

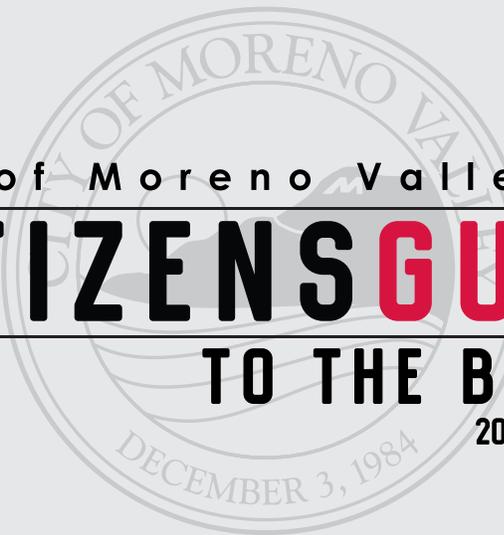


City of Moreno Valley, CA

CITIZENS GUIDE

TO THE BUDGET

2017-18 | 2018-19



MOMENTUM 
MoVal



Vision

To transform our young city into a mature community that offers its residents and businesses an unsurpassed quality of life featuring abundant recreation, desirable private and public services, varied residential living choices, and well-paying employment opportunities.





Introduction

The City of Moreno Valley's Budget provides our residents with a plan for matching available resources to the services, goals and objectives of the City.

This guide is designed to help interested residents gain a better understanding of the City of Moreno Valley's Fiscal Year (FY) 2017/18 – 2018/19 Adopted Budget and the budget development process.

This document provides citizens with the following for the FY 2017/18 Adopted Budget:

- > Assistance in how to interpret budget documents;
- > FY 2017/18 Budget highlights;
- > A description of the annual budget process; and,
- > Information on how you can become involved in City budgeting.

The guide focuses on the FY 2017/18 operating and Capital Improvements Program (CIP) budgets. The full FY 2017/18 budget book can be found on the City of Moreno Valley website at www.moval.org.



Moreno Valley's Strategic Plan Priorities

The City's FY 2017/18 and 2018/19 Annual Budget addresses the priorities listed in the Momentum MoVal Strategic Plan. While advancing these important priorities, the budget continues to reflect a strong fiscal balance that not only addresses our communities' priorities but does so by maintaining the fiscal stewardship that earned us recognition as the 3rd most fiscally strong city in the nation.

Economic Development

Meet the current and emerging needs of Moreno Valley by expanding the local economy through: new business opportunities, job creation, strategic partnerships, and workforce development.

Provide proactive business attraction, small business development, and business support services that grow the City's economic base to enhance the quality of life for Moreno Valley residents."

Infrastructure

Manage and maximize Moreno Valley's public infrastructure to ensure an excellent quality of life, develop and implement innovative, cost effective infrastructure maintenance programs, public facilities management strategies, and capital improvement programming and project delivery.

Beautification, Community Engagement, and Quality of Life

Promote an active and engaged community where we work together to beautify our shared environment, care for each other, and enjoy access to cultural and recreational amenities that support a high quality of life for all of our residents as envisioned and articulated throughout the City's adopted General Plan.

Public Safety

Provide effective public safety services to enhance the Quality of Life for Moreno Valley families and to attract businesses to our community. Public safety priorities focus on: reducing crime through traditional & innovative policing methods, preparing our community for emergencies, protecting life and property, and exploring cost effective solutions.

Library

Deliver library services that empower our residents through open access to knowledge, employing both traditional and contemporary methods at a level that is appropriate for a diverse community of over 200,000 citizens.

Youth Programs

Improve the lives and futures of our City's youth by expanding healthy lifestyle choices and learning opportunities. Build systems that continually and effectively assess the conditions affecting families in Moreno Valley, and develop context appropriate strategies responsive to those needs that build on community strengths.

How to Read the Budget Document

The following is a sample Program Summary as found in the FY 2017/18 - 2018/19 Adopted Budget: Program Summaries provide readers with a summary of budget totals per department categorized by line item code.

