

Fiscal Year 2021-22 Mid-Year Budget Review

Richmond City Council
March 22, 2022



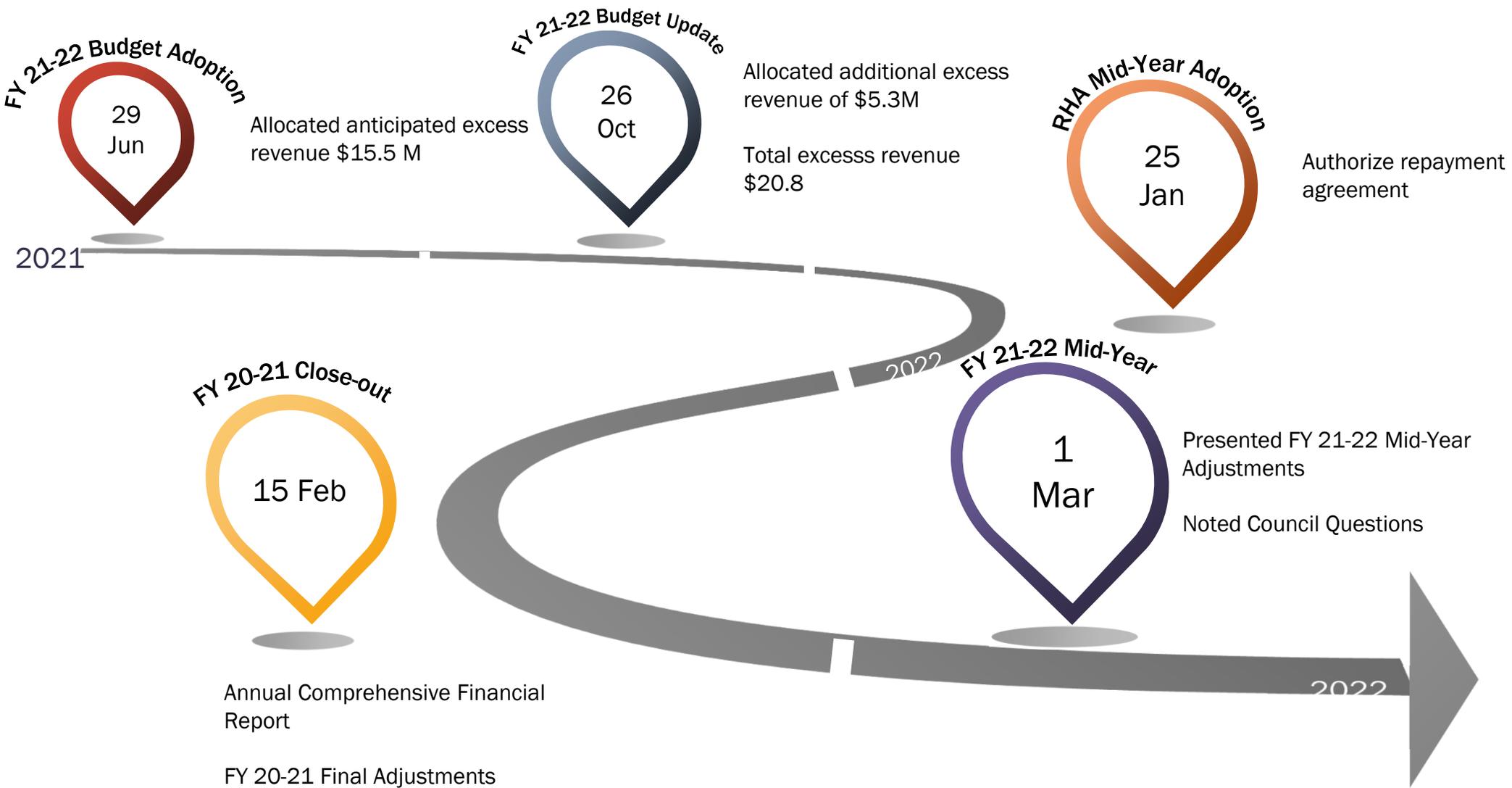
FY 2021-22 Mid-Year Overview

- Background and Accomplishments
- Total Revenues/Expenditures FY 21-22
- Terms and Definitions
- General Fund Revenues
- General Fund Expenditures
- Position Controls, Listing, Recruitments
- Non-General Fund
- Capital Improvement Project (CIP)
- American Rescue Plan Act (ARPA)
- Reimagining Public Safety
- Opportunities for Input and Future Priorities

