

# Many Ways to Get There

## *Securing Public Investments in Richmond, VA*

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“Is the mayor telling staff to leave?” asked Kimberly Gray, a puzzled city councilor. During a routine budget hearing session, an entire group of city administrators walked out of city hall’s chambers after a vigorous exchange between members of the Richmond City Council and Mayor Levar Stoney’s administration. Councilmember Gray continued, “Everybody’s getting up to leave in unison. Why is everyone leaving now?”<sup>1</sup>

In a climactic halt to seven weeks of hearings regarding Mayor Stoney’s proposed budget for fiscal year 2020 (FY20), city council and the mayor’s administration appeared to hit an impasse. In order to balance the budget without approving Stoney’s proposed nine-cent real estate tax increase, city councilors were deliberating a 1.5 percent across-the-board cut to nearly all city departments. They also requested that the mayor’s administration certify new property revenues that, according to Richmond’s tax assessor, the city was projected to collect in the coming year. This certified revenue would fill remaining gaps in the budget and fulfill the mayor’s funding priorities without a property tax increase.<sup>i</sup> The request to certify new revenue, however, had been denied by the city’s chief administrative officer.

One councilmember noted, “It’s unconscionable that we are having a discussion [about] whether these funds will be certified.” After the mayor’s administration exited the hearing, councilmembers argued among themselves. “We’ve gone off the rails,” one of them commented. Another responded, “My outrage here is well-placed.”<sup>2</sup> Frustrated, a majority of city council voted to pursue outside legal counsel to verify the administration’s obligation to certify city revenues.

The heated budget session was put to an end by Council President Cynthia Newbille, who recessed the meeting a few minutes after the walkout. With only two weeks left to approve the budget, it was unclear if city council and the mayor would be able to reach an agreement on how to balance the city’s budget while fulfilling the mayor’s ambitious goals of fully funding Richmond Public Schools, infrastructure investments, and other service priorities.

## Inside Richmond, Virginia

The capital of Virginia, Richmond was a mid-sized city famous for its museums, restaurants, and buzzing music scene. It was also known as the former capital of the Confederacy during the US Civil

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<sup>i</sup> Certification is the process of verifying the actual revenues that a city will receive in the upcoming year. In Richmond, these revenues are checked for accuracy three times annually.

War. In the years leading up to these contentious budget negotiations, the city experienced renewed growth, seeing nearly \$1.5 billion in new investments between 2017 and 2019.<sup>3</sup> Richmond had also reduced its unemployment rate from an all-time high of 11 percent in 2011 to 2.9 percent in 2018.<sup>4</sup>

The city's peak population of 250,000 began to decline in the late 1960s as white residents moved out to neighboring communities. This white flight led to Richmond's transition from a majority-white to a majority-Black population. Soon after, the city's first Black mayor, superintendent, and Black-majority city council were elected.<sup>5</sup>

In 2019, nearly half of Richmond's 228,000 residents were Black. Although parts of the city did experience economic growth, some areas struggled with high concentrations of poverty. Recognizing the racial inequity that had long plagued Richmond, Levar Stoney's 2016 mayoral campaign focused on fundamental challenges: poor educational attainment, crippling infrastructure, lack of municipal accountability, and a high rate of violent crimes.

## Mayor Levar Stoney

In 2016, Levar Stoney was elected as Richmond's youngest mayor at the age of thirty-five. Stoney was born in Long Island, New York, and moved to Virginia when he was seven. He later attended Tabb High School in Tabb, Virginia, just an hour southeast of Richmond. After graduating from James Madison University with degrees in public administration and political science, Stoney moved to Richmond to begin his career in public service, starting as a fellow in Governor Mark Warner's administration. After working for various electoral campaigns, he was appointed as the first African American Secretary of the Commonwealth of Virginia in Governor Terry McAuliffe's administration. During his time as Secretary, Stoney worked to restore voting rights for disenfranchised Virginians.<sup>6</sup>

During Stoney's mayoral run, he made his priorities readily apparent. His campaign promise to invest in Richmond's struggling public school system earned him his reputation as the "Education Mayor."<sup>7,8</sup> During his first year in office, he visited each of the forty-four public schools in Richmond and held nine town halls throughout the city.<sup>9</sup> To those around him, Stoney was known for his ideals- and morals-driven leadership, which he credited to his experience growing up as the child of working-class parents.

