

# AGENDA



# CITY OF HOPEWELL

## AGENDA

(804) 541-2408

[www.hopewellva.gov](http://www.hopewellva.gov)  
[cityclerk@hopewellva.gov](mailto:cityclerk@hopewellva.gov)

## CITY COUNCIL

John B. Partin, Jr., Mayor, Ward #3  
Rita E. Joyner, Vice Mayor, Ward #1  
Michael B. Harris, Councilor, Ward #2  
Ronnie O. Ellis, Councilor, Ward #4  
Susan L. Daye, Councilor, Ward #5  
Malik D. Wheat, Councilor, Ward #6  
Lovena B. Rapole Councilor, Ward #7

Michael C. Rogers, Interim City Manager  
Anthony R. Bessette, City Attorney  
Sade' J. Allen, City Clerk

April 28, 2026

REGULAR MEETING

Closed Session – 5:00 P.M.

Open Session – 7:00 P.M.

Call to order and roll call  
Call for amendments to the agenda

## CLOSED MEETING

**SUGGESTED MOTION:** I move to go into a closed meeting under Va. Code § 2.2-3711(A)(3), (8), and (29), to discuss the acquisition or disposition of real property, where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the public body, the award of a public contract where discussion in an open session would adversely affect the City's bargaining position, and to consult with legal counsel regarding specific legal matters (real estate contract discussions); § 2.2-3711(A)(1) and (8), to discuss personnel matters (Beacon Theater Board, Library Board, Wetlands Board, Brightpoint Community College, Salary Supplements).

**Certification Under 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 the closed meeting?

## WELCOME TO VISITORS

### REPORT OF THE CITY MANAGER

**Actions taken to address employee surveys** – Michael Rogers, Interim City Manager, and Ben Ruppert, Fire Chief

**Why Localities Borrow Money** – Anthony Bessette, City Attorney

**Governmental Financial Overview** – Stacey Jordan, Deputy City Manager

**Fiscal Year 2025 ACFR** – Stacey Jordan, Deputy City Manager

**March Financials 3rd Quarter** – Stacey Jordan, Deputy City Manager

**Waste Water Pump Station Update** – Matt Ellinghaus, Director of Water Renewal

## ACTIONS RESULTING FROM CLOSED MEETING

## PRAYER AND PLEDGE OF ALLEGIANCE

Prayer by Reverend Boggs, followed by the Pledge of Allegiance to the Flag of the United States of America, led by Mayor Partin

## CONSENT AGENDA

*All matters listed under the Consent Agenda are considered routine by the Council and will be approved or received by one motion in the form listed. Items may be removed from the Consent Agenda for discussion under the regular agenda at the request of any Councilor.*

**C-1 Minutes** – March 24, 2026

**C-2 City Right of Way Vacation Policy Update** – Chris Ward, Director of Planning and Development

**SUGGESTED MOTION:** To adopt the consent agenda

## COMMUNICATIONS FROM CITIZENS

*CITY CLERK: A Communication from Citizens period, limited to a total of 30 minutes, occurs at each regular Council meeting. Persons addressing Council approach the microphone, give their name and, if they reside in Hopewell, their ward number. Each comment is limited to 3 minutes. No person is permitted to speak on an item scheduled for public hearing. All remarks must be addressed to the Council as a body. Any person who makes personal, impertinent, abusive, or slanderous statements or incites disorderly conduct in Council Chambers may be barred from future Communications from Citizens and removed.*

## REGULAR BUSINESS

**R-1 (Public Hearing) Ordinance Granting a Non-exclusive Cable Franchise to Verizon of Virginia, LLC** – Brenda Gilliam, Assistant City Attorney

**R-2 (Public Hearing) Ordinance Implementing the Public-Private Educational Facilities and Infrastructure Act of 2002 (PPEA)** – Anthony Bessette, City Attorney

**R-3 (Public Hearing) Proposed Tax Rates for 2027** – Stacey Jordan, Deputy City Manager

**R-4 (Public Hearing) Fund 41: Resolution Amending the Hopewell Water Renewal FY2026 Budget to Pump Station Repairs** – Matt Ellinghaus, Director of Hopewell Water Renewal

**R-5 (Public Hearing) Fund 32: Resolution Amending the Hopewell Water Renewal FY2026 Budget to Operations and Maintenance for Critical Repairs to the Hopewell Water Renewal (HWR) Plant** – Matt Ellinhouse, Director of Water Renewal

**R-6 Branding Tagline Option Presentation** – Ginger Holland, Public Information Officer

## ADJOURNMENT

**CLOSED  
MEETING**

REPORTS OF  
THE CITY  
MANAGER



# City of Hopewell Employee Survey – Priority Action Plan

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## 1. Improve Employee Compensation

Employee compensation was identified as one of the lowest-performing areas and the highest priority for improvement.

### **Implement a Performance Incentive (PI) Program**

Introduce a structured PI program to recognize and reward high-performing employees who consistently exceed expectations. This program is intended to enhance morale, reinforce strong performance, and support retention. A potential framework includes:

- Limiting PIs to an additional 1–2% above the City-wide COLA or merit increase.
- Establishing clear, objective criteria for award justification.
- Capping PIs around 10% of employees within each department.
- Allowing departments with fewer than 10 employees to award at least one PI annually.

### **Change Methodology in Future Salary Evaluations**

Evaluate employee pay by comparing actual salaries—not just pay ranges—to similar positions in regional municipalities. This analysis should incorporate employee experience levels to better reflect true market conditions. Although this approach requires significant effort and may result in broad internal adjustments, it can substantially improve retention by aligning compensation with neighboring jurisdictions. Key components include:

- Aligning job descriptions with comparable roles in peer localities.
- Reviewing current salaries for employees in those roles.
- Assessing years of experience for each employee.
- Adjusting City pay structures to reflect current market conditions.
- Implement salary study adjustments equally across departments to ensure fairness citywide.

### **Implement Regular Salary Evaluations**

Commit to annual market rate COLA adjustments and regular salary re-evaluation to rebuild employee trust in competitive compensation

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## 2. Enhance the Workplace Environment

The workplace environment received low performance ratings but is highly important to employees, making it a critical area for improvement.

### **Increase Flexibility Where Feasible**

Encourage departments to fully utilize existing City policies related to flexible schedules and remote work options when operationally appropriate.

### **Develop Department-Level Enhancements**

Departments should identify and implement workplace environment improvements tailored to their operational needs. Promising ideas should be shared across departments for broader applicability. If policy changes are required, departments should submit recommendations to City leadership for consideration.

### **Expand Employee Recognition Efforts**

Offer employees the option to take a day off on either their birthday or their City employment anniversary. HR and department leadership would coordinate scheduling.

### **Continue Current Wellness and Vision Committee Programs**

Continue investments in the City wellness program and vision committee that provide dual incentives for morale, health care cost reductions, and vacation time.

### **Awaiting Additional Data**

Further recommendations will be developed upon receipt of more detailed department-level data from the vendor.

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## 3. Strengthen Relationships with Upper Management

Employees identified leadership engagement as an area with low performance but high impact on satisfaction.

### **Increase Leadership Visibility and Engagement**

- Distribute the City Manager's monthly report to all employees to facilitate better communication of City updates to all levels of the organization.
- Encourage the City Manager to provide semi-annual updates via email and/or at City events such as the Employee Luncheon.
- Promote "leadership by presence" (Management by Walking Around) to increase informal engagement with staff.

### **Encourage Open Dialogue Between Staff and Leadership**

- Recommend quarterly all-hands, townhall-style meetings within each department to share updates and gather feedback.
- Implement a “15 Minutes with the Boss” program, allowing employees to schedule a monthly 15-minute session with their director to discuss any topic.

#### **Provide Leadership Training Focused on Communication and Trust**

Offer leadership development opportunities for management staff, including access to mentors and professional coaching resources.

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## **4. Improve Communication Across the Organization**

Communication was identified as a key concern and a major driver of employee satisfaction.

#### **Communicate Organizational Changes Earlier and More Clearly**

- Major City updates or employee-impacting changes should be communicated through multiple channels, including email, all-hands meetings, and the intranet.
- Upgrade the City’s intranet to serve as a user-friendly, centralized source for critical updates.
- Use Hopewell Alerts more consistently to notify staff of City closures and other time-sensitive information.

#### **Ensure Consistent Messaging Across Departments**

- Develop and distribute talking points for directors to use during all-hands meetings to ensure consistent communication.
- Encourage departments to promote the intranet as the primary source for accurate, up-to-date City information.

#### **Create and Maintain Channels for Two-Way Communication**

- Establish a mechanism for employees to submit suggestions for improving City processes, practices, or benefits. Consider offering recognition or awards for implemented suggestions, similar to the former safety award program.
  - Ensure townhall-style meetings at both the director and City Manager levels include dedicated Q&A time.
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## **5. Invest in Training and Development**

Employees identified training and development as a top concern, closely tied to workforce quality, retention, and job satisfaction.

### **Expand Internal Training Offerings for Employees**

- Provide new employees with more robust on-boarding training to include Finance 101, Procurement 101, Timesheet/Self-Service 101, and safety onboarding protocol where appropriate
- Offer quarterly lunch and learn courses on topics of interest to employees. This could be voted on by employees and range from finance and procurement to CPR and self-defense.

### **Expand Access to Professional Development and Technical Training**

- Strengthen partnerships with higher education institutions and professional organizations to broaden access to advanced training and educational opportunities.
- Provide opportunities for employees to pursue training beyond basic job requirements, including development activities not tied to degree programs.
- Conduct an analysis of public employee professional development incentives available regionally and adjust HR policies to provide competitive incentives

## Why Cities Issue Bonds Even When They Have Money on Hand

1. **Some funds are use-restricted.** Many of the City's funds are use-restricted by law. Even when there's a balance in these funds, that money can't be used to pay for other things.
  - a. An example here, for Hopewell, came during a roughly 10 year period – possibly longer – when City government was paying its bills for a variety of needs from use-restricted accounts.
  - b. When you look at our budget, or when you hear people refer to “enterprise funds” and “general funds”, this is what they're talking about. “Enterprise funds” are accounts from which only certain things can be paid. One example of an enterprise fund is money invested into the Hopewell Water Renewal.
  - c. There has been concern voiced about the City having been “broke”. This is not actually true. The City has remained cash flow positive, even though there have been tight times. Instead, Hopewell has suffered mismanagement of its funds, which has shown up as a lack of transparency into balances and uses, as well as inappropriately using funds that were committed in one place for other projects, and generally having poor oversight.
2. **A City needs to maintain financial stability and a safety net.** Cities need to keep cash reserves to handle emergencies (storms, infrastructure failure), maintain services during recessions, avoid sudden tax increases or service cuts.
  - a. Financial advisors recommend having reserves of between 2-6 months of operating expenses. The City's own policy comes in at the low end of that; we *now* keep 2 months of operating expenses in immediately accessible, liquid cash.
  - b. These are funds that never get touched except in emergencies.
3. **Some funds need to be invested and not spent.** Think of these as extended reserves. They're not completely liquid cash, because they take some time to withdraw. More importantly, they're going to fluctuate with the financial markets they're invested in.
  - a. Our financial advisors recommend that the City keep an amount equal to 10% of its yearly budget in investments.
  - b. The City has about that 10% invested, and tends to get a 6.72% return on that investment each year, which takes into account inflation.
4. **Sharing the cost between current residents and future residents.**
  - a. Large projects, like paving, school renovations, and upgrading wastewater infrastructure, are expected to last decades.
  - b. Bonds are paid back over years, so they spread the cost over years. If the City pays for a project with cash on hand, then current residents pay for all of it and future residents do not.
5. **When do bonds make sense?** Cities tend to receive low interest rates due to strong credit. While Hopewell's 8 years of lacking a credit rating mean that the City can't get the same low

interest rate that some other localities can get, it can get interest rates that are lower than what we can earn in investment markets.

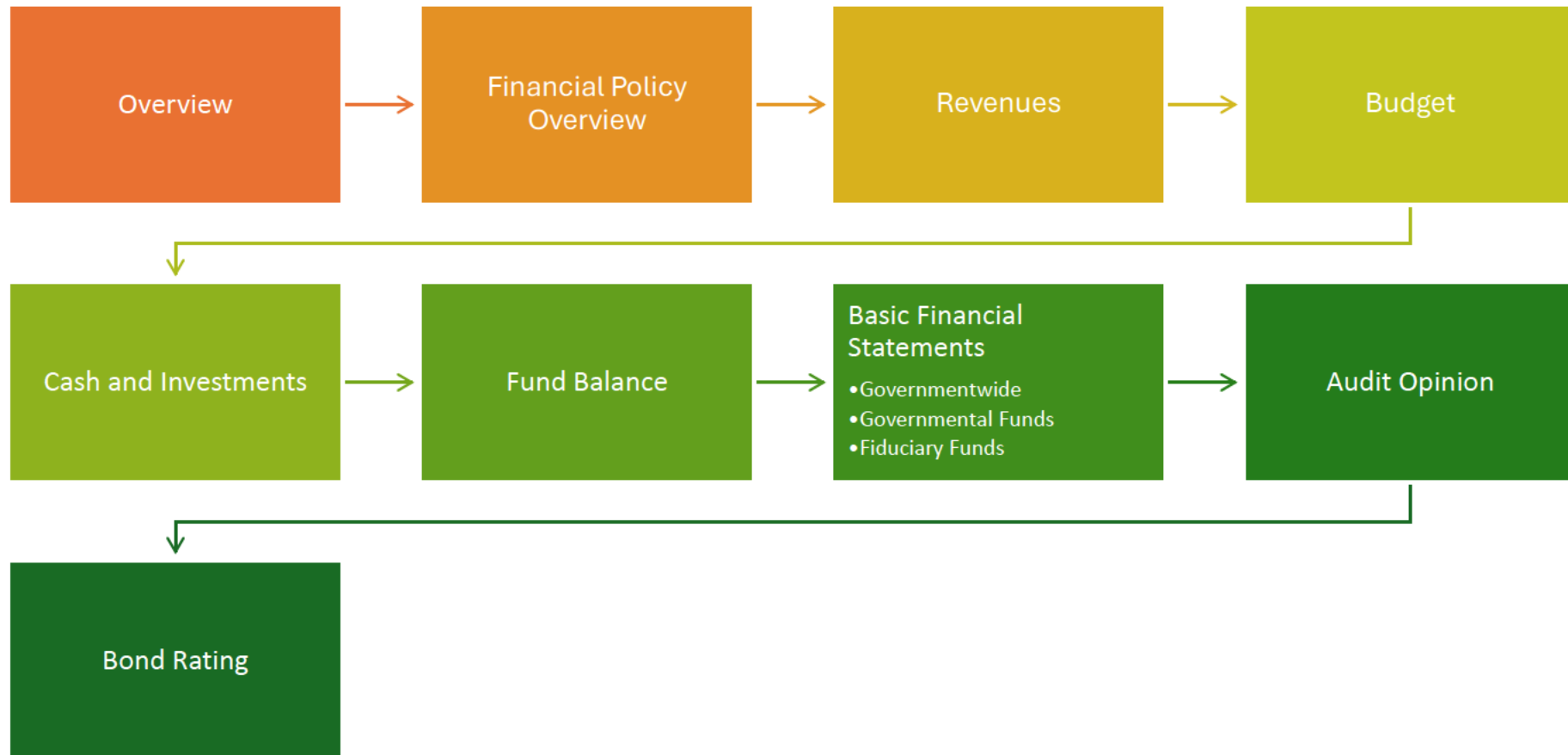
6. **Why would you issue a bond instead of dipping into those investment funds?** Paying cash might sound fiscally conservative. When you hear that the city has millions in reserves, it sounds like unused cash.
  - a. A city should issue a bond instead of dipping into investment funds when the percentage that we would pay *out* on the bond will be less than the percentage that we expect to bring *in* from our investment. So, if the City can issue a bond that costs 5% and its investment make it 7% in profit, it makes sense to keep the investment and issue the bond.
  - b. This is just like for a private citizen. If you inherit \$20,000, you have a car loan with a 2.5% interest rate, and a stock market index fund tends to make 6% every year, a financial advisor will tell you “Don’t pay off the car loan. Invest the \$20,000 and just pay the car payments normally.”
7. **What about selling property?** Selling property can seem like a good alternative, and sometimes, it is. But property is just like an investment in the markets: sometimes, it’s not the right time to sell an investment, as a long-term strategy.
8. **The bottom line.** Issuing bonds while maintaining reserves and investments can protect financial stability.
  - a. It protects the City's credit rating. Eventually, every city must issue bonds. Using up its reserves signals financial weakness to lenders and increases the percentage that we will pay when it comes time to issue a bond. That’s happening to us right now.
  - b. It shares costs fairly over time.
  - c. It keeps the City prepared for emergencies.

***City of Hopewell***  
*Virginia*

Governmental Financial Overview



# Agenda



# Overview



## **System used to raise revenue, manage resources, and fund services**

Ensures essential public services are funded  
Balances community needs with limited resources



## **Supports infrastructure, public safety, sanitation, etc.**

Enables economic development and community planning  
Ensures accountability and transparency



## **GASB standards**

Annual Comprehensive Financial Reports (ACFR)  
Budget-to-actual reports

# Financial Policies Overview

The City of Hopewell utilizes a modified accrual basis of accounting, meaning that revenues are recognized when they become measurable and available during the year. Expenditures are generally recorded when the liability is incurred. Interest and principal on long-term debt are recognized when due. The annual operating budget and Capital Improvement Plan are adopted on an annual basis. The city's budget is proposed and adopted in a manner consistent with Generally Accepted Accounting Principles (GAAP), legal mandates, and in accordance with City of Hopewell financial policies.

Governments use fund accounting to demonstrate transparency in the allocation of resources. The city's General Fund revenues are sourced from but are not limited to real estate taxes, local sales taxes license and permits fees, city-owned property, and intergovernmental aid. General fund revenues are used to operate general government operations through city departments. It also funds debt service requirements and capital improvement projects.

To retain a stable financial base, the city maintains reserves in an Unassigned Fund Balance and a Budget Stabilization Fund. The city uses the following categories outlined in GAAP to classify use and restrictions: Restricted, Committed, Assigned, and Unassigned.

# Revenues

The city monitors all taxes to insure they are fairly administered, and collections are timely and accurate. The city aggressively collects property taxes and related penalties and interest as authorized by the Code of Virginia. The estimate of the city's revenues shall be set at realistic and attainable levels, sufficiently conservative to avoid shortfalls, yet accurate enough to avoid a systematic pattern of setting tax rates that produce significantly more revenue than is necessary to meet expenditure, fund balance and reserve requirements.

## **General Property Taxes**

real estate, public service corporations and all the penalties and interest that are accrued with late payments.

## **Other Local Taxes**

local sales and use, consumer utilities, business licenses, bank stock, communications, utilities, lodging, meals, and telecommunications and rental taxes.

## **Permits, Fees & Licenses**

building permits, right of way permits, special use and zoning and planning permits, EMS, FOIA, and other fees associated with the city.

## **Fines & Forfeitures**

court fines and forfeitures, parking fines, DMV stop fees, and red-light fines and DMV Select transactions.

## **Revenue from Use of Money/Property**

interest income, revenue from Marina rentals and bond sales.

## **Miscellaneous Revenue**

capital, debt, reimbursements from employees, insurance, taxes, etc, the sales of salvage/surplus, rebates/refunds, and other miscellaneous income.

## **Revenue from the Commonwealth**

revenue received from comp board for constitutional officers, grants (VJCCA, Victim Witness, police), HB599(Police aid), CSA & Social Services reimbursements and Streets & Highway Maintenance.

## **Revenue from Federal**

grants for fire, capital projects, CDBG, and Social Services reimbursements.

# Budget

By law, the city must adopt a balanced budget meaning that the total proposed expenditures shall not exceed the total estimated available funds. Further, it is a goal of the city to approve a structurally balanced budget in which one-time revenues are only utilized for one-time expenditures. All officers and heads of departments, offices, divisions, boards, commissions, and agencies of every locality shall, on or before the first day of April of each year, prepare and submit to the governing body an estimate of the amount of money needed during the ensuing fiscal year for his department, office, division, board, commission or agency.

The budget shall outline the proposed financial policies of the city for the ensuing fiscal year, describe the important features of the budget, indicate any major changes from the current year in financial policies, expenditures, and revenues together with the reasons for such changes, summarize the city's debt position and include such other material as is desirable. The council shall adopt the budget before the first day of the fiscal year for which adopted. Adoption of the budget shall constitute appropriations of the amounts specified therein as expenditures from the funds indicated and shall constitute a levy of the property tax therein proposed.

Remember that a budget is an estimation of what we will need to be successful. We must be sure to be mindful of what is needed versus what we want.

**Each Department Head and/or Support will be responsible for making sure that their department is operating within it's means.**

# Cash, Investments and Fiscal Stability

Per Government Finance Officers Association (GFOA) a financially sustainable community provides services to citizens within its available means while proactively taking measures to build and preserve its ability to provide services in the future. The Financial Health Model below depicts a three-legged stool comprised of sound financial position and parameters, flexible budget practices and manageable liabilities. The stool sits on a foundation made up of the political and economic environment.

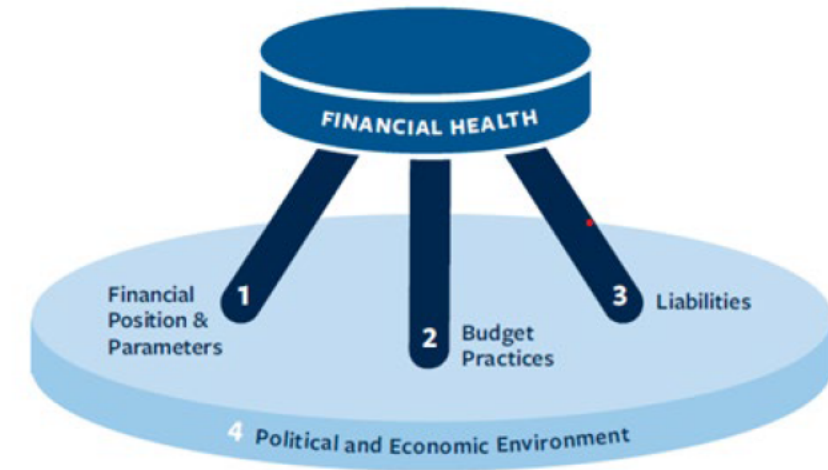
One of the areas assessed related to financial position is cash balance or liquidity. Increases in portfolio size typically come from additions to fund balance/year-end savings as well as a portion of annual revenue growth.

All cash of the Primary Government and its discretely presented component units is maintained in accounts collateralized in accordance with the Virginia Security for Public Deposits Act, Section 2.2-4400 et. seq. of the Code of Virginia or covered by federal depository insurance.

Effective cash management allows us to meet day-to-day obligations such as: payroll, public services, and essential operational activities without interruption. It helps us maintain liquidity, minimize risk, and reduce the cost of short-term borrowing.

By forecasting revenue and expenditures accurately, we are able to plan ahead, respond to unexpected challenges, and maintain stability even during periods of economic uncertainty. In addition to managing cash flow, governments also carry the responsibility of investing public funds wisely.

While public-sector investing is fundamentally different from private-sector investing, the objectives remain consistent: safeguarding principal, ensuring adequate liquidity, and achieving a reasonable return within appropriate risk limits. Investment decisions must always be guided by transparency, accountability, and adherence to established financial policies.



# Fund Balance

In the governmental fund financial statements, fund balance may be composed of five classifications and are mitigating financial risk, maintaining stable tax rates, and addressing cash flow timing. For purposes of fund balance classification, expenditures are to be spent from restricted fund balance first, followed in order by committed fund balance, assigned fund balance, and lastly unassigned fund balance. While the GFOA recommends a minimum of two months of operating expenditures, Moody's Investors Service often looks for 15% to 30% of revenues for a "Aa" rating.

The governmental fund types classify fund balances as follows:

1. Nonspendable Fund Balance – This classification includes amounts that cannot be spent because they are either (a) not in spendable form (e.g., inventory) or (b) legally or contractually required to be maintained intact (e.g., long-term amount of loans/note receivable).
2. Restricted Fund Balance – This classification includes amounts that are restricted to specific purposes by external parties, constitutional provisions, or imposed by creditors (e.g., bond covenants).
3. Committed Fund Balance – This portion of fund balance can only be used for specific purposes determined by a formal action of the City's highest level of decision-making authority, the City Council, before the close of the fiscal year and by majority vote of the City Council.
4. 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. - 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.
5. Unassigned Fund Balance – The portion of the fund balance available for any purpose. Includes all spendable amounts not classified as nonspendable, restricted, committed, or assigned.

**\*\*Fund balance is not synonymous with cash, as it includes non-cash assets, such as receivables, and represents a point-in-time calculation\*\* City of Hopewell fund balance at June 30, 2024**

# Basic Financial Statements

The ACFR presents up to three (3) different types of financial statements as part of its “*Basic*” *Financial Statements*. The types are as follows:

## Governmentwide

Statement of Net Position – snapshot of governments financial health at a specific time

Statement of Activities – similar to an income statement it reflects revenues, expenses and change in assets of time

## Fund Financial Statements

Governmental Funds:

Balance Sheet – snapshot detailing assets(what we own), liabilities(what we owe) and equity(net worth)

Statement of Revenues, Expenditures and Changes in Fund Balance – measures the performance of government funds.

Fiduciary Funds –*To manage assets held for beneficiaries other than the government entity itself*

Funds not available and held in a trust or agent capacity such as pension, custodial and investment funds these funds can not be used to support the government’s own programs.

# Audit Opinion

- At the conclusion of the ACFR preparation and audit process, the City's external auditor renders an opinion on the whether the City's financial statements fairly present the results of the City for the period reported.
- The types of opinions that can be rendered are as follows:
  - Unmodified – Clean highest level of assurance
  - Qualified – financial statements are generally accurate, but has specific, material issues
  - Adverse – financial statements are materially misstated
  - Disclaimer – the auditor cannot form an opinion due to severe lack of records
- The last 3 opinions are all considered modified opinions.

# Bond Rating

Criteria for accomplishing Bond Rating or path forward: Finance has a goal of working with Davenport in FY26 to receive an initial Bond Rating. The criteria for a Bond Rating is a stable financial position with an **adequate fund balance and adequate liquidity levels, manageable long-term liabilities and moderate fixed cost (rent, utilities, salaries, debt).**

Ratings reflect a stable tax base and resident wealth and income levels. Structured Governance is also key for receiving a rating factor. A structured budget with strong finance and debt policies including proactive management and monitoring of revenues and expenditure performance also is reflected.

There are several factors that can decrease or increase a bond rating for Moody's:

## **Decrease**

1. Decline in reserves and liquidity levels – Example liquifying investment accounts
2. Tax base deterioration or lack thereof
3. Significant increase in debt or long-term liabilities.

## **Increase**

- 1. Maintain reserves and liquidity levels**
- 2. Tax base growth and diversification - The Comprehensive Plan should assist with this**
- 3. Strengthened median household income level and population growth**

S&P Rating is based on the following criteria:

1. Credit Overview – is the City's financial position improving
  - a. Weak economy
  - b. Strong Budgetary performance with surplus
  - c. Strong budgetary flexibility
  - d. Very Strong liquidity
  - e. Strong debt and contingent liability profile

# Bond Rating

The City is not currently rated by the National Rating Agencies. Hopewell lost their bond rating in 2018, they are also on the Auditor of Public Accounts Local Government Fiscal Distress monitoring Report.

- There are three (3) National Rating Agencies, from which the City could potentially obtain ratings:
  - **Moody's Investors Service (Moody's)**
  - **Standard and Poor's (S&P)**
  - **Fitch Ratings (Fitch)**

## Rating Agency Commentary on Management and Policies

- Moody's: Measures the local government's success in navigating the legal, political and practical environment in which it operates depends on a multitude of factors, including management's mastery in understanding its resources and managing its responsibilities, public and executive support for its plans, and its willingness to use the tools at its disposal.

- **Impact of fund balance policies**

- **Multi-year financial or capital planning,**

- **Liquidity management, accuracy of budget forecasts, and midyear adjustments.**

- **Reliance on non-recurring, or "one-shot" revenues**

- S&P: Measures the strength of governmental financial management through seven key factors:

- **Revenue and expenditure assumptions**

- **Budget amendments and updates**

- **Long term financial planning**

- **Long term capital planning**

- **Investment management policies**

- **Debt management policies**

- **Reserve and liquidity policies**

# Conclusion

The City of Hopewell is heading in the right direction. Finance has been focusing on bringing the City in compliance with GAAP, APA, GFOA. This is not an overnight process; however, it does take the participation of all departments as well as Council and the community to ensure that we are abiding by the City's adopted strategic plan, the adopted financial policies and adopted budget and being good stewards of the City's money.



# Finance Committee Meeting

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CITY MANAGER: MICHEAL ROGERS

PRESENTED BY: STACEY JORDAN, CFO

# AGENDA

Minutes from last meeting

FY26 Budget to Actuals – 3rd QTR

- Citywide
- General Fund
- Enterprise
- Schools
- Departmental

3rd QTR Overtime report by Department

3rd QTR Salary Savings

Accounts Payable/Debt Service - March

April committee items

# Citywide FY26 Budget to Actuals – 3rd QTR

- City-wide for 3rd QTR revenues are trending 1.38% or \$12.5M higher for FY26 vs FY25.
- Expenses for 3rd QTR are trending 1.63% or \$12.1M higher for FY26 vs FY25.
- Increase in expenses stem from Annual salary and fringe increase as well as an increase in school expenses.
- Increase in revenues due to increase collections from Minol vs DI and HWR.
- Key due dates for the City of Hopewell are December, February, May and June.

