



FISCAL YEAR 2025-26 PROPOSED BUDGET
JUNE 24, 2025



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Overview

Recommended Action

Economic Outlook

Staffing Cost Escalation

Summary of Proposed Budget

City Council Requests

Capital Projects Update

Next Steps

Questions





Recommended Action

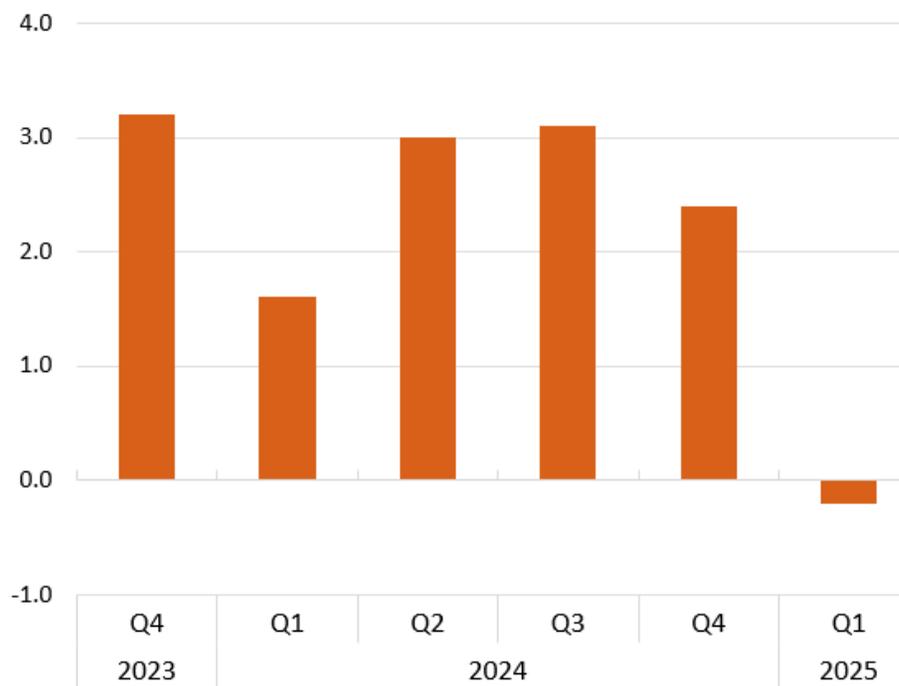
- ADOPT resolutions approving: (1) Fiscal Year (FY) 2025-26 Proposed Operating Budget, and (2) FY 2025-26 to FY 2029-30 Proposed Five-Year Capital Improvement Plan Budget – City Manager’s Office/Finance Department.

Economic Outlook

Real gross domestic product (GDP) decreased at an annual rate of 0.2 percent in the first quarter of 2025 (January, February, and March), according to the second estimate released by the U.S. Bureau of Economic Analysis. In the fourth quarter of 2024, real GDP increased 2.4 percent. The decrease in real GDP in the first quarter primarily reflected an increase in imports, which are a subtraction in the calculation of GDP, and a decrease in government spending. These movements were partly offset by increases in investment, consumer spending, and exports.

