

INTRODUCED: September 12, 2022

AN ORDINANCE No. 2022-249

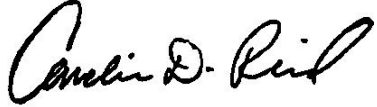
To amend Ord. No. 2022-060, adopted May 9, 2022, which adopted the Fiscal Year 2022-2023 Internal Service Fund Budgets, by re-appropriating \$6,700,000.00 from the Fiscal Year 2021-2022 Information Technology fund balance to the Department of Information Technology Internal Service Fund to fund necessary equipment replacement expenses.

Patron – Mayor Stoney

Approved as to form and legality
by the City Attorney

PUBLIC HEARING: SEP 26 2022 AT 6 P.M.

**A TRUE COPY:
TESTE:**


City Clerk

THE CITY OF RICHMOND HEREBY ORDAINS:

§ 1. That Ordinance No. 2022-060, adopted May 9, 2022, which adopted Internal Service Fund Budgets for the fiscal year commencing July 1, 2022, and ending June 30, 2023, is hereby amended by re-appropriating \$6,700,000.00 from the Information Technology fund balance for the fiscal year commencing July 1, 2021, and ending June 30, 2022, to the Department of Information Technology Internal Service Fund to fund necessary equipment replacement expenses as listed on the document entitled “Enhancements, (8/17/2022),” a copy of which is attached to and made a part of this ordinance.

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

AYES: 7 NOES: 0 ABSTAIN: _____

ADOPTED: SEP 26 2022 REJECTED: _____ STRICKEN: _____



City of Richmond

Intracity Correspondence

O&R REQUEST

DATE: August 15, 2022

EDITION: 1

TO: The Honorable Members of City Council

THROUGH: The Honorable Levar M. Stoney, Mayor

Levar M. Stoney

THROUGH: J.E. Lincoln Saunders, Chief Administrative Officer

J.E. Lincoln Saunders

THROUGH: Sabrina Joy-Hogg, Deputy Chief Administrative Officer

Sabrina Joy-Hogg

THROUGH: Sheila White, Director of Finance

Sheila White

THROUGH: Jason May, Director of Budget & Strategic Planning

Jason May

FROM: Charles G. Todd, Director of Information Technology

Charles G. Todd

Charles G. Todd
2022.08.17 16:04:38 -04'00'

RE: Reallocation of Fund Balance

ORD. OR RES. No. _____

PURPOSE: To amend ordinance number 2022-060, which adopted Internal Service Fund budgets for Fiscal Year 2022-2023 and appropriated \$28,903,008 for the Department of Information Technology, by appropriating an increase of \$6,700,000 from the Information Technology fund balance to cover necessary equipment replacement expenses.

REASON: To increase the appropriation to cover necessary equipment replacement expenses.

RECOMMENDATION: The Administration recommends adoption of this ordinance.

BACKGROUND: Balance in the Information Technology internal service fund is accumulated with the intent of use for equipment replacement or expansion needs, as the baseline budget covers only a portion each year. In FY 2023, the baseline budget will provide for about 23% of the city's equipment replacement needs. In order to cover the remainder of items due this year related to equipment replacement needs, above and beyond the internal service fund's baseline budget, the variance will need to be provided by the established fund balance. See the breakdown of needs below:

End User Services	504,000
Communications	4,900,000
Print Shop	21,000
Hosting Infrastructure	169,000
Networks	446,000
File and Storage	565,000
Data Center	95,000
TOTAL	\$ 6,700,000

The largest portion is for Communications. The City's telephone back-end infrastructure reaches end-of-life in spring of 2023. The request of \$4.9 million covers 100% replacement of the system with the current version of software and hardware, cloud components, plus support for the next five-year term.

FISCAL IMPACT / COST: The requested appropriation of \$6,700,000 will come from Information Technology fund balance.

FISCAL IMPLICATIONS Fund balance is available to cover the request.

BUDGET AMENDMENT NECESSARY: Yes, to increase the FY 2023 appropriation for the Department of Information Technology from \$28,903,008 to \$35,603,008, an increase of \$6,700,000.

REVENUE TO CITY: N/A

DESIRED EFFECTIVE DATE: Upon adoption

REQUESTED INTRODUCTION DATE: September 12, 2022

CITY COUNCIL PUBLIC HEARING DATE: September 26, 2022

REQUESTED AGENDA: Consent.

