



City of Richmond

Fiscal Year 2023-2024 Operating Budget

Five Year Capital Improvement Projects Program

Budget, Fiscal Year 2023-2024 through 2027-2028

June 20, 2023

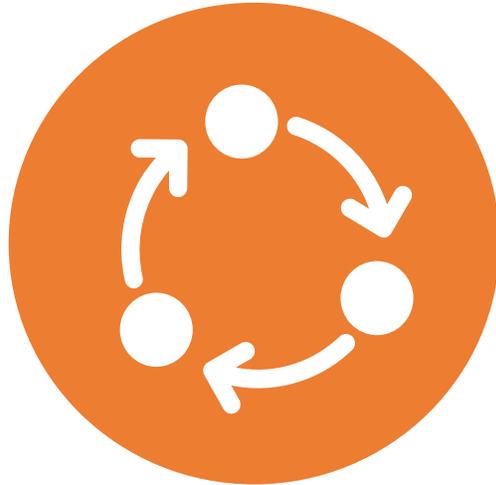
Shasa Curl, City Manager

Nickie Mastay, Deputy City Manager

Mubeen Qader, Deputy Director of Finance

Antonio Banuelos, Accounting Manager

Organizational Priorities



Day-to-Day Operations



Corrective Action Plan



New Council Requests



New Council Policy
Direction

Recommended Action

ADOPT resolutions approving: (1) Fiscal Year (FY) 2023-2024 Annual Operating Budget, and (2) FYs 2023-2024 to 2027-2028 Five-Year Capital Improvement Projects Program Budget

Questions?



Councilmembers may contact Lilia Corral at [510.620.6787](tel:510.620.6787) (lilia_corral@ci.richmond.ca.us) to schedule meetings with the City Manager and Finance staff to review and discuss inquiries pertaining to the budget

Overview

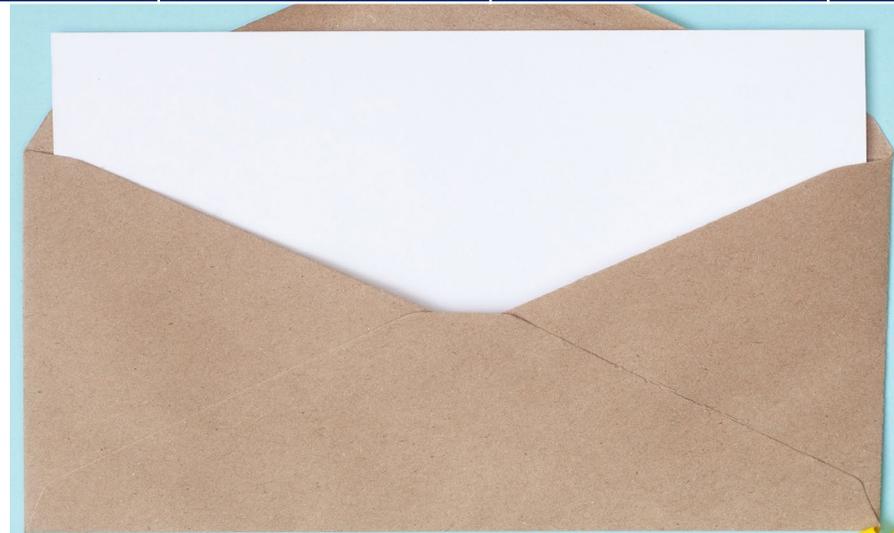
- FY2023-24 Budget Development Key Dates
- General Fund Revenue Assumptions
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- Non-General Fund Revenue
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- Major Capital Improvement Projects
- Next Steps

FY2023-2024 Budget Development -Milestones

ACTION / ACTIVITY	DATE
Budget Kick-Off Meeting	January 26
Budget Input Window	January 30 thru February 26
Budget Hearings:	March 13 thru March 23
Community Budget Meetings	April 10, 17, & 20
Union Budget Meeting	April 28
Study Session First Draft Budget	May 2
Economic Analysis (Beacon & GovInvest)	May 16
City Council Goal Setting Sessions	May 22, May 31, June 15
Second Draft Budget	June 6
Council to adopt FY 2023-24 Operating Budget, 5 Year Capital Improvement Plan, and GANN Limit	June 20
Adopted FY2023-24 budget available in MUNIS	July 1

