



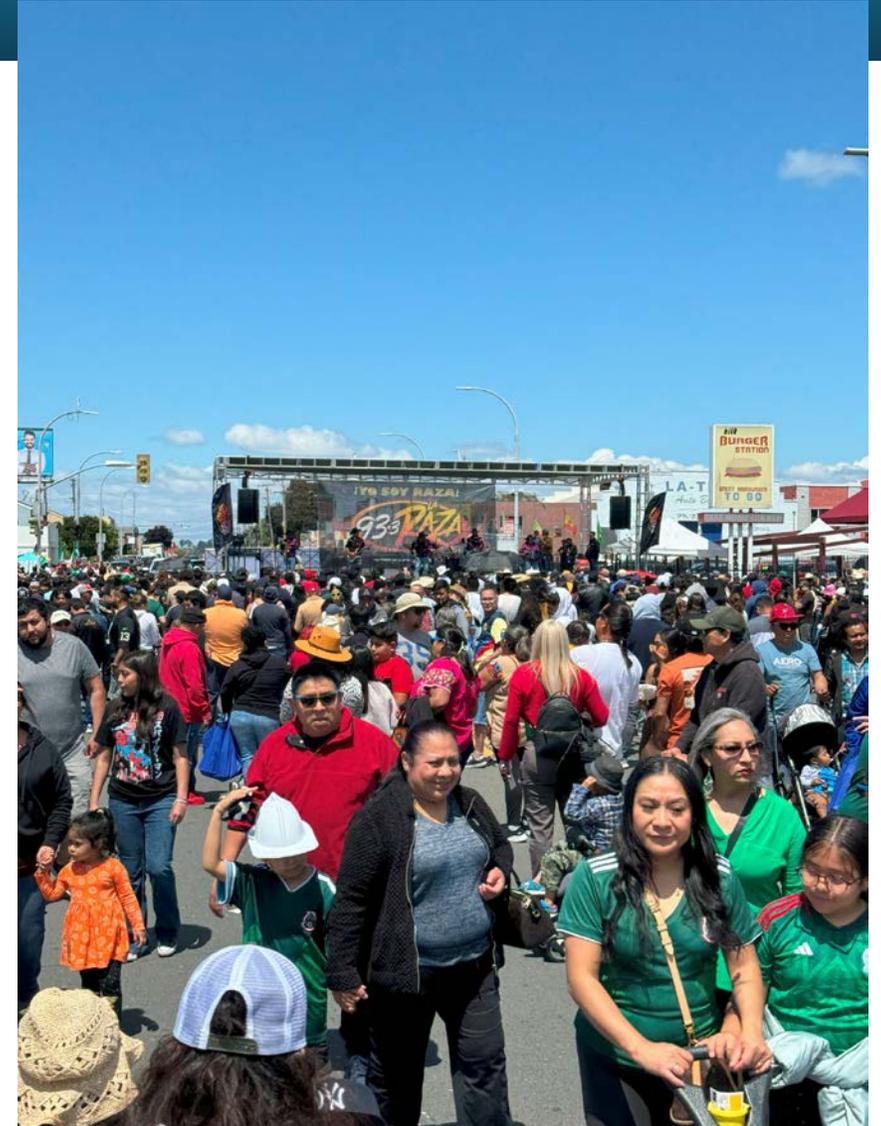
# FY 2024-25 Proposed Budget Checklist Review and Feedback

Department of Finance

June 4, 2024

# Overview

- Budget Development Next Steps
- City Council Questions and Responses
- FY 2024-25 Proposed Budget
- Initial Budget Adjustments
  - Sidewalk Vendor Enforcement
  - Sea Level Rise Shoreline Consultant
  - City Council Chamber Art Installation



# FY 2024-25 BUDGET DEVELOPMENT NEXT STEPS

ACTION / ACTIVITY	DATE
Hilltop and Marina Bay Special Districts Update	June 4
Review and Direction on Budget Checklist and changes to Proposed Budget	June 4
City Council to Adopt FY 2024-25 Operating Budget, FY 2024-29 Five Year Capital Improvement Plan, and Gann Limit	June 18
Adopted FY 2024-25 Budget available in MUNIS	July 1

# Mayor Martinez

- **Expressed that the City Council wants to focus on beautification, which entails the need for additional personnel. Therefore, staff should focus on hiring.**

Response: The City Manager works closely with Public Works on citywide beautification and project planning. In addition, position control is closely monitored to ensure hiring is aligned with forecasted revenue receipts and the adopted City Council Goals and Objectives.