Background

- Snapshot in time of the current fiscal year
- Determine if budget adjustments are needed
 - Actuals
 - Revised projections
- Incorporate prior council decisions
(July-December 2021)
- Update baseline for FY2022-23 budget

Background



Background

Previous Council Meetings	Date
FY 2021-22 Budget Adopted	June 29, 2021
Adjustments to FY2020-21 and 2021-22 Budget	October 26, 2021
RHA Mid-Year Budget Adjustments	January 25, 2022
Final Adjustments to FY2020-21 Budget	February 15, 2022
Mid-Year Report on FY2021-22 Budget	March 1, 2022

Accomplishments

City-Wide Cleanup / I ♥ Richmond

Submitted Grants - Interdepartmental Teamwork

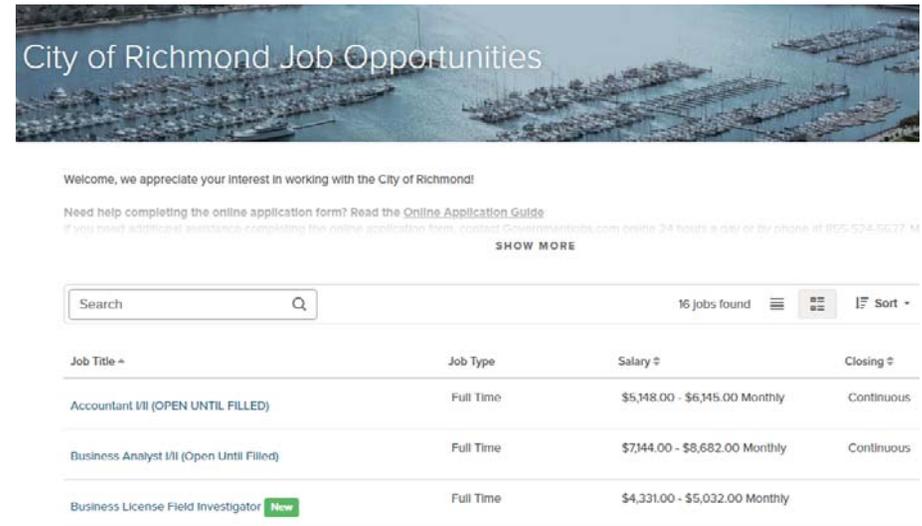
\$15,548,400

Grant Name	Amount	Department(s)	Proposed Uses
Clean California Local Grant Program (CalTrans)	\$5 Million	- Community Development - Community Services - Public Works, - CMO Economic Development	Boorman Park Clean-up, 7th Street improvements, and I ♥ Richmond (Neighborhood dumpster days and Clean-ups)
Clean California Local Grant Program (CalTrans)	\$5 Million	- Community Development - Community Services - Public Works, - CMO Economic Development	Construct pedestrian-friendly street --Yellow Brick Road Project (YBR) -- infrastructure, add plants and trees, human-scale street lighting, litter abatement facilities, wayfinding and placemaking signage. Connect two Pogo Park site and provide access to all 15,000 Iron Triangle residents
Governor's Grant to Tackle Local Encampments	\$4.8 Million	- Community Development - Richmond Police Department	Encampment Resolution Funding (ERF) will focus on the Castro Street vehicle encampment. The effort will be a stepped approach to address the myriad needs of the 100+ people living at the Castro encampment with evidence-based clinical case management and intensive social service and housing navigation support.
CalRecycle SB 1383 Local Assistance Grant	\$145,000	- CMO Economic Development	Provide the City of Richmond with financial support to implement and comply with SB 1383
CalRecycle Solid Waste Disposal and Site Cleanup Grants	\$400,000	-CMO Economic Development - Public Works	Fund illegal dumping clean-up, deterrent installation, and neighborhood dumpster days
Saris Foundation Bike Parks Program	\$25,000	- Dirt World - Public Works	Renovate the BMX track and two pump tracks along Greenway
Transportation Development Act (TDA3)	\$178,400	- Public Works	Richmond Ferry to Bridge Bicycle & Pedestrian Network Improvements Project

