



# FISCAL YEAR 2025-26 PROPOSED BUDGET REVIEW AND DIRECTION JUNE 17, 2025



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# Overview

Recommended Action

State Audit

Staffing Cost Escalation

Summary of Proposed Budget

Five-Year Forecast

- Pessimistic Scenario
- Middle of the Road Scenario
- Optimistic Scenario

Capital Projects Near Completion

Next Steps

Questions



## Recommended Action



REVIEW Proposed Fiscal Year 2025-26 Budget; and RECEIVE updated General Fund Five-Year Forecast Fiscal for Fiscal Year 2025-26 through 2029-30; and PROVIDE DIRECTION to staff prior to final budget adoption.

## Economic Outlook

Global economic outlook shifts as trade policy uncertainty weakens growth.

Global economic prospects are weakening, with substantial barriers to trade, tighter financial conditions, diminishing confidence and heightened policy uncertainty projected to have adverse impacts on growth, according to the OECD's\*



<https://www.oecd.org/en/about/news/press-releases/2025/06/global-economic-outlook-shifts-as-trade-policy-uncertainty-weakens-growth.html> ( June 10, 2025)

\*Organization for Economic Co-Operation and Development (OECD)

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# Summary of State Audit Recommendations

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- Appropriate Reserve Level

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- Balanced Budget

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- Financial Forecast –Multiple Scenarios

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- Pension Funding

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- Other Post Employment Benefits Funding

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- Workforce Analysis

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- Support for Richmond Housing Authority

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- Agreement of Fiscal Responsibility with Richmond Housing Authority

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- Procurement Trainings for City Staff

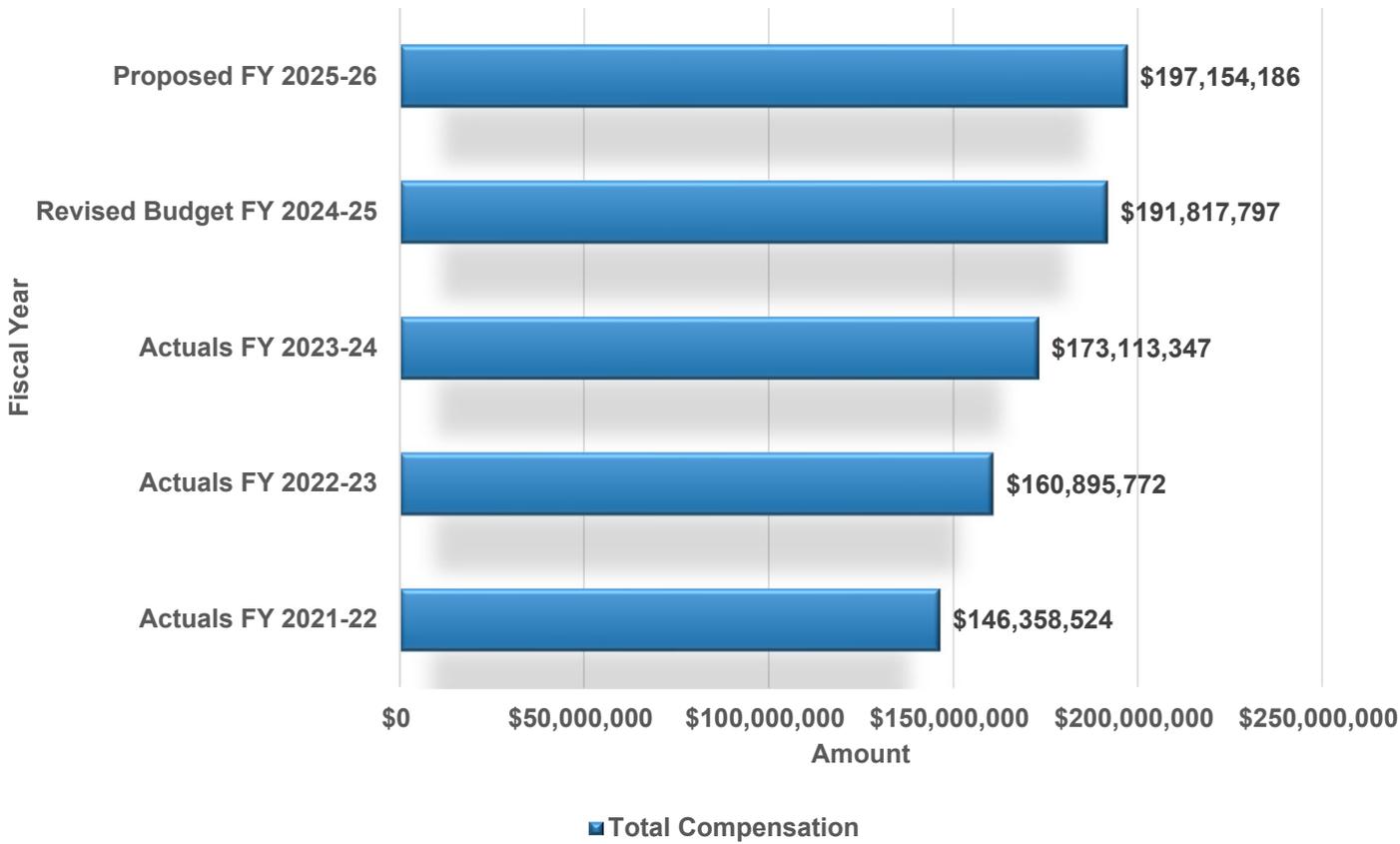
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- Contract Checklist

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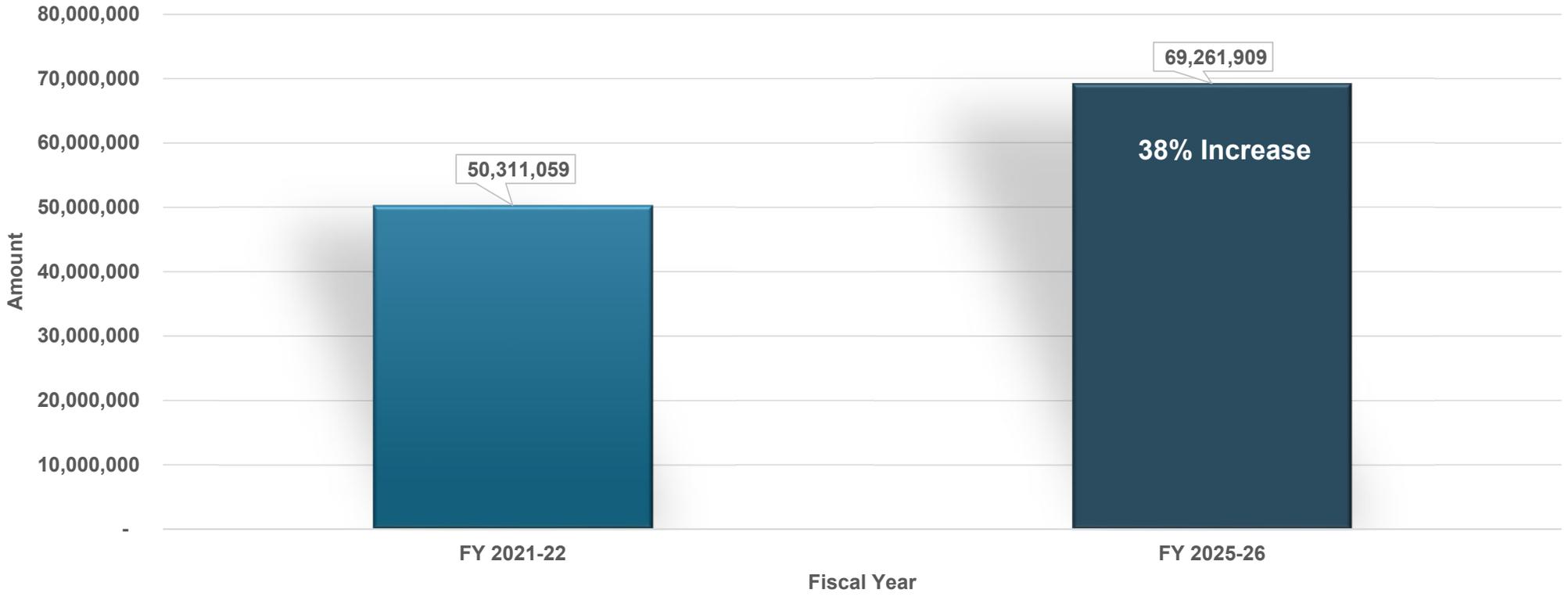
- Citywide Fee Update Frequency

**Draft Historical Staffing Cost (All Funds),  
Including 9.7% Vacancy Rate,  
Increase Over Five Years ~\$50.8 Million Or 35%**



Fiscal Year (FY)	Dollar (\$) Change	Percent (%) Change
FY 2025-26	\$5,336,389	2.8%
FY 2024-25	\$18,704,450	10.8%
FY 2023-24	\$12,217,575	7.6%
FY 2022-23	\$14,537,248	9.9%

Healthcare and Retirement Costs Increased \$19 Million or 38 Percent Since FY 2021-22



\*\$19 Million is included in the total staffing costs increase of \$50.8 million (slide 6).