City of Moreno Valley
FY 2017/18 - 2018/19
Department Program Summary

1	2	3	4	5	6	7	8	9
Department/Fund	Section	2014/15 Actual	2015/16 Actual	2016/17 Amended Budget	2017/18 Adopted Budget	Increase (Decrease) 2016/17 Amended	2018/19 Adopted Budget	Increase (Decrease) 2017/18 Adopted
20 Community Dev 1010 General Fund	20011 CEDD - Dev Svcs 20110 CEDD - Code	194,909	96,000	107,563	94,013	(13,550)	94,091	78
		1,828,344	1,795,158	1,901,460	1,923,288	21,828	1,971,173	47,885
20 Community Dev Total		\$2,023,253	\$1,891,758	\$2,009,023	\$2,017,301	\$8,278	\$2,065,264	\$47,963

1. This column displays the department code number and corresponding department name related to the listed line items.
2. Example of a line item code which is an accounting entry for an account title. Most proposed and adopted budgets use line-items as the basic unit of allocation. These items are organized according to a standard accounting code and classification system. The City's account structure is: Fund-Department-Division-Section-Account.
3. The completed FY 2014/15 actual spending.
4. The completed FY 2015/16 actual spending.
5. FY 2016/17 amended budget. This reflects adjustments that have been made to the original adopted budget during the prior year.
6. The adopted budget for the current FY 2017/18, beginning on July 1, 2017.
7. Any increase or decrease in projected spending over the FY 2016/17 budget.
8. The adopted budget for FY 2018/19, beginning on July 1, 2018.
9. Any increase or decrease in projected spending over the FY 2017/18 budget.

Budget Highlights

Public Safety

For FY 2017/18, the City Council approved funding to put more police officers and firefighters on the streets. **Two additional patrol deputies** were approved. **Additionally, \$1.2 million is allocated to add 6 new fire department positions** to meet increased demands for emergency medical response. Lastly, the City has increased its oversight and administration of police and fire services, continuing the City's commitment to enhance the operational excellence and efficiency in delivery of Police and Fire services.



Balanced Budget

The FY 2017/18 – 2018/19 budget marks the sixth straight year of achieving balanced spending plans for Moreno Valley, which was recently ranked as one of the nation's top fiscally strong cities. The budget continues to preserve the fiscal strength of the City while funding key services to protect and enhance our community and increasing the City's capital investments. Fully balanced, the budget does not draw upon financial reserves or one-time monies to sustain ongoing services.



Moreno Valley's "presence near the top of the list is testimony to California's economic recovery, but it also suggests that sound financial management practices make a difference,"

The Fiscal Times



Library Expansion

A central objective in the City's Momentum MoVal Strategic plan is to expand library services that meet the needs of our ever-growing City. In alignment with that strategic priority, the City Council approved \$750,000 in start-up costs to open a **4,800-square foot satellite public library** by December 2017 and \$475,000 in ongoing annual costs.

Economic Development

The adopted operating budget contains budget enhancements aimed at increasing staffing for the City's award-winning Economic Development Department to assist in attracting more national and international companies to Moreno Valley. As the City continues to attract development, our residents will see improvements in their quality of life through increased job opportunities and City services via bolstered business tax revenue.

Community Development

The adopted operating budget also includes funding for **two additional code compliance officers** to enhance the community livability and quality of life of our residents.

Budget at a Glance

The City's Budget consists of three major components: General Fund Budget (general operations), Capital Improvement Program (CIP) Budget, and Special Fund Budgets.

The General Fund Budget is the City's fiscal operating blueprint. The FY 2017/18- 2018/19 General Fund budget is based on resource projections (including transfers-in) of \$100.8 million and \$104.8 million, respectively. Departmental operating expenditures and transfers-out are budgeted at \$100.7 million and \$104.7 million, respectively.

The FY 2017/18-2018/19 budget furthers the City's ongoing commitment to fiscal responsibility and effective management. The budget is balanced without the use of contingency reserve funding and concentrates resources on maintaining or expanding the existing levels of services and public safety.

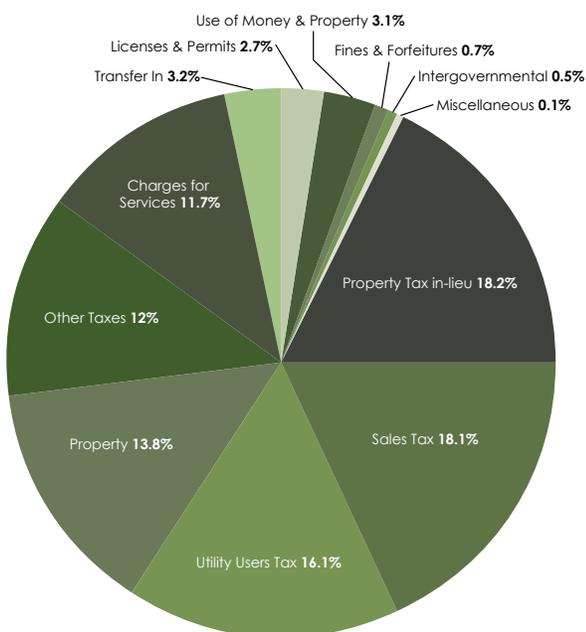
General Fund Summary

The following graphs provide information regarding the City's General Fund revenues and transfers-in by budget category and General Fund expenditures and transfers-out by department.

