



City of Rialto

**2019-20 Proposed Budget
City Council Meeting
June 25, 2019**



2019-20 Proposed Budget

Overview:

- Proposed Budget Summary
- General Fund
- Proposed Reserves
- Other Funds
- Capital Improvement Funds
- Personnel



2019-20 Proposed Budget

The 2019-20 Proposed Budget is cash balanced.

- Demonstrates a commitment to the Council's Guiding Principles and Community Values as well as open and transparent communication.
- Allocates one-time and ongoing funding to fund numerous projects and programs.
- Maintains or increases existing City service levels and programs.



2019-20 Proposed Budget Expenditures (All Funds)

\$320.9M

2018-19 Revised Budget

**\$5.7M or
1.8%**

Proposed Change

\$326.7M

2019-20 Proposed Budget



2019-20 Proposed Budget Revenues (All Funds)

\$196.6M

2018-19 Revised Budget

**\$23.2M or
11.8%**

Proposed Change

\$219.8M

2019-20 Proposed Budget



2019-20 Proposed Budget

General Fund



2019-20 Proposed Budget General Fund Expenditures

\$119.4M

2018-19 Revised Budget

**-\$22.7M
or -19%**

Proposed Change

\$96.7M

2019-20 Proposed Budget



2019-20 Proposed Budget General Fund Expenditures

Decreases:

- Development Agreements \$8.6M
- Operating Transfers Out \$16.9M

**-\$22.7
Million**

Increases:

- Personnel Expense \$2.8M

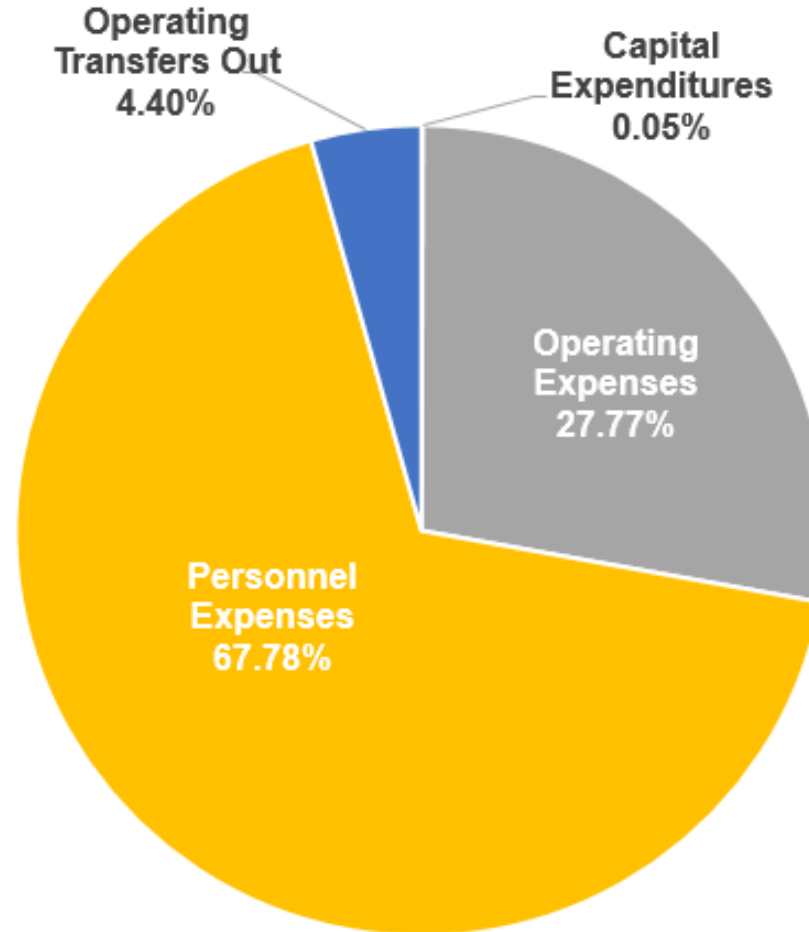


2019-20 Proposed Budget General Fund Expenditures

Expenditure Category	2018-19 Revised Budget	2019-20 Proposed Budget	Change From Prior Year
Capital Expenditures	\$ 122,213	\$ 46,952	\$ (75,261)
Debt Service	5,000	3,200	(1,800)
Operating Expenses	25,858,928	25,342,614	(516,314)
Personnel Expenses	59,045,047	61,840,117	2,795,069
Operating Transfers Out	25,772,820	4,010,899	(21,761,921)
Total Expenditures	110,804,008	91,243,781	(19,560,227)
One-Time Expenditures	8,589,711	5,500,215	(3,089,496)
Total Including One-Time Expenditures	\$ 119,393,719	\$ 96,743,996	\$ (22,649,723)