## The State of Schools and Roads in Richmond

The city of Richmond had operated on years of deferred investments.<sup>10</sup> This resulted in both dilapidated roads and poor school performance. Richmond Public Schools (RPS), which served a predominantly Black student population, performed below statewide averages in every test category.<sup>11</sup> Nearly 80 percent of RPS students were considered economically disadvantaged, compared to the statewide average of 39 percent.<sup>12</sup> Audits released in 2018 and 2019 revealed a dysfunctional school administration with problems ranging from financial mismanagement to inequitable student achievement rates.<sup>13,14</sup> Black students represented 90 percent of those suspended or expelled, though they constituted only 71 percent of the district's total student population. Nearly 74 percent of English Language Learners dropped out of school.<sup>15</sup> In 2019, less than half of RPS were accredited by the state.

Like other school systems in Virginia, RPS was financed by a combination of local, state, and federal resources. Since the Great Recession in 2008, which led to budget constraints on state and local

governments throughout the US, Virginia lawmakers had decreased per-pupil spending by 19 percent, even as student enrollment rose by 50,000 across the state and by 9 percent in RPS since 2009.<sup>16,17</sup> Local authorities had been increasingly pressured to fill gaps in school financing. According to RPS Superintendent Jason Kamras, insufficient funding continued to hinder the school's ability to hire more teachers and address maintenance needs.<sup>18</sup> In 2018, the city had over 3,000 open work orders.<sup>19</sup>

To fully fund the district's needs, Kamras proposed introducing a 10-cent real estate tax increase, which, according to local news, was ill-received by city council and the mayor.<sup>20</sup> But two major interest groups—the Home Builders Association of Richmond and the Richmond Association of Realtors—were not opposed to it.<sup>21</sup> The existing real estate tax rate of \$1.20 had been unchanged since 2008, when city leaders reduced it from \$1.29 to give residents economic relief from the Great Recession.<sup>22</sup>

Crumbling school buildings represented only some of Stoney's major concerns for the upcoming FY20 budget. Richmond residents were often frustrated with city hall due to the city's poor road conditions. In 2014, the city paid \$24,312 in vehicle damage to residents. During the mayor's first two years, the public works department fixed 3,200 sidewalks and filled 50,000 potholes, although 30 percent of roads continued to be classified as "very poor."<sup>23,24</sup> A survey administered by the city in 2018 found that 73 percent of Richmonders were dissatisfied with the conditions of their streets.<sup>25</sup> The mayor's administration estimated that the city needed over \$100 million in road repair and maintenance.<sup>26</sup>

## Mayor Stoney's FY20 Budget

In Richmond, the mayor was responsible for introducing a budget to city council, which had the power to approve it with or without additional amendments. Amendments required majority support from city council. However, the mayor was given twenty-eight days to veto any amendment, and a supermajority vote of six councilmembers would be required to overturn the mayor's veto.<sup>ii</sup>

Richmond City Council had sought to regain powers that were stripped in 2000 when residents voted to transition from a city manager to a strong mayor system.<sup>27</sup> One of the council's successful efforts was amending the mayor's first budget to include a provision giving the council greater oversight on how departmental funds were used. Five council members—Parker Agelasto, Kimberly Gray, Kristin Larson, Michael Jones, and Reva Trammel—led that charge for increased accountability and transparency following concerns over how previous mayoral administrations had transferred funds between major programs within city departments.<sup>28</sup>

### *Building a Budget*

Preparing for the FY20 budget, Stoney emphasized that his key priorities were to increase funding for public schools and repair the city's aging infrastructure. Additional funding for RPS had been a focus for the mayor since his campaign days, and he had already acted on this issue. In early 2018, he introduced a proposal to increase the city's meals tax by 1.5 percent in order to finance improvements to school facilities. Following a 7-2 city council vote to approve the tax increase, Stoney released a statement

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<sup>ii</sup> While a veto mechanism existed in the city of Richmond's charter, it was unexplored territory for both the mayor and city council. Specifically, there was confusion over how to reconcile overlap between the mayor's veto processing window and the council's deadline for approving amendments to the budget.

thanking city council “for understanding the urgency and importance of our needs and having the courage to take action.”<sup>29</sup>

Stoney strongly believed in the importance of education. In an October 2018 op-ed, he wrote, “When we fail to take action to address the needs of our children, we compromise their futures, and ours.”<sup>30</sup> Though he was personally motivated to fund schools, he also experienced external pressure from the Commonwealth of Virginia. In 2018, Virginia’s General Assembly unanimously approved a citizens-led initiative to revise Richmond’s City Charter, calling for him to produce a plan that would fully fund and “modernize” schools without increasing taxes.<sup>31</sup> Stoney presented a plan to city council in January 2019, which outlined \$800 million in capital spending for RPS facilities over twenty years.<sup>32</sup>

Director of Budget and Strategic Planning Dr. Jay Brown and his team prepared options for Richmond to meet its obligations and fund the mayor’s priorities. In its first budget presentation to Stoney, Brown’s team included the real estate tax increase. “These guys presented me with the first round of what they were thinking, and an increase in the real estate tax was included,” recalled Stoney.<sup>33</sup> Brown explained further, “We did a chart where we had a range of possible tax increases from one cent to ten cents, and the additional revenue associated with each penny,” which illustrated for the mayor which investments could be funded at each level.

