



CITY OF RICHMOND

INTRACITY CORRESPONDENCE

TO: The Honorable Mayor Levar M. Stoney

The Honorable Michael Jones
Chair of the Finance and Economic Development Committee

The Honorable Members of City Council

THROUGH: Lincoln Saunders
Chief Administrative Officer

FROM: Jason May, CBEO
Budget & Strategic Planning Director

DATE: May 15, 2022

RE: Fiscal Year 2022 Third Quarter Revenue & Expenditure Projection Report

The Fiscal Year 2022 Third Quarter Revenue and Expenditure Projection Report is provided to the Finance and Economic Development Committee to describe the City's Fiscal Year 2022 year-to-date financial performance. The report includes revenue and expenditures up-to-date through March 31, 2022 – utilizing up to nine (9) months of data, depending on the timing of accruals.

It is important to note that the City continues to remain in a state of emergency due to the coronavirus pandemic. There is no definitive timeline on when the pandemic will end, nor a timeline on when citizens will return to their pre-COVID behaviors. With the advent of a vaccine and the beginning of a relaxation of governmental restrictions, it is probable that an economic recovery is forthcoming. Still, the continuation of the pandemic, including the increase related to various variants, will continue to have economic implications for the City and its finances. This projection assumes that the pandemic will continue, although a recovery is underway and a return to pre-covid behaviors is likely, in the near future.

A brief overview of the City's current fiscal assessment process, a summary of the status of the City's reimbursement for the pandemic as well as other costs, and finally a brief overview of the projected FY2022 general fund revenues and expenditures are all provided below. Details, as well as a write up of major variances in revenues and expenditures, are provided further within the report.

General Fund Revenues

General Fund Revenues are currently forecast to be higher than budget with a surplus of \$25,530,677, or 3.22% of the budget.

General Fund Expenditures

General Fund Expenditures are trending lower than budgeted with a projected, estimated surplus of \$3,624,100 or projected savings of 0.46% of the total general fund budget.

Several departments are projecting a significant shortfall, such as Fire & Emergency Services and Public Works, however, this is offset by a significant savings in Social Services and Finance, as well as savings in other departments. Specific details of these departmental variances, as well as other departmental variances are explained further in the report.

Summary of FY2022 Projected Balances as of 3/31/2022	
Projected Total FY2022 General Fund Revenue	\$818,577,668
Projected Total FY2022 General Fund Expenditures	\$789,422,891
Total: FY2022 Projected Budgetary Surplus/(Shortfall)	\$29,154,777

**Note very minor discrepancies may exist due to rounding*

**Internal Work Papers - City of Richmond, VA
Department of Budget and Strategic Planning
FY2022 3rd Quarter Status Report and Forecast - 75.00% Year Past**

