

City of Rialto



Fiscal Year 2019 Budget

City Council Presentation – July 24, 2018

Outline

Comparison to Last Year

General Fund Budget

Revenues

Operating

Non-Operating

Expenditures

Operating

Personnel

Supplies & Services

Capital

Non-operating

Reserves

Other Funds

Recommendations

Budget Comparison – FY18 to FY19

| Fiscal Year 2018 (Last Year) | Fiscal Year 2019 (This Year) | |
|--|---|---|
| 11 Positions Frozen | 6 Positions Unfrozen/17 Positions Added | ✓ |
| Cuts to Supplies and Services--\$1.4 million | Supplies and Services Up 15% over FY18 | ✓ |
| General Fund Capital Cuts | More Than \$1 million GF Proposed Capital | ✓ |
| OPEB Contribution Reduced | Total OPEB Contribution Eliminated | ✗ |
| UUT Uncertainty | UUT Stability | ✓ |
| Operating Reserve Policy Compliance | Over-Commitment of Operating Reserves | ✗ |
| Flores Settlement Liability | Flores Settlement Paid | ✓ |
| Deferred Salary Increases | Salary Increases Budgeted | ✓ |
| No Long-Term Financial Plan | Long-Term Planning Model | ✓ |
| Unfunded Pension Liability | Unfunded Pension Liability | ✗ |
| No Formal Citizen Input to Budget | Budget Advisory Committee | ✓ |
| Measure U Not Available | Measure U Not Available | |

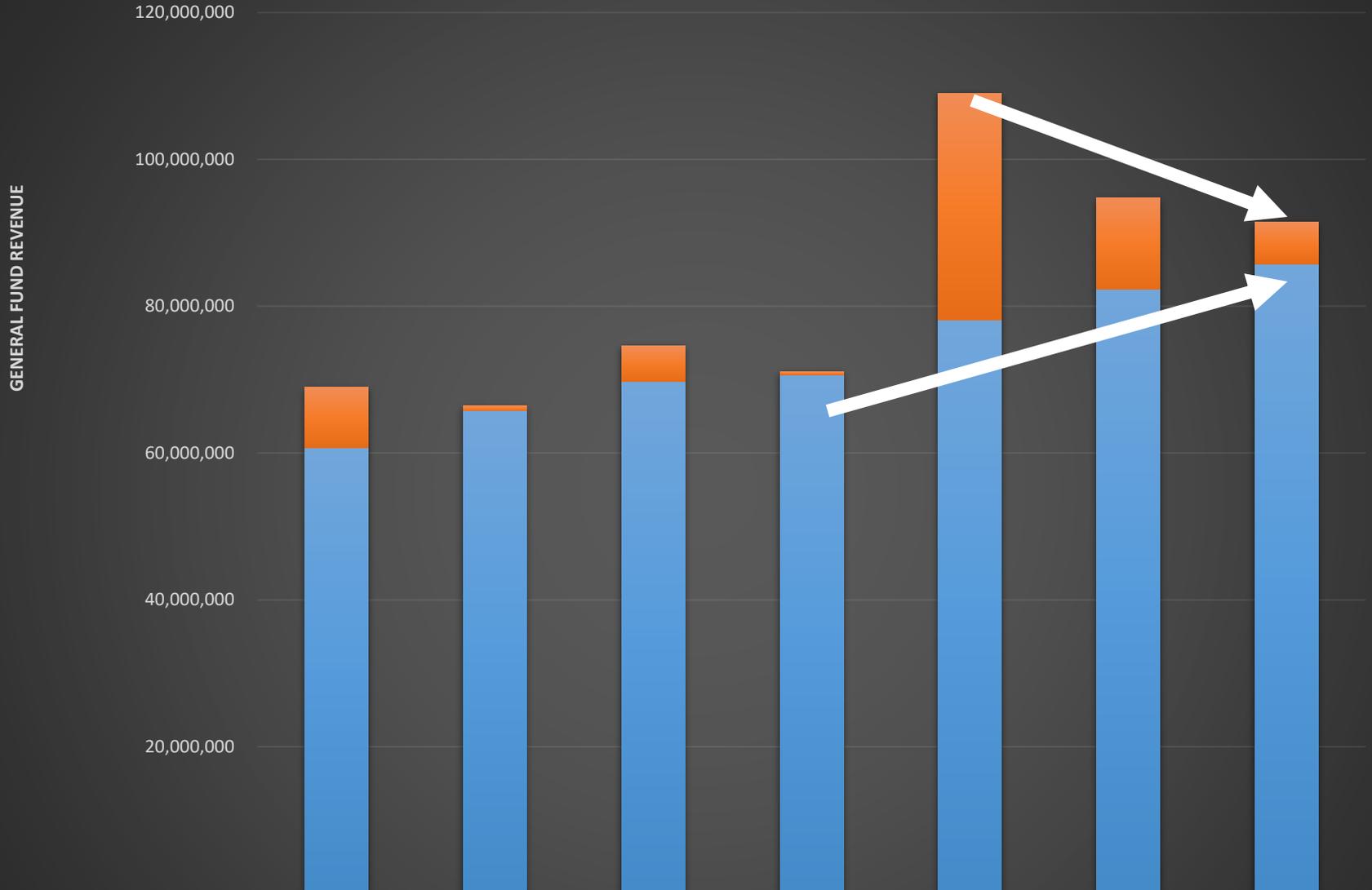
Operating Revenues

| Revenue | Revised | Proposed | Change FY 18- FY19 | |
|---|-------------------|-------------------|--------------------|--------------|
| | Budget FY 18 | Budget FY 19 | Dollars (\$) | Percent (%) |
| Taxes | 56,155,200 | 60,243,560 | 4,088,360 | 7.3% |
| Sales Taxes | 16,231,000 | 16,834,000 | 603,000 → | 3.7% |
| Utility Taxes | 13,890,500 | 14,188,100 | 297,600 | 2.1% |
| In Lieu Property Tax (VLF) | 11,300,000 | 12,047,360 | 747,360 | 6.6% |
| Property Taxes | 10,098,000 | 11,726,000 | 1,628,000 → | 16.1% |
| Other Taxes | 4,635,700 | 5,448,100 | 812,400 → | 17.5% |
|  | | | | |
| Other Revenues | 26,104,436 | 25,507,435 | (597,001) | -2.3% |
| Revenue/Other Agencies | 6,303,324 | 5,743,340 | (559,984) | -8.9% |
| RUA Lease Payments | 3,140,530 | 3,140,530 | 0 | 0.0% |
| Service Charges | 7,145,150 | 6,685,700 | (459,450) | -6.4% |
| Licenses/Permits | 4,818,793 | 5,292,700 | 473,907 | 9.8% |
| Operating Transfers In | 2,590,286 | 2,303,965 | (286,321) | -11.1% |
| Use of Money | 894,800 | 1,003,700 | 108,900 | 12.2% |
| Misc Revenue | 665,953 | 786,400 | 120,447 | 18.1% |
| Fines/Penalties/Other | 545,600 | 551,100 | 5,500 | 1.0% |
| Total Operating Revenues | 82,259,636 | 85,750,995 | 3,491,359 | 4.2% |

