

Finance & Economic Development Standing Committee

January 16, 2020

Legislative Summary

Previous Meeting: November 21, 2019

Next Meeting: February 20, 2020

Committee Notes

- Presentation: "A Comparison of the Retiree Healthcare Benefits, Other Post Employment Benefits (OPEB)" by Mona Adkins-Easley, Interim Human Resources Director – Department of Human Resources

Ordinances & Resolutions for Consideration

Ordinance No. 2019-275

Patron Cmbr. Addison

Key Points:

- To amend ch. 6 of the City Code by adding therein a new art. XII (§§ 6-596—6-602) to establish a technology zone program in accordance with Va. Code § 58.1-3850, for the purpose of facilitating the development and location of technology businesses in the city of Richmond, capital investment, and job creation.
- Provides for incentives to qualifying businesses to be provided a reduction in its BPOL tax against the gross receipts derived from its technology business.
- There is a limitation on the tax benefit that no greater than \$100K in any given year of certification can be given.
- No roll over of any benefits which are in excess of such \$100K cap or which are not provided due to the five (5) year cap on expansion technology businesses to any successive years.

Fiscal Impact: None Yes, and is as follows:

There will be a fiscal impact once the Technology Zone Program goes into effect. The estimate cannot be determined at the current time since the number of qualifying businesses and their revenues are known.

Ordinance No. 2019-276

Patron Cmbr. Addison

Key Points:

- To amend City Code §§ 26-872, concerning definitions related to license taxes, and 26-989, concerning licenses taxes for personal services businesses, and to amend ch. 26, art. XV, div. 2 of the City Code by adding therein a new section numbered 26-1003.1, concerning the license tax for technology businesses, for the purpose of creating a new business, profession, and occupation license category called "technology business" and imposing a new license tax on such businesses.
- Establishing a license tax equal to \$0.10 per \$100 of gross receipts of the technology business for persons engaging in biotechnology, research and development, and information services.
- Establishing a license tax equal to \$0.03 per \$100 of gross receipts of the technology business for federal contractors engaged in research and development services.
- Establishing a license tax equal to \$0.03 per \$100 of gross receipts of the technology business for persons engaged in computer services.

Fiscal Impact: None Yes, and is as follows:

There will be a fiscal impact. Current or new businesses may have been classified in another category that provides for a higher tax rate but with the establishment of this new category may now be eligible for the new tax rate which is lower than any of the other categories.

Ordinance No. 2019-331

Patron Mayor Stoney

Key Points:

- Ordinance No. 2019-331 proposes to transfer \$3,780,000 from the appropriation for the RPS Contingency Reserves to other major classifications to facilitate the implementation of the School Board's strategic plan.
- The proposed transfers are to the following major classifications:
 - \$3,225,000 Instruction
 - \$275,000 School Nutrition Services
 - \$210,000 Administration, Attendance, and Health
 - \$70,000 Technology
 - \$3,780,000 Total**

Fiscal Impact: None Yes, and is as follows: Ordinance No. 2019-331 reallocates funds already appropriated to RPS. There is no increase in appropriation or revenues.

Ordinance No. 2019-339**Patron** Mayor Stoney

Key Points:

- Ordinance No. 2019-339 authorizes the Chief Administrative Officer to accept in-kind goods and services valued at \$142,803.35 from the Commonwealth of Virginia 911 Services Board for improvements to the City's 911 call handling equipment.
- The Commonwealth of Virginia is implementing Next Generation 911 because the current analog network is being converted to digital.
- A separate paper, Ordinance No. 2019-332, adopted on January 13, 2020, amended the Special Fund Budget to provide an appropriation of \$165,000 from the Commonwealth of Virginia to cover the upfront cost for the call handling equipment (CHE) replacement and upgrade. Committee referral of this ordinance was waived.

Fiscal Impact: None Yes, and is as follows: Ordinance No. 2019-339 will result in the receipt of \$142,803.35 of in-kind goods and services from the Commonwealth of Virginia.