RECOMMENDED COUNCIL COMMITTEE: Request a waiver.

CONSIDERATION BY OTHER GOVERNMENTAL ENTITIES: N/A

AFFECTED AGENCIES: Department of Finance and Budget

RELATIONSHIP TO EXISTING ORD. OR RES.: 2022-060

REQUIRED CHANGES TO WORK PROGRAM(S): N/A

ATTACHMENTS: Listing of Enhancements and ACFR Report

STAFF: Charles G. Todd, Director of Information Technology

CITY OF RICHMOND, VIRGINIA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
June 30, 2021

EXHIBIT K-1

	Fleet Management	Radio Maintenance	Health Self-Insurance	Advantage Richmond Corporation	Information Technology	Risk Management	Electric Utility	Stores and Transportation Division	Total
Assets									
Current Assets:									
Cash and Cash Equivalents	\$ -	\$ -	\$ 27,086,613	\$ -	\$ 11,466,747	\$ 3,312,474	\$ 5,833,496	\$ -	\$ 47,699,330
Accounts Receivables, Net	4,494	25,304	754,764	-	-	2,774,704	3,719,457	-	7,278,723
Inventory	-	287,769	-	-	-	-	-	5,338,332	5,626,101
Prepaid Expenses	-	-	-	-	-	2,169,956	-	115,029	2,284,985
Total Current Assets	4,494	313,073	27,841,377	-	11,466,747	8,257,134	9,552,953	5,453,361	62,889,139
Noncurrent Assets:									
Capital Assets:									
Land	98,000	-	-	-	-	-	265,389	1,686,532	2,049,921
Buildings and Structures	1,211,217	13,218	-	-	-	-	48,353,296	3,478,430	53,056,161
Equipment	70,886,979	410,950	-	-	3,686,534	-	17,273,687	31,545,362	123,803,512
Construction in Progress	-	-	-	-	-	-	302,944	-	302,944
Less Accumulated Depreciation	(59,140,113)	(389,597)	-	-	(2,667,235)	-	(47,496,826)	(34,358,611)	(144,052,382)
Total Capital Assets	13,056,083	34,571	-	-	1,019,299	-	18,698,490	2,351,713	35,160,156
Total Noncurrent Assets	13,056,083	34,571	-	-	1,019,299	-	18,698,490	2,351,713	35,160,156
Total Assets	13,060,577	347,644	27,841,377	-	12,486,046	8,257,134	28,251,443	7,805,074	98,049,295
Deferred Outflows of Resources									
Losses on Refunding of Debt	-	-	-	-	-	-	979	-	979
Pension & OPEB Related Activities (Note 11)	1,047,246	46,186	-	-	556,413	12,422	823,500	110,288	2,596,055
Total Deferred Outflows of Resources	1,047,246	46,186	-	-	556,413	12,422	824,479	110,288	2,597,034
Liabilities									
Current Liabilities:									
Combined RPS City Withholding	-	-	5,483,424	-	-	-	-	-	5,483,424
Accounts Payable	702,621	17,092	-	-	513,423	261,953	1,874,634	299,549	3,669,272
Accrued Liabilities	2,531	8,482	3,477,000	-	175	-	366,392	1,648	3,856,228
Accrued Wages	119,717	5,583	-	-	268,207	11,290	75,888	11,222	491,907
Due To Other Funds	1,799,285	4,843,719	-	-	-	-	-	665,931	7,308,935
Accrued Interest on Bonds and Notes Payable	7,789	-	-	-	-	-	2,924	-	10,713
General Obligation Bonds	2,058,000	-	-	-	-	-	66,111	-	2,124,111
Compensated Absences	49,523	3,949	-	-	172,866	9,971	44,140	6,544	286,993
Other Liabilities & Claims Payable	-	-	-	-	-	8,591,238	-	-	8,591,238
Total Current Liabilities	4,739,466	4,878,825	8,960,424	-	954,671	8,874,452	2,430,089	984,894	31,822,821
Noncurrent Liabilities									
General Obligation Bonds Payable	9,175,000	-	-	-	-	-	83,551	-	9,258,551
Compensated Absences	105,770	8,435	-	-	369,203	21,296	94,280	13,976	612,960
Net Pension and OPEB Liability	3,515,715	158,184	-	-	1,861,661	35,206	2,758,931	635,837	8,965,534
NC Other Liabilities & Claims Payable	-	-	-	-	-	32,515,984	-	-	32,515,984
Total Noncurrent Liabilities	12,796,485	166,619	-	-	2,230,864	32,572,486	2,936,762	649,813	51,353,029
Total Liabilities	17,535,951	5,045,444	8,960,424	-	3,185,535	41,446,938	5,366,851	1,634,707	83,175,850
Deferred Inflows of Resources									
Pension & OPEB Related Activities (Note 11)	590,865	13,475	-	-	(544,126)	(18,069)	454,335	(42,225)	454,255
Total Deferred Inflows of Resources	590,865	13,475	-	-	(544,126)	(18,069)	454,335	(42,225)	454,255
Net Position									
Net Investment in Capital Assets	1,823,083	34,571	-	-	1,019,300	-	18,524,590	2,351,710	23,753,254
Unrestricted	(5,842,076)	(4,699,660)	18,880,953	-	9,381,750	(33,159,313)	4,730,146	3,971,170	(6,737,030)
Total Net Position	\$ (4,018,993)	\$ (4,665,089)	\$ 18,880,953	\$ -	\$ 10,401,050	\$ (33,159,313)	\$ 23,254,736	\$ 6,322,880	\$ 17,016,224

