

**RICHMOND UNION COALITION BUDGET BALANCING PROPOSAL – June 16, 2020:**

Rather than push to impose labor and service cuts on workers and residents who are already understaffed and under-resourced, the Richmond Union Coalition recommends balancing the remaining projected \$6.5M FY 20-21 Budget Deficit by the following combination of reductions/deferrals of General Operating Items and responsible spending down of the City’s reserves:

1. Additional Departmental Savings beyond what’s already contemplated in the 6/9 budget presentation: \$170,045
2. Additional Vacancy Savings: \$1,196,755
3. Suggested Expenditure Deferrals Pending New Revenues \$1,233,900
4. Spend down a responsible amount of reserves: \$3,899,300

Total savings to close the gap: **\$6.5M**

1. Departmental Savings

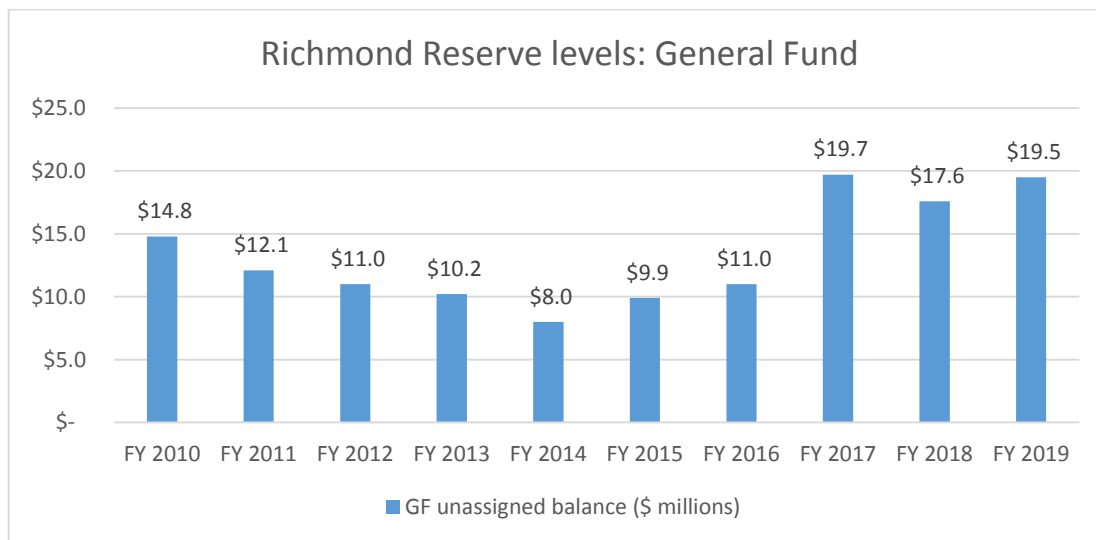
<b>Additional Dept. Level Cuts</b>	<b>Notes</b>	
City Manager	City Council Retreats	\$15,000
City Council	Sister City Travel	\$6,000
Public Works	3 Pickup Trucks	\$135,000
Public Works	Travel and Training	\$1,945
Economic Development	Various items (agreed to)	<u>\$12,100</u>
<b>Subtotal, Additional Departmental Savings</b>		<b>\$170,045</b>
<b>Additional Vacancy Freezes:</b>		
<b>Position</b>	<b>Savings</b>	<b>Notes</b>
Police Lieutenant (1FTE)	Offset by SRO contract expiration	\$286,249
Police Officer (2 FTEs)	Offset by SRO contract expiration	\$465,902
Police Sergeant (1 FTEs)	Offset by SRO contract expiration	\$261,604
PW positions -- Landscape Maint. (1.5FTE)	(1/2 of 3 FTE funded 50% by Marina Bay Landscape District	\$183,000
<b>Subtotal, Additional Vacancy Freezes</b>		<b>\$1,196,755</b>
<b>Suggested Expenditure Deferrals Pending New Revenues</b>		
Community Services	Travel, computers, furniture	\$25,950
Human Resources	Recruitment / labor neg / test materials	\$115,000
Human Resources	Citywide Compensation Study	\$200,000
Internal Services	Travel and training	\$2,350
Neighborhood Safety	Computers	\$9,600

Planning Building	Travel and training	\$1,000
Police	\$1.295m vehicle replacement already in budget	\$880,000
<b>Subtotal, Suggested Expenditure Deferrals Pending New Revenues</b>		<b>\$1,233,900</b>

Use of Reserves

**\$3,899,300**

- The average Year-End reserve for the last ten years: \$13.4 million.
- Reserve Balance after FY19-20 cost saving measures: \$18.8 million
- If the City spends \$3,899,300 of reserves as recommended to close out the remaining deficit, City would still maintain a reserve balance of \$14.9M which is above the 10-year, Year-End reserve average.



Source: Richmond 2019 CAFR p222.

Conclusion:

<b>Additional Departmental Savings:</b>	<b>\$170,045</b>
<b>Additional Vacancy/Freeze Savings:</b>	<b>\$1,196,755</b>
<b>Suggested Expenditure Deferrals Pending New Revenues</b>	<b>\$1,233,900</b>
<b>Responsible Reserve Spending:</b>	<b><u>\$3,899,300</u></b>
<b>Total Gap Closing:</b>	<b>\$6,500,000</b>