



# CITY OF RICHMOND

## INTRACITY CORRESPONDENCE

**TO:** The Honorable Mayor Levar M. Stoney  
  
The Honorable Cynthia Newbille  
Chair of the Finance and Economic Development Committee  
  
The Honorable Members of City Council  
  
Lincoln Saunders, Chief of Staff, Office of the Mayor

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

**THROUGH:** Lenora Reid  
Deputy Chief Administrative Officer, Finance & Administration

**FROM:** Jay A. Brown, Ph.D.  
Budget & Strategic Planning Director

**DATE:** November 15, 2018

**RE:** Fiscal Year 2019 First Quarter Revenue & Expenditure Projection Report

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The Fiscal Year 2019 First Quarter Revenue and Expenditure Projection Report is provided to the Finance and Economic Development Committee to describe the City's Fiscal Year 2019 year-to-date financial performance. The report includes revenue and expenditures up-to-date through September 30, 2018 – utilizing only one to three months of data, depending on accruals.

A brief overview of the projected FY2019 general fund revenues and expenditures is provided below. Details, as well as a write up of major variances, are provided further within the report.

### **General Fund Revenues**

General Fund Revenues are currently forecast to be above budget with a preliminary projected surplus of \$4,354,177. There are several sources of revenue that are projected to come in above budget to include: Penalties and Interest – Interest, Personal Property Taxes – Current, Real Property Taxes – Current, Real Property Taxes – Delinquent, Business License Taxes, Prepared Food (Meals) Taxes, and State Shared Expenses-Sheriff. There are a few sources of revenue that are projected to come in lower than budget but these sources are not projected, in total, to exceed the sources that are currently projected to be favorable to budget.

Although, this forecast utilizes just 3 months of data, the first quarter projections reflect conservative budgeting methods, strong and enhanced collection efforts, and the overall general health of Richmond’s local economy.

**General Fund Expenditures**

General Fund expenditures are trending in a negative direction, with a projected, yet very modest, shortfall of \$2,592,532. The shortfall is primarily attributed to a projected increase in expenditures, particularly overtime, in the Sheriff’s Office. Although more details of the projected increase in expenditures can be found further within the expenditure section of the report, the Sheriff’s Office has indicated that there’s a need to pay staff overtime significantly more than what was spent in prior years, to ensure that Department of Correction standards, associated with direct supervision of the facility, are being met. The Sheriff’s Office has been in the process of filling permanent full-time positions, which is also contributing to the departmental shortfall but is secondary to the projected overtime expenses. Working with the Administration, the Sheriff’s Office indicated that they will seek to request a budget amendment, reflecting additional reimbursement (revenue) from the State for existing authorized positions, which will (1) aid the Sheriff in covering more of the costs associated with that office filling full time positions and will (2) help reduce their total departmental projected deficit. Although, at this time, the future amendment is not projected to eliminate the total departmental projected deficit which again is primarily attributed to increased overtime costs. The Administration will continue to work with the Sheriff’s Office in order to ensure that safety standards in the Justice Center are met while keeping the costs to the City reasonable.

There are departments that are projected to have a surplus however, those surpluses are not projected to fully offset the shortfall in the Sheriff’s Office.

A summary of the First Quarter 2019 report is provided below. Details of the report as well as a write up of variances are provided on the next several pages.

<b>Summary of FY2019 Projected Balances as of 09/30/2018</b>	
<b>Projected Total FY2019 General Fund Revenue</b>	<b>\$724,256,396</b>
<b>Projected Total FY2019 General Fund Expenditures</b>	<b>\$722,494,751</b>
<b>Total: FY2019 Projected Budgetary Surplus/(Shortfall)</b>	<b>\$1,761,645</b>

