

Fiscal Year 2021-22 Mid-Year Budget Review

Richmond City Council
March 1, 2022

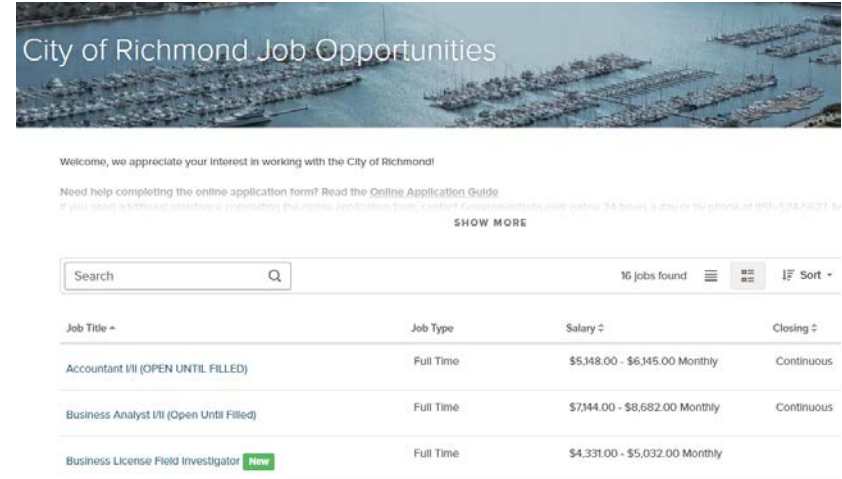


Finance Department

Accomplishments

Human Resources: Staffing and Hiring

- Improved Job Opportunities Website
- Recruitments
 - ✓ Employment and Training Deputy Director, Hired
 - ✓ Budget Administrator Starts March 1st
 - ✓ Senior Business Assistance Officer Starts Feb. 23rd
 - ✓ 10 Positions Added to Office of Neighborhood Safety (ONS)
 - ✓ New Interim Library Deputy Director & Recruitment for Permanent Position Underway



Accomplishments

City-Wide Cleanup / I ♥ Richmond

Submitted Grants - Interdepartmental Teamwork

\$5,748,400 million

Grant Name	Amount	Department(s)	Proposed Uses
Clean California Local Grant Program (CalTrans)	\$5 Million	- Community Development - Community Services, - Public Works, - CMO Economic Development	Boorman Park Clean-up, 7th Street improvements, and I Heart Richmond (Neighborhood dumpster days and Clean-ups)
CalRecycle SB 1383 Local Assistance Grant	\$145,000	- CMO Economic Development	Provide the City of Richmond with financial support to implement and comply with SB 1383
CalRecycle Solid Waste Disposal and Site Cleanup Grants	\$400,000	- CMO Economic Development - Public Works	Fund illegal dumping clean-up, deterrent installation, and neighborhood dumpster days
Saris Foundation Bike Parks Program	\$25,000	- Dirt World, - Public Works	Renovate the BMX track and two pump tracks along Greenway
Transportation Development Act (TDA3)	\$178,400	- Public Works	Richmond Ferry to Bridge Bicycle & Pedestrian Network Improvements Project

FY 2021-22 Mid-Year Overview

- Snapshot in time of the current fiscal year
- Determine if budget adjustments are needed
 - Actuals
 - Revised projections
- Incorporate prior council decisions (July-December)
- Update baseline for FY2021-22 budget

