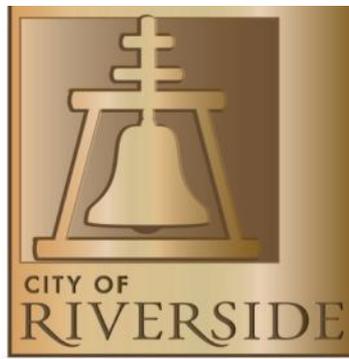


City of Arts & Innovation

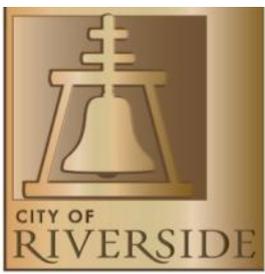
Fiscal Year 2012/13 Annual Budget Public Hearing

June 12, 2012



City of Arts & Innovation

- 1. Review Fiscal Year 2011/12**
- 2. Address Financial Matters Raised in Public Comments**
- 3. Proposed Budget for Fiscal Year 2012/13**
- 4. Other Issues**

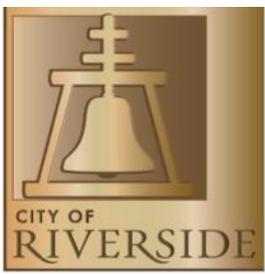


City of Arts & Innovation

2011 / 12 Adopted Budget

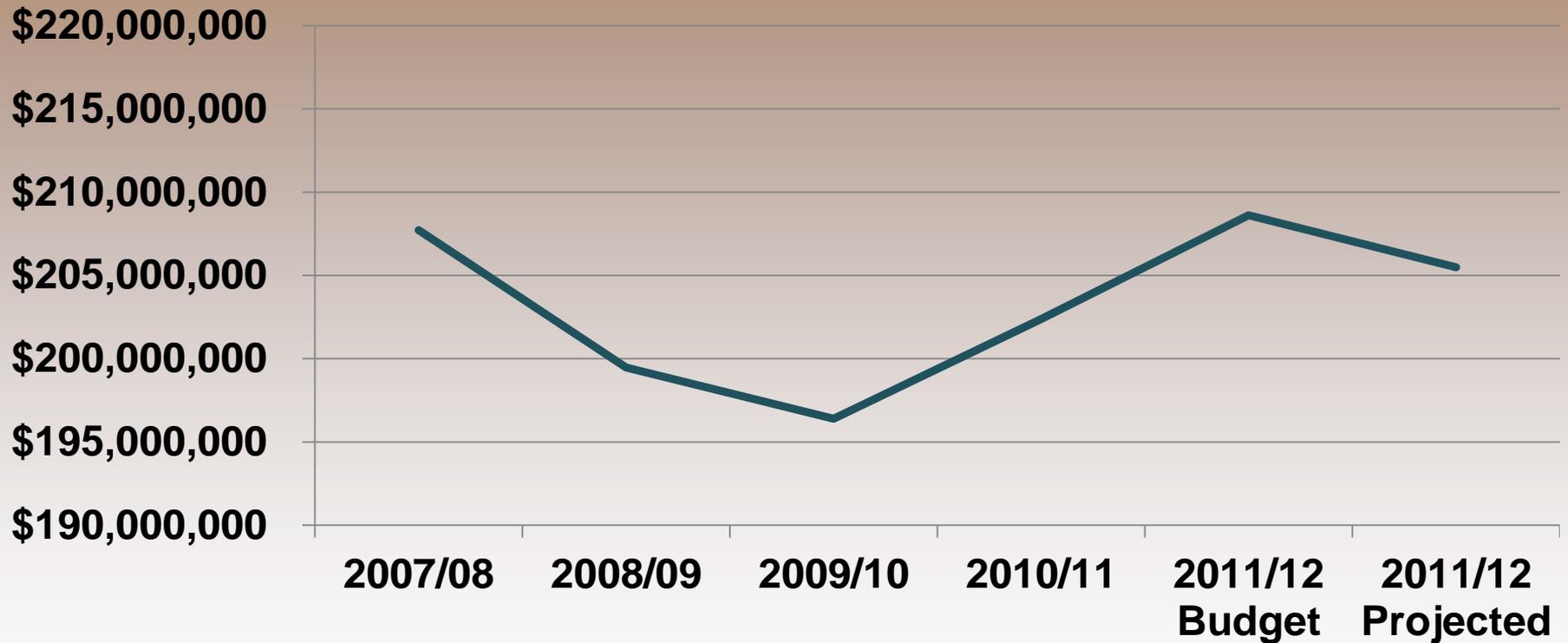
**2011/12 Adopted
Citywide Budget: \$993.0 Million**

**2011/12 Adopted
General Fund Budget: \$211.2 Million**

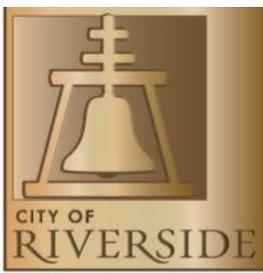


City of Arts & Innovation

Five Year General Fund Revenue Trend



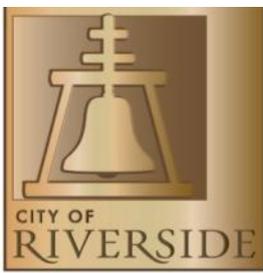
Projected FY 2011/12: \$205.5 Million



City of Arts & Innovation

Current Year General Fund Revenue Variances

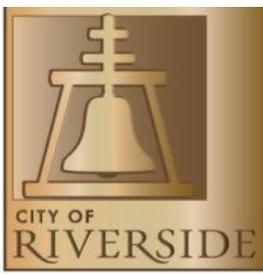
* Additional Final Year-End 2010/11 Revenue Not Added to Reserves