Budget Envelope

	FY 2022-23	FY 2023-24	FY 2023-24	FY 2023-24	PCT
GENERAL FUND	REVISED BUDGET	MAY 2, DRAFT BUDGET	JUNE 6, DRAFT BUDGET	JUNE 20, PROPOSED BUDGET	CHANGE (Between FY 22-23 and 6/20/23 FY 23-24 budgets)
TOTAL REVENUES	(215,103,041)	(221,330,13)	(225,374,60)	(225,374,607)	4.78%
TOTAL EXPENDITURES	215,139,689	221,330,130	225,374,607	225,374,607	4.76%
NET (-SURPLUS)/+DEFICIT	36,648	-	-	-	-100.00%



General Fund Revenue Assumptions

Revenue	Assumption
PROPERTY TAXES	Assuming 3.3% growth for secured, and other streams flat, using YTD actuals (not budgeted amount)
SALES & USE TAX	Using Avenue Consulting Sales Tax (Regular, two voter approved, and Prop 172) forecast models and reducing by amount paid to City of El Cerrito
UTILITY USERS TAX	Using % estimates from Avenue, coupled with YTD amounts from current fiscal year.
OTHER TAXES	UUT amounts for gas and Electricity, Cable, and Telecommunications based on projected FY23 revenues times growth in Avenue Consulting forecast. Operation based on the formula in RMC and estimate of CPI change with actual postings through May (June CPI posting pending).
LICENSES,PRMITS&FEES	Main item is Business Tax at \$10.5M - which is the expected base going forward. Estimate is based on gross receipts payments received YTD which corresponded to both calendar years 2022 and 2023.
FINES & FORFEITURES	Based on YTD amounts.
USE OF MONEY&PROPRTY	Flat, based on YTD actuals. If interest rates and cash balances remain high, this could be revisited.
CHARGES FOR SERVICES	Decrease from budgeted amount but in line with YTD actuals and flat from there.
OTHER REVENUE	Other revenue is unpredictable. Budgeted amounts are department's best estimates.
RENTAL INCOME	Terminal 4 Lease (\$80k) moved from GF Port Fund
INTERGOV STATE TAXES	Flat - only item is Motor Vehicle Fees
INTERGOV STATE GRANT	Flat - main item is State Mandated Costs Reimbursement
INTERGOV OTHER GRANT	Flat - Only grant is Supplemental Law Enforcement
PROC FR SLE PROP	No surplus property planned for sale
LOAN/BOND PROCEEDS	Flat - based on CY actuals
OPER XFERS IN	PTORS - AV Growth of 3.3% plus adjustments to the new 2022 Bond Schedule - leftover funds get rolled to GF

Draft General Fund Revenues

GENERAL FUND	FY 2022-23 REVISED BUDGET	FY 2023-24 JUNE 6, DRAFT BUDGET	PCT CHANGE
Property Taxes	(48,608,929)	(50,567,173)	4.03%
Sales & Use Tax	(55,554,137)	(56,752,495)	2.16%
Utility Users Tax	(50,861,279)	(55,775,083)	9.66%
Other Taxes	(22,452,187)	(23,237,723)	3.50%
Licenses, Permits & Fees	(11,080,956)	(13,286,195)	19.90%
Fines & Forfeitures	(465,275)	(331,144)	-28.83%
Use Of Money & Property	(1,021,047)	(1,011,535)	-0.93%
Charges For Services	(3,568,792)	(2,561,992)	-28.21%
Other Revenue	(192,545)	(238,480)	23.86%
Rental Income	(874,506)	(777,028)	-11.15%
Intergovernmental State Taxes	(125,000)	(125,000)	0.00%
Intergovernmental State Grant	(175,000)	(110,000)	-37.14%
Intergovernmental Other Grant	(263,569)	(250,000)	-5.15%
Proceeds From Sale of Property	(100,000)	-	-100.00%
Loan/Bond Proceeds	(39,400)	(40,400)	2.54%
Operating Transfers-In	(19,720,418)	(20,310,358)	2.99%
Total Revenues	(215,103,041)	(225,374,607)	4.78%

