

INTRODUCED: May 15, 2017

AN ORDINANCE No. 2017-101

To amend Ord. No. 2016-053, adopted May 13, 2016, which adopted the Fiscal Year 2016-2017 General Fund Budget and made appropriations pursuant thereto, by reducing total appropriations by \$4,147,757, transferring funds from various agencies and non-departmental programs in the City's accounting system, and appropriating the transferred funds to various agencies and non-departmental programs.

\_\_\_\_\_  
Patron – Mayor Stoney

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Approved as to form and legality  
by the City Attorney  
\_\_\_\_\_

PUBLIC HEARING: MAY 22 2017 AT 6 P.M.

THE CITY OF RICHMOND HEREBY ORDAINS:

§ 1. That Ordinance No. 2016-053, adopted May 13, 2016, which adopted a General Fund Budget for the fiscal year commencing July 1, 2016, and ending June 30, 2017, and made appropriations pursuant thereto, is hereby amended by reducing total appropriations by \$4,147,757, transferring funds from various agencies and non-departmental programs as shown on the attachments to this ordinance entitled “Supplemental Amendment Ordinance Information - GF Attachment 1” and “Supplemental Amendment Ordinance Information - Non Departmental Attachment 2,” copies of which are attached to and incorporated into this ordinance, and

AYES:            9            NOES:            0            ABSTAIN:            \_\_\_\_\_

ADOPTED:      MAY 22 2017      REJECTED:    \_\_\_\_\_    STRICKEN:    \_\_\_\_\_

appropriating the transferred funds to various agencies and non-departmental programs as shown on the attachments to this ordinance entitled “Supplemental Amendment Ordinance Information - GF Attachment 1” and “Supplemental Amendment Ordinance Information - Non Departmental Attachment 2.”

§ 2. This ordinance shall be in force and effect upon adoption.



# CITY OF RICHMOND

INTRACITY CORRESPONDENCE

## RECEIVED

O & R REQUEST

4-6490

MAY 1 2017

Office of the  
Chief Administrative Officer

MAY 05 2017

### O&R REQUEST

**DATE:** April 30, 2017      **OFFICE OF CITY ATTORNEY**      **EDITION:** 1

**TO:** The Honorable Members of City Council

**THROUGH:** The Honorable Levar M. Stoney, Mayor

**THROUGH:** Selena Cuffee-Glenn, Chief Administrative Officer

**THROUGH:** Lenora Reid, Deputy Chief Administrative Officer for Finance and Administration

**THROUGH:** John Wack, Director of Finance

**FROM:** Jay A. Brown, Director, Budget and Strategic Planning

**RE:** FY2017 General Fund Re-appropriation Amendment

**ORD. or RES. No.**

**PURPOSE:** To amend the FY2017 General Fund Budget (Ord. 2016-053) by re-allocating funds between agencies to reflect each agency's projected FY2017 funding needs as determined by a preliminary review of the third quarter expenditure forecast. This amendment will also reduce the total general fund budget by approximately \$4,147,757 in order to meet projected revenues.

**REASON:** An outcome of the third quarter forecast is a projected snapshot of each agency's total fiscal year expenditure needs. This ordinance adjusts departmental appropriations to reflect projected expenditures using the third quarter forecast as a basis. The forecast will be presented to the Finance and Economic Development Committee in May.

A preliminary review of the third quarter projections notes an overall flat projection – projecting a net surplus of less than \$15,000 - when assessing general fund revenues that are anticipated to be collected and projecting anticipated expenditures to be realized at June 30, 2017. The current revenue forecast projects a shortfall in revenues of approximately \$4,135,518 – due in large part to the issuance of refunds and reductions in state aid. However, the current expenditure forecast projects a preliminary surplus of approximately \$4,147,757 – due largely to anticipated personnel savings. This results in a preliminary projected net surplus of only \$12,239.

In order to maintain a budget that meets revenue projections and as a best practice, this ordinance seeks to reduce the total general fund budget by the projected expenditure savings. In addition, this ordinance, seeks to transfer projected surpluses from multiple agencies to those agencies that are

projected to have a shortfall. After adoption of this ordinance there is the possibility that changes in expenditure patterns or unforeseen events could result in additional variances.

