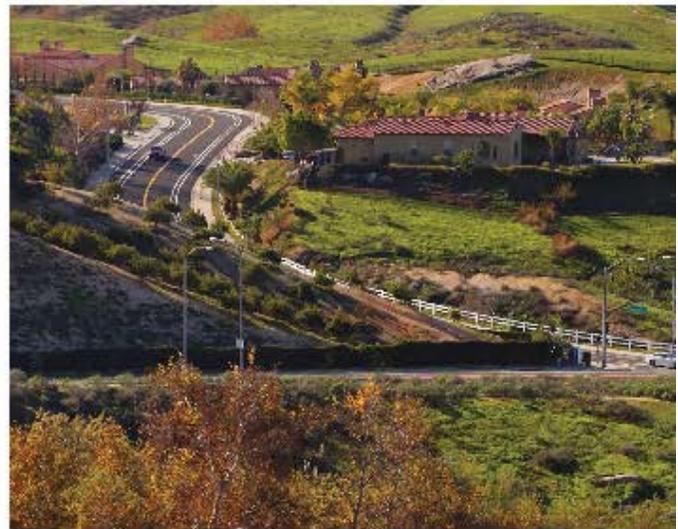


- IN BRIEF -

# BIENNIAL BUDGET

FISCAL YEARS  
2022/23  
2023/24



# BUDGET MESSAGE



This two-year budget for the fiscal cycle that begins July 1, 2022 and ends June 30, 2024 for the City of Riverside is the culmination of a nearly four-year journey to sound financial health – a journey that required commitment and sacrifice from all in the City organization. From our elected officials who provide the policy guidance to the trusted employees who manifest that vision through their daily work on behalf of the residents of Riverside – this has truly been a team effort. This commitment has brought us to a point where the City of Riverside can be proud of having a surplus in its budget – a big shift from just a few years ago, when we faced an ongoing structural deficit, and our long-term financial solvency was not a sure thing.

This is true thanks to the collective effort we have made as a team during the past four years, by making very strategic financial decisions, implementing managing hiring, focusing on critical spending only, and embracing the City Council's Envision Riverside 2025 Strategic Plan (and its strategic priorities and cross cutting threads).

The City is transitioning to a Priority Based Budgeting (PBB) methodology to add transparency to City programs and funding sources and to improve the City's ability to respond and adapt to fiscal stress. This budgeting methodology includes inventorying and identifying the cost of City programs and scoring their alignment with the City's strategic priorities. This information can be used to shift resources away from low-alignment programs to high-alignment programs as well as identify potential funding reallocations for critical needs or to address fiscal challenges.

Riverside as a stable, trustworthy, and high performing government will in turn catapult the City forward as an extraordinary place to live and work, a regional hub for clean and green businesses, and as a City widely known for its ecosystem of education, workforce development, entrepreneurship, and innovation.

For residents, students, workers and the business community, the best of Riverside is yet to come!

Al Zelinka, FAICP  
City Manager  
City of Riverside

This budget is the culmination of a nearly four-year journey to sound financial health – a journey that required commitment and sacrifice from all of us in the City organization.

## IN THIS REPORT

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# CITY OVERVIEW

## DEMOGRAPHICS



**12th**  
Largest City  
in **California**

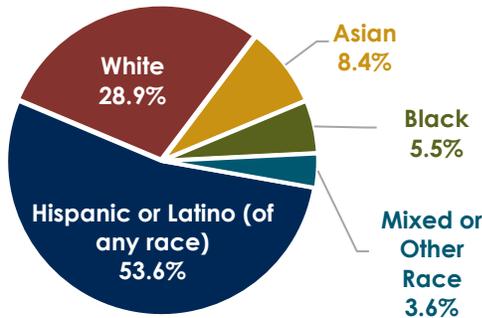
**317,847**  
Population  
(Estimated 2022)



**32.4**  
Median Age  
(2021)



**\$635,000**  
Median Home Sales  
Price (May 2022)



**3.0%**  
Unemployment Rate  
(May 2022)



**\$91,646**  
Average Household  
Income (2021)

*City Demographic Sources: ESRI; Inland Valleys Association of Realtors; Employment Development Department Data (EDD), U.S. Census Bureau, California Dept of Finance; US Census Bureau, 2020 American Community Survey 5-Year Estimates (most recent data available at time of publication)*

