



City of Richmond

Meeting Minutes

Finance and Economic Development Standing Committee

Thursday, May 16, 2019

1:00 PM

Council Chamber, 2nd Floor – City Hall

Committee Members and Others in Attendance

The Honorable Kristen Larson – Vice Chair
The Honorable Parker Agelasto – Member
Bill Echelberger, Jr., Council Budget Analyst
Charles Jackson, Council Budget Analyst
Pamela Nichols, Assistant City Clerk
Candice Reid, City Clerk
Tabrica Rentz, Senior Assistant City Attorney
RJ Warren, Deputy City Clerk

Absent

The Honorable Michael Jones – Chair

Call to Order

Vice Chair Kristen Larson called the meeting to order at 1:31 p.m., and presided.

Evacuation Announcement and Citizen Speaker Guidelines

Pamela Nichols, assistant city clerk, provided information on the appropriate manner in which the Council Chamber is to be evacuated in the event of an emergency along with citizen speaker guidelines.

Public Comment Period

Thomas Courtney provided the committee with recommended changes to be incorporated in the development of the city's short term rental policy.

A copy of the material provided has been filed.

Vice Chair Kristen Larson advised Mr. Courtney that forthcoming legislation regarding the city's short term rental policy will most likely be referred to either the Land Use, Housing and Transportation Standing Committee or the City Planning Commission, not the Finance and Economic Development Standing Committee.

Approval of Minutes

There were no corrections or amendments to the meeting minutes of Thursday, April 18, 2019, and the committee unanimously approved the minutes as presented.

Board Vacancies

There were no board applications for review.

Presentations

There were no presentations.

Paper(s) for Consideration

Member Parker Agelasto moved to amend the agenda as follows:

ORD. 2019-118

To amend City Code ch. 2, art. IV, div. 1 by adding therein a new § 2-239, concerning value engineering, for the purpose of requiring value engineering for projects costing more than \$5,000,000.00.

Patron: Ms. Gray

To be continued to the July 18, 2019 Finance and Economic Development Standing Committee meeting

The motion was seconded and unanimously approved.

The following ordinance was considered:

ORD. 2019-119

To amend Ord. No. 2018-297, adopted Dec. 17, 2018, which created the Navy Hill Development Advisory Commission and announced the Council's intent to hold public hearings, all for the purpose of providing for the Council's consideration of a development proposal in the area generally bounded on the west by N. 5th St., on the north by E. Leigh St., on the east by N. 10th St., and on the south by E. Marshall St, to provide that the Commission shall furnish the Council with a final report no later than 90 calendar days following the date of introduction of the relevant ordinances instead of 90 calendar days following the date on which a majority of the Commission's members are appointed.

Patron: Ms. Gray

Member Parker Agelasto suggested that ORD. 2019-119 be amended to ensure that the deadline for the final report will be 90 calendar days after the introduction of legislation and a majority of the commission members have been appointed.

There were no further comments or discussions and **Member Agelasto moved to forward ORD. 2019-119 to Council with the recommendation to approve with amendment, which was seconded and unanimously approved.**

The following ordinance was considered:

ORD. 2019-128

To authorize the Chief Administrative Officer and the Director of Procurement Services, for and on behalf of the City of Richmond, to execute the third Contract Modification to Contract No. 16000022041 between the City and Manchester Marketing, Inc. T/A Seibert's Towing for towing-related services and tow lot operation for the purpose of ratifying all acts of the City and Manchester Marketing, Inc. T/A Seibert's Towing that were in accordance with the provisions of Procurement

Services Contract Modification No. 2 for Contract No. 16000022041 since the adoption of Ord. No. 2018-255, adopted Oct. 8, 2018.

Patron: Mayor Stoney

Lynne Lancaster, interim deputy director – General Services, introduced ORD. 2019-128.

Melvin Lawson, general manager for Seibert's Towing, was present to respond to questions.

There were no further comments or discussions and **Member Agelasto moved to forward ORD. 2019-128 to Council with the recommendation to approve, which was seconded and unanimously approved.**

The following ordinance was considered:

ORD. 2019-129

To approve the Work Plan and Budget for the fiscal year ending Jun. 30, 2020, for the provision of services in the Downtown Richmond Special Service and Assessment Districts.

Patron: President Newbille

Meghan Brown, interim council chief of staff, introduced ORD. 2019-129.

Member Parker Agelasto questioned the difference in the city's adopted funding contribution to Venture Richmond and the projected contribution included in Venture Richmond's Work Plan. Member Agelasto stated that he would like clarification on the budget totals and suggested that ORD. 2019-129 be continued to the next committee meeting and that a Venture Richmond representative attend. In addition, Member Agelasto requested to review Venture Richmond's budget for the last couple years.

