

Kathy C. Graziano, Chair
Council Member 4th District

Parker C. Agelasto, Vice Chair
Council Member 5th District

Ellen F. Robertson
Council Member 6th District, Member

Charles R. Samuels, Alternate
Council Member 2nd District, Member



Richmond City Council
The Voice of the People *Richmond, Virginia*

Meghan Brown
Interim Council Deputy Chief of Staff
Bill Echelberger
Council Budget Analyst

Finance & Economic Development Standing Committee Staff Report & Supplemental Information

September 22, 2016

Committee's Mission Statement

To provide legislative stewardship of Richmond's financial
and economic resources by:

- 1) establishing sound fiscal policy and legislation;
- 2) maximizing the return on citizen investment; and
- 3) expanding economic opportunities.



Richmond City Council
The Voice of the People Richmond, Virginia

Finance & Economic Development Standing Committee Table of Contents

Staff Report..... Page 3

Staff Analysis of Committee Legislation.Pages 4-16



Richmond City Council

The Voice of the People

Richmond, Virginia

STAFF REPORT

September 22, 2016

The last Committee meeting was held on July 21, 2016

Presentations, Reports and Discussion Items at the July 21st Meeting

Follow-Up Items Requested by Committee Members

- Lee Downey, DCAO – Economic & Community Development provided a presentation on the current status of the Redskins/Bon Secours Economic Development Project. The Committee has still requested that the project be put through the new fiscal and economic impact report template that has been designed per Ordinance 2015-144-154. (Follow-up from September 2015). The Committee wishes to see what the initial fiscal and economic projections were compared to actual. Lee Downey will be working with the Finance Department to gather the financial data and is expected to present again either in October or November.

Expected Presentations, Reports or Discussion Items at the September 22nd Meeting

The following items are on the agenda for review at the July Committee meeting.

Discussion Item(s):

Economic Development

Implementation Strategy – Status Update.....Lee Downey, Deputy Chief
Administrative Officer, Economic & Community
Development

Report(s):

- Staff Report & Supplemental Information
- August Monthly Financial Report

Board Recommendations/Actions

- Boards and Commissions..... Alexander Rawls, Boards and Commissions Administrator

Next Committee Meeting

- The next Committee meeting is scheduled for 3:00 P.M. October 20, 2016.

SUMMARY OF PAPERS

1. **Ord. No. 2016-091 (Patron: Mrs. Robertson) To amend and reordain City Code § 2-301, concerning certain definitions applicable to City Code §§ 2-301—2-304, for the purpose of modifying the definition of “economic development project” to include public investment. – Continued from July with amendment.**

Summary of Ordinance/Resolution, Background:

The ordinance is amending the current City Code that requires fiscal and economic impact statements be submitted to City Council for certain economic development projects, to now include public investment as well.

City Council adopted an ordinance which authorized the Chief Administrative Officer to execute a project development agreement. The project met only two of the three criteria for requiring fiscal and economic impact statements be submitted to Council. The one criteria that was not met was that the project funding did not include any private investment. The total funding for the project was all federal, state and local government funding. Since there was no private investment the submission of the impact statement to Council was not required.

The original purpose for establishing the requirement for fiscal and economic impact statements for economic development projects was as such:

Purpose:

To assist both the governing body (City Council) and the public with understanding the potential financial and economic impacts prior to the adoption or amendment of any proposal for approval for City-funded development projects; such as, an expenditure (whether or not debt financed), moral or other financial guarantee by the City or the sale, purchase or lease of property. The impact statements are to provide Council with the information necessary to consider the intended outcomes against the financial impact of proposed City-funded development projects.

An amendment to the current City Code is necessary in order to ensure that the criteria for requiring the impact statements for economic development projects is in line and fully supports the intended purpose of the originally adopted legislation.

Staff Analysis and Questions:

The amendment, if adopted by Council, would require the fiscal and economic impact statements be submitted to Council if the following criteria are met:

- (i) A City expenditure of grant of at least \$5 million or with a value of at least ten percent (10%), pledge of moral obligation or financial guarantee by the City, or the conveyance of City-owned real estate with an assessed value of \$200,000 or greater;
- (ii) Any one or more expenditure or contribution from funds not provided by the City in connection with the undertaking made or to be made by any one or more private entities, political subdivisions of the Commonwealth other than the City, or other legal entities owned or controlled by one or more political subdivisions, or any combination thereof, that total value of which is at least \$3,000,000;

- (iii) Requires Council's approval to authorize the execution of a cooperation agreement, development agreement, or other contract between the City and one or more separate political subdivisions of the Commonwealth or any other legal entity owned or controlled by one or more political subdivisions.

