

INTRODUCED: September 25, 2023

AN ORDINANCE No. 2023-275

To amend Ord. No. 2023-071, adopted May 8, 2023, which adopted the Fiscal Year 2023-2024 Internal Service Fund Budgets, by re-appropriating \$9,586,631.81 from the Fiscal Year 2022-2023 Information Technology fund balance to the Department of Information Technology Internal Service Fund to fund necessary equipment replacement expenses.

Patron – Mayor Stoney

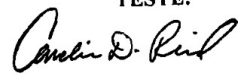
Approved as to form and legality
by the City Attorney

PUBLIC HEARING: OCT 10 2023 AT 6 P.M.

THE CITY OF RICHMOND HEREBY ORDAINS:

§ 1. That Article I, Section 2 of Ordinance No. 2023-071, adopted May 8, 2023, which adopted Internal Service Fund Budgets for the fiscal year commencing July 1, 2023, and ending June 30, 2024, is hereby amended by re-appropriating \$9,586,631.81 from the Information Technology fund balance for the fiscal year commencing July 1, 2022, and ending June 30, 2023, to the Department of Information Technology Internal Service Fund to fund necessary equipment replacement expenses as listed on the document entitled “Attachment 1, Request Details,” a copy of which is attached to and made a part of this ordinance.

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

A TRUE COPY:
TESTE:

City Clerk

AYES: 9 NOES: 0 ABSTAIN: _____

ADOPTED: OCT 10 2023 REJECTED: _____ STRICKEN: _____



City of Richmond

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

Master

File Number: Admin-2023-1630

File ID: Admin-2023-1630

Type: Request for Ordinance or Resolution

Status: Regular Agenda

Version: 1

Reference:

In Control: City Clerk Waiting Room

Department: Chief Administrative Office

Cost:

File Created: 09/13/2023

Subject:

Final Action:

Title:

Internal Notes: prepared for Theresa Powell

Code Sections:

Agenda Date: 09/25/2023

Indexes:

Agenda Number:

Patron(s): Chief Administrative Office

Enactment Date:

Attachments: Admin-2023-1630 DIT Fund Balance Appropriation

Enactment Number:

Contact:

Introduction Date:

Drafter: kit.hagen@richmondgov.com

Effective Date:

Related Files:

Approval History

Version	Seq #	Action Date	Approver	Action	Due Date
1	1	9/13/2023	Charles Todd	Approve	9/15/2023
Notes: approved on phone call 9.13.2023			1321 hagensj		
1	2	9/13/2023	Theresa Powell - FYI	Notified - FYI	
1	3	9/13/2023	Jason May	Approve	9/15/2023
1	4	9/13/2023	Sheila White	Approve	9/14/2023
1	5	9/13/2023	Cynthia Osborne - FYI	Notified - FYI	
1	6	9/13/2023	Sabrina Joy-Hogg	Approve	9/15/2023
1	7	9/13/2023	Jeff Gray	Approve	9/15/2023
1	8	9/13/2023	Lincoln Saunders	Approve	9/15/2023
1	9	9/15/2023	Mayor Stoney	Approve	10/3/2023

History of Legislative File

Ver- sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
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Text of Legislative File Admin-2023-1630

DATE: September 13, 2023

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 White, Director of Finance

THROUGH: Jason May, Director of Budget & Strategic Planning

FROM: Charles G. Todd, Director of Information Technology

RE: Reallocation of Fund Balance

ORD. OR RES. No.

PURPOSE: To amend ordinance number 2023-071, which adopted Internal Service Fund budgets for Fiscal Year 2023-2024 and appropriated \$31,128,319 for the Department of Information Technology, by appropriating an increase of \$ 9,586,631.81 from the Information Technology fund balance to cover necessary equipment replacement expenses and expansion of information security services.

REASON: To increase the appropriation to cover necessary equipment replacement expenses and expansion of information security services.