There were no further comments or discussions and **Member Agelasto moved to continue ORD. 2019-129 to the June 20, 2019 Finance and Economic Development Standing Committee meeting, which was seconded and unanimously approved.**

The following ordinance was considered:

ORD. 2019-125

To amend Ord. No. 2018-057, adopted May 14, 2018, which adopted the Fiscal Year 2018-2019 General Fund Budget and made appropriations pursuant thereto, by increasing the amount of funds available for appropriation by \$8,519,814.00 from various sources, transferring funds from various agencies and non-departmental programs, and appropriated the additional funds available for appropriation and the transferred funds to various agencies and non-departmental programs.

Patron: Mayor Stoney

Jay Brown, director – Budget and Strategic Planning, introduced ORD. 2019-125 and explained that general fund revenues were currently forecasted to be above budget with a preliminary surplus; however, the surplus will not fully offset shortfalls projected by the Department of Housing and Community Development, Sheriff's Office, Office of the City Attorney and the Department of Public Works. Mr. Brown stated that the proposed ordinance will amend the FY 2019 General Fund Budget by reallocating funds between agencies, increase the total general fund to meet projected obligations and appropriate funds from the Assigned Fund Balance and the Budget and Revenue Stabilization Contingency Reserve.

Member Parker Agelasto noted that city administration reported a shortfall for the Department of Housing and Community Development in the second quarter and questioned why a budget amendment was not submitted prior to the third quarter projections. Member Agelasto expressed frustration that budget amendments were bundled and limited Council's ability to consider the amendments individually. Mr. Agelasto expressed opposition to the appropriation of funds from the Budget and Revenue Stabilization Contingency Reserve as he argued that the request did not meet the threshold as defined in the city's Fund Balance Policy. Member Agelasto stated that third quarter reappropriations hold departments harmless in being fiscally responsible. Mr. Agelasto asked the City Attorney to address the committee regarding options available to Council in the event Council elected to reject components of ORD. 2019-125.

City Attorney Allen Jackson explained that Council could request ORD. 2019-125 to be amended; however, City Council is prohibited from making changes to budget amendments patroned by the Mayor. Mr. Jackson explained that should Council elect not to appropriate funding to departments that exceeded their budgets, services provided by the departments may be interrupted.

Member Agelasto stated that he was not comfortable moving the proposed ordinance forward to Council for consideration until the committee receives the departments' year-to-date expenditures.

Member Parker Agelasto moved that ORD. 2019-125 be continued to the Thursday, June 20, 2019 Finance and Economic Development Standing Committee meeting.

Mr. Brown advised the committee that Sheriff Antionette Irving and Department of Public Works' Director Bobby Vincent wanted to address the committee regarding potential impacts to their departments in the event the budget reappropriations were not approved.

Sheriff Antionette Irving explained that the department spent significantly more in staff overtime this fiscal year to ensure that Department of Corrections standards were met and due to an increase in vacancies. Sheriff Irving further explained that without funding, the Sherriff's Office will not be able to provide essential services for the Richmond Justice Center. Sheriff Irving agreed to provide the committee with the department's year-to-date expenditures.

Vice Chair Kristen Larson questioned the reason why city administration did not request re-appropriations for budget shortfalls identified in the second quarter.

Bobby Vincent provided a brief explanation for the Department of Public Works' increased operational costs and the services that may be impacted in the event additional funding was not approved. Mr. Vincent agreed to provide the committee with the department's year-to-date expenditures.

Mr. Brown explained some of the projected shortfalls for the second quarter were reduced in the third quarter due to departmental savings, and that third quarter reappropriations were common practice for many localities.

Bob Steidel, deputy chief administrative officer of Operations, explained that without additional funding, the solid waste operation may be forced to shut down due to a 30-day notice requirement.

The motion was seconded and unanimously approved.

Discussion Item(s)

There were no discussion items.

Staff Report

Bill Echelberger and Charles Jackson, council budget analysts, provided the May staff report. Mr. Echelberger reported that Council staff anticipates completion and distribution of the analysis of the Fiscal Year 2019 Third Quarter Revenue & Expenditure Projection Report by Friday, May 17, 2019.

A copy of the material provided has been filed.

Vice Chair Larson expressed interest in having regularly scheduled updates on Capital Improvement Projects and operational budgets for each department. She stated that she will discuss the matter with the Finance and Economic Development Standing Committee Chair.

Adjournment

There being no further business, the meeting adjourned at 2:43 p.m.