Non-Operating Revenues

| Revenue | Revised | Proposed | Change FY 18- FY19 | |
|---------------------------------|-------------------|------------------|--------------------|-------------|
| | Budget FY 18 | Budget FY 19 | Dollars (\$) | Percent (%) |
| Airport Land Sales | 7,100,000 | 2,228,645 | (4,871,355) | -24% |
| Development Agreements | 3,880,000 | 3,400,000 | (480,000) | -5% |
| County/Landfill Waste Rebate | 1,528,200 | 46,200 | (1,482,000) | -3137% |
| Includes traffic mitigation fee | | | | |
| Non Operating Revenues | 12,508,200 | 5,674,845 | (6,833,355) | -90% |

General Fund Revenues



| | FY 13 | FY 14 | FY 15 | FY 16 | FY 17 | FY 18 | FY 19 |
|------------------------|------------|------------|------------|------------|------------|------------|------------|
| Non-Operating Revenues | 8,206,418 | 658,081 | 4,922,855 | 473,637 | 30,867,631 | 12,508,200 | 5,674,845 |
| Operating Revenues | 60,744,093 | 65,770,611 | 69,734,370 | 70,656,222 | 78,176,769 | 82,259,636 | 85,750,995 |

General Fund – Operating Expenditures

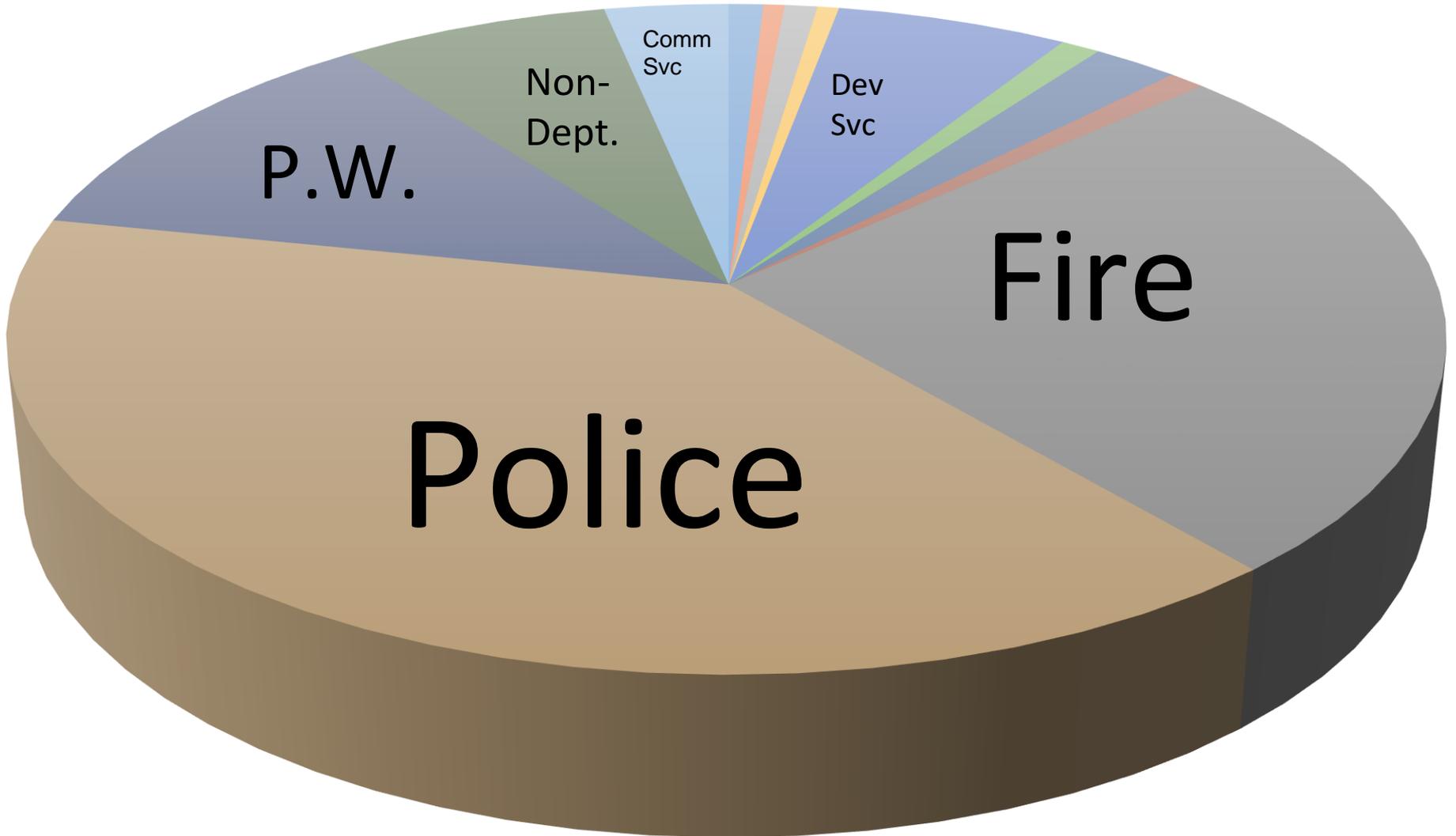
| Category | Revised Budget | | Proposed Budget | | Change FY 18 - FY 19 | |
|-------------------------------------|-------------------|--------|-------------------|--------|----------------------|-------------|
| | FY 18 | % | FY 19 | % | | |
| Total Operating Expenditures | 82,510,902 | 100.0% | 87,142,763 | 100.0% | 4,631,861 | 5.6% |
| Personnel | 54,161,440 | 65.6% | 59,440,938 | 68.2% | → 5,279,498 ← | 9.7% |
| Services & Supplies | 25,727,560 | 31.2% | 25,117,984 | 28.8% | (609,576) | -2.4% |
| Legal Services | 1,743,800 | 2.1% | 1,500,500 | 1.7% | (243,300) | -14.0% |
| Capital | 572,674 | 0.7% | 478,000 | 0.5% | (94,674) | -16.5% |
| Vehicles | 240,087 | 0.3% | 540,000 | 0.6% | 299,913 | 124.9% |
| Debt Service | 65,341 | 0.1% | 65,341 | 0.1% | 0 | 0.0% |