FY26 Citywide Revenues and Expenditures - Budget vs Actuals



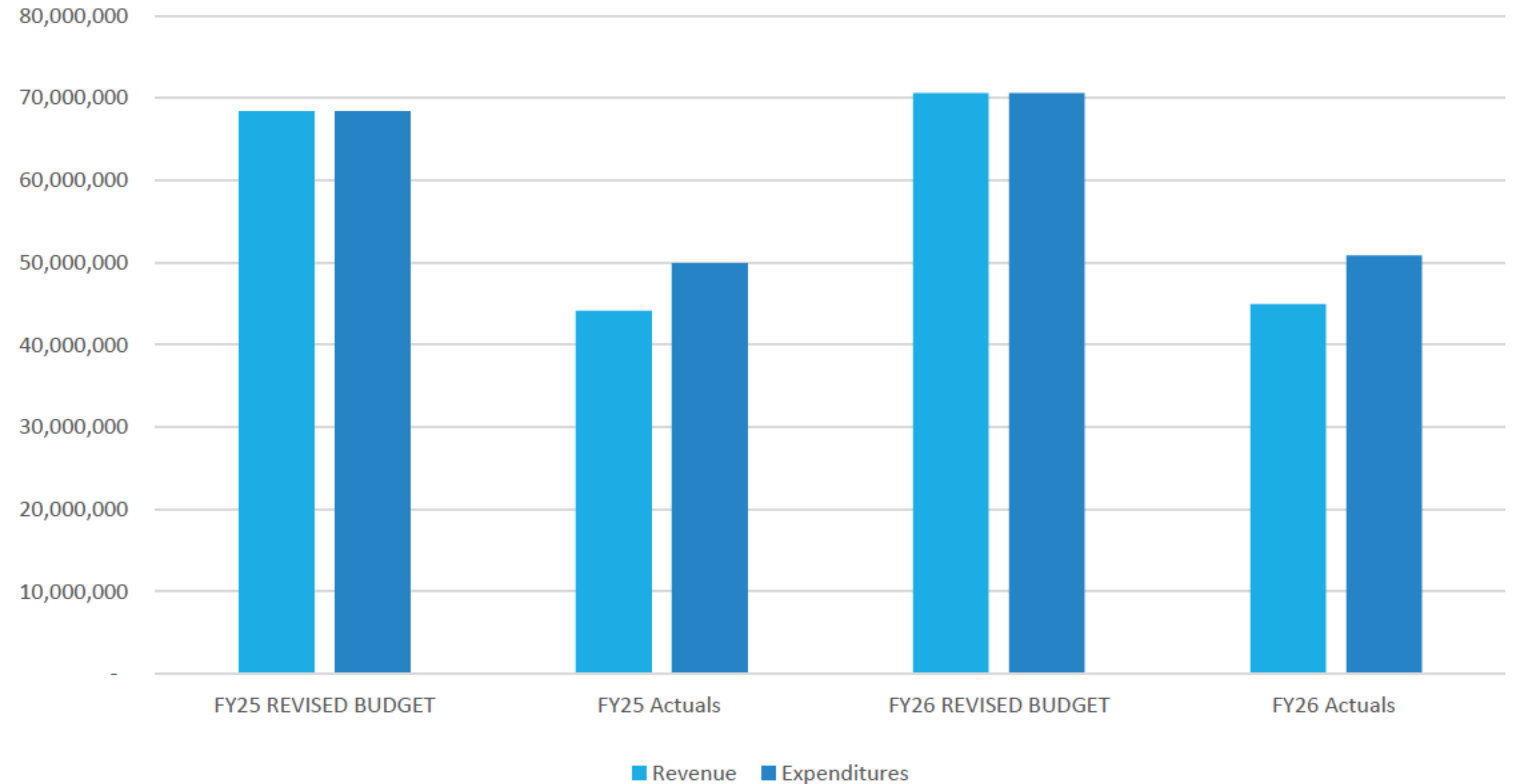
# Citywide FY26 Budget to Actuals – 3rd QTR

| REVENUES                   | FY25 REVISED BUDGET | FY25 Actuals       | FY25 % of Budget Rec'd | FY26 REVISED BUDGET | FY26 YTD Actuals - MARCH | FY26 YTD Actuals - Projected | FY26 % Rec'd Budget | Comments  |
|----------------------------|---------------------|--------------------|------------------------|---------------------|--------------------------|------------------------------|---------------------|---|
| REAL ESTATE TAXES          | 21,928,970          | 10,138,278         | 46.2%                  | 24,030,746          | 11,254,862               | 11,254,862                   | 46.8%               | 2ND half Due June   |
| PUBLIC SERVICE CORP TAX    | 5,100,000           | 5,229,555          | 102.5%                 | 4,900,000           | 5,554,365                | 5,554,365                    | 113.4%              | Due in February   |
| PERSONAL PROPERTY TAX      | 7,056,000           | 5,137,487          | 72.8%                  | 6,597,440           | 4,687,257                | 4,687,257                    | 71.0%               | Due in February   |
| MACH & TOOL TAX            | 9,586,049           | 3,528,773          | 36.8%                  | 9,384,549           | 3,030,966                | 3,030,966                    | 32.3%               | Due in Dec & June   |
| PPTRA STATE REIMBURSEMENT  | 1,618,030           | 1,537,128          | 95.0%                  | 1,618,030           | 1,537,128                | 1,537,128                    | 95.0%               | Consistent  |
| OTHER TAXES                | 10,840,000          | 8,933,575          | 82.4%                  | 11,545,280          | 8,872,676                | 8,972,676                    | 77.7%               | (\$75K Consumption/Utility Tax , \$25K Utility Tax- Water)  |
| USE OF MONEY & PROPERTY    | 530,200             | 662,855            | 125.0%                 | 14,930,901          | 505,071                  | 505,071                      | 3.4%                | Decrease in Interest Income   |
| CHARGES FOR SERVICES       | 50,897,020          | 25,075,302         | 49.3%                  | 50,715,379          | 27,912,080               | 34,536,754                   | 68.1%               | Increase from Sewer & Trash Revenue (Minol), \$2.5M HWR monthly & Capital billing , \$150K EMS Receipts |
| PENALTIES & INTEREST       | 586,000             | 423,655            | 72.3%                  | 596,000             | 638,653                  | 638,653                      | 107.2%              | Slight increase stems from Collections  |
| PERMITS, FEES AND LICENSES | 470,450             | 340,958            | 72.5%                  | 467,400             | 965,493                  | 965,493                      | 206.6%              | Increase in permit & Stormwater fees (\$328.5) new in FY26  |
| FINES & FORFEITURES        | 1,499,537           | 864,384            | 57.6%                  | 1,275,569           | 990,120                  | 990,120                      | 77.6%               | Increase in fines - \$50K School Zone   |
| GRANTS                     | 464,964             | 398,041            | 85.6%                  | 167,418             | 99,533                   | 99,533                       | 59.5%               |   |
| STATE REVENUES             | 62,610,006          | 44,134,598         | 70.5%                  | 68,411,717          | 50,083,064               | 49,483,064                   | 72.3%               | Schools funding; \$2.4M Accrual for CSA FY26 Reimbursements   |
| FEDERAL REVENUES           | 16,863,382          | 11,468,140         | 68.0%                  | 15,038,874          | 4,413,963                | 9,513,963                    | 63.3%               | \$3M Laser allocation pending - reclass from State; \$2.1M Schools Head Start; Decrease in ARPA funding |
| MISCELLANEOUS REVENUE      | 6,969,028           | 1,507,154          | 21.6%                  | 9,252,757           | 1,334,042                | 1,334,042                    | 14.4%               |   |
| IN LIEU OF TAXES           | 1,591,511           | 1,193,633          | 75.0%                  | 1,591,511           | 1,165,799                | 1,193,633                    | 75.0%               | Consistent  |
| DEBT SERVICE               | 947,617             | 715,420            | 75.5%                  | 1,042,739           | 1,042,739                | 763,930                      | 73.3%               | Consistent  |
| TRANSFERS IN               | 33,876,815          | 18,185,943         | 53.7%                  | 32,030,146          | 16,904,840               | 16,904,840                   | 52.8%               | Consistent  |
| <b>TOTAL REVENUES</b>      | <b>233,435,579</b>  | <b>139,474,879</b> | <b>59.75%</b>          | <b>253,596,456</b>  | <b>140,608,824</b>       | <b>151,966,350</b>           | <b>59.9%</b>        |   |
| EXPENDITURES               | FY25 REVISED BUDGET | FY25 Actuals       | FY25 % of Budget Rec'd | FY26 REVISED BUDGET | FY26 YTD Actuals - MARCH | FY26 YTD Actuals - Projected | FY26 % Rec'd Budget | Comments  |
| SALARIES & WAGES           | 30,167,309          | 20,433,619         | 67.7%                  | 31,926,353          | 22,326,306               | 22,326,306                   | 69.9%               | 3% Annual Salary Increase; 6% HWR & SWR   |
| HEALTH BENEFITS            | 5,316,869           | 3,668,032          | 69.0%                  | 6,168,645           | 4,172,022                | 4,172,022                    | 67.6%               | 3% Annual Salary Increase; 6% HWR & SWR   |
| EMPLOYEE BENEFITS          | 477,803             | 222,488            | 46.6%                  | 427,664             | 207,087                  | 207,087                      | 48.4%               | 3% Annual Salary Increase; 6% HWR & SWR   |
| RETIREMENT                 | 4,321,239           | 2,879,508          | 66.6%                  | 4,762,133           | 3,198,782                | 3,198,782                    | 67.2%               | 3% Annual Salary Increase; 6% HWR & SWR   |
| OTHER PERSONNEL            | 2,479,970           | 1,694,498          | 68.3%                  | 2,676,992           | 1,867,203                | 1,867,203                    | 69.8%               |   |
| PROFESSIONAL SERVICES      | 17,425,150          | 11,228,429         | 64.4%                  | 16,384,397          | 11,513,339               | 11,513,339                   | 70.3%               |   |
| WORKERS COMPENSATION       | 513,869             | 367,188            | 71.5%                  | 548,381             | 429,153                  | 429,153                      | 78.3%               |   |
| SERVICE & SUPPLIES         | 38,660,379          | 20,531,192         | 53.1%                  | 55,153,199          | 20,695,637               | 20,695,637                   | 37.5%               |   |
| OUTSIDE AGENCIES           | 5,736,603           | 4,263,249          | 74.3%                  | 6,311,735           | 4,280,697                | 4,280,697                    | 67.8%               |   |
| NON-DEPARTMENTAL           | 1,264,574           | 943,125            | 74.6%                  | 1,522,358           | 943,125                  | 943,125                      | 62.0%               |   |
| OTHER                      | 75,718,022          | 49,992,900         | 66.0%                  | 74,895,128          | 31,038,590               | 55,899,326                   | 74.6%               | \$24.9M in SBO estimated unposted expenditures  |
| CAPITAL                    | 11,067,530          | 2,376,099          | 21.5%                  | 15,518,646          | 6,849,840                | 6,849,840                    | 44.1%               |   |
| DEBT                       | 7,418,450           | 5,846,344          | 78.8%                  | 7,488,854           | 5,467,422                | 5,467,422                    | 73.0%               |   |
| SUPPORT OF SCHOOLS         | 13,865,900          | 10,360,450         | 74.7%                  | 19,116,935          | 10,185,000               | 10,185,000                   | 53.3%               |   |
| TRANSFERS OUT              | 19,001,915          | 7,068,743          | 37.2%                  | 17,441,146          | 5,963,090                | 5,963,090                    | 34.2%               |   |
| <b>TOTAL EXPENDITURES</b>  | <b>233,435,582</b>  | <b>141,875,863</b> | <b>60.78%</b>          | <b>260,342,566</b>  | <b>129,137,293</b>       | <b>153,998,029</b>           | <b>59.15%</b>       |   |
| <b>NET INCOME</b>          | <b>(3)</b>          | <b>(2,400,985)</b> | <b>-1.03%</b>          | <b>(6,746,110)</b>  | <b>11,471,531</b>        | <b>(2,031,679)</b>           | <b>0.77%</b>        |   |

# General Fund FY26 Budget to Actuals – 3rd QTR

- General fund for 3rd QTR is trending 7.44% or \$6.9M higher in Revenues for FY26 vs FY25.
- Expenses for FY26 are trending 0.98% or \$916K higher than FY25.
- Increase in expense stems from 3% Annual salary increases.
- Increase in revenues is due to transfers for rollover PO.

## FY26 General Fund Revenue and Expenditures



# General Fund FY26 Budget to Actuals – 3rd QTR

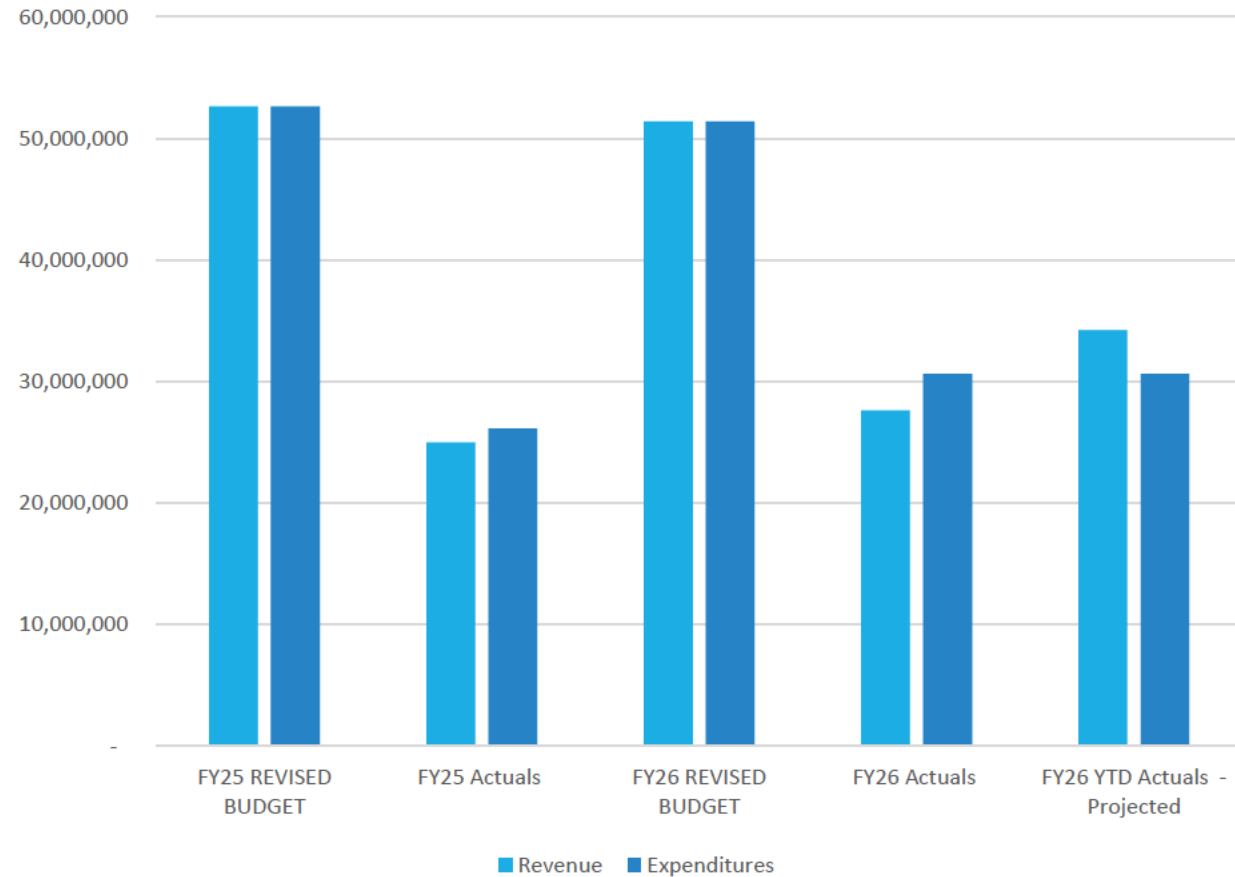
| REVENUES                   | FY25 REVISED BUDGET | FY25 Actuals       | FY25 % of Budget Rec'd | FY26 REVISED BUDGET | FY26 Actuals      | FY26 % Rec'd Projected | FY26 YTD - Projected         | FY25 vs FY26 Variance  | Comments  |
|----------------------------|---------------------|--------------------|------------------------|---------------------|-------------------|------------------------|------------------------------|------------------------|---|
| REAL ESTATE TAXES          | 21,928,970          | 10,138,454         | 46.2%                  | 24,030,746          | 11,254,318        | 46.8%                  | \$ 11,254,318                | \$ 1,115,864.72        | 2ND half Due June   |
| PUBLIC SERVICE CORP TAX    | 5,100,000           | 5,229,555          | 102.5%                 | 4,900,000           | 5,554,365         | 113.4%                 | \$ 5,554,365                 | \$ 324,810.69          | Due in February   |
| PERSONAL PROPERTY TAX      | 7,056,000           | 5,116,267          | 72.5%                  | 6,597,440           | 4,687,572         | 71.1%                  | \$ 4,687,572                 | \$ (428,695.52)        | Due in February   |
| MACH & TOOL TAX            | 9,586,049           | 3,528,773          | 36.8%                  | 9,384,549           | 3,030,966         | 32.3%                  | \$ 3,030,966                 | \$ (497,807.00)        | Due in June   |
| PPTRA STATE REIMBURSEMENT  | 1,618,030           | 1,537,128          | 95.0%                  | 1,618,030           | 1,537,128         | 95.0%                  | \$ 1,537,128                 | \$ -                   | Consistent  |
| OTHER TAXES                | 7,240,000           | 5,834,011          | 80.6%                  | 7,745,280           | 5,721,553         | 73.9%                  | \$ 5,821,553                 | \$ (12,458.10)         | \$75K Consumption/Utility Tax & \$25K Utility Tax- Water              |
| USE OF MONEY & PROPERTY    | 90,000              | 76,076             | 84.5%                  | 60,000              | 39,100            | 65.2%                  | \$ 39,100                    | \$ (36,975.86)         |   |
| CHARGES FOR SERVICES       | 849,500             | 1,132,078          | 133.3%                 | 1,247,000           | 868,368           | 69.6%                  | \$ 1,018,368                 | \$ (113,709.48)        | \$150K in unrecorded EMS receipts                                     |
| PENALTIES & INTEREST       | 581,000             | 418,777            | 72.1%                  | 591,000             | 626,440           | 106.0%                 | \$ 626,440                   | \$ 207,663.36          | Penalties and Interest  |
| PERMITS, FEES AND LICENSES | 470,450             | 339,083            | 72.1%                  | 467,400             | 634,638           | 135.8%                 | \$ 634,638                   | \$ 295,554.58          | Increase in Sewer/Bldg Permits & \$320 in Stormwater fees new in FY26 |
| FINES & FORFEITURES        | 1,278,494           | 861,777            | 67.4%                  | 997,420             | 984,233           | 98.7%                  | \$ 984,233                   | \$ 122,456.06          | Increase in fines   |
| GRANTS                     | -                   | 16,875             | ---                    | -                   | 20,058            | ---                    | \$ 20,058                    | \$ 3,182.58            |   |
| STATE REVENUES             | 9,203,676           | 7,276,718          | 79.1%                  | 9,530,420           | 7,305,543         | 76.7%                  | \$ 7,305,543                 | \$ 28,824.49           | Slight increase in state revenues received for Constitutionals        |
| FEDERAL REVENUES           | 360,514             | 101,317            | 28.1%                  | 458,403             | 318,882           | 69.6%                  | \$ 318,882                   | \$ 217,565.43          |   |
| MISCELLANEOUS REVENUE      | 777,945             | 858,442            | 110.3%                 | 718,617             | 637,793           | 88.8%                  | \$ 637,793                   | \$ (220,648.61)        |   |
| IN LIEU OF TAXES           | 1,257,500           | 943,125            | 75.0%                  | 1,257,500           | 943,125           | 75.0%                  | \$ 943,125                   | \$ -                   | Consistent  |
| TRANSFERS IN               | 1,009,000           | 756,750            | 75.0%                  | 1,009,000           | 6,676,622         | 661.7%                 | \$ 6,676,622                 | \$ 5,919,872.00        | Consistent  |
| <b>TOTAL REVENUES</b>      | <b>68,407,128</b>   | <b>44,165,205</b>  | <b>64.56%</b>          | <b>70,612,805</b>   | <b>50,840,704</b> | <b>72.00%</b>          | <b>\$ 51,090,704</b>         | <b>\$ 6,925,499.34</b> |   |
| EXPENDITURES               | FY25 REVISED BUDGET | FY25 Actuals       | FY25 % of Budget Rec'd | FY26 REVISED BUDGET | FY26 Actuals      | FY26 % Rec'd Projected | FY25 YTD Actuals - Projected | FY25 vs FY26 Variance  | Comments  |
| SALARIES & WAGES           | 20,808,583          | 14,099,762         | 67.8%                  | 22,500,321          | 15,793,773        | 70.2%                  | \$ 15,793,773                | \$ 1,694,011.10        | 3% Annual Salary Increase   |
| HEALTH BENEFITS            | 3,755,212           | 2,635,180          | 70.2%                  | 4,332,241           | 3,039,614         | 70.2%                  | \$ 3,039,614                 | \$ 404,434.32          | 3% Annual Salary Increase   |
| EMPLOYEE BENEFITS          | 313,802             | 162,211            | 51.7%                  | 296,019             | 133,377           | 45.1%                  | \$ 133,377                   | \$ (28,833.33)         | 3% Annual Salary Increase   |
| RETIREMENT                 | 2,940,040           | 1,956,095          | 66.5%                  | 3,239,449           | 2,230,519         | 68.9%                  | \$ 2,230,519                 | \$ 274,424.51          | 3% Annual Salary Increase   |
| OTHER PERSONNEL            | 1,681,129           | 1,172,136          | 69.7%                  | 1,806,483           | 1,304,172         | 72.2%                  | \$ 1,304,172                 | \$ 132,035.90          | 3% Annual Salary Increase   |
| PROFESSIONAL SERVICES      | 4,861,705           | 4,077,250          | 83.9%                  | 5,105,037           | 4,010,343         | 78.6%                  | \$ 4,010,343                 | \$ (66,906.84)         |   |
| WORKERS COMPENSATION       | 430,823             | 311,295            | 72.3%                  | 466,336             | 372,446           | 79.9%                  | \$ 372,446                   | \$ 61,151.25           |   |
| SERVICE & SUPPLIES         | 5,747,422           | 3,423,552          | 59.6%                  | 5,853,961           | 3,117,952         | 53.3%                  | \$ 3,117,952                 | \$ (305,600.22)        | \$1.5M in FY25 Gas Charges  |
| OUTSIDE AGENCIES           | 4,921,232           | 4,145,041          | 84.2%                  | 5,322,646           | 4,209,960         | 79.1%                  | \$ 4,209,960                 | \$ 64,918.84           |   |
| NON-DEPARTMENTAL           | 23,991              | -                  | 0.0%                   | 264,858             | -                 | 0.0%                   | \$ -                         | \$ -                   |   |
| OTHER                      | 426,228             | 317,005            | 74.4%                  | 327,953             | 297,474           | 90.7%                  | \$ 297,474                   | \$ (19,530.99)         |   |
| CAPITAL                    | 246,180             | 195,587            | 79.4%                  | 212,750             | 182,984           | 86.0%                  | \$ 182,984                   | \$ (12,602.80)         |   |
| SUPPORT OF SCHOOLS         | 13,710,000          | 10,360,450         | 75.6%                  | 13,580,000          | 10,185,000        | 75.0%                  | \$ 10,185,000                | \$ (175,450.00)        |   |
| TRANSFERS OUT              | 8,540,791           | 7,068,743          | 82.8%                  | 7,304,746           | 5,963,090         | 81.6%                  | \$ 5,963,090                 | \$ (1,105,652.88)      |   |
| <b>TOTAL EXPENDITURES</b>  | <b>68,407,138</b>   | <b>49,924,306</b>  | <b>73.0%</b>           | <b>70,612,800</b>   | <b>50,840,705</b> | <b>72.00%</b>          | <b>\$ 50,840,705</b>         | <b>\$ 916,398.86</b>   |   |
| <b>NET INCOME</b>          | <b>(10)</b>         | <b>(5,759,101)</b> | <b>-8.42%</b>          | <b>5 (0)</b>        | <b>0.00%</b>      | <b>\$ 250,000</b>      | <b>\$ 6,009,100</b>          |                        |   |

# Enterprise Fund FY26 Budget to Actuals – 3rd QTR

*Regional Water, Sewer, Solid Waste, and Storm Water*

- Enterprise fund for 3rd QTR is trending 7.78% or \$4.9M higher in Revenues for FY26 vs FY25.
- Expense for FY26 are trending 9.9% or \$4.5M higher the expense in FY25.
- Increase in revenues stem from on time billing, and collected monies owed from DI (\$500K), increase collections and correct billing from Minol as well as capital being bills monthly.
- Increase in expenses stem from capital projects and increased maintenance.

FY26 Enterprise Funds Revenue and Expenditures



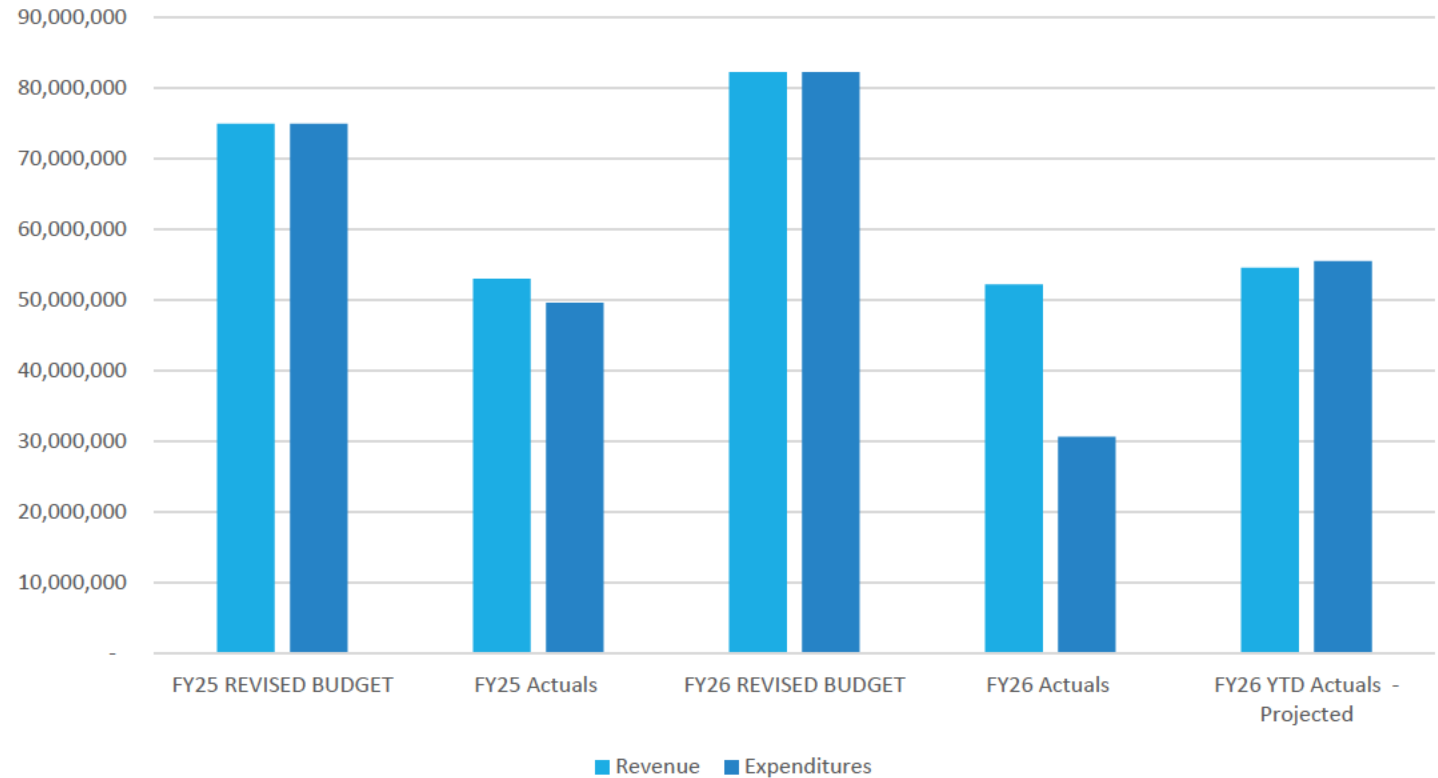
# Enterprise Fund FY26 Budget to Actual – 3rd QTR

| REVENUES                                     | FY25 REVISED BUDGET | FY25 Actuals       | FY25 % of Budget Rec'd | FY26 REVISED BUDGET | FY26 Actuals       | FY26 YTD Actuals - Projected | FY26 % Rec'd  | Comments  |
|--|---------------------|--------------------|------------------------|---------------------|--------------------|------------------------------|---------------|---|
| USE OF MONEY & PROPERTY CHARGES FOR SERVICES | 300,000             | 415,992            | 138.7%                 | 114,901             | 303,843            | 303,843                      | 264.4%        |   |
| MISCELLANEOUS REVENUE                        | 42,367,151          | 22,838,592         | 53.9%                  | 40,399,616          | 25,895,712         | 32,370,387                   | 80.1%         | \$2.5M Accrued for December Billing & Capital & \$3.2M for DI/Minol |
| GRANTS                                       | 13,450              | 516,861            | 3842.8%                | 12,000              | 555,925            | 555,925                      | 4632.7%       |   |
| IN LIEU OF TAXES                             | -                   | 254,771            | ---                    | -                   | -                  | -                            | ---           |   |
| DEBT SERVICE                                 | 334,011             | 250,508            | 75.0%                  | 334,011             | 222,674            | 250,508                      | 75.0%         |   |
| TRANSFERS IN                                 | 947,617             | 715,420            | 75.5%                  | 1,042,739           | 658,912            | 763,930                      | 73.3%         |   |
| <b>TOTAL REVENUES</b>                        | <b>52,635,153</b>   | <b>24,992,145</b>  | <b>47.48%</b>          | <b>51,393,626</b>   | <b>27,637,066</b>  | <b>34,244,593</b>            | <b>66.63%</b> |   |
| EXPENDITURES                                 | FY25 REVISED BUDGET | FY25 Actuals       | FY25 % of Budget Rec'd | FY26 REVISED BUDGET | FY26 Actuals       | FY26 YTD Actuals - Projected | FY26 % Rec'd  | Comments  |
| SALARIES & WAGES                             | 4,731,824           | 3,097,321          | 65.5%                  | 4,809,625           | 2,969,187          | 2,969,187                    | 61.7%         | Multiple Vacancies  |
| HEALTH BENEFITS                              | 713,300             | 467,908            | 65.6%                  | 811,128             | 469,465            | 469,465                      | 57.9%         | Multiple Vacancies  |
| EMPLOYEE BENEFITS                            | 78,931              | 21,281             | 27.0%                  | 34,303              | 15,759             | 15,759                       | 45.9%         | Multiple Vacancies  |
| RETIREMENT                                   | 642,777             | 438,173            | 68.2%                  | 746,900             | 416,785            | 416,785                      | 55.8%         | Multiple Vacancies  |
| OTHER PERSONNEL                              | 364,449             | 256,134            | 70.3%                  | 388,882             | 267,870            | 267,870                      | 68.9%         |   |
| PROFESSIONAL SERVICES                        | 10,001,080          | 6,853,584          | 68.5%                  | 9,723,219           | 7,295,211          | 7,295,211                    | 75.0%         | Increase in temp labor - maintenance                                |
| WORKERS COMPENSATION                         | 53,697              | 39,694             | 73.9%                  | 51,489              | 38,443             | 38,443                       | 74.7%         |   |
| SERVICE & SUPPLIES                           | 12,612,640          | 10,475,983         | 83.1%                  | 13,447,020          | 10,714,385         | 10,714,385                   | 79.7%         |   |
| OUTSIDE AGENCIES                             | 5,000               | 1,826              | 36.5%                  | 2,300               | 77                 | 77                           | 3.3%          |   |
| NON-DEPARTMENTAL                             | 1,257,500           | 943,125            | 75.0%                  | 1,257,500           | 943,125            | 943,125                      | 75.0%         |   |
| OTHER  | 61,400              | 21,585             | 35.2%                  | 76,400              | 38,184             | 38,184                       | 50.0%         |   |
| CAPITAL                                      | 9,951,645           | 1,572,985          | 15.8%                  | 7,875,387           | 5,826,509          | 5,826,509                    | 74.0%         | Increase in delayed and planned capital spending                    |
| DEBT   | 2,583,988           | 1,942,864          | 75.2%                  | 2,679,109           | 1,623,768          | 1,623,768                    | 60.6%         | 2015D last payment in Oct25   |
| TRANSFERS OUT                                | 9,576,924           | -                  | 0.0%                   | 9,490,359           | -                  | -                            | 0.0%          |   |
| <b>TOTAL EXPENDITURES</b>                    | <b>52,635,155</b>   | <b>26,132,462</b>  | <b>49.6%</b>           | <b>51,393,621</b>   | <b>30,618,768</b>  | <b>30,618,768</b>            | <b>59.6%</b>  |   |
| <b>NET INCOME</b>                            | <b>(2)</b>          | <b>(1,140,317)</b> | <b>-2.17%</b>          | <b>5</b>            | <b>(2,981,701)</b> | <b>3,625,825</b>             | <b>7.06%</b>  |   |

# Schools FY26 Budget to Actual – 3rd QTR

- Schools is trending 4.38% or \$1.6M higher in revenues for FY26 vs FY25.
- Expenses are trending 1.31% or \$5.9M more in FY26 vs FY25.
- Slight increase in revenues stem from state revenues.