## KEY STATISTICS



**Public Utilities**

**111,171**  
# of Electric Meters  
at Year End 2021

**66,198**  
# of Water Meters  
at Year End 2021



**Police**



**4** Police Stations  
**1** Police Substation



**626** Police Personnel  
(Sworn & Non-Sworn)



**Fire**



**14** Fire Stations  
**1** Training Facility



**252** Fire Personnel



**Culture & Recreation**



**8** Library Branches



**12** Community Centers



**2,988** Acres of Parks



**46** Playgrounds  
**44** Softball/Baseball Diamonds



**Public Works**



**30,489** Streetlights



**891.28** Miles of Streets



**400** Miles of Sewer Laterals



**20** Wastewater Lift Stations



**800**  
Miles of Gravity Sewers

## KEY OPERATING INDICATORS (FY 2021/22)

**311**

**124,000**  
Calls Answered



**1,636**  
Public Records  
Requests



**11,353**  
Code Enforcement  
Cases Worked



**17.4** Miles of Street Resurfacing



**1,374**  
Provided Emergency Rental Assistance



**6** Long-Range Planning Projects Completed



**2,262**  
Million Kilowatt-Hours Produced



**72,215**  
Million Gallons of Potable Water Produced

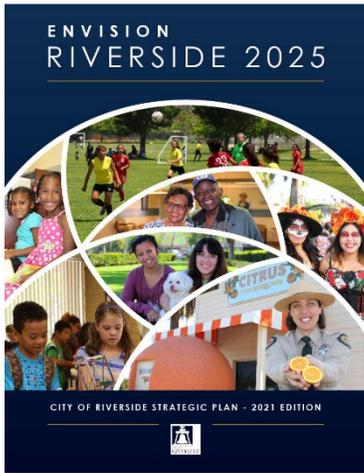


**114,399**  
Annual Flight Operations (2021)

# STRATEGIC PLAN

**CITY VISION:** Riverside is a city where every person is respected and cherished, where equity is essential to community well-being, where residents support one another, and where opportunities exist for all to prosper. In Riverside, everyone comes together to help the community, economy and environment reach their fullest potential for the public good.

**CITY MISSION:** The City of Riverside is committed to providing high quality municipal services to ensure a safe, inclusive, and livable community.



**CROSS-CUTTING THREADS:** Major themes that exist within the Envision Riverside 2025 Strategic Plan and should be reflected in all our outcomes include:

**Community Trust** – Riverside is transparent and makes decisions based on sound policy, inclusive community engagement, involvement of City Boards & Commissions, and timely and reliable information. Activities and actions by the City serve the public interest, benefit the City’s diverse populations, and result in greater public good.

**Equity** – Riverside is supportive of the City’s racial, ethnic, religious, sexual orientation, identify, geographic, and other attributes of diversity and is committed to advancing the fairness of treatment, recognition of rights, and equitable distribution of services to ensure every member of the community has equal access to share in the benefits of community progress.

**Fiscal Responsibility** – Riverside is a prudent steward of public funds and ensures responsible management of the City’s financial resources while providing quality public services to all.

**Innovation** – Riverside is inventive and timely in meeting the community’s changing needs and prepares for the future through collaborative partnerships and adaptive processes.

**Sustainability and Resiliency** – Riverside is committed to meeting the needs of the present without compromising the needs of the future and ensuring the City’s capacity to persevere, adapt and grow during good and difficult times alike.

# FUNDING PRIORITIES



A strong revenue forecast for Measure Z (MZ) and reserves of approximately \$39 million provided the City with an opportunity to address critical unfunded needs. Some of the most notable initiatives incorporated into the budget are highlighted here.



**Office of Sustainability:** Add a Diversity, Equity and Inclusion Officer to meet the City Council's priorities and values of diversity, equity and inclusivity.



**Office of Homeless Solutions:** Add two positions to support program objectives and enhance services.



**Deferred Maintenance:** Add \$500,000 for a total of \$1.5 million for City Buildings Deferred Maintenance needs.



**Tree Trimming:** Add \$2.5 million for a total of \$3.5 million, to accelerate the trimming cycle for street trees and include tree trimming in City parks.



**Maximize Roads/Streets:** Add \$8 million for a total of \$10.9 million for Pavement Rehabilitation & Improvement projects.



**Sidewalk Repair Program:** Add \$600,000 for total funding of \$900,000 from all sources.



**Public Safety Enterprise Communication (PSEC) System:** Add \$343,000 for Police Department radios.



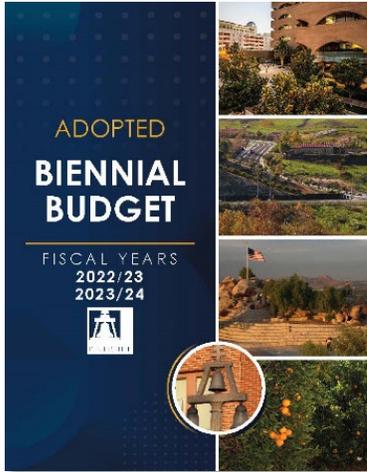
**New Police Headquarters:** The total cost for this project was increased to \$44 million to be funded by a debt issuance in late FY 2022/23.

## Public Safety and Engagement Teams (PSET)

The PSET Urban team's staffing levels and resources are expanded to increase outreach and engagement of homeless individuals in all Wards to seven days a week while also addressing issues of unlawful panhandling, camping, abandoned personal belongings and vagrancy. Resources will also support cleanup and mitigation of sites prone to homeless encampments, including weed abatement and preventative maintenance. The total cost of the program expansion is approximately \$2.04 million in FY 2022/23 and \$1.96 million in FY 2023/24.

