

PREPARING FOR THE FUTURE

**FY2018-19
BUDGET KICK-OFF**

FEBRUARY 12, 2018

AGENDA

- Message from the City Manager
- Message from the Finance Director
- Budget Overview
 - Purpose of the Budget
 - Budget Updates and Calendar
 - Highlights and Challenges
- General Fund Revenue
- General Fund Expenditures
- Budget Procedures
 - Purchase Order Encumbrances
 - Capital Improvement Projects
 - Grants Management
 - Position Control
 - Budget Input/Reports
- Next steps

MESSAGE FROM THE CITY MANAGER

BILL LINDSAY

MESSAGE FROM THE FINANCE DIRECTOR

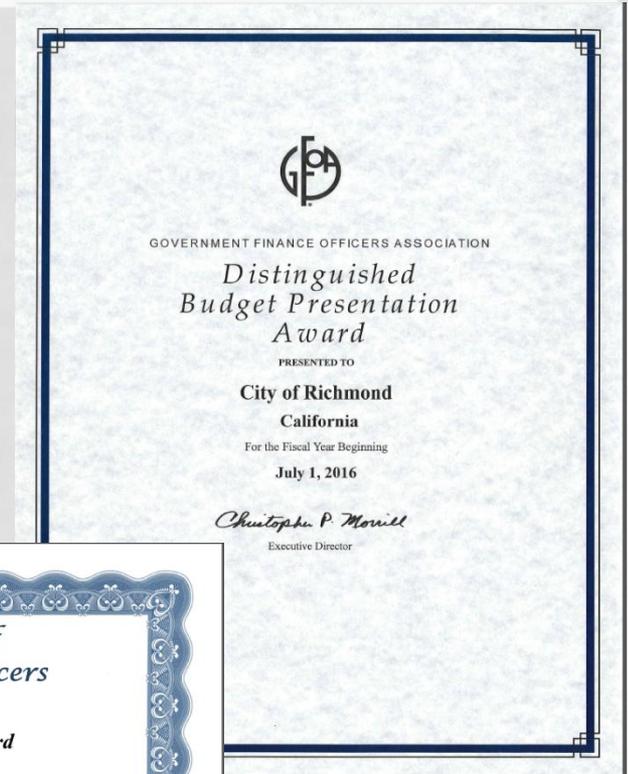
BELINDA WARNER

BUDGET OVERVIEW

MARKISHA GUILLORY

PURPOSE OF THE BUDGET

- Policy Document
- Financial Plan
- Operations Guide
- Communications Device



BUDGET UPDATES

- Five-Year Financial Model
- Cost Allocation Plan
- Performance Measures
- Citizen Transparency Module
- Master Fee Schedule

HIGHLIGHTS AND CHALLENGES

- Highlights
 - Ended last three consecutive fiscal years with surplus in the General Fund
 - Cleared negative cash balances in other funds
 - Credit rating upgrade
- Challenges
 - Long-term obligations, such as rising pension and OPEB costs
 - Negative cash balances in other funds
 - Fiscal impact of Kids First

