



CITY OF

Richmond CALIFORNIA

Fiscal Year 2021-22 Budget

Richmond City Council Meeting
June 29, 2021

Introduction and Overview

Agenda

- FY2021-22 Capital Improvement Plan (CIP) Budget
- FY2021-22 Recommended Operating Budget

The Capital Improvement Plan (CIP)

- Five-year projection of needed capital improvement projects
- Each year, the plan is updated by adding a new fifth year to the projection
- Total CIP Expenditures = \$33.9 million
- Total Other Operating = \$64.8 million
- Total Projects Across All Funds = \$98.7 million

Alleged Brown Act Violations - June 21

1. Voting by Zoom Chat by two Council Members
 - a. It is not allowed under the Brown Act
 - b. The chat voting is “secret” because the public cannot see it.
2. Green- Blue Deal for ARPA Funds Not Agendized
 - a. Not a Brown Act violation.
 - b. Agenda on 6/21 noted ARPA and Budget
 - c. Brown Act does not require detailed descriptions

American Rescue Plan Act (ARPA)

ARPA - FY 2021-2022	Proposed Uses
Recovery of lost revenue (FY 20 & 21) applied to balance FY 22 GF budget	4,000,000.00
Community Facilities Improvements (HVAC)	2,000,000.00
Community Beautification	1,000,000.00
Community Needs Assessment	250,000.00
Environmental Planning Consultant	300,000.00
Housing & Development Initiatives/Richmond Rapid Response Fund	1,000,000.00
Total	8,550,000.00

Reimagining Public Safety

Option E			
Proposal/Program	Expenditure	Funding Source	Amount
YouthWORKS	1,980,000	Police Department Reduction	3,000,000
ONS	1,600,000	FY21 Excess	1,300,000
Unhoused Intervention	1,800,000	Housing in Lieu/low-mod fees	480,000
Community Crisis Response	1,000,000	Elimination - vehicle purchases	1,600,000
Total Expenditures	\$6,380,000	Total Funding Sources	\$6,380,000

FY2021-22 CIP Budget

- State Gas Tax
- Measures C and J
- Bond Proceeds
- State Revolving Fund Loan
- Grants
- General Fund - \$1.55 million
- ARPA

Allocation of FY 2021 Excess

• Reimagining Public Safety	\$1.3M
• Facility Improvements	\$1.7M
• Staff Compensation	\$2.3M
• To balance FY 2021-22	\$3.0M
• Set-aside RHA write-off	\$3.0M
• Maintain 14.3% Reserve Level	\$4.2M
Total	\$15.6M

Changes in Budgetary Practice

- Apply a vacancy factor of 4% (\$5.8M)
- Change real estate transfer tax projection (\$3M)
- Early CalPERS payment - \$900,000 in savings
- Updated Sales Tax Projection (\$1.4M)
- Updated Property Tax Projection (\$1.0M)

FY2022 Budget Includes

- ARPA Funding \$4.00M
- FY 2020-21 Excess to balance \$3.00M
- Allocation to reserves (15%) -\$3.63M

