

City of Richmond  
Potential Budget Balancing Strategies  
FY2019-20 and FY2020-21

Strategy	Explanation/Impact	FY2019-20 Estimated Cost Savings/Revenue Generation	FY2020-21 Estimated Cost Savings/Revenue Generation (Low End)	FY2020-21 Estimated Cost Savings/Revenue Generation (High End)	Estimated Number of Layoffs	Estimated Layoff Avoidance; Avg. Cost = \$196,011	Timeline to Implement (Short = 60 days or less; Medium = 60 days - 12 months; Long = longer than 12 months)	Requirements to Implement	Department Responsible
<b>I. GENERAL OPERATING ITEMS</b>									
1	Update master fee schedule (MFS)	\$0	\$250,000	\$250,000		1	Short	Update fees and submit MFS for City Council adoption by 6/30/2020; new rate will be effective 7/1/2020	Finance/Citywide
2	Pass credit card processing fees on to customers who pay fees online	\$0	\$90,000	\$100,000		0.5	Short		Finance
3	Eliminate funds for festivals and corresponding subsidy to support festivals by department (i.e. police and fire overtime)	\$11,000-50,000	\$55,000	\$300,000		2	Short	Direct staff to eliminate from budget	Mayor/City Council
4	Eliminate matching funds for campaigns	\$0	\$100,000	\$100,000		1	Short	City Council to modify ordinance	City Council/City Clerk
5	ECIA agreement amendments to reprioritize funds based on Council priorities (i.e. ECIA funding could be used to support staff, back out some GF investment for paratransit in current year and next year, or use grant funds for non-profits that are funded in the GF)		\$200,000	\$500,000		3		Interim Deputy CM to adjust ECIA budget	Internal Services (ECIA)/Citywide
6	Reduce I.T. desktop and infrastructure refresh to replace in phases over three to five years and/or explore capital leasing	\$0	\$1,000,000	\$4,300,000		22	Short	Direct staff to prioritize and eliminate low priority technology replacement	Information Technology
7	Reduce vehicle/equipment replacement to only fund the most critical needs	\$342,498	\$1,295,000	\$1,295,000		7	Short	Direct staff to prioritize and eliminate low priority vehicles/equipment	Public Works

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8	Eliminate 1% across the board cost of living adjustments	\$1,300,000	\$1,300,000	\$1,300,000		7	Short	Direct staff to eliminate from the budget	Human Resources
9	Reduce Police vacancies and divert some officers working in specialties to patrol shifts	\$594,000	\$2,374,882	\$2,374,882		12	Medium	Eliminate vacancies from the budget	Police
10	Cancellation of recreation activities through December 2020		\$991,278	\$991,278		5	Medium	Direct staff to keep recreation programs closed through end of calendar year	Library & Community Services
	Cancellation of recreation activities through December 2020 con'd.								
11	Reduce insurance reserves to 70% confidence level, which reduces general liability/workers' comp allocations	\$0	\$3,029,873	\$3,029,873		15	Short	Direct staff to reduce rates/allocations	Risk Management
12	Reduce existing vehicle pool	\$5,000-7,000	\$20,000	\$30,000		0		Direct staff to remove vehicles from the pool	Public Works

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		FY2019-20	FY2020-21	FY2020-21		Estimated	Timeline to		
		Estimated Cost	Estimated Cost	Estimated Cost	Estimated	Layoff	Implement	Requirements to	Department
Strategy	Explanation/Impact	Savings/Revenue	Savings/Revenue	Savings/Revenue	Number of	Avoidance;	(Short = 60 days or	Implement	Responsible
		Generation	Generation	Generation	Layoffs	Avg. Cost =	less; Medium = 60		
			(Low End)	(High End)		\$196,011	days - 12 months;		
							Long = longer than		
							12 months		
13	Hiring freezes and/or not filling vacancies (delayed hiring)	\$2,408,184	\$4,000,000	\$6,325,118		32	Short	Direct staff to institute hiring freeze	Human Resources
14	Discontinue contract with CSG for plan reviews		\$100,000	\$100,000		0.5	Short	Direct staf to eliminate contract	Fire
15	Require employees not working due to COVID-19 to use leave accruals instead of receiving full pay						Short/Medium		Human Resources
16	Ask departments to review their budgets to: a. Review items that can be delayed based on City Hall shutdown b. Reduce professional services to fund only the most critical needs c. Review upcoming contracts and/or prohibit contracts from being placed on agendas in May and June d. Review all budget categories (professional services, other operating, etc.) to slow or stop spending						Short		Citywide
17	Delay maintenance projects to next fiscal year (i.e. Port projects)						Short		Citywide
<b>SUBTOTAL</b>		<b>\$4,644,682</b>	<b>\$14,806,033</b>	<b>\$20,996,151</b>	<b>0</b>	<b>107</b>			

