

MINUTES OF THE OCTOBER 22, 2024, CITY COUNCIL REGULAR MEETING

A REGULAR meeting of the Hopewell City Council was held on Tuesday, October 22, 2024, at 6:00 p.m.

PRESENT:

John B. Partin Jr., Mayor
Jasmine Gore, Vice Mayor
Rita Joyner, Councilor
Michael Harris, Councilor
Janice Denton, Councilor
Brenda Pelham, Councilor
Dominic Holloway, Councilor

Councilor Holloway makes a motion to allow Vice Mayor Gore and Councilor Pelham to participate remotely; Councilor Joyner seconds the motion.

ROLL CALL

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

Motion Passes 5-0

CLOSED MEETING:

Councilor Denton makes a motion to go into closed meeting pursuant to Va. Code Section § 2.2-371 1 (A)(1) to discuss and consider personnel matters, including board and commission appointments; the assignment and performance of specific appointee and employees of City Council, and Va. Code Section § 2.2-3711 (A)(30) to discuss and consider personnel matters, including board and commission appointments; the assignment and performance of specific appointee and employees of City Council, and to the extent such discussion will be aided thereby. Mayor Partin seconds the motion.

ROLL CALL

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

Motion Passes 7-0

Reconvene Open Meeting

Councilor Holloway makes a motion to reconvene an open meeting. Councilor Joyner seconds the motion.

ROLL CALL

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

Motion Passes 6-0

Councilor Denton makes a motion to appoint Vice Mayor Gore as the interim member of the Planning Commission. Councilor Harris seconds the motion.

ROLL CALL

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

Motion Passes 6-0

Councilor Holloway makes a motion to direct the city manager to restrict all P cards to directors until further notice. Councilor Harris seconds the motion.

ROLL CALL

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

Motion Passes 6-0

Councilor Joyner makes a motion to direct the city manager to put the HR Policy on the next regular meeting agenda. Mayor Partin seconds the motion.

ROLL CALL

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

Motion Passes 6-0

Councilor Holloway makes a motion to put revised P card and reconciliation policies on the following finance meeting for approval. Councilor Joyner seconds the motion.

ROLL CALL

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

Motion Passes 6-0

Councilor Holloway makes a motion to direct the city manager to put out an RFP for a forensic audit of all p cards, gas cards, and open credit lines from 2019 to present for past and present employees. Councilor Joyner seconds the motion.

ROLL CALL

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

Motion Passes 5-1

CERTIFICATION:

CERTIFICATION PURSUANT TO VIRGINIA CODE §2.2-3712 (D): Were only public business matters (1) lawfully exempted from open-meeting requirements and (2) identified in the closed-meeting motion discussed in a closed meeting?

ROLL CALL

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

Motion Passes 6-0

Mayor Partin postponed the work session item to the November meeting and will move directly to the regular meeting agenda.

REGULAR MEETING

Mayor Partin calls the Regular Meeting to order

PRESENT:

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

Prayer by Minister Charles Bennett, followed by the Pledge of Allegiance led by Mayor Partin.

Councilor Denton motions to amend the regular meeting agenda to include the adoption of the personal property tax relief rate. Councilor Holloway seconds the motion.

ROLL CALL

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

Motion Passes 6-0

Mayor Partin Amended the agenda to remove C-1 for errors found during the review.

ROLL CALL

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

Motion Passes 6-0

INFORMATION/ PRESENTATIONS

Robert Bobb Group - Heather Ness

Heather Ness with Robert Bobb Group opens her presentation advising council this serves as her final update for the contract between the Robert Bobb Group and the City of Hopewell. She explained she would go over the original objectives, the current project status, the key accomplishments in the last year, plus the continuous areas of concern that the city needs to watch. She continued by sharing some open items are left open as well as how to monitor for fiscal stability moving forward. She explained they aim to ensure a stable financial future as the engagement ends. Heather stated the last audit with an unmodified opinion for the City of Hopewell was in the fiscal year 2044. She shared that the last annual comprehensive financial report in a federal single audit was in 2019. She explained that in 2019, no opinion was officially issued, and it happened this time last year. At that point, the audit of public accountants was unable to evaluate the financial vitality of the city. She shared Alvarez was originally called in, and then after that, the Rober Bobb Group proceeded to have two goals. She explained objective one was addressing the urgent financial distress, and that was to establish the fiscal PMO. Heather explained that the original time set to finish was unmet, and a little more time than planned was needed. She explained the job of the fiscal PMO was to plan monitoring and transition activities, work on accountability reporting, reconcile the general ledger, the financial policies and procedures, and manage the obligations of