A PSET Wildlands team will be established to implement and enforce the anti-camping Ordinance for City-wide environmentally sensitive and hazardous lands which is being prepared for the City Council's consideration. This team will also be charged with returning environmentally sensitive and hazardous areas to their natural states during the first two years of the program. In addition, this team will provide homeless encampment clean-up, outreach services, and homeless engagement resources in Riverside's wildland areas including, but not limited to, the Santa Ana River, Sycamore Canyon Wilderness Park, Hole Lake, and other areas. The total cost of the program is approximately \$5.86 million in FY 2022/23 and \$4.63 million in FY 2023/24.

# BUDGET OVERVIEW



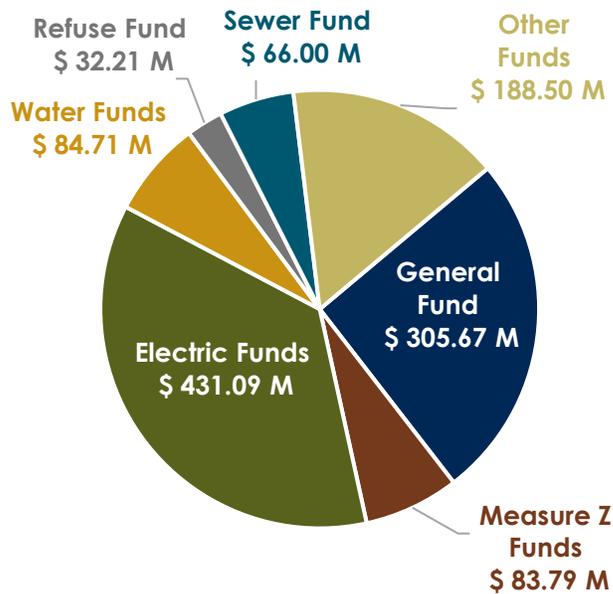
**Operating Budget:** The City's Operating Budget is a flexible spending plan which serves as the legal authority for departments to commit financial resources. The budget sets forth a strategic resource allocation plan that addresses the City Council's Strategic Goals. The Budget is a policy document, financial plan, operations guide, and communication device all in one. Through this document, the City demonstrates accountability to its residents, customers, and community-at-large.

The operating budget details the funding for the day-to-day operations and obligations of the City for a specific fiscal year such as personnel costs, vendors and contractors, utilities, building maintenance, and debt payments. Every effort has been made to present the budget document in a "user-friendly" format with increased emphasis on trends and written explanations.

## CITYWIDE BIENNIAL BUDGET

ADOPTED JUNE 21, 2022

**FY 2022/23 Operating Budget:**  
**\$1.19 Billion**



	FY 2022/23	FY 2023/24
Operating Revenue	\$1,063,326,506	\$1,102,507,410
Long-Term Debt Proceeds	57,700,000	-
Debt Transfers In	47,501,000	41,808,214
Operating Transfers In	97,148,568	107,056,976
<b>Total Incoming Resources</b>	<b>\$1,265,676,074</b>	<b>\$1,251,372,600</b>
Operating Expenditures	\$1,047,323,549	\$1,054,097,864
Debt Transfers Out	47,501,000	41,808,214
Operating Transfers Out	97,148,568	107,056,976
<b>Subtotal</b>	<b>\$1,191,973,117</b>	<b>\$1,202,963,054</b>
Capital Improvement Plan	\$163,307,170	\$115,173,721
<b>Total Outgoing Resources</b>	<b>\$1,355,280,287</b>	<b>\$1,318,136,775</b>
<b>Total City Personnel Full-Time Equivalents (FTE)</b>	<b>2,626.65</b>	<b>2,627.65</b>

## BUDGET GOALS

**Leverage PBB to identify and reallocate funding to critical unfunded needs.**

**Outcome:** During the budget development process, critical unfunded needs were vetted through the lens of PBB, and several program insights were identified for future pursuit to enhance the City's financial health.

**Implement a financing strategy of planned contributions and withdrawals to/from the Section 115 Trust to smooth the annual fiscal impact of the combined CalPERS UAL and 2020 Pension Obligation Bond payments.**

**Outcome:** The budgeted smoothing is expected to result in level payments of \$37,925,000 annually for a period of 12 years, from FY 2024/25 through FY 2035/36.

# CITY PROGRAMS



## Community and Economic Development

Encourages growth and innovation in the City by providing residential and commercial development services and support, administering grants supportive of the City's residents, businesses, and overall economic growth. Includes affordable housing and homeless solutions.



Expenditures: **\$43.4M**  
 Revenue: **\$45.7M**  
 Personnel: **108.50 FTE**



## Culture and Recreation

Programs and services catering to the City's residents and visitors, including Parks and Recreation, Library, and Museum, as well as the Convention Center and other city-owned entertainment venues such as the Fox and Box Theaters.



