

**From:** Faye Johnson

**Sent:** Wednesday, June 17, 2020 11:29 AM

**To:** Department Directors and Assistant Department Directors

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**Subject:** Restriction on Use of FY20 Unobligated Budget & Operational Savings

**Importance:** High

All:

Like most municipalities, we are grappling with the ongoing economic impact of COVID-19, which affects the General Fund operating budget. The pandemic has resulted in substantial reductions in the sales tax, gas tax and other State revenue as well as City event-program fees. Impacted Departments have provided independent recalculations of their General Fund revenues and Finance staff has also done recalculations of all General Fund revenues.

Based on the joint recalculations, at this point in the current fiscal year, there is a projected General Fund revenue shortfall of \$6.4M. By maintaining the measures that have been put in place such as freezing positions, travel, training and limiting expenditures, there is an anticipated savings of \$2.2M. Therefore,

Effective immediately, in addition to the General Fund measures currently in place, a hold is now being implemented on ordering supplies or making purchases. This means even if Departments have salary and operational savings, there is an across-the-board freeze on utilizing any of those funds. Purchasing is not allowed to process any further General Fund purchase orders. Nor is the Budget Division allowed to approve General Fund transfers. Should there be a required General Fund expenditure, please meet with your respective Assistant City Administrator and, if appropriate, directly with me.

It is important to note that these collective General Fund measures are necessary to get us through the current fiscal year without having to impose across-the-board staff furloughs which, if done, would begin in July and carry through September. Everyone's continued cooperation is appreciated. Regards.

**Faye W. Johnson, MPA**

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