

# City Council Memorandum

*City of Arts & Innovation*

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**TO: HONORABLE MAYOR AND CITY COUNCIL      DATE: DECEMBER 17, 2019**

**FROM: FINANCE DEPARTMENT      WARDS: ALL**

**SUBJECT: FISCAL YEAR 2018/19 FOURTH QUARTER FINANCIAL REPORT AND CARRYOVER REQUESTS, MEASURE Z UPDATE, AND RELATED INTERFUND TRANSFERS AND SUPPLEMENTAL APPROPRIATIONS**

**ISSUES:**

Receive and provide input on the attached Fiscal Year 2018/19 Fourth Quarter Financial Report and Measure Z Update, approve carryover requests in the amount of \$38.6 million, and approve interfund transfers and supplemental appropriations in the amount of \$387,471.

**RECOMMENDATIONS:**

That the City Council:

1. Receive and provide input on the Fiscal Year 2018/19 Fourth Quarter Financial Report and Measure Z Update;
2. Approve interfund and interdepartmental transfers of in the amount of \$384,571 and related supplemental appropriations in the same amount and a net budget increase of \$2,900 across City funds, and
3. Approve for carryover of approximately \$4.5 million in General Fund and \$34.1 million of other funds into fiscal year 2019/20.

**COMMISSION RECOMMENDATIONS:**

This report is published on December 5, 2019, for the December 17, 2019, City Council Meeting.

On December 12, 2019, the Budget Engagement Commission will hear this item for consideration and will be asked to take the following actions:

1. Receive and provide input on the Fiscal Year 2018/19 Fourth Quarter Financial Report and Measure Z Update; and
2. Forward a recommendation to the City Council as to the use of the projected \$4.4 million surplus General Fund reserves.

Budget Engagement Commission feedback and recommendations will be presented to the City Council at a meeting for consideration.

**BACKGROUND:**

On June 12, 2018, the City Council adopted Resolution No. 23316 approving the Fiscal Year (FY) 2018-2020 Two-Year Budget. The General Fund’s FY 2018-2020 Two-Year Budget is balanced over two years with a budgeted \$1.2 million surplus in FY 2018/19 to be used in FY 2019/20.

FY 2018/19 General Fund and Measure Z Quarterly Financial Reports for July 2018 – March 2018 were presented to the City Council on January 22, March 26, and June 18, 2019.

**BALANCE REVENUE INDEX (BRI) AND PARTNERSHIP COMPENSATION MODEL (PCM)**

The City’s core revenues make up the BRI which serves as the basis for salary increases for all bargaining and employee groups subscribing to the PCM. Revenue estimates prepared in early 2017 for the FY 2018-2020 Two-Year Budget projected a flattening of these revenues in FY 2019/20, with an 1.82% growth in the BRI. PCM salary increases of 0.91% (50% of the BRI) were budgeted, in addition to any minimum salary increases provided for in the Memorandums of Understanding and Fringe Benefits and Salary Plan. The actual BRI produced a 7.68% growth over the prior year, with a resulting 3.84% PCM salary increase for participating bargaining and employee groups. With the exception of the Police bargaining units, all agreements specify a minimum salary increase: the salary increase is equal to the higher of the minimum negotiated increase or the 50% BRI result. The estimated unbudgeted impact for all City funds is approximately \$2.7 million; the estimated unbudgeted impact for the General Fund is \$2.2 million.

<b>CITYWIDE UNBUDGETED PCM IMPACT</b>				
<b>Employee Groups</b>	<b>Minimum Increase</b>	<b>Actual PCM Increase</b>	<b>Unbudgeted PCM Increase</b>	<b>Estimated Impact</b>
Police (RPOA, RPOA Supervisory, RPAA)	0%	3.84%	3.84%	\$1,692,000
Fire (RCFA, RFMG)	3%	3.84%	0.84%	251,000
SEIU (General & Refuse)	3%	3.84%	0.84%	358,000
Unrepresented	3%	3.84%	0.84%	404,000
<b>Citywide Unbudgeted Impact</b>				<b>\$2,705,000</b>

**DISCUSSION:**

Following the close of each fiscal year, the City’s independent auditor performs an audit of the City’s financial statements. The FY 2018/19 Fourth Quarter Financial Report precedes the audit report. The following figures represent **unaudited financial projections**. The audit report is expected to be completed in December, followed by presentations to the Finance Committee and City Council in February 2020.

**GENERAL FUND**

**Overview**

The General Fund’s FY 2018/19 unaudited results present a net gain of \$3.7 million, with \$278.7 million in revenues outpacing expenditures and encumbrances of \$275 million.

<b>GENERAL FUND SUMMARY</b>					
	<b>Adopted Budget</b>	<b>Adjusted Budget</b>	<b>Unaudited Actuals</b>	<b>\$ Variance</b>	<b>% Variance</b>
<b>Incoming Resources</b>	<b>\$270,070,218</b>	<b>\$272,836,077</b>	<b>\$278,668,535</b>	<b>\$5,832,458</b>	<b>2.1%</b>
Expenditures	\$268,834,151	\$267,691,913	\$271,380,616		
Carryovers		10,815,576			
Encumbrances		5,406,585	3,574,467		
<b>Total Outgoing Resources</b>	<b>\$268,834,151</b>	<b>\$283,914,074</b>	<b>\$274,955,083</b>	<b>\$(8,958,990)</b>	<b>-3.2%</b>
<b>Projected Net Gain / (Loss)</b>	<b>\$1,236,067</b>	<b>\$(11,077,997)</b>	<b>\$3,713,452</b>	<b>\$14,791,449</b>	

Revenues: During the development of the FY 2018-2020 Budget, the approach was conservative with declining growth rates projected in the General Fund’s major revenue sources in anticipation of a slowing economy. However, increases in the Redevelopment Property Tax Trust Fund (RPTTF) and higher than anticipated sales tax receipts helped exceed the adjusted budget by \$3.2 million. Additional detail and analysis is included in Attachment 1 General Fund Revenue and Expenditures Detail Analysis.

Expenditures: The Adjusted Budget includes a carryover of \$16.2 million of FY 2017/18 unexpended funds in the form of carryovers and encumbrances. Of the \$9 million in FY 2018/19 expenditure savings, \$4.5 million is recommended for carryover to FY 2019/20. Staff efforts for fiscally prudent spending resulted in significant savings. Additional detail and analysis is included in Attachment 1 General Fund Revenue and Expenditures Detail Analysis.

**Fund Balance and Reserves**

General Fund reserves are calculated as a percentage of the following year’s adopted budget. The FY 2019/20 adopted budget, as amended and approved by City Council on June 18, 2019, is \$280,372,427.

At fiscal year ending June 20, 2018, \$4.5 million in fund reserves was designated for the Pension Stabilization Fund for investment in a Section 115 Trust. Approximately \$416,000 has been contributed directly to Pension Stabilization Fund reserves during the fiscal year, bringing that reserve balance to \$4.9 million.

<b>GENERAL FUND BALANCE AND RESERVES</b>	
	<b>Year-End Projection</b>
<b>Beginning Fund Balance (Audited)</b>	<b>\$68,387,813</b>
<b>FY 2018/19 Activity:</b>	
Revenues	278,668,535
Expenditures	(271,380,616)
Encumbrances	(3,574,467)
Capital Project & Grant Carryovers	(394,609)
Increase in Other Required Reserves	(595,756)
<b>Projected Change in Fund Balance</b>	<b>\$2,723,087</b>
<b>Projected Ending Fund Balance</b>	<b>\$71,110,900</b>
<b>Fund Balance Reserves:</b>	
Policy Reserve Requirement (15%)	\$(42,055,864)
Aspirational Reserve (5%)	(14,018,621)
Pension Stabilization Reserve	(4,915,801)
FY 2019/20 Budgeted Use of Reserves	(1,236,012)
<b>Total Reserves</b>	<b>\$(62,226,298)</b>
<b>Available Fund Balance</b>	<b>\$8,884,602</b>
<b>Requested Carryovers:</b>	
Discretionary	\$(3,003,563)
Restricted Funds	(1,517,335)
<b>Total Carryovers</b>	<b>\$(4,520,898)</b>
<b>Projected Surplus Reserves</b>	<b>\$4,363,704</b>

## MEASURE Z UPDATE

The FY 2018-2023 Measure Z Spending Plan was approved by the City Council on June 12, 2018, with the adoption of the FY 2018-2020 Two-Year Budget. The spending plan continued the tenets and spending items of the original spending plan adopted in May 2017 and added funding for Fire personnel and equipment; furnishing, fixtures and equipment for the Arlington Youth Innovation Center (AYIC); and funding for the City’s recreational swimming pools. During FY 2018/19, Council approved new allocations for street projects and a Public Safety Engagement Team to address homeless issues in the City.

In the Measure Z fund, there is \$6.5 million in open purchase orders and \$14.2 million in carryover funding is expected to be spent in future years, as the various projects and spending initiatives pick up pace.

Measure Z funds some spending items through debt; payment of debt obligations are provided for in the Measure Z Spending Plan, while the use of debt proceeds is tracked separately. The following chart does not include the use of debt proceeds.

Measure Z ended FY 2018/19 with \$18.7 million in fund balance which is available to be allocated to current or new spending initiatives. The Budget Engagement Commission, the City Manager’s

Office, and the Finance Department are actively reviewing the current Spending Plan and are working towards policy recommendations for the available fund balance. The recommendations will be presented to the City Council with the FY 2020-2022 Proposed Budget.

<b>MEASURE Z ACTIVITY TO DATE</b>			
<b>Activity</b>	<b>FY 2016/17 Allocations</b>	<b>FY 2017/18 Allocations</b>	<b>FY 2018/19 Allocations</b>
Revenue	\$12,606,428	\$56,222,806	\$62,692,745
Expenditures	(9,973,447)	(36,134,811)	(40,988,149)
Encumbrances and Carryovers			(20,714,281)
<b>Net Change in Fund Balance</b>	<b>\$2,632,981</b>	<b>\$20,087,995</b>	<b>\$990,315</b>
Fund Balance Reserve			\$(5,000,000)
<b>Available Fund Balance</b>	<b>\$2,632,981</b>	<b>\$22,720,976</b>	<b>\$18,711,291</b>

## SEWER FUND

The overall financial position of the Sewer Enterprise fund is healthy and the fund is operating in accordance with the 2016 Sewer Fund Reserve Policy objectives. Refinancing of the 2009A Sewer Revenue Bonds bolstered the Sewer Fund’s financial stability in FY 2018/19. The Public Works Wastewater Division is in the process of completing a Wastewater Treatment and Collection Master Plan Update project, which includes a comprehensive financial and cost of service analysis and evaluation of various rate structure alternatives for consideration. The outcome of this study will inform future rate discussions.

The following analysis focuses on operations and does not include capital project expenditures of \$26.9 million.

### Revenues

The Sewer Fund’s operating revenues are \$4.6 million higher than projected.

<b>SEWER FUND REVENUES</b>					
<b>Revenue Category</b>	<b>Adopted Budget</b>	<b>Adjusted Budget</b>	<b>Unaudited Actuals</b>	<b>\$ Variance</b>	<b>% Variance</b>
Residential	\$44,670,504	\$44,670,504	\$44,853,084	\$182,580	0.4%
Non-Residential	14,875,603	14,875,603	14,761,904	(113,699)	-0.8%
Wastewater Service	3,588,837	3,588,837	3,984,080	395,243	11.0%
Non-Rate Revenue	2,367,399	2,367,399	3,520,047	1,152,648	48.7%
Use of Money/Property	1,344,962	1,424,962	4,424,716	2,999,754	210.5%
Other Financing Sources	-	-	4,519	4,519	100.0%
<b>Total Revenues</b>	<b>\$66,847,305</b>	<b>\$66,927,305</b>	<b>\$71,548,350</b>	<b>\$4,621,045</b>	<b>6.9%</b>

- Non-Rate Revenue: This revenue category ended \$1.2 higher than projections; Sewer Connection Fees were \$974,000 higher than projected due to increased development

activity.

- Use of Money and Property: This category is \$3 million higher due to outstanding performance of the rebalanced investment portfolio. Interest revenues are \$1 million higher than projections, and the year-end adjustment of investments to market value added \$1.3 million in revenue.

**Expenditures**

Actual operating expenditures and encumbrances are approximately \$916,000 less than the total budget.

<b>SEWER FUND EXPENDITURES</b>					
<b>Expenditure Category</b>	<b>Adopted Budget</b>	<b>Adjusted Budget</b>	<b>Unaudited Actuals</b>	<b>\$ Variance</b>	<b>% Variance</b>
Personnel	\$14,307,146	\$14,307,146	\$12,616,452	\$(1,690,694)	-11.8%
Non-Personnel	15,502,841	19,540,526	18,195,272	(1,345,254)	-6.9%
Grants and Capital	190,000	190,000	288,000	98,000	51.6%
Special Programs	2,050,549	2,271,549	1,909,396	(362,153)	-15.9%
Capital Purchases	1,416,500	2,518,403	1,903,745	(614,658)	-24.4%
Debt Service	33,665,119	33,665,119	37,101,438	3,436,319	10.2%
Charges to/from Others	4,204,028	3,657,496	3,219,624	(437,872)	-12.0%
Operating Transfers Out	900,000	900,000	900,000	-	0.0%
<b>Total Expenditures</b>	<b>\$72,236,183</b>	<b>\$77,050,239</b>	<b>\$76,133,928</b>	<b>\$(916,312)</b>	<b>-1.2%</b>

- Personnel: \$1.7 million savings, primarily due to underfilled positions in career-growth classifications.
- Non-Personnel: This category shows \$1.3 million in savings; however, \$2.7 million in outstanding purchase orders will be carried forward, for a net over-spend in this category of \$1.3 million due to significant legal costs associated with the capital recovery effort for both the Phase I Plant Expansion Project and ongoing capital improvements at the Regional Water Quality Control Plant.
- Capital Purchases: This category includes budgets for facility repairs and improvements, machinery, equipment, and automotive replacements. Actual needs were less than budgeted.
- Debt Service: Interest costs are higher than budgeted due to the forward refinancing of the 2009A Sewer Revenue Bonds; activity includes the final interest payment on the defeased bond as well as unbudgeted interest payments on the new bonds. The long-term impact of the refinancing is savings to the Sewer Fund.

**REFUSE FUND**

On December 18, 2018, the City Council approved a mid-year rate adjustment effective January 1, 2019, and an amendment to the existing waste processing agreement.

The adopted budget for the Refuse Fund projected a \$2.2 million draw on cash reserves for FY

2018/19. The Refuse Fund is projected to end the fiscal year with a draw on reserves of \$1.9 million, inclusive of \$333,000 in capital expenditures. The following analysis focuses on operations and does not include capital project activity.

**Revenues**

The Refuse Fund’s operating revenues are \$10,000 less than projected.

REFUSE FUND REVENUES					
Revenue Category	Adopted Budget	Adjusted Budget	Unaudited Actuals	\$ Variance	% Variance
Residential - City Service	\$11,787,873	\$12,285,873	\$12,339,238	\$53,365	0.4%
Residential - Private Programs	4,276,036	4,591,036	4,610,470	19,434	0.4%
Fines and Forfeitures	5,385,406	6,084,406	6,160,455	76,049	1.2%
Use of Money/Property	1,207,200	193,200	(106,612)	(299,812)	-155.2%
Other Financing Sources	397,120	397,120	535,767	138,647	34.9%
	-	-	2,010	2,010	100.0%
<b>Total Revenues</b>	<b>\$23,053,635</b>	<b>\$23,551,635</b>	<b>\$23,541,328</b>	<b>\$(10,307)</b>	<b>0.0%</b>

- Fines & Forfeitures: The revenue forecast of \$1.2 million was downgraded to \$193,000 due to an unplanned Street Sweeping Sign replacement project which began in August 2018 and is ongoing. An accounting entry related to prior year revenue accruals resulted in negative revenues of \$107,000 for the fiscal year.

