



**City Of Richmond, Virginia
Office of the City Clerk**

Request to Withdraw Legislation

Paper Number: Ord. 2021-158

Chief Patron: Councilor Stephanie Lynch

Introduction Date: June 14, 2021

Chief Patron Signature: 

For Office Use Only

Attestation: 

Effective Date: June 17, 2021

INTRODUCED: June 14, 2021

AN ORDINANCE No. 2021-158

To create a new reservation of fund balance called the 2021 Permanent Supportive Housing Reserve intended to be categorized as a committed fund balance and used to fund permanent supportive housing needs in the city of Richmond.

Patron – Ms. Lynch

Approved as to form and legality
by the City Attorney

PUBLIC HEARING: JUN 28 2021 AT 2 P.M.

THE CITY OF RICHMOND HEREBY ORDAINS:

§ 1. That:

(a) A new reservation of fund balance called the 2021 Permanent Supportive Housing Reserve (the “Reserve”) is hereby created.

(b) It is the intent of this ordinance that (i) all amounts committed to the Reserve be appropriated to fund permanent supportive housing needs in the city of Richmond and (ii) the Reserve be categorized as a committed fund balance for purposes of generally accepted accounting principles.

AYES: _____ NOES: _____ ABSTAIN: _____

ADOPTED: _____ REJECTED: _____ STRICKEN: _____

(c) Up to the first \$847,000.00 of any year-end General Fund balance, as section 12-241(a) of the Code of the City of Richmond (2020), as amended, defines “general fund balance,” for the fiscal year commencing July 1, 2020, and ending June 30, 2021, shall be committed to the 2021 Permanent Supportive Housing Reserve.

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



Richmond City Council

The Voice of the People

Richmond, Virginia

Office of the Council Chief of Staff

Ordinance/Resolution Request

TO Haskell C. Brown, III, Interim Richmond City Attorney
Richmond Office of the City Attorney

THROUGH Joyce L. Davis
Interim Council Chief of Staff

FROM William E. Echelberger, Jr, Council Budget Analyst

COPY Stephanie A Lynch, 5th District Representative
Haskell Brown, Deputy City Attorney
Amy E. Robins, 5th District Liaison

DATE May 28, 2021

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TITLE Establish a Committed FY21 Fund Balance - Supportive Housing

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

REQUESTING COUNCILMEMBER/PATRON

Stephanie A Lynch, 5th District Representative

SUGGESTED STANDING COMMITTEE

Finance and Economic Development

ORDINANCE/RESOLUTION SUMMARY

The Patron requests an ordinance to require that the first \$847,000 of any remaining General Fund Balance on June 30, 2021 shall be allocated as an amount committed by Richmond City Council, the governing body, to be used for permanent supportive housing.

BACKGROUND

Summary:

- Under the accounting standards promulgated by the Governmental Accounting Standards Board (GASB) in GASB 54, allocation of a portion of the year end surplus by the governing body is to be recorded in the financial statements as a Committed Fund Balance. In their presentation to City Council on April 24, 2017, the City's external auditor, Clifton Larson Allen, defined Committed Fund Balance as:

"Committed – Amounts constrained to specific purposes by formal action (adoption of an ordinance) by the government's highest level of decision-making authority (City Council). Committed amounts do not lapse nor can they be used for any other purpose unless the government takes the same level of action (adoption of another ordinance) to remove or change the constraint."

- The proposed ordinance is not in conflict with Ordinance No. 2017-215, the City's Fund Balance Policy, because it addresses the commitment of fund balance prior to determination of the *Calculated General Fund Surplus*. This is defined as the General Fund Balance minus:

- Commitments of Fund Balance

- 2. Encumbrances,
- 3. The assigned Fund Balance from the previous year,
- 4. The Budget and Revenue Stabilization Contingency Reserve, and
- 5. Amounts due to or from Richmond Public Schools.

- The *Calculated General Fund Surplus* is subject to be allocated as follows:
 - 50% - "Rainy Day Fund" Reserve
 - 40% - Capital Maintenance Reserve
 - 10% - Special Purpose Reserve(s)
- 1. No later than September 15 of each year, the Mayor shall provide Council with a report on the general fund balance. The report is to include the Mayor's proposal, if any, for the creation of any special purpose reserves.
- 2. City Council may, by resolution adopted no later than November 1, make an assignment of all or any part of the projected surplus. If by November 1, Council makes no assignment or does not make an assignment of all of the projected surplus, the Mayor, in the Mayor's discretion, may make such assignment.
- No budget amendment is required to commit Fund Balance, however, before the funds may be expended they must first be appropriated by City Council. This can be accomplished by approval of an amendment to the FY22 budget submitted by the Mayor, or by appropriation of the funds as part of the FY23 budget.

FISCAL IMPACT STATEMENT

Fiscal Impact Yes No

Budget Amendment Required Yes No

Estimated Cost or Revenue Impact

There is no expenditure or revenue impact. The proposed ordinance commits the first \$847,000 of any General Fund Surplus on June 30, 2021 to be used for permanent supportive housing.

Attachment/s Yes No