	FY2022 Budget	FY2022 Amended Budget	FY2022 Collections as of 3/31/2022	FY2022 3rd Quarter Projection	Variance: Amended Budget vs. Preliminary Year End surplus	
Revenue from Local Sources						
General Property Taxes						
Machinery & Tools Taxes	(13,899,915)	(13,899,915)	(705,912)	(13,899,915)	-	100%
Penalties and Interest- Interest	(2,969,891)	(2,969,891)	(1,846,661)	(2,834,444)	135,447	95%
Penalties and Interest- Penalty	(2,786,614)	(2,786,614)	(2,003,697)	(2,891,393)	(104,779)	104%
Personal Property Taxes- Current	(36,751,456)	(36,751,456)	(1,796,585)	(36,751,456)	-	100%
Personal Property Taxes- Delinquent	(6,959,963)	(6,959,963)	(4,086,606)	(6,959,963)	-	100%
Real and Personal Public Service Corporation Property Tax	(9,151,418)	(9,151,418)	111,803	(9,151,418)	-	100%
Real and Personal Public Service Corporation Property Tax	(497,012)	(497,012)	(844,532)	(497,012)	-	100%
Real and Personal Public Service Corporation Property Tax	(2,205,476)	(2,205,476)	(3,842)	(2,205,476)	-	100%
Real Property Taxes- Current	(330,726,962)	(342,173,987)	(182,889,939)	(361,024,528)	(18,850,541)	106%
Real Property Taxes- Delinquent	(11,829,380)	(11,829,380)	(4,521,651)	(9,044,798)	2,784,582	76%
Total General Property Taxes	(417,778,087)	(429,225,112)	(198,587,620)	(445,260,403)	(16,035,291)	104%
Other Local Taxes						
Admission Taxes	(1,405,941)	(1,405,941)	(989,548)	(1,455,874)	(49,933)	104%
Bank Stock Taxes	(9,496,071)	(9,496,071)	(439,147)	(9,496,071)	-	100%
Business Licenses Taxes	(31,448,626)	(31,448,626)	(33,903,242)	(33,903,242)	(2,454,616)	108%
Cigarette Tax	(3,155,000)	(3,155,000)	(1,766,967)	(2,736,213)	418,787	87%
Consumer Utility Taxes	(18,316,946)	(18,316,946)	(12,986,553)	(17,496,563)	820,383	96%
Local Sales & Use Tax	(36,880,579)	(36,880,579)	(32,781,871)	(42,681,871)	(5,801,292)	116%
Motor Vehicle Licenses	(6,557,458)	(6,557,458)	(2,269,441)	(6,606,387)	(48,929)	101%
Other Local Taxes	(525,689)	(525,689)	(225,984)	(558,091)	(32,402)	106%
Prepared Food Taxes	(28,252,499)	(28,252,499)	(22,532,121)	(30,042,828)	(1,790,329)	106%
Prepared Food Taxes - School Facilities	(7,196,057)	(7,196,057)	(5,739,047)	(7,652,063)	(456,006)	106%
Short-Term Rental Tax	(125,153)	(125,153)	(59,556)	(125,153)	-	100%
Transient Lodging Taxes	(5,762,109)	(5,762,109)	(4,372,603)	(5,817,151)	(55,042)	101%
Total Other Local Taxes	(149,122,128)	(149,122,128)	(118,066,078)	(158,571,505)	(9,449,377)	106%
