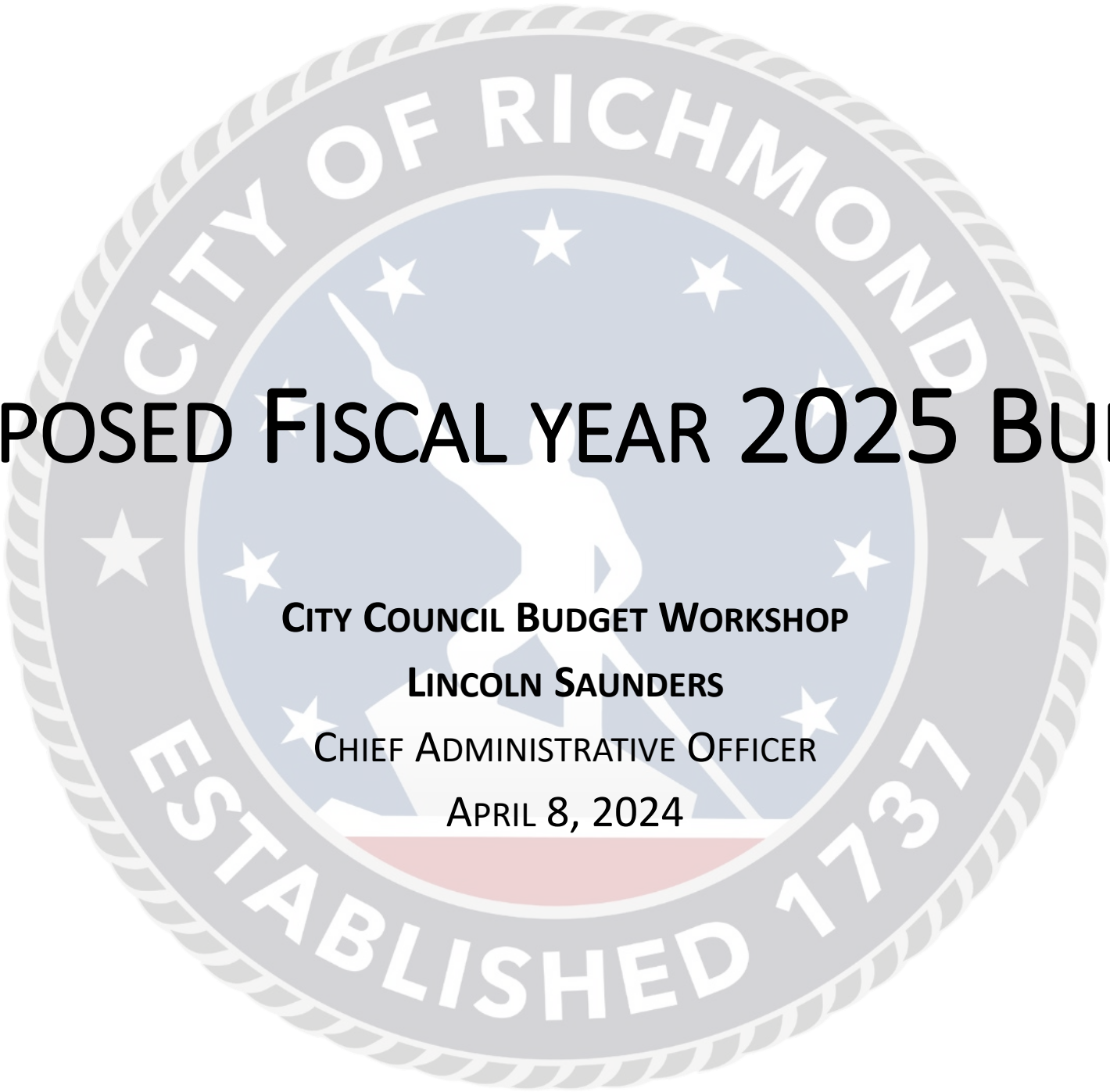


The seal of the City of Richmond is a circular emblem. It features a central figure of a person standing on a globe, holding a torch aloft. The figure is surrounded by a ring of stars. The outer border of the seal contains the text "CITY OF RICHMOND" at the top and "ESTABLISHED 1737" at the bottom. The seal is rendered in a light gray, semi-transparent style.

PROPOSED FISCAL YEAR 2025 BUDGET

CITY COUNCIL BUDGET WORKSHOP

LINCOLN SAUNDERS

CHIEF ADMINISTRATIVE OFFICER

APRIL 8, 2024

REINFORCING THE FRAMEWORK

- Throughout the development of this budget, rigorous analysis, input, and collaboration with stakeholders has been paramount.
- This budget serves as a blueprint for realizing our shared vision of a resilient, prosperous, and equitable Richmond.
- This presentation will outline key priorities, initiatives, and allocations for the FY 2025 Proposed Budget which seeks to address the multifaceted needs of our dynamic city.



UNPRECEDENTED COLLABORATION

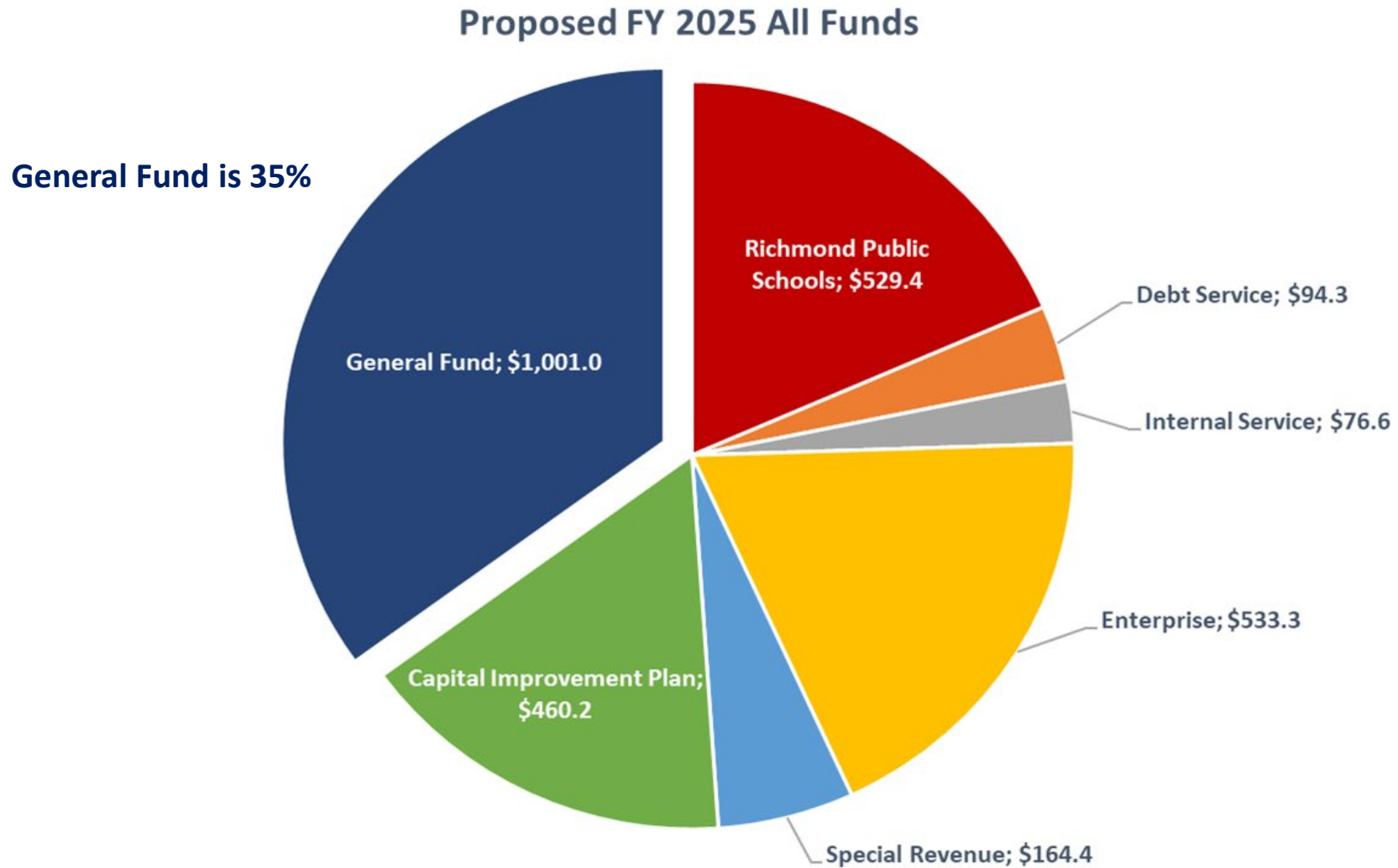
- Developing the Proposed FY 2025 Budget was different
- Involved monthly meetings between council members and the administration
- Allowed for upfront exploration and inclusion of council member requests and consideration in the Mayor's proposed budget
- Between operating and CIP over \$90.0 million in requests by council members