Internal Service Funds' negative Net Position will be alleviated by increases in user fees.

CITY OF RICHMOND, VIRGINIA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
For the Fiscal Year Ended June 30, 2021

EXHIBIT K-2

	Fleet Management	Radio Maintenance	Health Self-Insurance	Advantage Richmond Corporation	Information Technology	Risk Management	Electric Utility	Stores and Transportation Division	Total
Operating Revenues									
Charges for Goods and Services	\$ 15,197,103	\$ 1,415,913	\$ 54,271,808	\$ 800,000	\$ 25,270,536	\$ 19,434,851	\$ 4,890,845	\$ 852,708	\$ 122,133,764
Operating Expenses									
Cost of Goods and Services Sold	9,523,103	390,582	-	-	-	-	-	-	9,913,685
Salaries and Wages and Benefits	1,463,242	261,949	-	-	8,143,907	371,888	2,876,194	436,385	13,553,565
Data Processing	16,481	-	-	-	8,619,551	-	-	-	8,636,032
Materials and Supplies	67,797	8,796	-	-	861,074	320	510,179	1,019	1,449,185
Rents and Utilities	38,745	95,802	-	59,116	-	-	2,674,422	19,996	2,888,081
Maintenance and Repairs	109,447	11,554	-	241,037	473,335	1,555	1,613,149	-	2,450,077
Depreciation and Amortization	3,545,154	4,048	-	-	502,476	-	1,390,414	96,913	5,539,005
Claims and Settlements	622,579	-	48,806,134	-	79,581	18,619,233	-	-	68,127,527
Miscellaneous Operating Expenses	(6,744,078)	97,030	3,043,797	5,937,754	3,657,936	437,715	343,689	160,104	6,933,947
Total Operating Expenses	8,642,470	869,761	51,849,931	6,237,907	22,337,860	19,430,711	9,408,047	714,417	119,491,104
Operating Income (Loss)	6,554,633	546,152	2,421,877	(5,437,907)	2,932,676	4,140	(4,517,202)	138,291	2,642,660
Non-Operating Revenues (Expenses)									
Interest and Fiscal Charges	(96,427)	-	-	(21,320)	-	-	(4,052)	-	(121,799)
Interest Income	-	-	3,594	-	-	-	-	-	3,594
Miscellaneous Revenue (Expenses)	-	-	-	-	-	-	5,851	16,389	22,240
Gain/(Loss) on Disposal of Capital Assets	215,770	-	-	-	-	-	-	-	215,770
Total Non-Operating Revenues (Expenses), Net	119,343	-	3,594	(21,320)	-	-	1,799	16,389	119,805
Other Financing Sources									
Capital Contributions	-	-	-	-	-	-	901,468	-	901,468
Transfers Out - Other Funds	-	-	-	(6,456,079)	-	-	-	-	(6,456,079)
Total Other Financing Sources, Net	-	-	-	(6,456,079)	-	-	901,468	-	(5,554,611)
Change In Net Position	6,673,976	546,152	2,425,471	(11,915,306)	2,932,676	4,140	(3,613,935)	154,680	(2,792,146)
Net Position - Beginning of Year	(10,692,969)	(5,211,241)	16,455,482	11,915,306	7,468,374	(33,163,453)	26,868,671	6,168,200	19,808,370
Net Position - End of Year	\$ (4,018,993)	\$ (4,665,089)	\$ 18,880,953	\$ -	\$ 10,401,050	\$ (33,159,313)	\$ 23,254,736	\$ 6,322,880	\$ 17,016,224