Permits, Privilege Fees, and Regulatory Licenses						
Animal Licenses	-	-	(1,452)	(1,452)	(1,452)	-
Permits and Other Licenses	(13,262,601)	(13,262,601)	(10,947,601)	(13,610,134)	(347,533)	103%
Total Permits, Privilege Fees, and Regulatory Licenses	(13,262,601)	(13,262,601)	(10,949,053)	(13,611,586)	(348,985)	103%
Fines & Forfeitures						
Fines & Forfeitures	(8,000)	(8,000)	(8,248)	(11,000)	(3,000)	138%
Total Fines & Forfeitures	(8,000)	(8,000)	(8,248)	(11,000)	(3,000)	0%
Revenue from Use of Money and Property						
Revenue from Use of Money	-	-	-	-	-	-
Revenue from Use of Property	(208,648)	(208,648)	(677,141)	(698,335)	(489,687)	335%
Total Revenue from Use of Money and Property	(208,648)	(208,648)	(677,141)	(698,335)	(489,687)	335%
Charges for Services						
Charges for Finance	(801,192)	(801,192)	(460,036)	(775,045)	26,147	97%
Charges for Fire and Rescue Services	(185,000)	(185,000)	(69,869)	(145,092)	39,908	78%
Charges for Information Technology	(4,000)	(4,000)	900	(8,575)	(4,575)	214%
Charges for Law Enforcement and Traffic Control	(161,000)	(161,000)	(262,388)	(161,000)	-	100%
Charges for Library	(4,000)	(4,000)	(3,845)	(3,845)	155	96%
Charges for Maintenance of Highways, Streets, Bridges, and	-	-	-	-	-	-
Charges for Other Protection	(125,000)	(125,000)	(89,723)	(125,000)	-	100%
Charges for Parks and Recreation	(135,400)	(135,400)	(137,364)	(174,820)	(39,420)	129%
Charges for Planning and Community Development	(54,000)	(54,000)	(1,648)	(51,043)	2,957	95%
Charges for Sanitation and Waste Removal	(17,891,033)	(17,891,033)	(14,001,419)	(17,891,033)	-	100%
Court Costs	(6,772,739)	(6,772,739)	(5,994,107)	(8,043,912)	(1,271,173)	119%
Other	(9,515)	(9,515)	(20,015)	(20,015)	(10,500)	210%
Total Charges for Services	(26,142,879)	(26,142,879)	(21,039,514)	(27,399,380)	(1,256,501)	105%
Miscellaneous Revenue						
Miscellaneous	(1,076,522)	(1,376,522)	(1,515,864)	(1,211,123)	165,399	88%
Payments in Lieu of Taxes from Enterprise Activities	(21,078,214)	(21,078,214)	(18,497,634)	(20,705,543)	372,671	98%
Total Miscellaneous Revenue	(22,154,736)	(22,454,736)	(20,013,498)	(21,916,666)	538,070	98%
Recovered Costs						
Recovered Costs	(5,617,302)	(5,617,302)	(2,140,169)	(5,523,334)	93,968	98%
Total Recovered Costs	(5,617,302)	(5,617,302)	(2,140,169)	(5,523,334)	93,968	98%
Revenue from Local Sources Total	(634,294,381)	(646,041,406)	(371,481,320)	(672,992,209)	(26,947,803)	104%

