

General Government-91 Summary

TOTAL BUDGET - HISTORICAL COMPARISON

	FY2015-16 Actual	FY2016-17 Adjusted	FY2016-17 Actual Thru Mar -2017	FY2017-18 Adopted	\$ Chg From FY16-17	% Chg From FY16-17
SOURCES BY FUND						
General Fund-0001					-	
Property Taxes	33,232,038	37,296,608	19,649,503	38,782,023	1,485,415	4%
Sales & Use Taxes	40,877,124	40,906,608	23,137,397	42,299,235	1,392,627	3%
Utility User Tax	43,365,249	44,657,538	35,626,282	45,916,543	1,259,005	3%
Other Taxes	11,628,518	10,802,864	7,187,514	11,593,174	790,310	7%
Other Revenue	4,313,699	4,364,144	4,984,742	5,842,369	1,478,225	34%
Operating Transfer In	4,951,813	3,976,728	1,478,360	6,120,302	2,143,574	54%
TOTAL SOURCES BY FUND	138,368,442	142,004,490	92,063,799	150,553,646	8,549,156	6%
USES BY TYPE						
Salaries	1,613,100	1,800,000	1,350,000	2,000,000	200,000	11%
<i>Salary Savings</i>		(434,000)		(666,667)	(232,667)	54%
Benefits	3,448,825	47,030	2,751,514	3,500,000	3,452,971	7342%
<i>Benefits Savings</i>		(216,000)		(333,333)	(117,333)	54%
Professional Services	1,007,027	1,025,831	973,591	1,157,500	131,669	13%
Other Operating Expenses	732,603	138,500	147,032	130,000	(8,500)	-6%
<i>Other Operating Savings</i>		(550,000)		(381,000)	169,000	-31%
Utilities					-	
Equipment & Contract Services					-	
Cost Pool	1,859,217	4,392,191	3,294,143	4,392,191		0%
Asset/Capital Outlay				100,000	100,000	
Debt Service Expenditure	24,345	244,227	18,069	24,091	(220,135)	-90%
A87 Cost Plan Reimbursement	(472,176)	(464,054)	(348,027)	(172,175)	291,879	-63%
Operating Transfers Out	8,989,108	5,910,593	4,406,334	6,415,766	505,173	9%
TOTAL USES BY TYPE	17,202,049	11,894,317	12,592,656	16,166,373	4,272,056	36%
USES BY ORG CODE						
Non-Dept/City Festivals-01910090	54,686	50,000	35,000	55,000	5,000	10%
Non-Dept/CalTrans Home Loan-01911190	24,227	24,227	18,069	24,091	(135)	-1%
Non-Dept/Solar Richmond-01915090	20,185				-	
Non-Dept/Non-Dept Activities-01917090	13,654,126	11,820,091	9,788,073	12,587,282	767,192	6%
Non-Dept/Health Insurance Reimb-01918090	3,448,825		2,751,514	3,500,000	3,500,000	
TOTAL USES BY ORG CODE	17,202,049	11,894,317	12,592,656	16,166,373	4,272,056	36%

FY2017-18 Budget

Marina Operations-89

Summary

TOTAL BUDGET - HISTORICAL COMPARISON

	FY2015-16 Actual	FY2016-17 Adjusted	FY2016-17 Actual Thru Mar -2017	FY2017-18 Adopted	\$ Chg From FY16-17	% Chg From FY16-17
SOURCES BY FUND						
Marina Operations-4005	337,130	1,943,593	271,897	293,593	(1,650,000)	-85%
TOTAL SOURCES BY FUND	337,130	1,943,593	271,897	293,593	-1,650,000	-85%
USES BY TYPE						
Salaries					-	
Benefits					-	
Professional Services	26,400				-	
Other Operating Expenses					-	
Utilities						
Equipment & Contract Services						
Provision for Insurance Loss					-	
Cost Pool					-	
Asset/Capital Outlay	85,196	1,650,000			(1,650,000)	-100%
Debt Service Expenditure	125,533	206,815	206,815	206,815	-	0%
Operating Transfers Out	100,000	86,778	65,082	86,778	-	0%
TOTAL USES BY TYPE	337,130	1,943,593	271,897	293,593	-1,650,000	-85%
USES BY ORG CODE						
Marina (CIP)-40536031		1,650,000	-		(1,650,000)	-100%
Marina (Operations)-40591082	337,130	293,593	271,897	293,593	-	0%
TOTAL USES BY ORG CODE	337,130	1,943,593	271,897	293,593	(1,650,000)	-85%

FY2017-18 Budget

Debt Summary

The Debt Analysis is updated annually to review existing debt and to present potential funding alternatives for proposed capital projects. The ability to raise capital through debt instruments is dependent upon many factors, including market conditions and the City's credit rating, which is assigned by independent rating agencies. The City's ratings are as follows:

City of Richmond (Long-Term)	Baa1	Moody's
Pension Bonds	Baa2	Moody's
Wastewater Enterprise	AA-	Standard and Poor's

The use of short-term debt is sometimes more practical than long-term borrowing. Bridging a temporary cash flow requirement or advancing available funds while market conditions for long-term borrowing are unfavorable are two examples of the rationale for incurring short-term debt. The City traditionally issues a Tax and Revenue Anticipation Note (TRAN) to finance its working capital needs.