\*Note very minor discrepancies may exist due to rounding

**City of Richmond**  
**Finance & Administration Portfolio**  
**FY2019 First Quarter Report**

**Sources**

	FY2019 Budget	FY2019 Amended Budget	FY2019 Collections as of 9/30/2018	FY2019 1st Quarter Projection	Variance: Amended Budget vs. Preliminary Year End surplus (shortfall)	
<b>Revenue from Local Sources</b>						
<b>General Property Taxes</b>						
Machinery & Tools Taxes	13,253,366	13,253,366	28,267	13,746,708	493,342	104%
Penalties and Interest- Interest	2,654,921	2,654,921	537,009	3,191,865	536,944	120%
Penalties and Interest- Penalty	3,691,547	3,691,547	461,487	4,190,794	499,247	114%
Personal Property Taxes- Current	33,214,880	33,214,880	213,891	34,271,482	1,056,602	103%
Personal Property Taxes- Delinquent	9,818,555	9,818,555	1,814,379	8,865,967	(952,588)	90%
Real and Personal Public Service Corporation Property Taxes- Personal Property Current	9,374,856	9,374,856	-	8,698,204	(676,652)	93%
Real and Personal Public Service Corporation Property Taxes- Personal Property Delinquent	905,899	905,899	23	943,918	38,019	104%
Real and Personal Public Service Corporation Property Taxes- Real Property Current	1,995,564	1,995,564	(0)	1,472,391	(523,173)	74%
Real Property Taxes- Current	261,699,765	261,699,765	(0)	262,232,892	533,127	100%
Real Property Taxes- Delinquent	10,340,235	10,340,235	4,078,042	12,821,892	2,481,656	124%
<b>Total General Property Taxes</b>	<b>346,949,588</b>	<b>346,949,588</b>	<b>7,133,099</b>	<b>350,436,112</b>	<b>3,486,524</b>	<b>101%</b>
<b>Other Local Taxes</b>						
Admission Taxes	3,360,273	3,360,273	336,206	3,167,172	(193,101)	94%
Bank Stock Taxes	8,381,729	8,381,729	-	8,592,900	211,171	103%
Business Licenses Taxes	34,915,311	34,915,311	325,046	36,199,410	1,284,099	104%
Consumer Utility Taxes	17,973,304	17,973,304	2,270,764	18,139,093	165,789	101%
Local Sales & Use Tax	35,150,480	35,150,480	2,676,462	35,509,643	359,163	101%
Motor Vehicle Licenses	7,836,450	7,836,450	481,717	7,404,955	(431,495)	94%
Other Local Taxes	626,756	626,756	16,010	531,701	(95,055)	85%
Prepared Food Taxes	45,566,380	45,566,380	7,149,453	46,185,605	619,225	101%
Short-Term Rental Tax	122,418	122,418	9,625	94,262	(28,156)	77%
Transient Lodging Taxes	8,528,415	8,528,415	1,209,910	8,911,930	383,515	104%
<b>Total Other Local Taxes</b>	<b>162,461,516</b>	<b>162,461,516</b>	<b>14,475,194</b>	<b>164,736,671</b>	<b>2,275,155</b>	<b>101%</b>
<b>Permits, Privilege Fees, and Regulatory Licenses</b>						