	FY2022 Budget	FY2022 Amended Budget	FY2022 Collections as of 3/31/2022	FY2022 3rd Quarter Projection	Variance: Amended Budget vs. Preliminary Year End surplus	
Other Financing Sources						
Non-Revenue Receipts						
Insurance Recovery	-	-	-	-	-	-
Total Non-Revenue Receipts	-	-	-	-	-	-
Revenue from Other Financing Sources Total	-	-	-	-	-	-
Revenue from the Commonwealth						
Non-Categorical Aid						
Auto Rental Tax	(893,846)	(893,846)	(1,025,158)	(1,025,158)	(131,312)	115%
Communications Sales and Use Tax	(14,440,680)	(14,440,680)	(8,015,009)	(14,440,680)	-	100%
Miscellaneous Non-Categorical Aid	(241,593)	(241,593)	(140,207)	(241,593)	(0)	100%
Mobile Home Titling Taxes	(9,807)	(9,807)	-	-	9,807	0%
Personal Property Tax Reimbursement	(16,708,749)	(16,708,749)	(2,697,448)	(16,708,749)	-	100%
Rolling Stock Tax	(139,639)	(139,639)	(135,074)	(135,074)	4,565	97%
Tax on Deeds	(1,000,000)	(1,000,000)	-	(1,000,000)	-	100%
Total Non-Categorical Aid	(33,434,314)	(33,434,314)	(12,012,895)	(33,551,254)	(116,940)	100%
Shared Expenditures (Categorical)						
State Shared Expenses- City Treasurer	(147,949)	(147,949)	(100,733)	(147,465)	484	100%
State Shared Expenses- Commonwealth Attorney	(3,625,970)	(3,625,970)	(2,374,079)	(3,613,157)	12,813	100%
State Shared Expenses- Finance	(775,802)	(775,802)	(591,018)	(740,299)	35,503	95%
State Shared Expenses- General Registrar	(98,531)	(98,531)	(80,599)	(98,531)	-	100%
State Shared Expenses- Sheriff	(17,430,000)	(18,192,162)	(10,800,292)	(18,017,093)	175,069	99%
State Shared Expenses- Welfare and Social Services	-	-	-	-	-	-
Total Shared Expenditures (Categorical)	(22,078,252)	(22,840,414)	(13,946,720)	(22,616,545)	223,869	99%
Categorical Aid						
Education	-	-	-	-	-	-
Library	(210,000)	(210,000)	(156,738)	(208,984)	1,016	100%
Public Safety	(19,817,858)	(19,817,858)	(13,809,142)	(18,868,772)	949,086	95%
Public Works	-	-	-	-	-	-
Welfare and Social Services	(14,646,480)	(14,920,480)	(9,298,278)	(14,646,480)	274,000	98%
Total Categorical Aid	(34,674,338)	(34,948,338)	(23,264,158)	(33,724,236)	1,224,102	96%
PILOT (Payments in Lieu of Taxes)						
Service Charges	(3,698,683)	(3,698,683)	(1,810,736)	(3,621,472)	77,211	98%
Total PILOT (Payments in Lieu of Taxes)	(3,698,683)	(3,698,683)	(1,810,736)	(3,621,472)	77,211	98%
Revenue from the Commonwealth Total	(93,885,587)	(94,921,749)	(51,034,509)	(93,513,507)	1,408,242	99%
Revenue from the Federal Government						
Non-Categorical Aid						
Other Federal Revenue	(6,843)	(264,700)	(35,382)	(293,239)	(28,539)	111%
Total Non-Categorical Aid	(6,843)	(264,700)	(35,382)	(293,239)	(28,539)	-
Categorical Aid						
Social Services	(25,234,120)	(25,234,120)	(13,752,970)	(25,189,920)	44,200	100%
Total Categorical Aid	(25,234,120)	(25,234,120)	(13,752,970)	(25,189,920)	44,200	100%
Revenue from the Federal Government Total	(25,240,963)	(25,498,820)	(13,788,352)	(25,483,159)	15,661	100%
Utilities						
Utilities						
Utilities	(4,000)	(4,000)	(16,143)	(7,778)	(3,778)	194%
Total Utilities	(4,000)	(4,000)	(16,143)	(7,778)	(3,778)	194%
Revenue from Utilities Total	(4,000)	(4,000)	(16,143)	(7,778)	(3,778)	194%
Transfers-In						
Transfers-In						
Transfers-In	(19,407,028)	(19,407,028)	-	(19,407,028)	-	100%
Total Transfers-In	(19,407,028)	(19,407,028)	-	(19,407,028)	-	100%
Grand Total:	(772,831,959)	(785,873,003)	(436,320,323)	(811,403,680)	(25,530,677)	103%
Rolled Encumbrance (General Fund Portion) Total:	-	(7,173,988)	-	(7,173,988)	-	-
General Fund Revenue Grand Total:	(772,831,959)	(793,046,991)	(436,320,323)	(818,577,668)	(25,530,677)	103.22%

