

Budget Kick-off Fiscal Year 2020-21

**City of Richmond
Finance Department**

March 2, 2020

Agenda

- Finance Director's Budget Message
- Budget Overview
- General Fund Revenue
- General Fund Expenditures
- Budget Guidelines and Procedures

Belinda Brown

FINANCE DIRECTOR'S BUDGET MESSAGE

Finance Director's Budget Message

- Budgets should align with mid-year as baseline
- Expenditure growth continues to outpace revenue growth
 - Non-discretionary costs will initially increase expenditure budgets (i.e. benefits)

Significant Budget Impacts

- Labor negotiations: \$1.3 million (1% all unions)
- Pension: \$29.7 million
- Other Post Employment Benefits: \$5.2 million
- Deferred infrastructure improvements and maintenance
 - Technology: \$4.9 million
 - Facilities, streets: \$1.4 million

Significant Budget Impacts continued

- Subsidies to various cost recovery operations and other programs
 - Engineering Cost Recovery: \$895,231
 - Employment & Training: \$1.4 million
 - Hilltop and Marina Landscape Districts: \$626,760
 - Richmond Art Center: \$300,000

Significant Budget Impacts continued

- Additional estimated subsidies for FY2020-21:
 - Engineering Cost Recovery: \$500,000
 - R-Transit: \$400,000
 - Richmond Housing Authority: \$800,000

Markisha Guillory

BUDGET OVERVIEW

Purpose of the Budget

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



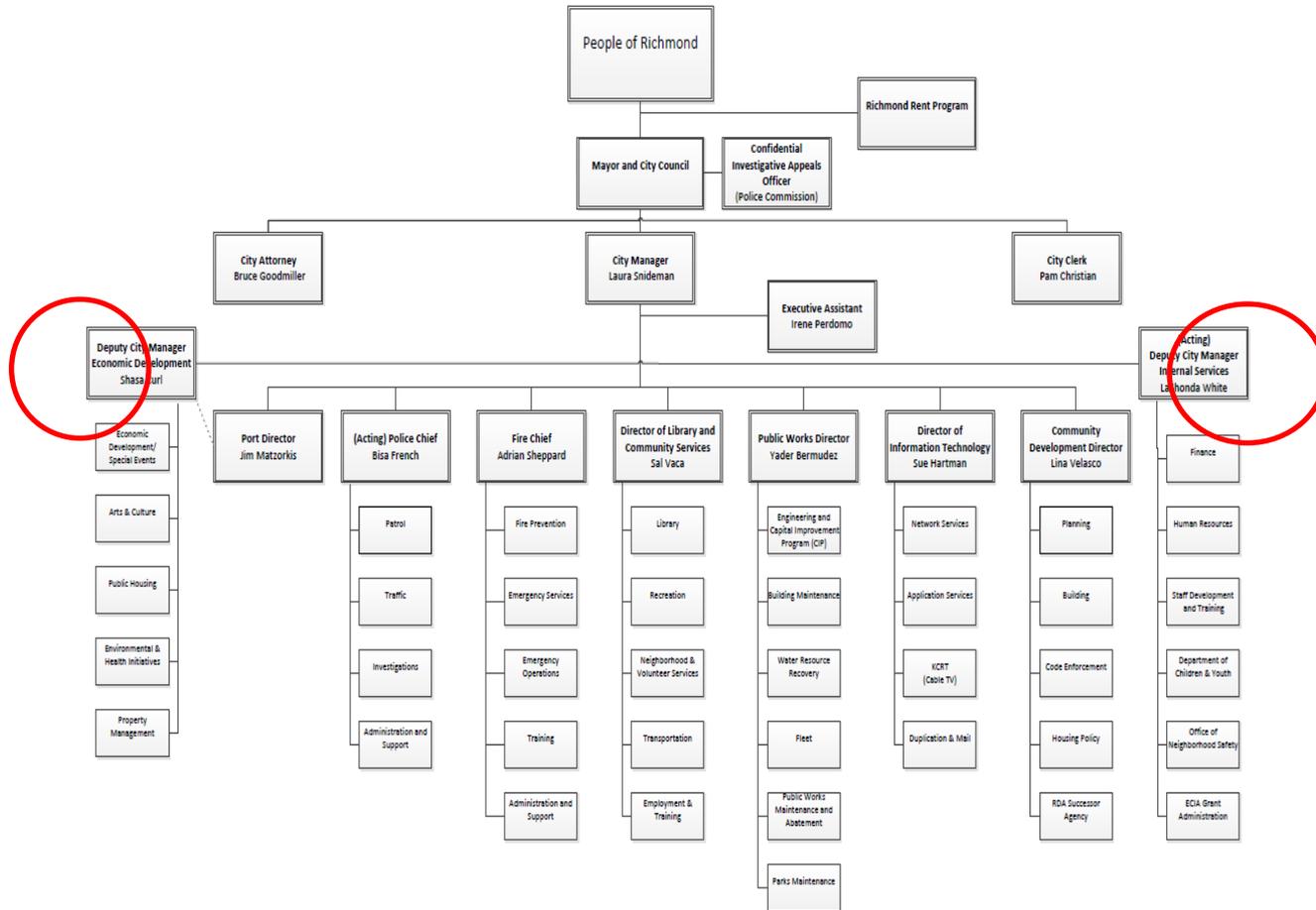
Highlights and Challenges

- Highlights
 - Last five fiscal years ended with a surplus in the General Fund
 - Cleared negative cash balances in other funds
 - Credit ratings remain positive
- Challenges
 - Slow growth in major sources of revenue
 - Long-term pension obligations
 - Historical negative cash balances in other funds
 - Deferred capital improvements
 - Cash reserves below 15% policy minimum