Although he wanted to fund all the priorities, Stoney was hesitant to include another tax increase in his budget proposal. He noted: “I didn’t think there was any appetite for a new tax after we implemented a new meals tax the previous year. . . . After sitting through the presentation with the budget team, I thought, ‘I just don’t think we can do that.’” Undecided, he went silent over the weekend that followed, during which both his chief of staff and chief administrative officer called him to see if his outlook had changed.

Stoney sat down with the budget team again, thinking that maybe a five-cent real estate tax increase could work. “In that meeting,” recalled Stoney, “we said maybe seven cents. Then we said, ‘you know what? We’re going to get the same amount of pushback on five cents that we saw on the meals tax.’ People on the meals tax debate said, ‘well, he asked for 1.5 percent, he should have asked for 3 percent.’ Because the fight is going to be just as intense.” From there, the team decided to propose a nine-cent real estate tax increase, bringing the tax rate up from \$1.20 per \$100 of assessed value to \$1.29; enough to fund the administration’s budget priorities. Since Richmond’s real estate tax rate remained at \$1.29 since before the Great Recession in 2009, Stoney felt this was a fair adjustment,<sup>34</sup> saying, “You can actually go to the public and say, ‘this is where we were prior to the recession.’”

The mayor’s administration introduced these priorities in the State of the City speech in January 2019, two months prior to his budget release. During their preparation for the speech, the mayor’s team looked at budget data and realized that the city had experienced years of disinvestment across different areas. They decided to balance accolades Richmond had received with a call to do better with strategic investments. Stoney’s Policy Analyst and Advisor Maggie Anderson reflected on their decision, saying, “We were just going to lay it out for everyone. We have not been investing the way that we should. It was all about creating equity in the city with these investments.” In the speech, Stoney highlighted Richmond’s successes, including new school construction and expanded paid parental leave for city employees. Hinting at the upcoming budget and these strategic, equity-focused

investments, Stoney said, “This year, we will continue our progress toward our goal of building more affordable housing, increasing economic empowerment, and generating additional revenue to improve our schools and neighborhoods.”<sup>35</sup>

Though he knew the proposal was bold, Stoney believed that the people of Richmond would support his budget. “The city had already done the Citizen Survey,” he said, “and we found that schools and road infrastructure were the priorities. I thought, the city council can't say no to that.”

### *Announcing the Mayor's FY20 Budget Proposal*

On March 6, 2019, after months of internal deliberation and planning, Mayor Stoney presented city council with his FY20 budget.<sup>36</sup> Prior to the announcement, Stoney notified the councilors about his plan for a bold budget proposal, though he did not provide the specifics of the real estate tax increase. Stoney said, “We didn't give council an exact number. Instead, we told them we were going to do something big and that may include a real estate tax increase.”

Councilmember Gray found this a frustrating way to begin the budget process. She remembered meeting with the mayor in the days leading up to his budget announcement: “All nine councilmembers met with the mayor in the days leading up to his budget announcement. I met with him, along with my liaison, and we asked directly, ‘Are you planning to raise taxes?’ He chuckled and said we would find out when the budget got proposed.”

He called other councilmembers, including Councilmember Kristen Larson, an hour before the budget reveal to disclose that there would be a real estate tax increase, though he did not share the exact figure. Larson recalled, “I heard about it an hour or two before we got the formal presentation at Council. But when I heard nine cents, my jaw dropped.”<sup>37</sup>

The budget included an increase of \$18.5 million for RPS, \$15.2 million for roads and sidewalks, \$2.9 million for affordable housing, \$965,000 to extend the city's public transit system to underserved communities, and \$485,000 for eviction diversion.<sup>38</sup> This represented a 5.9 percent increase from the previous budget.<sup>39</sup> In addition to the nine-cent property tax increase, the budget included a fifty-cent cigarette tax to raise revenue.