- **Noted that the Police Department is receiving the largest increase among all departments.**

Response: Major drivers behind the Police Department budget increases are personnel costs. The salaries and wages are increasing due to the implementation of the class and compensation study, negotiated MOU increases and annual step increases. Fringe benefits are increasing partly due to increased salary and wages and partly due to increased retirement and healthcare costs.

# Vice Mayor Jimenez

- **Advocating for upgrades on Solano Avenue and proposed the establishment of a transportation division dedicated to addressing traffic issues.**

Response: Currently, the Public Works Engineering Division is actively focused on addressing the 15 remaining traffic calming priority locations identified by the City Council in November 2022.

Concurrently, staff are collaborating with traffic engineering firm, SNG & Associates, Inc., to assess over 350 new requests, including those related to Solano Avenue. To effectively manage the growing number of requests and ensure a sustainable solution, staff are in the process of developing a comprehensive Traffic Calming Program with an allocated annual budget. This will involve close collaboration between City staff, residents, and the City Council.

In addition, Public Works and Human Resources are working together to recruit additional engineers to enhance the Engineering Division. This will enable the City to dedicate an engineer to focus primarily on developing and implementing the Traffic Calming Program. Staff are exploring immediate measures that City crews can undertake to address the concerns raised at Solano Avenue, such as installing temporary speed feedback trailers and enhancing crosswalks.

# Vice Mayor Jimenez (Continued)

- **Requested a list of city-wide vacancies including titles by department and percentage.**

Response – Below is vacancy rate by department as of May 29, 2024

Department	Adopted FY23-24	Revised FY23-24	Proposed FY24-25	Vacancies (5-29-24)	% Vacant
City Attorney’s Office	10	10	10	4	40%
City Clerk’s Office	4	4	4	0	
City Council	8	8	8	0	
City Manager’s Office	5	7	7	3	43%
Community Development	41	43	43	10	23%
Community Police Review Commission	0.1	0.1	0.1	0	
Community Services (Administration)	2	2	2	0	
Community Services (Employment & Training)	27	29	29	11	38%
Community Services (Library)	35.7	35.7	35.7	4	11%
Community Services (Office of Neigh. Safety)	17	17	17	3	8%

# Vice Mayor Jimenez (Continued)

- Requested a list of city-wide vacancies including titles by department and percentage.

Response – Below is vacancy rate by department as of May 29, 2024

Department	Adopted FY23-24	Revised FY23-24	Proposed FY24-25	Vacancies (5-29-24)	% Vacant
Community Services (Recreation)	34	36	36	7.8	22%
Community Services (Com. Crisis Resp. Prog.)	1	11	11	10	91%
Community Services (Transportation)	6	4	4	0	
Department of Children and Youth	3	5	5	3	60%
Economic Development (Art & Culture, Environmental Health Initiative, Economic Development, Real Estate, Port)	11	13	13	5	38%
Fire: Sworn	91	91	91	7	8%
Fire: Non-Sworn	5	5	5	2	40%
Information Technology	14	14	14	1	7%
Mayor's Office	5	5	5	1	20%

# Vice Mayor Jimenez (Continued)

- **Requested a list of city-wide vacancies including titles by department and percentage.**  
Response – Below is vacancy rate by department as of May 29, 2024

Department	Adopted FY23-24	Revised FY23-24	Proposed FY24-25	Vacancies (5-29-24)	% Vacant
Police: Sworn	145	146	146	26	18%
Police: Non-Sworn	67	68	68	10	15%
Public Works	131.2	135.2	135.2	18	13%
Public Works (Water Resource Recovery)	12	12	12	1	8%
Rent Program	12	14	14	1	7%
Richmond Housing Authority	6	5	5	0	
<b>Grand Total All Departments</b>	<b>743</b>	<b>770</b>	<b>770</b>	<b>137.8</b>	<b>18%</b>

# Vice Mayor Jimenez (Continued)

- **How is the vacancy rate determined?**

Response: It is a Government Finance Officers Association (GFOA) recommended best practice for public agencies to factor in a conservative vacancy savings when preparing budgets. Because salary and benefits comprise the largest portion of the budget and vacant positions are not filled for all 12 months of the fiscal year, it is recommended to include an estimated savings. A combination of estimated start dates and average number of vacancies throughout the year is used as a basis for determining the vacancy rate.

