



CITY OF

Richmond CALIFORNIA

Fiscal Year 2021-22 Budget

Richmond City Council Meeting
June 8, 2021

Upcoming FY22 Budget Meetings

- | | |
|-----------------------|--|
| June 8 th | Presentation of FY 2022 GF Budget |
| June 15 th | Review of Capital Improvement Plan (CIP)
American Rescue Plan Act (ARPA)
Reimagining Public Safety |
| June 22 nd | Adoption of CIP and GF Budget |

Agenda

- Funding Needs and Possible Sources
- FY2020-21 Projected Year End Balance
- FY2021-22 Initial Draft Budget
- FY2021-22 Proposed Budget

Thank you to...

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

Long View

- Invest in employees
- Develop a fiscal sustainability plan
- Minimize probability of recurring budget crisis
- Consider service delivery changes and attrition
- Collaborate with Labor on long-term issues

FY 2021 Projected Year End Balance

General Fund	FY2020-21 FORECAST
Revenue	\$183.5M
Expenses	\$167.9M
Net Surplus/(Deficit)	\$15.6M

FY 2021 Excess Causes

- 60 positions were frozen saving \$10M
- No raises- 6th year for Non-Sworn employees!
- RPOA deferred 1% to June 2022 = \$550,000
- Conservative pandemic budgeting in June 2020
- Robust sales tax revenues
- Unusually large real-estate transactions
- Continued underfunding of facilities and infrastructure

Allocation of FY 2021 Excess

• Reimagining Public Safety	\$1.3M
• Facility Improvements	\$1.7M
• Staff Compensation	\$2.3M
• Maintain 14.3% Reserve Level	\$4.2M
• Write-off for Housing Authority	\$6.0M
Total	\$15.6M

Changes in Budget Preparation

- Apply a vacancy factor of 4% (\$5.8M)
- Change real estate transfer tax projection (\$3M)
- Budget assumptions risk mitigation depends upon 15% reserves