Accomplishments

Human Resources: Staffing and Hiring

- Improved Job Opportunities Website
- Recruitments
- ✓ Deputy Director of Employment and Training started January
- ✓ Deputy Director of Community Services – E & T started January
- ✓ 10 Positions Added to Office of Neighborhood Safety (ONS) approved January
- ✓ New Interim Deputy Director of Library & Recruitment for Permanent Position Underway, January
- ✓ Budget Administrator started February
- ✓ Senior Business Assistance Officer started February
- ✓ Accounting Manager started March



FY 21-22 Adopted Vs. Mid-Year Budget

	FY 2021-22 Adopted June 29, 2021	FY 2021-22 Proposed Mid-Year
Revenues	188,470,796	192,005,339
Expenditures	187,842,223	195,129,609
FY20-21 Budget Set-Asides*		*5,529,000
Net	628,573	2,404,729

*FY 2020-21 set aside amounts allocated but not incorporated into FY 2021-22 budget

FY 2021-22 Allocation

Intended Uses of the Set-Asides from FY2020-21 Excess	Projected Jun. 29, 2021	Projected Oct. 26, 2021	FY 2020-21 Fiscal Close, Feb. 15, 2022	Set-Asides Available for FY21-22 Budget
Reimagining Public Safety	1,300,000	1,300,000	1,300,000	1,300,000 ²
Community Facility Improvements	1,700,000	1,700,000	1,700,000	1,700,000
Staff Compensation – One Time Payment	2,300,000	2,300,000	2,300,000	2,300,000 ³
Additional GF Expenditures		229,000	229,000	229,000
Set Asides to Balance FY2021-22 Budget	5,300,000	5,529,000	5,529,000	5,529,000
Attain 14.3% Reserve Level	4,219,567	4,219,567 ⁴	N/A	
Reduce RHA liability	3,000,000	6,128,968	10,442,853 ⁵	
Set aside for Reserves	3,000,000	3,000,000	2,938,811	
Set aside for possible Measure U shortfall		2,000,000	2,000,000	
Total Approved Uses:	15,519,567	20,877,535⁶	20,910,664	5,529,000

^[2] The total allocation for Reimagining Public Safety is \$6.3 million from various funding sources, including \$1.3 million coming from the General Fund.

^[3] Actual used for one-time compensation may be different than \$2.3 million

^[4] Actual RHA liability written-off during the fiscal close was \$10,442,853, which was \$4,313,885 more than the set-aside of \$6,128,968.

^[5] Set aside to attain 14.3 percent reserve level were used to write-off RHA liability.

^[6] The additional \$5,357,986 approved as set asides on October 26, 2021, included an additional \$3,128,968 for RHA, bringing the total set aside for RHA to \$6,128,968. Measure U Shortfall (\$2,000,000), and GF expenditures (229,000), revised projected surplus from \$15,519,567 to \$20,877,535.

Excess vs. Reserve

- In the context of Richmond's FY21-22 budget, "Excess" is the difference between revenues exceeding expenditures for FY20-21 and allocated for other uses per City Council direction for FY21-22.
- The "reserve" is a component of the Unassigned Fund Balance (not appropriated for any use or purpose). For FY 2020-21, the \$22,477,829 unassigned fund balance calculated to 12.5 percent of FY 2021-22 budgeted General Fund expenditures so, the entire unassigned fund balance is considered the reserve.

