

FY 2025 City of Richmond Budget Speech

Remarks prepared for delivery

Mayor Levar M. Stoney

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President Nye, Vice President Lambert, honorable members of the City Council, dedicated fellow city employees, and residents of the great City of Richmond, good afternoon.

Before I begin, I would like to ask for your grace as I deliver my eighth and final budget speech. As many of you know, my wife, Brandy, and I just welcomed our first child, Sunday, into the world earlier this month. And I must admit, she has changed my world in more ways than one, including how much sleep I get every night... so please excuse this sleep-deprived new father.

And on that note, as I do my best to adjust to parenthood, I could not be more grateful for the incredible team I have by my side, working hard every day to serve our residents.

So, firstly, I'd like to acknowledge the incredible work and dedication of our budget team, led by Acting Budget Director Meghan Brown, who worked tirelessly year-round to ensure our financial house is in order.

Under the leadership of Sabrina Joy-Hogg, Deputy Chief Administrative Officer for Finance and Administration, and

Lincoln Saunders, Chief Administrative Officer, this team has produced the structurally balanced and fiscally responsible Fiscal Year 2025 budget.

This is a \$2.9-billion-dollar spending plan, with \$1 billion of it in the General Fund. That means our overall general fund revenues have grown by almost 40 percent since Fiscal Year 2017.

Madame President – we certainly do not have every dollar we need to fix all of our problems. But there is no doubt we have grown as a city, we have persevered through crises, and we are stronger than we have ever been.

A few months ago, I stood before you and delivered my final State of the City Address. I shared all the progress we have made as a city to improve the quality of life for Richmonders since 2017. Highlights like:

- A 22% reduction in poverty
- A 22% reduction in violent crime
- An almost 50% increase in funding for Richmond Public Schools
- More than 6,500 new, good-paying jobs
- Over 1,200 lane miles of streets paved
- And over 1,200% increase in funding for affordable housing projects

This progress starts with our budgets and putting our money where our values are. And those investments have paid off.

Now, we are a city that is ranked the number one place to live in Virginia.

A city defined by its future, not its past.

A city full of dreamers and doers.

So, today I stand before you to deliver my final budget address and demonstrate to you how we plan to continue that progress and solidify our position as Virginia's premier city.

The operating budget and \$460.2 million-dollar FY25 Capital Improvement Plan, allow us to continue to make critical investments in our shared priorities. Such as:

- High-quality public education and wrap-around support services for our children and families;
- Access to affordable housing and support for our unhoused population;
- Investments in our dedicated city employees, including our first responders;
- Maintaining and improving quality streets, facilities, parks, and city services; and,
- Support services and resources for our neighborhoods.

I am also very proud of our FY25 budget proposal because each one of you, each member of City Council, contributed to what's included.

I appreciate the time each of you took to identify areas in need of investment, to meet with the CAO and budget team,

and for the time I know you'll spend in the weeks ahead considering this proposal.

This has been *the most collaborative budget process* since we changed the form of government in the early 2000s, and I hope we are setting a new standard for how future councils and administrations can work together on what is probably our most important duty.

Thank you for your contributions, and your willingness to work together.

So, let's dive in.

First, I want to start by sharing how we plan to strengthen our neighborhoods and critical city services.

We know that our neighborhoods are all unique and have different strengths and challenges. Therefore, we want to lean into those strengths and help address those challenges in a more direct and tailored way.

That is why this budget includes \$500,000 to restructure our Human Services division into a Department of Neighborhood and Community Services. This department will be under the leadership of DCAO Traci DeShazor and emphasize three components. Beginning with:

- **Neighborhood Engagement** – where we will have focused outreach to neighborhoods and civic associations through our newly appointed neighborhood specialists. This division will provide an enhanced link between our community and city

services. This will also include a newly appointed Small Business Liaison to ensure smoother navigation of city services for small businesses.