LIMITED RESOURCES TO MEET NEEDS

- New agreements and mandates meant developing the FY 2025 budget was going to be a challenge
- No agency was asked for enhancements
- ALL agencies were asked
- Our budget challenges to meet needs and priorities are not over



PROPOSED FY 2025 BUDGET IS \$2.9 BILLION



Richmond Public Schools Debt Service Internal Service Enterprise Special Revenue Capital Improvement Plan General Fund

Amounts shown in millions

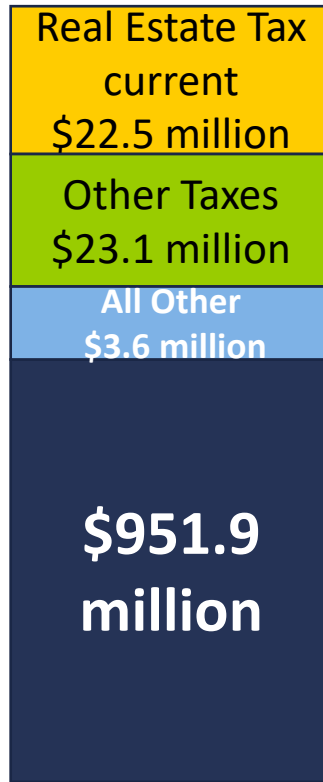


FY 2025 GENERAL FUND REVENUE BUDGET: \$1.0 BILLION

FY 2025 Proposed \$1.0 Billion

FY 2024 Adopted

**\$951.9
million**



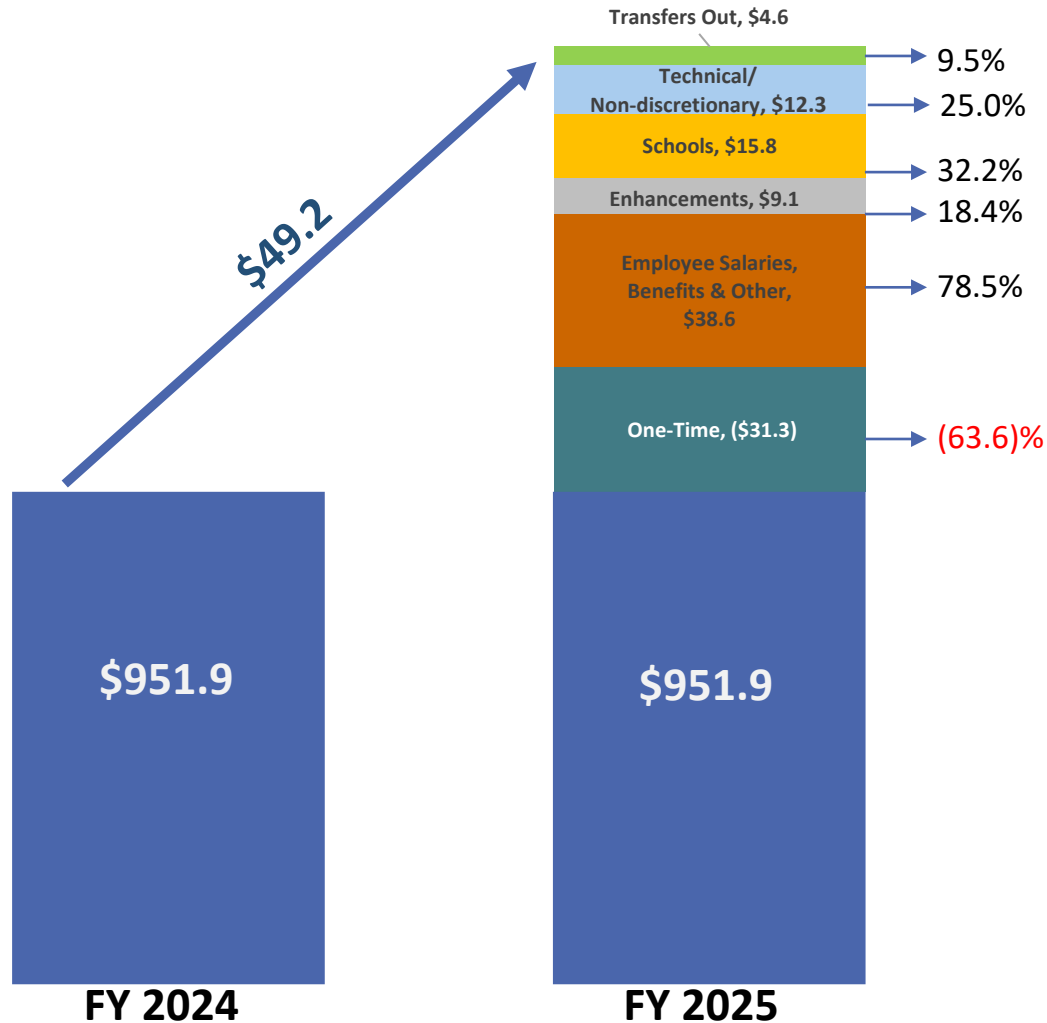
- ALM \$9.8 million
- TID Fee \$2.0 million
- Sales tax \$4.9 million
- Delinquent & other \$6.4 million
- Interest and other local \$17.9 million
- State and Federal \$7.9 million
- Transfers In (\$22.3 million)

- Overall 3.9 percent growth from FY 2024 (excludes transfers)
- Real estate tax revenue accounts for nearly 46 percent of the growth.
 - Assumes 4.0 percent growth in taxable assessed value from FY 2024
- Moderate growth in consumer taxes (ALM and sales) and delinquent taxes.
 - TID (\$2.0 million) new pass-through in General Fund
 - Other local revenue drivers include:
 - Interest income growth (\$12 million)
 - PDR permit fees growth (\$3.9 million)
 - Solid waste fee increase (\$1.0 million)
- State and federal growth reflects state salary increases and reimbursement



Numbers may not sum to total due to rounding. ALM = Admissions, Lodging, and Meals. TID = Tourism Improvement District. PDR = Planning and Development Review. DSS = Department of Social Services.