Expenditures by Department

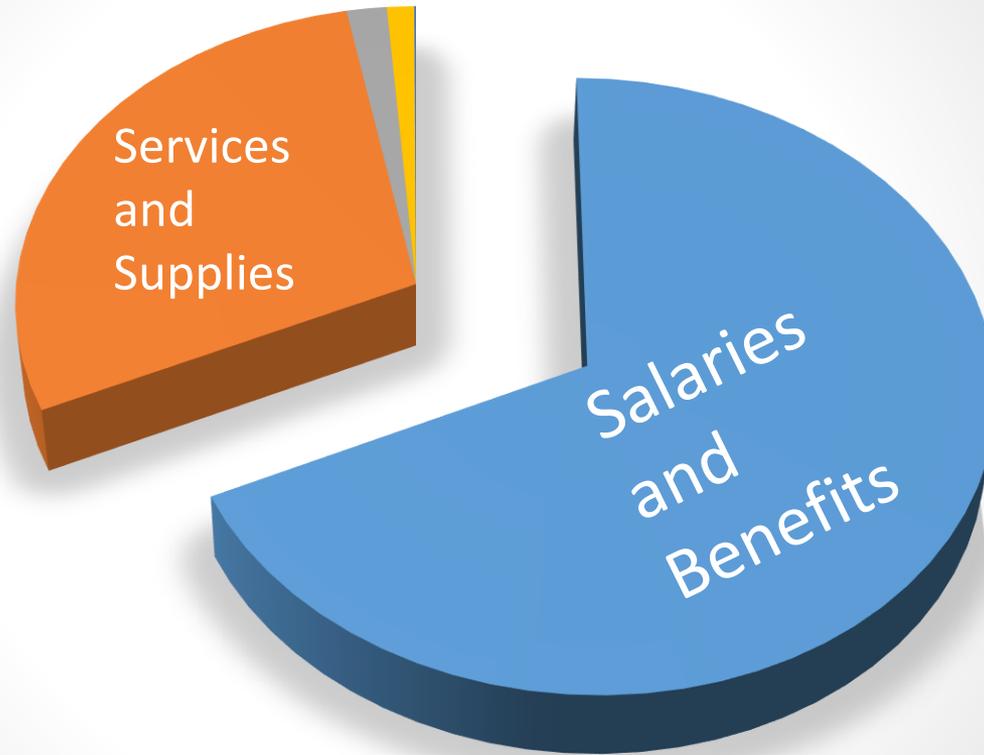
| Department | Revised | Proposed | Change FY 18 - FY 19 | | % of Budget | |
|------------------------|-------------------|-------------------|----------------------|--------------|----------------|----------------|
| | Budget | Budget | \$ Change | % Change | FY 18 | FY 19 |
| | FY 18 | FY 19 | | | | |
| | 82,510,902 | 87,142,763 | 4,631,861 | 5.61% | 100.00% | 100.00% |
| City Administrator | 824,901 | 758,783 | (66,118) | -8.02% | 1.00% | 0.87% |
| City Council | 420,341 | 468,166 | 47,825 | 11.38% | 0.51% | 0.54% |
| City Clerk | 670,286 | 714,151 | 43,865 | 6.54% | 0.81% | 0.82% |
| City Treasurer | 458,491 | 474,697 | 16,206 | 3.53% | 0.56% | 0.54% |
| Development Services | 5,081,343 | 5,098,800 | 17,457 | 0.34% | 6.16% | 5.85% |
| Human Resources | 867,497 | 865,988 | (1,509) | -0.17% | 1.05% | 0.99% |
| Finance | 1,898,182 | 1,877,679 | (20,503) | -1.08% | 2.30% | 2.15% |
| Fire | 21,623,054 | 21,499,538 | (123,516) | -0.57% | 26.21% | 24.67% |
| Management Services | 745,889 | 798,539 | 52,650 | 7.06% | 0.90% | 0.92% |
| Police | 31,333,587 | 33,004,705 | 1,671,118 | 5.33% | 37.98% | 37.87% |
| Public Works | 8,530,677 | 9,603,095 | 1,072,418 | 12.57% | 10.34% | 11.02% |
| Other Non-Departmental | 7,359,758 | 9,253,282 | 1,893,524 | 25.73% | 8.92% | 10.62% |
| Community Services | 2,696,896 | 2,725,340 | 28,444 | 1.05% | 3.27% | 3.13% |

