

Mayor Eduardo Martinez

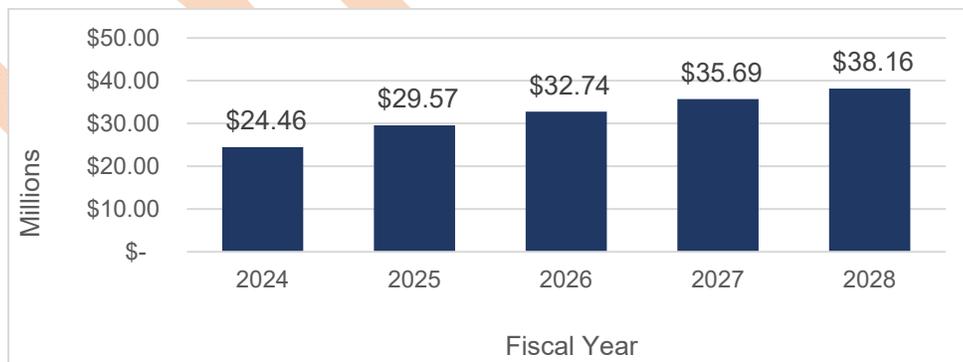
- Are vehicle replacements included the General Fund (GF) or Capital Fund? Why is GF going up?
Equipment Replacement shows up in both, General Fund (GF), and the Capital Fund. Capital Fund works as a middleperson (broker) that specializes in sourcing the vehicles for the departments. The departments pay to the Capital Fund for the vehicles that are being replaced. The expense can be tracked on both ends, the General Fund and the Capital Fund.
- Concerns about understanding the different budgets and keeping them separate (i.e., GF, CIP, Cost Pool Allocation and how does the Cost Pool interact with the GF)
The City utilizes various funds within its accounting system. Each fund is considered a certain 'pot' of money with specific purposes. Currently, the City has approximately 100 different funds. The General Fund is where the City has its major operating expenditures and funds its major services to the City such as Police, Fire, Community Services, and Public Works.

Councilmember Doria Robinson (Absent on June 6, 2023)

Councilmember Claudia Jimenez

- CALPERS 3% - Why is only 3% budgeted in future years? How do we close the gap?
CalPERS costs, Normal costs, and Unfunded Actuarial Liabilities (UAL) are not projected at 3% in the Five-Year Financial Forecast. Those costs are projected based on the GovInvest's analysis utilizing the City's current funding ratio and expected return on investments on the CalPERS-managed investment portfolio. The figure below shows the projected costs for UAL.

Figure 1: City of Richmond Unfunded Actuarial Liability Annual Cost Forecast



- Can staff post the prior questions and the corresponding response from the Capital Improvement Projects Budgets presentation? (Mubeen)
City staff's responses to the Capital Improvement Projects Budget presentation on May 23, 2023, are posted to the Finance Department website and the documents are publicly available. (see link below)
<https://www.ci.richmond.ca.us/DocumentCenter/View/65555/FY-2023-2024-Draft-Responses-from-staff-May-23-2023-City-Council-meeting-PDF>

- Can details of the Cost Pool Allocations?
The cost allocation plan is with Matrix Consulting.
- How much was allocated to Risk Management and general information about operations, operating costs, claims payments etc.?
See attached, Risk Management Fund FY2023-24 Proposed Budget Report
- Where are the positions that support Unhoused programming in the multi-year positions listing?
Positions that support Unhoused programming are included in Community Development Department, including the Housing Analyst, Housing Manager, and Housing Services Supervisor.
- What opportunities exist for increasing the operating hours for both the Library and Recreation Division? Can they be open on weekends (i.e., Saturday and Sunday)
Library and Recreation staff are interested in increasing the hours at our libraries and community centers. Library staff is working to open the Main Library on Saturdays from 12pm – 5pm beginning Saturday, July 8, 2023 (FY 23-24). Expanding hours at the Main Library and at the branches will be assessed once all vacant positions are filled (this is a work-in-progress in collaboration with Human Resources). If there are community requests and additional staffing is needed to open the Main Library or branches on Sundays, staff will bring position requests to the City Council at a later date. With regards to the Recreation Division, if position and appropriation requests are approved as part of the FY 2023-24 budget, staff will be able to increase Saturday hours at the Recreation Complex (most highly used Recreation center), and expand the hours and access for the Tool Lending Libraries.
- Will the four (4) new full-time (FTE) staff in Recreation be sufficient to increase hours and provide coverage during the weekends?
The 4 additional FTEs proposed in the budget will allow for: (1) the expansion of hours on Saturdays at the Recreation Complex (the additional budget appropriations will support the addition of programs), (2) the expansion of hours at the Tool Lending Library at the Recreation Complex (with the plan to have some of those hours available on Saturday), and (3) the expansion of the Mobile Tool Lending Library to other sites outside of North Richmond. It is important to note that one of the 4 new FTEs is a reclassification of one Permanent PT Recreation Program Specialist to one FT Recreation Program Coordinator.