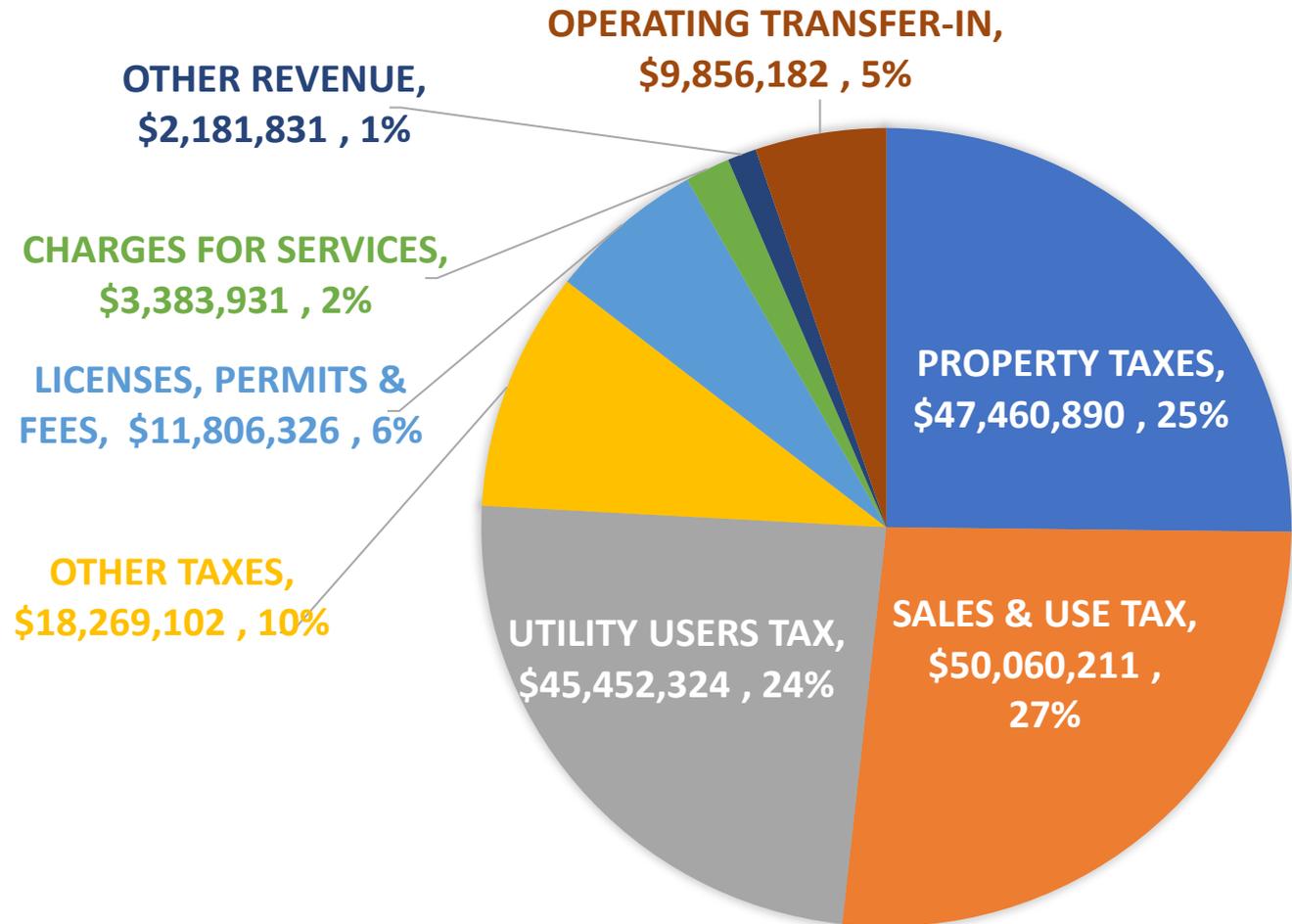
What is Not Included

- Class & Comp Study adjustment ?
- Likely Housing Authority write-off \$12M

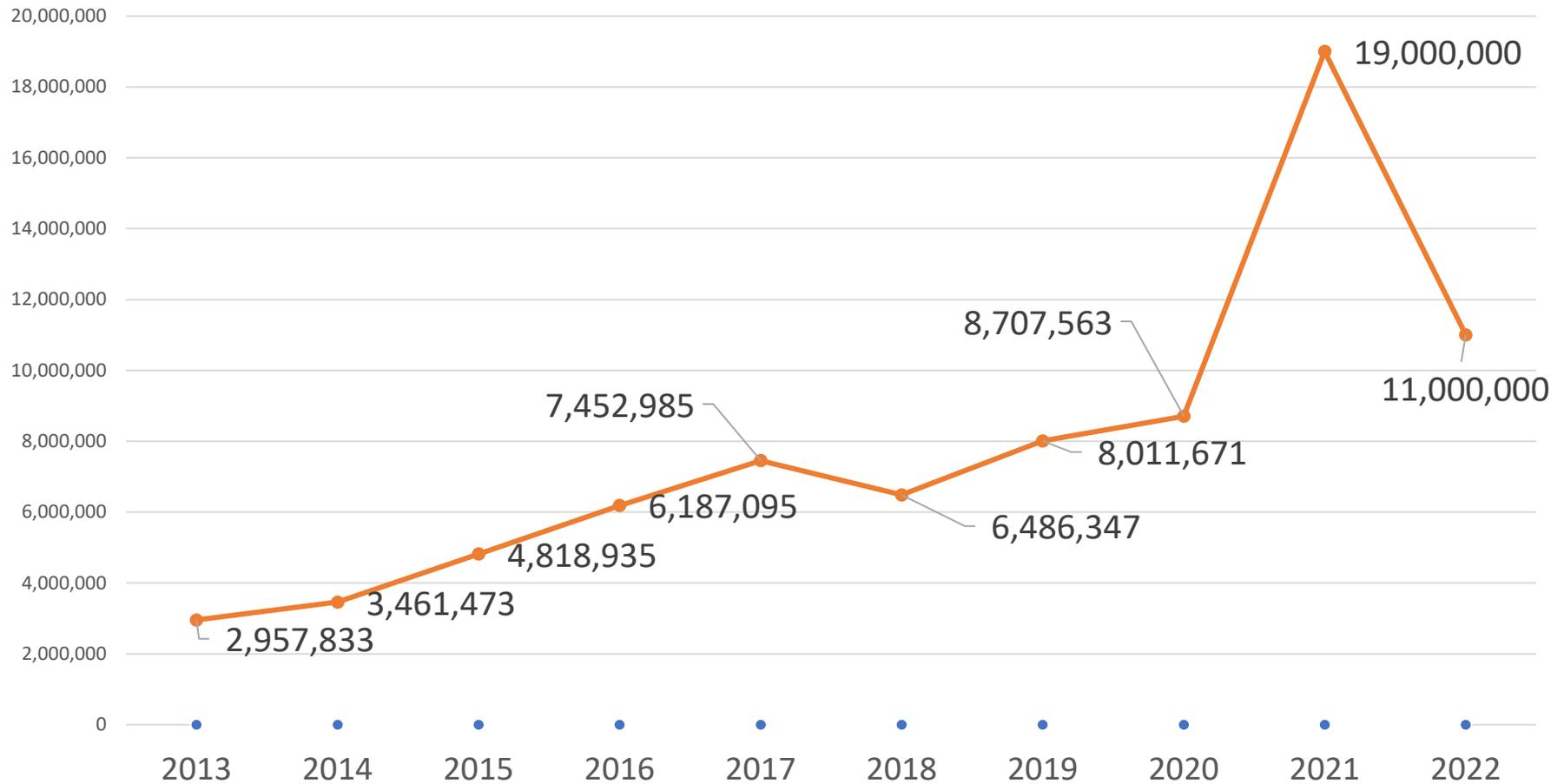
FY 2021-22 Proposed GF Budget

GENERAL FUND SUMMARY	FY2021-22
FY2021-22 General Fund Revenues	(188,470,796)
FY2021-22 General Fund Expenditures	187,833,521
Original FY2021-22 (Surplus)/Deficit	(637,275)
FY2020-21 Excess used in FY2021-22	(3,000,000)
FY2021-22 Set Aside for Reserves	3,628,572
FY2021-22 GENERAL FUND (Surplus)/Deficit	(8,703)

