

INTRODUCED: May 26, 2015

AN ORDINANCE No. 2015-124-133

To amend and reordain Ord. No. 2014-40-75, adopted May 14, 2014, as previously amended by Ord. No. 2014-142,137, adopted Jul. 14, 2014, which appropriates and provides funds for financing the school budget for the fiscal year commencing Jul. 1, 2014, and ending Jun. 30, 2015, for the purpose of appropriating additional funds.

Patron – Mayor Jones

Approved as to form and legality
by the City Attorney

PUBLIC HEARING: JUNE 8 2015 AT 6 P.M.

THE CITY OF RICHMOND HEREBY ORDAINS:

I. That Ordinance No. 2014-40-75, adopted May 14, 2014, as previously amended by Ordinance No. 2014-142-137, adopted July 14, 2014, be and is hereby amended and reordained as follows:

§ 1. That, as shown on the attachment entitled [~~“Richmond Public Schools – Amended Budget Summary, Fiscal Year 2015 Appropriations,”~~] “Supplemental Amendment Ordinance Information - RPS Attachment 3,” a sum not exceeding [~~\$165,844,913~~] \$165,970,840 is hereby appropriated from the City’s general fund, representing (i) [~~\$24,951,256~~] \$25,077,183 in State

AYES: 9 NOES: 0 ABSTAIN: _____

ADOPTED: JUNE 8 2015 REJECTED: _____ STRICKEN: _____

Shared Sales Tax funds, (ii) \$137,093,657 in appropriations from the City's general fund and (iii) \$3,800,000 in prior year surplus funds re-appropriated by the City (with such new appropriations and re-appropriations of City funds resulting in a total City contribution to the School Board of \$140,893,657), and, together with the estimated receipts of the School Board from tuition charges and from other anticipated sources of revenue of \$784,100, along with revenue from Richmond Public Schools' Anthem healthcare reserve fund of \$0, and with the estimated state and federal receipts of the School Board through the Commonwealth of Virginia of \$98,238,837 (excluding transfers to special funds and including \$97,528,837 in state funds and \$710,000 in federal funds), may be expended for the operation of the public free schools in the City, including the payment of salaries, wages, debt service, other expenses, acquisition of equipment and supplies and maintenance of the school plant and other capital expenses; provided, however, such expenditures shall not exceed in any event [~~\$264,867,850~~] \$264,993,777; and provided further that, in the event that the actual receipts from or through the Commonwealth of Virginia for the fiscal year commencing July 1, 2014, and ending June 30, 2015, exceed the estimated receipts from such sources, the expenditure of such excess for such purpose must be further authorized and approved by the City Council.

§ 2. That, the appropriations for which this ordinance provides over and above the amounts required by state law to be paid are conditioned upon the following:

(i) Richmond Public Schools shall submit to the City's Director of Finance quarterly reports of year-to-date spending and estimated annualized spending of local funding and funding from all general sources. Such reports shall be submitted prior to a request of any subsequent quarterly distribution of local funds. The quarterly reports shall further document the following:

(1) The number of filled/authorized non-teacher instructional positions on staff in the Instruction Category that exceed Standard of Quality guidelines;

(2) The number of filled/authorized administrative type positions on staff in the Administration, Attendance and Health Category that exceed Standard of Quality guidelines;

(3) The increase in federally funded free and reduced meal participation compared in the previous year;

(4) The energy cost spending compared to the same month in the previous year; and

(5) The number of “deadhead” (i.e., empty bus) miles compared to the same month in the previous year.

(ii) Richmond Public Schools shall submit to the City Auditor, within 90 days of the effective date of this ordinance, a statement of the cost per pupil of the educational services provided to each pupil along with the methodology used to calculate such cost.

(iii) Richmond Public Schools shall submit to the City Council’s Finance and Economic Development Standing Committee a quarterly financial report no later than 45 days after the end of each quarter in a format to be agreed upon by Richmond Public Schools and such Committee prior to the due date of the first such report.