Although additional staffing and appropriations would allow for Recreation to open for more hours at the Recreation Complex and expand programs and hours (including weeknights and weekends) at additional sites, the 4 additional FTEs will allow Recreation to begin the expansion process. In the meantime, Recreation staff will continue to work with Human Resources to fill the proposed new positions and continue to collect and analyze data from current and future Recreation users on desired program offerings, hours of operation, etc. inform the understanding of community needs.

Staff is eager to increase the number of hours at the Richmond Swim Center and Plunge and are currently working with Human Resources and Employment and Training to develop new strategies to

recruit and retain more lifeguards increase the hours of operation. Staff is also working on a partnership with the Richmond Swims to offer additional swim programs.

- Provide information on Recreation’s part-time staffing levels. Are the levels sufficient?
As of June 11, 2023, there are 68 part-time temporary staff employed through Recreation. This number is constantly changing as new staff are hired to support year-round, summer and/or special programs. The total amount budgeted in FY 23-24 to support the hire of PT staff is \$934,000. Additional allocation for PT staff, along with additional FTE positions, would allow Recreation to expand both program offerings and hours of operation. Throughout the FY, staff will continue to analyze and monitor staffing and program needs.
- Provide a listing of part-time staff by department/division.
The number of part-time staff employed through various departments changes within and between fiscal years. Each department allocates a specific amount of funding annually to cover their projected needs for part-time staff. City staff can run reports, for a specific point-in-time, to determine the number of PT staff employed by each department/division. Figure 2 below shows the number of part-time temporary staff by department/division as of Sunday, June 11, 2023, at 11:31PM.

Figure 2: Part-Time Temporary Employees as of Sunday June 11, 2023, 11:31PM

Departments	Count of Part-Time Temp. Employees
PART-TIME & INTERMITTENT EE'S	
CITY COUNCIL	1
RECREATION	68
ECONOMIC DEVELOPMENT PROGRM	3
FINANCE	5
HUMAN RESOURCES MANAGEMENT	2
INFORMATION TECHNOLOGY	2
DEPT OF CHILDREN & YOUTH	1
LIBRARY	20
PLANNING & BUILDING REGULATION	2
POLICE	11
PUBLIC WORKS DEPARTMENT	13
RENT CONTROL	2
TRANSPORTATION OPERATION	1
Grand Total	131

- In reference to projections, why are the revenues underestimated in the 2023-year forecast?
FY2022-23 does not end until June 30, 2023. Revenues for the remainder of June, along with the accruals through August, are still pending. The main revenue items that are expected to end up higher than the mid-year budgeted amounts are Property Taxes, Utility User Tax, and the Business Tax. The Other Taxes category, specifically the Transfer Tax, is trending much lower.

Fiscal Year 2023-2024 Budget Development, City Council Questions from June 6, 2023, Meeting

- Property Taxes – The majority of the revenue streams in the Property Tax forecast including Secured Property Taxes are trending as budgeted. The only exception is the Successor Agency Surplus revenue. These are tax increment revenues that are above what is needed to cover the Successor Agency needs. Because of the unpredictability, staff usually budgeted the revenue as flat. The City received the second and final installment for FY2022-23 and the amount is \$2.5M million more than what was budgeted.
 - Utility Users Tax – Most UUT streams are trending as expected except that the Gas Electricity UUT paid by PG&E and MCE. This revenue is trending significantly higher due to higher rates coupled with higher usage due a colder winter.
 - Business Tax – Final number will be significantly higher than budgeted. This is still a new revenue stream where the City has not yet received a full years payment from many of the businesses, but the amount collected for 2022 (partials) and 2023 (not everyone has paid and due date is 7/1/2023) is over \$12M when the budgeted amount was \$8.5M. FY2022-23 is an anomaly in that many businesses will pay their tax twice during the fiscal year as we transitioned all businesses to have an expiration date of 12/31. FY2023-24 should be lower than current year, but higher than originally budgeted. New base is believed to be \$10.5M and is budgeted as such in FY2023-24.
 - Transfer tax – Through May 2023, with two more payments pending, the City has received \$8.7M in Transfer Tax. Last year at this point, the City had received \$13.2M. The budgeted amount, using the Guiding Fiscal Policy formula is \$14.4M.
- How do are the actual revenues compare to the budgeted amount?
Please see Figure 3 below.

Figure 3: General Fund Revenue FY 2022-23

GENERAL FUND REVENUES as of 06/13/2023		FY2022-23 CURRENT YR ACTUALS Period 11	FY2022-23 CY REVISED BUDGET	% YTD COLL	Prev. 3 YR AVG thru P11*
30	PROPERTY TAXES	41,846,201	48,608,929	86.1%	83.8%
31	SALES & USE TAX	43,764,256	55,554,137	78.8%	75.6%
32	UTILITY USERS TAX	51,367,972	50,861,279	101.0%	90.9%
33	OTHER TAXES	16,364,037	22,452,187	72.9%	81.6%
34	LICENSES, PERMITS & FEES	13,957,216	11,080,956	125.9%	89.5%
35	FINES & FORFEITURES	180,838	465,275	38.9%	89.2%
36	USE OF MONEY&PROPRTY	1,020,515	1,021,047	99.9%	68.2%
37	CHARGES FOR SERVICES	2,032,800	3,568,792	56.9%	84.7%
38	OTHER REVENUE	190,020	192,545	98.6%	80.6%
39	RENTAL INCOME	855,427	874,506	97.3%	86.4%
3A	INTERGOV STATE TAXES	118,794	125,000	95.0%	100.0%
3C	INTERGOV STATE GRANT	131,430	175,000	75.1%	78.8%
3D	INTERGOV OTHER GRANT	307,076	263,569	116.5%	93.8%
60	PROC FR SLE PROP	1,392	100,000	1.4%	92.0%
61	LOAN/BOND PROCEEDS	39,400	39,400	100.0%	33.3%
90	OPER XFERS IN	16,773,435	19,720,418	85.1%	100.3%