Expenditures: **\$70.7M**  
 Revenue: **\$30.7M**  
 Personnel: **244.35 FTE**



## General Government

City leadership, personnel and financial services, technology, and the maintenance of City properties are imperative to the success of outward-facing programs and services, while ensuring good governance, community involvement, and transparency in the administration of the City.



Expenditures: **\$92.7M**  
 Revenue: **\$460.7M**  
 Personnel: **328.55 FTE**



## Public Safety

Emergency services provided by the Police and Fire Departments, as well as safety and prevention programs such as code compliance, crossing guard services, and animal control.



Expenditures: **\$246.7M**  
 Revenue: **\$11.5M**  
 Personnel: **911.00 FTE**



## Public Works and Neighborhoods

Maintenance of the City's streets, sidewalks, landscaping, and other public infrastructure; neighborhood aesthetics; management of numerous capital improvement projects funded by state and federal funds. Includes assessment districts.



Expenditures: **\$45.3M**  
 Revenue: **\$43.9M**  
 Personnel: **144.00 FTE**



## Utility and Transportation Services

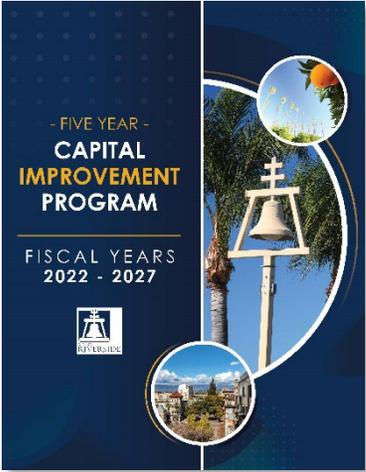
Electric, water, sewer, and refuse services are provided to City residents and businesses; capital projects are a large component of utility services as the City works to ensure a healthy utilities infrastructure and prevent service interruptions. Transportation services include Airport, Special Transit, and Parking.



Expenditures: **\$645.7M**  
 Revenue: **\$625.7M**  
 Personnel: **890.25 FTE**

Amounts reflect the FY 2022/23 adopted budget excluding debt transfers in/out and capital projects.

# CAPITAL PROJECTS



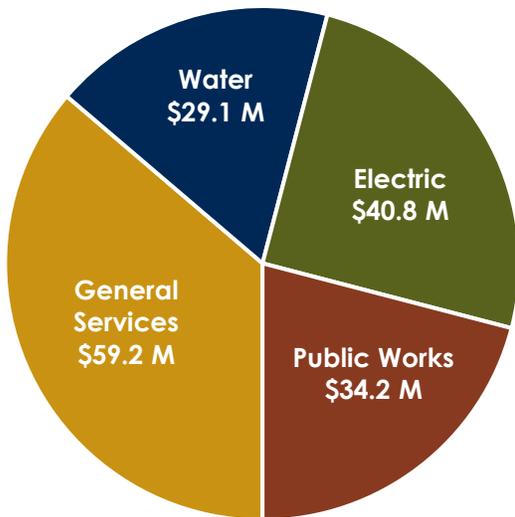
**Capital Improvement Program:** The City's operating and capital budgets are closely linked. The Capital Improvement Program (CIP) document is used as a planning tool to align capital project requirements to the financial sources that will support their realization and the timeframe in which both financing and work will take place. The CIP, in partnership with the City's Budget Transparency Portal, provides an overview of 242 active and planned capital projects investing an additional \$648.4 million in the City's capital assets. Funding sources include ratepayer funds, bond funds, grants, tax pass-through (e.g., State Gas Tax), and more.

The City's commitment to capital investment is embodied in the Infrastructure, Mobility & Connectivity strategic priority of the Envision Riverside 2025 Strategic Plan to ensure safe, reliable infrastructure that benefits the community and facilitates connection between people, place and information.

## CAPITAL IMPROVEMENT PROGRAM

ADOPTED JUNE 21, 2022

**Capital Budget by Department  
FY 2022/23**



	FY 2022/23	FY 2023/24
Electric Utility	\$ 40,814,724	\$ 56,657,003
Water Utility	29,089,738	29,930,773
Transportation Funds	17,330,099	13,705,945
Measure Z Tax Revenue	14,475,000	12,975,000
Measure Z Bond Proceeds	57,700,000	-
Sewer	2,297,609	1,615,000
Other	1,600,000	290,000
<b>Total Funding Sources</b>	<b>\$ 163,307,170</b>	<b>\$ 115,173,721</b>

Electric	\$ 40,814,724	\$ 56,657,003
Water	29,089,738	29,930,773
Municipal Buildings & Facilities	59,200,000	1,500,000
Public Parking	1,250,000	190,000
Railroad	804,000	-
Sewer	2,297,609	1,615,000
Storm Drain	850,000	100,000
Transportation	29,001,099	25,180,945
<b>Total Funding Uses</b>	<b>\$ 163,307,170</b>	<b>\$ 115,173,721</b>



