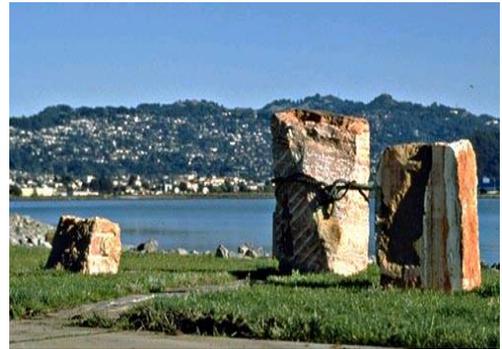


City of Richmond, California



Fiscal Year 2008-09 Budget-in-Brief

Budget Overview

The City's budget is intended to achieve three objectives:

- **Policymaking** – By its decision to allocate resources through the budgeting process, the City Council is establishing policies with respect to priorities and service levels for municipal operations.
- **Financial Management** – The final budget that is adopted by the City Council will establish the underlying financial policies and financial controls that are utilized by City staff to measure revenues and manage expenditures on an ongoing basis.
- **Operations Management** – The budget contains strategic goals, performance standards, and a system to measure the extent to which these service level goals and standards are being achieved. It is intended that these goals, standards, and measurements be incorporated into an ongoing management reporting system, initiated in FY 2007-08, that is designed for continuous improvement of City services.



Operating Budget

An operating budget is adopted each fiscal year for the General Fund and special revenue funds. Public hearings are conducted on the proposed budgets to review all appropriations and sources of financing. Midway through the fiscal year a mid-year budget review is completed; necessary adjustments to projected revenues and expenditures are made during this time.

The City's total FY2008-09 operating budget is \$273.2 million. More than half of those funds are restricted for specific purposes and \$141.5 million are General Fund appropriations.

Capital Budget

The Capital Improvement Plan (CIP) is a proposed funding schedule for five years. The CIP is updated annually to add new projects, to evaluate program and project priorities; and to revise recommendations while taking into account new requirements and new sources of funding.

Project revenue and expenditures in the first year (FY2008-09) of the Plan are balanced and fully funded. Total projected revenue is \$266.5 million and total expenditures are \$247.4 million.

Strategic Budgeting

The budget is intended to be consistent with the community vision. The budget describes this vision in five core strategic goals:

- **Maintain and enhance the physical environment**
- **Promote a safe and secure community**
- **Promote economic vitality**
- **Promote effective government**
- **Promote a sustainable city**



FY 2007-08 Accomplishments/Highlights

Key accomplishments during FY 2007-08 toward achieving the core strategic goals of the City:

Maintain and enhance the physical environment

- The City of Richmond invested over \$13 million in paving maintenance projects during FY2007-08, the most that the City has spent on such projects in any single fiscal year. The City's Pavement Condition Index (PCI) increased from 45 in 2007 to 58 in 2008.
- Five community centers were rehabilitated, along with surrounding parks, in preparation for expanded recreation programs during the summer of 2007 and throughout the fiscal year.
- The West Side and Bayview Branch Libraries were rehabilitated and reopened to serve their respective communities.
- Pilot projects related to ultimate replacement and upgrading of street lights to improve illumination and system reliability were implemented in selected areas, including increased wattage (brightness) of 30 lights in the Iron Triangle and the addition of 23 street lights.

Promote a safe and secure community

- The City of Richmond hired a Director of the Office of Neighborhood Safety in the City Manager's Department, and initiated operations based on a plan approved by the City Council in July of 2007.
- The City is in the final weeks of implementing new surveillance camera technology in various areas of the City to reduce illegal activities and otherwise improve public safety.
- The Police Department moved its operations to leased facilities to improve administrative efficiencies in Police operations and to improve employee safety and morale.
- The City installed eight at-grade pedestrian crossing lights for schools to improve pedestrian safety.

Promote economic vitality

- New software was implemented that improves efficiency and effectiveness in development and permit application processing in the Planning and Building Services Department.
- The Employment and Training Department expanded the Summer Youth Employment and the RichmondBUILD programs.
- The City implemented an enhanced contract compliance program to increase the utilization of local contractors and the local workforce.
- The Port of Richmond is finalizing an agreement that would bring a major new tenant to the Port of Richmond.