**Expenditures**

Actual operating expenditures and encumbrances are approximately \$1 million less than the total budget.

REFUSE FUND EXPENDITURES					
Expenditure Category	Adopted Budget	Adjusted Budget	Unaudited Actuals	\$ Variance	% Variance
Personnel	\$5,768,981	\$5,768,981	\$5,167,235	\$(601,746)	-10.4%
Non-Personnel	8,468,906	9,103,096	8,823,171	(279,925)	-3.1%
Grants and Capital	64,000	64,000	62,368	(1,632)	-2.6%
Special Programs	4,672,890	4,785,039	4,879,100	94,061	2.0%
Capital Purchases	1,434,000	2,009,879	1,826,919	(182,959)	-9.1%
Debt Service	198,931	198,931	198,930	(1)	0.0%
Charges to/from Others	4,587,772	4,614,507	4,584,527	(29,980)	-0.6%
<b>Total Expenditures</b>	<b>\$25,195,480</b>	<b>\$26,544,433</b>	<b>\$25,542,251</b>	<b>\$(1,002,182)</b>	<b>-3.8%</b>

- Personnel: A savings of \$602,000 in the personnel category is primarily attributable to vacant positions.

**PUBLIC UTILITIES ELECTRIC AND WATER FUNDS**

For the Electric and Water Funds, capital projects are budgeted on a program basis with many active projects in progress at the same time, ranging from less than \$50,000 in size to multi-million dollars in major projects that require Board of Public Utilities approval. Major capital projects require several months, and in certain cases cross fiscal years or span multiple fiscal years to complete. The total budget will not be fully spent for any given year due to the timing of projects and extenuating circumstances that may cause a project to be delayed. Due to the long-term nature of capital projects and related grant funding, those items are excluded from the following analysis which focuses on operations.

**Electric Fund**

The Electric Fund is stable and includes the first six months of five-year rate plan effective January 1, 2019. Fund reserves are compliant with policy objectives.

**Revenues**

FY 2018/19 revenues in the Electric Fund are \$7.2 million higher than projected.

<b>ELECTRIC FUND REVENUES</b>					
<b>Revenue Category</b>	<b>Adopted Budget</b>	<b>Adjusted Budget</b>	<b>Unaudited Actuals</b>	<b>\$ Variance</b>	<b>% Variance</b>
Retail Sales	\$310,197,00	\$310,197,00	\$305,083,259	<b>\$(5,113,741)</b>	-1.6%
Transmission Revenue	36,202,799	36,202,799	35,730,318	<b>(472,481)</b>	-1.3%
Other Operating	13,999,790	13,999,790	13,464,417	<b>(535,373)</b>	-3.8%
Use of Money/Property	10,413,343	10,413,343	23,737,457	13,324,114	128.0%
Other Financing Sources	417,000	417,000	368,724	<b>(48,276)</b>	-11.6%
<b>Total Revenues</b>	<b>\$371,229,932</b>	<b>\$371,229,932</b>	<b>\$378,384,175</b>	<b>\$7,154,243</b>	<b>1.9%</b>

- Retail Sales: Retail sales are 1.6% less than projected due to unexpected mild weather patterns which reduced electric consumption.
- Transmission Revenue: Transmission revenue fluctuates similar to energy load; revenues are 1.3% less than projected due to reduced usage.
- Other Operating Revenue: This category is \$535,000 under projections. The Intermountain Coal Power Plant produced more energy due to increased market energy prices requiring the Electric Fund to surrender more greenhouse gas (GHG) allowances, resulting in a reduction of GHG auction proceeds.
- Use of Money and Property: This revenue category includes non-operating revenues such as interest income, rental income, contribution in aid of construction, and miscellaneous one-time receipts. Actual revenues are 128% higher than projected, with \$5.4 million recorded for the increase in market value of investments. Interest revenue is significantly higher than projections due to a successful rebalancing of the investment portfolio. Contributions in Aid account for \$4.3 million higher revenues; these are donated land rights and easements for general access to electrical system assets, new electric service charges and required distribution facilities installed by developers.

## Expenditures

Operating expenditures and encumbrances are \$20.3 million less than budgeted.

ELECTRIC FUND EXPENDITURES					
Expenditure Category	Adopted Budget	Adjusted Budget	Unaudited Actuals	\$ Variance	% Variance
Personnel	\$68,140,701	\$68,140,701	\$57,490,791	\$(10,649,910)	-15.6%
Non-Personnel	233,154,249	245,899,763	233,556,854	(12,342,908)	-5.0%
Grants and Capital	1,977,237	1,977,237	2,181,216	203,979	10.3%
Special Programs	229,083	239,908	163,161	(76,747)	-32.0%
Capital Purchases	800,000	7,277,017	4,277,006	(3,000,011)	-41.2%
Debt Service	44,568,867	43,194,206	42,020,621	(1,173,585)	-2.7%
Charges to/from Others	(10,732,071)	(7,996,195)	(11,076,468)	(3,080,273)	38.5%
Operating Transfers Out	40,705,400	40,705,400	39,886,400	(819,000)	-2.0%
<b>Total Expenditures</b>	<b>\$310,702,765</b>	<b>\$331,297,336</b>	<b>\$311,008,790</b>	<b>\$(20,288,546)</b>	<b>-6.1%</b>

- Personnel: Savings of \$10.6 million (15.6% of total personnel budget) are primarily attributable to staffing turnovers and high vacancy rates. The Electric Department is in the process of filling vacant positions.
- Non-Personnel: Spending in this category is 5% less than budget. \$2.6 million in open purchase commitments will continue into the next fiscal year. Energy and capacity charges account for \$6.9 million in savings, due to lower than anticipated consumption.
- Capital Purchases: Planned upgrades to Mission Square are ongoing; \$2.7 million in unexpended funds will be recommended for carryover to complete the facility repairs and upgrades.
- Debt Service: Debt service is \$1.2 million lower than projected due to fiscal year end accounting for the amortization of bond issuance costs.
- Charges to/from Others: Charges to Others primarily represent the charge out of internal labor and overhead costs to capital projects. This category is \$3 million higher than expected due to an increase in capital project work, resulting in higher reimbursements to the Electric Fund.
- Operating Transfers Out: The operating transfer to the General Fund is budgeted based on projected revenues of the prior fiscal year. Actual FY 2017/18 revenues came in lower than projected, reducing the amount of transfer to the General Fund.

## Water Fund

The Water Fund is stable and includes the first year of the five-year rate plan effective July 1, 2018. Fund reserves are compliant with policy objectives.

## Revenues

FY 2018/19 operating revenues in the Water Fund are \$3.2 million lower than projected.

WATER FUND REVENUES					
Revenue Category	Adopted Budget	Adjusted Budget	Unaudited Actuals	\$ Variance	% Variance
Retail Sales	\$62,487,000	\$62,487,000	\$57,690,458	\$(4,796,542)	-7.7%
Conveyance & Wholesale	5,517,000	5,517,000	4,251,271	(1,265,730)	-22.9%
Other Operating Revenue	1,790,703	1,790,703	2,291,965	501,262	28.0%
Use of Money/Property	5,745,000	5,745,000	8,015,039	2,270,039	39.5%
Other Financing Sources	77,600	77,600	184,591	106,991	137.9%
<b>Total Revenues</b>	<b>\$75,617,303</b>	<b>\$75,617,303</b>	<b>\$72,433,323</b>	<b>\$(3,183,980)</b>	<b>-4.2%</b>

- Retail Sales: Retail sales are 7.7% lower than projected due to higher than anticipated precipitation from October through March.
- Conveyance and Wholesale: Sales and deliveries to Western Municipal Water District (WMWD) have been reduced due to infrastructure repairs, upgrades by WMWD, and less demand from WMWD resulting in revenues coming in \$1.3 million less than projected.
- Other Operating Revenue: This revenue category is \$501,000 higher than projected due to higher than anticipated settlement reimbursement revenue for water treatment costs.
- Use of Money and Property: This revenue category is \$2.3 million higher than projected, with \$875,000 as a result of the fiscal year end adjustment of investments to market value. Contributions in Aid account for another \$1 million in higher revenues; these are new water service charges and required distribution facilities installed by developers.

## Expenditures

Operating expenditures and encumbrances are \$2.2 million less than budgeted.

WATER FUND EXPENDITURES					
Expenditure Category	Adopted Budget	Adjusted Budget	Unaudited Actuals	\$ Variance	% Variance
Personnel	\$22,426,911	\$22,426,911	\$21,645,404	\$(781,507)	-3.5%
Non-Personnel	14,247,873	16,324,282	15,164,339	(1,159,944)	-7.1%
Grants and Capital	2,642,106	2,642,106	2,388,545	(253,561)	-9.6%
Special Programs	345,000	321,080	110,918	(210,162)	-65.5%
Capital Purchases	-	2,263,958	2,255,733	(8,225)	-0.4%
Debt Service	17,814,691	17,725,650	18,185,390	459,740	2.6%
Charges to/from Others	4,878,111	6,179,974	5,901,715	(278,259)	-4.5%
Operating Transfers Out	6,583,600	6,583,600	6,584,300	700	0.0%
<b>Total Expenditures</b>	<b>\$68,938,292</b>	<b>\$74,467,562</b>	<b>\$72,236,344</b>	<b>\$(2,231,218)</b>	<b>-3.0%</b>

- **Personnel:** Personnel savings of \$782,000 are due to staff turnover and a high number of vacancies during the fiscal year.
- **Non-Personnel:** Savings of \$1.2 million is offset by \$909,000 in open purchase order commitments that will be fulfilled in FY 2019/20, and carryover requests of \$606,000 to complete technology projects.
- **Debt Service:** Debt service is \$460,000 higher than projected due to unbudgeted fiscal year end accounting entries related to debt service activity. This activity caused total spending for the fund to exceed its operating budget after carryovers and open purchase orders, despite savings in other categories.

**INTERFUND AND INTERDEPARTMENTAL TRANSFERS; SUPPLEMENTAL APPROPRIATION REQUESTS**

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Riverside Municipal Code Sec. 1104 requires the affirmative vote of at least five City Council members to authorize the transfer of appropriations between City funds and to authorize supplemental appropriations. Certain interfund or interdepartmental transfers are required to effectuate the intent of previous actions of the City Council, the impacts of which may not be known at the time the action is taken. Other transfers are requested by departments for operational purposes.

The requested transfers and supplementals detailed in Attachment 2 consist of the transfer of grants and capital projects from the General Fund to other appropriate funds, as well as some clean-up activity related to the right sizing of the General Fund. Summary of transfers and supplemental requests recommended for Council approval:

<b>INTERFUND TRANSFERS AND SUPPLEMENTAL APPROPRIATIONS</b>			
<b>Fund</b>	<b>Revenue</b>	<b>Expense</b>	<b>Net Increase/ (Decrease)</b>
101 - General Fund	\$36,497	\$(334,195)	\$370,692
215 - Grants and Restricted Programs	(151,744)	242,644	(394,388)
401 – Capital Projects Fund	387,471	518,883	(131,412)
<b>Total Budget Adjustments</b>	<b>\$272,224</b>	<b>\$427,332</b>	<b>\$(155,108)</b>

**CARRYOVER OF UNEXPENDED FY 2018/19 FUNDS**

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Unexpended FY 2018/19 funds are available for carryover and spending in FY 2019/20. Restricted funds designated for specific spending purposes are required to be carried over (e.g. such as donated, trust, and intergovernmental funds). Discretionary carryover requests include expenditures approved by City Council during FY 2018/19 but were not not encumbered prior to fiscal year end. Summary of carryover requests recommended for Council approval:

<b>CARRYOVER REQUESTS – ALL CITY FUNDS</b>			
<b>Fund Type</b>	<b>Discretionary</b>	<b>Restricted Purpose</b>	<b>Total</b>
101 - General Fund	\$3,003,563	\$ 1,517,335	\$4,520,898
110 - Measure Z Operating	14,249,562		14,249,562
2xx - Special Revenue Funds	842,631	8,189,661	9,032,292
4xx – Capital Project Funds	2,015,538	572,643	2,588,181
51x - Electric Funds	6,046,620		6,046,620
52x - Water Funds	1,022,380		1,022,380
540 – Refuse Fund	972,027		972,027
5xx – Other Enterprise Funds	3,444		3,444
6xx – Internal Service Funds	203,179		203,179
<b>Total Carryover Requests</b>	<b>\$ 28,358,944</b>	<b>\$10,279,639</b>	<b>\$38,638,583</b>

**FISCAL IMPACT:**

The General Fund ended FY 2018/19 in better condition than projected, with revenues outperforming projections, and savings in nearly all expenditure categories. As a result, the City is able to achieve the aspirational 20% General Fund reserve goal and end the year with \$4.4 million in surplus reserves.

The Enterprise Funds (Sewer, Refuse, Electric and Water) are operating either as expected, or better than expected as a result of debt refinancing and rate updates. The Sewer and Refuse funds are undergoing operational and financial reviews which will guide future discussions on the long-term strategy for these funds.

The approval of interfund and interdepartmental transfers of in the amount of \$384,571 and related supplemental appropriations in the same amount will result in a net budget increase of \$2,900 across City funds.

There is no fiscal impact for the approval of carryovers because the funding has already been earmarked for a specific purpose and was adopted and approved by the City Council in June 2018.

Prepared by: Marie Ricci, Assistant Chief Financial Officer  
 Approved as to availability of funds: Edward Enriquez, Chief Financial Officer/City Treasurer  
 Approved by: Carlie Myers, Deputy City Manager

- Attachments:
1. General Fund Revenue and Expenditure Detail Analysis
  2. Transfers, Adjustments and Appropriations
  3. Carryover of Unexpended Funds
  4. Measure Z
  5. Presentation

**Budget Transfers, Adjustments, and Supplemental Appropriation Requests  
Fiscal Year 2018/19 Fourth Quarter Financial Report Requests for Council Approval**

Fund	Department/Account	Revenue	Expense	Increase (Decrease) in Reserves	
<b>Interfund Transfers: General Fund (101) to Grants and Restricted Programs Fund (215)</b>					
General Fund restructuring was approved by Council in concept on January 22, 2019 in First Quarter report, with subsequent disclosure as to exact transactions in subsequent quarterly reports. The following summary by fund and department lists transfer of revenues and expenditures related to grants and restricted funds from the General Fund to the Grants and Restricted Programs Fund.					
101	General Fund	35 Fire	36,497	(155,900)	192,397
101	General Fund	52 Parks, Recreation & Comm Svcs	-	(43,983)	43,983
<b>General Fund Impact</b>			<b>36,497</b>	<b>(199,883)</b>	<b>236,380</b>
215	Grants and Restricted Programs	35 Fire	(198,644)	198,644	(397,288)
215	Grants and Restricted Programs	52 Parks, Recreation & Comm Svcs	46,900	44,000	2,900
<b>Grants and Restricted Programs Fund Impact</b>			<b>(151,744)</b>	<b>242,644</b>	<b>(394,388)</b>
<b>Total Impact of Budget Adjustment</b>			<b>(115,247)</b>	<b>42,761</b>	<b>(158,008)</b>

**Interfund Transfers: General Fund (101) to Capital Projects Fund (401)**

General Fund restructuring was approved by Council in concept on January 22, 2019 in First Quarter report, with subsequent disclosure as to exact transactions in subsequent quarterly reports. The following summary by fund and department lists transfer of revenues and expenditures related to capital projects from the General Fund to the Capital Projects Fund.

