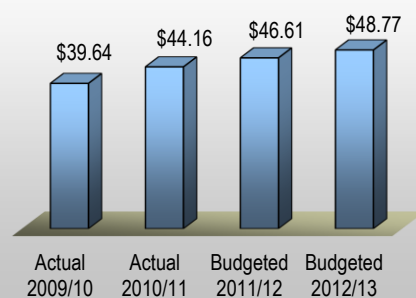
Property taxes are levied at one percent of assessed value, as established in 1978 by California’s Proposition 13. The County of Riverside administers the property tax program and the City of Riverside receives approximately 12% of the receipts generated by property taxes levied within the City limits. The balance of the assessment received is allocated between various schools, Riverside County, and the Successor Agency to the City’s Redevelopment Agency.

Property Tax revenues are one of the two largest revenue sources for the General Fund, representing 27.26% of total estimated revenues in fiscal year 2012/13. Property Tax revenues have fallen slightly in recent years as a result of the depressed housing market in Southern California. Due to the City’s older housing stock, new retail and commercial construction, annexations, and higher assessed values for properties as they are sold (Proposition 13 also limits annual increases in assessed value so that properties are often assessed considerably below actual value until resold), decreases have not been as high as those seen in surrounding communities. For fiscal year 2012/13, budgeted Property Tax revenues are estimated to increase versus the previous fiscal year based on forecast data prepared by outside expert consultants and validated by City staff. The budgeted amount of \$48.77 million represents an increase of 4.62%.

HISTORICAL SALES & USE TAX REVENUE
(MILLIONS)



HISTORICAL PROPERTY TAX REVENUE
(MILLIONS)



GENERAL FUND – BUDGET SUMMARY

Utility Users Taxes

Utility Users Taxes are imposed on telephone, electrical, gas, water, and cable television services within the City limits at a rate of 6.5 percent of taxable services.

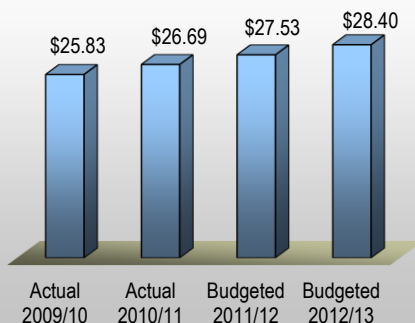
Utility Users Tax revenues represent 15.88% of total estimated General Fund revenues in fiscal year 2012/13. These revenues are largely predictable and increase at a steady and measurable rate as the customer base of the City's utilities increases. For fiscal year 2012/13, budgeted Utility Users Tax revenues have also been adjusted to reflect growing competition in the cable television market. The budgeted amount of \$28.40 million represents an increase of 3.17%.

Charges for Services

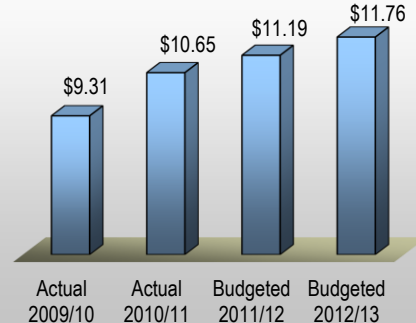
The City has developed service fees that are designed to recover a specified portion of the service cost. This is referred to as the recovery level and is established by the City Council. The primary revenue source in this category is fees for processing various development-related applications.

Charges for Services revenue represents 6.57% of total estimated General Fund revenues in fiscal year 2012/13. Revenue from many Charges for Services remains relatively steady and increases each year with the growth in the City's population and inflation. Certain Charges for Services, however, are tied to the construction industry and are thus more closely tied to current economic trends. For fiscal year 2012/13, budgeted Charges for Services are estimated to increase primarily as a result of an anticipated gradual reversal of the decline in the housing market. The budgeted amount of \$11.76 million represents an increase of 5.06%.

HISTORICAL UTILITY USERS TAX REVENUE
(MILLIONS)



HISTORICAL CHARGES FOR SVCS. REVENUE
(MILLIONS)