City of Arts & Innovation

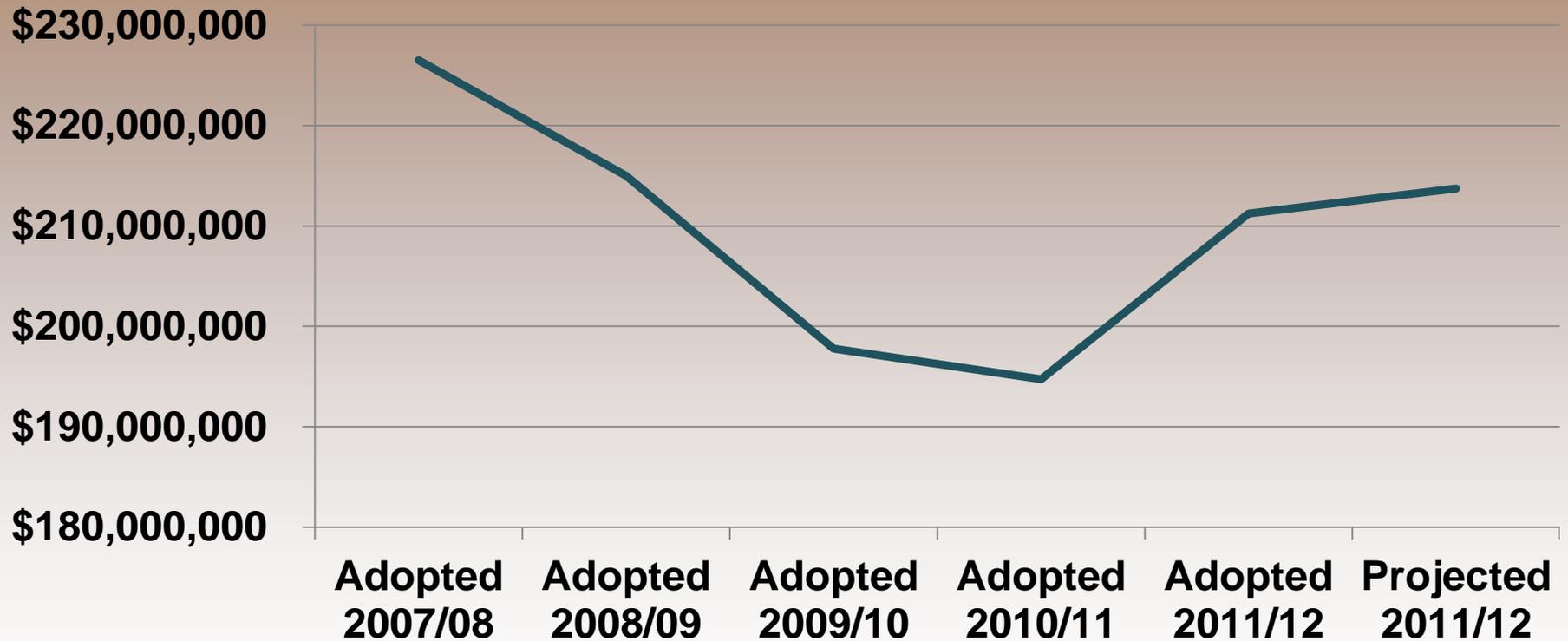
Detail of Current Year General Fund Revenues

	2011/12 Adopted	2011/12 Projected	Budget Variance
Sales & Use Taxes	\$ 46,611,000	\$ 47,220,000	\$ 609,000
Property Taxes	44,389,533	46,713,575	2,324,042
Interfund Transfers	39,936,100	39,791,080	(145,020)
Utility Users Tax	27,525,200	27,521,000	(4,200)
Charges for Services	11,192,392	10,880,205	(312,187)
Fines & Forfeits	8,793,998	5,375,033	(3,418,965)
Licenses & Permits	7,421,323	7,158,863	(262,460)
Franchises	4,970,000	4,949,000	(21,000)
Other	4,685,123	4,823,698	138,575
Special Assessments	4,525,220	4,760,220	235,000
Transient Occupancy Tax	3,197,700	3,142,000	(55,700)
Property Transfer Tax	1,418,000	1,450,000	32,000
Intergovernmental	2,350,000	1,303,739	(1,046,261)
One-Time Revenues	1,600,000	400,000	(1,200,000)
Total	\$ 208,615,589	\$ 205,488,413	\$ (3,127,176)
Carried Forward Revenue	2,625,240	7,000,000	4,374,760
Adjusted Total	\$ 211,240,829	\$ 212,488,413	\$ 1,247,584

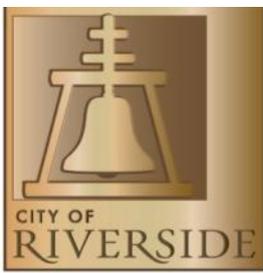


City of Arts & Innovation

Five Year General Fund Expenditure Trend



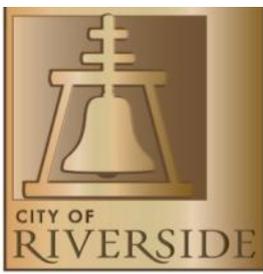
Projected FY 2011/12: \$213.7 Million



City of Arts & Innovation

Major Variances in General Fund Expenditures

- **Mid-Year Appropriations** **\$1,115,000 Increase**
- **RDA Elimination (5 Months)** **\$ 917,000 Increase**
- **Managed Savings** **\$ 458,401 Increase**
 - **\$4,248,000 targeted**
 - **\$3,790,000 projected**
 - **Variance is primarily the result of the delayed implementation of pension reform and the final negotiated pension and benefit concessions**

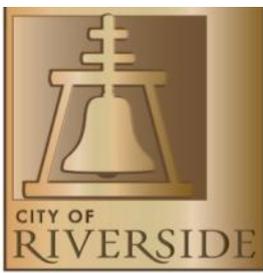


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Mid-Year Appropriations From General Fund Reserves

- **Appropriations from the General Fund reserve total \$1,115,000**
- **Primarily targeted at Economic Development and continuing the Renaissance momentum**

Item	City Council Approval Date	Amount
Mission Ranch and Box Springs Corridor Acquisition	July 12, 2011	\$ 800,000
Measure I Election	July 26, 2011	85,000
TriTech Small Business Development Center	September 27, 2011	30,000
RCC Aquatics Complex Maintenance	October 25, 2011	100,000
Economic Development Efforts	February 28, 2012	100,000
Total		\$ 1,115,000

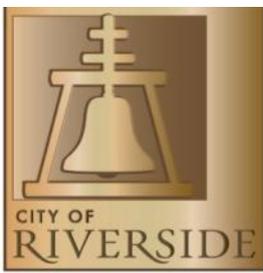


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RDA Dissolution Losses

(Five Month Impact)

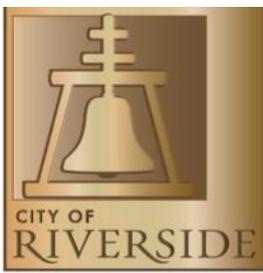
- **Total impact of \$917,000**
 - **Code Enforcement in project areas \$625,000**
 - **Graffiti Abatement in project areas \$247,000**
 - **Various other charges to RDA \$ 45,000**
- **Amounts in addition to impacts included in Fiscal Year 2011/12 adopted budget of approximately \$1,900,000**



City of Arts & Innovation

Pension Reform

- **All bargaining units have worked with management to control salary and benefit costs**
- **Contracts in place through 2013 and 2014**
- **No increases in compensation or benefits included**
- **General Fund projected savings of \$441,000 in Fiscal Year 2011/12**
- **Down from original projection of \$1,272,000 primarily due to delayed implementation**

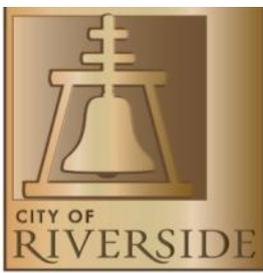


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Detail of Current Year General Fund Expenditures

	2011/12 Adopted	2011/12 Projected	Budget Variance
Community Development	\$ 8,440,905	\$ 7,795,262	\$ (645,643)
Development	6,602,257	7,228,281	626,024
Fire	40,734,971	40,916,319	181,348
Library	5,602,801	5,329,916	(272,885)
Museum	1,110,538	1,144,839	34,301
Parks, Recreation, and CS	15,173,567	14,653,300	(520,267)
Police	81,801,786	82,084,947	283,161
Public Works	16,828,682	16,473,482	(355,200)
General Government *	41,656,042	39,452,870	(2,203,172)
Managed Savings	(4,247,735)	Included Above	4,247,735
Total	\$ 213,703,814	\$ 215,079,215	\$ 1,375,401
Mid-Year Appropriations	--	1,115,000	1,115,000
Net Cost Allocation	(21,775,141)	(21,775,141)	--
Net Debt Service Allocation	19,312,156	19,312,156	--
Adjusted Total	\$ 211,240,829	\$ 213,731,230	\$ 2,490,401