U.S. Bureau of Economic Analysis

Real GDP, Percent Change from Preceding Quarter

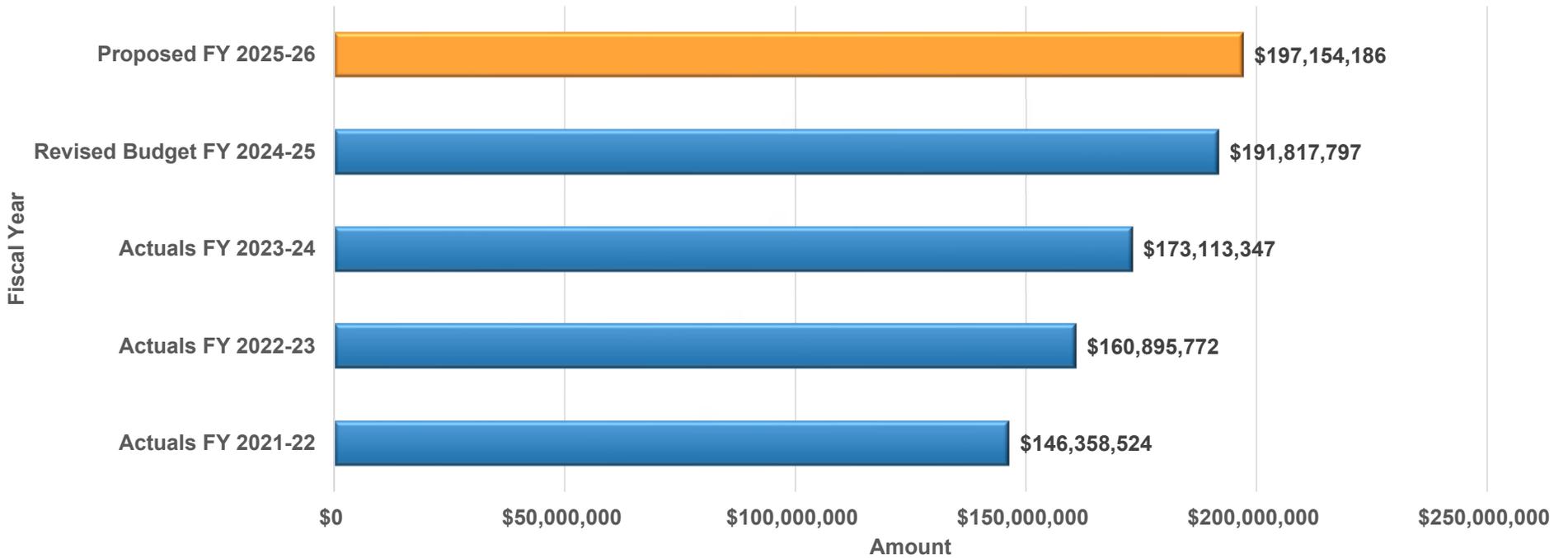


U.S. Bureau of Economic Analysis

Seasonally adjusted annual rates

Dated June 18, 2025: U.S. Economy at a Glance | U.S. Bureau of Economic Analysis (BEA)

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



*Budgeted positions with 9.7% vacancy saving rate. Number of Full time Equivalent subject to final MOU approval and Federal, State, and County Budget Adoption.

**Full Time Equivalent as of May 2025.

***Full Time Equivalent as of June of the respective fiscal year.

Employee Headcount Increased 8.3% or 51 FTEs Since FY 2021-22

Fiscal Year (FY)	No. Staff	% Change in No. Staff	Change in Staff	(\$) Change (Δ)	(%) Δ	% CPI Δ
FY 2025-26	*~662-700	0%	0	\$5,336,389	2.8%	****
FY 2024-25	**662	1.4%	20	\$18,704,450	10.8%	2%
FY 2023-24	***653	5.3%	33	\$12,217,575	7.6%	3%
FY 2022-23	***620	1.5%	9	\$14,537,248	9.9%	4%
FY 2021-22	***611	(0.2)%	(1)	(9,666,134)	(6.2%)	8%

*Budgeted positions with 9.7% vacancy saving rate. Number of Full time Equivalent subject to final MOU approval and Federal, State, and County Budget Adoption.

**Full Time Equivalent as of May 2025.

***Full Time Equivalent as of June of the respective fiscal year.

****FY 2025-26 CPI increase will be released in January 2026.

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	FY 2025-26 PROPOSED BUDGET 06.24.25
PROPERTY TAXES	57,597,487	58,329,291	58,329,291	58,329,291
SALES & USE TAX	60,901,150	57,821,463	60,163,807	60,163,807
UTILITY USERS TAX	62,092,359	64,943,670	64,943,670	64,943,670
OTHER TAXES	23,405,397	28,399,659	28,399,659	28,399,659
LICENSES, PERMITS & FEES	16,352,770	17,274,036	17,274,036	17,274,036
FINES & FORFEITURES	176,438	200,000	200,000	200,000
INTEREST INCOME	1,796,421	3,030,545	3,030,545	3,030,545
CHARGES FOR SERVICES	3,255,703	3,724,495	3,724,495	3,724,495
OTHER REVENUE	142,830	50,167,500	50,167,500	50,167,500
RENTAL INCOME	777,478	791,157	791,157	791,157
INTERGOVERNMENT STATE TAXES	125,000	150,000	150,000	150,000
STATE GRANT	130,000	180,000	180,000	180,000
OTHER GRANT	250,000	290,000	290,000	290,000
PROCEEDS FROM SALE OF PROPERTY	15,000	15,000	15,000	15,000
LOAN/BOND PROCEEDS	40,400	40,400	40,400	40,400
OPERATING TRANSFERS IN	23,269,402	20,853,959	20,853,959	20,853,959
TOTAL REVENUES	250,327,835	306,211,175	308,553,519	308,553,519