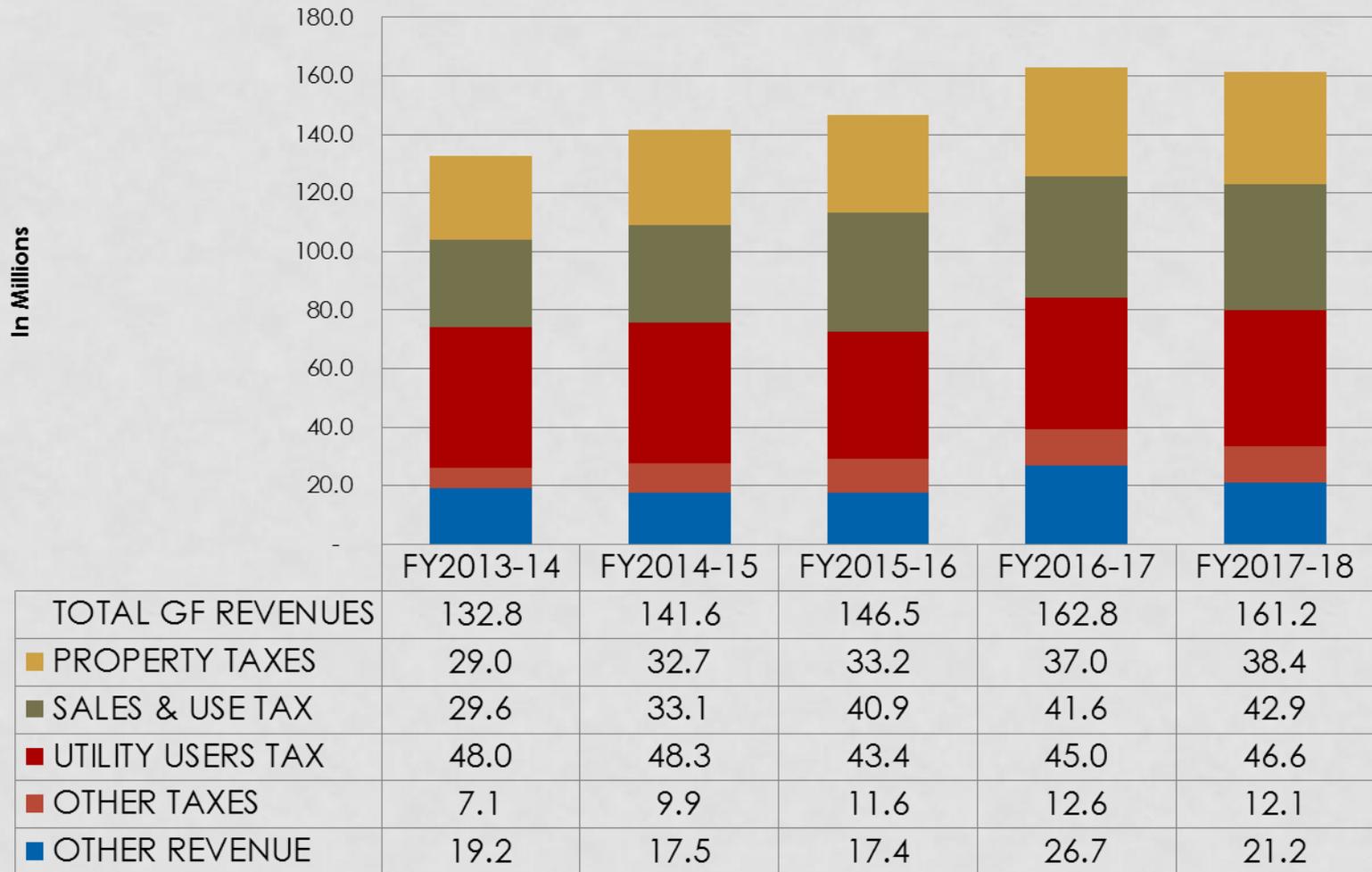
BUDGET CALENDAR

RESPONSIBLE DEPARTMENT / STAFF	ACTION / ACTIVITY	DATE
Finance Department/ City Manager/City Council	FY2017-18 Mid-Year Budget Review	February 6, 2018
Finance Department/ All Departments	FY2018-19 BUDGET KICK OFF MEETING Budget Message from City Manager and Finance Director; Budget Guidelines and Procedures distributed	February 12, 2018 9AM – 10:30AM
Finance Department/ All Departments	FY2018-19 BUDGET INPUT TRAINING Workshop and training on the budget process, budget input and budget reports	February 12, 2018 10:45AM – 12PM
All Departments	Signed personnel list and org charts due to Finance Department	February 16, 2018
All Departments	FY2018-19 Budget Input Window	February 20, 2018- March 2, 2018
Finance Department/City Manager/All Departments	Budget Hearings	March 16, 2018 March 26-30, 2018 April 2-3, 2018
Finance Department/City Manager	Community Budget Meetings	April 2018
Finance Department/ City Manager/City Council	Study Session with City Manager and City Council Transmit to Council proposed Operating Budget for FY2018-19 and FY2018-19 to 2022-23 Capital Improvement Plan	May 1, 2018
Finance Department/ City Manager/City Council	Departmental Budget Presentations and Budget Checklist	May 15, 2018 May 22, 2018
Finance Department/ City Manager/City Council	City Council review and direction on Budget Checklist and changes to proposed budget	June 5, 2018 June 19, 2018
Finance Department/ City Manager/City Council	Council to adopt 2018-19 Operating Budget, FY2018-19 to FY2022-23 Capital Improvement Plan, and GANN Limit	June 26, 2018
Finance Department	Adopted FY2018-19 budget available in MUNIS	June 29, 2018

GENERAL FUND REVENUES

ANTONIO BAÑUELOS

GENERAL FUND REVENUES



PROPERTY TAXES

- Next year we see increases from:
 - Significant recent property sales, nearly \$1B Assessed Valuation (AV)
 - Prop 8 reduction back to Prop 13 AV
 - Consumer Price Index (CPI) of 2% for all other properties
- Overall growth estimated to be 4%
- FY2018-19 includes Successor Agency surplus and pass-through revenue of over \$2M

SALES TAXES

- Modest growth projected by MuniServices, primarily stemming from:
 - Increasing oil prices
 - Local big box stores doing well
 - Online retailers impacting local retail
- Overall growth estimated to be 3%

UTILITY USERS TAX (UUT)

- Chevron
 - Cap amount = +\$21M
 - Tax Settlement Agreement = \$7M
- Telecommunications
 - Changes in industry lead to decreased UUT
 - Prepaid wireless
 - Attempts to collect for newer industries
- Overall growth estimated to be 1.6%

