

INTRODUCED: October 29, 2018

Expedited Consideration

A RESOLUTION No. 2018-R095

To make assignments of the calculated general fund surplus for Fiscal Year 2017-2018.

Patrons – President Hilbert, Mr. Jones, Ms. Robertson, Ms. Larson, Mr. Agelasto
Ms. Trammell, Mr. Addison and Vice-President Newbille,

Approved as to form and legality
by the City Attorney

PUBLIC HEARING: OCT 29 2018 AT 4 P.M.

WHEREAS, Chapter 12, Article V of the Code of the City of Richmond (2015), as amended, provides for the Mayor to report on the general fund balance and the Council, by resolution, to assign up to ten percent of the calculated general fund surplus to special purpose reserves, with the terms “calculated general fund balance,” “general fund balance,” and “special purpose reserve” having the meanings ascribed to those terms by section 12-251(a) of the Code of the City of Richmond (2015), as amended; and

WHEREAS, the Mayor has reported that, for the fiscal year commencing July 1, 2017, and ending June 30, 2018, after accounting \$3,450,000 for a negative City Attorney Legal Services Special Fund balance and \$1,933,096 for a negative City Attorney Delinquent Tax Sale Special Fund balance, the unaudited calculated general fund surplus is \$5,135,331; and

AYES: 8 NOES: 0 ABSTAIN: _____

ADOPTED: OCT 29 2018 REJECTED: _____ STRICKEN: _____

WHEREAS, the Council of the City of Richmond now desires to make assignments of ten percent of the calculated general fund surplus for the fiscal year commencing July 1, 2017, and ending June 30, 2018, to special purpose reserves pursuant to section 12-265 of the Code of the City of Richmond (2015), as amended;

NOW, THEREFORE,

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF RICHMOND:

That, pursuant to section 12-265 of the Code of the City of Richmond (2015), as amended, the Council hereby assigns:

1. Up to the first \$250,000 of ten percent of the calculated general fund surplus for the fiscal year commencing July 1, 2017, and ending June 30, 2018, to a special purpose reserve called the “OPEB Trust Fund” reserve intended to identify funds for later appropriation to the trust established by section 1 of Ordinance No. 2018-196, adopted July 23, 2018, for the purpose of accumulating and investing assets to fund other post-employment benefits; and

2. Any additional portion of such ten percent of the calculated general fund surplus for the fiscal year commencing July 1, 2017, and ending June 30, 2018, to a special purpose reserve called the “Percent for the Arts Restoration” reserve intended to identify funds for later appropriation to the Percent for Art project in the Economic and Community Development category of the City’s capital improvement program.



Lou Brown Ali
Council Chief of Staff

Richmond City Council

The Voice of the People

Richmond, Virginia

Office of the Council Chief of Staff

Ordinance/Resolution Request

TO Allen Jackson, City Attorney

THROUGH Lou Brown Ali, Council Chief of Staff *MKB on Behalf*

FROM Meghan Brown, Deputy Council Chief of Staff *MKB*

COPY Chris A. Hilbert, 3rd District Council Member
Haskell Brown, Deputy City Attorney
Lisa F. Townes, 3rd District Liaison

DATE October 24, 2018

PAGE/s 1 of 2

TITLE Assignment of General Fund Balance

RECEIVED

OCT 24 2018

OFFICE OF CITY ATTORNEY

This is a request for the drafting of an **Ordinance** ☐ **Resolution** ☒

REQUESTING COUNCILMEMBER/PATRON

President Hilbert

SUGGESTED STANDING COMMITTEE

Expedited Consideration

ORDINANCE/RESOLUTION SUMMARY

A resolution to set out Council's assignments of the projected Fiscal Year 2018 year-end General Fund surplus, as provided for in Ordinance No. 2017-2015.