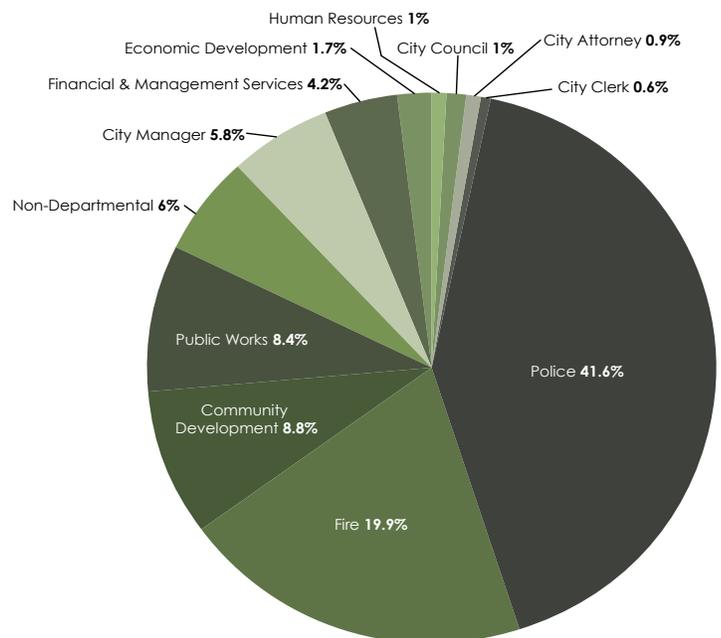
The General Fund is comprised of several revenue sources; however, three main sources account for over 66% of the total. These include property tax, sales tax and utility users tax. Each revenue type is impacted by different activity cycles and economic pressures.

For FY 2017/18, the General Fund continues to remain balanced with revenues of \$100.8 million and expenditures of \$100.7 million. Revenue projections are based on the most current economic data available and budgeted appropriations reflect ongoing efforts to achieve efficiencies. Each City department has carefully evaluated its expenditures, seeking to at least maintain services while reducing costs wherever feasible.