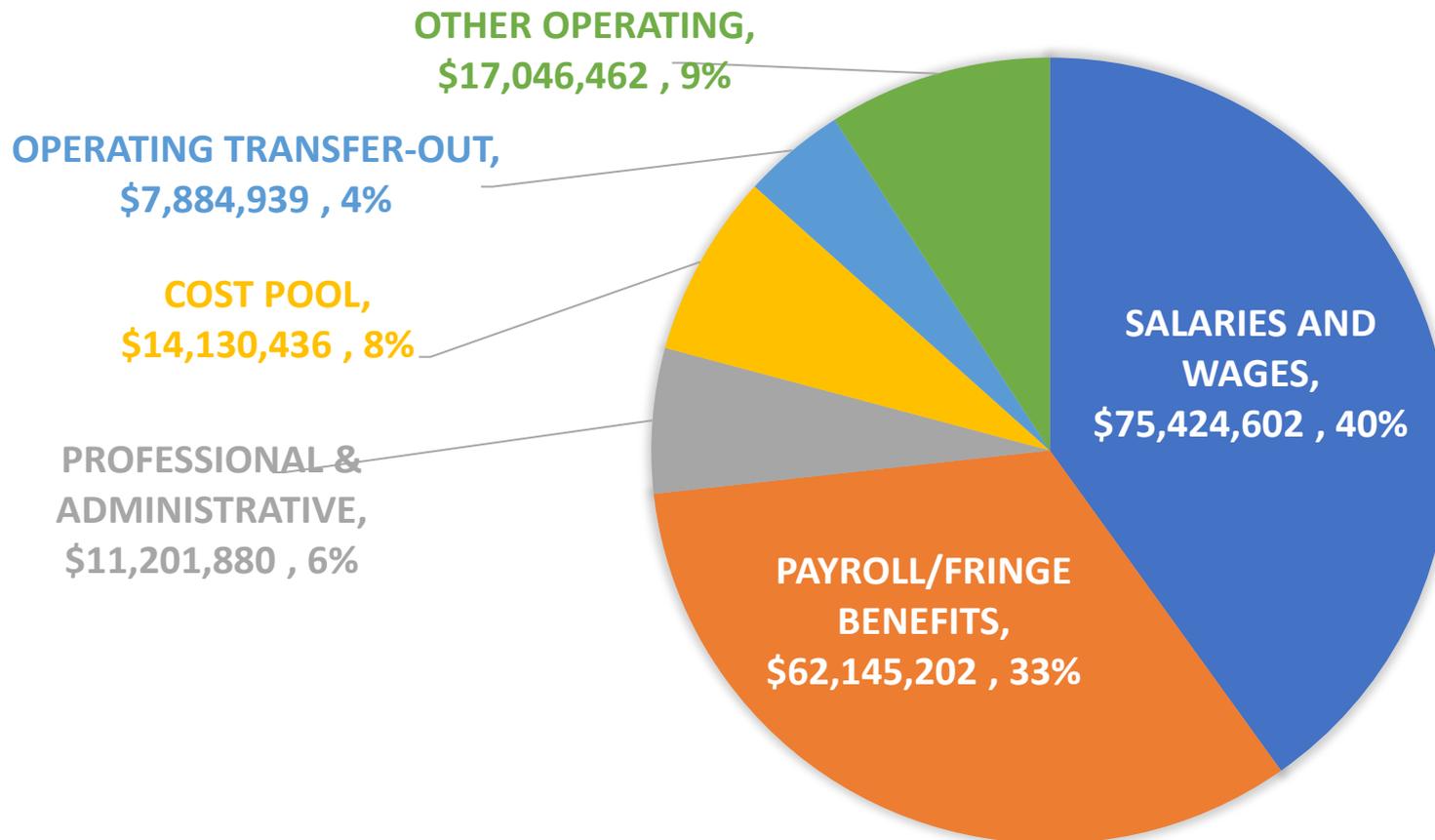
Proposed FY2021-22 GF Revenues