BACKGROUND

- Ordinance No. 2017-215 requires the mayor to provide Council with his recommendations for assignment of the year-end General Fund surplus.
 - Council has until November 1 to endorse these recommendations, or set out its own assignments.
 - Any amount not assigned by City Council may be assigned by the Mayor, in the Mayor's discretion, in writing to the City Council.
- On October 16, 2018, the City Administration submitted to City Council its latest projection of the Fiscal Year 2018 General Fund year-end fund balance and surplus.
- Pursuant to its authority under Ordinance No. 2017-215, City Council has determined that the final year-end General Fund surplus shall be assigned as follows:

A. Prior to the allocation provisions of Ordinance 2017-215:

- 1.) Up to the first \$3,450,000 be assigned for the negative City Attorney's Legal Services Special Fund balance
 - 2.) Up to the next \$1,933,096 be assigned for the negative City Attorney's Delinquent Tax Sale Special Fund balance
- After the two initial assignments set out in A, above, the remainder of any surplus shall be subject to the 50%/40%/10% allocation as established by Ordinance 201-215.
- B. The 10 percent available for special purpose reserve(s) shall be assigned in the following order:
- 1.) Up to the first \$250,000 shall be assigned for OPEB Trust Fund, and
 - 2.) All remaining surplus shall be assigned to restore funding for the Percent for the Arts.

FISCAL IMPACT STATEMENT

Fiscal Impact Yes ☐ No ☒

Budget Amendment Required Yes ☐ No ☒

Estimated Cost or Revenue Impact: N/A

Fiscal Summary:

No fiscal impact. This resolution is only making assignments of Fiscal Year 2018 year end General Fund surplus. Use of any assignments will require a subsequent budget amendment(s) for appropriation.

Attachment/s Yes ☒ No ☐

Estimated, Unaudited General Fund Balance as of 6/30/18

Updated 10/16/18

Total General Fund Balance as of 6/30/17 (Audited)	135,368,309	
Less: Nonspendable (Prepaid) as of 6/30/17	(399,742)	
Plus: Nonspendable (Prepaid) estimate as of 6/30/18	9,953	
Less: Committed for School Operations as of 6/30/17	(19,176)	
Plus: Committed for School Operations as of 6/30/18	47,172	* Per Ord 2016-092
Less: Assigned Encumbrance Roll Forward as of 6/30/17	(9,819,451)	
Plus: Assigned Encumbrance Roll Forward as of 6/30/18	5,432,399	
Less: Use of Assignments for Roads, School Maint, Bonus during FY2018	(5,400,000)	
Less: Assignment for negative City Attorney Legal Services Special Fund balance identified during FY2018	(3,450,000)	* Auditor Required Adjustment
Less: Assignment for negative City Attorney Delinquent Tax Sale Special Fund balance identified during FY2018	(1,933,096)	* Auditor Required Adjustment
Estimated Nonspendable as of 6/30/18 before "Surplus"	9,953	
Estimated Committed as of 6/30/18 before "Surplus"	12,047,172	
Estimated Assigned as of 6/30/18 before "Surplus"	10,815,495	
Unassigned Fund Balance as of 6/30/17 (prior to FY2018 Surplus)	107,729,940	
Estimated Total Fund Balance as of 6/30/18 before "Surplus"	130,602,560	
Estimated "Surplus" of Revenues above Expenditures	5,135,331	
Addition to Unassigned Fund Balance (Portion of 50%)	567,666	* Per Ord 2017-215
Addition to Revenue Stabilization Reserve (Portion of 50%)	2,000,000	* Per Ord 2017-215
Assigned to Capital Maintenance Reserve (40%)	2,054,132	* Per Ord 2017-215
Assigned Special Purpose for OPEB Trust Fund (Portion of 10%)	250,000	* Per Ord 2017-215
Assigned Special Purpose for GRTC (No longer needed)	-	* Per Ord 2017-215
Assigned Special Purpose for Employee Compensation (Portion of 10%)	263,533	* Per Ord 2017-215

Estimated Nonspendable (Prepaid) as of 6/30/18	9,953
Estimated Committed for Revenue Stabilization as of 6/30/18	12,000,000
Estimated Committed for Retirement as of 6/30/18	2,000,000
Estimated Committed for School Operations as of 6/30/18	47,172
Estimated Assigned for Capital Reserve as of 6/30/18	2,054,132
Estimated Assigned for Encumbrance Roll Forward as of 6/30/18	5,432,399
Estimated Assigned for City Attorney Special Funds as of 6/30/18	5,383,096
Estimated Assigned for OPEB Trust as of 6/30/18	250,000
Estimated Assigned for Employee Compensation as of 6/30/18	263,533
Estimated Unassigned Fund Balance as of 6/30/18	108,297,606
Estimated Total Fund Balance as of 6/30/18	135,737,891