

MINUTES OF THE March 21, 2024 CITY COUNCIL SPECIAL MEETING

A SPECIAL meeting of the Hopewell City Council was held on Thursday March 21, 2024 at 6:00 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 (Absent)

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

ROLL CALL

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

Motion Passes 5-0

WORK SESSION

WS-1- Expenditures and CIP Budget Discussion- Russell Branson, Interim

Finance Director. Dr. Manker opens with a brief overview of Mr. Branson's presentation for FY25. Mr. Branson discusses where we are, where our expenses are, where net revenues are and where that breaks down and some general recommendations on what we need to do. He goes over a number of programs separately. Some of the primary programs and funds of the city and where they fall are general government, Enterprises Health and Welfare, Schools and Debt. Mr. Branson details who is responsible for the expense forecasts, from Personnel costs, Services and Supplies, Capital and Schools. The expense strategy for FY25 is to maintain operations at current levels. Mr. Branson explains why he is recommending we don't fund capital from carryover or reserves because we don't know what those monies are. He states we need to maintain our spending plan within the expected revenues we are going to have in this coming year. States if you had money after funding capital after building your reserves to the right level, you can look to expand operations to expand operations if needed. He talks about expense assumptions, what you are going to see what's changed in this year's budget. Employees' salaries, there is a 2.5 percent step increase for Public Safety employees (police, fire, public works) and a 2.5 percent cost of living adjustment (COLA) for all other employees. The cost for all other employees which is in a step that's guaranteed is about \$157,000. Mr. Branson voted to absorb health insurance for the city at 6.9 percent increase that is \$320,000. They will talk about the detail of major departmental increases on the budget side. He explains Capital as determined by departments. In this presentation, Mr. Branson looks toward getting a final budget for adoption and come back to a budget that's balanced meaning, what we're asking to authorize to spend is going to be equal to or less than the revenues we have coming in. He states the capital asks and adds the CIP sheets for each of these areas are in the back of the presentation. Public Works is 3.9 million which is 2.9 million of General Funding for new projects. There's an additional few million dollars coming from other sources and a carryover of an additional million dollars needed to match projects that were planned in previous years but won't get completed till this year. He talks about what departments have projects coming up. Mr. Branson comments he has talked with Jay there's probably a few things we cannot do but just keeping up with what we need to run

our city and as you know we become more and more dependent on technology to do things. So, we have to do at least the minimum to keep up with what's going on in the industry and what we need to run our IT system. He discusses what the options are to fund capital. If we increased taxes, what can we get from Real Estate, Machinery and Tools, Personal Property, Food and Beverage or Lodging which adds up to about 3.8 million in Revenue. You can delay major investments until the City can issue new debt likely in two to three years. The question is can we hold off. He provides several charts starting with the general fund, where he gives some little detail for two years and next year. Mr. Branson speaks on the accuracy of Munis system, gives some examples and states he is giving the best information that can be accessed right now without doing a lot of manual calculations. He talks about the FY23 and then speaks of FY24 budget actuals often times are much less than expenses. He points out we are about 4.5 million positive. We can't tell you where we ended exactly for FY23 until the end of the summer. We are fairly balanced and pretty much on track for FY24 to go up from 64.8 million we are going proposed budget 66.5 million with revenues slightly higher at this point. When looking at salaries and wages overall, he discusses the increase given to public safety employees and staff in 2023 and scheduled increases for 2024. He points to the significant savings of vacancy salaries, that we do budget for these vacancies. Mr. Branson talks about the different departments, their expense budgets and any changes including added positions 2023 to 2025. Talks about different ways to increase revenues. There was the addition of Healthy Families becoming a new department last year, there was some expansion. He goes over Debt and are listed by year, where they are paid from and what it is used for. There is a big drop in 2028 under school debt as some of those bonds get paid off. The Cities contribution will go up half a million dollars in the next couple of years based on how the debt is structured so we will have to plan for that. Questions were asked by several councilman. Vice Mayor Gore asked if these projects are council approved over the years or by way of staff. It is confirmed that council approved list of projects. Vice Mayor does not support any of the projects listed until we have clarity. She explains why she does not support it at this time and what has to be done to get support from council on these projects. Mayor Partin has agreed to draw a memo, at Vice Mayors request to bring Council up to speed on situational awareness going into the next meeting. Vice Mayor Gore suggests since there were three departments Economic Development, Tourism and Communications, under the City Manager at one time. She is requesting that these departments be separated out giving reasons. She will defer

to council to see if they recommend that as well. Lastly, Vice Mayor Gore asks Dr. Manker if Public Works is going to present their recommendation for Storm water projects and road pavement scheduled to see who's on the list next to take them into consideration. Dr. Manker states every department is responsible for creating a strategic plan and a lot of this information is in the strategic plan that are due June 30, 2024. Unable to hear Councilor Pelham Audio/ Visual unclear. Councilor Joyner states in reference to capital and vacancies and will anything really change. She talks about possibly putting some of the personnel dollars and rolling them into technology to offset the lack of staffing. Vice Mayor Gore talks about finding a way to fund the Wayfinding System and get clarity from Dr. Manker on the total cost amount which is \$208,000 and the yearly amount of \$52,000 (spread out to 2028) to pay for the system. Vice Mayor states that it matters what year and how much we gave them and so that way future councils can have clarity.

ADJOURNMENT:

Vice Mayor Gore motions to adjourn,

Yes- 5

No- 0

Respectfully Submitted,



Brittani Williams, City Clerk



Johnny Partin, Mayor