25 PERCENT OF THE GROWTH IS NON-DISCRETIONARY

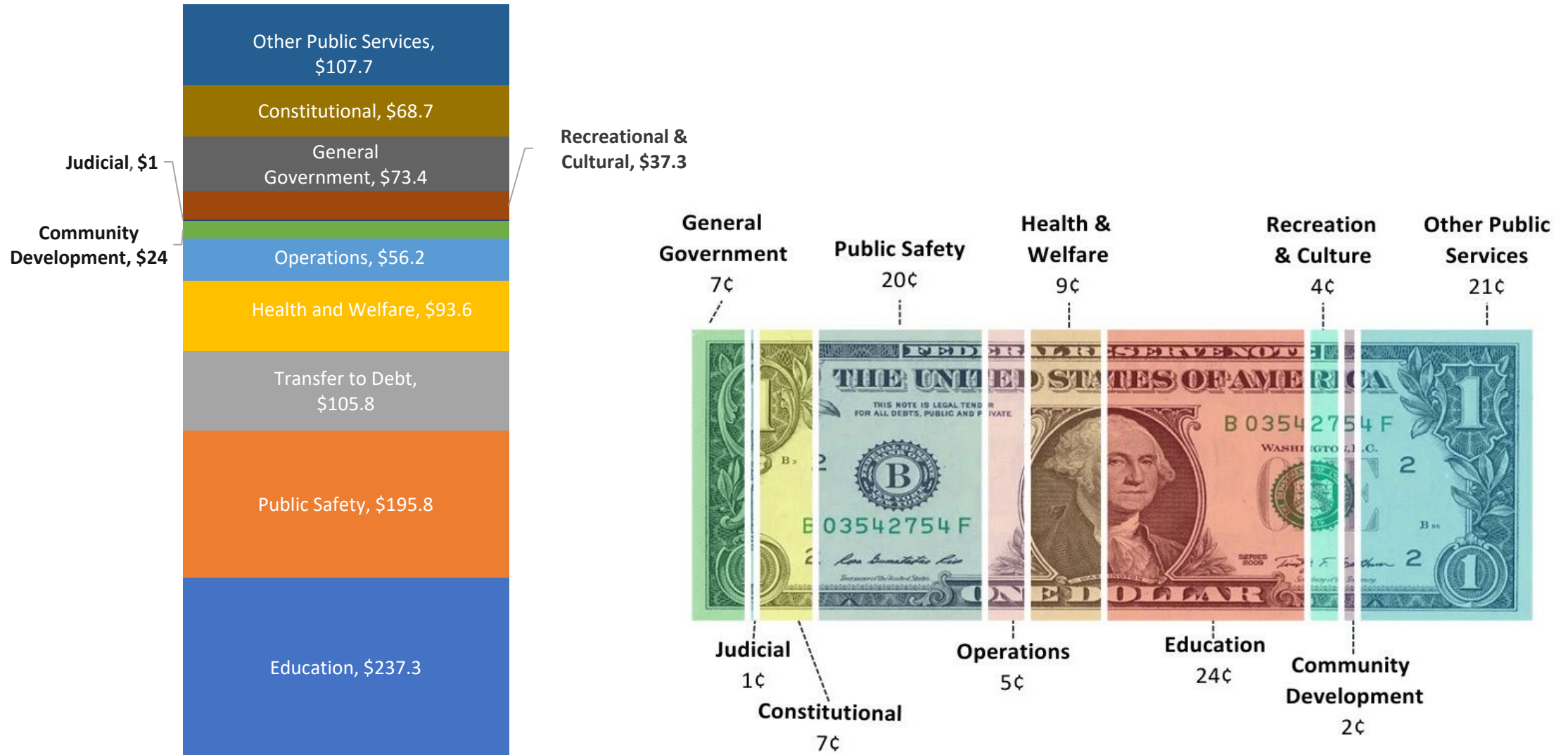


Amounts shown in millions

- Total growth is 5.2%
- Employee salaries and benefits are the largest expenditure
- Local contribution to Richmond Public Schools is the second largest expenditure
- 25% or \$12.3 million of the growth is non-discretionary

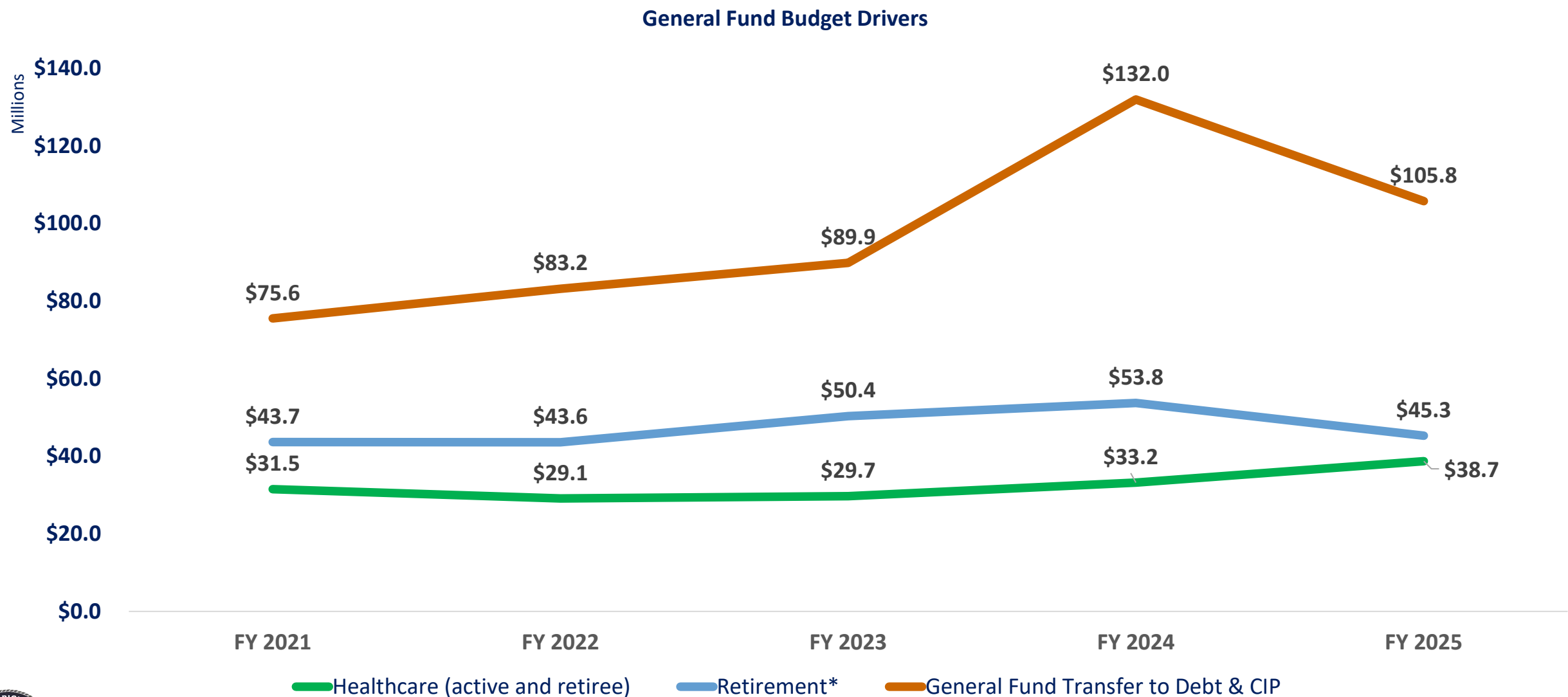


HOW A DOLLAR IS SPENT



Amounts shown in millions

BUDGET DRIVERS ARE ALMOST 20% OF EXPENSES IN FY 2025



Amounts shown in millions. FY 2021 – FY 2023 reflect actual amounts and FY 2024 – FY 2025 represent budget amounts.

*Retirement total for local (city) only; does not include state constitutional costs.