General Fund Revenue

ACCOUNT DESCRIPTION	ADOPTED FY2021-22	PREVIOUS ADJUSTMENTS	REVISED FY2021-22	MID-YEAR ADJUSTMENTS	PROPOSED FY2021-22
PROPERTY TAXES	47,460,890	-	47,460,890	(2,227,329)	45,233,561
SALES & USE TAX	50,060,211	-	50,060,211	1,933,525	51,993,736
UTILITY USERS TAX	45,452,324	-	45,452,324	1,070,339	46,522,663
OTHER TAXES	18,269,102	-	18,269,102	1,101,817	19,370,919
LICENSES, PERMITS & FEES	11,806,326	-	11,806,326	(1,626,991)	10,179,335
FINES & FORFEITURES	550,000	-	550,000	(81,103)	468,897
USE OF MONEY & PROPERTY	236,079	-	236,079	-	236,079
CHARGES FOR SERVICES	3,383,931	-	3,383,931	40,528	3,424,459
OTHER REVENUE	158,977	-	158,977	1,314,950	1,473,927
RENTAL INCOME	733,206	-	733,206	14,062	747,268
INTERGOV STATE TAXES	90,000	-	90,000	-	90,000
INTERGOV STATE GRANT	160,000	-	160,000	27,878	187,878
INTERGOV OTHER GRANT	153,569	-	153,569	-	153,569
PROC FR SLE PROP	100,000	-	100,000	-	100,000
LOAN & BOND PROCEEDS	-	-	-	36,400	36,400
OPERATING TRANSFERS - IN	9,856,182	-	9,856,182	348,042	10,204,224
GF REVENUE TOTAL	188,470,796	-	188,470,796	1,952,118	190,422,915

General Fund Revenue

Total Increase: ~\$2.0M

- Property Tax – decrease of \$2.2M lower than forecast
- Sales Tax – increase of \$1.9M due to higher trends
- Utility Users Tax (UUT) – increase of \$1.1M primarily from Chevron
- Transfer Tax – increase of \$1.1M from large property sales
- Business Tax – decrease of \$1.6M from credit of Rent Board fees
- Other Revenues – increase of \$1.7M

General Fund Expenditures

ACCOUNT DESCRIPTION	ADOPTED FY2021-22	PREVIOUS ADJUSTMENTS	REVISED FY2021-22	MID-YEAR ADJUSTMENTS	PROPOSED FY2021-22
SALARIES AND WAGES	75,424,602	5,382	75,429,983	913,483	76,343,466
PAYROLL/FRINGE BENEFITS	62,145,202	-	62,145,202		62,145,202
PROF & ADMIN	11,201,880	1,602,379	12,804,259	1,666,000	14,470,259
OTHER OPERATING	10,680,893	(3,560,686)	7,120,207		7,120,207
UTILITIES	4,565,743	(6)	4,565,737	473,948	5,039,685
EQUIPMENT & CONTRACT SVCS	2,628,158	63,986	2,692,144		2,692,144
PROVISION FOR INSURANCE LOSS	25,725	87	25,812		25,812
COST POOL	14,130,436	-	14,130,436	325,000	14,455,436
ASSET/CAPITAL OUTLAY	1,602,890	1,333	1,604,223		1,604,223
DEBT SERVICE EXPENDITURES	1,065,359	-	1,065,359		1,065,359
A87 COST PLAN REIMBS	(3,516,104)	-	(3,516,104)		(3,516,104)
GRANT EXPENDITURES	2,500	80,000	82,500		82,500
OPERATING TRANSFERS - OUT	7,884,939	-	7,884,939	4,916,480	12,801,419
GF EXPENDITURE TOTAL	187,842,223	(1,807,525)	186,034,698	8,294,911	194,329,609

General Fund Expenditures

Total Increase: ~\$8.3M

- Salaries and Benefits: Increase of \$913k
 - Fire Overtime (\$700k)
- Professional Services – Increase of \$1.7M
- Utilities – Increase of \$474k primarily EBMUD
- Cost Pool – Increase of \$325k purchase of street sweeper
- Operating Transfer Out – Increase of \$4.9M in Administrative transfer related to Reimagining Public Safety

FY 21-22 Adopted Vs. Mid-Year Budget

	Adopted June 29, 2021	Mid-Year Proposed
Revenues	188,470,796	190,422,915
Expenditures	187,842,223	194,329,609
Net Rev/Exp*	628,573	-3,906,695
Percentage	0.3%	-2.11%

*Proposed net covered by set-aside from FY 2020-21

Position Count

Status	Active 12/31/2021	Proposed Budgeted
Full Time	579	706.1
Part-time Employees w/ Benefits	10	0
Retired Annuitant	8	0
Total Count	597	706.1

The number of active employees can change day to day as employees leave or retire and new hires are brought on board. Position count above is as of December 31, 2021. Not included in this listing are part-time employees without benefits, many of these are seasonal. As of 12/31/2021, the City had 127 part-time employees without benefits.