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	FY 2025-26 PROPOSED BUDGET 06.24.25	DOLLAR CHANGE 06.17.25 VS. 06.24.25
SALARIES AND WAGES	95,303,620	95,368,985	96,762,515	96,762,515	
PAYROLL/FRINGE BENEFIT	70,548,062	73,083,339	74,157,128	74,157,128	
PROFESSIONAL & ADMINISTRATIVE	23,163,189	24,428,046	24,975,481	25,354,296	378,815
OTHER OPERATING	8,623,649	9,513,865	9,539,865	9,511,051	(28,815)
UTILITIES	5,626,060	7,265,830	7,265,830	7,265,830	
EQUIPMENT & CONTRACT SERVICES	4,495,781	4,610,266	5,513,366	5,513,366	
PROVISION FOR INSURANCE LOSS	37,042	46,500	46,500	46,500	
COST POOL	24,750,598	24,297,321	22,745,184	22,145,184	(600,000)
ASSET/CAPITAL OUTLAY	3,284,099	2,842,986	2,842,986	2,842,986	
DEBT SERVICE EXPENDITURES	850,905	775,647	775,647	775,647	
A87 COST PLAN REIMBURSEMENT	(3,514,373)	(3,362,171)	(3,362,171)	(3,362,171)	
GRANT EXPENDITURES	52,246	34,497	34,497	34,497	
OPERATING TRANSFERS OUT	33,451,511	18,806,063	18,756,690	19,006,690	250,000
TOTAL EXPENDITURES	266,672,389	257,711,175	260,053,519	260,053,519	-

FY 2025-26 Proposed General Fund Budget

■ \$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.

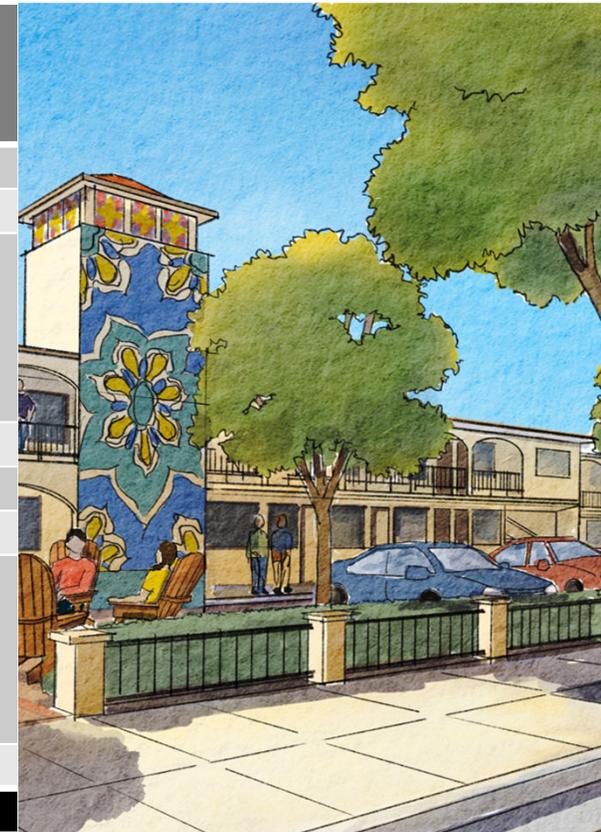
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TOTAL REVENUES	250,327,835	306,211,175	308,553,519	308,553,519
TOTAL EXPENDITURES	266,672,389	257,711,175	260,053,519	260,053,519
GENERAL FUND NET +SURPLUS/(-DEFICIT)	*(16,344,554)	**48,500,000	**48,500,000	**48,500,000

*Includes \$16.3 Million One-Time Transfer Out for Several Capital Projects and Legal Costs on Council meeting dates 10/1/24, 11/19/24, 12/17/24, and 3/11/25.

