



CITY OF RICHMOND
CITY AUDITOR

DATE: July 10, 2020

TO: Ms. Lenora Reid
Acting Chief Administrative Officer

FROM: Louis Lassiter *LL*
City Auditor

SUBJECT: APA Comparative Cost Report Analysis FY2019

The City Auditor's Office has completed an analysis of the FY2019 Virginia Auditor of Public Accounts (APA) Comparative Report of Local Government Revenues and Expenditures.

We obtained information from the APA report and performed further analysis to compare the City of Richmond with similar cities in the Commonwealth with populations of approximately 100,000 or more, as well as Arlington County, Virginia. These particular localities were chosen to provide relative benchmarks due to similar services provided by larger more urban localities. This analysis is provided to the Administration and City Council for reference and continued analysis of possible improvement opportunities.

This work provides an objective summary of information from the APA's report. This summary was completed as a non-audit service and does not constitute an audit conducted in accordance with Generally Accepted Government Auditing Standards (GAGAS).

We would like to thank the Finance Department of the City of Richmond for their assistance. Please contact us if you have any questions regarding this analysis.

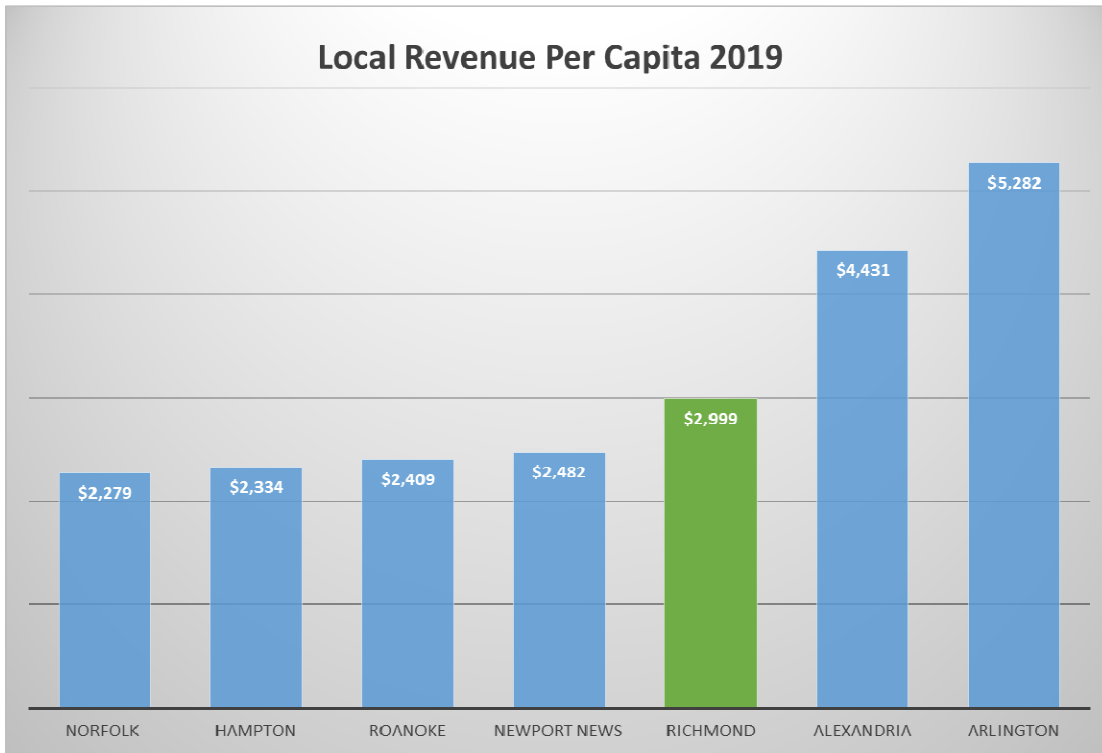
Attachment

cc: The Richmond Audit Committee
The Richmond City Council
John Wack, Director of Finance

FY2019 ANALYSIS SUMMARY

The charts and schedules that follow show a high level ranking amongst various categories from the FY19 Comparative Cost Report.¹ **Please note that numbers in the charts and graphs have been rounded to the nearest dollar which can cause minor differences when summed.**

The chart and table below represent the Local Revenue per capita for Fiscal Year 2019. As the APA noted “the report provides a uniform presentation of fiscal information; however, we caution users not to base conclusions solely on this report's data.” Therefore this information should not be used solely as an indicator of efficiency or performance without further analysis of the scope of services among those entities being ranked.