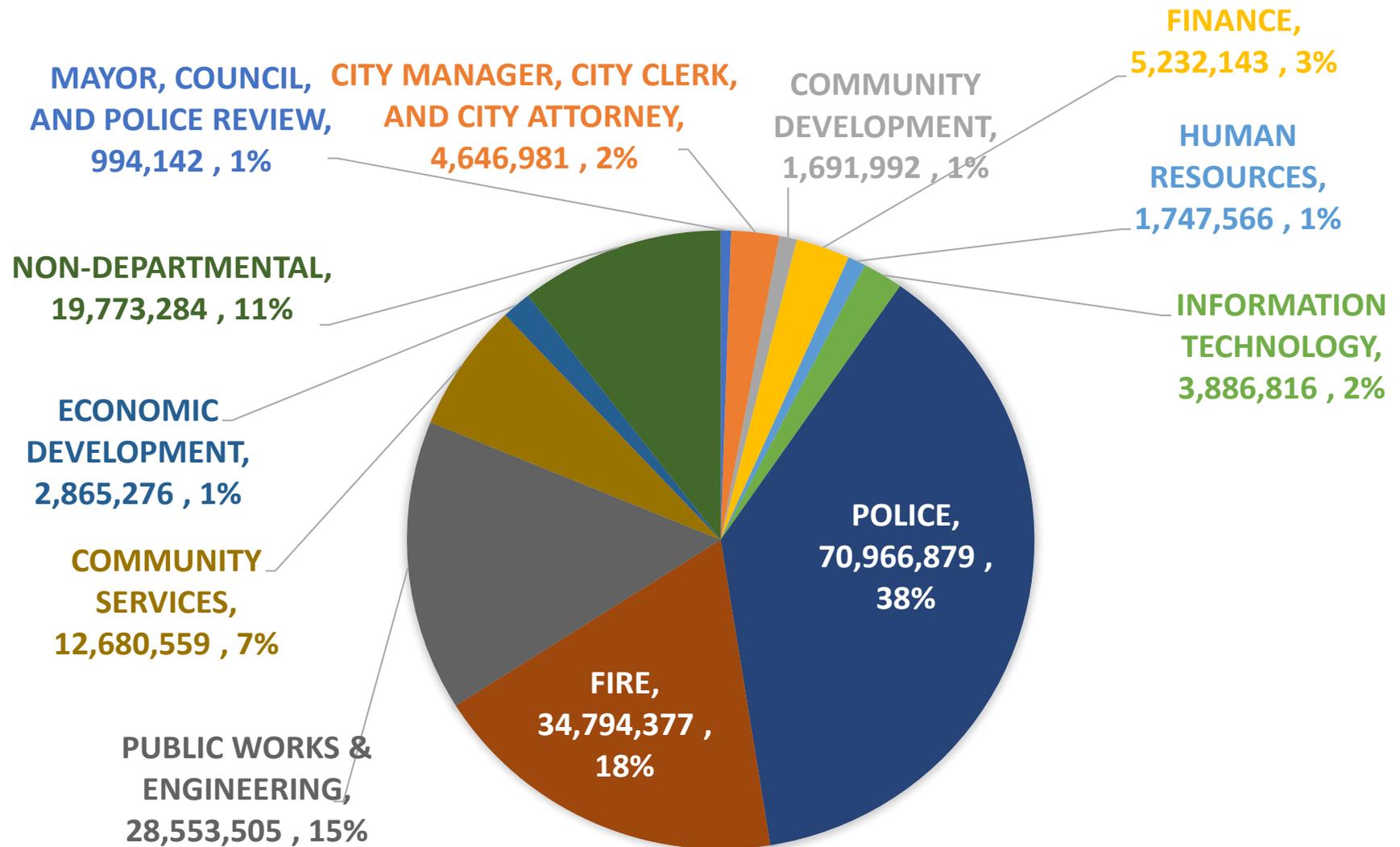
Other Taxes - Documentary Transfer Taxes