BUDGET SUMMARY – GENERAL FUND

Licenses and Permits

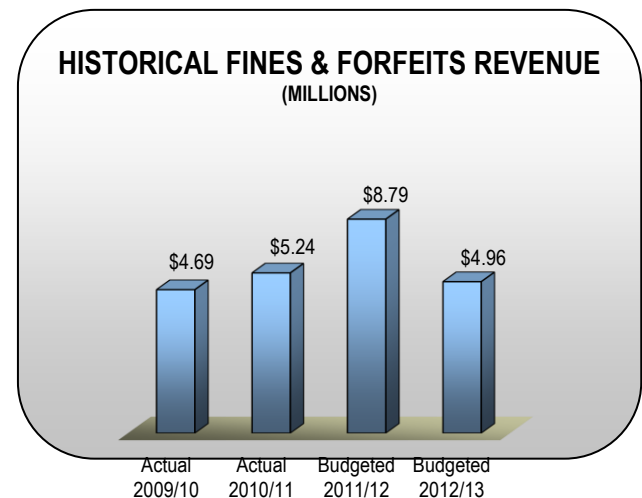
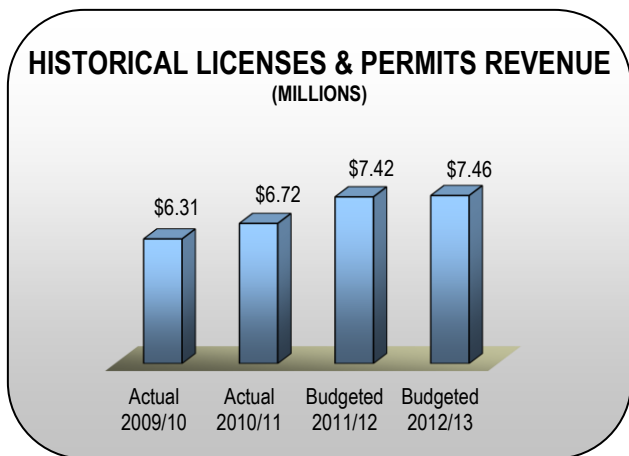
Licenses and permits generate revenue from a wide variety of activity, ranging from business and animal licenses, to building-related permits. The most significant revenue sources are Business Licenses and Building Permit Fees. Business Licenses are required for all establishments conducting business within the City limits and are renewed annually. License fees are based on gross sales, the type of business, and the number of employees. Building Permits are issued by the City and required for various types of construction within the City limits.

Licenses and Permits revenue represents 4.17% of total estimated General Fund revenues in fiscal year 2012/13. Revenue from some Licenses and Permits remains relatively steady and increases each year with the growth in the City's population and inflation. Other Licenses and Permits, however, are tied to the construction industry and are thus more closely tied to current economic trends. For fiscal year 2012/13, budgeted Licenses and Permits revenues are estimated to increase primarily as a result of an anticipated gradual reversal of the decline in the housing market. The budgeted amount of \$7.46 million represents an increase of 0.47%.

Fines and Forfeits

Fines and Forfeits revenue is generated primarily by fines paid to the City for violations of the municipal code or for traffic violations.

Fines and Forfeits revenue represents 2.77% of total estimated General Fund revenues in fiscal year 2012/13. Revenue from most Fines & Forfeits sources remains relatively steady and increases each year with the growth in the City's population and inflation. With the implementation mid-year in fiscal year 2006/07 of the City's Photo Red Light Enforcement Program, however, there was a significant increase in Fines and Forfeits revenue for fiscal year 2007/08. These revenues are designated for traffic safety-related expenditures and offset expenditures budgeted in the Public Works Department budget for that purpose. For fiscal year 2012/13, budgeted Fines and Forfeits revenues are estimated to decrease primarily as a result of lower revenue from the Photo Red Light Enforcement Program and the success of the City's Neglected Property Abatement (NPA) Program. The NPA Program was designed to incentivize banks to maintain bank-owned homes, which it has done successfully. However, as compliance increases revenue decreases. The budgeted amount of \$4.96 million represents a decrease of 43.65%.



GENERAL FUND – BUDGET SUMMARY

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BUDGET SUMMARY – ELECTRIC FUND

Overview of the Electric Fund

The City's Electric Fund budget for fiscal year 2012/13 amounts to \$369,109,297. This equates to a decrease of 2.95% versus the previous year's Annual Budget. This decrease is primarily attributable to capital projects that were budgeted in fiscal year 2012/13 at a lower level than fiscal year 2011/12. The increase in the current operations budget is 0.84%.

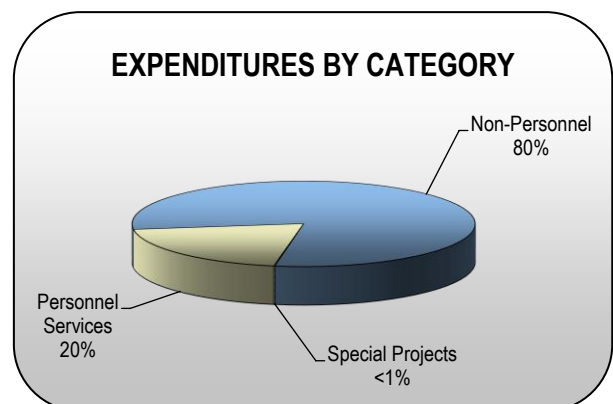
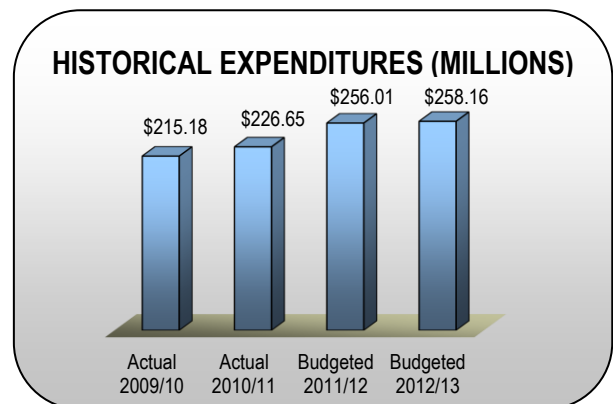
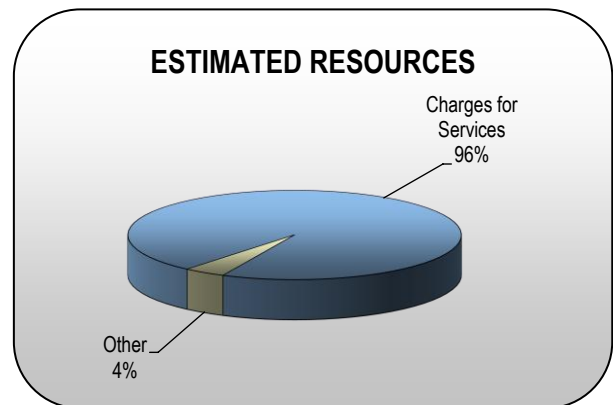
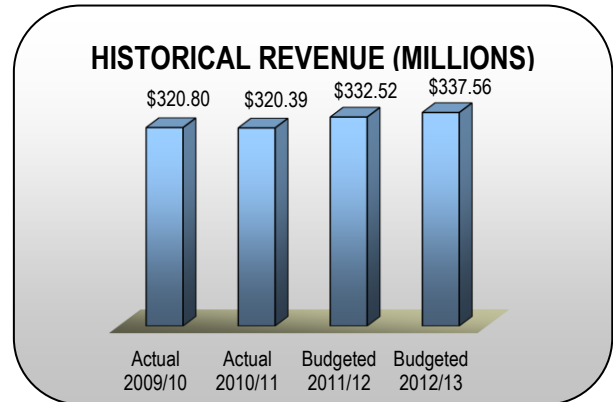
The operating and capital expenditures of the Electric Utility component of Riverside Public Utilities are budgeted in the Electric Fund. In addition to offering lower residential rates than its competitors, Riverside Public Utilities also bolsters economic development within the City by offering discounted commercial rates to large power users and high tech companies. Expenditures in the Electric Fund range from personnel operating the City's power plants to capital expenditures to construct new transmission lines as the City grows.

