



CITY OF RICHMOND

INTRACITY CORRESPONDENCE

DATE: May 2, 2017

TO: The Honorable Chris A. Hilbert, City Council President

THROUGH: The Honorable Levar M. Stoney, Mayor *LS*

THROUGH: Selena Cuffee-Glenn, Chief Administrative Officer *SCG*

THROUGH: Lenora Reid, Deputy Chief Administrative Officer for Finance and Administration *LR*

THROUGH: Jay A. Brown, Director of Budget and Strategic Planning *JAB*

FROM: John B. Wack, Director of Finance *JBW*

SUBJECT: Recommended Expenditure Reductions for the FY2018 General Fund Budget

This memo is to inform you that the Finance Department has worked with Budget and Strategic Planning in order to compile recommended expenditure reductions to the Mayor's FY2018 Proposed general fund budget, to assist City Council in balancing their budget amendments.

As requested by City Council early this morning, \$1,160,930 in expenditure reductions could be incorporated among City Council's amendments to the Mayor's FY2018 Proposed general fund budget as follows:

- \$350,000 from the general fund transfer to debt service;
- \$114,000 from the Traffic Court for equipment and other assets; and
- \$696,930 in across-the-board reductions of 0.37% from the FY2018 budgets of agencies other than public safety, health and human services, Schools, constitutional officers, etc. as outlined in the attached summary.

These reductions are offered in the spirit of collaboration and in order to maintain the focus on the priorities of public safety, education, core City services, and the reduction of poverty. Please let us know if there are any questions regarding this information.

cc: City Council
City Council Chief of Staff

Agency	Items	Description	FY2018 Budget Amount	Proposed Reduction Amount
General Fund Transfer to Debt Service	Debt Service	Anticipated savings due to planned refunding opportunities in July, the City expects to save approximately \$350,000. This is due to anticipated lower interest rates on refunded debt.	68,042,900	(350,000)
Traffic Court - Judiciary	Reduce funding for Equipment and Other Assets - Carpet and workstation replacement in Traffic Court Clerk's Office	Funds were requested by Traffic Court for new carpet and workstations in the Clerk's Office. Costs are allowable for use under the Courthouse Maintenance Special Fund as a result, this funding can be reduced from the operating budget.	114,000	(114,000)
Multiple Agencies	Across the board reductions	Across the board reductions (excludes public safety, health and human services, rps, constitutional officers, etc.). Each non exempt agency will receive a reduction of 0.37% against their FY2018 proposed budget. This also includes a reduction of \$287,773 to GRTC. It is recommended that GRTC receive a reduction due to GRTC having a positive fund balance. GRTC's contingency policy allows the CEO to use contingency funds for health insurance related costs.		(696,930)

Grand Total

(1,160,930)

Total Reductions to Balance FY2018 Proposed Budget

1,160,930