



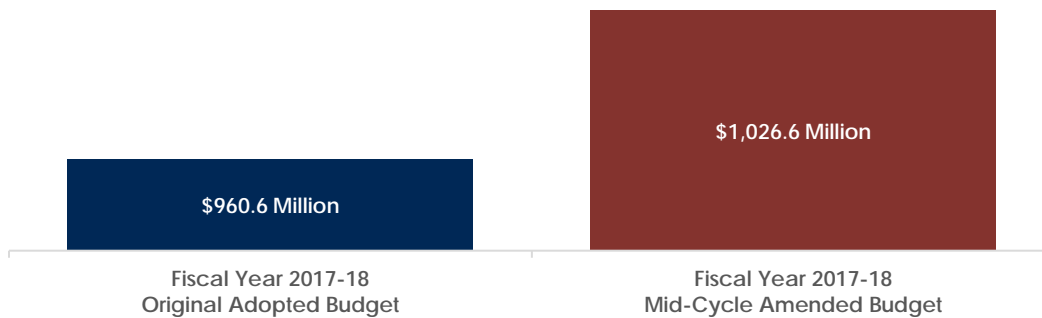
CITY OF RIVERSIDE, CALIFORNIA

2016-2018 BIENNIAL BUDGET IN BRIEF

MID-CYCLE UPDATE

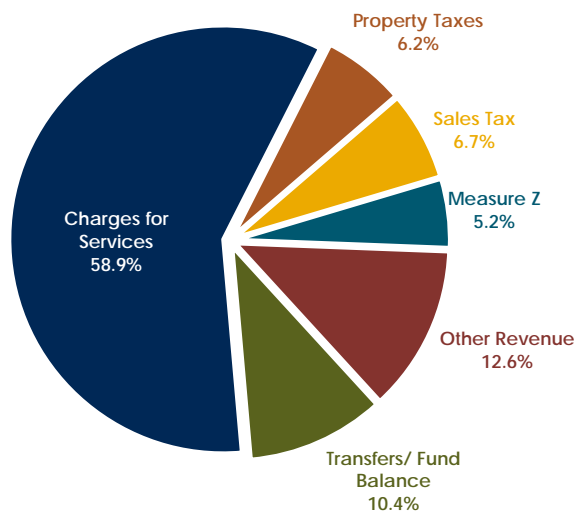
BIENNIAL BUDGET OVERVIEW

The City's originally adopted budget is \$960.6 million for Fiscal Year 2017/18. At Mid-Cycle, budgeted spending has increased to \$1 billion. The increase is primarily due to Measure Z related spending, union negotiated salary and benefit increases, and debt expenses.



HOW IS THE BIENNIAL BUDGET FUNDED?

More than half of the 2017-18 budget is funded with Charges for Services such as fees receive for residential sewage services, park rentals, and residential development.



FY 2017-18

HOW IS THE MONEY SPENT?

Over 90% of the money budgeted for spending for 2017-18 will be for operating Public Utilities (49.0%), Public Works/Community Development and Services (24.8%), and Public Safety (17.6%).



Public
Utilities
49.0%

Public Works/
Community
Development
24.8%

Public
Safety
17.6%

Other
8.7%

GENERAL FUND SPENDING

The most complex City fund is the General Fund. It receives most of the City's taxes (such as Property and Sales taxes), and pays for services provided by 16 different departments. Some of the core services paid for with General Fund dollars are police, fire, parks, recreation, libraries, and street maintenance. Riverside Public Utilities and other business enterprises of the City have their own distinct revenue sources and are accounted for in other funds. Total budgeted spending for the General Fund is \$256.6 million for Fiscal Year 2017-18. The Police and Fire department account for over 60% of General Fund spending. The Non Departmental section of the budget reflects activities that are associated with multiple departments or that serve the entire city. Some examples of Non Departmental activities are Riverside Convention Center and Municipal Auditorium operations as well as debt service.