Next,

- **Neighborhood Services** – where we are creating stronger alignment and collaboration between existing offices, such as the Office of Children and Families, the Office of Immigrant and Refugee Engagement and the Office of Aging.

Lastly,

- **Homeless Services** – where we are dedicating \$200,000 to a new Office of Homeless Services with a fully dedicated team to support our unhoused population.

Overall, this new department creates a more comprehensive and coordinated service delivery model for our community with feedback from our new neighborhood specialists.

Each of our neighborhoods are vibrant and dynamic ecosystems made up of residents, families, and businesses. For each to thrive we must support every facet of them and make it easier for residents and businesses alike to access the services needed from their local government.

No one department can accomplish this alone. It takes all of us. And that is exactly what this proposal will accomplish.

Furthermore, we are dedicating **\$1 million dollars** towards modernizing our 311 Call Center.

Over the next we year, we will invest in advanced call center technology and infrastructure to improve call routing, response times, and overall customer experience.

I know many residents use 311 on a daily basis, which is why improving this service is so important.

Lastly, continuing our efforts to enhance critical city services, we're devoting substantial resources to simplify the process of paying taxes and bills in the City of Richmond.

In fact, for many months, we've already been working hard to refine our current policies and reform our systems to create a more efficient and customer-friendly environment for all.

But we won't stop there.

I am pleased to share that my FY25 proposed budget includes \$5.6 million in Department of Information and Technology enhancements, which includes RVA Pay.

Now, these enhancements will take time to roll out, but we are putting our money where our mouth is and committing the necessary dollars to provide better customer support and services to Richmonders.

In addition to investing in our community and enhancing city services, this proposal continues to prioritize our public schools.

As I have said time and time again, education is the great equalizer. That is why from day one as your mayor, I have worked with City Council and members of our community to ensure our kids have access to the best education opportunities – both in and outside of the classroom.

So, let's start with what happens in the classroom.

It has been my philosophy that as the city's revenues grow, we should also equally increase our investment in Richmond Public Schools.

In FY25, we are projecting that our recurring revenues will grow by approximately 7%. So, that is why I am proposing a 15.8 million dollar increase to RPS' operating budget.

Our FY25 local contribution to RPS of 237.3 million dollars, is 85.7 million dollars more than the Fiscal Year '17 allocation. This now represents a 57 percent increase in City support of RPS throughout my tenure as Mayor.

Madame President, educators serve as the navigators of our children's educational journey. Therefore, they deserve nothing less than a competitive salary that reflects their invaluable role.

So let me be clear, we want and need more RPS teachers, and with a competitive salary, we will attract more teachers who will choose to stay in RPS.

This year's investment will help cover the teacher pay raises that were negotiated by the Richmond Education Association and RPS during their collective bargaining discussions.

With this significant increase in funding to RPS, I would be remiss if I did not take this opportunity to call on Governor Youngkin to maintain the funding for K-12 recently proposed in the bi-partisan General Assembly budget.

Madame President, drawing upon your experience as a former member of the School Board, you are undoubtedly aware that the Commonwealth of Virginia, as underscored by JLARC's recent study, fails to adequately fund the true cost of public education.

In fact, based on our analysis, state funding has not even kept up with the cost of inflation over the past eight years.

Consequently, localities like ours are left to bear the burden of their negligence. This practice must stop in the Commonwealth of Virginia.

So once again, I urge the Governor to prioritize our children.

We also know that in addition to robust academic plans, our kids need safe and healthy environments to learn, which means we need updated, 21st-century facilities.

I am excited that the RPS School Board has finally moved forward with a \$131 million-dollar bid for a new Richmond High School for the Arts.

This also means that RPS has approximately \$69 million remaining for immediate use for new school construction, and our proposed CIP budget includes the next tranche of \$200 million in funding in Fiscal Year 2029.

I am proud that in total, since 2017, my administration has dedicated over \$350 million dollars to new school construction!

