

## **MINUTES OF THE APRIL 16, 2024 CITY COUNCIL SPECIAL MEETING**

A SPECIAL meeting of the Hopewell City Council was held on Tuesday April 16, 2024 at 7:30 p.m.

### **PRESENT:**

John B. Partin, Mayor  
Jasmine Gore, Vice Mayor  
Rita Joyner, Councilor  
Michael Harris, Councilor (Virtual)  
Janice Denton, Councilor  
Brenda Pelham, Councilor  
Dominic Holloway, Councilor (Arrived Late)

Councilor Denton makes a motion to allow Councilor Harris to participate remotely. Councilor Pelham seconds the motion.

### **ROLL CALL**

Vice Mayor Gore-	Yes
Councilor Denton-	Yes
Councilor Pelham-	Yes
Councilor Holloway-	(Absent)
Councilor Joyner -	Yes
Councilor Harris-	(Abstain)
Mayor Partin-	Yes

**Motion Passes 5-0**

### **PUBLIC HEARING**

**PH1- Approval of Proposed Tax Rates-Russell Branson, Interim Finance Director.** Dr. Manker states that tonight's meeting is an open public hearing to

discuss the proposed tax rates. She introduces Mr. Russ Branson as the presenter and that Russ and herself have provided a request from Thursdays meeting your desk. She talks about the incremental changes from 113 to 117 and the fourth incremental column is the recommended amount that we are proposing tonight. The budget is balanced as far as the operational budget. However, we are requesting tax increases for the capital budget. Taxes have not been increased in over ten (10) years. The previous administration also requested taxes increase in 2021 and 2022. Dr. Manker states outside vendors from the Robert Bobb group are here. After their assessment this year, they have also concluded that taxes be increased for the third year in a row. She wants to make aware, as we were on the dais last Thursday, there was a major road failure and a news release to shut down lanes on Winston Church Hill Drive. Mr. Branson begins his presentation with slide number two with recommended capital projects. He has added in all the recommended projects. Some adjustments have been made to the fire and police projects. The community center HVAC has been reduced from \$250,000 to \$50,000. This was 2.4 million shown in last week's presentation and is now \$300,00 with adjustments that we discussed. The next slide is additional capital needs which are projects that have been requested by the departments but are not included in our recommended funding with tax increases. That adds another 3.5 million. Some of that is on the public works side but most is on the recreation side with the Riverwalk Phase 2. The other big one is the \$660,000 for the HVAC and the community center which still need to be funded in the next year or two. He mentions some IT projects and the wayfinding on the development side. So an additional 3.5 million not included in terms of funding recommendation. These are the total capital requests that have been added by departments. That's what we are talking about when we talk about increasing taxes and fees. Mr. Branson goes thru slide four as an update and change from last week describing the various tax amounts. For the increase increment we are looking at for stormwater we could do dollar per parcel, up to \$4 dollars a parcel, lodging tax at 2 percent based on council direction last week, food and beverage increment is 1 percent. He explains the mistake he made on food beverage and lodging on last weeks presentation and transposed the numbers. Mr. Branson apologizes for that. The amounts have been corrected on this presentation as 1 percent on lodging at \$75,000 and 1 percent on food and beverage is \$175,000. He clarifies the tax is on prepared foods and not a sales tax on groceries. He talks about the taxes that are recommended and what is not been recommended. The recommendation is still stormwater fees to increase by \$4 a parcel, the cigarette tax based on council direction is to go up to .80 cents a

pack, we can do that, is a million. Lodging tax to 2 percent would be \$150,000. The food and beverage tax, based on what we heard from council, we have dropped. We are still recommending the real estate tax at 4 cent increase which would go from 113 to 117 per \$100 value on the real estate tax. Combined, those would bring in 2.84 million is the forecast for this. April 11<sup>th</sup> we were recommending 3.1 million of funding we had \$618,000 already programmed in the budget. That includes increasing stormwater fees by \$900,000, increased taxes by 1.5 million and getting more operation savings to fund 3.1 million per recommendation. We have made some changes, the 3 million we are down a little but we are also down on what's in the budget. That is because there is \$119,000 the fire department had in the capital plan to pay the lease on existing fire trucks that is an operational cost and has been moved into operations which has reduced the amount available. We have cut an additional \$50,000 from the finance budget. Stormwater fees still at \$900,000 and the increased other taxes at 1.9 million. That provides, based on the math, an additional \$334,000 that can be put towards reserves, other projects or something else. If you try to fund everything, you're about 3.2 million short; that is 3.5 million minus \$330,000. Just to summarize, we are recommending an increase to stormwater fees to \$8 a parcel. An analysis is being done by public works right now, to increase a lodging tax up to 10 percent and increase real estate tax by 4 cents, which is a 3 and a half percent increase in terms of the rate for the 2024 tax year. Mr. Branson provided the PowerPoint slides from last Thursday, stating he thought it would be helpful to have those for reference.