OTHER REVENUE

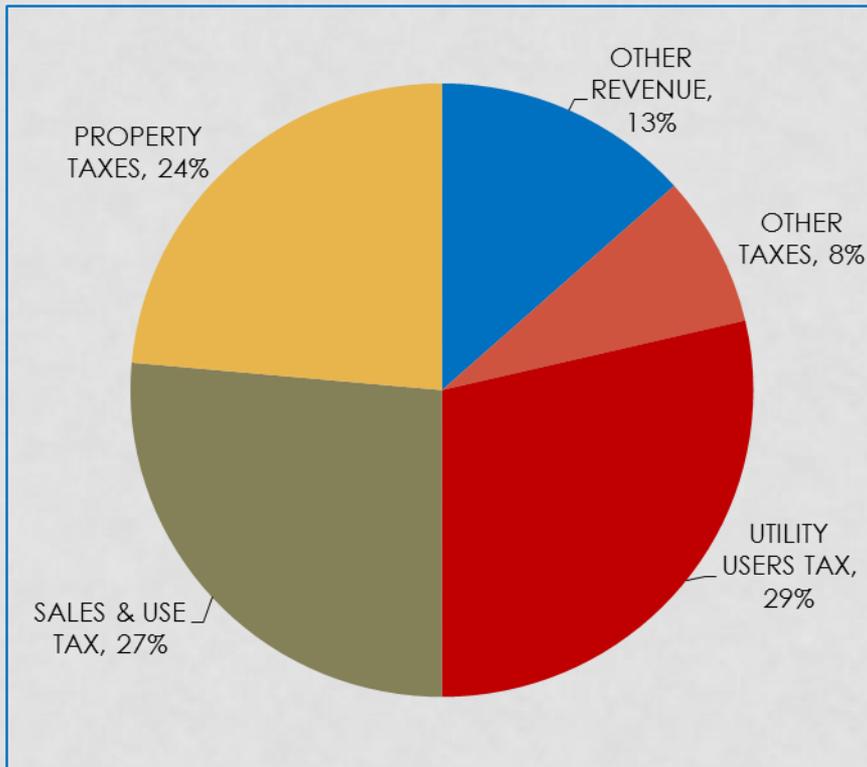
- Documentary Transfer Tax
- Master Fee Schedule will go to City Council in June 2018
 - Employment Cost Index used for fees = 2.5%

