

INTRODUCED: June 6, 2022

AN ORDINANCE No. 2022-168

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 increasing estimated revenues from real estate taxes by \$8,607,617.00, transferring funds from various agencies and non-departmental programs, and appropriating (i) a \$1,887,025.00 increase in estimated revenues from real estate taxes recognized but unappropriated by Ord. No. 2022-029, adopted Feb. 2, 2022, (ii) the aforementioned \$8,607,617.00 increase, and (iii) the aforementioned transferred funds to various agencies and non-departmental programs; and to amend Ord. No. 2021-045, adopted May 24, 2021, which adopted the Fiscal Year 2021-2022 Internal Service Fund Budgets and made appropriations thereto, by increasing estimated revenues and the amount appropriated to the Department of Information Technology Internal Service Fund by \$6,672,361.00 to provide for employee compensation adjustments in the Department of Information Technology and for automated services to various departments.

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:

- (a) Increasing estimated revenues from real estate taxes by \$8,607,617.00;

AYES: 9 NOES: 0 ABSTAIN: _____

ADOPTED: JUN 13 2022 REJECTED: _____ STRICKEN: _____

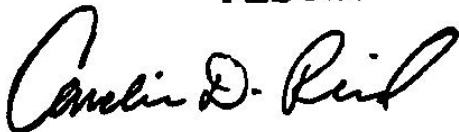
(b) Transferring funds from various agencies and non-departmental programs as shown on the attachments to this ordinance entitled “Attachment 1: General Fund Amendment” and “Attachment 1 - Continued: General Fund Amendment - Non-Departmental,” copies of which are attached to and incorporated into this ordinance; and

(c) Appropriating (i) \$1,887,025.00 in estimated revenues from real estate taxes recognized but unappropriated by Ordinance No. 2022-029, adopted February 2, 2022, (ii) the \$8,607,617.00 increase in estimated revenues described in subsection (a) of this section, and (iii) the funds transferred pursuant to subsection (b) of this section, to various agencies and non-departmental programs as shown on the attachments to this ordinance entitled “Attachment 1: General Fund Amendment” and “Attachment 1 - Continued: General Fund Amendment - Non-Departmental.”

§ 2. That Ordinance No. 2021-045, adopted May 24, 2021, which adopted the Internal Service Fund Budgets for the fiscal year commencing July 1, 2021, and ending June 30, 2022, and made appropriations pursuant thereto, be and is hereby amended by increasing estimated revenues from funds appropriated for a transfer to the Department of Information Technology Internal Service Fund by subsection (c) of section 1 of this ordinance by \$6,672,361.00 and increasing the amount appropriated to the Department of Information Technology Internal Service Fund by \$6,672,361.00 to provide for employee compensation adjustments in the Department of Information Technology and for automated services to various departments.

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

**A TRUE COPY:
TESTE:**



City Clerk



CITY OF RICHMOND

INTRACITY CORRESPONDENCE

O&R REQUEST

DATE: May 25, 2022

EDITION: 2

TO: The Honorable Members of City Council

THROUGH: The Honorable Levar M. Stoney, Mayor

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

THROUGH: Sabrina Joy-Hogg, Deputy Chief Administrative Officer

THROUGH: Sheila D. White, Director of Finance

FROM: Jason P. May, Director of Budget & Strategic Planning

RE: Appropriate Remaining Fund from Increase in Real Estate Tax Assessment and appropriating projected surplus for FY 2022

ORD. OR RES. No. _____

PURPOSE: To amend ordinance number 2022-029 which amended the Fiscal Year 2021-2022 Budgets by appropriating the remaining \$1,887,025 of real estate property tax increase for FY 2022, increasing appropriations for several different departments, and transferring funds from the Non-Departmental agency to various departments for the City of Richmond. Also, to amend ordinance number 2021-045 which amended the Fiscal Year 2021-2022 Internal Service Fund Budgets by appropriating \$6,672,361 to the Department of Information Technology to cover such expenses.

