

Potential Richmond City Charter: Budget and Finance

1 ¹Fiscal and Tax Years.

2 The fiscal year of the city shall begin on July 1 and shall end on June 30 of the
3 succeeding year. The tax year for taxes levied on real estate, tangible personal
4 property and machinery and tools shall begin on January 1 and end on December 31
5 following, and the tax year for all other taxes shall be fixed by the council by
6 ordinance. The rate of taxes levied on real estate shall be fixed as authorized in §
7 58.1-3321 of the Code of Virginia. The rates of all other taxes and levies, except on
8 new sources of tax revenues, shall be fixed before the beginning of the tax year.

9 City of Richmond Budget Commission

- 10 1. Creation: The City of Richmond Budget Committee is hereby created.
- 11 2. Composition: The City of Richmond Budget Committee shall be comprised
12 of the Mayor and the nine members of City Council. The Mayor shall serve
13 as the presiding officer of the Budget Committee; however, in the absence of
14 the Mayor the City Council President, or the most senior member of City
15 Council present, shall preside.
- 16 3. Quorum: Six or more members of the Budget Committee shall comprise a
17 quorum.
- 18 4. Meetings: The Budget Committee shall meet at least once each month, in any
19 month where City Council has a regularly scheduled meeting. The Budget
20 Committee may schedule additional regular, or special meetings at the request
21 of the Mayor, the Chief Administrative Officer, or two or more Budget
22 Committee members.
- 23 5. Duties and Responsibilities: The Budget Commission shall:
 - 24 a. Provide policy guidance to the Budget Director and the Chief
25 Administrative Officer for preparation of the introduced operating and
26 capital budgets.
 - 27 b. Review and amend the introduced operating and capital budgets.
 - 28 c. Adopt, amend, or reject all budget and finance related ordinances,
29 resolutions, and applications for, or acceptances of monies to or from
30 any source as may be required from time to time.

¹ This memorandum was prepared for the City Charter Review Commission by Commission member Mr. Bill Echelberger, April 10, 2023. This memorandum is superseded by the June 12, 2023 "Comprehensive List of Charter Changes" memorandum.

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- 31 d. Appoint or remove the Budget Director, the City Auditor, and the
32 Inspector General as specifically provided for each office.
33 e. Confirm or remove the Chief Administrative Officer as specifically
34 provided for that office.

35 **Budget Director.**

- 36 1. Appointment: Upon the recommendation of one or more candidates by the
37 Chief Administrative Officer, the Budget Director shall be appointed by a
38 majority vote of all members of the Budget Committee.
39 2. Term of Office: The Budget Director shall serve at the pleasure of the Budget
40 Committee.
41 3. Removal from Office: Upon the recommendation of the Mayor, the Chief
42 Administrative Officer, or two or more members of the Budget Committee,
43 the Budget Director may be removed from office by a majority vote of all
44 members of the Budget Committee.
45 4. Qualifications: The Budget Director shall be qualified by training and
46 experience for the duties of the office.
47 5. Duties and Responsibilities:
48 a. The Budget Director shall
49 i. Supervise staff of the City Budget Office for development,
50 review, adoption, and implementation of the operating and
51 capital budgets.
52 ii. Assist the Budget Committee in its work to:
53 a) Provide policy guidance for development of the budget.
54 b) Review and amend the introduced operating and capital
55 budgets.
56 c) Develop, analyze, and review potential amendments to the
57 adopted operating and capital budgets.
58 b. Additional duties and responsibilities of the Budget Director may be
59 established by ordinance.

60 **City Auditor.**

- 61 1. Appointment: The City Auditor shall be appointed by a majority vote of all
62 members of the Budget Committee.

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- 63 2. Term of Office: The City Auditor shall serve at the pleasure of the Budget
64 Committee.
- 65 3. Removal from Office: Upon the recommendation of the Mayor, or two or
66 more members of the Budget Committee, the City Auditor may be removed
67 from office by a majority vote of all members of the Budget Committee.
- 68 4. Qualifications: The city auditor shall have been certified as a certified public
69 accountant by the Virginia State Board of Accountancy or by the examining
70 board of any other state which extends to and is extended reciprocity by the
71 Commonwealth of Virginia, and shall be qualified by training and experience
72 for the duties of the city auditor.
- 73 5. Duties and Responsibilities:
- 74 a. The city auditor shall have the power to appoint such accountants and
75 other assistants for the performance of the duties of the city auditor's
76 office as the council may provide for.
- 77 b. It shall be the duty of the city auditor to:
- 78 i. Examine and audit all accounts, books, records, and financial
79 transactions of the city or any department, board, commission,
80 office, or agency thereof, including all trust funds, special funds,
81 and other funds.
- 82 ii. Institute performance and management audits to evaluate the
83 operations of departments, services, and programs.
- 84 iii. Contract for an independent annual audit of all city accounts and
85 for more frequent audits as they deem necessary. An independent
86 certified public accountant or firm of such accountants shall
87 make such audits. Such audits should be performed in
88 accordance with Generally Accepted Auditing Standards
89 (GAAS) and Generally Accepted Governmental Auditing
90 Standards (GAGAS).
- 91 c. In performing the city auditor's duties, the city auditor shall have access
92 to all books, records, and accounts of each department and agency
93 subject to examination and audit by the city auditor at any and all times.
- 94 d. Additional duties and responsibilities of the City Auditor may be
95 established by ordinance.
- 96

