



City of Arts & Innovation

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City of Riverside Passes Budget, Moves Funds from Police to Help Homeless

Police Chief Larry Gonzalez volunteered to repurpose the funds to hire medical professionals

RIVERSIDE, Calif. – The City Council passed a 2020-21 budget that reduces spending by 10 percent and repurposes money that had been set aside for two additional police officers who would interact with individuals experiencing homelessness to instead hire nurses or other medical professionals to help.

The budget for the fiscal year that starts July 1 will be reviewed every three months to determine whether sales taxes and other types of revenue match up with amounts projected in the budget document. This is needed because it is not clear how much revenue the City can expect from these sources due to the uncertainty in the local economy created by the COVID-19 virus.

The City Council also agreed to shift to a new method of budgeting going forward. In a priority-based budgeting system, the City Council establishes priorities in ranked order, then allocates money according to those rankings. That is a shift from past practices, in which Riverside, like most cities, has budgeted according to each city department, with incremental changes from the prior year.

The City Council did not discuss at length whether to “defund the police” in response to the killing of George Floyd in Minnesota. But the approved budget delayed action on a new police headquarters for at least a year, saving \$2.1 million in the 20-21 budget, and eliminated incentives that could have been used to hire new officers away from other departments.

Police Chief Larry Gonzalez volunteered to have money that would have been used to pay for adding two officers to the Public Safety Engagement Team, which deals with homeless issues, to instead be used for positions outside the Police Department providing medical assistance and other help to homeless individuals.

“Chief Gonzales showed real leadership in his collaborative approach to addressing the impacts of homelessness,” Mayor Rusty Bailey said. “I applaud him for his willingness to solve homelessness through proactive and comprehensive efforts.”

The budget process this year was markedly different than in past years, which typically have included weeks of hearings before final approval. But this year, in the wake of COVID-19, information needed to form a budget has been difficult to obtain, making forecasts even tougher. Revenue from many sources is expected to be lower than prior years, including sales taxes, money from the Riverside Convention Center, which is closed, parking fees and the City's portion of gas taxes.

The budget, compiled under the guidance of Chief Financial Officer Edward Enriquez, reflects that reality, with about \$28 million in reductions. For example, the City has not filled 332 jobs when people have left or retired, including 137 position in the budget's General Fund. Leaving those General Fund jobs vacant is expected to save \$15.6 million in the coming year.

Another \$7 million in savings is expected after the City sold pension obligation bonds with an interest rate of 3.68% to reduce the amount of money that must be put away each year to satisfy the requirements of the Public Employees Retirement System unfunded liability, for which the City is charged 7% interest.

The budget also calls for deferring the expansion and rehabilitation of the Museum of Riverside, formerly known as the Riverside Metropolitan Museum, which will save \$807,000. Eliminating a planned parking garage downtown will save another \$807,000 in the upcoming budget.

City Council members said they are excited about shifting to the priority-based budgeting system. The first meetings to discuss priorities in the 21-22 budget are expected to start later this summer.

“Priority-based budgeting is an opportunity for our community to demonstrate its values in the budget document that guides city spending,” Mayor Pro Tem Erin Edwards said. “I am confident that this process will yield a budget document that more accurately reflects the wishes of our constituents.”

For the latest information and resources regarding COVID-19 -- www.RiversideCA.gov/COVID-19