City-wide Legal & Salary increases

Department Expenditures



Operating Expenditures By Category



Staffing

Salary and Benefits FY18 Compared to FY19

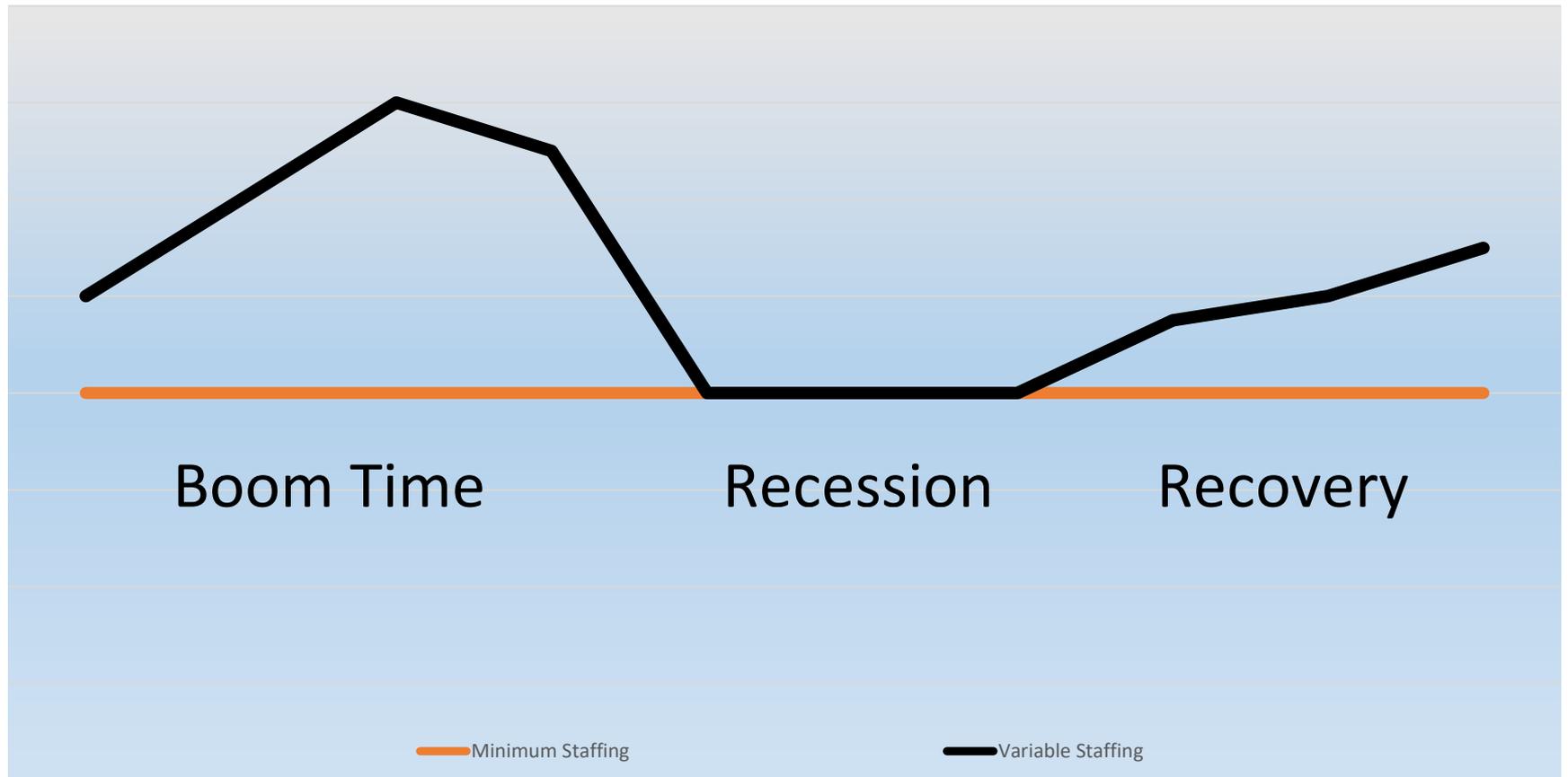
| | Variance FY18 - FY19 | Proposed Position Changes | Negotiated 8% Increase | All Other Units 8% Increase | Other Compensation Changes |
|--------------------------------|-------------------------|---------------------------------|---------------------------|-----------------------------------|----------------------------------|
| Salaries & Benefits | 5,279,498 | 1,487,750 | 1,447,362 | 1,994,643 | 349,743 |
| Salaries | 5,932,193 | 1,487,750 | 1,447,362 | 1,994,643 | 1,002,437 |
| Overtime | (897,566) | | | | (897,566) |
| PERS UAL & NC | 1,327,791 | | | | 1,327,791 |
| Other Benefits | 4,366 | | | | 4,366 |
| OPEB | (1,087,286) | | | | (1,087,286) |

Savings:
Offsets to added
positions = **\$1,213,200**

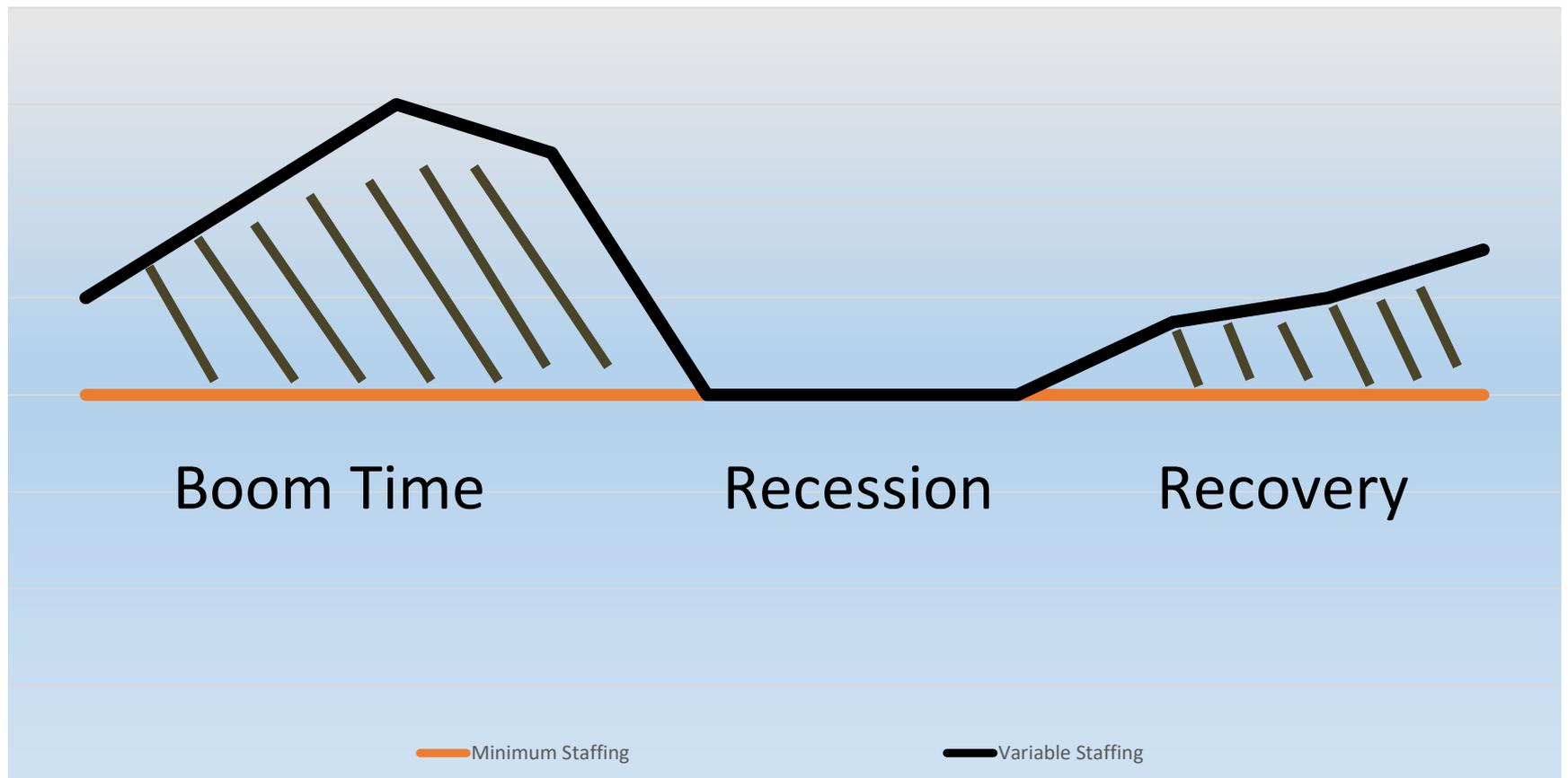
Staffing Assumptions

- Consistent Salary Increase City-wide
- Staffing levels set in anticipation of a recession within 24 months
- Reclassifications approved by separate City Council action
 - Objectivity and Transparency
 - Potential cost of deferred reclassifications **\$31,716**
 - Completed within 90 days