REASON: At the close of the first quarter, the Office of the City Assessor closed the assessment roll values for citywide assessed Real Estate valuation for taxable real property. The real estate market in the City of Richmond has been performing at a robust pace. As such, the values for taxable real property are showing in excess of budgeted amounts. On January 26th City Council approved ordinance 2022-029 to support and increase the appropriation for the Department of Economic Development by providing the Department of Economic Development with funding related to loans for the Coronavirus Aid, Relief, and Economic Security Act (CARES); to increase the appropriation for Non-Departmental into a new line titled "Employee COVID-19 Bonuses" to provide eligible employees with a bonus, and to amend the pay ordinance for the purpose of providing a one-time COVID bonus to eligible general fund City employees who were permanently employed in the classified and unclassified service as of March 1st, 2022. Af-

ter the implementation of Ordinance 2022-029, the City continues to have \$1,887,025 of unappropriated revenues for FY 2022. This ordinance request will provide the recommended appropriation for the remaining funds.

Also, this ordinance request intends to transfer funds budgeted in the Non-Departmental agency for a 3.25% salary increase for eligible, general employees as well as funds budgeted for a one-time employee COVID-19 bonus to the appropriate departments as well as the Information Technology Internal Service Fund.

Lastly, the City of Richmond Finance and Budget staff have provided a projection of revenues and expenditures showing a projected surplus of \$25,000,000 in revenues over the current budgeted amount. This ordinance request intends to appropriate \$8,617,642 of these funds for expensing during the last quarter of FY 2022.

BACKGROUND: Based on the FY2022 Tax Reassessment Notices supplied by the City Assessor, the 2022 land book values for the City of Richmond are in excess of budgeted amounts. As such, the Director of the Department of Finance has certified \$11,447,025 in additional revenue.

\$660,000 was appropriated to the Department of Economic Development for the purpose of providing funding related to loans given as a result of the CARES Act. During the Coronavirus pandemic, the Economic Development Authority (EDA) provided loans for small businesses facing challenges during the COVID-19 pandemic.

\$8,900,000 was appropriated to Non-Departmental in a new line item titled “Employee COVID-19 Bonuses.” Permanent classified and unclassified City employees are to be awarded a one-time bonus of \$3,000 for full-time employees, and \$1,500 for part-time employees in the March 4, 2021 pay.

The FY 2022 General Fund Budget was created and passed during a very tumultuous time for the city, state, and country as the initial delta variant of the COVID-19 virus was spiking; causing another round of shut downs, school closings, and holidays without families. In the weeks and months since the proposed FY 2022 budget was created, the City Of Richmond has seen ups and downs with regards to revenues on a month to month basis, but a steady increase of revenues year over year. This steady increase in revenue has generated a projected surplus for FY 2022 of approximately \$25,000,000; only \$8,617,642 of this additional revenue will be appropriated with the ordinance. The increased revenue projection being appropriated, along with the \$1,877,025 of unappropriated real estate tax increase, brings forward a total of \$10,494,642. The \$10,494,642 of revenue will be appropriated the following way:

- \$6,124,893 will be appropriated to the Transfer to Information Technology Internal Service Fund for automated services in PDR, HR, and other departments to increase efficiencies
- \$1,803,186 will be appropriated to DPW for holiday market, hillside playground, monument base removal, and contractual increases
- \$1,537,734 will be appropriated to the Richmond Fire Department for Personnel funding

- \$303,165 will be appropriated to Human Resources for legal services, COVID-19 testing, and culture contractor
- \$259,564 will be appropriated to Department of Budget & Strategic Planning for strategic assessments and efficiency work
- \$256,358 will be appropriated to Department of Procurement services for Technical Writing Services and for critical personnel additions
- \$156,478 will be appropriated to Animal Care & Control for personnel funding
- \$53,264 will be appropriated to Citizen Service & Response to commence branding efforts

This ordinance will also transfer funds from the Non-Departmental Agency and appropriate to various agencies to cover the cost of a 3.25% salary increase for eligible, general employees as well as a one-time bonus of \$3,000 for full-time employees, and \$1,500 for part-time employees.

RECOMMENDATION: The City Administration recommends adoption.

FISCAL IMPACT / COST:

- **If Adopted:** The City will be able to utilize \$26,887,025 in funding as a result of additional revenue.
- **If Not Adopted:** The spending authority for these funds wouldn't be established.

FISCAL IMPLICATIONS: \$26,887,025 will be appropriated and available.

BUDGET AMENDMENT NECESSARY: Yes

REVENUE TO CITY: \$26,887,025

DESIRED EFFECTIVE DATE: Upon adoption

REQUESTED INTRODUCTION DATE: June 6, 2022

CITY COUNCIL PUBLIC HEARING DATE: June 13, 2022

REQUESTED AGENDA: Consent Agenda

RECOMMENDED COUNCIL COMMITTEE: N/A

CONSIDERATION BY OTHER GOVERNMENTAL ENTITIES: N/A

AFFECTED AGENCIES: Finance, and Budget and Strategic Planning, Economic Development, and Non-Departmental.