**\$48.5M is limited-term revenue

Current Contracts for Unhoused Services

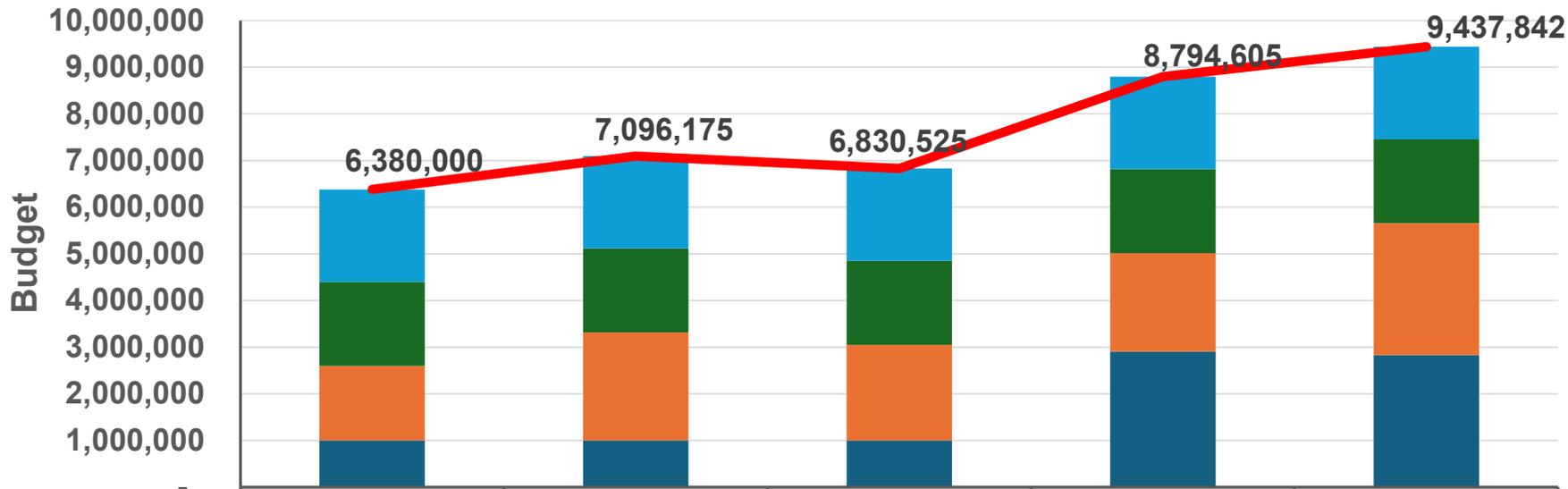
	Encampment Resolution Fund -2	Encampment Resolution Fund-3	Notes
Healing Spot	\$343,300		
CCH H3 - CORE	\$920,447		
CCH H3 - CORE+	\$2,845,440	\$4,403,705	Includes \$2,070,000 housing funds and \$283,240 funds for shelter beds
RCF Connects	\$1,692,450		
Olivers Towing	\$50,000		
Intracity Service Agreement		\$1,287,197	
Housing Trust Fund Allocation		\$2,334,260	Housing Trust fund is ~\$4.7 million less \$2,353,240 allocated to CCH
Unallocated	\$2,892,842	\$1,311,583	
TOTAL Grant Amount	\$8,602,587	\$9,336,746	



Rendering of Motel 6 Homekey Hotel Conversion.

Reimagine Public Safety Historical Budget

FY 2025-26 - \$9.4M - Increase Of 47% Or \$3.1m



	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
■ Youthworks	1,980,000	1,980,000	1,980,000	1,980,000	1,980,000
■ Unhoused Intervention	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000
■ Office of Neighborhood Safety	1,600,000	2,316,175	2,050,525	2,108,854	2,827,346
■ Community Crisis Response	1,000,000	1,000,000	1,000,000	2,905,751	2,830,496
— Grand Total	6,380,000	7,096,175	6,830,525	8,794,605	9,437,842

Fiscal Year

5 Year Capital Improvement Plan (CIP) - Redirect Funds From HVAC To Harbour 8 Park Expansion Project (\$3 million)

PROJECT	CURRENT PROPOSED BUDGET FY 2025-26	MOVEMENT	REVISED PROPOSED BUDGET FY 2025-26	Remaining Balance
NEVIN COMMUNITY CENTER HVAC	1,064,750	(1,000,000)	-	64,750
RICHMOND RECREATION COMPLEX HVAC	1,114,975	(1,000,000)	-	114,975
SHIELDS-REID COMMUNITY CENTER HVAC	1,027,250	(1,000,000)	-	27,250
HARBOUR 8 PARK EXPANSION	403,108	3,000,000	3,403,108	-
TOTAL	3,610,083	-	3,403,108	206,975