* Includes City Attorney, City Clerk, City Council, City Manager, General Services, Human Resources, Information Technology and Mayor

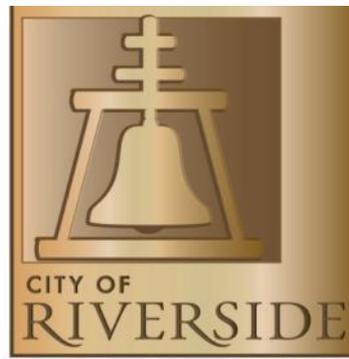


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Current Status of General Fund Reserves

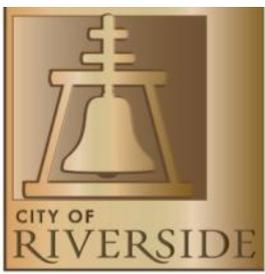
- **Continued maintenance of a reserve balance in excess of the target of 15% of General Fund expenditures**
- **Continued avoidance of revenue over-estimation**
- **Excess Fiscal Year 2010/11 revenues set aside for subsequent fiscal year's anticipated shortfall**

	2011/12 Adopted	2011/12 Projected	Budget Variance
Reserve Balance 7/1/2011	\$ 40,368,872	\$ 40,368,872	--
Revenue	208,615,589	205,488,413	(3,127,176)
Expenditures	(211,240,829)	(213,731,230)	(2,490,401)
Set-Aside 2010/11 Revenue	2,625,240	7,000,000	4,374,760
Reserve Balance 6/30/2012	\$ 40,368,872	\$ 39,126,055	\$ (1,242,817)



City of Arts & Innovation

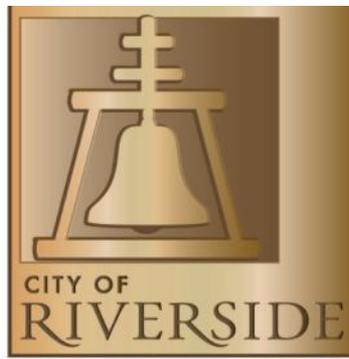
Financial Matters Raised in Public Comments



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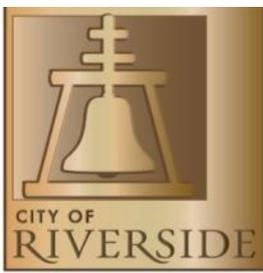
Topics To Be Covered

- **“Collateral” Assets for General Fund debt**
- **Hyatt Place Hotel loan transaction**
- **2009 sewer revenue bonds**
- **Renaissance debt and utilities rates**
- **Successor Agency enforceable obligations**
- **Successor Agency interagency loans**



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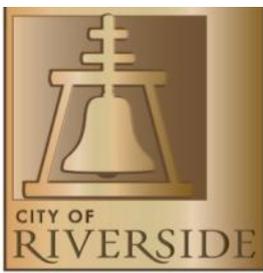
“Collateral” Assets for General Fund Debt



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“Collateral” Assets for General Fund Debt

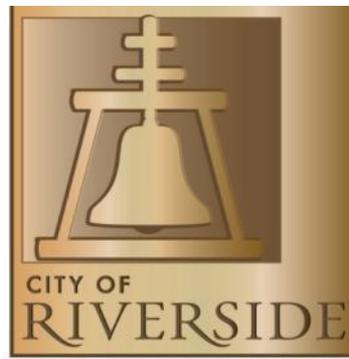
- **Certificates of Participation are the primary means of financing capital projects by cities throughout California (non-enterprise activities)**
- **They are a legal form of issuing debt and consistent with the California Constitution**
- **Examples of facilities the City currently has pledged include: 9 fire stations; 3 parking structures; 4 libraries and City Hall**



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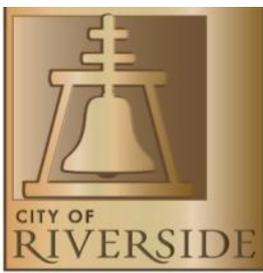
“Collateral” Assets for General Fund Debt

- **Assets securing COP transactions cannot be foreclosed upon as with mortgage-type debt; protected by the California Constitution**
- **Trustee/bondholders only have a right to use the facility for the term of the debt and then it returns to the City**
- **The “essentiality” of the facilities makes the City highly motivated to ensure debt payments are made**



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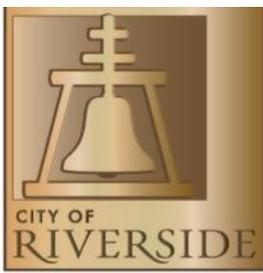
Hyatt Place Hotel Loan Transaction



City of Arts & Innovation

2010 COPs Issued for Hyatt Place Hotel

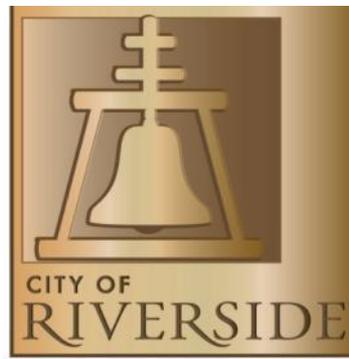
- **Hyatt Place Hotel transaction is very complex but assembled with multiple safeguards to protect the City's interests**
- **City issued COPs (a General Fund debt) and loaned the proceeds to the RDA who in turn loaned them to the developer**
- **2 fire stations and 2 libraries serve as the collateral for the COPs**
- **The Hotel owner is obligated to make debt service payments to the RDA who then repays the City, who makes the debt service payments on the COPs**



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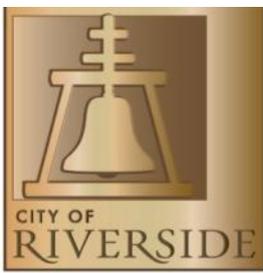
2010 COPs Issued for Hyatt Place Hotel

- **Hotel serves as collateral for the RDA loan to the developer (Hotel cannot be collateral for the COPs because the City does not own it)**
- **Developer put up \$1.5 Million in cash as security that the debt service is paid in addition to the \$1.4 Million reserve from the bond proceeds**
- **RDA tax increment further protects the City's position – Loan Agreement between the City and the RDA has already been deemed an enforceable obligation by the DOF**



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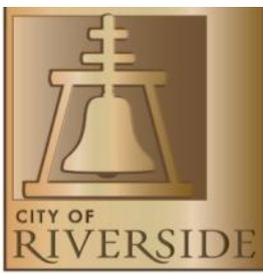
2009 Sewer Revenue Bonds



