



CITY OF

*Richmond* CALIFORNIA

# Study Session on Budget Balancing Strategies Fiscal Year 2020-21 Draft Budget

Presented by the Finance Department  
Richmond City Council Meeting  
May 12, 2020

# Budget Goals

- Structurally balanced budget
- Preserve services to the extent possible
- Consider impacts of COVID-19 on services
- Minimize staff reductions
- Increase cash reserves to policy level
  - Maintain bond ratings

# Factors Contributing to Budget Deficit

## Big-Ticket Items:

- Economic downturn due to COVID-19
- CalPERS required contribution
- General liability and workers' comp rates
- Technology infrastructure needs
- Vehicle/equipment replacement needs

# Budget Balancing Strategies

## “Buckets” of Options:

1. General operating reductions: \$12.6M - \$21.5M
2. Meet and confer with bargaining units: \$9.2M-  
\$12.6M
3. Items to consider after exhausting other items:  
\$1.8M - \$5.6M
4. Other items considered but not costed out

# Review Process and Next Steps

- Review Process
  - Review each item individually
  - Decide on which items to pursue
  - Direct staff to take action
  
- Next steps
  - Update strategy worksheet to reflect decisions
  - Implementation
    - Adjust budget projection
    - Concession discussions with bargaining units

Thank you

Questions/Comments?