**93** Projects Budgeted in FY 2022/23:



**29**  
Electric  
Projects



**16**  
Water  
Projects



**29**  
Transportation  
Projects



**10**  
Sewer  
Projects



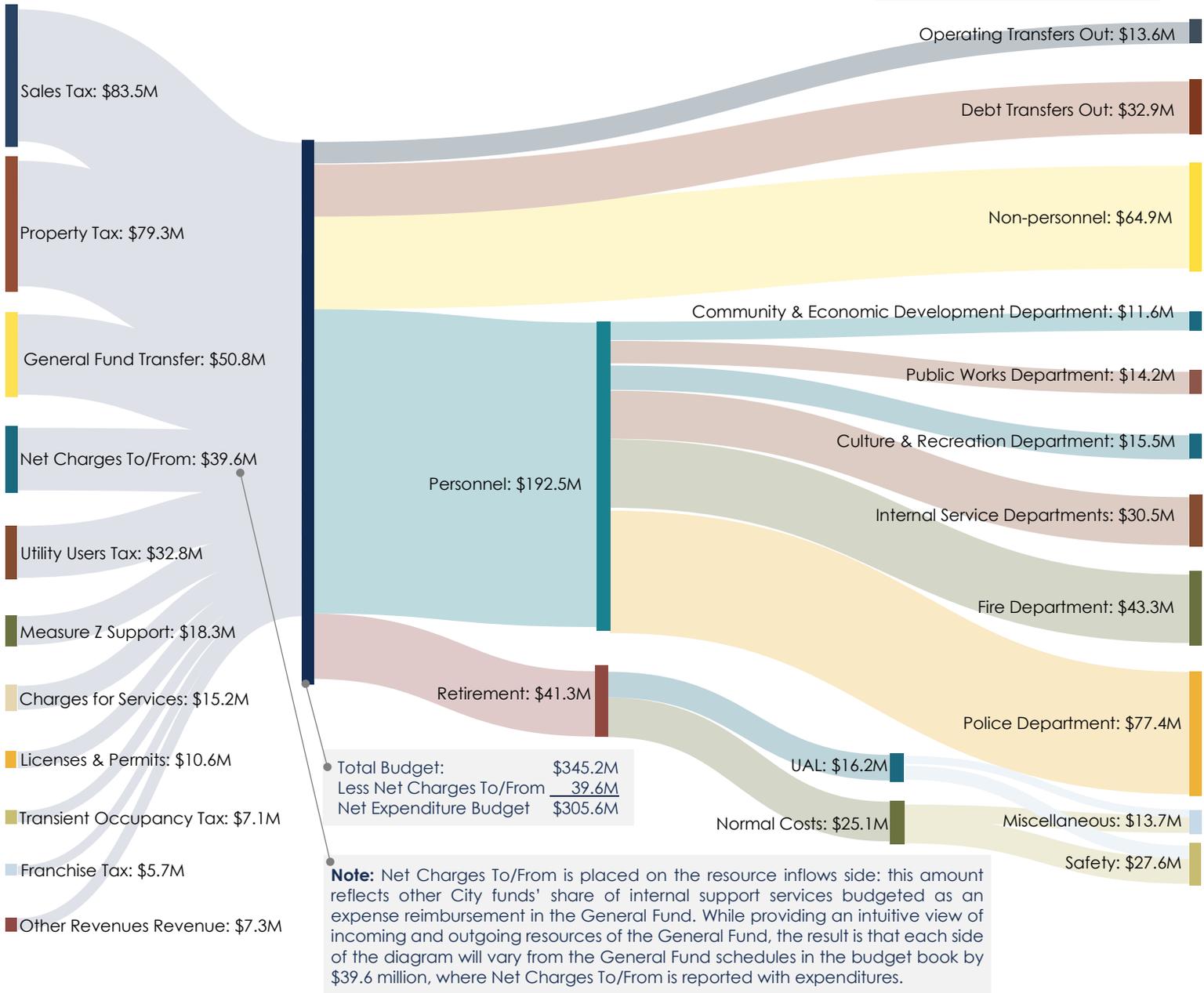
**9**  
Other  
Projects

# GENERAL FUND

The adopted FY 2022/23 General Fund budget totals approximately \$305.6 million. The General Fund budget accounts for approximately 26% of the citywide operating budget. The budget is balanced with small surpluses budgeted in each fiscal year: \$5.0 million in FY 2022/23 and \$7.1 million in FY 2023/24. Revenue is expected to be 8.2% more than budgeted for FY 2021/22 due to strong performance in sales tax revenue and recovery of various revenue sources that declined during the pandemic.