- Reallocate funding for HVAC projects pending completion of the Facilities Conditions Assessment which is anticipated by the end of 2026.
- Remaining Balance of \$207K in the HVAC projects will be available for CIP Shortfall

Options To Fund Harbour 8 Shortfall (\$3 million), Black Resiliency Fund (\$500K), and Gender-Based Violence (\$100K), Historic Preservation(\$100K)
Total Need \$3.7 million



Sources		Uses	
Reduce Fleet Budget *	\$500,000-1,500,000	Black Resiliency Fund *	\$500,000-1,500,000
Reduce Fleet Budget *	\$100,000	Gender-Based Violence ***	\$100,000
Community ** Development Budget	\$100,000	Historic Preservation	\$100,000
Redirect HVAC Funding (listed on Slide 13)	\$3,000,000	Harbour 8 Expansion	\$3,000,000
Total	\$3,700,000-\$4,700,000	Total	\$3,700,000-\$4,700,000

*Fleet budget may be reinstated along with additional funding for the Black Resiliency Fund in the fall of 2025 from prior year unspent funds.

**Historic Preservation line item will be absorbed with in the Community Development Budget.

***The City currently covers Family Justice Center building rent (valued at \$25K/Quarter and \$100K/Year) and other professional services

Festivals

City staff will bring item to City Council in September 2025 to discuss requirements to receive funding.

Proposed recommendations include:

Pre-Event:

- Event description
- Estimated event budget
- Proposed use of City funds by line item

Post-Event

- Images from event
- Brief synopsis of event include estimated number of participants
- Receipts to substantiate use of City funds



Pending Line Items

Staff is currently working on finalizing these line items:

In Progress

1 Full-time Project Coordinator
(OES & CERT)

In Progress

Installation of Ham Radio and
Antenna

In Progress

Performance Stage for City
Events



Public Works Vacancies Status

Human Resources is focused on filling SEIU positions that provide direct services to the residents.

As of May 31, 2025, the Public Works department has 24 full-time vacancies, with 13 positions undergoing various stages of the hiring process (the job description for Tree Trimmer is being developed and is anticipated to be submitted to the Personnel Board in July). The approved positions are outlined below:

- FACILITIES MAINTENANCE WORKER I/II - 3
- GARDENER - 2
- GROUNDSKEEPER - 2
- MAINTENANCE WORKER II - 2
- PARKS & CONSTRUCTION MAINTENANCE WORKER - 2
- TREE TRIMMER - 2



Street Paving – Slurry Seal Project

- **Category:** Transportation
- **Program:** Pavement Management
- **Phase:** Closeout
- **Details:** The project included crack-sealing, slurry sealing, and placement of pavement markers and traffic striping and markings. Crack sealing is the placement of an adhesive sealant into roadway surface cracks, to prevent water infiltration. Slurry sealing is a cost-effective preventive maintenance treatment to prolong the useful life of the asphalt roadway surface for an additional five to seven years.

<https://www.ci.richmond.ca.us/4774/Slurry-Seal>



Quick-Build Cutting/Hoffman Project

Quick-Build Harbour Way S. Cycle Track

Street Paving – Cutting Harbour Way S. Bikeway Project

- **Category:** Transportation
- **Program:** Bicycle and Pedestrian
- **Phase:** Closeout
- **Details:** Installed a separated two-way bikeway along portions of Cutting Boulevard, Hoffman Boulevard, and Harbour Way South, as well as an asphalt berm, traffic striping, pavement markings, signage, asphalt slurry sealing, and traffic signal improvements.



6th And Macdonald Ave Traffic Signal Light Improvement Project

- **Category:** Transportation
- **Program:** Traffic Signals
- **Phase:** Final
- **Details:** The traffic signals were repaired to standard operations (solid green-yellow-red).





37th St Bicycle and Pedestrian Improvement Project– Closeout Only

- **Category:** Transportation
- **Program:** Bicycle and Pedestrian
- **Phase:** Closeout
- **Details:** Staff completed administrative grant closeout with Caltrans.



Nevin Ave Pedestrian Improvements Project – Closeout Only

- **Category:** Transportation
- **Program:** Bicycle and Pedestrian
- **Phase:** Closeout
- **Details:** Staff completed administrative grant closeout with Caltrans.