Budget Updates

- Budget to align with the City's re-organization and City Council strategic priorities
- Informational meetings with staff, unions, and the community
- Five-Year Financial Forecast
- Master Fee Schedule
- Impact and User Fee Study

Budget Restructuring



Budget Restructuring continued

- New departments to be created
 - Economic Development
 - Internal Services
- Staff will need to be moved to new departments and orgs

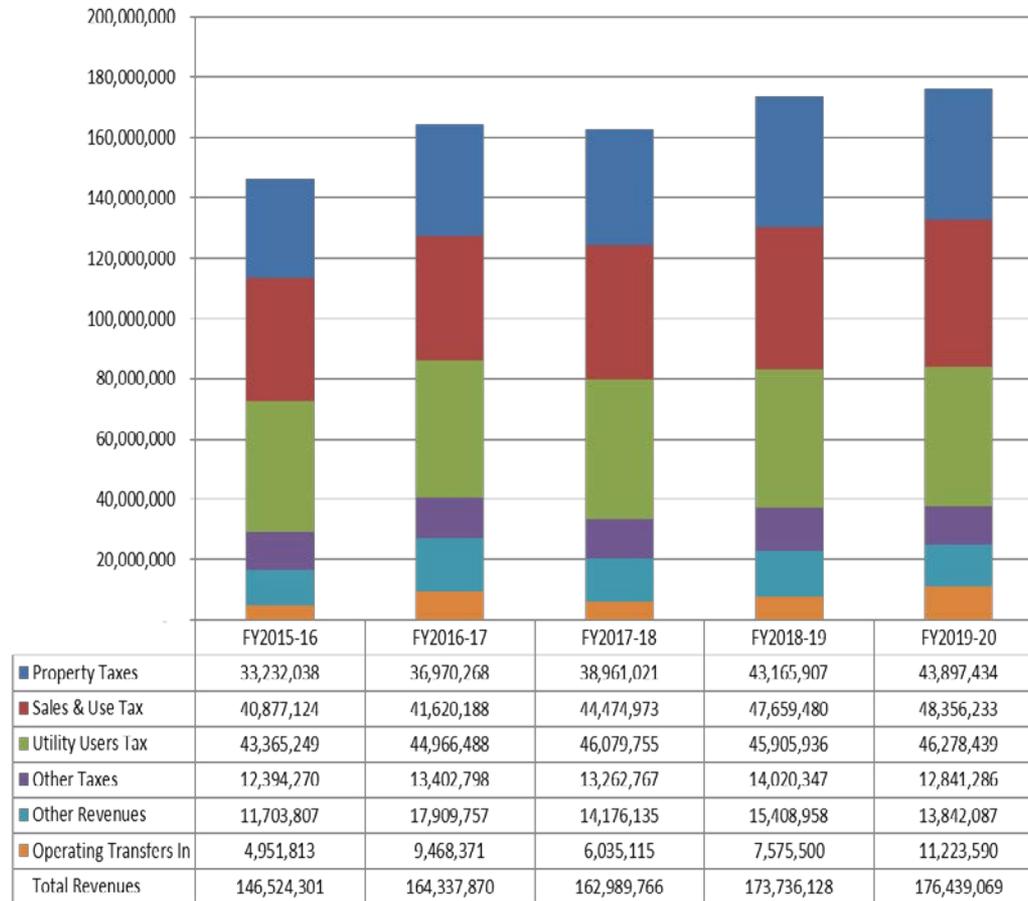
Key Dates

Responsible Department/Staff	Action / Activity	Date
Finance Department	Budget Kick-off	March 2
Finance Department	Budget Input Training	March 6; March 10
All Departments	Personnel Position Control due	March 13
All Departments	Budget input window	March 6-20
Finance Department/City Manager/Union Leaders	Union Budget Meetings	March 19; April 23; May 14
Finance Department	All Staff Meeting	April 9
Finance Department/City Manager/All Departments	Budget Hearings	April 1; 8; 15
Finance Department	Community Budget Meetings	April 20; May 14
Finance Department/City Manager/City Council	Study Session: First Draft Budget	May 5

Antonio Banelos

GENERAL FUND REVENUES

General Fund Revenues Trends



Property Taxes

- Property Forecast:
 - Properties sold for \$861 million with previous Assessed Valuation (AV) of \$473 million, net AV growth of \$388 million
 - Chevron Refinery AV with zero growth, currently valued at \$3 billion
 - Consumer Price Index (CPI) of 2% for all other properties
- Estimated overall AV increase of about 2.5%
- FY2019-20 includes Successor Agency surplus and pass-through revenue of over \$5 million

Sales Taxes

- Modest growth projected by MuniServices, primarily stemming from:
 - Transportation including car sales and gasoline
 - Local big box stores doing well
 - Local construction
- Overall, about 5.0% growth is forecasted

Utility Users Tax (UUT)