### FY26 Schools Revenue and Expenditures



## Schools FY26 Budget to Actuals – 3rd QTR

| REVENUES                  | FY25 REVISED BUDGET | FY25 Actuals      | FY25 % of Budget Rec'd | FY26 REVISED BUDGET | FY26 Actuals      | FY26 YTD Actuals - Projected | FY26 % Rec'd  | Comments                             |
|---------------------------|---------------------|-------------------|------------------------|---------------------|-------------------|------------------------------|---------------|--------------------------------------|
| CHARGES FOR SERVICES      | 5,515,232           | 895,830           | 16.2%                  | 8,930,010           | 626,275           | 626,275                      | 7.0%          |                                      |
| STATE REVENUES            | 46,085,993          | 33,072,025        | 71.8%                  | 49,429,418          | 37,429,344        | 37,429,344                   | 75.7%         |                                      |
| FEDERAL REVENUES          | 9,643,588           | 8,666,781         | 89.9%                  | 10,318,029          | 3,913,694         | 6,313,694                    | 61.2%         | \$2.4M in Head Start Funds Projected |
| TRANSFERS IN              | 13,710,000          | 10,360,450        | 75.6%                  | 13,580,000          | 10,185,000        | 10,185,000                   | 75.0%         |                                      |
| <b>TOTAL REVENUES</b>     | <b>74,954,813</b>   | <b>52,995,087</b> | <b>70.70%</b>          | <b>82,257,457</b>   | <b>52,154,313</b> | <b>54,554,313</b>            | <b>66.32%</b> |                                      |
| EXPENDITURES              | FY25 REVISED BUDGET | FY25 Actuals      | FY25 % of Budget Rec'd | FY26 REVISED BUDGET | FY26 Actuals      | FY26 YTD Actuals - Projected | FY26 % Rec'd  | Comments                             |
| SERVICE & SUPPLIES        | 3,716,420           | -                 | 0.0%                   | 2,854,068           | -                 | -                            | 0.0%          |                                      |
| OTHER                     | 71,191,213          | 49,571,450        | 69.6%                  | 79,403,388          | 30,616,548        | 55,477,284                   | 69.9%         | \$24.9M Accrued YTD for OPEX         |
| CAPITAL                   | 47,180              | -                 | 0.0%                   | -                   | -                 | -                            | ---           |                                      |
| <b>TOTAL EXPENDITURES</b> | <b>74,954,813</b>   | <b>49,571,450</b> | <b>66.1%</b>           | <b>82,257,456</b>   | <b>30,616,548</b> | <b>55,477,284</b>            | <b>67.44%</b> |                                      |
| <b>NET INCOME</b>         | <b>-</b>            | <b>3,423,637</b>  | <b>4.57%</b>           | <b>1</b>            | <b>21,537,765</b> | <b>(922,971)</b>             | <b>-1.12%</b> |                                      |

# FY26 Department Budget to Actual – 3rd QTR

| DEPARTMENT             | FY26 ADOPTED BUDGET   | YTD BUDGET AMOUNT-   | BUDGET REMAINING     | % OF BUDGET YTD | ON TREND    | COMMENTS                          |
|------------------------|-----------------------|----------------------|----------------------|-----------------|-------------|-----------------------------------|
| ACCOUNTING             | \$ 2,298,316          | \$ 1,748,412         | \$ 549,904           | 76%             | FALSE       | ACFR AUDIT SERVICES               |
| ASSESSOR               | \$ 645,536            | \$ 388,948           | \$ 256,588           | 60%             | TRUE        |                                   |
| CEMETERY               | \$ 65,000             | \$ 10,550            | \$ 54,450            | 16%             | TRUE        |                                   |
| CIRCUIT COURT          | \$ 130,920            | \$ 72,761            | \$ 58,159            | 56%             | TRUE        |                                   |
| CIRCUIT COURT CLERK    | \$ 693,532            | \$ 504,531           | \$ 189,001           | 73%             | TRUE        |                                   |
| CITY ATTORNEY          | \$ 716,059            | \$ 491,798           | \$ 224,261           | 69%             | TRUE        |                                   |
| CITY CLERK             | \$ 193,952            | \$ 151,089           | \$ 42,863            | 78%             | FALSE       | INCREASE IN ADVERTISING           |
| CITY MANAGER           | \$ 908,626            | \$ 582,403           | \$ 326,223           | 64%             | TRUE        |                                   |
| COMMISSION OF REVENUE  | \$ 754,063            | \$ 521,466           | \$ 232,597           | 69%             | TRUE        |                                   |
| COMMONWEALTH ATTORNEY  | \$ 1,380,387          | \$ 1,031,584         | \$ 348,803           | 75%             | TRUE        |                                   |
| COUNCIL                | \$ 194,711            | \$ 102,052           | \$ 92,659            | 52%             | TRUE        |                                   |
| COURT SERVICES         | \$ 7,000              | \$ 1,917             | \$ 5,083             | 27%             | TRUE        |                                   |
| CSA                    | \$ 3,727,435          | \$ 3,218,116         | \$ 509,320           | 86%             | FALSE       | INCREASE IN SERVICES              |
| ECONOMIC DEVELOPMENT   | \$ 971,004            | \$ 835,792           | \$ 135,212           | 86%             | FALSE       | ECONOMIC INCENTIVES LUMP SUM      |
| FIRE/EMS               | \$ 6,857,875          | \$ 5,152,781         | \$ 1,705,094         | 75%             | TRUE        |                                   |
| GENERAL COURT          | \$ 145,923            | \$ 50,899            | \$ 95,024            | 35%             | TRUE        |                                   |
| GOVERNMENT AFFAIRS     | \$ 200,488            | \$ 124,487           | \$ 76,001            | 62%             | TRUE        |                                   |
| HEALTHY FAMILIES       | \$ 1,208,464          | \$ 402,040           | \$ 806,424           | 33%             | TRUE        |                                   |
| HRW                    | \$ 27,643,738         | \$ 20,758,913        | \$ 6,884,826         | 75%             | TRUE        |                                   |
| HUMAN RESOURCES        | \$ 768,487            | \$ 580,342           | \$ 188,145           | 76%             | FALSE       | HR MANUAL CONSULTANT              |
| INFORMATION TECHNOLOGY | \$ 2,069,416          | \$ 1,685,285         | \$ 384,131           | 81%             | FALSE       | IT CONTRACT                       |
| LAW LIBRARY            | \$ 15,000             | \$ 8,142             | \$ 6,858             | 54%             | TRUE        |                                   |
| MARINA                 | \$ 125,267            | \$ 99,024            | \$ 26,243            | 79%             | FALSE       | ROOF REPAIR                       |
| PARKS & RECS           | \$ 2,591,942          | \$ 1,683,272         | \$ 908,670           | 65%             | TRUE        |                                   |
| PLANNING               | \$ 1,918,112          | \$ 861,852           | \$ 1,056,260         | 45%             | TRUE        |                                   |
| POLICE                 | \$ 11,392,794         | \$ 9,382,216         | \$ 2,010,578         | 82%             | FALSE       | SERVICE CONTRACT-SOFTWARE         |
| PUBLIC WORKS           | \$ 6,941,006          | \$ 3,705,696         | \$ 3,235,310         | 53%             | TRUE        |                                   |
| REFUSE                 | \$ 3,574,728          | \$ 2,484,777         | \$ 1,089,951         | 70%             | TRUE        |                                   |
| SEWER                  | \$ 11,382,771         | \$ 6,742,328         | \$ 4,640,443         | 59%             | TRUE        |                                   |
| SHERIFF                | \$ 2,564,435          | \$ 1,727,448         | \$ 836,987           | 67%             | TRUE        |                                   |
| SOCIAL SERVICES        | \$ 7,796,540          | \$ 5,795,215         | \$ 2,001,325         | 74%             | TRUE        |                                   |
| STORMWATER             | \$ 1,476,475          | \$ 651,870           | \$ 824,605           | 44%             | TRUE        |                                   |
| TREASURER              | \$ 683,500            | \$ 540,636           | \$ 142,864           | 79%             | FALSE       | INCREASE IN DELINQUENCY PROCESSES |
| VICTIM WITNESS         | \$ 189,603            | \$ 155,942           | \$ 33,661            | 82%             | FALSE       | SERVICES                          |
| VJCCA                  | \$ 202,147            | \$ 145,332           | \$ 56,815            | 72%             | TRUE        |                                   |
| VOTER REGISTRAR        | \$ 524,937            | \$ 389,016           | \$ 135,921           | 74%             | TRUE        |                                   |
| <b>TOTALS</b>          | <b>\$ 102,960,189</b> | <b>\$ 72,788,930</b> | <b>\$ 30,171,260</b> | <b>71%</b>      | <b>TRUE</b> | <b>OVERALL ON TREND</b>           |

## FY26 Overtime by Department – 3rd QTR

| DEPARTMENT         | FY26 BUDGET           | 3RD QTR ACTUALS        | REMAINING BALANCE    | % OF BUDGET | ON TREND | COMMENTS  |
|--------------------|-----------------------|------------------------|----------------------|-------------|----------|---|
| ENGINEERING        | \$ 4,400.00           | \$ 3,116.76            | \$ 1,283.24          | 71%         | TRUE     |   |
| FIRE               | \$ 407,000.00         | \$ 247,926.14          | \$ 159,073.86        | 61%         | TRUE     |   |
| GARAGE             | \$ 20,000.00          | \$ 18,827.68           | \$ 1,172.32          | 94%         | FALSE    | VACANCIES   |
| IT                 | \$ 15,000.00          | \$ 384.21              | \$ 14,615.79         | 3%          | TRUE     |   |
| POLICE             | \$ 397,500.00         | \$ 381,076.12          | \$ 16,423.88         | 96%         | FALSE    | VACANCIES   |
| PUBLIC WORKS       | \$ 95,400.00          | \$ 70,186.47           | \$ 25,213.53         | 74%         | TRUE     |   |
| RECREATION         | \$ 8,500.00           | \$ 5,031.59            | \$ 3,468.41          | 59%         | TRUE     |   |
| REFUSE             | \$ -                  | \$ 9,733.48            | \$ (9,733.48)        | -           | FALSE    | BUDGET TRANSFER TO BE COMPLETED                                 |
| SEWER OPERATIONS   | \$ 80,000.00          | \$ 57,157.00           | \$ 22,843.00         | 71%         | TRUE     |   |
| SHERIFF            | \$ 56,000.00          | \$ 74,481.87           | \$ (18,481.87)       | 133%        | FALSE    | VACANCIES/BUDGET TRANSFER TO BE COMPLETED                       |
| STORMWATER         | \$ 5,000.00           | \$ 14,452.47           | \$ (9,452.47)        | 289%        | FALSE    | ON CALL 247 ADDITIONAL EMPLOYEE/BUDGET TRANSFER TO BE COMPLETED |
| TREASURER          | \$ 2,000.00           | \$ 3,218.08            | \$ (1,218.08)        | 161%        | FALSE    | DELINQUENCY/BUDGET TRANSFER TO BE COMPLETED                     |
| VOTER REGISTRATION | \$ 7,000.00           | \$ 6,697.00            | \$ 303.00            | 96%         | FALSE    | PT ASSISTANCE   |
| HWR                | \$ 399,359.00         | \$ 228,283.76          | \$ 171,075.24        | 57%         | TRUE     |   |
| <b>TOTAL</b>       | <b>\$1,497,159.00</b> | <b>\$ 1,120,572.63</b> | <b>\$ 376,586.37</b> | <b>75%</b>  |          |   |

# FY26 3rd QTR Salary Savings

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## **Items to cover through year end savings**

Finance-FY2023-FY2025 Audits-approximately \$205,000 each/total \$400,000

Commissioner of revenue-security upgrade/barrier \$25,000

Commissioner of revenue-office chairs \$4,050

## **Items to come from contingency**

Fire-Sewer line at station 2 \$50,000

Fire-Water leak at station 1 \$105,000

Sheriff's Office radio system \$80,000 if not covered by Comp Board or using ICE funds

No re-appropriation needed/budget transfers will be completed

\$649,102//updated salary savings

# FY26 Accounts Payable/Debt Service – December

## Accounts Payable December

| <u>Invoices Received</u> |               |
|--------------------------|---------------|
| # of invoices processed  | 4,029         |
| \$ amount processed      | \$ 20,020,262 |

## Debt Service Payments December

| <u>Description</u>            | <u>FY25 Budget</u> | <u>YTD Actuals</u> | <u>Remaining Budget</u> | <u>% of Budget YTD</u> |
|-------------------------------|--------------------|--------------------|-------------------------|------------------------|
| BOND ADMIN FEES               | \$14,850           | \$12,425           | \$2,425                 | 84%                    |
| INTEREST PAYMENT-<br>INTEREST | \$2,301,950        | \$2,032,155        | \$269,795               | 88%                    |
| PRINCIPAL PAYMENT - DEBT      | \$5,172,904        | \$3,422,842        | \$1,750,062             | 66%                    |
| <b>Totals</b>                 | <b>\$7,489,704</b> | <b>\$5,467,422</b> | <b>\$2,022,282</b>      | <b>73%</b>             |

Notes: Debt includes schools, sewer, general, etc.

# May Items

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## 1. Treasurer's report



# Wastewater Pump Stations Update

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DIRECTOR: MATTHEW ELLINGHAUS, P.E.

# AGENDA

Pump Station Projects

Miscellaneous Maintenance

Consent Order Status

## Pump Station Projects

- Queen Anne Pump Station
  - Project under design.
  - Complete station rehabilitation
  - Force main improvements
  - Force main survey work ongoing, CSX ROW access requested, awaiting approval
- Jackson Farm Pump Station
  - Virginia Clean Water Revolving Loan Fund
  - Complete station rehabilitation with addition of higher capacity pumps and general infrastructure improvements
  - Electrical and ventilation upgrades
  - Project also includes replacement of backup generator installation and SCADA integration
  - Currently scoping out the project with consulting engineer

# Pump Station Projects

- Station Street Pump Station
  - Station rehabilitation and safety improvements
  - Current layout allows wet well gasses to negatively impact electrical equipment
  - Electrical upgrades including new generator and improved ventilation
  - Preliminary engineering
- Mansion Hill Pump Station
  - Station rehabilitation and safety improvements with the evaluation of increasing the discharge capacity
  - Current layout allows wet well gasses to negatively impact electrical equipment
  - Electrical upgrades including new generator, improved ventilation, and level sensor improvements
  - Preliminary engineering

## Miscellaneous Maintenance

- First Street Pump Station
  - Bypass pumps in place
  - New pumps pending
  - New grinders received
  - Flow meter replaced
- General Maintenance – various stations
  - Auto-dialer replacements – alarm improvements
  - Electrical cabinet cleanup
  - Pump and rotating assembly replacements
  - Wet well level sensor replacements
  - Ventilation improvements
  - Lighting upgrades

## Consent Order Status

- Resulted from 2 separate NOVs (January & August 2025) and subsequent site inspection in November
- Negotiations completed and Order signed by City Manager in February 2026
- Public Notice of CO by DEQ runs from March 9 to April 8 and fully executed CO received on April 9
- No civil charges/financial penalties are included in the CO
- CO requires an update to a previously conducted Wastewater Pump Stations Comprehensive Plan
- Discussions are underway with engineers to complete this task
- CO also requires that all pump stations are fully operational by November 1, 2027

# Questions?



CONSENT  
AGENDA

C-1

**MINUTES OF THE MARCH 24, 2026 CITY COUNCIL REGULAR MEETING**

A REGULAR meeting of the Hopewell Council was held on Tuesday, March 24, 2026, at 5:00 p.m.

**PRESENT:**

John B. Partin, Mayor  
Rita Joyner, Vice Mayor  
Michael Harris, Councilor  
Ronnie Ells, Councilor  
Susan Daye, Councilor  
Malik Wheat, Councilor  
Lovena Rapole, Councilor

Councilor Rapole makes a motion to go into closed meeting under Va. Code § 2.2-3711(A)(3), (8), and (29), to discuss the acquisition or disposition of real property, where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the public body, the award of a public contract where discussion in an open session would adversely affect the City’s bargaining position, and to consult with legal counsel regarding specific legal matters (real estate contract discussions, support agreement with the EDA, lease for city department offices); § 2.2-3711(A)(1), (8), to discuss personnel matters including. (City Clerk, Beacon Theater Board, Hopewell Water Renewal, and Recreation Commission). Vice Mayor Joyner seconds the motion.

**ROLL CALL**

|                    |     |
|--------------------|-----|
| Councilor Ellis-   | Yes |
| Councilor Daye-    | Yes |
| Councilor Wheat-   | Yes |
| Councilor Rapole-  | Yes |
| Vice Mayor Joyner- | Yes |
| Councilor Harris-  | Yes |
| Mayor Partin-      | Yes |

**Motion Passes 7-0**

Vice Mayor Joyner makes a motion to reconvene to open meeting. Councilor Rapole seconds the motion.

**ROLL CALL**

|                    |     |
|--------------------|-----|
| Councilor Ellis-   | Yes |
| Councilor Daye-    | Yes |
| Councilor Wheat-   | Yes |
| Councilor Rapole-  | Yes |
| Vice Mayor Joyner- | Yes |

Councilor Harris- Yes  
Mayor Partin- Yes

**Motion Passes 7-0**

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 the closed meeting?

**PRESENT:**

John B. Partin, Mayor  
Rita Joyner, Vice Mayor  
Michael Harris, Councilor  
Ronnie Ellis, Councilor  
Susan Daye, Councilor  
Malik Wheat, Councilor  
Lovena Rapole, Councilor

**REGULAR MEETING**

**City Manager’s Report - Michael Rogers, Interim City Manager**

Michael Rogers opened his remarks by formally acknowledging the extensive effort undertaken by the Hopewell City Council during the multi-step process of searching for a new City Manager. He noted that he has participated in a number of similar searches with other councils and emphasized that the members of Council worked diligently and collaboratively throughout the process. Mr. Rogers highlighted the strong sense of collegiality among Council members, stating that it played a significant role in reaching a successful outcome. He expressed appreciation for the time, effort, and professionalism demonstrated by the Council and noted that their work resulted in the selection of a highly qualified candidate. Mr. Rogers further stated that later in the evening, the Council would be presented with and vote on an employment contract for the new City Manager, Vincent Jones, which would formalize the appointment. Concluding his remarks, Mr. Rogers deferred to the mayor to introduce Mr. Vincent Jones, signaling a transition to the next portion of the meeting agenda.

**February 2026 Financials/ Midyear Salary Savings Review – Stacey Jordan, Deputy City Manager**

Stacey Jordan presented the February Finance Committee report, addressing Mayor, Vice Mayor, and members of the City Council. She reported that citywide financials for February show revenues trending approximately \$8.4 million higher in fiscal year 2026 compared to 2025, while expenses are also trending higher, largely due to increases tied to the annual classification and compensation study, as well as rising school, enterprise, and capital

expenditures. She noted key financial reporting months for the City as December, February, May, and June.

Focusing on the General Fund, Ms. Jordan stated that revenues are trending about \$1.39 million higher in FY26 versus FY25, while expenses are trending approximately \$1.6 million lower than the prior year, despite some increases driven by compensation adjustments. Overall, she indicated the City is performing favorably, trending about \$3 million better in FY26 compared to FY25.

For the Enterprise Fund, she reported revenues trending \$5.4 million higher in FY26 compared to FY25, with expenses trending \$9.9 million higher. She explained that the revenue increase is largely due to on-time and upfront capital billing rather than end-of-year billing, while the increase in expenses is attributed to capital projects and maintenance. She noted that \$5.6 million has already been spent on capital projects this fiscal year, compared to approximately \$1.5 million at the same time last year.

Regarding school finances, Ms. Jordan reported revenues trending \$1.3 million higher in FY26 versus FY25, with expenses trending \$5.2 million higher. She explained that there has been a decrease in federal revenues due to reduced ESSER (COVID-related) funding and delays in Head Start reimbursements, though she confirmed in response to a Council question that those reimbursements are expected to be received within the current fiscal year.

Ms. Jordan also outlined salary savings allocations within the General Fund totaling approximately \$876,000. Of this, she proposed allocating about \$615,000 in additional funding toward audit completion costs, noting that the City had previously budgeted only \$205,000 annually for audits. Additional proposed allocations included \$25,000 for Commissioner of Revenue security barrier upgrades, \$4,000 for office chairs, \$50,000 for a fire station sewer line repair (Station Two), \$105,000 for a water leak repair (Station One), and \$80,000 for a Sheriff's Office radio system replacement, which she noted is outdated and not eligible for funding through the Compensation Board or ICE funding.

Finally, she detailed Enterprise Fund allocations, including \$166,000 for HRW pump and tank repairs, \$63,000 for sewer pump repairs, and \$24,000 for refuse service contracts.

Stacey Jordan responded to Mayor Partin's inquiry regarding the City's financial policies on utilizing savings to strengthen the undesignated fund balance and reserve funds. She explained that at this time, the City cannot allocate funds to those reserves because current salary savings are being used to cover immediate and necessary expenses. However, she noted that as the fiscal year progresses and the City moves closer to year-end, there may be an opportunity to allocate excess revenues over expenses toward those financial policy goals.

Ms. Jordan then reported that, as of February, the city had processed 1,185 invoices totaling approximately \$5.4 million. She added that 71% of the City's debt obligations have been paid to date, with about \$2.1 million remaining for the rest of the fiscal year. She also provided an update on the FY2025 Annual Comprehensive Financial Report (ACFR), stating that it is on track for completion by March 31 and that there are currently no anticipated delays, noting continued progress following a recent meeting with staff, including David.

Additionally, Ms. Jordan referenced ongoing discussions about potential additional funding opportunities for school HVAC systems. She indicated that further details would be presented later in the meeting by Jimmy, who would discuss these opportunities as part of a diagnostic presentation.

### **Treasurer's Report – Jason Yancey, Treasurer**

Treasurer Jason Yancey presented a three-year collections summary to the Mayor, Vice Mayor, and members of Council, providing an overview of trends in revenue collection and financial positioning. For real estate taxes, he reported that in 2023 the total adjusted bill was approximately \$21,354,079.86, with about \$140,000 remaining uncollected, resulting in a 99.27% collection rate. In 2024, the adjusted bill was approximately \$22,179,961.65, with a slightly lower collection rate of 98.5%. For 2025, the collection rate declined further to 96.45%. For personal property taxes, Mr. Yancey noted a downward trend, with a 96.25% collection rate in 2023, decreasing to 94.48% in 2024, and further to 89.7% in 2025, leaving over \$2.1 million in receivables. Regarding business license collections, he reported strong performance, with a 99.63% collection rate in 2023, increasing slightly to 99.77% in 2024, and currently at approximately 95.99% for 2025, noting that collections are still ongoing with an April 1 deadline, and the rate is expected to improve.

Mr. Yancey also provided an overview of the City's financial accounts. As of March 18, general banking accounts held just over \$7.5 million. Additional balances included approximately \$124,000 in the Special Welfare account, \$5,600 in the Data Integrators account, \$333 in the School Board Café account, just under \$50,000 for the Beacon Theater, and \$57,890 in EMS Revenue Recovery. He further highlighted investment account balances, including over \$6 million in the VML/VACO (KAPLAN) portfolio, just over \$9 million in the Local Government Investment Pool (LGIP), approximately \$377,000 in the U.S. Bank sewer system account, and just over \$6 million held with Schwab.

In response to Council questions regarding the decline in collection rates, Mr. Yancey explained that the Treasurer's Office is taking more aggressive collection actions. These include utilizing collection agencies such as TAXS for personal property and working with the Commonwealth's Attorney's Office (Jason Dunn) for real estate collections, as well as increasing the number of notices sent to taxpayers. He identified significant challenges with postal service issues, citing an example of a 2022 personal property bill that was only returned to the office in March 2026. He explained that delays, undelivered mail, and inconsistent address issues have contributed to uncollected balances, with many residents reporting they never received their bills. Despite the recent decline in collection rates, Mr. Yancey expressed confidence that collections will improve through these enhanced outreach and enforcement efforts.

### **Commissioner of Revenue Estimates Presentation – Debra Reason, Commissioner of Revenue**

Amanda Kidd presented revenue estimates, providing an overview of projected trends for key revenue categories for fiscal years 2025 and 2026. She reported that personal property and related license fee revenues are trending at approximately \$7.1 million. Machinery and tools tax revenues are increasing, with estimates rising from about \$9.8 million to \$10.1 million, noting that these figures do not include manufacturer rebates, which are issued at the end of the year following payment completion for expansions and equipment. Public service revenues, as

reported by the State Corporation Commission, are estimated to increase from approximately \$4.9 million to \$5.5 million and are expected to remain relatively stable with potential for slight growth.

Ms. Kidd also addressed business license revenues, explaining that while the number of businesses has decreased by approximately 100, overall revenue is increasing due to higher gross receipts, with updated projections around \$2.1 million rather than the previously noted \$1.7 million. She indicated that this category is expected to continue trending upward. Additionally, she noted that restructuring of business licenses is under consideration and will likely be addressed in future fiscal planning, potentially around FY2027.

She highlighted additional revenue streams not originally included in earlier estimates, including food and beverage and transient occupancy taxes, both of which are showing upward trends. She specifically noted that the increase in the food and beverage tax rate from 8% to 10% has contributed to rising revenues over time.

Ms. Kidd also provided an update on a newly implemented tax, reporting current collections at approximately \$300,000, which is slightly exceeding initial expectations based on the most recent data. In closing, she stated that overall revenue forecasts are trending slightly higher than originally projected. It was further noted during discussion that these increased revenue projections have not yet been incorporated into the proposed budget, allowing Council discretion in determining how any additional funds may be allocated, including potential use for capital or other priorities.

Michael Rogers provided an announcement to the Mayor and Council regarding the upcoming “Hooray for Hopewell History Celebration,” which will serve as the City of Hopewell’s official Virginia 250 (VA250) signature event. He stated that the event is scheduled for June 27, 2026, and is part of the nationwide America 250 commemoration. Mr. Rogers explained that the full-day event will highlight Hopewell’s role in American history, emphasizing its colonial origins, river-based commerce, and ongoing revitalization efforts.

He noted that the celebration will begin around lunchtime in downtown Hopewell and continue throughout the day into the evening, culminating with the City’s annual “Fireworks on the Appomattox” display. Planned activities include history-themed live music performances along Library Street, family-friendly programming centered on historical themes, and strong participation from local businesses. Mr. Rogers added that additional details about the event will be presented at a future Council meeting by Charles Bennett, who will provide a more comprehensive overview of the day’s programming.

### **ACTIONS RESULTING FROM CLOSED MEETING**

Vice Mayor Joyner makes a motion to appoint Heath Davis, Scott Adams, Dr. Christian Volk, and Mr. Andrew Parker to the Hopewell Water Renewal Board. Councilor Ellis seconds the motion.

#### **ROLL CALL**

|                    |     |
|--------------------|-----|
| Councilor Ellis-   | Yes |
| Councilor Daye-    | Yes |
| Councilor Wheat-   | Yes |
| Councilor Rapole-  | Yes |
| Vice Mayor Joyner- | Yes |

Councilor Harris- Yes  
Mayor Partin- Yes

**Motion Passes 7-0**

Councilor Wheat makes a motion to recognize Ms. Bishelya Howard for her service to the city and to appoint Mrs. Sade' Allen to be the city clerk and to direct the city attorney to draft a contract to that effect. Councilor Daye seconds the motion.

**ROLL CALL**

Councilor Ellis- Yes  
Councilor Daye- Yes  
Councilor Wheat- Yes  
Councilor Rapole- Yes  
Vice Mayor Joyner- Yes  
Councilor Harris- Yes  
Mayor Partin- Yes

**Motion Passes 7-0**

Councilor Wheat makes a motion to appoint Joshua Holloway to the recreation committee. Vice Mayor Joyner seconds the motion.

**ROLL CALL**

Councilor Ellis- Yes  
Councilor Daye- Yes  
Councilor Wheat- Yes  
Councilor Rapole- Yes  
Vice Mayor Joyner- Yes  
Councilor Harris- Yes  
Mayor Partin- Yes

**Motion Passes 7-0**

Vice Mayor Joyner makes a motion to approve the resolution for office leases and lease amendments for the space in the Williams building. Councilor Wheat seconds the motion.

**ROLL CALL**

Councilor Ellis- Yes  
Councilor Daye- Yes  
Councilor Wheat- Yes  
Councilor Rapole- Yes  
Vice Mayor Joyner- Yes  
Councilor Harris- Yes  
Mayor Partin- Yes

**Motion Passes 7-0**

Councilor Wheat makes a motion to approve the resolution for office lease space in the 200 N. Main Street building. Councilor Ellis seconds the motion.

**ROLL CALL**

|                    |     |
|--------------------|-----|
| Councilor Ellis-   | Yes |
| Councilor Daye-    | Yes |
| Councilor Wheat-   | Yes |
| Councilor Rapole-  | Yes |
| Vice Mayor Joyner- | Yes |
| Councilor Harris-  | Yes |
| Mayor Partin-      | Yes |

**Motion Passes 7-0**

Vice Mayor Joyner makes a motion to approve the resolution in support of the EDA grant for site development. Councilor Wheat seconds the motion.

**ROLL CALL**

|                    |     |
|--------------------|-----|
| Councilor Ellis-   | Yes |
| Councilor Daye-    | Yes |
| Councilor Wheat-   | Yes |
| Councilor Rapole-  | Yes |
| Vice Mayor Joyner- | Yes |
| Councilor Harris-  | Yes |
| Mayor Partin-      | Yes |

**Motion Passes 7-0**

**PRAYER AND PLEDGE OF ALLEGIANCE**

Prayer by Pastor Collier, followed by the Pledge of Allegiance to the flag of the United States by Mayor Partin.

Councilor Wheat makes a motion to adopt the consent agenda. Vice Mayor Joyner seconds the motion.

**ROLL CALL**

|                    |     |
|--------------------|-----|
| Councilor Ellis-   | Yes |
| Councilor Daye-    | Yes |
| Councilor Wheat-   | Yes |
| Councilor Rapole-  | Yes |
| Vice Mayor Joyner- | Yes |
| Councilor Harris-  | Yes |
| Mayor Partin-      | Yes |

**Motion Passes 7-0**

## COMMUNICATIONS FROM CITIZENS

### **Laura Greenwood, Ward 6**

The mayor announced the first speaker for public comment, identifying Ms. Laura Greenwood as having signed up to speak. Upon being recognized, Ms. Greenwood indicated that she was okay and did not wish to proceed with comments at that time.

### **Ed Houser, Ward 5**

The mayor called the next speaker for public comment, Mr. Ed Hauser. Upon being recognized, Mr. Hauser indicated that he did not wish to offer comments, and no statement was provided.

### **Mark Burroughs, Ward 3**

Mark Burroughs, a Ward Three resident, addressed Council during public comment, stating that he had not initially intended to speak but felt compelled to do so after hearing discussion of budget priorities. He raised concerns regarding proposed allocations of \$25,000 for a security barrier and \$4,000 for office chairs for the Commissioner of the Revenue, while noting that funding had not been identified for a new Sheriff's Office radio system. Mr. Burroughs questioned whether priorities were appropriately aligned, emphasizing that public safety needs, such as an effective radio system for the Sheriff's Department, should take precedence over administrative upgrades.

He also commented on the Treasurer's report, expressing concern about the City's aggressive approach to collections. While acknowledging the necessity of revenue collection, he urged Council to apply the same level of urgency and effort toward addressing community issues raised by residents.

Additionally, Mr. Burroughs questioned the City's policy of issuing machinery and tools tax rebates to businesses, asking whether those businesses provide offsetting contributions that are not visible to the public. He expressed concern that residents are heavily taxed while businesses receive financial relief, particularly in light of ongoing needs such as fire and EMS services, new fire stations, and training facilities. He suggested that larger local industries could contribute more toward public safety infrastructure, which, in his view, would better justify the rebates provided. Mr. Burroughs concluded his remarks as his allotted time expired.