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97 **Audit Committee.**

98 The Budget Committee shall provide for an Audit Committee. The membership of
99 the Audit Committee shall be established by ordinance. This Committee shall:

- 100 1. Lead the process of selecting an independent auditor;
- 101 2. Direct the work of the independent auditor as to the scope of the annual audit
102 and any matters of concern with respect to internal controls; and
- 103 3. Receive reports of the City Auditor and present that report to the council with
104 any recommendations from the Committee.

105 **Inspector General.**

- 106 1. Appointment: The Inspector General shall be appointed by a majority vote of
107 all members of the Budget Committee.
- 108 2. Term of Office: The Inspector General shall serve at the pleasure of the
109 Budget Committee.
- 110 3. Removal from Office: Upon the recommendation of the Mayor, or two or
111 more members of the Budget Committee, the Inspector General may be
112 removed from office by a majority vote of all members of the Budget
113 Committee.
- 114 4. Qualifications: The Inspector General shall be qualified by training and
115 experience for the duties of the office.
- 116 5. Duties and Responsibilities:
 - 117 a. The inspector general shall have the power to appoint such assistants
118 for the performance of the duties of the inspector general's office as the
119 council may provide for.
 - 120 b. It shall be the duty of the inspector general to conduct such
121 investigations as may be authorized by § 15.2-2511.2 of the Code of
122 Virginia.
 - 123 c. The Inspector General may investigate any appointed official of the
124 City of Richmond without receiving prior authorization from state
125 officials.
 - 126 d. Additional duties and responsibilities of the Inspector General may be
127 established by ordinance.

128

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129 **City Assessor.**

- 130 6. Appointment: The City Assessor shall be appointed by the Chief
131 Administrative Officer.
- 132 7. Term of Office: The City Assessor shall serve at the pleasure of the Chief
133 Administrative Officer.
- 134 8. Removal from Office: The City Assessor may be removed from office by the
135 Chief Administrative Officer.
- 136 9. Qualifications: The City Assessor shall be qualified by training and
137 experience for the duties of the office.
- 138 10. Duties and Responsibilities: Consistent with the provisions of the Code of
139 Virginia, the duties and responsibilities of the City Assessor may be
140 established by ordinance.

141 **Director of Finance.**

- 142 1. Appointment: The Director of Finance shall be appointed by the Chief
143 Administrative Officer.
- 144 2. Term of Office: The Director of Finance shall serve at the pleasure of the
145 Chief Administrative Officer.
- 146 3. Removal from Office: The Director of Finance may be removed from office
147 by the Chief Administrative Officer.
- 148 4. Qualifications: The Director of Finance shall be qualified by training and
149 experience for the duties of the office.
- 150 5. Duties and Responsibilities: Consistent with the provisions of the Code of
151 Virginia, the duties and responsibilities of the Director of Finance may be
152 established by ordinance.

153 **Chief Administrative Officer.**

- 154 1. Appointment: The Chief Administrative Officer shall be appointed by a
155 majority vote of all members of the Budget Committee, provided that such
156 majority include the Mayor.
- 157 2. Term of Office: The Chief Administrative Officer shall serve at the pleasure
158 of the Budget Committee.
- 159 3. Removal from Office: Upon the recommendation of the Mayor, or two or
160 more members of the Budget Committee, the Chief Administrative Officer

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161 may be removed from office by a majority vote of all members of the Budget
162 Committee.

163 4. Qualifications: The Chief Administrative Officer shall be qualified by training
164 and experience for the duties of the office. At a minimum, such experience
165 shall include five or more years of service as the chief executive of a city,
166 large town, or urban county.