GENERAL FUND EXPENDITURES

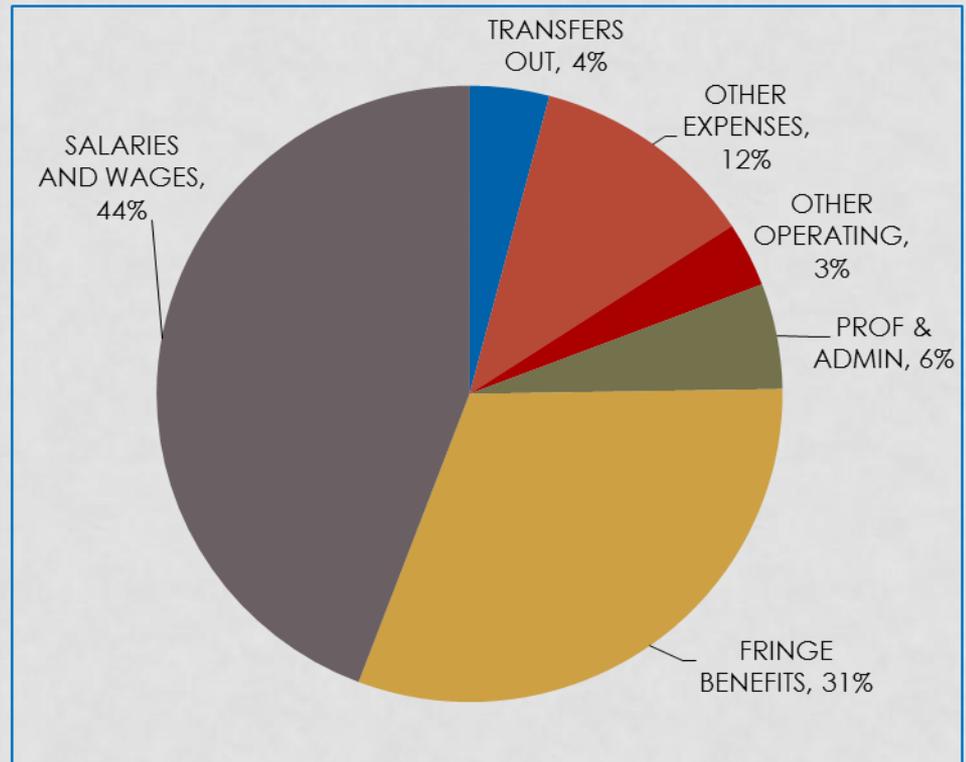
MARKISHA GUILLORY

GENERAL FUND SOURCES AND USES FY2017-18 MID-YEAR BUDGET

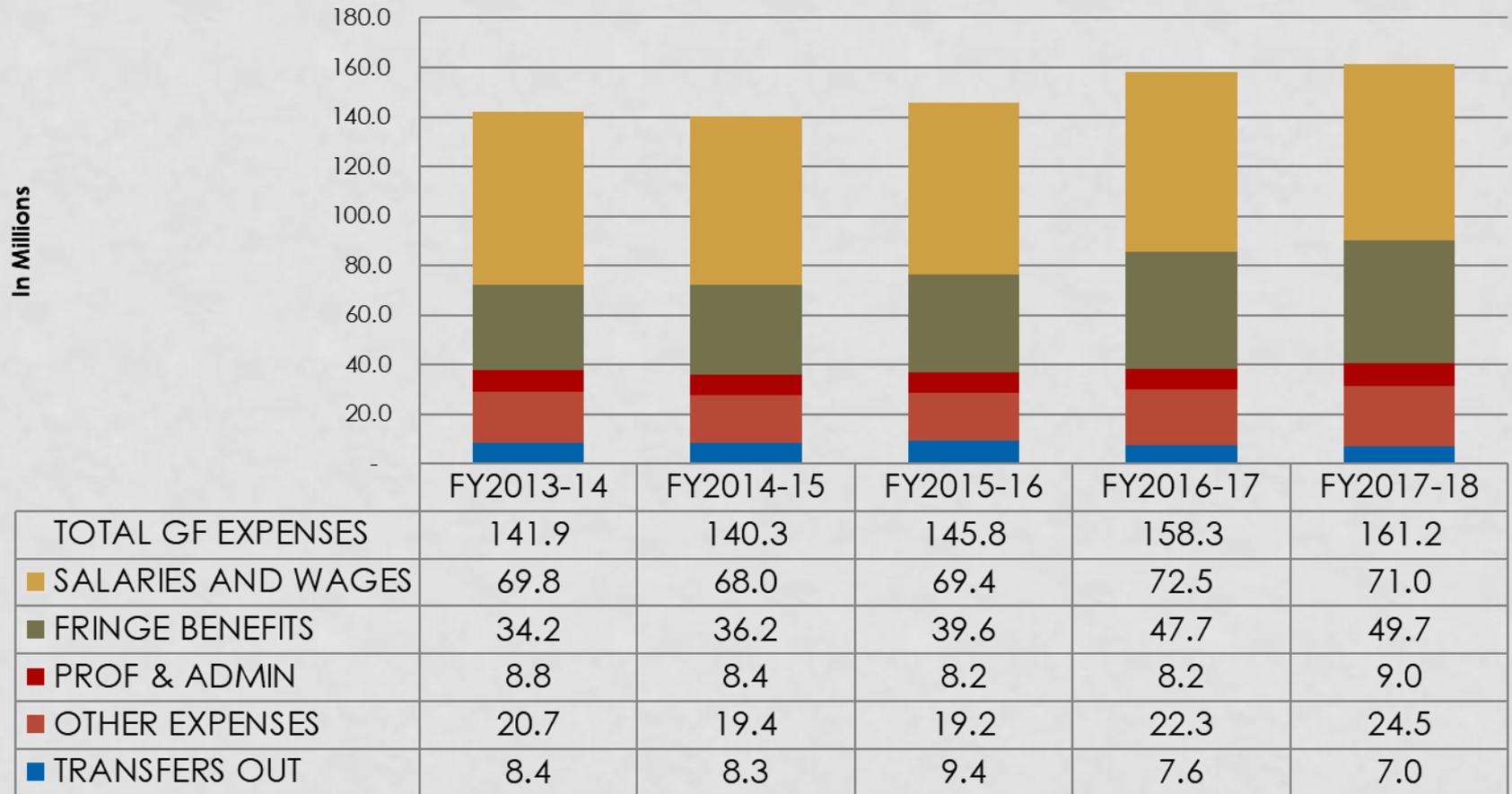
Sources of Funds



Uses of Funds



GENERAL FUND EXPENDITURES



BUDGET PROCEDURES

PURCHASE ORDER ENCUMBRANCES

LEAH CLARK

PURCHASE ORDER ENCUMBRANCES

- Purchase orders approved for carry-forward will remain open. All other purchase orders for the current year will be closed and new purchase orders will need to be created for FY2018-19
 - Carry-forwards are primarily used for capital improvement projects that span over multiple fiscal years
- Unencumbering for new budget cycle – funds must be unencumbered and re-budgeted in the next fiscal year if goods and/or services will be received the following fiscal year

PURCHASING KEY DATES

- **May 18, 2018:** Last day for purchase requisitions to reach purchasing workflow
- **June 1, 2018:** Purchasing Division's last day to convert purchase requisition to purchase order
- **June 22, 2018:** Cal-Card charges must be reflected on the statement ending on this day in order to be charged to FY2017-18

CAPITAL IMPROVEMENT PROJECTS

VRENESIA WARD

WHAT IS A CAPITAL IMPROVEMENT PROJECT?

- Capital improvement is a “capital” or “in-kind” expenditure of \$10,000 or more
- It results in the acquisition, improvement, or additions to fixed assets in the form of land, buildings, or improvements more or less permanent in character
- Also includes durable equipment with a life expectancy of at least five years

CAPITAL PROJECT REQUEST FORM

CITY OF RICHMOND
 PROPOSED CAPITAL IMPROVEMENT PROJECT

FISCAL YEAR FY2018/19
 Date Last Updated: _____

Project Summary:

CIP No.	<i>"Finance will assign"</i>	Total Estimated Capital Cost	
Project Manager		Estimated Start Date	
Department/Division		Estimated Completion Date	
Department Priority A, B or C		Project Status	<i>Proposed</i>
Project Name			
Project Location			
Abbreviated Project Description and Scope			
Project Description and Scope			
Related Projects		Project Type:	On-going New

Project Justification/Benefits:

a. Why is the project needed? (Include whether this investment responds to safety issues, legal mandates, etc.)
b. How will the proposed investment impact the City's performance measures? (Include whether the investment meets multiple department/program objectives and whether it is in line with the City's Strategic Goals.)
c. How does the proposed investment respond to Council priorities and/or public feedback?
d. What is the impact of not funding this project?
e. Environmental Impacts?