### **Sha'rah Fuller, Ward 5**

Sha'rah Fuller, a Ward Five resident, addressed the Mayor, Vice Mayor, and members of Council, providing community updates and encouraging public engagement in upcoming events. She announced that Ward Seven will host its first Neighborhood Watch meeting on Wednesday at 6:00 p.m. at Woodlawn Baptist Church, noting that the initiative has expanded beyond the Autumn Woods neighborhood to include the entire ward. Ms. Fuller commended Councilor

Ripley for her leadership in organizing the effort and encouraged residents from across the City to attend and support community safety initiatives.

Ms. Fuller also highlighted an upcoming TRIAD meeting scheduled for Thursday at 10:00 a.m. at the VFW, explaining that while the program is geared toward supporting seniors aged 55 and older, it is open to all residents and includes broader public safety information beneficial to the entire community.

In addition, she promoted the “Hoppin’ Happenings” event at the City Point Soccer Complex, recognizing the efforts of Tabitha Martinez and the Parks and Recreation staff in restoring and maintaining the facility. Ms. Fuller emphasized the importance of community participation in City events to sustain momentum and foster unity.

She further noted increased visibility for Hopewell through social media, citing recent online highlights of local businesses such as Brew and Blossom and What the Cup, which she said are helping attract attention and visitors to the City. Ms. Fuller concluded by encouraging residents to continue supporting local events and initiatives, offering to share additional information through social media and email.

#### **Dan Hannon, Ward 5**

Dan Hannon, a Ward Five resident, addressed Council expressing concerns about the City’s tax collection practices and their impact on residents. He referenced agreement with a previous speaker regarding what he perceived as an overly aggressive approach to tax collection. Mr. Hannon shared his personal experience after moving to Hopewell in 2022, noting that his initial monthly mortgage payment was approximately \$1,250. In August 2023, he received a delinquency notice from the Treasurer’s Office, which he stated was sent directly to him rather than his mortgage company or escrow agent, despite taxes typically being paid through escrow. As a result, his mortgage increased to approximately \$1,500 per month.

He further explained that in August 2024, following an escrow reassessment involving his mortgage holder, the Virginia Housing Development Authority, his monthly payment decreased to approximately \$1,200, before rising again to about \$1,550 shortly thereafter. Mr. Hannon described these fluctuations as confusing and stressful, attributing them to inconsistencies in communication and coordination between the City and mortgage or escrow entities. He emphasized that he continues to receive delinquency notices approximately every six months due to timing issues with payments, which he believes contributes to unnecessary anxiety. Mr. Hannon concluded by urging the City to reconsider its approach to collections and improve communication to reduce the burden on residents.

Mayor Partin responded to Mr. Hannon’s comments by recommending that he schedule an appointment with the Treasurer’s Office to address the recurring issue. Mr. Hannon replied that he has already done so multiple times, stating that the issue is resolved temporarily each time but

continues to recur approximately every six months. Mayor Partin acknowledged the response and concluded the exchange.

### **Regular Business**

#### **R-1 Appointment of City Manager – City Council**

Councilor Harris makes a motion to appoint Mr. Vincent Jones to be the city manager of Hopewell and to approve his employment agreement as presented. Councilor Wheat seconds the motion.

#### **ROLL CALL**

|                    |     |
|--------------------|-----|
| Councilor Ellis-   | Yes |
| Councilor Daye-    | Yes |
| Councilor Wheat-   | Yes |
| Councilor Rapole-  | Yes |
| Vice Mayor Joyner- | Yes |
| Councilor Harris-  | Yes |
| Mayor Partin-      | Yes |

### **Motion Passes 7-0**

#### **R-2 2025 City of Hopewell Employee Survey Report – City Manager’s Office**

The meeting featured a presentation by Kara Fitzgibbon, Director of the Center for Survey Research at the University of Virginia, who shared the results of an employee survey conducted for the City of Hopewell. The survey, administered anonymously in the fall with a strong 52% response rate, aimed to assess overall employee satisfaction and explore 23 specific workplace topics to identify strengths, challenges, and priorities for improvement. Respondents represented a broad cross-section of departments, demographics, tenure, and job roles, with a fairly even gender split and a mix of newer and long-tenured employees. Overall, about two-thirds of employees reported being satisfied with the city as a workplace, though only about half said they would recommend it, and perceptions of workplace improvement over the past two years were mixed. High-performing areas included employees’ commitment to the city, customer service, opportunities for creativity, and feelings of dignity and worth, which were generally viewed positively and should be maintained. However, key areas of concern emerged, particularly pay, workplace environment (including stress and work-life balance), relationships with upper management, and performance appraisals, all of which received lower ratings. When examining importance, employees identified pay as the top priority, followed by dignity and worth, training and development, workforce quality, and communication. By combining importance with performance, the study highlighted top priorities for action: improving pay, workplace environment, and leadership relationships, while also addressing secondary concerns like communication, benefits, and training. Overall, the survey provides a valuable baseline for understanding employee experiences and offers clear guidance for leadership to focus efforts on areas that most impact satisfaction and workplace quality moving forward.

In the closing discussion, Mr. Rogers expressed appreciation for the survey results and emphasized that the next step is for the management team to carefully review the findings,

identify key lessons, and develop a strategic action plan to address areas needing improvement. This process will involve collaboration with department heads, with the intent of producing a comprehensive plan for the city manager. A follow-up discussion from Mayor Partin focused on the appropriate timeline for repeating the employee survey to measure progress. From both management and the survey team's perspective, conducting the survey every two years was recommended as a standard and effective cadence. This timeframe allows sufficient opportunity for implemented changes to take effect and produce measurable outcomes, while also respecting employees' time and willingness to provide feedback. It was noted that surveying too frequently could reduce the quality and thoughtfulness of responses, whereas waiting too long might delay identifying emerging issues. Flexibility was emphasized, suggesting that in periods of significant organizational change, extending the interval to three years may be more appropriate. Overall, the discussion reinforced the importance of using the survey as an ongoing tool for meaningful engagement, evaluation, and continuous improvement.

### **R-3 Diagnostic Bond Rating for FY24 – Jimmy Sanderson and Stacey Jordan, Deputy City Manager**

Jimmy Sanderson provided an overview of the city's financial position, debt structure, and upcoming funding considerations, focusing on key updates rather than a full presentation. He highlighted the addition of a new 2025 bond transaction of approximately \$15 million at a fixed interest rate of 4.91%, with the option to refinance in 2031 if market conditions improve. He noted that the city maintains a strong financial posture overall, including a healthy debt payout ratio exceeding 70% over ten years and more than \$34 million in debt reduction since 2015. In discussing credit ratings, Sanderson explained that the city's scorecard-based rating had slightly declined from AA2 to AA3, primarily due to external factors such as a regional reclassification by Moody's and a reported decrease in cash and cash equivalents—though he indicated that the latter may be under review with auditors and could be adjusted. He emphasized that despite the slight drop, the city's credit rating remains strong. He also walked through key rating factors such as economic conditions, financial performance, and leverage, noting that while some elements like regional economic metrics are beyond the city's control, maintaining strong reserves and fund balance is critical for financial health. Additionally, Sanderson addressed concerns about prior financial management issues, including a significant over-expenditure related to the oxygen plant, which lacked sufficient oversight. Finally, he outlined next steps for the HVAC project, explaining that anticipated state funding is no longer included in the budget, requiring the city to consider borrowing to cover approximately \$8 million. He proposed a two-part financing strategy—one short-term portion to be repaid with delayed grant funds and another long-term borrowing to replace the lost state funding—with plans to return to council in April for public hearings and final approval, including firm interest rate proposals.

**R-4 Spot Blight Abatement Plan – Anthony Beessette, City Attorney**

Anthony Bessette addressed the Council to explain the city’s first use of its newly adopted nuisance ordinance provision dealing with “spot blight,” as defined under Virginia law. He outlined the process using the example of a residential property at 3008 River Road, noting that the Department of Planning and Development—typically through the building official—initially determines whether a property qualifies as blighted based on multiple building or fire code violations. Once that determination is made, the property owner is formally notified and given 30 days to submit an abatement plan. In this case, the owner did submit a plan, and due to the extensive repairs required, additional time was negotiated beyond the original request. Bessette explained that Council action is now required in the form of an ordinance to formally approve this abatement plan. If approved, the owner will have until approximately May 15 to correct the identified issues. He further clarified that failure to meet these requirements could allow the city to pursue condemnation of the property, enabling it to take control, address the violations, and eventually transfer the property to a responsible party. He concluded by stating that staff recommends Council approve the negotiated spot blight abatement plan.

Vice Mayor Joyner makes a motion to approve the ordinance declaring the 3008 River Road blighted and approving the spotlight abatement plan. Mayor Partin seconds the motion.

In this exchange, councilor Rapole raised concerns about the structure and timeline of the proposed abatement plan, noting that most of the deadlines appeared clustered around April and May 2026 rather than being staggered in phases. Anthony Bessette clarified that the timeline was initially even more aggressive, with the property owner proposing to complete all repairs by mid-April. However, the building official determined that this was unrealistic and extended most deadlines by about a month to avoid setting the owner up for failure. Bessette explained that the tasks were not staggered because many of the required repairs are independent of one another and can be completed simultaneously by different contractors. Imposing a sequential schedule could create complications, especially given the unpredictable availability of contractors. When asked about progress monitoring, it was clarified that the deadlines are actually set for May of the current year (not a year out as initially misunderstood), making the plan relatively aggressive in scope. The councilor Rapole acknowledged the misreading of the dates, and the discussion concluded with the formal opening and closing of the required public hearing, during which no speakers came forward, allowing the Council to proceed with the motion.

**ROLL CALL**

|                    |     |
|--------------------|-----|
| Councilor Ellis-   | Yes |
| Councilor Daye-    | Yes |
| Councilor Wheat-   | Yes |
| Councilor Rapole-  | Yes |
| Vice Mayor Joyner- | Yes |
| Councilor Harris-  | Yes |

Mayor Partin- Yes

**Motion Passes 7-0**

**R-5 The Local Choice (TLC) Annual Insurance Renewal - Yaosca Smith, Director of Human Resources**

In this brief update, Ms. Smith addressed the Mayor, Vice Mayor, and Council regarding the city’s health insurance renewal. She reported that the proposed renewal reflects a significant 15.7% increase in costs for the upcoming year. She referenced a prior session in which multiple options were presented to Council for consideration and stated that, based on that discussion, staff is now recommending and seeking formal approval of “Option B” as the selected renewal plan. The Mayor then asked if there were any questions for Ms. Smith, and with none raised by Council members, the matter appeared ready to proceed toward action without further discussion.

Vice Mayor Joyner makes a motion to approve option B plans and rates as recommended by One Digital and presented. Councilor Harris seconds the motion.

**ROLL CALL**

|                    |     |
|--------------------|-----|
| Councilor Ellis-   | Yes |
| Councilor Daye-    | Yes |
| Councilor Wheat-   | Yes |
| Councilor Rapole-  | Yes |
| Vice Mayor Joyner- | Yes |
| Councilor Harris-  | Yes |
| Mayor Partin-      | Yes |

**Motion Passes 7-0**

**R-6 Budget Presentation for Attorney, City Council, Hopewell Water Renewal, Planning and Development, Healthy Families, Department of Social Services, Treasurer, Commissioner of Revenue and Economic Development – Stacey Jordan, Deputy City Manager**

Attorney: Anthony Bessette presented the City Attorney’s Office budget, emphasizing cost containment and efficiency efforts. He explained that most of the office’s budget remains largely unchanged aside from non-discretionary expenses such as salaries and employee benefits. Notably, the office is proposing a 10% reduction in discretionary spending, demonstrating a conscious effort to limit costs. While there is a slight increase requested for lodging to support attendance at professional conferences, overall expenditures are being reduced.

Bessette also provided an overview of spending on outside legal counsel, showing year-over-year costs and noting that current projections include some lingering expenses from prior years. He expressed confidence that these costs will decrease further in the next fiscal cycle as those legacy matters conclude. Additionally, he addressed the city's law library, which has historically cost about \$12,000 annually but has been significantly underutilized. In response, steps are being taken to reduce associated contract costs and relocate the library to a more accessible public location to encourage greater use.

Importantly, Bessette highlighted measurable financial benefits delivered by the City Attorney's Office, identifying at least \$411,000 in savings over the past year through cost avoidance, reduced spending, and limiting reliance on outside counsel, including savings for the Economic Development Authority. He acknowledged that many contributions of the office are difficult to quantify but stressed that these documented savings demonstrate tangible value. Council members responded positively, expressing appreciation for both the budget reduction and the office's proactive approach to saving taxpayer dollars.

City Council: Sade' Allen provided a brief update on the City Council's budget, noting that the current year's allocation is \$203,711.36. She explained that a reduction of \$7,047.06 is being proposed due to savings in health insurance costs, which would bring the revised budget total down to \$196,664.30. This adjustment reflects a decrease in expenses rather than an increase, highlighting a cost-saving measure within the Council's budget.

Hopewell Water Renewal: Matt Ellinghaus, Director of Water Renewal, presented the proposed Fiscal Year 2027 budget, covering operations, capital improvements, and the sewer collection system. He reported that the Water Renewal operating and maintenance budget is proposed at \$21.5 million, a 12% increase from the prior year. This increase is largely driven by higher labor costs, including pay and benefits adjustments, and a significant 37% rise in maintenance expenses due to catch-up work and required improvements tied to a state consent order. While energy costs are expected to remain stable and chemical costs slightly decrease due to improved efficiencies, supplies and administrative expenses are rising to support ongoing operational and maintenance needs. The city's share of the operating budget is approximately \$4.8 million, or 22.2%, with the remainder covered by industrial partners.

Ellinghaus also outlined a \$6.1 million capital improvement plan focused heavily on improving plant reliability, particularly the oxygen plant, and meeting regulatory requirements. The city's portion of capital costs is about 21%, or just under \$1.3 million. He emphasized that many of these projects are mandatory and aimed at stabilizing operations after years of deferred maintenance. In response to Council questions, he acknowledged the need for long-term planning and committed to developing a five- to ten-year capital improvement plan to better forecast and prioritize infrastructure investments, ensuring maintenance savings can eventually be redirected into capital improvements.

Security and operational upgrades were also discussed, including modernization of outdated camera systems to improve both facility security and real-time monitoring of plant operations. Additional site improvements, such as controlled access gates, have already been implemented, with further enhancements under consideration.

Regarding the sewer collection system, Ellinghaus proposed a \$10.8 million budget, a slight decrease from the current adjusted budget of approximately \$11.4 million. He explained that the reduction reflects progress in addressing prior system issues but emphasized a cautious approach to budgeting due to the potential for unexpected infrastructure failures. He reassured Council that any surplus or additional revenue would be reinvested into critical infrastructure needs, such as pump stations and system reliability improvements, while balancing staffing and project capacity constraints. Overall, the presentation highlighted a focus on stabilizing aging infrastructure, improving reliability, and implementing more strategic long-term planning.

Planning and Development: Chris Ward, representing the Development Department, presented the proposed budget for the upcoming fiscal year, emphasizing that the department is requesting level funding with no increase, maintaining a budget of approximately \$1.5 million. Despite steady growth in workload—planning applications have increased by 56% and site plans have doubled since 2020—staffing has declined significantly, leaving only two planners to handle a wide range of responsibilities, including support for multiple boards and specialized regulatory roles.

Ward's primary request is the addition of a Neighborhood Planner position to help address increasing demands, improve zoning enforcement, support neighborhood engagement, and proactively identify community issues. This role would also help the department pursue grants and reduce reliance on outside consultants. He noted that the cost of this position would be largely offset by eliminating a previously added receptionist position, adjusting enterprise zone incentives to generate some revenue, and reducing consultant expenses. He estimated the net cost of the position could be as low as \$0 to \$20,000 annually, while also potentially saving the city significant costs, particularly by enabling more in-house work on the upcoming comprehensive plan update, which could otherwise cost upwards of \$150,000.

As a secondary request, Ward introduced the idea of implementing an online permitting system to replace the current paper-based process. While acknowledging the high upfront cost (estimated at \$180,000 with ongoing annual costs), he emphasized the long-term benefits in efficiency, transparency, and customer service. However, he cautioned that the department is not yet ready for immediate implementation due to the need for internal process improvements and careful planning to avoid a problematic rollout.

Council members expressed support, particularly for the Neighborhood Planner position, recognizing its potential to improve community development efforts and generate long-term savings.

Healthy Families: Stacey Jordan provided an overview of a departmental budget on behalf of Shante Wheeler, who was unable to attend. She explained that the department's current fiscal year budget is \$957,888, and the proposed budget for the next fiscal year is approximately \$1.2 million. The increase is primarily driven by an additional \$247,257 in grant funding that the department expects to receive.

Jordan noted that these grant funds will support several enhancements, including the addition of a part-time Family Support Specialist, a part-time administrative assistant, and expanded clinical

mental health consultation services. Importantly, she emphasized that nearly all of these new costs will be covered by the grant funding, with only a minimal local impact, specifically, a request of just \$117 from the city's general funds for the upcoming year.

Department of Social Services: Wanda Williams, Director of the Hopewell Department of Social Services, delivered a detailed and passionate presentation outlining her department's critical role in public safety and community support, as well as significant budget needs. She began by emphasizing that Social Services is not only a provider of benefits like Medicaid, SNAP, TANF, and energy assistance, but also a key public safety agency responsible for protecting children and vulnerable adults, maintaining families, and stabilizing the community. She highlighted the department's extensive workload, including over 21,000 calls and more than 1,300 in-person visits in part of the fiscal year, and noted that more than 14,000 residents receive major benefits through the department. Additionally, her team manages foster care cases, adoption assistance, and protective services, all under strict state and federal mandates.

Williams underscored the financial impact of the department, explaining that while it administers services, it also brings substantial resources into the community—over \$134 million annually, including nearly \$15 million in SNAP benefits alone. She then outlined several staffing requests aimed at addressing workload demands and compliance requirements. These include absorbing CSA (Comprehensive Services Act) positions into the department to reduce the city's financial burden, hiring an assistant director, adding support staff for foster care and SNAP employment programs, expanding training capacity, and securing part-time IT and front desk support. She emphasized that many of these roles are necessary to meet federal and state mandates and to maintain service quality.

A key component of her proposal involves restructuring CSA positions so that the city would only be responsible for a 15.5% local match instead of fully funding them, potentially generating significant savings. She acknowledged the need to quantify those savings further. Williams also highlighted operational challenges, particularly with IT limitations due to state-controlled systems, which hinder efficiency and responsiveness.

Throughout the discussion, Council members expressed interest in the cost-saving potential of her restructuring proposals and the importance of maintaining improvements in CSA performance, which had previously been a major issue for the city. Williams reassured Council that the department is performing well, with no recent complaints and strong state oversight outcomes, and even noted the possibility of staff recognition at the state level for their work. She concluded by emphasizing her team's commitment to serving the community effectively despite resource constraints and reiterated the importance of investing in the department to sustain and improve service delivery.

Treasurer: Jason Yancey provided a concise overview of the Treasurer's Office operations and proposed budget adjustments. He began by outlining the structure of his office, which includes a small team responsible for collecting a wide range of revenues such as taxes, stormwater fees, and utility payments, all in coordination with other city departments and in compliance with state code. He emphasized the daily operational workload, including processing in-person, mailed, and online payments, all of which require strict daily reconciliation.

Turning to the budget, Yancey explained that he is proposing a reduction in part-time wages by about \$26,000 due to salary caps on current part-time staff. These savings would allow for the addition of a part-time delinquent tax collector position. He also proposed reallocating those funds into professional services to support expanded collection efforts, noting that as enforcement actions increase—such as DMV stops, auctions, and referrals to collection attorney associated costs also rise, even though they ultimately generate revenue for the city.

He requested modest increases for training and lodging to help staff obtain professional certifications through the Treasurer’s Association of Virginia, highlighting that most employees are relatively new and still in the certification process. Additionally, he proposed a notable increase in postage costs due to changes in stormwater billing, which will now apply to previously exempt properties, as well as a broader effort to send more notices to prevent delinquency.

Overall, Yancey’s presentation focused on improving collection efficiency, investing in staff development, and adjusting resources to reflect operational changes and increased workload, while maintaining a relatively modest overall budget impact.

Commissioner of Revenue: Amanda Kidd presented on behalf of the Commissioner of the Revenue’s Office, outlining the department’s responsibilities, priorities, and budget needs. She began by providing context on the role of the Commissioner as an elected official and the wide range of tax-related duties handled by the office, including taxpayer assistance and coordination with DMV services.

Her primary focus was on three key priorities. First and most urgent is improving office security and infrastructure. She emphasized that the current setup lacks adequate safeguards for sensitive taxpayer information and financial transactions. The office does not have proper service windows or private spaces for confidential discussions, creating both privacy and safety concerns. With the addition of DMV services and the handling of cash and cigarette tax stamps, she stressed that the need for secure facilities has become critical and has been an ongoing request for several years.

The second priority involves personnel needs, particularly the addition of a tax auditor position. Kidd explained that new responsibilities—especially enforcement related to cigarette taxes—require staff to conduct field audits, confiscate non-compliant products, and ensure businesses are properly licensed. Due to limited staffing, these duties are difficult to carry out effectively and safely, often requiring multiple staff members to leave the office. While this position would not directly generate savings, it is necessary to meet state requirements and improve compliance and enforcement.

The third priority includes general operational needs such as replacing broken office furniture, increasing funding for staff training and certifications, and covering rising costs associated with maintaining required credentials for services like DMV Select. She noted that current training budgets are insufficient and require internal reallocations to meet basic needs.

In conclusion, Kidd emphasized that these investments would improve efficiency, ensure accurate tax administration, enhance employee retention, and most importantly, provide a secure environment for both staff and taxpayers. Council members acknowledged the longstanding security concerns and indicated interest in exploring solutions to address them.

Economic Development: Charles Bennett presented a concise overview of the Economic Development Department's budget and long-term strategy, emphasizing that there are no requested increases to the operational budget for the upcoming year. He highlighted the success of the Business Retention and Expansion Specialist position funded the previous year, noting its positive impact on supporting local businesses.

Bennett focused primarily on two long-term, 10-year strategic plans aimed at positioning the city for sustainable economic growth. He stressed the importance of aligning projects with the city's Comprehensive Plan and Economic Development Strategic Plan, and of prioritizing initiatives that add the most long-term value. Among the projects discussed, he noted progress on previously funded efforts such as the Riverwalk extension to the marina, which is moving forward with strong contractor interest.

He also outlined key waterfront investment priorities, including the renovation of the marina store into a restaurant with an outdoor patio, for which designs are complete and ready for permitting. Additionally, he emphasized the importance of developing a riverfront comprehensive overlay plan, describing it as a critical strategic initiative for guiding future development along the waterfront.

While many projects are identified, Bennett acknowledged that not all can be executed at once and indicated that prioritization will be guided by Council's direction. He reiterated his role in executing Council's vision and investing resources strategically to drive economic growth and enhance the city's long-term position.

## **R-7 Fiscal Year 27 Budget –Stacey Jordan, Deputy City Manager**

Stacey Jordan presented the preliminary proposed Fiscal Year 2027 budget, noting that it will continue to be refined based on updated revenue information and further discussions with departments. She explained that the budget aims to maintain current service levels while prioritizing capital funding where possible, building reserves if excess revenue remains, and continuing implementation of the classification and compensation study across departments. Key assumptions include a 2% cost-of-living adjustment, step increases for police and fire, and adoption of the more moderate "Option B" health insurance increase at 6% rather than the originally projected 15%.

Jordan highlighted several revenue adjustments, including updated cigarette tax estimates, increased public corporation revenue, and higher fine collections, particularly from school zone enforcement. On the expenditure side, most departments reflect modest increases tied primarily to salaries, with some restructuring and cost-saving measures—such as eliminating a finance position and reallocating roles—helping offset costs. She also noted a significant savings of

approximately \$140,000 from moving CSA services under the Department of Social Services, reducing the city's financial burden.

She provided an overview of major funding allocations, including transfers to schools, social services, recreation, and capital projects, while noting that capital funding is currently limited but may increase as revenues are reassessed. Debt service is projected to decline in the near term despite new borrowing, due to delayed repayment schedules. The presentation also included, for the first time, a breakdown of constitutional officers' budgets and state reimbursements, illustrating the city's share of those costs.

Jordan concluded by outlining the next steps in the budget process, including upcoming council workshops, continued internal reviews, and community engagement through public town halls to improve transparency and understanding of the budget.

### **ADJOURNMENT**

Respectfully Submitted,

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**Johnny Partin, Mayor**

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**Sade' Allen, City Clerk**

\*\* Supporting Documents attached

**RESOLUTION APPROVING OFFICE LEASES AND LEASE AMENDMENTS FOR SPACE IN THE WILLIAMS BUILDING**

**WHEREAS**, the City of Hopewell requires adequate office space to support the operations of Public Works and Healthy Families programs;

**WHEREAS**, the City has negotiated proposed office leases and/or lease amendments for space located in the Williams Building, including Suites 200, 201, 203, 205 (Public Works), Suites 215, 220, 310, 312, and 314 (Healthy Families), and Suite 310 (Healthy Families); and

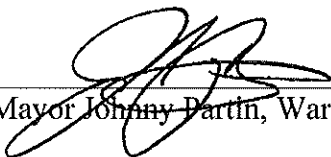
**WHEREAS**, the City Council of Hopewell, Virginia finds that entering into these leases is necessary for the continued provision of City services and is in the best interest of the City.  
NOW, THEREFORE,

**BE IT RESOLVED** by Council that the proposed office leases and lease amendments for space in the Williams Building, as described herein and in substantially the form attached hereto, are hereby approved.

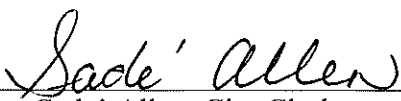
**BE IT FURTHER RESOLVED** that the City Manager is hereby authorized and directed to execute the leases and any related documents on behalf of the City, in substantially the form attached to this resolution, with such minor modifications as may be approved by the City Manager and the City Attorney as necessary and appropriate.

ADOPTED BY THE CITY COUNCIL OF HOPEWELL, VIRGINIA on March 24, 2026

Witness this signature and seal

  
\_\_\_\_\_  
Mayor Johnny Partin, Ward 3

VOTING AYE: Councilor Ellis  
Councilor Daye  
Councilor Wheat  
Councilor Rapole  
Vice Mayor Joyner  
Councilor Harris  
Mayor Partin

ATTEST:   
\_\_\_\_\_  
Sade' Allen, City Clerk



THIS AMENDMENT TO LEASE AGREEMENT, hereinafter called this "Amendment," made as of March 13, 2026 by and between CJW III, LLC, hereinafter called "Lessor", party of the first part and City of Hopewell, hereinafter called "Lessee", party of the second part,

WITNESSETH:

WHEREAS, Lessor and Lessee are the parties to a LEASE AGREEMENT made as of June 30, 2022, hereinafter called the "Agreement," and relating to a lease of certain portion of a property located in the City of Hopewell, Virginia with a street address of 224 North Main Street, Suites 200, 201, 203 and 205 (the "Leased Premises"), as more particularly described in the Agreement.

WHEREAS, Lessor and Lessee have agreed to amend the Agreement as hereinafter set forth;

AGREEMENT:

NOW, THEREFORE, for and in consideration of the agreements set forth in the Agreement, Lessor and Lessee hereby agree as follows:

1. LEASE EXTENSION.

months

Initial  
MCR

This Lease shall be extended for a term of twenty-seven (27) ~~years~~ beginning on April 1, 2026 ending on June 30, 2028.

2. RENT.

For the term of the Lease beginning on April 1, 2026 and ending on June 30, 2028, Lessee shall pay to Lessor the following:

| Beginning     | Ending        | Monthly Rent | Yearly Rent |
|---------------|---------------|--------------|-------------|
| April 1, 2026 | June 30, 2026 | PAID IN FULL |             |
| July 1, 2026  | June 30, 2027 | \$2,652.25   | \$31,827.00 |
| July 1, 2027  | June 30, 2028 | \$2,731.82   | N/A         |

Rent is paid in advance with the first installment due and payable upon the first day of July 1, 2026 and on the first day of each month thereafter.

3. EARLY TERMINATION. Notwithstanding anything contained herein to the contrary, Tenant, in its sole discretion, shall have the right to terminate this Lease as of December 31, 2027 (the "Early Termination Date"). The Early Termination Date shall be any date on or after December 31, 2027. In order to exercise this early termination right, Tenant must give Landlord written notice at least ninety (90) days before the Early Termination Date. Upon the date Tenant specifies for the Early Termination Date, Tenant shall be fully and forever

released and discharged from any and all obligations, covenants or liabilities of whatsoever kind or nature in law or equity or otherwise arising out of or in connection with this Lease or any other agreements by and between Landlord and Tenant, except any obligation or liability that expressly survives such termination.

4. CONDITION OF LEASED PREMISES. Lessee acknowledges and agrees that Lessor shall have no obligation to make or pay for any improvements to the Lease Premises in connection with this Amendment and Lessee accepts the Leased Premises in its "AS IS" condition.

5. FORCE AND EFFECT. Except as expressly modified herein, the terms and conditions of the Agreement are hereby ratified and confirmed and shall remain unchanged and in full force and effect. This Amendment may be executed in any number of counterparts, each of which shall be an original and all of which together shall constitute but one and the same instrument, and electronic signatures shall be deemed to be original signatures and of the same force and effect.

WITNESS the following signature pursuant to due authority:

LESSOR: CJW III, LLC.

By: DocuSigned by:  
C. James Williams III  
F887F8D281D040B...  
C. James Williams, Managing Member

Dated: 3/19/2026

LESSEE: City of Hopewell

By: Signed by:  
Michael C. Rogers  
AEE0CB017A8D409...

Dated: 3/26/2026

THIS AMENDMENT TO LEASE AGREEMENT, hereinafter called this "Amendment," made as of March 9, 2026 by and between CJW III, LLC, hereinafter called "Lessor", party of the first part and City of Hopewell, hereinafter called "Lessee", party of the second part,

WITNESSETH:

WHEREAS, Lessor and Lessee are the parties to a LEASE AGREEMENT made as of February 1, 2023, hereinafter called the "Agreement," an ADDENDUM TO AGREEMENT OF LEASE, made as of July 20, 2023, hereinafter called the "Addendum" and relating to a lease of certain portion of a property located in the City of Hopewell, Virginia with a street address of 224 North Main Street, Suites 207, 215, 220, 310, 312 and 314 (the "Leased Premises"), as more particularly described in the Agreement.

WHEREAS, Lessor and Lessee have agreed to amend the Agreement as hereinafter set forth;

AGREEMENT:

NOW, THEREFORE, for and in consideration of the agreements set forth in the Agreement, Lessor and Lessee hereby agree as follows:

1. LEASE EXTENSION.

This Lease shall be extended for a term of twenty-seven (27) months beginning on April 1, 2026 ending on June 30, 2028.

2. RENT.

For the term of the Lease beginning on April 1, 2026 and ending on June 30, 2028, Lessee shall pay to Lessor the following:

| Beginning     | Ending         | Monthly Rent | Yearly Rent |
|---------------|----------------|--------------|-------------|
| April 1, 2026 | March 31, 2027 | \$2,884.00   | \$34,608.00 |
| April 1, 2027 | March 31, 2028 | \$2,970.52   | \$35,646.24 |
| April 1, 2028 | June 30, 2028  | \$3,059.64   | N/A         |

Rent is paid in advance with the first installment due and payable upon the first day of April, 2026 and on the first day of each month thereafter.

3. CONDITION OF LEASED PREMISES. Lessee acknowledges and agrees that Lessor shall have no obligation to make or pay for any improvements to the Lease Premises in connection with this Amendment and Lessee accepts the Leased Premises in its "AS IS" condition.