It is important to note that the Administration is continuing to work with departments to generate efficiencies, identify savings, and to take measures to reduce future expenditures. This includes, but is not limited to: continuing the hiring freeze - limited to all with the exception of public safety and revenue generating positions (note that agencies can request an exemption from the freeze for each requested position), eliminating discretionary spending, and encouraging staff to find cost effective ways of providing high quality services, while reducing costs.

It is likely that the Administration will revisit the projections for FY2017 in June – particularly after more revenue collection information is available and an additional month of expenditures have posted - and will introduce another re-appropriation amendment.

**RECOMMENDATION:** The Administration recommends adoption of this ordinance.

**BACKGROUND:** As part of the “Well-managed Government” strategy, the Administration is requesting amendments to more closely align agency budgets with their projected expenditures. In FY12, FY13, FY14, FY15, and FY16 similar 3<sup>rd</sup> quarter re-appropriation papers were introduced and adopted to adjust various agencies’ budgets. Even after adoption of this ordinance, it should be noted that there is still a possibility that changes in expenditure patterns or unforeseen events could result in additional variances.

In May, Council will be provided with a forecast that projects expenditures for each agency and provides explanations for variances. This forecast, the third quarter projections, combines actual expenditures through the end of the quarter along with a projection of future expenditures through June 30<sup>th</sup>. A preliminary assessment of the FY2017 third quarter forecast estimates flat projections, with a projected net surplus of only \$12,239. As a result, this O and R request recommends not only transferring savings from agencies to those that are projected to have a shortfall but to also reduce the overall general fund expenditure budget in order to meet projected revenue levels.

**FISCAL IMPACT/COST:** This ordinance will amend the FY2016-F2017 general fund budgets of multiple departmental budgets (see attached).

**FISCAL IMPLICATIONS:** The final budgets for various general fund departments would change to reflect their projected FY2017 obligations.

**BUDGET AMENDMENT NECESSARY:** Yes. An amendment is needed if funds are to be transferred between general fund departments and to modify the general fund budget.

**REVENUE TO CITY:** The FY2017 general fund revenue budget will also be reduced by \$4,147,757, including: \$1,647,757 in business license taxes; \$1,000,000 in penalties from delinquent taxes; and \$1,500,000 in State reimbursements for Social Services. Revenues from these sources will otherwise be below the FY2017 budget, based on current projections.

**DESIRED EFFECTIVE DATE:** Upon adoption

**REQUESTED INTRODUCTION DATE:** May 8, 2017

**CITY COUNCIL PUBLIC HEARING DATE:** May 22, 2017

**REQUESTED AGENDA:** Consent Agenda

**RECOMMENDED COUNCIL COMMITTEE:** Finance and Economic Development Committee

**CONSIDERATION BY OTHER GOVERNMENTAL ENTITIES:** None

**AFFECTED AGENCIES:** All General Fund Agencies

**RELATIONSHIP TO EXISTING ORD. OR RES.:** Amends 2016-053

**REQUIRED CHANGES TO WORK PROGRAM(S):** None

**ATTACHMENTS:**

Supplemental Amendment Ordinance Information GF (Attachment 1)

Supplemental Amendment Ordinance Information Non Departmental (Attachment 2)