GENERAL FUND REVENUE BY SOURCE

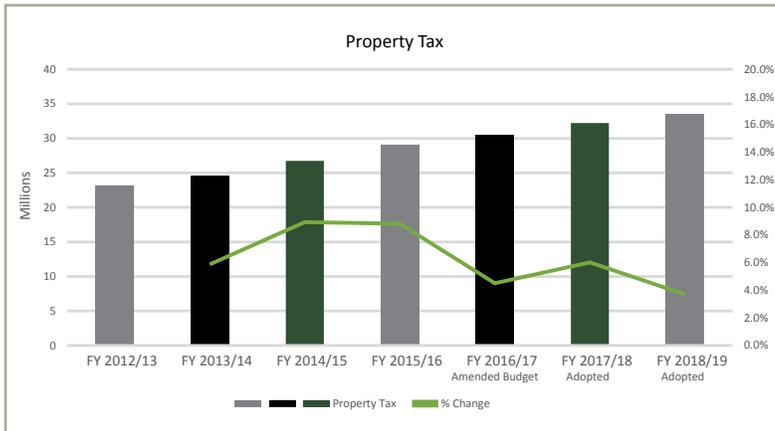


GENERAL FUND EXPENDITURES BY SOURCE



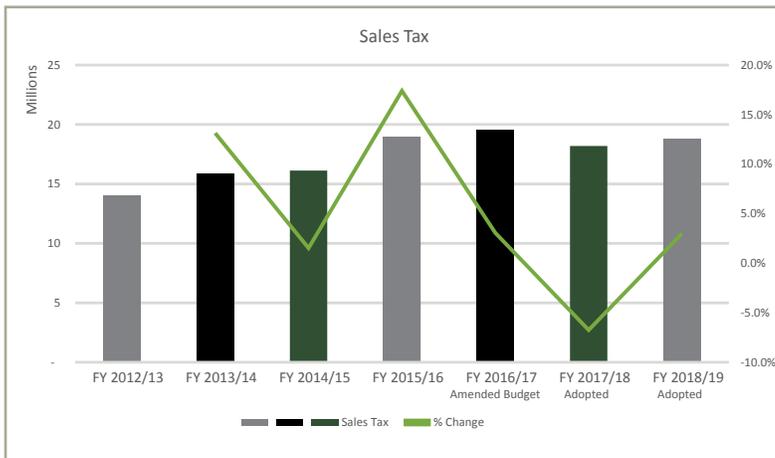
Revenue and Expenditure Profiles

Property and Sales Tax are the two largest revenue sources for the City accounting for over 50 percent of total General Fund revenues. Property Tax is a value-based tax imposed on real property, such as land, buildings and tangible personal property which is collected by Riverside County and allocated according to state law. Sales Tax is imposed on the total retail price of taxable items. The following revenue profiles provide an outlook on these crucial revenue sources.



Property Tax

The City works with its property tax consultant in projecting property tax revenue, an estimate made with four factors in mind: property turnover rate, pricing and appeals exposure, new construction activity, and Proposition 13's annual inflation adjustment. After considering these factors, the City has projected that assessed property value will increase 6% in FY 2017/18 and 4% in FY 2018/19. Moreno Valley property owners pay a basic tax equal to 1% of the assessed property value on real property. The City receives 11% of the 1% collected with the remaining 89% going to local schools, community colleges, and the County of Riverside.



Sales Tax

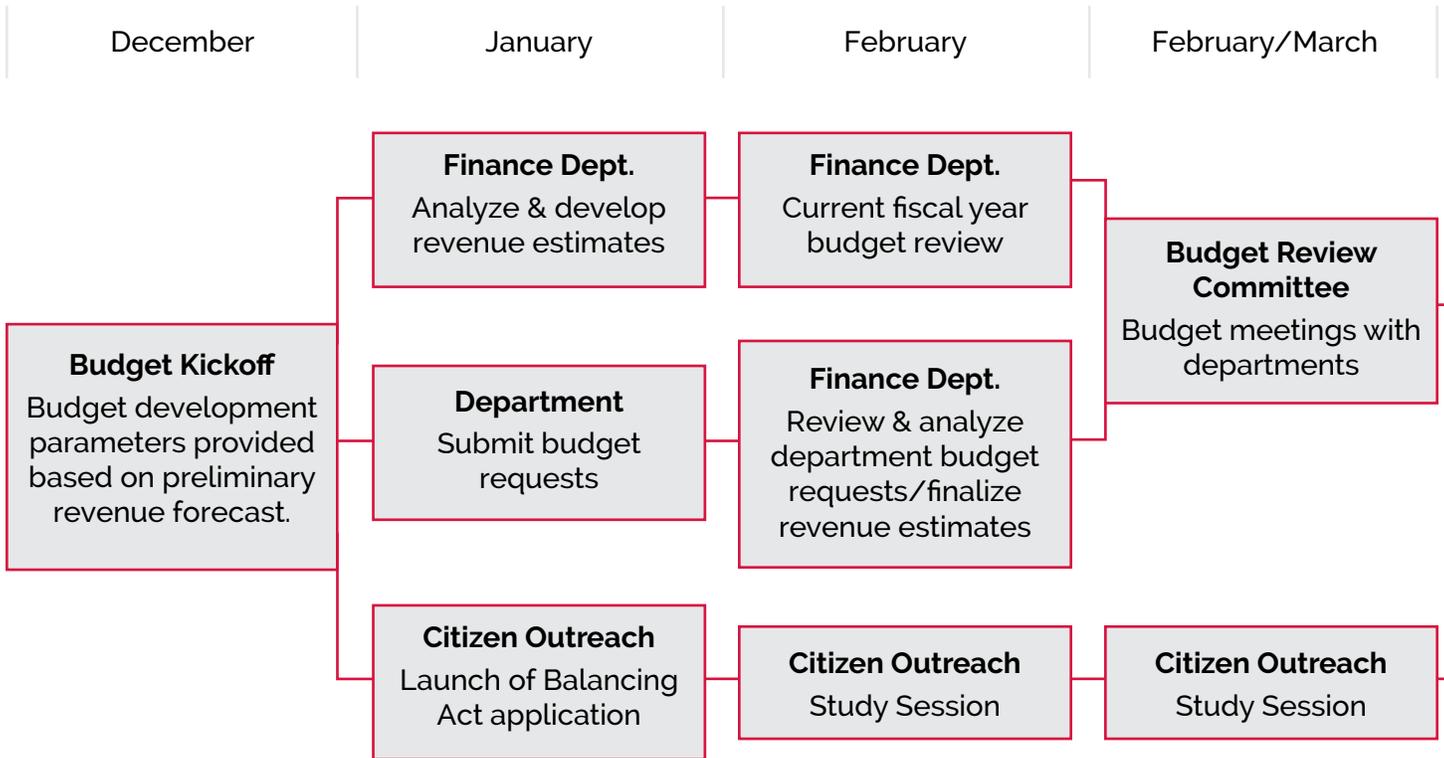
The City anticipates receiving sales tax revenue of \$18.2 million during FY 2017/18 with FY 2018/19 expected to increase by an additional \$546,000. This is based on an analysis of the trend in year-to-date tax receipts, macroeconomic conditions and an examination of local business data. Sales tax revenues continue to grow with consumers and businesses showing strong recovery after the recession.