4. EARLY TERMINATION. Notwithstanding anything contained herein to the contrary, Tenant, in its sole discretion, shall have the right to terminate this Lease as of December 31, 2027 (the "Early Termination Date"). The Early Termination Date shall be any date on or after December 31, 2027. In order to exercise this early termination right, Tenant must give Landlord written notice at least ninety (90) days before the Early Termination Date. Upon the date Tenant specifies for the Early Termination Date, Tenant shall be fully and forever released and discharged from any and all obligations, covenants or liabilities of whatsoever kind or nature in law or equity or otherwise arising out of or in connection with this Lease or any other agreements by and between Landlord and Tenant, except any obligation or liability that expressly survives such termination.

5. FORCE AND EFFECT. Except as expressly modified herein, the terms and conditions of the Agreement are hereby ratified and confirmed and shall remain unchanged and in full force and effect. This Amendment may be executed in any number of counterparts, each of which shall be an original and all of which together shall constitute but one and the same instrument, and electronic signatures shall be deemed to be original signatures and of the same force and effect.

WITNESS the following signature pursuant to due authority:

LESSOR: CJW III, LLC.

By: DocuSigned by:  
C. James Williams III  
FB87F8D2B4D8468 \_\_\_\_\_ Dated: 3/19/2026  
C. James Williams, Managing Member

LESSEE: City of Hopewell

By: Signed by:  
Michael C. Rogers  
AEE6CB017A8D409 \_\_\_\_\_ Dated: 3/26/2026

THIS LEASE AGREEMENT (this "Lease"), made as of March 13, 2026 by and between CJW III, LLC., ("Lessor"), party of the first part, and City of Hopewell, ("Lessee"), party of the second part, witnesseth:

That for and in consideration of the rents reserved, and the mutual covenants, conditions and agreements as hereinafter set forth, Lessor and Lessee hereby agree as follows:

1. LEASED PREMISES: Lessor hereby leases and demises to Lessee, and Lessee hereby rents from Lessor a portion of a building and land situated in the City of Hopewell, Virginia, designated by street address as 224 N. Main Street, Suite 301 (the "Leased Premises").

Occupancy of the Leased Premises by Lessee shall constitute its acceptance of the Premises "as-is". Lessee acknowledges that neither Lessor nor Specter Properties, Inc. ("Broker") has made any warranties or representations, oral or written, as to the use or fitness of the Leased Premises for any particular purpose. Neither Lessor nor Broker shall be responsible for obtaining any governmental approvals and permits necessary to enable Lessee to occupy or use the Leased Premises and such approvals and permits shall be the sole responsibility of Lessee. Neither Lessor nor Broker shall be responsible for obtaining any certificates of occupancy or other approvals required in connection with construction work done by Lessee or contractors engaged by Lessee.

2. TERM: This Lease shall be for a term of twenty-seven (27) months beginning on April 1, 2026 and ending on June 30, 2028, unless sooner terminated pursuant to the provisions of this Lease.

3. RENT: For the term of the Lease, beginning on April 1, 2026 and ending on June 30, 2028, Lessee shall pay to Lessor the rent amount of Ten Thousand Eight Hundred Dollars (\$10,800.00), which shall be payable in equal monthly installments of Four Hundred Dollars (\$400.00), in advance. The first installment shall be due and payable upon the first day of April 1, 2026 and on the first day of each month thereafter.

Lessee shall also pay Lessor a late charge of ten percent (10%) of any rent not paid to Lessor or Lessor's designee within five (5) business days after it is due and Lessee shall pay Lessor an additional late charge of ten percent (10%) of any rent not paid within twenty (20) business days after it is due.

Rent payments by Lessee shall be made payable to Specter Properties, Inc. and mailed to P.O. Box 2455 Chesterfield, VA 23832 or at such other place that Lessor may designate by notice to Lessee.

In the event Lessee issues a check for non-sufficient funds, Lessee will be subject to a \$50.00 service fee and will be required to make rental payments in the form of a money order or cashier's check for the duration of the lease term.

4. SECURITY DEPOSIT: NONE

5. OPTION TERM AND RENT: NONE

6. HOLDOVER: If Lessee remains in possession of the Leased Premises at the end of the term or option term, if taken, this Lease will automatically continue on a month-to-month basis at a monthly rate of the previous month's rent upon the same provisions, covenants and

conditions until terminated by thirty (30) days notice by either Lessor or Lessee. Such thirty (30) day notice by either Lessor or Lessee becomes effective on the first day of the month following written notice unless such notice is given on the first day of the month, in which case the notice becomes effective immediately.

7. DELIVERY OF POSSESSION TO LESSEE: Lessor shall deliver possession of the Leased Premises to Lessee on the date of the commencement of this Lease. If Lessor is unable to give possession of the Leased Premises on the date of commencement of the Lease term because the Leased Premises are not ready for occupancy, or because a Temporary Certificate of Occupancy has not been procured, or for any other reason, Lessor shall not be subject to any liability for such inability to give possession. In such case of Lessor unable to give possession, Lessee will not be required to pay rent until possession is granted.

8. USE AND OCCUPANCY: Lessor grants Lessee the right to use the Leased Premises for a business office. Lessee shall restrict its use to such purposes and shall not permit the Leased Premises to be used for any other purpose(s) without written consent of Lessor, which consent shall not be withheld unreasonably, conditioned or delayed. Lessee shall (A) remove all trash accumulated in connection with its use of the Leased Premises, (B) permit no nuisance in the Leased Premises which will include the grounds and parking areas, (C) keep the building on the Leased Premises free of insects and other pests, (D) not permit smoking in the building on the Leased Premises, (E) immediately provide a key to Lessor and his agent in the event Lessee rekeys or replaces the locks (F) not authorize any new wiring on the exterior of the building to include but not limited to cable, phone, etc. without prior written permission from Lessor and/or Lessor's agent. This includes any drilling, signage or other items on the exterior of the building, and (G) use the Leased Premises in a manner which complies with all laws, ordinances and regulations applicable thereto, including without limitation all laws, ordinances and regulations relating to hazardous and/or toxic materials. Lessee warrants that it will not allow hazardous and/or toxic materials on the Leased premise. Lessee shall indemnify Lessor from liability for damage and loss including any costs arising out of the presence of hazardous substances on the Leased Premises, along with reasonable attorney's fees, incurred by Lessor as a result of such action, unless the hazardous and/or toxic materials were placed on the Leased Premises by Lessor or Lessor's representatives.

9. REPAIRS AND MAINTENANCE: Lessor shall make all necessary repairs to the Leased Premises, except where the repair has been made necessary by misuse or neglect by Lessee or Lessee's agents, servants, visitors or licensors.

Lessor shall not be liable for the interruption of any of the above-mentioned Systems caused by strikes, lockouts, accidents or other causes beyond the reasonable control of Lessor, except due to the gross negligence or willful misconduct of Lessor. Any interruption of such Systems shall never be deemed an eviction or disturbance of Lessee's use and possession of the Leased Premises or any part thereof, or render Lessor liable to Lessee for damages, or relieve Lessee from performance of Lessee's obligation under this Lease, unless the interruption is the result of gross negligence or willful misconduct by Lessor. Lessor shall use its best efforts to restore the interrupted Systems within a reasonable time after interruption if the cause of interruption is subject to Lessor's control. Lessee will be responsible for its own internet, cable television and telephone services.

10. UTILITIES: The Lessor shall pay all charges or fees for use or consumption of all utilities provided to the Leased Premises, together with any tax thereon. Lessee will make reasonable efforts to control these utilities in a manner that is satisfactory to Lessor, in Lessor's sole opinion. Lessor does not furnish telephone or telephone services.

Lessee shall not install electrical circuits or equipment which will cause usage of electricity within the Leased Premises to be above normal electrical usage for allowed use of the space addressed in Item #8 above.

Lessor shall not be liable for the interruption of any of the above-mentioned utilities caused by strikes, lockouts, accidents or other causes beyond the reasonable control of Lessor, except due to the gross negligence or willful misconduct of Lessor. Any interruption of service shall never be deemed an eviction or disturbance of Lessee's use and possession of the Leased Premises or any part thereof, or render Lessor liable to Lessee for damages, or relieve Lessee from performance of Lessee's obligation under this Lease, unless the interruption is the result of gross negligence or willful misconduct by Lessor. Lessor shall use its best efforts to restore the interrupted service within a reasonable time after interruption if the cause of interruption is subject to Lessor's control. Lessee will be responsible for its own internet, cable television and telephone services.

11. TAXES: Lessor will pay all real estate taxes and assessments on the Leased Premises. Lessee will pay all personal property taxes and any other taxes assessed against its property on the Leased Premises.

12. DAMAGES TO LEASED PREMISES: If the Leased Premises or any part thereof are damaged by fire, the elements, or any other casualty, not caused by the negligence or willful act or omission of Lessee or Lessee's employees, agents or invitees and remains wholly tenantable, Lessor shall at its own expense cause such damage to be repaired and the rent shall not abate. If by any reason of such occurrence the Leased Premises shall be rendered untenable only in part, Lessor shall at its own expense cause such damage to be repaired and, until the repairs are performed, the rent shall abate proportionately as to the portion of the Leased Premises rendered untenable. If by reason of such occurrence the Leased Premises shall be rendered wholly untenable, Lessor shall at its own expense cause such damage to be repaired and, until the repairs are performed, the rent shall abate in full, provided, however, that Lessor shall have the right to be exercised by notice given to Lessee within sixty (60) days after the date of such occurrence, to elect not to repair the Leased Premises, and in such event this Lease shall be terminated as of the date of such occurrence, and the rent will be prorated as of such date. If by reason of such occurrence the Leased Premises are rendered wholly untenable for more than ninety (90) days, Lessor will have the right to terminate this Lease by giving written notice to Lessee and the rent will be prorated as of the date of such occurrence. If any such damage is caused by negligence of Lessee and/or Lessee's employees, agents or invitees, there shall be no abatement of rent or right of Lessee to terminate this lease during any reasonable period required for repairs.

13. ALTERATIONS: Lessee shall not make any alterations to the Leased Premises without the prior written consent of Lessor, which consent shall not be withheld unreasonably, conditioned or delayed with respect to non-structural alterations. If consent is given by Lessor, any alteration shall become the property of Lessor unless otherwise agreed in writing by Lessor and Lessee.

14. INDEMNIFICATION AND HOLD HARMLESS: Lessee, to the extent permitted by the law and Lessor shall indemnify and save each other harmless from and against any and all liabilities, claims and costs (including reasonable attorney's fees, penalties and fines) for death, injury or damages to persons, or property during the term of this Lease, arising from (a) any default by each in the performance of its obligations under this Lease, (b) the manner of each party's use and occupancy of the Leased Premises, or (c) any acts, omissions, or negligence of each party or its agents, employees, contractors or invitees. If any action or proceeding is brought against the other based upon any such claim, the party at fault shall cause such action to be defended, at its expense, by counsel reasonably satisfactory to the other party. This hold harmless and indemnity shall survive termination of this Lease.

15. WARRANTIES OF LESSOR: Lessor warrants and represents unto Lessee that: (a) Lessor is the owner of the Leased Premises and the person signing this Lease on behalf of Lessor is duly authorized to do so, (b) to the best of Lessor's knowledge, there are no pending proceedings or plans to change the zoning of the Leased Premises and (c) neither the Leased Premises nor any portion thereof is being condemned or taken by eminent domain and to the best of Lessor's knowledge, no such proceedings are contemplated by any lawful authority.

16. INSURANCE: At all times while this Lease is in effect, Lessor shall maintain fire and extended insurance covering the Leased Premises for its full replacement value and Lessee shall not do or permit anything to be done to the Leased Premises, or bring or keep anything therein, which will increase the rate of fire insurance. Lessee shall maintain (A) insurance covering its property for its full replacement value and (B) comprehensive general liability insurance with a combined single limit of at least \$1,000,000.00 for injury to person (including, but not limited to, death) and damage to the Leased Premises, covering Lessee and Lessor (as an additional insured) for the actions of Lessee and Lessee's employees and agents. The insurance policy required by this paragraph shall provide that Lessor shall be notified by the insurance company at least thirty (30) days before any cancellation, termination or non-renewal of the policy, and all of the policies required by this paragraph shall be endorsed to prohibit subrogation by the insurance company against Lessor or Lessee or any employee or agent of Lessor or Lessee. Lessee shall furnish Lessor with a certificate or other evidence from the insurance company confirming that any coverage required by this paragraph is in effect.

17. CONDEMNATION: If the whole of the Leased Premises, or such portion thereof as will make the Leased Premises unsuitable or untenable for Lessee's continued use, is condemned for any public use or purpose by any legally constituted authority then, such event, either Lessor or Lessee may elect to terminate this Lease effective as of the date Lessee must surrender possession of the portion of the Leased Premises that is condemned and the rent shall be prorated as of such date. Such termination shall be without prejudice to the rights of either Lessor or Lessee to recover compensation from the condemning authority for their respective loss or damage caused by such condemnation. Neither party shall have any rights in or to any

award made to the other by the condemning authority. Lessee hereby assigns to Lessor any award or payment which is payable for the fee simple value of the real estate.

18. SUBLEASE OR ASSIGNMENT BY LESSEE: Lessee may not mortgage, pledge or otherwise encumber this Lease. Lessee may not assign this Lease nor sub-let the property without the expressed written consent of Lessor being first obtained, which consent shall not be unreasonably withheld. Even if Lessor's consent is given, no subletting or assignment shall release Lessee from any present or future obligation pursuant to this Lease or alter the primary liability and obligation of Lessee to pay the rent and to perform all other obligations to be performed by Lessee hereunder.

19. SUBORDINATION OF LEASE: This Lease, and any modification of this Lease, shall be subordinate to any first lien Deed of Trust against the Leased Premises. Lessee agrees to execute any document(s) necessary to effectuate such a subordination so long as such document(s) acknowledge Lessee's right to continue in possession of the Leased Premises pursuant to this Lease so long as Lessee is not in default under the terms of this Lease.

20. SURRENDER OF PREMISES: Lessee shall peaceably surrender the Leased Premises to Lessor on the expiration date or earlier termination of this Lease, with the buildings in broom-clean condition and in as good condition (except for reasonable wear and tear) as when Lessee took possession. Before surrendering the Leased Premises, Lessee will remove its personal property from the Leased Premises and will repair any damage to the Leased Premises resulting from the installation and/or removal of such personal property. Any of Lessee's equipment and other property left on or in the Leased Premises after the expiration date or earlier termination of this Lease shall be deemed to be abandoned, and at Lessor's option, title thereto shall pass to Lessor under this Lease.

21. DEFAULT BY LESSEE: Each of the following shall constitute an Event of Default by Lessee:

(a) Failure of Lessee to pay any rent or late charge within 15 days after it is due. Lessor shall have no obligation to give Lessee notice of such default.

(b) Failure of Lessee to perform any obligation of Lessee under this Lease, other than the payment of rent or late charge, within 15 days after Lessor gives Lessee notice that Lessee has failed to perform such obligation.

(c) Lessee abandons or vacates the Leased Premises and ceases paying rent to Lessor as and when due.

(d) The filing of a petition by or against Lessee under any provision of any bankruptcy or insolvency law, or the appointment of a receiver for Lessee, or an assignment by Lessee for the benefit of one or more creditors of Lessee.

22. LESSOR'S REMEDIES: Upon the occurrence of a default by Lessee, Lessor may at its option terminate this Lease by notice to Lessee, in which event Lessor shall have the right to enter the Leased Premises and take possession thereof, and Lessor shall have the right to resort to any other remedies provided by law or equity, including but not limited to the right to distrain upon any and all property of Lessee located in or on the Leased Premises. Lessee agrees to pay all reasonable costs, including but not limited to reasonable attorney's fees, incurred by Lessor as a result of such default.

23. ENTRY BY LESSOR: Lessor and/or its agent shall have the right to enter the Leased Premises at reasonable times during Lessee's business hours for any reasonable purpose. Beginning six months before the end of this Lease, Lessor and/or his agent shall have the right to show the Leased Premises to prospective Lessees and/or Purchasers provided this is done at reasonable times and does not interfere with Lessee's use of the Leased Premises. Lessor and/or his agent may also place a "Lease or Sale" sign on the Leased Premises.

24. NOTICES: All notices, demands, requests, consents, approvals, offers, statements and other instruments or communications required or permitted to be given hereunder shall be in writing and shall be deemed to have been given when delivered by Federal Express or UPS to the following addresses:

| LESSOR:      |                               | LESSEE:      |                       |
|--------------|-------------------------------|--------------|-----------------------|
| Name:        | C. James Williams, III        | Name:        |                       |
| Company:     | CJW III, LLC                  | Company:     | City of Hopewell      |
| Address:     | 1527 Huguenot Road, Suite 201 | Address:     | 300 North Main Street |
| City/St/Zip: | Midlothian, VA 23113          | City/St/Zip: | Hopewell VA, 23860    |
| Phone:       |                               | Phone:       |                       |
| Email:       | jim@burnettwilliams.com       | Email:       |                       |

Each notice given as provided in this paragraph shall be considered to have been given on the date of delivery. Either Lessor or Lessee may change its address by notice to the other.

25. MECHANIC'S LIENS: Lessee shall not permit any mechanic's or materialmen's liens to be filed against or upon the Leased Premises for work claimed to have been done for, or materials claimed to have been furnished to Lessee. Lessee, at its sole cost and expense, including but not limited to attorney's fees incurred in connection with the discharge of a lien or the filing of any bond required by law, shall cause any such lien to be released or discharged within ten (10) days after notification of the filing thereof by Lessor.

26. SIGNS: Before installing any signs (which must comply with City or County sign ordinances), Lessee will obtain the prior consent of Lessor, which consent will not be unreasonably withheld. Lessee will remove any such signs at the end of the Lease and will repair any and all damage caused by or due to the installation, maintenance and/or removal of such signs.

27. NO AGENCY: Nothing in this Lease will be construed to constitute Lessor and Lessee as an agent of the other or to constitute Lessor and Lessee as partners or joint ventures.

28. AMENDMENT OR MODIFICATION: This Lease may not be amended, modified or terminated, nor may any obligation hereunder be waived orally, and no such amendment, modification, termination or waiver shall be effective for any purpose whatsoever unless it is in writing signed by the party against whom enforcement thereof is sought.

29. SEVERABILITY OF PROVISIONS: If any provisions of this Lease or any application thereof shall be invalid or unenforceable, the remainder of this Lease and any other application of such provision shall not be affected thereby.

30. AGENCY DISCLOSURE/COMMISSION: Kevin Y. Specter, Mark B. Specter and Specter Properties, Inc. have acted on behalf of and represented Lessor in this transaction. Lessor shall have the sole responsibility to pay all fees and commissions due to Specter Properties, Inc. with such payment to be made pursuant to an agreement that is separate from this Lease. Lessor and Lessee each covenants to the other that it has not incurred or created any other obligation to pay a commission or other amount to any broker, agent or finder in connection with this Lease and each agrees to indemnify and save the other harmless from and against any and all liability, damages and expenses incurred by the other because the indemnifying party incurred or created such an obligation to pay such a commission or other amount.

31. TRANSFER OF PROPERTY: In the event of the sale of the Leased Premises by Lessor subject to the terms and provisions of this Lease, Lessor shall thereupon be released from all liability, assuming the liability is assumed by new Lessor.

32. NON-WAIVER OF FUTURE PERFORMANCE: The failure of Lessor to insist upon strict performance of any of the covenants, conditions or agreements of this Lease, or to exercise any option herein conferred, shall not be construed as a waiver or relinquishment of the future performance of any such covenants, conditions, agreements or options, but the same shall be and remain in full force and effect.

33. BINDING EFFECT: This Lease shall be binding upon and inure to the benefit of and be enforceable by the respective successors and assigns of the parties hereto.

34. QUIET ENJOYMENT: Upon due performance of the covenants and agreements to be performed by Lessee under the terms and provisions of this Lease, Lessor covenants that Lessee shall and may at all times peaceably and quietly have, hold and enjoy the Leased Premises during the term of this Lease.

35. GENDER: Any word contained in the text of this Lease shall read as the singular or the plural and as the masculine, feminine or neutral gender as may be applicable in the particular context.

36. ENTIRE AGREEMENT: This Lease contains all of the agreements of the parties and cannot be changed unless in writing and signed on behalf of both Lessor and Lessee.

37. LAW TO BE APPLIED: This Lease shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia.

38. LEASE TERMINATION: Notwithstanding anything contained herein to the contrary, Tenant, in its sole discretion, shall have the right to terminate this Lease as of December 31, 2027 (the "Early Termination Date"). The Early Termination Date shall be any date on or after December 31, 2027. In order to exercise this early termination right, Tenant must give Landlord written notice at least ninety (90) days before the Early Termination Date.

Upon the date Tenant specifies for the Early Termination Date, Tenant shall be fully and forever released and discharged from any and all obligations, covenants or liabilities of whatsoever kind or nature in law or equity or otherwise arising out of or in connection with this Lease or any other agreements by and between Landlord and Tenant, except any obligation or liability that expressly survives such termination.

39. COUNTERPARTS AND SIGNATURES: This lease may be executed in counterparts, each of which shall be an original and all of which, when taken together, shall constitute one and the same instrument. An electronic (e-mail) signature or DocuSign on this Lease shall have the same force and effect as an original signature for the purposes of this Lease.

40. LIMITATION OF LESSOR'S LIABILITY: The obligation and liability of Lessor hereunder shall be binding only upon its interest in the property where the Leased Premises is located, and not upon any other assets of Lessor or any member of Lessor personally. Lessee agrees to look solely to the equity of Lessor in the property where the Leased Premises is located for the satisfaction of any remedies of Lessee or judgement obtained by Lessee as a result of a breach by Lessor of this Lease. Such exculpation of liability shall be absolute and without any exception whatsoever.

WITNESS the following signatures pursuant to due authority:

**LESSOR: CJW III, LLC.**

By: DocuSigned by:  
C. James Williams III  
F887F8E2B1D849B (SEAL)  
C. James Williams III, Managing Member

**LESSEE: City of Hopewell**

By: Signed by:  
Michael C. Rogers  
AEE6C8D17A8D409 (SEAL)

**RESOLUTION APPROVING OFFICE LEASE FOR THE 200 NORTH MAIN STREET BUILDING**

**WHEREAS**, the City of Hopewell requires adequate and appropriate office space to support the operations of multiple City departments to conduct the business of the City;

**WHEREAS**, The City has identified space constraints, deficiencies and accessibility barriers in several city of Hopewell “public facing” departments.

**WHEREAS**, The City is committed to providing a safe work environment that is barrier free and accessible to both employees and general public

**WHEREAS**, the City has negotiated a proposed office lease for space located at the 200 North Main Street Building to accommodate these departments; and

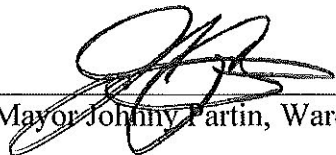
**WHEREAS**, the City Council of Hopewell, Virginia finds that entering into this lease is in the best interest of the City and necessary to ensure the continued delivery of municipal services. NOW, THEREFORE,

**BE IT RESOLVED** by Council that the office lease for space located in The 200 North Main Street Building is hereby approved.


**BE IT FURTHER RESOLVED** that the City Manager is hereby authorized and directed to execute the leases and any related documents on behalf of the City, in substantially the form attached to this resolution, with such minor modifications as may be approved by the City Manager and the City Attorney, as necessary and appropriate.

ADOPTED BY THE CITY COUNCIL OF HOPEWELL, VIRGINIA on March 24, 2026

Witness this signature and seal

  
\_\_\_\_\_  
Mayor Johnny Partin, Ward 3

VOTING AYE: Councilor Ellis  
Councilor Daye  
Councilor Wheat  
Councilor Rapole  
Vice Mayor Joyner  
Councilor Harris  
Mayor Partin

ATTEST:   
\_\_\_\_\_  
Sade' Allen, City Clerk



MAS

## 200 NORTH MAIN OFFICE BUILDING SPACE LEASE

THIS OFFICE BUILDING SPACE LEASE is made and entered into as of April 7, 2026 ("**Date of this Lease**"), by and between ELDER BUILDING, LLC a Virginia Limited Liability Company ("**Landlord**"), and City of Hopewell, Virginia, a political subdivision of the Commonwealth of Virginia ("**Tenant**").

### WITNESSETH:

Landlord hereby leases to Tenant for the term and upon the conditions and agreements hereinafter set forth, approximately 10,930 rentable square feet (9,937 gross with estimated 10% common area core factor) within 111 and 107 W. Poythress Street and the 2<sup>nd</sup> floor of 200 N. Main Street in Hopewell. These areas are more particularly shown or described on Exhibit A attached hereto and incorporated herein (the "**Premises**"), together with the non-exclusive right in common with the other tenants and occupants of the hereinafter defined "Building" to use and occupy the hereinafter defined "Common Areas." The Premises are located on the 1<sup>st</sup> and 2<sup>nd</sup> floors of the Building (the "**Building**") on the land in Hopewell, Virginia described on Exhibit B attached hereto and incorporated herein (the "**Land**"), having addresses of 200 N. Main Street, 111 and 107 W. Poythress Street, Hopewell, VA 23860. As used herein the term "**Common Areas**" shall mean and include all entrances, lobbies, corridors, stairways, stairwells, public restrooms, elevators, parking areas, loading and unloading areas, trash areas, roadways, walkways, sidewalks, driveways, and landscaped areas, located in, on, adjacent to or under the Building or the Land. Notwithstanding anything to the contrary set forth herein, Landlord and Tenant acknowledge that the square footage of the Premises and the Building set forth above are approximations and that within thirty (30) days prior to the "Commencement Date" (as hereinafter defined), an architect or engineer satisfactory to Landlord and Tenant shall, at Landlord's sole cost and expense, measure and calculate the rentable square footage of the Premises and the Building in accordance with the Building Owners and Managers Association Standard for Measurement of Office Space (ANSI/BOMA Z65.1-2017) and in the event of any discrepancy between the measured rentable square footage of the Premises or the Building and the rentable square footage of the Premises or the Building set forth above, Landlord and Tenant shall amend this Lease to incorporate the corrected square footage, the corrected amount of "Base Rent" set forth in Section 2.1 hereof and the corrected Tenant's "Proportionate Share" (as defined in Section 2.3), regardless of whether such adjustment, if any, causes an increase or a decrease in the rentable area of the Building or the Premises, the amount of the Base Rent or in Tenant's Proportionate Share.

### SECTION 1. TERM

1.1 Primary Term. The initial term of this Lease shall be for approximately fifteen (15) years commencing on the date (the "**Commencement Date**") which is the first day after the "Completion Date" (as defined in the Work Letter Agreement attached hereto as Exhibit C), and ending at 11:59 p.m. on the fifteenth anniversary of the last day of the calendar month in which the Commencement Date occurs, unless the Commencement Date is the first day of a month, in which event such date of expiration of the initial term

of this Lease shall be the day prior to the fifteenth anniversary of the Commencement Date (such term hereinafter called the "**Primary Term**"). Tenant shall have the right to enter upon the Premises prior to the Commencement Date for the purpose of moving and installing its trade fixtures, equipment and furniture; provided, however, Tenant shall obtain Landlord's consent to any such entry prior to the Completion Date, which consent shall not be unreasonably withheld. No rent shall accrue prior to the Commencement Date.

1.2 (a) Renewal Terms. Tenant shall have the right and option to extend the term of this Lease for two (2) additional terms of ten (10) years each (each such optional extended term is hereinafter called a "**Renewal Term**"). Each Renewal Term shall be on and subject to all of the same terms, covenants and conditions as herein contained; provided, however, "Base Rent" (as defined in Section 2.1 hereof) payable for a Renewal Term shall be determined pursuant to Section 1.2 (b) hereof. Tenant shall exercise the renewal options, if at all, by giving Landlord written notice of such exercise not less than one hundred twenty (120) days prior to the expiration of the Primary Term or the preceding Renewal Term, if applicable. Notwithstanding anything to the contrary set forth in this Lease, if the amount of Base Rent to be paid during the Renewal Term is determined by appraisal (and not by mutual agreement of the parties) pursuant to Section 1.2 (b) hereof, then Tenant shall have the right to revoke the exercise of its option to extend the term by delivering written notice of such revocation to Landlord within thirty (30) days after the receipt by Tenant of the written determination of the "Fair Market Rental Rate" (as defined in Section 1.2 (b) below) for the Premises. In the event of any such revocation, the term of this Lease shall end at the end of the then current Primary Term or Renewal Term, as the case may be.

(b) In the event Tenant exercises its option to extend the Term of this Lease pursuant to Section 1.2 hereof, then the annual Rent payable during the Renewal Term will be the then fair market rental rate, as determined using the definition of fair market value for the lease of real property which is defined in Section 24.14 of this Lease, (the "**Fair Market Rental Rate**") for property comparable to the Premises, leased on terms comparable to the terms of this Lease to a tenant under no compulsion to lease and not in possession of the Premises, for a term equal to such Renewal Term, and with annual percentage increases in the amount of Rent comparable to the annual increases in Rent set forth in Section 2(a) herein, as such Fair Market Rental Rate will be determined in accordance with the terms of this Section 1.2(b). During the thirty (30) day period following the delivery of Tenant's written notice exercising its option for the Renewal Term, Landlord and Tenant will attempt to agree on the Fair Market Rental Rate payable during such Renewal Term, and failing such agreement, Landlord and Tenant will attempt to agree within such thirty (30) day period on an appraiser to determine the Fair Market Rental Rate. If Landlord and Tenant are able to agree on the appraiser, then such appraiser will determine the Fair Market Rental Rate. If Landlord and Tenant are unable to agree as to the Fair Market Rental Rate or any such appraiser within such thirty (30) day period, then within 45 days after the date written notice exercising Tenant's extension option is delivered to Landlord, Landlord and Tenant will each designate a professional M.A.I. appraiser who is engaged in the business of appraising commercial rental property in the county in which the Building is located, and will notify each other of the appraiser

so selected. Within fifteen (15) days thereafter, the two appraisers so selected will select a third appraiser who is similarly qualified, and each of the three appraisers will determine the Fair Market Rental Rate of the Premises within thirty (30) days after the selection of the third appraiser. The Fair Market Rental Rate of the Premises will be determined by Landlord and Tenant, if they are able to agree thereto, by the appraiser selected by the agreement of Landlord and Tenant, if they are so able to agree as to the appraiser, or if three appraisers have been selected as above provided, then the Fair Market Rental Rate of the Premises will be the amount determined by agreement of two or more appraisers, or if two of the three appraisers do not agree, then the Fair Market Rental Rate of the Premises will be the amount determined by the appraiser whose valuation is neither the highest nor the lowest appraisal of the three appraisers. Each appraiser will notify Landlord and Tenant in writing of such appraiser's determination. Each party will bear the cost of the appraiser selected by it (unless the parties agreed as to the appraiser, in which event the cost of such appraiser will be divided equally between Landlord and Tenant) and all other costs of the appraisal (including the cost of the third appraisal) will be divided equally between Landlord and Tenant.

1.3 Definitions. The phrases "**Term**", "**term of this Lease**", "**Lease term**", or any other similar phrases used in this Lease shall be deemed to include, unless otherwise provided, the Primary Term and each of the Renewal Terms, if exercised, and any other renewals or extensions of this Lease. "**Lease Year**" shall mean the period beginning on the Commencement Date and ending on the first anniversary of the last day of the calendar month in which the Commencement Date occurs (unless the Commencement Date is the first day of a calendar month, in which event such first Lease Year shall end on the day prior to the first anniversary of the Commencement Date) and each twelve month period thereafter during the Term of this Lease.

## **SECTION 2. RENT**

2.1 Base Rent. (a) During the Primary Term, Tenant shall pay to Landlord as annual base rent for the Premises (the "**Base Rent**") the sum equal to \$240,475.00 (Two Hundred Forty Thousand Four Hundred and Seventy-Five dollars and zero cents) (which amount equals \$22.00 multiplied by the "Rentable Area" (as defined in Section 2.3 below) of the Premises); provided, however, beginning on the first day of the second Lease Year and on the first day of each Lease Year thereafter during the term of this Lease (each such date shall hereinafter be referred to as an "**Adjustment Date**"), Base Rent shall be adjusted to an amount equal to 103% of the annual Base Rent amount payable immediately preceding such Adjustment Date.

