



# Fiscal Year 2022-23 Quarter 1 Budget Report

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Richmond City Council Meeting  
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## Recommended Action

Item No. Y.2. RECEIVE FY 2022-23's Quarter 1 Budget Report for the period of July 1, 2022 through September 30, 2022; and APPROVE proposed Budget Adjustments.

# Overview

- ▶ FY 2022-23 Quarter 1 Budget Report
  - ▶ General Fund Revenues
  - ▶ General Fund Expenditures
  - ▶ Non-General Fund Revenues
  - ▶ Non-General Fund Expenditures
  - ▶ Capital Improvement Projects Highlights
- ▶ Budget Adjustments
- ▶ Labor Negotiations and Looming Recession
- ▶ Next Steps
- ▶ Questions

# General Fund Revenues

FUNDS	ORIGINAL APPROP	REVISED BUDGET	YTD ACTUAL	ENCUMB.	AVAILABLE BUDGET	W/O ENCUMB. % USED	WITH ENCUMB. % USED
<b>0001-General Fund</b>							
PROPERTY TAXES	(46,056,962)	(46,056,962)	-	-	(46,056,962)	0%	0%
SALES & USE TAX	(55,282,200)	(55,282,200)	(2,464,665)	-	(52,817,535)	4%	4%
UTILITY USERS TAX	(49,963,589)	(49,963,589)	(17,672,407)	-	(32,291,182)	35%	35%
OTHER TAXES	(21,638,449)	(21,638,449)	(2,278,697)	-	(19,359,752)	11%	11%
LICENSES,PRMITS&FEES	(11,129,402)	(11,129,402)	(1,940,532)	-	(9,188,870)	17%	17%
FINES & FORFEITURES	(475,275)	(475,275)	(10,304)	-	(464,971)	2%	2%
USE OF MONEY&PROPRTY	(236,079)	(236,079)	-	-	(236,079)	0%	0%
CHARGES FOR SERVICES	(3,571,292)	(3,571,292)	(586,021)	-	(2,985,271)	16%	16%
OTHER REVENUE	(187,500)	(187,500)	(67,048)	-	(120,452)	36%	36%
RENTAL INCOME	(874,506)	(874,506)	(233,227)	-	(641,280)	27%	27%
INTERGOV STATE TAXES	(125,000)	(125,000)	-	-	(125,000)	0%	0%
INTERGOV STATE GRANT	(175,000)	(175,000)	-	-	(175,000)	0%	0%
INTERGOV OTHER GRANT	(253,569)	(263,569)	(119,209)	-	(144,360)	45%	45%
PROC FR SLE PROP	(100,000)	(100,000)	-	-	(100,000)	0%	0%
OPER XFERS IN	(16,563,424)	(16,563,424)	(16,498,336)	-	(65,088)	100%	100%
<b>Total Revenue</b>	<b>(206,632,248)</b>	<b>(206,642,248)</b>	<b>(41,870,445)</b>	<b>-</b>	<b>(164,771,802)</b>	<b>20%</b>	<b>20%</b>

