

Office of the
City Manager

CITY OF RIVERSIDE

September 1, 2005

The Honorable Mayor and City Council
City of Riverside, California

I am pleased to submit the City of Riverside's Final Budget for fiscal year 2005/06, which was formally adopted by the City Council on June 14, 2005. This budget serves not only as a spending plan for the immediate future, but also as a management and communications document outlining the City's commitment to provide accountability, strategic planning, and performance evaluation for all that we do. The final budget totals \$653,215,512, which represents a 17.1% increase from the previous fiscal year. The General Fund portion of the total budget excluding transfers is \$188,785,983, which represents an 18.9% increase over the previous fiscal year.

The budget process is nearly a yearlong endeavor, involving an in-depth analysis of the City's continuing and emergent fiscal needs. The FY 2005/06 budget requires the use of \$6 million dollars of Reserves to keep General Fund Revenue on pace with General Fund expenditures. This final budget differs from the preliminary budget presented to City Council last May in that it includes final 2005/06 cost allocation charges, the method by which the cost of administrative and internal services are distributed across other funds, as well as the various funding proposals approved by the City Council during the budget review and reconciliation process.

SIGNIFICANT CHANGES IN FINAL BUDGET

Significant changes from the preliminary budget to the final budget include the following funding adjustments:

General Fund (101)

City Clerk:

- Added \$430,000 to City Clerk – Election Services for November 2005 elections.

City Manager:

- Added one-time cost of \$250,000 for Emergency Shelter Parking lot and \$36,000 for the 2-year lease.

Community Development:

- Added \$789,285 to fund: 1.0 FTE Community Development Director; 1.0 FTE Building Inspector II; 1.0 FTE Senior Planner; 1.0 FTE Senior Office Specialist; and 1.0 FTE Associate Planner. Also 1.0 FTE Senior Plan Examiner and 1.0 FTE Plan Check Manager were reclassified.
- Added \$17,721 to convert Senior Office Specialist to a Planning Technician.

Non-Departmental:

- Programs and Services were redistributed to the Office of the City Manager, as suggested by the City Council.

Police:

- Restored \$348,516 and 22.20 FTE Crossing Guards previously deleted in Preliminary Budget.

Public Works:

- Added \$175,000 for Bikeway Maintenance Program.
- Added \$20,000 for Reorganization Efforts.

Various Departments:

- Added \$147,304 in accordance with Human Resources Department recommendations to reclassify various positions.

All Other Funds

General Services – Fund 102:

- Added \$60,000 to cover 9th Street Parking Structure costs.

Human Resources – Fund 102:

- Added \$200,000 for job classification study.

Information Systems – Fund 102:

- Added 1.0 FTE Chief Information Officer to Information Systems and Administration.
- Added \$95,000 for Laptop Support Technician, for Fire and Police Department.

Development – Fund 170:

- Real Property Services was transferred from the General Services Department. In addition \$123,000 was added to fund 1.0 FTE Real Property Services Manager.

Public Utilities – Fund 510:

- Added \$100,00 to implement Cross-Training Program to develop employees to fill vacancies.
- Added \$137,517 for 2.0 FTE Utilities Meter Reader positions and equity adjustment various positions.

Airport – Fund 530:

- Added \$25,000 for Annual Pavement Maintenance
- Added \$20,000 to Professional Services account for design services and routine maintenance.

Public Works – Other Enterprise Funds:

- Added \$609,171 for reorganization efforts.
- Added \$25,000 to Miscellaneous Parking Service account for maintenance.
- Added \$35,000 to implement HAZ-MAT Mitigation Responses Program.

Various Departments:

- Added \$958,008 in accordance with Human Resources Department recommendations to reclassify various positions.

The table below illustrates by expenditures/expense category how the final budget figures differ from the preliminary budget.

Summary of Changes by Category
(excludes transfers)

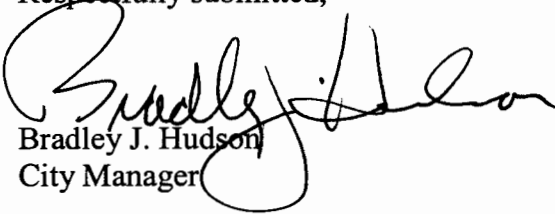
Expenditures/Expense Category	Preliminary	Final	Change
<i>Personnel Services</i>	\$ 213,435,832	\$ 216,145,021	\$ 2,709,189
<i>Non-Personnel Expenses</i>	254,396,551	255,268,012	871,461
<i>Equipment Outlay</i>	7,701,153	7,778,653	77,500
<i>Capital Improvements</i>	82,889,721	83,619,881	730,160
<i>Special Projects</i>	30,385,164	29,948,564	(436,600)
<i>Debt Service</i>	78,602,202	78,602,202	0
<i>Charges From Others</i>	73,696,527	74,735,956	1,039,429
<i>Charges to Others</i>	(91,845,852)	(92,882,777)	(1,036,925)
Total	\$ 649,261,298	\$ 653,215,512	\$ 3,954,214

Attached to this letter is an updated summary of approved funding for specific operating funds and a summary for all funds by category (Attachment A).

CONCLUSION

As a recipient of the prestigious America's Most Livable Communities award, Riverside is nationally recognized as a great place to live, work, and conduct business. This final budget provides not only the resources necessary to maintain our enviable quality of life, but also includes enhancements in areas of high priority to the City Council, including transportation and community livability. Through the City Council's oversight throughout the budget development process, the City is well positioned fiscally to meet all ongoing challenges and opportunities.

Respectfully submitted,



Bradley J. Hudson
City Manager

Attachment A
(excludes transfers)

Table of changes in proposed funding for specific funds:

FUND	2004-05	2005-06	CHANGE	% CHANGE
General Fund	158,726,357	188,785,983	30,059,626	18.94%
Development	22,831,246	28,198,971	5,367,725	23.51%
Library	7,582,219	9,855,639	2,273,420	29.98%
Comm Dev Blk Grant	4,060,000	4,838,586	778,586	19.18%
Electric*	232,865,805	257,096,098	24,230,293	10.41%
Water	51,246,058	58,683,101	7,437,043	14.51%
Refuse	15,047,751	17,261,528	2,213,777	14.71%
Sewer Service	24,181,550	27,696,609	3,515,059	14.54%
Sewer Projects	4,978,635	20,790,494	15,811,859	317.59%
Airport Funds	1,036,406	1,046,852	10,446	1.01%

*Includes Fund 511 for Public Benefits Surcharge Fund

Changes in proposed funding by various categories Citywide, all funds:

EXPENDITURES/EXPENSE CATEGORY	2004-05	2005-06	CHANGE	% CHANGE
Personnel	177,372,676	216,145,021	38,772,345	21.86%
Non-Personnel	234,346,690	255,268,012	20,921,322	8.93%
Equipment Outlay	6,362,979	7,778,653	1,415,674	22.25%
Capital Outlay	66,699,118	83,619,881	16,920,763	25.37%
Special Projects	28,434,823	29,948,564	1,513,741	5.32%
Debt Service	60,377,475	78,602,202	18,224,727	30.18%
Charges From Others	61,509,632	74,735,956	13,226,324	21.50%
Charges to Others	(77,286,182)	(92,882,777)	(15,596,595)	20.18%
TOTALS	557,817,211	653,215,512	95,398,301	17.10%