ALMOST \$4.5 MILLION MORE FOR SOCIAL PROGRAMS

\$1.0 million

Family Crisis Funding

\$1.0 million

Eviction Diversion

\$500,000

Child Care and Education Trust Fund

\$500,000

Health Equity Trust Fund

\$500,000

Richmond Resilience Initiative

\$500,000

Right to Counsel for Evictions

\$250,000

Neighborhood Climate Resilience Grants

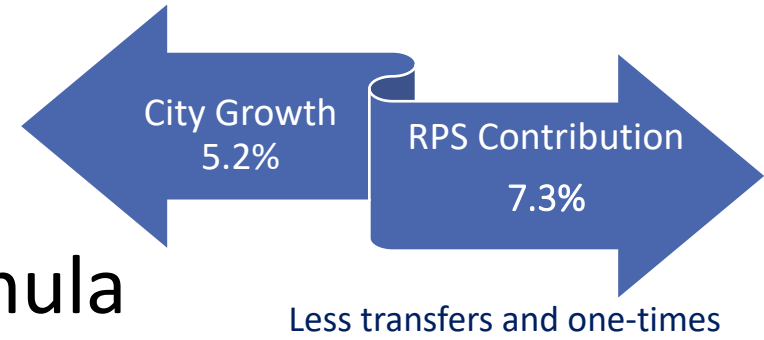
\$250,000

Pathways

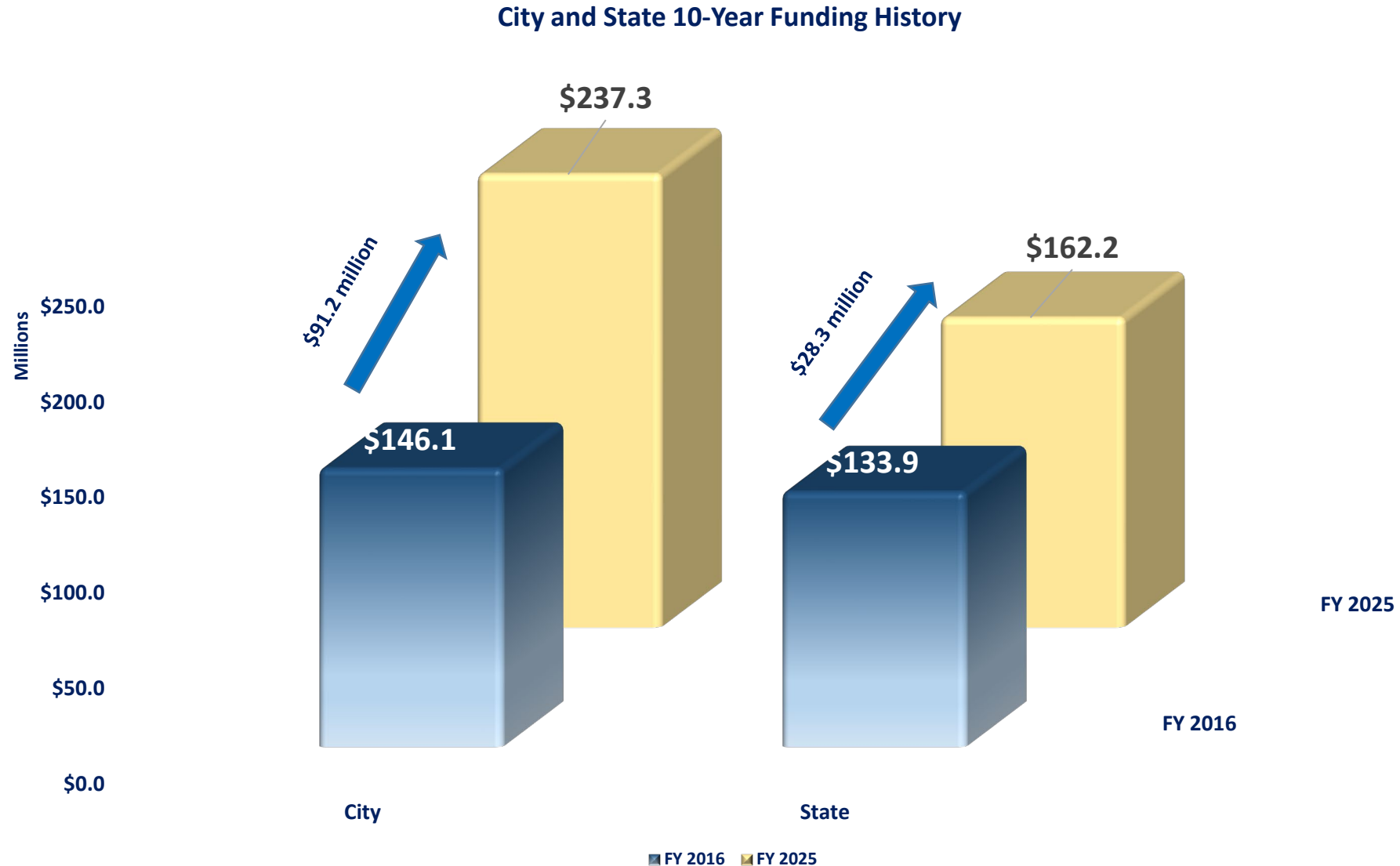


METHODOLOGY FOR FUNDING SCHOOLS

- School funding is apportioned between the state and the locality.
- Richmond Public Schools (RPS) cannot levy taxes or issue debt.
- All funds are appropriated by City Council
- The state mainly uses an enrollment-based formula
- The Proposed FY 2025 Budget uses an existing revenue growth methodology to allocate funding to schools with an increased contribution of **\$15.8 million**.



LOCAL FUNDING HAS INCREASED 62% IN TEN YEARS



Source: COR Proposed FY 2025 Budget and RPS FY 2025 Proposed Budget. Amounts shown in millions.



RICHMOND PUBLIC SCHOOLS SUPPORT

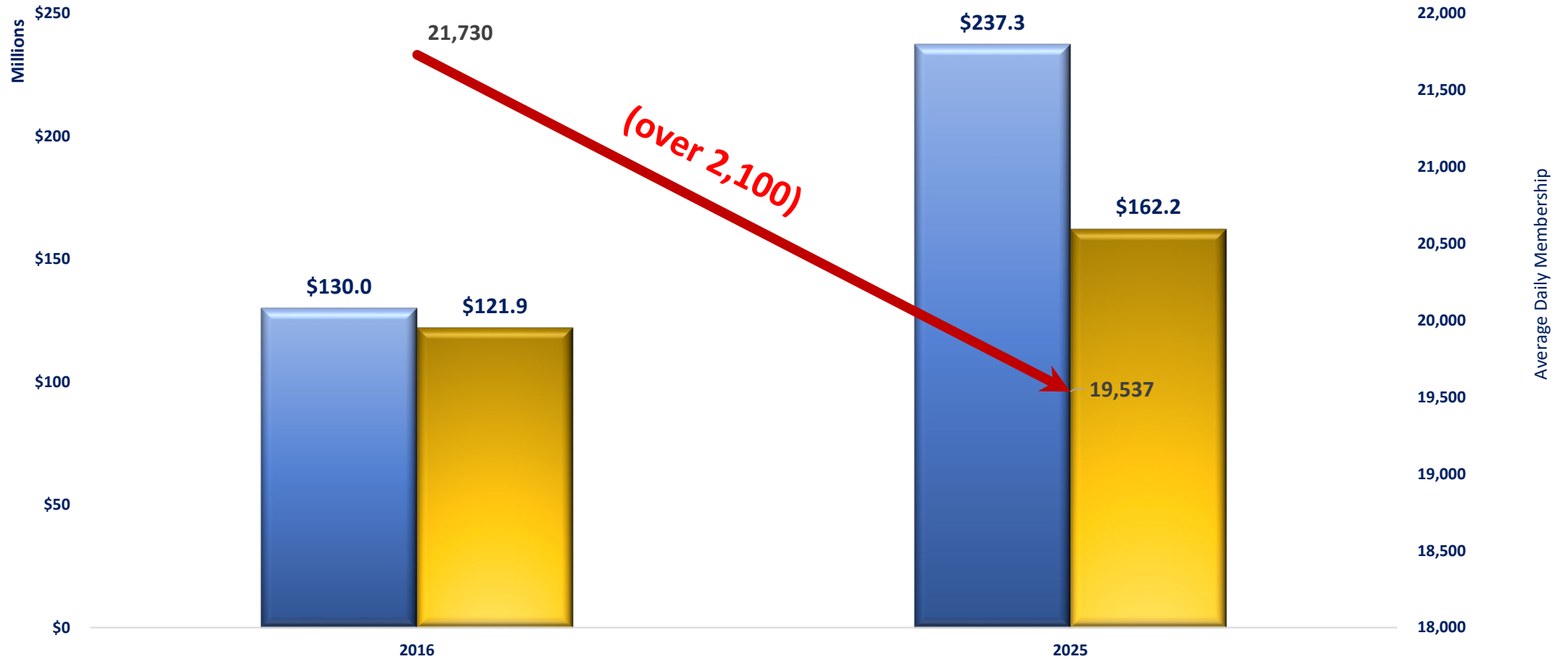
- March 31 Average Daily Membership, or ADM, is the student enrollment count that drives most state funding
- ADM is the total days in membership for all students, grades K-12, over the school year divided by the number of days school was in session
- School divisions receive state funding based on the ADM as of March 31 of the fiscal year
- The budget is based on a projected FY2025 March 31 student ADM of 19,537

Source: Richmond Public Schools, FY 2025 School Board Approved Budget.