101	General Fund	22 General Services	-	(87,050)	87,050
101	General Fund	41 Public Works	-	(65,000)	65,000
101	General Fund	52 Parks, Recreation & Comm Svcs	-	(331,018)	331,018
101	General Fund	72 Non-Departmental	-	348,756	(348,756)
<b>General Fund Impact</b>			<b>-</b>	<b>(134,312)</b>	<b>134,312</b>
401	Capital Projects Fund	00 Balance Sheet / Revenue	340,571	-	340,571
401	Capital Projects Fund	22 General Services	-	87,050	(87,050)
401	Capital Projects Fund	35 Fire	-	(8,185)	8,185
401	Capital Projects Fund	41 Public Works	-	65,000	(65,000)
401	Capital Projects Fund	52 Parks, Recreation & Comm Svcs	46,900	375,018	(328,118)
<b>Grants and Restricted Programs Fund Impact</b>			<b>387,471</b>	<b>518,883</b>	<b>(131,412)</b>
<b>Total Impact of Budget Adjustment</b>			<b>387,471</b>	<b>384,571</b>	<b>2,900</b>

**Previously Approved Supplemental Appropriations  
Fiscal Year 2018/19**

Fund	Description	Approval Date	Revenue	Expense	Increase (Decrease) in Reserves
<b>101 General Fund</b>					
	City Attorney's Office Tenant Improvements	01/08/19	135,651	135,651	-
	Parks & Recreation Vending Machine Revenues	10/23/18	3,303	3,303	-
	Police Dept Corona Helicopter Agreement	07/10/18	100,000	100,000	-
	Library Internet Services - Califa Agreement	07/24/18	150,000	150,000	-
	Aquatics Program reimbursement, Red Cross & swim fees	03/12/19	21,120	21,120	-
	Sharp Electronics Corp receipt / early termination fee	04/09/19	80,883	80,883	-
	Aquatics Centennial Program	04/16/19	21,120	21,120	-
	Sharp Electronics Corp rebate / early termination fee	05/14/19	11,202	11,202	-
	Mutual Aid Reimbursements	06/18/19	1,100,000	1,100,000	-
<b>Additional Appropriations Approved by City Council</b>			<b>1,623,279</b>	<b>1,623,279</b>	<b>-</b>
<b>Additional Appropriations from Donations</b>			<b>517,411</b>	<b>517,411</b>	<b>-</b>
<b>Additional Appropriations from Grants</b>			<b>324,237</b>	<b>324,237</b>	<b>-</b>
<b>General Fund Total</b>			<b>2,464,926</b>	<b>2,464,926</b>	<b>-</b>
<b>110 Measure Z Operating</b>					
	Museum Phase 1	04/23/19	-	99,220	(99,220)
	Public Safety Engagement Team	04/02/19	-	3,451,126	(3,451,126)
<b>Additional Appropriations Approved by City Council</b>			<b>-</b>	<b>3,550,346</b>	<b>(3,550,346)</b>
<b>Measure Z Operating Fund Total</b>			<b>-</b>	<b>3,550,346</b>	<b>(3,550,346)</b>
<b>205 UASI</b>					
<b>Additional Appropriations from Grants</b>			<b>2,481,000</b>	<b>2,481,000</b>	<b>-</b>
<b>UASI Fund Total</b>			<b>2,481,000</b>	<b>2,481,000</b>	<b>-</b>
<b>215 Grants and Restricted Programs Fund</b>					
	Downtown Safety Ambassador Program	07/11/17	50,000	50,000	-
	Post-Release Accountability and Compliance Team (PACT)	11/13/18	215,000	215,000	-
<b>Additional Appropriations Approved by City Council</b>			<b>265,000</b>	<b>265,000</b>	<b>-</b>
<b>Additional Appropriations from Grants</b>			<b>15,249,970</b>	<b>15,249,970</b>	<b>-</b>
<b>Grants and Restricted Programs Fund Total</b>			<b>15,514,970</b>	<b>15,514,970</b>	<b>-</b>

**Previously Approved Supplemental Appropriations  
Fiscal Year 2018/19**

Fund	Description	Approval Date	Revenue	Expense	Increase (Decrease) in Reserves
<b>223 Development Grants Fund</b>					
	Additional Appropriations from Grants		4,639,926	4,639,926	-
<b>Development Grants Fund Total</b>			<b>4,639,926</b>	<b>4,639,926</b>	<b>-</b>
<b>240 Air Quality Improvement Fund</b>					
	Bus Pass Program Replenishment	09/22/09	-	210,576	(210,576)
	Natural Gas Vactor Trucks	04/23/19	-	531,843	(531,843)
	<b>Additional Appropriations Approved by City Council</b>		<b>-</b>	<b>742,419</b>	<b>(742,419)</b>
<b>Air Quality Improvement Fund Total</b>			<b>-</b>	<b>742,419</b>	<b>(742,419)</b>
<b>280 Housing Authority Fund</b>					
	Riverside Cedar Glenn II Project	07/02/18	-	600,000	(600,000)
	Love Your Neighbor and Housing First Initiatives	05/07/19	-	2,000,000	(2,000,000)
	<b>Additional Appropriations Approved by City Council</b>		<b>-</b>	<b>2,600,000</b>	<b>(2,600,000)</b>
<b>Housing Authority Fund Total</b>			<b>-</b>	<b>2,600,000</b>	<b>(2,600,000)</b>
<b>390 General Debt Service Fund</b>					
	Transfer Capital Lease Proceeds to Measure Z Fund	04/10/19	-	3,564,715	(3,564,715)
	New Main Library Debt Obligation	02/05/19	-	37,802,770	(37,802,770)
	Correct charges to Community Service Districts	06/18/19	-	2,000	(2,000)
	<b>Additional Appropriations Approved by City Council</b>		<b>-</b>	<b>41,369,485</b>	<b>(41,369,485)</b>
<b>General Debt Service Fund Total</b>			<b>-</b>	<b>41,369,485</b>	<b>(41,369,485)</b>
<b>401 Capital Outlay Fund</b>					
	Operating transfer to General Fund to return unexpended FY 2017/18 funds not approved to be carried over.	01/22/19	-	204,200	(204,200)
	GIS Project	01/08/19	2,032,610	2,032,610	-
	<b>Additional Appropriations Approved by City Council</b>		<b>2,032,610</b>	<b>2,236,810</b>	<b>(204,200)</b>
<b>Capital Outlay Fund Total</b>			<b>2,032,610</b>	<b>2,236,810</b>	<b>(204,200)</b>
<b>413 Regional Park Special Capital Improvements Fund</b>					
	San Andreas Avenue Drainage and Site Improvements	10/16/18	-	300,000	(300,000)
	<b>Additional Appropriations Approved by City Council</b>		<b>-</b>	<b>300,000</b>	<b>(300,000)</b>
<b>Regional Park Special Capital Improvements Fund Total</b>			<b>-</b>	<b>300,000</b>	<b>(300,000)</b>

**Previously Approved Supplemental Appropriations  
Fiscal Year 2018/19**

Fund	Description	Approval Date	Revenue	Expense	Increase (Decrease) in Reserves
<b>420</b>	<b>Measure Z - Capital Projects Fund</b>				
	Transfer revenues and budgeted appropriations from Measure Z Operating funds into a Measure Z capital project account.	03/26/19	88,020	88,020	-
	New Main Library Debt financing and construction costs	02/05/19	37,802,770	37,802,770	-
	Street Improvements	04/23/19	-	1,500,000	(1,500,000)
	<b>Additional Appropriations Approved by City Council</b>		<b>37,890,790</b>	<b>39,390,790</b>	<b>(1,500,000)</b>
<b>Measure Z - Capital Projects Fund Total</b>			<b>37,890,790</b>	<b>39,390,790</b>	<b>(1,500,000)</b>
<b>430</b>	<b>Capital Outlay - Grants Fund</b>				
	<b>Additional Appropriations from Grants</b>		<b>350,000</b>	<b>350,000</b>	<b>-</b>
<b>Capital Outlay - Grants Fund Total</b>			<b>350,000</b>	<b>350,000</b>	<b>-</b>
<b>434</b>	<b>Transportation Uniform Mitigation Fee Fund</b>				
	3rd Street Grade Separation	07/24/18	4,000,000	4,000,000	-
	Iowa Avenue Widening	02/05/19	80,000	80,000	-
	Van Buren Boulevard Widening	02/05/19	160,000	160,000	-
	<b>Additional Appropriations Approved by City Council</b>		<b>4,240,000</b>	<b>4,240,000</b>	<b>-</b>
<b>Transportation Uniform Mitigation Fee Fund Total</b>			<b>4,240,000</b>	<b>4,240,000</b>	<b>-</b>
<b>510</b>	<b>Electric Fund</b>				
	Mission Square cooling Towers	08/28/18	-	400,000	(400,000)
	Energy Power Supply due to higher costs	05/07/19	-	7,000,000	(7,000,000)
	Customer Information System Disaster Recovery Project	06/04/19	-	1,967,000	(1,967,000)
	<b>Additional Appropriations Approved by City Council</b>		<b>-</b>	<b>9,367,000</b>	<b>(9,367,000)</b>
<b>Electric Fund Total</b>			<b>-</b>	<b>9,367,000</b>	<b>(9,367,000)</b>
<b>520</b>	<b>Water Fund</b>				
	Potable Water Emergency Interconnection with City of Norco	04/09/19	-	340,000	(340,000)
	<b>Additional Appropriations Approved by City Council</b>		<b>-</b>	<b>340,000</b>	<b>(340,000)</b>
<b>Water Fund Total</b>			<b>-</b>	<b>340,000</b>	<b>(340,000)</b>

**Previously Approved Supplemental Appropriations  
Fiscal Year 2018/19**

Fund	Description	Approval Date	Revenue	Expense	Increase (Decrease) in Reserves
<b>530</b>	<b>Airport Fund</b>				
	Terminal Patio Deck	02/26/19	-	33,274	(33,274)
	CCTV Upgrade	03/12/19	71,880	71,880	-
	Emergency and Facility Maintenance	03/12/19	106,300	106,300	-
	FAA Grant Compliance	03/12/19	40,827	40,827	-
	Mead & Hunt, Inc. - redesignation of airport property	05/14/19	-	64,502	(64,502)
	<b>Additional Appropriations Approved by City Council</b>		<b>219,007</b>	<b>316,783</b>	<b>(97,776)</b>
<b>Airport Fund Total</b>			<b>219,007</b>	<b>316,783</b>	<b>(97,776)</b>
<b>550</b>	<b>Sewer Fund</b>				
	Natural Gas Vactor Trucks	04/23/19	-	813,686	(813,686)
	Lease Agreement for employee parking	11/13/18	80,000	80,000	-
	Community Service District Reimbursements	06/18/19	-	2,500,000	(2,500,000)
	<b>Additional Appropriations Approved by City Council</b>		<b>80,000</b>	<b>3,393,686</b>	<b>(3,313,686)</b>
<b>Sewer Fund Total</b>			<b>80,000</b>	<b>3,393,686</b>	<b>(3,313,686)</b>
<b>581</b>	<b>Entertainment Fund</b>				
	The Box - Marketing plan development and implementation	02/26/19	-	25,000	(25,000)
	<b>Additional Appropriations Approved by City Council</b>		<b>-</b>	<b>25,000</b>	<b>(25,000)</b>
<b>Entertainment Fund Total</b>			<b>-</b>	<b>25,000</b>	<b>(25,000)</b>
<b>650</b>	<b>Central Garage Fund</b>				
	Design Build Agreement - Public Vehicle Fueling Facility	07/02/19	-	658,858	(658,858)
	<b>Additional Appropriations Approved by City Council</b>		<b>-</b>	<b>658,858</b>	<b>(658,858)</b>
<b>Central Garage Fund Total</b>			<b>-</b>	<b>658,858</b>	<b>(658,858)</b>
<b>Year-To-Date Total (All Funds)</b>			<b>69,913,229</b>	<b>133,981,999</b>	<b>(64,068,771)</b>

# Carryovers - Discretionary

Fiscal Year 2018/19 to 2019/20

Department	Description	Amount
<b>General Fund (101)</b>		
City Attorney's Office	Approved position # 130310001, not previously budgeted	87,663
Community & Economic Development (CEDD)	GrowRiverside	25,000
Fire	Correct personnel budget system error related to Fire calendar	574,000
Citywide	Collective Bargaining Consultant	91,047
Innovation & Technology	TOAD Software license compliance	49,853
Citywide	Additional PCM Impacts based on actual revenues	2,176,000
<b>Total General Fund</b>		<b>3,003,563</b>
<b>Measure Z (110)</b>		
Multiple	Public Safety Engagement Team	3,429,435
CEDD	General Plan Update	3,466,581
CEDD	Homeless Services	806,606
Fire	Correct personnel budget system error related to Fire calendar	200,000
Fire	Correct personnel budget system error related to Fire calendar	140,000
Fire	Fire Vehicle Replacement (Lease Proceeds)	755,004
Fire	Fire Vehicle Replacement	348,413
Fire	Fire Equipment and One-Time Operating Needs	189,527
Fire	Fire Radios	568,231
Innovation & Technology	Technology Improvements	2,599,991
Police	Police Officer Lateral Hire Incentives & vacation accruals	314,311
Police	PD Vehicle Replacement and Maintenance Plan	412,930
Public Works	Tree Trimming	1,018,534
<b>Total Measure Z Fund</b>		<b>14,249,562</b>
<b>Gas Tax Fund (230)</b>		
Public Works	Railroad Project Management	339,051
Public Works	Pavement Management	51,334
<b>Total Gas Tax Fund</b>		<b>390,385</b>
<b>AQMD Fund (240)</b>		
Public Works	Computronix	100,000
Public Works	Computronix	103,049
Public Works	Rule 2202 Compliance	32,238
Public Works	RCTC Grant Matching Funds	34,907
Public Works	Emission Reduction Program	40,000
<b>Total AQMD Fund</b>		<b>310,194</b>

# Carryovers - Discretionary

Fiscal Year 2018/19 to 2019/20

Department	Description	Amount
<b>NPDES Storm Drain Fund (260)</b>		
Public Works	Tequesquite Creek Environmental Review Services	41,528
Public Works	Bacteria TMDL Projects	50,000
Public Works	Trash Policy Implementation Plan	50,026
<b>Total NPDES Storm Drain Fund</b>		<b>141,554</b>
<b>Housing Authority Fund (280)</b>		
CEDD	Collective Bargaining Consultant	499
<b>Total Housing Authority Fund</b>		<b>499</b>
<b>Storm Drain Fund (410)</b>		
Public Works	Sycamore Canyon Business Park Habitat Restoration	5,498
<b>Total Storm Drain Fund</b>		<b>5,498</b>
<b>Measure A Fund (432)</b>		
Public Works	Railroad Project Management	2,010,040
<b>Total Measure A Fund</b>		<b>2,010,040</b>
<b>Electric Fund (510)</b>		
Electric	General Services Dept request	64,140
Electric	ODMS Technology project	661,750
Electric	AMI Technology project	243,640
Electric	Ongoing and planned technology projects included and approved by rate plan.	312,000
Electric	Mission Square Cooling Tower Replacement	74,483
Electric	Mission Square Elevator Modernization	195,285
Electric	Mission Square garage EV Stations	100,000
Electric	Mission Square convert ground space to retail	237,798
Electric	Mission Square New Boilers	150,000
Electric	Electric share of FY 2017/18 technology projects included in the Measure Z spending plan	533,308
Electric	CIS Disaster Recovery Project	1,967,000
Electric	Replace unsupported NCR Machine & Software	166,756
Electric	Dark Fiber leasing program	600,000
Electric	RPU Grid Control Center SOP and Training	223,067
Electric	Utility Line Clearance & Vegetation Management	205,261
Electric	University Substation Reliability Study	32,929
Electric	Collective Bargaining Consultant	28,393
<b>Total Electric Fund</b>		<b>5,795,810</b>
<b>Electric-Public Benefit Progs Fund (511)</b>		
Electric	Photovoltaic Incentives	250,000
Electric	Collective Bargaining Consultant	810
<b>Total Electric-Public Benefit Progs Fund</b>		<b>250,810</b>