ENHANCEMENTS (8/17/2022)

Category		Description	Expense TOTAL	Sum of Recoveries	Est-General Fund	Est-Cemeteries	Est-Fleet	Est-Parking	Est-Street Maint	Est-Utilities	Est-Radio	Est-Retirement	Est-Fund Balance
End User													
		1 FY23 Net-new Computers Requested by Agencies											
		Request	520,939	520,940	380,200	-	10,236	7,677	20,471	102,356	-	-	-
		ADJ: Remove Sheriff's Req for 70 net-new computers	(110,207)	(110,207)	(110,207)	-	-	-	-	-	-	-	-
		ADJ: Remove CWB Req for 41 net-new computers	(103,766)	(103,766)	(103,766)	-	-	-	-	-	-	-	-
		Total Item 1	306,966	306,966	166,227	-	10,236	7,677	20,471	102,356	-	-	-
		2 Large Wall Video Display for Service Desk Area	1,500	1,500	1,156	8	17	2	71	240	3	4	-
		3 Shelving in IT Asset Management area	1,224	1,224	943	6	14	1	58	196	2	3	-
		4 Testing software for ITAM	2,380	2,380	1,835	12	28	3	112	381	4	6	-
		5 Additions to Service Center Software	13,721	13,721	10,576	71	159	16	648	2,194	23	33	-
		6 Replacement of PCs beyond FY22											
		Request	346,365	346,365	266,978	1,801	4,018	416	16,348	55,384	589	831	-
		ADJ:Move to Baseline	(346,365)	(346,365)	(266,978)	(1,801)	(4,018)	(416)	(16,348)	(55,384)	(589)	(831)	-
		ADJ: Move FROM Baseline: RPD Request for Computer Replacement Funding	460,000	460,000	460,000	-	-	-	-	-	-	-	-
		ADJ: RPD says funding not needed	(460,000)	(460,000)	(460,000)	-	-	-	-	-	-	-	-
		Total Item 6	-	-	-	-	-	-	-	-	-	-	-
		28 System Center Operations Manager software	125,000	125,000	96,350	650	1,450	150	5,900	19,988	213	300	-
		Total End User	450,791	450,791	277,087	748	11,904	7,849	27,260	125,354	245	345	-
Communications													
		7 Teams Audio Conferencing – net new requests	1,478	1,478	1,139	8	17	2	70	236	3	4	-
		8 Wireless – net new requests	87,027	87,027	67,080	453	1,010	104	4,108	13,916	148	209	-
		9 REQUIRED Telephone System Replacement. <i>We will consider paying across 4 or 5 years instead of paying up-front and amortizing</i>	3,305,609	3,305,609	-	-	-	-	-	-	-	-	3,305,609
		10 Expansion to Call Center Functionality – net new requests from 311 and DPU	1,115,508	1,115,508	-	-	-	-	-	-	-	-	1,115,508
		11 Move telephone infrastructure to cloud.	399,594	399,594	-	-	-	-	-	-	-	-	399,594
		Total Communications	4,909,216	4,909,216	68,220	460	1,027	106	4,177	14,152	150	212	4,820,711
Print Services													
		12 Champion 370 Knife/ Service Warranty	3,000	3,000	2,312	16	35	4	142	480	5	7	-
		13 Duplo DC-646-Cutter-Slitter / Service Warranty	3,000	3,000	2,312	16	35	4	142	480	5	7	-
		14 Thermography Printer / Supplies	15,000	15,000	11,562	78	174	18	708	2,399	26	36	-
		Total Print Services	21,000	21,000	16,187	109	244	25	991	3,358	36	50	-
Hosting													
		15 Document Management and workflow: Additional licensing and support	107,500	107,500	82,861	559	1,247	129	5,074	17,189	183	258	-
		16 Kofax and Onbase Upgrade Support (Keymark)	20,000	20,000	15,416	104	232	24	944	3,198	34	48	-
		17 LIDAR Images	40,000	40,000	30,832	208	464	48	1,888	6,396	68	96	-
		18 Power BI Pro – additional licenses	1,574	1,574	1,213	8	18	2	74	252	3	4	-
		Total Hosting	169,074	169,074	130,322	879	1,961	203	7,980	27,035	287	406	-
Staff Augmentation													
		19 Project Manager											
		Request	180,000	180,000	138,744	936	2,088	216	8,496	28,782	306	432	-
		ADJ: will use the \$6 million from FY22 roll	(180,000)	(180,000)	(138,744)	(936)	(2,088)	(216)	(8,496)	(28,782)	(306)	(432)	-
		Total Item 19	-	-	-	-	-	-	-	-	-	-	-