FUNDING INCREASES WHILE ADM DECLINES

State and Local Membership Compared to Average Daily Membership

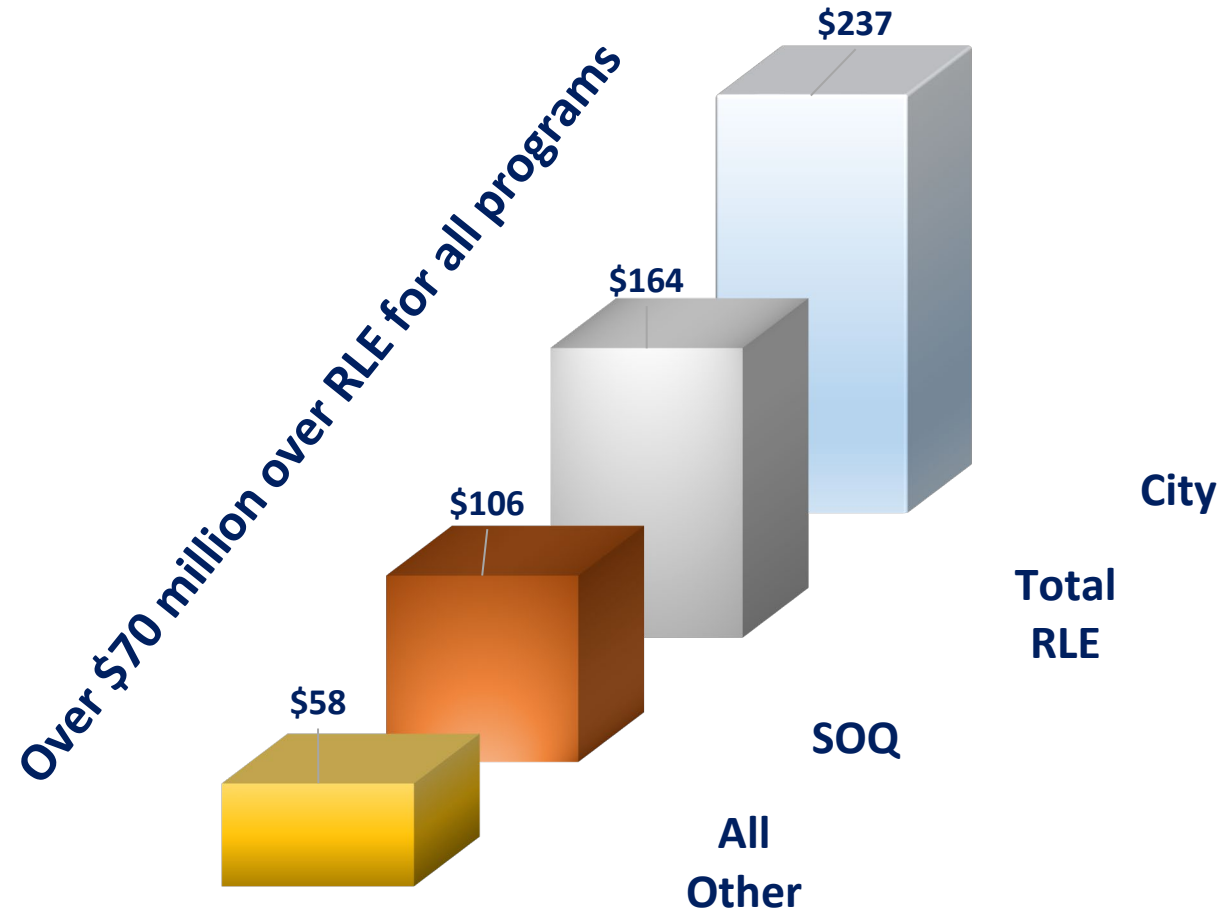


Source: RPS FY 2025 Proposed Budget Book, ADM of 19,537, Amounts shown in millions. City State ADM



CITY FUNDING HAS CONSISTENTLY EXCEEDED THE AMOUNT REQUIRED BY THE COMMONWEALTH

Comparison of Required Local Effort (RLE) and City Contribution



Source: VA Dept of Education's 2024 GA conference calc sheets using ADM of 19,537. Amounts shown in millions.



