

Memo

To: Leadership and Extended Leadership
From: Budget Team
Date: April 6, 2020
Subject: Immediate Steps in Response to the Financial Impacts Related to the COVID-19 Pandemic

As we continue to respond to the COVID-19 pandemic, and the impact on the City's financial position, the Budget Team is implementing the following immediate steps. While we do not currently know the complete impacts to the City, we are implementing the following steps immediately in line with the City's Recession Plan, which will be discussed at the staff level in the near future and presented to Council on April 21st. As we continue to evaluate the City's reduced revenues, and the associated impacts, further action items may be required.

Suspend Recruitment and Implement a Hiring Freeze

This is a general policy to be followed immediately. Any exceptions will be reviewed by the Budget Team for approval:

- Divisions must evaluate what positions are critical and may be considered for Budget Team review
- Division directors will submit critical positions, including an explanation supporting the critical nature of the request, electronically to Heidi Derryberry
- Current recruitments will be returned by Human Resources to division directors for review and submission as stated above
- FY 2020-2021 approved positions will follow the same guidelines as stated above

Eliminate All Travel and Training

- Exceptions may include requirements for mandatory certifications, etc.

Suspend All Non-Essential Purchases

- Reduce FY 2019-2020 unspent commodities budgets unless required for COVID-19

Postpone Fleet Purchases

Any exceptions will be reviewed by the Budget Team for approval:

- Divisions must evaluate what purchases are critical and may be considered for Budget Team review
- Division directors will submit critical purchases, including an explanation supporting the critical nature of the request, electronically to Heidi Derryberry
- FY 2020-2021 approved purchases will follow the same guidelines as stated above

Postpone Operating Capital Purchases

Any exceptions will be reviewed by the Budget Team for approval:

- Divisions must evaluate what purchases are critical and may be considered for Budget Team review
- Division directors will submit critical purchases, including an explanation supporting the critical nature of the request, electronically to Heidi Derryberry
- FY 2020-2021 approved purchases will follow the same guidelines as stated above

Review and Re-Negotiate Contracts If Applicable

- Reduce consultant related expenses
- Reduce and/or eliminate contracts for services (i.e. custodial services)
- Reduce maintenance contracts

We are asking that divisions implement these action items effective immediately and continue until further notice. We are very grateful for your assistance in these matters and recognize the difficulties that will be placed upon all divisions. As Team Flagstaff your commitment to reduce costs will help us succeed as an organization.

If you have any questions, please feel free to contact the Budget Team.