Internal Work Papers - City of Richmond, VA
Department of Budget and Strategic Planning
FY2022 3rd Quarter Status Report and Forecast - 75.00% Year Past

Agency	FY 2022 Current Budget	Expenditures through Mar. 31st	FY 2022 Year- End Projection	Variance: Current vs Projection surplus/(shortfall)	
Culture & Recreation					
Library	6,338,002	4,268,553	6,214,376	123,626	98.0%
Parks Rec	20,381,594	15,218,715	20,722,006	(340,413)	101.7%
Debt					
Debt	84,422,421	43,979,705	84,422,421	-	100.0%
Education					
RPS	187,142,096	140,356,572	187,142,096	-	100.0%
General Government					
Assessor	5,722,032	2,714,691	5,411,415	310,617	94.6%
Auditor	2,321,270	1,412,275	2,175,945	145,325	93.7%
Budget	1,413,542	675,253	1,284,820	128,722	90.9%
Chief Admin Officer	1,006,844	688,562	1,008,087	(1,243)	100.1%
City Attorney	4,618,841	2,805,950	4,310,833	308,008	93.3%
City Clerk	1,021,892	620,149	1,020,215	1,677	99.8%
City Council	1,468,466	975,490	1,467,278	1,188	99.9%
City Treasurer	232,264	138,107	232,265	-	100.0%
Citizen Service & Response	2,817,245	1,743,506	2,518,117	299,128	89.4%
Council Chief of Staff	1,316,920	555,214	1,193,658	123,262	90.6%
Econ Dev	4,024,037	2,360,040	3,993,380	30,657	99.2%
Finance	11,347,234	6,227,227	10,502,467	844,767	92.6%
General Registrar	4,009,312	1,888,047	3,375,457	633,855	84.2%
Housing & Comm Development	1,805,133	709,548	1,683,399	121,734	93.3%
Human Resources	5,007,298	3,240,274	5,126,795	(119,497)	102.4%
Info Tech	-	-	-	-	
Inspector General	612,157	433,148	612,157	(0)	100.0%
Mayor's Office	1,175,976	753,599	1,103,105	72,871	93.8%
Minority Business Development	1,024,060	612,670	997,041	27,019	97.4%
Planning & Dev Review	12,455,381	7,460,564	12,301,849	153,533	98.8%
Press Secretary	-	128,432	-	-	#DIV/0!
Procurement Serv.	1,663,880	1,210,453	1,781,570	(117,690)	107.1%
Highways, Streets, Sanitation & Refuse					
Public Works	45,739,864	26,223,454	47,543,050	(1,803,186)	103.9%
Human Services					
Justice Services	10,294,000	5,951,107	9,574,934	719,066	93.0%
Office of DCAO/HS	2,764,468	1,400,055	2,420,861	343,607	87.6%
RCHL - Health	4,633,490	2,316,745	4,633,490	-	100.0%
Social Services	55,148,282	34,649,191	53,272,575	1,875,707	96.6%
Office of Community Wealth Building	2,488,239	1,338,613	2,370,626	117,612	95.3%
Non-Departmental					
Non-Departmental	90,403,012	60,693,719	89,972,114	430,898	99.5%
Public Safety & Judiciary					
Animal Control	2,029,304	1,650,182	2,207,614	(178,310)	108.8%
Emergency Communications	6,792,869	3,785,099	6,790,594	2,275	100.0%
Fire & Emer Svcs	55,162,197	37,774,045	56,699,931	(1,537,734)	102.8%
J & DR Court	237,474	157,241	230,713	6,761	97.2%
13th District Court Services Unit	251,082	150,311	240,359	10,723	95.7%
Jail/Sheriff	43,026,103	27,507,691	42,903,397	122,706	99.7%
Judiciary - Adult Drug Ct	758,994	545,524	864,015	(105,021)	113.8%
Judiciary - Cir Ct	4,225,900	2,758,063	3,971,239	254,661	94.0%
Judiciary - CW Atty	7,340,098	4,884,269	7,090,376	249,722	96.6%
Judiciary - Other	231,734	94,152	177,902	53,832	76.8%
Police	96,208,957	63,040,394	95,895,320	313,637	99.7%
Other					
DPU Administration	76,000	2,500	76,000	-	99.7%
Pending 3rd Qtr. Reappropriation	1,887,025	-	1,887,025	-	100.0%
Grand Total	793,046,990	516,099,100	789,422,891	3,624,100	99.54%

FY2022 Third 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 have surplus above the FY2022 budget of \$25,530,677 or about 3.22%. The explanations are in order as they appear in the prior table.

Real Property Taxes - Current Projected Revenue Surplus: \$18.9M

Real Property Taxes – Current are projected to surpass the amended budget amount of \$342.2 million. This surplus reflects the current nature of Richmond’s real estate market’s growth. New construction and improvements which increase the total assessment amounts are bountiful. However, new construction lags unprecedented demand which leads to higher assessments for existing properties by the City Assessor.

Real Property Taxes - Delinquent Projected Revenue Shortfall: (\$2.8M)

Real Property Taxes – Delinquent are projected to fall short of the budgeted amount of \$11.8 million by a considerable amount. Given the continuing economic realities of the COVID-19 pandemic paired with the increase of real estate valuations there was concern that collection rates would drop. However, based on the impressive Real Estate – Current collection rate, concerns were proven speculative. Losses from anticipated delinquent collections are well more than offset by current collections.

Business License Taxes Projected Revenue Surplus: \$2.5M

Business Licenses Taxes are projected to surpass the budgeted amount of \$31.4 million. This surplus is in large part attested to the conservative nature of budgeting this revenue stream in the wake of COVID-19. It must be noted, that while the surplus does bode well for the health of Richmond’s businesses, these revenues are still less than the FY2017 observed actual amounts.