**STAFF:**

Jay A. Brown, Director, Department of Budget and Strategic Planning

John Wack, Director of Finance

## Supplemental Amendment Ordinance Information - GF Attachment 1

Agency	Current Budget	Total	
		Amendments	Final Budget
Assessor	3,123,355	-30,753	3,092,602
Auditor	1,902,628	14,552	1,917,180
Budget and Strategic Planning	1,258,226	-17,341	1,240,885
Chief Administrative Officer	1,175,060	-50,149	1,124,911
City Attorney	2,681,661	-15,705	2,665,956
City Clerk	859,987	7,516	867,503
City Council	1,308,232	68,494	1,376,726
City Treasurer	130,201	52,943	183,144
Council Chief of Staff	1,161,845	-94,225	1,067,620
Court Services Unit	220,722	-2,333	218,389
Debt	66,238,021	-1,750,000	64,488,021
Economic & Community Development	3,529,222	99,086	3,628,308
Emergency Communications	4,396,961	-16,603	4,380,358
Finance	24,632,335	-742,015	23,890,320
Fire and Emergency Services	46,793,185	2,633,136	49,426,321
General Registrar	1,905,967	83,942	1,989,909
Human Resources	2,890,523	-183,509	2,707,014
Information Technology	18,385,085	-630,219	17,754,866
J&DR Court	231,028	-5,720	225,308
Judiciary	10,647,018	-129,627	10,517,391
Justice Services	8,894,887	121,485	9,016,372
Library	5,474,107	-76,715	5,397,392
Mayor's Office	996,300	-100	996,200
Minority Business Development	661,731	-7,428	654,303
Non-Departmental	47,619,565	582,742	48,202,307
Office of Animal Control	1,645,929	-6,717	1,639,212
Office of Community Wealth Building	1,280,355	168,820	1,449,175
Office of the DCAO for Human Services	1,812,808	-198,884	1,613,924
Park, Recreation, and Community Facilities	17,533,494	-855,454	16,678,040
Planning and Development Review	9,968,340	-720,350	9,247,990
Police	89,012,956	-1,469,323	87,543,633
Press Secretary	525,890	34,205	560,095
Procurement Services	1,154,135	-151,134	1,003,002
Public Works	61,329,034	2,699,817	64,028,851
Richmond City Health Initiative	3,781,490	0	3,781,490
Richmond Public Schools	177,850,679	-867,358	176,983,321
Sheriff's Office	38,825,711	-2,398,103	36,427,608
Social Services	55,985,895	-294,730	55,691,165
<b>Total General Fund</b>	<b>717,824,568</b>	<b>-4,147,757</b>	<b>713,676,811</b>

Supplemental Amendment Ordinance Information - Non Departmental Attachment 2

Non Departmental Name	Current Budget	Total Amendments	Final Budget
311 CALL CENTER	1,064,293	(27,813)	1,036,480
AFFORD HOUSNG TRST FND CONTRIB	731,250		731,250
ARC OF RICHMOND	21,935		21,935
ART 180	3,750		3,750
ASIAN CHAMBER OF COMMERCE	18,712		18,712
BETTER HOUSING COALITION	37,500		37,500
BLACK HISTORY MUSEUM	37,500		37,500
BOAZ & RUTH	33,750		33,750
BOYS & GIRLS CLUB OF METRO RCH	15,000		15,000
CADENCE THEATRE COMPANY	5,000		5,000
CAMP DIVA	16,875		16,875
CAP REGION WORKFORCE PARTNRSHP	19,800		19,800
CARITAS	25,987		25,987
CARYTOWN, INC - LITTER CLEAN UP	35,000		35,000
CENTER FOR HIGH BLOOD PRESSURE	30,000		30,000
CENTER STAGE FOUNDATION - ASSISTANCE TO RESIDENT PERFORMING ARTS COMPANIES	180,000		180,000
CENTRAL VA. LEGAL AID SOCIETY	44,104		44,104
CITY CELEBRATIONS - VENTURE RICHMOND	1,090,248		1,090,248
CLEAN CITY COMMISSION	105,000		105,000
CODEVA, INC	18,750		18,750
COMMUNITIES IN SCHOOLS OF RICHMOND	327,637		327,637
CROSSOVER MINISTRIES	18,750		18,750
DAILY PLANET	30,000		30,000
DROP PROGRAM EXTENSION	212,392	(212,392)	-
EAST END TEEN CENTER	18,562		18,562
EMERGENCY SHELTER HOME AGAIN	7,500		7,500
EXTENSION SERVICES	43,321		43,321
FAMILY ADVOCACY CENTER	25,987		25,987
FAMILY RESOURCE CENTERS	40,500		40,500
FAN FREE CLINIC	40,051		40,051
FEED MORE INC	115,162		115,162
FULTON HILL STUDIOS ECONOMIC DEVELOPMENT GRAN	250,000		250,000
GRCCA SUBSIDY	6,056,982	1,867,351	7,924,333
GREATER RICHMOND PARTNERSHIP	385,000		385,000
GROUNDWORK RVA, INC	18,750		18,750
GRTC EQUIPMENT NOTE	555,157		555,157
GRTC SENIOR RATE BREAK	190,000		190,000
GRTC TRANSIT COMPANY	12,300,000		12,300,000
HEALING PLACE	59,400		59,400
HISPANIC CHAMBER OF COMMERCE	18,562		18,562
HOMeward	37,125		37,125
JAMES RIVER TASK FORCE	5,000		5,000
J SARGENT REYNOLD CC (CAPITAL)	196,274		196,274
J. S. REYNOLDS COMM. (OPER)	63,216		63,216
KINFOLK	37,500		37,500
LIBERATION FAMILY SERVICES	33,750		33,750
LOCAL INITIATIVES SUPPORT CORP	56,250		56,250