Police
\$111.7 Million
43.5% of spending



Fire
\$56.7 Million
21.1% of spending



Community Development
\$28.8 Million
11.2% of spending



Parks, Recreation, & Community Services
\$22.6 Million
8.8% of spending



Public Works
\$18.6 Million
7.2% of spending



Non Departmental
\$9.4 Million
3.7% of spending

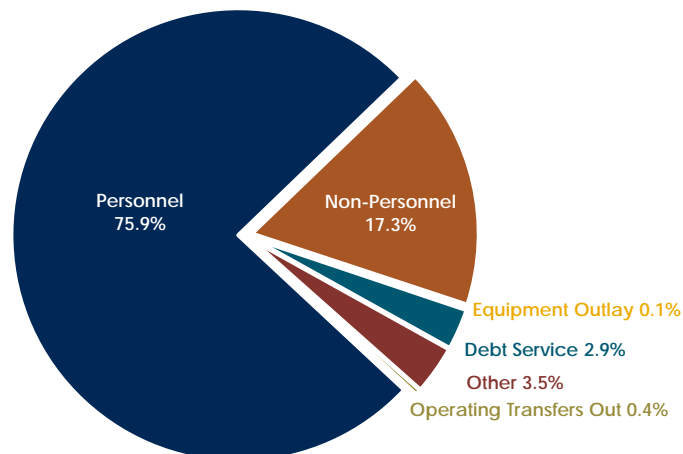


General Government
\$8.8 Million
3.4% of Spending

FY 2017-18 General Fund Spending - \$256.6 Million

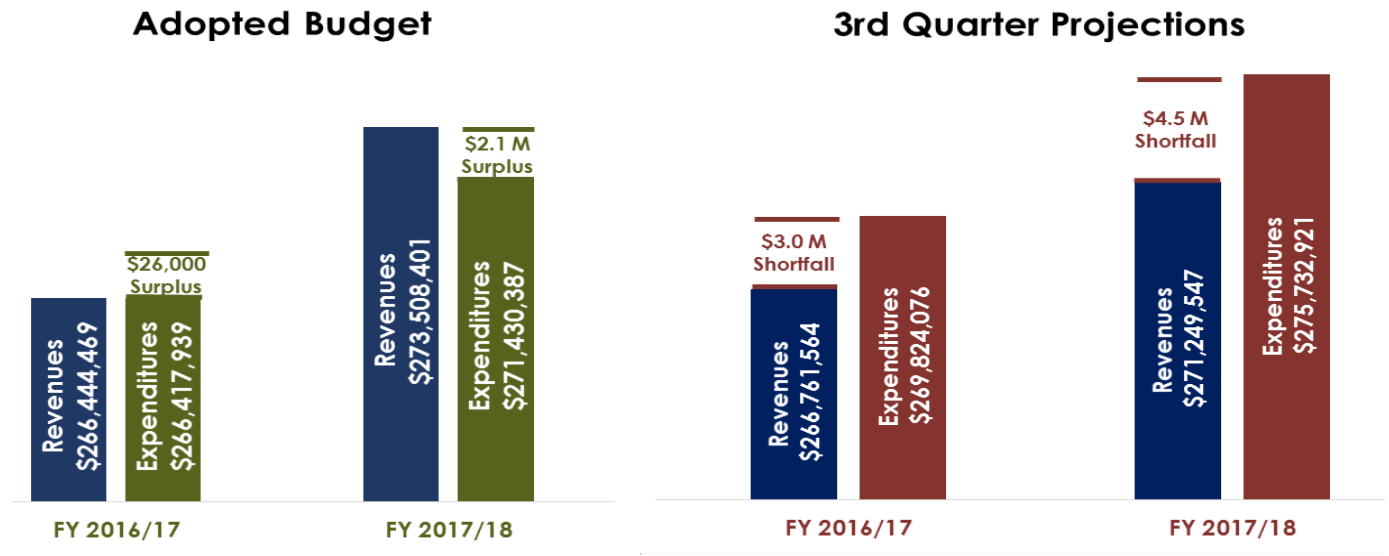
COST CATEGORIES FOR GENERAL FUND SPENDING FY 2017-18

Personnel expenses (comprised of salary and benefits) make up more than 75% of the budgeted costs for Fiscal Year 2017-18. Non-Personnel costs such as contract services and supplies reflect the next largest spending category with about 17% of the budget.



FISCAL YEAR 2016-2017 THIRD QUARTER UPDATE

Below is an overview of impacts to the FY 2016-2018 Two Year Budget, based on the General Fund Third Quarter Financial Update for FY 2016-17.