## Resource Inflows: \$350.2 M

## Resource Outflows: \$345.2 M



## General Fund Five-Year Financial Plan Annual Net Gain

(\$ in millions)



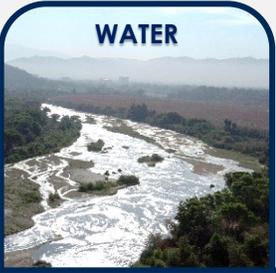
# MAJOR ENTERPRISE FUNDS

The major Enterprise Funds accounting for electric, wastewater/sewer, refuse, water, and public parking services to Riverside residents, businesses and some surrounding communities are presented here. Fees collected for these services, and in some cases, debt issued, supports ongoing operations, maintenance, and expansion of related infrastructure. The City has several other enterprise funds not shown here. Listed below are the individual operational, capital, and debt budgets adopted for FY 2022/23 for the City's major enterprise funds, as well as special program budgets, if any. More information about Enterprise Funds can be found in the City's Adopted Biennial Budget book.

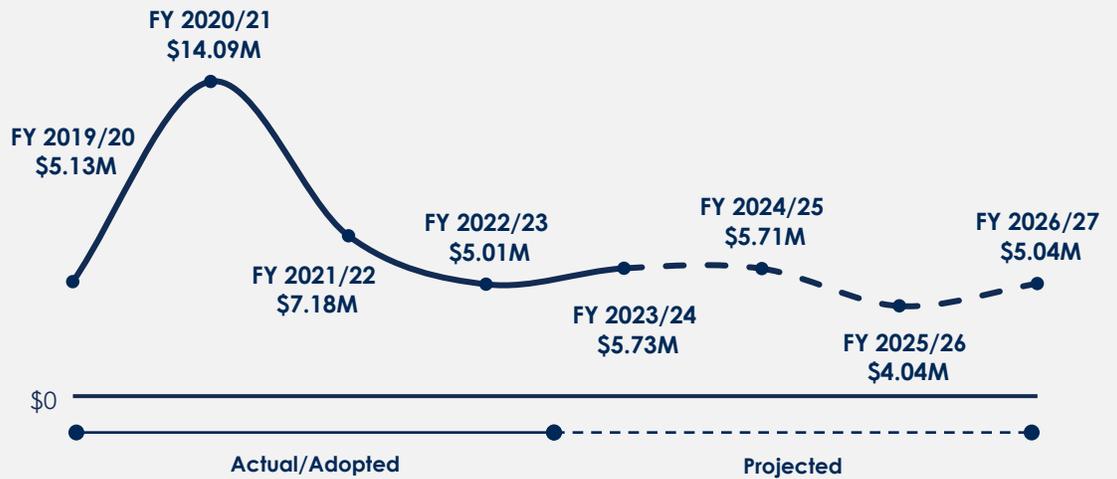
Working capital reflects the available resources of an Enterprise Fund, computed as the difference between current assets and current liabilities. The charts below show the annual change in working capital for each major enterprise fund. While it is anticipated most of the funds will operate in a positive position, the adopted Electric Rate Plan included a strategy to draw down reserves to minimum required levels to keep rate increases as low as possible and the Refuse Fund is projected to operate at a deficit due to cost increases and operational challenges that were not anticipated as part of the recent rate increase. The budget and five-year financial plans communicate the projected impacts of strategies that address the long-term fiscal health of these funds.

