

INTRODUCED: October 20, 2020

A RESOLUTION No. 2020-R059

To make assignments of the calculated general fund surplus for Fiscal Year 2019-2020.

\_\_\_\_\_  
Patrons – All Members of Council  
\_\_\_\_\_

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

PUBLIC HEARING: OCT 27, 2020 AT 2 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, 2019, and ending June 30, 2020, the unaudited general fund balance is \$166,160,686.00; and

WHEREAS, by Ordinance No. 2020-\_\_\_\_\_, adopted October \_\_\_\_, 2020, the Council created a new reservation of fund balance in the amount of up to \$5,000,000.00 from the general

AYES: \_\_\_\_\_ 5 \_\_\_\_\_ NOES: \_\_\_\_\_ 0 \_\_\_\_\_ ABSTAIN: \_\_\_\_\_

ADOPTED: \_\_\_\_\_ OCT 27 2020 \_\_\_\_\_ REJECTED: \_\_\_\_\_ STRICKEN: \_\_\_\_\_

fund balance called the 2020 Unfunded Other Post-Employment Benefits Liability Reserve for the purpose of assigning funds for future appropriation to the trust established by section 1 of Ordinance No. 2018-196, adopted July 23, 2018, to provide other post-employment benefits to individuals who have terminated their service to the City and to the beneficiaries of such individuals; and

WHEREAS, the Mayor has reported that, for the fiscal year commencing July 1, 2019, and ending June 30, 2020, the unaudited calculated general fund surplus, after the reservation of fund balance described in the previous recital, is \$13,900,000.00; and

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, 2019, and ending June 30, 2020, to special purpose reserves pursuant to section 12-265 of the Code of the City of Richmond (2015), as amended;

NOW, THEREFORE,

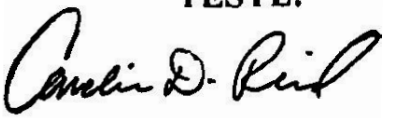
BE IT RESOLVED BY THE COUNCIL OF THE CITY OF RICHMOND:

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

1. Up to \$780,000 of any remaining portion of such ten percent of the calculated general fund surplus for the fiscal year commencing July 1, 2019, and ending June 30, 2020, to a special purpose reserve called the “OPEB Trust Fund” reserve for the purpose of future appropriation to the trust established by section 1 of Ordinance No. 2018-196, adopted July 23, 2018, to provide other post-employment benefits to individuals who have terminated their service to the City and to the beneficiaries of such individuals; and

2. Up to \$110,000.00 of any remaining portion of such ten percent of the calculated general fund surplus for the fiscal year commencing July 1, 2019, and ending June 30, 2020, to a special purpose reserve for future appropriation for an equity study and training as described in Resolution No. 2020-R013, adopted July 27, 2020; and

3. Up to \$500,000.00 or any remaining funds of such ten percent of the calculated general fund surplus for the fiscal year commencing July 1, 2019, and ending June 30, 2020, to a special purpose reserve for the purpose of future appropriation to the Reserve for Contingencies - COVID-19 line item in the Non-Departmental Budget created by Ordinance No. 2020-049, adopted May 11, 2020.

**A TRUE COPY:**  
**TESTE:**  
  
**City Clerk**



# Richmond City Council

The Voice of the People

Richmond, Virginia

## Office of the Council Chief of Staff

### Ordinance/Resolution Request

**TO** Haskell Brown, Interim Richmond City Attorney  
Richmond Office of the City Attorney

**THROUGH** Lawrence R. Anderson  
Council Chief of Staff

**FROM** William E. Echelberger, Jr, Council Budget Analyst

**COPY** Richmond City Council  
Tabrica C. Rentz, Interim Deputy City Attorney

**DATE** October 14, 2020

**PAGE/s** 1 of 2

**TITLE** Assignment of General Fund Surplus

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

#### REQUESTING COUNCILMEMBER/PATRON

All Members of City Council

#### SUGGESTED STANDING COMMITTEE

Committee Waived

#### ORDINANCE/RESOLUTION SUMMARY

The patrons request a resolution to set out Council's assignments of the projected Fiscal Year 2020 year-end General Fund surplus, as provided for in Ordinance No. 2017-2015.

#### BACKGROUND

##### Summary:

- 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 September 15, 2020, the City Administration submitted to City Council its latest projection of the Fiscal Year 2020 General Fund year-end fund balance and surplus.
- On October 12, 2020, the City Administration submitted to City Council a revised projection of the Fiscal Year 2020 General Fund year-end fund balance and surplus that reflected an increase of \$5.1 million.
- An O&R Request has been submitted for a companion ordinance to create a

new \$5.0 million reservation of fund balance called the 2020 Unfunded Other Post-Employment Benefits Liability Reserve, notwithstanding the provisions of Ordinance 2017-215.

- Upon the assignment for the 2020 Unfunded Other Post-Employment Benefits Liability Reserve, the remainder of any surplus shall be subject to the 50%/40%/10% allocation as established in Ordinance 2017-215.
- 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. Notwithstanding the provisions of Ordinance No. 2017-215, as set out in the companion ordinance up to \$5,000,000 shall be reserved for the 2020 Unfunded Other Post-Employment Benefits Liability Reserve,
  - B. After the \$5,000,000 initial assignment set out in the companion ordinance, the remainder of any surplus shall be subject to the 50%/40%/10% allocation as established by Ordinance No. 2017-215.
  - C. The 10 percent available for special purpose reserve(s) shall be assigned in the following order:
    - 1) Up to \$780,000 be assigned for OPEB Trust,
    - 2) Up to \$110,000 be assigned for an Equity Study,
    - 3) Up to \$500,000 or any remaining funds be assigned for the Reserve for Contingencies - COVID-19,

#### FISCAL IMPACT STATEMENT

Fiscal Impact Yes ☐ No ☒

Budget Amendment Required Yes ☐ No ☒

##### Estimated Cost or Revenue Impact

There is no fiscal impact. This resolution is only making assignments of Fiscal Year 2020 year-end General Fund surplus. Use of any assignments will require a subsequent budget amendment(s) for appropriation.

Attachment/s Yes ☐ No ☒

Richmond City Council Ordinance/Resolution Request Form/updated 10.5.2012 /ys