Staffing Approach



Staffing Approach



Staffing – Development Services

| Position Title | Change | Justification | Cost | Savings | Net | Recommend |
|-----------------------------------|--------|---------------------------------|---------|-----------|------------------|------------|
| Development Services Total | | | | | (331,500) | |
| Development Services Coordinator | New | Improve customer service | – | – | – | Disapprove |
| Senior Planner | New | Offset contract costs - IP | 108,000 | (200,000) | (92,000) | Approve |
| Assistant Planner | New | Offset contract costs - MIG | 77,000 | (190,000) | (113,000) | Disapprove |
| Senior Building Inspector | New | Offset contract costs – Willdan | 96,000 | (170,000) | (74,000) | Disapprove |
| Permit Technician | New | Offset contract costs – Willdan | 69,000 | (120,000) | (51,000) | Approve |

Staffing – Development Services (Cont.)

| Position Title | Change | Justification | Cost | Savings | Net | Recommend |
|---------------------------------|--------|---------------------------------------|---------|-----------|-----------|-----------------|
| Code Enforcement Supervisor | New | Improve unit management | 111,500 | | 111,500 | Approve |
| Code Enforcement Officer | Delete | Improve unit management | | (70,000) | (70,000) | Delete |
| Development Services Specialist | Delete | Utilize savings for Permit Technician | | (80,000) | (80,000) | Delete |
| Economic Development Mgr | None | | | (150,000) | (150,000) | Continue Freeze |

Staffing – Finance/Info Tech

| Position Title | Change | Justification | Cost | Savings | Net | Recommend |
|--------------------------------|--------------|-------------------------------|---------|-----------|-----------------|-----------------|
| Finance/Info Tech Total | | | | | (89,000) | |
| Information Systems Analyst | New | Offset contract costs | 96,800 | (198,000) | (101,200) | Approve |
| Acct Tech To Senior Buyer | Reclass | Class & Comp | | | 3,700 | Approve |
| Finance Director | Unfreeze | PT contract FD not sufficient | 222,600 | (156,000) | 66,000 | Approve |
| Accountant | None | | | (96,000) | (96,000) | Continue Freeze |
| Admin Assistant | None | | | (70,000) | (70,000) | Continue Freeze |
| Accounting Supervisor | Release Hold | Fiscal oversight & reporting | 108,500 | | 108,500 | Release Hold |

Staffing – City Clerk

| Position Title | Change | Justification | Cost | Savings | Net | Recommend |
|--------------------------|---------|--------------------------|--------|----------|---------------|----------------------|
| City Clerk Total | | | | | 53,100 | |
| Office Specialist | New | Partial revenue recovery | 55,500 | (10,000) | 45,500 | Approve |
| Senior Office Specialist | Reclass | | | | | Future Consideration |
| PT Technical Assistant | New | Reduced OT demands | 12,600 | (5,000) | 7,600 | Approve |

Staffing – Fire

| Position Title | Change | Justification | Cost | Savings | Net | Recommend |
|---------------------------|------------|----------------------|----------------|------------------|------------------|-----------------|
| Fire Dept Total | | | 254,800 | (537,000) | (282,200) | |
| Fire Division Chief | Unfreeze | Service to community | | (278,000) | (278,000) | Continue Freeze |
| Emergency Medical Tech. | New (3) | Position exchange | 145,400 | | 145,400 | Approve (3) |
| Paramedic | New (2) | Position exchange | 109,400 | | 109,400 | Approve (2) |
| Firefighter/ Paramedic | Delete (2) | Position exchange | | (259,000) | (259,000) | Delete (2) |

Staffing – Police

| Position Title | Change | Justification | Cost | Savings | Net | Recommend |
|-----------------------------|----------|------------------------------|---------|---------|----------------|-----------|
| Police Dept. Total | | | | | 431,000 | |
| Police Lieutenant | Unfreeze | Accountability & Supervision | 217,000 | | 217,000 | Unfreeze |
| Lead Emergency Dispatcher | Unfreeze | Improve Service | 77,000 | | 77,000 | Unfreeze |
| Property/ Evidence Tech. | Unfreeze | Improve Service | 73,000 | | 73,000 | Unfreeze |
| Lead Police Records Assist. | Unfreeze | Improve Service | 64,000 | | 64,000 | Unfreeze |

Staffing – Public Works, Engineering/CIP

| Position Title | Change | Justification | Cost | Savings | Net | Rec. |
|-----------------------------|--------|--------------------------|---------|-----------|--------------|------------|
| PW Eng/CIP Total | | | | | 9,250 | |
| PT Interns (2) | New | Offset contract costs | 30,400 | (90,000) | (59,600) | Approve |
| Accounting Tech | New | | 76,000 | | 76,000 | Approve |
| Admin Asst. | New | Offset contract costs | 69,000 | (78,000) | (9,000) | Approve |
| Senior Constr. Inspector | New | Offset contract costs | 85,000 | (211,200) | (126,200) | Disapprove |
| Civil Engineer | New | Offset contract costs | 137,700 | (230,400) | (92,700) | Disapprove |

Staffing – Public Works, Maintenance and Operations

| Position Title | Change | Justification | Cost | Savings | Net | Recommend |
|--|----------|----------------------------------|---------|---------|---------|----------------------|
| PW – Maint & Operations Total | | | | | | |
| Senior Field Service Worker | New | | 74,300 | | 74,300 | Approve |
| Field Service Worker (2) | New | | 125,600 | | 125,600 | Approve (2) |
| Public Works Supervisor | Reclass. | Combine Fleet Coord & Lead Mech. | | | | Future Consideration |
| Senior Equip. Mechanic | Reclass. | | | | | Future Consideration |
| Senior Field Service Worker | Reclass. | Reclass 1 FSW to SFW | | | | Future Consideration |

Staffing – Public Works, Engineering/CIP (Cont.)

| Position Title | Change | Justification | Cost | Savings | Net | Rec. |
|---|----------|--------------------------|--------|-----------|-----------|-------------------------|
| PW Prog Coord To PW Admin Mgr | Reclass | | | | | Future Consideration |
| Assoc Engineer To Principal Eng. | Reclass | | | | | Future Consideration |
| Assoc. Engineer To Civil Engineer (3) | Reclass | Per Class and Comp | | | 8,550 | Approve (3) |
| Construction Inspector | Unfreeze | Offset contract costs | 82,000 | (211,200) | (129,200) | Approve |
| Engineering Tech. | None | | | (77,400) | (77,400) | Continue Freeze |