Fund Balance Defined

Government Accounting Standards Board (GASB) Statement 54

- **Nonspendable:** Amounts that cannot be spent because they are either (a) not in spendable form i.e., Inventories or (b) legally or contractually required to be maintained intact receivables.
- **Restricted:** Funds whose use is constrained by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or by law through constitutional provisions or enabling legislation.
- **Committed (Set Aside):** Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority.
- **Assigned:** Amounts that are constrained by the government's intent to use them for specific purposes but are neither restricted nor committed.
- **Unassigned (Reserve):** A fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund.

General Fund Revenue

Total Increase: ~\$3.5M

Revenue	I/D*	Amount
Property Tax	D	- \$2.2 millions
Business Tax	D	- \$1.6 millions
Sales Tax	I	+ \$1.9 millions
Utility Users Tax (UUT)	I	+ \$1.1 millions
Transfer Tax	I	+ \$2.6 millions
Other Revenues	I	+ \$1.7 millions

*I=Increase, D=Decrease

General Fund Expenditures

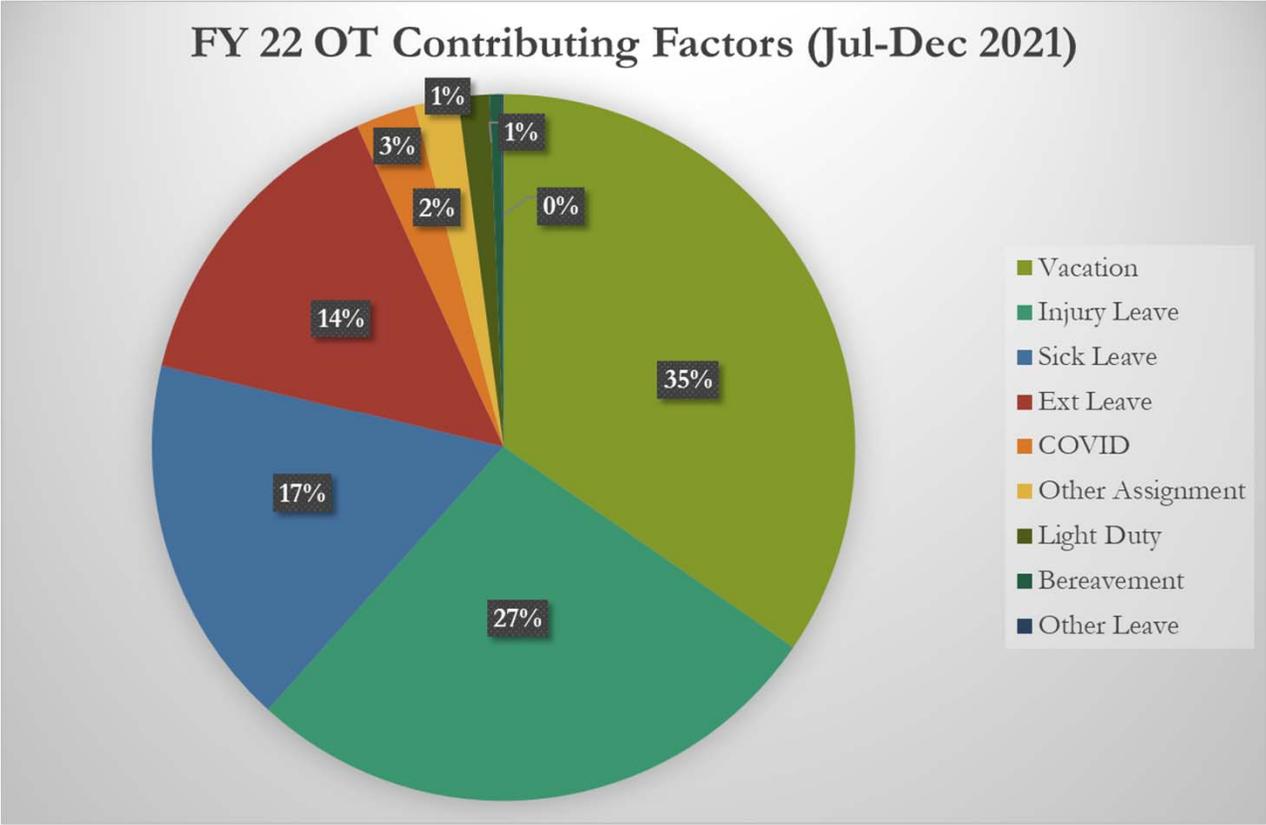
Total Increase: ~\$9.1M

Expenditures	*I/D	Amount
Salaries & Benefits	I	+\$913,000
Professional Services	I	+\$2.5 million
Utilities	I	+\$474,000
Cost Pool (Equipment)	I	+\$325,000
Operating Transfer Out	I	+\$4.9 million

