



CITY OF

*Richmond* CALIFORNIA

# Status of Fiscal Year 2021-22 Draft Budget

**Richmond City Council Meeting**  
**May 4, 2021**

# Overview

*good news, operational challenges,  
thank yous & expectations*

# FY 2020-21 Budget Update

<b><u>General Fund</u></b>	<b><u>Amount</u></b>
Revised Total Revenue	175,814,340
Revised Total Expenditures	171,653,539
<b>MID-YEAR Operating Surplus/(Deficit)</b>	<b>4,160,801</b>
<ul style="list-style-type: none"> <li>• Includes \$400K from ECIA Amendment to offset City obligations to CBOs</li> <li>• Includes \$600K in staff attrition</li> <li>• Includes \$600K in police accommodations</li> </ul>	
NOT RECEIVED: Union Accommodations	-2,414,775
<b>REVISED Operating Surplus/(Deficit)</b>	<b>1,746,026</b>

# FY 2021-22 Budget Process

<b>Actions</b>	<b>Dates</b>
Departments submit revenue projections and budget requests	February
Finance/Department budget meetings	March
Preliminary budget roll-up drafted by Finance	April
Submission to Council	May 4 <sup>th</sup>
Budget Discussion and Deficit Reductions	May - June
Budget adoption	June 22 <sup>nd</sup>

# FY 2021-22 Budget

<b>General Fund</b>	<b>FY2021-22</b>	<b>Difference From FY 20-21</b>	<b>% Change</b>
<b>Revenue</b>	\$182,920,986	\$7,106,646	4.0%
<b>Expenses</b>	\$195,517,835	\$23,864,296	13.9%
<b>Net Surplus/(Deficit)</b>	(\$12,596,848)		

# Major Changes Above Baseline

**Revenues: \$7.1M (4%)**

- Property: \$2.4M
- Sales Tax: \$4.3M
- Utility User Tax: \$.5M
- Other Taxes/Documentary Transfer Tax: -\$5.6M
- Business License: \$6.1M
- Other Revenue: -\$0.6M

**Expenditures: \$23.9M (14%)**

- Personnel: \$19M
  - Salaries: \$10.6M
  - Benefits: \$8.4M
- Professional Services: \$.2M
- Other Expenses: \$.6M
- Cost Pool: \$2.8M
- Transfers Out: \$1.3M

# Addressing FY 2021-22 Deficit

- **Analyze revenues and expenditures (current and future fiscal years)**
- **Review departmental requests**
- **Work with unions**
- **Examine allowable use of ARPA funds**

# Outstanding Factors

- **American Rescue Plan Act (ARPA)**
- **Housing Authority Debt**
- **Reimagining Public Safety Taskforce Recommendations**
- **Negative Fund Balances**
- **Litigation/Risk Management**
- **Capital Maintenance Priorities**

# Delayed Investments & On-going Issues

- **Employees – Class and Compensation Study**
- **Facility maintenance**
- **Fleet and equipment replacement**
- **OPEB liabilities**
- **Reserves below policy levels**
- **Cycle of annual “crisis”**
- **Structural deficit**
- **Frequent use of one-time funds for on-going expenses**

**Need for long-term  
fiscal sustainability plan**

# FY 21-22 Budget Process

<b>April</b>	
<b>4/29</b>	City Manager/Union Quarterly Meeting
<b>May</b>	
<b>5/4</b>	First draft of FY 21-22 annual budget to council
<b>5/6 @ 4pm</b>	Community Budget Meeting
<b>5/11</b>	FY 21-22 Budget Department Budget Presentations
<b>5/18</b>	ARPA Presentations and Discussions
<b>5/20</b>	Unions/Finance Meeting
<b>5/25</b>	FY 21-22 Budget Discussions
<b>June</b>	
<b>6/1</b>	Fiscal Sustainability Plan/Options Discussion
<b>6/3 @ 6pm</b>	Community Budget Meeting
<b>6/15</b>	FY 21-22 Budget Presentation and Discussion ARPA: Expenditure Plan Recommendations and Discussion (subject to various factors including receipt of Treasury regulations)
<b>6/17</b>	Unions/Finance Meeting
<b>6/22</b>	Council Approval of FY 21-22 Budget & CIP Budget

## Recommended Action

**RECEIVE a budget status update and presentation on the first draft of the Fiscal Year 2021-22 Annual Operating Budget**

Thank you

Questions/Comments?