

MINUTES OF THE APRIL 11, 2024 CITY COUNCIL SPECIAL MEETING

A SPECIAL meeting of the Hopewell City Council was held on Thursday April 11, 2024 at 6:00 p.m.

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

Councilor Joyner makes a motion to allow Councilor Harris to participate remotely. Mayor Partin seconds the motion.

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

Motion Passes 4-0

Dr. Manker opens the meeting to state this meeting is for proposed taxes. The goal of tonight is to have a discussion and conversation about which taxes council will choose to consider, and on April 16th there will be a tax resolution set so treasurer's

office can get the bills sent out on time. She then passes the floor to Russel to go over his presentation. Russ discusses the bas revenue and states they are talking about capital and how to fund capital moving forward. He goes over budget needs beginning with capital. He states \$6.9M has been identified as needed for capital in FY25. Only \$618,000 funded by forecast revenues. He states HRWTP will be funded with rate revenues from industry partners and city sewer. He goes over the reserves and mentions there is no funding increased in general fund in forecast for revenue. He speaks to HRWTP, sewer, and other funds that were also presented to council in his presentation. He moves on to discuss priority capital needs and mentions the city needs \$2.4M of General fund revenues to fund the department, identified priority capital requests. He goes over in detail all priority requests in each department head. He came up with the numbers provided by speaking to the heads and determining what they can do without and what they need the most. He goes over funding options with council, mentioning raising taxes. He goes over the numbers for the certain areas where taxes could be raised. He mentions real estate, personal property, machinery and tools, food and beverage, lodging, and institute cigarette tax. He states storm water fees and their increases as well. He speaks about operating expenses, if they don't want to raise taxes, and he lets council know it will be hard to do that because there are not a lot of places to cut money to avoid raising taxes. Mr. Branson speaks about real estate and states in 2004 tax rate was \$1.20, and since then it had gone down. He then speaks about the property tax from 2006 to current. Machinery and tools tax rate he mentions was \$3.03 in 1995 and was last raised in 2022. Mr. Branson goes into further detail about surrounding jurisdictions and tax comparison. For real estate he states \$1.20 puts Hopewell in line with neighboring cities. He goes into further detail for machinery and tools, personal property, and other taxes. He explains other localities and Hopewell for all the above mentioned. He states they have cut out the cost general fund budget of \$618,000. They have storm water fees which he believes should be increased, and he mentions increased taxes and reduced operations will vary based on the tax rates that council chooses to implement. He provides a graph for council in his presentation to help show how the increases could work for Hopewell. Councilor Pelham asks is there a list of possible reductions, Mr. Branson states he currently does not have that. He recommends storm water fees, cigarette tax, lodging tax, food and beverage tax, real estate tax, personal property tax, and machinery and tools tax possible increases. He states a lot of capital has carried over from year to year without knowing if they had enough money to do so, so it comes over as a use

of surplus. He states this discussion is to really decide what they absolutely need to do to increase revenue in the city.

Councilor Denton states they are already committed for certain projects with the state of VA, she asks is that the 2.4M that is needed, Mr. Campbell, the public works director speaks to that question and states yes that is what they need. They are projects that were already approved with contracts and money has already been allocated by the state. Mr. Campbell goes further into detail about the pending projects and their duty to get them done.

Councilor Pelham asks how many projects did council approve by resolution, is it 1.6 or 2.4? Mr. Campbell responds that it is 1.6.

Councilor Joyner asks about the roads falling in and is that a project they are funding? Mr. Campbell stated it is already part of his PMO and it is a working progress.

Councilor Pelham asks to include projects in ward 6, but she sees no streets, Wall St. and Pine Ave. asking are they a part of his plan. Mr. Campbell stated he does not believe it is included because it would be part of the shared projects.

Councilor Denton asks Mr. Campbell was he still working with the group out of Washington DC. Mr. Campbell stated yes he is, they have 2 projects and a separate set of projects being combined with an EPA grant.

Mayor Partin asks Dr. Manker and Mr. Branson, some projects show as 3 year projects have they looked at trying to the same thing with the community center to expand it to three years. Mr. Branson stated it will likely be broken into a few years. He then asks about the river walk breaking it into two years of funding. Mr. Branson stated he thinks that is very possible. He then asks with storm water fee, are there numbers to see what it would look like to pull the storm water fees out, Mr. Branson says he currently does not have a number for that off hand.

Councilor Denton asks for clarity, the tax rates that have been recommended starting with storm water fees all the way down, if they do just that can they meet the 2.4 million and it would cover the commitments to the public works.

Council now goes through the council action recommendations by taking a consensus on each item.