* I=Increase, D=Decrease

General Fund Expenditures

Fire Overtime Contributing Factors (Jul-Dec 2021)



	Vacation	Injury Leave	Sick Leave	Ext Leave	COVID	Other Assignment	Light Duty	Bereavement	Other Leave
# of Hrs	12,403	9,716	6,107	5,184	984	716	519	192	35

General Fund Expenditures

Fire Overtime Resolutions

- Timely Fire Fighter Return to Work Alternative Dispute Resolution (ADR) Program
- Fill Vacancies
- Shift Balancing and Overtime in Rank
- Establish Acting Captain and Engineer List
- Track Overtime Budget Variance

Position Count

Status	Active Employees as 12/31/2021	Authorized & Proposed Budgeted FTE
Full Time	579	706.1
Part-time Employees w/ Benefits	10	0
Retired Annuitant	8	0
Total Count	597	706.1

The number of active employees can change day to day as employees leave or retire and new hires are brought on board. The position count above is as of December 31, 2021. Not included in this listing are part-time employees without benefits, many of these are seasonal. As of December 31, 2021, the City had 127 part-time employees without benefits.

Changes in Full Time Position Count

Department	Adopted FY21-22	Revisions FY21-22	Proposed Mid-Year FY21-22
	6/29/21	1/11/22*	3/1/22
ALL DEPARTMENTS	693.2	706.2	706.1

*Includes changes from adoption through January 11, 2022

Mid Year Position Changes

Total adjustments for salaries and benefits are ~\$913,000. Overtime for RFD is ~\$705,000 and Non-public safety adjustments are ~\$208,000.

Department	Mid-Year Position Changes	
	From	To
City Attorney	Reclass promotional from Executive Secretary II	Administrative Services Analyst
Finance	Reclass from Accounting Manager	Deputy Finance Director
Finance	Reclass from Budget Analyst II	Accountant II
Community Services - Library	New	Librarian II
Community Services - Recreation	Reclass from Admin Aide	Assistant Admin Analyst
Community Services - Employment & Training	Reclass from Finance Manager	Sr. Accountant
Economic Development	Promotion from Associate Admin Analyst	Sr. Admin Analyst
Economic Development	Remove Management Analyst I	Partially fund Sr. Admin Analyst promotion
Economic Development/RHA	Promotion from Management Analyst II	Partially fund Sr. Management Analyst (0.5)
RHA	Remove RHA Sr. Property Manager	Partially fund Sr. Management Analyst (0.5)
City Manager and Public Works	Reallocate Community Engagement Manager	Deputy Public Works Director
Children & Youth	Promotion Associate Admin Analyst	Sr. Management Analyst
City Council	Promotion from Sr. Admin Analyst	Project Coordinator

Recruitment Status

Item	Number
Positions added on/or after 6/29/21	43
Recruitments opened between 7/1/21 – 1/31/22	57
Current active recruitments as of 1/31/22	79
Current unfilled positions as of 1/31/22	125

