

INTRODUCED: April 10, 2017

AN ORDINANCE No. 2017-080

To amend Ord. No. 2016-047, which adopted the Department of Public Works' Fiscal Year 2016-2017 Parking Enterprise Fund Budget, and Ord. No. 2016-048, adopted May 13, 2016, which adopted the Fiscal Year 2016-2017 Special Fund Budget and made appropriations pursuant thereto, by transferring and re-appropriating funds in the amount of \$1,237,828 from the Department of Public Works' Parking Management special fund to the Department of Public Works' Parking Enterprise Fund for the purpose of funding parking equipment purchases and capital improvements at various City-owned parking facilities.

\_\_\_\_\_  
Patron – Mayor Stoney

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Approved as to form and legality  
by the City Attorney  
\_\_\_\_\_

PUBLIC HEARING: APR 24 2017 AT 6 P.M.

THE CITY OF RICHMOND HEREBY ORDAINS:

§ 1. That Ordinance No. 2016-048, adopted May 13, 2016, which adopted the Special Fund Budget for the fiscal year commencing July 1, 2016, and ending June 30, 2017, and made appropriations pursuant thereto, is hereby amended by transferring funds in the total amount of \$1,237,828 from the Department of Public Works' Parking Management special fund.

§ 2. That Ordinance No. 2016-047, which adopted the Department of Public Works' Fiscal Year 2016-2017 Parking Enterprise Fund Budget, is hereby amended by appropriating the

AYES:            9            NOES:            0            ABSTAIN:            \_\_\_\_\_

ADOPTED:       APR 24 2017       REJECTED:       \_\_\_\_\_       STRICKEN:       \_\_\_\_\_

funds transferred pursuant to section 1 of this ordinance in the total amount of \$1,237,828 to the Department of Public Works' Parking Enterprise Fund for the purpose of funding parking equipment purchases and capital improvements at various City-owned parking facilities.

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

4-6286  
FEB 28 2017

Office of the  
Chief Administrative Officer

O&R



# CITY OF RICHMOND

## INTRACITY CORRESPONDENCE

**REQUEST**

**DATE:** February 13, 2017 **EDITION:** 1

**TO:** The Honorable Members of City Council

**THROUGH:** The Honorable Levar M. Stoney, Mayor

*JS 4/5/17*

**THROUGH:** Selena Cuffee-Glenn, Chief Administrative Officer

**THROUGH:** Lenora G. Reid, DCAO of Finance and Administration *LSR 2/27/17*

**THROUGH:** John Buturla, Interim DCAO of Operations

*[Signature]*

**THROUGH:** Jay Brown, Director of Budget & Strategic Planning

*[Signature]*

**THROUGH:** John Wack, Director of Finance

*[Signature]*

**FROM:** Bobby Vincent Jr., Interim Director of DPW

*[Signature]*

**RECEIVED**

APR 07 2017

OFFICE OF CITY ATTORNEY

**SUBJECT:** TO AMEND THE FY'17 CAPITAL IMPROVEMENT PROGRAM FUND BUDGET AND TO AUTHORIZE THE CHIEF ADMINISTRATIVE OFFICER TO TRANSFER FUNDS FROM FY'14 PARKING SPECIAL FUND BALANCE TO THE 2016-2017 PARKING ENTERPRISE FUND CAPITAL IMPROVEMENT PLAN

**ORD. OR RES. No.** \_\_\_\_\_

**PURPOSE:** To authorize the Chief Administrative Officer (CAO), for and on behalf of the City of Richmond, to transfer the FY'14 Parking Special Revenue Fund Balance in the total amount of \$1,237,828 to the Fiscal Year 2016-2017 Capital Improvement Program Parking Enterprise Fund revenue and appropriations budget. The purpose of the funds will be to purchase parking equipment and capital improvements at various city-owned parking structures.

**REASON:** The Parking Special Revenue Fund Balance transfer will enable the Parking Enterprise to purchase parking equipment and to fund major capital projects.

**RECOMMENDATION:** Approval is recommended by the City Administration.

**BACKGROUND:** In 2002, Desman Associates was hired by the City of Richmond's Department of Economic Development to conduct a study of current/future parking needs, operations, and management and to create a comprehensive strategic downtown parking plan. Desman recommendations included:

- Creating a parking management entity-parking enterprise
- Raising on-street parking rates
- Recommitting to the use of parking meters or multi-space pay stations

In 2009, the Richmond Redevelopment and Housing Authority (RRHA) retained Timothy Haahs & Associates to conduct a comprehensive parking study of the downtown parking system. The study recommended creating a maintenance fund that will allow a parking enterprise fund to properly maintain all parking assets, maximize the life-span of the parking facilities, and prevent major failures of the facilities and equipment.