167 5. Duties and Responsibilities: **[NOTE: These duties and responsibilities are**
168 **specific to budget and finance. There will be others related to general**
169 **administration of Richmond City government]**

170 a. The Chief Administrative Officer shall have the power to appoint such
171 assistants for the performance of the duties of the Chief Administrative
172 Officer's office as the council may provide for.

173 b. It shall be the duty of the Chief Administrative Officer to keep the
174 Budget Committee advised of the financial condition and the future
175 needs of the city and of all matters pertaining to its proper
176 administration, and make such recommendations as may seem to be
177 desirable;

178 c. It shall be the duty of the Chief Administrative Officer acting under the
179 general direction of the Budget Committee, to:

180 i. Oversee preparation of and submit the annual budget to the
181 Budget Committee as provided in this charter;

182 ii. Prepare in suitable form for publication and submit to the
183 Budget Committee a concise report of the financial
184 transactions and administrative activities of the city
185 government during the fiscal year ending on the preceding
186 thirtieth day of June and cause to be printed such number of
187 copies thereof as the council shall direct;

188 iii. Present adequate financial and activity reports as requested by
189 the Budget Committee;

190 d. Additional duties and responsibilities of the Chief Administrative
191 Officer may be established by ordinance.

192

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193 **Richmond City Budget**

194 **Balanced budget required.**

195 For any fund, the total of proposed expenditures shall not exceed the total of the
196 estimated income plus the carried-forward fund balance.

197 **Preparation of the Budget**

198 Submission of Estimates:

199 It shall be the duty of the head of each department, the judges of the municipal courts,
200 each board or commission, including the school board, and each other office or
201 agency supported in whole or in part by the city, including the attorney for the
202 Commonwealth, to provide, at such time as the Budget Director may prescribe,
203 estimates of revenue and expenditure for that department, court, board, commission,
204 office or agency for the ensuing fiscal year. Such estimates shall be submitted in a
205 form as determined by the Budget Director and it shall be the duty of the head of
206 each such department, judge, board, commission, office or agency to supply all of
207 the information which the Budget Director may require to be submitted thereon.

208 Budget Development Hearing:

209 The Budget Committee shall hold such hearings as it may deem advisable and shall
210 review the estimates and other data pertinent to the preparation of the budgets.

211 Revisions to Estimates

212 The Budget Director, in coordination with the Budget Committee and the Chief
213 Administrative Officer shall make such revisions in such estimates as they may deem
214 proper, subject to the laws of the Commonwealth relating to obligatory expenditures
215 for any purpose, except that in the case of the school board, it may recommend a
216 revision only as permitted by § 22.1-94 of the Code of Virginia or any other
217 provision of general law not in conflict with this charter.

218 **Submission of the Budget.**

219 On or before the first Friday of March each year, the Chief Administrative Officer
220 shall submit to the Budget Committee a budget for the ensuing fiscal year and an
221 accompanying budget message.

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222 **Distribution of Copies of the Budget.**

223 The Chief Administrative Officer shall cause the budget to be printed, or otherwise
224 reproduced for general distribution at the time of its submission to the Budget
225 Committee. Copies of the budget shall be provided to each member of the Budget
226 Committee, and the City Attorney, and the staff of City Council. Two copies shall
227 be deposited in the office of the city clerk where they shall be open to public
228 inspection during regular business hours.

229 **Public Copies of the Budget**

230 Concurrent with submission of the budget the Chief Administrative Officer shall
231 publish a notice stating the times and places where copies of the budgets are
232 available for inspection by the public,

233 **Composition of the Budget.**

234 The Richmond City Budget shall be comprised of:

235 1. Budget Summary: The Budget Summary shall:

236 a. Describe the important features of the budget, indicate any major
237 changes from the current year in financial policies, expenditures, and
238 revenues together with the reasons for such changes, summarize the
239 city's debt position, including factors affecting the ability to raise
240 resources through debt issues, and include such other material as the
241 city manager deems desirable.

242 b. The Budget Summary may be a separate submission, or it may be a part
243 of the Operating Budget Book.

244 2. Budget Books:

245 a. An Operating Budget Book that shall describe city revenues; and the
246 operating budget. At a minimum each agency and utility shall have a
247 separate section in the Budget Book.

248 b. A Capital Budget Book that shall describe the capital budgets. At a
249 minimum the Capital Budget Book shall include:

250 i. A separate entry for each capital project that shall set out the
251 proposed appropriation for the upcoming fiscal year, and the
252 planned appropriations for the following four fiscal years.