**Water Fund Operating History & Five-Year Financial Plan**  
(\$ in millions)

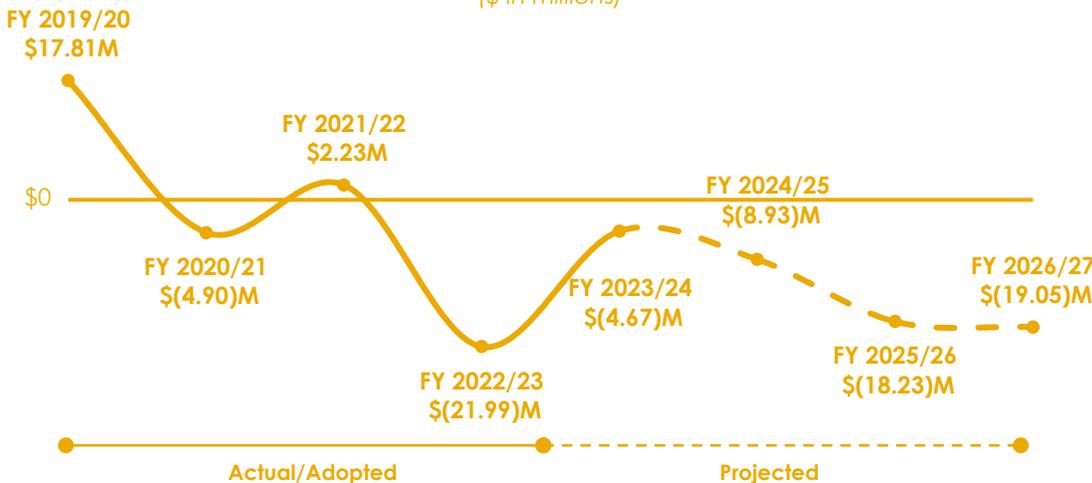
WATER



**Operations: \$60.6M**  
**Debt: \$24.1M**  
**Capital Projects: \$29.1M**  
**Water Conservation Programs: \$2.1M**



**Electric Fund Operating History & Five-Year Financial Plan**  
(\$ in millions)



ELECTRIC



**Operations: \$372.9M**  
**Debt: \$58.2M**  
**Capital Projects: \$40.8M**  
**Public Benefit Programs: \$15.0M**

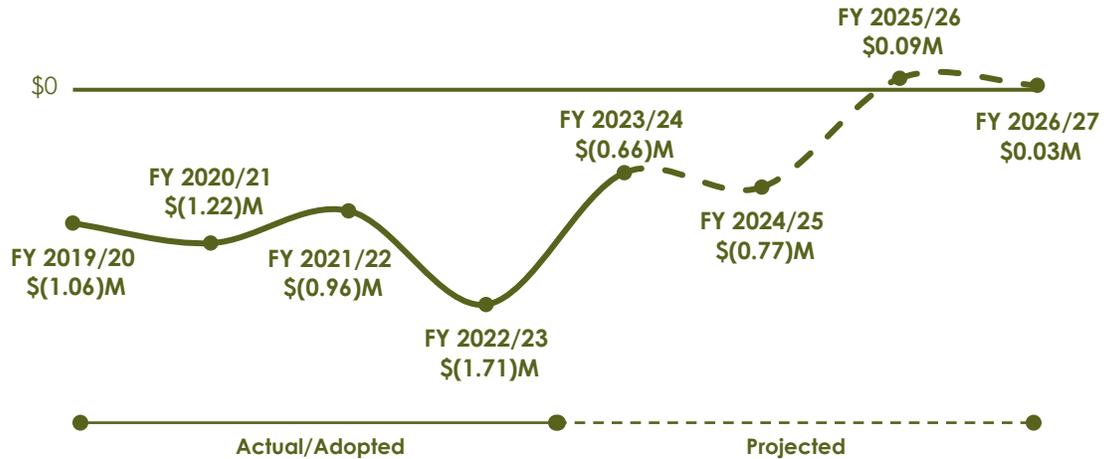
# MAJOR ENTERPRISE FUNDS

Refuse Fund Operating History & Five-Year Financial Plan  
(\$ in millions)



REFUSE

Operations: \$31.7M  
Debt: \$0.5M



Sewer Fund Operating History & Five-Year Financial Plan  
(\$ in millions)

FY 2019/20  
\$11.19M

FY 2020/21  
\$10.55M

FY 2021/22  
\$4.64M

FY 2023/24  
\$1.84M

FY 2025/26  
\$2.92M

\$0

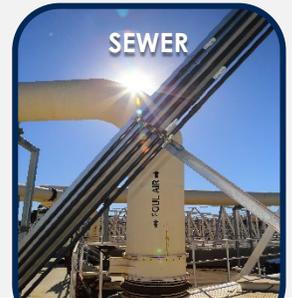
FY 2022/23  
\$2.27M

FY 2024/25  
\$2.77M

FY 2026/27  
\$3.45M

Actual/Adopted

Projected



SEWER

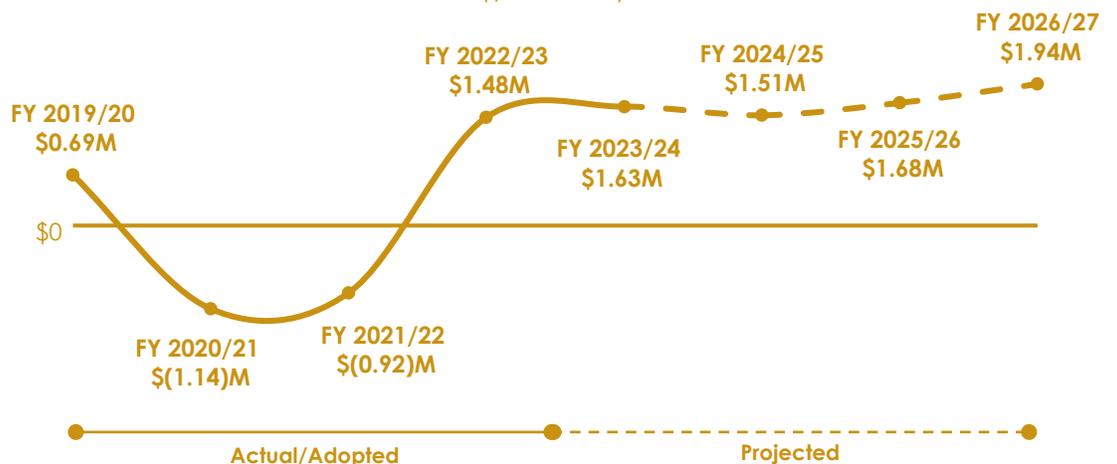
Operations: \$39.3M  
Debt: \$26.7M  
Capital Projects: \$2.3M