The creation of a parking enterprise fund was recommended by both Desman and Timothy Haahs as an essential tool for effective parking management. A good parking management system will:

- Allow for centralized organization and leadership
- Provide a clear mission statement with a singular focus on delivering parking services
- Provide sufficient parking to service existing land uses
- Provide safe, clean, well-lit and attractive parking facilities
- Promote turnover of on-street parking spaces
- View parking as infrastructure to spur economic development
- Develop adequate revenue to support parking infrastructure improvements and new construction

Generally Accepted Accounting Principles (GAAP) permits the use of enterprise funds for “any activity whose principal external revenue sources meet any of the following criteria:<sup>1</sup>

- Debt backed solely by fees and charges
- Legal requirement to recover cost<sup>2</sup>
- Policy decision to recover cost<sup>3</sup>

Since an Enterprise Fund is used for government functions that are self-supporting, the fund must have the ability to generate all of its own revenue to cover operating costs. Both Norfolk and Virginia Beach operate Parking Enterprise Funds. Norfolk’s Parking Enterprise Fund was created in 1991, and Virginia Beach’s Parking Enterprise Fund was created in 1989.

The City transferred all of the currently City-owned parking facilities and on-street parking operations to the Parking Enterprise Fund in FY’ 15, which consist of a revenue fund, an operating fund, and a repair and replacement reserve fund (Capital Improvement Program).

The Parking Enterprise Fund appropriates funds for the purpose of funding parking management (both off-street operations and on-street operations) to include enforcement, immobilization, meter installations, collections, maintenance and capital improvements. In November 2013, a condition assessment was performed at all city-owned parking facilities. The contractor estimated approximately \$12M was needed in improvements over a five year period.

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<sup>1</sup> GASB Statement No. 34, paragraph 67.

<sup>2</sup> Cost for this purpose means all direct costs. Thus, a legal requirement to recover a specified percentage of costs does not require the use of an enterprise fund. Likewise, the exclusion of any direct cost (e.g. pension contributions) nullifies this requirement. See GASB, Comprehensive Implementation Guide (2004), 7.261, 7.262, and 7.263.

<sup>3</sup> Cost for this purpose means all direct costs. Thus, a policy decision to recover a specified percentage of costs does not require the use of an enterprise fund. Likewise, the exclusion of any direct cost (e.g. pension contributions) nullifies this requirement. See GASB, Comprehensive Implementation Guide (2004), 7.261, 7.262, and 7.263.

The creation of the Parking Enterprise Fund removed approximately \$5.3 million in revenue from the General Fund and approximately \$7.2 million in debt service expense. Removal of this debt service demand from the General Fund to the Parking Enterprise Fund where it will be revenue supported, created \$65 million in General Obligation debt capacity.

**FISCAL IMPACT/COST:** This ordinance will amend the FY'17 Parking Enterprise Fund Capital Improvement Program Budget appropriating \$1,237,828 transferred from the FY'14 Parking Special Revenue Fund Balance.

**FISCAL IMPLICATIONS:** None

**BUDGET AMENDMENT NECESSARY:** Yes. An amendment to modify Parking enterprise Fund Budget Ordinance 2016-047

**REVENUE TO THE CITY:** None

**DESIRED EFFECTIVE DATE:** Upon Adoption.

**REQUESTED INTRODUCTION DATE:** March 27, 2017

**CITY COUNCIL PUBLIC HEARING:** April 10, 2017

**REQUESTED AGENDA:** Consent

**RECOMMENDED COUNCIL COMMITTEE:** Planning Commission (April 3, 2017)

**CONSIDERATION BY OTHER GOVERNMENTAL ENTITIES:** None

**AFFECTED AGENCIES:** N/A

**RELATIONSHIP TO EXISTING ORD. OR RES:** Yes. Ordinance 2016-047

**REQUIRED CHANGES TO WORK PROGRAM (S):** None

**ATTACHMENTS:** None

**STAFF:**

Lynne Lancaster, DPW

Gail Johnson, DPW

Steven Bergin, DPW