

INTRODUCED: January 25, 2021

AN ORDINANCE No. 2021-015

To amend Ord. No. 2020-051, adopted May 11, 2020, which (i) accepted a program of proposed Capital Improvement Projects for Fiscal Year 2020-2021 and the four fiscal years thereafter, (ii) adopted a Capital Budget for Fiscal Year 2020-2021, and (iii) determined a means of financing the same, by reducing estimated receipts and the appropriation for the Department of Public Works' Transportation Projects by \$15,000,000.00; to amend Ord. No. 2020-050, which adopted the Fiscal Year 2020-2021 special fund budgets and made appropriations thereto, by establishing a new line item called the "CVTA Special Fund" line item and increasing estimated receipts from the Central Virginia Transportation Authority and the amount appropriated to the new Department of Public Works' CVTA Special Fund line item by \$12,195,491 for the purpose of funding the planning, design, operations, maintenance, and construction of transportation improvements within the city of Richmond.

Patron – Mayor Stoney

Approved as to form and legality
by the City Attorney

PUBLIC HEARING: FEB 8 2021 AT 6 P.M.

THE CITY OF RICHMOND HEREBY ORDAINS:

§ 1. That Ordinance No. 2020-051, adopted May 11, 2020, which (i) accepted a program of proposed Capital Improvement Projects for the fiscal year commencing July 1, 2020, and ending June 30, 2021, and the four fiscal years thereafter, (ii) adopted a Capital Budget for the fiscal year commencing July 1, 2020, and ending June 30, 2021, and (iii) determined a means of

AYES: 9 NOES: 0 ABSTAIN: _____

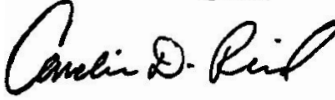
ADOPTED: FEB 8 2021 REJECTED: _____ STRICKEN: _____

financing the same, be and is hereby amended and reordained by reducing estimated receipts and the amount appropriated for the Department of Public Works' Transportation Projects by \$15,000,000.00.

§ 2. That Ordinance No. 2020-050, adopted May 11, 2020, which adopted the special fund budgets for the fiscal year commencing July 1, 2020, and ending June 30, 2021, and made appropriations thereto, be and is hereby amended by creating a new line item for the Department of Public Works called the "CVTA Special Fund" line item for the purpose of funding the planning, design, operations, maintenance, and construction of transportation improvements within the city of Richmond.

§ 3. That funds received from the Central Virginia Transportation Authority in the amount of \$12,195,491 are hereby appropriated to the Special Fund Budget for the fiscal year commencing July 1, 2020, and ending June 30, 2021, by increasing estimated revenues by \$12,195,491, increasing the amount appropriated for expenditures by \$12,195,491, and allotting to the Department of Public Works' CVTA Special Fund the sum of \$12,195,491 for the purpose of funding the planning, design, operations, maintenance, and construction of transportation improvements within the city of Richmond.

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

A TRUE COPY:
TESTE:

Carolin D. Reed
City Clerk



CITY OF RICHMOND

INTRACITY CORRESPONDENCE

O&R REQUEST

DATE: January 11, 2021

EDITION: 1

TO: The Honorable Members of City Council

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

THROUGH: J.E. Lincoln Saunders, Acting Chief Administrative Officer *JELS*

THROUGH: John B. Wack, Director of Finance *JBW*

THROUGH: Jay A. Brown, Director of Budget and Strategic Planning *JAB*

THROUGH: Robert Steidel; Deputy Chief Administrative Officer *R.S.*

FROM: Bobby Vincent, Director of Public Works

RE: TO AMEND THE FY 2021 ADOPTED CAPITAL IMPROVEMENT PLAN BUDGET AND APPROPRIATE CENTRAL VIRGINIA TRANSPORTATION AUTHORITY FUNDS TO FY2021 SPECIAL FUND BUDGET

ORD. OR RES. No. _____

PURPOSE: To amend Ord. No. 2020-051, which adopted the Capital Improvements Projects budget; and Ordinance 2020-050, which adopted the FY2021 Special Fund budget on May 11, 2020, by appropriating (up to) \$12,195,491 from the Commonwealth of Virginia revenues of the Central Virginia Transportation Authority (CVTA) Fund, to a new Department of Public Works special fund.

REASON: Pursuant to Chapter 42 of Title 15.2, Code of Virginia funding generated through the imposition of an additional regional 0.7 percent sales and use tax and a wholesale gas tax of 7.6 cents per gallon of gasoline and 7.7 cents per gallon of diesel fuel are designated to the Central Virginia Transportation Authority (CVTA). The City of Richmond is a member locality and will receive a portion of revenue that can be used for transportation purposes. Financial reporting guidance, legislatively mandated by the Act, indicated that CVTA Act funds should be deposited into a separate special fund. Therefore, a newly created special fund is necessary to track revenues and expenditures related to the planning, design, operations, maintenance, and construction of transportation improvements within the City of Richmond.

RECOMMENDATION: The City Administration recommends adoption.