CAPITAL PROJECT REQUEST FORM

Cost Details:

COST TYPE	TOTAL	FY18/19	FY19/20	FY20/21	FY21/22	FY22/23
Equipment						
Studies						
Design	-					
Design Administration	-					
Construction	-					
Construction Management	-					
Construction Admin						
Public Art (1.5%) over \$300,000	-					
Other:	-					
Contingency	-					
Total	-	-	-	-	-	-
POST CONSTRUCTION	TOTAL	FY18/19	FY19/20	FY20/21	FY21/22	FY22/23
On-Going Maintenance Costs per Year	-	-	-	-	-	-

Budget Details:

FUND SOURCE	TOTAL	FY18/19	FY19/20	FY20/21	FY21/22	FY22/23
	-					
	-					
	-					
Total	-	-	-	-	-	-

Performance Measures:

PERFORMANCE BENCHMARK	1-YR GOAL	1 ST QTR GOAL	2 ND QTR GOAL	3 RD QTR GOAL	4 TH QTR GOAL
Request for Proposal					
Study					
Equipment Purchase					
Equipment Installation					
Design					
Construction Mgmt. Contract					
Construction					
Other:					

KEY CAPITAL FUNDING SOURCES

■ State Gas Tax:

- Highway Users Tax Account (HUTA) - The state of California imposes an \$.18 cent per-gallon tax on gasoline and diesel fuel. The allocations are dedicated to transportation purposes. The City has received an average of \$2.7 million annually over the last 8 years, and has committed \$2.5 million annually for Street Paving Projects.
- Road Maintenance and Rehabilitation Account (RMRA) - Began on November 1, 2017, is an \$.12 cent per-gallon increase on gasoline and diesel fuel. The City is anticipating \$638 thousand additional revenue for FY2017-18 and an estimated \$1.9 million in FY2018-19.

■ Measure J:

- Contra Costa Transportation Authority (CCTA) - Collects one-half of one percent sales and use tax. 20% of this tax is allocated to the City to be used for improvements of local transportation, streets and roads.

KEY CAPITAL FUNDING SOURCES

■ Bonds:

- Over the years, the City has issued bonds for:
 - Wastewater
 - Port
 - Street Lights
 - City Facilities
 - Equipment

■ Grants:

- The City receives grants for various projects and programs

■ Impact Fees:

- Are collected through issuance of permits for commercial and residential development

GRANTS MANAGEMENT

MUBEEN QADER

LIFECYCLE OF A GRANT

Grant Application

Follow grantors instructions

Employer Identification Number (EIN)? Contact Budget

Need IRS Federal Tax Exempt Status? Contact Budget

Need role assignment on Grants.gov? Contact Budget

Grant requires City match? Contact department head and Budget

Notify Budget about the submitted application

Grant Awarded

Get City Council Approval

Recommended action must say: "Accept and Appropriate Funds"

Fill out Grant Information Form

Contact Budget to set up grant in MUNIS Project Master

Fully understand the grant agreement

Execution: Project Manager

Responsible for execution of the grant funds

Appropriate grant funds by processing budget amendments in MUNIS

Procurement needs? Contact Purchasing

Communicate with grantor for any amendments, periodic reports and deliverables

Submit periodic reports and reimbursement requests in a timely fashion

Maintain a comprehensive grant file and send all documents to Budget

Execution: Budget

Generate monthly variance report

Will assist as needed

Maintain Project Master in MUNIS by saving all documents upon receipt from grant project manager

Audit

Finance will facilitate audits: Project managers will be contacted if information is missing