Now, switching gears, I want to focus on what we are doing for our kids outside of the classroom.

I'm proud of the fact that every middle and elementary school student has access to quality after-school programs.

But we know we can always provide more opportunities, especially with our growing population. That is why we are maintaining funding levels for critical after-school efforts.

That means:

- \$1.2 million to the Department of Parks, Recreation and Community Facilities to continue the activation of Southside, Powhatan, and Randolph community centers – *and* to support the expansion of their affordable afterschool program to every RPS elementary school.
- \$888,000 to maintain and grow afterschool expanded learning programs at every middle school.
- \$767,000 for staffing and operation of our new community centers, including Lucks Field, TB Smith, and Southside.

- \$1 million for our Positive Youth Development Fund to support community-based programs for youth ages 12 to 19.
- And \$414,000 to the We Matter RVA youth violence prevention program.

Additionally, as many of you know, I have not only been committed to supporting our kids from K-12, but also those ages 0-5.

When I was a kid, I did not go to preschool. I did not go to Kindergarten. I did not enter public school until the first grade.

See, many of Richmond's kids are not so different from me.

Approximately 52 percent of children beginning Kindergarten in RPS in Fall 2022 lacked the skills needed to learn. And over one-third of kindergarteners had no pre-school experience.

I not only want more opportunities than I had for my daughter, but I also want more for all of Richmond's youngest residents.

And trust me, I have heard from countless parents that there is a lack of options for affordable, quality child care and preschool that meet the needs of Richmond's working families.

In fact, in Central Virginia, for families with incomes under 200 percent of the federal poverty level, there is just one publicly funded early childcare and education slot for every

eight infants and toddlers. Can we agree that's downright shameful?

Now, despite the casino proposal not moving forward, which would have provided a transformative revenue source for childcare needs, my team has worked diligently to find other ways we can support this critical need.

So, working with Thrive Birth to Five, we are establishing Richmond's first Child Care and Education Trust Fund, with an initial investment of \$1 million from the City. With \$500,000 in reallocated American Rescue Plan funds and a recurring investment of \$500,000 in the FY25 budget.

As a reminder, Thrive Birth to Five is an independent entity that has already been designated by the Virginia Department of Education to administer a unified public-private early child care and education system for Richmond.

Partnering with Thrive Birth to Five, we're going to use these funds to ensure that as many children as possible have access to quality, affordable childcare and preschool programs so that they can begin kindergarten ready to succeed in school and in life.

These investments are about activating our communities and creating strong foundations for our children and families to thrive.

And yes, it's simple. As long as I am your mayor, we will continue to put our kids first.

President Nye, members of Council, we have accomplished quite a lot over the past eight years, and this FY25 budget will continue that great work.

One accomplishment I am particularly proud of is that we have reduced the poverty rate by 22 percent since 2017.

This has been a shared goal of mine and past administrations and Councilwoman Robertson has been at the forefront of these intentional poverty mitigation investments.

- In 2014, the City of Richmond created the Office of Community Wealth Building, which is committed to developing pathways for economic mobility;
- In 2020, we established the Richmond Resilience Initiative, our guaranteed income pilot, to help working, but struggling, residents pay for groceries, childcare and more;
- In 2020, we established the Family Crisis Fund, which has helped 936 Richmond households stay afloat during challenging times using \$3.3 million in dedicated funds;
- And last year, we created the Pathways Program, which will help RPS graduates to and through community college.

Many of these programs were piloted with one-time funding during the pandemic but now is the time to establish these services as part of our annual commitment to lifting

individuals and families out of poverty and giving them a fair shot.

That is why I am proposing another \$250,000 for the Pathways Program, \$500,000 for the Richmond Resilience Initiative, and \$1 million for the Family Crisis Fund in FY25 to ensure we continue this vital work. These investments will not only give hard-working residents room to breathe but also an opportunity to simply dream again.