## FY 2025-26 Proposed General Fund Revenue Budget

GENERAL FUND	FY 2024-25 REVISED BUDGET	FY 2025-26 PROPOSED BUDGET 06.03.25	FY 2025-26 PROPOSED BUDGET 06.17.25	DOLLAR CHANGE 06.03.25 VS. 06.17.25
PROPERTY TAXES	57,597,487	58,329,291	58,329,291	-
SALES & USE TAX	60,901,150	57,821,463	60,163,807	2,342,344
UTILITY USERS TAX	62,092,359	64,943,670	64,943,670	-
OTHER TAXES	23,405,397	28,399,659	28,399,659	-
LICENSES, PERMITS & FEES	16,352,770	17,274,036	17,274,036	-
FINES & FORFEITURES	176,438	200,000	200,000	-
INTEREST INCOME	1,796,421	3,030,545	3,030,545	-
CHARGES FOR SERVICES	3,255,703	3,724,495	3,724,495	-
OTHER REVENUE	142,830	50,167,500	50,167,500	-
RENTAL INCOME	777,478	791,157	791,157	-
INTERGOVERNMENT STATE TAXES	125,000	150,000	150,000	-
STATE GRANT	130,000	180,000	180,000	-
OTHER GRANT	250,000	290,000	290,000	-
PROCEEDS FROM SALE OF PROPERTY	15,000	15,000	15,000	-
LOAN/BOND PROCEEDS	40,400	40,400	40,400	-
OPERATING TRANSFERS IN	23,269,402	20,853,959	20,853,959	-
<b>TOTAL REVENUES</b>	<b>250,327,835</b>	<b>306,211,175</b>	<b>308,553,519</b>	<b>2,342,344</b>

# FY 2025-26 Proposed General Fund Expenditure Budget

GENERAL FUND	FY 2024-25 REVISED BUDGET	FY 2025-26 PROPOSED BUDGET 06.03.25	FY 2025-26 PROPOSED BUDGET 06.17.25	DOLLAR CHANGE 06.03.25 VS. 06.17.25
SALARIES AND WAGES	95,303,620	95,368,985	96,762,515	1,393,530
PAYROLL/FRINGE BENEFIT	70,548,062	73,083,339	74,157,128	1,073,789
PROFESSIONAL & ADMINISTRATIVE	23,163,189	24,428,046	24,975,481	547,435
OTHER OPERATING	8,623,649	9,513,865	9,539,865	26,000
UTILITIES	5,626,060	7,265,830	7,265,830	-
EQUIPMENT & CONTRACT SERVICES	4,495,781	4,610,266	5,513,366	903,100
PROVISION FOR INSURANCE LOSS	37,042	46,500	46,500	-
COST POOL	24,750,598	24,297,321	22,745,184	(1,552,137)
ASSET/CAPITAL OUTLAY	3,284,099	2,842,986	2,842,986	-
DEBT SERVICE EXPENDITURES	850,905	775,647	775,647	-
A87 COST PLAN REIMBURSEMENT	(3,514,373)	(3,362,171)	(3,362,171)	-
GRANT EXPENDITURES	52,246	34,497	34,497	-
OPERATING TRANSFERS OUT	33,451,511	18,806,063	18,756,690	(49,373)
<b>TOTAL EXPENDITURES</b>	<b>266,672,389</b>	<b>257,711,175</b>	<b>260,053,519</b>	<b>2,342,344</b>

# June 3, 2025, Vs. June 17, 2025 Budget Changes

GENERAL FUND	Change, June 3, 2025, VS. June 17, 2025	Description
SALARIES AND WAGES	1,393,530	Vacancy saving factor reduced to 9.7 %
PAYROLL/FRINGE BENEFIT	1,073,789	Vacancy saving factor reduced to 9.7%
PROFESSIONAL & ADMINISTRATIVE	547,435	Public Works FasTrak Charges, Citywide Generators, Contract Compliance, Training, Air Quality District Permit Fees.
OTHER OPERATING	26,000	Protective Equipment for Parks and Janitorial Staff
EQUIPMENT & CONTRACT SERVICES	903,100	Deep Cleaning for City Facilities and Electrical Repairs, Park Materials and Goat Grazing.
COST POOL	(1,552,137)	\$987K reduction General Liability Cost Pool, \$565K for Vehicles deferred and allocated from ECIA.
OPERATING TRANSFERS OUT	(49,373)	\$250K allocation for Canal Boulevard Traffic Calming Off Set by Reduction of \$300K due to Rent Control Transfer out shifting to Risk Reserve.
<b>TOTAL EXPENDITURES</b>	<b>2,342,344</b>	

## DRAFT CITY OF RICHMOND FESTIVALS FY 2025-26 BUDGET - \$135,000

City of Richmond Festivals	Approved Budget	Proposed Budget
	FY 2024-25	FY 2025-26
Cinco De Mayo Festival	20,000	20,000
Fiestas Patrias Parade (Former Cinco De Mayo Parade)	-	6,000
Homefront/Rosie The Riveter Festival	5,000	7,000
Juneteenth Festival	20,000	26,000
Literacy Fair	5,000	7,000
Martin Luther King, Jr. Day Service	5,000	7,000
North Richmond Shoreline Festival (Didn't Take Place In FY 2024-25)	5,000	-
Oakland Symphony (Didn't Take Place In FY 2024-25)	10,000	-
Point Richmond Music Festival	5,000	7,000
Pride Festival/El Sobrante Pride/Other Community Events	11,500	7,000
Native American Pow Wow	5,000	7,000
North Richmond Blues Festival	5,000	7,000
Nowruz-Persian New Year	3,000	7,000
El Sobrante Stroll	2,000	-
Arborist Day	-	*7,000
Taste of Richmond	-	*20,000
<b>Total</b>	<b>101,500</b>	<b>135,000</b>

\* Marked festivals are absorbed in the City Departments' existing budgets.

## FY 2025-26 Proposed General Fund Budget (Option A)

### Option A – Hold and Wait (~6-18 months given economic uncertainties):

- \$48.5 million – Wait until after the City Council recess for economic uncertainties to stabilize and fully analyze the overall federal funding impact on the City. City staff will evaluate various options for investing the principal of new limited-term revenue to optimize interest earnings.

GENERAL FUND	FY 2024-25 REVISED BUDGET	FY 2025-26 PROPOSED BUDGET 06.03.25	FY 2025-26 PROPOSED BUDGET 06.17.25	DOLLAR CHANGE 06.03.25 VS. 06.17.25
<b>TOTAL REVENUES</b>	<b>250,327,835</b>	<b>306,211,175</b>	<b>308,553,519</b>	<b>2,342,344</b>
<b>TOTAL EXPENDITURES</b>	<b>266,672,389</b>	<b>257,711,175</b>	<b>260,053,519</b>	<b>2,342,344</b>
<b>GENERAL FUND NET +SURPLUS/(-DEFICIT)</b>	<b>*(16,344,554)</b>	<b>**48,500,000</b>	<b>**48,500,000</b>	<b>-</b>

\*Includes \$16.3 Million One-Time Transfer Out for Several Capital Projects and Legal Costs.