Mayor Partin reads the Public Hearing Statement and opens the floor for comments.

City Clerk Brittani Williams reads an emailed comment from a citizen.

1. **Katherine Podlewski**- This citizen emailed in her response to the Public Hearing:

Good Evening Council, my name is Katherine Podlewski, Ward 1. I live right up the street between First Baptist Church and the Nursing home. I have kept an eye on property values in my little triangle neighborhood for years, as we have been a focus for development in multiple Comprehensive Plans. I believe the biggest gripe from Hopewell property owners is the 2023

Real Estate Reassessments, with their wildly divergent and illogical values. So, any real estate tax increase is going to cause complaints. My Real Estate value went up a third, yet my house hasn't been renovated in years. First Baptist's properties, the actual church and surrounding lots and houses, didn't go up much, then they had an appeal and got the assessments lowered. My questions to the Real Estate Assessor's Office as to some explanation explained nothing. Hopewell citizens are feeling used to cover whatever mystery finance situation has happened over the past years. Clearly, too many unanswered questions are adding to the feeling. Thank you, Katherine Podlewski

2. **Earlene Allen**- states that she has been in her home for 54 years and has asked for a rate cut and gives her reasons why she couldn't get it and was denied. She talks about her financial and personal situation. Ms. Allen states she does not want the tax rate to go up because she is struggling now trying to make ends meet and doesn't get any help.
3. **Mary Gibbs**- states she is here wondering why the real estate and personal property tax keeps going up. She tells of her situation of being on a fixed income and cannot afford no taxing. States she has to choose between taxes and groceries and its hard.
4. **Andy Girvin**-Introduces himself to council as the plant manager at Advan 6 in Hopewell. He states today he is speaking on behalf of the Hopewell Manufacturers Association which includes several businesses. Mr. Gervin explains the role of the Hopewell Manufacturers Association. He speaks of the affect increased tax rates will have on businesses and create hardship on the community and requests that you vote against the tax increases. He talks about the industry having been a partner to the city of Hopewell paying significant taxes and participating in the Hopewell Water Renewal Commission. He talks about working together with the Hopewell Water Renewal Commission to approve over \$32 million in investments over the past 6 years, although only 15 million have been spent to date. He highlights that 85 percent of the expenses were to industry. He encourages council to evaluate its budget and fund what needs to be and can realistically be executed during the upcoming physical year. Raising taxes simply to

cover short term budget requirements will have long term impacts on the overall economic development and growth in the city. Mr. Gervin states the continue investment by industry is critical and critical assets such as Machinery and Tool serves to reinforce the economic foundation of the region. Therefore, we request that you vote against the tax increase as proposed and maintain existing rates from the current year 24.

**5. Dana Newcomer-** She speaks on her role as board President on behalf of our membership of the Hopewell/ Prince George Chamber of Commerce. She talks about watching with interest, the continuing work of the Robert Bobb Group and its interaction with city council. She states, previously our membership has expressed concern over the current fiscal management challenge. The proposal to increase tax rates and how it would negatively impact its members and tax increases serve as a disincentive for businesses to continue to make continued investments in Hopewell. We urge you to reconsider increases in taxes and encourage you to review carefully the impact increased taxes will have on our city, it's broader population and its small business community. Ms. Newcomer state members expressed concern over the cigarette tax, lodging tax and projected impacts to our local convenient store members, hospitality and tourism members. A lodging tax rate of 10 percent places Hopewell in the unfavorable position of being in the top 10 highest lodging tax rate of all localities in Virginia, serving at a competitive disadvantage. She kindly reminds council that per state code, 3 percent of this tax rate revenues must be spend on hospitality and tourism within the locality. She further states we are requesting that you vote against proposed tax increases to maintain existing rates for the past fiscal year 2024.

**6. Mark Burroughs-** States chesterfield county pays .90 cents on a \$100, Prince George is at .82 cents and y'all are proposing to go up to \$1.75 did I hear that correct? He is corrected by Mayor Partin of the correct increase to \$1.17 and Mr. Burroughs corrects his amount to \$1.17 and stating Hopewell is not that special when compared to neighboring areas. He continues with the amount that's been paid to Robert Bobb Group of \$2.3 million to fix a mistake that was made by council or their predecessors created and goes on

that the \$2.3 million that was paid to them almost makes up the deficit the gentleman was talking about through the computer earlier. He asks why are we going to be shouldered with your burden. Continues to speak to what he feels about taxes and what should be done to fix the tax issue. He gives a couple of examples from previous people who participated with communication from citizens. He concludes with what he thinks will happen if we keep raising these rates.