Electric Fund Revenue Sources

The Electric Fund is supported almost exclusively by Charges for Services. These charges include charges for residential and commercial electricity usage by the Utility's customers as well as other miscellaneous items. As an Enterprise Fund, capital and operational cost are recovered through charges for services. Rate increases may be necessary due to increased costs or inflation.

Growth in Electric Fund Charges for Services is primarily tied to growth in the customer base of the Utility, rates, and/or electricity demand. Riverside Public Utilities prepares revenue projections based upon an analysis of various statistics and trends. The results of this analysis are included in the Annual Budget. The budgeted amount of \$324.33 million represents an increase of 1.67%.

An important part of the overall Electric Fund financial picture is interfund transfers. The Electric Fund will transfer \$34.42 million out to the General Fund, which is a transfer of certain operating revenues as authorized by the City Charter. These funds are used by the City to augment the provisioning of core city services such as police, fire, parks, and street maintenance.



ELECTRIC FUND – BUDGET SUMMARY

REVENUE HISTORY BY REVENUE CATEGORY

	Actual 2009/10	Actual 2010/11	Budgeted 2011/12	Budgeted 2012/13	Change
Charges for Services	301,937,376	305,654,990	319,004,000	324,328,000	1.67%
Other	18,859,852	14,736,496	13,517,283	13,235,919	-2.08%
Total Revenues	\$ 320,797,228	\$ 320,391,486	\$ 332,521,283	\$ 337,563,919	1.52%
Interfund Transfers			-	-	
Bond Proceeds			42,871,500	33,834,000	
Fund Balance			4,929,535	-	
Total Resources			\$ 380,322,318	\$ 371,397,919	

EXPENDITURE HISTORY BY BUDGET CATEGORY

	Actual 2009/10	Actual 2010/11	Budgeted 2011/12	Budgeted 2012/13	Change
Personnel Services	42,613,616	45,250,782	51,388,116	52,276,156	1.73%
Non-Personnel	172,006,546	181,144,060	204,335,828	205,593,489	0.62%
Special Projects	562,930	259,343	286,133	286,133	0.00%
Current Operations Budget	\$ 215,183,092	\$ 226,654,185	\$ 256,010,077	\$ 258,155,778	0.84%
Equipment Outlay	2,191,788	690,469	871,000	815,800	-6.34%
Debt Service	40,908,581	43,989,511	53,229,000	49,364,000	-7.26%
Operating Grants	-	-	-	-	---
Capital Outlay & Grants	61,187,924	49,463,210	46,761,500	38,258,000	-18.18%
Charges From Others	10,915,184	11,227,830	13,651,073	11,992,310	-12.15%
Charges To Others	(23,907,820)	(23,282,785)	(23,845,632)	(23,900,091)	0.23%
Total Budget	\$ 306,478,749	\$ 308,742,420	\$ 346,677,018	\$ 334,685,797	-3.46%
Interfund Transfers			33,645,300	34,423,500	
Total Budget Requirements			\$ 380,322,318	\$ 369,109,297	

BUDGET SUMMARY – WATER FUND

Overview of the Water Fund

The City's Water Fund budget for fiscal year 2012/13 amounts to \$96,846,128. This equates to an increase of 12.55% from the previous year's Annual Budget. This increase is primarily attributable to an increase in capital expenditures versus the prior year's budget. The increase in the current operations budget is 0.66%.