Another initiative that is key to reducing intergenerational poverty and increasing economic mobility is access to affordable housing.

Regrettably, Richmond, along with other cities across the country, is grappling with a housing crisis.

We are seeing higher rents, more eviction notices, and fewer homeownership opportunities, especially for our low-income residents.

That is why in last year's budget, our Capital Improvement Plan included \$50 million for affordable housing projects over five years. Additionally, after seeing our efforts, LISC committed to matching our investment with \$50 million of their own. That means we have a total of \$100 million over five years to address our housing crisis.

This is the most funding ever dedicated to affordable housing in Richmond's history.

And I am proud to report that we have already put that funding to good use. Recently, the Affordable Housing Trust

Fund approved all of our recommended awards from our most recent NOFA for affordable housing projects. Thanks to this funding, we are supporting the creation and preservation of over 1,000 affordable units in the coming months.

This is not the only investment we are making toward affordable housing.

We are also investing another \$5 million dollars for the redevelopment of Creighton Court. This project is managed by the Richmond Redevelopment and Housing Authority and HUD and will result in a mixed-income, vibrant community of choice for our residents.

When I ran for Mayor, I committed to supporting RRHA with their redevelopment efforts because our residents deserve better housing conditions. Since 2017, we have invested over \$25 million dollars into RRHA projects through a combination of local and federal dollars.

Now, we still have a long way to go, but this FY25 budget continues those critical investments for our families.

In addition to creating more affordable housing opportunities, we also need to ensure that families can stay in their current homes.

That is why we are also increasing the allocation to the city's first-of-its-kind Eviction Diversion Program (EDP). Since its inception in late 2019, this program has helped more than 1,600 families avoid eviction.

But we can always do more to support our families facing eviction.

In 2022, I visited the John Marshall Courthouse with Marty Wegbreit to observe the eviction hearing process. I listened to residents, who had to take time off from work and defend themselves without help! They had just about no chance against their landlord who often had legal representation.

That is why, in this budget, we are increasing EDP funding to \$1 million dollars and including \$500,000 for the creation of a “Right to Counsel” pilot program to enhance our diversion efforts and keep folks in their homes.

I am also proud of the work we have done to serve our unhoused residents. Last year, we added a total of 200 shelter beds, and we are in the process of establishing our first housing resource center.

To further support these efforts, we are proposing a total of \$4.2 million in FY25 to support our shelters and services for those who are unhoused.

Furthermore, I am proud to share and acknowledge that we are not alone in this work. Our partners in Henrico County have recently committed to cover a quarter of the total cost of operating these new emergency shelters.

Madame President, let us take a moment to thank Chairman Nelson, County Manager Vithoukias, and the entire Henrico County Board for stepping up to partner with

the City to meet the growing need we see across our communities.

Let me be clear: it has been the goal of this Administration to create abundant opportunities for our residents to keep a roof over their heads and food on their tables across all corners of our great city. The investments outlined today are critical to achieving this objective.

Here in Richmond, we believe that government has a role to play in addressing the challenges of a world experiencing a changing climate.

Our stated goal is to be the greenest city on the East Coast.

This is why we have been intentional with our work by launching the RVAgreen 2050 plan, purchasing 50% of the city's electricity from off-site renewable energy, starting a C-PACE program, greening our fleet, and investing over \$850,000 in our Neighborhood Climate Resilience Grant Program.

Because of our strategic efforts, Richmond was named the #1 climate-resilient city in the country by *USA Today*.

However, we cannot rest on our laurels. That is why I am excited to share that my FY25 budget continues this work by investing an additional \$250,000 into the Neighborhood Climate Resilience Grant Program.

Furthermore, I am proposing that we reallocate \$680,000 in American Rescue Plan funds to create Richmond's first solar fund with the intent of adding solar to both T.B. Smith

Community Center and RPD's new First Precinct facility in the East End.

