

INTRODUCED: October 28, 2019

Expedited Consideration

A RESOLUTION No. 2019-R061

To make assignments of the calculated general fund surplus for Fiscal Year 2018-2019.

Patrons – All Members of Council

Approved as to form and legality
by the City Attorney

PUBLIC HEARING: OCT 28 2019 AT 2 P.M.

WHEREAS, Chapter 12, Article V of the Code of the City of Richmond (2015), 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 “calculated general fund balance,” “general fund balance,” and “special purpose reserve” having the meanings ascribed to those terms by section 12-251(a) of the Code of the City of Richmond (2015), as amended; and

WHEREAS, the Mayor has reported that, for the fiscal year commencing July 1, 2018, and ending June 30, 2019, the unaudited general fund balance is \$17,162,558.00; and

WHEREAS, by Ordinance No. 2019-272, adopted _____, 2019, the Council created a new reservation of fund balance in the amount of up to \$6,200,000.00 from the

AYES: 7 NOES: 0 ABSTAIN: _____

ADOPTED: OCT 28 2019 REJECTED: _____ STRICKEN: _____

general fund balance called the 2019 Cost of Living Adjustment for City Retirees Reserve for the purpose of providing a one-time, one-percent cost of living adjustment for each member of the Richmond Retirement System who has received a retirement allowance for at least one year at the time such adjustment is granted; and

WHEREAS, the Mayor has reported that, for the fiscal year commencing July 1, 2018, and ending June 30, 2019, the unaudited calculated general fund surplus is \$10,962,558.00; and

WHEREAS, the Council of the City of Richmond now desires to make assignments of ten percent of the calculated general fund surplus for the fiscal year commencing July 1, 2018, and ending June 30, 2019, to special purpose reserves pursuant to section 12-265 of the Code of the City of Richmond (2015), 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 (2015), as amended, the Council hereby assigns:

1. Up to the first \$250,000 of ten percent of the calculated general fund surplus for the fiscal year commencing July 1, 2018, and ending June 30, 2019, to a special purpose reserve called the "OPEB Trust Fund" reserve intended to identify funds for later appropriation to the trust established by section 1 of Ordinance No. 2018-196, adopted July 23, 2018, for the purpose of accumulating and investing assets to fund other post-employment benefits; and

2. Up to \$846,256.00 of any remaining portion of such ten percent of the calculated general fund surplus for the fiscal year commencing July 1, 2018, and ending June 30, 2019, to a new reservation of fund balance called the 2019 Richmond Retirement System Unfunded Liability

Reduction Reserve intended to identify funds for later appropriation to the Richmond Retirement System for the purpose of reducing the unfunded liability of the Richmond Retirement System.



Richmond City Council

The Voice of the People

Richmond, Virginia

Office of the Council Chief of Staff

Ordinance/Resolution Request

TO Allen Jackson, Richmond City Attorney
Richmond Office of the City Attorney

FROM Meghan K. Brown *MKB*
Interim Council Chief of Staff

COPY Richmond City Council
Haskell Brown, Deputy City Attorney

DATE October 15, 2019

PAGE/s 1 of 2

TITLE Assignment of General Fund Surplus

RECEIVED

OCT 15 2019

OFFICE OF THE CITY ATTORNEY

This is a request for the drafting of an Ordinance Resolution

REQUESTING COUNCILMEMBER/PATRON

All Members of City Council

SUGGESTED STANDING COMMITTEE

Expedited Consideration

ORDINANCE/RESOLUTION SUMMARY

The patrons request a resolution to set out Council's assignments of the projected Fiscal Year 2019 year-end General Fund surplus, as provided for in Ordinance No.2017-2015.

BACKGROUND

Summary:

- Ordinance No. 2017-215 requires the mayor to provide Council with his recommendations for assignment of the year-end General Fund surplus.
 - Council has until November 1 to endorse these recommendations, or set out its own assignments.
 - Any amount not assigned by City Council may be assigned by the Mayor, in the Mayor's discretion, in writing to the City Council.
- On September 16, 2019, the City Administration submitted to City Council its latest projection of the Fiscal Year 2019 General Fund year-end fund balance and surplus.
- Ordinance 2019-272 has been introduced to create a new reservation of fund balance called the 2019 Cost of Living Adjustment for City Retirees Reserve notwithstanding the provisions of Ordinance 2017-215.
- Upon the assignment for the 2019 Cost of Living Adjustment for City Retirees Reserve, the remainder of any surplus shall be subject to the 50%/40%/10% allocation as established in Ordinance 2017-215.
- Pursuant to its authority under Ordinance No. 2017-215, City Council has determined that the final year-end General Fund surplus shall be assigned as

follows:

- A. Notwithstanding the provisions of Ordinance No. 2017-215, as set out in Ordinance 2019-272:
 - 1) Up to \$6,200,000 for the cost of a 1.00% Cost of Living Adjustment (COLA) for retired members of the Richmond Retirement System's Defined Benefit program,
- B. After the \$6,200,000 initial assignments set out in Ordinance No. 2019-272, the remainder of any surplus shall be subject to the 50%/40%/10% allocation as established by Ordinance No. 2017-215.
- C. The 10 percent available for special purpose reserve(s) shall be assigned in the following order:
 - 1) Up to \$250,000 be assigned for OPEB Trust
 - 2) Any remaining surplus be assigned for the Retirement Unfunded Liability.
- City Council has also expressed its desire that out of the 40% that is allocated to the Capital Maintenance Reserve the first \$1,352,558 be used as stipulated in Resolution No. 2019-R016.

FISCAL IMPACT STATEMENT

Fiscal Impact Yes No

Budget Amendment Required Yes No

Estimated Cost or Revenue Impact

There is no fiscal impact. This resolution is only making assignments of Fiscal Year 2019 year-end General Fund surplus. Use of any assignments will require a subsequent budget amendment(s) for appropriation.

Attachment/s Yes No