SUPPORTING OUR PUBLIC HEALTH PARTNERS

\$18.2 Million



RAA

\$7.1 million



RBHA

\$6.0 million



**RBHA
Foundation**

\$501,102



**Richmond City
Health District**

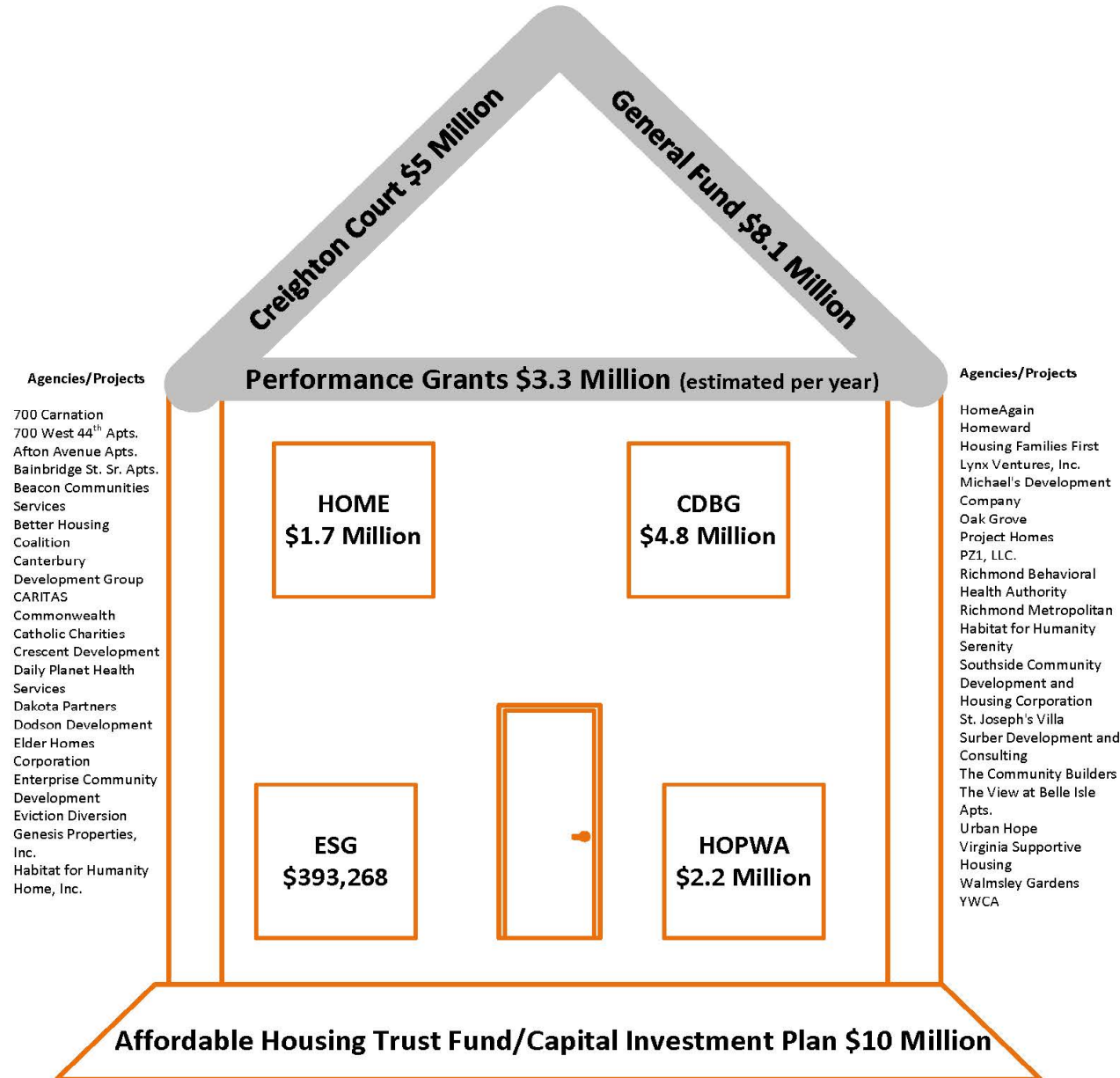
\$4.6 million



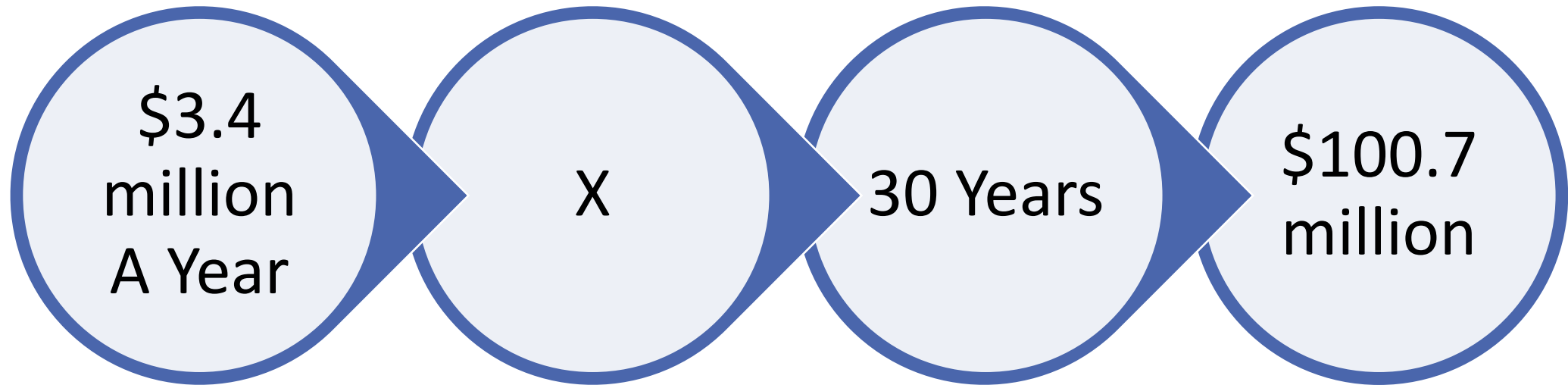
STRENGTHENING
CUSTOMER
SERVICE



OVER \$35.5 MILLION IN HOUSING SERVICES IN FY 2025



HOUSING PERFORMANCE GRANTS TOTAL MORE THAN \$100 MILLION IN RELIEF



SUPPORTING OUR ECONOMIC DEVELOPMENT PARTNERS

\$3.3 Million Additional



GRCCA

\$184,000

Total = \$8.5
million



GRTC

\$362,000

Total = \$9.3
million



Richmond Region
Tourism

\$597,000

Total = \$2.5
million



Richmond Region
Tourism

(Tourism Improvement
District)