We are also committed to improving every corner of our great city through our strategic capital investments that reflect our ongoing commitment to community needs and priorities in a growing city.

Since taking office, we have spent more than \$91 million enhancing our street infrastructure to improve the quality and safety of our roads.

This year, our proposed budget includes an additional \$21 million for our "Complete Streets" program, which includes critical improvements in paving, bridge maintenance, new bike lanes, and sidewalk maintenance.

If approved, we will have allocated \$112 million in road infrastructure since 2017 and we will be well on our way to accomplishing my goal of having 80% of our streets in "good" condition by the end of this year.

Overall, these investments will enhance the connectivity of our great city and promote the safety of all our residents. So, whether you walk, bike, drive or use public transportation, our commitment is to make sure that you can do so safely and smoothly.

Additionally, to ensure the better delivery of services and a stronger alignment of services, I am proposing \$500,000 in my FY25 budget for the creation of a Department of General Services.

This Department will reside in the Operations division led by DCAO Bob Steidel and help us diversify the responsibilities previously all managed by the Department of Public Works.

Specifically, this department will manage special capital projects and real estate services, fleet, and parking for the city.

Additionally, we have allocated \$10 million to continue to replace our aging city fleet and \$14 million toward deferred capital maintenance needs.

I know this may seem like a lot, but due to economic downturns and disinvestments dating back to the early 2000s, Richmond has more than \$293 million in deferred capital maintenance.

My fellow Richmonders, we must address this need, which is why we are prioritizing it in the budget both with funding and with greater strategic support provided by a Department of General Services.

Honorable Members of Council – As you know, we live in a city that is rich with natural resources, namely our robust park system.

We know that access to green spaces and community centers is important for residents of all ages across every neighborhood – from the three new community centers under construction this year, to the acquisition of Mayo Island, Dock Street, and the improvements underway at

Hotchkiss, Whitcomb Court, Bryan Park, Fonticello Park, and several others.

I'm incredibly proud of the fact that over the past few years, we have made game-changing investments that will enhance our parks system for generations to come.

But we're not stopping there.

I am proposing an additional \$1.5 million dollars for park improvement projects in this budget, on top of the more than \$2 million dollars in incremental funding we are proposing to spend from this fiscal year and ARPA reallocation.

This funding will not only allow for the continued activation of the new parks in Southside but also improvements at existing parks and community centers, such as Humphrey Calder, Forest Hill, Battery Park, Little John Park, and Holly Street Park.

We are also including \$200,000 to hire three additional park rangers who will ensure our parks stay safe and welcoming for all. And I would be remiss if I did not thank Council President Nye for her leadership and idea in establishing the park ranger program.

I am also proud to announce that we are making an initial investment of \$10 million dollars in FY25 to collaborate with Venture Richmond to make improvements to Brown's Island. Venture has committed to raising at least \$10 million in private funding to match the city's contribution to this

beloved gathering place in the heart of Richmond's Riverfront.

This investment will not only further activate our riverfront, but it will also provide critical enhancements to the island, including play spaces for children, more trees and landscaping, and greater ADA accessibility, among other amenities and improvements.

Yes, we are bringing the Riverfront Master Plan to life, from the Riverfront Amphitheater to the James River Center off Dock Street!

I am so proud of all we have done to enhance our park system and improve access to green space through our Parks and Recreation Department.

In fact, since FY17, we have increased our total funding for Parks, Recreation, and Community Facilities by 62 percent! And I appreciate this city council's dedication to supporting these critical community enhancements.

In my last State of the City Speech, I announced that it was time for the former "Washington Football Team" facility on Leigh Street to transition from being a Training Camp Facility 13 days a year, to a community facility 365 days a year under the management of our Parks and Recreation Department.

The fields the city built over a decade ago for professional football will now host youth football, youth soccer, and

countless other events, festivals, and sports for Richmonders.