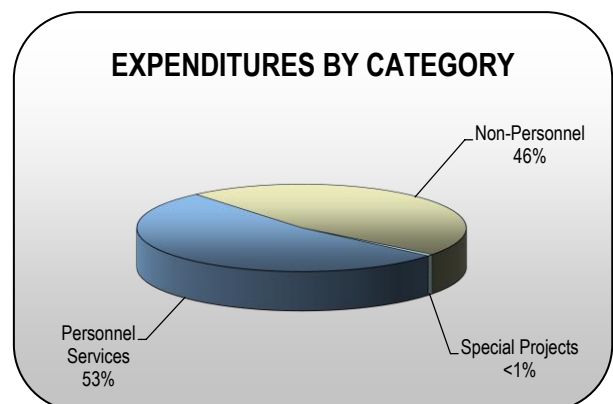
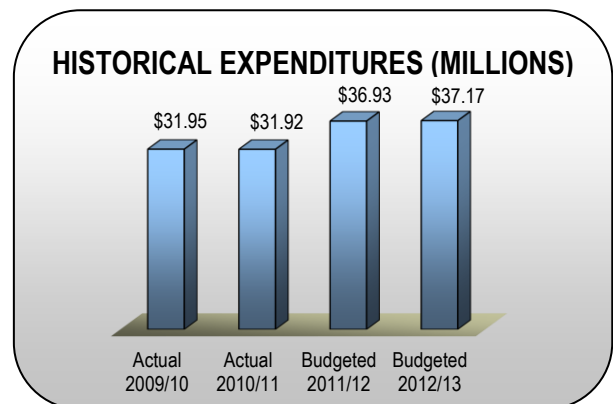
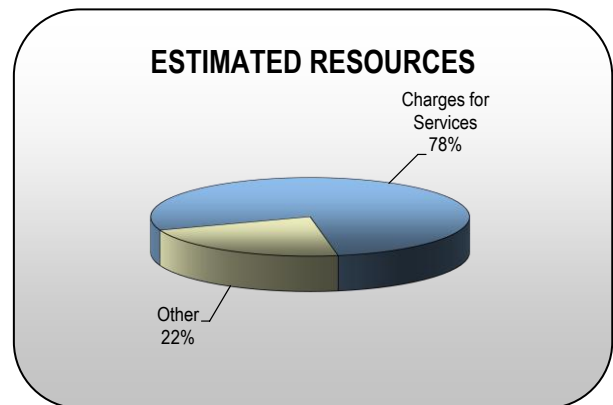
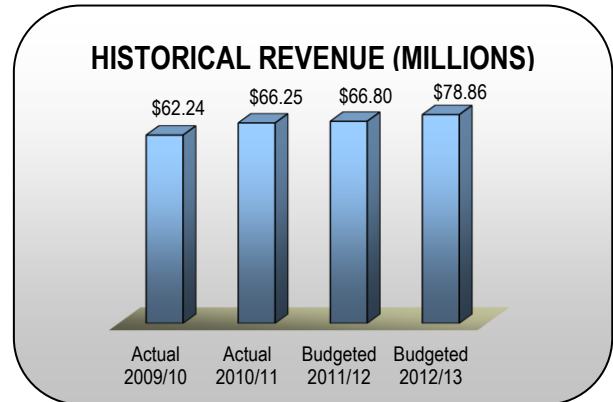
The operating and capital expenditures of the Water Utility component of Riverside Public Utilities are budgeted in the Water Fund. Expenditures in the Water Fund range from personnel maintaining water lines to capital expenditures to construct new water lines as the City grows.

Water Fund Revenue Sources

The Water Fund is supported almost exclusively by Charges for Services. These charges include residential and commercial water usage by the Utility's customers as well as other miscellaneous items. As an Enterprise Fund, capital and operational cost are recovered through charges for services. Rate increases may be necessary due to increased costs or inflation.

Growth in Water Fund Charges for Services is primarily tied to growth in the customer base of the Utility, rates, and/or water demand. Riverside Public Utilities prepares revenue projections based upon an analysis of various statistics and trends. The results of this analysis are included in the Annual Budget. The budgeted amount of \$61.30 million represents a decrease of 3.72%.

An important part of the overall Water Fund financial picture is interfund transfers. The Water Fund will transfer \$6.47 million out to the General Fund, which is a transfer of certain operating revenues as authorized by the City Charter. These funds are used by the City to augment the provisioning of core city services such as police, fire, parks, and street maintenance.



WATER FUND – BUDGET SUMMARY

REVENUE HISTORY BY REVENUE CATEGORY

	Actual 2009/10	Actual 2010/11	Budgeted 2011/12	Budgeted 2012/13	Change
Charges for Services	56,697,161	60,279,016	63,674,000	61,306,200	-3.72%
Other	5,537,851	5,971,808	3,125,234	17,549,670	461.55%
Total Revenues	\$ 62,235,012	\$ 66,250,824	\$ 66,799,234	\$ 78,855,870	18.05%
Interfund Transfers			-	-	
Bond Proceeds			21,601,500	17,209,000	
Fund Balance			-	781,258	
Total Resources	\$ 88,400,734	\$ 96,846,128			