City of Arts & Innovation

Use of 2009 Sewer Revenue Bond Funds

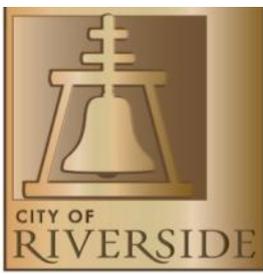
- **Issued in 2009 as:**
 - **Series A – Tax-Exempt Bonds**
 - **Series B – Build America Bonds**
- **Issued to fund first 3 years of the Sewer CIP, including reimbursement of \$15 Million of expenditures incurred prior to issuance – Reimbursement Resolution adopted February 2009**
- **Expenditures incurred prior to issuance are only eligible to be reimbursed from Series A, tax-exempt issue – as provided by law**



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Use of 2009 Sewer Revenue Bond Funds

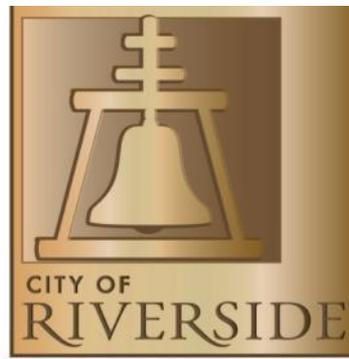
- **Bond proceeds were NOT used to make interagency loans**
- **Interagency loans are legal – authorized by the City Charter and pay the same rate of interest the loaning fund would have received from the investment pool**
- **Interagency loans transferred back to Sewer Fund after bond issuance used cash on hand generated from rate revenue**



City of Arts & Innovation

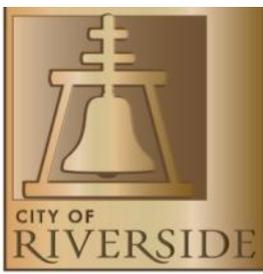
Use of 2009 Sewer Revenue Bond Funds

- **List of projects funded from bond proceeds has been raised as a concern**
- **Project list has been reviewed by BB&K prior to issuance**
- **Concern is that the City is reimbursing “old” projects with 2009 bond proceeds – that is NOT happening**
- **Regardless of when a project started, the current capital expenditures are eligible for reimbursement from either series of bonds**
- **Verified by tax counsel at BB&K**



City of Arts & Innovation

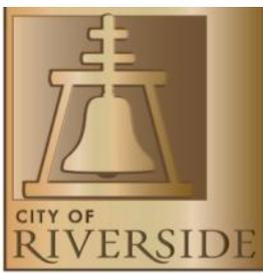
Renaissance Debt and Utilities Rates



City of Arts & Innovation

Renaissance Debt Funded from Existing Rates / Funds

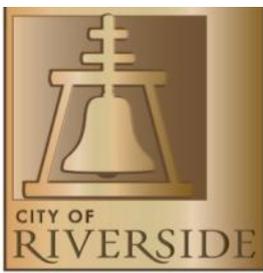
- **Riverside Renaissance included enterprise fund capital improvements to address decades of deferred maintenance and improvements**
- **\$589 Million of utility bonds issued to fund Renaissance projects:**
 - **Sewer**
 - **Water**
 - **Electric**



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Renaissance Debt Funded from Existing Rates / Funds

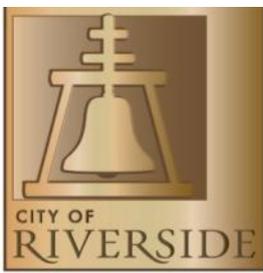
- **Issuing debt for enterprise funds is routine**
- **Volume of debt issuances increased during Renaissance**
- **All Renaissance debt service is funded from existing, approved rate increases**
- **An electric rate freeze is in effect through December 31, 2012 and proposed to extend through January 31, 2014**



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Sewer Rates and Projects

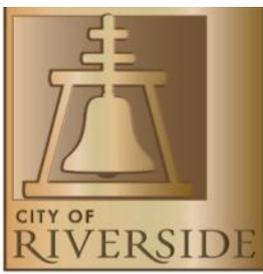
- **Integrated Master Plan for Wastewater Collection & Treatment Facilities – completion in 2008**
 - **Evaluated condition of existing infrastructure & identified necessary improvements**
 - **Rate study recommended new rate structure to support existing & future sewage flows, replace aging infrastructure, and address federal & state regulatory requirements**



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Sewer Rates and Projects

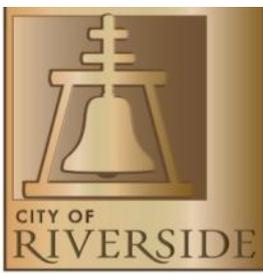
- **Sewer Rates**
 - **New rate structure enacted on July 1, 2009 & scheduled to increase gradually over 5 years**
 - **Sewer rates had not increased since January 1, 1993**
 - **Sewer rates for single family residences will increase by \$3 on July 1, 2012 & an additional \$2 on July 1, 2013**



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Electric and Water Rates and Projects

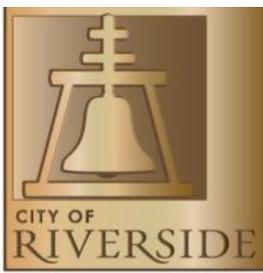
- **S.A.F.E. Water Plan and Electric Utility Rate Plan**
 - **Evaluated condition of existing infrastructure & identified necessary improvements**
 - **Rate study recommended new rate structure to support existing & future needs, replace aging infrastructure, and address federal & state regulatory requirements**



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Water Rates

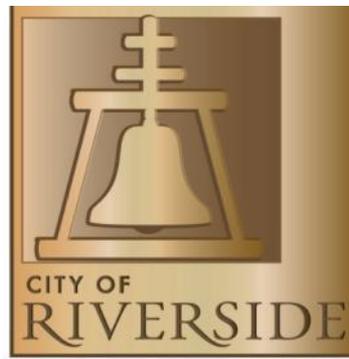
- **New rate structure enacted on March 28, 2006 and increased gradually over 5 years**
- **Funded aging infrastructure replacement program and new water supply:**
 - **Evans Reservoir**
 - **Whitegates Reservoirs and Booster Stations**
 - **John W. North Water Treatment Plant**
 - **Pipeline Replacement Program**



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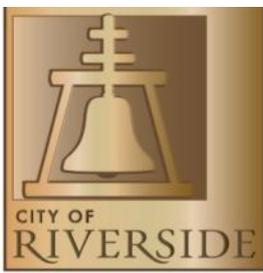
Electric Rates

- **New rate structure enacted on December 4, 2007 and increased gradually over 3 years**
- **Funded aging infrastructure replacement, expiring power purchase contracts, and new internal generation and reliability projects:**
 - **Cable Replacement Program**
 - **Overhead to Underground Conversion**
 - **RERC Units 3 and 4**
 - **Riverside Transmission Reliability Project**



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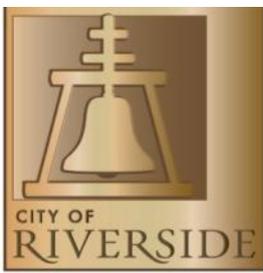
Successor Agency Enforceable Obligations