Although Stoney expected opposition, he believed city council, given its strong focus on public education and infrastructure, would ultimately approve the budget. “We thought there was no way that city council would say no to this,” said Stoney. “They may have said no to GRTC (Greater Richmond Transit Company) and employee raises, but we wanted to center the debate on education and infrastructure because we knew they were issues everyone could agree upon.”

### *A Surprised, Frustrated, and Unconvinced City Council Reacts*

Despite the mayor's appeal to “shared priorities” and an “investment in the future of Richmond” in his budget speech, city councilors immediately criticized the real estate tax increase. The mayor and his team were surprised by their strong reaction.

Councilmember Reva Trammell, who had unexpectedly supported his meals tax increase the year before, stood up after the mayor's presentation and remarked, “Mayor, you said you were not going to

raise our taxes when you ran for mayor. How can you stand up here before all of us and do this to the people?”<sup>40</sup> In the days following Stoney’s announcement, the *Richmond Times-Dispatch* reported that five of the nine councilmembers, including Trammell, opposed the nine-cent real estate tax increase.<sup>41</sup> Councilmember Larson told the *Richmond Times-Dispatch*, “Nine cents is, like, no way.”<sup>42</sup> Three councilmembers, the paper reported, were waiting until they were able to review the full budget proposal. Only one councilmember, Michael Jones, supported the mayor’s full budget proposal.

Councilmember Andreas Addison shared the mayor’s priority of increasing investment in RPS; however, he strongly opposed the real estate tax increase. Addison recalled, “I liked how it was laying out an expectation for what he wanted us to fund. What I did not like in the proposal was a quite significant real estate tax increase.”<sup>43</sup> After months of putting together the budget proposal, Stoney and his team stood behind the real estate tax increase as their plan for funding important investments in the city. On March 12, the mayor told a local news station, “We can’t fund Richmond Public Schools with fairy dust and GoFundMes. We can’t do that. Here’s a plan to do so.”<sup>44</sup> The mayor further noted, “It’s my hope as the process continues that city council gets on board or shows me an alternative.”<sup>45</sup> While Addison and others on city council reviewed the mayor’s budget proposal and prepared their alternatives, Stoney and his team brought the conversation directly to the people of Richmond.

### *Appeals to the Public*

“We had to make the case to the court of public opinion,” Stoney explained. Knowing there would be questions and pushback, he organized four community meetings to communicate his proposal directly to the public, answer questions, and respond to concerns. He sought to mobilize public support for his newly proposed budget and the real estate tax increase by walking the public through the same thought process he had gone through in making his decision to support the tax hike.

The plan, Stoney explained, was “Let’s spend the first forty-five minutes of each town hall educating the public and telling our story.” The story began with a history of previous city budgets that Stoney described as “dishonest” and descriptions of the conditions of RPS facilities, roads, and other investments.<sup>46</sup> His team created a slide deck for the presentations to explain where the money would be going and how they got to a nine-cent property tax increase. “We used data. We could track the disinvestment, which correlated with the reduction in the tax rate as well as the recession,” he said.

In addition to the public town halls, the mayor and his team met with residents at their kitchen tables and discussed their plan. Reflecting on conversations with families with children in RPS who believed a good education was their only shot at success, Stoney said, “I thought that was, for me, the most enlightening thing I’ve ever done. That drove me even more in the town halls.”

Throughout these meetings, the mayor emphasized the real estate increase as a key component of his budget. In an op-ed for the *Richmond Times-Dispatch* in April 2019, he lamented the city’s legacy of underinvestment, noting, “Our roads didn’t crumble overnight and the technology and curricula in our classrooms didn’t become immediately outdated.” He attributed underinvestment to real estate tax cuts made during the Great Recession and described how other Virginia cities had responded to increased economic growth since then: “While comparable cities such as Norfolk and Newport News raised their rates in recent years, Richmond has not, which has allowed inequitable and unacceptable conditions to persist. Now is the time to roll back the recession-era tax cuts to meet the rising costs

and growing needs of our schools and communities.”<sup>47</sup> (See Appendix 2 for a graph of the city’s previous tax rates.)