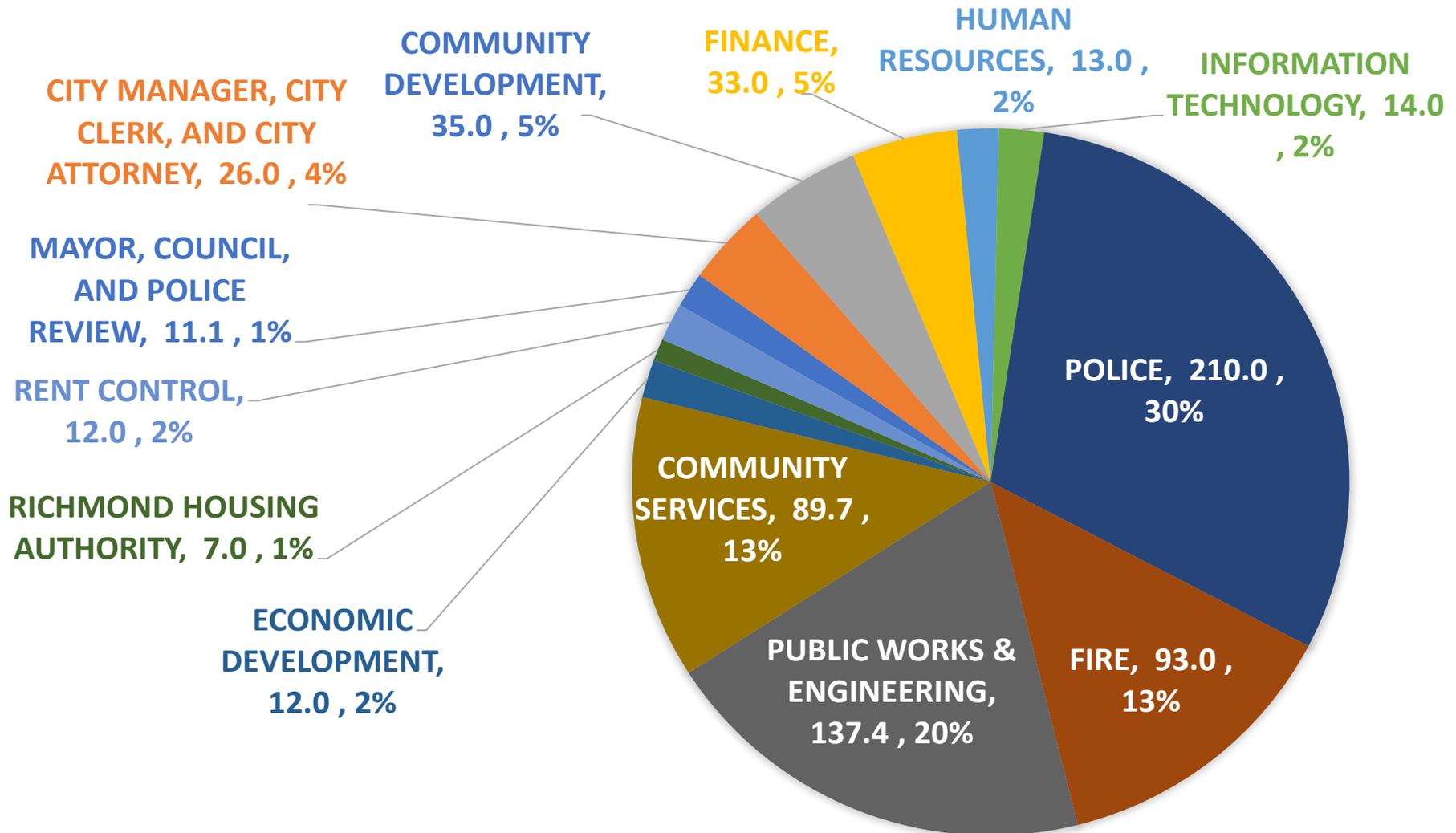
Proposed FY2021-22 GF Expenditures



GF Expenditures by Dept./Function



Position Control



Pension and OPEB Liability

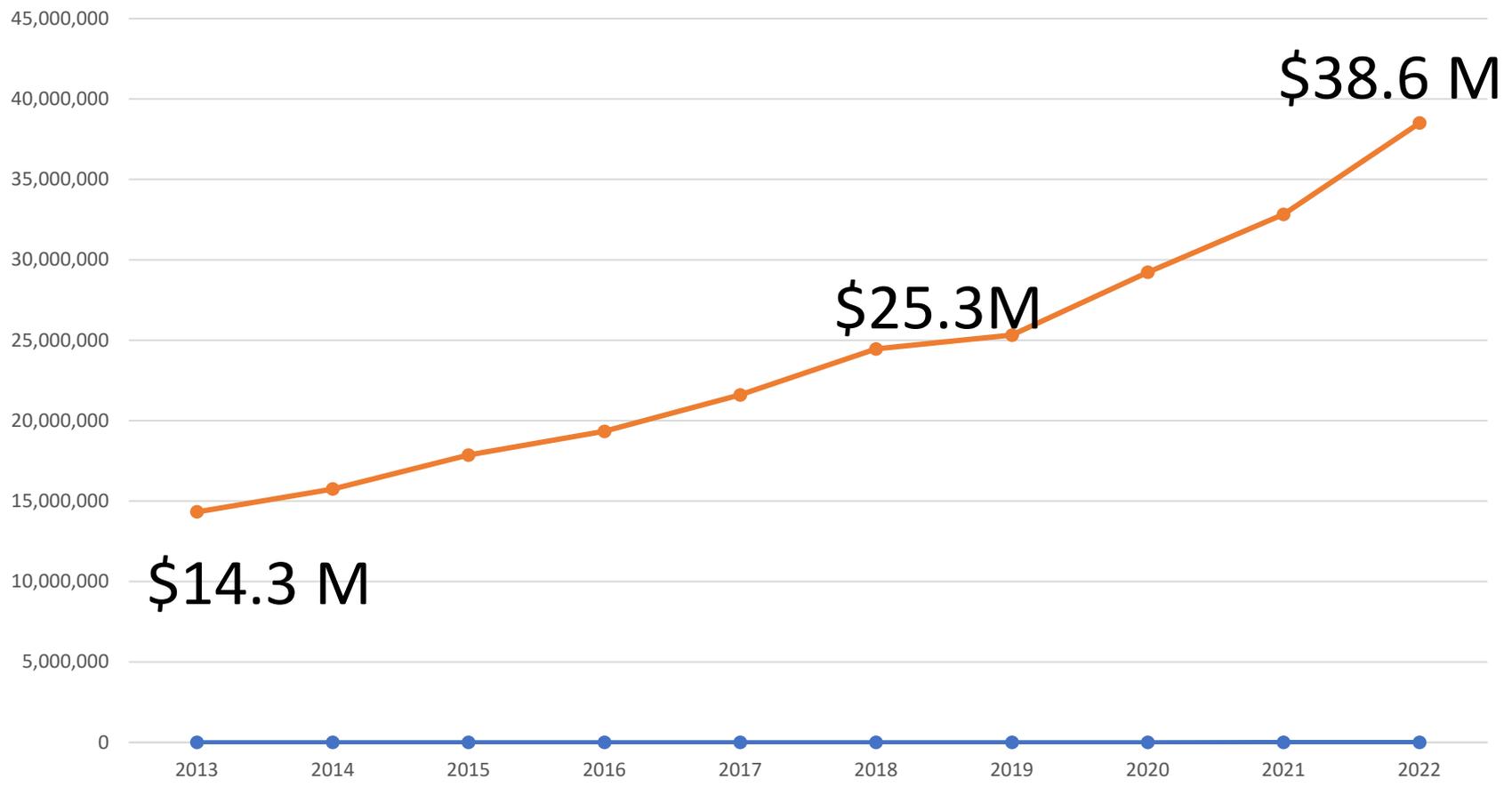
	FY2015	FY2018	FY2019	FY2020	% Increase FY 2015 to FY 2020
Pension	228,116,453	326,141,904	337,537,411	351,586,720	54%
Closed Pension Plans	11,384,019	8,093,549	4,253,771	2,945,616	-74%
OPEB	196,034,283	187,743,687	193,782,442	119,252,808	-39%

Payment For Pension & OPEB

Benefit	FY 2015	FY 2020	FY 2021	FY 2022	% Increase FY 2015 to FY
Pension	17,842,357	33,140,842	35,863,841	38,653,901	117%
Closed Pension Plans	1,445,345	1,440,718	1,249,466	1,249,466	-14%
OPEB	3,889,097	12,720,085	10,482,302	10,661,565	174%

*The data is not currently available.

BENEFITS - PERS



Challenges

- Pension liability increased over \$123M since 2015
- Pension payments are now \$39M per year
- OPEB liability increased by \$21M since 2015
- OPEB payment grew by \$7M since 2015
- City continues to face a structural budget deficit
- Staff compensation is below market

FY 22 Budget Achievements

- Meets City Council policy goal of 15% for reserves