City of Arts & Innovation

Redevelopment Update – Enforceable Obligations

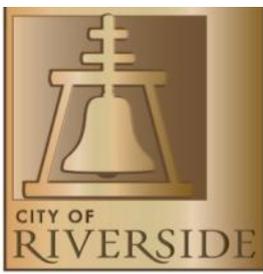
- **May 26, 2012 – State Department of Finance (DOF) issued 2nd letter validating \$26 million as enforceable obligations that were previously questioned**
- **\$19.7 Million in construction contracts upheld**
 - **Downtown Fire Station (\$7 Million)**
 - **Municipal Auditorium Rehab (\$8 Million)**
 - **Doty Trust Park (\$2.5 Million)**
 - **Corporation Yard Renovation (\$2.2 Million)**



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Redevelopment Update — Enforceable Obligations

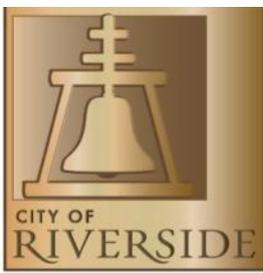
- **Long term financings for public parking upheld**
 - **Galleria at Tyler (\$1.6 Million)**
 - **University Village (\$3.5 Million)**
- **Graffiti Abatement and Code Enforcement through February 1, 2012 upheld (\$1.2 Million)**
- **Two interagency loans (\$6.9 Million) were transferred with property that was approved by the Oversight Board for conveyance to the Housing Authority and the City**



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Redevelopment Update — Enforceable Obligations

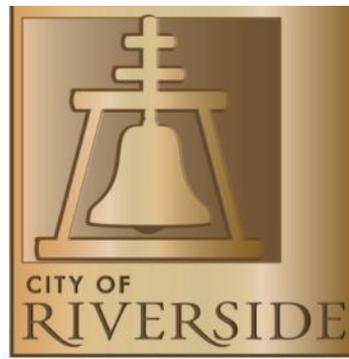
- **July to December 2012 Recognized Obligation Payment Schedule (ROPS)**
- **DOF approved the full distribution requested from the Redevelopment Property Tax Trust Fund (\$17.6 Million)**
- **DOF changed its interpretation of the administrative allowance, reducing it from 5% to 3% of \$17.6 Million**
- **Six month allowance reduced by \$353,036 (from \$882,590 to \$529,554)**



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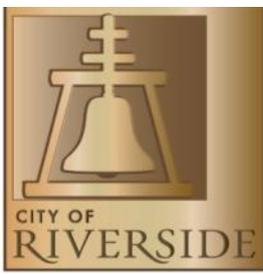
Redevelopment Update — Enforceable Obligations

- **Items remaining to be resolved**
 - **Housing Line of Credit (\$1.2 Million)**
 - **Interagency Loans (\$10.8 Million)**
 - **City Reimbursement Agreements (\$8.5 Million)**
- **Planned bond funded projects**
 - **Arlington Park Childcare**
 - **Villegas Park Rehabilitation**
 - **Magnolia Dispatch Center**
 - **Collett Avenue Extension**
 - **Gould & Gramercy Street Improvements**
 - **Camp Anza Officers Club Renovation**



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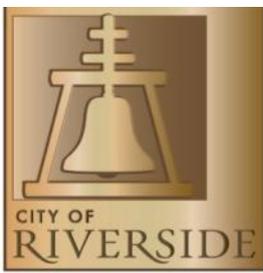
Successor Agency Interagency Loans



City of Arts & Innovation

Cash Pool Loans to the RDA and AB X1 26

- **Loans made prior to AB X1 26 and dissolution**
- **Several loans paid in compliance with EOPS**
- **Several loans transferred to Housing Authority or City by the Oversight Board**
- **Remaining loans viewed as valid by the City**
- **Legislation pending to address these issues**



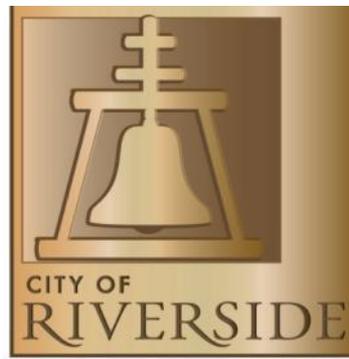
City of Arts & Innovation

Cash Pool Loans to the RDA and AB X1 26

- **Loans totaling \$15,268,696 remain outstanding**

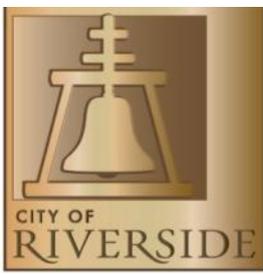
	Outstanding Balance	Lending Fund	Date of Loan
Olivewood Property Assembly	\$ 4,250,554	Sewer Fund	May 1, 2007
Municipal Auditorium Renovations	318,485	Multiple Funds	March 11, 2008
3615 – 3653 Main Street Acquisition	4,039,452	Multiple Funds	July 14, 2009
3225 Market Street Acquisition	1,102,705	Multiple Funds	August 24, 2010
Reid Park Acquisition	720,000	Electric Fund	March 1, 2011
Riverside Golf Course Acquisition	4,837,500	Electric Fund	March 1, 2011

- **The worst case scenario is that the loans and properties will be transferred to the General Fund and any deficit between property values and loan balances will be amortized**



City of Arts & Innovation

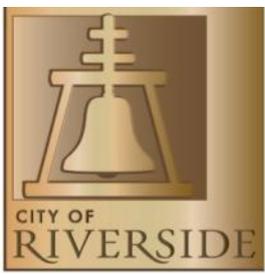
Proposed Fiscal Year 2012/13 Budget



City of Arts & Innovation

2012/13 Proposed Budget

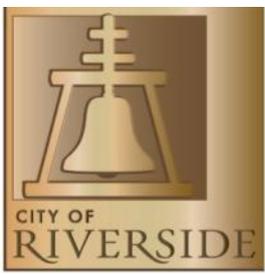
	<u>Citywide</u>	<u>General Fund</u>
2011/12 Adopted	\$ 993.0 Million	\$ 211.2 Million
2012/13 Proposed	<u>\$ 1.2 Billion</u>	<u>\$ 220.7 Million</u>
Change	\$ 160.6 Million + 16.2%	\$ 9.5 Million + 4.5%



City of Arts & Innovation

Continued Focus on City Council Priorities

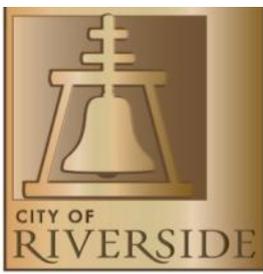
- ✓ **Preserving public safety**
- ✓ **Continuing key Economic Development initiatives**
- ✓ **Prioritizing Code Enforcement**
- ✓ **Focusing on parks, community services programs, and libraries**
- ✓ **Maintaining cultural resources**



City of Arts & Innovation

Continued Focus on City Council Priorities

- ✓ **Prioritizing the Anti-Graffiti Program**
- ✓ **Taking environmental leadership**
- ✓ **Continuing funding for Project BRIDGE and the Youth Opportunity Center**
- ✓ **Promoting Arts & Innovation**
- ✓ **Seizing Riverside's destiny**
- ✓ **Maintaining a strong reserve**