\*\*\$48.5M is limited-term revenue

## Proposed Options A, B, & C (\$48,500,000)

Option	Description
<b><u>A - Hold and Wait</u></b>	<b><u>Hold and wait ~6-18 months given economic uncertainties</u></b>
B - To Be Determined by Mayor and City Council	May include CIP unfunded needs
C – To Be Determined by Mayor and City Council, May include Federal Contingency, CIP, Unfunded Actuarial Liability (UAL)	<ul style="list-style-type: none"> <li>- \$19.5 million – Set aside – federal contingency</li> <li>- \$19.5 million – Allocated to enhancing Quality of Life and Community Health.</li> <li>- \$9.5 million – Designated, to improve the City’s internal infrastructure, Unfunded Liabilities.</li> </ul>



**General Fund Five-Year Forecast FY 2025-26 thru FY 2029-30**



## GENERAL FUND FIVE-YEAR FORECAST, REVENUE ASSUMPTIONS

Category	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
30 - PROPERTY TAXES	1.3%	2.7%	2.7%	2.7%	2.7%
31 - SALES & USE TAX	-1.2%	2.1%	2.5%	2.3%	2.1%
32 - UTILITY USERS TAX	4.6%	5.2%	4.7%	5.1%	4.6%
33 - OTHER TAXES	21.3%	1.1%	1.8%	1.9%	1.9%
34 - LICENSES, PERMITS, & FEES	5.6%	2.9%	2.9%	2.9%	2.9%
35 - FINES & FORFEITURES	13.4%	5.0%	5.0%	5.0%	5.0%
36 - INTEREST INCOME	68.7%	0.0%	0.0%	0.0%	0.0%
37 - CHARGES FOR SERVICES	14.4%	3.0%	3.0%	3.0%	3.0%
38 - OTHER REVENUE	35,023.9%	0.0%	0.0%	0.0%	0.0%
39 - RENTAL INCOME	1.8%	2.0%	2.0%	2.0%	2.0%
3A - INTERGOVERNMENT STATE TAXES	20.0%	0.0%	0.0%	0.0%	0.0%
3B - FEDERAL GRANT	0.0%	0.0%	0.0%	0.0%	0.0%
3C - STATE GRANT	38.5%	-55.6%	0.0%	0.0%	0.0%
3D - OTHER GRANT	16.0%	-13.8%	0.0%	0.0%	0.0%
60 - PROCEEDS FROM SALE OF PROPERTY	0.0%	0.0%	0.0%	0.0%	0.0%
61 - LOAN/BOND PROCEEDS	0.0%	0.0%	0.0%	0.0%	0.0%
90 - OPERATING TRANSFERS IN	-10.4%	2.5%	2.9%	2.8%	2.9%
<b>TOTALS</b>	<b>23.3%</b>	<b>2.7%</b>	<b>3.0%</b>	<b>3.1%</b>	<b>3.0%</b>

# General Fund Five Year Forecast

## Required Unfunded Actuarial Liability Payments

Misc. Plan	Required Contribution	(Assumes 6.80% Return)				
Fiscal Year	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
Normal Cost %	12.6%	12.2%	11.8%	11.5%	11.1%	10.8%
UAL Payment	\$12,200,719	\$13,310,000	\$14,202,000	\$16,245,000	\$16,722,000	\$17,135,000

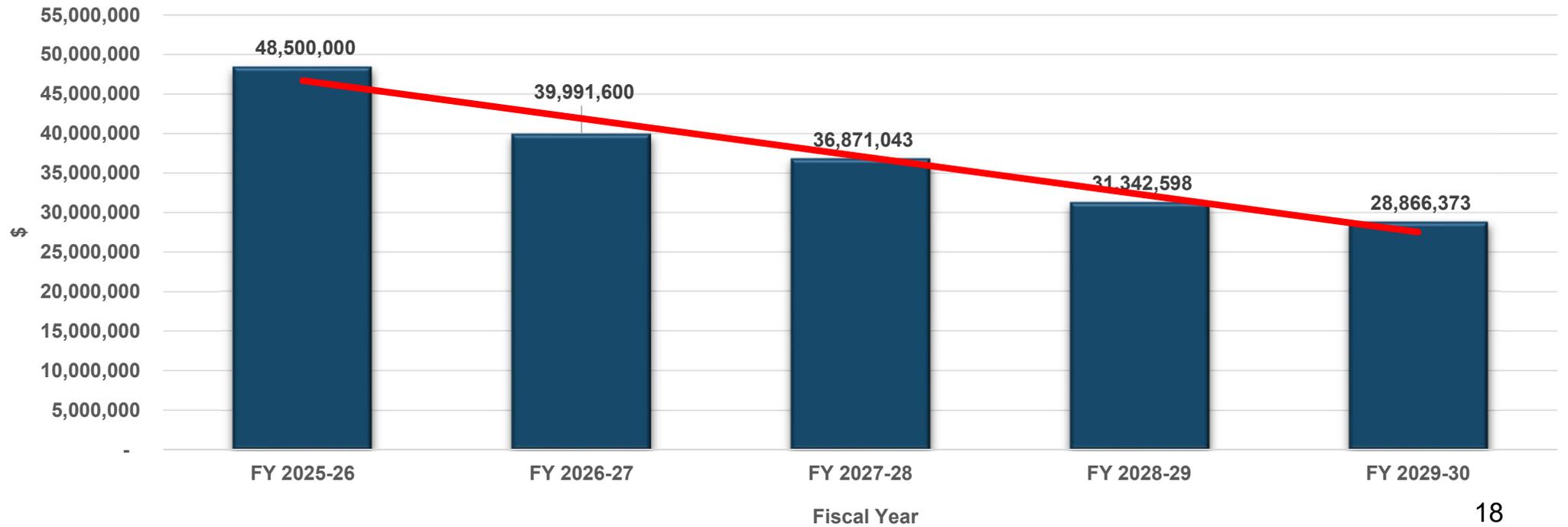
Safety Plan	Required Contribution	(Assumes 6.80% Return)				
Fiscal Year	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
Normal Cost %	22.0%	21.5%	20.9%	20.4%	19.8%	19.2%
UAL Payment	\$21,090,447	\$22,648,000	\$23,933,000	\$26,599,000	\$27,291,000	\$27,908,000

## General Fund Five Year Forecast, Expenditure Assumptions

Scenario		FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Pessimistic	Personnel Costs	Proposed Budget	No Increase	No Increase	No Increase	No Increase
	Inflation Rate	Proposed Budget	5%	5%	5%	5%
Middle of the Road	Personnel Costs	Proposed Budget	No Increase	No Increase	No Increase	No Increase
	Inflation Rate	Proposed Budget	4%	4%	4%	4%
Optimistic	Personnel Costs	Proposed Budget	No Increase	No Increase	No Increase	No Increase
	Inflation Rate	Proposed Budget	3%	3%	3%	3%

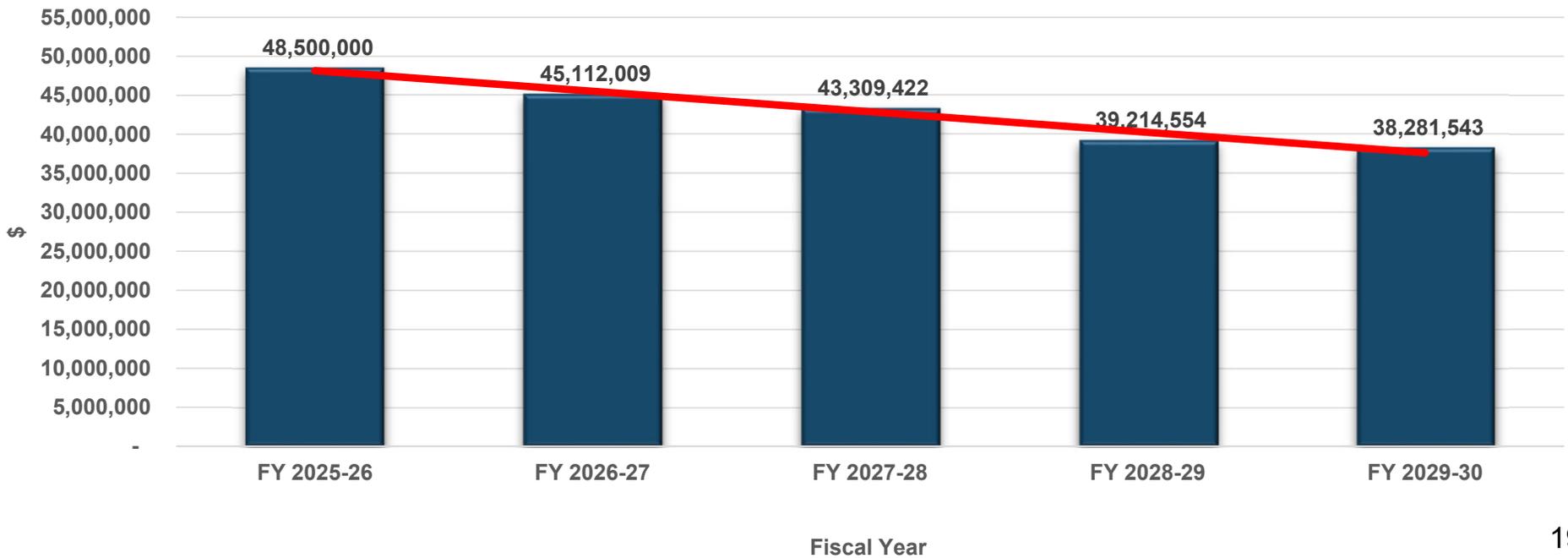
# General Fund Five Year Forecast – Pessimistic Scenario