- **How were the vacancy savings spent?**

Response: The 6 percent vacancy savings built into the budget is allocated as a contra expense (reduction) to offset the full funding included in the budget. If the vacancy savings were not built into the budget, the expenditure budget would be higher and require additional funding.

- **Why has only \$16 million of the \$21 million allocated for the cost pool budget been expended as of March 2024 (Q3)?**

Response: It is expected that on average 75 percent of the budget will be expended through the third quarter (March-period 9) of the fiscal year and \$16,209,785 is 75 percent of \$21,593,734. Finance staff processes journals monthly to allocate the cost pool charges to departments.

# Councilmember McLaughlin

- **Why is the proposed revenue budget for Capital Improvement Projects lower than the expenditure budget?**

Response: Capital Improvement Projects (CIP) are completed over multiple fiscal years. Revenue for CIP are on a reimbursement basis; therefore, the revenue may be lower than the expenditures. There are instances when revenue for CIP is received at the start of a project (e.g. General Capital and ARPA funds) while the project expenditures are completed over multiple fiscal years. For this reason, revenue and expenditures for CIP rarely match each year.

- **Are the two positions allocated for the housing program included in the budget?**

Response: The Housing Program budget currently includes a Housing Program Analyst, Housing Manager, and Housing Services Supervisor positions.

- **Can I assure the constituents that their requests are on the list for traffic calming?**

Response: Citizens traffic calming inquiries submitted through the online portal are added to the queue and prioritized for inclusion in the next phase of traffic calming projects after the current group of 18 projects are completed. Since the launch of this website, staff has received more than 350 traffic calming inquiries. To effectively manage the growing number of requests and ensure a sustainable solution, staff are in the process of developing a comprehensive Traffic Calming Program with an allocated annual budget. This initiative will involve close collaboration between staff, residents, and the City Council. As Public Works progresses in this plan, constituents will be notified of the status of their specific inquiries.

- **Proposing an increase in staffing for Information Technology (IT), including KCRT.**

Response: IT currently has 14 positions allocated, which includes three positions for KCRT. Staff will evaluate additional staffing needs after the Workforce Analysis presentation to City Council.

# Councilmember Willis

- **Can we look into temporary traffic calming solutions for certain problematic corridors until a permanent solution can be implemented? What is our flexibility to do so?**

Response: Currently, the Public Works Engineering Division is actively focused on addressing the 15 remaining traffic calming priority locations identified by the City Council in November 2022. Concurrently, staff are collaborating with a traffic engineering firm to assess over 350 new requests.

In terms of temporary traffic calming solutions, we are exploring immediate measures that City crews can undertake, such as installing temporary speed feedback trailers and enhancing crosswalks.

# Councilmember Bana

- **Develop a priority list based on safety criteria for selecting traffic calming projects and establish a mechanism for selecting projects.**

Response: In November 2022, the City Council approved the prioritization methodology that consultant Fehr and Peers prepared. A prioritization mechanism is used select those projects that should be considered first for funding. Locations/requests are first sorted by project category, then based on their alignment with areas of need identified in adopted plans and policies using the attributes listed below. Attributes are prioritized in the order presented. Each attribute is given a yes/no score:

- Project is categorized as sideshow deterrence, operations task, or medium project; large projects are NOT to be funded by the \$750,000 Council allocation and would be funded by grants or other means.
- Project is located in an Equity Priority Community.
- Project is located on a City of Richmond Local Road Safety Plan High Injury Network (LRSP HIN).
- Project is located on a bicycle master plan or pedestrian plan key corridor.
- Based on this prioritization methodology, the City Council directed staff to address the first 18 locations of this priority list and added the estimated funding that was needed to complete these 18 locations.

# Councilmember Bana (Continued)

- **What kind of staffing resources are needed for data collection regarding traffic safety?**

Response: The Public Works Department and Human Resources Department are working together to recruit additional engineers to enhance the Engineering Division. This will enable the Public Works Department to dedicate an engineer primarily focused on developing and implementing the Traffic Calming Program.