- Chevron
 - Cap amount = \$23.6 million
 - Tax Settlement Agreement going down from \$7 million to \$4 million
- Telecommunications
 - Changes in industry lead to decreased UUT in Telecommunications and Cable at the rate of -2.5%
 - Gas and Electricity UUT is stable with growth projected at 1.3%
- Overall growth estimated to be 0.9%

Other Revenues

- Documentary Transfer Tax
 - Tiered tax rate with properties selling over \$1 million
 - A few large sales can have a dramatic impact

Measure H

Sale Price	\$1 to \$999,999	\$1M to \$2,999,999	\$3M to \$9,999,999	\$10M and above
Amount per \$1,000	\$7.00	\$12.50	\$25.00	\$30.00
Rate	0.70%	1.25%	2.50%	3.00%

- Master Fee Schedule will go to City Council in May 2020
 - Includes update to Public Facilities Impact Fees
 - Employment Cost Index used for fees = 2.8%

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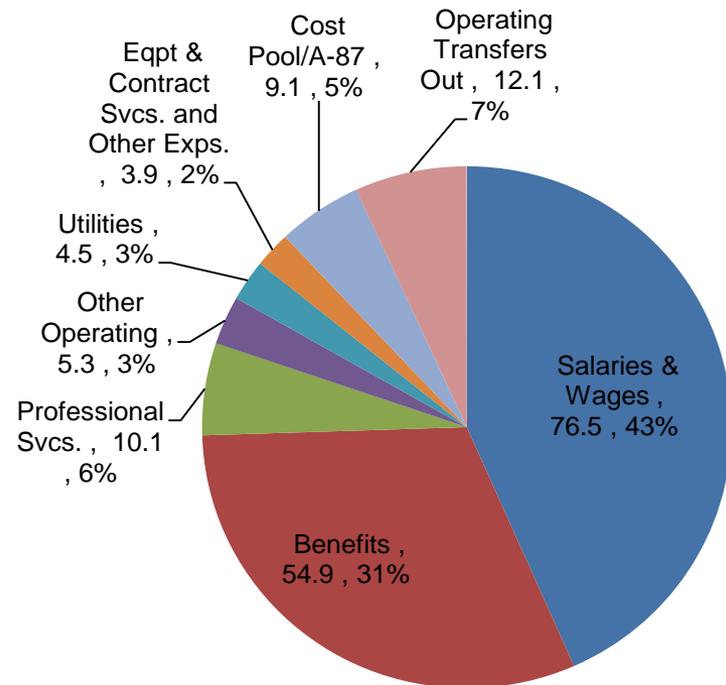
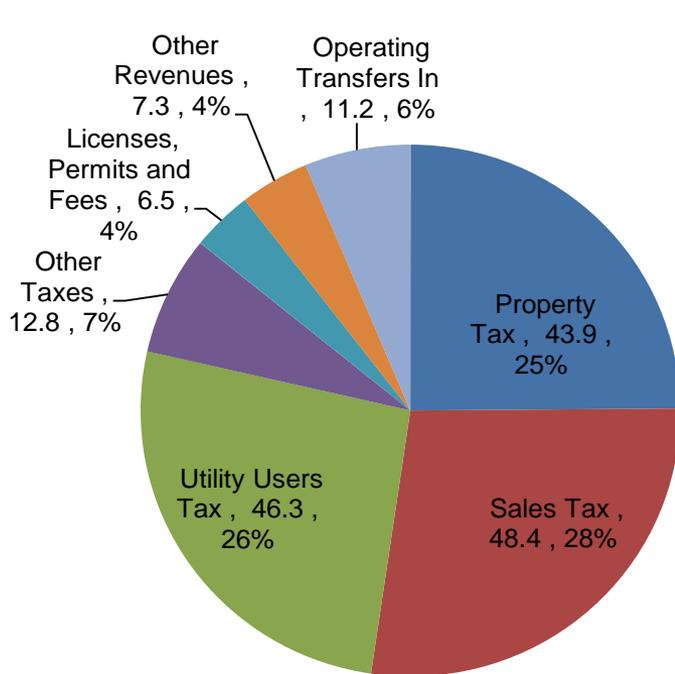
GENERAL FUND EXPENDITURES AND COMPARISON TO REVENUE