Ordinance No. 2019-340**Patron** Mayor Stoney

Key Points:

- Ordinance No. 2019-340 establishes the use of a fee schedule for services rendered by Richmond City Police Department (RPD) officers at special events within the City.
- At special events for which RPD services have been requested and contract, a minimum of 4 hours per officer will be charged.
- Appendix A of the Code of the City of Richmond (2015) is amended to include:
 - "Fee per employee per hour for the law enforcement services rendered by the Department of Police: Each Department of Police employee's personal hourly rate multiplied by each hour worked or a prorated portion thereof, multiplied by 1.5"
 - \$35 per RPD vehicle used per day

Fiscal Impact: None Yes, and is as follows: The Administration has estimated an additional \$350,000 in revenue for the City in FY 2020. There is no cost to the City.

Ordinance No. 2019-342

Patron Cmbr. Hilbert

Key Points:

- Ordinance No. 2019-342 establishes an advisory commission for the purpose of facilitating citizen feedback regarding funding priorities on the Capital Improvement Plan.
- The Citizens' Capital Improvement Plan Commission (Commission) will be tasked with collecting citizen feedback from all 9 districts regarding the allocation of funds for the Capital Improvement Plan, and to advise the Mayor and City Council according to the feedback they receive.
- The Commission will have 11 members.
 - 9 members will be appointed by Council, and each district shall be represented by 1 member.
 - 2 will be appointed by the Mayor, one of which must be from either the City's Finance or Budget offices.
- The Commission will meet monthly beginning January/February 2020 and will terminate in December 2020.
- This ordinance is similar to Resolution 2019-R051 (Addison), but expands upon the reach of the resolution.

Fiscal Impact: None Yes, and is as follows: The fiscal impact consists of staffing resources from the CAO's office and the Council Chief of Staff's office, not to exceed 40 hours.

Ordinance No. 2020-006

Patron Mayor Stoney

Key Points:

- Ordinance No. 2020-006 adds a new §26-1279.1, to establish a four percent cigarette tax discount on the sale of heat-applied City cigarette tax stamps.
- The proposed four percent discount is intended to offset the administrative costs for retailers.

Fiscal Impact: None Yes, and is as follows: Cigarette tax revenues will be reduced by approximately \$35,000 for the remainder of FY20.

Ordinance No. 2020-007

Patron Mayor Stoney

Key Points:

- Amends City Code § 26-967, concerning retail merchants, for the purpose of revising the business license requirements for manufacturers acting as retail merchants.
- Manufacturers who sell retail will be required to obtain a retail merchant license, but will no longer be required to provide their gross receipts or the amount of sales of goods as a part of their licensing.
- Manufacturers who sell retail would no longer be required to sell at a definitive place or store in order to qualify for a retail merchant license.

Fiscal Impact: None Yes, and is as follows:

Ordinance No. 2020-008

Patron Mayor Stoney

Key Points:

- Amends certain fees set forth in Appendix A of the City Code for section 8-545 (concerning fees for the temporary use of Main Street Station) for the purpose of revising the schedule of fees for the temporary use of Main Street Station.
- Amends Appendix A to include the rental of The Gallery at the Main Street Station.
- Department of Public Works (DPW) took over the management of the various Main Street Station facilities on July 1, 2019. It was previously managed by a private company known as RMTA.
- Ordinance No. 2019-154 was adopted on June 24, 2019, and amended the Appendix A fee schedule creating a fee schedule for the Main Street Station.

Fiscal Impact: None Yes, and is as follows: Anticipated revenue from rental fees.

Ordinance No. 2020-009

Patron Mayor Stoney

Key Points:

- Ordinance No. 2020-009 authorizes a Virginia Brownfields Restoration and Economic Redevelopment Assistance Fund Program Site Assessment and Planning Grant Performance Agreement between the City of Richmond and the Virginia Economic Development Partnership Authority for a grant of \$50,000 to the City for the assessment and evaluation of the redevelopment the former Railroad Club located at 2908 P Street in the City of Richmond.
- Ordinance No. 2020-004, which was not referred to committee, appropriates the \$50,000 to the Department of Housing and Community Development Special Fund Budget.