Animal Licenses	-	-	-	-	-	-
Permits and Other Licenses	8,705,255	8,705,255	1,115,524	8,523,405	(181,850)	98%
<b>Total Permits, Privilege Fees, and Regulatory Licenses</b>	<b>8,705,255</b>	<b>8,705,255</b>	<b>1,115,524</b>	<b>8,523,405</b>	<b>(181,850)</b>	<b>98%</b>
<b>Fines &amp; Forfeitures</b>						
Fines & Forfeitures	-	-	991	991	991	-
<b>Total Fines &amp; Forfeitures</b>	<b>-</b>	<b>-</b>	<b>991</b>	<b>991</b>	<b>991</b>	<b>0%</b>
<b>Revenue from Use of Money and Property</b>						
Revenue from Use of Money	5,407,204	5,407,204	1,137,035	5,173,037	(234,167)	96%
Revenue from Use of Property	239,300	239,300	53,425	235,396	(3,904)	98%
<b>Total Revenue from Use of Money and Property</b>	<b>5,646,504</b>	<b>5,646,504</b>	<b>1,190,460</b>	<b>5,408,433</b>	<b>(238,071)</b>	<b>96%</b>
<b>Charges for Services</b>						
Charges for Finance	785,482	785,482	73,568	785,597	115	100%
Charges for Fire and Rescue Services	87,000	87,000	17,719	70,000	(17,000)	80%
Charges for Information Technology	16,500	16,500	2,436	16,500	-	100%
Charges for Law Enforcement and Traffic Control	148,000	148,000	32,135	148,000	-	100%
Charges for Library	67,700	67,700	7,569	67,700	-	100%
Charges for Maintenance of Highways, Streets, Bridges, and Sidewalks	-	-	-	-	-	-
Charges for Other Protection	125,000	125,000	19,843	125,000	-	100%
Charges for Parks and Recreation	88,530	88,530	6,411	88,930	400	100%
Charges for Planning and Community Development	70,000	70,000	131	58,000	(12,000)	83%
Charges for Sanitation and Waste Removal	18,083,812	18,083,812	221	18,083,812	-	100%
Court Costs	6,469,685	6,469,685	1,195,241	6,469,685	-	100%
Other	9,496	9,496	3,147	7,122	(2,374)	75%
<b>Total Charges for Services</b>	<b>25,951,206</b>	<b>25,951,206</b>	<b>1,358,421</b>	<b>25,920,347</b>	<b>(30,859)</b>	<b>100%</b>
<b>Miscellaneous Revenue</b>						
Miscellaneous	2,856,385	2,856,385	873,590	2,426,052	(430,333)	85%
Payments in Lieu of Taxes from Enterprise Activities	22,759,977	22,759,977	-	22,759,977	-	100%
<b>Total Miscellaneous Revenue</b>	<b>25,616,362</b>	<b>25,616,362</b>	<b>873,590</b>	<b>25,186,029</b>	<b>(430,333)</b>	<b>98%</b>
<b>Recovered Costs</b>						
Recovered Costs	5,927,619	5,927,619	192,038	5,957,563	29,944	101%
<b>Total Recovered Costs</b>	<b>5,927,619</b>	<b>5,927,619</b>	<b>192,038</b>	<b>5,957,563</b>	<b>29,944</b>	<b>101%</b>
<b>Revenue from Local Sources Total</b>	<b>581,258,050</b>	<b>581,258,050</b>	<b>26,339,316</b>	<b>586,169,551</b>	<b>4,910,510</b>	<b>101%</b>