2019-20 Proposed Budget General Fund Expenditures





2019-20 Proposed Budget General Fund Revenue

\$95.3M

2018-19 Revised Budget

**\$4.7M or
4.9%**

Proposed Change

\$100.0M

2019-20 Proposed Budget



2019-20 Proposed Budget General Fund Revenues

Increases:

- Charges for Current Services
\$1.2M
- Tax Revenue
\$4.0M

\$4.7 Million



2019-20 Proposed Budget General Fund Revenues

Revenue Category	2018-19 Revised Budget	2019-20 Proposed Budget	Change From Prior Year
Charges for Current Services	\$ 7,281,100	\$ 8,307,300	\$ 1,026,200
Fines, Forfeits & Penalties	551,100	626,800	75,700
Licenses & Permits	5,292,700	5,398,380	105,680
Operating Transfers In	2,303,965	1,892,122	(411,843)
Other Revenue	786,400	610,190	(176,210)
Revenue from Other Agencies	5,805,340	5,821,340	16,000
RUA Lease & Contract Payments	3,140,530	3,140,530	-
Tax Revenue	60,243,560	64,271,289	4,027,729
Use Of Money	1,003,700	1,188,000	184,300
Total Revenue	86,408,395	91,255,951	4,847,556
One-Time Revenue	8,932,645	8,767,000	(165,645)
Total Including One-Time Revenue	\$ 95,341,040	\$ 100,022,951	\$ 4,681,911



2019-20 Proposed Budget General Fund

The 2019-20 Projected Budget:

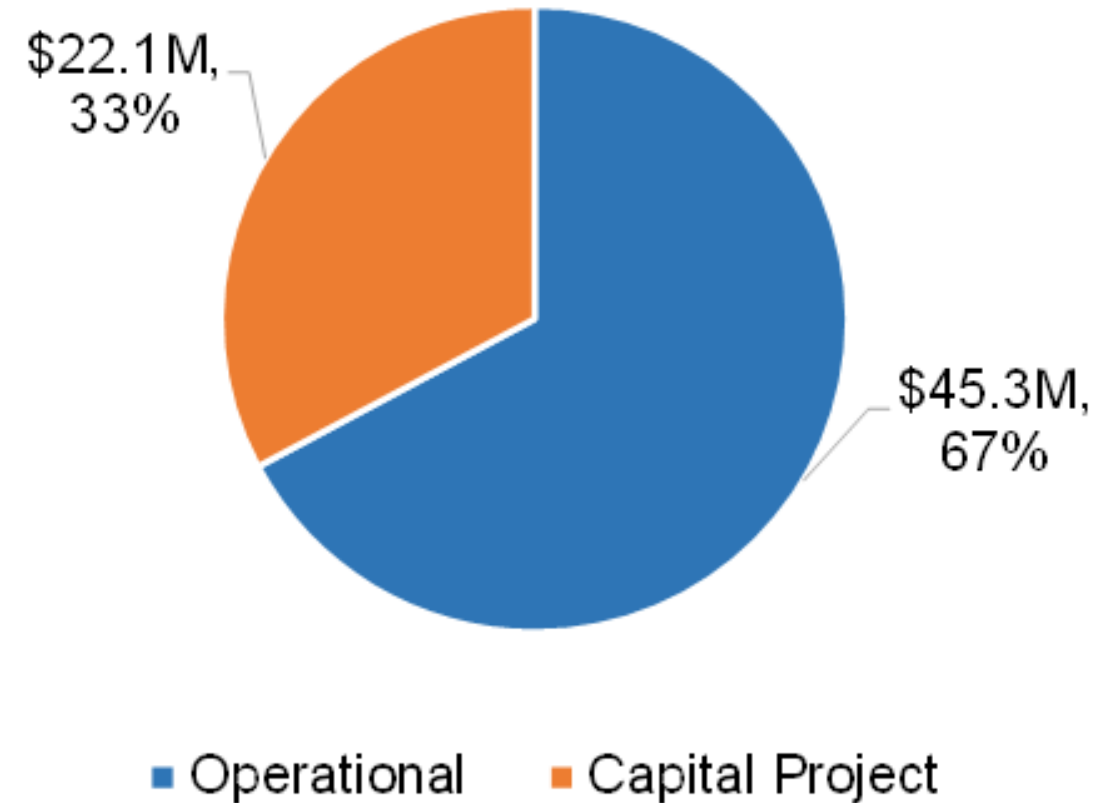
- Cash balanced
- Reflects a \$3.8 million structural deficit
- Approximate 45% decrease of \$3.1 million from 2018-19