Non-General Fund

NON-GENERAL FUND	Revenue Adjustment	Expenditure Adjustment	Net Impact
Employment & Training	1,992,371	12,371	1,980,000
Equipment Services	355,000	175,000	180,000
Fire Impact Fee	27,634		27,634
General Capital	1,520,000	(2,384,726)	3,904,726
Grants	161,707	62,888	98,819
Hilltop Landscape Maintenance District		47,000	(47,000)
Housing Admin Prof Services		480,000	(480,000)
Insurance Reserves	16,886,431	8,330,539	8,555,892
KCRT		35,999	(35,999)
Library Impact Fee	36,302		36,302
Marina Bay Landscape & Lighting		47,000	(47,000)
Non-Departmental	1,291,760	(521,142)	1,812,902
Park Impact Fee	2,160		2,160
Parks Open Space Impact Fee	43,899		43,899
Planning & Building Cost Recovery	1,800,000		1,800,000
Police Impact Fee	152,496		152,496
Port	38	44,000	(43,962)
Recreation Impact Fee	10,527		10,527
Stormwater Impact Fee	109,195		109,195
Traffic Impact Fee	227,990		227,990
Wastewater	325,313		325,313
Wastewater Impact Fee	173,118		173,118
Richmond Housing Authority	(349,975)	(349,975)	0
Total Non-General Fund Requests	24,765,966	5,978,954	18,787,012

Capital Improvement Plan(CIP) Budget

CAPITAL PROJECTS	REVISED BUDGET FY2021-22	MID-YEAR ADJUSTMENTS FY2021-22	PROPOSED BUDGET FY2021-22
ARPA/MAIN LIBRARY	1,000,000	-500,000	500,000
ARPA/NEVIN CENTER	1,000,000	-500,000	500,000
ARPA/RECREATION CENTER	1,000,000	-500,000	500,000
ARPA/RICHMOND MUSEUM	1,000,000	-500,000	500,000
FIRE STATION 67 ROOF REPLACEMENT	14,726	-14,726	-
NEVIN COMMUNITY CENTER HVAC UPGRADE	370,000	-370,000	-
PORT REHAB/TERMINAL 2 IMPROVEMENTS	-	4,088	4,088
PPMT ELECTRICAL SYSTEM	90,000	-40,000	50,000
PPMT Fence Installation Project	-	44,000	44,000
PPMT GRAVING WATER LINE	145,000	-45,088	99,912
PPMT PAVEMENT REHAB	160,000	-100,000	60,000
PPMT TERMINAL 7 & 8 VENTRIFICATION	150,000	-67,000	83,000
TERMINAL 2 DREDGING	-	275,000	275,000
TERMINAL 2 MACHINE SHOP	30,000	-27,000	3,000
TOTAL	4,959,726	-2,340,726	2,619,000

The American Rescue Plan Act of 2021

North Richmond Pump Station



MLK Park Turf Field



The American Rescue Plan Act of 2021

FY2021-22 through December 2021	BUDGET	ACTUAL	ENCUMBRANCES	REMAINING
ARPA REVENUE -TOTAL	\$27,740,723	\$13,870,362	\$ -	\$(13,870,362)
ARPA EXPENDITURES				
MAIN LIBRARY - HVAC IMPROVEMENTS	\$ 500,000	\$ -	\$ 48,000	\$ 452,000
NEVIN COMMUNITY CENTER - HVAC IMPROVEMENTS	\$ 500,000	\$ 10,250	\$ 39,750	\$ 450,000
RECREATION COMPLEX - HVAC IMPROVEMENTS	\$ 500,000	\$ 9,750	\$ 39,250	\$ 451,000
RICHMOND MUSEUM - HVAC IMPROVEMENTS	\$ 500,000	\$ -	\$ 32,600	\$ 467,400
COMMUNITY BEAUTIFICATION	\$ 1,000,000	\$ -	\$ -	\$ 1,000,000
COMMUNITY NEEDS ASSESSMENT	\$ 250,000	\$ -	\$ -	\$ 250,000
ENVIRONMENTAL PLANNING CONSULTANT	\$ 300,000	\$ -	\$ -	\$ 300,000
HOUSING & DEVELOPMENT INITIATIVES/RICHMOND RAPID RESPONSE FUND	\$ 1,000,000	\$ -	\$ -	\$ 1,000,000
RECOVERY OF LOST REVENUE (FY2020-21) APPLIED TO BALANCE FY2021-22 GF BUDGET	\$ 4,000,000	\$ -	\$ -	\$ 4,000,000
NORTH RICHMOND PUMP STATION	\$ 1,800,000	\$ -	\$ -	\$ 1,800,000
MLK PARK TURF FIELD	\$ 150,000	\$ -	\$ -	\$ 150,000
Total - ARPA FY2021-22	\$ 10,500,000	\$ 20,000	\$ 159,600	\$ 10,320,400
REMAINING ARPA ALLOCATION \$17,240,723				