Greenway Rehab and Bike Education Project

- **Category:** Transportation
- **Program:** Bicycle and Pedestrian
- **Phase:** Closeout
- **Details:** Completed Bicycle Safety Education Program, ongoing Richmond Greenway Maintenance, Multi-Use Path Rehabilitation, and Richmond Greenway Path Widening.



Transformative Climate Communities (TCC) E-Bike Share Program

- **Category:** Transportation
- **Program:** Bicycle and Pedestrian
- **Phase:** Final
- **Details:** Expanded Richmond's current bike share program and infrastructure, bringing 8 new bike share access points and 70 new electric bikes to the TCC project area.





Greening The Yellow Brick Road Project

Yellow Brick Road Project

- **Category:** Parks and Open Spaces, Transportation
- **Program:** Streetscape Improvements, Bicycle and Pedestrian
- **Phase:** Construction Complete
- **Details:** Established pedestrian-friendly street infrastructure, while enhancing the area with plants, trees, storm drain improvements, and safety features.



Dirt World Bike Park Project

- **Category:** Parks and Open Spaces
- **Program:** Parks and Open Spaces Improvements
- **Phase:** Closeout
- **Details:** The project improved and reconstructed the BMX tracks and bike terrain features to accommodate multiple skill levels. The project also included renovation of a 2-block long segment of the multi-use Class I Richmond Greenway Trail, low-maintenance landscaping, murals, signage, fencing, and other park amenities.

Richmond Memorial Auditorium Lighting and Electrical Upgrades Project

- **Category:** General and Public Safety Facilities
- **Program:** Building and Facility Improvements
- **Phase:** Closeout
- **Details:** Completed upgrades to the main floor lighting, hallway light and upgraded the electrical panels.





Grit and Aeration Replacement Project

- **Category:** Sanitary Sewer/Wastewater
- **Program:** Sanitary Sewer/Wastewater Improvements
- **Phase:** Closeout
- **Details:** Replaced aging and unreliable infrastructure, improved treatment operating efficiency, complied with future discharge regulations and improve the functionality of the existing Wastewater Treatment Plant.



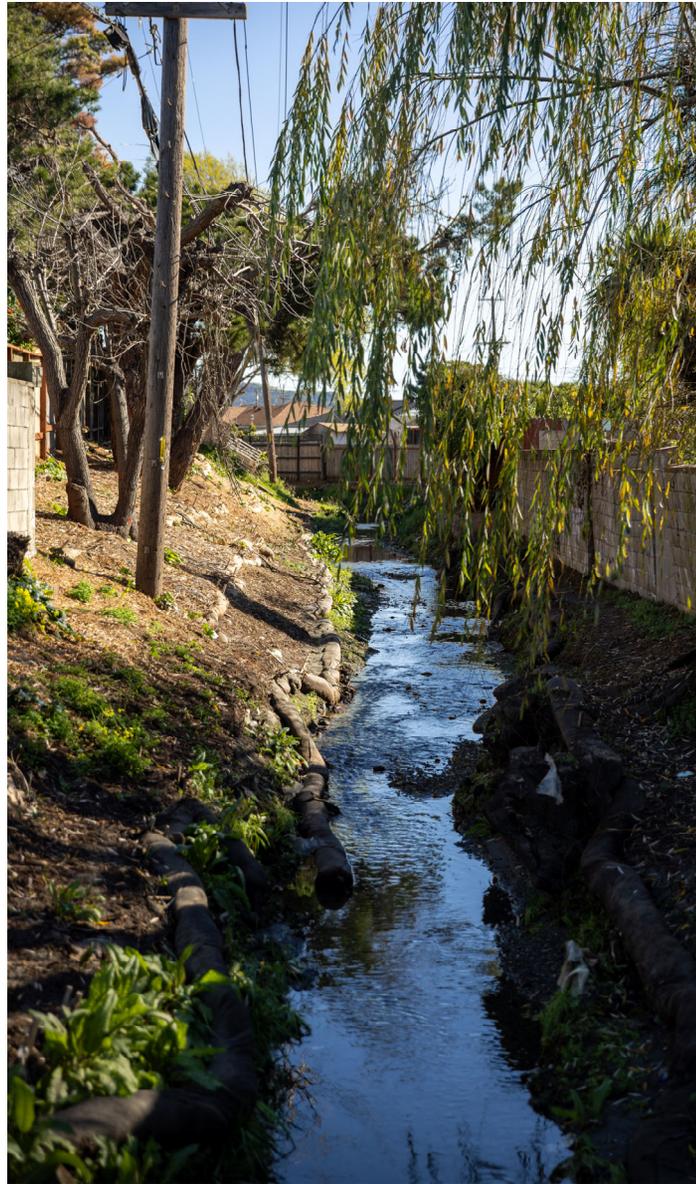
Dornan Drive Force Main Rehabilitation Project