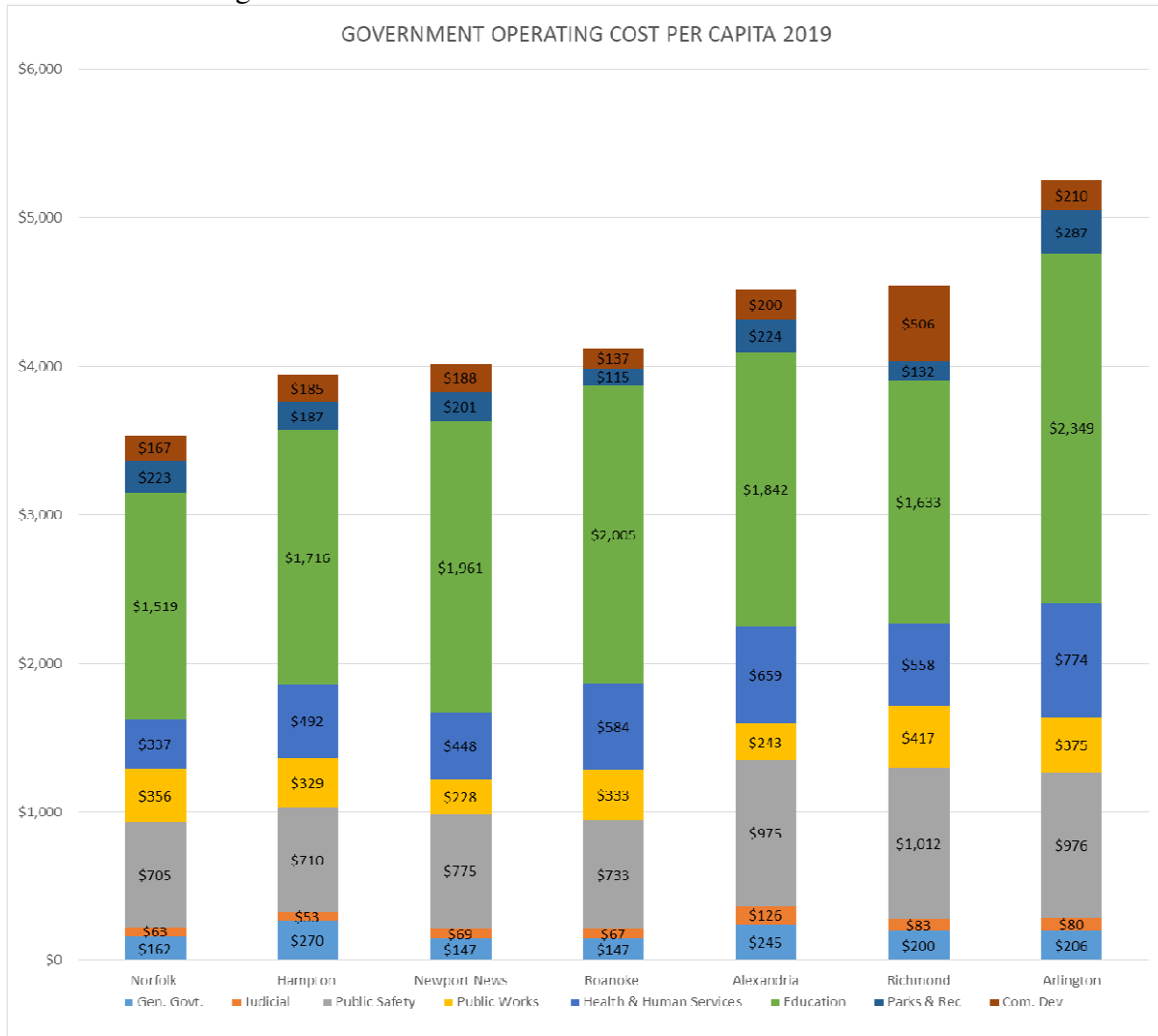


Locality	General Property Taxes	Other Local Taxes	Permits, Privileges, fees, & Regulatory	Fines and Forfeitures	Charges for Service	Revenue From Use of Money and Property	Miscellaneous	Total
Alexandria 2019	\$ 3,158	\$ 837	\$ 79	\$ 27	\$ 205	\$ 79	\$ 45	\$ 4,431
Alexandria 2018	\$ 3,081	\$ 804	\$ 65	\$ 31	\$ 190	\$ 64	\$ 61	\$ 4,297
Arlington 2019	\$ 3,638	\$ 1,005	\$ 27	\$ 32	\$ 492	\$ 88	\$ 1	\$ 5,282
Arlington 2018	\$ 3,552	\$ 950	\$ 18	\$ 31	\$ 489	\$ 37	\$ 1	\$ 5,078
Hampton 2019	\$ 1,270	\$ 536	\$ 16	\$ 11	\$ 392	\$ 35	\$ 74	\$ 2,334
Hampton 2018	\$ 1,256	\$ 507	\$ 14	\$ 10	\$ 416	\$ 21	\$ 69	\$ 2,293
Newport News 2019	\$ 1,468	\$ 533	\$ 22	\$ 10	\$ 304	\$ 79	\$ 65	\$ 2,482
Newport News 2018	\$ 1,406	\$ 514	\$ 22	\$ 10	\$ 294	\$ 76	\$ 58	\$ 2,379
Norfolk 2019	\$ 1,252	\$ 646	\$ 17	\$ 4	\$ 263	\$ 47	\$ 51	\$ 2,279
Norfolk 2018	\$ 1,145	\$ 626	\$ 13	\$ 4	\$ 268	\$ 35	\$ 73	\$ 2,165
Richmond 2019	\$ 1,637	\$ 731	\$ 10	\$ 30	\$ 396	\$ 46	\$ 151	\$ 2,999
Richmond 2018	\$ 1,593	\$ 677	\$ 8	\$ 27	\$ 511	\$ 4	\$ 132	\$ 2,952
Roanoke 2019	\$ 1,204	\$ 784	\$ 12	\$ 12	\$ 369	\$ 20	\$ 9	\$ 2,409
Roanoke 2018	\$ 1,162	\$ 772	\$ 14	\$ 12	\$ 347	\$ 10	\$ 12	\$ 2,328

¹ Figures were used as of May 20, 2020.