Budget Expenditures

The adopted budget outlines how monies that come into the City will be spent during the fiscal year. Total City-wide expenditures and transfers-out for all funds are budgeted at \$214.3 million and \$214.9 million, respectively for FY 2017/18 and 2018/19.

Budget Expenditure Summary			
Fund/Component Unit	FY 2017/18 Adopted		FY 2018/19 Adopted
General Fund	\$	100,679,474	\$ 104,746,641
Community Services District		19,684,286	20,009,590
Successor Agency		4,772,867	4,773,517
Housing Fund		250,000	250,000
Special Revenue Funds		28,708,442	34,495,673
Capital Projects Funds		5,704,618	3,316,702
Enterprise Funds		34,193,565	27,409,823
Internal Service Funds		13,798,372	13,368,800
Debt Service Funds		6,461,310	6,538,420
Total Budget	\$	214,252,934	\$ 214,909,166

Annual Budget Process



The fiscal budget is prepared by the City Manager for a two-year fiscal cycle beginning July 1 and ending June 30 and must be adopted by the City Council prior to the beginning of each fiscal year.

December — The budget preparation process starts with the City Manager setting forth the goals and directives for the development of the upcoming budget based on Citizens priorities. The Financial & Management Services Department (FMS) distributes the budget calendar and oversees the budgeting process.

January/February — FMS distributes budget forms and instructions to all the City Departments. The forms should include all revenue and expenditure account codes used in the previous two years along with the actual and budgeted estimates for the previous fiscal year and year-to-date totals for the current year. Department heads need to explain or justify new types of proposed revenues or expenditures or to further explain large increases or decreases in the amounts proposed for the following year.

February/March/April — After the departments have input their budget requests, the Financial & Management Services Department reviews, analyzes, compiles the data, and calculates the total expense budget requested, as well as refining revenue estimates for the upcoming fiscal year. This generally assesses whether the total department appropriation estimates are greater than the estimated financial resources. A proposed budget will only include appropriations that are necessary and within the limits of available financial resources.

Annual Budget Process



April – The City Manager and Financial & Management Services presents the proposed budget to the City Council for its consideration and approval. At this time, it may be necessary for Financial & Management Services to provide backup documentation for some of the estimated appropriation and revenue figures. Alterations and revisions may be necessary before approving the budget. The budget that is finally approved needs to be balanced. A balanced budget occurs when the City Council approves expenditures which are equal to or less than the projected revenues and acceptable fund balance.

May/June – The City publishes a notice, and a public hearing on the budget is held. Again, alterations and revisions to the budget may be necessary after completion of the public hearing, based on City Council direction.

May/June – The City Council adopts the final budget by resolution, which becomes effective on July 1.

Where to Find the FY 2017/18 - 2018/19 Adopted Budget
 The Adopted Budget can be found on the City’s website at www.moval.org under Departments, Financial & Management Services Department, Financial Resources Division – Budget Office.

How to Get Involved
 Stay connected with the City of Moreno Valley by visiting us at:

- Web: www.moval.org
- Facebook: The City of Moreno Valley
- Twitter: @MoValCityHall

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