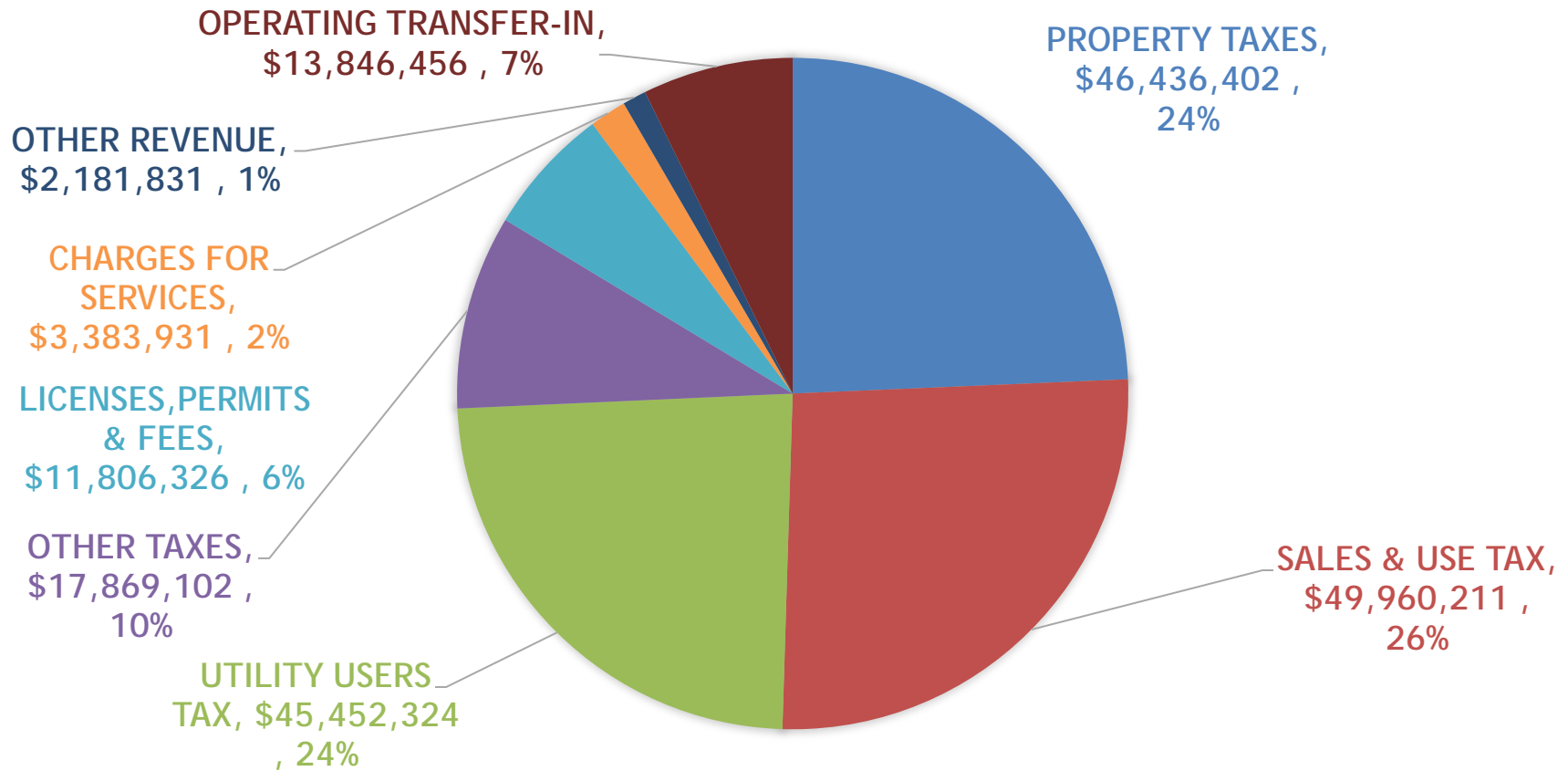
FY 2021-22 Proposed Budget

General Fund	FY2021-22	Difference From FY 20-21 Mid-Year Budget	% Change
Revenue	\$190,936,582	\$15,372,241	8.8%
Expenses	\$190,900,563	\$17,334,931	10.0%
Net Surplus/(Deficit)	\$36,020		