	2019-20 Proposed Budget
Total Expenditures	96,743,996
Total Revenues	\$ 91,255,951
Total Expenditures	<u>91,243,781</u>
Total Contribution/(Use) of Fund Balance	12,170
Total One-Time Revenues	8,767,000
Total One-Time Expenditures	<u>5,500,215</u>
Total Contribution/(Use) of Fund Balance Including One-Time	\$ 3,278,955



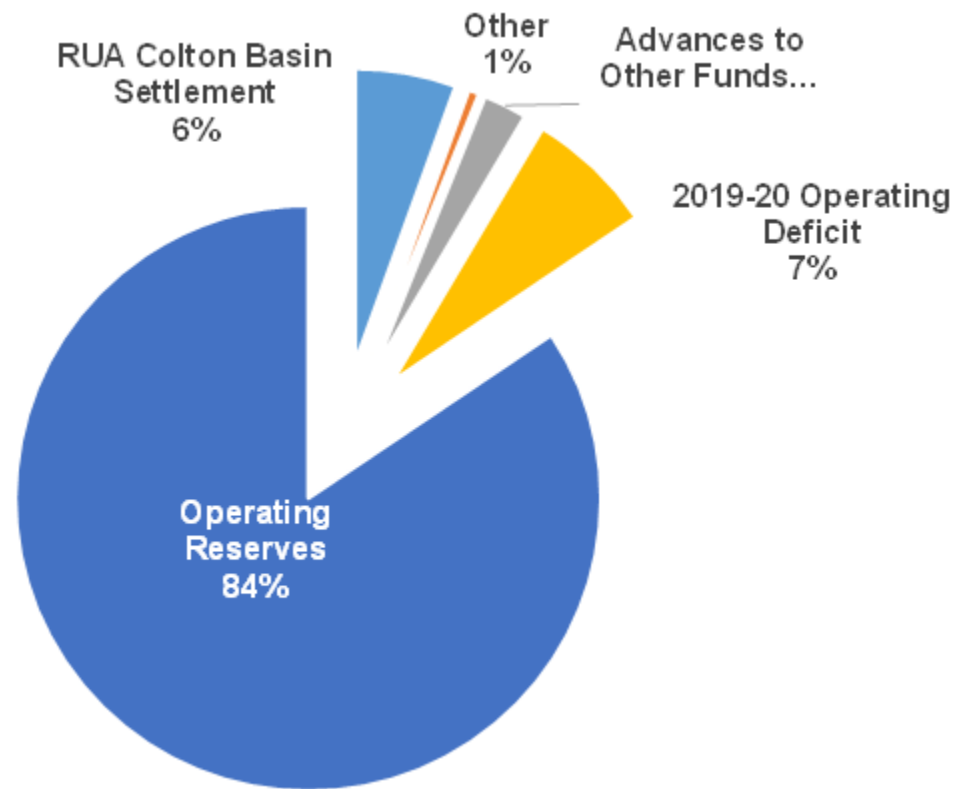
2019-20 Proposed Reserves

Projected General Fund
Reserves –
\$67.4M
at July 1, 2019





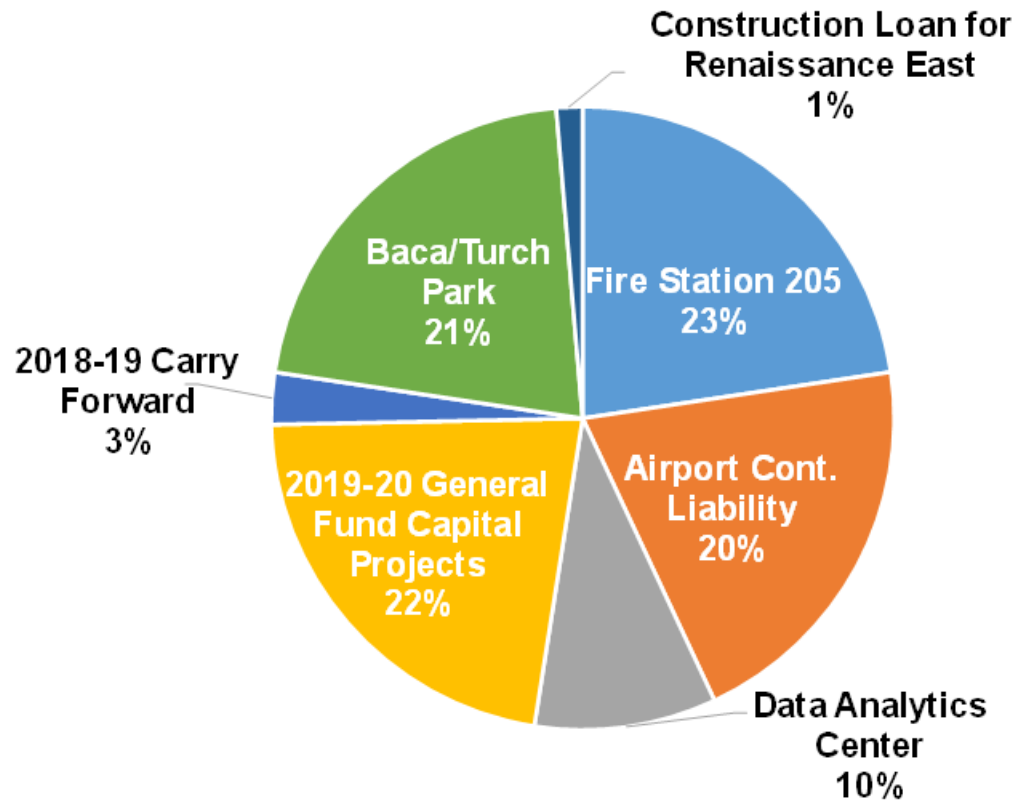
2019-20 Proposed Reserves Operating Reserves



Operating Reserves	(In Millions)
Est. Beginning Fund Balance	45.3
Restricted Reserves/Unavailable	
RUA Colton Basin Settlement	(3.0)
Community Choice Aggregation	(0.1)
Advances to Other Funds	(1.3)
Inventory	(0.1)
Prepaid Expenses	(0.1)
Net Available Reserves	40.7
2019-20 Operating Deficit	(3.8)
Non-Operating Surplus	8.8
Ending Fund Balance	45.6
2019-20 Operating Budget	91.2
Target 50% Reserve Balance	45.6



2019-20 Proposed Reserves Capital Reserves



Capital Reserves	(In Millions)
Est. Beginning Fund Balance	22.1
Restricted Reserves/Unavailable	
Fire Station 205	(5.0)
Airport Cont. Liability	(4.5)
Net Available Reserves	12.6
New Adjustments & Capital Project Reservations	
Data Analytics Center	(2.1)
2019-20 General Fund Capital Projects	(4.9)
2018-19 Carry Forward	(0.6)
