

INTRODUCED: December 15, 2025

Expedited Consideration

A RESOLUTION No. 2025-R052

To make assignments of the calculated general fund surplus for Fiscal Year 2024-2025.

Patrons – All members of Council

Approved as to form and legality
by the City Attorney

PUBLIC HEARING: DEC 15 2025 AT 6 P.M.

WHEREAS, Chapter 12, Article V of the Code of the City of Richmond (2020), as amended, provides for the Mayor to report on the general fund balance and the Council, by resolution, to assign up to ten percent of the calculated general fund surplus to special purpose reserves, with the terms “general fund balance,” and “special purpose reserve” having the meanings ascribed to those terms by section 12-241(a) of the Code of the City of Richmond (2020), as amended; and

WHEREAS, the Mayor has reported that, for the fiscal year commencing July 1, 2024, and ending June 30, 2025, the unaudited general fund balance is \$22 million;

WHEREAS the Council of the City of Richmond now desires to make assignments of ten percent of the unaudited general fund surplus for the fiscal year commencing July 1, 2024, and

AYES: 8 NOES: 0 ABSTAIN: _____

ADOPTED: DEC 15 2025 REJECTED: _____ STRICKEN: _____

ending June 30, 2025, to special purpose reserves pursuant to section 12-265 of the Code of the City of Richmond (2020), as amended,

NOW, THEREFORE,

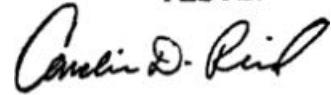
BE IT RESOLVED BY THE COUNCIL OF THE CITY OF RICHMOND:

That, pursuant to section 12-265 of the Code of the City of Richmond (2020), as amended, the Council hereby assigns:

1. Up to \$1,417,850 of the special purpose reserve to the Richmond Retirement System (“RRS”) Total Retirement Fund for the purpose of funding bonuses for retired members of RRS.
2. Up to \$162,150 of the remaining portion of the special purpose reserve for low-barrier support for children and families during inclement weather season;
3. Up to \$100,000 of the remaining portion of the special purpose reserve to Presbyterian Homes & Family Services, Inc. for the purpose of increasing funding to the Family Crisis Fund;
4. Up to \$70,000 of the remaining portion of the special purpose reserve to fund Music and Media Lab improvements at Southside Community Center;
5. Up to \$50,000 of the remaining portion of the special purpose reserve to fund a study of the intersections of Kensington Avenue and Patterson Avenue, Kensington Avenue and Thompson Street, Patterson Avenue and Thompson Street, and the surrounding approaches to such intersections to determine the feasibility of improving the intersections for all road users utilizing Vision Zero techniques;
6. Up to \$400,000 of the remaining portion of the special purpose reserve to support the Affordable Housing Trust Fund; and

7. Any remaining portion of the special purpose reserve to the RRS Total Retirement Fund for the purpose of funding bonuses for retired members of RRS.

A TRUE COPY:
TESTE:

A handwritten signature in black ink, appearing to read "Carolin D. Reid".

City Clerk

DATE: December 3, 2025
TO: The Honorable Members of City Council
THROUGH: RJ Warren, Council Chief of Staff
THROUGH: Will Perkins, Senior Legislative Services Manager
FROM: The Honorable Cynthia Newbille
RE: To make assignments of the calculated general fund surplus for Fiscal Year 2024-2025.

CNL-2025-0065

PURPOSE: To make assignments of the calculated general fund surplus for Fiscal Year 2024-2025.

BACKGROUND: Section 12-265 of Richmond City Code (2015) allows the City Council to, by resolution, make an assignment of all or any part of the portion of the calculated general fund surplus for the preceding fiscal year allocated for special purpose reserves (10%) pursuant to Section 12-242. The CAO has reported that, for the fiscal year commencing July 1, 2024, and ending June 30, 2025, the unaudited calculated general fund balance is \$22 million (see attachment: “CAO Donald Memo re Unaudited Estimate of General Fund Balance (period ending June 30, 2025)”). The Council, therefore, desires to make assignments of ten percent (\$2.2 million) of the unaudited calculated general fund surplus as follows:

1. Up to \$1,417,850 of the special purpose reserve provided for in sections 12-242 and 12-265 of the Code of the City of Richmond for the fiscal year commencing July 1, 2024, and ending June 30, 2025 (the “special purpose reserve”), to the Richmond Retirement System (“RRS”) Total Retirement Fund for the purpose of funding bonuses for retired members of RRS.
2. Up to \$162,150 of the remaining portion of the special purpose reserve for low-barrier support for children and families during inclement weather season.
3. Up to \$100,000 of the remaining portion of the special purpose reserve to Presbyterian Homes & Family Services, Inc. for the purposes of increasing funding to the Family Crisis Fund.

4. Up to \$70,000 of the remaining portion of the special purpose reserve to fund Music and Media Lab improvements at the Southside Community Center.
5. Up to \$50,000 of the remaining portion of the special purpose reserve to fund a study of the intersections of Kensington Avenue and Patterson Avenue, Kensington Avenue and Thompson Street, Patterson Avenue and Thompson Street, and the surrounding approaches to such intersections to determine the feasibility of improving the intersections for all road users utilizing Vision Zero techniques;
6. Up to \$403,000 of the remaining portion of the special purpose reserve to support the Affordable Housing Trust Fund.
7. Any remaining portion of the special purpose reserve to the RRS Total Retirement Fund for the purpose of funding bonuses for retired members of RRS.

COMMUNITY ENGAGEMENT: Councilmembers based assignments on their experience and constituent requests.