## Sources

	FY2019 Budget	FY2019 Amended Budget	FY2019 Collections as of 9/30/2018	FY2019 1st Quarter Projection	Variance: Amended Budget vs. Preliminary Year End surplus (shortfall)	
<b>Other Financing Sources</b>						
<b>Non-Revenue Receipts</b>						
Insurance Recovery	-	-	-	-	-	-
<b>Total Non-Revenue Receipts</b>	-	-	-	-	-	-
<b>Revenue from Other Financing Sources Total</b>	-	-	-	-	-	-
<b>Revenue from the Commonwealth</b>						
<b>Non-Categorical Aid</b>						
Auto Rental Tax	983,878	983,878	205,291	629,682	(354,196)	64%
Communications Sales and Use Tax	15,440,463	15,440,463	2,474,636	14,822,844	(617,619)	96%
Miscellaneous Non-Categorical Aid	250,000	250,000	8,045	245,415	(4,585)	98%
Mobile Home Titling Taxes	9,522	9,522	-	9,522	-	100%
Personal Property Tax Reimbursement	16,708,749	16,708,749	-	16,708,749	-	100%
Rolling Stock Tax	142,446	142,446	121,257	142,446	-	100%
Tax on Deeds	1,078,407	1,078,407	-	959,782	(118,625)	89%
<b>Total Non-Categorical Aid</b>	<b>34,613,465</b>	<b>34,613,465</b>	<b>2,809,229</b>	<b>33,518,441</b>	<b>(1,095,025)</b>	<b>97%</b>
<b>Shared Expenditures (Categorical)</b>						
State Shared Expenses- City Treasurer	147,785	147,785	22,307	147,785	-	100%
State Shared Expenses- Commonwealth Attorney	3,423,176	3,423,176	540,180	3,421,425	(1,751)	100%
State Shared Expenses- Finance	773,803	773,803	112,240	762,817	(10,986)	99%
State Shared Expenses- General Registrar	90,525	90,525	-	93,525	3,000	103%
State Shared Expenses- Sheriff	15,400,000	15,400,000	1,591,067	16,605,695	1,205,695	108%
State Shared Expenses- Welfare and Social Services	-	-	-	-	-	-
<b>Total Shared Expenditures (Categorical)</b>	<b>19,835,289</b>	<b>19,835,289</b>	<b>2,265,794</b>	<b>21,031,246</b>	<b>1,195,958</b>	<b>106%</b>
<b>Categorical Aid</b>						
Education	-	-	-	-	-	-
Library	185,000	185,000	-	185,000	-	100%
Public Safety	19,010,953	19,010,953	4,090,552	19,110,953	100,000	101%
Public Works	-	-	-	9,000	9,000	-
Welfare and Social Services	13,072,025	13,072,025	2,491,650	13,076,790	4,765	100%
<b>Total Categorical Aid</b>	<b>32,267,978</b>	<b>32,267,978</b>	<b>6,582,202</b>	<b>32,381,743</b>	<b>113,765</b>	<b>100%</b>
<b>PILOT (Payments in Lieu of Taxes)</b>						
Service Charges	3,808,790	3,808,790	330,153	3,698,501	(110,289)	97%
<b>Total PILOT (Payments in Lieu of Taxes)</b>	<b>3,808,790</b>	<b>3,808,790</b>	<b>330,153</b>	<b>3,698,501</b>	<b>(110,289)</b>	<b>97%</b>
<b>Revenue from the Commonwealth Total</b>	<b>90,525,522</b>	<b>90,525,522</b>	<b>11,987,378</b>	<b>90,629,931</b>	<b>104,410</b>	<b>100%</b>
<b>Revenue from the Federal Government</b>						
<b>Non-Categorical Aid</b>						
Other Federal Revenue	-	-	-	-	-	-
<b>Total Non-Categorical Aid</b>	-	-	-	-	-	-
<b>Categorical Aid</b>						
Social Services	30,583,848	30,583,848	3,455,451	29,922,114	(661,734)	98%
<b>Total Categorical Aid</b>	<b>30,583,848</b>	<b>30,583,848</b>	<b>3,455,451</b>	<b>29,922,114</b>	<b>(661,734)</b>	<b>98%</b>
<b>Revenue from the Federal Government Total</b>	<b>30,583,848</b>	<b>30,583,848</b>	<b>3,455,451</b>	<b>29,922,114</b>	<b>(661,734)</b>	<b>98%</b>
<b>Utilities</b>						
<b>Utilities</b>						
Utilities	64,000	64,000	17,556	64,000	-	100%
<b>Total Utilities</b>	<b>64,000</b>	<b>64,000</b>	<b>17,556</b>	<b>64,000</b>	-	<b>100%</b>
<b>Revenue from Utilities Total</b>	<b>64,000</b>	<b>64,000</b>	<b>17,556</b>	<b>64,000</b>	-	<b>100%</b>
<b>Transfers-In</b>						
<b>Transfers-In</b>						
Transfers-In	17,470,800	17,470,800	-	17,470,800	-	100%
<b>Total Transfers-In</b>	<b>17,470,800</b>	<b>17,470,800</b>	-	<b>17,470,800</b>	-	<b>100%</b>
<b>Grand Total:</b>	<b>719,902,219</b>	<b>719,902,219</b>	<b>41,799,701</b>	<b>724,256,396</b>	<b>4,354,177</b>	<b>101%</b>

All Projections are based on data collected at a point in time.  
 All Projections could change as more data becomes available at year end closing.  
 \*Note very minor discrepancies may exist due to rounding