EXPENDITURE HISTORY BY BUDGET CATEGORY

	Actual 2009/10	Actual 2010/11	Budgeted 2011/12	Budgeted 2012/13	Change
Personnel Services	17,535,245	17,355,175	19,854,090	19,622,735	-1.17%
Non-Personnel	14,248,171	14,429,091	16,832,216	17,305,681	2.81%
Special Projects	161,938	140,581	240,000	240,000	0.00%
Current Operations Budget	\$ 31,945,354	\$ 31,924,847	\$ 36,926,306	\$ 37,168,416	0.66%
Equipment Outlay	1,285,807	655,115	699,500	28,676	-95.90%
Debt Service	12,321,004	13,623,431	14,093,000	14,165,000	0.51%
Operating Grants	-	-	-	-	---
Capital Outlay & Grants	24,737,172	29,301,868	26,088,500	36,204,500	38.78%
Charges From Others	11,404,681	9,337,181	9,090,233	9,961,336	9.58%
Charges To Others	(6,954,850)	(5,956,924)	(7,142,000)	(7,149,000)	0.10%
Total Budget	\$ 74,739,168	\$ 78,885,518	\$ 79,755,539	\$ 90,378,928	13.32%
Interfund Transfers			6,290,800	6,467,200	
Total Budget Requirements	\$ 86,046,339	\$ 96,846,128			

BUDGET SUMMARY – SEWER FUND

Overview of the Sewer Fund

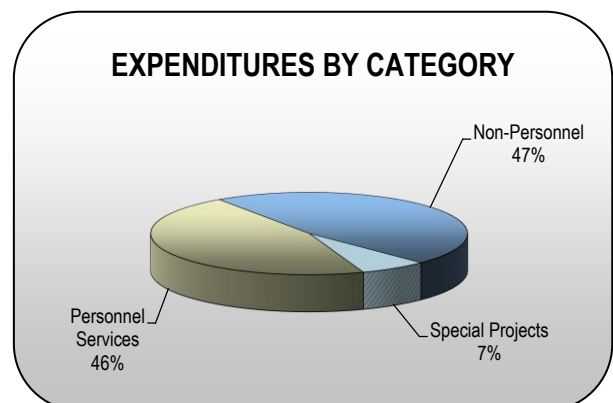
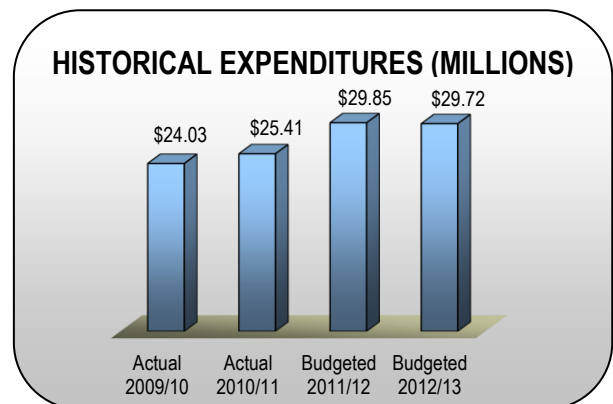
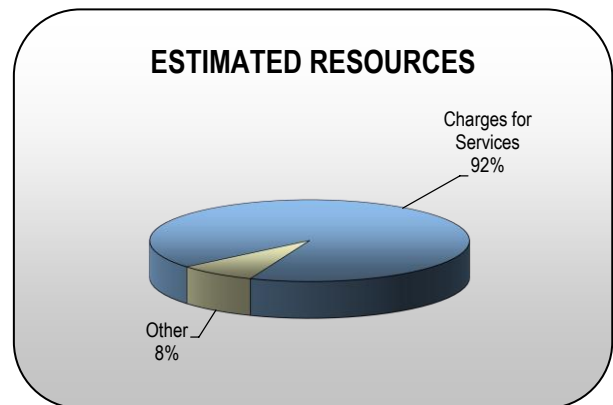
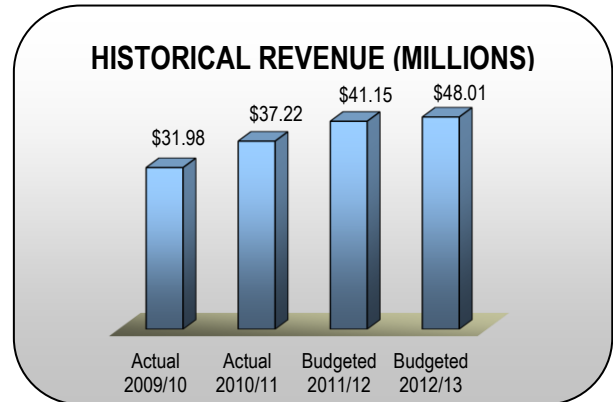
The City's Sewer Fund budget for fiscal year 2012/13 amounts to \$281,286,339. This equates to an increase of 186.20% versus the previous year's Annual Budget. The increase is primarily attributable to significant capital projects budgeted in fiscal year 2012/13. The decrease in the current operations budget is 0.45%.

The operating and capital expenditures related to the City's sewer system and treatment plant are budgeted in the Sewer Fund. Expenditures in the Sewer Funds include the cost of constructing and maintaining sewer lines and facilities and well as the operational costs associated with the City's Water Quality Control Plant, which serves the residential and commercial sewer needs within the City as well as the Jurupa, Rubidoux, and Edgemont Community Service Districts.

