

MINUTES OF THE March 14, 2024 CITY COUNCIL REGULAR MEETING

A REGULAR meeting of the Hopewell City Council was held on Tuesday February 27, 2024 at 6:00 p.m.

PRESENT: John B. Partin, Mayor
Jasmine Gore, Vice Mayor (6:03)
Rita Joyner, Councilor
Michael Harris, Councilor (Virtual)
Janice Denton, Councilor
Brenda Pelham, Councilor
Dominic Holloway, Councilor (6:14)

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

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

Motion Passes 4-0

Mayor Partin gives Dr. Manker the floor to explain what the meeting is about. She states they have the first section of the budget discussion and explains for each budget work session council will bring the provided notebook to build upon until

the book is final. Tonight's meeting is going to be about the revenue portion of the budget. There was a small change, and they will follow best practices and return back to the finance director presenting the budget revenue and expense portion of the budget. Dr. Manker then turns it over to the interim CFO Russ Bransen who will begin the revenue presentation.

Councilor Pelham has a point of order, the format of the agenda shows reports of city manager, it was explained to her the agenda is an outline, there are no reports from city manager.

Councilor Pelham makes a motion to delete reports of city manager, city attorney, city clerk and city council, Councilor Joyner seconds the motion.

ROLL CALL

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

Motion Passes 6-0

Mr. Bransen begins his presentation based on the powerpoint he provided to council prior to the meeting. He speaks on revenue about general government and what revenues come into that. He explains what those funds are for. He speaks about enterprise funds as well and states he will speak in further detail about each of those funds. He explains his first slide which is public services funds, schools, enterprises and general government funds. Each of these has a list of funds that are included and he states he will go into further detail of each as he progresses through the slides. He speaks about the assessor and the commission of revenue and what each of their roles are. He states what needs to happen if revenues are insufficient to fund desired services, either revenues must be increased or expenses must be reduced. Get more money in option is to raise taxes, or what does not get funded to reduce expenses. His next slide speaks on the sources of revenues, and he goes into detail of where the money

comes from. Mr. Bransen moves onto the next slide speaking on how revenues are applied going into detail per department, with three major sources. Schools are the largest percentage of funding revenues. He goes over the other percentages on this slide of smaller revenues of the city. He mentions items to be aware of such as transfers and use of surplus. He states transfers can make total revenue appear higher than it really is. He also mentions the city has a common practice of carrying over funding for capital projects that are approved but not yet completed. Mr. Bransen speaks about the general fund revenues and fees and charges that come in for permits and other types of fees. He goes over a table of the breakdown of all major revenues and all the taxes over the last two years. He moves on to real estate taxes and what increases from re-assessments which are every two years. Machinery and tools tax and real estate tax are collected at the same time and make up about 70 percent of the tax revenue. He goes into further detail about the numbers of machinery and tools tax. He mentions they are 19.8 percent of the taxes on their own. Personal property tax is tangible personal property, and the current rate is \$3.5 but proposed increase of for \$4.00. Mr. Bransen gives total percentages of other local taxes in detail based on a chart provided in his slide. Mr. Bransen goes through the remainder of his slides giving exact percentage rates and numbers from past years to proposed year of 2025. Mr. Bransen moves into enterprise funds beginning with water renewal, which is a user funded enterprise. Charges to the industry and the city are broken down in three sections, the operations, debt services, and the admin fees. He speaks on miscellaneous revenues which is also known as hauled waste which is primarily used for capital. User charges are collected for operation expenses. Mr. Bransen speaks further about sewer refuse and storm water providing a graph to give an idea of the increase or decrease in revenue. Mr. Bransen mentions he would like to see food and lodging taxes increase half percent on food and 1 percent on lodging and it would bring in 75,000 to 90,000 each. Mr. Bransen goes over the schools' revenue with a detailed table. He points out the consistency of what the city has put out over the past few years. Mr. Bransen provides a two-page table with a list of taxes, different fees and charges, and types of other revenues.

Councilor Pelham asks Mr. Bransen about donations and where do they come from. Mr. Bransen says they are not donations but they are charges for healthy families that they provide services for within the different communities.