Promote effective government

- The City reorganized to create a stand alone Recreation Department, with the objective to increase the focus on expanding recreational opportunities to persons of all ages and varied interests.
- Consistent with sound financial management practice, the FY 2007-08 operating budget incorporated, for the first time, actuarially-based funding for other post-employment benefits (OPEB) pursuant to policies directed by the Governmental Accounting Standards Board. OPEB is comprised almost entirely of retiree health benefits, and funding for these future benefit obligations has been placed with a trustee.
- A multi-departmental team commenced configuration of a new Enterprise Resource Planning System that will integrate financial, budget, human resources, and other functions of the City, and that will comply with governmental accounting and human resources requirements.
- The City took additional steps to institutionalize budget performance measures, transitioning to performance-based budgeting.
- The City continued to expand the functionality of its website to promote greater transparency of City activities.

Promote a sustainable City

- The City established an Environmental Manager position in the City Manager's office to improve organizational focus on sustainability.
- Staff and operating support were increased for improved park and landscape maintenance, including street medians and pedestrian/bike pathways.
- Bay Trail water access was enhanced with the completion of the Boat Ramp Street improvements.
- The City created two new "railroad" quiet zones.
- Projects are currently ongoing to digitize (scan) records and make them available on the City's website, thereby reducing the demand for paper and copying.

Revenue: Where Does the Money Come From?

Local taxes comprise the largest single portion of the City's General Fund Revenue at \$38.6 million or 28% and include:

- Transient Occupancy Tax (hotel/motel tax)
- Utility Users Tax (10% tax on utility revenues)
- Documentary Transfer (from home purchases)

Property Taxes comprise the second largest portion of General Fund Revenues at \$34.8 million or 25%. In 1978, Proposition 13 revised the calculation of California property taxes by establishing a fixed rate of one percent of a property's value and limiting the growth in assessed valuation to two percent per year, except that when property changes hands, the fair market value (FMV) becomes the basis of valuation. The City receives property taxes in December (55%), April (40%), and June (5%) each year.