### *Movement, But Not Towards a Deal*

With five council members publicly opposing the real estate tax increase, city council considered other ways to fund the mayor’s priorities, increase accountability for city government, balance the budget, and satisfy its constituents. Councilmember Gray, who opposed the real estate tax increase, described her priorities during the FY20 budget negotiation: “Schools had always been my priority. I ran for city council after serving eight years on the school board. But fiscal accountability within schools had always been a priority for me. I didn’t think the accountability piece was getting better. I thought it was going in the wrong direction.”<sup>48</sup>

Councilmember Addison shared many of Stoney’s priorities but believed tax increases should be a last resort for funding those investments. Before he would consider tax increases, Addison wanted to thoroughly dig into the mayor’s 800-page budget proposal and consider all other possibilities.<sup>49</sup> “We needed to explore every way we could to fund the mayor’s interests before we considered a tax increase,” Addison recalled.<sup>50</sup> At one point, he explained, “there were three proposals put forward to fully fund priorities without a tax increase. That was when people realized it would work.”<sup>51</sup>

As council debated ways to balance the budget, the mayor’s team used social media to keep the public informed of new proposals. Stoney, a former quarterback and sports fan, wanted to “flood the zone” and equip Richmonders with all the information they needed. Within a week of the budget proposal announcement, Stoney posted a newspaper article to Facebook titled “Majority of Richmond City Council members oppose Stoney’s proposed property tax increase” with the caption “Opposition = NO to...” followed by a list of budget items. (See Appendix 3 for this and other social media posts.) He believed this communication to the public would make the choice—between his budget proposal and the consequences of budget cuts—clear to city council.

Stoney and his team continued to focus their social media messaging on the investments that would be cut without funding the budget proposal. When a councilmember proposed a \$6 million cut to RPS, Stoney saw an opportunity to rally the public and on April 16th he posted to Facebook and Twitter: “\$6 million cut from RPS forces a choice between teacher pay raises and investments in the classroom.” On April 17th, he posted a video of himself reading letters from Richmond elementary school students he had visited that morning. He concluded the video saying, “That’s why I have proposed the budget that I have, that invests \$37 million, new dollars, into Richmond Public Schools . . . and it’s my hope that you support our budget.”<sup>52</sup>

This social media campaign worked to rally the public, but some councilmembers were frustrated with the messaging. “It was sold as ‘If you don’t support this tax increase, you don’t support the schools,’” said Larson. “[Social media] didn’t help in making me feel like I wanted to work with [the mayor] to come up with a compromise.”

On April 9th, Council President Newbille had proposed a five-cent real estate tax increase, which would have raised \$9.4 million less than Stoney’s original nine-cent proposal.<sup>53</sup> Other councilmember proposals at that time included a 1.5 percent across-the-board cut for city departments, various rates

for the cigarette tax, or no increase to the real estate tax. Given his concerns that city council would not pass the nine-cent increase, the mayor was prepared to support Newbille's proposal as an alternative. "My team told me, publicly, to never budge on the \$1.29. You never want to negotiate with yourself. People would ask, 'will you compromise on a different number?' and I'd say, 'no, I'm going to fight for the investments.' Behind-the-scenes, as we got deeper into the process, we thought maybe there's a middle ground at \$1.25," Stoney explained. The gap, they expected, would be filled when the city assessor, who works for city council, gave updated property assessment numbers in April, as had happened in prior years.<sup>iii</sup>

However, city council members believed Stoney was not willing to compromise, and the media featured the nine-cent increase as a crucial component of the mayor's budget. "I still to this day don't know his strategy. Did he put nine cents on the table hoping we'd dial it back to two or three cents? Or did he really think he'd get nine cents? In my opinion, that was never going to happen," reflected Larson in the months following the budget debate. After the deliberations, Gray described the mayor's style as: "If you were not 100 percent behind 100 percent of what he's trying to do, you were an enemy." During the budget hearings, the *Richmond Times-Dispatch* described how "Stoney [had] touted the property tax hike . . . as crucial to investing in Richmond Public Schools and catching up on deferred paving of city roads."<sup>54</sup> At a school board meeting, the mayor "acknowledged that the school system [would] need more money for the strategic plan in the future while again backing his proposal to raise the city's real estate tax rate nine cents."<sup>55</sup> Without a signal that the mayor was willing to compromise on the nine-cent real estate tax increase, the budget debate escalated when council hearings opened up for public comment.

### *Public Voices Get Louder*

The public's opportunity to comment came seven weeks after the mayor's budget unveil, when city council opened the floor to community input. One of the mayor's most ardent supporters, the school community, showed up to collectively support his budget. The *Richmond Times-Dispatch* illustrated the scene of "dozens of education advocates . . . waving signs supporting Stoney's proposed nine-cent increase to the city's real estate tax in order to give the school system more money."<sup>56</sup> At the podium, one parent declared, "I stand before you yet another budget year begging . . . yeah, begging for funding for our children in Richmond Public Schools."<sup>57</sup>