General Fund Expenditure Assumptions

Expenditures Category	Assumptions
Salaries and Wages	Approved MOUs for Fire L188, Police and Local 1021, Local 21. Estimated costs for pending MOUs for Executives, Fire and Police Management.
Payroll Fringe Benefits	Healthcare costs at current rates as of FY 2022-23, Other Post-Employment Benefits per current Actuarial report, Retirement rates per current CalPERS rates. Worker's Comp rate 3.35 percent overall decrease in rates.
Professional and Admin Services	Baseline budget plus \$5.5 million for additional appropriations including an inflation factor of \$761K
Other Operating	Baseline budget with one-time appropriations removed plus an inflation factor of \$258K
Utilities	Baseline budget plus an inflation factor of \$257K
Equipment & Contract Services	Baseline budget based plus an inflation factor of \$130K
Provision for Insurance Loss	Insurance Premiums
Cost Pool (Vehicle Replacement)	Fleet Services provided list with prioritized items (draft - the budget will change)
Cost Pool (General Liability)	Pending final calculations (draft - the budget will change)
Cost Pool (Cost Allocation Plan - Admin Charges)	Unchanged pending new Cost Allocation Plan (draft - the budget may change)
Cost Pool (Civic Center Debt Allocation)	Charge derived from the debt service, cash balance, and square footage used by divisions
Asset Capital Outlay	As needed
Debt Service Expenditure	Based on the Debt Service Schedule
A87 Cost Plan Reimbursement	Based on the Cost Allocation Plan - Admin Charges
Grant Expenditures	Based on the awarded grants
Operating Transfer Out	Recurring and one-time subsidies to non-General Fund programs.

Draft General Fund Expenditures

GENERAL FUND	REVISED BUDGET FY 2022-23	PROPOSED BUDGET FY 2023-24	PCT CHANGE
SALARIES AND WAGES	76,715,696	83,176,695	8.42%
PYROLLFRINGE BENEFIT	66,846,458	63,042,611	-5.69%
PROF & ADMIN	20,043,782	20,045,191	0.01%
OTHER OPERATING	6,954,201	9,180,842	32.02%
UTILITIES	5,387,756	5,295,865	-1.71%
EQPT & CONTRACT SVCS	2,718,982	6,018,370	121.35%
PROVISN FOR INS LOSS	29,641	34,200	15.38%
COST POOL	15,277,766	21,593,734	41.34%
ASSET/CAPITAL OUTLAY	5,756,590	1,893,500	-67.11%
DEBT SVC EXPENDITURE	1,037,009	841,353	-18.87%
A87 COST PLAN REIMBS	(3,531,610)	(3,531,611)	0.00%
GRANT EXPENDITURES	117,990	19,155	-83.77%
OPER XFERS OUT	17,785,428	17,764,702	-0.12%
TOTAL EXPENDITURES	215,139,689	225,374,607	4.76%

General Fund Operating Transfers Out

Operating Transfers Out	Draft Budget FY 2023-2024
Debt Service	4,849,954
Hilltop Lighting and Landscaping District	235,988
Marina Bay Lighting and Landscaping District	476,309
Employment and Training	486,201
Information Technology Equipment Replacement	100,000
Department of Children and Youth	6,453,091
Richmond Housing Authority	1,261,082
Pension Fund	152,077
Reimagining Public Safety -Unhoused Intervention	1,320,000
Reimagining Public Safety -Youthworks	1,980,000
Rent Program General Liability Subsidy	150,000
Climate Resiliency Contingency	300,000
Total	17,764,702

General Fund Additional Appropriations

Department	Approp.	Description
Public Works	25,000	City Council Chairs Upholstery
Community Services	100,000	Administrative Costs and Park Stewards
Non-Departmental	100,000	User Fee Study
Non-Departmental	100,000	Special Events & Fee Subsidy
Non-Departmental	750,000	Public Bank
Non-Departmental	300,000	Climate Resiliency Contingency/Built Environment Repair
Fire	500,000	Climate Resiliency Contingency/Wildfire Safety
Police	200,000	Flock Pan Tilt Cameras
Total	2,075,000	

