

INTRODUCED: January 13, 2020

AN ORDINANCE No. 2020-005

To amend Ord. No. 2019-041, adopted May 13, 2019, which adopted the Fiscal Year 2019-2020 General Fund Budget and made appropriations pursuant thereto, by re-appropriating a \$250,000.00 portion of the calculated general fund surplus for Fiscal Year 2018-2019 to the Non-Departmental agency "OPEB Trust" line item for the purpose of funding a contribution to the trust established by § 1 of Ord. No. 2018-196, adopted Jul. 23, 2018.

Patron – Mayor Stoney

Approved as to form and legality
by the City Attorney

PUBLIC HEARING: JAN 27 2020 AT 6 P.M.

THE CITY OF RICHMOND HEREBY ORDAINS:

§ 1. That Ordinance No. 2019-041, adopted May 13, 2019, which adopted the General Fund Budget for the fiscal year commencing July 1, 2019, and ending June 30, 2020, and made appropriations thereto, is hereby amended by re-appropriating a \$250,000.00 portion of the calculated general fund surplus, as defined by section 12-251(a) of the Code of the City of Richmond (2015), as amended, for the fiscal year commencing July 1, 2018, and ending June 30, 2019, to the Non-Departmental agency "OPEB Trust" line item for the purpose of funding a

AYES: 9 NOES: 0 ABSTAIN: _____

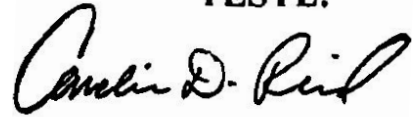
ADOPTED: JAN 27 2020 REJECTED: _____ STRICKEN: _____

contribution to the trust established by section 1 of Ordinance No. 2018-196, adopted July 23, 2018.

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

A TRUE COPY:

TESTE:

A handwritten signature in black ink, reading "Camlin D. Reil". The signature is written in a cursive style with a large initial 'C'.

City Clerk



CITY OF RICHMOND

INTRACITY CORRESPONDENCE

O & R REQUEST
4-9506
DEC 17 2019
Office of the
Chief Administrative Officer

O&R REQUEST

DATE: December 16, 2019 **EDITION:** 1

TO: The Honorable Members of City Council

THROUGH: The Honorable Levar M. Stoney, Mayor

THROUGH: Lenora G. Reid, Acting Chief Administrative Officer

THROUGH: Jay A. Brown, Director of Budget and Strategic Planning

FROM: John B. Wack, Director of Finance

RE: Appropriation of Prior Year Assigned Balance for OPEB Pooled Trust

ORD. OR RES. No. _____

JS 1/6/2020

Job

RECEIVED
JAN 07 2020
OFFICE OF THE CITY ATTORNEY

PURPOSE: To amend Ordinance 2019-041, adopted May 13, 2019, which adopted the FY2020 General Fund budget, by appropriating \$250,000 in prior year assigned fund balance to the FY2020 Non-Departmental budget for a contribution to the City's Other Post-Employment Benefits (OPEB) Pooled Trust.

REASON: Through the adoption of Ordinance 2018-196, the City established a trust to fund post-employment benefits other than pensions. The appropriation of \$250,000 that was assigned for this purpose in the City's FY2019 Comprehensive Annual Financial Report (CAFR) will allow for an additional contribution to that trust.

RECOMMENDATION: The City Administration recommends adoption.

BACKGROUND: One of the City's notable long term liabilities that has gained the attention of credit rating agencies is Other Post-Employment Benefits (OPEB), nearly all of which are related to retiree health insurance. As noted on page 89 of the City's FY2019 CAFR, the actuarially determined unfunded liability was approximately \$84 million as of 6/30/19. Due to recently approved and implemented Government Accounting Standards Board (GASB) Statement 75, the entire unfunded OPEB liability now reduces the net position of the City in our financial statements.

Through the adoption of Ordinance 2018-196, City Council established a trust to fund OPEB benefits, which is the VML/VACo Pooled OPEB Trust, to improve the City's net position in its financial statements. The assignment of \$250,000 from FY2019 general fund results of operations for this purpose was affirmed via Resolution 2019-R061, and is reflected on page 57 of the City's FY2019 CAFR. These funds will supplement \$250,000 included in the FY2020 Adopted general fund budget, for a total contribution of \$500,000 in FY2020. Once appropriated to the FY2020 Non-Departmental budget, these funds can be transferred to the VML/VACo Pooled OPEB Trust.

SOURCE: (must select all that apply)

- New/increased revenue
- Existing general
- Fund Balance/Reserve/Contingency/Other Funding

FISCAL IMPACT/COST ():

- **If Adopted:** The City's net position will be improved due to a decrease in the unfunded OPEB liability.
- **If Not Adopted:** The City's unfunded OPEB liability will be higher.

FISCAL IMPACT / COST: \$250,000 in prior year assigned balance is available for contribution to the Pooled OPEB Trust.

FISCAL IMPLICATIONS: The transfer of funds to the Pooled OPEB Trust is expected to improve the City's net position in its financial statements.

BUDGET AMENDMENT NECESSARY: Yes, a \$250,000 increase to the Non-Departmental FY2020 general fund budget is requested.

REVENUE TO CITY: N/A

DESIRED EFFECTIVE DATE: Upon adoption

REQUESTED INTRODUCTION DATE: January 13, 2020

CITY COUNCIL PUBLIC HEARING DATE: January 27, 2020

REQUESTED AGENDA: Consent

RECOMMENDED COUNCIL COMMITTEE: Finance & Economic Development

CONSIDERATION BY OTHER GOVERNMENTAL ENTITIES: None

AFFECTED AGENCIES: Department of Finance, Budget and Strategic Planning

RELATIONSHIP TO EXISTING ORD. OR RES.: Ordinance 2018-196 and Resolution 2019-R061, also amends FY2020 general fund budget ordinance

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

ATTACHMENTS: N/A

STAFF: John Wack, Director of Finance 646-5776

GENERAL FUND BUDGET ITEM DETAIL:

*for item # and title, see ordinance #2018-057, FY2019 Program Level Budget)

Existing Item – You must show the total appropriation/s for each budget item for your agency EXCEPT the budget item to receive funds

Existing Item – You must show the total appropriation for each modified budget item to receive funds, for your agency

OR

New Item – You must show the total appropriation for each modified budget item to receive funds, for your agency

*for a new item you must reference the next corresponding item # with a (.) decimal point, see ordinance #2018-057, FY2019 Program Level Budget)

<u>TO</u>					
<u>Item #</u>	<u>Title</u>	<u>Program</u> (cost center #)	<u>Subprogram</u> (service code #)	<u>Transfer</u> <u>Amount/New</u> <u>Amount</u>	<u>New Appropriation</u> <u>Amount</u>
<u>242</u>	<u>Non-</u> <u>Departmental:</u> <u>OPEB Trust</u>	<u>79282</u>	<u>SV0912</u>	<u>\$250,000</u>	<u>\$99,691,627</u>
<u>Grand Total</u>				<u>\$250,000</u>	<u>\$99,691,627</u>

*****Grand total for the New Appropriation Amount MUST match the TOTAL AGENCY budget requested as a result of this ordinance*****