Baca/Turch Park	(4.7)
Construction Loan for Renaissance East	(0.3)
Ending Fund Balance	-



2019-20 Proposed Budget

Other Funds



2019-20 Proposed Budget Enterprise Funds

Operating Funds	2018-19 Revised Budget	2019-20 Proposed Budget	Change From Prior Year
Enterprise Funds			
Airport	\$ 12,910	\$ 9,106	\$ (3,804)
Cemetery	95,242	92,780	(2,461)
Community Services	3,735,420	4,135,059	399,639
Utilities	743,275	1,429,220	685,946
Total Enterprise Funds	\$ 4,586,846	\$ 5,666,166	\$ 1,079,320



2019-20 Proposed Budget Internal Service Funds

Operating Funds	2018-19 Revised Budget	2019-20 Proposed Budget	Change From Prior Year
Internal Service Funds			
Building Maintenance	\$ 3,514,360	\$ 3,496,963	\$ (17,397)
Fleet	668,797	591,217	(77,580)
General Liability	1,912,740	2,141,740	228,999
Information Technology	1,880,820	1,670,324	(210,495)
Workers Compensation	2,919,860	3,516,044	596,184
Total Internal Service Funds	\$ 10,896,577	\$ 11,416,288	\$ 519,711



2019-20 Proposed Budget Other Funds

Fund Type	2018-19 Revised Budget	2019-20 Proposed Budget	Change From Prior Year
Rialto Housing Authority	206,702	156,730	(49,972)
Rialto Utility Authority	44,448,384	73,148,339	28,699,956
Special Revenue Fund	98,161,389	102,052,495	3,891,105
Successor Agency	12,439,495	13,150,862	711,367
Total	\$ 201,570,767	\$ 229,926,463	\$ 28,355,696