GRANT INFORMATION FORM

Grant Information Form

Project Title <input type="text"/>		City Project Code <input type="text"/>	
Scope of Work <input type="text"/>			
Award Amount <input type="text"/>	City Match <input type="text" value="Select One"/>	If Yes, Match Amount <input type="text"/>	
Grant Basis <input type="text" value="Select One"/>			
Grantor Agency Information			
Agency Type <input type="text" value="Select One"/>	CFDA # (Fed) <input type="text"/>	Agency Grant # <input type="text"/>	
Funding Through <input type="text" value="Select One"/>	Pass-through Agency <input type="text"/>		
Agency <input type="text"/>	Sub Agency <input type="text"/>		
Agency Program <input type="text"/>			
Grant Period			
Reporting Frequency <input type="text" value="Select One"/>	Award Date <input type="text"/>	Start Date <input type="text"/>	End Date <input type="text"/>
Final Report <input type="text"/>	Report 1 <input type="text"/>	Report 2 <input type="text"/>	Report 3 <input type="text"/>
Agency Contact		City Contact (Project Manager)	
Name <input type="text"/>		Name <input type="text"/>	
Title <input type="text"/>		Department <input type="text"/>	
Phone <input type="text"/>		Phone <input type="text"/>	
Email <input type="text"/>		Email <input type="text"/>	
Grant Budget		Match Source (If Required)	
Fund <input type="text"/>	Org <input type="text"/>	Fund <input type="text"/>	Org <input type="text"/>
Object Code <input type="text"/>	Budget Amount <input type="text"/>	Fixed Asset <input type="text" value="Select One"/> If Yes, Description of Fixed Asset <input type="text"/>	
<input type="text"/> (Revenue)	<input type="text"/>		
<input type="text"/> Expenditure	<input type="text"/>		
<input type="text"/> Expenditure	<input type="text"/>		
<input type="text"/> Expenditure	<input type="text"/>		
<input type="text"/> Expenditure	<input type="text"/>		
Net	<input type="text" value="\$ 0"/>		
Other Notes			
<input type="text"/>			
Required Documents: 1-Completed Grant Information Form, 2-Grant Award Letter/Agreement, 3-Approved City Council Minutes			

BUDGETING FOR MULTI-YEAR GRANTS

Grant Variance Report FY 2017-18, December													
Project Code	Project Name	Fund Code	Type	Grant Award	Prior Years' Rev.	Prior Years' Exp.	FY 2018 YTD Rev.	FY 2018 YTD Exp.	FY 2018 Feb. -June Rev.	FY 2018 Feb. - June Exp.	FY 2019 Remaining Balance Rev.	FY 2019 Remaining Balance Exp.	
2BM01	East Bay Mentoring Partnership	0001	F	1,500,000	1,156,101	1,174,439	39,315	20,976			304,584	304,585	
2BO01	For ONS activities	0001	O	20,000	20,000	16,249	-	2,623			-	1,129	
2BP01	East Bay Mentoring Partnership	0001	O	20,000	20,000	14,970	-	-			-	5,030	
2BQ01	CalGRIP 2014-17	0001	S	1,000,000	465,705	707,271	357,354	253,380			176,941	39,349	
2BR01	GRANT FOR \$20k	0001	O	20,000	20,000	7,101	-	-			-	12,899	
2BS01	Donations	0001	O	3,000	3,000	442	454	-			(454)	2,558	
2BT01	East Bay Community Foundation	0001	O	20,000	20,000	3,000	-	1,000			-	16,000	
BSCC1	BSCC-COR Office of Neighborhood Safety	0001	S	300,000				300,000			300,000	-	
	Total			2,883,000	1,704,806	1,923,471	397,123	577,979			781,071	381,550	

Information Provided	Enter Data	Formula
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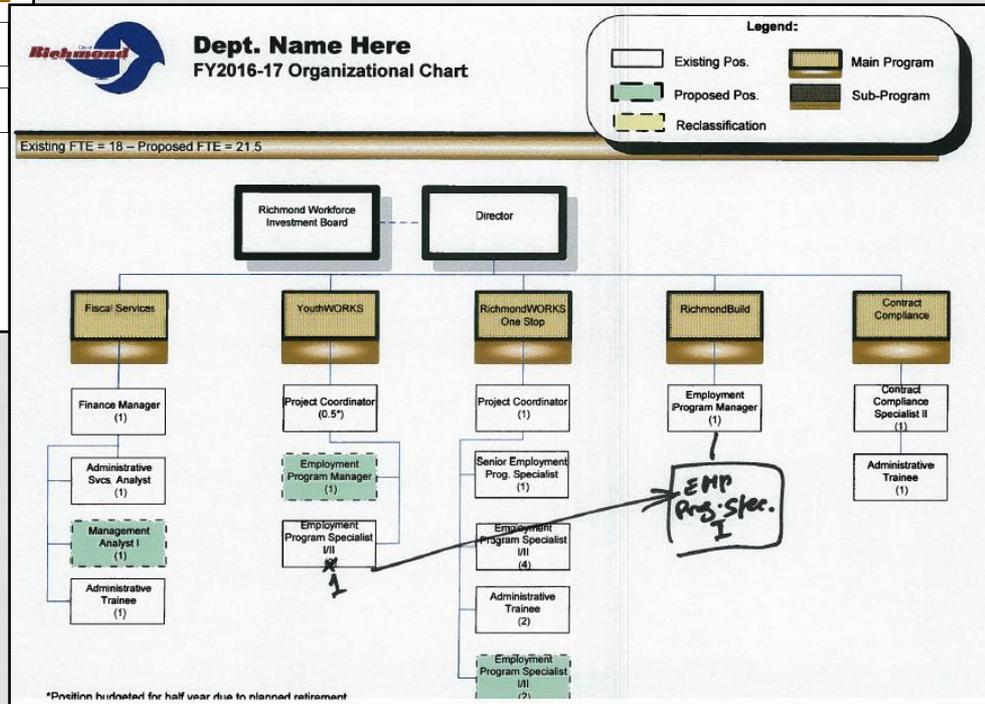
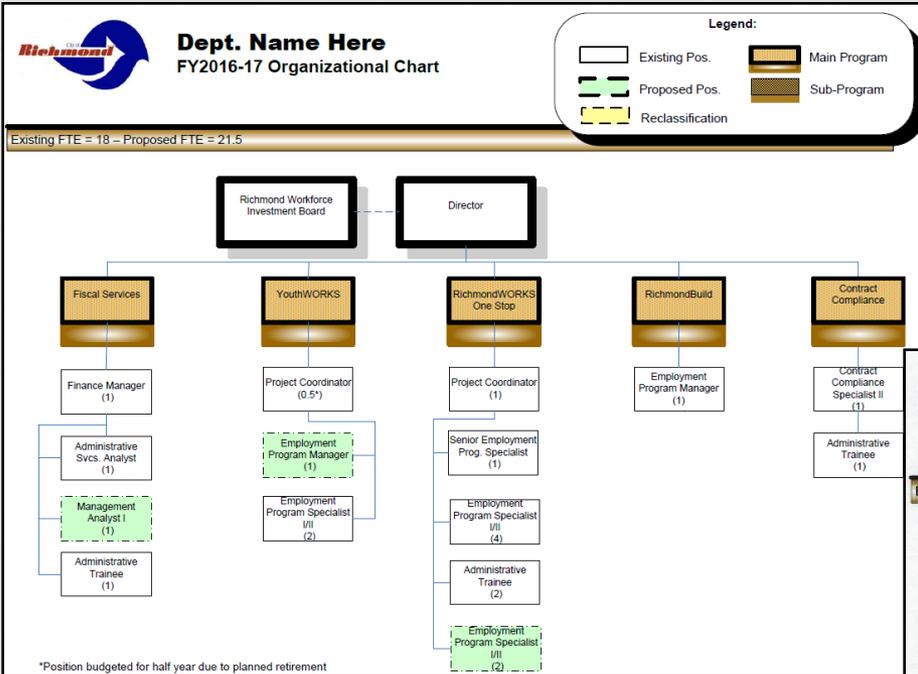
PERSONNEL POSITION CONTROL