(b) Base Rent is payable in equal monthly installments (which shall be 1/12 of Base Rent, \$20,039.62), in advance beginning on the Commencement Date and thereafter on the first day of each calendar month during the term of this Lease. Base Rent shall be prorated for any partial calendar month at the beginning or the end of the Term. Such installments shall be paid, without demand or deduction, at Landlord's address set forth in Section 20, or at such other address as Landlord may designate.

(c) Landlord shall provide to Tenant Landlord's IRS Form W-9 certifying as to Landlord's Taxpayer Identification Number (TIN) and notwithstanding anything to the contrary set forth herein, Tenant shall not be required to deliver to Landlord the first payment of Rent until the later of the Commencement Date or the tenth business day after the date Landlord delivers to Tenant such Form W-9

2.2 Reimbursement of Operating Expenses. (a) For each calendar year or part thereof during the Term, Tenant shall reimburse Landlord for the "Operating Expenses" (as defined in Section 2.3 below) for such calendar year.

(b) Tenant shall reimburse and pay to Landlord the Operating Expenses in monthly installments beginning on the date of the first payment of Base Rent, and thereafter on the first day of each month, in such amounts as are estimated by Landlord and approved by Tenant, which approval shall not be unreasonably withheld, but after the first full calendar year of the Lease term said monthly installment shall not exceed 1/12 of the Operating Expenses for the preceding calendar year. Tenant's Operating Expense payment shall be prorated for any partial month at the beginning or end of the Term. In the event any element of Operating Expenses is incurred or paid by Landlord in connection with the Building and other buildings, Tenant's obligation as to such element of Operating Expenses shall be limited to Tenant's "Proportionate Share" of such element of Operating Expenses, which is defined as a fraction, the numerator of which equals the Rentable Area of the Premises and the denominator of which equals the Rentable Area of the Premises plus the Rentable Area of the Building and of all other buildings on which such element of Operating Expenses is incurred or paid.

(c) Within 90 days after the end of each calendar year during the term hereof, Landlord shall furnish Tenant with a statement (the "Annual Statement") which shall show (i) the Operating Expenses incurred during the preceding calendar year, (ii) the total estimated payments made by Tenant during such calendar year and (iii) the balance due from Tenant or to be credited to Tenant, as applicable.

(d) If the actual amount of Operating Expenses as shown on Landlord's Annual Statement (i) exceeds the amount previously paid by Tenant for such calendar year, Tenant shall pay Landlord the amount shown as due thereon, which payment shall be due within thirty (30) days of Tenant's receipt of the Annual Statement, or (ii) is less than the amount previously paid by Tenant, Tenant shall be credited the amount of such excess against the next succeeding monthly payment(s) of Base Rent and Tenant's estimated Operating Expenses for the then current calendar year (or, if such excess relates to the period during which the term of this Lease expires, such excess shall be refunded in cash to Tenant within thirty (30) days of Tenant's receipt of the Annual Statement).

(e) Within one year after such Annual Statement is received, Tenant may send a written notice to Landlord objecting to such Annual Statement and specifying the respects in which such statement is claimed to be incorrect. If the issues raised by such notice are not amicably settled between Landlord and Tenant within thirty (30) days after such written notice is sent, either party may refer the decision of the issues raised by such

notice to a nationally recognized firm of certified public accountants selected by such party, and reasonably acceptable to the other, and the decision of such accountants shall be conclusively binding upon the parties. The fees and expenses involved in such decision shall be borne by the unsuccessful party (and if both parties are partially unsuccessful, the accountants shall apportion the fees and expenses between the parties based upon the degree of success of each party).

(f) Landlord shall keep and make available to Tenant for a period of seven (7) years after its Annual Statement is rendered as provided in this Section, records of its expenditures for Operating Expenses and reasonable details of the matters included in the Annual Statement for the period covered by such statement and shall permit Tenant and Tenant's accountants to examine and audit such of its records as may be reasonably required to verify such statements, at reasonable times during business hours.

(g) An appropriate proration of Operating Expenses shall be made with respect to any partial year during which this Lease commences or expires. Tenant's obligations hereunder shall survive the expiration or earlier termination of this Lease.

(h) Landlord reserves the right to adopt a fiscal year for purposes of this Section, in which case the foregoing references to calendar year shall be modified to conform to Landlord's fiscal year.

2.3 Definitions. In addition to the terms defined elsewhere in this Lease, the following terms shall have the following meanings:

(a) "**Operating Expenses**" shall mean and include (i) all real estate taxes and assessments with respect to the Land, the Building and the Common Areas paid by Landlord pursuant to Section 3.1 hereof, (ii) premiums for all insurance maintained by Landlord pursuant to Section 8.1(b) hereof, (iii) the cost of all maintenance and repairs paid by Landlord pursuant to Section 5 hereof, (iv) any owners' association or similar assessments or fees charged in connection with respect to the Land, the Building and the Common Areas and paid by Landlord pursuant to Section 3.2 hereof; and (v) all other expenses, costs and disbursements of every kind and nature which Landlord shall pay or become obligated to pay in respect to or in connection with the operation and maintenance of the Building and the Common Areas, and which are usually considered "operating expenses" in accordance with generally accepted accounting practices, consistently applied. Notwithstanding the foregoing, such expenses shall not include (A) depreciation, interest and principal payments of mortgages and other debt costs, if any; (B) federal, state and city income, excess profit, gift, estate, succession, inheritance, franchise and transfer taxes, and any other taxes relating to the operation of Landlord's business but not the Building or Land; (C) expenses for capital improvements made to the Building or Common Areas except any capital improvement which results in savings of labor or other costs to the extent of the lesser of the cost of such capital improvement amortized over its useful life or the annual cost savings resulting from such capital improvement; (D) costs and expenses incurred in correcting defects in the construction of the Building and other improvements on the Land; (E) the cost of repairing or restoring any portion of the Building damaged by fire or other casualty; (F) the cost of repairs,

alterations or replacements required as the result of any taking or condemnation of the Land or Building for public or quasi-public use or purpose by any governmental or quasi-governmental authority, or as the result of any conveyance in lieu of being taken or condemned; (G) any cost or expenditure or any portion thereof for which Landlord has been reimbursed or is entitled to reimbursement, whether by insurance proceeds or otherwise; (H) management fees in excess of three percent (3%) of Landlord's annual rental income from the Building; (I) any payments for services made to entities affiliated with or related to Landlord to the extent that such payments exceed fair market value for such services; (J) any costs or fees incurred in connection with the acquisition and development of the Land and Building, including but not limited to, any exactions or assessments by governmental authorities (i.e., impact fees); (K) employee costs and expenses of Landlord, except those incurred for the direct operation and maintenance of the Land, Common Areas and Building; (L) overhead and administrative costs of Landlord; and (M) and any costs or expenses which are not usually considered building "operating expenses" in accordance with generally accepted accounting practices, consistently applied.

(b) "**Rent**" shall mean Base Rent, plus all sums due and payable by Tenant in respect to the Operating Expenses.

(c) "**Rentable Area**" shall be calculated in accordance with in accordance with the Building Owners and Managers Association Standard for Measurement of Office Space (ANSI/BOMA Z65.1-2017)

### **SECTION 3. REAL ESTATE TAXES.**

Landlord shall pay and discharge prior to their delinquency, at its sole cost and expense, all real estate taxes and assessments for public improvements, now or hereinafter assessed or levied against the Land and the Building during the term of this Lease, and all penalties and interest thereon.

### **SECTION 4. USE OF PREMISES**

4.1 Use. The Premises may be used, occupied and sublet by Tenant for administrative or office uses and any use incidental to or in connection with such use, and for any other uses permitted by applicable zoning regulations.

4.2 Compliance with Legal Requirements. In its use and occupancy of the Premises, Tenant shall comply with all applicable laws and other governmental rules, regulations and orders.

4.3 Hazardous Acts. Tenant shall not do or permit to occur within the Premises any act which will increase premiums for any casualty, fire, liability or other insurance maintained by Landlord on the Building or which shall render such insurance void or voidable, excepting however any activities which are usually and customarily anticipated in connection with the uses of the Premises permitted under Section 4.1 hereof.

## **SECTION 5. MAINTENANCE AND REPAIRS**

Landlord shall at its sole cost and expense maintain in good repair and condition all of the Building (except the interior of Premises) and the Common Areas, including without limiting the generality of the foregoing, all of the doors and the windows of the Premises, all other doors of the Building, the roof, walls, floors, foundations and other components of the Building and all mechanical (heating, air conditioning, plumbing, electrical) elements and components of the Building located outside the Premises; and Landlord shall keep all of the foregoing clean and free of all refuse and rubbish, dust and dirt and otherwise in slightly first class condition and appearance. Landlord shall make all repairs and replacements, whether foreseen or unforeseen, ordinary or extraordinary, and do such other things as may be required to maintain the Common Areas and the Building in the condition specified in the preceding two sentences, and all of the foregoing shall be performed in a good and workman-like manner. Tenant shall take good care of the interior of the Premises and subject to the provisions of Section 9.2, shall promptly repair, in a good and workmanlike manner, any damage to the Premises or other part of the Building caused by any breach of this covenant or by any willful or negligent act or omission of Tenant, or of any employee, agent of Tenant, or failing to do so, Tenant shall reimburse Landlord for the cost of all such repairs. Notwithstanding the foregoing, and except with regard to any capital improvement which results in savings of labor or other costs as described in Section 2.3(c) hereof, Tenant shall not be responsible for any repairs or replacements of any part of the Premises, including, but not limited to, the heating, air conditioning, plumbing, or electrical components thereof, which is Landlord's responsibility pursuant to the Work Letter Agreement. Tenant will not permit undue accumulations of garbage, trash, rubbish or other refuse within the Premises, and will keep all refuse in proper containers on the interior of the Premises until disposal of such refuse.

## **SECTION 6. ALTERATIONS**

6.1 Alterations. Tenant may make alterations or improvements to the Premises without the prior consent of Landlord; provided, however, except as otherwise permitted herein or in the Work Letter Agreement, Tenant shall not make any alterations or modifications to any **historic** or structural components of the Building or to any mechanical components of the Building that service other portions of the Building, without the prior consent of Landlord, which consent shall not be unreasonably withheld or delayed. All such alterations and improvements shall be performed in a good and workman-like manner and in compliance with all applicable rules and regulations. At its sole expense Tenant shall repair any damage to the Building or the Premises resulting from the removal from the Premises of any of Tenant's property or of any such alterations and improvements. In the case that Tenant removes any such alterations or improvements, it shall restore the Premises to substantially its condition prior to the time such alterations and improvements were made, unless Tenant makes further alterations or improvements in accordance with this Section 6.1. All alterations and improvements made by Tenant that remain in the Premises at the expiration of this Lease shall become the property of Landlord.

6.2 Personal Property. Tenant may, without Landlord's consent, install temporary partitions, shelves, bins, equipment, trade fixtures and other personal property in the Premises. These items shall remain Tenant's property and may be removed by Tenant prior to the expiration or earlier termination of this Lease. Tenant shall repair any damage to the Premises caused by such removal.

6.3 Liens. Tenant shall discharge, bond over, or otherwise satisfy any mechanics or materialmen's lien which has been filed against the Premises or the Building arising out of work done for, or materials furnished to Tenant, its contractors or subcontractors within sixty (60) days following the date Landlord gives Tenant notice that the lien has been filed, or if Tenant is contesting any such lien or the claims on which it is based, Tenant shall have provided Landlord assurances against loss or damage reasonably satisfactory to Landlord.

## **SECTION 7. RESERVED.**

## **SECTION 8. INSURANCE**

8.1 Insurance. (a) Throughout the Term, Tenant, at its sole cost and expense, shall provide and keep in force (i) comprehensive general, public liability and property damage insurance in respect to this Lease and the Premises in the following amounts for any one accident or occurrence: property damage not less than \$300,000 and personal injury or death not less than \$1,000,000; and (ii) casualty insurance insuring Tenant against loss or damage to its equipment and other personal property in the Premises by fire and all other casualties usually covered under an fire and extended coverage policy of casualty insurance. The liability policy described in clause (i) above shall name Landlord as an additional insured.

(b) Throughout the Term, Landlord, at its sole cost and expense, shall provide and keep in force broad form fire and extended coverage casualty insurance on the Building, the Common Areas and the Premises (including all "Tenant Improvements" as defined in Section 12 hereof), insuring against loss by fire, windstorm, sprinkler leakage, flood, earthquake, water damage and all of the risks and perils usually covered by a so-called "all risk" of physical loss endorsement to a policy of fire insurance, including, but not limited to, vandalism, malicious mischief and boiler, pressure vessel and machinery coverage, in an amount equal to not less than 100% of the full replacement value, without co-insurance. Such insurance shall name Tenant as an additional insured.

(c) Every policy required by this Section 8 shall contain an agreement by the insurer that it will not cancel such policy except after not less than thirty (30) days' prior written notice to Landlord and Tenant and that any loss otherwise payable thereunder shall be payable notwithstanding any act or negligence of Landlord or Tenant which might, absent such agreement, result in a forfeiture of all or a part of such insurance payment.

(d) At the commencement of the term of this Lease, Landlord and Tenant shall each deliver to the other certificates of the insurance required to be maintained hereunder. Landlord and Tenant also shall deliver to each other not more than thirty (30) days after the

expiration date of such policy or policies (or of any renewal policy or policies), certificates for renewal policies of such insurance.

(e) In lieu of carrying any policy of insurance required to be carried by Tenant under this Lease, Tenant shall have the option, either alone or in conjunction with Tenant's ultimate parent corporation, or any subsidiaries or affiliates of Tenant or of Tenant's ultimate parent corporation, to maintain self-insurance and/or provide or maintain any insurance required by this Lease under blanket insurance policies maintained by Tenant, Tenant's ultimate parent corporation or such subsidiaries or affiliates, or provide or maintain insurance through such alternative risk management programs as Tenant, Tenant's ultimate parent corporation or such subsidiaries or affiliates may provide or participate in from time to time.

## **SECTION 9. FIRE AND OTHER CASUALTY**

If the Building or the Premises shall be damaged by fire or other casualty and (i) the Premises are thereby rendered wholly unsuitable for its intended use, or (ii) the cost of repair or restoration as estimated by a contractor, architect or other construction consultant selected by Landlord and Tenant, exceeds 50% of the full replacement cost of the Building and/or the Premises (whichever is applicable); then in either such event either party may terminate this Lease. In addition, if the contractor, engineer or other construction consultant estimates that the required repair or restoration work cannot be completed within 180 days of the occurrence of such damage, then either Landlord or Tenant may terminate this Lease. If either party is entitled to terminate this Lease and desires to do so, it shall give the other party written notice of termination within thirty (30) days of the occurrence of such damage, and upon the giving of such notice, this Lease shall terminate as of the date of the casualty, and any prepaid Rent shall be refunded to Tenant. If the Premises shall be damaged by any casualty as described in the first sentence of this Section 9.1, but are rendered only partially untenable, Landlord shall promptly repair the same at its expenses, and the Rent shall proportionately abate during the period of such partial untenability.

## **SECTION 10. EMINENT DOMAIN**

If the Building, the Common Areas, the Premises or a material part of any of them shall be taken by any authorized entity by eminent domain or by negotiated purchase under threat thereof, and as a consequence thereof the Premises shall become totally untenable or the use of the Common Areas or access to the Building is impaired, then this Lease shall terminate as of the earlier of the date when title or possession thereof is acquired or taken by the condemning authority and all rights of Tenant in this Lease shall immediately cease and terminate. If a part of the Building or the Common Areas or a portion of the Premises shall be so taken or purchased so that the Premises becomes only partially untenable or the suitability and use of or access to the Premises or the Common Areas are slightly impaired, Rent shall be equitably and proportionately abated. All compensation awarded for any taking (or the proceeds of negotiated sale under threat thereof) whether for the whole or a part of the Building or the Premises, shall be the property of Landlord, whether such proceeds or award are compensation for loss or damage to Landlord's or Tenant's property or their respective interests in the Premises, except that the

portion of such compensation which is allocable to leasehold or other tenant improvements made at Tenant's cost and expense shall be the property of Tenant. If less than all of the Premises, Building or the Common Areas shall be taken as aforesaid and this Lease does not terminate, Landlord, at its sole cost and expense, shall promptly restore the Premises, Building or the Common Areas, as the case may be, to such condition which is nearly as possible the same as prior to such taking.

#### **SECTION 11. UTILITIES AND JANITORIAL**

Tenant shall pay and be responsible for all separately metered utilities consumed within the Premises, all costs of telephone installations and service. Tenant shall be responsible for its proportionate of any utilities not separately metered but used by the Tenant. Tenant shall be responsible for all janitorial service within the Premises.

#### **SECTION 12. TENANT IMPROVEMENTS**

Landlord shall provide Tenant with a turn-key space (the "Tenant Improvements") based on the layout and description in the Work Letter Agreement (the "Work Letter Agreement") between Landlord and Tenant, attached hereto as Exhibit C. The Work Letter Agreement is incorporated herein and the obligations of Landlord thereunder shall be obligations of Landlord under this Lease.

#### **SECTION 13. DEFAULTS AND REMEDIES**

13.1 Tenant's Default. (a) The following acts and occurrences shall constitute an event of default by Tenant under this Lease: (i) Tenant defaults in payment of any installment of Rent or other sum payable by Tenant hereunder and fails to cure such default within ten (10) days after notice thereof; (ii) Tenant fails to observe or perform any other provision of this Lease on Tenant's part to be performed and such failure continues for thirty (30) days after notice to Tenant of such failure unless such failure by its nature cannot be completely cured within such thirty (30) day period, in which event Tenant shall not be in default unless Tenant fails to commence to cure such failure within such thirty (30) day period and diligently prosecute such cure to completion; (iii) if Tenant shall file a petition in bankruptcy or for reorganization or for an arrangement pursuant to any federal or state bankruptcy law or any similar federal or state law, or shall be adjudicated a bankrupt or shall make an assignment for the benefit of creditors or shall admit in writing its inability to pay its debts generally as they become due, or if a petition or answer proposing the adjudication of Tenant as a bankrupt or its reorganization pursuant to any federal or state bankruptcy law or any similar federal or state law shall be filed in any court and Tenant shall consent to or acquiesce in the filing thereof or such petition or answer shall not be discharged or denied within 60 days after the occurrence of any of the foregoing; or (iv) if a receiver, trustee or liquidator of Tenant or of all or substantially all of the assets of Tenant or of the Premises or Tenant's leasehold interest therein shall be appointed in any proceeding brought by Tenant, or if any such receiver, trustee or liquidator shall be appointed in any proceeding brought against Tenant and shall not be discharged within 60 days after such appointment, or if Tenant shall consent to or acquiesce in such appointment.

(b) If an uncured event of default by Tenant, as defined above occurs, Landlord may terminate this Lease by giving not less than thirty (30) days prior written notice to Tenant and Tenant will vacate the leased premises promptly. In the alternative, if Landlord chooses not to terminate this Lease then Landlord can provide Tenant with a Notice of Default and choose not to terminate this Lease and thereafter may pursue an action against Tenant in a court of competent jurisdiction for a claim for damages caused by the breach of this Lease and may pursue any and all remedies allowed by law.

13.2 Cure of Defaults. If Tenant shall fail to make any payment or perform any act required to be made or performed under this Lease, Landlord, without waiving or releasing any obligation or default, may (but shall be under no obligation to), at any time, and upon not less than thirty (30) days prior written notice to Tenant, make the payment or perform the act for the account of and at the expense of Tenant, and may enter upon the Premises for that purpose and take all actions as may be necessary to correct Tenant's breach. No such entry shall be deemed an eviction of Tenant.

13.3 Landlord's Default. In the event Landlord is in default under the terms of this Lease or its obligations under the Work Letter Agreement, then in any such event, Tenant may provide written notice of such default to Landlord pursuant to this Section 13.3. Upon the expiration of thirty (30) days following the giving of such notice, if Landlord (i) has failed to cure such default or (ii) in the case of a default (other than the payment of money) which by its nature cannot be completely cured within such thirty (30) day period, Landlord does not within such period commence to cure the default, and diligently pursue and complete the cure in a reasonable period of time, then in either such event Tenant may do all things necessary or desirable to remedy such default and perform the obligations of Landlord which have not been fully or properly performed. Landlord shall immediately upon demand reimburse Tenant for all costs and expenses incurred, in addition, if Landlord fails to make such payment within thirty (30) days of Tenant's written demand, Tenant may set off the amount of all costs and expenses incurred by Tenant in connection with the foregoing against Rent coming due under this Lease.

#### **SECTION 14. ASSIGNMENT AND SUBLETTING**

Tenant shall have the right to sublet all or any portion of the Premises without the prior written consent of Landlord; provided that each such sublease shall be subject and subordinate to this Lease and Tenant shall remain liable for the performance of all of its covenants and agreements under this Lease. Tenant shall not assign this Lease in whole or in part without the consent of Landlord, which consent shall not be unreasonably withheld. No such assignment without the consent of Landlord, shall be effective unless each such assignee by written instrument or operation of law assumes and becomes bound to perform and observe all of the covenants and agreements of Tenant under this Lease arising from and after the date of such assignment, provided that Tenant shall not be released of liability for the payment of rent and for the performance and observance of the other covenants and agreements of Tenant under the Lease after the effective time of such assignment.

## **SECTION 15. SUBORDINATION TO MORTGAGES**

This Lease shall be senior to and shall at all times have priority over all liens and encumbrances, now existing or hereafter affecting the Building or the Land. In the event the Building or the Land are or shall hereafter be subject to the lien of a mortgage or deed of trust (the "**Mortgage**"), and the holder of such mortgage requires that this Lease be subordinated to the lien of such Mortgage, Tenant agrees to subordinate its interest under this Lease to such Mortgage; provided that the holder of such mortgage shall execute and deliver to Tenant a nondisturbance and attornment agreement in substantially the form attached hereto as Exhibit D. Landlord shall deliver to Tenant a subordination, nondisturbance and attornment agreement in accordance with the terms of the preceding sentence and in substantially the form attached hereto as Exhibit D, with respect to each Mortgage which now constitutes a lien against the Land and/or Building. If Landlord refinances the Land, the Building and/or the Premises and the lender requires that this Lease be subordinated to the lien of such Mortgage, then Landlord shall reimburse Tenant for all reasonable attorneys' fees incurred by Tenant in connection with the review, negotiation and execution of any subordination, nondisturbance and attornment agreement requested in connection with such refinancing.

## **SECTION 16. ENTRY**

At all reasonable times, Landlord may enter the Premises to show it to prospective purchasers, mortgagees and tenants and for the purpose of inspection, or making any repairs or performing any maintenance which Landlord is required or permitted to make hereunder; provided that Landlord shall provide Tenant not less than 48 hour prior written notice except in the event of an emergency, in which event Landlord shall provide Tenant with such notice as is reasonable under the circumstances.

## **SECTION 17. END OF TERM**

17.1 Surrender of Premises. At the expiration of the term of this Lease, Tenant shall surrender the Premises to Landlord in as good order, condition and repair as at the Commencement Date, reasonable wear and tear and damage by fire and extended coverage perils and other causes beyond the reasonable control of Tenant, excepted. Tenant shall have the right prior to said termination to remove any equipment, furniture, trade fixtures or other personal property placed in the Premises by Tenant, provided that Tenant promptly repairs any damage to the Premises caused by such removal prior to the expiration date of the Term.

17.2 Holding Over. Any holding over beyond the expiration of the term of this Lease shall operate as an extension of this Lease from month to month on the same terms and conditions as provided in this Lease except that the monthly Base Rent payment shall be 125% of the monthly Base Rent installment due and payable hereunder for the last full month of the Term.

## **SECTION 18. TENANT'S CERTIFICATE**

At any time and from time to time, Tenant, on or before the date specified in a written request therefor, made by Landlord, which date shall not be earlier than thirty (30) days from the making of such request, shall execute, acknowledge and deliver to Landlord a certificate evidencing whether or not: (a) this Lease is in full force and effect; (b) this Lease has been amended in any way; (c) there are any existing defaults hereunder to the knowledge of Tenant and specifying the nature of such defaults if any; (d) the amount of Base Rent and the date to which Base Rent has been paid; and (e) improvements to the Premises or allowances for such improvements required of Landlord have been made or paid and accepted by Tenant. Each certificate delivered pursuant to this Section may be relied on by any prospective purchaser or transferee or the holder or prospective holder of any mortgage or deed of trust on the Premises or on Landlord's interest hereunder. Landlord shall reimburse Tenant for all reasonable attorneys' fees and costs incurred by Tenant in connection with the review, negotiation and execution of any such certificates.

## **SECTION 19. QUIET ENJOYMENT AND REPRESENTATIONS**

19.1. Quiet Enjoyment. So long as Tenant pays the Rent and additional rent and performs Tenant's covenants, Tenant shall peacefully and quietly hold the Premises throughout the Term free from any hindrance or molestation by Landlord or any other person or entity whatsoever.

19.2. Landlord Representations. Landlord hereby represents and warrants to Tenant, as of the Date of this Lease and as of the Commencement Date, as follows:

(a) Landlord is in sole possession of the Premises and there are no leases affecting all or any part of the Premises.

(b) There are no pending, nor to the knowledge of Landlord, any threatened actions, suits or proceedings against or affecting Landlord, the Land, the Building or the Premises or any portion thereof, or relating to or arising out of the ownership, leasing, operation, management, use or maintenance of the Land, the Building or the Premises.

(c) There are no attachments, executions, assignments for the benefit of creditors, or voluntary or involuntary proceedings in bankruptcy or under any other debtor relief laws pending or, to the knowledge of Landlord, contemplated or threatened against Landlord, the Land, the Building or the Premises.

(d) To the best of Landlord's knowledge, there are no condemnation proceedings affecting the Land, the Building or the Premises or which are currently threatened or pending.

(e) The existing water, sewer, gas and electricity lines, storm sewers and other utility systems on or in the Premises are adequate to serve the utility needs of the Premises and all of such utilities are installed and operating.

(f) The Building, the Premises and all other improvements located on the Land comply with and do not violate any existing fire, health, building, life safety, handicapped

persons, environmental, zoning, subdivision or other laws, ordinances, codes, orders, regulations or requirements affecting all or any portion of the Premises and no notice of any such violation has been issued by any governmental or public authority having jurisdiction.

(g) There has not been and there is not now any actual or threatened settlement, earth movement, roof leakage, leakage or seepage in any basement, foundation or walls, termite infestation or damage affecting the Building or the Premises and the mechanical, structural, electrical, plumbing, sewer, heating, air conditioning and sprinkler systems and components servicing the Premises are in good operating condition and repair and free of material defects.

(h) The use of the Premises for the purposes set forth in Section 4.1 hereof are not prohibited by any zoning, subdivision and other laws, ordinances, codes, orders, regulations or requirements affecting the Premises or by any covenants or restrictions on use recorded in the land records of the county in which the Building is located.

(i) Landlord is the sole owner of the Land and the Building and has good, record and marketable, indefeasible, fee simple title to the Land and the Building, free and clear of all defects, security interests, liens, encumbrances, easements, covenants, restrictions, reservations or any other matters whatsoever, except for the following: (i) utility and drainage easements of record which will not materially impair the use of the Premises for the purposes permitted in Section 4 hereof; (ii) zoning and building laws, ordinances, resolutions and regulations; and (iii) ad valorem real estate taxes not yet due and payable.

**SECTION 20. NOTICES**

Any notice required or permitted to be given to a party under the provisions of this Lease shall be in writing and shall be deemed given if delivered in person or sent by Federal Express or by other nationally-recognized overnight air courier, or mailed by certified or registered United States mail, postage prepaid, return receipt requested, addressed as follows:

If to Landlord, to it at  
Elder Building, LLC  
13281 Rivers Bend Boulevard, Suite 201  
Chester, VA 23836  
Attention: George Emerson

If to Tenant, to it at  
City of Hopewell  
Attn: Charles Bennett  
300 N. Main Street, Suite 214  
Hopewell, VA 23860

with a copy to:  
Hopewell City Attorney's Office  
300 N. Main Street, Suite 219  
Hopewell, VA 23860

or to such other address as either party may designate by notice to the other party hereto. A notice or other communication shall be deemed to be duly delivered and received if sent by hand or express service, when left at the address of the recipient, and if sent by certified or registered United States mail, on the fifth day after deposited in the United States mail, postage prepaid; provided that if a notice or other communication is served by hand or express service on a day that is not a business day, or after 5:00 p.m. on any business day at the addressee's location, such notice or communication shall be deemed to be duly delivered to and received by the recipient at 9:00 a.m. on the first business day thereafter. Landlord acknowledges and agrees that any notice sent to Tenant by Landlord (including but not limited to notices of rent increases, Operating Expenses reconciliations, Annual Statements, notices of non-performance or default, or notices regarding subordination agreements or estoppels) must clearly and prominently identify Tenant and the Premises by Tenant's correct name and the correct and complete address of the Premise, including suite or unit number. Landlord will not be deemed to have effectively delivered any notice to Tenant that does not include all of the foregoing correct information. In particular, without limiting the generality of the previous sentence, Tenant will not incur any obligation or liability for late fees, penalties or default remedies unless the applicable notice from Landlord includes the correct and complete information described in this paragraph.

## **SECTION 21. ENVIRONMENTAL MATTERS**

21.1 Hazardous Substances/Waste The Premises are located in an older building that may contain asbestos-containing materials ("ACM") and lead-based paint. Landlord has had the property surveyed for ACM's and had those materials abated by a qualified professional including clearance testing/inspection done following that abatement. All abatement activities were performed in strict compliance with applicable federal and state regulations governing asbestos handling and disposal. There is however the potential for asbestos to remain, especially where black tile mastic was abated from concrete and wood floors or within existing walls/ceilings. Landlord hereby discloses the possible presence of such materials, and Tenant acknowledges receipt of this disclosure. Tenant agrees not to disturb, cut, drill, sand, or otherwise impact any building materials that may contain asbestos or lead-based paint and shall use reasonable care in its operations to avoid creating conditions that could release hazardous materials. Tenant shall promptly notify Landlord of any suspected damage, deterioration, or disturbance of such materials. Landlord shall be responsible for any required testing, remediation, or abatement of ACM or lead-based paint unless such condition is caused by Tenant's negligence or unauthorized activities, in which case Tenant shall be responsible for all associated costs. Tenant agrees to comply with all applicable laws, regulations, and guidance relating to asbestos and lead-based paint.

## **SECTION 22. COMMISSIONS**

Landlord shall pay and hold Tenant harmless from all claims and liabilities for any and all commissions and fees in connection with this Lease. Tenant represents that it has neither engaged nor employed any broker in connection with this Lease.

## **SECTION 23. EXCUSABLE DELAY**

Neither Landlord nor Tenant shall be considered in default in any of its obligations to be performed hereunder if delay in the performance of such obligation is due to unforeseeable causes beyond its control and without its fault or negligence, including but not limited to acts of God or of a public enemy, acts of the Federal government or of the government of any subdivision of the State in which the Premises is located, acts or delays of the other party, fires, or other casualty occurring at the Premises, weather, freight embargoes, unavailability of materials, strikes or delays of contractors, subcontractors or materialmen; it being the purpose and intent of this Section that in the event of the occurrence of any such enforced delay, the time or times for performance of such obligations shall be extended for the period of the enforced delay. The provisions of this Section 23 do not apply to obligations of Landlord under the Work Letter Agreement.

## **SECTION 24. MISCELLANEOUS PROVISIONS**

24.1 Memorandum of Lease. Upon the written request of either party hereto, the parties shall execute a memorandum of this Lease and other agreements herein contained in form eligible for recording in the Clerk's Office, Circuit Court, City of Hopewell, Virginia and setting forth all the terms and provisions of this Lease required by law to be included in a memorandum of lease.

