

MINUTES OF THE July 16, 2024 CITY COUNCIL SPECIAL MEETING

A SPECIAL meeting of the Hopewell City Council was held on Tuesday July 16th, 2024 at 6:30 p.m.

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

Councilor Harris makes a motion to allow Councilor Holloway and Councilor Joyner to participate remotely. Councilor Pelham seconds the motion.

ROLL CALL

Councilor Harris -	Yes
Mayor Partin -	Yes
Councilor Denton -	Yes
Councilor Pelham -	Yes

Motion Passes 4-0

R-1— Robert Bobb, The Robert Bobb Group

Mr. Bobb discussed the progress of the audits and mentioned the strengthening of controls. He also mentioned that the financial statements for the fiscal year ending June 30, 2020, are expected to be completed by August 15, 2024. The main objective is to achieve a "clean" audit opinion, although there is a possibility of material weakness in the internal controls until FY 2024. Robert Bobb turned the floor over to Russ Branson. Russ Branson opened the discussion with a description on how the finance committee typically operates. Mr. Russ Branson petitioned the council on how often they'd like to the meeting to come to order whether that would be quarterly or yearly. Council Pelham asked Mayor Partin, "If the council could discuss that topic could be discussed immediately?" Councilwoman Pelham also stated, "I would suggest we have them monthly at least for a year until everything's caught up and we feel at ease then we can

then do it quarterly.” Mayor John Partin concurred with Councilwoman Pelham by stating, “Let’s continue at least the remainder of the year continuing monthly and then starting in January go to quarterly.” Mayor Partin asked the council along with Councilman Holloway “Would that be alright with you?” Mayor Partin proceeded to say, “We’ll go monthly and then we’ll re-evaluate in January.” Councilwoman Pelham stated the meeting would be “the same time 6:30 special meeting.” Russ Branson stated the general fund contains FY 2023, what was budgeted, the actuals and the percent received. The news of the general fund was overall “positive.” Pertaining to the general fund, Councilwoman Pelham asked “Are the books that are not closed is that center around CSA and waste water?” Councilwoman Pelham further asked about the “miscellaneous revenue?” Mayor Partin asked “If anyone have any more questions for Mr. Branson on this section?” Mr. Branson mentioned Allan Harrison resides as the new general manager for water renewal. Mr. Branson elucidated how the Enterprise Fund is \$6.5 million dollars over budget. “Councilwoman Pelham asked about making up for \$6.5 million?” Mr. Russ Branson progressed the meeting onto sewer rates may be on the rise within the city of Hopewell. Councilwoman Pelham inquired about those sewer rates asserting, “Do we still have out there outstanding sewer rates that people haven’t paid?” Russ Branson told the council about an upcoming study on those same sewer rates declaring the delinquency reasons for the \$320,000 delinquency and added wanting to change the contract with American Water Company. Mr. Branson mentioned the schools and he detailed the expenses and revenues for the schools as they didn’t pertain to the city’s finances. However, their expenses are up over \$6.5 million and how the city would hold that accumulating up to \$13.5 million. Councilwoman Pelham queried “Out of 13 million that we going to plan to give them why can’t we give them half and they’d be even?” The citywide finances, \$5.6 million is related the Enterprise Fund and schools. Councilwoman Pelham solicited the city manager Dr. Concetta Manker about the “number of full-time employees within the city.” City Manager Concetta Manker responded “Five-hundred and ten.” Councilwoman Pelham again asked, “With those wages does that include school and city or just city?” Councilwoman Pelham proceeded again in asking about the benefits, personnel costs, and is that include constitutional officers.” Mr. Branson made certain the council understood the next round of taxes were due in December by the 15th, and again in February and June. Reserves that were unassigned (general fund), replenishments of fund balances, expenditures on managing total cash, monthly financial reports, and appropriations that exceed 1%. Utilities, investments (authorized), and procurement as it involves to the P-Card process. Mayor Partin uttered, “Mr. Branson for that last one for capital projects should what on average do cities or localities do in terms of capital projects per their budget the reason that I’m asking is certain businesses are you know the best practice model is to dedicate x% to go back into Capital into their business so that way they’re continuing to refine operations and they can reduce overdue maintenance costs.” However, Mayor Partin ensued, “I remember when Mr. Sanderson was here, he said to develop your policies for the goals that you want to set so like our target reserve should be you that 16% and 23% that Alvarez Marcel and, I think you said another GFO. Or will that be put in there for a conversation starter.” Next, Mayor Partin explained how he “didn’t think 500,000 is going to work well being that if you look at what you showed us previously in our budgets and you just look at the deplorable state that our infrastructure got into because our previous city managers and finance directors just did not prioritize Capital

