

INTRODUCED: May 23, 2022

AN ORDINANCE No. 2022-149

To amend Ord. No. 2021-040, adopted May 24, 2021, which adopted the Fiscal Year 2021-2022 General Fund Budget and made appropriations pursuant thereto, by re-appropriating a \$1,173,840.00 portion of the Fiscal Year 2020-2021 fund balance excess identified as an assignment of “Unspent Building Code Fees” in the City’s 2021 Annual Comprehensive Financial Report, and to appropriate these funds to the Fiscal Year 2021-2022 General Fund Budget by increasing estimated revenues and the amount appropriated to the Department of Planning and Development Review by \$1,173,840.00 for the purpose of supporting the local building department functions of the Department of Planning and Development Review’s Division of Permits and Inspections in compliance with Va. Code § 36-105.

Patron – Mayor Stoney

Approved as to form and legality
by the City Attorney

PUBLIC HEARING: JUN 13 2022 AT 6 P.M.

THE CITY OF RICHMOND HEREBY ORDAINS:

§ 1. That Ordinance No. 2021-040, adopted May 24, 2021, which adopted a General Fund Budget for the fiscal year commencing July 1, 2021, and ending June 30, 2022, and made appropriations pursuant thereto, is hereby amended by re-appropriating \$1,173,840.00 from that portion of the fund balance excess for the fiscal year commencing July 1, 2020, and ending June 30, 2021, identified as an assignment of “Unspent Building Code Fees” in the City’s 2021 Annual

AYES: 9 NOES: 0 ABSTAIN: _____

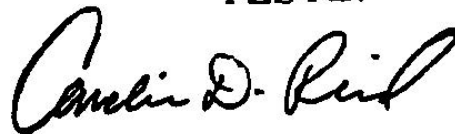
ADOPTED: JUN 13 2022 REJECTED: _____ STRICKEN: _____

Comprehensive Financial Report for the purpose of supporting the local building department functions of the Department of Planning and Development Review's Division of Permits and Inspections in compliance with section 36-105 of the Code of Virginia (1950), as amended.

§ 2. That the funds re-appropriated pursuant to section 1 of this ordinance are hereby appropriated to the General Fund Budget for the fiscal year commencing July 1, 2021, and ending June 30, 2022, by increasing estimated revenues by \$1,173,840.00, increasing the amount appropriated for expenditures by \$1,173,840.00, and allotting to the Department of Planning and Development Review the sum of \$1,173,840.00 for the purpose of supporting the local building department functions of the Department of Planning and Development Review's Division of Permits and Inspections in compliance with section 36-105 of the Code of Virginia (1950), as amended.

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

**A TRUE COPY:
TESTE:**

A handwritten signature in black ink, appearing to read "Camelin D. Reed". The signature is written in a cursive, flowing style.

City Clerk



City of Richmond

Item Request

RECEIVED
By City Attorney's Office at 1:09 pm, May 19, 2022

RECEIVED
By CAO Office at 3:49 pm, May 05, 2022

900 East Broad Street
2nd Floor of City Hall
Richmond, VA 23219
www.rva.gov

2022-100

O & R Request

DATE: April 20, 2022

TO: The Honorable Members of City Council

THROUGH: The Honorable Levar M. Stoney, Mayor (Patron)

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

THROUGH: Sabrina Joy-Hogg, DCAO, Finance and Administration Portfolio

THROUGH: Sheila White, Director of Finance

THROUGH: Jason May, Director, Department of Budget and Strategic Planning

THROUGH: Sharon L. Ebert, DCAO, Planning and Economic Development Portfolio

FROM: Kevin J. Vonck, Director, Department of Planning and Development Review

RE: Reallocation of unspent building code fees

ORD.: 2022####

Levar M. Stoney
J.E. Lincoln Saunders
Sabrina Joy-Hogg
Sheila White
Jason May
Sharon L. Ebert
Kevin J. Vonck

PURPOSE: To amend Ordinance 2021-040 adopted 24 May 2021, which adopted the Fiscal Year 2021-2022 General Fund Budget by appropriating one million, one hundred seventy-three thousand, eight hundred forty dollars (\$1,173,840.00) in fund balance assigned to unspent building code fees of one million, one hundred seventy-three thousand, eight hundred forty dollars (\$1,173,840.00) to the Fiscal Year 2021-2022 General Fund Budget for the Department of Planning and Development Review.