Source: Staff Report Page 2

# General Fund Expenditures

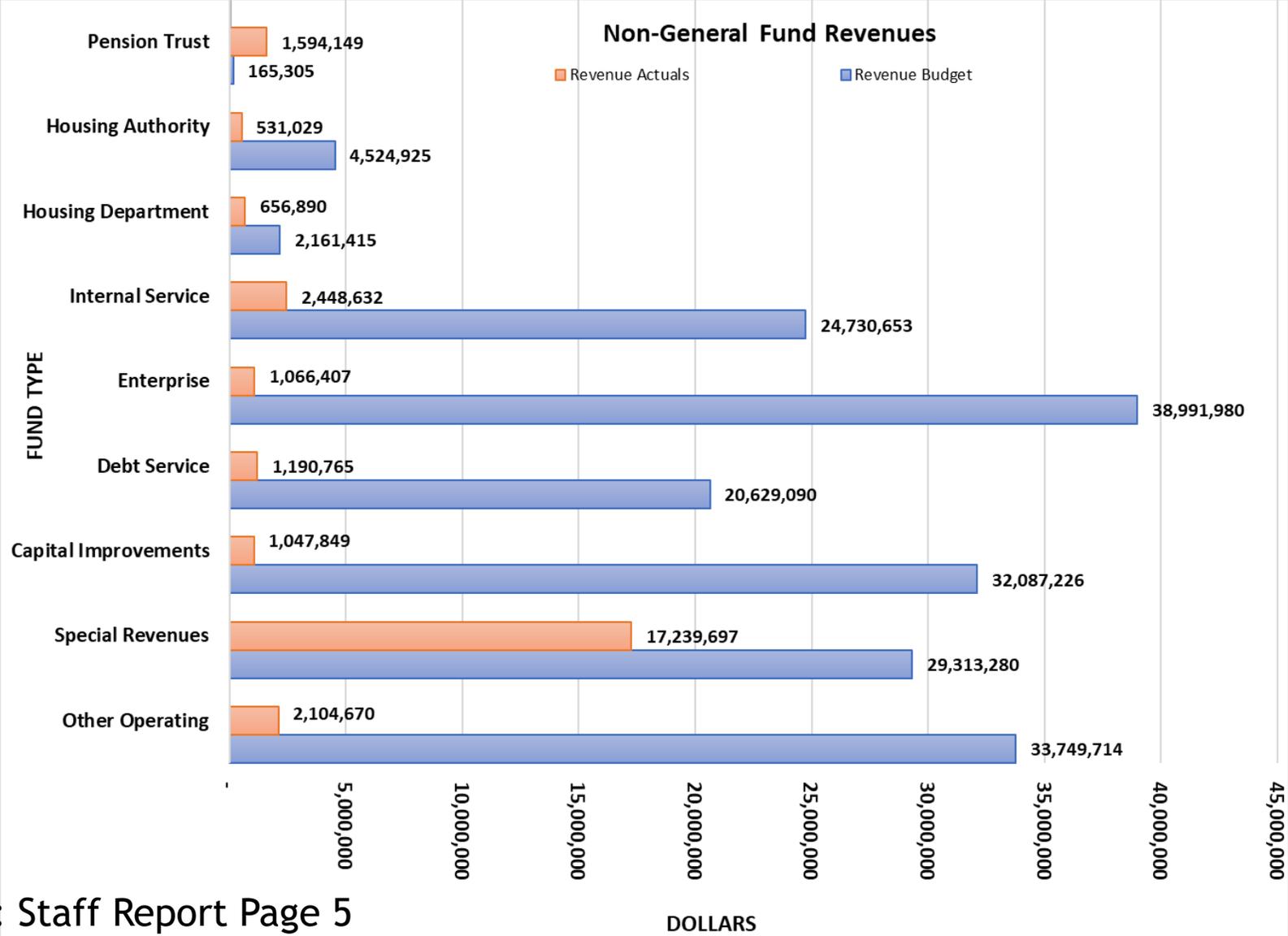
FUNDS	ORIGINAL APPROP	REVISED BUDGET	YTD ACTUAL	ENCUMB.	AVAILABLE BUDGET	W/O	WITH
						ENCUMB. % USED	ENCUMB. % USED
<b>0001-General Fund</b>							
SALARIES AND WAGES	78,761,868	78,549,213	16,158,437	-	62,390,776	21%	21%
PYROLLFRINGE BENEFIT	66,929,804	66,887,328	14,746,497	-	52,140,831	22%	22%
PROF & ADMIN	16,977,138	17,173,006	1,771,014	3,780,379	11,621,613	10%	32%
OTHER OPERATING	7,970,902	7,987,130	1,195,630	1,738,687	5,052,813	15%	37%
UTILITIES	5,399,957	5,397,722	821,829	900,421	3,675,473	15%	32%
EQPT & CONTRACT SVCS	2,731,448	2,714,957	842,428	551,802	1,320,727	31%	51%
PROVISN FOR INS LOSS	25,725	29,641	3,770	24,871	1,000	13%	97%
COST POOL	15,277,766	15,277,766	-	-	15,277,766	0%	0%
ASSET/CAPITAL OUTLAY	3,172,136	3,455,211	133,172	71,242	3,250,798	4%	6%
DEBT SVC EXPENDITURE	1,037,009	1,037,009	118,080	-	918,929	11%	11%
A87 COST PLAN REIMBS	(3,531,610)	(3,531,610)	-	-	(3,531,610)	0%	0%
GRANT EXPENDITURES	2,500	82,500	-	8,000	74,500	0%	10%
OPER XFERS OUT	11,877,605	11,877,605	1,718,722	-	10,158,883	14%	14%
<b>Total Expenditures</b>	<b>206,632,248</b>	<b>206,937,477</b>	<b>37,509,577</b>	<b>7,075,400</b>	<b>162,352,499</b>	<b>18%</b>	<b>22%</b>