# Carryovers - Discretionary

Fiscal Year 2018/19 to 2019/20

Department	Description	Amount
<b>Water Fund (520)</b>		
Water	Heavy equipment	8,225
Water	Logout/Tagout written procedures	67,000
Water	ODMS Technology project	371,000
Water	Ongoing and planned technology projects included and approved by rate plan.	168,000
Water	Water share of FY 2017/18 technology projects included in the Measure Z spending plan	199,626
Water	Collective Bargaining Consultant	9,662
<b>Total Water Fund</b>		<b>823,513</b>
<b>Water Conservation Fund (521)</b>		
Water	Casa Blanca CRC Waterwise Garden Revitalization	198,742
Water	Collective Bargaining Consultant	125
<b>Total Water Conservation Fund</b>		<b>198,867</b>
<b>Airport Fund (530)</b>		
General Services	Collective Bargaining Consultant	436
<b>Total Airport Fund</b>		<b>436</b>
<b>Refuse Fund (540)</b>		
Public Works	R3 Consultant	425,899
Public Works	Compressor Project at Landfill	212,128
Public Works	Street Sweepers for Solid Waste Operations	334,000
<b>Total Refuse Fund</b>		<b>972,027</b>
<b>Special Transit Fund (560)</b>		
Parks, Recreation & Community Services (PRCS)	Collective Bargaining Consultant	3,008
<b>Total Special Transit Fund</b>		<b>3,008</b>
<b>Central Stores Fund (640)</b>		
Utilities	Collective Bargaining Consultant	499
<b>Total Central Stores Fund</b>		<b>499</b>
<b>Central Garage Fund (650)</b>		
General Services	Automotive Equipment	200,000
General Services	Collective Bargaining Consultant	2,680
<b>Total Central Garage Fund</b>		<b>202,680</b>

# Restricted Purpose Carryovers

Fiscal Year 2018/19 to 2019/20

Department	Description	Amount
<b>General Fund (101)</b>		
City Manager	PEG (Public, Educational, or Governmental access)	44,083
CEDD	Donations for Hulen Pet Shelter	520
CEDD	SB-1186 Certified Access Specialist Training	151,538
CEDD	Seismic Education Training & Supplies	6,937
CEDD	Homeless Campus (DPSS restrictions)	144,824
Fire	Kiwanis Club Donation	306
Library	Donations from various trusts for Library materials	28,681
Library	New Main Library opening day collections	120,000
Library	Donations from Friends of the Library & Riverside Public Library Founde	115,226
Library	Measure I	18,771
Museum	Endowment fund for botany exhibit	61,393
Museum	Donated funds for California Naturalist classes	2,341
Parks, Recreation & Community Services (PRCS)	Maintenance endowment fund	22,933
PRCS	Donations for Riverside School for the Arts	900
Police	Asset Forfeiture	826,697
Police	K9 Trust	(27,814)
<b>Total General Fund</b>		<b>1,517,335</b>
<b>Grants and Restricted Programs Fund (215)</b>		
CEDD	Downtown Safety Ambassador Program	15,490
Fire	Rancho Santiago Instructional Service Agreement (ISA)	(11,630)
Fire	Certified Unified Program Agencies (CUPA)	155
Museum	Historic Preservation	866
PRCS	Operation Splash	80,378
<b>Total Grants and Restricted Programs Funds</b>		<b>85,260</b>
<b>CDBG Fund (220)</b>		
CEDD	Unprogrammed Funds	631,717
CEDD	Mercy House Living Centers	1,621
CEDD	Mircro Enterprise Training	50,000
CEDD	Casa Blanca Hm Neighborly Svcs	3,936
CEDD	Stepup Riverside Program	5,119
<b>Total CDBG Fund</b>		<b>692,393</b>
<b>Home Investment Partnership Program Fund (221)</b>		
CEDD	Home Front at Camp Anza	23
CEDD	Unprogrammed Funds	637,590
CEDD	Citywide Housing Rehab	452,903
CEDD	First Time Homebuyer	11,580
CEDD	Acquisition/Rehab/Sale	81,537
CEDD	Home Buyer Asst Mission Villg	94,000
CEDD	11502 Anacapa Place	354,726
CEDD	1725 Seventh St. Proj	22,469
CEDD	Mulberry Village	884,250

# Restricted Purpose Carryovers

Fiscal Year 2018/19 to 2019/20

Department	Description	Amount
CEDD	Tenant Based Rental Assist	172,526
<b>Total Home Investment Partnership Program Fund</b>		<b>2,711,602</b>

## Housing Opportunities for Persons w/ Aids Fund (222)

CEDD	Riverside Co Housing Authority	335,226
<b>Total Housing Opportunities for Persons w/ Aids Fund</b>		<b>335,226</b>

## Development Grants Fund (223)

CEDD	Unprogrammed Grant Funds	423,304
<b>Total Development Grants Fund</b>		<b>423,304</b>

## Neighborhood Stabilization Program Fund (225)

CEDD	Unprogrammed Grant Funds	60,969
<b>Total Neighborhood Stabilization Program Fund</b>		<b>60,969</b>

## Housing Authority Fund (280)

CEDD	Tiny Homes	5,707
CEDD	Entrada Housing Project	(244,221)
CEDD	1705 and 1733 7th St. Apartments	1,677
CEDD	1740 Loma Vista Apartments	576,155
CEDD	3943 10th - HA	133
CEDD	HA Property Management	7,449
CEDD	3015 Redwood Dr.	2,750
CEDD	7th St. Conceptual Plan	5,147
CEDD	Lime & 4th Street	9,897
CEDD	3753 Myers St.	1,598
CEDD	3893 3rd St.	147
CEDD	4350 La Sierra Project Improvements	10,371
CEDD	2550 14th St.	3,765
CEDD	2719 11th St.	430
CEDD	2882 Mission Inn	116
CEDD	11049 Bogart	73
CEDD	6835 Capistrano Way	22
CEDD	3842 2nd St.	1,752
CEDD	11502 Anacapa Place	6,929
CEDD	Kosmont and Associates	44,857
CEDD	4941 Bushnell Avenue	261
CEDD	3337-3339 Fifth Street	150,736
CEDD	Housing First	12,443
CEDD	Cedar Glen II Project	600,000
CEDD	St. Michaels Housing Project	2,000,000
CEDD	3337-3359 5th Street	12,570
CEDD	1725 7th Street	12,123
<b>Total Housing Authority Fund</b>		<b>3,222,884</b>

# Restricted Purpose Carryovers

Fiscal Year 2018/19 to 2019/20

Department	Description	Amount
<b>Special District Fund (291)</b>		
PRCS	Village at Canyon Crest	200,194
Public Works	Riverwalk Landscape District Parks	100,745
Public Works	Riverwalk Landscape District Surplus	357,084
<b>Total Special District Fund</b>		<b>658,023</b>
<b>Redevelopment Successor Agency 2007 Bonds Fund (480)</b>		
CEDD	Villegas Park Construction	54,034
CEDD	Brown Room Renovation	51,997
CEDD	Unprogrammed 2007 Taxable Bonds	466,611
<b>Total Redevelopment Successor Agency 2007 Bonds Fund</b>		<b>572,643</b>

## Attachment 1: General Fund Revenue and Expenditures Detail Analysis

### **REVENUE**

Of the City's General Fund revenues, Sales and Use Tax, Property Tax, Utility Users Tax, Transient Occupancy Tax, and the General Fund Transfer comprise nearly 80% of all General Fund revenues. During the development of the FY 2018-2020 Budget, signs of a slowing economy led to the assumption that these major revenue sources were expected to continue the 1% decline in growth rate seen in FY 2017/18 as compared to FY 2016/17. The Adopted Budget projected a 2% growth in FY 2018/19 and 1% growth in FY 2019/20. In comparison, the General Fund's major revenues are estimated to end FY 2018/19 with a 5% growth over FY 2017/18.

The following table provides a five-year historical view of the actual revenues generated by each of these sources by year.

<b>GENERAL FUND MAJOR REVENUES FIVE-YEAR HISTORY (in millions)</b>							
<b>Fiscal Year</b>	<b>Property Tax</b>	<b>Sales Tax</b>	<b>Transient Occupancy Tax</b>	<b>Utility Users Tax</b>	<b>General Fund Transfer</b>	<b>Total</b>	<b>Growth over Prior Year</b>
FY 2014/15	\$54.2 M	\$59.4 M	\$5.3 M	\$28.1 M	\$45.3 M	\$192.2 M	5%
FY 2015/16	55.5 M	61.0 M	6.1 M	27.8 M	44.8 M	195.2 M	2%
FY 2016/17	59.5 M	63.3 M	6.6 M	28.0 M	44.9 M	202.3 M	4%
FY 2017/18	63.5 M	64.1 M	6.8 M	27.5 M	46.2 M	208.2 M	3%
FY 2018/19	69.3 M	68.4 M	7.2 M	28.0 M	46.5 M	219.3 M	5%

In FY 2018/19, Sales Tax posted a 7% growth rate over FY 2017/18, as compared to a 1% growth rate in FY 2017/18 over the prior year. A change in sales tax reporting at the State level resulted in FY 2017/18 revenues being delayed and reported in FY 2018/19. However, the two-year increase (FY 2016-2018) constitutes an average 4% annual growth since FY 2016/17, which is 3% higher than the projected annual increase in sales tax at the time of budget adoption. When smoothing out the Sales Tax effect, the General Fund's major revenue sources still present a strong 4% growth rate over FY 2017/18.

In June 2019, the City Council approved amendments to the FY 2019/20 Adopted Budget based on analysis performed as of December 31, 2018. Due to the uncertainty in Sales Tax trends and consultant projections of a decline in FY 2019/20, the Sales Tax revenue estimate was not adjusted. The \$2 million net adjustment to other FY 2019/20 major revenue sources resulted in a 0% increase over FY 2018/19 actuals; further adjustments based on FY 2018/19 actual results may be recommended in the FY 2019/20 quarterly financial reports.

**FY 2019/20 BUDGET ADJUSTMENTS TO MAJOR REVENUE SOURCES**

Revenue Category	% Adjustment	Basis for Adjustment
Property Tax	3.9%	Based on strong trends in RPTTF receipts through the second quarter of FY 2018/19.
Transient Occupancy Tax	-6.1%	Based on known hotel renovations and building timeline of new hotels.
General Fund Transfer	-0.7%	Based on audited FY 2017/18 revenues.

Staff is currently preparing revenue and expenditure estimates for the FY 2020-2022 Two-Year Budget. These estimates will consider new trends in revenues through FY 2018/19, as well as trends to date in FY 2019/20. Based on the strong growth of FY 2018/19 major revenue sources, preliminary analysis indicates a modest improvement in projected revenues for future fiscal years as compared to revenue estimates presented in June 2019 update of the General Fund Five-Year Plan.

**GENERAL FUND REVENUES**

Revenue Category	Adopted Budget	Adjusted Budget	Unaudited Actuals	\$ Variance	% Variance
Property Tax	\$65,279,094	\$67,448,094	\$69,343,002	\$1,894,908	2.8%
Sales Tax	65,504,489	67,004,489	68,359,219	1,354,730	2.0%
General Fund Transfer	47,289,000	46,470,000	46,470,700	700	0.0%
Utility Users Tax	28,088,440	28,088,440	28,009,294	(79,146)	-0.3%
Charges for Services	17,395,143	16,530,256	16,290,662	(239,594)	-1.4%
Measure Z	13,238,623	13,238,623	13,238,623	(0)	0.0%
Licenses and Permits	10,188,247	10,188,247	10,357,495	169,248	1.7%
Transient Occupancy	7,300,447	6,950,447	7,163,420	212,973	3.1%
Use of Money/Property	5,732,349	5,498,937	6,166,439	667,503	12.1%
Franchise Fees	4,726,826	4,726,826	5,256,478	529,652	11.2%
Intergovernmental	1,856,184	3,701,359	3,465,870	(235,489)	-6.4%
Fines and Forfeitures	1,808,500	1,208,500	2,077,376	868,876	71.9%
Other Transfers In	900,000	1,209,092	1,833,406	624,314	51.6%
Special Assessments	504,727	504,727	535,490	30,763	6.1%
Other Financing Sources	68,040	68,040	101,060	33,020	48.5%
<b>Total Revenues</b>	<b>\$269,880,109</b>	<b>\$272,836,077</b>	<b>\$278,668,535</b>	<b>\$5,832,458</b>	<b>2.1%</b>

FY 2018/19 ended with a 2.1% increase (\$5.8 million) in total General Fund revenues.

- Property Tax: Property Tax excluding the RPTTF grew 5.8% over the prior year in response to a healthy housing market; actual revenues are \$831,000 higher than projected. The RPTTF is \$2.5 million (38.9%) higher than prior year, consistent with the growth rates of the previous two years. RPTTF revenues are \$1.1 million higher than projected.

RPTTF revenues are comprised of:

- ▶ Tax increment – The amount of property tax generated from the current assessed value of the property as compared to the valuation when the property was under the Redevelopment Agency (RDA).
- ▶ City ROPS (Required Obligation Payment Schedule) – As the obligations of the City’s Successor Agency to the RDA are paid down, revenues that were previously needed to pay these obligations are released to the County pool and redistributed resulting in larger distributions of residual tax increment.

- Sales Tax: Sales tax projections were upgraded 2.3% during the fiscal year in response to strong revenue performance through the second quarter. By fiscal year end, actual sales revenue returned a more robust 7% growth rate over the previous fiscal year. Part of the unanticipated growth is attributable to “catch-up” payments resulting from the State’s prior year change in the reporting system, although the total impact of this issue is not readily identifiable.
- Franchise Fees: Franchise fees were projected to remain relatively flat based on historical trends and a decline in AT&T Cable; actual revenues are up 5.7% over the prior year, with an 8.2% increase in other Cable TV and refuse collections offsetting an 11% decrease in AT&T Cable.
- Fines & Forfeitures: Customary revenue reductions related to citations and neglected property abatement were not recorded this year due to a lack of information available from the County. The County upgraded a financial system and have been unable to provide adequate reporting. The write-offs may be deferred to FY 2019/20, reducing next year’s revenues by as much as \$500,000.
- Use of Money/Property: Interest revenue came in higher than projected due to rebalancing of the investment portfolio. This category also includes a \$427,000 accounting adjustment of investments to market value; this type of adjustment is not budgeted because the revenue is not realized until investments are sold.
- Operating Transfers In: Revenues are higher in this category due to the unbudgeted transfer in of capital lease proceeds to reimburse allowable equipment expenditures.

**EXPENDITURES**

General Fund operating expenditures are \$9 million less than the total budget; approximately \$4.5 million of unexpended funds will be requested to be carried forward to FY 2019/20. “Adjusted Budget” includes the adopted budget, prior year carryovers and encumbrances, budget transfers, and Council-approved supplemental appropriations. Supplemental appropriations approved during FY 2018/19 had no net effect to the General Fund; all supplemental appropriations were fully offset by increased revenues or transfers (Attachment 1). “Unaudited Actuals” includes encumbrances (open purchase orders).