General Fund Sources and Uses

FY2019-20 Mid-Year Budget

Sources: \$176.4 million

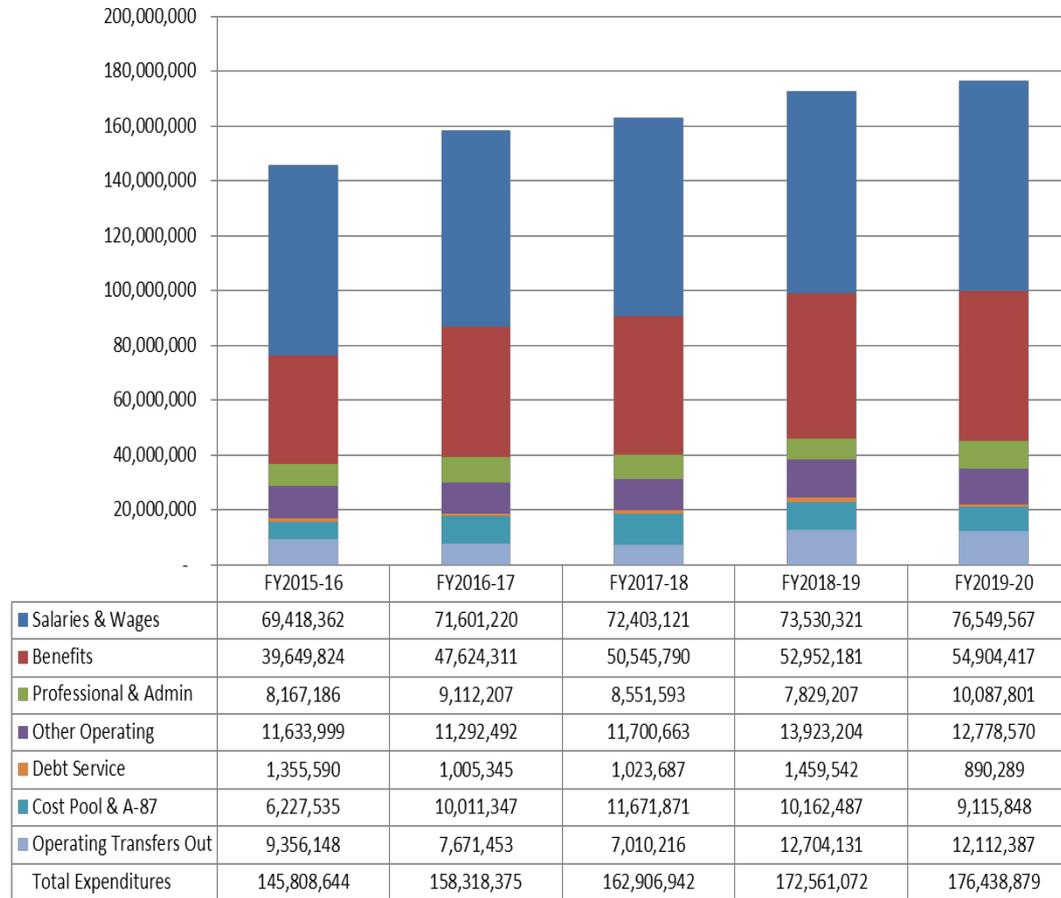
Uses: \$176.4 million



General Fund Expenditures

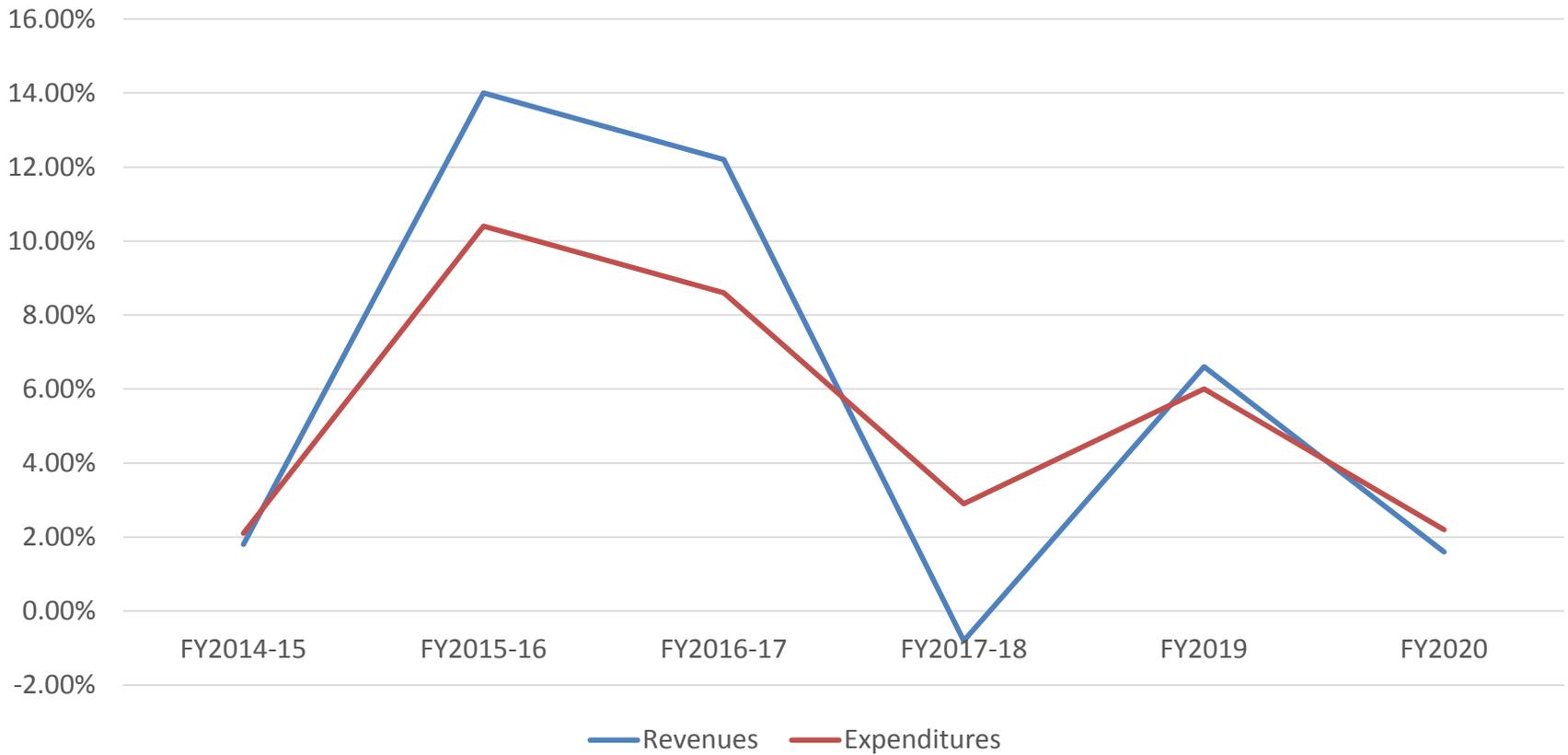
- Salaries and Wages
 - Increase about 1.5% annually
- Benefits
 - On average increases about 4-5% annually,
 - Largest increase in CalPERS costs
- Cost Pool
 - Increase varies depending on several variables
- Transfers out
 - Mostly subsidies to other funds
 - Transfers to pay down negative cash balances are based on year-end surplus
- Other operating expenses (i.e. contract services)
 - Fairly stable