Cigarette Tax Projected Revenue Shortfall: (\$419K)

The Cigarette Tax is projected to fall short of the \$3.1 million budget amount. A number of factors converge to reduce this revenue category. Firstly, this revenue stream is intended to reduce as the additional consumer cost in the form of a tax is meant to encourage smoking cessation which results in decreased collections. Second, COVID-19 has led to a shift in consumer spending (e.g., remote workers who used to commute to the City from surrounding counties may be purchasing their cigarettes locally). Third, this tax category is novel for the City and the merchants which collect said tax. As such, merchants – both wholesale and retail who are required to purchase stamps up front are working off backlogs of cigarette stamp stock.

Consumer Utility Taxes Projected Revenue Shortfall: (\$820K)

Consumer Utility Taxes are projected to fall short of the \$18.3 million budget amount. These revenues are directly related to consumer utility consumption (i.e., electric, gas, and telephone) which have shifted back and forth throughout COVID-19 as consumption patterns change.

Local Sales & Use Tax**Projected Revenue Surplus: \$5.8M**

Local Sales and Use Tax is projected to be considerably higher than the budgeted amount of \$36.9 million. Local Sales and Use Tax is remitted to the City on a monthly basis based on consumer spending in the locality. While a portion of these increased revenues can be associated with substitutive spending as a result of COVID-19, it is compounded by the recent rapid rise of inflation. In short – as consumer goods cost more, more Local Sales and Use Tax is collected.

Other Local Taxes**Projected Revenue Surplus: \$32K**

Other Local Taxes are projected higher than anticipated and budgeted. This surplus is attributed to the remittance of the final ‘Games of Skill Receipts’ from the state. These revenues were unbudgeted due to the ongoing legal and legislative decisions regarding games of skill/grey machines at the state level.

Prepared Food Taxes**Projected Revenue Surplus: \$1.8M**

Prepared Food Tax is projected to be higher than the budgeted amount of \$28.2 million. Prepared Food Tax is remitted to the City on a monthly basis based on consumer spending for meals within the City of Richmond. As with Local Sales and Use Tax, the COVID-19 substitutive spending and inflation have resulted in an increase in this revenue source.

Prepared Food Taxes-School Facilities**Projected Revenue Surplus: \$456K**

Prepared Food Tax is projected to be higher than the budgeted amount of \$28.2 million. Prepared Food Tax is remitted to the City on a monthly basis based on consumer spending for meals within the City of Richmond. As with Local Sales and Use Tax, the COVID-19 substitutive spending and inflation have resulted in an increase in this revenue source.

Fines & Forfeitures**Projected Revenue Surplus: \$3K**

This revenue source is projecting a surplus due to an increase in adult electronic monitoring placements with conditions of employment.

Revenue from Use of Property**Projected Revenue Surplus: \$490K**

This revenue source is projected to have a surplus as a result of a one-time payment for a recoverable grant related to the Redskins Facility.

Charges for Fire and Rescue Services**Projected Revenue Shortfall: (\$40K)**

This revenue source is projected to have a shortfall due to staffing issues within the Fire Prevention Division, a decrease in inspection fees due to COVID-19, and a lower collection rate on false alarms accounts.

Charges for Information Technology**Projected Revenue Surplus: \$4.6K**

This revenue source is projecting a surplus due to an increase in the use of copiers now that facilities are re-opening.

Charges for Parks & Recreation

Projected Revenue Surplus: \$39K

This revenue source is projecting a surplus primarily due to easing of COVID-19 restrictions and a departmental fee structure change that has moved from flat daily rates to hourly rates which has given customers additional flexibility when making reservations.

Court Costs

Projected Revenue Surplus: \$1.3M

This revenue source is projecting a surplus due to increases from land records recordings. Mortgage interest rates have dropped which more than likely effected the real estate market and caused an increase in the number of real estate transactions.