- Reserves will be \$28M at the close of FY 2021-22
- Invests \$3.7M in facilities improvements
- Invests \$2.3M in new vehicles and equipment
- Allocates \$100,000 for
 - Facilities Masterplan Study
 - Information Technology Masterplan study
 - Fire Services Study
- Sets aside \$3M for possible RHA write-off

Recommended Actions

- **ADOPT** a resolution approving the Fiscal Year 2021-2022 Annual Operating Budget which includes the use of \$8,550,000 in American Rescue Plan Act funds; and
- **ADOPT** a resolution approving the Capital Improvement Plan for Fiscal Years 2021-2022 through 2025-2026 and adopting the Capital Improvement Plan Budget for Fiscal Year 2021-2022; and
- **ADOPT** a resolution approving the carry-over and appropriation of Fiscal Year 2020-2021 funds to the Fiscal Year 2021-2022 Annual Operating or Capital Improvement Plan Budgets.

Thank you

Questions/Comments?

Thank you to...

- Vrenesia Ward
- Bert Jones
- Rhonda Jackson
- Jackie Rosado
- Delmy Cuellar
- Antonio Banuelos
- Jerry Gurule
- Sharrone Taylor
- Catherine Selkirk
- Leah Clark
- LaShonda White
- Tracy Fuller – RGS
- Getachew Demeku-Ousman