*Additional \$7,487.59 received in interest through December 2021

Reimagining Public Safety

REIMAGINING PUBLIC SAFETY COMMUNITY TASK FORCE FY 21-22 BUDGET				
FY2021-22 through December 2021	<u>BUDGET</u>	<u>ACTUAL</u>	<u>ENCUMBRANCES</u>	<u>REMAINING</u>
YouthWORKS	\$ 1,980,000	\$ 352,026	\$ -	\$ 1,627,974
OFFICE OF NEIGHBORHOOD SAFETY (ONS)	\$ 1,600,000	\$ -	\$ -	\$ 1,600,000
UNHOUSED INTERVENTION	\$ 1,800,000	\$ -	\$ 983,975	\$ 816,025
COMMUNITY CRISIS RESPONSE	\$ 1,000,000	\$ -	\$ -	\$ 1,000,000
Total - Reimagining Public Safety FY2021-22 Expenditures	\$ 6,380,000	\$ 352,026	\$ 983,975	\$ 5,043,999

Opportunities for Input

- Monthly Council budget updates
 - Council and Stakeholder Budget Input Sessions for FY2022-2023
- ## Community Budget Meetings
- March 16 at 12:00 PM (completed)
 - March 24 at 5:30 PM
 - March 31 at 5:30 PM
 - RNCC - April at 7:00 PM
- <https://www.ci.richmond.ca.us/4096/Community-Budget-Meetings>

CUIDAD DE RICHMOND
Reuniones Comunitarias sobre el Presupuesto
ORGANIZADA POR EL DEPARTAMENTO DE FINANZAS

PARTICIPA CON NOSOTROS!

16 de marzo de 2022 - 12:00 p.m.
24 de marzo de 2022 - 5:30 p.m.
31 de marzo de 2022 - 5:30 p.m.
11 de abril - 7:00 p.m.
RNCC

Escanee el código QR o visite www.tinyurl.com/3xzusr6d para asistir a la reunión. Recibirá una descripción general sobre el proceso del presupuesto municipal, información sobre las finanzas de la ciudad, e información sobre el Plan de Rescate Estadounidense (American Rescue Plan). El personal de la Ciudad estará disponible para contestar sus preguntas.

¡Esperamos su asistencia y sus comentarios!



Para hacer preguntas o obtener más información:
✉ community_budget@ci.richmond.ca.us
☎ 510.620.6740
🌐 www.ci.richmond.ca.us/4096/Community-Budget-Meetings

CITY OF RICHMOND
Community Budget Meetings
HOSTED BY THE FINANCE DEPARTMENT
JOIN US!

March 16, 2022 - 12:00 p.m.
March 24, 2022 - 5:30 p.m.
March 31, 2022 - 5:30 p.m.
April 11, 2022 - 7:00 p.m.
(RNCC)

Scan the QR code or visit www.tinyurl.com/3xzusr6d to attend the meeting. You will receive an overview of the City's budget process, information on the City's finances, and the American Rescue Plan. City staff is also available to answer questions.

We look forward to your attendance and input!



To ask questions or for more information:
✉ community_budget@ci.richmond.ca.us
☎ 510.620.6740
🌐 www.ci.richmond.ca.us/4096/Community-Budget-Meetings

Future Priorities

- Address Pension Obligation Bond
- Fund and Implement Class & Compensation Study
- Complete Capital Needs Assessment
- Monitor Measure U Revenue
- Consider Additional Revenue Enhancements
- Fund facilities, fleet, Information Technology, and infrastructure improvements
- Increase City reserves to 15 percent

Recommended Action

REVIEW the Fiscal Year 2021-2022 operating and capital improvement budgets at mid-year; and ADOPT a resolution approving the proposed Fiscal Year 2021-2022 budget adjustments.

Thank you



Questions?