Public Works has launched the Traffic Calming Program webpage

[\(<https://www.ci.Richmond.Ca.Us/4510/traffic-calming-program>\)](https://www.ci.Richmond.Ca.Us/4510/traffic-calming-program) for residents and City Council members to submit a traffic calming inquiry. Since the launch of this website, staff has received more than 350 traffic calming inquiries.

- **Are we exploring the expansion of grant writing efforts to secure funding for projects benefiting all City districts, considering property tax contributions?**

Response: City staff issued a Request for Qualifications (RFQ) for on-call grant writers and is currently in the process of finalizing an on-call grant writer list.

# Councilmember Bana (Continued)

- **What does the Risk Management 80 percent confidence level mean?**

Response: The City of Richmond is self-insured and per City Council Resolution No. 69-05, the City adopted to fund the retained risk account (Insurance Reserve Fund 5001) at 80 percent confidence level. A third-party consultant determines the required contribution every year to achieve the confidence level through actuarial analysis. The analysis is a comprehensive study of expected losses and when those losses are expected to be paid in Workers Compensation and General Liability claims. City staff proposed gradual increase to the General Liability and Worker's Compensation charges to achieve an 80 percent confidence level rather than applying the prescribed dollar amount by the actuarial study, which would put significant pressure on the City's Operating Budget.

- **What portion of the budget is allocated for legal expenses?**

Response: City staff needs further clarification on this questions (e.g. is the question for outside counsel? City Attorney's Office costs?)

- **Can we add an Arborist position?**

Response: To add the Arborist position, a collaboration between City staff and City Council, job description must be created, funded, and appropriated in the budget.

# Councilmember Bana (Continued)

- **Is there any additional funding for wildfire safety staffing?**

Response: The staff in Public Works that currently addresses wildfire safety is the Parks and Landscape Maintenance Division. This division is comprised of:

Marina Bay Landscaping and Lighting District (MLLD)

Hilltop Landscape Maintenance District (HLMD)

Tree Crew funded from General Fund (GF)

The Parks Supervisor position is currently vacant, and a conditional offer of employment is expected to be issued by the end of June 2024. Following the hiring of this supervisor, Public Works will move to evaluate wildfire safety throughout the City in collaboration with the Fire department.

# Councilmember Bana (Continued)

- **Requested the following additions (via email):**
  - **Dog parks**
  - **Pet waste stands with plastic bags and trash cans**
  - **Bike Garden at La Moine Park (Cheese Park)**

Response: The design and creation of dog parks should follow a city-wide public outreach to determine the scope of work and needed budget. A planning phase is necessary to avoid future budget shortfalls. If dog parks and amenities, plus bike gardens, are a direction from the City Council, Public Works recommends budgeting \$100K to hire a consultant to identify the ideal locations for dog parks and bike gardens (including Cheese Park) and embark on a public input effort to incorporate all concerns of all communities. This effort will lead to a comprehensive plan that would guide City staff in grant applications and budget preparations for design and construction phases.

# Councilmember Bana (Continued)

## **Requested the following additions (via email):**

- Lack of lighting along Hilltop Drive.
- Lack of reflector on street divider on Hilltop Drive as you drive westbound
- Need for speed bumps along Shane Drive and Moyer Drive

Public Works electricians are investigating the pole that has the issues.

Public Works staff will re-fresh the nose of the islands with reflective paint and add reflectors

For speed bumps, please submit the request to <https://www.ci.richmond.ca.us/FormCenter/EngineeringWater-Resource-Recovery-11/Traffic-Calming-Inquiry-181>

# Councilmember Zepeda

- **How can OPEB costs be lowered?**

Response given by City Attorney during the Council Meeting on May 28, 2024.

- **Supported the expansion of Traffic Calming projects to cover all areas of the City.**

- **Requested the following additions (via email):**

- ~\$50,000 - 503 Canal Blvd, gate automation, Fire department key operation only,

- Modify the existing 25' gate to utilize an electric motor operator enabled only by the Fire department key.

- Operator is to be powered by solar panels with battery backup. The solar panel will be installed in an adjacent planter.