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- 253 ii. The entry for any umbrella capital project that consolidates the
254 authorization for more than one capital projects shall include a
255 list of such sub-projects and the estimated amounts assignable
256 thereto.
- 257 iii. A discussion of the City's debt capacity before adoption of
258 adoption of the proposed capital appropriations, and after the
259 proposed capital appropriations.
- 260 c. Additional, specific contents of the operating and capital budget books
261 shall be established by ordinance.
- 262 3. Omnibus Operating Budget Ordinance: A single omnibus operating budget
263 ordinance that shall set out:
- 264 a. A first enactment clause that includes:
- 265 i. The operating appropriations for all funds,
266 ii. Separate operating appropriations for each city agency. The
267 Budget Committee may require appropriations to be itemized
268 further than by departments.
- 269 iii. The operating appropriations for such central holding accounts
270 as may be necessary to accommodate funding of items that can
271 not be conveniently included in the appropriation for a specific
272 city agency.
- 273 iv. Any specific conditions or restrictions on such appropriations,
274 which shall be set out immediately adjacent to the affected
275 appropriation item.
- 276 b. A second enactment clause that includes any general conditions or
277 restrictions on revenues or appropriations.
- 278 4. Omnibus Capital Budget Ordinance: A single omnibus capital budget
279 ordinance that shall set out:
- 280 a. A first enactment clause that includes:
- 281 i. The capital appropriations for all funds,
282 ii. The proposed appropriations for each capital project,
283 iii. The capital appropriations for such central holding accounts as
284 may be necessary to accommodate funding of items that cannot
285 be conveniently included in the appropriation for a specific
286 capital project.

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- 287 iv. Any specific conditions or restrictions on such appropriations,
288 which shall be set out immediately adjacent to the affected
289 appropriation item.
- 290 b. A second enactment clause that includes any general conditions or
291 restrictions on capital revenues or appropriations.
- 292 5. Revenue Ordinances: Separate revenue ordinance shall be proposed, to
293 include:
- 294 a. A tax levy ordinance authorizing the property tax levy or levies and
295 setting the tax rate or rates; and
- 296 b. Any other ordinances required to authorize new revenues or to amend
297 the rates or other features of existing taxes or other revenue sources.
- 298 6. A list of the operating and capital requests from each city agency that could
299 not be fully funded in the proposed budget. This list shall include, at a
300 minimum:
- 301 a. A short title,
302 b. A brief description of the total funding and personnel requested, and
303 c. A brief description of the total funding and personnel included in the
304 proposed budget.
- 305 7. Additional, specific contents of the operating and capital budget ordinances
306 and books shall be established by ordinance.

307 **Budget Committee Action on Budget.**

308 **Public Hearing.** The Budget Committee shall publish a notice stating the time and
309 place, not less than two weeks after introduction of the budget, for a public hearing(s)
310 on the budget.

311 **Amendment Before Adoption.** After the public hearing, the Budget Committee:

312 May adopt the budget with or without amendment. In amending the budgets, it may
313 add or increase programs or amounts and may delete or decrease any programs or
314 amounts, except expenditures required by law or for debt service or for an estimated
315 cash deficit, provided that no amendment to the budget shall increase the authorized
316 expenditures to an amount greater than total estimated income.

317 Shall not alter the estimates of receipts contained in the introduced budget except to
318 correct omissions or mathematical errors,

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319 The Budget Committee may adopt a budget in which the total of expenditures
320 exceeds the receipts included in the introduced budget if, at the same time it adopts
321 measures for providing additional revenue in the ensuing fiscal year sufficient to
322 make up this difference. To be appropriated the Director of Finance must certify
323 that such additional revenues will be available.

324 **Certification of Additional Revenues.**

325 The Director of Finance shall certify the availability of such additional revenues as
326 may be identified after introduction of the budget in any instance where a prudent
327 person, with experience in government finance, and under similar fiscal conditions
328 would believe that such funds are likely to be available.

329 **Adoption.** The Budget Committee shall adopt the budget on or before the thirty-first
330 day of May of the fiscal year currently ending. If it fails to adopt the budget by this
331 date, the budget proposed by the Chief Administrative Officer shall go into effect,
332 provided, however, that any revenue ordinance specifically rejected by the Budget
333 Committee shall not go into effect. If such exclusion reduces the availability of
334 revenues, the Chief Administrative Officer shall work with the Budget Director and
335 Budget Committee to identify reductions that will bring appropriations into balance
336 with estimated revenues, and provide implementing amendments to the Budget
337 Committee.

338 **“Publish” defined.** As it applies to the budget, the term "publish" means to print in
339 the contemporary means of information sharing, which includes but is not limited
340 to, one or more newspapers of general circulation in the city, and, if available, in a
341 web site.