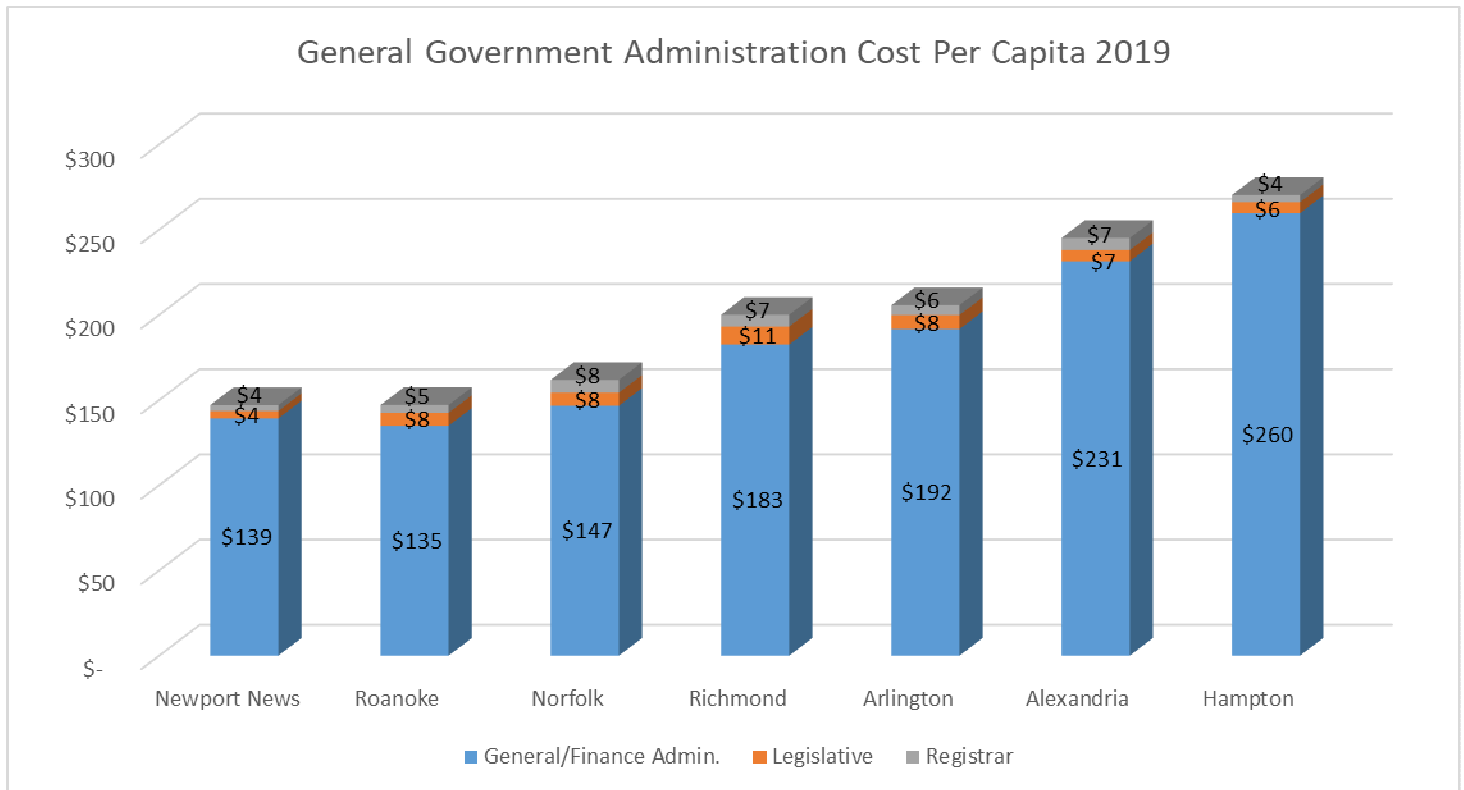
FY2019 Cost Analysis

The first chart below is a roll up for all General Government Operations with subsequent charts providing further details for these categories.



Locality	Gen. Govt.	Judicial	Public Safety	Public Works	Health & Human Services	Education	Parks & Rec	Com. Dev	Total
Norfolk 2018	\$ 168	\$ 65	\$ 727	\$ 368	\$ 342	\$ 1,467	\$ 238	\$ 148	\$ 3,524
Norfolk 2019	\$ 162	\$ 63	\$ 705	\$ 356	\$ 337	\$ 1,519	\$ 223	\$ 167	\$ 3,534
Hampton 2018	\$ 222	\$ 50	\$ 717	\$ 382	\$ 514	\$ 1,715	\$ 181	\$ 134	\$ 3,913
Hampton 2019	\$ 270	\$ 53	\$ 710	\$ 329	\$ 492	\$ 1,716	\$ 187	\$ 185	\$ 3,942
Newport News 2018	\$ 143	\$ 69	\$ 759	\$ 227	\$ 440	\$ 1,893	\$ 197	\$ 108	\$ 3,835
Newport News 2019	\$ 147	\$ 69	\$ 775	\$ 228	\$ 448	\$ 1,961	\$ 201	\$ 188	\$ 4,017
Roanoke 2018	\$ 250	\$ 60	\$ 676	\$ 301	\$ 576	\$ 1,887	\$ 107	\$ 113	\$ 3,970
Roanoke 2019	\$ 147	\$ 67	\$ 733	\$ 333	\$ 584	\$ 2,005	\$ 115	\$ 137	\$ 4,121
Alexandria 2018	\$ 265	\$ 121	\$ 923	\$ 255	\$ 645	\$ 1,747	\$ 221	\$ 173	\$ 4,350
Alexandria 2019	\$ 245	\$ 126	\$ 975	\$ 243	\$ 659	\$ 1,842	\$ 224	\$ 200	\$ 4,515
Richmond 2018	\$ 271	\$ 79	\$ 926	\$ 287	\$ 551	\$ 1,625	\$ 110	\$ 489	\$ 4,338
Richmond 2019	\$ 200	\$ 83	\$ 1,012	\$ 417	\$ 558	\$ 1,633	\$ 132	\$ 506	\$ 4,542
Arlington 2018	\$ 203	\$ 78	\$ 935	\$ 397	\$ 786	\$ 2,294	\$ 281	\$ 207	\$ 5,181
Arlington 2019	\$ 206	\$ 80	\$ 976	\$ 375	\$ 774	\$ 2,349	\$ 287	\$ 210	\$ 5,257

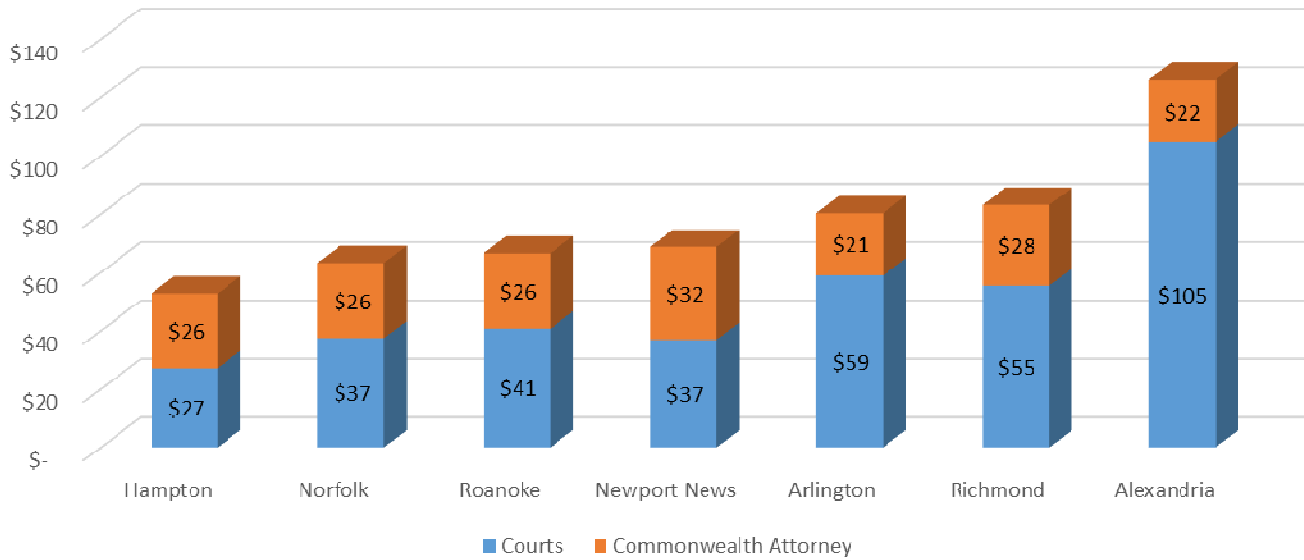
FY2019 ANALYSIS BY FUNCTIONAL AREAS



Locality	General/Finance Admin.	Legislative	Registrar	Total
Newport News	\$ 139	\$ 4	\$ 4	\$ 147
Roanoke	\$ 135	\$ 8	\$ 5	\$ 147
Norfolk	\$ 147	\$ 8	\$ 8	\$ 162
Richmond	\$ 183	\$ 11	\$ 7	\$ 200
Arlington	\$ 192	\$ 8	\$ 6	\$ 206
Alexandria	\$ 231	\$ 7	\$ 7	\$ 245
Hampton	\$ 260	\$ 6	\$ 4	\$ 270

Richmond ranked in the middle of the seven and just above the average of approximately \$197. Figures for FY2019 General Government Administration costs show a decrease of \$71 over the FY2018 cost per capita figure of \$271. The primary cause of the decrease is a re-categorization of non-departmental expenses that in 2018 were included with General Government Administration. In 2019, these expenses were reclassified to other categories for the APA form reports that better fit, in terms of functions.