Sewer Funds Revenue Sources

The Sewer Fund is supported almost exclusively by Charges for Services. These charges include residential and commercial sewer usage charges and other miscellaneous items. As an Enterprise Fund, capital and operational cost are recovered through charges for services. Rate increases may be necessary due to increased costs or inflation.

Growth in Sewer Fund Charges for Services is primarily tied to growth in the customer base, rates, and/or demand. The Public Works Department prepares revenue projections based upon an analysis of various statistics and trends. The results of this analysis are included in the Annual Budget. The budgeted amount of \$44.24 million represents an increase of 15.20% and reflects an ongoing multi-year rate increase.



SEWER FUND – BUDGET SUMMARY

REVENUE HISTORY BY REVENUE CATEGORY

	Actual 2009/10	Actual 2010/11	Budgeted 2011/12	Budgeted 2012/13	Change
Charges for Services	28,105,443	33,346,778	38,400,470	44,235,751	15.20%
Other	3,878,172	3,873,399	2,750,400	3,777,080	37.33%
Total Revenues	\$ 31,983,615	\$ 37,220,177	\$ 41,150,870	\$ 48,012,831	16.68%
Interfund Transfers			-	-	
Bond Proceeds			60,152,982	231,234,191	
Fund Balance			-	2,039,317	
Total Resources			\$ 101,303,852	\$ 281,286,339	

EXPENDITURE HISTORY BY BUDGET CATEGORY

	Actual 2009/10	Actual 2010/11	Budgeted 2011/12	Budgeted 2012/13	Change
Personnel Services	11,319,309	12,115,459	13,620,530	13,653,002	0.24%
Non-Personnel	11,062,604	11,667,692	14,582,450	14,027,575	-3.81%
Special Projects	1,644,265	1,630,674	1,651,874	2,040,215	23.51%
Current Operations Budget	\$ 24,026,178	\$ 25,413,825	\$ 29,854,854	\$ 29,720,792	-0.45%
Equipment Outlay	166,185	117,009	867,038	157,775	-81.80%
Debt Service	8,132,168	9,084,688	11,878,921	18,515,180	55.87%
Operating Grants	-	-	-	-	---
Capital Outlay & Grants	16,575,847	26,461,713	54,729,335	231,253,391	322.54%
Charges From Others	4,418,793	4,851,178	5,143,519	5,522,028	7.36%
Charges To Others	(2,111,525)	(3,062,940)	(4,191,259)	(3,882,827)	-7.36%
Total Budget	\$ 51,207,646	\$ 62,865,473	\$ 98,282,408	\$ 281,286,339	186.20%
Interfund Transfers			-	-	
Total Budget Requirements			\$ 98,282,408	\$ 281,286,339	

BUDGET SUMMARY – REFUSE FUND

Overview of the Refuse Fund

The City's Refuse Fund budget for fiscal year 2012/13 amounts to \$21,952,667. This equates to an increase of 5.71% versus the previous year's Annual Budget. The increase in the current operations budget is 3.53%.

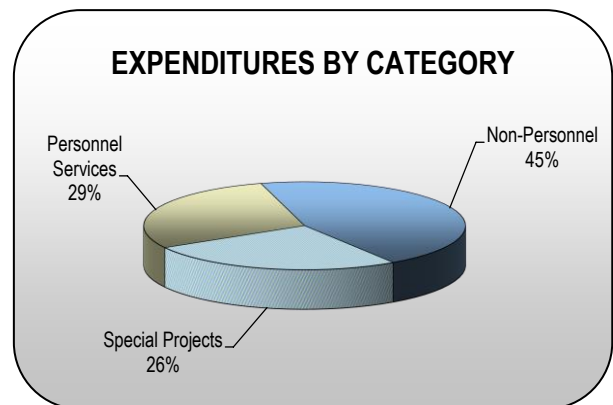
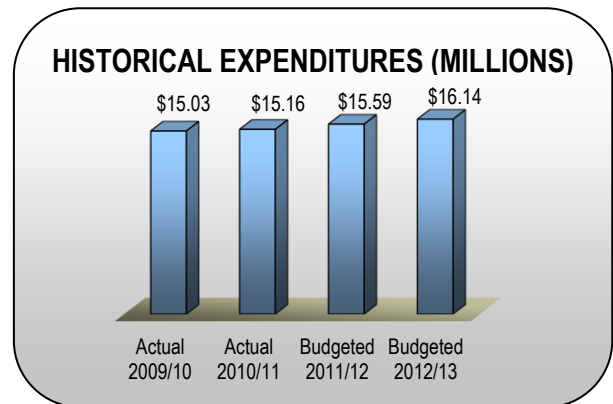
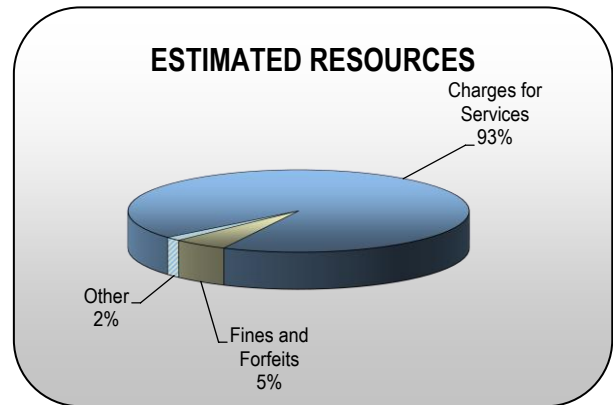
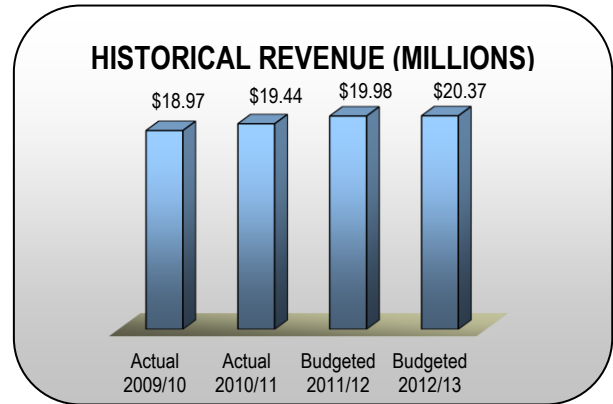
The operating and capital expenditures related to the City's refuse collection services are budgeted in the Refuse Fund. The City provides approximately 70 percent of residential service, with the remainder provided by private companies. Commercial refuse service is provided solely by the private sector.