	Forecast	Forecast	Forecast	Forecast	Forecast
	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
<b>Total Revenue</b>	<b>308,553,519</b>	<b>312,283,005</b>	<b>320,144,480</b>	<b>328,673,397</b>	<b>337,011,925</b>
<b>Total Expenditures</b>	<b>260,053,519</b>	<b>272,291,405</b>	<b>283,273,437</b>	<b>297,330,800</b>	<b>308,145,552</b>
<b>Net Deficit (-)/Surplus(+)</b>	<b>48,500,000</b>	<b>39,991,600</b>	<b>36,871,043</b>	<b>31,342,598</b>	<b>28,866,373</b>



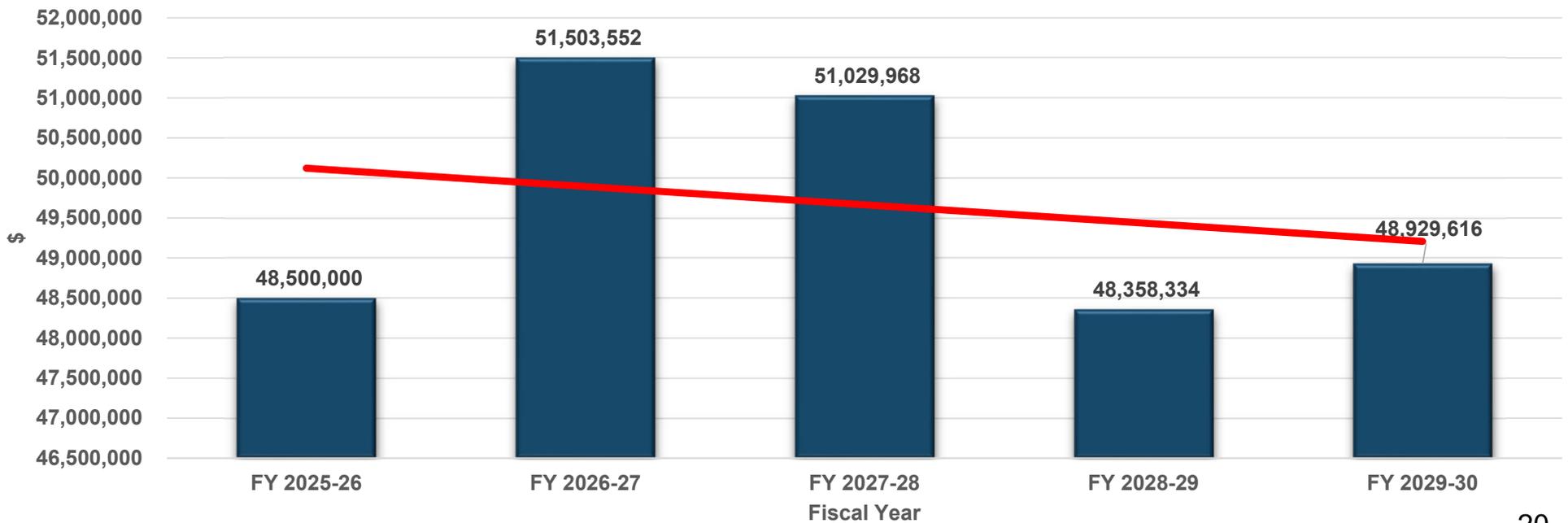
## General Fund Five Year Forecast – Middle Of The Road Scenario

	Forecast	Forecast	Forecast	Forecast	Forecast
	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
<b>Total Revenue</b>	<b>308,553,519</b>	<b>316,277,163</b>	<b>324,258,355</b>	<b>332,917,155</b>	<b>341,382,665</b>
<b>Total Expenditures</b>	<b>260,053,519</b>	<b>271,165,154</b>	<b>280,948,933</b>	<b>293,702,601</b>	<b>303,101,122</b>
<b>Net Deficit (-)/Surplus(+)</b>	<b>48,500,000</b>	<b>45,112,009</b>	<b>43,309,422</b>	<b>39,214,554</b>	<b>38,281,543</b>



## General Fund Five Year Forecast – Optimistic Scenario

	Original Budget	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
	FY 2024-25	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
<b>Total Revenue</b>	<b>248,935,372</b>	<b>250,327,835</b>	<b>308,553,519</b>	<b>321,602,706</b>	<b>329,743,522</b>	<b>338,575,498</b>	<b>347,210,318</b>
<b>Total Expenditures</b>	<b>248,935,372</b>	<b>266,672,389</b>	<b>260,053,519</b>	<b>270,099,154</b>	<b>278,713,554</b>	<b>290,217,163</b>	<b>298,280,702</b>
<b>Net Deficit</b>	<b>-</b>	<b>(16,344,554)</b>	<b>48,500,000</b>	<b>51,503,552</b>	<b>51,029,968</b>	<b>48,358,334</b>	<b>48,929,616</b>
<b>(-)/Surplus(+)</b>							





**Capital Improvement Projects  
Anticipated To Complete In Near Future**

## Lincoln Safe Routes To School

- Program Category: Transportation
- Program: Safe Routes to Schools
- Substantial Completion: Summer 2025
- Details: Pedestrian enhancements to improve the pedestrian safety by adding median refuges, curb extensions and raised crosswalks.





## YELLOW BRICK ROAD: CLEAN, GREEN, BEAUTIFUL

- Program Category: Transportation
- Program: Bicycle and Pedestrian
- Substantial Completion: Summer 2025
- Details: Construct a safe bike and walking route in Richmond's Iron Triangle neighborhood to connect community assets together.

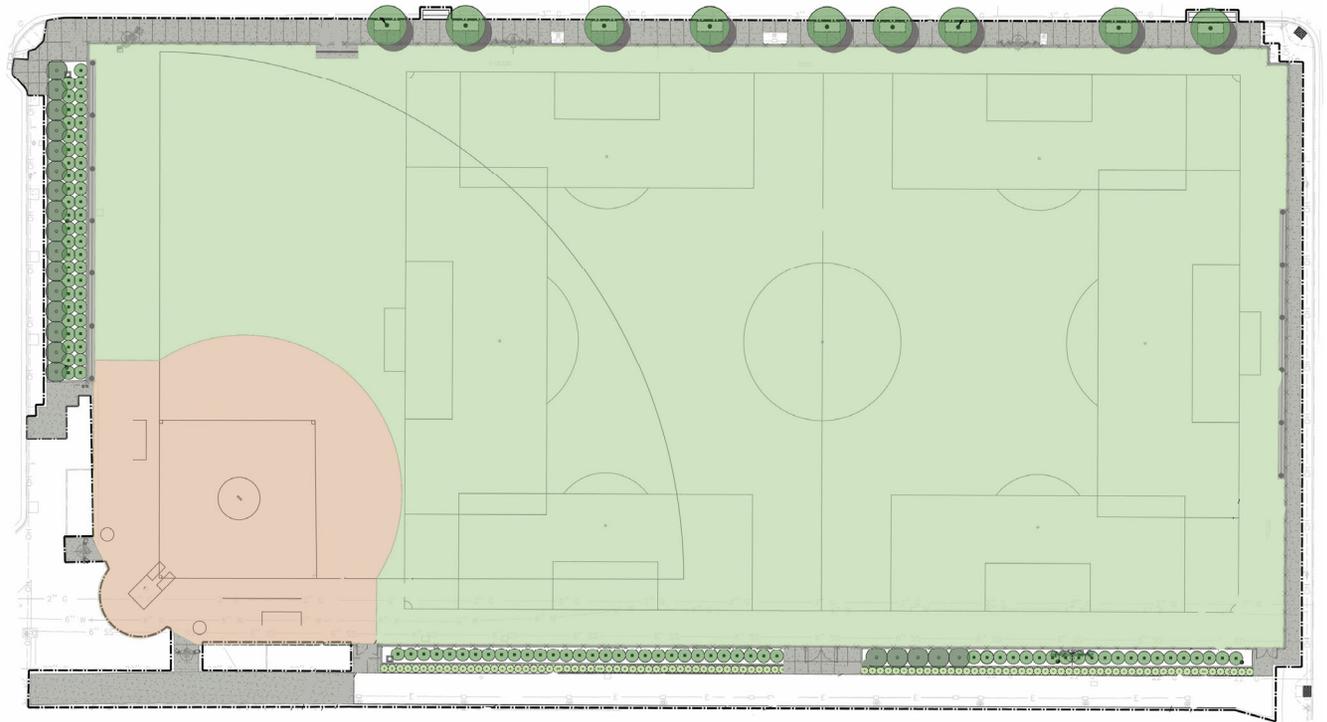
# SHIELDS-REID PARK REVITALIZATION

- Program Category: Parks and Open Spaces
- Program: Parks and Open Spaces Improvements
- Substantial Completion: Fall 2025
- Details: A new children's play area, upgraded existing play areas, bike pump track, performance stage, fitness zone, public art, basketball courts, habitat garden, lighting, and fencing throughout the park.