342 **Actions after Adoption.**

343 **Administrative Transfers of Operating Funds**

- 344 1. The Chief Administrative Officer may cause the administrative transfer of
345 operating funds:
 - 346 a. From a central holding account to one or more departments to
347 implement the purpose of the appropriation.
 - 348 b. Among programs within a department.

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349 2. A list of such transfers shall be provided to the Budget Committee.

350 **Administrative Transfers of Capital Funds**

351 1. The Chief Administrative Officer may cause the administrative transfer of
352 capital funds:

353 a. From a central holding account to one or more capital projects to
354 implement the purpose of the appropriation.

355 b. Within a capital project.

356 2. Except for the administrative transfer of capital project appropriations from
357 a central holding account, as authorized above, all transfer of funds between
358 capital projects shall be made by ordinance.

359 3. A list of such transfers shall be provided to the Budget Committee.

360 **Approval of Application for a Grants, or Contracts**

361 1. When the appropriation of funding from a grant or contract is specifically,
362 and clearly delineated in the operating or capital budget, additional approval
363 by the Budget Committee, or the Governing Body, shall not be required for
364 application for such grant, or contract.

365 2. A list of such applications shall be provided to the Budget Committee.

366 **Approval of Application for a Grants, or Contracts**

367 1. When the appropriation of funding from a grant or contract is specifically, and
368 clearly delineated in the operating or capital budget, additional approval by
369 the Budget Committee, or the Governing Body, shall not be required for
370 receipt for such grant, or contract.

371 2. A list of such receipts shall be provided to the Budget Committee.

372 **Ordinance to Amend the Adopted Budget Generally**

373 The following requirements apply to all ordinances to amend the revenues, the
374 operating budget, or the capital budget:

375 1. Such amending ordinances may originate with any member of the Budget
376 Committee or the Chief administrative Officer, however, a member of the
377 Budget Committee must patron introduction of such ordinance.

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- 378 2. Approval of such amending ordinance shall require not less than six
379 affirmative votes.
- 380 3. No ordinance to amend the revenues; or the operating, or capital budget shall
381 address more than one narrowly defined purpose. If such amending ordinance
382 contains specific and severable amendments then the Budget Committee may
383 determine, in accordance with its own procedures, whether to act on the
384 proposed amendments en bloc or individually, or any combination thereof. If
385 the amending ordinance does not contain specific and severable amendments
386 as determined by the majority vote of the members present, then the adopted
387 revenue, operating, or capital budget ordinance shall be before the Budget
388 Committee, in the form originally adopted and may be acted upon as though
389 for the first time.

390 **Supplemental Appropriations.** If during or before the fiscal year the Chief
391 Administrative Officer certifies that there are available for appropriation revenues
392 in excess of those estimated in the budget, the Budget Committee may, by ordinance,
393 make supplemental appropriations for the year up to the amount of such excess.

394 **Reduction of Appropriations.** If at any time during the fiscal year it appears
395 probable to the Chief Administrative Officer that the revenues or fund balances
396 available will be insufficient to finance the expenditures for which appropriations
397 have been authorized, they shall report to the Budget Committee without delay,
398 indicating the estimated amount of the deficit, any remedial action taken by the by
399 the Chief Administrative Officer and recommendations as to any other steps to be
400 taken. The Budget Committee shall then take such further action as it deems
401 necessary to prevent or reduce any deficit and for that purpose it may by ordinance
402 reduce or eliminate one or more appropriations.

403 **Limitation; Effective Date.** No appropriation for debt service may be reduced or
404 transferred, except to the extent that the debt is refinanced and less debt service is
405 required, and no appropriation may be reduced below any amount required by law
406 to be appropriated or by more than the amount of the unencumbered balance thereof.
407 The supplemental appropriations, appropriation reductions, or transfer of
408 appropriations authorized by this section may be made effective immediately upon
409 adoption.

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410 **Administration and Fiduciary Oversight of the Budget.**

411 The Budget Committee shall provide by ordinance the procedures for administration
412 and fiduciary oversight of the budget.

413 **Independent Audit.**

414 The Budget Committee shall provide for an independent annual audit of all city
415 accounts and may provide for more frequent audits as it deems necessary. An
416 independent certified public accountant or firm of such accountants shall make such
417 audits. Such audits should be performed in accordance with Generally Accepted
418 Auditing Standards (GAAS) and Generally Accepted Governmental Auditing
419 Standards (GAGAS).

420 **Section 5.12. Public Records.**

421 Copies of the budget, capital program, independent audits, and appropriation and
422 revenue ordinances shall be public records.

Working Paper for Review