Staffing – Community Services

| Position Title | Change | Justification | Cost | Savings | Net | Recommend |
|---------------------------------|--------|---------------|---------------|---------|---------------|-----------|
| Community Services Total | | | 70,400 | | 70,400 | |
| Administrative Assistant | New | | 70,400 | | 70,400 | Approve |
| | | | | | | |
| | | | | | | |
| | | | | | | |

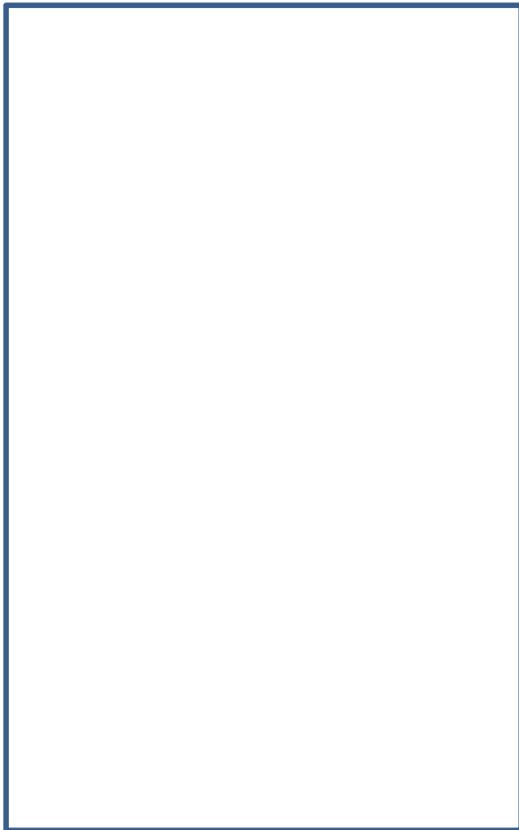
City Workforce

Budgeted City Employment

| Department | General Fund | | | Other Funds | | |
|-----------------------|---------------|---------------|---------------|--------------|--------------|--------------|
| | FY 17 | FY 18 | FY 19 | FY 17 | FY 18 | FY 19 |
| City Administrator | 3.00 | 3.00 | 3.00 | 0.00 | 0.00 | 0.00 |
| City Clerk | 3.00 | 3.00 | 3.00 | 0.00 | 0.00 | 0.00 |
| City Council | 5.00 | 5.00 | 5.00 | 0.00 | 0.00 | 0.00 |
| City Treasurer | 4.00 | 4.00 | 4.00 | 0.00 | 0.00 | 0.00 |
| Community Services | 0.00 | 0.00 | 0.00 | 10.00 | 10.00 | 11.00 |
| Development Services | 19.05 | 18.25 | 19.80 | 0.80 | 0.80 | 0.25 |
| Finance/IT | 12.50 | 11.50 | 11.50 | 4.50 | 3.50 | 4.50 |
| Fire | 81.00 | 80.00 | 83.00 | 0.00 | 0.00 | 0.00 |
| Human Resources | 4.40 | 4.40 | 4.40 | 0.00 | 0.00 | 0.00 |
| Management Services | 5.00 | 5.00 | 6.00 | 0.00 | 0.00 | 0.00 |
| Other | 0.00 | 0.00 | 0.00 | 0.60 | 0.60 | 0.60 |
| Police | 142.50 | 140.34 | 146.00 | 3.50 | 1.66 | 0.00 |
| Public Works | 28.12 | 25.60 | 31.35 | 15.88 | 15.40 | 15.65 |
| Successor Agency | 0.00 | 0.00 | 0.00 | 1.15 | 0.95 | 0.95 |
| City Workforce | 307.57 | 300.09 | 317.05 | 36.43 | 32.91 | 32.95 |

OPEB

City General Fund



Future Retirees



\$2.5 Million

OPEB Trust Fund



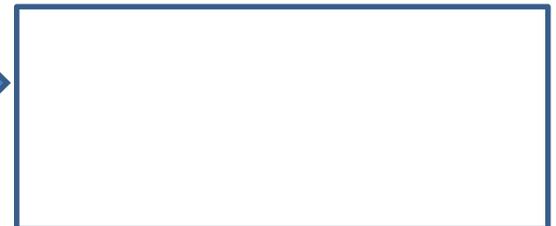
\$20.6 Million

Current Retirees



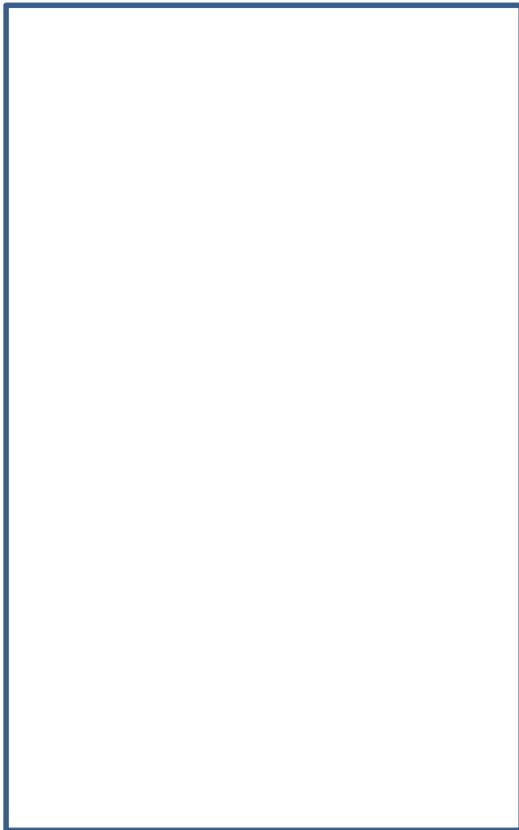
\$1.4 Million

Retirees



OPEB - Proposed

City General Fund



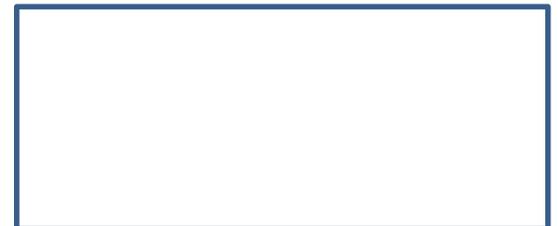
OPEB Trust Fund



\$1.4 Million



Retirees



Services & Supplies

| Category | Revised Budget | | Proposed Budget | | Change FY 18 - FY 19 | |
|-------------------------------------|-------------------|-------|-------------------|-------|----------------------|-------|
| | FY 18 | % | FY 19 | % | | |
| Total Operating Expenditures | 24,077,804 | 29.2% | 23,468,228 | 26.9% | (609,576) | -2.5% |
| Utilities | 1,359,260 | 1.6% | 1,401,050 | 1.6% | 41,790 | 3.1% |
| Allocations | 5,929,430 | 7.2% | 5,927,468 | 6.8% | (1,963) | 0.0% |
| Contract Services | 10,752,149 | 13.0% | 9,903,504 | 11.4% | (848,645) | -7.9% |
| Training & Memberships | 390,007 | 0.5% | 421,207 | 0.5% | 31,200 | 8.0% |
| Other Services & Supplies | 5,646,958 | 6.8% | 5,814,999 | 6.7% | 168,041 | 3.0% |