General Fund expenditures totaled \$37.5 million (22 percent of budget) for the first quarter of FY 2022-23.

Actuals are trending lower than the approved budgeted amounts. The variances around the 22 percent threshold are mostly due to purchase order encumbrances, which are funds earmarked for specific operating expenditures, such as copier leases.

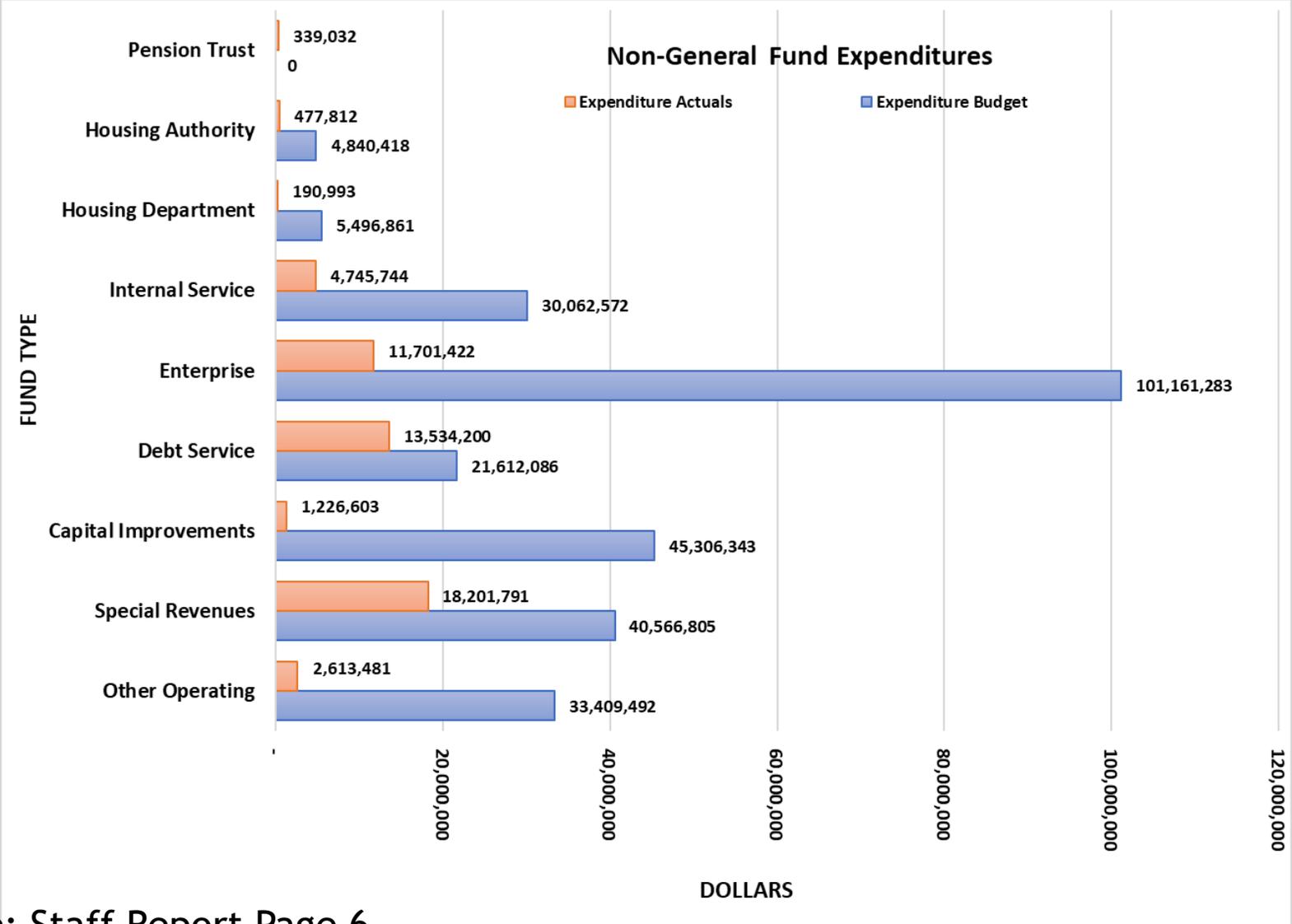
Source: Staff Report Page 4

# Non-General Fund Revenues Budget vs. Actuals



Source: Staff Report Page 5

# Non-General Fund Expenditures Budget vs. Actuals



Source: Staff Report Page 6

# Capital Improvement Projects Highlights

- Castro Ranch Road
- Grit and Aeration Replacement
- Richmond Parkway
- Street Paving
- Yellow Brick Road



# Budget Adjustments

Fund	Fund Description	Expense Adjustments Increase/ (Decrease)	Justification
1306	America Rescue Plan Act (ARPA)	296,330	American Rescue Plan Act - City staff is proposing to appropriate \$296,300 for Environmental Planning. The project was appropriated in the FY2021-22 budget; however, the appropriation was inadvertently not included in the FY 2022-23 budget that was approved on June 21, 2023.
1306	America Rescue Plan Act (ARPA)	1,000,000	American Rescue Plan Act - City staff is proposing to appropriate \$1,000,000 for the Community Beautification Project. The project was appropriated in the FY 2021-22 budget; however, the appropriation was inadvertently not included in the FY 2022-23 budget that was approved on June 21, 2023.
1306	America Rescue Plan Act (ARPA)	150,000	American Rescue Plan Act - City staff is proposing to appropriate \$150,000 for MLK Turf Field. The project was appropriated in the FY 2021-22 budget; however, the appropriation was inadvertently not included in the FY 2022-23 budget that was approved on June 21, 2023.
