

RICHMOND UNION COALITION BUDGET BALANCING PROPOSAL – June 23, 2020:

During an unprecedented pandemic, rather than adopt a Budget that seeks to impose cuts on workers and residents who have sacrificed enough, the Richmond Union Coalition recommends the following budget balancing options to close the **remaining projected \$5.3M FY 20-21 Budget Gap**.

PROPOSAL E

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|------------------------------------|-------------------|
| Additional Dept. Deferrals: | \$170,045 |
| Additional Vacancy Freezes: | \$1,176,047 |
| Defer OPEB Pre-Funding for 1-Year: | \$3,421,759 |
| General Fund Reserve Spending: | <u>\$ 532,149</u> |

Total: **\$5,300,000**

| Additional Dept. Level Deferrals | Notes | Savings |
|--|--|--------------------|
| City Manager | City Council Retreats | \$15,000 |
| City Council | Sister City Travel | \$6,000 |
| Public Works | 3 Pickup Trucks | \$135,000 |
| Public Works | Travel and Training | \$1,945 |
| Economic Development | Various items (agreed to) | <u>\$12,100</u> |
| Subtotal, Additional Departmental Level Deferrals | | \$170,045 |
| | | |
| Additional Vacancy Freezes: | Notes | Savings |
| Comm Dispatcher I (2 positions) | Police Dept. (non-sworn) | \$244,892 |
| Senior Accountant | Police Dept. (non-sworn) | \$161,879 |
| Police Records Specialist | Police Dept. (non-sworn) | \$116,462 |
| Police Lieutenant | Police Dept. (sworn) – would need Council action to add back the vacant position deleted last week and then freeze it for the Budget Year. | \$286,249 |
| Groundskeeper/Gardner (2) | Public Works Dept. | \$234,406 |
| Parks Construction & Maint Worker (1) | Public Works Dept. | <u>\$132,159</u> |
| Subtotal, Additional Vacancy Freezes | | \$1,176,047 |
| | | |

| Defer OPEB Pre-funding 1-Year | Notes | Savings |
|--|---|--------------------|
| | Asks City to make its required annual OPEB contribution (the “pay as you go” portion of \$3.9M) as required, but to make a one-time exception to current City policy in order to defer the OPEB pre-fund contribution for this FY. Hayward and Oakland each deferred their OPEB pre-funding for 1-year to help balance their budgets due to the COVID-19 pandemic’s impact on revenues. | \$3,421,759 |
| Subtotal Defer OPEB Pre-funding 1-Year: | | \$3,421,759 |
| General Fund Reserve Spending: | | \$532,149 |

PROPOSAL F

| | |
|--|-----------------------|
| Additional Dept. Deferrals: | \$170,045 |
| Additional Vacancy Freezes: | \$1,176,047 |
| Defer Half of planned OPEB Pre-Funding for 1-Year: | \$1,710,879.50 |
| General Fund Reserve Spending: | \$2,243,028.50 |

Total: \$5,300,000

| Additional Dept. Level Deferrals | Notes | Savings |
|--|---|------------------|
| City Manager | City Council Retreats | \$15,000 |
| City Council | Sister City Travel | \$6,000 |
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| | the Budget Year. | |
| Groundskeeper/Gardner (2) | Public Works Dept. | \$234,406 |
| Parks Construction & Maint Worker (1) | Public Works Dept. | <u>\$132,159</u> |
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| Defer Half of planned OPEB Pre-funding for 1-Year | Notes | Savings |
| | Asks City to make its required annual OPEB contribution (the “pay as you go” portion of \$3.9M) as required, but to make a one-time exception to current City policy in order to defer one-half of the planned OPEB pre-funding contribution for this FY. Hayward and Oakland each deferred their OPEB pre-funding contributions for 1-year to help balance their budgets due to the COVID-19 pandemic’s impact on revenues. | \$1,710,879.50 |
| Subtotal Defer Half of planned OPEB Pre-funding for 1-Year: | | \$1,710,879.50 |
| | | |
| General Fund Reserve Spending: | | \$2,243,028.50 |

PROPOSAL G

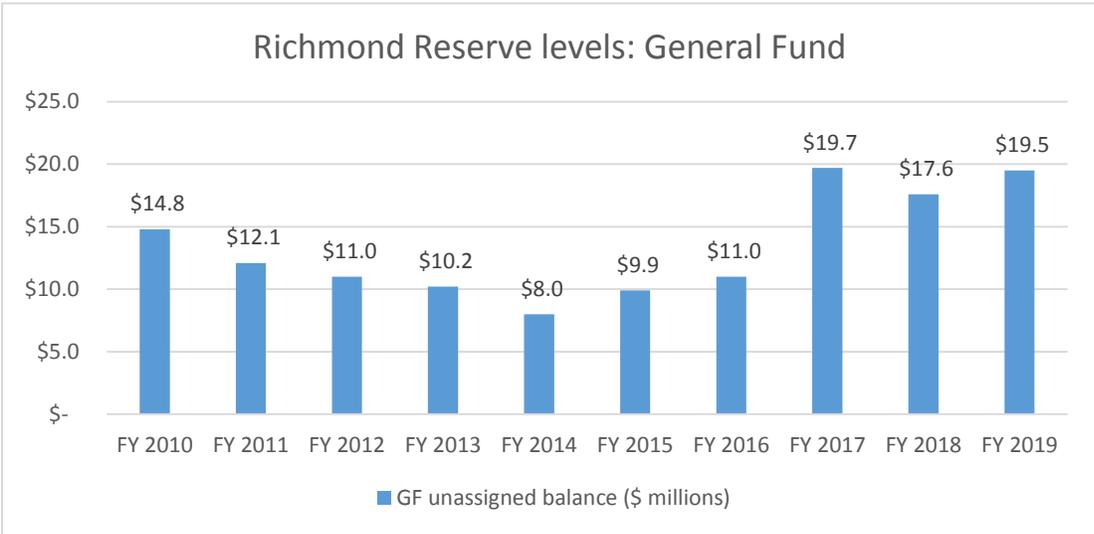
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|---------------------------------------|---------------------------|
| Additional Dept. Deferrals: | \$170,045 |
| Additional Vacancy Freezes: | \$1,176,047 |
| General Fund Reserve Spending: | <u>\$3,953,908</u> |
| Total: | \$5,300,000 |

| Additional Dept. Level Deferrals | Notes | Savings |
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| Additional Vacancy Freezes: | Notes | Savings |
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| Subtotal, Additional Vacancy Freezes | | \$1,176,047 |
| | | |
| General Fund Reserve Spending: | | \$3,953,908 |

Note Re: Use of General Fund Reserves:

- The average Year-End reserve for the last ten years: \$13.4 million.
- Reserve Balance after FY19-20 cost saving measures: \$18.8 million
- City could spend up to \$5.4 million in reserves and still be at the average Year-End reserve level over the last ten years.
- Our proposals offer three different levels of GF Reserves spending needed to balance the budget, all of which would keep the City well above the average Year-End reserve balance over the last ten years.



Source: Richmond 2019 CAFR p222.