Refuse Fund Revenue Sources

The Refuse Fund is supported almost exclusively by Charges for Services. These charges include residential refuse collection charges and other miscellaneous items. As an Enterprise Fund, capital and operational cost are recovered through charges for services. Rate increases may be necessary due to increased costs or inflation.

Growth in Refuse Fund Charges for Services is primarily tied to growth in the customer base, rates, and/or demand. The Public Works Department prepares revenue projections based upon analysis of various statistics and trends. The results of this analysis are included in the Annual Budget. The budgeted amount of \$18.99 million represents an increase of 1.89%.

Additionally, a small amount of revenue is received by the Refuse Fund related to parking tickets issued for violations of no parking zones on street sweeping days. These revenues offset interfund charges from the Public Parking Fund related to enforcement of the no parking zones.



REFUSE FUND – BUDGET SUMMARY

REVENUE HISTORY BY REVENUE CATEGORY

	Actual 2009/10	Actual 2010/11	Budgeted 2011/12	Budgeted 2012/13	Change
Charges for Services	17,854,979	18,055,910	18,642,548	18,994,845	1.89%
Fines and Forfeits	860,278	1,077,932	1,034,444	1,060,000	2.47%
Other	249,826	306,131	304,532	315,000	3.44%
Total Revenues	\$ 18,965,083	\$ 19,439,973	\$ 19,981,524	\$ 20,369,845	1.94%
Interfund Transfers			-	-	
Fund Balance			786,260	1,582,822	
Total Resources			\$ 20,767,784	\$ 21,952,667	

EXPENDITURE HISTORY BY BUDGET CATEGORY

	Actual 2009/10	Actual 2010/11	Budgeted 2011/12	Budgeted 2012/13	Change
Personnel Services	4,472,691	4,387,579	4,513,574	4,707,869	4.30%
Non-Personnel	6,536,517	6,687,340	7,036,518	7,297,729	3.71%
Special Projects	4,018,653	4,088,905	4,041,258	4,135,743	2.34%
Current Operations Budget	\$ 15,027,861	\$ 15,163,824	\$ 15,591,350	\$ 16,141,341	3.53%
Equipment Outlay	1,878,338	63,181	1,303,128	1,535,890	17.86%
Debt Service	95,444	70,613	80,141	84,421	5.34%
Operating Grants	-	-	-	-	---
Capital Outlay & Grants	132,569	164,781	409,170	353,500	-13.61%
Charges From Others	3,535,041	3,438,768	3,802,510	4,267,511	12.23%
Charges To Others	(452,399)	(473,061)	(418,515)	(429,996)	2.74%
Total Budget	\$ 20,216,854	\$ 18,428,106	\$ 20,767,784	\$ 21,952,667	5.71%
Interfund Transfers			-	-	
Total Budget Requirements			\$ 20,767,784	\$ 21,952,667	