TOTAL REVENUES	188,950,811	215,103,041	87.8%	84.3%
*This is the average collected through May for the individual revenue categories for the past three years.				

- What happens to UUT after the Tax Settlement expires with Chevron?
After the Tax Settlement, nothing specifically happens to the UUT. Of course, the stipulated amount paid by Chevron goes down to Zero. Chevron will now have the option of continuing to pay based on the Cap Amount Provision as stipulated in the Richmond Municipal Code 13.52.100 - Maximum tax payable. They will also have the option to pay on actuals. If they opt to pay based on actuals, the City has the right to audit their records to confirm that the amount paid is correct.
- Provide details of expenditures and forecasting/projections of salaries & benefits after MOU agreements.
See figure 4, 5, and 6 for expenditures breakdown for the three forecast scenarios.

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Fiscal Year 2023-2024 Budget Development, City Council Questions from June 6, 2023, Meeting

Figure 4: Pessimistic Scenario

Expenditures	Sum of 22-23	Sum of 23-24	Sum of 24-25	Sum of 25-26	Sum of 26-27	Sum of 27-28
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40 - SALARIES AND WAGES	\$ 76,709,825	\$ 83,704,356	\$ 87,735,954	\$ 90,350,823	\$ 93,043,793	\$ 95,817,202
40A - SALARIES AND WAGES		\$ -	\$ 3,971,226	\$ 4,090,362	\$ 4,213,073	\$ 4,339,465
41 - PYRLL/FRINGE BENEFIT	\$ 66,887,828	\$ 64,604,849	\$ 71,488,750	\$ 75,374,830	\$ 79,081,144	\$ 82,324,533
41A - PYRLL/FRINGE BENEFIT		\$ -	\$ 2,789,084	\$ 2,872,757	\$ 2,958,940	\$ 3,047,708
42 - PROF & ADMIN	\$ 19,841,882	\$ 23,399,773	\$ 23,399,773	\$ 24,101,767	\$ 24,824,820	\$ 25,569,564
43 - OTHER OPERATING	\$ 11,219,048	\$ 7,029,392	\$ 6,929,392	\$ 7,137,273	\$ 7,351,392	\$ 7,571,933
44 - UTILITIES	\$ 5,394,982	\$ 5,286,750	\$ 5,286,750	\$ 5,445,352	\$ 5,608,713	\$ 5,776,974
45 - EQPT & CONTRACT SVCS	\$ 2,877,188	\$ 2,853,891	\$ 2,853,891	\$ 2,939,508	\$ 3,027,693	\$ 3,118,524
46 - PROVISN FOR INS LOSS	\$ 29,641	\$ 32,200	\$ 32,200	\$ 33,166	\$ 34,161	\$ 35,186
47 - COST POOL	\$ 15,277,766	\$ 21,777,297	\$ 21,777,297	\$ 22,430,616	\$ 23,103,534	\$ 23,796,640
4A - A87 COST PLAN REIMBS	\$ (3,531,610)	\$ (3,531,611)	\$ (3,637,559)	\$ (3,746,686)	\$ (3,859,087)	\$ (3,974,859)
48 - ASSET/CAPITAL OUTLAY	\$ 5,820,423	\$ 1,642,500	\$ 1,642,500	\$ 1,691,775	\$ 1,742,529	\$ 1,794,804
49 - DEBT SVC EXPENDITURE	\$ 1,037,009	\$ 841,353	\$ 841,353	\$ 841,353	\$ 841,353	\$ 841,353
50 - GRANT EXPENDITURES	\$ 117,338	\$ 19,155	\$ 19,155	\$ 19,155	\$ 19,155	\$ 19,155
51 - CDBG/HOME/HSG PROJ	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
52 - EMPLMT & TRNG ALLOC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
91 - OPER XFERS OUT	\$ 13,458,369	\$ 17,714,702	\$ 15,373,564	\$ 15,694,193	\$ 16,222,773	\$ 16,768,667
Grand Total	\$ 215,139,687	\$ 225,374,607	\$ 240,503,329	\$ 249,276,243	\$ 258,213,985	\$ 266,846,849