Despite the overwhelming community support for the mayor's budget, there was also opposition from members of cigarette manufacturer Phillip Morris USA, a major employer in Richmond. Their affiliates wore bright red shirts stating, "No more taxes!"<sup>58</sup> While their frustration more directly targeted the cigarette tax, their mantra resonated with others concerned about a property tax increase. A representative from the company said that a cigarette tax increase would hurt local businesses and would not be a sustainable revenue source since it discouraged smoking.<sup>59</sup>

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<sup>iii</sup> The most recent audit of the Richmond City Assessor's Office was released in January 2017. In this report, "the auditors validated that total assessment [by the City Assessor's Office] was done at 100% market value," meeting both state and international standards. See City Auditor, "Real Estate Assessment Audit Report #: 2017-07" (City of Richmond: City Auditor, January 10, 2019), accessed November 2019, [http://www.richmondgov.com/Auditor/documents/2017/2017-07\\_RealEstateAssessments.pdf](http://www.richmondgov.com/Auditor/documents/2017/2017-07_RealEstateAssessments.pdf).



Tension grew as councilmembers became frustrated with the mayor's and superintendent's campaign to solicit public support for the tax increase. During the April 22nd public meeting, Councilmember Gray, frustrated with a voicemail she received from Superintendent Kamras urging school parents to come support the tax increase, said, "As a parent of RPS, I'm being lobbied and told misinformation about what's going on, and it's inappropriate." Prompted by President Newbille to stay on topic, Gray asked, "I don't know who you are working for, the people of Richmond or this administration?" Newbille responded, "The same people who elected you, Ms. Gray. Let's not go there."<sup>60</sup>

Amidst these heated discussions, an \$11 million gap still needed to be filled. The key to balancing this budget was \$6.5 million in projected real estate revenues from the city assessor, which city council wanted Stoney's administration to certify. However, during the city council meeting two days later, Richmond's chief administrative officer denied the council's request. Some councilmembers thought the denial was a reprisal for their vote in favor of a 1.5 percent cut across various city departments as a way to balance the budget without a real estate tax increase.<sup>61</sup> "It's not unheard of to propose across-the-board cuts," explained Gray. "If there are holes, you come back, and you talk about it. That's where you negotiate. There were no negotiations on the part of the administration."

## No Way Past Gridlock: A Walkout Suggests Doom

After weeks of hearings where city council and Stoney were unable to find common ground, tensions reached a peak when city officials walked out of a council meeting. This event led to what the media reported as an "explosive city council meeting," with the majority of council voting to seek legal counsel against the mayor's administration.<sup>62</sup> The mayor disputed that city administrators were directed to leave council chambers.

"We're in a crisis here," said Council Vice President Hilbert before the tense hearing was adjourned by President Newbille. He continued, "This is my fifteenth year on council. This is my fifteenth year on budget, and I have never been through a more difficult one than this."<sup>63</sup> Commenting on the walkout, Gray said, "The mayor was trying to force us to raise real estate taxes . . . We were willing to stay there and work through the budget and come to some conclusion." Shortly after the walkout, the *Richmond Times-Dispatch* ran the headline: "Richmond City Council moves to hire legal counsel for potential suit against Stoney administration."<sup>64</sup>

With just a few weeks left before the May 15th deadline and a potential lawsuit now on the table, it was unclear whether the mayor's administration and city council would be able to find common ground on how to finalize the FY20 budget. Defending his budget proposal and ambitious vision for funding his priorities, Stoney said, "Either we were going to talk about it, or we were going to be about it. It was my job to propose the vision, and city council had to meet us there. That's where the negotiation starts. I didn't want anyone to say we didn't try."

## Appendices

### Appendix 1 City of Richmond's Budget Process Timeline

#### BUDGET PROCESS TIMETABLE

##### February

Work sessions continue with the Mayor to discuss major issues and make funding decisions for both the Operating and Capital Budgets. High-level budget sessions continue to be presented in various Council Committee meetings and final funding decisions are completed for both the Operating and Capital Budgets.

##### March – April

The Mayor presents the proposed Capital Budget to the City Planning Commission. The Mayor later presents the proposed Operating and Capital Budgets to the City Council. DBSP distributes proposed budget documents to City agencies and the public. The City Council facilitates the budget work sessions to provide budget briefings to review the Mayor's proposed budgets.

##### April – May

Public hearings are held on the Proposed Budget. City Council introduces amendments to the budgets and adopts the Special Fund, Enterprise Fund, and Internal Service Fund budgets. The City Council also adopts the Federal Funds budgets (CDBG, HOPWA and ESG). The City Council then adopts the amended Capital Budget and General Fund budgets, and the Mayor's 28-day veto processing window begins.