STRATEGIC INITIATIVES AND OTHER GOVERNMENTAL: A thriving City Hall; Thriving Neighborhoods; Thriving Families; Thriving Economy

FISCAL IMPACT: Per Section 12-265, Assignments for a special purpose reserve must be only for one-time, non-recurring purposes and may not be for an installment or phase of a multi-installment or multi-phase project. No such assignments may be made other than in accordance with this section. The City Council may, by resolution adopted no later than December 15, make an assignment of all or any part of the portion of the calculated general fund surplus for the preceding fiscal year allocated for special purpose reserves pursuant to Section 12-242.

DESIRED EFFECTIVE DATE: Upon adoption

REQUESTED INTRODUCTION DATE: December 8, 2025

CITY COUNCIL PUBLIC HEARING DATE: December 8, 2025 [expedited consideration]

REQUESTED AGENDA: Expedited adoption

RECOMMENDED COUNCIL COMMITTEE: N/A [Expedited Consideration]

AFFECTED AGENCIES: Office of Chief Administrative Officer, Department of Budget and Strategic Planning.

RELATIONSHIP TO EXISTING ORD. OR RES.: N/A

ATTACHMENTS: Draft Ordinance; “CAO Donald Memo re Unaudited Estimate of General Fund Balance (period ending June 30, 2025)”

STAFF: Will Perkins, Senior Legislative Services Manager (804)-646-5975



CHIEF ADMINISTRATIVE OFFICE

DATE: November 15, 2025

TO: Honorable Members of the Richmond City Council

FROM: Odie Donald II, Chief Administrative Officer 

CC: Danny Avula, Mayor of Richmond
Lawson Wijesooriya, Chief of Staff
RJ Warren, Council Chief of Staff
Tanikia Jackson, DCAO Finance & Administration
Letitia Shelton, Director of Finance

RE: **Unaudited Estimate of General Fund Balance (period ending June 30, 2025)**

Overview

Pursuant to City Code § 12-242(b), this memorandum provides the required reporting of the unaudited estimate of the General Fund balance for FY2025 and informs Council that the FY2025 Annual Comprehensive Financial Report (ACFR), for the fiscal year ending June 30, 2025. This correspondence also serves as official notification that the ACFR is scheduled to be complete in January of 2026.

Estimated Surplus

In compliance with City Code and based on preliminary information available as of November 15, 2025, the unaudited General Fund surplus for FY2025 is currently estimated at \$22 million. It is important to note, that this estimate remains subject to change, as the external audit is ongoing and several factors continue to affect the finalization of the City's year-end closeout and financial statements.

Allocation of Projected Surplus

Once the audit is finalized, any confirmed surplus will be allocated in accordance with the reserve structure established in City Code § 12-242(a). Based on the current estimate, the FY2025 surplus of \$22 million would be distributed as follows:

- 50% (\$11,000,000) – Downturn Reserve Fund
- 40% (\$8,800,000) – Capital Maintenance Reserve
- 10% (\$2,200,000) – Special Purpose Reserve

These allocations remain preliminary and are subject to change based on final audit adjustments. As constructed, the administration proposes to allocate \$2.2 million from the Special Purpose Reserve fund towards affordable housing activities.



Steps Toward Finalizing the FY2025 Audit

The primary drivers of the delay include (but are not limited to):

- **Delayed Receipt of Component Unit Financial Statement:** The City has not yet received audited financial statements from:
 - Richmond Redevelopment and Housing Authority (RRHA)
 - Richmond Behavioral Health Authority (RBHA)
 - Richmond Public Schools (RPS)
- **Updated Review for GASB 87 – Leases:** Requires the City to identify, review, and value all lease agreements and record them as assets and liabilities, replacing the former operating vs. capital lease model.
- **Implementation of GASB 101 – Compensated Absences** which requires Finance and Human Resources to review all City leave policies to determine which types of leave are earned, can carry forward, and are likely to be used or paid out, in order to correctly calculate and report the City's leave liability.
- **Implementation of GASB 102 – Certain Risk Disclosures:** Requires the City to disclose major risks—such as reliance on specific revenues, vendors, or legal constraints—that could affect financial stability or service delivery.
- **Year-End General Ledger Not Finalized:** The year-end general ledger cannot be finalized until the following items are resolved and required adjustments are posted:
 - **EDA FY2024 Bond Issuance:** Preliminary review of the EDA's financial statements indicates the City may be responsible for debt service, which may require reclassification of the EDA as a blended component unit.
 - **EDA FY2025 Stadium Bond Issuance:** A determination is needed as to whether the related fund meets the definition of a fiduciary activity rather than a debt service fund.
 - **Tax Refund Expense:** An adjusting entry is required to correct an overstatement recorded in FY2024.
 - **Review of Accounting Schedules:** Final accuracy checks are required to align with all schedules submitted to the external auditor.
 - **Review of nongeneral Funds:** Verification is needed to ensure contribution entries were properly recorded and that no structural deficits exist.

The estimated General Fund surplus of **\$22 million** will change. Whether this change results in an increase or decrease is wholly dependent on the outcome of audit procedures, outstanding reconciliations, and component unit reporting. At this time, the extent of any adjustments cannot be reasonably determined.

Looking Ahead

Looking ahead, the transition of the real estate assessment cycle to align with the fiscal year will improve revenue forecasting, but is also expected to significantly reduce General Fund surpluses in future years. City Council has adopted Ordinance No. 2024-130, implementing a one-time biennial assessment cycle that will utilize January 1, 2026 values for tax years 2026 and 2027.

The administration continues to work diligently to resolve all remaining outstanding items and ensure accuracy, completeness, and compliance with ACFR reporting standards. This continued work serves as a key instrument in the City's ability to achieving and maintaining the Certificate of Achievement for Excellence in Financial Reporting.