Typically, debt instruments are long-term in nature. Government debt instruments are costly to place, with legal expenses, underwriting costs, and administrative expenses all necessary to properly document and raise capital. Long-term debt can fund major capital improvements while spreading repayment out over long periods of time. Because the costs of issuance are usually added onto the net amount of money actually required, the use of long-term debt is neither cost effective nor practical in every circumstance. Tax-exempt long-term borrowing is confined to capital improvements that cannot be funded from current revenues, and it cannot be used to pay for operational costs.

The City has occasionally advanced funds to fund operations of non-general funds through the issuance of Long-Term Interfund Advances. These advances are supported by a memorandum of agreement and promissory note between the funds making and receiving the advances.

Debt Summary

The Finance Department maintains documentation for the various debt instruments issued by the City. An overview is presented in the City's Comprehensive Annual Financial Report and Annual Operating Budget of all outstanding debt and repayment schedules.

The City has no outstanding general obligation bonds.

General Fund and Lease Obligation Debt

The City may enter into long-term lease obligations such as Certificates of Participation or Lease Revenue Bonds without first obtaining voter approval. The City has entered into various lease arrangements under which the City must make annual payments to finance its occupancy of public buildings or acquisition of equipment necessary for City operations.

Tax Allocation Bonds

The Richmond Community Redevelopment Agency may issue bonds for acquisition of real property, the development of any real property, whether owned or acquired as a building site, the construction or reconstruction of streets, highways and sidewalks, and the installation of public utilities, all for the purpose of redevelopment of blighted areas within the jurisdiction of the area.

Enterprise Revenue Bonds

The City's Port, Housing Authority and Wastewater Enterprises have issued bonds payable from their respective revenues to finance certain facilities.

Pension Obligation Bonds

The City of Richmond has issued Pension Obligation Bonds to pay some or all of its various pension plans' unfunded accrued actuarial liability.

Debt Summary

Interest Rate Swap Agreements

The City is authorized under California Government Code Section 5922 to enter into interest rate swaps to reduce the amount and duration of rate, spread, or similar risk when used in combination with the issuance of bonds. The City has entered into current interest rate swaps for the following transactions:

- Wastewater Revenue Bonds, Series 2017A

Debt Levels and Legal Debt Limits

The City of Richmond has current debt levels and legal debt limits:

- Article XVI, Section 18 of the California Constitution prohibits cities, counties and school districts from entering into indebtedness or liability without obtaining two-thirds voter approval for the obligation (General Obligation Bonds). The three major exceptions to the debt limit are as follows:
- The Offner-Dean Lease Exception provides that a long-term lease obligation entered into by a city, county, or school district as lessee will not be considered and “indebtedness or liability” under the debt limit.
- The Special Fund Doctrine permits long-term indebtedness or liabilities to be incurred without an election if the indebtedness or liability is payable from a “special fund” and not from the entity’s general revenues.
- The “Obligation Imposed by Law” Exception allows that the obligation is involuntary, and therefore it would be meaningless to put the question to the voters.
- The City has no outstanding General Obligation Bonds. Of the City’s total debt portfolio, all issues pledged by General Fund revenues are lease obligations, or supported by Special Funds.
- Explain the effects of existing debt levels on current operations?
- The City’s current Debt Policy limits sets forth detailed debt management and refunding practices. The key guideline of the policy is that net General Fund debt service cannot exceed 10% of General Fund revenues.