Figure 5: Optimistic Scenario

Expenditures	Sum of 22-23	Sum of 23-24	Sum of 24-25	Sum of 25-26	Sum of 26-27	Sum of 27-28
40 - SALARIES AND WAGES	\$ 76,709,825	\$ 83,704,356	\$ 87,746,204	\$ 90,361,380	\$ 93,054,668	\$ 95,828,402
41 - PYRLL/FRINGE BENEFIT	\$ 66,887,828	\$ 64,604,849	\$ 71,482,142	\$ 75,368,223	\$ 79,074,536	\$ 82,317,925
42 - PROF & ADMIN	\$ 19,841,882	\$ 23,399,773	\$ 23,867,769	\$ 24,822,480	\$ 25,815,379	\$ 27,106,148
43 - OTHER OPERATING	\$ 11,219,048	\$ 7,029,392	\$ 7,067,979	\$ 7,350,699	\$ 7,644,727	\$ 8,026,963
44 - UTILITIES	\$ 5,394,982	\$ 5,286,750	\$ 5,392,485	\$ 5,608,184	\$ 5,832,511	\$ 6,124,137
45 - EQPT & CONTRACT SVCS	\$ 2,877,188	\$ 2,853,891	\$ 2,910,969	\$ 3,027,408	\$ 3,148,504	\$ 3,305,929
46 - PROVISN FOR INS LOSS	\$ 29,641	\$ 32,200	\$ 32,844	\$ 34,158	\$ 35,524	\$ 37,300
47 - COST POOL	\$ 15,277,766	\$ 21,777,297	\$ 22,212,843	\$ 23,101,357	\$ 24,025,411	\$ 25,226,681
48 - ASSET/CAPITAL OUTLAY	\$ 5,820,423	\$ 1,642,500	\$ 1,675,350	\$ 1,742,364	\$ 1,812,059	\$ 1,902,662
49 - DEBT SVC EXPENDITURE	\$ 1,037,009	\$ 841,353	\$ 841,353	\$ 841,353	\$ 841,353	\$ 841,353
4A - A87 COST PLAN REIMBS	\$ (3,531,610)	\$ (3,531,611)	\$ (3,602,243)	\$ (3,746,333)	\$ (3,896,186)	\$ (4,090,996)
50 - GRANT EXPENDITURES	\$ 117,338	\$ 19,155	\$ 19,155	\$ 19,155	\$ 19,155	\$ 19,155
51 - CDBG/HOME/HSG PROJ	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
52 - EMPLMT & TRNG ALLOC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
91 - OPER XFERS OUT	\$ 13,458,369	\$ 17,714,702	\$ 15,373,564	\$ 15,694,193	\$ 16,222,773	\$ 16,768,667
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40A - SALARIES AND WAGES		\$ -	\$ 3,933,041	\$ 4,051,032	\$ 4,172,563	\$ 4,297,740
41A - PYRLL/FRINGE BENEFIT		\$ -	\$ 2,789,084	\$ 2,872,757	\$ 2,958,940	\$ 3,047,708
Grand Total	\$ 215,139,687	\$ 225,374,607	\$ 241,742,538	\$ 251,148,408	\$ 260,761,915	\$ 270,759,775

Fiscal Year 2023-2024 Budget Development, City Council Questions from June 6, 2023, Meeting

Figure 6: Middle of the Road Scenario

Expenditures	Sum of 22-23	Sum of 23-24	Sum of 24-25	Sum of 25-26	Sum of 26-27	Sum of 27-28
40 - SALARIES AND WAGES	\$ 76,709,825	\$ 83,704,356	\$ 87,746,204	\$ 90,361,380	\$ 93,054,668	\$ 95,828,402
41 - PYRLL/FRINGE BENEFIT	\$ 66,887,828	\$ 64,604,849	\$ 71,482,142	\$ 75,368,223	\$ 79,074,536	\$ 82,317,925
42 - PROF & ADMIN	\$ 19,841,882	\$ 23,399,773	\$ 23,399,773	\$ 24,101,767	\$ 24,824,820	\$ 25,569,564
43 - OTHER OPERATING	\$ 11,219,048	\$ 7,029,392	\$ 6,929,392	\$ 7,137,273	\$ 7,351,392	\$ 7,571,933
44 - UTILITIES	\$ 5,394,982	\$ 5,286,750	\$ 5,286,750	\$ 5,445,352	\$ 5,608,713	\$ 5,776,974
45 - EQPT & CONTRACT SVCS	\$ 2,877,188	\$ 2,853,891	\$ 2,853,891	\$ 2,939,508	\$ 3,027,693	\$ 3,118,524
46 - PROVISN FOR INS LOSS	\$ 29,641	\$ 32,200	\$ 32,200	\$ 33,166	\$ 34,161	\$ 35,186
47 - COST POOL	\$ 15,277,766	\$ 21,777,297	\$ 21,777,297	\$ 22,430,616	\$ 23,103,534	\$ 23,796,640
48 - ASSET/CAPITAL OUTLAY	\$ 5,820,423	\$ 1,642,500	\$ 1,642,500	\$ 1,691,775	\$ 1,742,529	\$ 1,794,804
49 - DEBT SVC EXPENDITURE	\$ 1,037,009	\$ 841,353	\$ 841,353	\$ 841,353	\$ 841,353	\$ 841,353
4A - A87 COST PLAN REIMBS	\$ (3,531,610)	\$ (3,531,611)	\$ (3,531,611)	\$ (3,637,559)	\$ (3,746,686)	\$ (3,859,087)
50 - GRANT EXPENDITURES	\$ 117,338	\$ 19,155	\$ 19,155	\$ 19,155	\$ 19,155	\$ 19,155
51 - CDBG/HOME/HSG PROJ	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
52 - EMPLMT & TRNG ALLOC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
91 - OPER XFERS OUT	\$ 13,458,369	\$ 17,714,702	\$ 15,373,564	\$ 15,694,193	\$ 16,222,773	\$ 16,768,667
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40A - SALARIES AND WAGES		\$ -	\$ 3,933,041	\$ 4,051,032	\$ 4,172,563	\$ 4,297,740
41A - PYRLL/FRINGE BENEFIT		\$ -	\$ 2,789,084	\$ 2,872,757	\$ 2,958,940	\$ 3,047,708
Grand Total	\$ 215,139,687	\$ 225,374,607	\$ 240,574,735	\$ 249,349,990	\$ 258,290,142	\$ 266,925,489