Council begins with cigarette tax, Councilor Holloway states he is not in agreement with the amount of increase for cigarette tax increase going up that

high. Vice Mayor Gore states she already knows how she will vote so she is not saying much, but a decision needs to be made tonight because they only have 5 days to come up with an approval. Councilor Joyner states 40 cent seems like a lot for one pack and maybe pull the amount down, but she has no problem with the tax increase. City Attorney Ms. Smith gives a number for neighboring localities, stating Petersburg cigarette tax in 2021 it was 90 cents per pack, Richmond was 50 cents per pack, Colonial Heights is 35 cents per pack, the range is 2021 was from 4.5 cents per pack to 1.26 cents per pack. Mayor Partin asks is there a consensus for cigarette tax, there was a consensus. They move on to storm water fees, there was a majority consensus. Councilor Holloway states these tax increases are ridiculous and the low income households are not considered. He states it is inconsiderate of the citizens. He states taxes add up and he does not believe it is appropriate. Councilor Harris states he feels the same as Councilor Holloway, however it is in favor of raising it, but how much is in question. Vice Mayor Gore asks for clarification, were there 4 or 5 who agreed, the answer is 5. For storm water there is a majority. Next is lodging, the consensus for lodging was to raise it 2 percent instead of 1 percent. For food and beverage, consensus was not agreed. Councilor Holloway speaks to the food and beverage stating if you agreed to jump the lodging from 1 to 2 percent it will make up for the food and beverage to keep the tax the same. Vice Mayor Gore states she agrees with Councilor Holloway, inflation for food is already a lot, especially for those who are not receiving assistance. She is fine with any of the other taxes being raised, however, not for food and beverage. The consensus for food and beverage is to not raise it and have it as no change. Real Estate consensus was yes to raising, however, they would like to look at other options for the amount. Councilor Joyner state citizens haven't seen any changes for where their taxes are going, no roads are getting better so they believe their tax dollars are being wasted. Councilor Holloway states he knows the complications of how upset 80 percent of the city was when the assessments came out last year. He thinks they should find some other way; \$70 dollars adds up. He would like to see more consideration for the citizens of Hopewell. He would rather see 40 cents on cigarettes then increase property tax. Vice Mayor Gore states they are not the why for why they are here with this discussion. She states she is not voting for an increase. Her position remains the same for the last two years, to look at delinquent payments, to find out the gaps for that. There are businesses in the city that make up a large chunk of tax dollars that are missing that are still in operation. She says nothing has been done to shut them down or find them accountable for paying their fair share. The lack of management

and oversight of admin these past few years has also been an issue. The outcome for real estate was there was a consensus but they prefer to look at options of how much to increase it. Councilor Holloway states it is absolute no for him. He states it is correct that there is more money needed, but it's from mismanagement of funds, and now the necessary things to get the city back on track are just getting put into place. There are so many other things that can be fixed within the departments to avoid putting any more taxes on the citizens. He states we can re-do and re-think how to increase revenue without raising taxes on our citizens. Councilor Harris states taxes is something that is hated by everyone all the time. He agrees with everyone, but he doesn't agree with raising taxes in regard to how they are doing it. His concern is how do you do it in the interest of our citizens. He states if there is a way to do it without hurting the citizens, he wishes someone would show him. For mismanagement for what was before, he states he can't speak to that, but if it did occur it needs to be fixed. Vice Mayor Gore states there is cost for the city but there is also cost for governing. Vice Mayor Gore states she is going to call a special meeting for delinquent payments, contracts, and to look at the lapse in business licenses, she asks is there any objections. The consensus was to have the meeting and Dr. Manker stated she will send an email to discuss a time to have the meeting. Councilor Pelham asks what would it look like if every department reduced their budget 10 percent. Dr. Manker will get that information to council. Dr. Manker makes sure directive is to bring back storm water, cigarettes, lodging, and options for real estate taxes. The consensus for personal property and machinery and tools was to make no changes. Councilor Denton states she would like for one year her last year that everyone try to make this as easy as possible, every time there has been a budget for last 7 years they have been at each other's throat. Certain things are special to one that's not special to another. They have cut the budget, sent back, cut it 10 percent, gone line by line through he entire budget, and she feels this year they there is a group of professionals to help with this budget, they are smarter and know more than they do. She states lets listen to the Robert Bobb Group because they are impartial. She states she would like to take their lead and she asks council to think about and don't go back in the past, what happens years ago is over. She states they need to move forward, not backwards. Mayor Partin asks would Councilor Denton like to make a motion to adjourn. Councilor Denton states she did ask for one. Mayor Partin asks for a roll call.

ROLL CALL

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

Motion Fails 3-4

Councilor Pelham states when you hire a contractor, they do just that, they come in to provide guidance, they do not know the citizens of the city. They do not consider their households; they are focusing only on numbers. It is up to council to provide empathy and consider the citizens of their city. She states if they got along 7 years ago, they may not be here today. She considers constituents and that is her top priority. She thanks the Robert Bobb Group.

Vice Mayor Gore states she thanks city manager for the transparency of the needs of the city. She states this goes back to lack of governing, and trusting staff is what got the city here, and when they attempt to verbalize its always looked at as negative. She states false information being spread across the city is because of comments previously said. She states dog whistles won't help to having a positive budget period.

Councilor Holloway gives all respect to the Robert Bobb Group, but he states these things brought during a budget cycle are suggestions that they can choose or not choose to accept. He states this is not the only direction they can go and different things they can revisit. He states to the citizens into consideration and look at departments as a way of re-budgeting. He states everyone to call their representatives and give their opinions.

ADJOURNMENT:

Councilor Holloway motions to adjourn,

Yes- 7

No- 0

Respectfully Submitted,

A handwritten signature in blue ink, appearing to read "Brittani Williams", is written over a horizontal line.

Brittani Williams, City Clerk

A handwritten signature in black ink, appearing to read "Johnny Partin", is written over a horizontal line.
Johnny Partin, Mayor