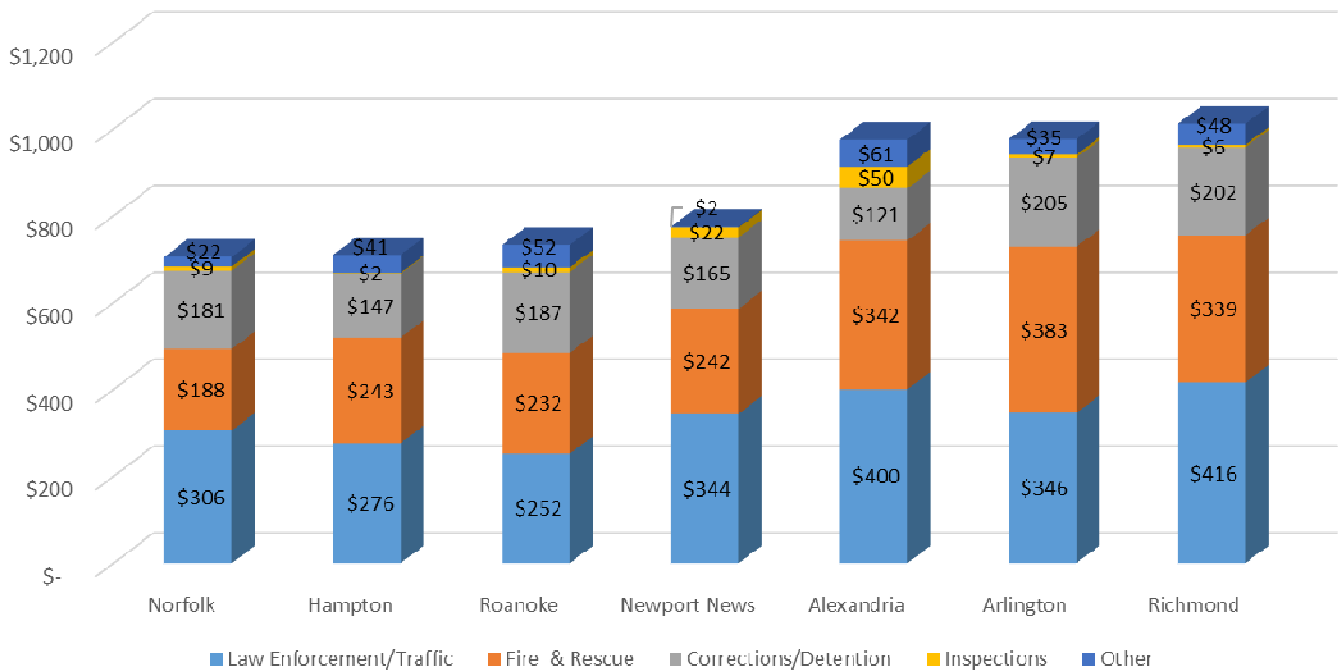
Judicial Administration Cost Per Capita 2019



Locality	Courts	Commonwealth Attorney	Total
Hampton	\$ 27	\$ 26	\$ 53
Norfolk	\$ 37	\$ 26	\$ 63
Roanoke	\$ 41	\$ 26	\$ 67
Newport News	\$ 37	\$ 32	\$ 69
Arlington	\$ 59	\$ 21	\$ 80
Richmond	\$ 55	\$ 28	\$ 83
Alexandria	\$ 105	\$ 22	\$ 126

Richmond ranked 2nd highest of the seven and above the average of approximately \$77.

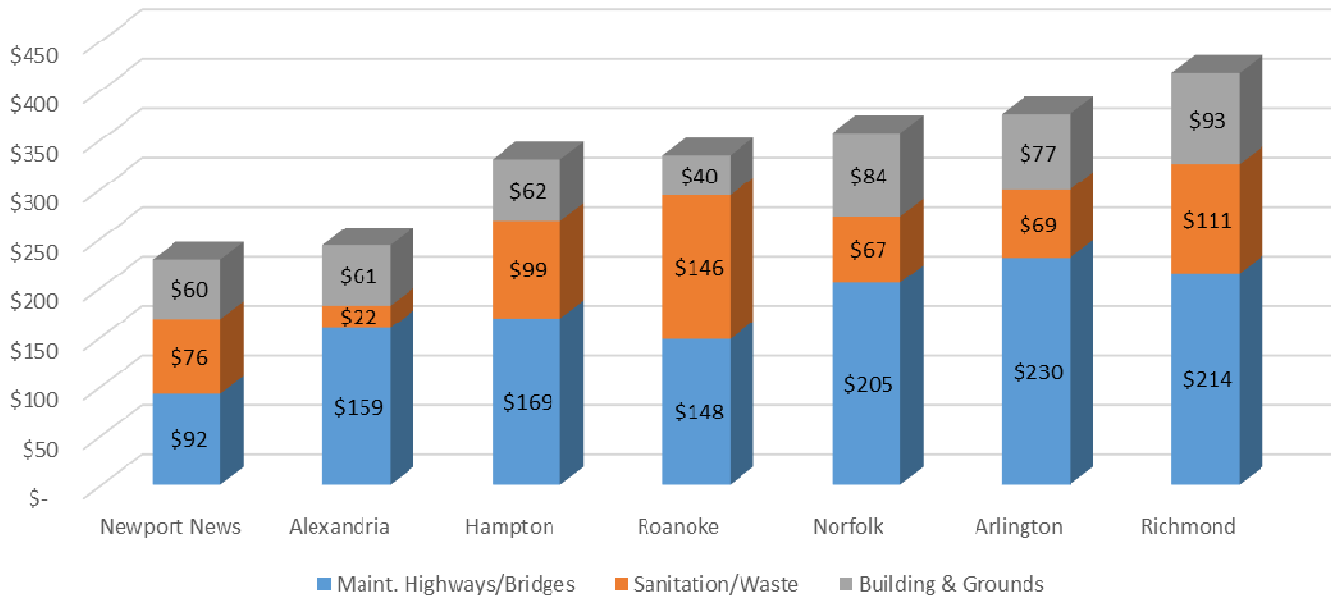
Public Safety Cost Per Capita



Locality	Law Enforcement/Traffic	Fire & Rescue	Corrections/Detention	Inspections	Other	Total
Norfolk	\$ 306	\$ 188	\$ 181	\$ 9	\$ 22	\$ 705
Hampton	\$ 276	\$ 243	\$ 147	\$ 2	\$ 41	\$ 710
Roanoke	\$ 252	\$ 232	\$ 187	\$ 10	\$ 52	\$ 733
Newport News	\$ 344	\$ 242	\$ 165	\$ 22	\$ 2	\$ 775
Alexandria	\$ 400	\$ 342	\$ 121	\$ 50	\$ 61	\$ 975
Arlington	\$ 346	\$ 383	\$ 205	\$ 7	\$ 35	\$ 976
Richmond	\$ 416	\$ 339	\$ 202	\$ 6	\$ 48	\$ 1,012

Richmond ranked the highest of the seven and approximately \$171 above the average of approximately \$841.