The new language was written and drafted in a way that the impact statements would apply to economic development projects and not for routine CIP projects, such as CIP transportation projects, which receive state funding.

Fiscal Impact:

There is no fiscal impact.

2. Ord. No. 2016-137 (Patron: Councilman Baliles) To amend ch. 12, art. II of the City Code by adding therein a new section 12-37, concerning the disposition of revenues from the City's meals tax, for the purpose of funding the operation of public schools in the city.. – Continued from July with amendments.

Summary of Ordinance/Resolution, Background:

Ord. No. 2016-137, as amended, amends chapter 12, art. II of the City Code by adding therein a new section 12-37, that dedicates one-sixth (16.7percent) of the City's Prepared Food (Meals) Tax Revenues to operation of Richmond Public Schools. The amended ordinance contains a sunset clause that provides for expiration of the dedication of the funds four years after adoption of the ordinance.

Staff Analysis and Questions:

- This amended ordinance dedicates one-sixth (16.7percent) of the City's Prepared Foods (MEALS) Tax Revenues for operation of Richmond Public Schools.
- For FY 2017 the City's Prepared Foods (MEALS) Tax Revenues are estimated at \$33,491,077.
 - One-sixth of this amount is \$5,581,846.
 - This one-sixth is 3.8% of the \$145,999,657 local funds for operating support included for Richmond Public Schools in the FY 2017 Proposed Budget.
- The Committee may want to determine the impact that dedicating \$5.6 million for support of Richmond Public Schools would have on other City programs.
- The Committee may want to determine if dedication of the proposed one-sixth of the City's Prepared Foods (MEALS) Tax Revenues for support of Richmond Public Schools would be in addition to the funds currently appropriated.

Fiscal Impact:

- This ordinance dedicates one-sixth (16.7percent) of the City's Prepared Foods (MEALS) Tax Revenues, estimated at \$5,581,846, for operation of Richmond Public Schools.

3. Ord. No. 2016-139 (Patron: Councilman Baliles) To amend ch. 12, art. II of the City Code by adding therein a new section 12-37, concerning the disposition of 75% of the City's year-end General Fund surplus, for the purpose of funding the operation of public schools in the city.. – Continued from July.

Summary of Ordinance/Resolution, Background:

Ord. No. 2016-139 amends chapter 12, art. II of the City Code by adding therein a new section 12-37, that dedicates 75% of the City's year-end General Fund surplus to operation of Richmond Public Schools.

Staff Analysis and Questions:

- This ordinance dedicates 75 percent of the City's Year End General Fund Surplus, exclusive of the amount required to meet the City's Unassigned Fund Balance Policy to the operation of Richmond Public Schools.
- The Committee may want to determine the impact that dedicating 75 percent of the City's Year End General Fund Surplus for support of Richmond Public Schools would have on other City programs.
- The Committee may want to determine if dedication of 75 percent of the City's Year End General Fund Surplus for support of Richmond Public Schools would be in addition to the funds currently appropriated.
- The Committee may want to determine how 75 percent of the City's Year End General Fund Surplus would be determined in years where no Consolidated Annual Financial Report is available.

Fiscal Impact:

- The actual amount available will vary annually.

4. Ord. No. 2016-140 (Patron: Councilman Baliles) To amend ch. 12, art. II of the City Code by adding therein a new section 12-37, concerning the disposition of certain revenues from real estate taxes, for the purpose of funding the operation of public schools in the city. – Continued from July.

Summary of Ordinance/Resolution, Background:

Ord. No. 2016-140 amends chapter 12, art. II of the City Code by adding therein a new section 12-37, that dedicates 60.8 percent of the City's Current and Delinquent Real Estate Tax Revenues to operation of Richmond Public Schools.