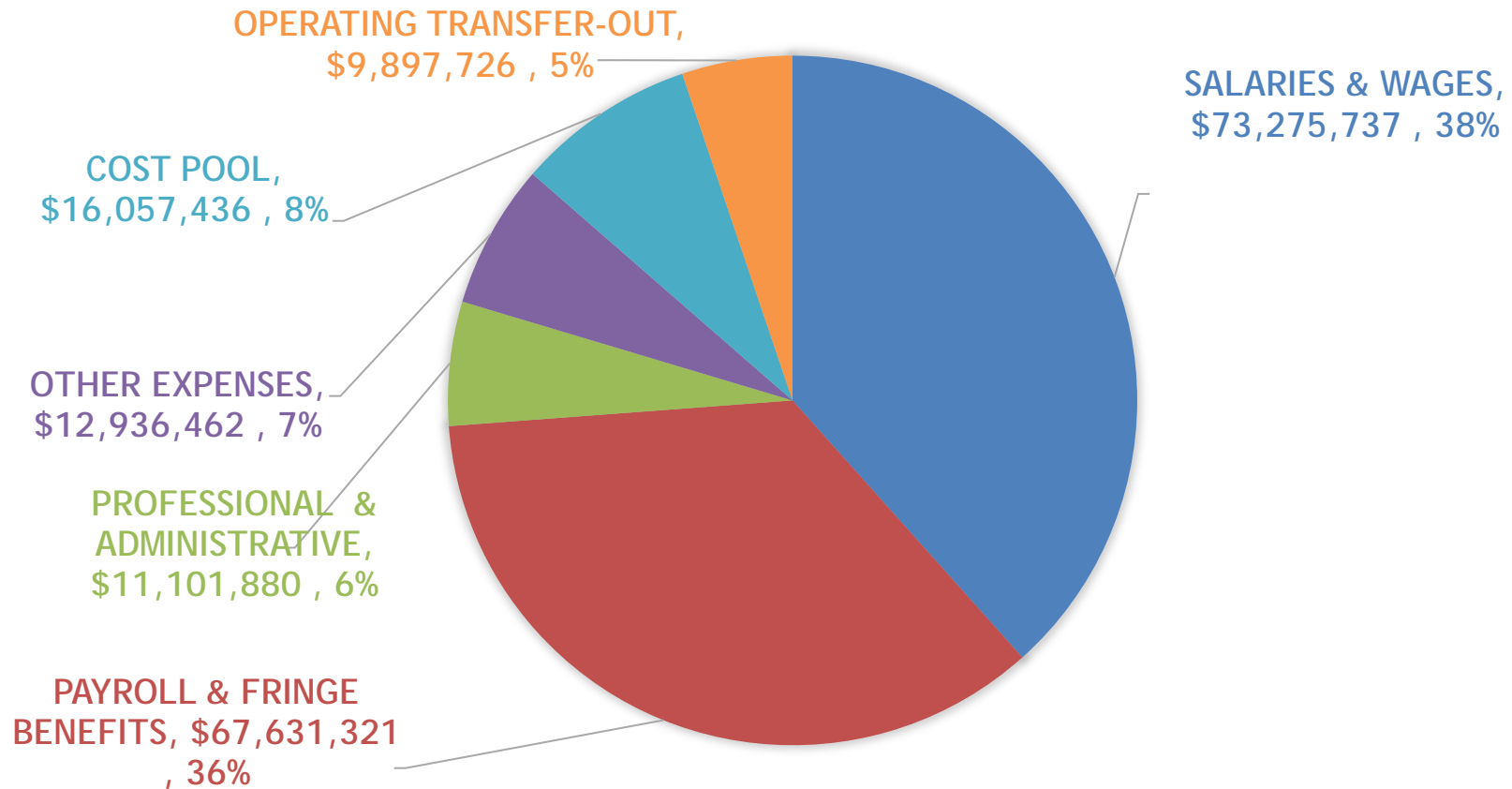
What's In The Proposed Budget?

- Preserves city services at the current level
- Part-time positions for Library and Recreation
- Investment in the Kids First initiative
- Funds Reimagining Public Safety related initiatives
 - Expands services to the unhoused community
 - Expands violence prevention programs
 - Expands youth employment opportunities
 - Initial funding for mental health crisis response
- Adds positions to address blight and other community needs
- New vehicles and equipment
- Enhances cleanliness by purchasing new street sweeper
- Unfreezes 12 positions and adds 10 new positions