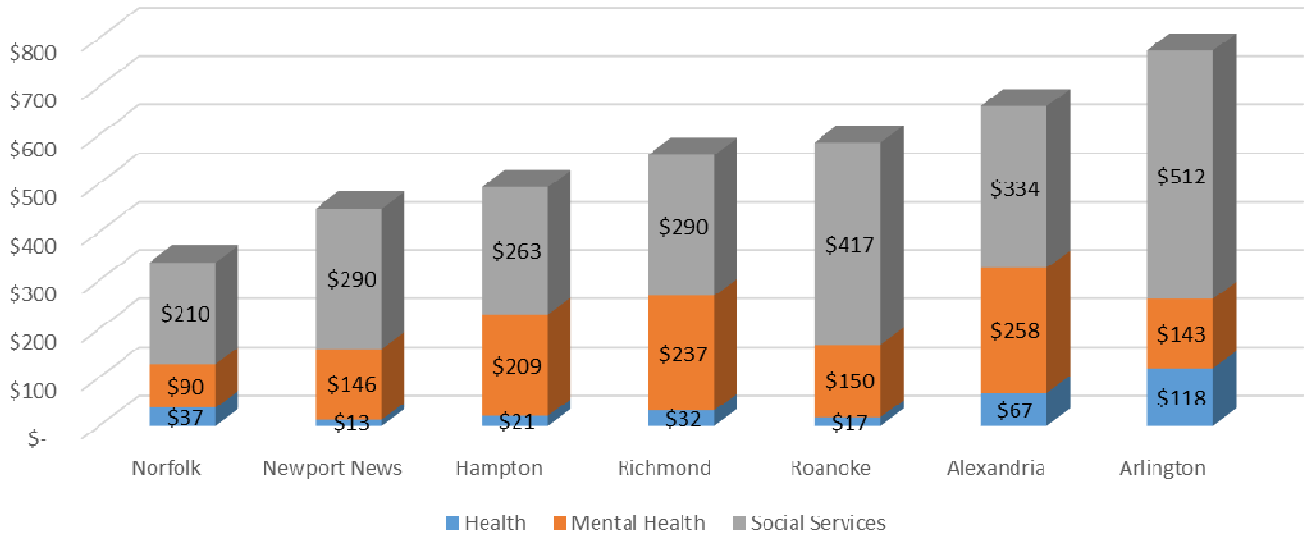
Public Works Cost Per Capita



Locality	Maint. Highways/Bridges	Sanitation/Waste	Building & Grounds	Total
Newport News	\$ 92	\$ 76	\$ 60	\$ 228
Alexandria	\$ 159	\$ 22	\$ 61	\$ 243
Hampton	\$ 169	\$ 99	\$ 62	\$ 329
Roanoke	\$ 148	\$ 146	\$ 40	\$ 333
Norfolk	\$ 205	\$ 67	\$ 84	\$ 356
Arlington	\$ 230	\$ 69	\$ 77	\$ 375
Richmond	\$ 214	\$ 111	\$ 93	\$ 417

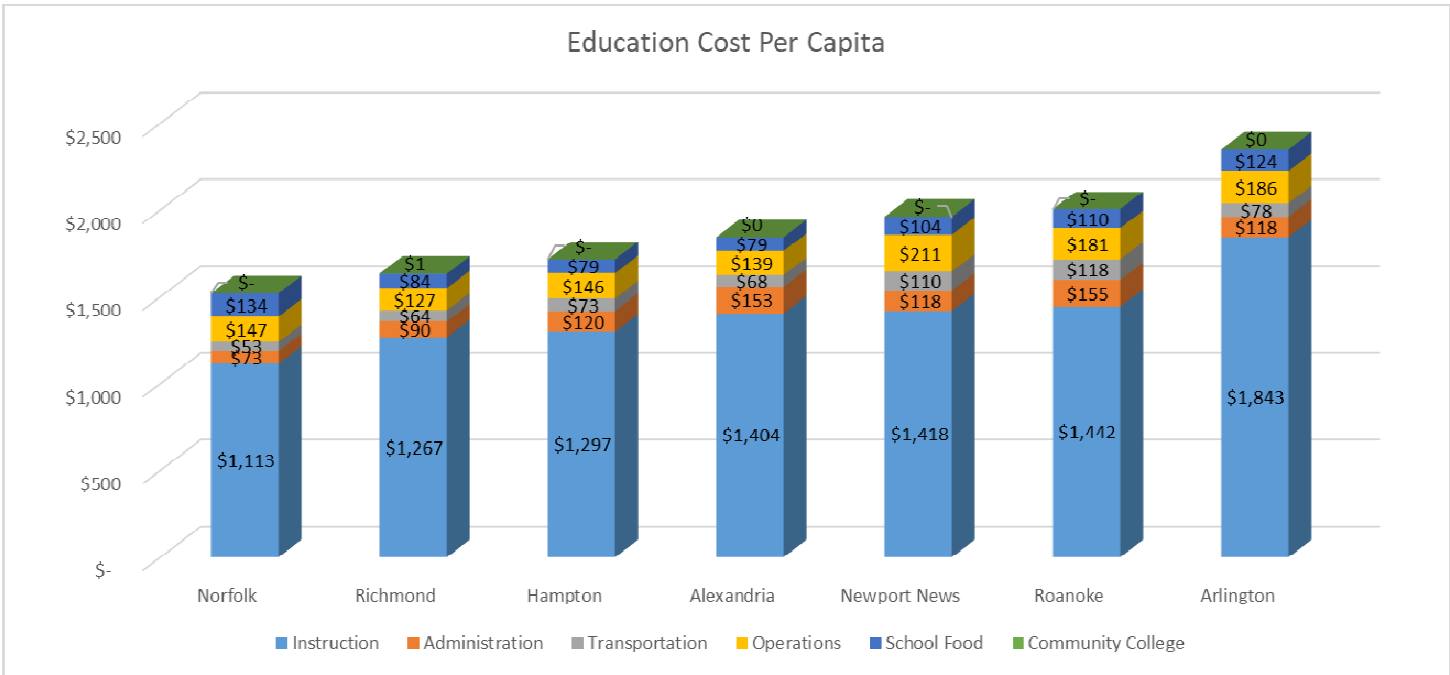
Richmond ranked the highest of the seven and approximately \$91 above the average of \$326. Based on the documentation provided by the Administration, the numbers for Richmond Public Works’ Buildings and Grounds include approximately \$1.5 million in grounds maintenance costs for Parks and Recreation. This raises Public Works cost per capita and reduces Parks and Recreation cost per capita by \$7.