REASON: The development and construction industry expects consistent and expedient permitting, plan review, inspection, and enforcement services from the communities in which it operates. Our departmental strategic action plan contains four

- (4) performance measures for the Permits and Inspections Division related to these services; we are significantly below expectations for three (3):
- (5) average of fifteen (15) business days to complete initial plan review for minor project permit after completed application; actual average of sixty (60) days
- (6) average of twenty (20) business days to complete initial plan review for moderate project permit after completed application; actual average of sixty-two (62) days
- (7) average of five (5) business days to issue over-the-counter permit after completed application; actual average of twenty (20) days
- (8) average of two (2) business days to perform inspection after requested or an agreed upon date; actual average of zero (0) days (meeting need on same day)

I am requesting that one hundred seventy-three thousand, eight hundred forty dollars (\$1,173,840.00) of fund balance assigned to unspent building code fees be transferred to the Department of Planning and Development Review in order to make purchases that make these services more effective and efficient, specifically:

- \$500,000.00 for supplemental third-party plan review and temporary staffing
- \$600,000.00 for community development review software
- \$73,480.00 to upgrade and enhance Room 110 of City Hall for walk-in customers

RECOMMENDATION: Approve as submitted.

BACKGROUND: §36-105 Code of Virginia allows local governing bodies to levy fees in order to defray the cost of administering and enforcing the Uniform Statewide Building Code. In 2019, the General Assembly of Virginia amended this section (though H 1966) to require all such revenues only be used to support the functions of the local building department, which defined by §36-97 Code of Virginia means “the agency or agencies of any local governing body charged with the administration, supervision, or enforcement of the building code and regulations, approval of plans, inspection of buildings, or issuance of permits, licenses, certificates or similar documents.” In the City, the local building department is the Department of Planning and Development Review, with most responsibilities allocated to the Division of Permits and Inspection and the Division of Property Maintenance and Code Enforcement.

The City accumulated a significant financial surplus when revenues exceeded projections and expenditures fell below projections in previous fiscal years. Those unspent funds must still be used in accordance with §36-105 Code of Virginia to support the local building department; they cannot be reallocated to other functions. I am proposing the following expenses to fund three critical needs:

- \$500,000.00 for supplemental third-party plan review and temporary staffing will help us clear the backlog of permit applications in the queue
- \$600,000.00 for community development review software will help us evaluate and enhance our current system (EnerGov)
- \$73,480.00 to upgrade and enhance Room 110 of City Hall will provide a more streamlined and safe experience for walk-in customers in a post-COVID world

I believe that we have more accurately budgeted revenues and expenditures governed by §36-105 Code of Virginia in the Fiscal Year 2021-2022 General Fund Budget for the Department of Planning and Development Review and will not be generating a significant surplus as seen in previous fiscal years.

FISCAL IMPACT / COST: This ordinance will allocate existing revenues to new, finite expenditures.

FISCAL IMPLICATIONS: The proposed expenditures are finite. I do not anticipate any additional operational expenses as a result of these purchases

BUDGET AMENDMENT NECESSARY: Yes, through this ordinance.

REVENUE TO CITY: This ordinance will allocate existing revenues to new, finite expenditures. City property tax revenue will increase as projects are completed and assessed more quickly because building department positions are fully staffed

DESIRED EFFECTIVE DATE: Upon adoption.

REQUESTED INTRODUCTION DATE: Monday, May 23, 2022.

