



# City of Richmond

## Council Budget Work Session 3 Minutes

900 East Broad Street  
Richmond, VA 23219  
[www.rva.gov/office-city-clerk](http://www.rva.gov/office-city-clerk)

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Monday, April 5, 2021

1:00 PM

Council Chamber, 2nd Floor - City Hall  
Virtual Meeting

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### **Councilmembers Present**

The Honorable Cynthia Newbille, President  
The Honorable Ellen Robertson, Vice President  
The Honorable Andreas Addison (early departure)  
The Honorable Michael Jones  
The Honorable Katherine Jordan  
The Honorable Ann-Frances Lambert (late arrival)  
The Honorable Kristen Larson (late arrival and early departure)  
The Honorable Stephanie Lynch (late arrival)  
The Honorable Reva Trammell

### **Staff Present**

Haskell Brown, Interim City Attorney  
Joyce Davis, Interim Council Chief of Staff  
Bill Echelberger, Council Budget Analyst  
Samson Anderson, Council Budget Analyst  
Candice Reid, City Clerk  
Dominique J. Thaxton, Assistant City Clerk  
RJ Warren, Deputy City Clerk

Council President Cynthia Newbille called the meeting to order at 1:02 p.m. and presided.

### **ELECTRONIC MEETING ANNOUNCEMENT**

Assistant City Clerk Dominique J. Thaxton, in accordance with Ordinance No. 2020-093, adopted April 9, 2020, as most recently amended by Ordinance No. 2020-232, adopted December 14, 2020, announced the work session would be held through electronic communication means, and stated that notice of the session was provided to the public through a public information advisory issued on February 11, 2021, and through Legistar on the city website in accordance with usual practice. She also stated there would be no opportunities for public comment and no public hearings during the session.

*Councilor Stephanie Lynch joined the meeting at 1:04 p.m.*

*Councilor Ann-Frances Lambert joined the meeting at 1:04 p.m.*

### **Analysis of the Proposed FY22 Operating Budget**

Bill Echelberger, Council Budget Analyst, provided an overview of the FY2021-2022 proposed operating budget. Mr. Echelberger provided information on the detailed parameters set forth in the Richmond City Charter by which Council is able to operate when reviewing the budget.

*A copy of the material provided has been filed.*

*Councilor Kristen Larson joined the meeting at 1:21 p.m.*

*Councilor Michael Jones requested additional information on the limited powers Council has related to changing revenue in the proposed budget.*

Mr. Echelberger stated that Council has limited authority to make corrections to revenue omissions and mathematical errors. Mr. Echelberger then shared a specific example of when Council had previously made an allowable change to the revenue in the proposed budget.

*Vice President Ellen Robertson inquired about how the revenue projections for the Office of the City Assessor are expected to change based on assessed values. Vice President Robertson suggested a reimagining of the scheduled revenue projections to ensure that the administration receives definitive information when making decisions on revenue in the proposed budget.*

Mr. Echelberger stated that Richie McKeithen, City Assessor, has developed a proposal that would change the schedule for assessment revenue projections to provide more timely information for the FY 2022-2023 budget consideration. Mr. Echelberger stated that the appropriate staff will work with Council to breakdown the various revenue sources.

*President Cynthia Newbille requested that the appropriate staff coordinate with the administration to review various revenue source projections and share the findings with Council when they become available.*

*Councilor Katherine Jordan inquired if there are any revenue projections available that factor for the potential legalization of the simple possession of marijuana in the Commonwealth of Virginia set to begin July 1, 2021.*

Bill Echelberger, Council Budget Analyst, advised that any changes in revenue allocation after the start of the fiscal year would come forth from the administration by way of legislation to amend the budget.

*President Newbille requested confirmation on the potential effective date of the legalization of simple possession of marijuana.*

Haskell Brown, Interim City Attorney, confirmed that proposed legislation sets the effective date of legalization of marijuana possession on July 1, 2021.

