

Fiscal Year 2019-20 Mid-Year Budget Review Checklist

Richmond City Council
February 18, 2020



Finance Department

Purpose

- To address questions raised by the City Council during the mid-year budget review on February 4, 2020

1. How much revenue has been generated from cannabis sales?

	FY15-16 Actuals	FY16-17 Actuals	FY17-18 Actuals	FY18-19 Actuals	FY19-20 Actuals thru 2/7/20	FY19-20 Budget
Sales Tax	591,060	630,134	750,582	1,155,807	417,830	1,155,000
Fees/Permits	225,516	264,588	659,506	426,601	555,726	356,380
Total	816,576	894,722	1,410,088	1,582,408	973,556	1,511,380

2. What are the specific housing projects managed by the Housing Department that incurred disallowed costs?

- Pre-development costs incurred, but projects were not completed within the required time limit:
 - Filbert Infill Phase II
 - Nevin Court
 - Home Improvement Loans

3. What is the plan for curing the negative cash balance in the R-Transit Fund?

- Meet conditions set by the West Contra Costa Transportation Advisory Committee (WCCTAC):
\$1.1 million
- General Fund Subsidy: \$1.6 million

4. Given the level of cash reserves, can the City invest idle funds in instruments with higher returns to maximize interest income?

- Idle cash primarily invested in the Local Agency Investment Fund (LAIF) and CalTrust
- City developing pool of broker-dealers to assist with investments

5. Referring to page 2 of 70 in the mid-year budget document, what are the decreases in Risk Management Insurance Reserves, Stormwater, and Wastewater?

- Risk Management Insurance Reserves – reduced allocations due to higher reserves
- Stormwater – reduced general liability charges due to higher reserves
- Wastewater – actual revenue hasn't materialized as expected; budget estimate was based on planned developments

6. Has the City considered a possible recession scenario in its projections for the top three sources of revenue—property tax, sales tax, and utility users tax?

- Current budget projections do not include a recession scenario
- The City's financial forecasting model has the capability to run scenarios

7. What is the status of the Chevron tax settlement?

- Annual allocations are as follows:

FY19-20	FY20-21	FY21-22	FY22-23	FY23-24
7,000,000	4,000,000	4,000,000	4,000,000	4,000,000

- The settlement terminates after FY2023-24

8. Is the increase in the water utility a one-time or on-going expense?

- On-going due to East Bay Municipal Utility District (EBMUD) rate increase effective July 1, 2019
- Rates increasing by 6.25% effective July 1, 2020

Thank you

Questions?