2019-20 Proposed Budget RUA Expenditures

Increases:

- Capital Improvement Projects \$27.1M
- Contract Services \$1.8M

\$28.7 Million



2019-20 Proposed Budget Special Revenue Funds EXP

Increases:

- Gas Tax (SB821) \$4.5M
- Measure I \$1.2M
- Waste Management \$1.1M

\$3.9 Million

Decreases:

- Fire DIF \$1.9M
- GEMT \$.9M
- Park DIF \$1.7M



2019-20 Proposed Budget Special Revenue Funds CIP

Special Revenue Fund Capital Projects

- Council approved projects versus NEW projects are detailed in the attachment to the agenda item.
- Staff recommends the approval of the SRF 2019-20 Proposed Budget pending future Council approval of all NEW Capital Improvement Projects.



2019-20 Proposed Budget

Capital Improvement Funds



2019-20 Proposed Budget Capital Funds

Fund	2018-19 Revised Budget	2019-20 Proposed Budget	Change From Prior Year
Capital Projects Fund	\$ 9,646,965	\$ 15,187,906	\$ 5,540,940
Fair Share Agreements	1,251,905	300,000	\$ (951,905)
2005 TABS Fund	7,467,753	-	\$ (7,467,753)
2008 TABS Fund	4,981,645	16,580	\$ (4,965,065)
Total	\$ 23,348,268	\$ 15,504,486	\$ (7,843,783)



2019-20 Proposed Budget Capital Fund (300) Expenditures

Increases:

- Capital Improvements \$3.0M
- Capital Purchases \$1.2M
- Vehicles \$1.4M

\$5.5 Million



2019-20 Proposed Budget Capital Funds (301, 302, 303)

Decreases:

- Fair Share Agreements \$4.5M
- Capital Improvement Projects \$12.9M

-\$13.4 Million



2019-20 Proposed Budget Capital Funds

Capital Funds (Funds 300, 301, 302) Capital Projects

- Council approved projects versus NEW projects are detailed in the attachment to the agenda item.
- Staff recommends the approval of the Capital Funds 2019-20 Proposed Budget pending future Council approval of all NEW Capital Improvement Projects.