##### June – July

DBSP completes final revisions to the budget documents and issues the Adopted Budget documents. City departments and agencies initiate the implementation of services, programs, and projects in the adopted budgets.

Source: City of Richmond, Virginia Adopted Amendments to the Biennial Fiscal Plan 2020

#### FY20 Budget Timeline

**March 6, 2019** Mayor Stoney introduced his FY20 budget.

**March 11, 2019** A majority of city council said they would not support the mayor's proposed real estate tax increase.

**March 19, 2019** Mayor Stoney held the first town hall on the proposed budget.

**April 22, 2019** City council held public hearing for additional input.

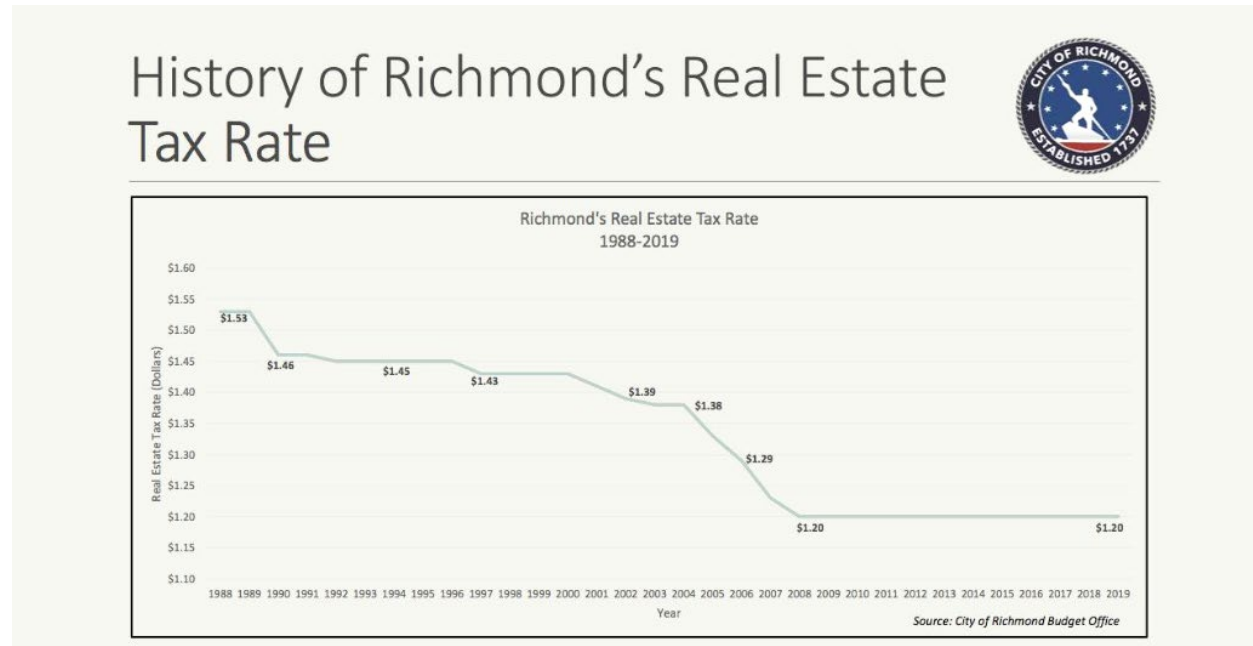
**April 24, 2019** City administrators walked out of city council meeting; a majority of city council voted to pursue outside legal counsel to verify the administration's obligation to certify city revenue.