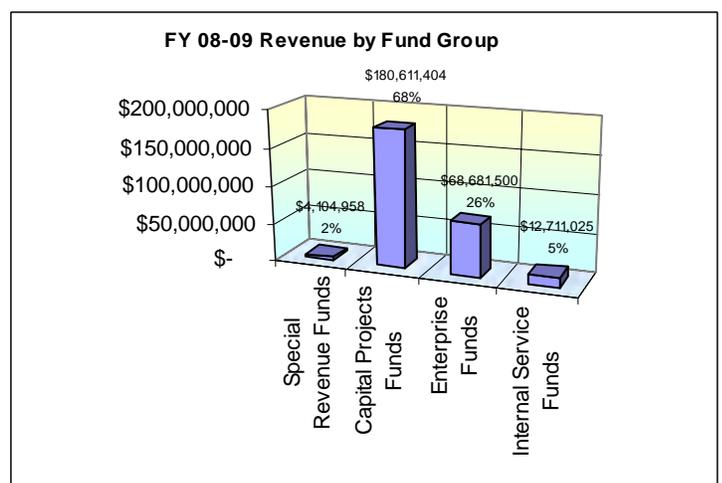
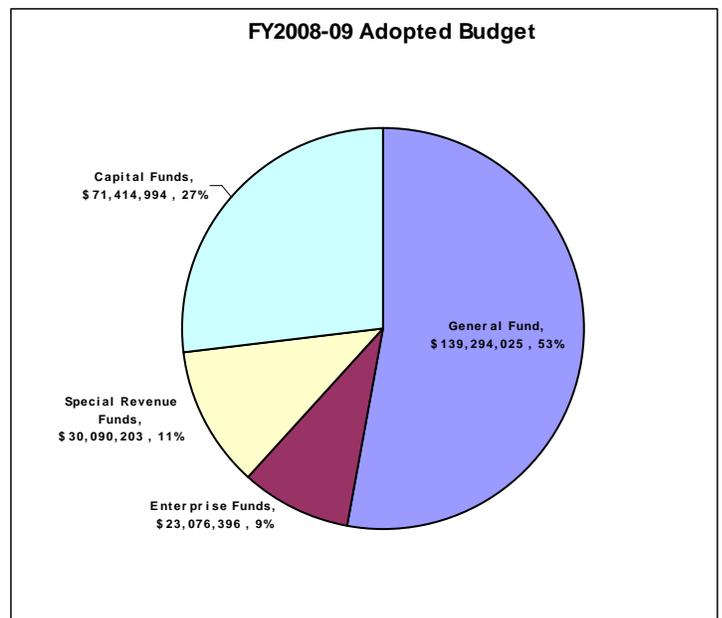
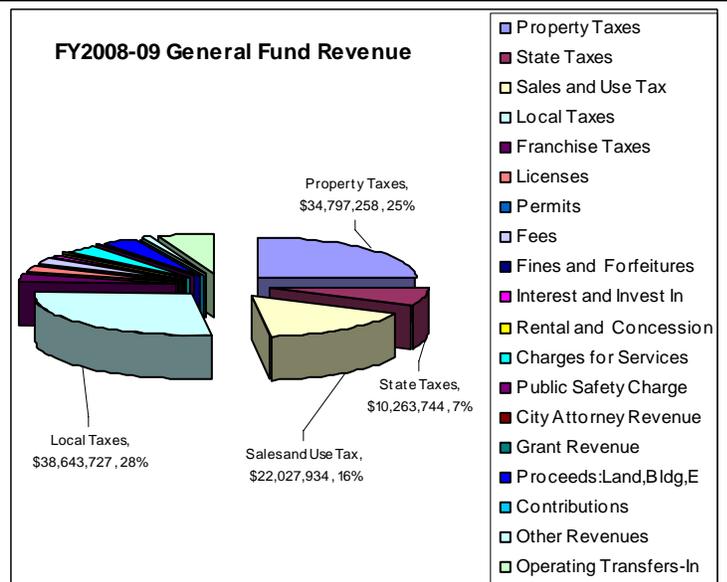
The City share of the 8.75% Sales and Use Tax collected is 1.75%, representing \$22 million or 16% of the total dollars raised. Sales and Use Taxes are collected from purchases of consumer goods and are distributed as follows:

- 5.75% State of California
- 0.25% Contra Costa County
- 0.50% Contra Costa Transportation Authority
- 0.50% Bart
- 1.75% City of Richmond
- 8.75%

Source: California State Board of Equalization.

What is Richmond's Share of Your Tax Dollar?

When you pay your property tax or sales tax, not all of the money paid comes to the City. For every dollar you pay in property tax (of the basic 1% property tax), the City receives less than 29 cents, while the rest goes to other local government entities and to the state to fund public education as shown below. An additional .14% ad valorem tax and sewer and storm drain assessment is received by the City. For each dollar paid by the consumer in sales tax in the City of Richmond, the City receives approximately 2 cents.



Expenditures: Where Does the Money Go?

General Fund expenditures include both direct and indirect services to the community. Some of these services include:

Community Services

- Parks (55)
- Recreation Centers (8)
- Senior Centers (2)
- Arts & Culture
- Police Activities League
- Paratransit
- Auditorium

Libraries

- Main
- Children's
- Branch (2)