Vice Mayor Gore asks the city manager about outside agencies and wants an

idea of are they approving the one from last year or two years ago, the answer was last year. She then asks the schools and the carry over, she states she needs that number to know if the general funds are going to be adjusted. Mr. Bransen states it would not be a general fund reduction necessarily. He gives a further detailed answer in regard to this question. He mentioned he will get clarity and get back with them with a clearer answer. She then asks in terms of the Beacon Theater, the city gives a contribution, and they provide their own financials, she asks what will council do about the LLC and accountability of their financials. She says she wants to know what are they doing about what they are projecting. Mr. Bransen answers the question stating it could be a part of the conversation next week. He mentions he will check with Jack Regan and get back with council. She asks about parks and recreation and wants to make sure the accounting is lined up so when membership and user fees are received they know where to put them. Mr. Bransen answers this question in detail, but in short the answer is yes. She asks about debt service, is there anything being dropped off that can be used as potential revenue. Mr. Bransen says none for the upcoming year, but possibly is 2026. She then asks the city manager the voted to adjust budget calendar and council priority, how is she going to propose to adjust it because it was not discussed during the retreat. The city manager proposed it be considered to happen after the expenditure or along with the department discussion.

Councilor Denton asks Mr. Bransen about the million-dollar mile, the fines from that comes to the city, is it shown through the revenue. Mr. Bransen states no the city does not get revenue from that. She asks is there a finance report from Beacon, the city manager mentions Jack receives the finance report from them. She asks if the revenue beacon gets can the city include it as their revenue, the answer was no.

Mayor Partin asks Ms. Reason or Ms. Kidd about the machinery and tools tax amount the increase in 2024/2025, is it from the current expansion in the capital upgrades down at Virginia American Water. Ms. Reason answers saying some is due to that and some is from Ashland incorporated and some from West Front from their expansions. He then asks Mr. Bransen about slide 23 about user charges and FY 24 and 25 with the significant bump up, what results from the bump up? Mr. Bransen responds that he included charge of capital charge. For stormwater on page 24 he asks does he have any numbers from public works to see what stormwater would look like with a 1,2, or 3-dollar increase. Mr. Bransen states yes he can get those numbers for him. He

asks can they run an analysis if they shrunk the area would it result in more revenue. He then asks how much money can be generated in cost savings in storm water fee moved from the monthly utility fee and added to the 6-month real estate taxes and what would it do in terms of collection.

Councilor Holloway asks he thought they agreed about the Beacon Theater that it would be \$5000 per year they provided a financial report, if they did not he thought they would not fund them. City Manager stated he was correct they were required to start providing financial records to the auditors which she stated they started immediately and they are caught up with all past records being submitted. Councilor Pelham asks for an overview of where they are currently, Mr. Bransen sated yes he can request that.

Councilor Joyner stated she had not seen any financial documents and would like to see them.

Vice Mayor Gore asks Mr. Bransen about the school's financial system, they be moved over to MUNIS. She asks is there an update with where they are with getting it into MUNIS. Mr. Bransen stated it would be July of 2025. Vice Mayor Gore asked does council support having a written explanation to why they have not started yet, City Manager stated they did not start at the time council thought they did. Councilor Pelham asks for a timeline of when they started to implementation. Councilor Holloway asks did they start the process and does the live date just take some time. Mr. Bransen states yes that is correct. She then asks about open finance system for citizens to check financial numbers in real time. City Manager stated the system is live, but it is not citizen facing because the numbers in MUNIS are not displaying the correct information because the lean up has not occurred. Each completed audit will have the system get cleaner and cleaner.

Councilor Harris states he has a concern in regard to meeting in open session and individual comments from citizens. How do they communicate with the citizens along the lines of questions they have about the budget process? City manager answered that citizens can do this by reaching out to the clerk and on the website under the clerk's page you can submit comments for any council meetings that occur, and it is the clerk's responsibility to read the comments into the record once received.

ADJOURNMENT:

Councilor Holloway motions to adjourn,

Yes- 7

No- 0

Respectfully Submitted,



Brittani Williams, City Clerk



Johnny Partin, Mayor