Other

Projected Revenue Surplus: \$10.5K

This revenue category is projected to be in surplus of the budgeted amount due to an increase in returned check revenue.

Miscellaneous

Projected Revenue Shortfall: (\$165K)

The Miscellaneous revenue category is projected to fall short of the budgeted amount. A key driver of the miscellaneous category are rebates to the Greater Richmond Convention Center Association (GRCCA). This rebate is determined by GRCCA on a number of factors (transient lodging tax remittance, GRCCA operating costs, GRCCA self-generated revenues, etc.). Given the reduction of travel and events witnessed under COVID-19, there is not a rebate anticipated to ensure conservative revenue estimation.

Auto Rental Tax

Projected Revenue Surplus: \$131K

The Auto Rental Tax is projected to be in surplus the budgeted amount. The surplus reflects a 'return to normalcy' after the peak of COVID-19 and better aligns with prior fiscal year actual amounts thanks to increased auto rentals.

Public Safety

Projected Revenue Shortfall: (\$949K)

This revenue source is projecting a shortfall due to a lower State reimbursement for the aid to localities. Additionally, the Sheriff's office is anticipating lower revenues based on vacancies and not receiving revenues for those vacancies from the Comp Board.

Other Federal Revenue

Projected Revenue Surplus: \$29K

This revenue source is projecting a surplus due to, per the City's financial system, adjustments were made regarding CARES Act Relief Funding to account for expenditures from FY2022 September 2021 as of 10/06/2021.

Utilities

Projected Revenue Surplus: \$3.8K

This revenue source primarily consists of charges for law enforcement off-duty services for various events, i.e. funeral escorts, which declined during the height of COVID-19 but have begun to increase as COVID restrictions have decreased.

FY2022 Third Quarter Expenditure Projections

General Fund Expenditures are trending lower than budgeted with a projected, estimated surplus of \$3,624,100 or projected savings of 0.46% of the total general fund budget.

It is important to note that these projections are based on data collected for FY22 as of March 31, 2022. As a result, these projections could change as more data becomes available during year end closing and the accrual period. Below are explanations of major variances in the preliminary end of year expenditure projections. The explanations are in order as they appear in the third quarter status report. Variances of +/- 5% or +/- \$500,000 are detailed below.

City Assessor Projected Budget Surplus: \$311K

The Office of the City Assessor is projected to have personnel savings of \$280K that is attributed to agency vacancies. The office is projected to have an operating savings of \$30K that is a result of fewer expenses associated with Board of Equalization meetings.

City Auditor Projected Budget Surplus: \$145K

The Office of the City Auditor is projected to have personnel savings of \$138K that is attributed to vacancies. The office is projected to have a slight operating savings of \$7K.

Budget & Strategic Planning Projected Budget Surplus: \$129K

The Department of Budget & Strategic Planning is expected to have a net savings of \$129K that is solely attributed to departmental vacancies.

City Attorney Projected Budget Surplus: \$308K

The Office of the City Attorney is projected to have personnel savings of \$308K that is attributed to vacant City Attorney position.

Citizen Service & Response Projected Budget Surplus: \$299K

Citizen Service & Response is projected to have personnel savings of \$167K that is attributed to agency vacancies. The department's focus in FY22 was filling the Communications leader position first, then begin to fill more junior roles; this position began in January. Additional positions are now being actively recruited and filled. On the RVA311 side, call center hiring only occurs when there are enough open positions to hold a training class. The training class was hired at the beginning of February and the RVA311 is now fully staffed; however, that created some vacancy funding in the first half of the year. The office is projected to have an operating savings of \$132K.

Council Chief of Staff Projected Budget Surplus: \$123K

The Office of City Council Chief of Staff is projected to have personnel savings of \$367K that is attributed to agency vacancies. The office is projected to have an operating shortfall of (\$244K) that is a result of additional expenditures in contractual and professional services for consulting services.

Finance**Projected Budget Surplus: \$845K**

The Department of Finance is projected to have personnel savings of \$845K that is attributed to agency vacancies.