GENERAL FUND EXPENDITURES					
Expenditure Category	Adopted Budget	Adjusted Budget	Unaudited Actuals	\$ Variance	% Variance
Personnel	\$217,743,582	\$218,798,756	\$216,641,695	(\$2,157,061)	-1.0%
Non-Personnel	49,472,435	54,441,304	51,313,267	(3,128,038)	-5.7%
Grants and Capital	1,402,000	3,713,884	1,859,144	(1,854,740)	-49.9%
Special Programs	6,878,627	8,827,476	7,261,073	(1,566,403)	-17.7%
Capital Purchases	231,042	2,945,094	2,495,929	(449,165)	-15.3%
Capital Constr & Improv	173,358	286,305	272,859	(13,446)	-4.7%
Charges to/from Others	(17,059,830)	(18,932,254)	(19,213,852)	(281,597)	1.5%
Operating Transfers Out	9,992,937	13,833,509	14,324,969	491,461	3.6%
<b>Total Expenditures</b>	<b>\$268,834,151</b>	<b>\$283,914,074</b>	<b>\$274,955,083</b>	<b>\$(8,958,990)</b>	<b>-3.2%</b>

- Personnel: The adopted personnel budget represents approximately 81% of the General Fund budget. Actual personnel costs for FY 2018/19 are 79% of total General Fund spending, with a total savings of \$2.2 million.

GENERAL FUND PERSONNEL BY PERSONNEL CATEGORY					
Expenditure Category	Adopted Budget	Adjusted Budget	Unaudited Actuals	\$ Variance	% Variance
Salaries	\$128,349,520	\$128,302,157	\$122,229,742	\$(6,072,415)	-4.7%
Overtime	13,284,304	14,386,841	15,516,545	1,129,704	7.9%
Leave Payouts	3,643,365	3,643,365	5,511,099	1,867,734	51.3%
Insurances	22,587,995	22,587,995	20,608,155	(1,979,840)	-8.8%
Retirement	47,073,668	47,073,668	49,822,373	2,748,705	5.8%
Other	2,804,730	2,804,730	2,953,781	149,051	5.3%
<b>Total Personnel</b>	<b>\$217,743,582</b>	<b>\$218,798,756</b>	<b>\$216,641,695</b>	<b>\$(2,157,061)</b>	<b>-1.0%</b>

- Salaries savings resulted in \$6.1 million savings as a result of the City Manager’s managed hiring initiative and vacancies. All vacant non-sworn positions are subject to review and justification prior to recruitment.
- Leave payouts are a result of transition or retirements and are difficult to anticipate. Vacancy savings offset payout overages throughout the year.
- Retirement costs include a distribution of the CalPERS Unfunded Accrued Liability (UAL) across all budgeted City positions; actual UAL costs are distributed based on the Normal rate for filled positions. The General Fund had a lower vacancy ratio as compared to the position budget ratio, which caused the General Fund to be allocated higher UAL costs than budgeted.

GENERAL FUND PERSONNEL BY DEPARTMENT CATEGORY					
Expenditure Category	Adopted Budget	Adjusted Budget	Unaudited Actuals	\$ Variance	% Variance
Internal Service	\$33,331,951	\$33,312,208	\$31,217,656	\$(2,094,552)	-6.3%
Public Service	44,880,764	44,859,144	40,933,847	(3,925,298)	-8.8%
Public Safety	139,530,867	140,627,404	144,490,192	3,862,789	2.7%
<b>Total Expenditures</b>	<b>\$217,743,582</b>	<b>\$218,798,756</b>	<b>\$216,641,695</b>	<b>\$(2,157,061)</b>	<b>-1.0%</b>

- Internal Service Departments saved \$2.1 million, including \$580,000 savings in the City Manager’s Office (13.2% of department’s Personnel budget) and \$916,000 savings in the Innovation and Technology department (11.4% of department’s Personnel budget) as a result of vacancy savings and lower negotiated salaries for new hires.
- Public Service Departments saved \$3.9 million, including \$1.8 million savings in Community & Economic Development (14.3% of department’s Personnel Budget) and \$1.4 million savings in Public Works (8.6% of the department’s Personnel budget) due to vacant positions and underfills (filling journey level positions at a lower classification in the journey series).
- Public Safety exceeded budget by \$3.9 million, including a \$1.2 million shortfall in the Police Department (1.3% of the department’s Personnel budget) due to leave payouts and a \$2.7 million shortfall in the Fire Department (5.5% of the department’s Personnel budget) due to overtime costs related to mandated staffing levels and higher than anticipated CalPERS costs.
- Non-Personnel: City departments saved \$3.5 million (5.7%) of the total non-personnel budget in FY 2018/19, primarily due to an intensive review and closure of outstanding purchase orders.
- Special Programs: The items in this category include Council or department initiatives, (e.g. Festival of Lights and ShopRiverside); support to external parties (e.g. art organizations); and restricted funds (e.g. donations). Funds that are not restricted are considered discretionary, and savings will roll to fund reserves. The largest sources of unrestricted savings in this category are listed below. The CalPERS fiscal contingency will be directed to the Pension Stability Fund.

Special Program Name	Savings
Community Livability Advocacy	\$225,116
Audit Program	185,000
Fiscal Management	133,538
Fiscal Contingency - CalPERS	132,853
Riverside County Animal Control	114,028
<b>Total</b>	<b>\$790,535</b>

- Operating Transfers Out: Subsidies to the Entertainment Funds were \$399,000 higher than budgeted. Although revenues came in higher than projected, actual spending outpaced the revenue growth, requiring a higher operating subsidy.

### Fund Balance and Reserves

General Fund reserves are calculated as a percentage of the following year’s adopted budget. The FY 2019/20 adopted budget, as amended and approved by City Council on June 18, 2019, is \$280,372,427.

At fiscal year ending June 20, 2018, \$4.5 million in fund reserves was designated for the Pension Stabilization Fund for investment in a Section 115 Trust. Approximately \$416,000 has been contributed directly to Pension Stabilization Fund reserves during the fiscal year, bringing that reserve balance to \$4.9 million.

<b>GENERAL FUND BALANCE AND RESERVES</b>	
	<b>Year-End Projection</b>
<b>Beginning Fund Balance (Audited)</b>	<b>\$68,387,813</b>
<b>FY 2018/19 Activity:</b>	
Revenues	278,668,535
Expenditures	(271,380,616)
Encumbrances	(3,574,467)
Capital Project & Grant Carryovers	(394,609)
Increase in Other Required Reserves	(595,756)
<b>Projected Change in Fund Balance</b>	<b>\$2,723,087</b>
<b>Projected Ending Fund Balance</b>	<b>\$71,110,900</b>
<b>Fund Balance Reserves:</b>	
Policy Reserve Requirement (15%)	\$(42,055,864)
Aspirational Reserve (5%)	(14,018,621)
Pension Stabilization Reserve	(4,915,801)
FY 2019/20 Budgeted Use of Reserves	(1,236,012)
<b>Total Reserves</b>	<b>\$(62,226,298)</b>
<b>Available Fund Balance</b>	<b>\$8,884,602</b>
<b>Requested Carryovers:</b>	
Discretionary	\$(3,003,563)
Restricted Funds	(1,517,335)
<b>Total Carryovers</b>	<b>\$(4,520,898)</b>
<b>Projected Surplus Reserves</b>	<b>\$4,363,704</b>

Approximately \$4.5 million of unexpended funds is requested for carryover into fiscal year 2019/20, including \$3 million in discretionary funds and \$1.5 million in restricted funds. Staff recommendations are Of the \$3 million in requested discretionary funds, approximately

- \$662,000 is requested to correct projected budgeting shortfalls due to budget system errors at the time of budget development; and

- \$2.2 million is requested to fund salary increases that were not projected at the time of budget development. General Fund revenues came in higher than projected, increasing projected salary raises tied to revenue performance known as the Partnership Compensation Model (PCM).

Measure Z Fiscal Year Ending June 30, 2019

Item #	Funding Item	Category	Year 1	Year 2	Year 3 <sup>1</sup>		Year 4	Year 5	Year 6	Year 7	Measure Z Spending Plan (7-Year Totals)	Overview of Item
			FY 2016/17 Actuals	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2018/19 Carryovers	FY 2019/20 Projected	FY 2020/21 Projected	FY 2021/22 Projected	FY 2022/23 Projected		
1	20% General Fund Reserve	Financial Discipline/Responsibility	\$ 5,549,224	\$ 15,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,549,224	Provide funding to increase General Fund Reserve to a minimum of 15%, with an aspirational goal of 20%.
2	Payoff of the Balloon \$32 million Pension Obligation Bond	Financial Discipline/Responsibility	\$ -	\$ 1,706,290	\$ 1,673,554	\$ -	\$ 1,674,490	\$ 1,674,489	\$ 1,674,478	\$ 1,673,062	\$ 10,076,363	Refinance of interest only bond anticipation note (BAN) into a fixed rate pension obligation bond (POB). The revised 10-year financing reflects approximately \$40 million in total principal and interest payments. The total amounts presented are the General Fund portion only. Issued June 2017.
3	Funding for Workers Comp and General Liability	Financial Discipline/Responsibility	\$ -	\$ 2,500,000	\$ 2,500,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,000,000	Contribution to increase Self-Insurance Reserve.
4	Measure Z Spending Contingency	Financial Discipline/Responsibility	\$ -	\$ -	\$ -	\$ -	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 8,000,000	As a new sales tax, Measure Z revenues will take between 6-12 months take shape. Amounts can cover either an overage in expense or a decrease in revenue. On December 19, 2017, the City Council approved a reallocation of FY 2017/18 and FY 2018/19 contingency funds to Archives for the New Main Library - Item #23a.
5	Additional Sworn Police Positions	Public Safety	\$ -	\$ 2,671,321	\$ 5,588,853	\$ -	\$ 8,068,849	\$ 9,662,335	\$ 11,011,488	\$ 11,592,714	\$ 48,595,560	<u>Year 2:</u> Add back 17 sworn officers reduced during FY 2016-2018 Two-Year Budget <u>Year 3:</u> Add 16 additional officers <u>Year 4:</u> Add 14 additional officers <u>Year 5:</u> Add 13 additional officers * 60 total sworn positions. All positions have estimated annual increases for salaries, benefits, etc. corresponding to the applicable Memorandum of Understanding.
6	Public Safety Non-Sworn Positions and Recruitment Costs	Public Safety	\$ -	\$ 450,833	\$ 795,676	\$ -	\$ 1,148,157	\$ 1,203,364	\$ 1,237,364	\$ 1,260,968	\$ 6,096,362	<u>Civilian:</u> Add back all non-sworn Public Safety FY 2016-18 Two-Year budget reductions, including: Records Specialist (2); Sr. Office Specialist (2); Assistant Range Master (0.75); Sr. Police Records Specialist (2); Background Investigator (1.25); Custodian (1); General Service Worker (1); Office Specialist (1). * 11 total civilian positions (non-dispatchers). All positions have estimated annual increases for salaries, benefits, etc. corresponding to the applicable Memorandums of Understanding. <u>Recruitment:</u> Includes vacation bank accruals and testing/background expenditures. <u>HR Analyst:</u> Estimated salary and benefits correspond to the Fringe Benefits & Salaries Plan.
7	Police Officer Lateral Hire Incentives and Recruitment Costs	Public Safety	\$ -	\$ -	\$ 30,049	\$ 314,311	\$ 344,360	\$ 344,360	\$ 354,691	\$ 365,332	\$ 1,753,102	<u>Beginning Year 3:</u> Includes hiring and retention bonuses, vacation bank accruals, and testing/background expenditures.
8	Additional Dispatchers	Public Safety	\$ -	\$ 254,112	\$ 477,694	\$ -	\$ 644,859	\$ 1,024,673	\$ 1,064,317	\$ 1,102,207	\$ 4,567,862	<u>Year 2:</u> Add 3 additional dispatchers <u>Year 3:</u> Add 2 additional dispatchers <u>Year 4:</u> Add 2 additional dispatchers <u>Year 5:</u> Add 2 additional dispatchers * 9 total dispatchers are all "new" positions. All positions have estimated annual increases for salaries, benefits, etc. corresponding to the applicable Memorandums of Understanding.
9	Reinstatement of Fire Squad	Public Safety	\$ 448,496	\$ 838,478	\$ 992,571		\$ 942,565	\$ 1,043,233	\$ 1,110,746	\$ 1,142,054	\$ 6,518,143	Restoration of Fire Squad eliminated in the FY 2016-2018 budget approved by City Council in December 2016. All positions have estimated annual increases for salaries, benefits, etc. corresponding to the applicable Memorandum of Understanding.
10	Reinstatement of Captains (Training and Arson)	Public Safety	\$ 1,504	\$ 522,192	\$ 559,538	\$ 200,000	\$ 385,486	\$ 607,188	\$ 618,926	\$ 630,448	\$ 3,525,282	Estimates include annual increases for salaries, benefits, etc. corresponding to the applicable Memorandum of Understanding. <b>Plan updated to resolve budget shortfall resulting from incorrect Fire Calendar application in budget system.</b>

<sup>1</sup> Actual amounts presented are unaudited. Carryover amounts are staff recommendations and are subject to Council approval.