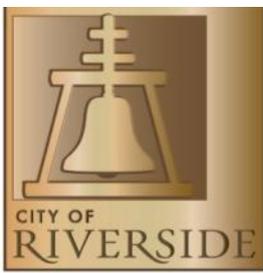


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Organizational Changes Implemented in January

Development Department Changes:

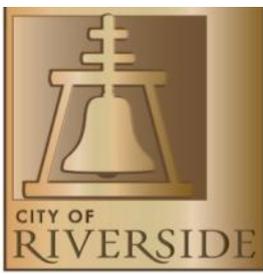
- **The Economic Development Division was moved to the City Manager's Office**
- **The Capital Projects Division was moved to the General Services Department**
- **The Arts & Cultural Affairs Division was moved to the Museum Department**



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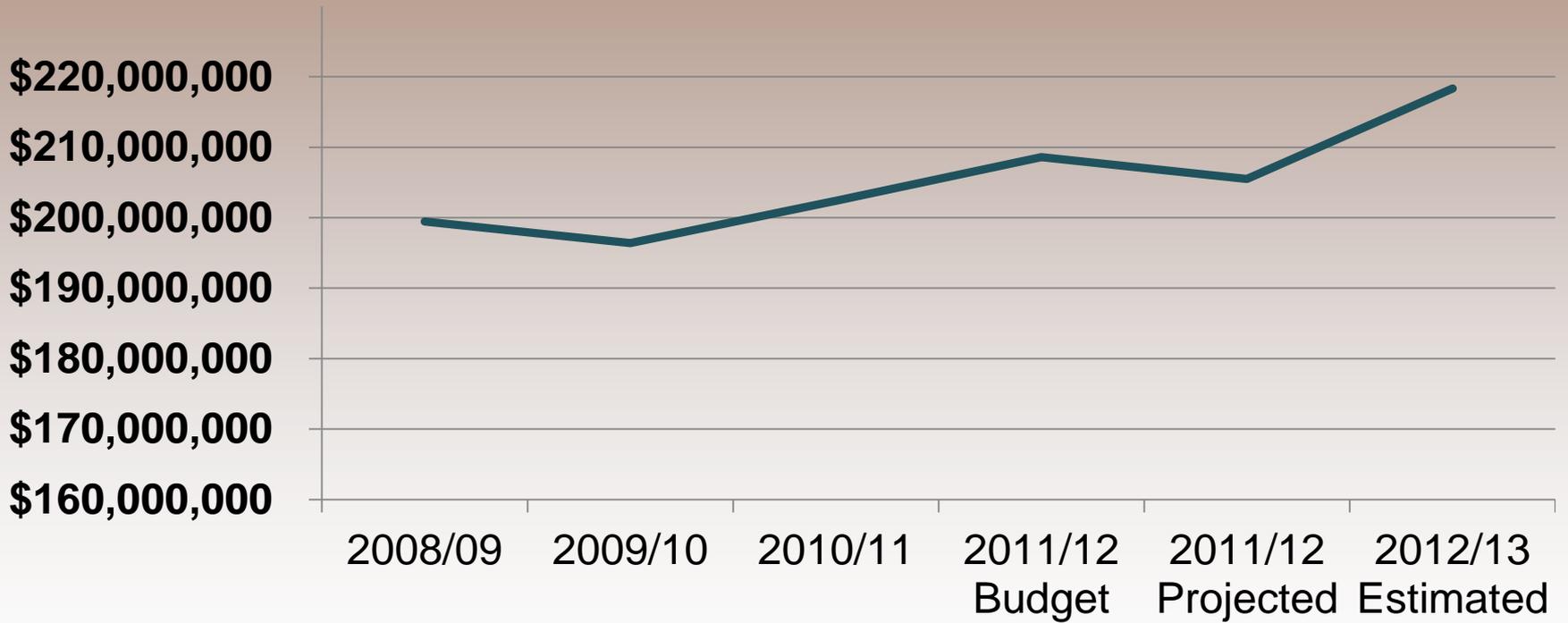
Organizational Changes To Be Implemented in July

- **The Development Department will be merged into the Community Development Department**
- **The Finance Division of the City Manager's Office will again be a separate department**
- **The Safety Section will move from Finance to Human Resources**
- **The Non-Departmental Section of the budget will return, which is designed to segregate large and/or unusual programs from department budgets**

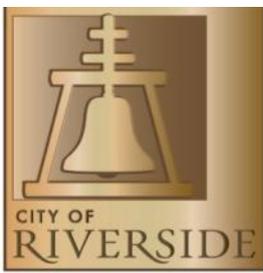


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Five Year General Fund Revenue Trend



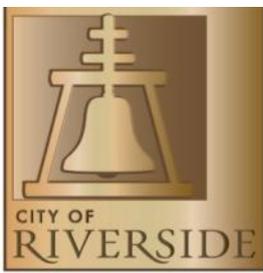
Estimated FY 2012/13: \$218.3 million



City of Arts & Innovation

Primary General Fund Revenue Increases

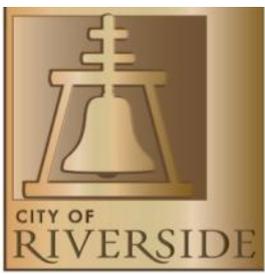
- **Sales Tax revenue of \$51.1 Million**
 - **\$3,800,000 increase**
- **Property Tax revenue of \$47.3 Million**
 - **\$ 552,000 increase**
- **TOT revenue of \$3.9 Million**
 - **\$ 770,000 increase**
- **Property Tax receivables sale of \$3.0 Million**