Health & Welfare Cost Per Capita



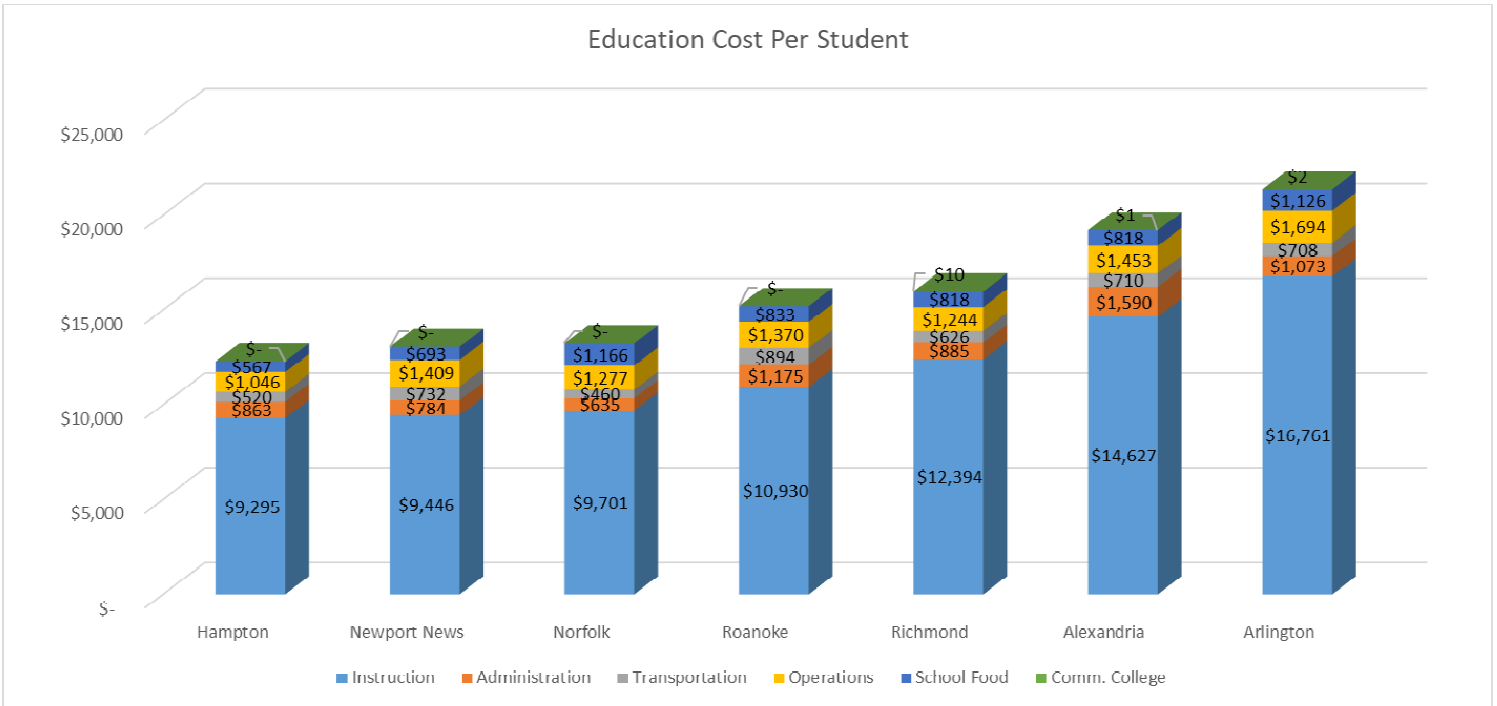
Locality	Health	Mental Health	Social Services	Total
Norfolk	\$ 37	\$ 90	\$ 210	\$ 337
Newport News	\$ 13	\$ 146	\$ 290	\$ 448
Hampton	\$ 21	\$ 209	\$ 263	\$ 492
Richmond	\$ 32	\$ 237	\$ 290	\$ 558
Roanoke	\$ 17	\$ 150	\$ 417	\$ 584
Alexandria	\$ 67	\$ 258	\$ 334	\$ 659
Arlington	\$ 118	\$ 143	\$ 512	\$ 774

Richmond ranked 4th of the seven and slightly above the average of approximately \$550.



Locality	Instruction	Administration	Transportation	Operations	School Food	Community College	Total
Norfolk	\$ 1,113	\$ 73	\$ 53	\$ 147	\$ 134	\$ -	\$ 1,519
Richmond	\$ 1,267	\$ 90	\$ 64	\$ 127	\$ 84	\$ 1	\$ 1,633
Hampton	\$ 1,297	\$ 120	\$ 73	\$ 146	\$ 79	\$ -	\$ 1,716
Alexandria	\$ 1,404	\$ 153	\$ 68	\$ 139	\$ 79	\$ 0	\$ 1,842
Newport News	\$ 1,418	\$ 118	\$ 110	\$ 211	\$ 104	\$ -	\$ 1,961
Roanoke	\$ 1,442	\$ 155	\$ 118	\$ 181	\$ 110	\$ -	\$ 2,005
Arlington	\$ 1,843	\$ 118	\$ 78	\$ 186	\$ 124	\$ 0	\$ 2,349

Richmond ranked 2nd lowest of the seven and below the average of approximately \$1,861.