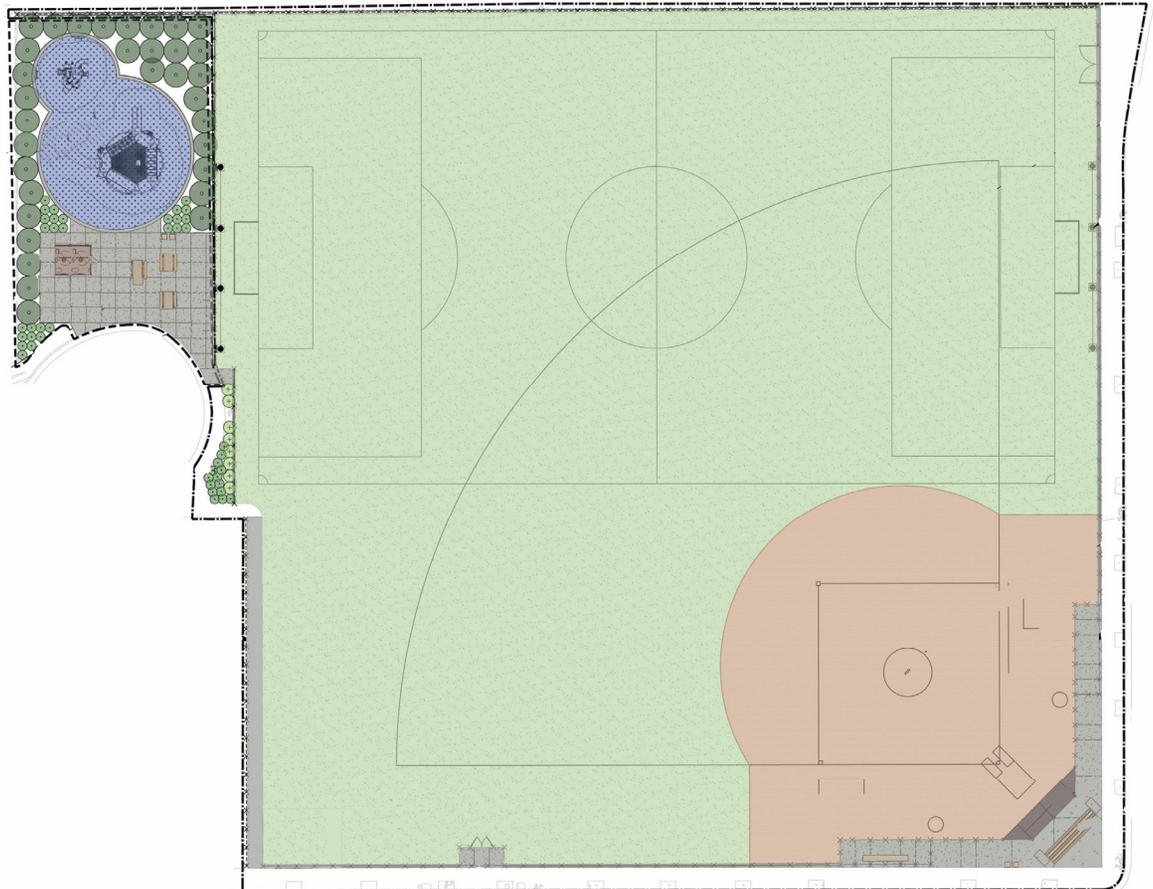
# Shields-Reid Park Field Renovation

- Program Category: Parks and Open Spaces
- Program: Parks and Open Spaces Improvements
- Substantial Completion: Spring 2026
- Details: Replaces the existing multi-purpose natural grass field with artificial turf striped for soccer and softball. This field renovation includes new perimeter fencing, backstop, field seating, and lighting to enhance the recreational space.



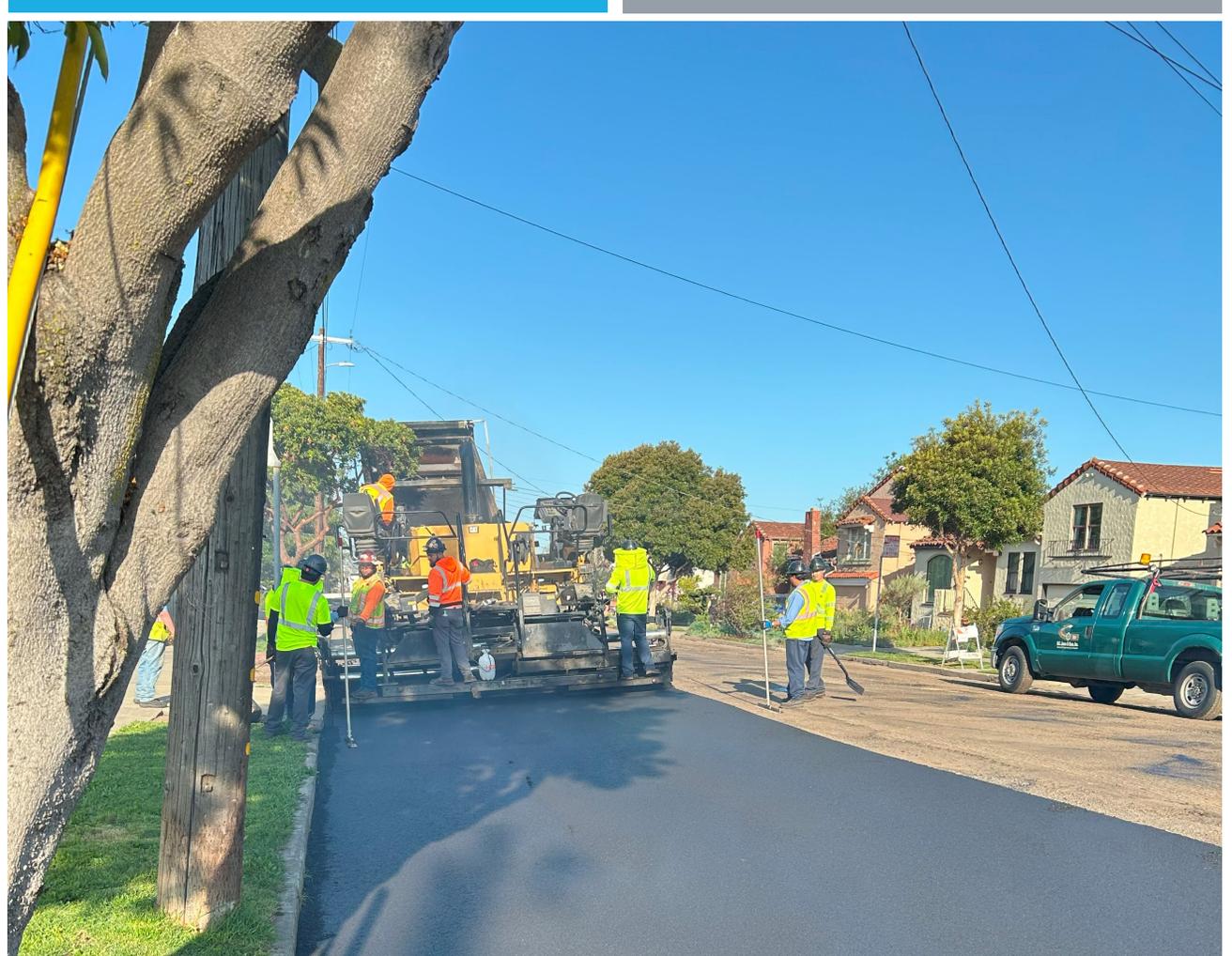
# WENDELL PARK RENOVATION

- Program Category: Parks and Open Spaces
- Program: Parks and Open Spaces Improvements
- Substantial Completion: Spring 2026
- Details: Improvements include the renovating the natural grass multi-purpose field, upgrades to the softball facilities including an infield renovation, new perimeter fence, backstop, seating, play area renovation, and a single-stall restroom to enhance the park.



# Street Paving and Cape Seal Projects

- Program Category: Transportation
- Program: Pavement Management
- Substantial Completion: Spring 2026
- Details: Encompasses in-house paving by operations, data analysis, public inquiry response, and the completion of the Cape Seal Project, including necessary curb ramp facility upgrades.



