

The background of the slide is a faded photograph of a city square. In the foreground, there is a large, dark, dome-shaped fountain. Behind it, a paved plaza leads to a large, multi-story brick building with many windows. The sky is bright and clear. The text is overlaid on this image.

City of Richmond, California FY2019-20 Draft Budget Update and Department Presentations

Richmond City Council

May 28, 2019

Introduction

- Staff submitted a draft budget to the City Council on May 7, 2019, which reflected a budget gap of \$7.59 million
- As of May 28, 2019, the budget gap has been reduced to \$3.29 million
- Next steps:
 - Continue receiving department budget presentations this evening
 - On June 4, 2019, the City Council will receive a balanced FY 2019-20 budget proposal and organizational restructuring presentation, and provide direction to staff on their budget checklist items

Budget Gap Analysis – Reductions/Savings

Budget Gap as of May 23, 2019	\$ (7,593,162)
<u>Reductions/Savings:</u>	
Capital Improvement Department (Overtime, Personnel Reclassifications)	37,773
City Manager's Office (Allocation of staff costs to ECIA and Grants, Trainings, Office Supplies)	106,999
Community Services (Recreation Program Expansion)	97,557
Finance (Asset Inventory Contract)	50,000
Human Resources (Software Upgrades)	10,000
Information Technology (Ricoh Professional Services in Copy Center, Desktop Phone Replacement Equipment)	125,000
Infrastructure Maintenance & Operations (Overtime)	48,000
Library (Costs Moved to Grant)	5,437
Police (Interview room upgrades, Canine Purchase, Replacement Computers)	207,761
City-wide (Reduced vehicle replacement, including Police and Fire)	978,000
Community Services (Increase in rental income)	47,000
Non-Departmental (Civic Center debt savings)	575,464
Non-Departmental (Revenue increases to property taxes and sales tax)	1,714,500
Other adjustments (Salary and benefits projection updates)	311,564
Total Reductions/Savings	\$ 4,315,055

Budget Gap Analysis – Additions

<u>Proposed Additions:</u>	
Police - Added positions (1-Lieutenant Sworn, 3-Admin Aides Non-Sworn)	(548,375)
Non-Departmental (Transfer to General Capital for Corp Yard Roof Replacement)	(500,000)
Information Technology (Add back copy center professional services)	(75,000)
Other adjustments (3rd of July funding fully restored, Council stipends budgeted at full rate)	(73,961)
Total Additions	\$ (1,197,336)

Budget Gap Analysis – Pending Items

<u>Pending Items (not yet entered in MUNIS):</u>	
City-wide (Reduce insurance reserve allocations)	2,100,000
City-wide (Increase vehicle replacement based on updated proposal)	(700,000)
Non-Departmental (Add appropriation to pay toward OPEB unfunded liability)	(250,000)
Non-Departmental (Add appropriation to pay toward funds with negative balances)	(250,000)
Various Department Reductions (DIMO-Overtime and Office Supplies, IT-Equipment Rental, Police-Part Time Temp Staff, HR-Recruitment Services Contract, Library-Part Time Staff Budget Revision, Books and Subscriptions Budget Moved to Other Funds)	276,969
Total Pending Items	\$ 1,176,969
Revised Budget Gap as of May 28, 2019	\$ (3,298,474)

Department Budget Presentations Con't

1. Police Department
2. Fire Department
3. Infrastructure Maintenance & Operations
4. Engineering and Capital Improvements
5. Water Resource Recovery
6. Port of Richmond
7. Planning & Building Regulations
8. Housing Programs
9. Successor Agency (to the Richmond Redevelopment Agency)
10. Rent Program
11. Richmond Housing Authority
12. Environmental and Community Investment Agreement

Next Steps

- **Staff will close the budget gap by continuing to explore options to increase revenue and reduce expenditures, including:**
 - **Actively auditing marijuana collectives**
 - **Ensuring that permit fees are collected**
 - **Increasing business license fee collection**
 - **Updating Development Impact Fee schedule**
 - **Organizational restructuring of City departments**
- **On June 4, 2019, the City Council will receive a balanced budget proposal**