City of Arts & Innovation

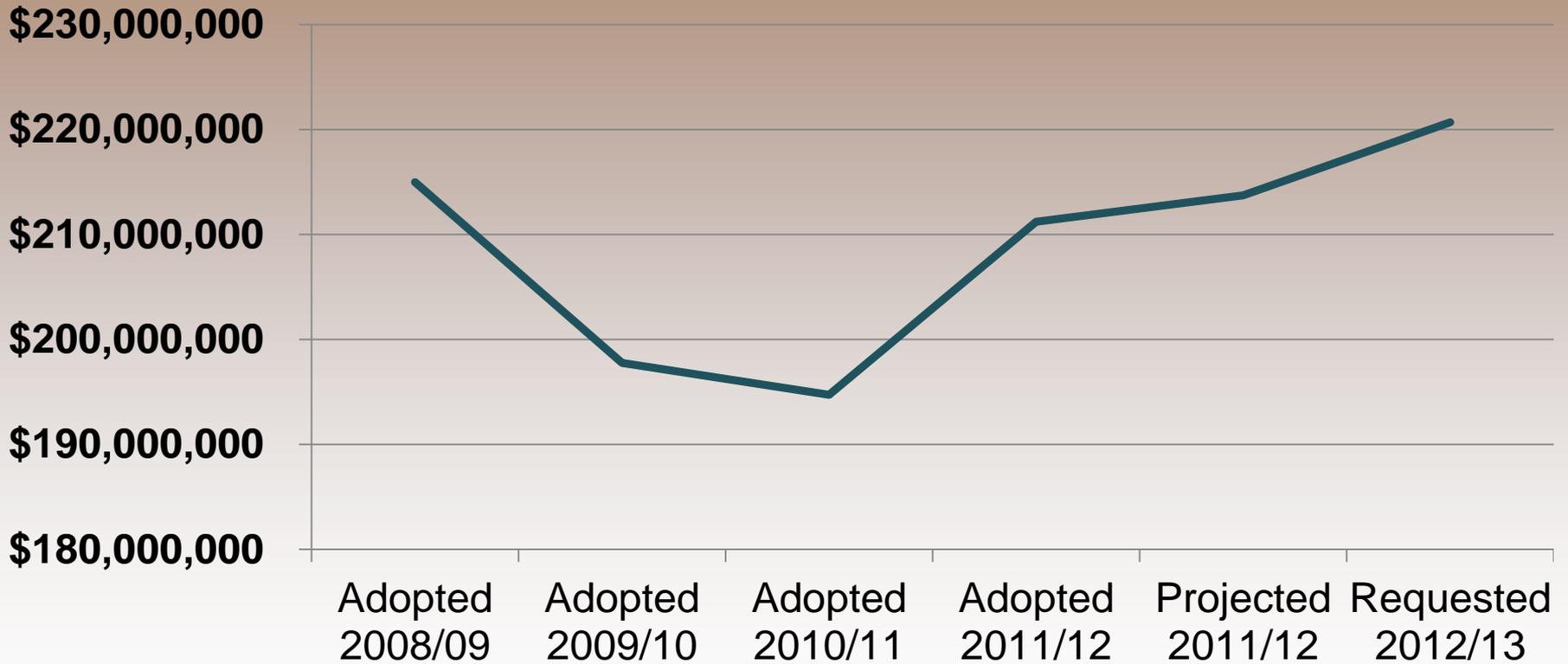
Detail of Estimated General Fund Revenues

	2011/12 Projected	2012/13 Estimated	Change
Sales & Use Taxes	\$ 47,220,000	\$ 51,079,000	\$ 3,859,000
Property Taxes	46,713,575	47,265,758	552,183
Interfund Transfers	39,791,080	40,890,700	1,099,620
Utility Users Tax	27,521,000	28,397,050	876,050
Charges for Services	10,880,205	11,758,858	878,653
Licenses & Permits	7,158,863	7,456,234	297,371
Franchises	4,949,000	5,099,000	150,000
Other	4,823,698	5,044,881	221,183
Fines & Forfeits	5,375,033	4,955,437	(419,596)
Special Assessments	4,760,220	4,749,395	(10,825)
Transient Occupancy Tax	3,142,000	3,912,000	770,000
Property Transfer Tax	1,450,000	1,500,000	50,000
Intergovernmental	1,303,739	1,220,000	(83,739)
One-Time Revenues	400,000	5,000,000	4,600,000
Total	\$ 205,488,413	\$ 218,328,313	\$ 12,839,900
Carried Forward Revenue	7,000,000	1,422,322	(5,577,678)
Adjusted Total	\$ 212,488,413	\$ 219,750,635	\$ 7,262,222

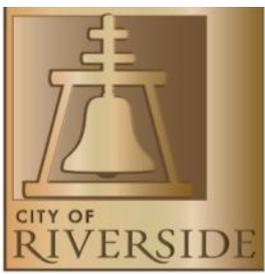


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General Fund Expenditures



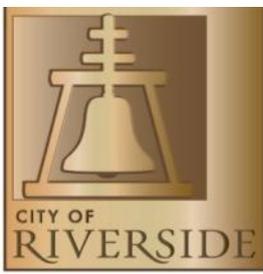
Estimated FY 2011/12: \$220.7 million



City of Arts & Innovation

Additional Funding for City Council Priorities

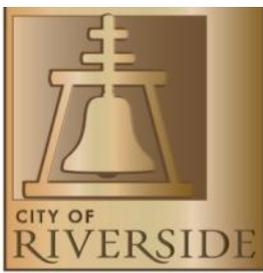
- **Additional funding has been allocated to the Economic Development Division of the City Manager's Office and the Arts & Cultural Affairs Division of the Museum Department**
- **Funding is approximately \$1.4 Million higher than last fiscal year**



City of Arts & Innovation

New Costs Versus Adopted 2011 / 12 Budget

- **The following are corrective measures that have prevented allocating additional funding to other programs:**
 - 1. The annualized cost of the dissolution of the Redevelopment Agency requires an additional \$2 Million**
 - 2. Changes to the City's cost allocation plan have resulted in a \$2 Million increase in allocations to the General Fund, primarily related to the dissolution of the Redevelopment Agency**

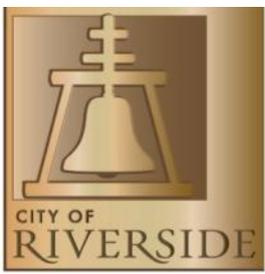


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New Costs Versus Adopted 2011 / 12 Budget

- 3. Additional debt service related to the Riverside Renaissance, originally to have been funded by Park Fees, will require \$3.1 Million of additional funding**

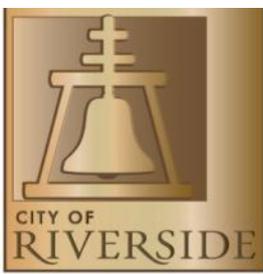
- 4. As a result of final negotiated pension and benefit concessions, managed savings has been reduced to reflect the pension and benefit concessions actually achieved**



City of Arts & Innovation

Other Changes Versus Adopted 2011 / 12 Budget

- **As discussed, the transfer of the former Development Department programs to various departments has caused major variances in department budgets, as has the creation of a Finance Department**
- **A charge removed several years ago between the Police and Fire Departments has been reinstated to reflect 25% of the cost of the communications division as funded by the Fire Department**

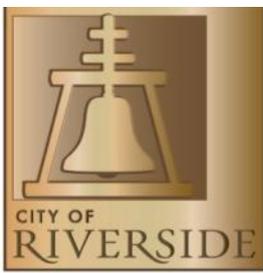


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Detail of Proposed General Fund Expenditures

	2011/12 Adopted	2012/13 Requested	Change
Community Development	\$ 8,440,905	\$ 9,602,122	\$ 1,161,217
Development	6,602,257	--	(6,602,257)
Fire	40,734,971	42,250,374	1,515,403
Library	5,602,801	5,652,415	49,614
Museum	1,110,538	2,863,640	1,753,102
Parks, Recreation, and CS	15,173,567	15,459,648	286,081
Police	81,801,786	80,345,738	(1,456,048)
Public Works	16,828,682	12,883,075	(3,945,607)
General Government *	41,656,042	49,951,003	8,294,961
Managed Savings	(2,976,090)	(2,198,000)	778,090
Pension Reform Savings	(1,271,645)	(1,497,122)	(225,477)
Total	\$ 213,703,814	\$ 215,312,893	\$ 1,609,079
Net Cost Allocation	(21,775,141)	(17,851,693)	3,923,448
Net Debt Service Allocation	19,312,156	23,253,711	3,941,555
Adjusted Total	\$ 211,240,829	\$ 220,714,911	\$ 9,474,082