Staff Analysis and Questions:

- Ord. No. 2016-140 does two things:

1. It dedicates 60.8 percent of the City's Current and Delinquent Real Estate Tax Revenues to the operation of Richmond Public Schools, and
 2. It requires that the percentage of the City's Current and Delinquent Real Estate Tax Revenues to the operation of Richmond Public Schools shall be reevaluated every five years.
- The Committee may want to determine the impact that dedicating 60.8 percent of the City's Current and Delinquent Real Estate Tax Revenues for support of Richmond Public Schools would have on other City programs.
 - The Committee may want to determine if dedication of 60.8 percent of the City's Current and Delinquent Real Estate Tax Revenues for support of Richmond Public Schools would be in addition to the funds currently appropriated.

Fiscal Impact:

- The actual amount available will vary annually.

5. Ord. 2016-203 (Patron: Mayor Jones): To authorize the Chief Administrative Officer, for and on behalf of the City of Richmond, to enter into the Twentieth Commercial Area Revitalization Effort Program Cooperation Agreement between the City of Richmond and the Economic Development Authority of the City of Richmond for the purpose of providing for the operation of the Commercial Area Revitalization Effort ("CARE") Program.

Summary of Ordinance/Resolution, Background:

The ordinance authorizes the CAO to enter into a Cooperation Agreement with the EDA for the continuation of the Cooperation Area Revitalization Effort (CARE) Program. The primary objective of the program is to improve the environment for retail business, service or other business, housing and mixed real estate uses in designated CARE areas by providing incentives to the property and business owners.

The CARE program was established in 1992 by the Department of Economic Development as a comprehensive program for revitalizing the Hull Street commercial corridor between Commerce Road and Cowardin Avenue. The Program has since been expanded to twelve areas which include: Jackson Ward, North 25th Street, Brookland Park Boulevard, Hull Street, Midlothian Turnpike, Fulton Hill, Lombardy/Chamberlayne, Meadowbridge, North Avenue, Shockoe Bottom, Swansboro and Eastview/Whitcomb as CARE commercial corridors.

Staff Analysis and Questions:

Section 3 of the Program Agreement indicates that, "One year after the vacancy rate among buildings in a CARE Area decreases to seven percent (7%), the CARE Program for such CARE area shall terminate. It is anticipated that the Midlothian Turnpike CARE area will graduate in FY17."

- The Committee may be interested in learning more about the Midlothian Turnpike CARE area now that it is anticipated to graduate from the program. The Committee may be interested in receiving a summary on the progress of the other CARE areas.

Section 8 of the agreement addresses the Budget and Authority Expenses. It states that, “This Agreement does not provide additional funding and is solely for the continuation of the CARE and Extra CARE program activities.” It goes on to state that, “The Authority shall be eligible to receive an amount not to exceed \$13,000 to cover the Authority’s direct expenses in administering the CARE Cooperation Agreement and the Extra CARE Cooperation Agreement.”

- The Committee may be interested in knowing if the Authority does become eligible for the \$13,000 to cover the Authority’s direct expenses where the funding comes from. Would Council approval be required prior to transferring any funds to the Authority?

Fiscal Impact:

There will be no cost to the City this fiscal year.

6. Ord. No. 2016-226 (Patron: Mayor Jones) To amend Ord. No. 2016-116, adopted Apr. 25, 2016, which authorized the Chief Administrative Officer to submit a Consolidated Plan and Annual Action Plan to the U. S. Department of Housing and Urban Development (HUD) as an application for the receipt of Community Development Block Grant (CDBG) funds, HOME Investment Partnership (HOME) funds, Emergency Solutions Grant (ESG) funds and Housing Opportunities for Persons with AIDS (HOPWA) funds; accepted funds from the U. S. Department of Housing and Urban Development in the total amount of \$6,362,297; and appropriated \$6,562,297 for various projects, for the purpose of authorizing the cancellation of 16 CDBG activities, accepting \$5,940 in additional HOME funds, and appropriating this \$5,940 for the Citywide Owner Occupied Home Repair project.

Summary of Ordinance/Resolution, Background:

The ordinance proposes to authorize the CAO to submit an amended FY17 five year Consolidation Plan to the U.S. Department of Housing and Urban Development (HUD). The amended plan accepts an additional allocation of \$5,940 of HOME Investment partnership (HOME) funds and cancels 16 Community Development Block Grant (CDBG) funded activities.