4003	Wastewater	(1,598,844)	Wastewater Fund 4003 - City staff is requesting to remove the Flood Risk Reduction Rheem Creek Grant budget. The Grant is already budgeted in the Stormwater fund and this appropriation is redundant.
2002	Measure J	600,000	Measure J - The revenue exceeded by \$600,000 more than the original budget, City staff is proposing to appropriate the additional funding to the Street Paving Program.

	<b>Net Impact</b>	<b>447,486</b>	<b>Source: Staff Report Attachment 4</b>
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# Labor Negotiations and Looming Recession

- ▶ The City is in the midst of labor negotiations with several bargaining units regarding labor contracts and the implementation of the Classification and Compensation study. The results of the negotiations will impact the expenditure trends going forward.
- ▶ The global economy is also indicating the early signs of recession in the calendar year of 2023. Due to these pressures on the City's expenditures and revenues, there is a great deal of potential for fiscal headwinds in the coming years that could deplete the City's reserves.

## Next Steps

- ▶ The City staff will continue to closely monitor the revenues and expenditure trends in the current fiscal year to determine if adjustments will need to be made during the Mid-year Budget Process in early 2023.
- ▶ Complete a Facilities Master Plan and develop a plan to improve the built environment including increasing the Paving Index, which is currently at 62 (and our goal is in the mid-70's).

# Thank you!

Questions?