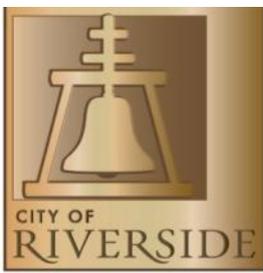
* Includes City Attorney, City Clerk, City Council, City Manager, General Services, Human Resources, Information Technology, Mayor and Non-Departmental



City of Arts & Innovation

Detail of General Government Expenditures

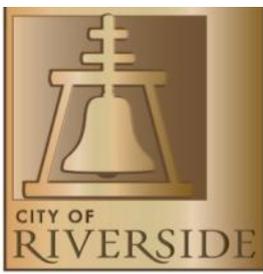
	2011/12 Adopted	2012/13 Requested	Change
City Attorney	\$ 3,525,453	\$ 3,400,266	\$ (125,187)
City Clerk	1,119,710	1,016,697	(103,013)
City Council	1,004,760	1,074,080	69,320
City Manager	14,820,634	5,242,083	(9,578,551)
Finance	--	5,254,254	5,254,254
General Services	5,893,069	4,488,342	(1,404,727)
Human Resources	2,362,455	2,483,473	121,018
Information Technology	12,148,950	9,809,017	(2,339,933)
Mayor	781,011	726,976	(54,035)
Non-Departmental	--	16,455,815	16,455,815
Total	\$ 41,656,042	\$ 49,951,003	\$ 8,294,961



City of Arts & Innovation

Methods Utilized to Address the Anticipated Deficit

- **Sales Tax revenues have increased faster than anticipated, resulting in approximately \$4 Million of additional projected revenue in Fiscal Year 2012/13**
- **Certain delinquent property tax receivables will be sold to generate \$3 Million of one-time revenue**
- **Other miscellaneous revenues have resulted in a net increase of \$2 Million**
- **A projected deficit of \$1 Million remains**

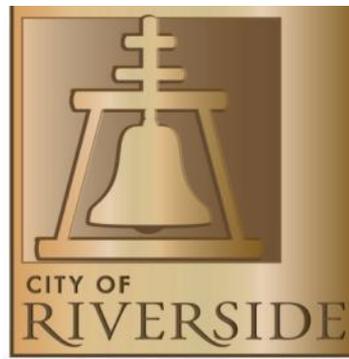


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Projected Status of General Fund Reserves

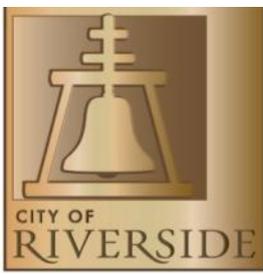
- **Continued maintenance of a reserve balance in excess of the target of 15% of General Fund expenditures**
- **Budget is not balanced as presented, but the imbalance is minimal and will likely be addressed**
- **Staff will work to address the shortfall**

	2011/12 Projected	2012/13 Projected	Change
Reserve Balance 7/1	\$ 40,368,872	\$ 39,126,055	\$ (1,242,817)
Revenue	205,488,413	218,328,313	12,839,900
Expenditures	(213,731,230)	(220,714,911)	(6,983,681)
Set-Aside Revenue	7,000,000	1,422,322	(5,577,678)
Reserve Balance 6/30	\$ 39,126,055	\$ 38,161,779	\$ (964,276)



City of Arts & Innovation

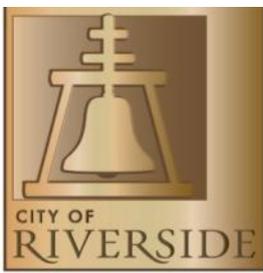
Other Budgetary Matters for Discussion



City of Arts & Innovation

Disposition of Unfunded Positions

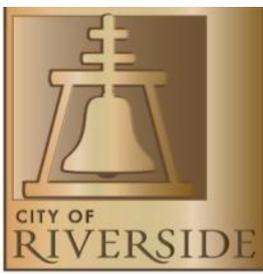
- **Over the last 5 fiscal years, a number of General Fund positions have been unfunded as part of the strategy to balance the budget**
- **Unfunded positions remain authorized and included in the position listing**
- **Many positions should likely be deleted to better reflect the actual size of the City's workforce in the adopted budget**



City of Arts & Innovation

Detail of General Fund Unfunded Positions

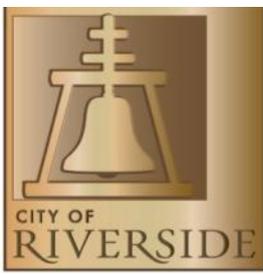
	Authorized	Funded	Percentage Unfunded
City Attorney	26.50	25.00	5.66%
City Clerk	10.00	8.00	20.00%
City Council	14.00	13.00	7.14%
City Manager	28.50	23.50	17.54%
Community Development	117.85	78.00	33.81%
Finance	55.00	46.50	15.45%
Fire	255.46	235.00	8.01%
General Services	42.30	29.74	29.69%
Human Resources	36.75	20.00	45.58%
Information Technology	9.00	8.00	11.11%
Library	105.46	59.92	43.18%
Mayor	6.00	6.00	0.00%
Museum	23.25	14.00	39.78%
Parks, Recreation, and CS	187.27	143.92	23.15%
Police	599.93	534.18	10.96%
Public Works	212.61	161.98	23.81%
Total	1,729.88	1,406.74	18.68%



City of Arts & Innovation

Budgetary Adjustments

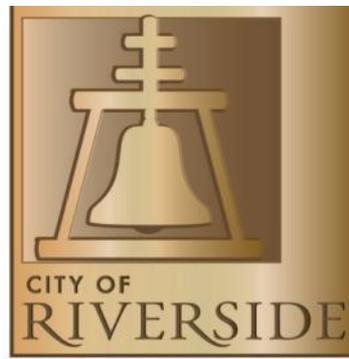
- **Managed savings and RDA elimination impacts have resulted in projected minor over budget amounts in certain departments**
- **City Council approval is requested to address these minor overages with supplemental appropriations**
- **The required supplemental appropriations are already reflected in the data presented today and there will be no additional fiscal impact**



City of Arts & Innovation

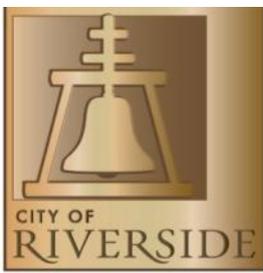
Future Information to be Provided to the City Council

- **The proposed budget includes an operating deficit of approximately \$1 Million**
- **Staff will report back to the City Council at mid-year with proposed budget reductions or enhanced revenue projections**
- **Staff is revising the format of the monthly financial report to include detailed monthly General Fund revenue and expenditure projections**
- **Monthly reporting, as always, will commence in September and will be in the new format**



City of Arts & Innovation

Recommendations



City of Arts & Innovation

Today's Recommendations

That the City Council:

- **Open and conduct the Public Hearing**
- **Provide direction to staff regarding the recommended budget strategy for Fiscal Year 2012/13**
- **Authorize supplemental appropriations to address minor over budget amounts**
- **Schedule adoption of the Fiscal Year 2012/13 Annual Budget for the evening session on June 19**