General Fund Capital

Vehicle Replacement

- Current Inventory of Over 400 Vehicles/Equip
- Replaced on a Pay-As-You-Go Basis
- Point System Used to Evaluate Vehicles
- Deferred Replacements Cost of Over \$6 Million
- Estimated Annual Replacement Cost in Excess of \$1 Million

Proposed Vehicle Purchases

| Capital Request | Amount |
|---|------------------|
| 1 Hybrid Vehicle | \$35,000 |
| 3 Light Duty Trucks – Building Services | \$95,000 |
| 1 Light Duty Truck – Code Enforcement | \$30,000 |
| 5 Police Patrol Vehicles | \$250,000 |
| Ford 450 75-foot Aerial Lift (Net of grant received of \$140,000) | \$40,000 |
| 2 Passenger Van – Community Services | \$90,000 |
| Total | \$540,000 |

Other General Fund Capital

| Capital Request | Amount |
|---|------------------|
| Roof Replacements | \$300,000 |
| Pool & Spa Replaster | \$100,000 |
| Pool Pump, Motor & Heater | \$25,000 |
| Door Replacement for Fire Stations | \$50,000 |
| Office Equipment – Printer For Development Services | \$3,000 |
| Total | \$478,000 |

State Grant

\$1.7 Million to Upgrade Emergency Equipment

| | |
|--|------------------|
| Emergency Power Generator – Emergency Ops Center | \$120,000 |
| Emergency Power Generator – PW Maintenance Facility | \$120,000 |
| Bucket Truck – Maintenance Vehicle | \$140,000 |
| Traffic Management Center Upgrade | \$525,000 |
| Citywide Traffic Signal Battery Backup System | \$300,000 |
| ADA City Facilities Compliance | \$500,000 |

General Fund Non-Operating Expenditures

| Category | Revised Budget | | Proposed Budget | | Change FY 18 - FY 19 | |
|---|-------------------|-------------|------------------|-------------|----------------------|---------------|
| | FY 18 | % | FY 19 | % | | |
| Total Non-Operating Expenditures | 10,849,953 | 100% | 3,985,600 | 100% | (6,864,353) | -63.3% |
| Fergusson Park Playground Repl. | | | 180,000 | 5% | | |
| Six City Parks | | | 1,303,000 | 33% | | |
| Frisbie Park Expansion | | | 2,502,600 | 63% | | |

Capital

General Fund Operating Statement

| | Revised | Projected | FY18-FY19 Change | |
|------------------------------------|-------------------|--------------------|--------------------|---------------|
| | Budget | Budget | \$ | % |
| | 2017/2018 | 2018/2019 | | |
| Operating Revenues | 84,348,939 | 85,750,995 | 1,402,056 | 1.7% |
| Taxes | 56,155,200 | 60,243,560 | 4,088,360 | 7.3% |
| Sales Taxes | 16,231,000 | 16,834,000 | 603,000 | 3.7% |
| Utility Taxes | 13,890,500 | 14,188,100 | 297,600 | 2.1% |
| In Lieu Property Tax (VLF) | 11,300,000 | 12,047,360 | 747,360 | 6.6% |
| Property Taxes | 10,098,000 | 11,726,000 | 1,628,000 | 16.1% |
| Other Taxes | 4,635,700 | 5,448,100 | 812,400 | 17.5% |
| Other Operating Revenues | 28,193,739 | 25,507,435 | (2,686,304) | -9.5% |
| Revenue/Other Agencies | 8,376,826 | 5,743,340 | (2,633,486) | -31.4% |
| RUA Lease Payments | 3,140,530 | 3,140,530 | - | 0.0% |
| Service Charges | 7,161,150 | 6,685,700 | (475,450) | -6.6% |
| Licenses/Permits | 4,818,793 | 5,292,700 | 473,907 | 9.8% |
| Operating Transfers In | 2,590,086 | 2,303,965 | (286,121) | -11.0% |
| Use of Money | 894,800 | 1,003,700 | 108,900 | 12.2% |
| Misc Revenue | 665,953 | 786,400 | 120,447 | 18.1% |
| Fines/Penalties/Other | 545,600 | 551,100 | 5,500 | 1.0% |
| Operating Expenditures | 84,476,085 | 87,142,263 | 2,666,178 | 3.2% |
| Personnel | 54,161,440 | 59,440,938 | 5,279,498 | 9.7% |
| Services & Supplies | 27,692,743 | 25,117,984 | (2,574,759) | -9.3% |
| Legal Services | 1,743,800 | 1,500,000 | (243,800) | -14.0% |
| Capital | 572,674 | 478,000 | (94,674) | -16.5% |
| Vehicle Replacement | 240,087 | 540,000 | 299,913 | 124.9% |
| Debt Service | 65,341 | 65,341 | 0 | 0.0% |
| Operating Surplus/(Deficit) | (127,146) | (1,391,268) | (1,264,122) | 994.2% |
| Non-Operating Revenues | 12,428,000 | 5,674,845 | (6,753,155) | -54.3% |
| Non-Operating Expenditures | 10,849,953 | 3,985,600 | (6,864,353) | -63.3% |
| Total General Fund Surplus | 1,450,901 | 297,977 | (1,152,924) | -79% |

General Fund Surplus/(Deficit)

| | Revised Budget 2017/2018 | Projected Budget 2018/2019 | FY18-FY19 Change | |
|--|--------------------------------|----------------------------------|------------------|---|
| | | | \$ | % |

| | | | | |
|-----------------------------|-----------|-------------|-------------|--------|
| Operating Surplus/(Deficit) | (127,146) | (1,391,768) | (1,264,622) | 994.6% |
|-----------------------------|-----------|-------------|-------------|--------|

| | | | | |
|----------------------------|------------|-----------|-------------|--------|
| Non-Operating Revenues | 12,508,200 | 5,674,845 | (6,833,355) | -54.6% |
| Non-Operating Expenditures | 10,849,953 | 3,985,600 | (6,864,353) | -63.3% |

| | | | | |
|----------------------------|-----------|---------|-------------|------|
| Total General Fund Surplus | 1,531,101 | 297,477 | (1,233,624) | -81% |
|----------------------------|-----------|---------|-------------|------|