CITY COUNCIL PUBLIC HEARING DATE: Monday, 13 June 2022.

REQUESTED AGENDA: Consent.

RECOMMENDED COUNCIL COMMITTEE: Requesting waiver.

CONSIDERATION BY OTHER GOVERNMENT ENTITIES: No.

AFFECTED AGENCIES: We will work with Procurement to issue a request for proposals (RFP) to move forward with the supplemental third-party plan review and temporary staffing and the community development review software expenditures.

RELATIONSHIP TO EXISTING ORD. OR RES.: Ordinance 2021-040.

REQUIRED CHANGES TO WORK PROGRAM(S): We will execute contracts with third-party vendors providing these services.

ATTACHMENTS: FY2021 Annual Comprehensive Fiscal Report, p. 62.

STAFF: Kevin J. Vonck, Director, Department of Planning and Development Review

**CITY OF RICHMOND, VIRGINIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

8. FUND BALANCES

Fund balances have been classified to reflect the limitations and restrictions placed on the respective funds. Fund balances at June 30, 2021, are composed of the following:

	<u>General Fund</u>	<u>Debt Service</u>	<u>Capital Projects Fund</u>	<u>Other Non-Major Governmental Funds</u>
Nonspendable:				
Prepaid	\$ 13,822	\$ -	\$ -	\$ -
Total Nonspendable	<u>13,822</u>	<u>-</u>	<u>-</u>	<u>-</u>
Restricted To:				
Capital Projects	-	14,373,917	16,649,181	-
NM Governmental Funds	-	-	-	42,658,084
Total Restricted	<u>-</u>	<u>14,373,917</u>	<u>16,649,181</u>	<u>42,658,084</u>
Committed To:				
Budget and Revenue Stabilization Contingency	23,856,878	-	-	-
School Board Operations	112,332	-	-	-
Total Committed	<u>23,969,210</u>	<u>-</u>	<u>-</u>	<u>-</u>
Assigned To:				
Encumbrance Roll Forward	7,173,988	-	-	-
Capital Reserve	11,044,932	-	-	-
Percent for the Arts	306,396	-	-	-
School Facilities	17,482,434	-	-	-
Unspent Building Code Fees	1,173,840	-	-	-
COVID-19 Contingencies	547,557	-	-	-
	-	-	-	-
Total Assigned	<u>37,729,147</u>	<u>-</u>	<u>-</u>	<u>-</u>
Unassigned:				
Total Unassigned	100,458,026	-	(46,226,506)	-
Total Fund Balances	<u>\$ 162,170,205</u>	<u>\$ 14,373,917</u>	<u>\$ (29,577,325)</u>	<u>\$ 42,658,084</u>

9. RISK MANAGEMENT

The City's non-health care related risk management activities are conducted through the Self Insurance agency within General Fund and have been accounted for in accordance with GAAP.

The City is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. For all retained risks, claim expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported. There have been no significant reductions in insurance coverage since the prior year, and settled claims have not exceeded the amount of insurance coverage in any of the past three fiscal years.

For workers' compensation claims, the City assumes the first \$2M for Heart, Lung and Cancer presumptive claims for Public Safety Officer and \$1.5M for All Other employees and non-presumptive claims for Public Safety Officers. The City pays claims filed directly from appropriations to various agencies. Excess workers' compensation coverage provides protection for accidents exceeding the self-insured retentions noted above. Claims for indemnity benefits may be paid over a maximum period of 500 weeks with the exception of certain legally defined cases, which may be paid for the lifetime of the claimant.

The City is self-insured for the first \$1.5M of any general liability, automobile liability, public officials or police professional liability claim. The City has purchased \$10M in excess liability coverage over a \$1.5M self-insured retention from States Self-Insurers Risk Retention Group (States), a public entity risk pool domiciled in the State of Vermont. Claims under the \$1.5M self-insured retention are paid by the Risk Management agency within the General Fund.