- Provide an analysis with amounts and explain how using those options will impact the UAL under those options.
Research is in progress.
- What are the projected revenues/expenses for FY2022/23?

On May 23, 2023, the City Council allocated \$15 million to the Library Renovation Project based on the estimated unspent funds from the FY 2022-2023 General Fund budget. City staff members are aware of the City Council’s desire to know if there are likely to be additional unspent funds available in the General Fund at the end of the current FY 2022-2023. The Finance department would like to point out that there are several invoices that are pending payment, and that departments such as Public Works are catching up on several large past due invoices as well as capital improvement projects. Also, there are many revenue line items that are pending receipts and pending grant reimbursements are hopefully forthcoming.

Vice Mayor Gayle McLaughlin

- What are the estimated costs for Police and Fire overtime?
See figure 7 for Police and Fire departments’ overtime budgets.

Figure 7: Police and Fire Overtime Budget

Department/Overtime Type	FY 2022-2023 Revised Budget	FY 2023-2024 Proposed Budget
Police, Non-Sworn	\$1,179,309	\$1,180,852
Police, Sworn	\$4,800,000	\$4,800,000
Fire, Non-Sworn	\$0	\$2,000
Fire, Sworn	\$4,334,499	\$4,482,969

- Set aside \$750,000 for the public bank and will create a working group on this topic.
The proposed FY2023-2024 budget includes a \$750,000 allocation for the Public Bank.
- Provide a better explanation of PTORS

Pension Tax Override is briefly described in Chapter 13.16 - PENSION TAX OVERRIDE of the Richmond Municipal Code.

What is Pension Tax Override?

It is a Property Tax in place since 1978 to pay indebtedness associated with pension programs approved by the voters before July 1, 1978. The rate has been at 0.14%, this is above the regular 1% that was capped with the passage of Prop 13 in 1978.

How much money is being collected?

In Fiscal Year 2022-2023, the City collected approximately \$25.7 million in Secured Pension Tax Override. Of that, \$20 million came directly from the 0.14% of the Assessed Valuation as collected by the County. An additional \$5.7 million came from Successor Agency surplus funds as directed by California Senate Bill 107 (SB 107) related to increment tax growth.

What is it being used for?

The funds collected are used for paying pension benefits at the pre-1978 benefit level. This does not mean for employees from 1978, but the base level of benefits in place at that time. The main items paid for with these funds are the Bond Intercept (pension funding bonds), 1999 Pension Obligation Bonds (to retire a portion of unfunded actuarial liability), and Police & Fire Pension (older plan). Any remaining amount can be transferred to the General Fund to cover other pension expenses such as Public Employees' Retirement System (PERS) that is paid directly from the General Fund.

Is it justified?

The collection and uses has been reviewed by outside counsel and found to comply with State law. The City has periodically reviewed the legality of both collection and uses of the "Pension Tax". The last time we had an in-depth legal review was in 2003. This was right after a judgement filed against the City of Huntington Beach for over collection of property taxes. It was feared we might be in the same predicament. The Mayor and Council at the time directed the City Manager and City Attorney to investigate the matter. Outside counsel was retained to review the specific situation in Richmond and it was determined that we were in compliance with State law. Specifically, in Richmond's case, the Charter Language was narrower, thus allowing the City to continue collection of this tax. Proposition 13 adopted by California voters prohibited any new taxes based on Assessed Valuation (AV). In brief, Richmond's "Pension Tax" to pay for indebtedness was in place prior to 1978, so not new.

More specifically, State law provides an exception for indebtedness approved by voters prior to July 1, 1978. While the obligation to fund pension benefits for the City's employee's "indebtedness" falling within the exception to the rule, this obligation includes only payment of pension benefits approved by the voters and extended to employees by the City prior to July 1, 1978. So only the level of pension benefits in place prior to July 1978 can be paid by the "Pension Tax". We periodically have actuarial reports done to make sure we are under this threshold and not over collecting. The last one was done in 2018 and we were well under the threshold.

- There is a need for more hours for the Richmond Swim Center and Community Centers – especially on weekends.
Staff agrees and would like to increase hours and programming at the swim centers and community centers. If position and appropriation requests are approved as part of the FY 2023-24 budget, staff

will be able to increase Saturday hours at the Recreation Complex (most highly used Recreation center), and expand the hours and access for the Tool Lending Libraries.