Supplemental Amendment Ordinance Information - Non Departmental Attachment 2

MAYMONT CONTRIBUTION	337,350		337,350
MEAD WESTVACO ECONOMIC DEVELOPMENT GRANT	250,000		250,000
MED-FLIGHT	6,900		6,900
MEMORIAL CHILD GUIDANCE CLINIC	36,720		36,720
METROCARE WATER CRISIS PROGRAM	117,292		117,292
METROPOLITAN BUSINESS LEAGUE	98,680		98,680
METRO RICHMOND SPORTSBACKERS	111,598		111,598
MIDDLE SCHOOL RENAISSANCE 2020	262,500		262,500
NEIGHBORHOOD RESOURCE CNR-FULTON	36,225		36,225
NEW WARWICK TOWNHOMES LLC	30,000		30,000
OFFENDER AID AND RESTORATION	92,323		92,323
PETER PAUL DEVELOPMENT CENTER	37,500		37,500
PEUMANSEND REGIONAL JAIL	1,276,550		1,276,550
PHILIP MORRIS RE GRANT	1,250,000		1,250,000
THE PODIUM FOUNDATION	18,750		18,750
RBHA	2,695,000		2,695,000
RENEW RICHMOND	18,750		18,750
RETIREEES HEALTH CARE	4,394,404	(794,404.00)	3,600,000
RICHMOND AMBULANCE AUTH	4,155,500		4,155,500
RICHMOND BOYS CHOIR	18,750		18,750
RICHMOND COMMUNITY ACTION PROG	126,630		126,630
RICHMOND FORUM	12,400		12,400
RICHMOND PARADE INC	15,000		15,000
RICHMOND REGIONAL PLANNING DISTRICT COMMISSION	130,763		130,763
RIDEFINDERS	7,500		7,500
RMCVB - RICHMOND REGION TOURISM	1,465,000		1,465,000
ROBINSON THEATER	14,250		14,250
RPAC MATCHING FUNDS	500,000		500,000
RPS COMMUNITY OF CARING	37,500		37,500
RPS FNDDTN-ARMSTRONG FRESHMAN ACADEMY	16,875		16,875
RPS FNDDTN-I HAVE A DREAM	13,500		13,500
RPS FNDDTN-PROMISE SCHOLARSHIP	318,750		318,750
RRHA EAST END GROCERY STORE	500,000		500,000
RRHA EAST END TRANSFORMATION	200,000		200,000
RRHA 6TH ST. MARKETPLACE LEGAL COUNSEL	93,750		93,750
RRHA PROPERTY MAINTENANCE	112,500		112,500
SCAN OF GREATER RICHMOND	15,000		15,000
SENIOR CENTER OF GREATER RICHMOND	13,500		13,500
SENIOR CONNECTIONS	44,990		44,990
SISTER CITIES	11,250		11,250
SLAVE TRAIL COMMISSION SUPPORT	7,425		7,425
S. RICHMOND ADULT DAYCARE SVCS	7,425		7,425
STONE BREWERY - DEVELOPMENT GRANT	300,000		300,000
STOREFRONT FOR COMMUNITY DESIGN	45,000		45,000
TAX RELIEF FOR ELDERLY/DISABLED	3,000,000	(250,000.00)	2,750,000
THE ARTS CONSORTIUM	267,300		267,300
VIRGINIA HIGH SPEED RAIL	10,000		10,000
VIRGINIA OPERA	3,375		3,375
VIRGINIA SUPPORTIVE HOUSING	40,095		40,095
VIRGINIA TREATMENT CENTER FOR CHILDREN	30,000		30,000
VJ HARRIS HEALTH CLINIC	59,400		59,400



Supplemental Amendment Ordinance Information - Non Departmental Attachment 2

WATER METROCARE PROGRAM	202,063		202,063
WYETH LLC	65,000		65,000
YMCA TEEN CENTER OPERATION	11,250		11,250
	<u>47,619,565</u>	<u>582,742</u>	<u>48,202,307</u>