§ 3. That the payment and settlement of claims of any kind heretofore or hereafter asserted against the School Board or the City itself growing out of the operation of the public schools and final judgments heretofore or hereafter obtained against the School Board or the City on account thereof, together with all costs, interest, fees for legal services and all other fees and expenses incident thereto, shall be paid upon the approval and order of the City Attorney from the funds herein appropriated for defraying the expenses of operating the public schools.

§ 4. That all sums of money derived from the City's funds which are unexpended in the fiscal year commencing July 1, 2014, and ending June 30, 2015, shall remain a part of the City's funds for use the next year and shall be returned directly to the City at the close of the fiscal year.

§ 5. That, after the close of the prior fiscal year's activity and once unexpended City funds from that period are returned to the City, a set target amount of local funds for the Richmond Public Schools budget shall be established by the City Administration for the subsequent fiscal year commencing July 1, 2015, and ending June 30, 2016. Such budget target shall be communicated by the Director of Finance to the Superintendent no later than November 30, 2015, and be utilized by Richmond Public Schools as the maximum amount of local funding for use in compiling the Richmond Public Schools budget for the fiscal year commencing July 1, 2015, and ending June 30, 2016. Any requests for local funding above and beyond such target amount shall be listed separately in the Richmond Public Schools budget document for the respective fiscal year for consideration by the City Administration.

§ 6. This ordinance shall be in force and effect at the first moment of the first day of July 2014, and shall constitute the school budget appropriation ordinance for the fiscal year commencing on that date.

II. This amendatory ordinance shall be in force and effect upon adoption.



CITY OF RICHMOND

INTRACITY CORRESPONDENCE

O & R REQUEST

MAY 14 2015

4-3690

Chief Administration Office
City of Richmond

RECEIVED

MAY 21 2015

O&R REQUEST

DATE: May 15, 2015

OFFICE OF CITY ATTORNEY EDITION: 1

TO: The Honorable Members of City Council

THROUGH: Dwight C. Jones, Mayor

THROUGH: Chris Beschler, Acting Chief Administrative Officer

THROUGH: Norm Butts, Deputy Chief Administrative Officer for Finance and Administration

THROUGH: Paul Jez, Director of Finance

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

RE: FY2015 General Fund Re-appropriation and Schools Budget Amendment

ORD. or RES. No.

PURPOSE:

1. To amend the FY2015 General Fund Budget (Ord. 2014-62-99) by:
 - a. Re-allocating funds between agencies to reflect each agency's projected FY2015 funding needs as determined in the third quarter expenditure forecast.
 - b. Accepting and appropriating additional State Shared Sales Tax revenue, from the Commonwealth of Virginia, in the amount of \$125,927 and appropriating the additional revenue to Richmond Public Schools.

2. To amend the FY2015 Richmond Public School Budget (Ord. 2014-40-75) by:
 - a. Increasing the amount of State Shared Sales Tax revenue to the school division by \$125,927. This amends the total Richmond Public Schools' expenditure limit to \$264,993,777.

REASON:

1.

- a. 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 likely be presented to the Finance and Economic Development Committee in May. After adoption of this ordinance there is the possibility that changes in expenditure patterns or unforeseen events could result in additional variances.
- b. State Shared Sales Tax revenue is a direct pass through of revenue from the State to the City that is then appropriated to Richmond Public Schools. Occasionally, the State updates its projections in the amount of State Shared Sales Tax that will be given to localities. A review of the Commonwealth's State Shared Sales tax revenue projections of localities revealed that the State will send an additional \$125,927 in revenue to the City. As a result, the City will need to increase its appropriation to Richmond Public Schools by the \$125,927 as this revenue must be appropriated to the school division.

2.

- a. As a result of the City receiving an additional \$125,927 in State Shared Sales Tax revenue, the City will need to increase the Richmond Public Schools budget ordinance to allow the school division the authority to spend this additional funding.

RECOMMENDATION: The Administration recommends adoption of this ordinance.

BACKGROUND:

1.