Measure Z Fiscal Year Ending June 30, 2019

Item #	Funding Item	Category	Year 1	Year 2	Year 3 <sup>1</sup>		Year 4	Year 5	Year 6	Year 7	Measure Z Spending Plan (7-Year Totals)	Overview of Item
			FY 2016/17 Actuals	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2018/19 Carryovers	FY 2019/20 Projected	FY 2020/21 Projected	FY 2021/22 Projected	FY 2022/23 Projected		
11	Reinstatement of Battalion Chief	Public Safety	\$ -	\$ 355,402	\$ 368,948	\$ 140,000	\$ 276,296	\$ 432,901	\$ 441,134	\$ 448,895	\$ 2,463,576	Estimates include annual increases for salaries, benefits, etc. corresponding to the applicable Memorandum of Understanding. <b>Plan updated to resolve budget shortfall resulting from incorrect Fire Calendar application in budget system.</b>
12	Revised PD Vehicle Replacement and Maintenance Plan, Fixed-wing Aircraft	Public Safety	\$ -	\$ 2,434,081	\$ 1,738,555	\$ 412,930	\$ 2,096,221	\$ 2,138,146	\$ 2,180,909	\$ 2,224,527	\$ 13,225,369	Annual allocation toward the replacement of Police vehicles. Original Plan included debt obligations and cash funding; debt issuance and the related amount removed with the FY 2018-2020 Budget Adoption. Use of funds for one-time purchase of a fixed-wing aircraft approved by Council on November 17, 2017.
13	Refurbish PD Vehicle (Pilot Program)	Public Safety	\$ -	\$ 50,000	\$ -		\$ -	\$ -	\$ -	\$ -	\$ 50,000	\$25,000 per vehicle; 2 vehicle pilot program. On June 18, 2019, City Council elected to permanently end the refurbishment program.
14	Revised Fire Vehicle Replacement and Maintenance Plan	Public Safety	\$ -	\$ 823,208	\$ 1,607,452	\$ 348,413	\$ 3,364,539	\$ 3,713,392	\$ 3,433,812	\$ 2,354,739	\$ 15,645,555	One-time infusion for vehicle replacement; 10-year capital lease financing (\$14.4 million). Additional layering in of cash funding for replacement of remainder of vehicles.
15	Fleet Facility Capital Repairs Needed	Public Safety	\$ -	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100,000	Facility improvements to doors, lifts and drive approach.
16	Additional Fleet Mechanics for Police Department (2)	Public Safety	\$ -	\$ 176,329	\$ 173,230	\$ -	\$ 218,153	\$ 227,692	\$ 230,489	\$ 232,198	\$ 1,258,091	Two new mechanic positions to bring police vehicle maintenance in-house. Estimates include annual increases for salaries, benefits, etc. corresponding to the applicable Memorandum of Understanding.
17	Additional Fleet Mechanics for Fire Department (2)	Public Safety	\$ -	\$ 184,275	\$ 221,068	\$ -	\$ 228,155	\$ 241,183	\$ 244,272	\$ 246,203	\$ 1,365,156	Two new mechanic positions to service and maintain Fire vehicles. Estimates include annual increases for salaries, benefits, etc. corresponding to the applicable Memorandum of Understanding.
18	General Fund Support	Critical Operating Needs	\$ 3,939,526	\$ 5,482,007	\$ 13,238,623	\$ -	\$ 18,266,026	\$ 11,734,277	\$ 12,086,305	\$ 12,448,894	\$ 77,195,658	FY 2016/17 through FY 2020/21 approved by City Council on May 16, 2017, based on the FY 2016/17 2nd Qtr General Fund estimated operating deficit estimates and Five-Year Financial Plan dated March 20, 2017. FY 2021/22 through FY 2022/23 based on 3% annual increases over the prior fiscal year; published in the FY 2018-2020 Biennial Budget.
19	General Plan Update (Includes Zoning Code Changes)	Critical Operating Needs	\$ -	\$ -	\$ 33,419	\$ 3,466,581	\$ 1,500,000	\$ -	\$ -	\$ -	\$ 5,000,000	Over the past 20 years, the City's regulatory environment for development has become burdensome. In order to make an investment in the future of Riverside, funding is needed for a General Plan Update, including zoning code.
20	Homeless Services	Critical Operating Needs	\$ -	\$ 8,775	\$ 184,619	\$ 806,606	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 3,000,000	BEC recommended to add \$500,000 per year for Homeless Services. Measure Z will help fund the Riverside Housing First Plan that was presented to Council on March 13, 2018.
21	Principal Analyst - City Manager's Office	Critical Operating Needs	\$ -	\$ 108,724	\$ 148,684	\$ -	\$ 161,100	\$ 177,241	\$ 191,202	\$ 203,571	\$ 990,522	Reinstatement of one of the two City Manager's Office Principal Management Analyst positions eliminated during budget reductions, needed to support critical administrative functions. Estimated salary and benefits correspond to the Fringe Benefits & Salaries Plan.
22	Budget Engagement Commission Support	Critical Operating Needs	\$ 4,311	\$ 10,280	\$ 27,000	\$ -	\$ 27,000	\$ 27,000	\$ 28,000	\$ 28,000	\$ 151,591	Meeting costs, including video and security, agenda publication and printing, staff support for meetings, and direct supplies.
23	New Downtown Main Library	Facility Capital Needs	\$ 8,479	\$ 541,139	\$ 2,386,205	\$ -	\$ 3,540,735	\$ 2,755,575	\$ 2,751,200	\$ 2,742,125	\$ 14,725,458	Debt service obligations for \$40 million 2019B Lease Revenue Bonds issued to fund the construction of a new library, approved by City Council on May 21, 2019. (On October 3, 2017, Council approved a reallocation of Police headquarters funding of \$9.7 million to the new Downtown Main Library.) <b>Plan updated to reflect actual debt service costs beginning in FY 2019/20.</b>
23a	New Downtown Main Library Archives	Facility Capital Needs	\$ -	\$ 1,000,000	\$ 1,000,000		\$ 1,300,000	\$ -	\$ -	\$ -	\$ 3,300,000	On December 19, 2017, the City Council approved a redirection of Contingency Funds for FY 2017/18 and FY 2018/19 for Archives for the New Main Library - Item #4.

<sup>1</sup> Actual amounts presented are unaudited. Carryover amounts are staff recommendations and are subject to Council approval.

Measure Z Fiscal Year Ending June 30, 2019

Item #	Funding Item	Category	Year 1	Year 2	Year 3 <sup>1</sup>		Year 4	Year 5	Year 6	Year 7	Measure Z Spending Plan (7-Year Totals)	Overview of Item
			FY 2016/17 Actuals	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2018/19 Carryovers	FY 2019/20 Projected	FY 2020/21 Projected	FY 2021/22 Projected	FY 2022/23 Projected		
24	Eastside Library Site Selection	Facility Capital Needs	\$ -	\$ -	\$ -	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ 100,000	Funding for 6-month community outreach project to find a replacement site for the Eastside Library was not used; Bobby Bonds Park was selected as the new site following extensive community outreach. On April 9, 2019, City Council approved the use of funding for architectural design services.
25	New Police Headquarters	Facility Capital Needs	\$ -	\$ -	\$ -		\$ 2,132,000	\$ 3,652,000	\$ 3,649,954	\$ 3,649,954	\$ 13,083,908	Estimated cost of debt service to fund the construction of Police headquarters based on anticipated debt issuance of \$35 million, reduced from the original estimated debt issuance of \$45 million. (On October 3, 2017, Council approved a reallocation of Police headquarters funding of \$9.7 million to the new Downtown Main Library.)
26	Museum Expansion and Rehab	Facility Capital Needs	\$ -	\$ -	\$ -	\$ 99,220	\$ -	\$ 807,550	\$ 1,533,265	\$ 1,533,265	\$ 3,973,300	Estimated cost of debt service to fund the Museum expansion and rehabilitation based on anticipated debt issuance of \$13.7 million, reduced from the original estimated debt issuance of \$15 million. (On December 19, 2019, the City Council approved a reallocation of \$1.3 million to fund the Main Library Archives - Item #23a). <b>On April 23, 2019, Council approved a supplemental appropriation for Phase 1 design services.</b>
27	Downtown Parking Garage	Facility Capital Needs	\$ -	\$ -	\$ -		\$ -	\$ 807,550	\$ 1,533,265	\$ 1,533,267	\$ 3,874,082	Estimated cost of debt service to fund parking garage expansion and rehabilitation based on anticipated debt issuance of \$15 million.
28	Annual Deferred Maintenance (Existing Facilities) - Partial Funding	Facility Capital Needs	\$ -	\$ 458,210	\$ 1,111,923	\$ 651,736	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 6,221,869	Funding to address deferred maintenance on many City facilities.
29	Maximize Roads/Streets (Pavement Condition Index)	Quality of Life	\$ -	\$ 58,482	\$ 2,276,844	\$ 4,914,674	\$ 7,875,000	\$ 4,375,000	\$ 4,375,000	\$ 4,375,000	\$ 28,250,000	Funding for street/road/sidewalks rehabilitation. On September 11, 2018, Council received and ordered filed the Pavement Analysis Report dated May 2018. On February 28, 2019, the BEC recommended additional funding (amount not specified) above and beyond the current funding level. <b>On April 23, 2019, the City Council approved an additional annual allocation of \$1.5 million in funding for FY 2018/19 through FY 2022/23.</b> <b>On May 14, 2019, the City Council approved an additional allocation of \$3.5 million in funding for FY 2019/20, with an annual review to consider renewing this funding level each fiscal year.</b>
30	Tree Trimming	Quality of Life	\$ -	\$ 114,807	\$ 890,259	\$ 1,018,534	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 6,023,600	Increase tree-trimming and reduce grid cycle period.
31	Ward Action Team - Deputy City Attorney II (City Attorney's Office)	Quality of Life	\$ 21,907	\$ 173,578	\$ 263,704	\$ -	\$ 282,065	\$ 303,921	\$ 324,298	\$ 342,186	\$ 1,711,659	Staff dedicated to addressing the most pressing quality of life concerns in each ward of the City. All positions have estimated annual increases for salaries, benefits, etc. corresponding to the applicable Memorandum of Understanding or Fringe Benefits and Salary Plan.
32	Ward Action Team - City Manager's Office	Quality of Life	\$ -	\$ -	\$ -	\$ -	\$ 142,883	\$ 155,001	\$ 165,861	\$ 175,265	\$ 639,010	Staff dedicated to addressing the most pressing quality of life concerns in each ward of the City. All positions have estimated annual increases for salaries, benefits, etc. corresponding to the applicable Memorandum of Understanding or Fringe Benefits and Salary Plan.
33	Technology Improvements	Technology	\$ -	\$ 112,288	\$ 433,629	\$ 3,454,083	\$ 2,000,000	\$ 2,000,000	\$ 1,000,000	\$ 1,000,000	\$ 10,000,000	Includes funding for future technology projects and needs based on Citywide audit programs and other assessments. Funding may be used for hardware, new software, and cybersecurity. Technology spending plan approved by City Council on October 17, 2017.
34	4-Person Staffing on Fire Trucks	Public Safety	\$ -	\$ -	\$ 202,119	\$ -	\$ 1,069,497	\$ 1,122,355	\$ 1,174,120	\$ 1,218,930	\$ 4,787,021	Approved with FY 2018-2020 Budget adoption: Hire 6 firefighters to bring staffing levels on fire trucks to 4 firefighters each for all shifts: 3 firefighters to be hired January 2019; 3 firefighters to be hired July 2019. All positions have estimated annual increases for salaries, benefits, etc. corresponding to the applicable Memorandum of Understanding.

<sup>1</sup> Actual amounts presented are unaudited. Carryover amounts are staff recommendations and are subject to Council approval.

Measure Z Fiscal Year Ending June 30, 2019

Item #	Funding Item	Category	Year 1	Year 2	Year 3 <sup>1</sup>		Year 4	Year 5	Year 6	Year 7	Measure Z Spending Plan (7-Year Totals)	Overview of Item
			FY 2016/17 Actuals	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2018/19 Carryovers	FY 2019/20 Projected	FY 2020/21 Projected	FY 2021/22 Projected	FY 2022/23 Projected		
35	Fire Equipment and One-Time Operating Needs	Public Safety	\$ -	\$ -	\$ 60,473	\$ 189,527	\$ -	\$ -	\$ -	\$ -	\$ 250,000	Added with FY 2018-2020 Budget adoption: Miscellaneous equipment and operating needs of Fire Department, including firefighter turnouts and HazMat monitors.
36	Contingency - Fire Radios	Public Safety	\$ -	\$ -	\$ 1,931,769	\$ 568,231	\$ -	\$ -	\$ -	\$ -	\$ 2,500,000	Added with FY 2018-2020 Budget adoption: Replacement of outdated Fire radios.
37	Recreation - Summer Pools	Public Safety	\$ -	\$ -	\$ 50,000	\$ -	\$ 50,000	\$ -	\$ -	\$ -	\$ 100,000	Added with FY 2018-2020 Budget adoption: Funding for 2 years only to maintain service levels at City swimming pools; staff will seek sponsorships for future funding.
38	Arlington Youth Innovation Center Furniture, Fixtures & Equipment	Public Safety	\$ -	\$ -	\$ -	\$ 600,000	\$ -	\$ -	\$ -	\$ -	\$ 600,000	Added with FY 2018-2020 Budget adoption: One-time allocation of funding to provide furniture, fixtures and equipment to the new Arlington Youth Innovation Center.
39	Public Safety and Engagement Team Program		\$ -	\$ -	\$ 21,691	\$ 3,429,435	\$ -	\$ -	\$ -	\$ -	\$ 3,451,126	Funding for a multi-departmental program to address the ongoing challenge of homelessness and its impact on quality of life in the City. Includes funding for new personnel, homeless encampment cleanup, partnership with a non-profit provider to expand mental health beds, etc. BEC recommended funding March 27, 2019. <b>On April 2, 2019, the City Council approved a one-year allocation of funding to address homelessness and its impact on quality of life in the City.</b>
40	Library Security Guards		\$ -	\$ -	\$ -	\$ -	\$ 122,000	\$ -	\$ -	\$ -	\$ 122,000	One-time funding for additional unarmed security guards at library locations to improve visitor safety. No new City personnel; services will be contracted. BEC recommended funding May 20, 2019: <b>Council approved funding via a mid-cycle FY 2019/20 budget adjustment June 18, 2019.</b>
Total Expenditures			\$ 9,973,447	\$ 36,134,811	\$ 40,988,149	\$ 20,714,281	\$ 62,360,436	\$ 54,730,426	\$ 56,915,096	\$ 57,023,804	\$ 338,840,449	Committed Spending through FY 2018/19 was \$110,752,000. FYE projected spending through FY 2018/19 is \$107,656,000, resulting in \$3.1M higher reserves than projected.
Projected Revenue			\$ 12,606,428	\$ 56,222,806	\$ 62,692,745		\$ 59,000,000	\$ 59,590,000	\$ 60,185,900	\$ 60,787,759	\$ 371,085,638	Includes tax and investment revenue. FY 2018/19 revenues are estimated; final tax payment has not yet been received.
Surplus/(Deficit)			\$ 2,632,981	\$ 20,087,995	\$ 21,704,596	\$ (20,714,281)	\$ (3,360,436)	\$ 4,859,574	\$ 3,270,804	\$ 3,763,955	\$ 32,245,189	
Available Fund Balance			\$ 2,632,981	\$ 22,720,976	\$ 39,425,572	\$ 18,711,291	\$ 15,350,855	\$ 20,210,429	\$ 23,481,233	\$ 27,245,189	\$ 27,245,189	FY 2018/19 projected fund balance reserves were \$11.1 million; expenditure savings have increased the projection. Actual revenues are still pending.
Fund Balance Reserve			\$ -	\$ -	\$ 5,000,000		\$ -	\$ -	\$ -	\$ -	\$ 5,000,000	\$5 million contingency reserve policy adopted by City Council on April 2, 2019.

<sup>1</sup> Actual amounts presented are unaudited. Carryover amounts are staff recommendations and are subject to Council approval.



# MEASURE Z

## FINANCIAL DISCIPLINE/RESPONSIBILITY



**20% General Fund Reserve**  
Reserves currently at 19%

**\$2 Million Contingency Funds**

Intact; no current plan to spend



**50% Self-Insurance Fund Reserves**  
On-Track for FY 20/21

**Payoff Pension Obligation Bond**

Annual payments occurring as scheduled

## QUALITY OF LIFE

**Maximize Roads / Streets (Pavement Condition Index - PCI)**

City's PCI: 61/100; Projects approved by Council on 9/11/18; RFP issued for next PCI survey in 2020



**Arterial and Minor Streets Maintenance**  
City Council approved additional \$1.5M for streets maintenance and an additional \$3.5M for FY 2019/20



**Selkirk Avenue and JoJo Way Sidewalks**  
Construction completed

**Ongoing Street Maintenance**  
Citywide



**Tree Trimming**



**Recreation - Summer Pools**

Opened in May 2019



— FY 2018 Season —  
**22 Additional Swim Sessions**



**8,335**  
Guests Served



**Ward Action Team - Deputy City Attorney II**

All marijuana dispensaries remain closed with no new dispensaries opened; DCAII attended scheduled WAT meeting to address concerns



**Ward Action Team - City Manager's Office**

Vacant; internal assessment of position is being conducted.