## Uses

Agency	FY 2019 Adopted Budget	FY 2019 Current Budget	Expenditures through Sept. 30th	FY 2019 Year- End Projection	Variance: Current vs Projection surplus/(shortfall)	
<b>Culture &amp; Recreation</b>						
Library	5,785,353	5,785,353	1,124,905	5,687,415	97,938	98.3%
Parks Rec	16,385,768	16,385,768	3,888,184	16,207,648	178,120	98.9%
<b>Debt</b>						
Debt	70,124,320	70,124,320	39,170,059	70,124,320	-	100.0%
<b>Education</b>						
RPS	169,146,483	169,146,483	-	169,146,483	-	100.0%
<b>General Government</b>						
Assessor	3,627,087	3,627,087	664,579	3,520,578	106,509	97.1%
Auditor	1,731,296	1,731,296	250,212	1,680,746	50,550	97.1%
Budget	1,345,718	1,345,718	268,879	1,343,071	2,647	99.8%
Chief Admin Officer	924,843	924,843	201,974	901,455	23,388	97.5%
City Attorney	3,243,116	3,243,116	555,592	3,027,851	215,265	93.4%
City Clerk	917,351	917,351	116,768	863,179	54,172	94.1%
City Council	1,419,558	1,419,558	264,796	1,372,805	46,754	96.7%
City Treasurer	166,242	166,242	38,957	181,724	(15,483)	109.3%
Citizen Service & Response	1,297,165	1,297,165	125,448	1,285,548	11,617	99.1%
Council Chief of Staff	1,152,224	1,152,224	226,878	1,103,976	48,248	95.8%
Econ Dev	4,533,855	4,533,855	302,988	4,409,801	124,054	97.3%
Finance	10,765,422	10,765,422	2,093,391	10,755,730	9,692	99.9%
General Registrar	1,780,952	1,780,952	240,836	1,796,613	(15,661)	100.9%
Housing & Comm Development	2,039,026	2,039,026	160,110	1,956,047	82,979	95.9%
Human Resources	3,262,867	3,262,867	691,065	3,295,125	(32,258)	101.0%
Info Tech	-	-	-	-	-	#DIV/0!
Inspector General	464,503	464,503	39,815	423,115	41,388	91.1%
Mayor's Office	1,157,478	1,157,478	231,485	1,149,878	7,600	99.3%
Minority Business Development	817,716	817,716	136,738	817,445	271	100.0%
Planning & Dev Review	11,207,295	11,207,295	2,250,731	11,099,344	107,951	99.0%
Press Secretary	487,626	487,626	96,018	486,362	1,264	99.7%
Procurement Serv.	1,135,025	1,135,025	197,987	1,138,181	(3,156)	100.3%
<b>Highways, Streets, Sanitation &amp; Refuse</b>						
Public Works	34,916,914	34,916,914	4,845,992	34,734,034	182,880	99.5%
<b>Human Services</b>						
Justice Services	9,134,419	9,134,419	1,750,291	9,132,881	1,538	100.0%
Office of DCAO/HS	1,494,733	1,494,733	180,960	1,392,118	102,615	93.1%
RCHI - Health	4,030,490	4,030,490	-	4,030,490	-	100.0%
Social Services	56,634,080	56,634,080	9,495,167	56,634,870	(790)	100.0%
Office of Community Wealth Building	1,968,115	1,968,115	531,716	1,944,092	24,023	98.8%
<b>Non-Departmental</b>						
Non-Departmental	93,741,173	93,741,173	10,111,452	94,124,688	(383,515)	100.4%
<b>Public Safety &amp; Judiciary</b>						
Animal Control	1,614,585	1,614,585	377,064	1,643,288	(28,703)	101.8%
Emergency Communications	5,215,443	5,215,443	1,273,775	5,228,808	(13,365)	100.3%
Fire & Emer Svcs	51,475,418	51,475,418	11,352,508	52,055,221	(579,803)	101.1%
J & DR Court	236,911	236,911	35,396	236,525	386	99.8%
13th District Court Services Unit	218,010	218,010	36,691	217,993	17	100.0%
Jail/Sheriff	37,573,663	37,573,663	8,346,550	40,759,809	(3,186,146)	108.5%
Judiciary - Adult Drug Ct	612,504	612,504	134,619	615,457	(2,953)	100.5%
Judiciary - Cir Ct	3,912,492	3,912,492	792,731	3,835,149	77,343	98.0%
Judiciary - CW Atty	6,561,304	6,561,304	1,325,397	6,491,663	69,641	98.9%
Judiciary - Other	256,108	256,108	67,849	255,908	200	99.9%
Police	95,387,568	95,387,568	20,343,571	95,387,317	251	100.0%
<b>Grand Total</b>	<b>719,902,219</b>	<b>719,902,219</b>	<b>124,340,124</b>	<b>722,494,751</b>	<b>(2,592,532)</b>	<b>100.4%</b>

All Projections are based on data collected at a point in time.

All Projections could change as more data becomes available at year end closing.

\*Note very minor discrepancies may exist due to rounding

## **FY2019 First Quarter Revenue Projections**

Below are explanations of variances within major accounts in the revenue projections. Explanations are offered for variances that are +/- 5% or +/- \$500,000. The current forecast projects revenues to be more than the FY2019 budget by \$4,354,177 or .60%. The explanations are in order as they appear in the prior table.