- a. 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, and FY14 similar 3rd 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. The third quarter projections will combine actual expenditures through the end of the quarter along with a projection of future expenditures through June 30th.

In instances where agencies are projected to need additional funds, projected savings from other agencies were used. Where applicable and appropriate, vacancies remained open to provide additional savings provided there was not a critical need to re-hire.

- b. State Shared Sales Tax is a revenue source that must be appropriated to Richmond Public Schools. A recent review of this State revenue source revealed that the State will send to the City an additional \$125,927 in revenue. The City will need to increase its General Fund appropriation to Richmond Public Schools by the additional \$125,927 sent to the City.

2.

- a. The Richmond Public Schools FY2015 budget was adopted by City Council on May 14, 2014. This included a revenue source of State Shared Sales Tax in the amount of \$24,951,256. A recent review of the Commonwealth's State Shared Sales tax revenue for localities revealed that the State will send to the City an additional \$125,927 in revenue to the City. As a result, the City will need to increase its General Fund appropriation to Richmond Public Schools as this revenue must go to the school division. Additionally, a commensurate increase of \$125,927 in Richmond Public Schools budget ordinance will be needed. By doing so, this will result in Richmond Public Schools having the authority to spend the additional State Shared Sales Tax funds projected to be distributed by the State.

FISCAL IMPACT/COST:

1. This ordinance will amend the FY2014-F2015 general fund budgets of multiple departmental budgets (see attached) and will increase the total general fund budget and local appropriation to Richmond Public Schools by \$125,927.
2. This ordinance will amend the FY2014-2015 Richmond Public School budget. The Richmond Public School budget will increase by \$125,927.

FISCAL IMPLICATIONS:

1. The final budgets for various general fund departments would change to reflect their projected obligations and Richmond Public Schools local, general fund appropriation will increase by \$125,927.
2. The budget for Richmond Public Schools would change to reflect the additional revenue needed to support their projected budgeted expenditures. Richmond Public Schools' budget would increase from \$264,867,850 to \$264,993,777, an increase of \$125,927.

BUDGET AMENDMENT NECESSARY:

1. Yes. An amendment is needed if funds are to be transferred between general fund departments and to accept and appropriate additional general fund revenue to Richmond Public Schools.
2. Yes. An amendment is needed to adjust the Richmond Public Schools budget.

REVENUE TO CITY: Yes, an additional \$125,927

DESIRED EFFECTIVE DATE: Upon adoption.

REQUESTED INTRODUCTION DATE: May 26, 2015

CITY COUNCIL PUBLIC HEARING DATE: June 8, 2015

REQUESTED AGENDA: Consent Agenda

RECOMMENDED COUNCIL COMMITTEE: Waive

CONSIDERATION BY OTHER GOVERNMENTAL ENTITIES: None

AFFECTED AGENCIES: All General Fund Agencies, Richmond Public Schools

RELATIONSHIP TO EXISTING ORD. OR RES.: Amends 2014-62-99 and 2014-40-75

REQUIRED CHANGES TO WORK PROGRAM(S): None

ATTACHMENTS:

Supplemental Amendment Ordinance Information GF (Attachment 1)

Supplemental Amendment Ordinance Information Non Departmental (Attachment 2)

Supplemental Amendment Ordinance Information Schools Ordinance RPS (Attachment 3)

STAFF:

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

Supplemental Amendment Ordinance Information - RPS Attachment 3

Richmond Public Schools	Current Budget	Amendments	Amended Budget
State Shared Sales Tax	24,951,256	125,927	25,077,183
City Contribution	137,093,657	-	137,093,657
Prior Year Surplus	3,800,000	-	3,800,000
Total General Fund Appropriations	165,844,913	125,927	165,970,840
Tuition and Other Charges	784,100	-	784,100
Anthem Reserves	-	-	-
State Revenue	97,528,837	-	97,528,837
Federal Revenue	710,000	-	710,000
Total Other Appropriations	99,022,937	0	99,022,937
Total Richmond Public Schools	264,867,850	125,927	264,993,777