



CITY OF HOPEWELL  
Hopewell, Virginia 23860

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AGENDA

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CITY COUNCIL

Patience A. Bennett, Mayor, Ward #7  
John B. Partin, Jr., Vice Mayor, Ward #3  
Deborah B. Randolph, Councilor, Ward #1  
Arlene Holloway, Councilor, Ward #2  
Jasmine E. Gore, Councilor, Ward #4  
Janice B. Denton, Councilor, Ward #5  
Brenda S. Pelham, Councilor, Ward #6

John M. Altman, Jr., City Manager  
Cynthia E. Hudson, Acting City Attorney  
Mollie P. Bess, City Clerk

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June 7, 2022

SPECIAL MEETING

Special Meeting -6:30 p.m.

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6:30 p.m. Call to order, roll call, and welcome to visitors

WORK SESSION

WS-1 – Work Session – FY23 Proposed City Budget

- City Manager’s PowerPoint Presentation – Proposed Solution Options
- Remaining Open Items
- Approve & Adopt FY23 Operating & Capital Budget

Adjournment

# **Proposed FY 23 Operating & Capital Budget**



## **Budget Overview**

**Hopewell, VA**  
**City Council Special Meeting**  
**June 7, 2022**

## **Proposed FY 23 Operating & Capital Budget**



**The purpose of today's City Manager's presentation is to:**

- **Provide City Council with solutions to balance the budget with anticipated revenue or one time alternative funding**

## Proposed FY 23 Operating & Capital Budget



### Timeline:

- Effective November 2021 & January 2022-City Council approved mid-year raises for Public Safety, Public Works & the Sheriff's Office
- April 1<sup>st</sup>-Budget Transmittal Letter from City Manager to City Council-Budget Balanced with an Adjustment to Real Estate Tax Rate
- April 5<sup>th</sup>-City Manager Memo to City Council-the City's American Rescue Plan Act Funding identified as solution to satisfy the budgetary gap
- April 12<sup>th</sup>-City Council elected not to Adjust the Real Estate Tax Rate

# Proposed FY 23 Operating & Capital Budget

## ● Excerpt from April 5<sup>th</sup> Memo

Budget Item/Request	FY23 Budget Impact
Salary & Associated Benefits (Mid-Year Raises)	\$1,894,294.39
Health Insurance Renewal & VRS Increase	\$604,722.74
Service Contract Increases	\$183,289.44
DSS 5% Salary Increase (State Budget)	\$67,710.49
Additional Funding for Recreation	\$59,444.64
Hopewell Public Schools Request Add'l Funding	\$257,079.00
Class and Compensation Study	\$150,000.00
Total	\$3,216,540.70

To address the immediate FY23 budget, additional Personal Property and Machinery & Tools taxes have been realized reducing the funding requirement to \$2 million. City Council will need to appropriate the funding from the City's American Rescue Plan Act (ARPA) allocation to satisfy this budgetary gap.

## **Proposed FY 23 Operating & Capital Budget**



### **Proposed Solution Options:**

1. American Rescue Plan Act (ARPA)
2. Anticipated Revenue
3. Schools
4. Rainy Day Fund

# Proposed FY 23 Operating & Capital Budget



## American Rescue Plan Act (ARPA)

### Excerpt from US Treasury Guidance 5/16/2022:

Treasury urges state and local governments to continue to use SLFRF funds to confront the most pressing challenges that our economy and communities face:

- expanding the workforce and providing competitive wages,
- expanding access to affordable housing, and
- keeping our families and communities safe.

First, SLFRF can be used to make investments to expand your workforce and provide competitive wages. In today's strong labor market – with the unemployment rate well below 4 percent and a record high number of job openings per unemployed worker – expanding the labor force is critical to fill open positions and grow the economy. Governments across the country are using SLFRF to ensure jobs offer competitive wages and working conditions to attract talent, train workers for in-demand careers, help underserved workers reenter the labor market, rehire public workers that educate children and keep communities safe, and expand childcare to help working parents balance caring for their children and maintaining their jobs.

## **Proposed FY 23 Operating & Capital Budget**



### **Anticipated Revenue**

- **Real Estate Reassessment-January 2023**
- **Personal Property Tax**
- **Machinery & Tools Tax**



## **Proposed FY 23 Operating & Capital Budget**



### **Schools**

**Schools Request for FY23 \$14,580,075**

**City Proposed Budget for FY23 \$12,500,00**

## Proposed FY 23 Operating & Capital Budget

### Schools

		School Operating Fund-014			
Estimated Revenue		FY23	FY22	Difference (\$)	Difference (%)
State Sources		39,115,172	35,226,251	3,888,921	11%
Federal Sources		20,265,867	10,725,322	9,540,545	89%
Other Revenues		3,012,149	3,080,197	(68,048)	-2%
Transfer from General Fund		12,500,000	12,242,921	257,079	2%
<b>Total Revenue</b>		<b>74,893,188</b>	<b>61,274,691</b>	<b>13,618,497</b>	<b>22%</b>

Funding resource utilization priorities: 1st-Federal, 2nd-State, 3rd-Local

# Proposed FY 23 Operating & Capital Budget



## Schools

	05.19.2022			
	FY19	FY20	FY21	FY22
Schools Resolution Appropriation	14,264,679	14,495,466	13,514,313	14,580,075
Building & Bus Replacement	1,354,679	-	-	-
	(1,354,679)	*	*	*
City Resolution Appropriation	(14,264,679)	(12,242,921)	(12,315,194)	(12,242,921)
Schools Annual Re-Appropriation	-	2,252,545	1,199,119	2,337,154

\* Adjustment per FY19 Budget Resolution  
 Page 54 (City Fund 11 to School Fund 14 to  
 School Fund 063 - operating to non operating)

\*\* Adjustment for Bldg & Bus Rplmt  
 resulting in a net operating appropriation  
 consistent with FY20, FY21 FY22

14,264,679	**
(12,919,000)	
1,345,679	

## Proposed FY 23 Operating & Capital Budget

### Rainy Day Fund

Assigned Fund Balance – The portion of fund balance that the City intends to use for specific purposes as expressed by the governing body itself, the budget document, or delegated official, the City Manager. Fund balances in the General Fund are assigned by resolution of the City Council. For all government funds except the General Fund, assigned fund balances represent the amount that is not committed, restricted, or nonspendable. Specifically, the Rainy Day Emergency/Stabilization Reserve was approved by Council in 2003 and was created by segregating a portion of the General Fund Unassigned Fund Balance. The purpose of this reserve is to provide an easy mechanism to tap reserves to address temporary revenue shortfalls resulting from temporary circumstances (e.g. economic cycles, weather related emergencies, etc.). The City Council set the target at 10% of the next fiscal year's General Fund budget appropriation. The Rainy Day Emergency/Stabilization Reserve may be used in its entirety with City Council approval; however, replenishing the reserve will constitute the first priority for use of year-end fund balance in the General Fund.

## **Proposed FY 23 Operating & Capital Budget**



### **Next Steps:**

Close Out Remaining Open Items

Approve & Adopt FY23 Operating & Capital Budget

**Proposed FY 23 Operating & Capital Budget**



**Closing Comments**