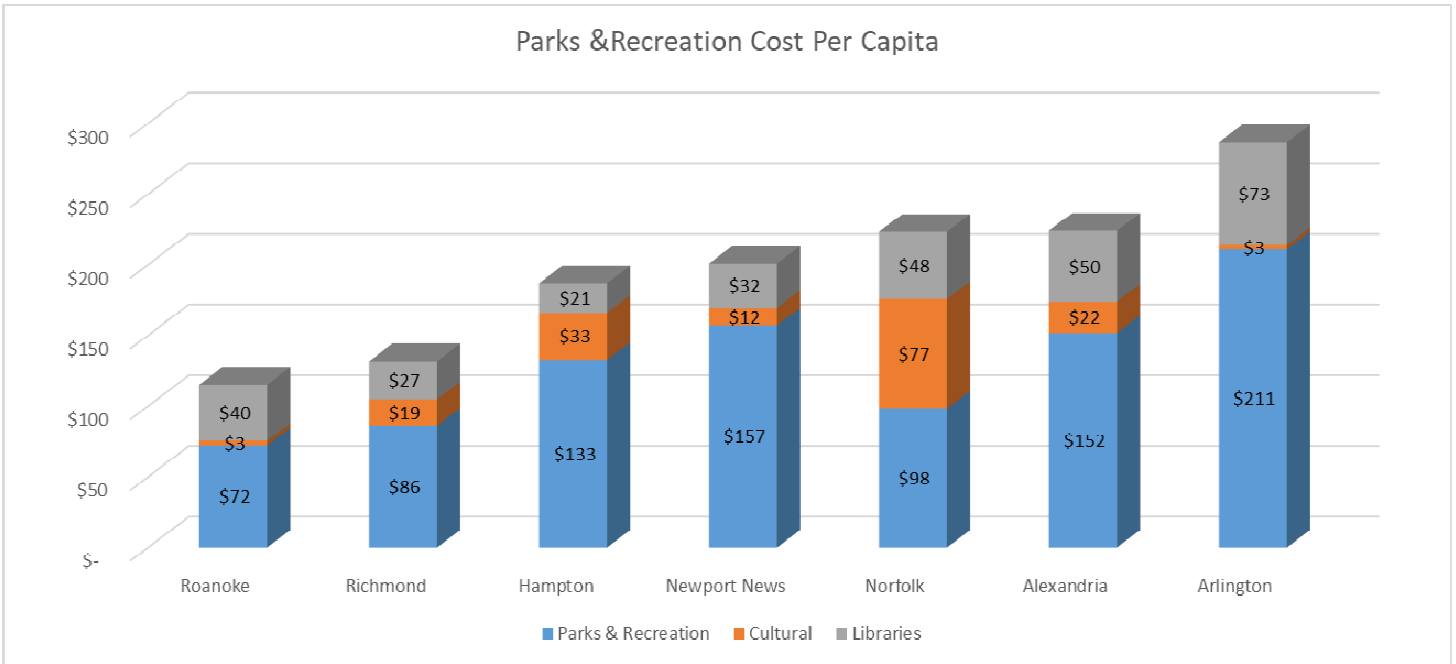


Average Daily Membership in schools was based on the School Superintendent’s reported school membership numbers as of September 30, 2018.

Locality	Instruction	Administration	Transportation	Operations	School Food	Comm. College	Total
Hampton	\$ 9,295	\$ 863	\$ 520	\$ 1,046	\$ 567	\$ -	\$ 12,291
Newport News	\$ 9,446	\$ 784	\$ 732	\$ 1,409	\$ 693	\$ -	\$ 13,063
Norfolk	\$ 9,701	\$ 635	\$ 460	\$ 1,277	\$ 1,166	\$ -	\$ 13,240
Roanoke	\$ 10,930	\$ 1,175	\$ 894	\$ 1,370	\$ 833	\$ -	\$ 15,201
Richmond	\$ 12,394	\$ 885	\$ 626	\$ 1,244	\$ 818	\$ 10	\$ 15,977
Alexandria	\$ 14,627	\$ 1,590	\$ 710	\$ 1,453	\$ 818	\$ 1	\$ 19,199
Arlington	\$ 16,761	\$ 1,073	\$ 708	\$ 1,694	\$ 1,126	\$ 2	\$ 21,363

Richmond ranked 3rd highest of the seven and slightly above the average of approximately \$15,762.

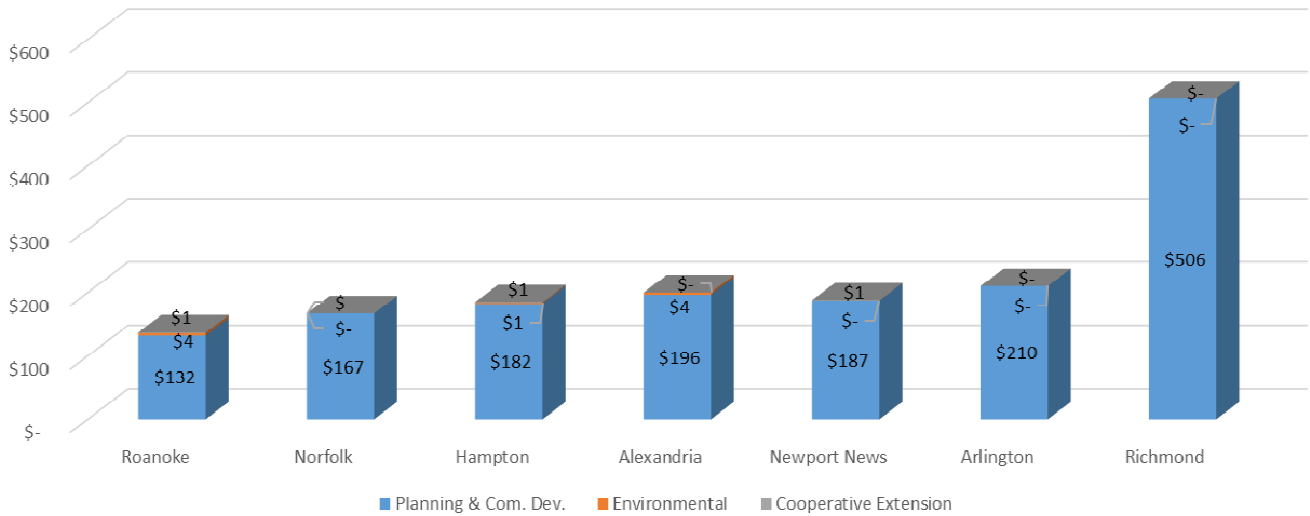
Parks & Recreation Cost Per Capita



Locality	Parks & Recreation	Cultural	Libraries	Total
Roanoke	\$ 72	\$ 3	\$ 40	\$ 115
Richmond	\$ 86	\$ 19	\$ 27	\$ 132
Hampton	\$ 133	\$ 33	\$ 21	\$ 187
Newport News	\$ 157	\$ 12	\$ 32	\$ 201
Norfolk	\$ 98	\$ 77	\$ 48	\$ 223
Alexandria	\$ 152	\$ 22	\$ 50	\$ 224
Arlington	\$ 211	\$ 3	\$ 73	\$ 287