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<b>ii. MEET AND CONFER ITEMS</b>											
18	Fire station brown out	\$0	\$1,500,000	\$1,500,000		8	Medium	Meet and confer with bargaining units	Fire/Human Resources		
19	Suspend holiday for Fire sworn staff for one-year	\$0	\$500,000	\$500,000		3					
20	Delay step increases	\$0	\$447,124	\$447,124		2	Medium	Meet and confer with bargaining units	Human Resources		
21	Salary cuts across the board (including council)	\$0	\$1,300,000	\$1,300,000		7	Medium	Meet and confer with bargaining unit	Human Resources		
22	Negotiate with SEIU 1021 for members to begin contributing to OPEB and medical at the same rates as IFPTE 21	\$0	\$594,000	\$594,000		3	Medium	Meet and confer with bargaining unit	Human Resources		
23	Institute furloughs across the board (i.e. Furlough 1 day every other week for non-sworn and give back/removal of vacation days for sworn)	\$0	\$2,535,120	\$5,542,000		28	Medium	Meet and confer with bargaining unit	Human Resources		
24	Double employee contributions to OPEB and medical costs	\$0	\$1,432,650	\$1,432,650		7	Medium	Meet and confer with bargaining units	Human Resources		
25	Set a lower cap on the portion of medical that the City pays	\$0	\$287,125	\$287,125		1	Medium	Meet and confer with bargaining units	Human Resources		
26	Increase employee contribution to CalPERS	\$0	\$291,000	\$658,000		3	Medium	Meet and confer with bargaining units	Human Resources		
27	Eliminate professional development funds	\$0	\$280,200	\$280,200		1	Medium	Meet and confer with bargaining units	Human Resources		
28	Eliminate car allowances	\$0	\$77,860	\$77,860		0	Medium	Meet and confer with bargaining units	Human Resources		
<b>SUBTOTAL</b>		<b>\$0</b>	<b>\$9,245,079</b>	<b>\$12,618,959</b>	<b>0</b>	<b>64</b>					

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<b>iii. ITEMS TO CONSIDER AFTER EXHAUSTING OTHER OPTIONS</b>										
29	Partial or full closure of libraries	a. Cancel in person Library programs b. Bookmobile services eliminated based on anticipated long tem social distancing c. Book Van service limited or eliminated d. Reduce GF materials books/subscriptions budget (not youth related which must meet prior baseline). Move to non-general fund. \$60,000 2. Reduction of hours or closure of facilities a. Reduction of Library hours i. Main Library reduce open days per week from 6 to 5 ii. Library Branches	\$0	\$1,436,000	\$5,309,000	4	27	Medium	Direct staff to reduce hours and/or close branches	Library & Community Services
	Partial or full closure of libraries cont'd.	3. Impact on staffing: • Reduced hours • Elimination of PT staff at the Library \$176,000 (10 persons) • Lay offs - Eliminate 8 FTEs (2 transfers, 2 vacancies & 4 layoffs for \$1.2M) - Estimated cost savings for hiring freeze reduced by two vacancies. (High end represents full closure, however, savings will be lower as there will be annual cost to join the CCC Library system.)								
30	Close the pools	Estimated cost savings is net of revenue minus payroll and other costs of the aquatics programs	\$81,730	\$326,365	\$326,365	2	2	Short/Medium	Direct staff to close aquatics programs	Library & Community Services
31	Lay-offs (based on service needs not people)	For non-sworn only, layoffs would be a minimum of approximately 178 FTEs at an average cost of \$152,631. If sworn only, layoffs would be a minimum of approximately 98 FTEs at an average cost of \$275,563. Leave payouts and severance packages have to be considered in the estimated cost savings if this option is implemented.						Medium	Meet and confer with bargaining units	Human Resources
		<b>SUBTOTAL</b>	<b>\$81,730</b>	<b>\$1,762,365</b>	<b>\$5,635,365</b>	<b>6</b>	<b>29</b>			
		<b>GRAND TOTAL</b>	<b>\$4,726,412</b>	<b>\$25,813,478</b>	<b>\$39,250,475</b>	<b>6</b>	<b>200</b>			

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<b>iv. OTHER ITEMS THAT WERE CONSIDERED DURING BRAINSTORMING SESSIONS</b>									
32	Research whether or not City Attorney staffing levels are appropriate and whether cost savings can be realized by contracting out legal services and having an appointed City Attorney.								
33	Bring back parking enforcement to focus on abandoned vehicles								Citywide
34	Provide incentives to retire and do not back-fill those positions or decide not to fill at higher/senior level (possibly utilize funds from one-time revenue deals – such as the sale of Terminal 1 – to fund incentives)								Human Resources
35	Privatization/contract labor/out-sourcing of public workforce/labor								Citywide
36	Revisit reorg (it did not optimize cost savings) – analyze different positions as a result of reorg and operationalize the reorg and look at staff/organizational efficiencies (i.e. are there duplication of efforts in different departments)								Citywide
37	Explore contract/JPA with Contra Costa County Library								
38	Bring back parking enforcement to focus on abandoned vehicles								Police
39	Litigation analysis and transparency (reduction of litigation costs could reduce cost pool)								City Attorney/Risk Management
40	More aggressive grant seeking and move General Fund costs to grants								Citywide
41	Eliminate proposed promotions	No savings since promotions are not budgeted							Human Resources
42	Cover existing salaries in General Fund with other non-General Fund budgets	It is the City's practice to allocate positions accordingly.							Citywide
43	Place all promotions on hold	Actuals savings will not be realized in FY2020-21 since the budget projection does not include promotions.							Human Resources
44	Consider adjusting subsidy to Family Justice Center	City is obligated to pay the debt service as per the agreement with the FJC. The annual debt service is \$236,160 and the City receives a reimbursement of \$100,000, reducing the cost to \$136,160.							Police

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45	Consider adjusting subsidy to the Red Oak Victory Ship									Port	
46	Consider eliminating General Fund subsidy to Transportation									Library & Community Services	
47	Consider adjusting subsidy to the Richmond Housing Authority (RHA)									Economic Development	
48	Work closely with economic development team to identify short-term revenue generating measures									Economic Development/City wide	
49	Surplus property sale									Economic Development	