**Arlington Youth Innovation Center Furniture, Fixtures, Equipment**

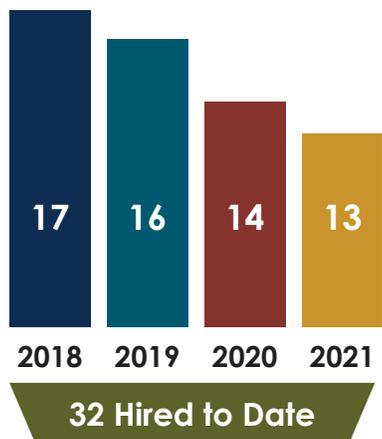
YIC is still under construction; Estimated completion in September 2019 and opening in October 2019; \$173,546 will be used for FF&E and the remaining \$426,454 was reallocated for operating (October 2019 to June 2021) by City Council on July 2, 2019



## PUBLIC SAFETY



**60** Additional Sworn Police Positions



## RPD Vehicle Replacement & Maintenance



**51** Vehicles Purchased  
34 vehicles and 5 motorcycles in service



**1** Fixed-Wing Airplane  
**COMPLETED**



**8** Additional Dispatcher Positions



**17** Fire Vehicles Ordered  
9 vehicles in-service

Purchase order issued for the purchase of 4th truck company and replacement of Truck 2; Expected delivery in late 2020



**6** Additional Firefighters



Ongoing Recruitment



## Fire Equipment

- Turnouts received incrementally as each is custom made for the firefighter; All expected to be delivered by November 2019
- HazMat Monitors replacement ongoing as needed
- Commercial Extractors received and waiting for installation; General Services working to get approvals so construction at Fire Stations may begin



## Fire Radios

- Completed: 190 Motorola radios purchased and in service
- Additional 125 Bendix King radios received and will be in service after programming

Ongoing items are on-track:



Police Officer Lateral Hire  
Incentives and Recruitment Costs

## TECHNOLOGY

### Technology Improvements Underway

- RFPs issued for Network Refresh Project
- Replacement of defective cameras
- Microsoft 365 Implementation

### Technology Improvements Completed

- Increased City's Datacenter capacity
- Purchase of Dell PowerEdge Servers
- Installation of wireless radios at Doty Trust Park
- Vendor remote access solution replacement
- Online technology subscription and training for staff

## FACILITY CAPITAL NEEDS



### New Downtown Main Library & Archives

Spring 2020

Construction is ongoing and scheduled for completion in Spring 2020 and opening in Summer 2020



### Museum Expansion and Rehabilitation

Kickoff meeting for expansion and rehabilitation held in June 2019 with City Staff, architectural firm, structural engineer, and consultants



### Eastside Library Site Selection

Update given to Eastside Neighborhood Forum in May 2019; RFP for Phase I Architectural Design in June 2019



### New Police Headquarters

RFP issued in June 2019 for building consultant; Bids are due on July 25, 2019



### Downtown Parking Garage

Project is in conceptual stage.



## Annual Deferred Maintenance (Existing Facilities)

### Q4 improvements included:

- Kitchen remodel at Fire Station 8
- Roof replacement at Fire Station 7
- Parking Lot and installation of two automatic doors for ADA compliance
- Recarpet, paint and parking lot resurfacing at RPD Aviation Facility
- HVAC at Eastside Library and RPD Magnolia Station
- Pavement resurfacing an Corporation Yard

### Completed

- Installed new HVAC units at Fire Stations 7 & 10 and Lincoln Police Station
- New Sump Pump at City Hall
- LED Lighting at City Hall and City Corporation Yard parking lots.
- Complete electrical upgrades to Riverside Municipal Auditorium.
- Expanded Facility Condition Assessment.

## CRITICAL UNFUNDED NEEDS

### General Plan Update

Workshop held in May 2019 with all City departments to seek input for the RFP; First draft of RFP was received in June 2019 and is under review by the Advance Planning Team; Final RFP is expected in August 2019

### Homeless Services



Architectural designs for the Hulen Place Campus is underway



Trash services provided under the new Public Safety and Engagement Team (PSET) program, which was approved by City Council in April 2019;



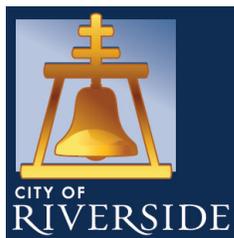
Drafted policy for the City's encampment response; Obtained information on a pilot shared housing program

### Ongoing items are on-track:

- Funding Gap
- Budget Engagement Commission Support

## COMPLETED

- Reinstatement of Fire Squad
- Reinstatement of Captains (Training and Arson)
- Reinstatement of Battalion Chief
- Public Safety Non-Sworn Position and Recruitment Costs
- Refurbish PD Vehicle (Pilot Program)
- Fleet Facility Capital Repairs Needed
- Additional Fleet Mechanics for Police Department (2)
- Additional Fleet Mechanics for Fire Department (2)
- Principal Management Analyst - City Manager's Office



## FY 2018-2020 TWO-YEAR BUDGET: FY 2018-2019 FOURTH QUARTER UPDATE

### Finance Department

City Council Meeting  
December 17, 2019

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## BACKGROUND

1. June 2018: FY 2018-2020 Two-Year Budget adopted
2. June 2019: FY 2019/20 Amended Budget adopted
3. General Fund budget balanced over the two-year budget period:

General Fund	FY 2018/19	FY 2019/20
Revenue	\$270,070,218	\$279,136,415
Expenditures	268,834,151	280,372,427
<b>Surplus/(Deficit)</b>	<b>\$1,236,012</b>	<b>\$(1,236,012)</b>

2



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## PCM: BUDGETARY IMPACT

Projected:

- 1.82% growth in BRI
- 0.91% Salary Increase

Actual:

- 7.68% growth in BRI
- 3.84% Salary Increase

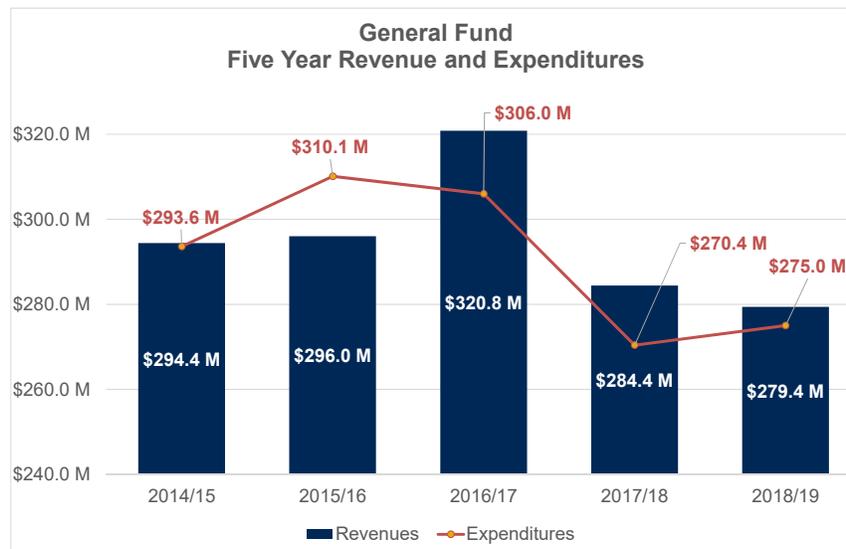
Citywide Unbudgeted PCM Impact				
Employee Groups	Minimum Increase	Actual PCM Increase	Unbudgeted PCM Increase	Estimated Impact
Police (RPOA, RPOA Supervisory, RPAA)	0%	3.84%	3.84%	\$1,692,000
Fire (RCFA, RFMG)	3%	3.84%	0.84%	251,000
SEIU (General & Refuse)	3%	3.84%	0.84%	358,000
Unrepresented	3%	3.84%	0.84%	404,000
<b>Citywide Unbudgeted Impact</b>				<b>\$2,705,000</b>



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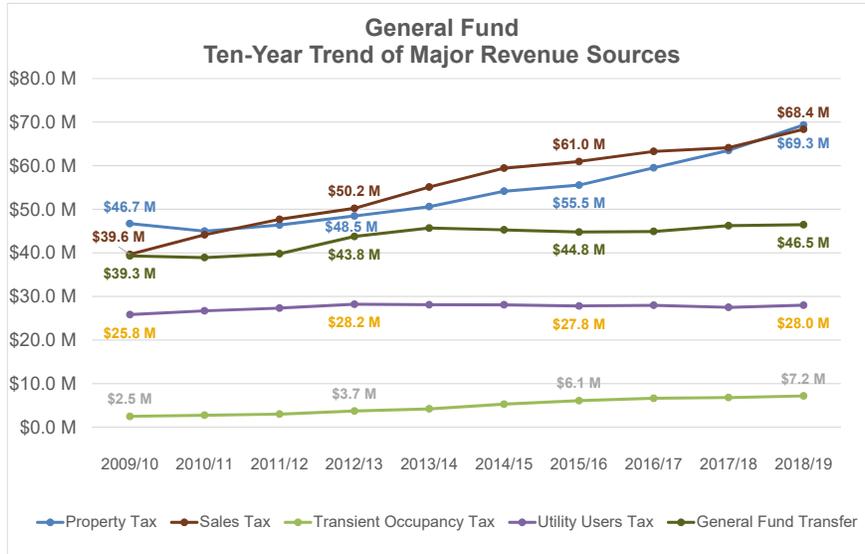
## GENERAL FUND OVERVIEW



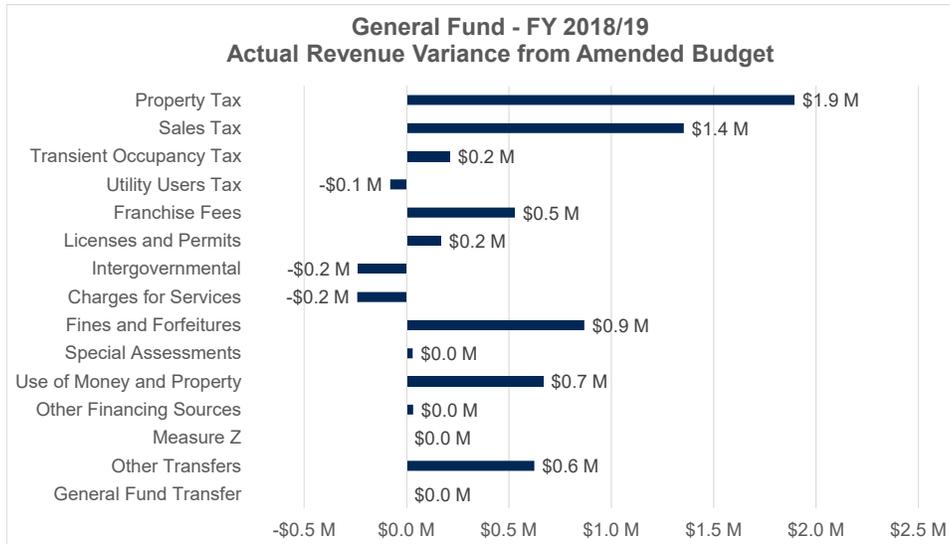
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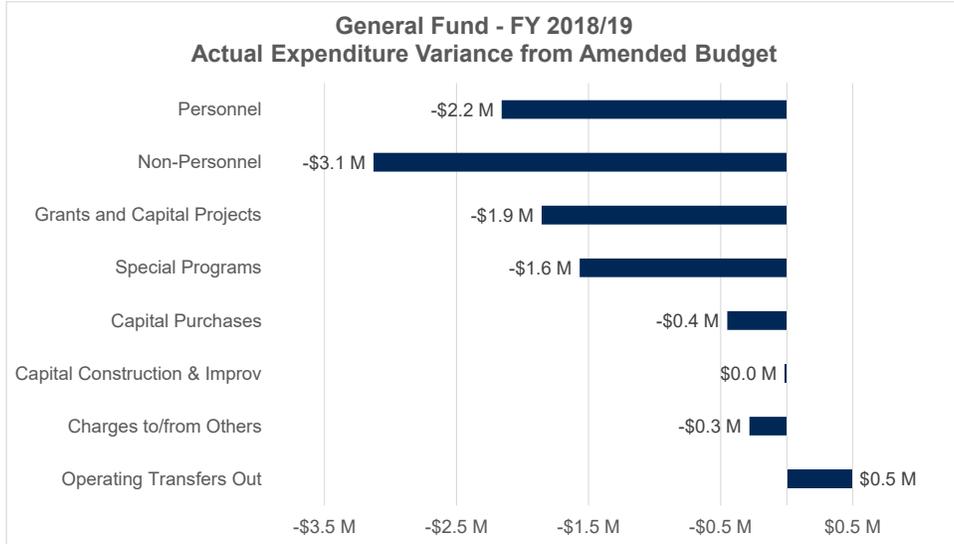
# GENERAL FUND REVENUE TREND



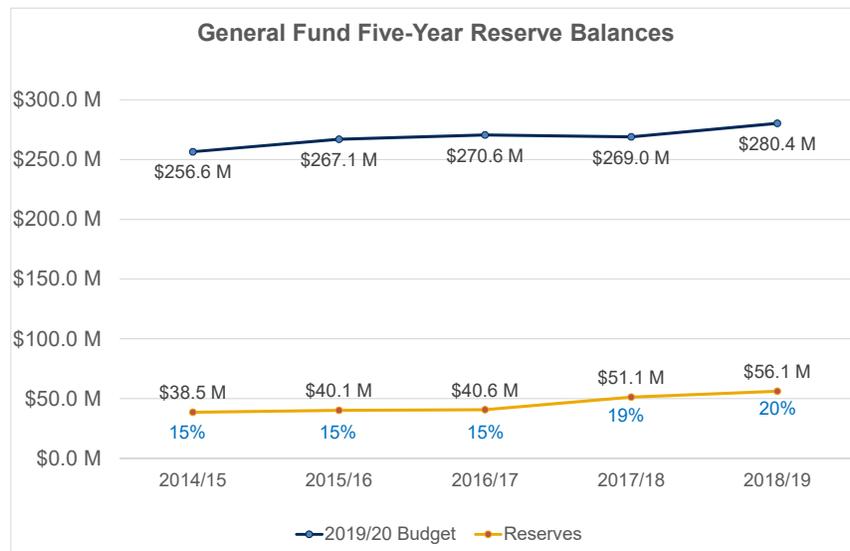
# GENERAL FUND REVENUE



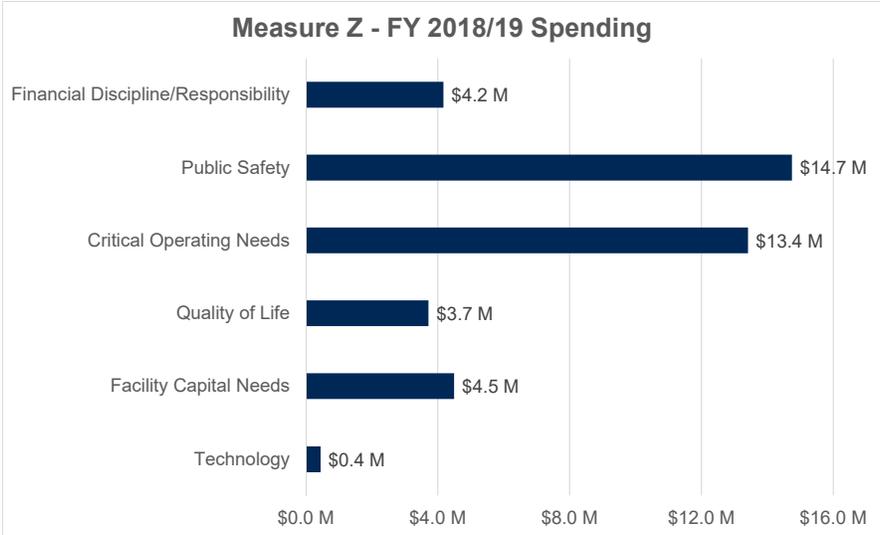
# GENERAL FUND EXPENDITURES



# GENERAL FUND RESERVES



# MEASURE Z SPENDING

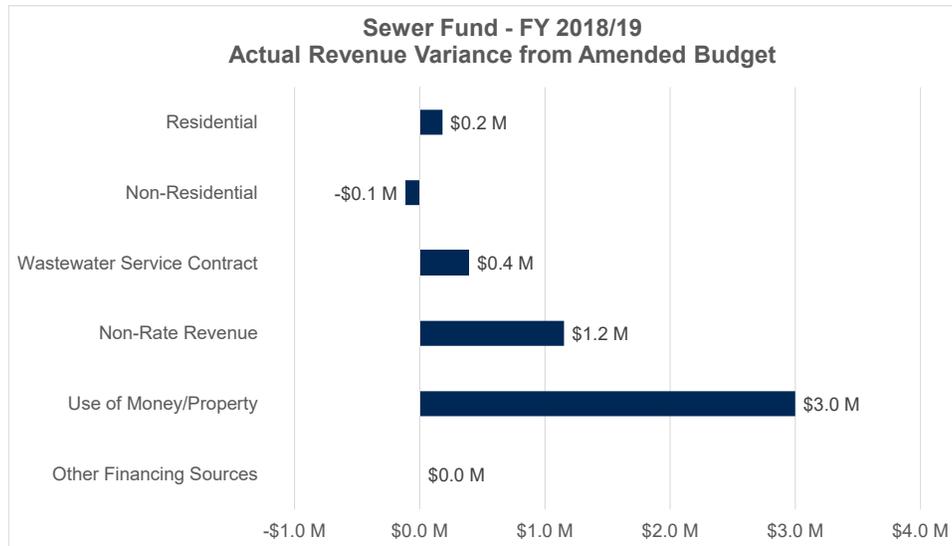


# MEASURE Z TO DATE

Category	FY 2016/17 Allocations	FY 2017/18 Allocations	FY 2018/19 Allocations
Revenue	\$12,606,428	\$56,222,806	\$62,692,745
Expenditures	9,973,447	36,134,811	40,988,149
Purchase Commitments and Carryovers			20,714,281
<b>Net Change in Fund Balance</b>	<b>\$2,632,981</b>	<b>\$20,087,995</b>	<b>\$990,315</b>
Fund Balance Reserve	-	-	5,000,000
<b>Available Fund Balance</b>	<b>\$2,632,981</b>	<b>\$22,720,976</b>	<b>\$18,711,291</b>