MUBEEN QADER

POSITION CONTROL REPORTS

Position #	Description	Filled (1) Vacant (0)	Location	Location Description	CY Alloc	Org	Obj	FTE
102500001	ADMN TRAINEE	1	27	EMPLOYMENT AND TRAIN		12579541	400003	1.00
102500003	ADMN TRAINEE	1	27	EMPLOYMENT AND TRAIN		12579541	400003	1.00
102500004	ADMN TRAINEE	1	27	EMPLOYMENT AND TRAIN		12579541	400003	1.00
101500003	ADMINISTRATIVE AIDE	1	27	EMPLOYMENT AND TRAIN		12579541	400003	1.00
116500001	EMPLOYMNT PGMSPEC II	1	27	EMPLOYMENT AND TRAIN		12579541	400003	1.00
116500002	EMPLOYMNT PGMSPEC II	1	27	EMPLOYMENT AND TRAIN		12579541	400003	1.00
116500003	EMPLOYMNT PGMSPEC II	1	27	EMPLOYMENT AND TRAIN		12579541	400003	1.00
116500004	EMPLOYMNT PGMSPEC II	1	27	EMPLOYMENT AND TRAIN		12579541	400003	1.00
116500006	EMPLOYMNT PGMSPEC II	1	27	EMPLOYMENT AND TRAIN		12579541	400003	1.00
116500007	EMPLOYMNT PGMSPEC II	1	27	EMPLOYMENT AND TRAIN		12579541	400003	1.00
217100001	CONTRC COMPL SPCL II	1	27	EMPLOYMENT AND TRAIN		12579541	400002	1.00
223000002	EMPLOYMENT PGM MGR	1	27	EMPLOYMENT AND TRAIN		12579541	400002	1.00
225500003	FINANCE MANAGER	1	27	EMPLOYMENT AND TRAIN		12579541	400002	1.00
201000006	ADMN SERV ANLYST	1	27	EMPLOYMENT AND TRAIN		12579541	400002	1.00
250000001	SR EMPLOYMNT PGM SPC	0	27	EMPLOYMENT AND TRAIN		12579541	400002	1.00
405000001	EMPL & TRAINING DIR	1	27	EMPLOYMENT AND TRAIN		12579541	400001	1.00
240000002	PROJECT COORDINATOR	1	27	EMPLOYMENT AND TRAIN		12579541	400002	1.00
240000003	PROJECT COORDINATOR	1	27	EMPLOYMENT AND TRAIN		12579541	400002	1.00
Waiver Rec	EMPLOYMNT PGMSPEC I/II	0	27	EMPLOYMENT AND TRAIN		12579541	400003	1.00
Waiver Rec	EMPLOYMNT PGMSPEC I/II	0	27	EMPLOYMENT AND TRAIN		12579541	400003	1.00
Waiver Rec	EMPLOYMENT PGM MGR	0	27	EMPLOYMENT AND TRAIN		12579541	400002	1.00
Waiver Rec	MANAGEMENT ANALYST I	0	27	EMPLOYMENT AND TRAIN		12579541	400002	1.00
240000003	PROJECT COORDINATOR	0	27	EMPLOYMENT AND TRAIN		12579541	400002	-0.50
Total FTE								21.50
Department Head					Date			