# Boorman Park Revitalization

- Program Category: Parks and Open Spaces
- Program: Parks and Open Spaces Improvements
- Substantial Completion: Summer 2026
- Details: The redesigned 3.3-acre Boorman park will include a loop trail, skate zone, multi-purpose field, basketball court, fitness area, children’s playgrounds, a two-stall restroom, and a shaded community gathering space with picnic and game tables.

Sustainability features include low-water-use plants, stormwater infrastructure, energy-efficient lighting, and recycled-content site furnishings and play equipment.



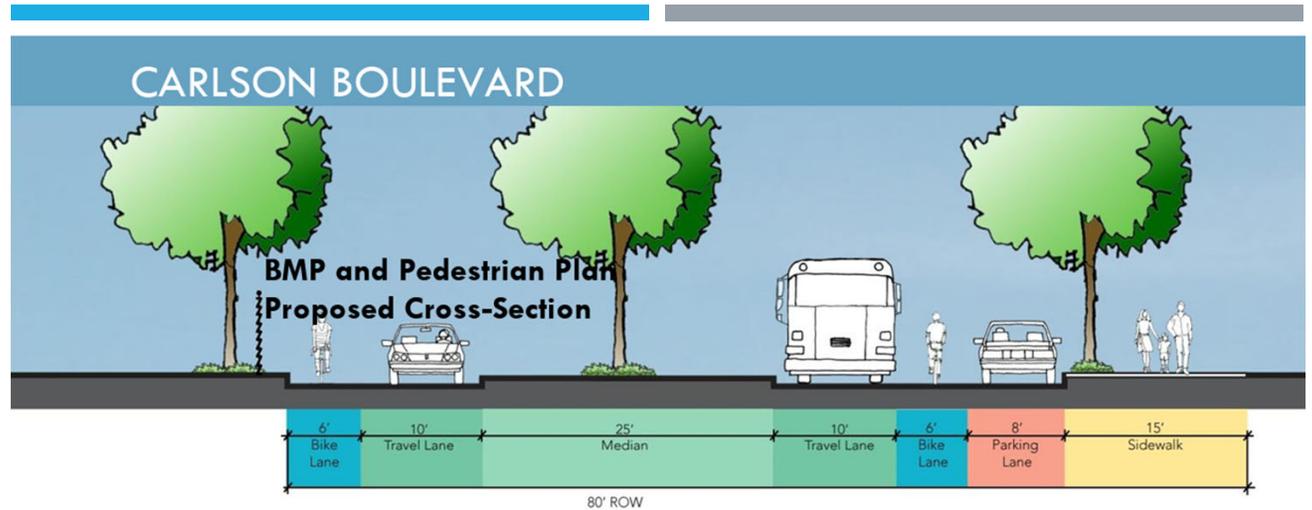
## Martin Luther King Jr. Restroom Renovation

- Program Category: Parks and Open Spaces
- Program: Parks and Open Spaces Improvements
- Substantial Completion: Summer 2026
- Details: Replaces the existing restroom facility with the same model designed to current standards.



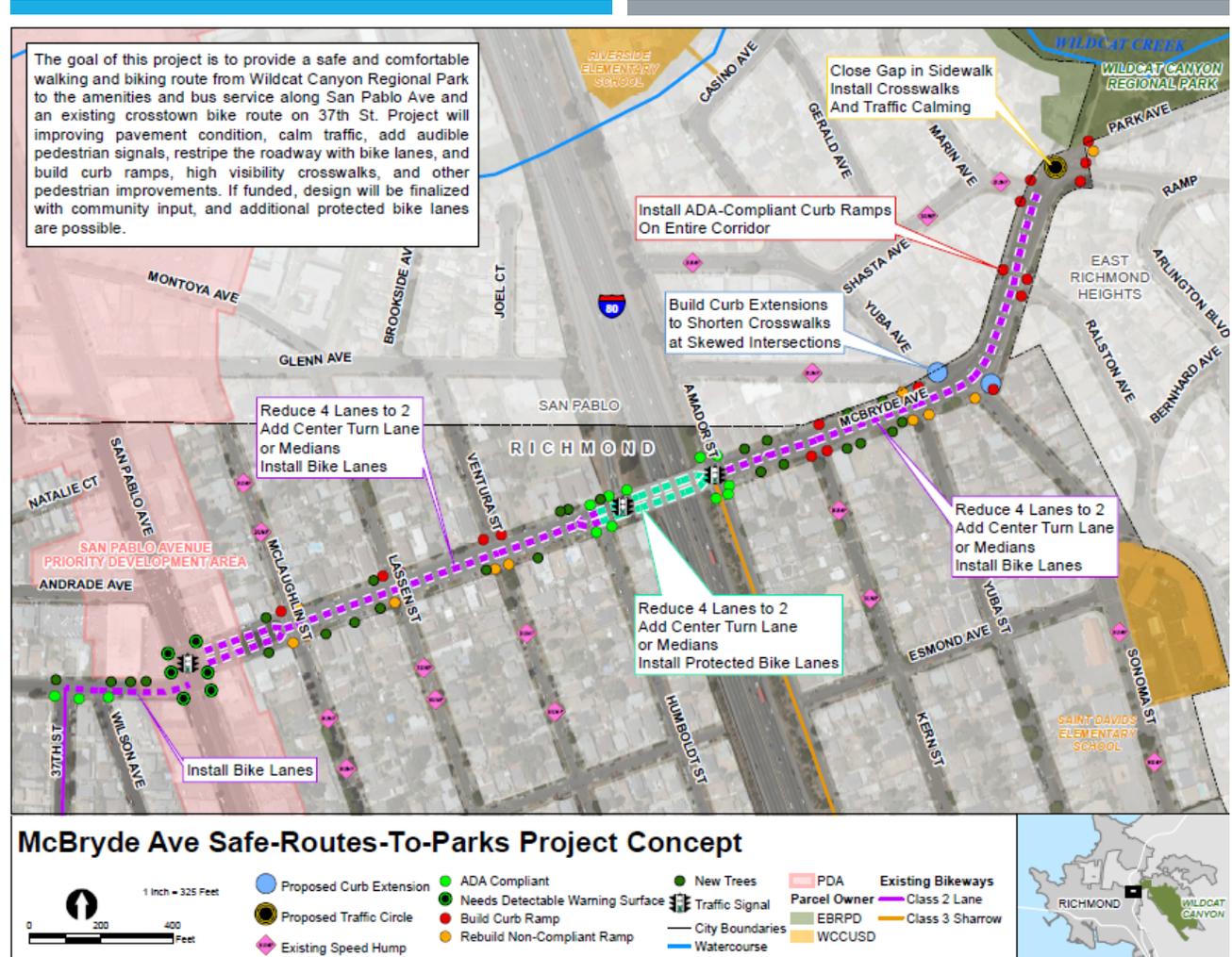
# Carlson Crosstown Phase II

- Program Category: Transportation
- Program: Bicycle and Pedestrian
- Substantial Completion: Fall 2026
- Details: Install bicycle lanes, pedestrian ramp facilities, bus shelter connections for future make-ready installation, asphalt paving, sidewalk and root repairs, signing and striping, and streetlight study. Broadway to Tehama will feature Class II bike lanes, and class IV bike lanes where feasible. This corridor will be upgraded to enhance safety and improve traffic flow along Carlson Boulevard.