General Fund Expenditure Trends



General Fund Revenue to Expenditure Comparison

Year-over-Year Growth Rates



BUDGET GUIDELINES AND PROCEDURES

Markisha Guillory

BUDGET INPUT/REPORTS

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 expenses line items totaling \$5,000 or more
- Enter budget for departmental revenue
- Run/review Next Year Budget Reports
- Submit form for requests that exceed baseline

Request for Additional Appropriation



**City of Richmond
FY2020-21
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: _____

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

Budget Input Instructions: Finance

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

Bert Jones

PERSONNEL POSITION CONTROL

Personnel Position Control

- Serves as the basis for the salary and benefits budget projection
- Used to track and monitor budgeted positions throughout the fiscal year
- Request for Additional Form required for additional positions above baseline

Position Control Reports

Position	Description	Filled (1) Vacant (0)	Location	Location Desc	Allocation	%	Org	Object	CY FTE	Percent
100500003	ACCOUNTANT II	1 25		COMMUNITY SERVICES			01251051	400003	1.00	
101500012	ADMINISTRATIVE AID	1 25		COMMUNITY SERVICES			01250051	400003	1.00	
101500009	ADMINISTRATIVE AIDE	1 25		COMMUNITY SERVICES			01251051	400003	1.00	
201000005	ADMN SERV ANLYST	0 25		COMMUNITY SERVICES	2509	50%	01231031	400002	1.00	
							50% 01250051	400002		
150600001	AUD AIDE GRP I	1 25		COMMUNITY SERVICES			01257051	400008	0.80	
150600003	AUD AIDE GRP I	1 25		COMMUNITY SERVICES			01257051	400008	0.80	
150600004	AUD AIDE GRP I	1 25		COMMUNITY SERVICES			01257051	400008	0.80	
150600005	AUD AIDE GRP I	1 25		COMMUNITY SERVICES			01257051	400008	0.80	
403700002	COMM SERV DIRECTOR	1 25		COMMUNITY SERVICES			01251051	400001	1.00	
215300001	COMM SERVICE ADM MGR	1 25		COMMUNITY SERVICES			01251051	400002	1.00	
220500007	DEV PROJ MGR II	1 25		COMMUNITY SERVICES	3300	70%	12031063	400002	0.80	
							30% 01251051	400002		
120000011	EXEC SECRETARY II	1 25		COMMUNITY SERVICES			01251051	400003	1.00	
224900001	FINANCE MANAGER II	1 25		COMMUNITY SERVICES			01251051	400002	1.00	
131900005	OFFICE SPECIALIST	1 25		COMMUNITY SERVICES			01251051	400003	1.00	
131900006	OFFICE SPECIALIST	1 25		COMMUNITY SERVICES			01251051	400003	1.00	
135100001	REC PGM COORDINATOR	1 25		COMMUNITY SERVICES			01253951	400003	1.00	
135100002	REC PGM COORDINATOR	1 25		COMMUNITY SERVICES			01251051	400003	1.00	
135100003	REC PGM COORDINATOR	1 25		COMMUNITY SERVICES	2513	50%	01256051	400003	1.00	
							50% 01259051	400003		
135100004	REC PGM COORDINATOR	1 25		COMMUNITY SERVICES			01254651	400003	1.00	
135100005	REC PGM COORDINATOR	1 25		COMMUNITY SERVICES	2507	50%	01253251	400003	1.00	
							50% 01253751	400003		
135100006	REC PGM COORDINATOR	1 25		COMMUNITY SERVICES			01254751	400003	1.00	
135100008	REC PGM COORDINATOR	1 25		COMMUNITY SERVICES			01254851	400003	1.00	
135100013	REC PGM COORDINATOR	1 25		COMMUNITY SERVICES			01253851	400003	1.00	
135100015	REC PGM COORDINATOR	1 25		COMMUNITY SERVICES			01253451	400003	1.00	
241500002	RECREATION SUPV	1 25		COMMUNITY SERVICES			01251051	400002	1.00	
241500003	RECREATION SUPV	1 25		COMMUNITY SERVICES			01251051	400002	1.00	
241500004	RECREATION SUPV	1 25		COMMUNITY SERVICES			01251051	400002	1.00	
157000001	RECREATN PGM SPEC	1 25		COMMUNITY SERVICES			01254851	400008	0.80	
157000005	RECREATN PGM SPEC	1 25		COMMUNITY SERVICES			01254651	400008	0.80	
158300001	SENIOR LIFEGUARD	1 25		COMMUNITY SERVICES	2515	50%	01256051	400008	0.80	
							50% 01259051	400008		
158300002	SENIOR LIFEGUARD	1 25		COMMUNITY SERVICES	2515	50%	01256051	400008	0.80	
							50% 01259051	400008		
									29.20	