### **Penalties and Interest- Interest Projected Revenue Surplus: \$537K**

FY2018 actuals have collections for this source at \$4.6M. Based on prior year trends and current efforts, it is expected that FY2019 results will be slightly lower than FY2018, but slightly higher than budgeted for FY2019.

### **Penalties and Interest- Penalty Projected Revenue Surplus: \$499K**

FY2018 actual collections for this source were slightly less than budgeted for FY2018. Therefore the FY2019 budget for this source was projected lower but based upon current efforts, it is expected that FY2019 results will be slightly higher than the amount budgeted.

### **Personal Property Taxes- Current Projected Revenue Surplus: \$1.1M**

FY2018 actual collections for this source were slightly higher than budgeted for FY2018. Therefore this trend reflects a slight increase in the FY2019 collections.

### **Personal Property Taxes- Delinquent Projected Revenue Shortfall: \$953K**

Projections have been revised down to align with recent year collection trends.

### **Real and Personal Public Service Corporation Property Taxes Current and Delinquent Projected Revenue Shortfall: \$1.2M**

The FY2018 actual revenues for the three sub categories of Public Service Corporation property taxes reflected \$11M. While allowing for a slight increase from prior year collections, the FY2019 combined total for these three categories project less than the budgeted amounts.

### **Real Property Taxes- Current Projected Revenue Surplus: \$533K**

Current Real Estate Taxes are projected to be slightly higher than the FY2019 budgeted amount when considering the increase in taxable assessed values per the City Assessor and the anticipated collection rate of the tax levy. This is attributed to the fact that the land book certified by Richie McKeithen in late April ended up being less than the actual land book when the assessment notices went out in June.

### **Real Property Taxes- Delinquent Projected Revenue Surplus: \$2.5M**

This source is forecasted to be significantly higher than the FY2019 budget due to continued growth in the sale of tax delinquent properties.

### **Business Licenses Taxes Projected Revenue Surplus: \$1.3M**

This source is forecasted to be higher than the FY2019 budgeted amount based on FY2018 collections and refunds that are anticipated to be issued in the current fiscal year.

**Motor Vehicle Licenses****Projected Revenue Shortfall: \$431K**

The FY2019 budget from this source was based on an increase in the related fees and prior year activity. FY2018 actual collections indicate that this source fell below FY2018 budget. Current collections show that the trend will continue.

**Other Local Taxes****Projected Revenue Shortfall: \$95K**

This revenue source is projected to have a shortfall due to the FCC (Federal Communications Commission i.e. Telephone Commission Taxes) ruling which has placed a mandatory cap on how much fees can be charged to inmates (and their families) using the telephone system in the City Jail.

**Prepared Food Taxes****Projected Revenue Surplus: \$619K**

Based on current collections and FY2018 actuals, FY2019 is estimated to be slightly higher than budget, for both the 6% for City operations and the 1.5% for new and renovated School facilities.

**Short-Term Rental Tax****Projected Revenue Shortfall: \$28K**

Based on FY2019 first quarter collections, FY2019 is estimated to be slightly lower than budget.

**Charges for Fire and Rescue Services****Projected Revenue Shortfall: \$17k**

This revenue source is projected to have a shortfall due to a lower number of permits and inspection fees being generated by the Fire Marshal's Office.

**Charges for Planning and Community Development****Projected Revenue Shortfall: \$12k**

This revenue source is projected to have a shortfall due to a decreasing number of rehab applications within the Assessor's Office. The number of applicants has continued to drop over the past few fiscal years and this trend is expected to continue.

**Other****Projected Revenue Shortfall: \$2k**

The projected decrease in this source is from lower than anticipated returned check revenue.

**Miscellaneous****Projected Revenue Shortfall: \$430k**

This revenue source has fluctuated over the years. It is projected that this shortfall will be realized based on current actuals posted to date in the financial system. This shortfall is currently projected as a result of an anticipated reduction in salvage sales this fiscal year. We will continue to monitor this account as additional revenue is collected and posted to this account.

**Auto Rental Tax****Projected Revenue Shortfall: \$354K**

FY2019 revenues from this source are projected to be below the budgeted amount based on funds received through the end of the first quarter.