The 16 CDBG activities that are being cancelled will require that the properties be sold at the fair market value. The net proceeds from the sale will be 1) returned to the City’s CDBG fund to be reprogrammed to other eligible CDBG activities or 2) returned to HUD. The city is cancelling 15 open activities and 1 spot blight activity. The sub recipient partner, RRHA, has not been able to achieve a national objective for the properties located in North Jackson Ward. RRHA has agreed to sell the properties or pay the City back the funds invested in the properties.

The O&R states that, “As to the cancelling of activities, the City is at risk of paying the US Department of Housing and Urban Development an estimated \$445,501 from City general funds if the listed projects are not completed. By canceling the activities and selling the lots at or above the fair market value, the City can avoid repayment and focus on other priorities.”

Staff Analysis and Questions:

The \$5,940 of additional allocation of HOME funds are recommended to increase the Citywide Owner Occupied Home Repair project. The projects FY17 allocation was originally adopted at \$80,518 and will the additional allocation will increase to \$86,458.

The City is at risk of having to pay back HUD an estimated \$445,501 from the City's General Fund if the 16 listed projects/activities are not completed.

- The Committee may be interested in knowing if HUD is aware that these projects/activities are not going to be complete and will instead be cancelled. Has HUD agreed to let the proceeds from the sale of the properties be deposited back into the City's CDBG account to be reprogrammed for other eligible CDBG activities?
- The Committee wish to receive more information as to why these properties need to be sold and the activities cancelled. Since there have been funds already invested in these properties, will the City incur a loss on the investment?
- The Committee may be interested in knowing what will occur if the properties that are sold do not cover the full \$445,501 that the City is at risk for having to repay HUD.
- The Committee may be interested in knowing if there is a specific deadline for when these properties need to be sold, and the planned method of sale.
- The Committee may be interested in knowing what the City's plan is moving forward to ensure this does not continue to occur with other projects and activities.

The ordinance is requesting an amendment to the Consolidated Plan. The only change to the FY17 budget is increasing the HOME funds by the \$5,940 for the additional allocation. The ordinance indicates the cancellation of 16 CDBG activities; however, there is no amendment to the CDBG budget.

- The Committee may be interested in knowing why, if the 16 activities are being cancelled, there is no change/amendment to the CDGB budget. Once the properties are sold and the proceeds are deposited back into the City's CDBG account for reprogramming will another amendment be required to the Consolidated Plan and budget?
- The Committee may be interested in knowing if the cancellation of these projects will have a negative impact of HUD funding in the future. Is the City at risk of losing HUD funding in the future?

Fiscal Impact:

The City will receive an additional allocation of \$5,940 of HOME funds which will increase the total HOME fund award from \$1,090,518 to \$1,096,458.

The City is also at risk of having to repay HUD \$445,501 from the City's General Fund due to the list of activities not being completed. The proposed action is to sell the properties and deposit the proceeds from the sale into the City's CDBG account for reprogramming; however, it is not known at this time what the full risk to the City if the sale of the properties does not cover the amount owed to HUD.

7. **Ord. No. 2016-227 (Patron: Mayor Jones)** To authorize the Chief Administrative Officer to accept funds in the amount of \$377,847 from the Virginia Department of Criminal Justice Services and to appropriate the increase to the Fiscal Year 2016-2017 Special Fund Budget by increasing estimated revenues and the amount appropriated to the Judiciary - Commonwealth Attorney agency's Victim Witness special fund by \$377,847 for the purpose of supporting the Victim Witness program.

Summary of Ordinance/Resolution, Background:

This paper authorizes the CAO to accept a grant in the amount of \$377,847 from the Department of Criminal Justice and amends the City's FY17 Special Fund Budget by increasing anticipated revenues and appropriating the increase to the Commonwealth's Attorney Special Fund Budget for Victim/Witness Program services.

Staff Analysis and Questions:

The FY17 adopted Special Fund Budget for the Commonwealth Attorney's Victim/Witness Program was \$550,200. Acceptance of this grant of \$377,847 will bring the total appropriation to \$928,047.

Fiscal Impact:

The City will receive additional funding in the amount of \$377,847 for the Victim/Witness Program administered by the Commonwealth's Attorney Office.