ORGANIZATION CHART



REQUEST FOR ADDITIONAL POSITION FORM



City of Richmond

REQUEST FOR ADDITIONAL POSITION FISCAL YEAR _____

If you are requesting additional staff, or are promoting staff that has not previously been authorized by the City Council, please submit the following information:

Department: _____ Org-Object Code: _____

Position Requested: _____ Salary Range: _____

New Position: Reclassification:

Brief justification for the added or changed position (include Strategic Goal, Key Standard or Performance measure this will support:

Source of permanent revenues: (Positions may not be funded from one-time monies)

OR

Identified permanent program reduction or operating cost savings that would be used to fund the new or upgraded position:

Submitted by: _____
Department Head

Date: _____

PROGRAM CHART

FINANCE PROGRAM ORGANIZATIONAL CHART

Administration	Budget	General Accounting	Treasury
<ul style="list-style-type: none"> *Manage Overall Operations of the Finance Department *Purchase Order Receiving *Contract Processing *Website Management *Maintain all files associated with Personnel and Training 	<ul style="list-style-type: none"> *Capital Improvement Plan Budgeting *Operating Budgeting *Monthly Variance Analysis *Position Control *MUNIS User Training *Grants Management *Performance Measures Reporting *Five-Year Financial Planning *Revenue Collections & Analysis *Master Fee Schedule 	<ul style="list-style-type: none"> *MUNIS Accounting System Maintenance *General Ledger Maintenance *Financial Analysis & Reporting *Fixed Assets Accounting *Audit Management *Internal Controls *Financial Guidance to Departments *State, Federal & Local Government Reporting *Comprehensive Annual Financial Report (CAFR) 	<ul style="list-style-type: none"> *Cash Management *Rating Agency/Credit Reports *Debt Management *Banking Services *State Controller's Reports *Cash Flow Reporting *Trustees Liaison *Financial Policies *Arbitrage & Continuing Disclosure *Investments Maintenance & Reporting
Revenue	Accounts Payable	Purchasing	Payroll
<ul style="list-style-type: none"> *Accounts Receivable *Collections *Business License *Payment Processing *Petty Cash *Return Checks *Wastewater & Stormwater Processing *Refunds 	<ul style="list-style-type: none"> *Process Invoices *1099 Miscellaneous Reporting *Process Cal-Card Statements *Process Utility Payments *Quarterly Diesel Fuel and Sales Tax Reporting 	<ul style="list-style-type: none"> *City Purchasing Agent *Develop Policy and Procedures *Purchasing Order Maintenance *Manage BidsOnline System *Maintain Vendor Database *Contract Management *CAL-Card Program Administration 	<ul style="list-style-type: none"> *Annual Salary & Benefit Projection *Medical Reimbursements *Garnishment Payments *Retiree Pension *Annual State Controller's Report *Federal & State Payroll Reporting *Payroll Services for Active Employees *W-2 & 1099R Reconciliation and Filing *Compliance with Memorandum of Understandings (MOUs) and State & Federal Laws

BUDGET INPUT/REPORTS

MARKISHA GUILLORY

BUDGET INPUT INSTRUCTIONS - DEPARTMENTS

- Follow Budget Guide
- Enter budget for discretionary expenses:
 - Salaries/benefits: part-time temporary staffing, overtime, grants contra-expenses
 - Other categories: professional services, other operating, utilities, equipment/contract services, asset/capital outlay, grant expenditures
- Include details for expense line items totaling \$5,000 or more
- Enter budget for departmental revenue
- Run/review Next Year Budget Reports
- Submit forms for requests that exceed baseline

BUDGET INPUT INSTRUCTIONS – FINANCE

- Enters budget for non-discretionary expenses:
 - Salaries and benefits
 - Cost pool
 - A-87 Cost Plan Reimbursement
 - Debt service
 - Transfers in and transfers out
- Enters non-departmental revenues

REQUEST FOR ADDITIONAL APPROPRIATION

City of Richmond
FY2017-18
Request for Additional Appropriation

If you are requesting additional funding not previously authorized by the City Council, please submit the following information:

Department: _____ Amount of Request 2017-18:
\$ _____

Brief justification for the additional funding (include Strategic Goal or Supporting Action this will support):

Funding source: additional revenue, identified program reduction or operating cost savings to fund this request:

Account string (Org-Object-Project if applicable):

Submitted by: _____ Date: _____
Department Head

NEXT STEPS

MARKISHA GUILLORY

BUDGET INPUT TRAINING

FEBRUARY 12, 2018

- For department staff who enter budgets
- 450 Civic Center – I.T. Training Room
 - 10:30AM – 12:00PM
- Hands-on training will cover:
 - Input in MUNIS budget projection
 - Next year budget reports

DUE MARCH 2, 2018 BY 5:00PM:

- Program Chart
- Org Chart
- Personnel Position Control Report
- Forms
- Grants Budget Worksheet
- Budget Entered
 - Input window: February 20 – March 2, 2018

QUESTIONS?

THANK YOU!