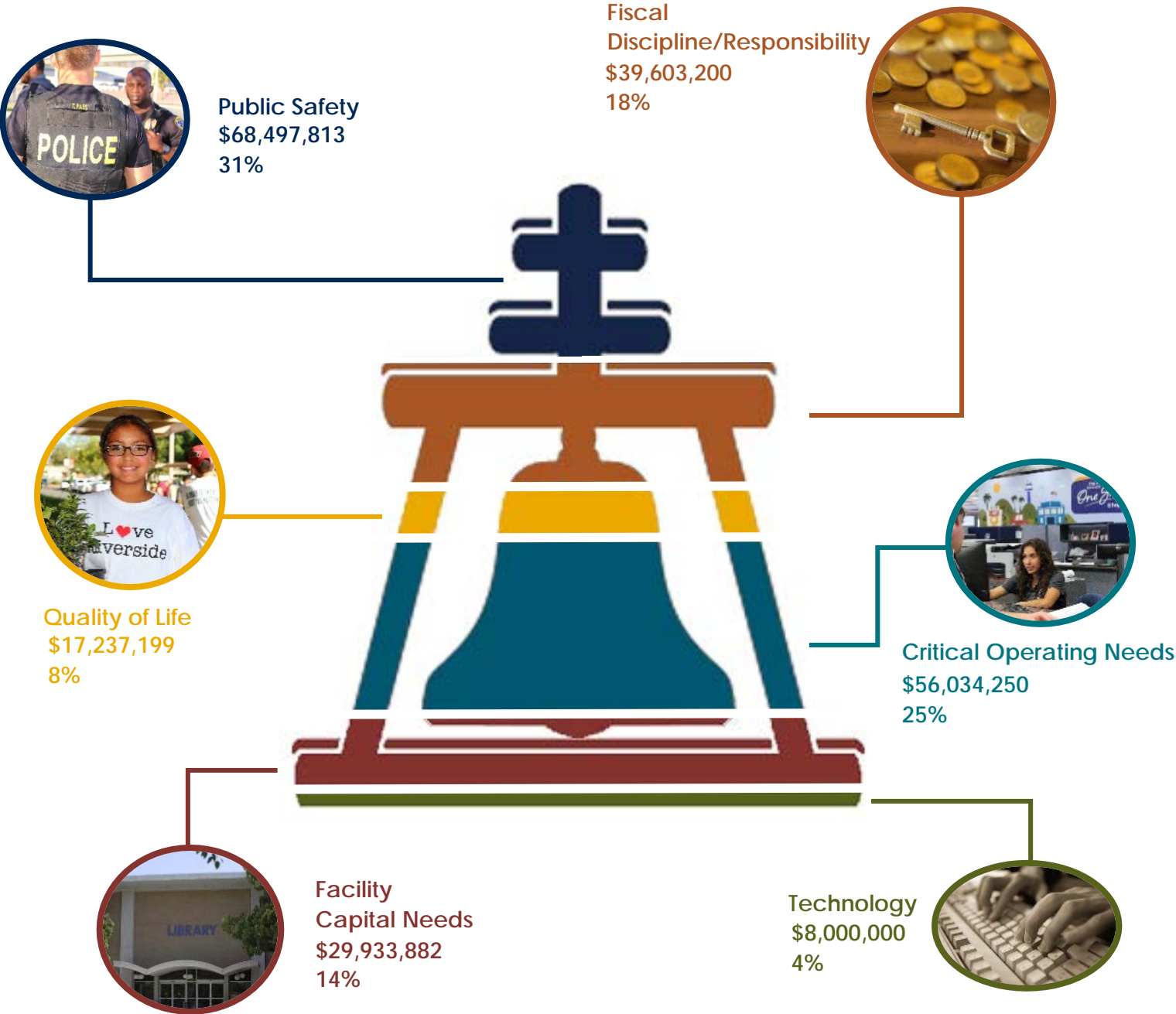
Factors Contributing to Projected Shortfall (3rd Quarter)