General Registrar**Projected Budget Surplus: \$634K**

The General Registrar is projected to have personnel shortfall of (\$390K) due to hiring previously vacant fulltime permanent positions. This shortfall, however, is offset by a savings of \$1M in operating expenses as a result of curtailing the use of temporary positions as well as expenses associated with the cancellation of the June election.

Housing & Community Development**Projected Budget Surplus: \$122K**

The Department of Housing & Community Development is projected to have personnel savings of \$209K that is attributed to agency vacancies. The office is projected to have slight operating shortfall of (\$88K) that is the result of increased costs related to employee parking, rent increases, employee training, cable, conference room equipment and the habitat housing project.

Mayor's Office**Projected Budget Surplus: \$73K**

The Mayor's Office is projected to have personnel savings of \$73K that is attributed to vacancy savings.

Procurement Services**Projected Budget Shortfall: (\$117K)**

The Department of Procurement Services is currently expected to be over budget in personnel by (\$117K) due to the hiring of an unfunded, critical position. The Department will receive a budget appropriation to accommodate this overage.

Public Works**Projected Budget Shortfall: (\$1.8M)**

The Department of Public Works is projected to have a significant personnel savings of \$2.5M that is attributed to departmental vacancies. This savings is offset by an operating shortfall of (\$4.3M) is attributed to unbudgeted expenses including: hiring of additional temporary workers, the replacement of playground equipment at Hillside Court, operating costs for holiday markets during the Christmas season, increased waste management service costs, COVID-19 office cleaning expenses, and additional purchase of supercans to accommodate new residents within the City.

Justice Services**Projected Budget Surplus: \$719K**

Justice Services is projected to have personnel vacancy savings of \$486K that is attributed to: a high turnover rate; retention issues; and non-competitive salaries in extremely competitive market conditions. In addition, there have been challenges with the overall recruitment process. An operating savings of \$233K is projected due to challenges with identifying available vendors for proposed services/contracts related to juvenile programming, as well as lower than expected referrals related to the MOA with RBHA for Adult Behavioral Health services.

Office of the DCAO-Human Services

Projected Budget Surplus: \$344K

The Office of the DCAO for Human Services is projected to have personnel savings of \$342K that is attributed to vacancy savings. A slight operating savings of \$1K is projected.

Social Services

Projected Budget Surplus: \$1.9M

The Department of Social Services is projected to have personnel shortfall of (\$993K) that is primarily attributed to an increase in overtime. This shortfall is offset by an operating savings of \$2.9M that is primarily attributed to a reduction in the Children and Family services program spending which is a result of a decrease in the number of families requiring services.

Animal Care & Control

Projected Budget Shortfall: (\$178K)

Animal Care & Control is projected to have personnel savings of \$72K that is attributed to vacancy savings. A shortfall in operating of (\$251K) is projected due to spending associated with temp services that are being used to fill kennel assistant positions that are currently vacant, as well as an increase in supplies, such as microchips for pet tracking.

Fire & Emergency Services

Projected Budget Shortfall: (\$1.5M)

Fire and Emergency Services is projecting a shortfall of (\$1.4M) in personnel. The expected overage is solely attributed to overtime. The significant amount expensed to overtime is attributed to sworn vacancies; overall leave absences that relate to the various leave categories that can relate to family medical leave, vacation leave, vacation, etc. In addition, the Department is continuing to manage COVID-19 related leave. The department is also projecting a shortfall in operating of (\$179K) which is due to un-budgeted needs essential to departmental operations, as well items related to the Department task to address select City-wide COVID needs, as well as Departmental COVID needs.

Judiciary – Adult Drug Court

Projected Budget Shortfall: (\$105K)

The Adult Drug Court is projected to have personnel shortfall of (\$105K) that is attributed to a full time position hired back in FY2021 that has rolled over into FY22.

Judiciary – Circuit Court

Projected Budget Surplus: \$255K

The Circuit Court is projected to have personnel savings of \$255K that is attributed to vacancy savings.

Judiciary – Other

Projected Budget Surplus: \$65K

Judiciary-Other is projected to have operating surplus of \$65K.