Changes in Full Time Position Count

Department	Adopted FY21-22	Revisions FY21-22	Proposed Mid-Year FY21-22
	6/29/21	1/11/22*	3/1/22
ALL DEPARTMENTS	693.2	706.2	706.1

*Includes changes from adoption through January 11, 2022

Mid Year Position Changes

Department	Mid-Year Position Changes	
	From	To
City Attorney	Reclass promotional from Executive Secretary II	Administrative Services Analyst
Finance	Reclass from Accounting Manager	Deputy Finance Director
Finance	Reclass from Budget Analyst II	Accountant II
Library	New	Librarian II
Community Services - Recreation	Reclass from Admin Aide	Assistant Admin Analyst
Employment & Training	Reclass from Finance Manager	Sr. Accountant
Economic Development	Promotion from Associate Admin Analyst	Sr. Admin Analyst
Economic Development	Remove Management Analyst II (0.5)	Partially fund Sr. Management Analyst
Economic Development/RHA Promotion from Management Analyst II		Sr. Management Analyst
City Manager and Public Works	Reclass from Community Engagement Manager	Deputy Public Works Director
Children & Youth	Promotion Associate Admin Analyst	Sr. Management Analyst
City Council	Sr. Admin Analyst	Promotion to Project Coordinator
RHA	Remove RHA Sr. Property Manager (0.5)	Partially fund Sr. Management Analyst
Economic Development	Remove Management Analyst I	No position

Recruitment Status

Item	Number
Positions added on/or after 6/29/21	43
Recruitments opened between 7/1/21 – 1/31/22	57
Current active recruitments as of 1/31/22	79
Current unfilled positions, as of 1/31/22	125

Non-General Fund

- Staff is recommending increases:
 - Revenue totaling \$24.8 million
 - Expenditures totaling \$6 million
- Adjustments:
 - Pass-through funding
 - Fund Balance reserves for operating
 - Capital improvement needs
 - Impact fees

Capital Improvement Plan Budget

CIP Funding Sources total \$49.6 million.

- **State Gas Taxes**
- **Measure C/J**
- **Loan Proceeds**
- **Grants**

The American Rescue Plan Act of 2021

FY2021-22 through December 2021		<u>BUDGET</u>	<u>ACTUAL *</u>	<u>ENCUMBRANCES</u>	<u>REMAINING</u>
ARPA REVENUE -TOTAL		\$27,740,723	\$13,870,362	\$ -	\$13,870,362
ARPA EXPENDITURES					
MAIN LIBRARY - HVAC	\$ 500,000	\$ -	\$ 48,000	\$ 452,000	
NEVIN COMMUNITY CENTER - HVAC	\$ 500,000	\$ 10,250	\$ 39,750	\$ 450,000	
RECREATION CENTER ADMINISTRATION - HAVC	\$ 500,000	\$ 9,750	\$ 39,250	\$ 451,000	
RICHMOND MUSEUM - HVAC	\$ 500,000	\$ -	\$ 32,600	\$ 467,400	
COMMUNITY BEAUTIFICATION	\$ 1,000,000	\$ -	\$ -	\$ 1,000,000	
COMMUNITY NEEDS ASSESSMENT	\$ 250,000	\$ -	\$ -	\$ 250,000	
ENVIRONMENTAL PLANNING CONSULTANT	\$ 300,000	\$ -	\$ -	\$ 300,000	
HOUSING & DEVELOPMENT INITIATIVES/RICHMOND RAPID RESPONSE FUND	\$ 1,000,000	\$ -	\$ -	\$ 1,000,000	
RECOVERY OF LOST REVENUE (FY2020-21) APPLIED TO BALANCE FY2021-22 GF BUDGET	\$ 4,000,000	\$ -	\$ -	\$ 4,000,000	
NORTH RICHMOND PUMP STATION	\$ 1,800,000	\$ -	\$ -	\$ 1,800,000	
MLK PARK TURF FIELD	\$ 150,000	\$ -	\$ -	\$ 150,000	
Total - ARPA FY2021-22	\$ 10,500,000	\$ 20,000	\$ 159,600	\$ 10,320,400	
REMAINING ARPA ALLOCATION		\$17,240,723			