8. **Ord. No. 2016-228 (Patron: Mayor Jones)** To authorize the Chief Administrative Officer to accept funds in the amount of \$50,000.00 from the Virginia Economic Development Partnership Authority and to appropriate the increase to the Fiscal Year 2016-2017 Gas Utility Budget by increasing estimated revenues and the amount appropriated to the Department of Public Utilities for the purpose of completing a Phase II Environmental Site Assessment to satisfy due diligence requirements and to identify and evaluate the presence of "Recognized Environmental Conditions" at the former Fulton Gas Works site on Williamsburg Road.
9. **Ord. No. 2016-229 (Patron: Mayor Jones)** To authorize the Chief Administrative Officer, for and on behalf of the City of Richmond, to execute a Virginia Brownfields Restoration and Economic Redevelopment Assistance Fund Program Performance Agreement between the City of Richmond, Virginia, and the Virginia Economic Development Partnership Authority for the purpose of enabling the Authority to provide a grant of \$50,000 to the City to assist in the completion of a Phase II Environmental Site Assessment at the former Fulton Gas Works located at 3301 Williamsburg Avenue in the city of Richmond

Summary of Ordinance/Resolution, Background:

These two ordinances are related.

- Ord. 2016-228 authorizes the CAO to accept \$50,000 from the Virginia Economic Development Partnership Authority and to amend the FY17 Gas Utility Budget to increase the anticipated revenues and appropriate the additional funds to the Department of Public Utilities for the purpose of completing a Phase II Environmental Site Assessment at the former Fulton Gas Works site on Williamsburg Road.
- Ord. 2016-229 is to authorize the CAO to execute a Virginia Brownfields Restoration and Economic Development Assistance Fund Program Performance Agreement between the City and the Virginia Economic Development Partnership Authority to enable the Authority to provide the grant of \$50,000 to assist with the completion of a Phase II Environmental Site Assessment at the former Fulton Gas Works site on Williamsburg Road.

The City is planning on performing an assessment and remediation activities on the Fulton Gas Works site to address the Recognized Environmental Conditions (RECs) and Historical RECs (HRECs) related to the gasification plant that was located on the property from the 1850s to the 1950s.

- RECs are defined by ASTM Standards as, “the presence of likely presence of any hazardous substance or petroleum products in, on, or at a property due to release to the environment; under conditions indicative or release to the environment or under conditions that pose a material threat of future release.”
- HRECs is defined as, “ an environmental condition which in the past would have been addressed to the satisfaction of the applicable regulatory authority with hazardous substances or petroleum products allowed to remain in place subject to the implementation of required controls.”

The Fulton Gas Works site, located at 3301 Williamsburg Avenue, consists of approximately 7.9 acres. It was a manufactured gas plant that burned coal and oil to derive volatiles for use as a residential and industrial fuel source. The site also maintained underground tar cisterns and large vertical, cylindrical crude oil aboveground storage tanks (ASTs). The ASTs have been removed, but the cisterns may still be present.

Staff Analysis and Questions:

The O&R states there has been evidence that shows some groundwater and building contamination is present at the site.

- The Committee may be interested in knowing what the overall risk is if the contamination is not remediated. Could the contamination levels increase in such a way that there is an eminent risk to surrounding properties?

The Fulton Gas Works site closed in the 1950s. DPU has been the City agency primarily responsible for this property.

- The Committee may be interested in knowing why this Environmental Site Assessment is occurring now. Is there some underlying event, proposal, etc. for this property that is requiring this site assessment be completed?

Fiscal Impact:

The City will receive \$50,000 in funds from the Virginia Economic Development Partnership Authority that will be appropriated to the Department of Public Utilities FY17 Gas Utility Budget.

10. Ord. No. 2016-230 (Patron: Mayor Jones) To amend ch. 27, art. I of the City Code by adding therein a new section 27-10 for the purpose of authorizing the School Board of the City of Richmond to install and operate a video-monitoring system in or on the school buses operated by the School Board as allowed by Va. Code ? 46.2-844(B)

Summary of Ordinance/Resolution, Background:

This ordinance authorizes the School Board of the City of Richmond to install and operate a video-monitoring system in or on the school buses operated by the School Board or to contract with a private vendor to do so on behalf of the School Board. The system will improve public safety by enhancing enforcement efforts to those vehicles illegally passing school buses while the stop arm is extended.