Request for Additional Position


City of Richmond
FY2020-21
Request for Additional Position

If you are requesting additional positions, or reclassifying an existing position not previously authorized by the City Council, please submit the following information:

Department: _____ Position Requested: _____
Salary Range: _____

New Position: Reclassification:

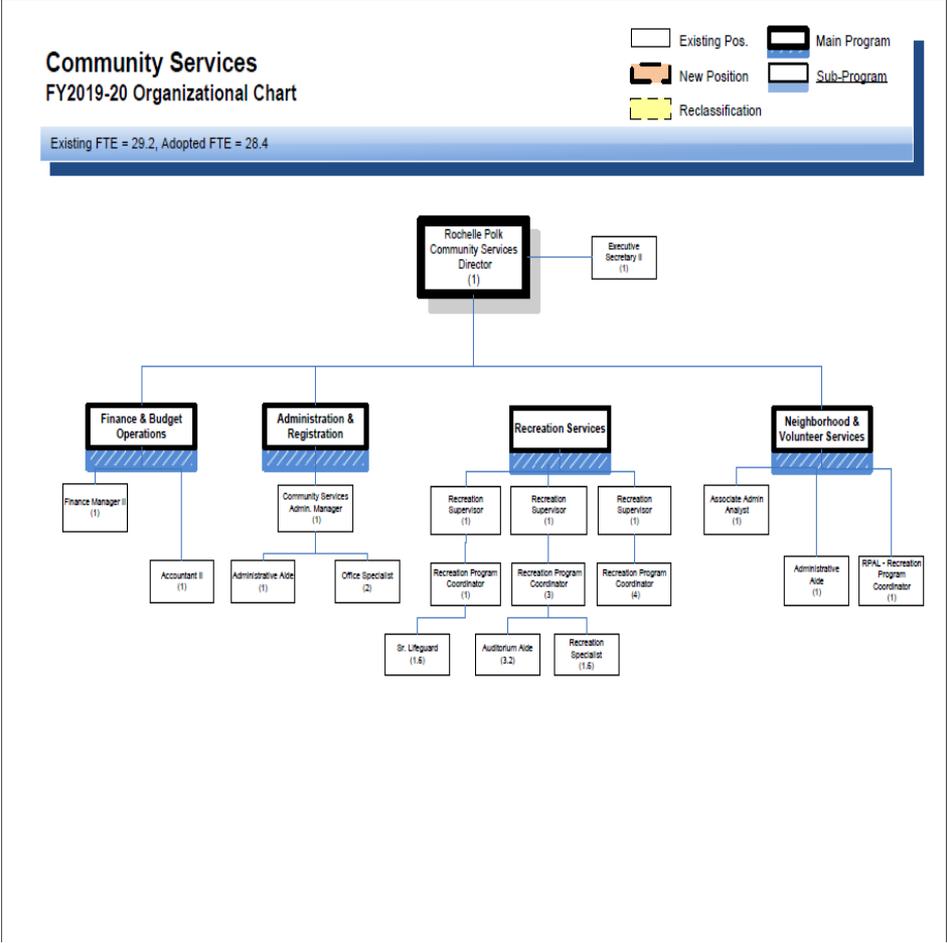
Brief justification for the added or changed position (include Strategic Goal or Supporting Action this will support):

Source of permanent revenue (positions may not be funded from one-time sources), identified program reduction or operating cost savings that would be used to fund the new or upgraded positions:

Account string (Org-Obj):

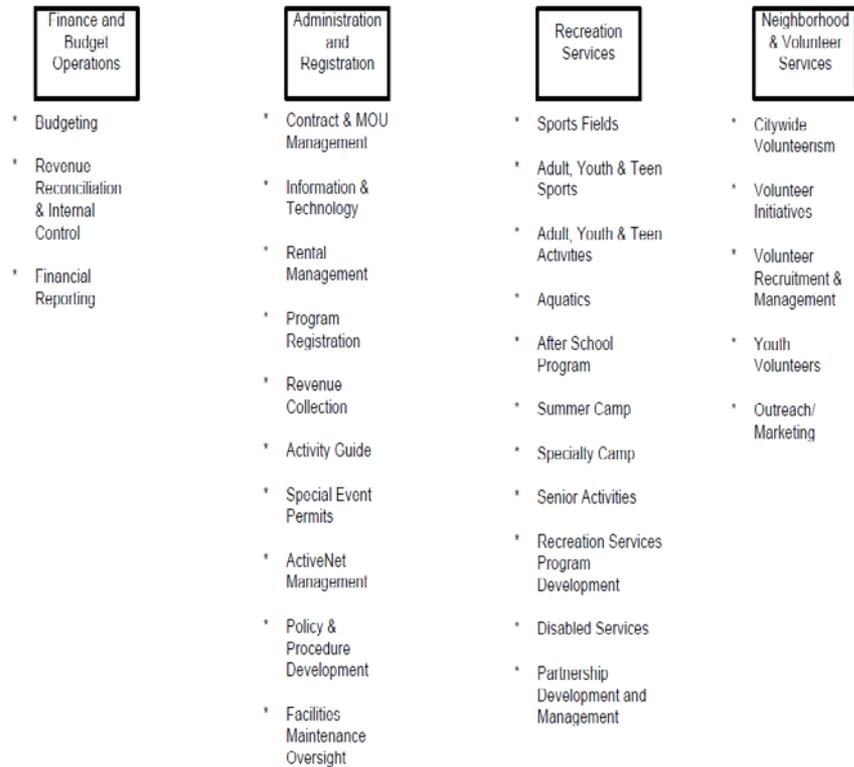
Submitted by: _____ Date: _____
Department Head

Organizational Chart



Program Chart

COMMUNITY SERVICES DEPARTMENT PROGRAM ORGANIZATIONAL CHART



Vrenesia Ward

CAPITAL IMPROVEMENT PROJECTS

What is a Capital Improvement Project?