2019-20 Proposed Budget

Personnel

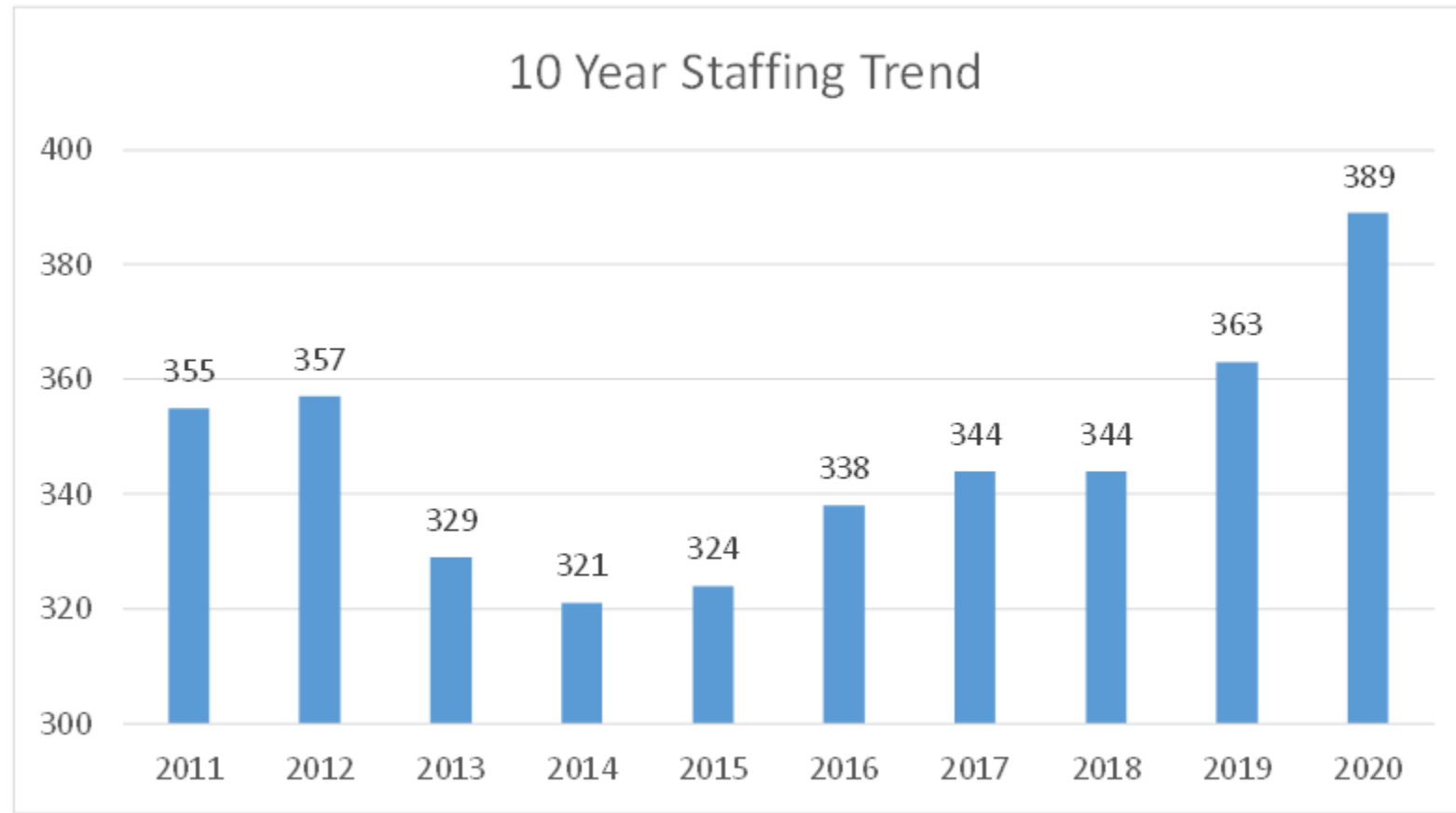


2019-20 Proposed Budget Personnel

Fund Type	2018-19 Revised Budget	2019-20 Proposed Budget	Change From Prior Year
General Fund	330.05	351.79	21.74
Internal Service Funds	15.00	16.10	1.10
Enterprise Funds	13.55	14.55	1.00
Other Funds	4.40	6.56	2.16
Total Positions	363.00	389.00	26.00



2019-20 Proposed Budget Personnel Trend





2019-20 Proposed Budget Personnel – New Positions

Department	2019-20 New Positions
City Treasurer	1.00
Code Enforcement	1.00
Community Services	1.00
Development Services	4.00
Finance Department	5.00
Police Department	9.00
Public Works	5.00
Total	26.00



2019-20 Proposed Budget Personnel Expense

Personnel Expense	2018-19 Revised Budget	2019-20 Proposed Budget	Change From Prior Year
Salaries	\$ 25,169,241	\$ 26,777,328	\$ 1,608,087
Special Compensation	2,814,999	3,249,041	434,042
Part-Time	1,313,798	1,705,810	392,012
Over-Time	3,083,449	4,181,447	1,097,998
Mandated Over-Time	113,490	135,985	22,495
Minimum Staffing Augmentation	2,404,760	2,745,000	340,240
Retirement	4,648,332	5,750,503	1,102,170
PERS UAL	8,253,130	9,316,156	1,063,026
Retiree Pension Benefits	190,000	190,000	-
Worker's Compensation	3,086,718	3,598,332	511,614
Other Fringe Benefits	7,654,333	8,419,122	764,789
Termination Payoffs	800,000	750,000	(50,000)
Leave Cashouts	1,140,394	1,099,309	(41,085)
Total Personnel Expense	\$ 60,672,644	\$ 67,918,033	\$ 7,245,389



2019-20 Proposed Budget Recommendation

1. Conduct a public hearing on the City's 2019-20 Proposed Budget.
2. Adopt a Resolution to approve and adopt including:
 1. **Resolution No. _____, Rialto Housing Authority Resolution No. _____, and Rialto Utilities Authority Resolution No. _____** for the City's 2019-20 Proposed Budget and authorization for adjustments for final fund balance;
 2. **Resolution No. _____** establishing the City's 2019-20 appropriations limit balance; and
 3. **Resolution No. _____** establishing the City's General Fund committed fund balance of June 30, 2019.
3. Authorize capital expenditures in 2019-20 only for approved Capital Improvement Projects that are being carried forward from 2018-19 that are already in design or construction and suspend all new Capital Improvement Projects from commencing until the revised 2020-2024 Capital Improvement Plan is presented and approved by Council.
4. Adopt **Resolution No. _____, Rialto Housing Authority Resolution No. _____ and Rialto Utilities Authority Resolution No. _____** to Continue the Fiscal Year 2018-19 Budget and Contracts.