BACKGROUND: On May 1, 2020, the Virginia General Assembly adopted House Bill 1541, which created the Central Virginia Transportation Authority (CVTA), comprising the counties and cities located in Planning District 15. The Central Virginia Transportation Authority is a body politic and as a political subdivision of the Commonwealth. The Authority embraces each county, city, and town located in Planning District 15, which is established pursuant to Virginia Code Chapter 42 (§ 15.2-4200 et seq.) of Title 15.2. The nine localities are Richmond City, Hanover County, Goochland County, Powhatan County, Chesterfield County, Charles City County, New Kent County, Henrico County and Town of Ashland.

Richmond's vast network of sidewalks, highways and bridges connect our communities and support our economy. But today our curbs and gutters, sidewalks and bridges are in poor condition, directly impacting the lives of ordinary citizens by increasing wear and tear on vehicles, driving up repair costs, inflating travel times, and sometimes introducing new safety concerns. This is one of the benefits of the CVTA fund being created in the state treasury for localities within in Planning District 15. The amounts deposited into the Fund and the distribution and expenditure of such amounts shall not be used to calculate or reduce the share of federal, state, or local revenues otherwise available to participating localities. Further, any such revenues cannot be used or included in any computation of, or formula for, a locality's ability to pay for public education.

Fifty percent of the CVTA funds are proportionally returned, to each locality located in Planning District 15 and are for activities related to improving local mobility, including construction, maintenance, or expansion of roads, sidewalks, trails, mobility services, or transit located in the locality. Each locality is required to create a separate, special fund in which all revenues received shall be deposited. Each locality must annually provide to the Authority with sufficient documentation, as required by the Authority, showing that the revenues distributed were used for the purposes set forth in the Act.

Ordinance 2020-051 was considered by City Council and adopted on May 11, 2020, to provide for an FY2021 Capital Fund budget appropriation for the initial projected amount of \$15 million that was applied to the Capital Improvement Program for Paving. The adopted CIP budget placed \$15 million CVTA funds and \$15M of General Obligation bonds totaling \$30 million in the Project #100546 and Award #500286 for paving. With this amendment, the \$15 million in CVTA funds will be removed. The \$15 million was an FY21 budget estimate in preparation of receiving CVTA funds, the updated revenue estimate is \$12,195,491. The CVTA Act requires that all CVTA funds be placed in a separate special fund. The projected FY21 paving and infrastructure budget will now be \$20.2 million, which is a combination of \$5.2 million of CVTA funds and \$15 million in GO Bond dollars. The total CVTA funds that will be placed in the newly created special fund for transportation related efforts is \$12,195,491.

The City Administration requests that the FY2021 special budget be amended to provide spending authority of CVTA fund allocations by appropriating (up to) \$12,195,491 to the Department of Public Works. By amending the Capital Improvements and Special Fund budgets this will allow for the Commonwealth of Virginia revenues of the CVTA fund, to be received

and placed in a new Public Works special fund and properly segregated by eligible activities for both revenues and expenditures.

SOURCE: (must select all that apply)

- New/increased revenue
- Existing general
- Fund Balance/Reserve/Contingency/Other Funding)

FISCAL IMPACT/COST ():

- **If Adopted:** The City will be able to spend \$12,195,491 in CVTA funds, for transportation related efforts, of which \$5.2 million is allocated for paving through the Department of Public Works.

City of Richmond	
	*Total CVTA Funds
FY21	12,195,491
Engineering Divisions	\$ 1,200,000.00
Paving & Infrastructure	\$ 5,270,422.00
Traffic Engineering Division	\$ 2,400,000.00
Multi-Modal Transportation	\$ 585,972.00
Operational Divisions	\$ 2,739,097.00
*projected by VA Dept. of Taxation	

- **If Not Adopted:** The spending authority for these funds wouldn't be established.

FISCAL IMPACT / COST: \$12,195,491 in non-local funds will be available for eligible expenditures.

FISCAL IMPLICATIONS: \$12,195,491 in non-local funds will be available for transportation related efforts.

BUDGET AMENDMENT NECESSARY: Yes, a \$12,195,491 increase to the Public Works FY2021 special fund and a \$15,000,000 reduction to the FY2021 Capital improvement budget is requested.

REVENUE TO CITY: \$12,195,491

DESIRED EFFECTIVE DATE: Upon adoption

REQUESTED INTRODUCTION DATE: January 25, 2021

CITY COUNCIL PUBLIC HEARING DATE: February 8, 2021

REQUESTED AGENDA: Consent

RECOMMENDED COUNCIL COMMITTEE: Waiver requested.

CONSIDERATION BY OTHER GOVERNMENTAL ENTITIES: None

AFFECTED AGENCIES: Departments of Public Works, Finance, and Budget and Strategic Planning

RELATIONSHIP TO EXISTING ORD. OR RES.: Amends Ordinance 2020-051 and Ordinance 2020-050.

REQUIRED CHANGES TO WORK PROGRAM(S): Eligible expenditures incurred by a number of DPW divisions will be centrally tracked by the Office of Equitable Transit and Mobility new cost center.

ATTACHMENTS: Memo from Virginia Department of Transportation certifying the Department of Taxation proposed revenue for the CVTA, City of Richmond proportion of FY21 projected revenues, Ordinance 2020-051 and Ordinance 2020-050.

STAFF: Dironna Moore Clarke, Administrator - 646-3074