

Recommendation Number	Description	Responsible for Implementation	Time Frame	Corrective Action Plan	May 2023 Update
1	To help ensure that Richmond maintains appropriate reserves for times of fiscal uncertainty, city staff should, by June 2023, review Richmond's reserve policy to determine whether a higher reserve target is appropriate. As part of the review, staff should consider all the factors the Government Finance Officers' Association (GFOA) recommends for setting a reserve target. Once that review is complete, city staff should present proposals to the city council for modifying the city's policy.	City Manager Office & Finance	6/30/2023	Schedule City Council review/consideration of updated General Fund reserve policy in March 2023 for implementation in the Fiscal Year (FY) 2023-2024 Budget, for adoption by June 2023.	Staff will be presenting GFOA best practices to the City Council on May 2, 2023, with the first draft budget for FY23-24
2	To decrease the risk that Richmond will deplete its reserves, city staff should, by June 2023, present to the city council a list of proposed budget actions that would help ensure balanced budgets and eliminate projected deficits.	City Manager Office & Finance	6/30/2023	Present contingent, long-term budget balancing options with the FY 2023-2024 proposed budget, by June 2023.	Staff will be presenting the first draft of the FY23-24 budget on May 2, 2023, to achieve a balance budget by June 30, 2023
3	Richmond should include multiple scenarios in its financial projections, including scenarios with potential additional risks, such as economic downturns or recessions, and how the city would continue to fund its operations under those circumstances.	City Manager Office & Finance	On Going	Present expanded 5-year financial projection with the FY 2023-2024 Proposed Budget, by June 2023.	Staff will present a draft five-year forecast (with scenarios) to the City Council on May 16, 2023, for review and discussion.
4	To ensure that Richmond is able to fund its retirement-related costs, city staff should, by June 2023, propose to the city council a specific policy regarding funding of its pension trust fund for this purpose. Staff should report to the city council on estimated long-term savings from increasing its direct payments to Cal PERS compared to investing the same amounts in its pension trust fund. Staff members should use this information to inform their recommendations related to funding targets for the pension trust fund and should consider recommending that the council increase the city's payments directly to CalPERS.	City Manager Office & Finance	6/30/2023	Schedule City Council review/consideration of updated Pension funding policy in March 2023 for implementation in the FY 2023-2024 Budget, for adoption by June 2023.	The City has contracted with GovInvest to keep an on-going monitoring of the retirement related costs and impact of funding initiatives. First presentation to the City Council is expected on May 16, 2023
5	To improve the city's ability to pay other post-employment benefits, Richmond should, by June 2023 and annually thereafter, implement a policy identifying funds, such as surpluses or one-time revenues that should be contributed to the OPEB trust fund. Staff should conduct an annual analysis to determine whether any funds available to the city are applicable under the city's policy and should present a proposal to the city council to apply those funds to the trust fund.	City Manager Office & Finance	6/30/2023	Schedule City Council review/consideration of updated OPEB funding policy in March 2023 for implementation in the FY 2023-2024 Budget, for adoption by June 2023.	City staff will be presenting options to the City Council regarding OPEB-Prefunding on May 16, 2023
6	To mitigate the costs of increasing salaries, the city should perform a workforce analysis by June 2024. Based on the results of the analysis, the city council should consider eliminating vacant positions that it deems no longer necessary. Additionally, the city should assess its need for each vacant position before it seeks to fill the positions and eliminate any positions that it does not need.	City Manager Office & Human Resources	6/30/2024	The City is issuing a Request for Proposal for a professional firm to conduct a formal workforce analysis. While the City evaluates the professional firms that replied to the Request for Proposal, the City will do an annual analysis of funded positions proposed by departments during the annual budget process, starting with the FY 2023-24 budget, by June 2023.	City staff will be presenting results of an RFP to perform a workforce analysis to the City Council on May 2, 2023.
7	To ensure compliance with federal requirements, Richmond should dedicate the resources necessary to provide records needed for an independent auditor to complete all outstanding single audits of the housing authority within the next fiscal year. To comply with existing legal obligations, Richmond should make available sufficient resources to enable the Housing authority to resolve all past due requirements of the recovery agreement and to meet the remaining deadlines in a timely manner by January 2024.	City Manager Office & Richmond Housing Authority	1/1/2024	Identify and assign resources to complete Housing Authority Single Audit backlog by June 30, 2023. Identify and assign resources to complete Housing Authority Recovery Agreement actions by January 2024.	The City has made the following resources available to RHA: Senior Accountant, Outside Consultant, Accountant I, Interim Director Housing Authority.
8	To define Richmond's responsibility related to the housing authority, Richmond should immediately enter into a written agreement with the housing authority defining each entity's financial responsibilities and draft plans to resolve past tax liabilities and prevent unnecessary new liabilities.	City Manager Office & Richmond Housing Authority	2/28/2023	Draft and Schedule City Council consideration of Housing Authority Administration Agreement by February 2023.	The City and RHA are in process of preparing a draft written agreement regarding tax liabilities and prevention of unnecessary new liabilities.
9	To ensure that Richmond is receiving the best value when entering into contracts, city staff should immediately begin documenting that they are following the contracting requirements in the city's municipal code and contracting policies for all contracts.	City Manager Office & Finance	6/30/2023	Draft and implement Contract Compliance Documentation processes by June 2023.	City staff conducted an assessment of training materials to ensure compliance with contracting requirements in the City's Municipal Code and contracting policies. Staff prepared training programs to help employees develop the knowledge and skills to ensure compliance. [See Attached pdf Contract Compliance Training]
10	To reduce potential errors and omissions by city staff members when contracting for goods and services, by January 2023 Richmond should require its finance department to create a comprehensive checklist of required documentation for contract files that other departments must follow when conducting procurements.	City Manager Office & Finance	6/30/2023	Draft and implement Contract Compliance Checklist by June 2023.	City staff compiled comprehensive checklists that are being utilized in reviewing and approving all contracts to ensure that proper procurement procedures and adherence to applicable City policies is being followed. [See Attached pdf Contract Compliance Checklists].
11	To ensure that city fees appropriately cover the cost of providing services, by June 2023, Richmond should determine a cost-effective frequency for updating its fee schedule to reflect all allowable costs, including adjusting fees for inflation as appropriate. Richmond should then revise its municipal code as necessary.	City Manager Office & Finance	6/30/2023	Review and update the Fee Schedule policy for City Council consideration and update of Municipal Code as needed by June 2023.	City staff will be providing the City Council with the revised Ordinance on May 2, 2023 to update the Master fee schedule to annually (rather than quarterly).