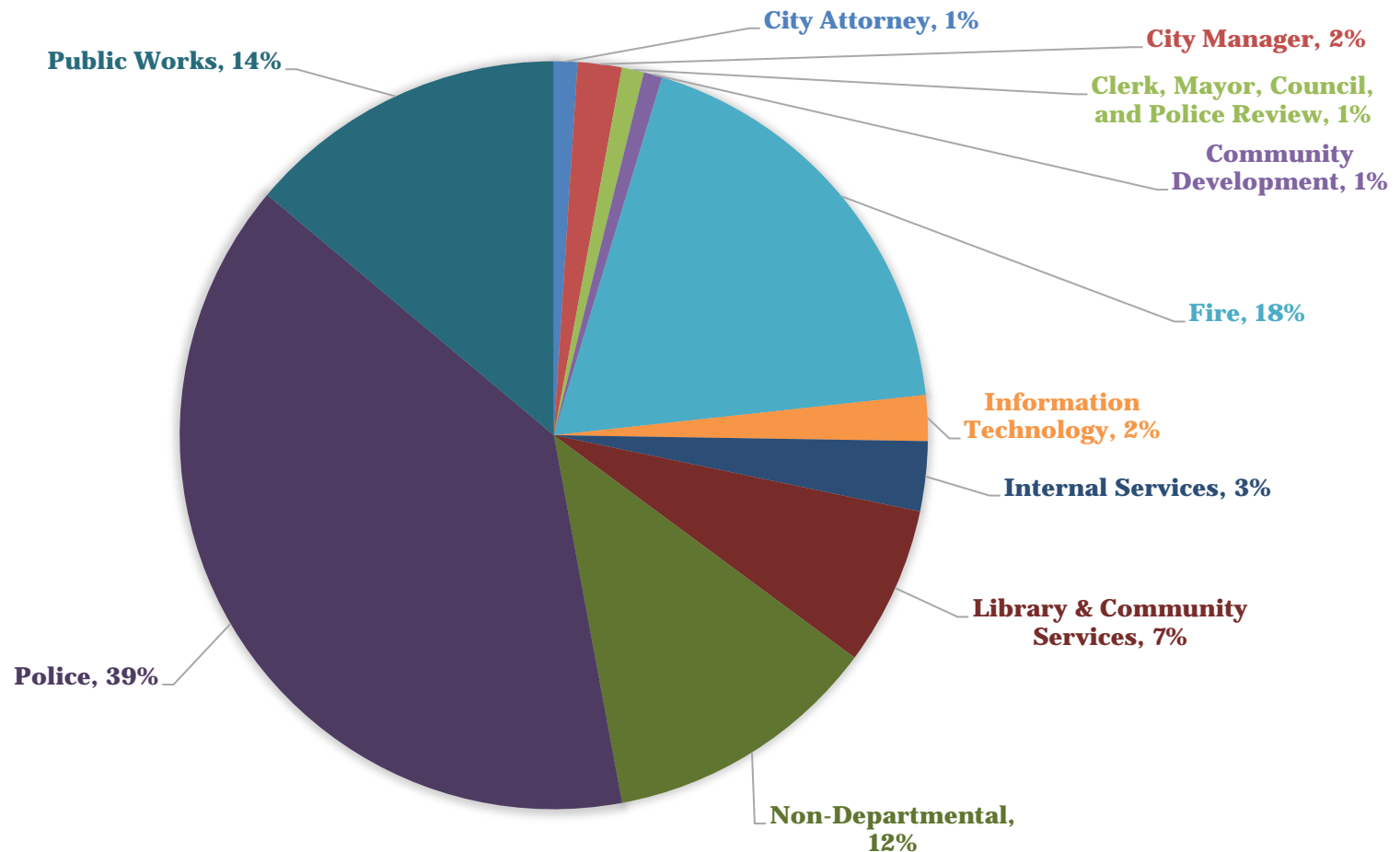
Proposed FY2021-22 Revenues



Proposed FY2021-22 Expenditures



Proposed Expenditures by Dept.



FY2022 Budget Includes

- ARPA Funding \$5.63M*
- Allocation to reserves (14.3%) \$2.8M
- Vehicles \$3.9M
- Community Facilities Improvements \$1.15M

*\$1.63M for Reimagining Public Safety & \$4M to balance FY 22 budget

What is Not Included

- Likely Housing Authority write-off \$9M
- Facilities Masterplan study \$100K
- Class & Comp Study set-aside at ?

Recommended Action

RECEIVE the proposed operating budget for the Fiscal Year 2021-2022 and direct staff to update the budget documents in preparation for final Council adoption on June 22, 2021.

General Fund Reserves

Date	GF Expenditures	Original Reserve	Adjustment	Projected Reserve	Percent of Expenditures
6/30/2019	172,808,014	19,534,660		19,534,660	11.30%
6/30/2020	171,995,651	20,326,889		20,326,889	11.80%
2/16/2021	171,653,539	20,326,889	4,160,801	24,487,690	14.30%
7/1/2021	190,900,563	24,487,690	2,811,091	27,345,885	14.30%
7/1/2021	190,900,563	24,487,690	4,150,000	28,637,690	15.00%

Thank you

Questions/Comments?