Staff is eager to increase the number of hours at the Richmond Swim Center and Plunge and are currently working with Human Resources and Employment and Training to develop new strategies to recruit and retain more lifeguards so that we can increase the hours of operation. Staff is also working on a partnership with the Richmond Swims to offer additional swim programs.

- Lighting for bathrooms and parks, as part of all parks plans
 - Lighting for bathrooms at parks are currently replaced in-kind on an as-needed basis. Upgrading lighting type at all bathrooms will require a Capital Improvement Project (CIP). The order of magnitude of this CIP has not been estimated yet. Staff will work on estimated a cost for lighting improvements for bathrooms at parks.
 - General lighting at parks is being addressed on a case-by-case basis, based on available budget. The challenge is vandalism as City crew repair lighting and soon after they are damage again. Staff will work on different alternatives to mitigate this situation. One of them is purchasing electric pull boxes with designs that deter vandalism. The initial cost of these boxes is estimated at \$250,000. City Council will decide if this task takes priority over others and reallocate funds.
- What are the preliminary estimate for 22/23 unspent funds now?

On May 23, 2023, the City Council allocated \$15 million to the Library Renovation Project based on the estimated unspent funds from the FY 2022-2023 General Fund budget. City staff members are aware of the City Council's desire to know if there are likely to be additional unspent funds available in the General Fund at the end of the current FY 2022-2023. The Finance department would like to point out that there are several invoices that are pending payment, and that departments such as Public Works are catching up on several large past due invoices as well as capital improvement projects. Also, there are many revenue line items that are pending receipts and pending grant reimbursements are hopefully forthcoming.
- Can we continue to see those scenarios going forward as the budget gets updated throughout the fiscal year.

Yes - the plan is to provide updates at least twice per year: At Mid-Year and the yearly adoption of the budget.
- How much do have in the reserve fund? Is it at 20% of GF... or more...or less?

At least 21 percent of GF proposed expenditures because the unassigned is unreliable now in the fiscal year.
- Paving index. Is the 5 to 6 million budgeted sufficient? I believe I read that staff will be trying to identify additional funding. So hopefully this will go up in time.

Correct, additional funding is required.
- In attachment 5, can you tell me the official position name for the social services person to be hired?

The position is being held in Community Services – Social Services, Project Manager II.

Councilmember Cezar Zepeda

- **Is the Hilltop Landscaping and Maintenance District contribution number correct?**

Yes, the number is correct. See the Engineer’s Report presented to the City Council on June 20, 2023.

- Are the fees listed tied to the Master Fee Schedule?

The fees are tied to the revenues. Most departments use current year amounts, estimate the level of services (same, more, or less), and then run the CPI used in the Master Fee Schedule updates to project revenue. These are estimates and other factors can and will influence the actual revenue received besides the fee increases.

- Are we getting/using Measure X funds? What portion are we using?

Figure 8 shows the summary of allocations for Measure X. City of Richmond is not situated to receive any Measure X funding per the program allocation summary below.

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Fiscal Year 2023-2024 Budget Development, City Council Questions from June 6, 2023, Meeting