wastewater. Heather identified some key deliverables that were in the 60-plus-page weekly report. She stated the Robert Bobb group implemented pooled cash bank reconciliation, Bank reconciliation manager, and employee expense reimbursement, and she will go over pieces of them all later in her presentation. She also shared they advised on the segregation of duties and long-term and short-term workflow adjustments in the city. Heather stated they have met with Dr. Manker numerous times to oversee the transition plan's development. She indicated they delivered 22 SOP Word documents, an additional 22 SOP Visio flowcharts, and 24 and counting training sessions. She reiterated that she believes the last reconciliation was in 2017 and that a lot of industry reconciliation work has been done. Heather discussed objective two, which was the accounting remediation services. She shared that this was the part where they worked through every single detail of the backlog of reconciliations, and those cash reconciliation statements have been completed through fiscal year 2023. She stated that 2024 won't be submitted until they get the year-end balance in 2023. She explained they have completed the financial statements through 2024, but they are not final until then. Heather went further to explain that they have also developed a comprehensive ERP work plan to address that moving forward, and they have completed the monthly fund reconciliation that was completed through fiscal year 2024. She also stated that they have optimized technology, including the ACFR implementation, which is ready to go and will be used up to December of this year. Heather shared they migrated 18 key risks, putting the city on a path toward stronger financial integrity. Heather continued the presentation, reviewing the current process and project status for audit remediation. Heather shared that they have been working with external auditors, such as Robinson, Farmer, and Cox, and they understand that they are getting close to issuing an opinion that will be favorable. She also stated they understand that all outstanding queries have been addressed and answered by either them or the city for reconciliation. Heather explained they have completed the city's bank and fixed asset reconciliation for the fiscal year 2021 through 2024 estimates pending auditor review. She stated that 2020 has gone in for the audit, and once they have an opinion on it, they will refresh 2021. Heather explained there will be a team available to answer any auditors' questions. Heather reviewed a graph showing all of what was advised to the council. She stated it shows where we are for the audit reconciliation status and a new piece that includes the schools. She reiterated that their priority is to quickly identify and resolve any discrepancies that are found from this point forward to maintain clear and accurate financial records across the board. Next, Heather discussed where they were on the systems work, pooled cash, and bank reconciliation manager. She shared that the employee expense module was previously reported to be in use on the 17th but was delayed until October 31st. She clarified that the city employees are entering their expenses in the new city

employee expense model module; however, due to some city-wide communication and other issues, the October 17th payroll reimbursement was missed, so those items will be put in the October 31st. She explained the first test of the official production live will be for the October 31st pay run. She also stated regarding the annual comprehensive financial report, everything has been put in the system. She indicated that training was provided on October 2nd, and system access was set up and confirmed. She shared there will be additional training and follow-up sessions in December. Heather explained that the annual consolidated financial reports are the reports that are automated through the system and delivered to your external financial statement auditors. Heather discussed the long-term security and workflow updates in production over the summer. She shared that the security updates were backed out and will have to be reimplemented, and then they will get the long-term security and workflow updates. She stated the city and the Robert Bobb Group are updating the security roles in the test environment to be finished shortly. She recommended that the city test those updates before December, as addressing audit risks and strengthening internal controls is crucial. Heather reiterated that December is key so that the controls could be in place for over 50% of the year. She also shared that auditors can rely on the system if they can be in place for more than 50% of the year. Heather explained there is an entire section on maintaining sustainable momentum. She stated this is one of the things that must be done because, without the segregation of duties and proper workflows in place, you see duplicate entries and people with access to things that shouldn't have access. Heather went further into detail about the bank reconciliation manager. She shared that the reconciliations for July 2024 and August 2024 are underway and, in the future, to be completed by the November finance meeting. She shared all the SOP training that has been documented and stated some training will take place at the end of the week. She explained that the things from the training from last week will be delivered by the 31st. Heather discussed the agreement for the Hopewell Wastewater Commission; it's under review and has been in the red-line process since July. She explained that AdvanSix is managing that process, and she spoke with them last week to ensure it was handled before they were finished. She also explained that with every update the Hopewell Wastewater treatment plant makes, an industry partner puts new caveats into the agreement. She explained that every time new material is put into the agreement, it goes back through the review process. Heather started to discuss the Finance Committee's meeting, sharing that she believes a \$2.1 million bill was reconciled and sent back to the industry partners to close up the fiscal year 2024. She explained that it was unexpected and caused the industry partners to pause. It was explained why it was there, but there needs to be a change to how Hopewell wastes. She explained that the industry partners stated that's how they had done in prior years. She explained you cannot surprise the

industry partners with that; you have to give at least a forecast of your estimates through the end of the year because the industry partners need to understand and know what they will be allocated. She also explained they would have to pay year after year because they go to their leadership and request the dollar value to pay the city, and it doesn't look good if they have to go back on multiple occasions in a particular case. She explained they were frustrated in the last Finance Committee meeting because they had not heard of the \$2.1 million, and it was going public, which may trigger changes in the agreement. Heather discussed the transition plan Dr. Manker presented at the last Hopewell City meeting, and the plan outlined responsibilities for critical functions, employee training, SOP updates, and managing audit issues to ensure continuity. Heather explained the current challenges the city will have while the transition plan has been presented to the city council sharing; they still need to maintain status tracking of its implementation across departments. Heather shared that if the work put in place moving forward through fiscal year 2025 into fiscal year 2026 is not sustained, the city will start to slip again. She advised that people should be held accountable, ensuring the SOPs and training are reviewed. Heather shared that there was \$5 million in the bank when the Robert Bobb Group first came, but no one knew why and what it was put aside for. She shared that it's not just the industry partners, Hopewell Wastewater Treatment plan, taxes, and residents that will drive financial and fiscal sustainability moving forward; there is a beautiful parcel of land with many opportunities to focus on economic planning and development. Heather ends her presentation with advice to Dr. Manker and the council members, stating her advice and guidance as the Robert Bobb Group moves out of the field, create some form of dashboard or something that gets presented by Dr. Manker or to someone on the council once a month so everyone is kept aware of the progress of all of these items and if something slips you are aware of it.