24.2 Interest. Whenever this Lease requires or permits the payment of interest, such interest shall be determined as the fixed rate of six percent (6%) per annum (the "Interest Rate").

24.3 Execution. The presentation of this Lease for review by Landlord does not constitute an offer on the part of Tenant to enter into the lease transaction described herein and this Lease will become effective and legally binding only when it has been signed by a duly authorized officer or representative of each of the parties and delivered to the other party. This Lease is expressly conditioned upon approval by the Hopewell City Council properly taking the appropriate action to formally approve the terms and conditions of this Lease, in writing, and authorizing the appropriate party within the City of Hopewell to execute this Lease on behalf of the City of Hopewell.

24.4 Entire Agreement. This Lease, the Work Letter and the Exhibits attached hereto and thereto contain all the agreements of the parties with respect to the subject matter herein, and no prior agreement or understanding pertaining to any such matter shall be effective for any purpose. There have been no representations made by either party or understandings made between the parties with respect to the subject matter hereof other than those set forth in this Lease, the Work Letter, and the Exhibits attached

hereto and thereto. This Lease may not be modified except by a written instrument duly executed by the parties hereto.

24.5 Waiver. Failure by either party to enforce any of the provisions hereof for any length of time shall not be deemed a waiver of its rights set forth in this Lease. Such a waiver may be made only by an instrument in writing signed by the party sought to be charted with the waiver.

24.6 Counterparts. This Lease may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one and the same instrument.

24.7 Binding Agreement. This Lease shall bind and inure to the benefit of the respective heirs, personal representatives, successors and assigns of Landlord and Tenant.

24.8 Business Day. Should any due date hereunder fall on a Saturday, Sunday or legal holiday, then such due date shall be deemed timely if given on the first business day following such Saturday, Sunday or legal holiday.

24.9 Reserved.

24.10 Governing Law. This Lease shall be governed by the laws of the Commonwealth of Virginia without regard to its conflict of laws rules. Nothing in this Lease may be construed as a waiver of the sovereign immunity granted Tenant by the Commonwealth of Virginia Constitution, statutes, and any applicable case law, nor may anything in this Lease be construed as an agreement by Tenant to indemnify any party.

24.11 Gender. Feminine, neuter and masculine pronouns, and the plural and the singular, shall be construed to be and shall be interchangeable in any place or places in which the context may require such interchange.

24.12 Reserved.

24.13 Records. Upon the written request of the Secretary of the U.S. Department of Health and Human Services, the U.S. Comptroller General of the Government Accounting Office, or their authorized representatives, Landlord shall make available this Lease and all books, documents, and records necessary to certify the nature and extent of Landlord's costs with respect to this Lease and the Premises for a period of four (4) years after performing its duties hereunder. If the Landlord carries out any of its duties under this Lease through a subcontract worth \$10,000 or more over a 12-month period, the subcontract will also contain an access clause to permit access by the Secretary, Comptroller General, and their authorized representatives to such subcontractor's books and records.

24.14. Regulatory Matters. (a) Landlord and Tenant enter into this Lease with the intent of conducting their relationship and implementing the agreements contained herein in full compliance with applicable federal, state and local law.

(b) If any legislation, regulation or government policy is passed or adopted, the effect of which would cause either party to be in violation of such laws due to the existence of any provision of this Lease, then Landlord and Tenant agree to negotiate in good faith for a period of ninety (90) days to modify the terms of this Lease to comply with applicable law. Should the parties hereto fail to agree upon modified terms to this Lease within this time, then either Landlord or Tenant may immediately terminate this Lease by giving written notice to the other party.

## 24.15 RIGHT OF FIRST REFUSAL; PURCHASE OPTION; HISTORIC TAX CREDIT NON-INTERFERENCE

### 24.15.1 Definitions.

For purposes of this Section 24.15, the following terms shall have the meanings set forth below. Capitalized terms not defined herein shall have the meanings ascribed elsewhere in this Lease.

(a) "Property" means collectively the Land and the Building, as such terms are defined in the Recitals and Section 1 of this Lease.

(b) "Building" means the improvements commonly known as 200 North Main Street, together with 107 and 111 West Poythress Street, Hopewell, Virginia.

(c) "Bona Fide Third-Party Offer" means a written, arm's-length offer to purchase the Property from an unrelated third party, made in good faith, containing all material economic and legal terms, and which Landlord is willing to accept.

(d) "Minimum Purchase Price Floor" means Landlord's actual, documented acquisition and rehabilitation costs incurred with respect to the Property, net of and giving Net effect to all federal, state, or local historic tax credits or the sale thereof, grants, rebates, abatements, incentives, or similar financial assistance of any kind received or utilized by Landlord in connection with the acquisition, rehabilitation, or restoration of the Property. Costs to include return on capital invested at an annual rate of 8%.

### 24.15.2 Right of First Refusal.

At any time during the Term of this Lease, including any Renewal Term, if Landlord receives a Bona Fide Third-Party Offer to purchase the Property that Landlord desires to accept, Landlord shall provide Tenant with written notice thereof, together with a complete copy of such Bona Fide Third-Party Offer and all material terms and conditions.

Tenant shall have sixty (60) days from receipt of such notice to elect, by written notice to Landlord, to purchase the Property on the same terms and conditions as set forth in the Bona Fide Third-Party Offer, subject to approval by the Hopewell City Council and compliance with the Virginia Public Procurement Act and all other applicable law.

If Tenant does not timely exercise its right of first refusal, Landlord may sell the Property to such third party on terms no more favorable to the purchaser than those offered to Tenant. Any material modification to the terms of such offer shall require Landlord to re-offer the Property to Tenant in accordance with this Section 24.15.2.

#### 24.15.3 Option to Purchase at End of Tenth Lease Year.

Provided Tenant is not in material default beyond any applicable notice and cure periods under this Lease, Tenant shall have the option to purchase the Property at the conclusion of the tenth (10th) Lease Year of the Primary Term (the "Purchase Option").

Tenant may exercise the Purchase Option by delivering written notice to Landlord not less than twelve (12) months prior to the expiration of the tenth (10th) Lease Year. Exercise of the Purchase Option shall be expressly conditioned upon approval by the Hopewell City Council and compliance with all applicable federal, state, and local laws governing municipal real estate acquisitions.

#### 24.15.4 Determination of Purchase Price.

The purchase price for any acquisition pursuant to Section 24.15.3 shall be determined as the average of three (3) independent MAI-certified commercial real estate

appraisals, each prepared in accordance with the Uniform Standards of Professional Appraisal Practice (USPAP), valuing the Property as-is, subject to existing leases.

The appraisers shall be mutually agreed upon by Landlord and Tenant. Each party shall bear the cost of one appraisal, and the cost of the third appraisal shall be shared equally.

Notwithstanding the foregoing, in no event shall the purchase price be less than the Minimum Purchase Price Floor. Upon reasonable request, Landlord shall provide documentation reasonably sufficient to substantiate the Minimum Purchase Price Floor.

#### 24.15.5 Closing.

Unless otherwise agreed in writing, closing shall occur within one hundred twenty (120) days following final determination of the purchase price, subject to customary conditions precedent and required governmental approvals.

#### 24.15.6 Historic Tax Credit Non-Interference.

Tenant acknowledges that Landlord intends to rehabilitate the Building utilizing federal and/or state historic rehabilitation tax credits and that such rehabilitation shall be performed in accordance with the Secretary of the Interior's Standards for Rehabilitation.

Tenant agrees that it shall not knowingly exercise any right under this Section 24.15 in a manner that would cause the recapture, disallowance, or material impairment of any historic tax credits, grants, or incentives lawfully claimed by Landlord; provided, however, that this provision shall not permanently extinguish Tenant's rights hereunder and shall operate only to delay the timing of any exercise to the extent reasonably necessary to preserve such credits.

Landlord shall use commercially reasonable efforts to structure any sale to Tenant in a manner that minimizes adverse historic tax credit consequences.

#### 24.15.7 No Obligation to Purchase; No Appropriation.

Nothing contained in this Section 24.15 shall be deemed to obligate Tenant to purchase the Property, to appropriate funds, or to take any action inconsistent with its governmental authority, budgetary process, or applicable procurement requirements.

#### 24.15.8 Right of First Refusal to Lease Additional Space

At any time during the Term of this Lease, including any Renewal Term, if Landlord intends to enter into a lease with a third party for any portion of the Building not then leased to Tenant (the "Available Space"), and has received a bona fide, arms-length lease proposal that Landlord is prepared to accept (the "Proposed Lease"), Tenant shall have the right of first refusal and option to meet such offer to occupy the Available Space in accordance with this Section.

##### **(a) Notice to Tenant.**

Landlord shall provide Tenant with a written notice (the "ROFR Notice") of the Proposed Lease, which shall include, at a minimum, the following pertinent terms and provisions: **(i) the material economic and legal terms of such Proposed Lease; (ii) the identity of the proposed tenant; (iii) a description of the Available Space, including floor, suite, rentable square footage, and plans if available; (iv) the proposed base rent and any escalation structure; (v) the lease term and any renewal options; (vi) any tenant improvement allowance or work scope; (vii) the operating expense structure (including, without limitation, whether the lease is net, gross, or base year); (viii) any consideration, free rent, concessions, or other monetary or economic incentives offered to the proposed tenant; (ix) the permitted use of the Additional Space; (x) any exclusivity rights or use restrictions; (xi) any contingencies, including financing or required approvals; and (xii) a copy of the Proposed Lease or other documentation of the third party lease proposal, if available.**

##### **(b) Tenant's Election Period.**

Tenant shall have **seven (7) business days** after receipt of the ROFR Notice to elect, by written notice to Landlord, to exercise Tenant's first right to lease the Available Space as described in the ROFR Notice.

##### **(c) Failure to Exercise.**

If Tenant either declines to exercise or does not timely exercise its right of first refusal, Landlord shall be free to seek to lease the Available Space to such third party; provided, however, that (i) such resulting lease shall be ratified subject to terms and provisions not materially more favorable to the third party than those offered to Tenant in the ROFR Notice, and (ii) if the terms and provisions of the Proposed Lease are materially modified, Landlord shall re-offer the Available Space to Tenant in accordance with this

Section. If Tenant declines or elects not to lease any Additional Space and Landlord does not subsequently enter into a lease with the proposed tenant set forth in the ROFR Notice within sixty (60) days of Tenant's declination or failure to timely exercise its right of first refusal, the provisions of this Section shall again apply to the disposition of any Additional Space.

**(d) Definition of Available Space.**

For purposes of this Section, "Available Space" shall include any leasable space within the Building that is not subject to an existing lease or that becomes available from time to time due to expiration or termination of an existing or prior lease.

**(e) Exercise of First Right and Option; Documentation.**

If Tenant timely exercises its right of first refusal, the parties shall promptly proceed to negotiate in good faith a lease amendment or new lease agreement for Tenant's occupancy of the Available Space substantially incorporating the terms and provisions set forth in the ROFR Notice, provided, however that all such terms and provisions, as well as the lease amendment or new lease agreement, as the case may be, are materially consistent with the terms of this Lease.

**(f) Governmental Approval.**

Tenant's consideration and potential exercise of this first right shall be conditioned upon the approval by the Hopewell City Council and compliance with all applicable laws governing municipal leasing, which approval must be provided to Landlord in writing by the Hopewell City Council within the Tenant's seven (7) business day election period as provided herein.

*[signatures on next page]*

IN WITNESS WHEREOF, the parties have duly executed this Lease the day and year first above written.

LANDLORD:

Elder Building, LLC

By:

RPCA

Name: BERNICE EMERSON

Title: MANAGER

Date Executed: 4/7/21

TENANT:

City of Hopewell, Virginia

By: Michael C. Rogers

Name: Michael C. Rogers

Title: Interim City Manager

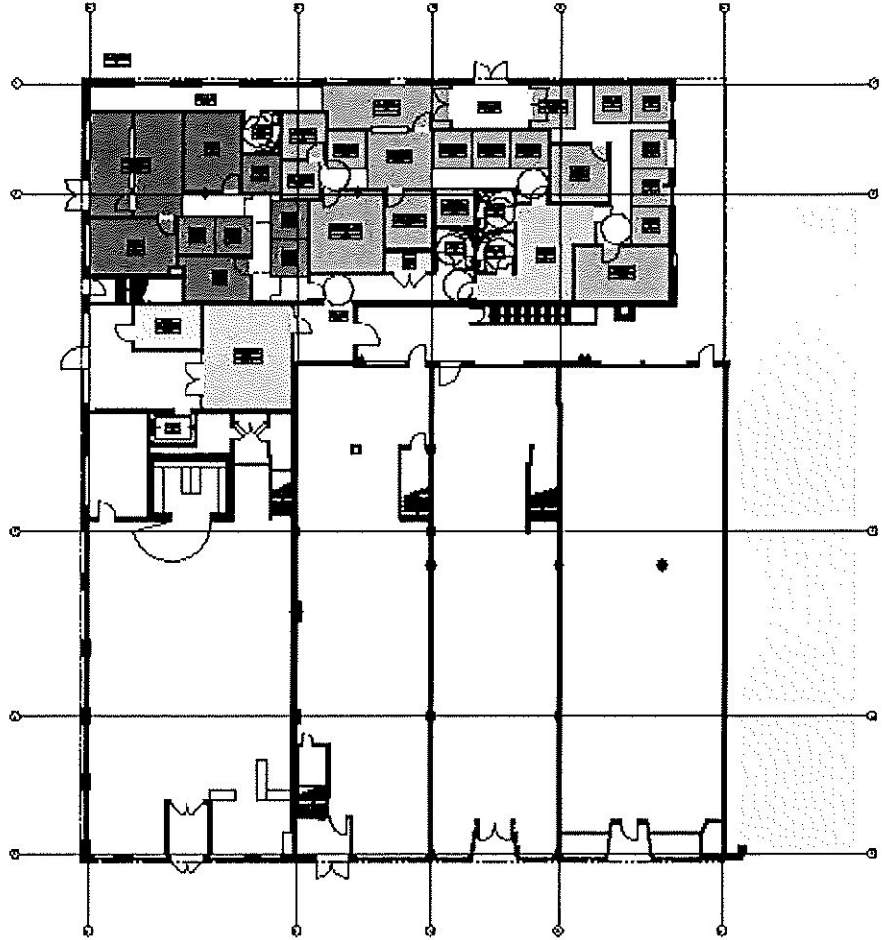
Date Executed: 4/7/2021

**EXHIBIT A  
TO LEASE**

**Floor Plan of Premises/Space Plan**

**The space plan attached hereto illustrates the intended departmental layout and circulation concept for the Premises and shall serve as the design intent for preparation of construction drawings.**

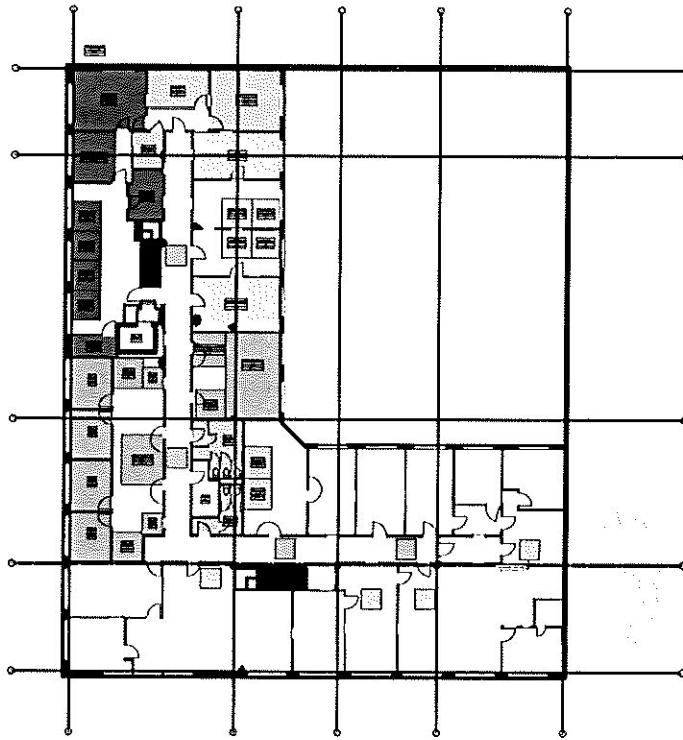
**The final design may vary slightly from the space plan provided that the overall program requirements and departmental relationships established in Attachment 1 are maintained.**



**200 N MAIN STREET**  
HOPEWELL, VA

project#: 24.95  
date: 1/13/26

FIRST FLOOR OFFICE PLAN — A.1



**200 N MAIN STREET**  
HOPEWELL, VA

proj # 2135  
date 1/13/26

SECOND FLOOR OFFICE PLAN — A.2



**EXHIBIT B  
TO LEASE**

**Legal Description of the Land**

**EXHIBIT C  
TO LEASE**

**WORK LETTER AGREEMENT**

This Work Letter Agreement is made and entered into as of 4/7, 2026 (the "**Agreement Date**"), by and between Elder Building, LLC ("**Landlord**"), and City of Hopewell, Virginia ("**Tenant**"), under the following circumstances:

A. Landlord and Tenant are entering into a Space Lease of even date herewith (the "**Lease**"), whereby Landlord has agreed to lease to Tenant approximately 10,930 rentable sf (the "**Premises**") in the Building (the "**Building**") with addresses of 200 N. Main Street, and 111 and 107 W. Poythress Street in Hopewell, VA.

B. Landlord and Tenant are entering into this Work Letter Agreement (this "**Agreement**") for the purpose of setting forth their agreements relating to the design and construction of interior partitions, finishes and other Tenant improvement work in the Premises.

C. All terms used herein which are defined herein shall have the meanings set forth in the Lease.

NOW, THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged, Landlord and Tenant agree as follows:

**SECTION 1. DESIGN OF TENANT IMPROVEMENTS**

1.1 Design of Tenant Improvements. As promptly as possible after the Agreement Date, Landlord shall cause the project architect, Walter Parks and Associates (the "**Project Architect**") to complete preparation of all necessary construction documents, working drawings and specifications for the construction and installation of interior partitions, finishes and other Tenant improvement work in the Premises (the "**Tenant Improvements**"), which construction documents, working drawings and specifications shall include, but not be limited to, floor plans, reflected ceiling plans, finish and door schedules, partition types, elevations and details describing millwork and special features, telephone plans, specifications and legends and shall describe all work, labor, materials, installations and construction required to produce in the entirety of the Premises, on a "turn key basis, completed space ready for use and occupancy by Tenant, subject only to the installation by Tenant of Tenant's furnishings, furniture and equipment. Such construction documents, working drawings and specifications will be prepared based upon and in conformity with the design intent of the Tenant Improvements as set forth in the space plan and outline specifications for the Tenant Improvements which are attached hereto as Attachment 1. Such construction documents, working drawings and specifications shall be submitted to Tenant by not later than \_\_\_ days after the Agreement Date. If Tenant has any objections or comments with respect to any such construction documents, working drawings and specifications which are submitted to it, Tenant shall notify Landlord in writing within thirty (30) days of their receipt. If Tenant makes any comments or objections regarding any such construction documents, working drawings and specifications, Landlord shall promptly cause the necessary changes and corrections to be made. Landlord shall promptly resubmit to Tenant modified construction documents, working drawings and specifications, which shall be subject to the same review and approval procedures set forth above. The final agreed upon construction documents, working drawings and specifications for the Tenant Improvements, with such changes thereto as are hereinafter permitted, shall be referred to herein as the "**Plans and Specifications.**" Tenant's approval of the Plans and Specifications shall constitute only an approval of the aesthetic features described in the drawings, and Tenant's acknowledgment that the floor plan and the spatial relationship of the various parts of the plan are

satisfactory to it, and shall not be construed as an approval of the character or quality of the architectural, structural or engineering design of the Tenant Improvements or any of its components, or an acknowledgment that the design complies with applicable building codes. No such approval shall constitute a waiver of any warranties or guaranties set forth in this Agreement or release Landlord from liability for any errors or omissions. None of the Plans and Specifications may be changed or otherwise modified without the prior written consent of Tenant.

1.2. Delays in Approval of Plans and Specifications. Landlord and Tenant acknowledge and agree that completion of construction of the Tenant Improvements by the "Projected Completion Date" (as defined in Section 3.2 hereof) is, in part, dependent on the approval by Tenant of the Plans and Specifications by not later than 30 days after receipt for approval and that any delay in approval of the Plans and Specifications beyond such date shall automatically extend the Projected Completion Date by the number of days of such delay.

1.3. Changes to Plans and Specifications. In the event Tenant requests a change to the Plans and Specifications after Tenant's approval thereof, such proposed changes shall be submitted to Landlord in writing and shall be subject to the approval of Landlord, which approval shall not be unreasonably withheld. Before considering any proposed change, Landlord shall give Tenant a good faith estimate of the net cost impact of the change requested by Tenant and of the length of any delay that may result from any such change. Tenant may, after receipt of such estimate, withdraw or modify its proposed change. If any such change results in the "Tenant Improvements Costs" (as defined in Section 2 hereof) exceeding the then approved "Tenant Improvements Budget" (as defined in Section 2 hereof) amount, then Landlord and Tenant shall increase the Tenant Improvements Budget by such amount, subject to the approval of both Landlord and Tenant. Any delays caused by Tenant's requested changes (including time required for the revision of the Plans and Specifications) shall extend the "Projected Completion Date" (as defined in Section 3.2 hereof) by the number of days of such delay.

## **SECTION 2. CONSTRUCTION OF TENANT IMPROVEMENTS**

2.1. Construction of Tenant Improvements. (a) Landlord, at Landlord's sole cost and expense (subject, however, to the limitations set forth herein), hereby agrees to construct and install the Tenant Improvements in and for the Premises in accordance with the Plans and Specifications and this Agreement and Landlord agrees to substantially complete the construction and installation of the Tenant Improvements by not later than the Projected Completion Date.

(b) Landlord shall not commence construction of the Tenant Improvements until (i) the Plans and Specifications have been approved by Tenant, and (ii) the Tenant Improvements Budget has been approved (or deemed approved) by Landlord and Tenant.

2.2. Projected Completion Date. As used herein, "Projected Completion Date" shall mean the date which is eighteen (18) months following the Date of this Lease, as such date may be extended pursuant to Sections 1.2, 1.3 and 2 hereof, or as such date may be extended by any enforced delay due to unforeseeable causes beyond Landlord's control and without Landlord's fault or negligence including, but not limited to, acts of God, fires, floods, strikes, freight embargoes, unusually severe weather conditions not reasonably anticipatable, but excepting delays caused by acts or omissions of Landlord's contractors, subcontractors, material or equipment suppliers, architects or engineers, or by the failure or inability of Landlord to provide or obtain sufficient funds to pay the costs of designing, constructing and installing the Tenant Improvements. Landlord shall provide Tenant written notice of any such enforced delay within five (5) days after the occurrence thereof, which notice shall set forth the cause and number of days of such delay.

3.3. Completion of Construction. Construction of the Tenant Improvements shall be deemed substantially completed and Landlord shall deliver to Tenant physical possession of the Premises on the date on which all of the following have occurred (the "**Completion Date**"): (i) the Project Architect's certificate of Final Completion with respect to the Tenant Improvements shall have been delivered to Tenant; (ii) a Certificate of Occupancy (or the local equivalent) with respect to the Premises shall have been delivered to Tenant; (iii) all sanitary, electrical, heating, ventilating and air conditioning systems of the Building are operational to the extent necessary to provide adequate services to the Premises; (iv) access to the Building and the Premises and the parking areas are available to and for use by Tenant and its employees and invitees without interruption; and (v) Landlord and Tenant shall have executed a Completion and Commencement Date Certificate in the form attached hereto as Attachment 2 (the "**Completion Date Certificate**"). In the event that Tenant refuses to execute and deliver a Completion Date Certificate on the basis that the Tenant Improvements have not been completed in substantial conformity with the Plans and Specifications and Landlord does not agree that Tenant is entitled to withhold such certificate,

3.4. Permits. Landlord shall obtain and maintain all authorizations, approvals and permits required by any governmental entity for the construction and installation of the Tenant Improvements.

3.5. Access Before Completion Date. A representative of Tenant shall have the right (without the obligation to do so) to observe Tenant Improvements as the same are being constructed; such representative shall notify Landlord of any deviations from the Plans and Specifications or other deficiencies which it may discover, and Landlord shall promptly correct and/or repair any such deviations or deficiencies upon receipt of such notice.

#### **SECTION 4. PUNCH LIST**

Following issuance of the Project Architect's certificate of Final Completion in accordance with Section 3.3 above, Tenant may inspect the Tenant Improvements and prepare a punchlist setting forth all incomplete, defective or nonconforming items of construction and if such punchlist is delivered to Landlord, Landlord shall promptly complete or correct all items on the punch list within thirty (30) days of receipt thereof. If the nature of any such punchlist item is such that it cannot reasonably be completed within such thirty (30) day period, Landlord shall commence to repair or complete such item within ten (10) days after receipt of such punchlist and shall diligently prosecute such punchlist work to completion; provide, however, Landlord shall complete all punchlist items within ninety (90) days of receipt of the punchlist.

#### **SECTION 5. LANDLORD'S WARRANTIES**

Landlord warrants to Tenant that (i) the Tenant Improvements will be constructed in accordance with the Plans and Specifications, (ii) all materials and equipment furnished will be new, unless otherwise specified, (iii) the Tenant Improvements will be of good quality, free from faults and defects, and (iv) the Tenant Improvements shall be in full compliance with all applicable laws, codes and regulations, including by way of example, but not as a limitation, environmental, zoning, building and land use laws, codes and regulations. Without limiting the generality of the foregoing, if within one (1) year after the date of substantial completion of all of the Tenant Improvements, or within such longer period of time as may be prescribed by law or the terms of any applicable warranty required by the Plans and Specifications, the Tenant Improvements or any part or element of either is found to be defective or not in accordance with the Plans and Specifications, Landlord shall correct the same within thirty (30) days after receipt of written notice from Tenant to do so or a longer reasonable period if such correction cannot reasonably be completed within a thirty (30) day period. Unless such condition is specifically referred to and accepted in a written instrument delivered to Landlord, acceptance by Tenant of the Tenant Improvements pursuant to the terms of this Agreement or the Lease shall not be deemed to be written acceptance of any such condition.

IN WITNESS WHEREOF, the parties hereto have executed this Work Letter Agreement as of the date first above written.

LANDLORD:

Elder Building, LLC

By: [Signature]  
Name: George Emerson  
Title: MANAGER  
Date: 4/7/26

City of Hopewell, Virginia

By: [Signature]  
Name: Michael C. Rogers  
Title: Interim City Manager  
Date: 4/7/24

**ATTACHMENT 1 TO WORKLETTER**  
**Space Plan and Outline Specifications**

**ATTACHMENT 1**  
**TENANT PROGRAM REQUIREMENTS AND BASIS OF DESIGN**  
**200 North Main Street – Hopewell, Virginia**

This document establishes the minimum program requirements, building systems, and performance standards for the renovation of the Premises to be completed by Landlord pursuant to the Work Letter Agreement attached to the Lease between Elder Building, LLC ("Landlord") and the City of Hopewell, Virginia ("Tenant").

The Premises consist of approximately 9,937 useable square feet located on the first and second floors of the building commonly known as 200 North Main Street and portions of 107 and 111 W. Poythress Street, Hopewell, Virginia.

This document establishes the design intent for preparation of construction drawings and specifications. Final construction documents shall be prepared by Landlord's architect and submitted to Tenant for review and approval in accordance with the Work Letter Agreement.

**1. TURN-KEY DELIVERY AND BASE BUILDING RESPONSIBILITY**

This Lease is intended to provide Tenant with a fully completed, turn-key municipal office facility. Landlord shall be responsible for all work necessary to deliver the Premises ready for Tenant occupancy in accordance with the Basis of Design, and the Work Letter Agreement.

Landlord's obligations include both (i) base building work and (ii) tenant improvement work required to construct the Premises in conformity with the Basis of Design.

Base building responsibilities of Landlord include, without limitation:

Structural elements of the Building Roof and exterior envelope Building electrical service and distribution necessary to support the Tenant program Building plumbing systems Building HVAC systems Elevator installation and operation Fire protection and life safety systems Code compliance upgrades required to obtain occupancy Historic rehabilitation work required for tax credit compliance

Tenant shall not be responsible for the cost of correcting base building deficiencies, structural issues, utility capacity limitations, or other building conditions necessary to construct the Tenant Improvements in accordance with the Basis of Design.

The Premises shall be delivered to Tenant as a complete, functional office environment per the Basis of Design herein, subject only to installation of Tenant's furniture, fixtures, and equipment.

**2. GENERAL DESIGN OBJECTIVES**

The renovation shall be designed to accomplish the following objectives:

Provide municipal administrative office space.

Provide public service counters and waiting areas.

Provide ADA-accessible public and staff areas.

Provide modern mechanical, electrical, data, and life safety systems.

Provide durable finishes suitable for long-term public use.

## **2. PROGRAM SUMMARY**

The Premises will accommodate several City departments and public service functions.

### **First Floor Departments**

Treasurer, Real Estate Assessor, Commissioner of the Revenue, DMV Service Area, Public Lobby, Public Conference Room, and Shared Breakroom.

Approximate first floor program area: 5,450 useable square feet

### **Second Floor Departments**

Department of Public Works Healthy Families Program Loving Steps Program Family meeting room  
Conference rooms Shared breakroom

Approximate second floor program area: 4,487 useable square feet

## **3. PUBLIC SERVICE AREAS**

The design shall incorporate dedicated public service areas including:

Treasurer and Commissioner of the Revenue service counter DMV service counter DPW customer service counter in the approximate location and size shown on the Space Plan.

Public counters shall include:

ADA accessible counter sections Durable solid surface or stone countertop at the Landlord's discretion.  
Transaction ledge Data and electrical pathways, and Queue space for public service.

## **4. WAITING AREAS**

Public waiting areas shall be provided in proximity to public service counters including:

Treasurer and DMV waiting area Commissioner of the Revenue waiting area

Waiting areas shall include seating capacity appropriate to expected public traffic and maintain clear circulation routes.

## **5. OFFICE SPACES**

Office spaces shall include a combination of private offices and open workstation areas.

## Private Offices

Private offices are anticipated for:

Commissioner of the Revenue, Treasurer, Deputy Commissioner Real Estate, Assessor Program administrators, and Department leadership

Typical private office sizes range from 100 to 200 square feet.

## Open Workstations

Open desk areas shall accommodate modular workstations approximately 45–50 square feet per workstation.

## 6. MEETING AND CONFERENCE ROOMS

Conference and meeting spaces shall include:

1st floor shared conference room. 2<sup>nd</sup> floor DPW conference room, Healthy Families conference room, Family meeting room.

Conference rooms shall include wall space and Conduit/pathways for display monitors and data connectivity.

## 7. FAMILY SERVICES AREAS

The Loving Steps and Healthy Families programs require specialized spaces including:

Counseling offices Family meeting room Private offices Secure storage

These spaces shall provide acoustic privacy appropriate for confidential discussions. This is applicable to a single interview room of approximately 80-100sf

Area requires a family restroom within the space to avoid small children and guardians from having to enter public area to use restroom and change diapers.

## 8. BUILDING SYSTEM REQUIREMENTS

### HVAC

The Premises shall be served by HVAC systems designed to maintain:

Temperature range of 68°F to 75°F Zoned temperature control by department where practical Adequate ventilation per applicable building codes

Mechanical systems shall be sized to accommodate full occupancy loads and office equipment.

### Electrical

Electrical systems shall include:

LED lighting throughout Adequate electrical outlets for office equipment Dedicated circuits for copier and IT & Breakroom equipment Emergency lighting and exit signage

#### Telecommunications

Infrastructure shall include:

Telecommunications closets on each floor Cable pathways (conduits with pull string in new walls, chase if historic plaster ceilings exposed, conduits at closets to get between floors) for structured data systems.