*Additional \$7,487.59 received in interest through December 2021

The American Rescue Plan Act of 2021

North Richmond Pump Station



MLK Park Turf Field



Reimagining Public Safety

REIMAGINING PUBLIC SAFETY COMMUNITY TASK FORCE FY 21-22 BUDGET				
FY2021-22 through December 2021	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ENCUMBRANCES</u>	<u>REMAINING</u>
YouthWORKS	\$ 1,980,000	\$ 352,026	\$ -	\$ 1,627,974
OFFICE OF NEIGHBORHOOD SAFETY (ONS)	\$ 1,600,000	\$ -	\$ -	\$ 1,600,000
UNHOUSED INTERVENTION	\$ 1,800,000	\$ -	\$ 983,975	\$ 816,025
COMMUNITY CRISIS RESPONSE	\$ 1,000,000	\$ -	\$ -	\$ 1,000,000
Total - Reimagining Public Safety FY2021-22 Expenditures	\$ 6,380,000	\$ 352,026	\$ 983,975	\$ 5,043,999

Contingency Reserves

Contingency Reserve Policy Amounts in Annual Comprehensive Financial Report (ACFR)				
Fiscal Year	Date	GF Budgeted Expenditures	Contingency Reserves per ACFR	Percent of Expenditures
FY2018-19	6/30/2019	176,208,966	19,534,660	11.1%
FY2019-20	6/30/2020	160,198,985	20,326,889	12.7%
FY2020-21	6/30/2021	179,948,582	22,477,829	12.5%

Percentages are rounded.

Opportunities for Input

- Monthly Council budget updates
- Council and Stakeholder Budget Input Sessions for FY2022-2023
 - Community Budget Meetings – March 16th, March 24th, and March 31st
 - RNCC – TBD
 - <https://www.ci.richmond.ca.us/4096/Community-Budget-Meetings>

Opportunities for Input

CITY OF RICHMOND
**Community
Budget Meetings**

HOSTED BY THE FINANCE DEPARTMENT

JOIN US!

March 16, 2022 - 12:00 p.m.

March 24, 2022 - 5:30 p.m.

March 31, 2022 - 5:30 p.m.

TBD RNCC Meeting - 7:00 p.m.

You will receive an overview of the City's budget process, information on the City's finances, and the American Rescue Plan. City staff is also available to answers questions.

We look forward to your attendance and input!

To ask questions or for more information:

✉ community_budget@ci.richmond.ca.us

☎ 510.620.6740

🌐 [http://www.ci.richmond.ca.us/4096/
Community-Budget-Meetings](http://www.ci.richmond.ca.us/4096/Community-Budget-Meetings)



Future Priorities

- Address Pension Obligation Bond
- Fund and Implement Class & Compensation Study
- Complete Capital Needs Assessment
- Monitor Measure U Revenue
- Consider Additional Revenue Enhancements
 - Proposed Vacant Property Tax (June 2022)
 - Proposed Utility Users Tax Increase (Nov 2022)
- Fund facilities, fleet, Information Technology, and infrastructure improvements
- Increase City reserves to 15%

Recommended Action

REVIEW the Fiscal Year 2021-2022 operating and capital improvement budgets at mid-year and ADOPT a resolution approving the proposed Fiscal Year 2021-2022 budget adjustments.

Thank you



Questions?