Figure 8: Measure X Program Allocation Summary

Measure X Program Allocation Summary				On-Going	Exhibit
	One-Time	FY 2022/23	Total Allocation	FY 2023-2024	
Goal #1: Mental Well Being:					
CCRMC Psychiatric Emergency Services - 3,000 square feet Expansion	\$ 5,000,000		\$ 5,000,000		1
A3 Contra Costa Community Crisis Initiative	\$ 5,000,000		\$ 5,000,000	\$ 20,000,000	2
EPSDT Leverage Fund for Children’s Mental Health Services	\$ 3,250,000		\$ 3,250,000		3
San Ramon Valley FPD Behavioral Health Crisis Response Pilot Program	\$ 740,200		\$ 740,200		4
Goal #2: Equity in Action:					
Innovation Fund (Pilots and Innovative Projects)	\$ 2,000,000		\$ 2,000,000		5
Racial Equity and Social Justice	\$ -	\$ 600,000	\$ 600,000	\$ 1,200,000	6
Arts and Culture Programs	\$ -	\$ 250,000	\$ 250,000	\$ 250,000	7
Language Access Equity for Measure X Meetings	\$ 50,000	\$ 25,000	\$ 75,000	\$ 25,000	8
Measure X Needs Assessment Report Writer	\$ 20,000		\$ 20,000		9
Family Navigators		\$ 584,000	\$ 584,000	\$ 584,000	10
Library Literacy Program		\$ 200,000	\$ 200,000	\$ 200,000	11
Startup cost for the Library Foundation	\$ 50,000		\$ 50,000		12
Goal #3: Healthy Communities:					
Contra Costa Regional Medical Center		\$ 40,000,000	\$ 40,000,000	\$ 40,000,000	13
CCRMC Medical Clinic and Office Complex - 40,000 square feet	\$ 30,000,000		\$ 30,000,000		1
New Public Health Lab - 15,000 square feet	\$ 25,000,000		\$ 25,000,000		1
CCRMC Parking Structure - 325 spaces	\$ 15,000,000		\$ 15,000,000		1
CCRMC Interventional Radiology - 5,000 square feet	\$ 5,000,000		\$ 5,000,000		1
Local Housing Trust Fund		\$ 10,000,000	\$ 10,000,000	\$ 12,000,000	14
Permanent Supportive Housing (Net of Match)	\$ 5,200,000		\$ 5,200,000		15
CC CARES - Expanded/Comprehensive Healthcare for Uninsured		\$ 750,000	\$ 750,000	\$ 750,000	16
Development of Additional Childcare Providers		\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	17
Library Building Improvements	\$ 4,000,000		\$ 4,000,000		18
Goal #4: Intergenerational Thriving:					
County Youth Centers - East and Central County	\$ 10,000,000	\$ 1,750,000	\$ 11,750,000	\$ 3,500,000	19
Accessible Transportation Strategic Plan Implementation	\$ -	\$ 1,400,000	\$ 1,400,000	\$ 1,400,000	20
Master Plan for Aging/Local Community Based Aging Services	\$ 250,000	\$ 1,000,000	\$ 1,250,000	\$ 2,000,000	21
Early Childhood Education/Childcare		\$ 450,000	\$ 450,000	\$ 450,000	22
Children with Disabilities/Childcare Provider Support		\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	23
Goal #5: Welcoming & Safe Community:					
East County Fire – Build/Reopen and Staff Fire Stations (via annexation)	\$ 17,200,000		\$ 17,200,000	\$ 3,500,000	24
Contra Costa County Fire - Reopen and Staff Fire Stations	\$ 1,600,000	\$ 3,500,000	\$ 5,100,000	\$ 3,500,000	24
Fire/Wildland Mitigation/Fuel Reduction		\$ 4,500,000	\$ 4,500,000	\$ 4,500,000	24
Pinole Fire – Increase Service (via contract or annexation)		\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	24
Body Worn and In-Car Cameras - Sworn Staff	\$ 720,000	\$ 1,841,000	\$ 2,561,000	\$ 1,841,000	25
Climate Sustainability-Sustainability Trust Public Works Projects		\$ 2,500,000	\$ 2,500,000	\$ 2,500,000	26
Climate Equity and Resilience Investment in Conservation/Development		\$ 500,000	\$ 500,000	\$ 500,000	27
Community Based Restorative Justice	\$ 2,000,000		\$ 2,000,000		28
Illegal Dumping Initiative		\$ 600,000	\$ 600,000	\$ 600,000	29
Sales Tax Consulting Administrative Expense	\$ 65,000	\$ 200,000	\$ 265,000	\$ 200,000	30
County Facilities Deferred Maintenance	\$ 3,750,000		\$ 3,750,000		31
Refugee Resettlement Resources	\$ 1,000,000		\$ 1,000,000		32
Totals	\$ 136,895,200	\$ 78,150,000	\$ 215,045,200	\$ 107,000,000	

This chart can be found on the weblink shown below.

[https://www.contracosta.ca.gov/DocumentCenter/View/74239/Measure-X-Recommendation-Summary-Chart-](https://www.contracosta.ca.gov/DocumentCenter/View/74239/Measure-X-Recommendation-Summary-Chart)

- Why are the rental revenues going down?

The total rental revenues are not going down. The decrease we see for the General Fund is the result of reallocating one large lease to the Port Fund. Previously, the revenue from this lease was posted to the General Fund. The property in question is at Terminal 4 and the lease revenue will be recorded accordingly.

- Why is the Other Revenue category forecasted at zero percent?

The Other Revenue category, along with some other revenue categories, are forecasted at zero percent growth because the amounts received are not recurring. These can be one-time refunds,

reimbursements, miscellaneous other revenue that does not fit the standard categories, or even damage to property. To clarify, we do have a base amount for the Other Revenue category of approximately \$250,000 in the General Fund, but that amount stays at \$250,000 through the years of the forecast.

- Does the City have any recommendation to close the forecasted gaps?
The Five-year Financial Forecast focuses on financial trends and does not address the forecasted gaps. However, since the City has a policy to adopt a balanced General Fund budget on an annual basis, the City Council will make policy and budget decisions to close the gap as the years move forward.
- Did the City get grants for the Terminal 4 wharf removal?
Yes, the City received grants for the Terminal 4 wharf removal. This project is being funded by grants from San Francisco Bay Restoration Authority and the State Coast Conservancy.
- CalPERS, healthcare benefits, 3% increase year-over-year, why is it, historically it has been 17% to 20%.
Healthcare costs have been part of the overall benefits. The FY23-24 proposed budget has incorporated the current increased healthcare rate in the budget. The increased rate is forecasted to increase going forward at the same rate as other expenditures. It is true that each line item may and will experience its unique growth rate, however, the projection is rolling up the non-personnel benefits and assuming its growth rate at 3%. The rates will be revised on an ongoing basis to incorporate the changes as the fiscal years move forward.
- Could there be any recommendations on how to close the deficits in the later years? (Five-year forecast)
The Five-year Financial Forecast focuses on financial trends and does not address the forecasted gaps. However, since the City has a policy to adopt a balanced General Fund budget on an annual basis, the City Council will be adjusting the budgets to close the gap as the years move forward.
- Is there any potential to use PEMCHA? Differentiate between PEMCHA medical portion CALPERS?
Public Employees Medical and Hospital Care Act (PEMCHA) governs the CalPERS health program. The program enables the City to provide quality health benefit programs to our employees while reducing financial risk. PEMCHA requires Minimum Employer Contributions. The Minimum Employer Contribution is prescribed by Government Code section 22892 of PEMCHA “the employer contribution shall be adjusted annually by the board to reflect any changes in the medical care component of the Consumer Price Index-Urban (CPI-U) and shall be rounded to the nearest dollar.” The Minimum Employer Contribution for 2023 is \$151. For every employee that has medical with the City, the City contributes a minimum of \$151.