Robert Bobb from the Robert Bobb Group thanked the council for the opportunity to work with the City of Hopewell and left a few remarks.

Councilor Holloway explained he wanted clarification on some items and that Heather Ness clarified before he asked the question.

Mayor Partin thanked the Robert Bobb Group for their services and expressed gratitude for the city's improvements. He also voiced some concerns about the report.

Councilor Joyner shared her concerns, agreeing with Mayor Partin that things will be missed and her fears about audits.

Councilor Denton agreed with Mr. Robert Bobb that there is a lot of love in Hopewell. She also shared her concerns with the industry and her agreement with them.

Mayor Partin requests the motion to direct the city manager to complete the reconciliation process by November 19th and present the results at the November finance committee meeting, as on page 16 of the Robert Bobb report. The council and the mayor discussed the city manager's ability to force the treasurer to complete what is requested of her. Based on the discussion with the council and the mayor, the mayor clarified his request for the city manager.

ROLL CALL

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

Motion Passes 5-1

Mayor Partin requests a motion to direct the city manager to implement a tracking system to track the progress of the transition plan as outlined by the Robert Bobb Group. The motion was made by Councilor Pelham and seconded by Councilor Joyner.

ROLL CALL

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

Motion Passes 5-1

COMMUNICATIONS FROM CITIZENS

The clerk read the communications to citizens' statements before the citizens spoke.

Latoya Jenkins- Latoya Jenkins shared she lives off of Hampton and Glendale. She explained where her house was. She is at the bottom of the hill, and at the back of the property, there is a creek with a pipe that goes on one side, and on the other, there is the street. She explains when it rains, heavy debris from the hill comes down and blocks the pipe, and water floods her backyard. She stated it's so much it looks like a small lake. She shared she did not know this when she purchased the property. She explained she had been to the city before about the issue, and they said it was in the budget to rectify it, but that was a few years ago. She stated that she was not home in January, and it flooded her basement and past her ankles with water. She explained how the water was slowly coming out of the pipes but not in full force as it should have because of the debris. She explained she was told to go to the council meeting so she would have a chance to speak with the council about her issue. Mayor Partin directed the city clerk to get the citizen's information so she could talk with her ward councilor about the problem.

REGULAR BUSINESS

R-1- Fiscal Year 2024 Surplus Investments- Dr. Manker, City Manager

Dr. Manker opens by stating they have a budget and asking the council for a budget resolution approval. She explained that staff recommends the fiscal year budget resolution amendment to apply year-end funds that adhere to financial policies and designate the funds for the city capital reserves, unassigned funds, budget stabilization funds, and budget balance account. She reiterated to the council she has provided them with a review of the 24-year-end funds and budget requests. She explains the snapshot showing the repair breakdown for Winston Churchill and 1101 Maplewood. She goes over CSA and legal search firm funds. She describes the balance the Commonwealth Attorney left and that those funds were applied to the fiscal financial policies. She goes over the capital reserve funds, unassigned and assigned funds, and budget stabilization. She gives a breakdown per Councilor

Pelham's request of the assigned funds, which were the Marina cost repairs, the grant, the match for the generator, the data integrators, fund analysis, and recovering the ERP and the three positions that were recommended by the Robert Bobb Group which is the legal administrative assistant, the ERP administrator, and the Economic Development Specialist which totaled up to the \$1.5 Million.

Councilor Pelham commented on the positions that were allocated and how they would be programmed for future years.

Councilor Denton makes a motion to approve the fiscal year 2025 budget resolution amendment to apply the year-end funds that adhere to a financial policy that designated funds to the city's capital reserve, unassigned funds, assigned funds, budget stabilization funds, and fund balance accounts. Councilor Holloway seconds the motion.

ROLL CALL

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

Motion Passes 6-0

R-2- Adoption of the Personal Property Tax Relief Rate- Dr. Manker, City Manager

Dr. Manker shares that the second item for council consideration is the adoption of personal property tax relief. She explains staff recommends adopting the personal property tax relief act rate for the City of Hopewell that stands from January 2024 to December 2025. She explains the PPTRA is 31% relief.

Councilor Holloway makes a motion to adopt the personal property tax relief act rate for the City of Hopewell for January 2024 through December 2025 at 31%. Councilor Harris seconds the motion.

ROLL CALL

Councilor Harris-	Yes
Mayor Partin-	Yes

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

Motion Passes 6-0

Mayor Partin makes a motion to adjourn.

Yes: 6

No: 0

ADJOURNMENT

Respectfully Submitted,



Brittani Williams, City Clerk



Johnny Partin, Mayor