Category		Description	Expense TOTAL	Sum of Recoveries	Est-General Fund	Est-Cemeteries	Est-Fleet	Est-Parking	Est-Street Maint	Est-Utilities	Est-Radio	Est-Retirement	Est-Fund Balance
		20 Drupal developer for RVA web site Request	187,200	187,200	144,294	973	2,172	225	8,836	29,933	318	449	-
		ADJ: Included in operating budget	(187,200)	(187,200)	(144,294)	(973)	(2,172)	(225)	(8,836)	(29,933)	(318)	(449)	-
		Total Item 20	-	-	-	-	-	-	-	-	-	-	-
		Total Staff Augmentation	-	-	-	-	-	-	-	-	-	-	-
Network													
		21 CyberSecurity Enhancements (McAfee threat defense enhancements, etc)	445,900	445,900	343,700	2,319	5,172	535	21,046	71,299	758	1,070	-
		22 Public DNS hosting to replace aging on-premises services	200	200	154	1	2	0	9	32	0	0	-
		Total Network	446,100	446,100	343,854	2,320	5,175	535	21,056	71,331	758	1,071	-
File and Storage													
		23 REQUIRED Forecasted unstructured and centralized storage augmentation (4x 66TB enclosures, 1 Enterprise Controller)	261,925	261,925	-	-	-	-	-	-	-	-	261,925
		24 Tape storage: DIT would like to move from legacy tape offsite storage to cloud based auxilliary storage services	100,000	100,000	77,080	520	1,160	120	4,720	15,990	170	240	-
		25 REQUIRED City's primary disaster recovery platform must be expanded to match local storage volume.	203,000	203,000	156,472	1,056	2,355	244	9,582	32,460	345	487	-
		Total File and Storage	564,925	564,925	233,552	1,576	3,515	364	14,302	48,450	515	727	261,925
General Operations													
		26 Data Center Raised Floor maintenance	15,000	15,000	11,562	78	174	18	708	2,399	26	36	-
		27 Data center monitoring software	80,000	80,000	61,664	416	928	96	3,776	12,792	136	192	-
		Total General Operations	95,000	95,000	73,226	494	1,102	114	4,484	15,191	162	228	-
GRAND TOTAL of REQUESTS			6,656,106	6,656,106	1,142,448	6,586	24,927	9,197	80,250	304,870	2,153	3,040	5,082,636
FUND BALANCE													
			Y/E Net	SUM	General Fund	Cemeteries	Fleet	Parking	Street Maint	Utilities	Radio	Retirement	
		FY18 Net	2,194,569.00	2,194,569.00	2,194,569.00	-	-	-	-	-	-	-	
		FY19 Net	6,088,467.00	6,088,467.00	6,088,467.00	-	-	-	-	-	-	-	
		FY20 Net	983,877.00	983,877.00	983,877.00								
		FY21 Net	2,199,833.00	2,199,833.00	1,811,715.91	2,367.33	16,857.39	(4,590.67)	-	377,146.80	(27,377.91)	23,714.15	
			11,466,746.00	11,466,746.00	11,078,628.91	2,367.33	16,857.39	(4,590.67)	-	377,146.80	(27,377.91)	23,714.15	
		FY22 YE Net (Still completing cost allocations....)	1,315,647.18	1,315,647.18	527,081.27	2,349.49	16,676.46	4,763.47	-	780,161.87	(9,811.64)	(5,573.74)	
		BALANCE (Estimated)	12,782,393.18	12,782,393.18	11,605,710.18	4,716.82	33,533.85	172.80	-	1,157,308.67	(37,189.55)	18,140.41	