\$2,000,000

Total = \$2.0
million



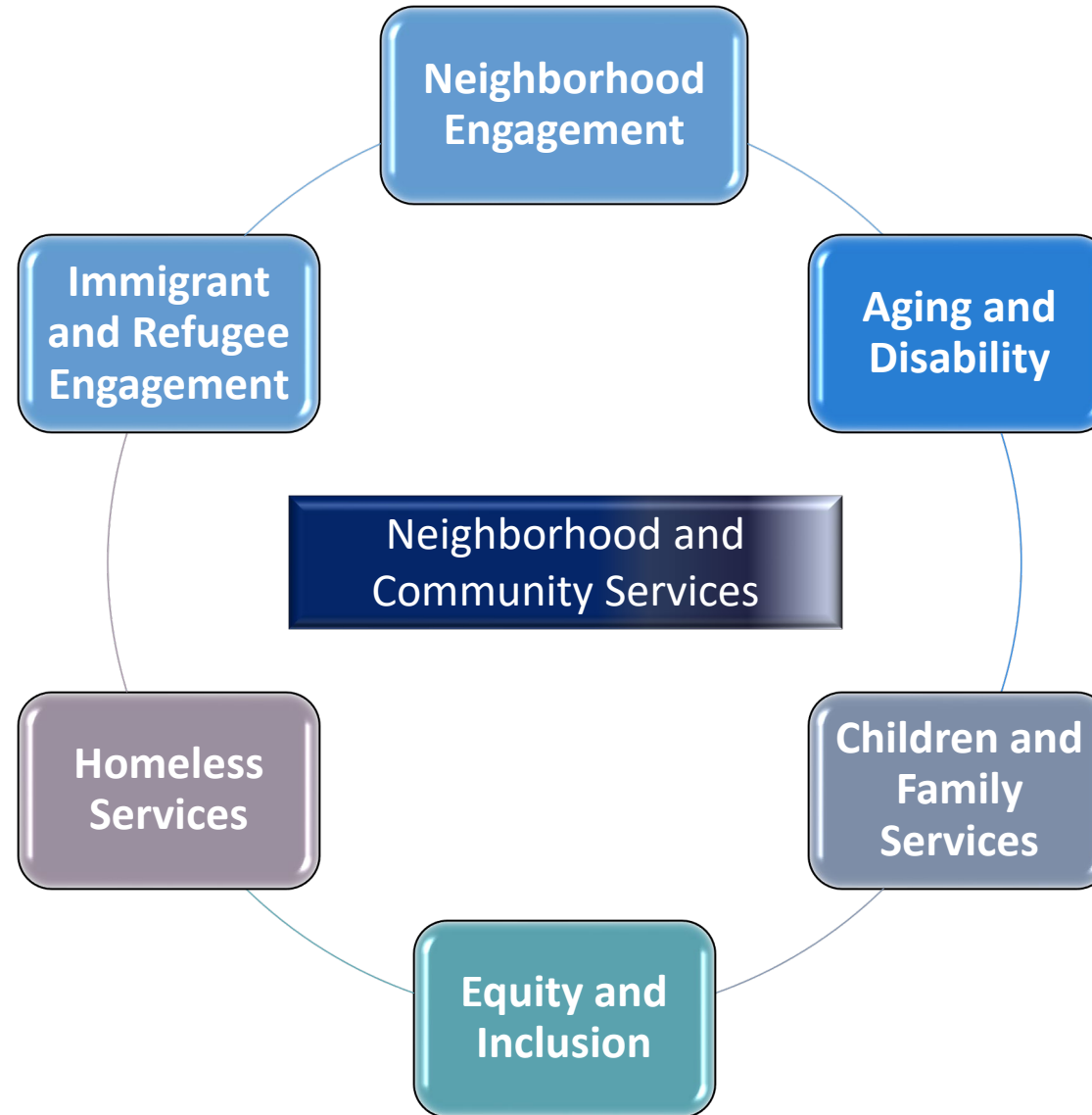
Venture Richmond

\$150,000

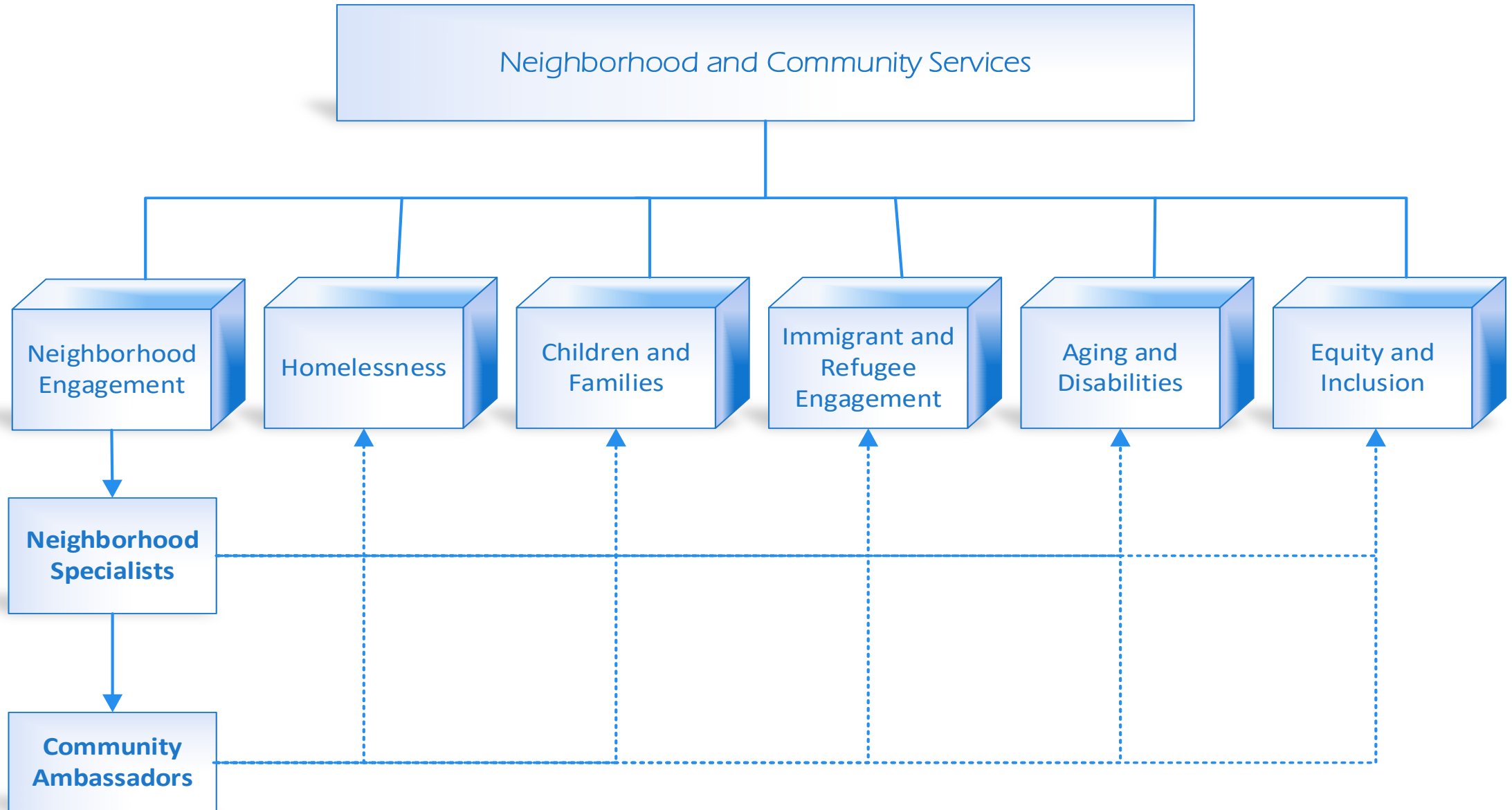
Total = \$1.8
million



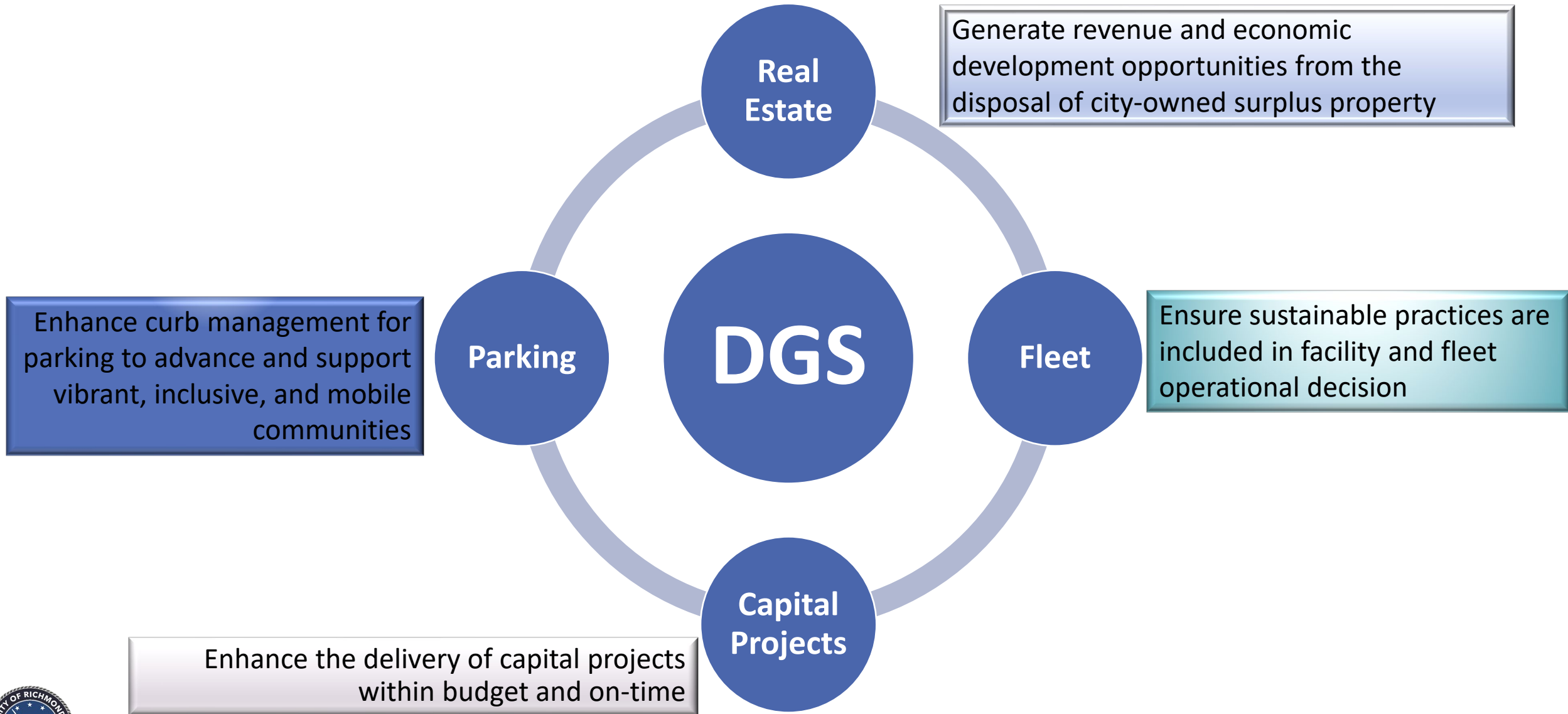
BUILD NEIGHBORHOOD SELF-SUFFICIENCY AND RESILIENCE



WORKING IN COLLABORATION



RESTRUCTURING FOR MAXIMUM EFFICIENCY





CITY COUNCIL FY 2025 OPERATING BUDGET REQUESTS

CITY COUNCIL FY 2025 OPERATING BUDGET REQUESTS

Item #	Title	Council Member	Request Addressed	Funding Source	Administration Response
1	Right to Counsel for Eviction	Addison, Andreas	Yes	Non-Departmental	The Proposed FY 2025 Budget includes \$500,000 in a Non-Departmental reserve account until an agreement is in place.
2	CDFI Revolving Loan Fund	Addison, Andreas	Yes	2nd Qtr. Appropriation	This request is funded in the 2 nd quarter Appropriation paper for \$1.5 million. The funds will be transferred to the EDA to contract out for the administration of the program.
3	EBike Rebate Program	Addison, Andreas	No	N/A	The city lobbied for the EBike Rebate program at the State level but the bill was killed. There is currently no funding available for this program, furthermore, if the city was to do this in the future, there would be equity concerns/issues.
4	GroundWork RVA	Addison, Andreas	Yes	Non-Departmental	The Proposed FY 2025 Budget includes \$60,000 for GroundWork RVA.
5	Permit Parking & Shared Parking Study	Jordan, Katherine	Yes	2nd Qtr. Appropriation	This request is funded for \$80,000 in the 2 nd quarter Appropriation paper.
6	Neighborhood Climate Resiliency Grants	Jordan, Katherine	Yes	Operating	The Proposed FY 2025 Budget includes an additional \$250,000 for climate resiliency grants. The first round of climate resiliency ARPA grants are in review by city council.



CITY COUNCIL FY 2025 OPERATING BUDGET REQUESTS

Item #	Title	Council Member	Request Addressed	Funding Source	Administration Response
7	Bike Rack Installation Fund	Jordan, Katherine	Yes	Existing Funding	Installation of a minimum of 20 bike racks are planned throughout this area in 2024. No additional funding is required.
8	Civic Association Staff Position	Lambert, Ann-Frances	Yes	Operating	The Proposed FY 2025 Budget creates a Department of Neighborhood and Community Services. This department will employ 4 neighborhood specialists and the community ambassadors. Through the department's staffing, the city will increase engagement with civic associations, neighborhood groups, and community advocates. The goal will be to develop civic leadership, established open lines of communication between neighborhoods and the city, and prioritize and meet community needs.
9	Gilpin Community Garden	Lambert, Ann-Frances	Yes	N/A	There is already a garden and a water source at this location that is serving that community. This community garden is already managed by the city.
10	Sister Cities Funding - FY25	Lambert, Ann-Frances	Yes	Non-Departmental	The Proposed FY 2025 Budget includes \$30,000 for Sister Cities Commission.



CITY COUNCIL FY 2025 OPERATING BUDGET REQUESTS

Item #	Title	Council Member	Request Addressed	Funding Source	Administration Response
11	Expanding Park Ranger Program	Nye, Kristen & Newbille, Cynthia	Yes	Operating	The Proposed FY 2025 Budget includes funding for 3 additional park rangers
12	Operating Budget for Housing Resource Center	Lynch, Stephanie	Yes	Operating	The FY 2025 Budget includes funding for the Resource Center
13	Family Crisis Funding	Lynch, Stephanie	Yes	Non-Departmental	The Proposed FY 2025 Budget includes \$1.0 million for Family Crisis funding.
14	Asphalt Alleys Program	Lynch, Stephanie	Yes	Operating	The Proposed FY 2025 Budget includes \$250,000.
15	Real estate tax freeze program for persons 80 and older. No increase to persons after 80 years of age.	Robertson, Ellen	Yes	Operating funds for tax relief.	Working with the city attorney's office to explore the legality of this request. The city program for seniors/disabled tax relief has been expanded this current year. The full fiscal impact of the change made have not been realized yet.
16	Funding for Eviction Protection/Diversion Fund or Program	Robertson, Ellen	Yes	Non-Departmental	The Proposed FY 2025 Budget includes \$1.0 million for eviction diversion. It is currently programmed for a Non-Department reserve account until an entity can be identified for program administration.