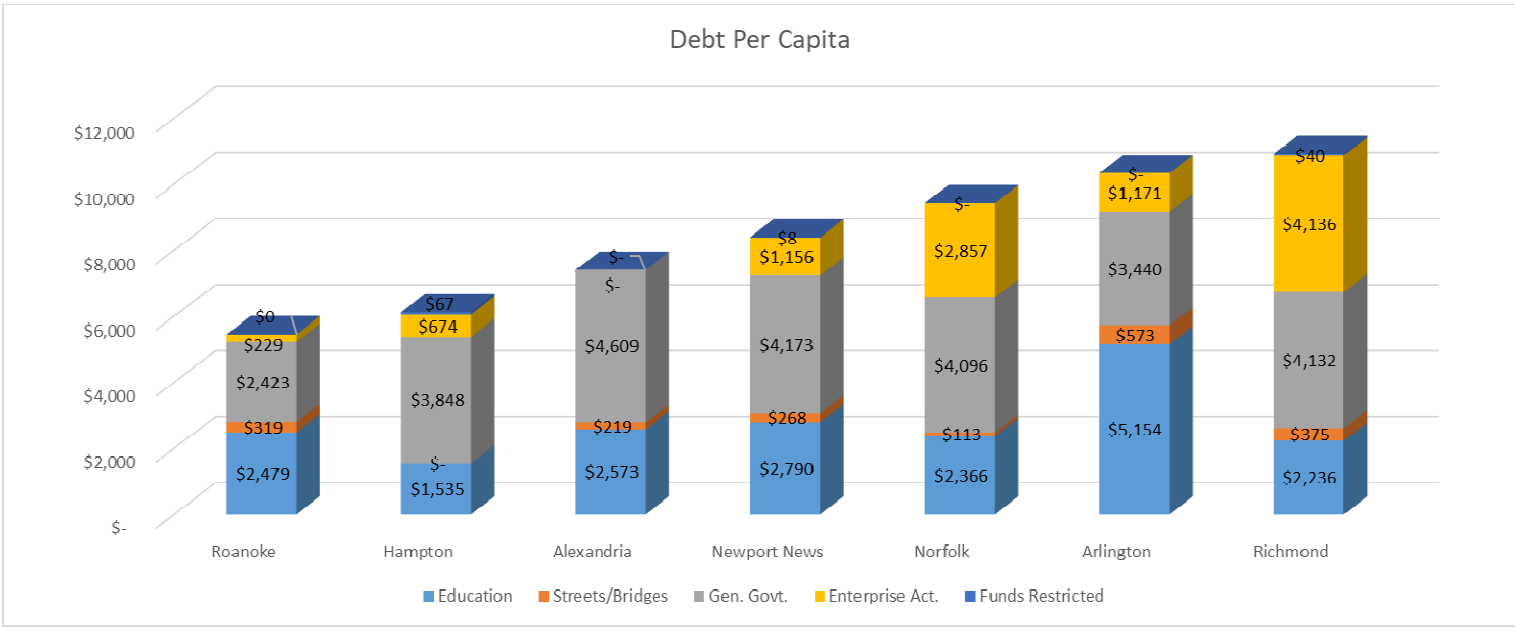
Richmond ranked 2nd lowest of the seven and well below the average of approximately \$196. Based on the documentation provided by the Administration, the numbers for Richmond Public Works’ Buildings and Grounds include approximately \$1.5 million in grounds maintenance costs for Parks and Recreation. This raises Public Works cost per capita and reduces Parks and Recreation cost per capita by \$7.

Community Development Cost Per Capita



Locality	Planning & Com. Dev.	Environmental	Cooperative Extension	Total
Roanoke	\$ 132	\$ 4	\$ 1	\$ 137
Norfolk	\$ 167	\$ -	\$ -	\$ 167
Hampton	\$ 182	\$ 1	\$ 1	\$ 185
Alexandria	\$ 196	\$ 4	\$ -	\$ 200
Newport News	\$ 187	\$ -	\$ 1	\$ 188
Arlington	\$ 210	\$ -	\$ -	\$ 210
Richmond	\$ 506	\$ -	\$ -	\$ 506

Richmond ranked the highest of the seven and well above the average of approximately \$228. The primary cost driver for the cost per capita (\$506) for Richmond is the Richmond Redevelopment and Housing Authority (RRHA) with \$64.7 million of the \$114.8 million reported for this category. RRHA has other revenues that offset these expenses.



Locality	Education	Streets/Bridges	Gen. Govt.	Enterprise Act.	Funds Restricted	Total
Roanoke	\$ 2,479	\$ 319	\$ 2,423	\$ 229	\$ 0	\$ 5,451
Hampton	\$ 1,535	\$ -	\$ 3,848	\$ 674	\$ 67	\$ 5,990
Alexandria	\$ 2,573	\$ 219	\$ 4,609	\$ -	\$ -	\$ 7,401
Newport News	\$ 2,790	\$ 268	\$ 4,173	\$ 1,156	\$ 8	\$ 8,379
Norfolk	\$ 2,366	\$ 113	\$ 4,096	\$ 2,857	\$ -	\$ 9,432
Arlington	\$ 5,154	\$ 573	\$ 3,440	\$ 1,171	\$ -	\$ 10,337
Richmond	\$ 2,236	\$ 375	\$ 4,132	\$ 4,136	\$ 40	\$ 10,838

Richmond ranked the highest of the seven and well above the average of approximately \$8,261. Richmond’s Enterprise activities are a primary reason debt per capita is higher, and this debt is supported by user fees. Enterprise activities also serve customers outside of the city limits but in the Richmond region, which can be a factor for this cost. The table to the right shows that General Government debt service to capita to be in the middle of the range for the seven.

General Gov't Debt Service Per Capita	
Hampton	\$237
Roanoke	\$260
Newport News	\$299
Richmond	\$301
Norfolk	\$331
Alexandria	\$436
Arlington	\$523

The chart below lists demographic information for the localities selected for comparison in this report. Localities were chosen based on similarities in population, urban and industrial regions, and services provided. Localities selected were cities approximately 100,000 in population or more, from various regions of the Commonwealth of Virginia. The County of Arlington was also included due to its similarity in being an urban county government.

Locality	Population (2018)	Land Area (Square Miles) (2010)	Population Density (2018)	Unemployment Rate (%) (2019)	Average Daily Membership in Public Schools (2019)	Percent in Poverty (%) (2017)
Alexandria	161,050	15	10,715	2%	15,303	10
Arlington	241,031	26	9,281	2%	26,366	6
Hampton	135,629	51	2,638	4%	18,801	16
Newport News	181,119	69	2,636	4%	26,857	17
Norfolk	245,741	54	4,541	4%	27,872	21
Richmond	226,919	60	3,794	3%	22,849	24
Roanoke	100,033	43	2,350	3%	12,905	19