City of Richmond
DebtService Budget
Fiscal Year 2017-18

Mode	Acct String	Description	NOTES	Original Amount	Interest Rate	Date of Maturity	Beginning Balance as of 7/1/2017		FY2017-18	TOTAL	Ending Balance as of 6/30/2018
Loans Payable											
Fixed	40591082-400751	California Department of Boating and Waterways #21		1,354,486.74	4.50%	8/1/2034	522,459.03	PRINCIPAL	19,457.34		503,001.69
	40591082-400752	Finance Marina construction projects.						INTEREST	23,510.66		
										42,968.00	
Fixed	40591082-400751	California Department of Boating and Waterways #22		2,164,228.52	4.50%	8/1/2039	1,663,933.49	PRINCIPAL	42,733.99		1,621,199.50
	40591082-400752	Finance Marina construction projects.						INTEREST	74,877.01		
										117,611.00	
Fixed	40591082-400751	California Department of Boating and Waterways #81		79,810.73	4.50%	8/1/2042	64,037.50	PRINCIPAL	1,347.31		62,690.19
	40591082-400752	Finance Marina Transit Dock Loan.						INTEREST	2,881.69		
										4,229.00	
Fixed	40591082-400751	California Department of Boating and Waterways #117		704,778.31	4.50%	8/1/2031	451,122.99	PRINCIPAL	21,706.47		429,416.52
	40591082-400752	Finance Small Craft Harbor Loan - Marina Restructured loan Dredging Design Work and Dredging Construction						INTEREST	20,300.53		
										42,007.00	
Fixed	01232831-400751	California Energy Commission Loan #1		621,558.00	3%	12/22/2025	452,146.19	PRINCIPAL	47,452.95		404,693.24
	01232831-400752	Replace streetlights with new LED lights						INTEREST	13,212.37		
										60,665.32	
Fixed	01232831-700751	California Energy Commission Loan #2		1,239,036.22	1%	6/22/2030	1,090,128.99	PRINCIPAL	78,933.10		1,011,195.89
	01232831-400752	Replace streetlights with new LED lights						INTEREST	10,705.04		
										89,638.14	
Fixed	01911190-400751	CalTrans Home Loan		1,467,160.00	0.3404%	--	--	PRINCIPAL	22,514.64		--
	01911190-400752							INTEREST	1,576.72		
										24,091.36	
Capital Leases											
Fixed	50335031-400671	Holman Capital Corporation Lease #2		2,027,886.45	3.06%	12/26/2017	180,754.12	PRINCIPAL	180,754.12		0
	50335051-400672	Refinance Suntrust 5						INTEREST	2,765.59		
										183,519.71	
Fixed	11233731-400671	Holman Capital Corporation Lease #3		502,500.00	3.35%	6/26/2019	144,107.67	PRINCIPAL	70,857.08		73,250.59
	11233731-400672	Hilltop Directional Signs						INTEREST	4,239.10		
										75,096.18	
Fixed	01191021-400671	Holman Capital Corporation #4		2,000,000.00	3.17%	1/14/2023	1,256,218.57	PRINCIPAL	197,894.24		1,058,324.33
	01191021-400672	West Contra Costa Family Justice Center						INTEREST	38,266.14		
										236,160.38	
Fixed	01232831-400671	BancAmerica Merrill Lynch		4,641,936.00	2.55%	10/23/2026	3,780,887.04	PRINCIPAL	313,719.24		3,467,167.80
	01232831-400672	Finance the purchase of streetlights from PG&E and associated upgrades						INTEREST	94,586.03		
										408305.27	
Bonds Payable											
Fixed	30211090-40751	Pension Obligation Bonds 99A		36,280,000.00	6.37% - 7.62%	8/01/2029	8,010,000.00	PRINCIPAL	1,520,000.00		6,490,000.00
	30211090-400752	Fund portion of unfunded accrued actuarial liability in Police & Fireman Pension Fund.						INTEREST	550,543.00		
	30211090-400755							BOND ADMIN FEES	5,000.00		
										2,075,543.00	
Fixed	30111090-400751	2005 POBs (CABs)	CABs	229,716,000.00	5.935% - 6.055%	??	188,366,000.00	PRINCIPAL	6,653,000.00		181,713,000.00