Public Parking Fund Operating History & Five-Year Financial Plan  
(\$ in millions)



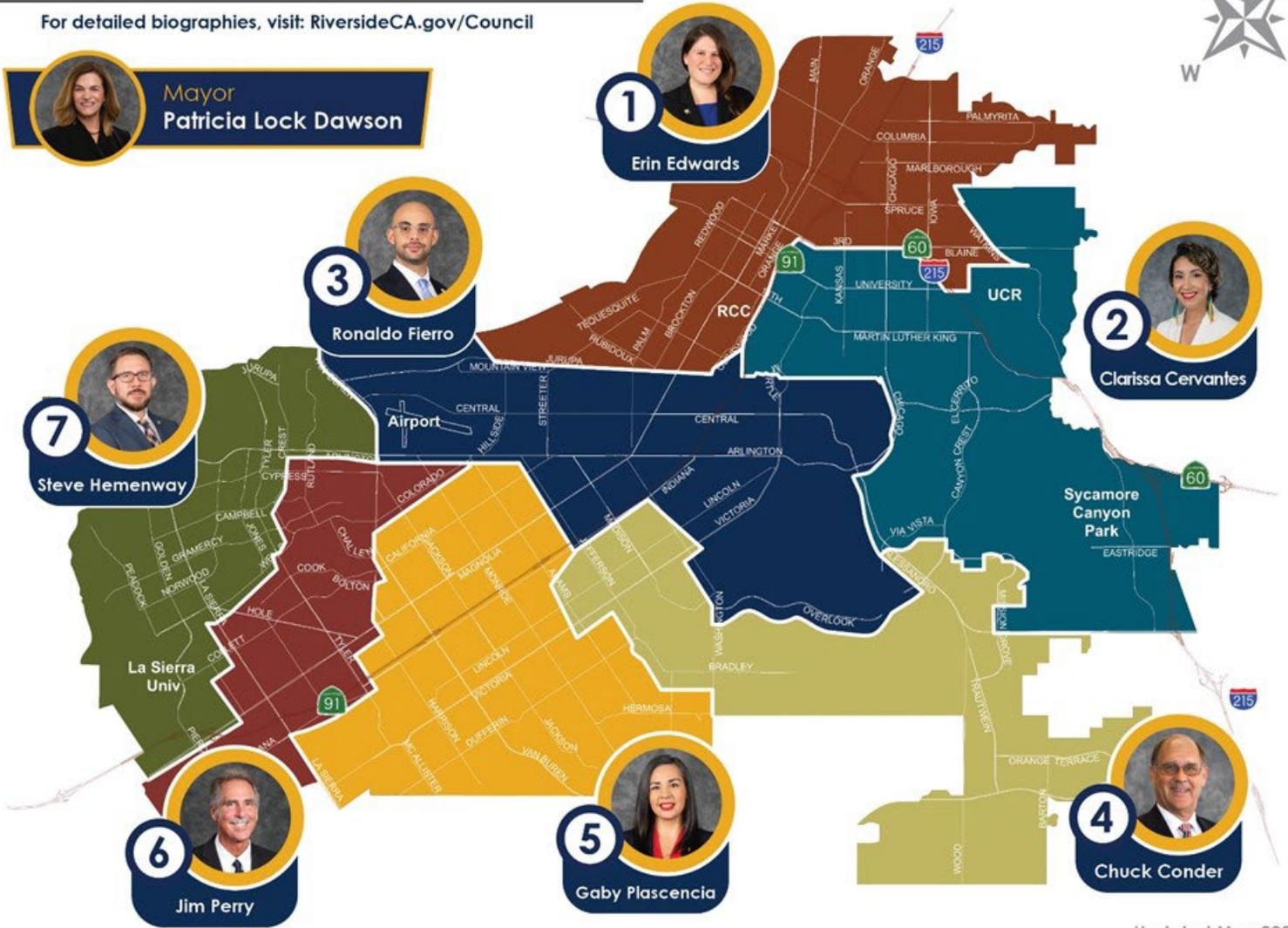
PARKING

Operations: \$7.6M  
Debt: \$1.8M  
Capital Projects: \$1.3M

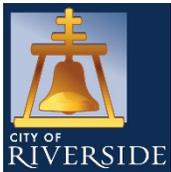


# CITY COUNCIL WARD BOUNDARIES

For detailed biographies, visit: [RiversideCA.gov/Council](https://RiversideCA.gov/Council)



Updated May 2022



## EXPLORE

the City's budget online at  
[RiversideCA.gov/finance/budget.asp](https://RiversideCA.gov/finance/budget.asp)

Connect with us: @CityofRiverside



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