Councilmember Soheila Bana

- Safety Wishlist- Can the City install a traffic light at Via Verdi & El Portal?
Deferred to Public Works/CIP for additional analysis.

- Safety Wishlist - Can the City install a Pedestrian Hybrid Beacon at Murphy elementary on Valley View Rd? (6/7/23)
Deferred to Public Works/CIP for additional analysis.
- Should we have a Dynamic Air Pollution monitoring system so people are alerted with a budget of \$10,000?
Deferred to Public Works/CIP for additional analysis.
- Can we allocate funds for historical plaques that explain the City's history? (Mubeen)
Deferred to Public Works/CIP for additional analysis.
- Can we Allocate \$100,000 for cultural events?
The FY 2023-2024 proposed budget includes an allocation of \$100K for special events and fee subsidy.
- Can we Allocate \$500,000 to take meaningful steps towards wildfire safety/fuel reduction
The FY 2023-2024 proposed budget includes an allocation of \$500k for Climate Resiliency/Wildfire Safety Contingency

Councilmember Melvin Willis

- How does the City renew the Chevron Tax Settlement Agreement?
The Chevron Tax Settlement and corresponding payment schedule is not renewable. The Tax Settlement with Chevron came into effect as the result of litigation centering on the legality of a voter approved ballot (Measure T) that changed the business tax ordinance. Measure T was ruled invalid in a decision on 12/19/2009 and judgment filed 1/22/2010. The City subsequently filed an appeal. Additionally, in 2009, the City was proceeding with a ballot measure that would have removed the Cap Provision from the Richmond Municipal Code meaning Chevron would have to pay on actuals. At the same time, Chevron had a counter ballot measure that would have reduced the rates for residents in half and locked in the Cap Provision.

This Chevron Tax Settlement totaling stopped the litigation and the competing ballots.

Additionally, the Environmental and Community Investment Agreement (ECIA) with Chevron initially adopted by City Council in 2014, was negotiated as part of Chevron's application to the City for a Conditional Use Permit ("CUP") for the Chevron Refinery Modernization Project. With this agreement, Chevron agreed to pay \$80,000,000 with installments starting in FY 2014-2015 and ending in FY 2023-2024.
- How will this impact revenues?
It is too early to tell how revenues will be impacted. As stated above in an answer to a question from Councilmember Jimenez, after the Tax Settlement expires, nothing specifically happens to the UUT. Of course, the stipulated amount paid by Chevron goes down to Zero. Chevron will now have the option of continuing to pay based on the Cap Amount Provision as stipulated in the Richmond Municipal Code 13.52.100 - Maximum tax payable. They will also have the option to pay on actuals.

If they opt to pay based on actuals, the City has the right to audit their records to confirm that the amount paid is correct.

The Tax Settlement Agreement limited any increases to the Business Tax and the Utility User Tax. However, Chevron, starting in July 2025, will now be responsible to pay their Business Tax based on their gross receipts as stipulated in Measure U.

Page 5 of 12 of the Chevron Tax Settlement Agreement states:

Among other things this means that: (i) the maximum tax payment provision allowed by Richmond Municipal Code section 13.52.100 shall be available to Chevron during the entire Settlement Period, (ii) the rate of tax imposed by Chapter 13.52 shall remain at 10%, and (iii) pursuant to Chapter 7.04 Chevron's business license tax payment is limited to an annual license fee of two hundred thirty-four dollars and ten cents (\$234.10) plus an additional sum of money equal to forty-six dollars and eighty cents (\$46.80) per employee for the first twenty-five employees and forty dollars and ten cents (\$40.10) per employee in excess of twenty-five employees. The parties also agree that:

That provision will not be in effect starting on July 1, 2025.

- Provide assumptions around various scenarios regarding UTT tax negotiations

The assumptions include:

- Remove UUT Cap amount – voter approval needed
- Increase UUT Cap amount – voter approval needed
- Chevron to go off the Cap and pay on actuals – yearly decision by Chevron starting on July 1, 2025
 - If Chevron decides to do that, then they would be subject to audit by the City of Richmond to confirm actual amounts are accurate (conforming volume, amount, definitions, interpretations)
- The amount paid by Chevron based on actual energy usage for UUT or gross receipts for Business Tax is confidential.