- ~\$15,000 – 501 Canal Blvd, automation of the existing sliding vehicle access gate from East Richmond

**Avenue**

Response: 503 and 501 Canal Blvd projects gates seem to be related to the agreement to accept Brick Yard Cove Road as public. This requires different steps:

- These locations are on private property and City does not have an easement agreement. The City Attorney's Office needs to lead the easement process with the property owners. The City should not go straight into construction before obtaining these easement agreements.
- The City and the Finance department should ensure funds have been received and allocated to the specified projects.
- City Manager's Office, Public Works, and Fire Department should meet and select a Project Manager for this work.
- The Finance Department Purchasing Team should ensure compliance with City procurement policies.<sup>18</sup>

# Councilmember Robinson

- **Supports additional staffing to maintain medians.**
- **Expressed concern about the staffing shortage in Code Enforcement.**
- **What are the next steps once the CIP queue for traffic calming projects is cleared?**

Response: The Public Works Department Engineering Division is actively focused on addressing the 15 remaining priority locations identified by the City Council in November 2022. Concurrently, we are collaborating with a traffic engineering firm to assess over 350 new requests. To effectively manage the growing number of requests and ensure a sustainable solution, we are in the process of developing a comprehensive traffic calming program with an allocated annual budget. This initiative will involve close collaboration between our staff, residents, and the City Council.

In line with this, Public Works and Human Resources are working together to recruit additional engineers to enhance the Engineering Division to focus primarily on developing and implementing the Traffic Calming Program. Regarding temporary traffic calming solutions, staff are exploring immediate measures that City crews can undertake, such as installing temporary speed feedback trailers and enhancing crosswalks.

Public Works will present an analysis and list of new traffic calming requests and inquiries to the City Council on an annual basis, at the beginning of the fiscal year budget development. At that time, the City Council would approve new locations to be addressed under the Traffic Calming Program.

# Councilmember Robinson (Continued)

- **How much funding is currently allocated to the Paving Program?**

Response: The proposed budget currently includes an additional General Fund allocation of about \$4,732,224 to the Paving Program, that brings the total appropriation for the program to \$8,332,691.

- **Is there an opportunity to combine repairs with these projects?**

Response: Yes. Public Works staff are in the process of revamping the Paving Program. An initial analysis projects an annual investment of at least \$10 million is needed to improve the Paving Condition Index.

- **Has the ARPA budget for parks and restrooms increased?**

Response: City Council appropriated additional ARPA funds in the amount of \$3,503,008 on April 16, 2024, per Resolution No. 32-24. Currently there is \$7,703,008 allocated from ARPA for the Parks and restroom project.

# Total General Fund Budget

General Fund	FY 2023-24 Revised Budget ( Through March)	FY 2024-25 Proposed Budget (May 28, 2024)	FY 2024-25 Proposed Budget ( June 4, 2024)
<b>TOTAL REVENUES</b>	<b>(234,380,287)</b>	<b>(252,509,054)</b>	<b>(254,560,261)</b>
<b>TOTAL EXPENDITURES</b>	<b>246,295,113</b>	<b>252,509,054</b>	<b>252,509,054</b>
<b>NET (-SURPLUS)/+DEFICIT</b>	<b>11,914,826</b>	<b>-</b>	<b>(2,051,207)</b>

Proposed revenue budget increase based on revised estimates.

# Total Non-General Fund Revenue Budget

	FY 2023-24 REVISED BUDGET (Thru March 2024)	FY 2024-25 PROPOSED BUDGET (May 28, 2024)	FY 2024-25 PROPOSED BUDGET (June 4, 2024)
TOTAL OTHER OPERATING FUNDS	(35,280,981)	(28,324,024)	(28,324,024)
TOTAL SPECIAL REVENUE FUNDS	(96,056,935)	(62,629,383)	(62,708,434)
TOTAL CAPITAL PROJECT FUNDS	(73,958,041)	(60,412,237)	(64,512,237)
TOTAL DEBT SERVICE FUNDS	(19,551,216)	(16,161,500)	(16,161,500)
TOTAL ENTERPRISE FUNDS	(41,493,141)	(39,394,502)	(39,394,502)
TOTAL INTERNAL SERVICES FUNDS	(30,919,340)	(38,150,187)	(38,150,187)
TOTAL HOUSING FUNDS	(1,911,772)	(2,702,120)	(2,702,120)
TOTAL RICHMOND HOUSING AUTHORITY FUNDS	(5,549,921)	(4,676,806)	(4,676,806)
<b>GRAND TOTAL – NON-GENERAL FUND REVENUES</b>	<b>(304,721,348)</b>	<b>(252,450,758)</b>	<b>(256,629,809)</b>