Non-General Fund Revenue

FUND	PROPOSED BUDGET FY 2023-24 REVENUE
Total Capital Improvement Fund	(44,435,732)
Total Debt Service Fund	(19,551,216)
Total Enterprise Fund	(41,443,141)
Total Housing Funds	(1,911,772)
Total Housing Authority Funds	(5,563,388)
Total Internal Service Funds	(30,919,340)
Total Other Operations Funds	(32,931,748)
Total Pension Funds	(152,897)
Total Special Revenue Funds	(52,345,364)
Total All Funds	(229,254,599)

Non-General Fund Expenditure

FUND	PROPOSED BUDGET FY 2023-24
Total Capital Improvement	70,620,921
Total Debt Service	19,174,878
Total Enterprise Fund	86,084,855
Total Housing Funds	6,249,305
Total Housing Authority	5,570,438
Total Internal Service Funds	36,799,838
Total Other Operations	33,182,604
Total Special Revenue Funds	68,422,088
Total All Funds	326,104,928

Non-General Fund Additional Appropriations

\$250,000 Professional Services budget for Port's Strategic Planning.



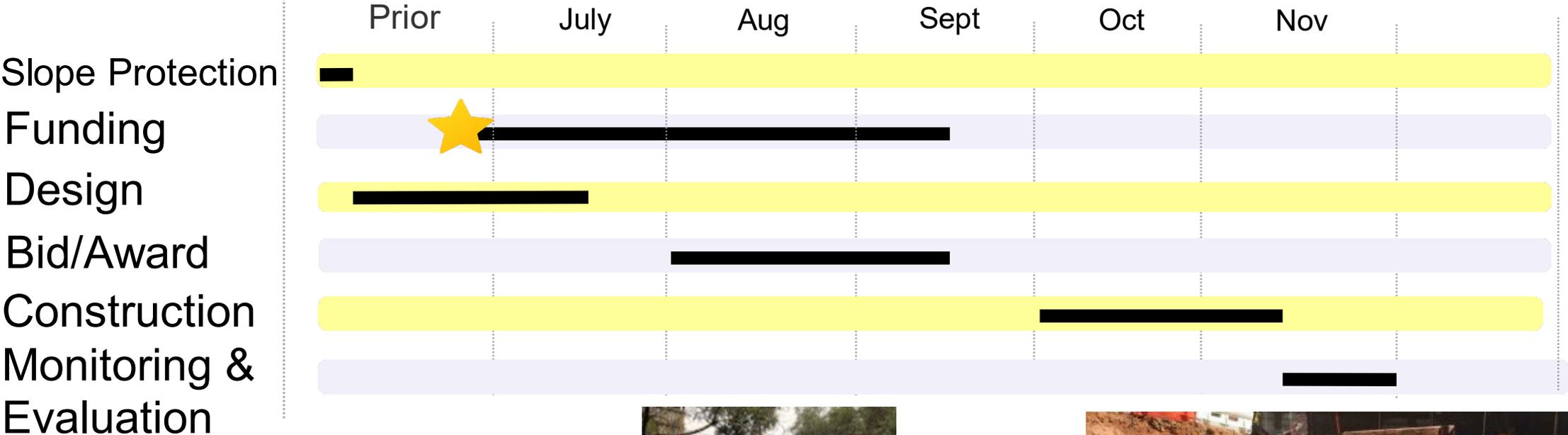
Major Capital Improvement Projects

- Community Services, Library, Revitalizing the Main Library, \$29,569,469.
- Community Services, Recreation, Auditorium Convention Center Upgrades, \$500,000
- Economic Development, Port, Terminal 4 Wharf Removal, \$5,859,686.
- Economic Development, Terminals 7 & 8 Berth Electrification, \$1,700,000
- Public Works, Water Resource Recovery, Wastewater Treatment Plant, \$34,314,184