- Capital improvement is an expense of \$10,000 or more that:
 - Results in the acquisition, improvement, or additions to fixed assets in the form of land, buildings, or improvements more or less permanent in character, and
 - Includes durable equipment with a life expectancy of at least five years

Key Capital Improvement Funding Sources

- State Gas Tax:
 - Highway Users Tax Account (HUTA)
 - Road Maintenance and Rehabilitation Account (RMRA)
- Measure J:
 - Contra Costa Transportation Authority (CCTA)
- Grants
- Bonds
- Impact Fees

CIP Prioritization Criteria

- Priority A: Mandatory – Projects with the highest priority:
 - Legal/Regulatory Obligation
 - Safety
 - Ongoing
- Priority B: Necessary – Projects that rely on outside agencies for funding.
- Priority C: Desirable – Projects that enhance the appearance of City facilities.

Capital Project Request Form

CITY OF RICHMOND PROPOSED CAPITAL IMPROVEMENT PROJECT FISCAL YEAR FY2019/20 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 (page 2)

Cost Details:						
COST TYPE	TOTAL	FY19/20	FY20/21	FY21/22	FY22/23	FY23/24
Equipment						
Studies						
Design	-					
Design Administration	-					
Construction	-					
Construction Management	-					
Construction Admin	-					
Public Art (1.5%) over \$300,000	-					
Other:	-					
Contingency	-					
Total	-	-	-	-	-	-
POST CONSTRUCTION						
TOTAL	FY19/20	FY20/21	FY21/22	FY22/23	FY23/24	
On-Going Maintenance Costs per Year	-	-	-	-	-	-
Budget Details:						
FUND SOURCE	TOTAL	FY19/20	FY20/21	FY21/22	FY22/23	FY23/24
	-					
	-					
	-					
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:						

Vrenesia Ward

GRANTS BUDGETING

Grants Budgeting

- Grants are a major source of revenue for programs, services, and projects
- Currently, the city has more than 100 grants totaling approximately \$106 million
- Complete grants budget worksheet to budget appropriately

Budgeting for Multi-Year Grants

Project Code	Project Name	Expiration Date	Fund Code	Type	Grant Award	Prior Years	Prior Years	Acutals Through Jan. 2019		Projected Activity Feb. -June 2019		Remaining Balance	
						Rev.	Exp.	Rev.	Exp.	Rev.	Exp.	Rev.	Exp.
Department													
2AA09	Illegal Disp. Site & LF Cleanup Remed.	6/30/19	1006	S	434,300	39,205	73,600	46,272	1,079			348,823	359,621
2AA10	Integrated and Equitable Multimodal Mobility	2/28/19	1006	S	259,730	128,184	128,999	7,197	35,878			124,349	94,852
2AA11	Beverage Container Recycling FY1617	6/29/19	1006	S	27,707	-	-					27,707	27,707
2AA12	Electric Vehicle Charging Station	N/A	1006	S	47,511	40,384	47,511					7,127	-
2AA13	Kiva Richmond Entrepreneur Start Up Fund	12/31/18	1006	O	25,000	12,500	12,500					12,500	12,500
2AA14	CallRecycle Food Waste Rescue and Prevention	4/1/21	1006	S	327,500	-	-		15,045			327,500	312,455
2AA15	Beverage Container Recycling FY1718	6/29/20	1006	S	27,870	-	-	27,870				-	27,870
2AA17	Richmond Health Equity Project-RWJF	8/30/19	1006	O	100,000		27,293	27,293	834			72,707	71,874
2AA18	Bike Share Capital Program	6/30/20	1006	O	1,024,000							1,024,000	1,024,000
2AA19	Sustainable Community Transportation Plan	2/28/21	1006	S	276,468							276,468	276,468
2AA20	EPA Air Monitoring Grant	6/30/19	1006	F/P	50,000							50,000	50,000
F1003-A	CCTA Allocation for Richmond Transit FY1617	N/A	1003	O	898,960	444,523	898,960	454,437				-	-
F1003-B	CCTA Allocaiton for Richmond Transit FY1718	N/A	1003	O	840,000		840,000					840,000	-
F1003-C	CCTA Allocaiton for Richmond Transit FY1718	N/A	1003	O	840,000				578,830			840,000	261,170
Total					5,179,046	664,796	2,028,864	563,069	631,666	-	-	3,951,181	2,518,517

Information Provided	Enter Data	Formula
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Grant Information Form