# Total Non-General Fund Expenditure Budget

	<b>FY 2023-24 REVISED BUDGET (Thru March 2024)</b>	<b>FY 2024-25 PROPOSED BUDGET (May 28, 2024)</b>	<b>FY 2024-25 PROPOSED BUDGET (June 4, 2024)</b>
<b>TOTAL OTHER OPERATING FUNDS</b>	<b>40,221,190</b>	<b>30,827,007</b>	<b>30,827,007</b>
<b>TOTAL SPECIAL REVENUE FUNDS</b>	<b>128,898,804</b>	<b>84,812,620</b>	<b>84,968,418</b>
<b>TOTAL CAPITAL PROJECT FUNDS</b>	<b>111,302,273</b>	<b>64,404,091</b>	<b>68,504,091</b>
<b>TOTAL DEBT SERVICE FUNDS</b>	<b>19,174,878</b>	<b>16,261,836</b>	<b>16,261,836</b>
<b>TOTAL ENTERPRISE FUNDS</b>	<b>100,777,213</b>	<b>73,915,051</b>	<b>73,915,051</b>
<b>TOTAL INTERNAL SERVICES FUNDS</b>	<b>42,753,440</b>	<b>38,736,426</b>	<b>44,036,426</b>
<b>TOTAL HOUSING FUNDS</b>	<b>6,249,305</b>	<b>5,821,825</b>	<b>5,821,825</b>
<b>TOTAL RICHMOND HOUSING AUTHORITY FUNDS</b>	<b>5,763,509</b>	<b>4,685,856</b>	<b>4,685,856</b>
<b>GRAND TOTAL – NON-GENERAL FUND EXPENDITURES</b>	<b>455,140,613</b>	<b>319,464,711</b>	<b>329,020,509</b>

# Initial FY 2024-25 Budget Adjustments

<b>Item</b>	<b>Amount</b>
<b>Sidewalk Vendor Enforcement</b>	<b>\$200,000</b>
<b>Sea Level Rise Shoreline Consultant</b>	<b>\$200,000</b>
<b>City Council Chamber Art Installation</b>	<b>\$10,000</b>
<b>Total</b>	<b>\$410,000</b>

# Questions?



Thank You!

# FY 2024-25 Position Control by Department

DEPARTMENT	FY 2023-24 CURRENT FTE*	FY 2024-25 PROPOSED FTE	ADDITIONAL REQUESTED
CITY ATTORNEY	10	10	
CITY CLERK	4	4	
CITY COUNCIL	8	8	
CITY MANAGER	7	7	
COMMUNITY DEVELOPMENT	43	43	
COMMUNITY SERVICES - COMMUNITY CRISIS RESPONSE PRGM	11	11	
COMMUNITY SERVICES - EMPLOYMENT AND TRAINING	29	29	
COMMUNITY SERVICES - LIBRARY	35.7	35.7	
COMMUNITY SERVICES - OFFICE OF NEIGHBORHOOD SAFETY	17	17	
COMMUNITY SERVICES - RECREATION	38	38	
COMMUNITY SERVICES - TRANSPORTATION OPERATION	4	4	
COMMUNITY SERVICES – CHILDREN AND YOUTH	5	5	1

\*FTE = Full Time Equivalent

# FY 2024-25 Position Control by Department (Continued)

DEPARTMENT	FY 2023-24 CURRENT FTE*	FY 2024-25 PROPOSED FTE	ADDITIONAL REQUESTED (Non-General Fund)
ECONOMIC DEVELOPMENT PROGRAM	13	13	1
FINANCE	35	35	
FIRE	96	96	
HUMAN RESOURCES MANAGEMENT	15	15	
INFORMATION TECHNOLOGY	14	14	
MAYOR	5	5	
POLICE	214	214	
POLICE COMMISSION REVIEW	0.1	0.1	
PUBLIC WORKS - WATER RESOURCE RECOVERY	12	12	
PUBLIC WORKS DEPARTMENT	135.2	135.2	1**
RENT CONTROL	14	14	
RICHMOND HOUSING AUTHORITY(RHA)	5	5	
<b>TOTAL</b>	<b>770</b>	<b>770</b>	<b>3</b>

\*FTE = Full Time Equivalent

\*\* The FTE is shared between various funds and divisions among Public Works and Water Resource Recovery