- **Category:** Sanitary Sewer/Wastewater
- **Program:** Sanitary Sewer/Wastewater Improvements
- **Phase:** Closeout
- **Details:** Replaced Force Main sanitary sewer line on Dornan Drive from Western Drive to Brickyard Cove Road.



Dornan Drive Tunnel Rehabilitation Project

- **Program Category:** Sanitary Sewer/Wastewater
- **Program:** Sanitary Sewer/Wastewater Improvements
- **Phase:** Construction Complete
- **Details:** Repaired existing 6" Dornan Drive sanitary sewer force main line (approximately 4,600 LF), using Cured-in-Place Pipe method.



Flood Risk Reduction – Rheem Creek

- **Category:** Storm Drainage and Watershed
- **Program:** Storm Drainage and Watershed Improvements
- **Phase:** Closeout
- **Details:** The removal of invasive vegetation and excessive sediment, regrading the creek to establish a stable channel, and the planting of native riparian vegetation. Improvements had been implemented along the segment of Rheem Creek extending from Annapolis Avenue to Greenwood Court.



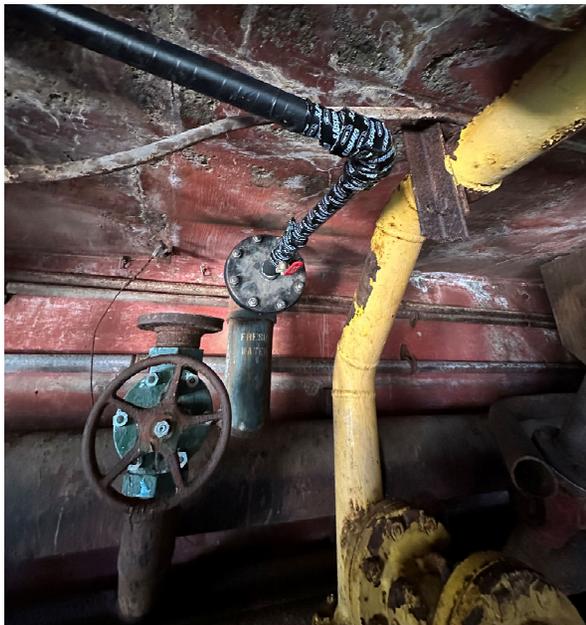
Santa Rita Road Stabilization Project

- **Category:** Storm Drainage and Watershed
- **Program:** Storm Drainage and Watershed Improvements
- **Phase:** Closeout
- **Details:** A landslide formed beside Santa Rita Road during the 2023 winter storms. Emergency tarping offered short-term protection. As a permanent fix, a soldier pile wall was constructed to safeguard the public roadway.

Processing Building Ventilation Project

Point Potrero Marine Terminal (PPMT) Pavement Maintenance

- **Category:** Port of Richmond
- **Program:** Port Improvements
- **Phase:** Final/On-Going
- **Details:** HVAC replacement was needed in the processing building offices. The system was twelve years old and successfully replaced. Throughout the year utility and pavement related improvements were made throughout Point Potrero Marine Terminal



Terminal 4 Wharf Removal Project

- **Category:** Port of Richmond
- **Program:** Port Improvements
- **Phase:** Closeout
- **Details:** In late 2023 a total of 2,128 tons of debris were removed from the shoreline. In 2024 and 2025 the enhanced rock slope protection was completed, including crown plantings, seaweed and oyster reef elements installation to encourage marine life.

<https://www.sfchronicle.com/climate/article/california-native-oysters-20343408.php>



Recommended Action

- ADOPT resolutions approving: (1) Fiscal Year (FY) 2025-26 Proposed Operating Budget, and (2) FY 2025-26 to FY 2029-30 Proposed Five-Year Capital Improvement Plan Budget – City Manager’s Office/Finance Department.



Next Steps

- Staff will implement the adopted budget on July 1, 2025, and will bring FY 2025-26 Quarter 1 Budget Report to the City Council in November 2025.



Thanks

Questions?