*Councilor Stephanie Lynch shared that the current timeline for legalization of simple possession of marijuana does not permit retail sales of marijuana until January 1, 2024. As a result, the city should not expect to receive revenue until after January 1, 2024.*

*Vice President Robertson underscored that Council is not permitted to initiate amendments to the budget after it is adopted and that any amendments thereafter must come from the administration.*

Mr. Echelberger confirmed that any amendments made after the budget is adopted must be proposed by city administration. Mr. Echelberger stated that Council may request budget amendments from the administration after adoption, but requests are not guaranteed to be honored.

*Councilor Stephanie Lynch inquired how the projected decline in general fund meals tax revenue was determined.*

Mr. Echelberger provided that the decline may be a result of continued uncertainty surrounding the ability for the restaurants to sustain adequate clientele during the remainder of the COVID-19 pandemic.

Lincoln Saunders, Acting Chief Administrative Officer, stated that the meals tax forecasting presents cautious optimism of a resurgence of the restaurant industry in the city, and shared that administration will prepare further analysis for the meals tax forecasting.

*Vice President Robertson stated that it would be helpful to receive updated information on the declines in revenue for the current fiscal year in order to have a proper appreciation of the revenue projections for the FY2022 budget.*

*Councilor Andreas Addison stated that the monthly financial report provided by the Department of Finance, although unaudited, provides detailed forecasting information that can help Council make informed decisions on the FY2022 budget.*

*Councilor Kristen Larson requested clarification on the capital maintenance reserve fund.*

*Councilor Andreas Addison left the meeting at 1:40 p.m.*

Mr. Echelberger provided information on the capital maintenance reserve fund source and purpose.

Jay Brown, Department of Budget and Strategic Planning director, provided further clarification on the capital maintenance reserve fund source and the rationale behind the recommendations in the FY2022 budget proposal.

Mr. Saunders provided information on the goal for cash funding the capital maintenance reserve fund in future fiscal years.

*Councilor Ann-Frances Lambert requested clarification on the employee retirement general fund expenditure.*

Mr. Echelberger shared that the changes to the city retirement general fund expenditure reflect a decline in city employment and expanded that a change in workforce impacts retirement plan rates.

*Vice President Robertson requested information on the general fund expenditure dedicated to the Marcus Alert.*

Mr. Echelberger stated that the appropriate staff will follow-up with the administration for detailed information on the Marcus Alert expenditure.

*Councilor Reva Trammell expressed concern for reducing funding for the Richmond Ambulance Authority (RAA).*

*Vice President Ellen Robertson requested that the appropriate staff reach out to Jason Kamras, Superintendent of Richmond Public Schools (RPS), to inquire of the impact that RPS teachers receiving consistent salary increases has had on employee retention. Vice President Robertson also requested that ongoing discussions on the implementation of recommendations brought forth by the 2018 Gallagher study on the city's employee compensation and classification structure, be heard before a Council standing committee.*

*Councilor Stephanie Lynch requested information on the restrictions that the implementation of the Gallagher study recommendations would place on department directors who may wish to opt for increasing vacancies in lieu of salary increases.*

Bill Echelberger, Council Budget Analyst, stated that there is no discretion on a departmental level in implementing the Gallagher study recommendations.

Lincoln Saunders, Acting Chief Administrative Officer, stated that the implementation of the goals set forth in the Gallagher classification and compensation study will help the city retain and recruit the caliber of employees needed. Mr. Saunders expanded that department directors have significant flexibility when prioritizing their operational budget.

*Councilor Kristen Larson stated that implementing a targeted salary increase, as recommended in the Gallagher study, instead of a general employee salary increase may cause issues in retention among city employees.*

Mr. Saunders stated that if the city does not address the employees who earn less than the midpoint salary range, the city will continue to have difficulty with retention and filling vacancies for key positions.

*Councilor Ann-Frances Lambert requested clarification on the budget requests for the Richmond City Sheriff's Office.*

Mr. Echelberger stated that the Richmond City Sheriff's Office's general fund expenditure reflects the amount needed to provide current employees with a five percent salary increase.

*Councilor Kristen Larson left the meeting at 2:57 p.m.*

### **Adjournment**

There being no further business, the meeting adjourned at 2:59 p.m.

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CITY CLERK