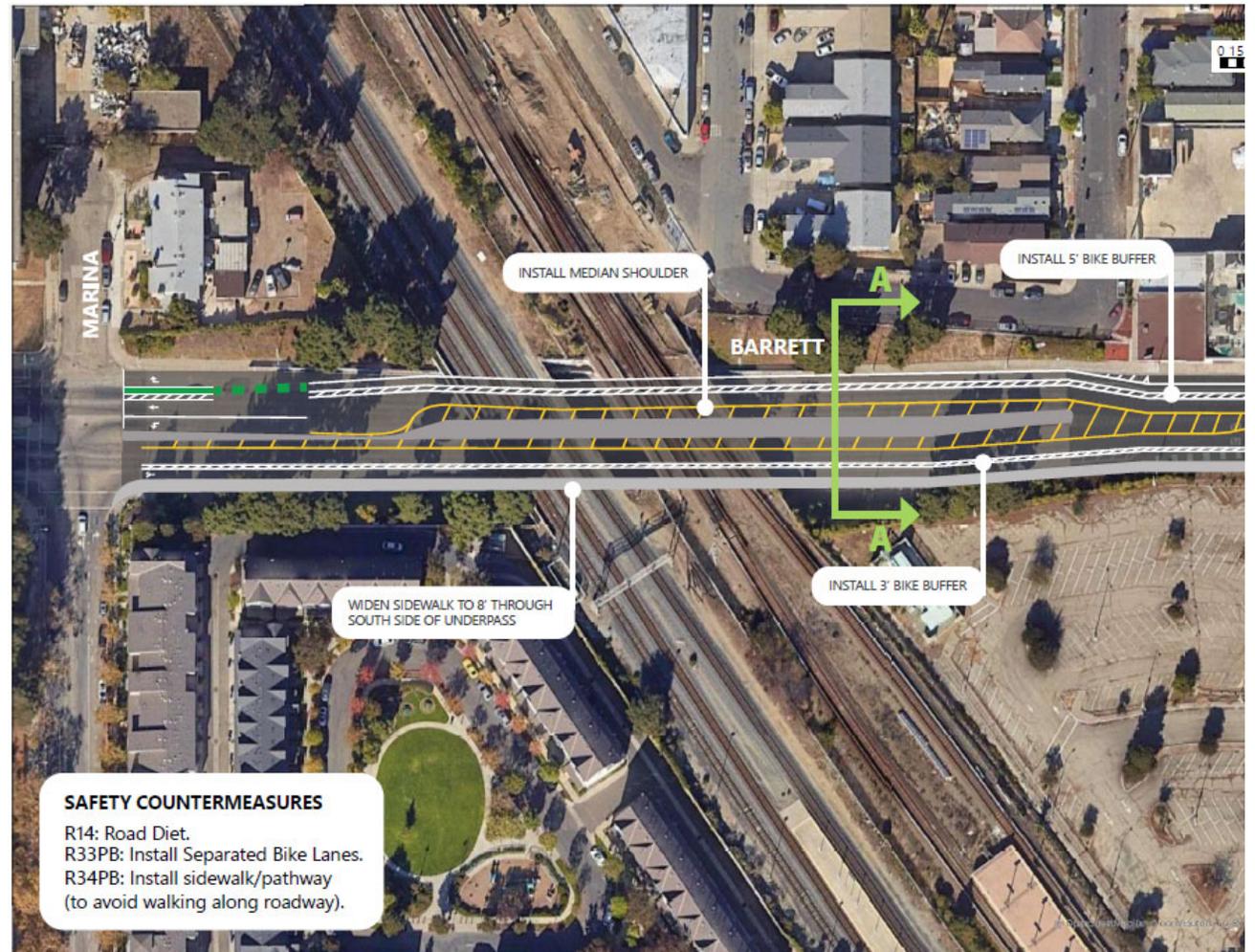
# McBryde Safe Routes To Parks

- Program Category: Transportation
- Program: Bicycle and Pedestrian
- Substantial Completion: Fall 2026
- Details: Improvements include resurfacing, a road diet from 4 to 2 vehicle lanes with a center turn lane and buffered bike lanes, curb ramps, curb extensions, high visibility crosswalks, sidewalk gap closures, traffic calming, and street trees.



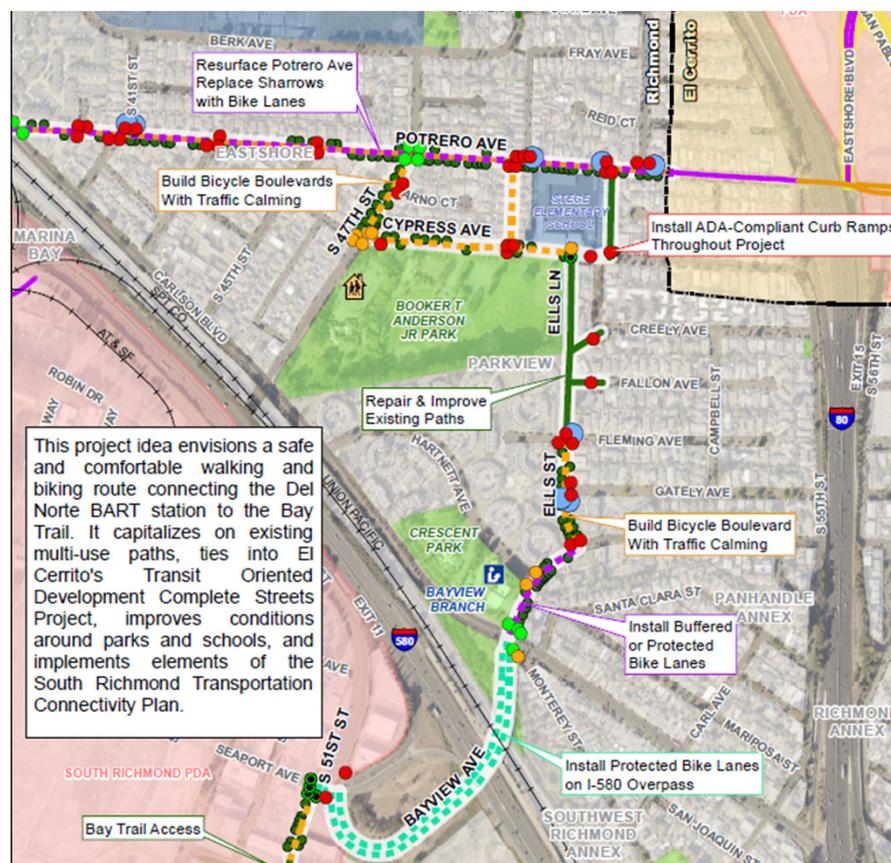
# Barrett Ave Road Improvements

- Program Category: Transportation
- Program: Bicycle and Pedestrian
- Substantial Completion: Winter 2026-2027
- Details: Road diet along Barrett Avenue including protected bike lanes, sidewalk widening, high visibility crosswalk enhancements, protected left-turn phasing, advanced stop bars, median refuge islands, and Rectangular Rapid Flashing Beacons (RRFB's).



# Bayview To Bart

- Program Category: Transportation
- Program: Bicycle and Pedestrian
- Substantial Completion: Spring 2027
- Details: Create a safe and comfortable walking and biking route connecting the Del Norte BART station to the San Francisco Bay Trail. Construct Class II bike lanes on Potrero Ave as well as build Class IV protected bike lanes on the Bayview Ave overpass over I-580, curb ramps, sidewalk repairs, pavement rehabilitation, and street trees.