General Fund Reserves

| | | Operational Reserves | Capital Project Reserves | Totals |
|--|---------------------------|----------------------|--------------------------|-------------------|
| FY 19 Operating Expenditure Budget | | 87,142,263 | | |
| Total Reserves at Mid Year Budget Review | 45% | 38,891,949 | 32,638,356 | 71,530,305 |
| General Fund Operating Deficit - FY 19 | \$297,477 | (1,391,768) | | (1,391,768) |
| General Fund Non-Operating Surplus - FY/19 | | 1,689,245 | | 1,689,245 |
| Advances to Other Funds | | | | |
| - Water Fund | Non-Cash | (1,300,000) | | (1,300,000) |
| Non-Cash General Fund Assets | | | | |
| - Inventory | | (50,290) | | (50,290) |
| One-Time Off Salary Schedule Payment | Retro – 4%/Yr – City-wide | (1,883,498) | | (1,883,498) |
| CCA Start Up Costs | Repayable | (118,060) | | (118,060) |
| Casmalia Site Purchase | | (4,485,000) | | (4,485,000) |
| Reserved-Capital Project-Airport Cont. Liability | | | (3,994,000) | (3,994,000) |
| Purchase RSA Property for Renaissance East | Development Related | | (1,342,000) | (1,342,000) |
| Construction Loan for Renaissance East | | | (3,700,000) | (3,700,000) |
| Sale of City Property to Cracker Barrel in July, 2018 | | | 1,038,000 | 1,038,000 |
| Repayment of Construction Loan on Cracker Barrel in July, 2018 | Expected Inflows | | 426,000 | 426,000 |
| Sale of City Property to Sonic in October, 2018 | | | 472,000 | 472,000 |
| Repayment of Construction Loan on Sonic in October, 2018 | | | 530,000 | 530,000 |
| Fire Development Impact Fee Fund (FS 205) | | | (5,000,000) | (5,000,000) |
| Streets | Capital | | (1,107,516) | (1,107,516) |
| Frisbie Park Budget | | | (16,467,500) | (16,467,500) |
| Baca/Turch Park | | | (3,493,340) | (3,493,340) |
| Adjusted Reserve Balances | | 36% | - | 31,352,578 |
| | | 31,352,578 | | |

General Fund Budget Summary

FY 19

| | |
|-------------------------------|--------------------|
| Operating Revenues | 85,750,995 |
| Taxes | 60,243,560 |
| Other | 25,507,435 |
| Operating Expenditures | 87,142,763 |
| Personnel | 59,440,938 |
| Services/Supplies | 26,618,484 |
| Capital Outlay | 1,018,000 |
| Debt Service | 65,341 |
| Operating (Deficit) | (1,391,768) |
| Non Operating Surplus | 1,689,245 |
| General Fund Surplus | 297,477 |

Primary Budget Balancing Strategies:

| | |
|----------------------|-----------|
| OPEB | 3,800,000 |
| Non Operating Income | 1,689,245 |

Other Funds - Highlights

- RUA – \$30 million project approved to construct improvements at the City’s wastewater treatment plant. Fee study underway and scheduled for presentation in 2019.
- Recreation – requires a general fund transfer of \$2,673,110 or 72% of all expenditures
- Cemetery – requires a \$78,110 general fund transfer
- Landscape/Lighting Districts – requires a combined subsidy of \$380,850

Capital Improvement Program

| | | | | | | |
|------------------------------------|-----------|-------------|----------------|-------------------------------------|-----------|---------------------|
| Streets | | | | Public Facilities | | |
| Alder Widening | \$ | 9.6 | million | Fire Station 205 | \$ | 6.4 million |
| Randall Widening | \$ | 4.4 | million | Roof Replacement | \$ | 0.8 million |
| Valley Widening | \$ | 2.2 | million | Community Center ADA Site Improv | \$ | 0.6 million |
| Metrolink Parking Lot Expansion II | \$ | 3.5 | million | Community Center Rehabilitation | \$ | 0.8 million |
| Streets Resurface 2018 | \$ | 3.2 | million | Facilities ADA Site Improvement | \$ | 0.5 million |
| Streets Resurface 2019 | \$ | 2.8 | million | Sub-Total Public Facilities | \$ | 9.1 million |
| Streets Slurry Seal 2018 | \$ | 2.9 | million | | | |
| Streets Slurry Seal 2019 | \$ | 2.7 | million | RUA RWS Wastewater | | |
| Baseline Storm Drain to Cactus 3 | \$ | 5.0 | million | WWTP Upgrade | \$ | 30.5 million |
| Sub-Total Streets | \$ | 36.3 | million | S3 Main Replacement | \$ | 1.5 million |
| | | | | S4 Main Replacement | \$ | 0.9 million |
| Parks | | | | S7 FOG | \$ | 0.9 million |
| Joe Sampson Park | \$ | 6.3 | million | Sub-Total RUA RWS Wastewater | \$ | 33.7 million |
| Frisbie Park Expansion | \$ | 20.1 | million | | | |
| Six City Parks | \$ | 2.4 | million | RUA RWS Water | | |
| Community Garden Expansion | \$ | 1.0 | million | W8 Well 3A Rehabilitation | \$ | 1.5 million |
| Sub-Total Parks | \$ | 29.8 | million | WC Small Main Replacement | \$ | 1.3 million |
| | | | | W6 City Wells 1&2 | \$ | 1.7 million |
| Economic Developments | | | | W1 SCADA | \$ | 1.8 million |
| Baseline (Panattoni III) | \$ | 2.2 | million | Sub-Total RUA RWS Wastewater | \$ | 6.3 million |
| East Renaissance Retail | \$ | 3.5 | million | | | |
| LHR RSP | \$ | 13.6 | million | | | |
| Medline/Locust Drain | \$ | 0.6 | million | | | |
| Proficiency Capital | \$ | 2.5 | million | | | |
| Walmart | \$ | 0.6 | million | | | |
| Sub-Total Developments | \$ | 23.0 | million | | | |

Recommendations

- Conduct Public Hearing and
 - Adopt Resolution approving Fiscal Year 2018/19 Budget for the City of Rialto, Rialto Housing Authority and Rialto Utility Authority.
 - Adopt Gann Limit as required by Article XIII (B) of the California Constitution
 - Approve Fully Burdened Hourly Rate Schedule
 - Adopt Resolution to amend the Capital Improvement Plan
 - Approve Authorized Positions and Salary Schedules
 - Approve Resolution Committing Fund Balance Pursuant to GASB 54.

Other Recommendations

- Reserve Policy
- Pension Committee
- Reporting
- Monitor volatile costs (overtime and legal)

Questions/Discussion