Staff Analysis and Questions:

The O&R request indicates that there is no cost to the City. The initial costs to conduct a public awareness campaign will be incurred by the contractor. It also states that the contractor will cover costs associated with one (1) law enforcement officer, employed by the City of Richmond, to swear to or affirm the certificate accompanying any traffic violation.

- The Committee may be interested in knowing the cost of the contract with the contractor and the terms of the contract. The Committee may wish to know if the contractor is covering the cost of the public awareness and the costs associated with one (1) law enforcement officer over the entire term of the contract or just the first initial year. If the contractor is only covering the cost for the initial year, who will cover the cost in subsequent years.
- If the contractor is covering the cost of the law enforcement officer, will the City be receiving a reimbursement for the cost of the officer? How will the costs be covered?
- The Committee may be interested in knowing how the data will be retrieved and stored from the video-monitoring systems. Will data storage be needed and if so who will be providing that data storage?

The O&R request indicates that, “Based on the estimated frequency of violations, it is anticipated that the citations generated will require one (1) officer’s time for approximately 60 minutes per day, five days a week, to review and approve or disapprove potential violations.

- The Committee may be interested whether or not this will have an impact on the Police Department's staffing. Recent reports have stated that the Police Department is understaffed and in need of more officers.

The required time of the officer is based on an estimated frequency of violations.

- The Committee may be interested in knowing the impact on the Police Department if the estimate is low and more time is required of the law enforcement officer, as well as who will be absorbing the additional cost?

The revenue for the first year is estimated to be \$1 million. The State Code states that any such ordinance authorizing the School Board to install and operate a video-monitoring system in or on the school buses may direct that any civil penalty levied for a violation shall be payable to the local school division.

- The Committee may be interested in knowing if the estimated revenue of \$ million is expected to be collected and accounted for as General Fund revenue of the City or is the estimated revenue expected to be payable to the Richmond School division.

Fiscal Impact:

It is projected that the City should receive approximately \$1 million in additional revenue the first year based on the number of buses and average violations. The program will continue to generate revenue in future years but the amount of revenue is expected to decrease over time as the number of violations and citations decline as a result of increased compliance.

11. Res. No. 2016-R045 (Patron: Baliles and Agelasto) To request that, commencing Jul. 1, 2016, (i) the Chief Administrative Officer cause to be prepared and submitted to the Council and the Mayor a quarterly report that compares actual expenditures to adopted appropriations for each City agency and presents projected expenditures by each City agency for the remainder of the fiscal year and (ii) the Mayor introduce any ordinance to amend the City's budget and modify the amounts appropriated for City agencies following the end of the first, second, and third quarters of each fiscal year for the purpose of reconciling adopted appropriations with projected actual expenditures for City agencies no later than the first day of the second month following the end of each such quarter. –
Continued from June.

Summary of Ordinance/Resolution and Background:

Resolution No. 2016-R045 requests the administration to do two things to keep the budget reconciled with actual expenditures:

1. The Chief Administrative Officer shall provide City Council with a quarterly report that compares the adopted appropriations for each agency with projected actual expenditures. This report shall be provided no later than the first day of the second month of the next fiscal quarter.
2. The Mayor shall introduce any budget ordinance for the purpose of reconciling adopted appropriations with projected actual expenditures no later than the first day of the second month following the end of the first, second, and third quarters of each fiscal year.

- The ordinance shall be effective on July 1, 2016.

Staff Analysis and Questions:

- The schedule for quarterly reports and budget amendment ordinance, if warranted, would be as follows:

Fiscal Quarter	Due Date
1st	November 1
2nd	February 1
3rd	May 1

- This resolution expresses the intent of City Council that a systematic program to continually monitor city expenditures against the adopted appropriations, and make needed adjustments quarterly shall be established.
- As part of the 'Well-managed Government' strategy the administration currently makes adjustments to the budget "...to more closely align agency budgets with their projected expenditure..."
- Such adjustments were made In FY 2012, FY 2013, FY 2014, and FY 2015 in third quarter re-appropriation papers. Ord. No. 2016-181 was introduced on June 13, 2016 for the same purpose.
- These third quarter adjustment are introduced too late in the fiscal year for City Council to have any meaningful input on the final disposition.
- Continually monitoring and reporting on City expenditures in comparison to adopted appropriations, will strengthen the City's financial management.