RECOMMENDATION: The Administration recommends adoption of this ordinance.

BACKGROUND: The DIT baseline operating budget covers costs to operate systems that are already in production use. Net-new systems, the replacement of hardware, and other “start-up” costs require additional funding. A primary benefit of the Information Technology internal service fund is the ability to accumulate balance to cover portions of these non-recurring needs, reducing the need to request net-new funding.

See Attachment 1 for a breakdown of the request.

See Attachment 2 for a copy of the most recent ACFR showing IT fund balance.

See Attachment 3 for starting text for the ordinance.

FISCAL IMPACT / COST: The requested appropriation of \$ 9,586,631.81 will come from Information Technology fund balance.

FISCAL IMPLICATIONS Fund balance is available to cover the request.

BUDGET AMENDMENT NECESSARY: Yes, to increase the FY 2024 appropriation for the Department of

Information Technology from \$31,128,319 to \$ 40,714,949.81, an increase of \$ 9,586,631.81.

REVENUE TO CITY: N/A

DESIRED EFFECTIVE DATE: Upon adoption

REQUESTED INTRODUCTION DATE: 9/25/2023

CITY COUNCIL PUBLIC HEARING DATE: 10/10/2023

REQUESTED AGENDA: Consent.

RECOMMENDED COUNCIL COMMITTEE: Request a waiver.

CONSIDERATION BY OTHER GOVERNMENTAL ENTITIES: N/A

AFFECTED AGENCIES: Department of Finance and Budget

RELATIONSHIP TO EXISTING ORD. OR RES.: 2023-071

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

ATTACHMENTS: (1) Breakdown, (2) ACFR Report, (3) Draft for ordinance

STAFF: Charles G. Todd, Director of Information Technology

Attachment 1 Request Details

CC	Purpose	
2003	OpenGov Procurement Software	166,064.81
2004	Replacement of Server Infrastructure components	360,000
	Replacement Network switches, routers, access points	1,230,000
	Replacement of Data/file storage hardware	700,000
	Tenable vulnerabilty scanner solution	147,313
	Information Security Team: expansion of staff	252,000
	Information Security Team: training	26,510.00
	eDiscovery	691,200
		<u>3,407,023</u>
2005	Replacement of end user computers	2,134,844
	"Re-appropriation" of funds for Telcom replacement project. \$4.4 million was appropriated in FY23 for the project. 25% spent by June 30. Remainder returned to fund balance. We need access to the remainder of the original appropriation.	3,301,609
		<u>5,436,453</u>
2007	Replacement of 245 Printer/Copiers in the managed fleet	<u>577,090</u>
	GRAND TOTAL	<u><u>9,586,631</u></u>

