

INTRODUCED: April 25, 2016

AN ORDINANCE No. 2016-129

To authorize the Chief Administrative Officer to accept funds in the total amount of \$89,927 from the Virginia Department of Mines, Minerals and Energy; and to appropriate the increase to the Fiscal Year 2015-2016 Capital Budget by increasing estimated revenues and the amount appropriated to the Department of Public Utilities' Gas Utility New Business project in the Utilities category by \$89,927 for the purpose of abating the cost of purchasing replacement vehicles fueled by compressed natural gas.

Patron – Mayor Jones

Approved as to form and legality
by the City Attorney

PUBLIC HEARING: MAY 9 2016 AT 6 P.M.

THE CITY OF RICHMOND HEREBY ORDAINS:

§ 1. That the Chief Administrative Officer is hereby authorized to accept funds for the City of Richmond in the amount of \$89,927 from the Virginia Department of Mines, Minerals and Energy for the purpose of abating the cost of purchasing replacement vehicles fueled by compressed natural gas.

§ 2. That the funds received from the Virginia Department of Mines, Minerals and Energy are hereby appropriated to the Capital Budget for the fiscal year commencing July 1, 2015,

AYES: 9 NOES: 0 ABSTAIN: _____

ADOPTED: MAY 9 2016 REJECTED: _____ STRICKEN: _____

and ending June 30, 2016, by increasing estimated revenues by \$89,927, increasing the amount appropriated for expenditures by \$89,927, and allotting to the Department of Public Utilities' Gas Utility New Business project in the Utilities category the sum of \$89,927 for the purpose of abating the cost of replacement vehicles fueled by compressed natural gas.

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



CITY OF RICHMOND
INTRACITY CORRESPONDENCE

4-5003
O & R REQUEST

APR 4 2016

Chief Administration Office
City of Richmond

O & R REQUEST

DATE: March 17, 2016

EDITION: 1

TO: The Honorable Members of City Council

THROUGH: Dwight C. Jones, Mayor

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THROUGH: Selena Cuffee-Glenn, Chief Administrative Officer

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

THROUGH: Lenora Reid, Deputy Chief Administrative Officer - Finance

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THROUGH: James Duval, Interim Finance Director

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THROUGH: John Buturla, Interim Deputy Chief Administrative Officer

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FROM: Robert Steidel, Director of Public Utilities

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RE: To accept and appropriate \$89,927 from Virginia Department of Mines Mineral & Energy to the Department of Public Utilities in the Government Fleet Vehicle Incentive Grant for Alternative Fuel (CNG) Vehicles.

RECEIVED

APR 15 2016

OFFICE OF CITY ATTORNEY

ORD. OR RES. No. _____

PURPOSE: To Authorize the Chief Administrative Officer to accept \$89,927 from the Virginia Department of Mines Mineral & Energy and Virginia Clean Cities for the incremental cost of nine (9) new compressed natural gas (CNG) vehicles, and one (1) vehicle converted to bi-fuel natural gas, purchased and converted since July 2014. The funds (\$89,927) will be appropriated to the Department of Public Utilities, City of Richmond Virginia Renewal Fund Budget 2015 - 2016 (account number: 0801-99001-43317-000000)

REASON: State agencies and local governments in the Congestion and Mitigation Air Quality (CMAQ) areas (Richmond is in the CMAQ attainment/maintenance area) may be reimbursed up to an average of \$10,000 for the incremental cost of new alternative fuel vehicles or reasonable aftermarket conversions to alternative fuel. This funding will be used towards the purchase cost of additional vehicles fueled by compressed natural gas.

RECOMMENDATION: The City Administration recommends adoption of these funds.

BACKGROUND: The Virginia Department of Mines Mineral and Energy and Virginia Clean Cities have made incentive funding available to local governments including Richmond, to help cover the costs of transitioning to alternative fuel vehicles, which includes compressed natural gas vehicles.

This grant is retroactive for alternative fuel vehicles purchased new or converted since July 2014. The Department of Public Utilities qualifies for this grant because the Department purchased nine (9) new CNG vehicles (dedicated and bi-fuel), and one (1) vehicle converted to bi-fuel CNG during this period.

The Department will receive funding up to \$89,927 from the Virginia Department of Mines Mineral and Energy in their Alternative Fuel Government Fleet Vehicle Incentive program

FISCAL IMPACT / COST: This is an incentive grant to the Department, which is based on purchases already made.

FISCAL IMPLICATIONS: The Department of Public Utilities will utilize the \$89,927 over the next fiscal year to off-set the cost of purchasing additional vehicles fueled by compressed natural gas.

REPORTING: Per DMME requirement staff will report on the cost and the volume of the natural gas fuel for the first year of operation or one complete year of operation.

BUDGET AMENDMENT NECESSARY: Yes – To amend the FY2016 Capital Budget Fleet Replacement Program

REVENUE TO CITY: \$89,927.

DESIRED EFFECTIVE DATE: Upon Adoption

REQUESTED INTRODUCTION DATE: April 11, 2016

CITY COUNCIL PUBLIC HEARING DATE: April 25, 2016

REQUESTED AGENDA: Consent Agenda

RECOMMENDED COUNCIL COMMITTEE: Finance & Economic Committee

CONSIDERATION BY OTHER GOVERNMENTAL ENTITIES: None

AFFECTED AGENCIES: Department of Public Utilities, Department of Finance and the Department of Budget & Strategic Planning

RELATIONSHIP TO EXISTING ORD. OR RES.: Amends Ord#: 2015-52-81

REQUIRED CHANGES TO WORK PROGRAM(S): None

ATTACHMENTS: None

STAFF:

Michael Kearns, DPU Energy Services Manager, (804) 646-5215

Ransford O. Ellis, DPU CNG Infrastructure Development Operations Manager, (804) 646-8530