**City of Richmond
DebtService Budget
Fiscal Year 2017-18**

		<i>Prepay the unfunded liability of the Miscellaneous and Safety pension plans provided through CalPERS.</i>							
	30111090-400752					INTEREST	2,853,575.00		
	30111090-400755					BOND ADMIN FEES	3,000.00		
	30111090-400759					SWAP PMT TO C-PARTY	2,999,398.36		
	30111090-400760					SWAP PMT FROM C-PARTY	(50,000.00)		
								12,458,973.36	
Fixed	40322431-400751	Wastewater Revenue Bonds Series 2006A	16,570,000.00	4.5% - 4.625%	8/1/2022	8,385,000.00	PRINCIPAL	1,265,000.00	7,120,000.00
	40322431-400752	<i>Refund 1999 Wastewater Bonds/Fund Wastewater Capital Projects.</i>					INTEREST	321,575.00	
	40322431-400755						BOND ADMIN FEES	4,000.00	
	40322431-400762						ARBITRAGE FEES	1,200.00	
								1,591,775.00	
Variable	40322431-400751	Wastewater Revenue Bonds Series 2008A	33,015,000.00	3.897%	8/1/2037	32,895,000.00	PRINCIPAL	20,000.00	32,875,000.00
	40322431-400752	<i>Fund Wastewater Capital Projects.</i>					INTEREST	1,281,528.46	
	40322431-400755						BOND ADMIN FEES	9,000.00	
	40322431-400762						ARBITRAGE FEES	1,250.00	
	40322431-400759						SWAP PYMT TO C-PARTY	1,257,757.48	
	40322431-400760						SWAP PYMT FROM C-PARTY	(100,000.00)	
	40322431-400757						REMARKETING FEES	25,000.00	
	40322431-400770						LETTER OF CREDIT FEES	240,606.83	
								2735142.77	
Fixed	40181080-400751	Point Potrero Lease Revenue Bonds, Series 2009A	26,830,000.00	6.25% - 8.5%	7/1/2024	26,830,000.00	PRINCIPAL	0.00	26,830,000.00
	40181080-400752	<i>Finance Improvements needed for Honda Port of Entry</i>					INTEREST	1,676,875.00	
	40181080-400755						BOND ADMIN FEES	2,500.00	
	40181080-400762						ARBITRAGE FEES	1,250.00	
								1,680,625.00	
Fixed	40181080-400751	Point Potrero Lease Revenue Bonds, Series 2009B	20,280,000.00	6.25% - 8.5%	7/1/2019	9,985,000.00	PRINCIPAL	3,065,000.00	6,920,000.00
	40181080-400752	<i>Finance Improvements needed for Honda Port of Entry</i>					INTEREST	709,418.75	
	40181080-400755						BOND ADMIN FEES	2,500.00	
	40181080-400762						ARBITRAGE FEES	1,250.00	
								3,778,168.75	
Fixed	40322431-400751	Wastewater Revenue Bonds Series 2010B	BABs 41,125,000.00	3.757% - 6.461%	8/1/2040	41,125,000.00	PRINCIPAL	1,115,000.00	40,010,000.00
	40322431-400752	<i>Fund Wastewater Capital Projects.</i>					INTEREST	2,442,600.73	
	40322431-400772						INTEREST SUBSIDY	(854,910.25)	
	40322431-400755						ADMIN FEES	5,000.00	
	40322431-400762						ARBITRAGE FEES	1,200.00	
								2,708,890.48	
Fixed	01232831-400751	Qualified Energy Conservation Bonds Series 2010	ARRA 1,052,526.16	6.790%	6/15/2026	690,851.66	PRINCIPAL	68,702.77	622,148.89
	01232831-400752	<i>Fund Energy Efficiency and Streetlight Upgrades</i>					INTEREST	45,750.50	
	01232831-400772						INTEREST SUBSIDY	(25,457.46)	
								88,995.81	
Fixed	01204022-400751	Recovery Zone Economic Development Bonds Series 2010	ARRA 1,316,000.00	6.50%	12/15/2025	829,546.90	PRINCIPAL	85,132.63	744,414.27
	01204022-400752	<i>Fund Improvements to Various City Facilities</i>					INTEREST	52,549.39	
	01204022-400772						INTEREST SUBSIDY	(22,006.11)	
								115,675.91	
Fixed	30511090-400751	JPFA Lease Revenue Bond Series 2009 (Civic Center)	89,795,000.00	3.5% - 5.875%	8/1/2037	83,555,000.00	PRINCIPAL	1,970,000.00	81,585,000.00
	30511090-400752	<i>Refund JPFA Lease Revenue Bonds Series 2007</i>					INTEREST	4,725,887.50	
	30511090-400755						BOND ADMIN FEES	5,000.00	
								6,700,887.50	

**City of Richmond
DebtService Budget
Fiscal Year 2017-18**

Fixed	30511090-400751	JPFA Lease Revenue Bond Series 2016 (Civic Center)	28,390,000.00	5.25%	11/1/2037	28,390,000.00	PRINCIPAL	0.00	28,390,000.00	
	30511090-400751	Refund JPFA Lease Revenue Bonds Series 2009 terminating the SWAP					INTEREST	1,343,375.00		
	30511090-400755						BOND ADMIN FEES	6,000.00		
	30511090-400762						ARBITRAGE FEES	2,000.00		
								1,351,375.00		
TOTAL ALL DEBT (CITY)			<u>541,172,907.13</u>			<u>438,667,194.15</u>		<u>36,570,343.94</u>	<u>36,570,343.94</u>	<u>421,930,502.91</u>