7. **Wally Raycliff**- states the length of time he's lived in Hopewell and that everything's going up we don't need this. He continues that it doesn't make sense and it needs to be cut somewhere else. He gives an example of a product increase and continues that it doesn't make sense states we need to cut the fat somewhere else and make up the difference.
8. **Ed Houser**- States the citizens of Hopewell cant afford tax increases. He talks about donating his time to different organizations and that people are lacking food money because they have to pay their bills. He tells of donating organizations are having to cover the difference. He gives an example of an item going up because of the tax increase and states he can go across the bridge and not spend his money in Hopewell.

Councilor Denton makes a motion to approve the recommended tax ordinance as presented in the resolution. Mayor Partin seconds the motion.

**Councilor Holloway**- makes a comment that he agrees with all of the commentators. spoke to the finance director who proposed this last week, if there were other avenues and his response was yes there were other avenues. He states if there is something that we need majorly, like we did a couple of months ago, I think we have \$17 million in investment accounts that we could utilize if there was any type of an emergency or something that was necessary like they are proposing tonight for their citizens, there are other options he states. This isn't the only option and some councilors are outright ignoring the fact that people are on hard times, that can only make my heart and mind think are you trying to push those people out of the city, I certainly hope not. Mr. Holloway quotes from the Bible and adds

I pray we will get our head out of the air sometimes, sit back, come back to the table, have an understanding we should not increase the suffering on our citizens that can unfortunately cause more mental issues and distress. He continues that I pray the city council would understand that and he gives a closing remark that the director of finance, who proposes this said himself that there are other avenues we can take without increasing the taxes.

**Vice Mayor Gore**-states will not speak for long because she made her position clear at the last meeting last week and have been saying the same thing for the last two years in regards to this issue. For those who follow council and come to the meetings or watch us online, you may remember this conversation being had two years ago when we knew this was coming; when we looked at some of the issues, we did not know were issues. Vice Mayor Gore states the city manager has been put in an awkward and compromising position because her administration is having to deal with old issues that were unresolved. So, that goes back to the gentleman's comment in regards to having people pay for other people's messes. She states that was the last comment said on Thursday in my regards to my position on this matter. I definitely think there is other things we can be addressing such as contracts, how money is spent in this city, delinquency and some other items that I believe should be addressed first prior to this. Vice Mayor Gore comments its years of poor governing that led us here and it just falls on certain people's laps. She continues, with that I didn't speak earlier because last week was a little interesting, I don't want to have a bad meeting getting worked up on the matter so I'll just say that I, too, disagree with increasing taxes for the reason stated. Hopefully, I don't have to go into detail, but just say that I echo the sentiments that's been shared thus far by councilor Holloway councilor pelham and members of the public.

**Councilor Pelham** talks about the taxes in the city being compared to prince George and Chesterfield. She states that Chesterfield and Prince George have more land and many more businesses that we don't have in the city. Where most counties can charge below the dollar for their property taxes, they also have assessments of houses that start at a quarter of a million, \$300,000 and above; and houses assessed at a \$1,000,000 in fact. So, its hard to compare Hopewell with the counties, it's just no comparison. Compare us to the cities of Petersburg, Richmond and throughout Virginia and the tax rate is comparable in some ways.

She comments the budget is balanced with what are needs are and taken care of the employees with a 2 and a half percent cola, its time for us to take care of our citizens. Some of the councilors have already fore stated but no real estate tax. She finishes with she doesn't know how we are going to get to the bottom line but I'm going to vote No straight out to increase all these taxes and that's what her vote, her motion, encumbers a raise in the taxes to \$1.17, raising the storm water fee to \$4.00, raising his cigarette tax to \$.80 cent and raising lodging to 1 percent, that's a lot of money. Councilor Pelham states she absolutely would say No to that motion and entertain a substitute motion but not right now. I will see how that goes first.

**ROLL CALL**

Vice Mayor Gore-	No
Councilor Denton-	Yes
Councilor Pelham-	No
Councilor Holloway-	No
Councilor Joyner -	Yes
Councilor Harris-	Yes
Mayor Partin-	Yes

**Motion Passes 4-3**

Councilor Holloway makes a motion to amend the agenda for a special recognition. Councilor Pelham seconds the motion.

**ROLL CALL**

Vice Mayor Gore-	Yes
Councilor Denton-	Yes
Councilor Pelham-	Yes
Councilor Holloway-	Yes
Councilor Joyner -	Yes
Councilor Harris-	Yes
Mayor Partin-	Yes



**Motion Passes 7-0**

Council recognize City Attorney Danielle Smith for her work in the city over the past year and a half. They share comments with her and take a photo with her prior to ending the meeting.

**ADJOURNMENT:**

Councilor Holloway motions to adjourn,

Yes- 7

No- 0

Respectfully Submitted,



**Brittani Williams, City Clerk**

  
**Johnny Partin, Mayor**