CITY COUNCIL FY 2025 OPERATING BUDGET REQUESTS

Item #	Title	Council Member	Request Addressed	Funding Source	Administration Response
17	Tax Abatement for 15 Year Period for Accessory Dwelling Units Re: Affordable Housing	Robertson, Ellen	No	N/A	Administration is working with the City Attorney's Office for legality. Currently the city offers performance agreement.
18	Health and Wellness	Newbille, Cynthia	Yes	Non-Departmental	The Proposed FY 2025 Budget includes funding is included for Health Equity Trust Fund for \$500,000.
19	Early Childhood Education	Newbille, Cynthia	Yes	Non-Departmental	The Proposed FY 2025 Budget includes for Early Childhood Care & Education Trust Fund for \$500,000.
20	Retiree Compensation	Newbille, Cynthia & Trammell, Reva	Yes	Non-Departmental	The Proposed FY 2025 budget includes a one-time bonus of \$300 per retiree.
21	Cemetery Operations	Newbille, Cynthia	Yes	Operating	The Proposed FY 2025 Budget includes funds for the grounds maintenance as well as the cultural landscape report/comprehensive preservation plan.
22	Ambulance Authority	Trammell, Reva	Yes	Operating and Debt	The Proposed FY 2025 Budget includes an increase of \$1.7 million. Additionally, funds were also included in debt service for the purchase of "chase cars" for the authority.



CITY COUNCIL FY 2025 OPERATING BUDGET REQUESTS

Item #	Title	Council Member	Request Addressed	Funding Source	Administration Response
23	Commonwealth Attorney	Trammell, Reva	Yes	Operating	The Proposed FY 2025 Budget is included as part of the DIT enhancements: \$91,425 is included for cloud based software upgrade for existing account, higher tier of service for Axon (Evidence.com).
24	Southside Community Center Staffing and Programming	Jones, Nicole	Yes	Operating	The Proposed FY 2025 Budget includes funds for the Southside Community Center staffing. These funds are a continuance of FY 2024 funding and included in the base budget.
25	Hull Street and Midlothian Trash & Litter Upkeep	Jones, Nicole	Yes	Operating	Additional trash cans will be provided on Hull and Midlothian. Furthermore, the streetscape project that is planned will look very similar to Forest Hill which will help address some of these concerns.
26	Neighborhood Climate Resiliency Grants Program	Jones, Nicole	Yes	Operating	The Proposed FY 2025 Budget includes an additional \$250,000 for climate resiliency grants. The first round of climate resiliency ARPA grants are in review by city council.
27	Gateway Sign for Midlothian & Chippenham	Jones, Nicole	Yes	ARPA	ARPA funding will be utilized to meet the needs.
28	City Council Offices	All	Partial	Operating	The Proposed FY 2025 Budget includes \$378,283 in for Council amendments for these requests.





FY 2024 PROPOSED APPROPRIATIONS PAPER

THE MAYOR IS CHARGED WITH....

Per the city charter, the Mayor is charged with bringing forth additional revenue during the fiscal year:

“If at any time during the fiscal year the mayor certifies that there are available for appropriation revenues in excess of those estimated in the budget, the city council may by not less than six affirmative votes, and only upon the recommendation of the mayor, make supplemental appropriations for the year up to the amount of such excess.”

REVIEW OF ADDITIONAL REVENUE

- Additional revenue is from interest income.
- Interest income is estimated to be \$9.0 million more than budgeted.
- The estimated increase in interest income is due to the average cash balance and short-term interest rates being higher than anticipated when the FY 2024 budget was developed.
- This additional interest income is one-time revenue.

AMENDMENTS

- Budget amendments include items that are necessary to:
 - Uses one-time revenue to support one-time expenditures
 - Continues current level of services
 - Pays for services already provided
 - Addresses councilmember requests
 - Relieves stress on the FY 2025 budget

PROPOSED EXPENDITURES ARE RESPONSIVE AND SUPPORT WORKLOAD

No.	Recipient	Rationale	Requested By	Amount
1.	Office of City Attorney	Reconcile salary increases provided by the previous city attorney. These increases were implemented after the FY 2024 budget was proposed. These costs have been accounted for in the base budget for FY 2025.	Mayor	\$150,000
2.	Department of Economic Development	Create a Community Development Financial Institutions Fund (CDFI Fund). This program was authorized in the ARPA spend plan. However, this is not a permissible expense under that fund source.	Councilmember Addison	\$1,500,000
3.	Office of General Registrar	Improve ADA Compliance for elections (mandated).	Registrar	\$646,844
4.	Human Services	Support costs related to the inclement weather shelter	Mayor	\$200,000



PROPOSED EXPENDITURES CONTINUED

No.	Recipient	Rationale	Requested By	Amount
5.	Non-Departmental: NextUp	Support after-school programming provided by the organization on behalf of the city.	NextUp	\$275,000
6.	Non-Departmental: Elegba Folklore Society	Support security services for Down Home Festival.	Councilmembers Jordan and Newbille	\$10,000
7.	Non-Departmental: Housing Opportunities Made Equal (HOME)	Support activities related to fair housing.	Councilmember Robertson	\$100,000
8.	Non-Departmental: Reynolds Biotechnology Learning Lab	Grow advanced pharmaceutical manufacturing (APM) industry and create jobs. Supports the recent designation as the Regional Technology and Innovation Hub (Tech Hubs).	Dr. Paula Pando, President, Reynolds Community College	\$1,000,000
9.	Procurement	Address back log of work with the addition of technical writers, contract management and system upgrades.	Mayor	\$50,000



PROPOSED EXPENDITURES CONTINUED

No.	Proposed	Rationale	Requested By	Amount
10.	Department of Public Works	Demolish the vacant Coliseum. As is the structure poses a security risks, liability for the city and is a generally an eyesore in the heart of downtown.	Mayor	\$3,000,000
11.	Department of Public Works	Support security costs related to the Coliseum and the homeless shelter.	Mayor	\$1,000,000
12.	Department of Public Works/Parking	Study the hybrid residential/commercial parking permit programs and on-and-off street parking use.	Councilmember Jordan	\$80,000
13.	Capital Improvement Plan	Install, refurbish, and replace playgrounds throughout the city, including but not limited to: Riverview, Whitcomb, and Little John playgrounds.	Councilmembers: Jordan, Newbille, Robertson, Addison, Lynch, Nye	\$988,156
Total				\$9,000,000



CONCLUSION

- Throughout the development of FY 2025 Budget, rigorous analysis, input, and collaboration with stakeholders has been paramount.
- We have listened attentively to, the voices of our community, incorporated your requests, and prioritized our customer-base.
- This budget demonstrates that even with a minimal increase, the city can operate efficiently and maintain a structurally sound financial base.
- Considering balancing one-time revenue with one-time expenses and to relieve the FY 2025 budget, the 2nd quarter appropriations paper is recommended for approval.





AMERICAN RESCUE PLAN ACT (ARPA) REALLOCATION ON FUNDS

REALLOCATION OF ARPA FUNDS

- Recommend reallocating existing ARPA funding.
 - Reallocate:
 - (\$3,000,000) - CDFI Revolving Loan Fund, which is not an appropriate use of federal funds, propose establishing the CDFI through General Fund (See 2nd Qtr. Appropriation paper)
 - (\$374,021) - Excess funds from one-time bonus provided with ARPA funds.
 - Uses:
 - \$2,194,021 - Additional funding playground and park improvements.
 - \$680,000 - Allocating funds for a Solar Fund, to provide solar paneling for TB Smith and Police First Precinct
 - \$500,000 - Allocating funds for the Child Care and Education Trust Fund
- \$3,374,021 = TOTAL





DISCUSSION