Fiscal Impact:

- There is no expenditure or revenue impact.

12. Res. No. 2016-R069 (Patron: Councilwoman Newbille) To approve the Richmond Behavioral Health Authority's performance contract.

Summary of Ordinance/Resolution and Background:

This resolution approves the 2017-2018 performance Contract between the Richmond Behavioral Health Authority (RBHA) and the Commonwealth of Virginia. RBHA is required by state law to enter into a bi-annual contract with the Department of Behavioral Health and Developmental Services. The performance Contract is submitted to Council for approval on an annual basis.

This performance contact was approved by the Richmond Behavioral Authority's Board of Directors on June 28, 2016. The performance contract is sent to the Department of Behavioral Health and Development Services where outcomes are monitored throughout the year.

Staff Analysis and Questions:

Below is a comparison between the FY16 and FY17 Consolidated Budget:

Description	FY16	FY17	Difference
Total Funding All Funds	43,049,787	48,251,728	5,201,941
Total Cost All Funds	40,001,579	44,640,841	4,639,262
Difference	3,048,208	3,610,887	562,679
Includes, Mental Health Services, Developmental Services, Substance Abuse Services, Emergency Services and Ancillary Services			

There is an increase of approximately \$5.2 million in total funding sources between FY16 and FY17. There is also a corresponding increase of approximately \$4.6 million for the cost of services between FY16 and FY17. In both FY16 and FY17 the Consolidated budgets appear to be referencing surpluses of approximately \$3.0 million and \$3.6 million, respectively.

- The Committee may be interested in knowing if additional services are being provided based on the increase in revenue and expenditures or are the services remaining the same but that the number of individuals receiving services is increasing.
- The Committee may wish to confirm if the consolidated budgets are anticipating surpluses of \$3.0 million for FY16 and \$3.6 million for FY17. If there are anticipated surpluses, the Committee may be interested in knowing if the full \$2,695,000 annual Non-Departmental appropriation is needed.

Fiscal Impact:

The City's FY17 adopted Non-Departmental budget included funding of \$2,695,000 for RBHA.

13. Res. No. 2016-R070 (Patron: Mayor Jones) To authorize the issuance of public utility revenue refunding bonds of the City of Richmond, Virginia in the maximum principal amount of up to \$484,000,000 to refund portions of certain public utility revenue and refunding bonds previously issued by the City, and to authorize the Director of Finance, with the approval of the Chief Administrative Officer, for and on behalf of the City, to sell such refunding bonds for such purposes, providing for the form, details and payment of the such bonds and approving the form of the supplemental indenture of trust, and to authorize the issuance of taxable bonds in the same maximum principal amount and payable over the same period as such public utility revenue refunding bonds.

Summary of Ordinance/Resolution and Background:

This resolution authorizes the issuance of Public Utility Revenue Refunding Bonds of the City of Richmond in a principal amount not to exceed \$484 million. The City previously issued its Series 2007A, 2009A, and 2013B Series' of Public Utility Revenue Bonds. These bond issues have been identified as potential candidates for refunding to enable the City's Gas, Water and Wastewater Utilities to achieve debt services savings.

The bond refunding is currently scheduled for October/November 2016 and the target is to achieve approximately 3% or greater savings. The bond refunding will be combined with the issuance of new Utility Revenue bond debt that was already planned for this fall to fund ongoing

utility capital projects. Combining the existing planned bond issue with the refunding, the City is expected to also save on some of the fixed bond issuance costs.

This resolution will allow the City to refund either all, some, or none of the three previously identified bond issues based upon market conditions at the time of the bond sale later this fall.

Staff Analysis and Questions:

This resolution is for the refunding of Public Utility Revenue Bonds which do not impact the City's debt capacity.

- The Committee may be interested in knowing if there will be any opportunity in the near future to refund existing G.O. Bond debt in an effort to produce some additional savings.

Fiscal Impact:

If current market conditions remain available at the time of the bond sale, the refunding would produce savings at or above the 3% Net present Value targeted threshold. The actual principal amount of bonds to be refunded and any associated debt service savings will be determined based on many variables including interest rates at the time of the bond sale. All costs of issuance including underwriting and legal expenses have been included in the refunding analysis.