Fiscal Impact: None Yes, and is as follows: There is no fiscal impact of Ordinance No. 2020- 009. The companion Ordinance No. 2020-004 will result in a \$50,000 increase Special Fund revenues and expenditures.

Resolution No. 2020-R002

Patron Mayor Stoney

Key Points:

- Requests the issuance of public utility revenue refunding taxable bonds of the City of Richmond, Virginia in the maximum principal amount of up to \$180,000,000 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.
- The Administration states that this will produce significant annual savings in the future debt service payments paid by the City's Gas, Water, and Wastewater Utilities.

Fiscal Impact: None Yes, and is as follows:

By refunding these bonds the City estimates that \$6 million will be saved over the course of 23 years.

Resolution No. 2020-R003

Patron City Council

Key Points:

- Ordinance No. 2020-003 requests the Mayor to propose an amendment to the FY20 Capital Budget to appropriate \$2,702,003 from the Capital Maintenance Reserve to the RPS ADA Compliance project.
- A 2014 U.S. District Court Order included the requirement for \$5.0 million for the RPS ADA Compliance project.
- Prior to the Court Order, the City adopted the FY15-19 CIP that transferred \$3.6 million from the \$5,0 million assumed in the Court Order.
- The requested appropriation represents replacement of \$2.7 million of the \$3.6 million transferred from the RPS ADA Compliance project in the FY15-19 CIP.
- The \$2.7 million represents the remaining, unallocated balance in the Capital Maintenance Reserve.
- The City's Fund Balance Policy requires that 40% of the unreserved Year End Fund Balance be allocated to the Capital Maintenance Reserve.

Fiscal Impact: None Yes, and is as follows: Requests Mayor to recommend appropriation of \$2.7 million to the RPS ADA Compliance project for FY20.

Resolution No. 2020-R004

Patron Cmbr. Hilbert

Key Points:

- Resolution No. 2020-R004 requests the issuance by the Richmond Redevelopment and Housing Authority of its multifamily housing revenue bonds in an amount up to \$10,000,000.00 for the acquisition, construction, renovation, rehabilitation and equipping of an approximately 143-unit multifamily residential rental housing project to be known as Bellevue Apartments located at 4203 Chamberlayne Avenue and 4210 Old Brook Road in the City of Richmond.
- Resolution No. 2016-R088 granted the original approval for the issuance of the \$10,000,000 for this project on December 12, 2016.
- Code Genesis Bellevue LLC has requested that the Authority issue up to \$10,000,000 of its revenue refunding bonds to assist with the refinancing the acquisition, construction, renovation, rehabilitation, and equipping of this project.
- The Authority has recommended that the City Council approve the issuance of the refunding bonds.
- A public meeting regarding this project was held on Wednesday, November, 18, 2019.

Fiscal Impact: None Yes, and is as follows:



The Honorable Dawn C. Page
 Chair
 8th District
dpage2@rvaschools.net

November 13, 2019
 Mayor Levar M. Stoney
 City of Richmond
 900 East Broad Street, Suite 201
 Richmond, Virginia 23219

Mayor Stoney:

I am pleased to present Richmond Public Schools' second Dreams4RPS budget transfer request in the amount of \$3,780,000. These funds will enable RPS to staff and implement programs and processes needed to execute this community driven strategic plan.