Building on the opportunity we have on Leigh Street, I also believe that it's high time that our Parks and Recreation Department had a permanent home – one that reflects the critical role this department plays in our community.

After years of renting their facility on Admiral Street – I am proposing that Parks and Rec. will make Leigh Street their new headquarters!

As Bons Secours moves their medical offices to a new site at the Sauers Center, Parks and Rec. can adapt the space for their administrative needs, while also maintaining the gym and lockers for athletic programs, and the second-floor event space for community meetings, event rentals, and other uses.

This is yet another significant investment that will benefit our community for years to come.

As I've stated before, none of the great advancements we have made as a city would be possible without our dedicated city employees.

Which is why this budget proposal increases the wages of our hourly paid employees so that no one directly employed by the City of Richmond will make less than 20 dollars an hour!

With a 20 dollar an hour minimum wage, the City of Richmond will offer one of the highest minimum wages

among localities in the Commonwealth, which is \$8.00 more than the Commonwealth of Virginia minimum, and more than double the federal minimum wage.

If city council approves this increase, we will have gone from 11 dollars and 66 cents per hour in 2017 to 20 dollars an hour – a 72% increase since I became Mayor.

And that's not all.

In 2020, I was publicly the first local elected official to advocate for the Commonwealth of Virginia to give municipalities the authority to move forward with collective bargaining.

As you likely know, workers in the South were barred from bargaining collectively for the same reason that enslaved people were barred from learning how to read. Because the powerful know there is power in numbers.

We were eventually given the necessary authority and became the southernmost locality in Virginia to commit to a collective bargaining agreement for City employees – an accomplishment I am very proud of.

So, working collaboratively with City Council and our employees, we established five bargaining units:

- Police, represented by RCOP
- Fire and Emergency Services, represented by IAFF 995
- Administration and Technical, represented by SEIU
- Professional, represented by SEIU

- Labor and Trades, represented by The Teamsters

We have successfully reached agreements with Police, Fire and Emergency Services, and the Administration and Technical units. We will start negotiations with the Professional and Labor and Trades units shortly after we finalize the FY25 budget.

So, in Fiscal Year 2025, we are allocating:

- \$9.1 million dollars to raise pay for our Police Officers, Fire Fighters, and Emergency Services employees.
- \$3.0 million dollars for our Administrative and Technical employees.
- And, for all other city employees, we are allocating \$3 million dollars to provide a 4 percent salary increase – and an additional \$2 million dollars to make targeted pay increases for positions making below the market rate identified through the class and compensation study I announced in last year’s budget.

Our philosophy in approaching these negotiations and how we have structured these agreements is very simple: As a city, we have to be competitive.

That’s why our agreements with Police and Fire commit us to not only meeting, but exceeding, the average pay for sworn personnel in the region.

And it’s why our approach for all other employees is to balance general wage increases with market-based adjustments.

Together, these strategies help us keep the talent we have, attract the talent we need, and move us toward becoming an employer of choice!

Madame President, bargaining was not always easy. But I am proud to have our employees at the table and for them to have a voice in how we operate and how we support them.

And we are doing so much more for our employees outside of these agreements. We have:

- Increased parental leave from four to eight weeks;
- We transitioned to the Virginia Retirement System;
- We created opportunities for professional development;
- We opened new employee health clinics operated by Marathon Health; and
- We implemented a down payment assistance program for city employees who are first-time homebuyers.

We are better today than we were eight years ago – and I see that each and every day when I come to work with some of the best and brightest public servants in the Commonwealth of Virginia.

Please know I appreciate you.

Madame President, in conclusion, over the past almost eight years we have collectively changed this city's trajectory.

Through grit, hard work, and intentionality, we came together to change Richmond's story – to change Richmond's future – and to allow Richmonders to dream again.

While we still absolutely have much to achieve, it cannot be denied - Richmond is rising. This proposal before you today outlines a detailed action plan to propel our ascent.

Thank you and may God bless the great City of Richmond.