Public Works

- Streets
- Sidewalks
- Facilities

Police & Fire

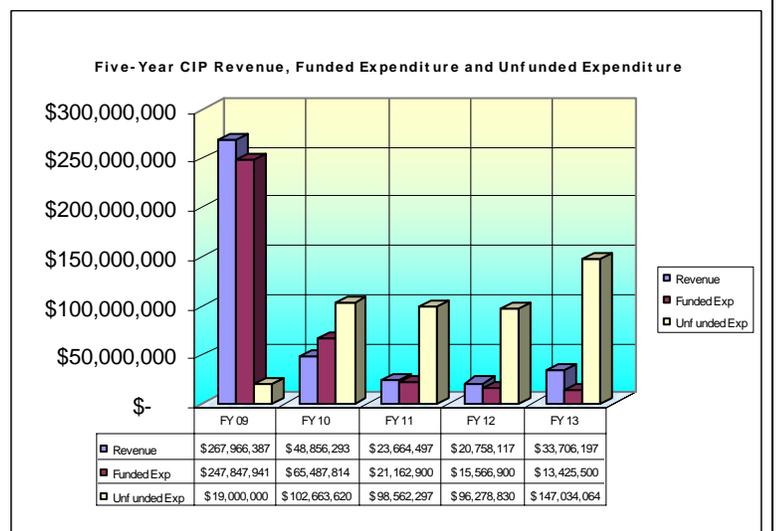
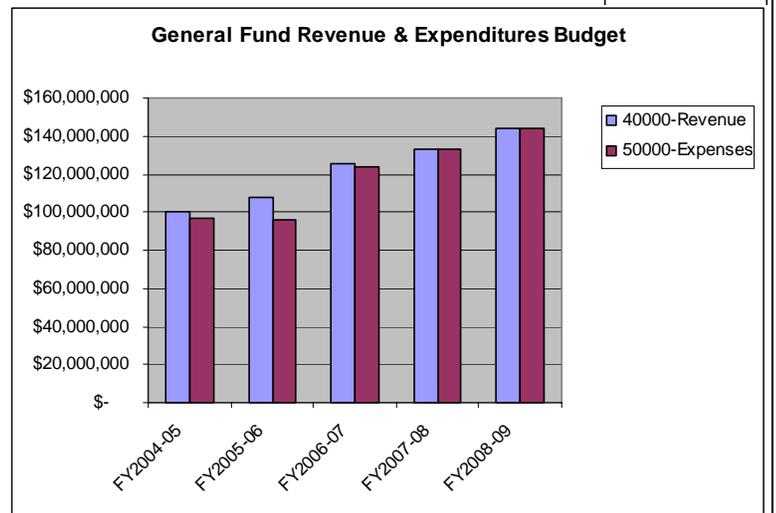
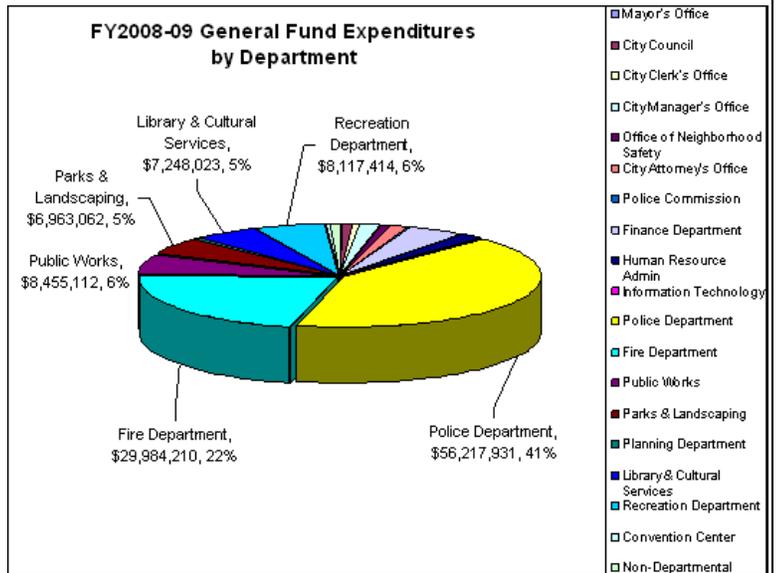
- Police Patrol
- Criminal Investigations
- Fire Suppression
- Emergency Medical Services
- Hazardous Materials Response

City Administration

- Council Appointed Officers

Administrative Support

- Finance
- Information Technology
- Human Resources



Need Additional Information?

If you have additional questions about the City's budget or budget process, please contact the Finance Department at (510)620-6740 or budget_helpdesk@ci.richmond.ca.us. You may also wish to attend a regular meeting of the Finance Committee which is held on the first and third Friday of each month at 9:00 a.m. in the Council Chambers of City Hall.