**May 15, 2019** This was the deadline that was set for city council to balance budget.

Source: case authors

**Appendix 2** Richmond's Historical Real Estate Tax Rates

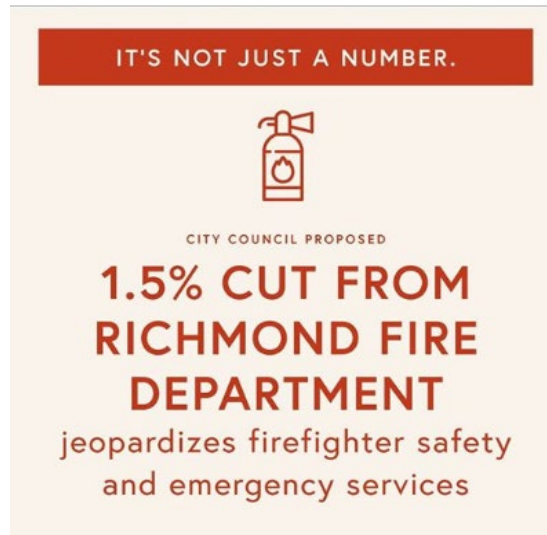
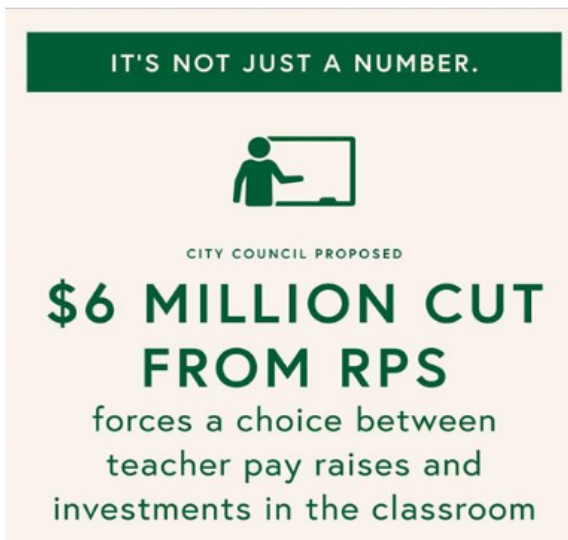
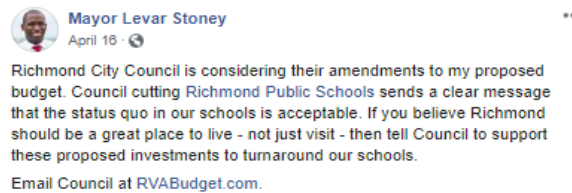
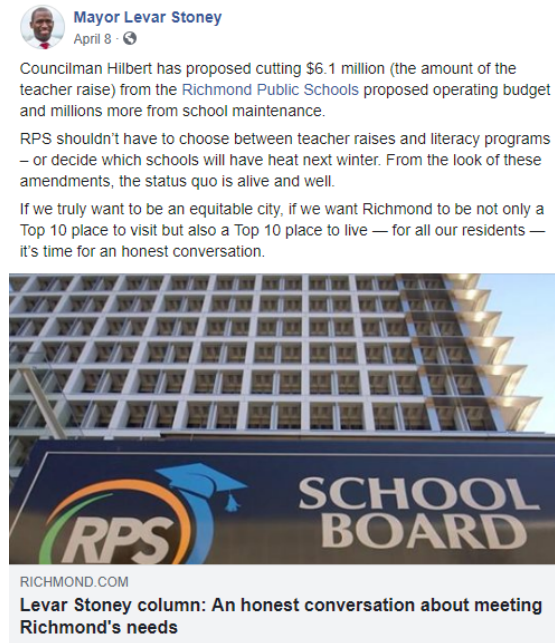
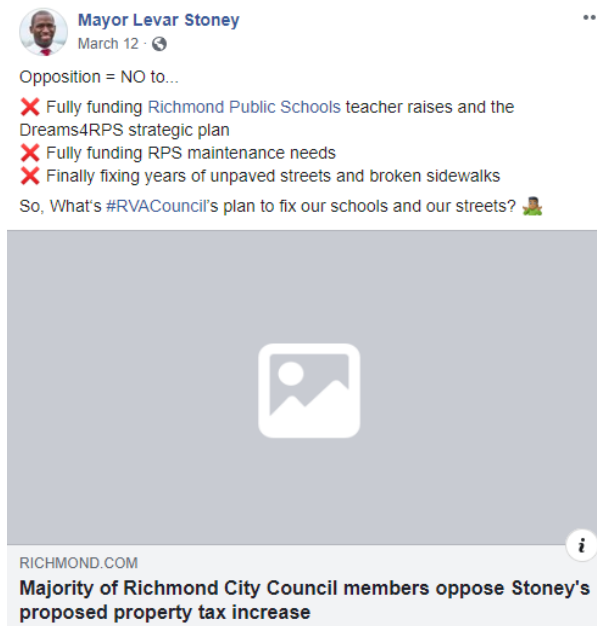
This chart displays real estate tax rates in Richmond, VA since 1988 and shows that historical rates were much higher than the 2019 rate. Mayor Stoney included this slide in public meetings to explain his budget proposal and rally support.



Source: City of Richmond Budget Office

### Appendix 3 Mayor Stoney's Social Media Campaign During the FY20 Budget Negotiation

These Facebook posts show Stoney's social media campaign that ran during the FY2020 budget hearings. They responded to proposals considered by city council that would have cut funding to city departments.



Source: Mayor Levar Stoney's Facebook page

## Endnotes

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