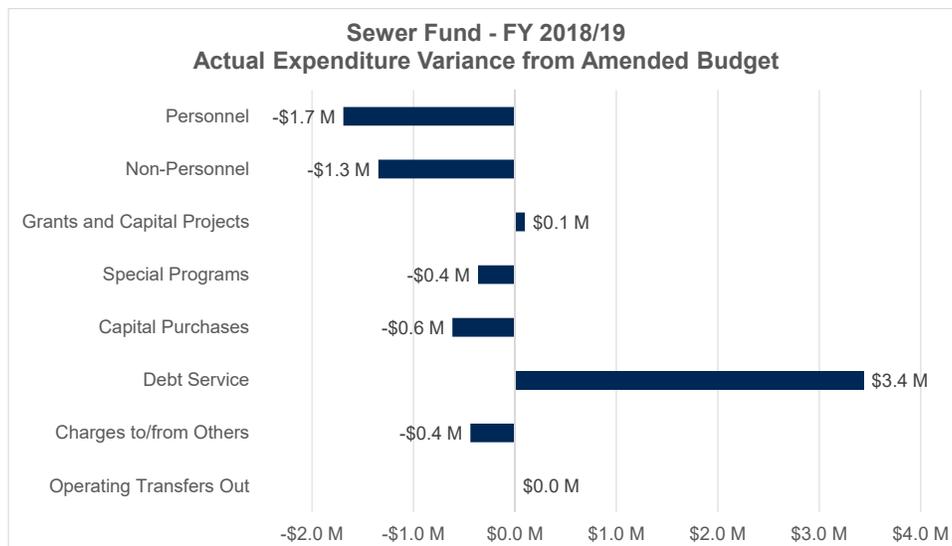
## SEWER REVENUES



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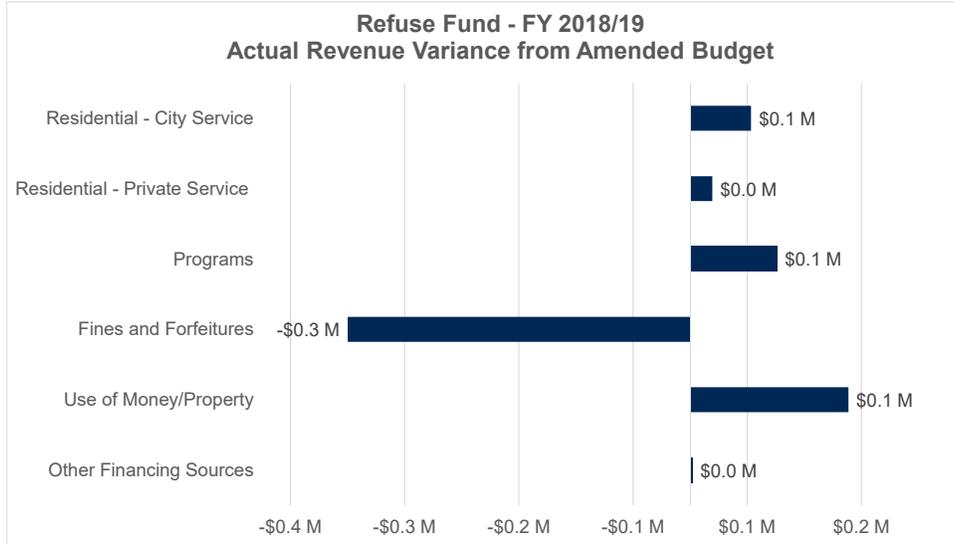
## SEWER EXPENDITURES



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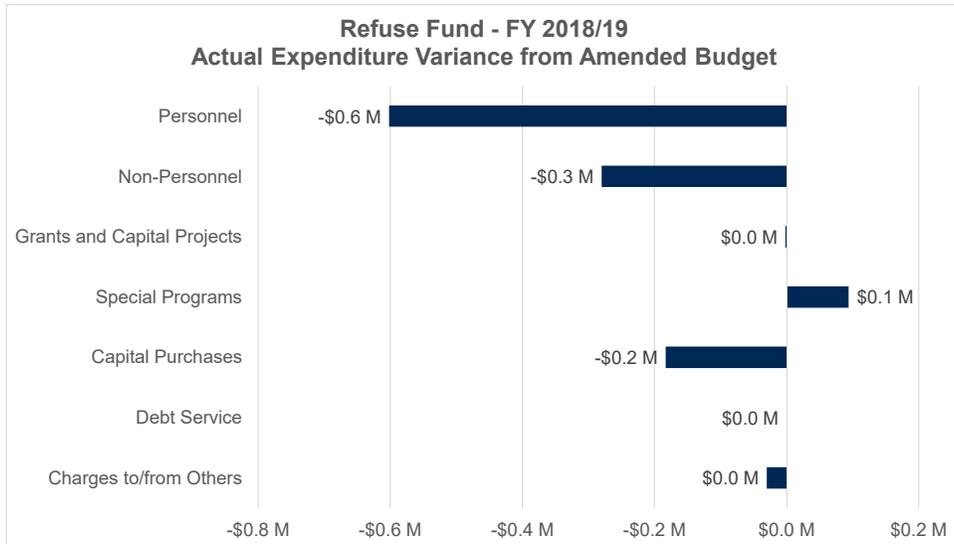
# REFUSE REVENUES



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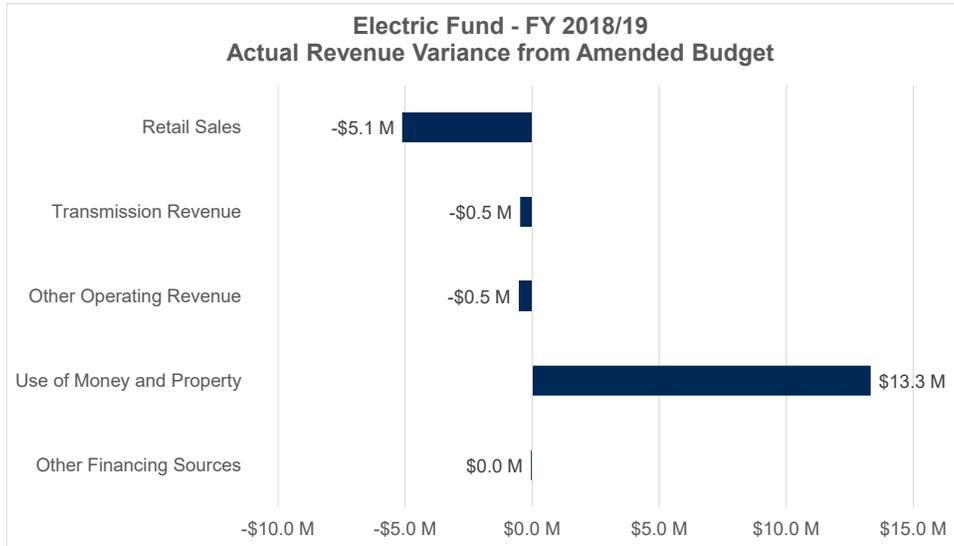
# REFUSE EXPENDITURES



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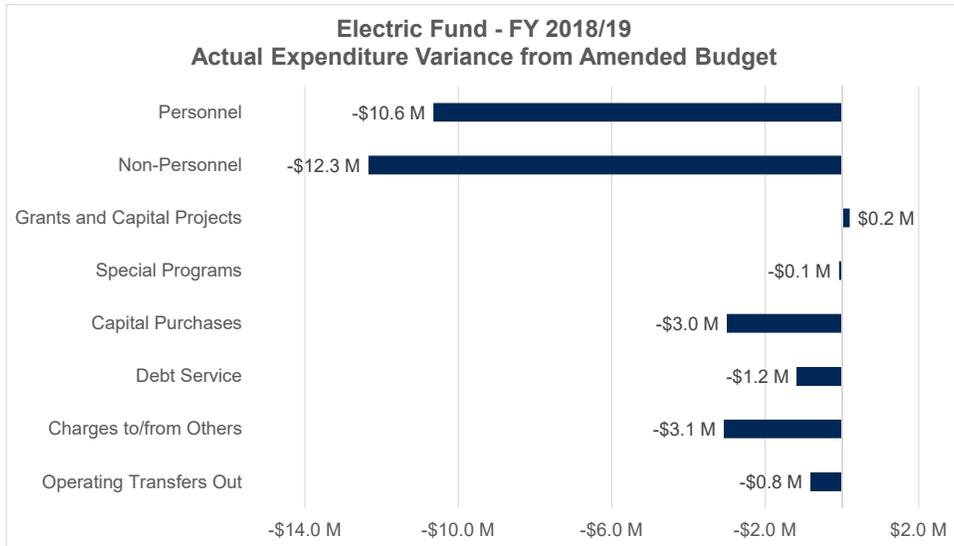
# ELECTRIC REVENUES



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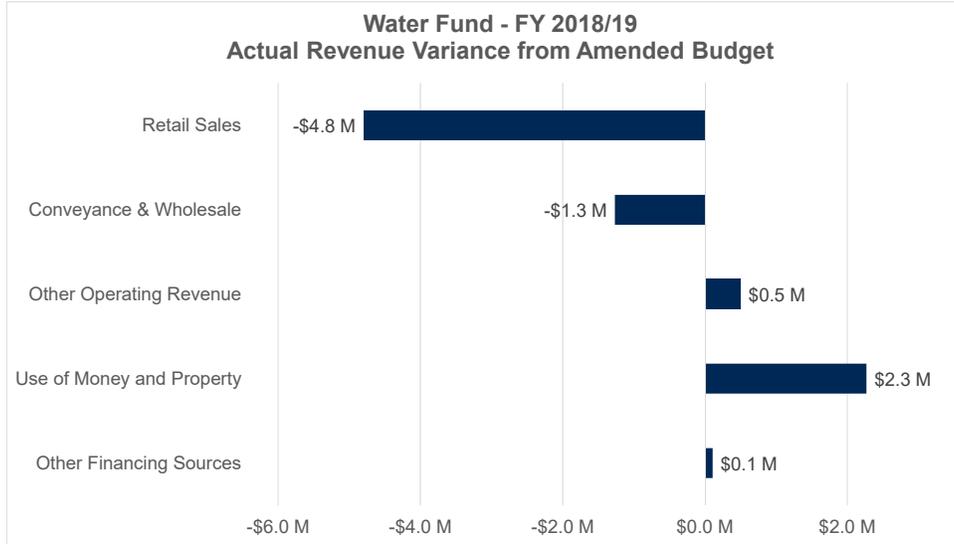
# ELECTRIC EXPENDITURES



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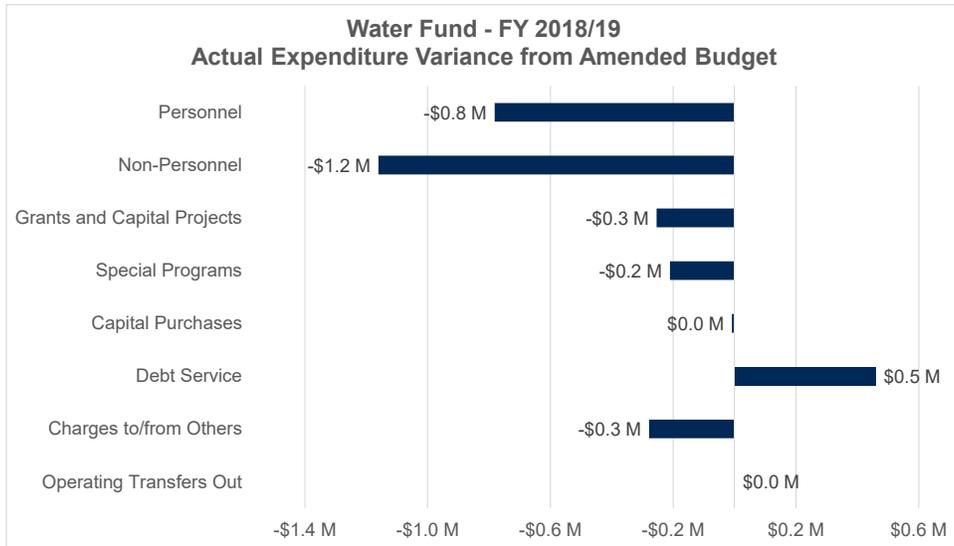
# WATER REVENUES



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# WATER EXPENDITURES



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## CARRYOVER OF UNEXPENDED FUNDS

Fund Type	Discretionary	Restricted Purpose	Total
101 - General Fund	\$3,003,563	\$ 1,517,335	\$4,520,898
110 - Measure Z Operating	14,249,562		14,249,562
2xx - Special Revenue Funds	842,631	8,189,661	9,032,292
4xx – Capital Project Funds	2,015,538	572,643	2,588,181
51x - Electric Funds	6,046,620		6,046,620
52x - Water Funds	1,022,380		1,022,380
540 – Refuse Fund	972,027		972,027
5xx – Other Enterprise Funds	3,444		3,444
6xx – Internal Service Funds	203,179		203,179
<b>Total Budget Adjustments</b>	<b>\$ 28,358,944</b>	<b>\$10,279,639</b>	<b>\$38,638,583</b>



## RECOMMENDATIONS

That the City Council:

1. Receive and provide input on the Fiscal Year 2018/19 Fourth Quarter Financial Report and Measure Z Update;
2. Approve interfund and interdepartmental transfers of in the amount of \$384,571 and related supplemental appropriations in the same amount and a net budget increase of \$2,900 across City funds, and
3. Approve for carryover of approximately \$4.5 million in General Fund and \$34.1 million of other funds into fiscal year 2019/20.