Attachment 2 Last Completed ACFR

**CITY OF RICHMOND, VIRGINIA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
June 30, 2022**

EXHIBIT K-1

	Fleet Management	Radio Maintenance	Health Self-Insurance	Information Technology	Risk Management	Electric Utility	Stores and Transportation Division	Total
Assets								
Current Assets								
Cash and Cash Equivalents	\$ 43,185	\$ 2	\$ 29,480,800	\$ 18,770,552	\$ 5,949,657	\$ 2,453,345	\$ -	\$ 56,697,541
Accounts Receivables, Net	-	-	97,170	367	3,176,220	4,030,108	-	8,103,865
Inventory	-	287,769	-	-	-	-	5,995,662	6,283,431
Prepaid Expenses	-	-	-	-	946,667	-	110,544	1,057,211
Total Current Assets	43,185	287,771	29,577,973	18,770,919	10,072,544	7,263,453	6,106,206	72,142,051
Noncurrent Assets								
Capital Assets:								
Land	98,000	-	-	-	-	265,389	1,636,532	2,049,921
Buildings and Structures	1,211,217	13,218	-	-	-	49,445,269	3,478,431	53,148,135
Equipment	70,794,737	508,697	-	4,793,292	-	9,860,298	31,545,363	127,502,587
Construction in Progress	-	-	-	-	-	272,836	-	272,836
Less Accumulated Depreciation	(61,929,502)	(401,022)	-	(3,161,241)	-	(48,782,207)	(34,418,461)	(148,692,433)
ROU Assets-Equp. & Other Assets	-	-	-	1,567,894	-	-	-	1,567,894
Total Noncurrent Assets	10,174,452	121,093	-	3,199,945	-	20,061,585	2,291,865	35,848,940
Total Assets	10,217,637	408,864	29,577,973	21,970,864	10,072,544	27,345,038	8,398,071	107,990,991
Less: Accumulated amortization	-	-	-	(356,813)	-	-	-	(356,813)
Deferred Outflows of Resources								
Losses on Refunding of Debt	-	-	-	-	-	440	-	440
Pension & OPEB Related Activities (Note 11 and 12)	430,430	8,962	-	895,431	14,599	332,336	50,603	1,732,381
Total Deferred Outflows of Resources	430,430	8,962	-	895,431	14,599	332,776	50,603	1,732,821
Liabilities								
Current Liabilities:								
Combined RPO City Withholding	-	-	6,746,439	-	-	-	-	6,746,439
Accounts Payable	600,012	119,641	4,193,154	910,306	651,480	2,427,337	474,232	9,376,162
Accrued Liabilities	2,652	6,690	3,114,000	175	-	207,960	2,119	3,333,596
Accrued Wages	98,944	9,929	-	219,278	8,066	63,675	10,239	410,131
Due To Other Funds	1,316,887	4,945,143	-	-	-	-	816,676	7,078,706
Accrued Interest on Bonds and Notes Payable	8,010	-	-	-	-	1,566	-	9,576
General Obligation Bonds	2,078,000	-	-	-	-	66,818	-	2,144,818
Compensated Absences	274,960	3,426	-	177,347	2,437	45,793	6,381	460,386
Other Liabilities & Claims Payable	-	-	-	1,232,923	8,803,241	-	-	10,036,164
Total Current Liabilities	4,329,457	5,084,249	14,052,593	2,540,029	9,465,284	2,813,149	1,309,616	39,594,977
Noncurrent Liabilities								
General Obligation Bonds Payable	7,097,000	-	-	-	-	14,929	-	7,111,929
Compensated Absences	480,448	7,324	-	378,775	5,333	91,077	12,631	975,588
Net Pension and OPEB Liability	1,732,491	(31,003)	-	1,055,876	21,594	1,589,008	256,629	4,624,595
NC Other Liabilities & Claims Payable	-	-	-	-	33,751,528	-	-	33,751,528
Total Noncurrent Liabilities	9,309,939	(23,679)	-	1,434,651	39,778,445	1,695,014	269,260	46,463,630
Total Liabilities	13,639,396	5,061,170	14,052,593	3,974,680	43,243,729	4,508,163	1,573,676	86,058,607
Deferred Inflows of Resources								
Pension & OPEB Related Activities (Note 11)	440,185	(62,330)	-	2,282,100	36,582	437,229	(28,035)	3,106,131
Total Deferred Inflows of Resources	440,185	(62,330)	-	2,282,100	36,582	437,229	(28,035)	3,106,131
Net Position								
Net Investment in Capital Assets	(816,146)	-	-	-	-	9,970,993	2,291,865	27,273,759
Unrestricted	(2,615,365)	(4,580,994)	15,525,380	16,252,702	(33,193,668)	2,761,429	4,605,962	(7,071,499)
Total Net Position	\$ (3,431,511)	\$ (4,580,994)	\$ 15,525,380	\$ 16,252,702	\$ (33,193,668)	\$ 22,732,422	\$ 6,897,833	\$ 20,202,281

Internal Service Funds' negative Net Position will be alleviated by increases in user fees.