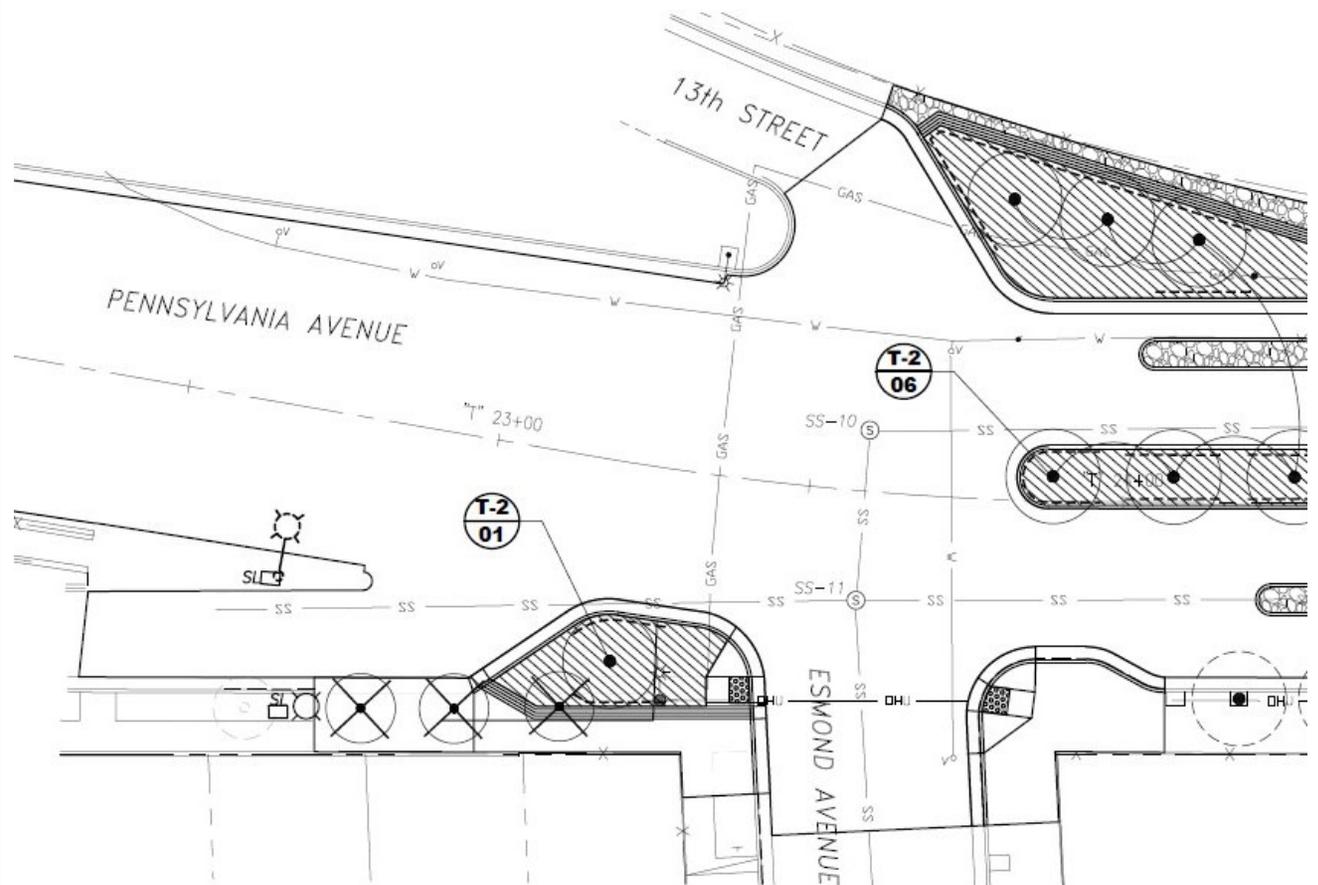
## Booker T. Anderson Phase III

- Program Category: General and Public Safety Facilities
- Program: Building and Facility Improvements
- Substantial Completion: Spring 2027
- Details: Ongoing vital building improvements at the Booker T. Anderson Community Center to ensure facility integrity and aesthetics, addressing the roof, gutter system, fencing, and exterior paint.



# 13<sup>th</sup> Street Complete Streets

- Program Category: Transportation
- Program: Complete Streets
- Substantial Completion: Summer 2027
- Details: Will enhance user experience and connectivity in west Contra Costa County by transforming a multi-lane arterial into a pedestrian-scaled street with protected bike lanes, integrating it into a regional bike network. Improvements include shortened and signalized pedestrian crossings, a road diet, and the addition of street trees to mitigate the urban heat island effect.



# Neighborhood Complete Streets

- Program Category: Transportation
- Program: Complete Streets
- Substantial Completion: Summer 2027
- Details: Create safe access for all through improved bike lanes, pedestrian facilities, bus stop enhancements, streetscape improvements, street crossing enhancements, and traffic calming measures. This project connects transit corridors, the Yellow Brick Road, and Harbour 8, and includes tree plantings as part of Bosque del Barrio.



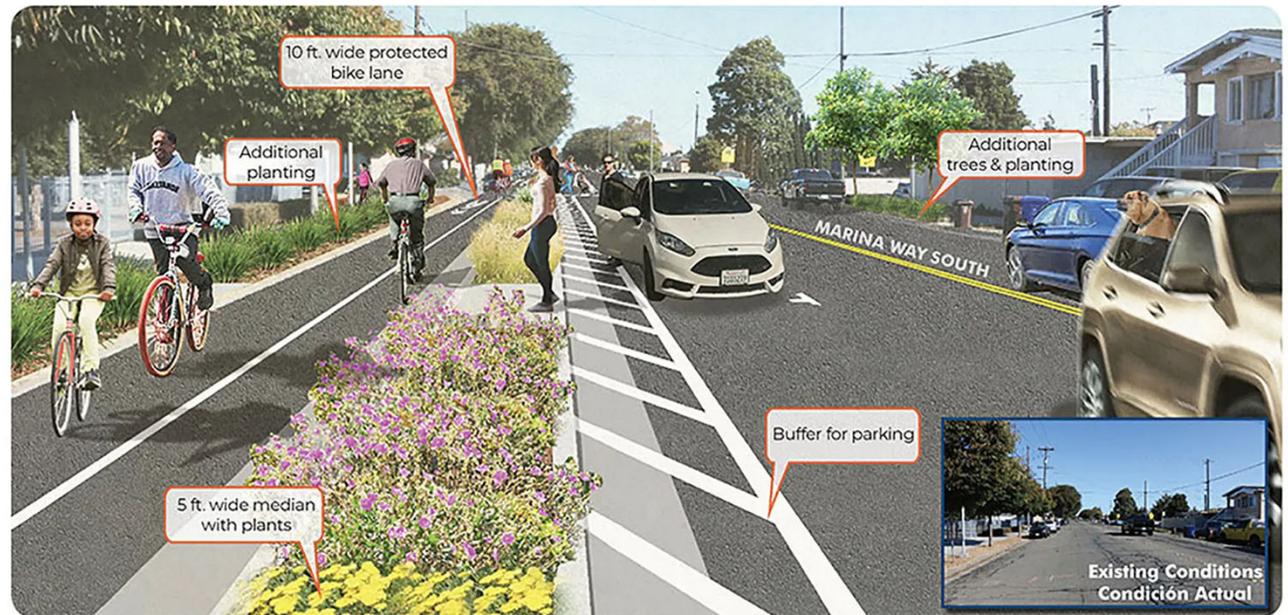
## Revitalizing The Historic Richmond Main Library

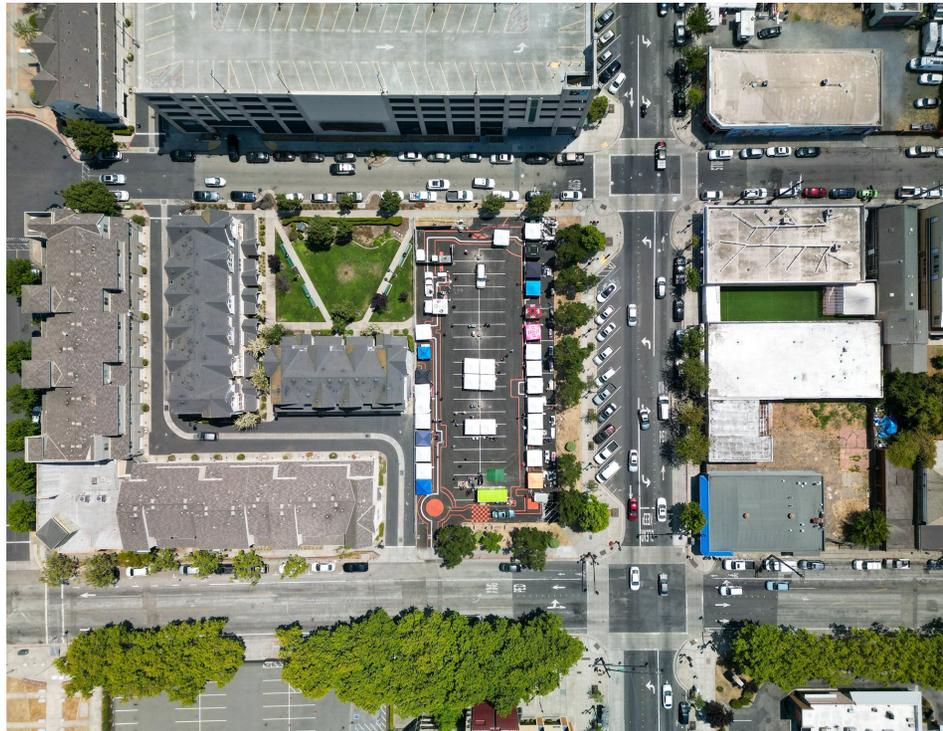
- Program Category: General and Public Safety Facilities
- Program: Building and Facility Improvements
- Substantial Completion: Summer 2027
- Details: Seismic upgrades and renovation of the building, ADA accessibility improvements to existing facilities, repair or replacement of building systems, and various interior and exterior upgrades to create a modern facility while preserving the historical elements of the building.



# Richmond Wellness Trail Phase II

- Program Category: Transportation
- Program: Complete Streets
- Substantial Completion: Summer 2027
- Details: Development of a protected cycle track and shaded pedestrian routes to provide a continuous route from the combined BART/Amtrak station to the new Ferry terminal.





## Recommended Action

REVIEW Proposed Fiscal Year 2025-26 Budget; and RECEIVE updated General Fund Five-Year Forecast Fiscal for Fiscal Year 2025-26 through 2029-30; and PROVIDE DIRECTION to staff prior to final budget adoption.



## Next Steps

City staff will incorporate City Council directives and feedback and bring back FY 2025-26 Operating Budget and FY 2025-26 through FY 2029-30 Five-Year Capital Improvement Plan for adoption on June 24, 2025.



Thank You

Questions?