Improvements period, I mean no real or legitimate cap Improvement plan I'd say at least for the past seven eight years." Mr. Russ Branson expounded upon the debt ratio for the city of Hopewell stating how it shouldn't exceed the 10% mark and how the city is currently at 4%. Mr. Branson is recommending 20% for the reserves which a "bit higher" than normal for investments such Winston Churchill project. Mayor Partin asked "So when the rating agencies look at our balance sheets and they want to see you know what our goals are they're going to include when we say we're shooting forward a total reserve of I think you said what 28%? If you include the debt one at the bottom, they're going to look at 28% versus just 20% like off the first one am I understanding that right?" Councilwoman Pelham advanced on to say, "Public works and garage when they use their p-card to order parts I would imagine is that attached to the license or the VIN number to a city vehicle or they can just go out and purchase it if I want to buy my transmission from for my car how would I know the difference?" Mayor Partin asked the council were there "Any other questions I'll turn over are there any questions online for Mr. Branson?" Councilor Holloway and Councilor Joyner both said, "No." Mr. Russ Branson gave the floor over the city treasurer Shannon Foskey.

R-2— Shannon Foskey- City Treasurer

Ms. Shannon Foskey mentioned delinquencies that the city is currently facing, and as a result of those the city treasurer's office has partnered with "several collection agencies" to regain control of those delinquencies. Further, Ms. Foskey explained the past 2019-2022 debt of \$7,794,129.66. Where the city currently sits with utilization of TACS (Taxing Authority Consulting Agency) is \$1,669,325.35. As for business licenses in the city of Hopewell, Ms. Foskey voiced the past 2019-2023 delinquencies of \$6,158,498.31 into where the city currently stands at \$115,145.47. The Virginia Auction being one of the agencies, they have been doing an excellent job at collecting \$3,148.38. The Virginia Auction specializes in judicial tax auction as well as non-judicial taxes. Currently, the city of Hopewell, as stated by Ms. Shannon Foskey in 2023 the deficit was \$10,474,491.12. However, as of 2024 the is down to \$259,179.71. Councilwoman Pelham stated to the treasurer, "What are all the footnotes with that the red ABT what does all that mean?" Also, Councilwoman Pelham asked, "Okay, so that was kind of written off from the total revenue." Councilwoman Pelham asked Ms. Foskey, "How much of that do you pay them?" Ms. Shannon Foskey advanced her statements moving forward with giving the floor to "Shera" as she is the delinquent tax collector for the city of Hopewell treasurer's office. Ms. Shera states, how if a citizen owes \$100, the department will add an additional 20%. Council woman Pelham asked "So the amount you're showing is the amount you get \$3,100 or whatever, the citizen will pay 20% of over that amount, right?" Ms. Shannon Foskey emphasized how Jason Dunn has done extremely well cutting down on the delinquencies. Councilwoman Pelham asked Ms. Foskey, "You haven't seen the contract for Sands Anderson?" Further Councilwoman petitioned, "Is there one? Our city manager or our attorney would know." As well as stating, "They probably should have been read every five years anyway right so, that means it need they to turn them over if they not going to work them." City Manager Concetta Manker reassured the treasurer's department that "They have the authority to remove Sands Anderson and hand the duties over to Jason Dunn." Mayor John Partin followed up with "If they're not performing, don't fiddle with them." Councilwoman Pelham asked, "How do you be delinquent with the business license?" "Whose responsibility is to collect the money from the business you or

commissioner? Mayor John Partin suggested that "Once the treasurer's office decide to go after those businesses, take a deputy sheriff or a police officer with you for those who don't want to pay taxes or have a legitimate business. Because in this day and time I highly recommend it." Councilwoman Denton proceeded to tell Ms. Foskey that as "For business license the Commissioner Revenue does not have the power to do anything to that business if they do not pay their tax. If they are not paying their taxes, and they have a list of those businesses that are not paying for their license." Mayor John Partin was sure to affirm the treasurer and those citizens present that "If there's a gap in the law that needs to be addressed that's a great opportunity as our legislative committee is going to be meeting here, I think in the next couple weeks that we can pass a recommendation off to councilor Joyner and Vice Mayor Gore you put something in our packet for the state house to look at."

Ms. Shannon Foskey turned the floor over to Neika Hart of the treasurer's office for presentation on banking statements. Mrs. Nieka Hart elaborated on the banking statements and they were pertaining to revenues they've received from federal grants, payroll for schools, city debt, and credit inflows. Councilwoman Pelham asked, "why in the city payroll one week is 960 million I mean \$960,000 thousand and then the next week is 50,000? "And does that payroll include a few people?" Ms. Hart gave a response to Councilor Pelham in detail of how the payroll works.

Councilor Denton makes a motion to adjourn, Councilor Pelham seconds the motion. No discussion.

ADJOURNMENT

Mayor Partin motions to adjourn,

Yes- 5

No- 0

Respectfully Submitted,



Brittani Williams, City Clerk



Johnny Partin, Mayor