Dreams4RPS Priority Areas

- Priority 1: Exciting and Rigorous Teaching and Learning
- Priority 2: Skilled and Supported Staff
- Priority 3: Safe and Loving School Cultures
- Priority 4: Deep Partnership with Families and Communities
- Priority 5: Modern Systems and Infrastructure

Action Item	Dreams4RPS Item	Amount Requested	RPS Functional Account
1.1	Visit "Best Practice Sites" for Passion4Learning implementation planning	\$25,000	1000-Instruction
1.2	Launch new early literacy curriculum	\$875,000	1000-Instruction
1.2	Maintain teacher literacy leadership work	\$50,000	1000-Instruction
1.2	Redesign Summer School to address critical literacy needs	\$80,000	1000-Instruction
1.2	Launch "Culture of Reading" pilots	\$100,000	1000-Instruction
1.2	Implement an Equity fund for four highest priority elementary schools based on accreditation	\$70,000	1000-Instruction
1.2	Hire two reading specialists	\$100,000	1000-Instruction
1.2	Provide tuition reimbursement for current RPS teachers to obtain reading specialist endorsement	\$25,000	1000-Instruction
1.3	Launch upper elementary and middle school ELA curriculum	\$300,000	1000-Instruction
1.3	Identify and train teachers to help lead curriculum adoption work	\$350,000	1000-Instruction

Action Item	Dreams4RPS Item	Amount Requested	RPS Functional Account
1.4	Expand breadth and equity of communications of course offerings	\$20,000	1000-Instruction
1.5	Launch Special Education Advisory Council	\$10,000	1000-Instruction
1.6	Launch English Language Learner Council	\$10,000	1000-Instruction
1.6	Design Newcomer High School Academy	\$10,000	1000-Instruction
1.6	Hire additional ESL Teachers	\$450,000	1000-Instruction
1.7	Launch Alternative Education Council	\$10,000	1000-Instruction
1.7	Design new alternative education model	\$10,000	1000-Instruction
2.1	Increase investment in marketing and recruitment	\$50,000	2000-Admin/Attend/Health
2.1	Maintain recruiter position	\$80,000	2000-Admin/Attend/Health
2.1	Launch HR Call Center	\$50,000	8000-Technology
2.1	Expand functionality of TalentEd to allow applicants to submit videos of their teaching	\$20,000	8000-Technology
2.1	Add staff member to enhance rigor of selection process	\$80,000	2000-Admin/Attend/Health
2.5	Hire partner to implement pilot in five schools	\$50,000	1000-Instruction
2.5	Provide stipends for Equity Leads in pilot schools	\$20,000	1000-Instruction
2.6	Provide tuition reimbursement for endorsements in math/science	\$100,000	1000-Instruction
2.7	Host excellence Gala to recognize educators and students	\$100,000	1000-Instruction
3.4	Launch team building retreats to build positive relationships prior to the start of school	\$50,000	1000-Instruction
3.5	Launch student celebration event	\$50,000	1000-Instruction
3.6	Provide funding to all schools to support their Celebration Plans	\$150,000	1000-Instruction
3.7	Hire partner to help implement asset based classroom management techniques	\$50,000	1000-Instruction
3.8	Launch School Justice Collaborative	\$5,000	1000-Instruction
4.1	Develop "Go Farther Together" Training and Materials	\$50,000	1000-Instruction
4.5	Maintain customer service training for front office staff	\$10,000	1000-Instruction
4.6	Expand Family Academy offerings	\$30,000	1000-Instruction
4.7	Design Richmond History Course	\$10,000	1000-Instruction
5.4	Travel to best practice districts to learn how to best implement and engage communities in the creation of equity based funding formulas	\$25,000	1000-Instruction
5.4	Develop print and online communication materials for communication materials	\$10,000	1000-Instruction
5.4	Conduct extensive community engagement on new formula	\$20,000	1000-Instruction
5.6	Maintain menu adjustments based upon student feedback and nutritional goals	\$25,000	5000-School Nutrition Services

Action Item	Dreams4RPS Item	Amount Requested	RPS Functional Account
5.6	Build kitchen operations infrastructure to improve quality of food	\$250,000	5000-School Nutrition Services

Thank you for endorsing these reappropriations. We appreciate your commitment to investing in our students' future.

Sincerely,

Dawn C. Page

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c: Richmond City Council
Richmond City School Board
Mayor Levar Stoney
Jason Kamras, Superintendent

c: Richmond City Council
Richmond City School Board
Mr. Jason Kamras, Superintendent
Mr. Darin Simmons, Jr., Chief Operating Officer