RELATIONSHIP TO EXISTING ORD. OR RES.: 2021-040; 2022-029; 2021-045

REQUIRED CHANGES TO WORK PROGRAM(S):

O&R Request

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ATTACHMENTS: No

STAFF: Jason May

Attachment 1: General Fund Amendment

Department	FY 22 Modified Budget	3.25% Salary Increase, Employee COVID 19 Bonuses and 2018 General Employee Compensation Study	Other Amendments	Revised Modified Budget
Animal Control	1,932,887	96,417	156,478	2,029,304
Budget & Strategic Planning	1,358,788	54,754	259,564	1,413,542
Chief Administrative Officer	986,062	20,782	-	1,006,844
City Assessor	5,504,809	217,223	-	5,722,032
City Attorney	4,348,801	270,040	-	4,618,841
City Auditor	2,248,018	73,252	-	2,321,270
City Clerk	965,077	56,815	-	1,021,892
City Council	1,419,919	48,547	-	1,468,466
City Debt	84,422,421	-	-	84,422,421
City Sheriff	43,026,103	-	-	43,026,103
City Treasurer	232,264	-	-	232,264
Council Chief Of Staff	1,276,416	40,504	-	1,316,920
Court Services Unit	242,134	8,948	-	251,082
Department Emergency Communication (DEC)	6,603,547	189,322	-	6,792,869
Department of Citizen Service and Response	2,663,887	153,358	53,264	2,817,245
Department of Housing and Community Development	11,719,229	85,904	-	11,805,133
DPU Administration	76,000	-	-	76,000
Economic & Comm Development	4,945,595	78,442	-	5,024,037
Finance	24,274,169	412,979	-	24,687,148
Fire & Emergency Services	55,095,092	67,105	1,537,734	55,162,197
General Registrar	3,937,008	72,304	-	4,009,312
Human Resources	4,796,173	211,125	303,165	5,007,298
Human Services	4,690,969	73,499	-	4,764,468
Inspector General	582,755	29,402	-	612,157
Judiciary	12,417,534	139,192	-	12,556,726
Justice Services	9,827,186	466,814	-	10,294,000
Juvenile & Domestic Relations Court	231,775	5,699	-	237,474
Mayor's Office	1,143,469	32,507	-	1,175,976
Minority Business Development	982,559	41,501	-	1,024,060
Non Departmental	105,619,779	(10,216,766)	6,124,893	95,403,013
Office of Community Wealth Building	3,875,046	113,193	-	3,988,239
Parks & Recreation	19,159,290	1,222,304	-	20,381,594
Planning & Development Review	11,750,601	704,780	-	12,455,381
Police Department	95,957,846	251,111	-	96,208,957
Procurement Services	1,568,881	94,999	256,358	1,663,880
Public Health	4,633,490	-	-	4,633,490
Public Library	5,808,289	529,713	-	6,338,002
Public Works	46,058,521	2,481,343	1,803,186	48,539,864
Richmond Public Schools	187,142,096	-	-	187,142,096
Social Services	53,275,394	1,872,888	-	55,148,282
Grand Total	826,799,879	-	10,494,642	826,799,879

Attachment 1 - Continued: General Fund Amendment - Non-Departmental

Department	FY 22 Modified Budget	3.25% Salary Increase, Employee COVID 19 Bonuses and 2018 General Employee Compensation Study	Other Amendments	Revised Modified Budget
Transfer to Information Technology Internal Service Fund	18,996,072	547,468	6,124,893	25,668,433
General Employee Compensation - 3.25% Salary Increase	3,474,969	(3,474,969)	-	-
General Employee Compensation - 2018 Study Phase 2	1,937,640	(1,937,640)	-	-
Employee COVID-19 Bonuses	8,900,000	(5,351,625)	-	3,548,375
Grand Total	33,308,681	(10,216,766)	6,124,893	29,216,808

Attachment 2: Internal Service Fund Amendment

Department	FY 22 Modified Budget	Other Amendments	Revised Modified Budget
Department of Information Technology	27,777,340	6,672,361	34,449,701
Grand Total	826,799,879	6,672,361	34,449,701