	FY 2016-17	FY 2017-18
Adopted Surplus	\$ 26,530	\$ 2,078,014
Union Contracts	\$ (819,081)	\$ (3,396,309)
Revenues	\$ 317,095	\$ (2,258,854)
Insufficient Funds for Parks Debt (Development Impact Fee Revenue Offset in FY 2016/17)	\$ -	\$ (600,000)
Transfers for Sewer Claims	\$ 900,000	\$ 900,000
Other	\$ 83,000	
Fire Department (Vehicle Maintenance and Overtime)	\$ (1,145,000)	\$ (500,000)
HR Department Amendment (Revenue Offset) (Education Reimbursement, Training, etc.)	\$ (472,350)	
IT Department Amendment (Revenue Offset) (VoIP System)	\$ (93,000)	
Police Department Payoffs	\$ (1,170,706)	\$ -
Non-Departmental (Revenue Offset) (Convention Center)	\$ (689,000)	\$ (706,225)
Estimated Shortfall	\$ (3,062,512)	\$ (4,483,374)

On May 16, 2017, the City Council approved the use of Measure Z funds to cover General Fund shortfalls in FY 2016/17 and FY 2017/18 and increase the General Fund Reserves to 20% over five years.

MEASURE Z UPDATE

The one-cent increase in the City's sales tax rate from 7.75% to 8.75% authorized by Measure Z took effect on April 1, 2017. The Budget Engagement Commission (BEC), a group of city residents and business owners appointed to represent the community in advising the City Council on budget matters, held seven meetings to review staff's recommendations for Measure Z spending and to formulate its own proposal for the City Council's consideration. During these meetings, the BEC heard presentations and comments about spending priorities and community needs from city staff, other commissions and boards, and the public. On May 9, 2017, the BEC presented its recommendations to City Council. The recommendation included a five-year plan for spending \$218 Million on community needs. The City Council heard presentations from city staff and public comments recommending spending priorities during its May 9 and May 16, 2017 council meetings. On May 16, 2017, City Council adopted a five-year spending plan for Measure Z revenue. The spending plan addresses 33 of the community's critical needs with 6 major categories:



More Measure Z information is available on the City of Riverside Website:
<http://Riversideca.gov/Manager/Measurez-5year.asp>

THE CAPITAL IMPROVEMENT PROGRAM (CIP) AND THE BIENNIAL BUDGET

The CIP is developed separately from the City's biennial budget and serves as a planning instrument for infrastructure development. CIP approval does not appropriate funds for CIP projects. Appropriations for these projects are approved with the Biennial Budget. Total CIP spending budgeted for the next five fiscal years is over \$376 million. Below is a summary by departmental category.

Department	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	Funded Total
General Services	935,556	1,607,000	8,927,177	9,818,353	11,018,353	32,306,439
Innovation and Technology	-	-	1,500,000	-	1,250,000	2,750,000
Parks, Recreation, and Community Services	4,627,300	10,000	-	-	-	4,637,300
Public Utilities	61,375,000	43,038,000	55,549,000	46,435,000	47,807,000	254,204,000
Public Works	25,511,130	19,080,500	18,585,600	11,398,000	8,162,700	82,737,930
Fiscal Year Total	\$92,448,986	\$63,735,500	\$84,561,777	\$67,651,353	\$68,238,053	\$376,635,669



Riverside Avenue Grade Separation Ribbon Cutting



Railroad Quiet Zone Ribbon Cutting

COMMUNITY PROFILE: RIVERSIDE, CALIFORNIA



12th
largest city
in **California**



59th largest city
in **the US**



Fastest
growing region in
California



\$74,132
average income

81.5
square miles

2.7 Million
20-mile radius population
317,307 Riverside
population (2014)



30.5
median age



Accessible from several
Major
interstates,
freeways &
rail service



CITY LEADERSHIP



Rusty Bailey
Mayor



Mike Gardner
Ward 1



Andy Melendrez
Ward 2



Mike Soubiros
Ward 3



Paul Davis
Ward 4



Chris Mac Arthur
Ward 5



Jim Perry
Ward 6



John Burnard
Ward 7



Gary Geuss
City Attorney



John Russo
City Manager



Colleen Nicol
City Clerk



COMMUNITY
AND ECONOMIC
DEVELOPMENT



FINANCE



FIRE



GENERAL
SERVICES



HUMAN
RESOURCES



INNOVATION &
TECHNOLOGY



LIBRARY



MUSEUM &
CULTURAL AFFAIRS



PARKS, RECREATION
AND COMMUNITY
SERVICES



PUBLIC WORKS



POLICE



PUBLIC UTILITIES

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