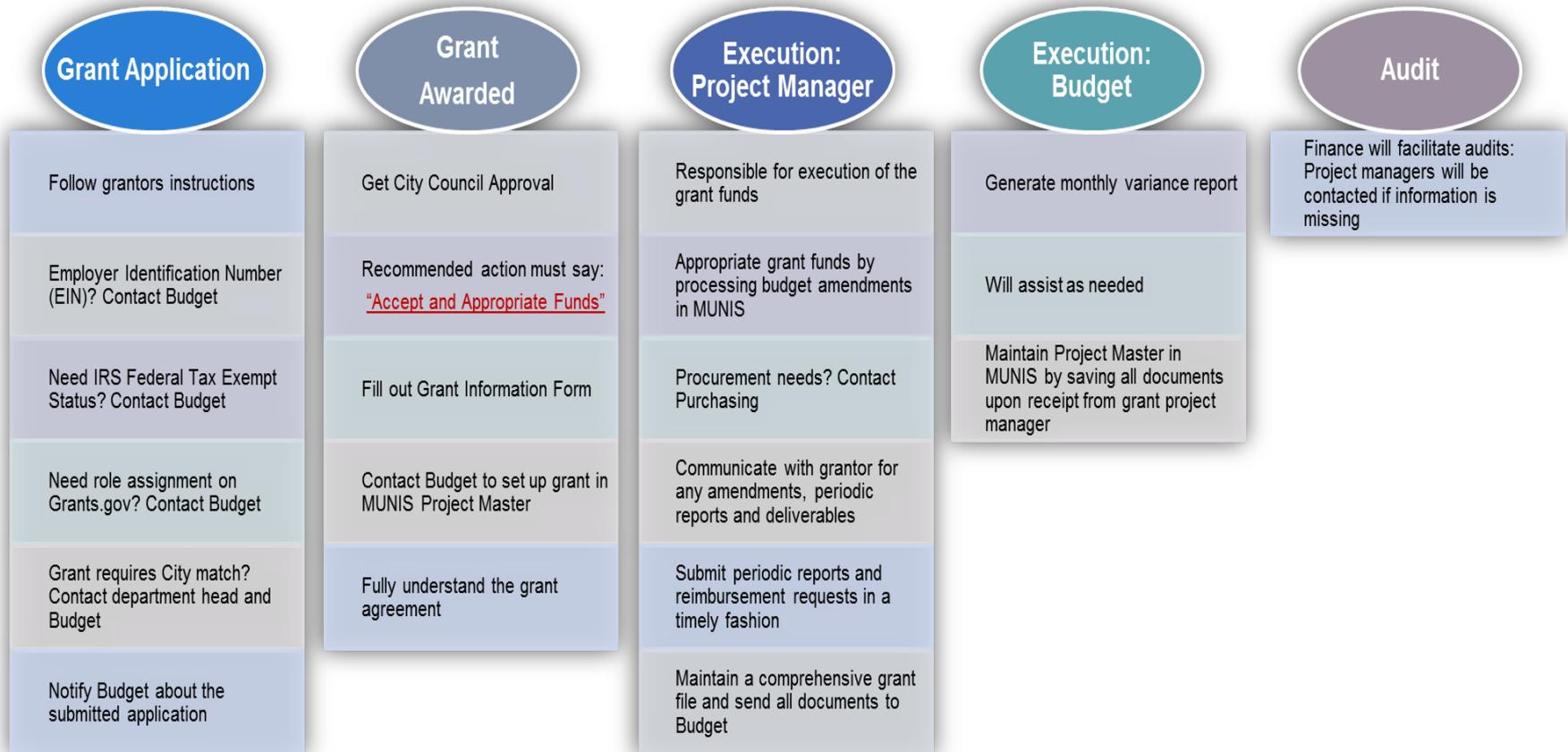
- The form is necessary to set up a grant in MUNIS
- Collects information needed for audits, including the single audit
- **Due to Budget for each new grant**

Grant Information

Project Title		Scope of Work	
Award Amount	City Match	Select One	
Grant Basis		Select One	
Agency Type		Grantor Agency Information	
Agency Type	CFDA # (Fod)	Pass-through Agency	
Funding Through	Agency	Sub Agency	
Agency Program		Grant Period	
Reporting Frequency	Award Date	Final Report	
Reporting Frequency	Award Date	Report 1	
Agency Contact			
Name	Title	Name	Department
Phone	Phone	Phone	Phone
Email	Email	Email	Email
Grant Budget			
Fund	Org	Fund	Fund
Object Code	Budget Amount		
(Revenue)			
Expenditure			
Net		\$ 0	
Other Notes			

Required Documents: 1-Completed Grant Information Form, 2-Grant Award L

Lifecycle of a Grant



Markisha Guillory

NEXT STEPS

Budget Input Training

- For department staff who enter budgets
- 450 Civic Center – Training Room /EOC
 - March 6, 2020 (9:00-11:00 AM)
 - March 10, 2020 (9:00-11:00 AM)
- Hands-on training will cover:
 - MUNIS budget entry
 - Next year budget reports
 - Monthly budget reports

Due March 20, 2020 by 5:00pm:

- Budget Entered (Operating and CIP)
 - Input window: March 6 – March 20, 2020
- Personnel Position Control Report (due March 13, 2020)
- Org Chart
- Program Chart
- Grants Budget Worksheet
- Forms, if applicable
 - Request for Additional Appropriation
 - Request for Additional Position
 - Capital Improvement Project

THANK YOU

QUESTIONS?