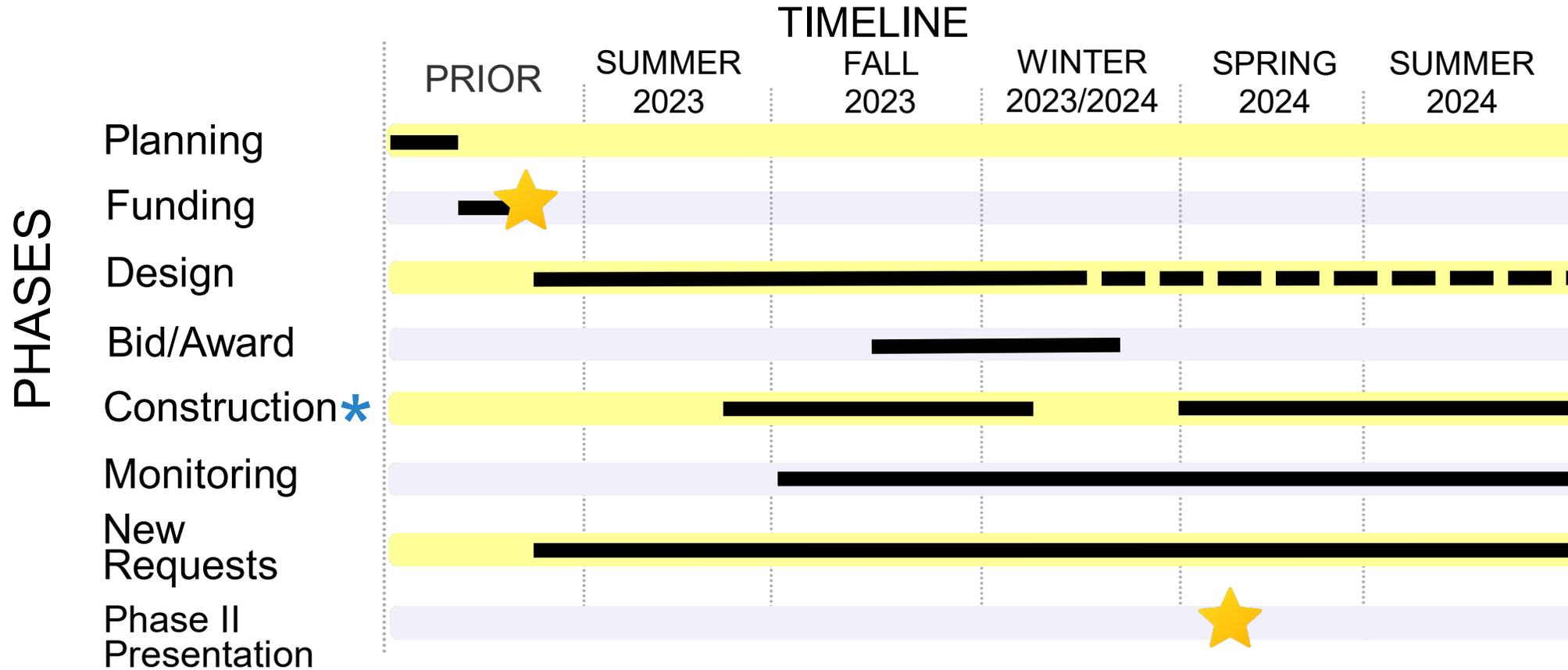
Proposed Project Timeline: Santa Rita Road

TIMELINE

PHASES



Traffic Calming Program Timeline



★ Consists 18 Priority Sites Adopted November 2022

Fleet Budget Analysis

FY 2023-2024 budget includes a placeholder budget of \$9.7 million for vehicles and large equipment. The Fleet Division of Public Works will work collaboratively with the City Manager's Office, Finance Department, and City Staff to prepare a long-term plan for fleet procurement to present to the City Council for approval.

NEXT STEPS

ADOPT resolutions approving: (1) Fiscal Year (FY) 2023-2024 Annual Operating Budget, and (2) FYs 2023-2024 to 2027-2028 Five-Year Capital Improvement Plan Budget – City Manager’s Office/Finance Department (Shasa Curl 510-620-6512/ Nickie Mastay 510-620-6609/ Mubeen Qader 510-412-2077).

Thank you!

Questions?