BUDGET SUMMARY – AIRPORT FUND

Overview of the Airport Fund

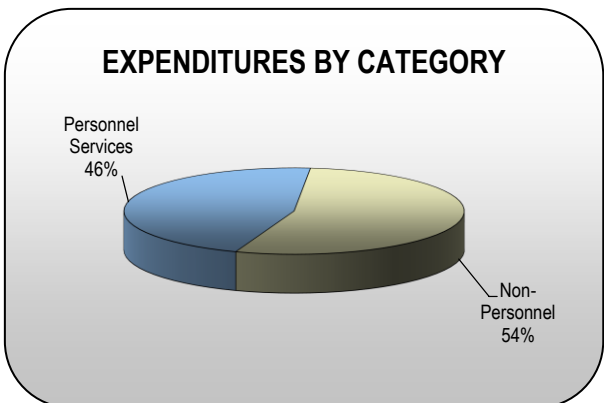
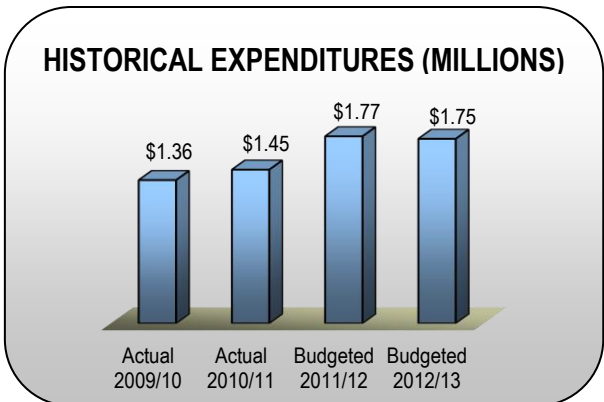
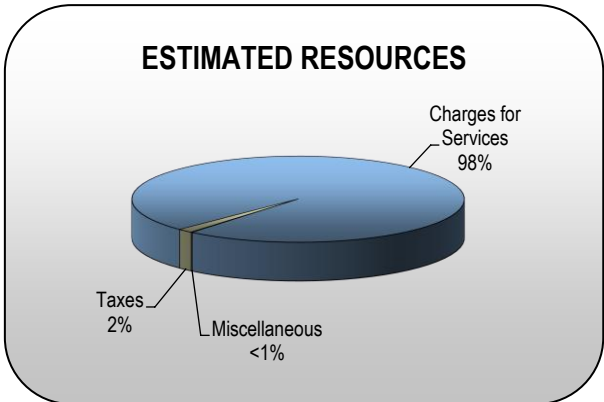
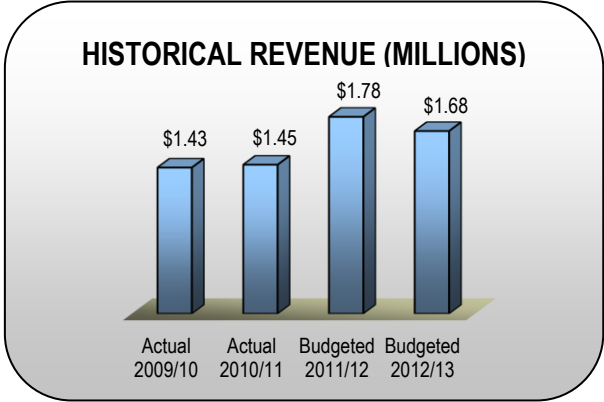
The City's Airport Fund budget for fiscal year 2012/13 amounts to \$1,934,616. This equates to a decrease of 5.04% versus the previous year's Annual Budget. The decrease in the current operations budget is 1.34% and primarily related to the Airport reducing costs in anticipation of again leasing the Fixed Base Operator formerly operated by a private party.

The operating and capital expenditures of the Riverside Airport are budgeted in the Airport Fund. The Riverside Airport serves the needs of local business jets, cargo aircraft, police and military helicopters, and private pilots and leases open space for short-term projects. Expenditures in the Airport Fund range from maintaining the terminal building to capital expenditures to reconstruct or expand the airfield.

Airport Fund Revenue Sources

The Airport Fund is supported almost exclusively by Charges for Services. These charges include leases, fuel sales and flowage charges, and landing fees. As an Enterprise Fund, capital and operational cost are recovered through charges for services. Rate increases may be necessary due to increased costs or inflation.

Growth in Airport Fund Charges for Services is primarily tied to growth in the customer base of the Airport and/or the number of leased facilities on the Airport. The Riverside Airport projects revenue based upon an analysis of historical trends, which in recent years have been slightly negative. The results of this analysis are included in the Annual Budget. The budgeted amount of \$1.67 million represents a decrease of 4.90%.



AIRPORT FUND – BUDGET SUMMARY

REVENUE HISTORY BY REVENUE CATEGORY

	Actual 2009/10	Actual 2010/11	Budgeted 2011/12	Budgeted 2012/13	Change
Taxes	106,100	95,586	25,000	11,000	-56.00%
Charges for Services	1,316,676	1,341,733	1,752,984	1,667,155	-4.90%
Miscellaneous	3,998	9,324	5,000	5,000	0.00%
Total Revenues	\$ 1,426,774	\$ 1,446,643	\$ 1,782,984	\$ 1,683,155	-5.60%
Interfund Transfers			-	-	
Fund Balance			254,258	251,461	
Total Resources			\$ 2,037,242	\$ 1,934,616	

EXPENDITURE HISTORY BY BUDGET CATEGORY

	Actual 2009/10	Actual 2010/11	Budgeted 2011/12	Budgeted 2012/13	Change
Personnel Services	617,280	711,131	771,402	802,994	4.10%
Non-Personnel	738,608	743,531	998,665	943,419	-5.53%
Special Projects	-	-	-	-	---
Current Operations Budget	\$ 1,355,888	\$ 1,454,662	\$ 1,770,067	\$ 1,746,413	-1.34%
Equipment Outlay	14,875	-	2,000	2,000	0.00%
Debt Service	20,179	14,530	14,695	15,480	5.34%
Operating Grants	-	-	-	-	---
Capital Outlay & Grants	471,288	93,573	25,000	25,000	0.00%
Charges From Others	192,455	223,957	225,480	145,723	-35.37%
Charges To Others	-	-	-	-	---
Total Budget	\$ 2,054,685	\$ 1,786,722	\$ 2,037,242	\$ 1,934,616	-5.04%
Interfund Transfers			-	-	
Total Budget Requirements			\$ 2,037,242	\$ 1,934,616	

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