**Communication Sales and Use Tax****Projected Revenue Shortfall: \$618K**

This FY2019 revenue source projects a shortfall due to the tax base having a declining trend.

**Tax on Deeds****Projected Revenue Shortfall: \$119K**

FY2019 revenues from this source are projected to be below the budgeted amount based on funds received through the end of the first quarter.

**State Shared Expenses-Sheriff****Projected Revenue Surplus: \$1.2M**

This revenue source is projected to have a surplus of \$1.2M. This anticipated surplus is expected as the approved budget from the Compensation Board is larger than what was originally projected by the Sheriff's Office during the FY2019 budget process. It is anticipated that an ordinance will be drafted to appropriate this additional revenue to the Sheriff's Office, which will be used to offset a portion of the projected Sheriff related expenditures.

**Social Services****Projected Revenue Shortfall: \$662k**

This revenue source is projected to have a shortfall due to Social Service's high vacancy rate. This revenue source primarily consists of the Federal and State reimbursements for DSS administrative staff.



## **FY2019 First Quarter – Expenditure Projections**

Overall, the first quarter forecast shows projected expenditures trending in a negative direction, with a projected, estimated shortfall of \$2,592,532 or -0.36% of the modified budget.

**It is important to note that these projections are based on data collected for FY19 as of September 30, 2018. As a result, these projections could change as more data becomes available throughout the fiscal year. Below are explanations of major variances in the first quarter expenditure projections.** The explanations are in order as they appear in the first quarter status report. Variances of +/- 5% or +/- \$500,000 are detailed below.

### **City Attorney **Projected Budget Surplus: \$215k****

The Office of the City Attorney is projected to have a surplus in personnel of \$215k that is attributed to the existence of departmental vacancies.

### **City Clerk **Projected Budget Surplus: \$54k****

The Office of the City Clerk is projected to have a surplus in personnel of \$54k that is attributed to the existence of departmental vacancies.

### **City Treasurer **Projected Budget Shortfall: \$15k****

The Office of the City Treasurer is projected to have a shortfall in personnel of \$15k that is attributed, almost exclusively, to a recently hired employee that selected a health insurance plan that was higher than what was originally budgeted.

### **Inspector General **Projected Budget Surplus: \$41k****

The Office of the Inspector General is projected to have personnel savings of \$41k that is attributed to the existence of departmental vacancies.

### **Office of DCAO for Human Services **Projected Budget Surplus: \$103k****

The Office of the DCAO for Human Services is projected to have personnel savings of \$101k that is attributed to the existence of several vacancies. Minor operating savings of \$2k is projected.

### **Fire and Emergency Services **Projected Budget Shortfall: \$580k****

The Department of Fire and Emergency Services is expected to have a shortfall in personnel of \$939k. The existence of vacancies is driving an increase in overtime costs to ensure minimum staffing levels. The department intends to hire a recruit class beginning in January which will aid in lowering overtime costs, but this is not expected to offset the overage fully. Operating savings of \$359k is projected and has been identified by the Department as a measure to assist in the projected shortfall in personnel.

### **Jail/Sheriff **Projected Budget Shortfall: \$3.2M****

The City Sheriff is projected to have a shortfall of \$3.2M which is attributed, primarily to a significant increase in projected overtime related costs for the Department. A response on the reason behind the shortfall was provided by the Sheriff's Office.

Per the Sheriff's Office, "a projected shortfall in personnel is attributed mainly to the department overtime expenses which is being paid to each non-exempt employee who work to ensure that all mandated direct supervision post(s) are properly covered which creates overtime. The facility was designed to be such and now the overtime costs are associated with maintaining the appropriate security levels. As stated previously, there are certain posts which are mandated by DOC that has to be manned at all times for a Direct Supervision Facility, which this building was designed to be. The main overtime costs are associated with these posts".

The existence of departmental vacancies is also contributing to the shortfall but is secondary to the overtime needs articulated by the City Sheriff. The Sheriff's Office noted that "additional revenue (is projected and can be) appropriate (d) based on the final budget approved by the Comp Board (for full time positions), reducing the (total department wide) shortfall." If approved, this additional revenue is not projected to fully offset the total projected shortfall for this department.