#### Elevator

A passenger elevator shall serve both floors of the Premises.

### **9. MINIMUM BUILDING INFRASTRUCTURE STANDARDS**

To ensure the Premises adequately support municipal operations, the Landlord shall provide building infrastructure meeting or exceeding the following minimum standards:

#### Electrical Service Capacity

The Building electrical service and distribution serving the Premises shall be sized to support typical municipal office operations including computers, printers, copiers, servers, and public service counters. Electrical panels shall provide spare capacity for future circuits and equipment additions.

#### Data and Telecommunications Infrastructure

The Landlord shall provide pathways capable of supporting structured data cabling and telecommunications systems including:

Conduit pathways penetrating floor to allow connection between telecommunications closets. Pathways above ceilings where practical or a chase where exposed plaster ceilings exist.

Telecommunications closets shall be provided on each occupied floor of the Premises and shall include adequate electrical power and cooling to support network equipment.

#### **IT / Server Room Conditions**

Where a telecommunications or server room is provided, the space shall include:

Dedicated electrical circuits Temperature control sufficient to maintain appropriate operating conditions for network equipment Secure access for Tenant personnel

#### **Security Infrastructure**

The Premises shall include pathways for installation of Tenant security systems including:

Access control devices Security cameras Alarm systems

Conduit or pathway shall be provided to primary entrances, public service counters, and circulation areas.

## **Public Counter Infrastructure**

Public service counter areas shall include sufficient electrical and data conduits/pathways to support multiple workstations, printers, and payment processing equipment.

## **10. HVAC PERFORMANCE STANDARDS**

The HVAC systems serving the Premises shall meet the following minimum performance standards suitable for municipal office occupancy.

### **Temperature Control**

Systems shall maintain indoor temperature ranges of approximately 68°F to 75°F during normal business hours under typical seasonal conditions. Spaces with higher occupancy such as conference rooms and waiting areas shall be designed to maintain comfort during peak usage.

### **Ventilation**

Ventilation rates shall comply with the Virginia Uniform Statewide Building Code and applicable ASHRAE standards for office occupancy. Public areas with higher occupant loads shall receive ventilation rates appropriate for their anticipated usage.

### **Zoning**

HVAC systems shall provide zoning sufficient to allow independent temperature control for major departmental areas including the first floor public service areas and second floor program areas where practical.

### **After-Hours Operation**

The system design shall allow for limited after-hours HVAC operation for conference rooms or specific office areas when required for evening meetings or extended operations.

## **11. TECHNOLOGY AND SECURITY STANDARDS**

The public access doors to the 2<sup>nd</sup> floor space available to lease to other tenants shall be secured by the Landlord using an electric access control system. This may include a maglock or electric strike/vertical rod system with a card reader. This system will allow the door to remain unlocked during normal operating hours and card access only after-hours. Secondary access doors and doors accessing Tenant spaces will be provided by Landlord as keyed access, but Landlord to provide pathways for electronic security devices to be installed by Tenant as defined during the design process.

### **Security Cameras**

Conduit/pathway shall be provided for the installation of Tenant security cameras at the following general locations:

Primary building entrances, Public service counters, Public waiting areas, Primary corridors, Elevator lobby areas

The Landlord shall provide pathway infrastructure and power access to support these installations.

#### Access Control

Door locations serving sensitive areas such as departmental offices, records storage rooms, and telecommunications rooms shall have conduit/pathways installed capable of supporting electronic access control systems installed by Tenant.

#### Secure Records Storage

Certain departments, including Treasurer, Real Estate, and Commissioner of Revenue may require secure document storage areas. These spaces shall be capable of supporting lockable doors and controlled access.

#### Network Connectivity

The building shall support high-speed internet connectivity through service providers available in the downtown Hopewell area. Pathways shall allow installation of fiber or equivalent broadband services.

### **12. RESTROOMS**

Restrooms shall include:

Accessible unisex restrooms on each floor Shared restroom facilities for staff and public Fixtures compliant with ADA and building codes

### **10. BREAKROOMS**

Breakrooms shall be provided on both floors including:

Cabinetry, Sink, Refrigerator space, Microwave space, Durable flooring

### **11. STORAGE**

Dedicated storage areas shall be provided for:

Real estate records DMV materials Departmental storage Program storage

### **12. ACCESSIBILITY**

All areas accessible to the public or staff shall comply with:

Americans with Disabilities Act Virginia Uniform Statewide Building Code Applicable accessibility standards

### **13. HISTORIC PRESERVATION**

Landlord intends to rehabilitate the building utilizing historic rehabilitation tax credits. Construction shall be performed in accordance with the Secretary of the Interior's Standards for Rehabilitation where applicable. As a critical part of this project, it is understood that the general layout of historic doors and walls on the 2<sup>nd</sup> floor are to remain in their current layout whenever possible. Historic flooring will be used whenever possible.

#### **14. DESIGN REVIEW PROCESS**

Landlord shall retain licensed architects and engineers to prepare:

Schematic design drawings, Design development drawings, Construction documents

Tenant shall have the right to review and approve each stage of design.

#### **15. CODE COMPLIANCE**

Landlord shall obtain all necessary permits and approvals including:

Building permits Fire marshal approvals Accessibility compliance Historic review approvals where applicable

#### **16. SUBSTANTIAL COMPLETION**

The Premises shall be considered substantially complete, and the lease will commence when:

Construction is complete Mechanical and electrical systems are operational Certificate of Occupancy (temporary or permanent) is issued Only minor punch list items remain.

**ATTACHMENT 1A  
SPACE PLAN**

~~The space plan attached hereto illustrates the intended departmental layout and circulation concept for the Premises and shall serve as the design intent for preparation of construction drawings.~~

~~The final design may vary slightly from the space plan provided that the overall program requirements and departmental relationships established in Attachment 1 are maintained.~~

**ATTACHMENT 2  
COMPLETION AND COMMENCEMENT DATE CERTIFICATE**

**ATTACHMENT 2 TO WORK LETTER**  
**COMPLETION AND COMMENCEMENT DATE CERTIFICATE**

This Certificate is executed and delivered in accordance with the terms of (a) that certain Lease, dated as of \_\_\_\_\_, 20\_\_\_\_ (the "Lease"), between \_\_\_\_\_ ("**Landlord**"), and \_\_\_\_\_ ("**Tenant**"), whereby Landlord leases to Tenant premises consisting of approximately \_\_\_\_\_ square feet and known as No. Suite \_\_\_\_\_ in the \_\_\_\_\_ Building (the "**Building**") located at \_\_\_\_\_, and (b) that certain Work Letter Agreement, dated as of \_\_\_\_\_, 20\_\_\_\_ (the "**Work Letter**"), between Landlord and Tenant attached as Exhibit C to the Lease. Defined terms used in this Certificate not defined herein shall have the meaning set forth in the Lease and Work Letter.

Landlord hereby represents and warrants to Tenant that attached hereto as Exhibits A and B are true, accurate and complete copies of (i) the Project Architect's certificate of Final Completion with respect to the Tenant Improvements; and (ii) the Certificate of Occupancy with respect to the Premises. Landlord further represents and warrants to Tenant that (a) the Tenant Improvements have been completed in conformity with the Plans and Specifications, (b) all sanitary, electrical, heating, ventilating and air conditioning systems of the Building are operational to the extent necessary to provide adequate services to the Premises; and (c) access to the Building and the Premises and the parking areas are available to and for use by Tenant and its employees and invitees without interruption.

Landlord and Tenant acknowledge and agree that the Completion Date is \_\_\_\_\_, 20\_\_\_\_ and that the Commencement Date is \_\_\_\_\_, 20\_\_\_\_.

**LANDLORD:**

**TENANT:**

\_\_\_\_\_

\_\_\_\_\_

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Date: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**EXHIBIT D  
TO LEASE**

Recording Requested By and  
When Recorded Mail to:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**SUBORDINATION, NONDISTURBANCE AND ATTORNMENT AGREEMENT**

THIS AGREEMENT is made and entered into as of \_\_\_\_\_, 20\_\_\_\_, by and between \_\_\_\_\_, a \_\_\_\_\_ (the "**Mortgagee**") (which term shall include its successors and assigns unless the context otherwise indicates), having an address at \_\_\_\_\_, and \_\_\_\_\_, a \_\_\_\_\_ ("**Tenant**"), having an address at \_\_\_\_\_, under the following circumstances:

A. \_\_\_\_\_ ("**Landlord**") has executed and delivered that certain promissory note dated \_\_\_\_\_, 20\_\_\_\_ (the "**Note**") in the aggregate original principal amount of \_\_\_\_\_ Dollars (\$\_\_\_\_) payable to the order of Mortgagee, which Note was executed in connection with a credit agreement and related documents (the Note, the credit agreement and such related documents shall be referred to collectively as the "**Loan Documents**") between Landlord and Mortgagee; and

B. The Note is secured by that certain mortgage or deed of trust (the "**Deed of Trust**") executed by Landlord and in favor of Mortgagee, recorded in Book \_\_\_\_\_, Page \_\_\_\_\_ of the Records of \_\_\_\_\_, and which covers the real estate more particularly described in the attached Exhibit A which includes a building known as \_\_\_\_\_ (the "**Building**"); and

C. Landlord and Tenant entered into that certain Lease dated \_\_\_\_\_ (the "**Lease**") which covers a portion of the space in the Building (the "**Premises**") for a term of \_\_\_\_\_ years with \_\_\_\_\_ renewal options; and

D. The Note evidences a loan by the Mortgagee to Landlord, and the Mortgagee is unwilling to make advances on the Note unless the Mortgagee and Tenant execute this Agreement.

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained herein and Ten and No/100 Dollars (\$10.00) and other good and valuable consideration each to the other cash in hand paid, the receipt of which is hereby acknowledged and confessed, Mortgagee and Tenant agree as follows:

1. Subject to the terms and conditions of this Agreement hereinafter set forth, the Lease is subject and subordinate in all respects to the Deed of Trust and to any and all renewals, modifications, replacements, additions, expansions and extensions thereof.

2. As long as no default as described in Section 13.1 of the Lease has occurred and is continuing beyond any applicable grace period without having been remedied or cured, the Mortgagee agrees that:

- (a) in any judicial action or proceeding to foreclose the Deed of Trust, the leasehold estate created by the Lease shall not be affected or terminated by such action or proceeding or any judgment rendered therein;
- (b) the Mortgagee and any subsequent holder of the Deed of Trust shall be deemed to have disclaimed any interest in personal property, equipment and fixtures supplied by Tenant or its subtenants at no cost to Landlord, excepting replacements of improvements and fixtures furnished by Landlord; provided there shall be no waiver of any rights which Landlord may have in any of the foregoing property upon expiration or termination of the Lease, if Mortgagee succeeds to the interest of Landlord under the Lease;
- (c) Tenant shall have and at all times may exercise all rights and privileges to which it is entitled under the Lease; and
- (d) Tenant's possession (subject to the terms of the Lease) and other rights and privileges and its rights to personal property, equipment and fixtures supplied by it or its subtenants, shall not be disturbed by the Mortgagee or by any foreclosure or other proceedings on the debt which the Deed of Trust secures, any conveyance by deed in lieu of foreclosure, or any exercise of a power of sale or any other remedy provided in the Deed of Trust or the Loan Documents, or by anyone whose rights were acquired as a result of such proceedings or by virtue of a right or power contained in the Deed of Trust, or the bond or note secured thereby, or the Loan Documents.

3. Provided Tenant is not in default (beyond any period given Tenant to cure such default) under the terms of the Lease as of the date Mortgagee commences foreclosure action or posts for foreclosure or accepts a deed in lieu of foreclosure, as the case may be, then Tenant shall not be made a party to any foreclosure action or proceeding and no default under the Deed of Trust and no proceeding to foreclose the same, deed in lieu of foreclosure, exercise of a power of sale or the exercise of any right or remedy under the Deed of Trust or the Loan Documents will disturb Tenant's possession or rights under the Lease and the Lease will not be affected or cut off thereby (except to the extent otherwise provided in this Agreement). Notwithstanding any such proceeding to foreclose the Deed of Trust, deed in lieu of foreclosure, exercise of a power of sale or exercise of any right or remedy under the Deed of Trust or the Loan Documents or other acquisition of the Premises by Mortgagee or any other party, upon or in lieu of a foreclosure sale, upon and subject to the provisions of this Agreement, Mortgagee or such other parties so acquiring the Premises shall recognize the Lease and Tenant as tenant under the Lease, as well as all rights, privileges and options of Tenant thereunder, including, without limitation, Tenant's options and rights to purchase or acquire the Premises and any proceeds of insurance in the event of fire or other damage, and will perform and observe all of Landlord's obligations and agreements under the Lease (except any such obligations from which Mortgagee is specifically exempted under the terms of the Lease); and Tenant shall recognize the Lease and shall recognize and attorn to Mortgagee or any other owner as Landlord under the Lease so long as no defaults exist in the performance of the obligations of Landlord under the Lease. Notwithstanding the foregoing, the Mortgagee or any other person or entity succeeding to ownership of the Premises as set forth above, shall not (a) be liable for any previous act or omission or default of Landlord under the Lease, (b) be subject to any offset which shall have accrued to Tenant against Landlord, (c) have any obligation with respect to any security deposit under the Lease unless such security deposit has been delivered to Mortgagee, or (d) be bound by any previous prepayment of rent for a period greater than one month unless such prepayment shall have been expressly approved in writing by Mortgagee.

4. Tenant, upon request of Mortgagee or any other person or entity succeeding to the ownership of the Premises as set forth above, will execute a written agreement whereunder Tenant will attorn to Mortgagee

or such other owner and affirm Tenant's obligations under the Lease and agree to pay all rentals and charges then due or to become due under the Lease to Mortgagee or such other owner, subject to performance by Mortgagee or such other owner of the obligations of Landlord under the Lease.

5. Mortgagee, from and after the date hereof, shall send a copy of any notice of any default on the part of Landlord under the Loan Documents, Note or Deed of Trust, to Tenant at the same time such notice is sent to Landlord under the Loan Documents, Note or Deed of Trust. Notices to Tenant hereunder will be given by registered or certified United States mail, postage prepaid, return receipt requested, addressed to Tenant at \_\_\_\_\_, or such other address as Tenant may from time to time designate in writing to Mortgagee.

6. Subject to the rights of Tenant and the agreements of Mortgagee set forth in this Agreement, nothing contained in this Agreement shall in any way impair or affect the validity or priority of the lien created by the Deed of Trust or any of the rights of Mortgagee thereunder.

7. No modification, amendment, waiver or release of any provision of this Agreement or any right, obligation, claim or cause of action arising hereunder shall be valid or binding for any purpose whatsoever unless in writing and duly executed by the party against whom the same is sought to be asserted.

8. This Agreement shall be binding upon and inure to the benefit of the parties hereto, their successors and assigns; provided, however, that in the event of the assignment or transfer of the Deed of Trust, all obligations and liabilities of Mortgagee thereafter accruing shall be the responsibility of the party to whom Mortgagee's interest is assigned or transferred.

9. Landlord shall have no rights under or any benefits from this Agreement.

*[signatures on next page]*

EXECUTED as of the day and date first above written.

MORTGAGEE:

\_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

TENANT:

\_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**[ADD ACKNOWLEDGEMENTS]**

C-2

# City Council Policy

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**SUBJECT:** Right-of-Way Vacation

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Policy No: CC-3

Effective Date: \_\_\_\_\_

Agenda Item # & Date: \_\_\_\_\_

Administering Department: Planning & Development

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I. POLICY:

- A. Adjoining property owners may petition the City to vacate any public right-of-way for a street or alley in accordance with Va. Code § 15.2-2006.
- B. Generally, rights-of-way are owned “in fee simple” by the City, and when vacated, can be acquired by the adjoining property owners. However, there are some cases wherein the City does not own a right-of-way “in fee simple,” but merely has the right to use the property. In these cases, the City can vacate some of its right to use the property, in which case ownership reverts to the original owner of the property, not to the adjoining property owners.
- C. When the City vacates a right-of-way, it is by default divided between the adjoining property owners. Depending upon the circumstances, including the agreement or non-agreement of adjoining property owners, the vacated right-of-way may be partly added to each property or to only the petitioner’s property.
- D. Vacation of right-of-way are not be recommended by staff for approval if one or more of the following would be created as a result of the vacation, unless unusual circumstances exist:
  - 1. A dead-end that lacks sufficient room for a vehicle to turn around.
  - 2. Public or private property would thereby become “landlocked” and no longer connected to a public right-of-way.
  - 3. A break or disconnect in the entire or full-length stretch of right-of-way that creates a scenario where a possible future use of the remaining right-of-way is made impossible.
- E. All expenses involved in the vacation process are borne by the petitioner. *See* Va. Code § 15.2-2006.
- F. Unless unusual circumstances warrant otherwise, the City will not require vacated land to be paid for when the vacated right-of-way is 20 feet or less in width.
- G. Whenever a right-of-way over 20 feet is vacated and the amount of vacated land going to a single adjoining property owner is of an area equal to or exceeding the minimum area necessary to site a building in that zoning district, then the City will sell the land to that adjoining property owner for an amount recommended by staff and approved by Council.

## II. PROCEDURE:

- A. Filing of Petition – The petitioner must file a petition for vacation with the Department of Planning & Development consisting of the following:
1. Petition form with signatures from all adjoining property owners. The Department of Planning & Development may also require written consent of those who use the area to be vacated for a primary or necessary ingress or egress.
  2. If an adjoining property owner cannot be reached informally for signature, then the petitioner must send notice by certified mail to the owner's address on file with the City Assessor. If the petitioner can show that such notice was provided and the adjoining property owner did not reply within 30 days, or refused to sign, then the petition may continue. Council will take into consideration non-reply or refusal to sign.
  3. A \$100 non-refundable application processing fee, payable to the City of Hopewell. The petitioners must agree to meet all expenses involved in the vacation process.
  4. Sketch or illustration of right-of-way to be vacated.
  5. 1 copy of a title search or opinion from an attorney or title examiner determining ownership of the right-of-way.
- B. Staff Review – Upon receipt, the Department of Planning & Development will transmit the application for review by City agencies. Considerations by City agencies may address, without limitation:
1. Current and potential future use of subject area
  2. Easements for utilities to be retained
  3. Utility relocation (at applicant's expense) when an easement will not suffice
  4. Emergency service and use of area
  5. Refuse collection service and use of the area
  6. Impact to pedestrian or vehicular traffic
  7. Adjoining property owner non-reply or refusal to sign the petition
- C. Advertisement – Notice of the petition Council for the vacation of a right-of-way must be published as a legal ad in a newspaper of general circulation at least twice, with at least 6 days elapsing between the first and second publication. The notice must specify the time and place of hearing, at which time persons affected may appear and present their views. This cost will be billed to the petitioner.
- D. Public Hearing – Council will conduct a public hearing at which persons affected may appear and be heard. Council may vote to approve, approve with conditions as permitted under Va. Code § 15.2-2006 and -2008, defer for additional review, or deny the ordinance of vacation.
- E. Post-Approval – Upon approval by Council, the petitioners will have 90 days to submit:

1. The deed of vacation reflecting that the vacated land is assimilated into, and become a part of, the abutting properties.
  2. Administrative resubdivision application necessary to accomplish the assimilation of land into the abutting properties. This includes a licensed professional land surveyor's plat showing the exact extent and dimensions of the vacation, names, parcel numbers and deed references of adjoining properties, metes and bounds based on City-approved datum, area of proposed closure, and a minimum of 2 NAD 83 State Plane coordinates. The City reserves the right to request a digital copy of the plat.
  3. Payment of public notification advertising fees.
  4. When required as a condition of approval, agreement to purchase the vacated property in accordance with Va. Code § 15.2-2008.
- F. At or before the end of the 90 day period:
1. If all deeds have been received and approved, Council then may adopt the vacating ordinance. If adopted, the deeds will be returned to the respective property owners, for filing with the Clerk of the Circuit Court.
  2. If one or more deeds are not received within the specified 90 day time limit, staff will request that Council not pass the vacating ordinance, unless a reason satisfactory to staff exists (e.g. a surveyor taking longer than anticipated to draft a plat). If the ordinance is not passed, all deeds must be returned to the appropriate parties and the petition terminated.
- G. Recordation – A certified copy of the ordinance of vacation must be recorded as deeds are recorded and indexed in the name of the locality within 1 year of final Council approval. A conditional vacation cannot be recorded until the condition has been met.
- H. If the ordinance has expired without the deeds being filed, the petitioning citizen must contact the City Manager's Office to have the issue placed on the agenda of the next available Council meeting. Prior to Council consideration, the petitioning citizens must submit to, and have approved by, the City Attorney all deeds of vacation. The citizen must appear at the meeting to request that Council reaffirm its earlier action. The City Manager will include in the Council packet the original report on the requested vacation, with no additional staff work or research.

For additional assistance, please contact the Department of Planning & Development.

I (We) \_\_\_\_\_ of \_\_\_\_\_  
(Names) (Mailing Address)

---

petition the City of Hopewell to vacate the undeveloped right-of-way situated at: \_\_\_\_\_

---

There has \_\_\_\_\_ has not \_\_\_\_\_ been a previous petition to vacate this right-of-way.

Attached is a drawing of the right-of-way to be vacated.

There is/are \_\_\_\_\_ property owner(s) adjoining this right-of-way. Attached is/are the signature(s) of the adjoining property owner(s) and a \$100.00 non-refundable application processing fee.

I (We) agree to pay for public notice advertisement in a newspaper of general circulation in the City of Hopewell, as well as all other costs incurred by me/us associated with this application, regardless of Council's final decision regarding the petition.

I (We) have received Council's Policy concerning right-of-way vacations.

\_\_\_\_\_  
(Signature of Petitioner)

\_\_\_\_\_  
(Date)

\_\_\_\_\_  
(Signature of Petitioner)

\_\_\_\_\_  
(Date)

# COMMUNICATIONS FROM CITIZENS

REGULAR BUSINESS

R-1

**CABLE FRANCHISE AGREEMENT  
BETWEEN  
THE CITY OF HOPEWELL, VIRGINIA  
AND  
VERIZON VIRGINIA LLC**

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THIS CABLE FRANCHISE AGREEMENT (the “Franchise” or “Agreement”) is entered into by and between the CITY OF HOPEWELL, a validly organized and existing municipal corporation and political subdivision of the Commonwealth of Virginia (the “Local Franchising Authority,” “City” or “LFA”), and VERIZON VIRGINIA LLC, a limited liability company duly organized under the applicable laws of the Commonwealth of Virginia (the “Franchisee”).

WHEREAS, the LFA is a municipal corporation of the Commonwealth of Virginia (the “Commonwealth”), and is subject to the franchising requirements of Article VII, § 9 of the Virginia Constitution of 1971, as amended, and the requirements of the general Virginia franchising statutes, Article 1, Chapter 21, Title 15.2 of the Code of Virginia of 1950, as amended (the “Code”) (together, the “General Franchise Laws”);

WHEREAS, the LFA is a local franchising authority, as defined in 47 U.S.C. § 522 and Section 15.2-2108.20 of the Code, and has the ability to grant multiple, non-exclusive franchises to provide cable service within the City limits under the provisions of the Cable Communications Policy Act of 1984, as amended, 47 U.S.C. § 521 et seq. (the “Cable Act”) and Article 1.2, Chapter 21, Title 15.2 of the Code (the “Virginia Cable Franchise Law”);

WHEREAS, the Franchisee is a “cable operator” and the LFA is a “franchising authority” in accordance with Title VI of the Communications Act (*see* 47 U.S.C. §§ 522(5), 522(10)) and the LFA is authorized to grant one (1) or more nonexclusive cable franchises to operate a Cable System within the LFA pursuant to Title VI of the Communications Act;

WHEREAS, the LFA wishes to grant the Franchisee a nonexclusive franchise to own, construct, operate, and maintain a Cable System in the LFA as designated in this Franchise;

WHEREAS, the Franchisee has installed or will install a Fiber to the Premises Telecommunications Network (“FTTP Network”) that occupies the Public Rights-of-Way within the LFA for the transmission of Non-Cable Services pursuant to authority granted by applicable state law and Title II of the Communications Act, which Non-Cable Services are not subject to Title VI of the Communications Act or this Agreement;

WHEREAS, the LFA has advertised for bids on a non-exclusive franchise to provide cable service, as that term is used in the Cable Act, using the right of way of the LFA for \_\_\_ days, and closed bidding on \_\_\_\_\_, 2026;

WHEREAS, the LFA has found the Franchisee to be financially, technically and legally qualified to operate the Cable System and has identified the LFA’s future cable-related needs and interests in accordance with applicable law;

WHEREAS, the LFA has determined that this Agreement and the process for consideration of this Agreement materially complies with all applicable federal, state and local laws and regulations.

NOW, THEREFORE, in consideration of the LFA’s grant of a franchise to the Franchisee, the Franchisee’s promise to provide Cable Service to residents of the LFA pursuant to and

consistent with the Communications Act (as hereinafter defined), pursuant to the terms and conditions set forth herein, the promises and undertakings herein, and other good and valuable consideration, the receipt and the adequacy of which are hereby acknowledged,

THE LFA GRANTS A FRANCHISE TO THE FRANCHISEE ON THE FOLLOWING TERMS AND CONDITIONS:

**1. DEFINITIONS**

Except as otherwise provided herein, the definitions and word usages set forth in the Communications Act (as hereinafter defined) and Va. Code § 15.2-2108.19 are incorporated herein and apply in this Agreement. The following definitions apply:

1.1 *Access Channel*: A video Channel that the Franchisee shall make available to the LFA without charge for public, educational and/or governmental use for the transmission of Video Programming as directed by the LFA.

1.2 *Additional Service Area*: Means any portion of the LFA added pursuant to Subsection 3.1.2 of this Agreement.

1.3 *Affiliate*: Any Person who, directly or indirectly, owns or controls, is owned or controlled by, or is under common ownership or control with, the Franchisee.

1.4 *Basic Service*: Any service tier that includes the retransmission of local television broadcast signals as well as the PEG Channel required by this Franchise.

1.5 *Cable Service* or *Cable Services*: Has the same meaning it is given by Section 602 of the Communications Act, 47 U.S.C. § 522(6), as may be amended, which currently states: “(A) the one-way transmission to subscribers of (i) video programming, or (ii) other programming service, and (B) subscriber interaction, if any, which is required for the selection or use of such video programming or other programming service.”

1.6 *Cable System* or *System*: Has the same meaning it is given by Section 602 of the Communications Act, 47 U.S.C. § 522(7), as may be amended, which currently states: “a facility, consisting of a set of closed transmission paths and associated signal generation, reception, and control equipment that is designed to provide cable service which includes video programming and which is provided to multiple subscribers within a community, but such term does not include (A) a facility that serves only to retransmit the television signals of 1 or more television broadcast stations; (B) a facility that serves subscribers without using any public right-of-way; (C) a facility of a common carrier which is subject, in whole or in part, to the provisions of [T]itle II of this Act, except that such facility shall be considered a cable system (other than for purposes of section 621(c)) to the extent such facility is used in the transmission of video programming directly to subscribers, unless the extent of such use is solely to provide interactive on-demand services; (D) an open video system that complies with section 653 of this title; or (E) any facilities of any electric utility used solely for operating its electric utility systems.”

1.7 *Channel*: Has the same meaning it is given by Section 602 of the Communications Act, 47 U.S.C. § 522(4), as may be amended, which currently states: “a portion

of the electromagnetic frequency spectrum which is used in a cable system and which is capable of delivering a television channel (as television channel is defined by the [FCC] by regulation).”

1.8 *Communications Act*: The Communications Act of 1934, as may be amended.

1.9 *Complaint*: Any written communication, including electronic mail, by a Subscriber expressing dissatisfaction with any aspect of the Franchisee’s Cable System or Cable Service operations in the LFA.

1.10 *Control*: The ability to exercise *de facto* or *de jure* control over day-to-day policies and operations or the management of the Franchisee’s affairs.

1.11 *Customer Service Standards*: The standards for customer service as set forth in Exhibit A.

1.12 *Educational Access Channel*: An Access Channel available for the use of the local schools in the LFA.

1.13 *Effective Date*: Shall mean the later of the date on which both parties sign this Agreement.

1.14 *FCC*: The United States Federal Communications Commission, or successor governmental entity thereto.

1.15 *Fiber to the Premise Telecommunications Network or FTTP Network*: The Franchisee’s network that transmits Non-Cable Services pursuant to the authority granted under the laws of the Commonwealth of Virginia and under Title II of the Communications Act, which Non-Cable Services are not subject to Title VI of the Communications Act or this Agreement, and which provides Cable Services from the operation of a Cable System.

1.16 *Force Majeure*: An event or events reasonably beyond the ability of the Franchisee to anticipate and control. This includes, but is not limited to, the following: severe or unusual weather conditions; labor strikes and slowdowns; war or act of war (whether an actual declaration of war is made or not); insurrection, riots, or act of public enemy, including terrorist attacks; orders of the government of the United States or the Commonwealth of Virginia; actions or inactions of any government instrumentality or public utility other than the Franchisee (including condemnation to the extent not foreseeable); major accidents for which the Franchisee is not responsible; fire, flood, epidemics, pandemics, public health emergencies, or other acts of God; or work delays caused by waiting for utility providers to service utility poles to which the Franchisee’s FTTP Network is attached and the unavailability of materials and/or qualified labor to perform the work necessary to the extent that such unavailability of materials and/or qualified labor was reasonably beyond the ability of the Franchisee to foresee or control. The party experiencing a force majeure event shall take commercially reasonable measures to minimize its impact. The party asserting an event of force majeure shall bear the burden of proving its existence and duration.

1.17 *Franchisee*: Verizon Virginia LLC, and its lawful and permitted successors, assigns, and transferees.

1.18 *Government Access Channel*: An Access Channel available for the use of the LFA for governmental purposes.

1.19 *Gross Revenue*: All revenue, as determined in accordance with generally accepted accounting principles, which is derived by the Franchisee or its Affiliates, from the operation of the Cable System to provide Cable Service in the Service Area including, but not limited to:

- (1) Basic Service fees;
- (2) fees charged to Subscribers for any service tier other than Basic Service;
- (3) fees charged to Subscribers for premium Cable Services;
- (4) fees charged to Subscribers for video-on-demand and pay-per-view Cable Services;
- (5) fees charged to Subscribers for any optional, per-channel or per-program Cable Services;
- (6) revenues from the provision of any other Cable Services;
- (7) charges for installation, additional outlets, relocation, disconnection, reconnection and change-in-service fees for Video Programming;
- (8) fees for changing any level of Cable Service programming;
- (9) fees for service calls;
- (10) early termination fees (solely to the extent such early termination fee can be proportionately attributable to Cable Service);
- (11) fees for leasing of Channels;
- (12) rental of any and all Subscriber equipment, including digital video recorders, converters and remote control devices;
- (13) advertising revenues (on a pro rata basis) as set forth herein;
- (14) revenues from the sale or rental of Subscriber lists;
- (15) revenues or commissions received from the carriage of home shopping channels (on a pro rata basis as set forth herein) subject to Subsection 1.19.5 below;
- (16) fees for music services that are Cable Services over the Cable System;

- (17) fees for DVR Cable Services;
- (18) regional sports programming fees;
- (19) broadcast retransmission fees;
- (20) late payment fees;
- (21) NSF check charges;
- (22) franchise fees collected from Subscribers for the provision of Cable Services over the Cable System in the Service Area; and
- (23) forgone revenue that the Franchisee chooses not to receive in exchange for trades, barter, services, or other items of value consistent with Subsection 1.19.8 below.

For the avoidance of doubt, advertising revenues shall include the amount of the Franchisee's gross advertising revenue calculated in accordance with generally accepted accounting principles (i.e., without deducting commissions paid to independent third parties). Advertising and home shopping revenue, as described in Sections 1.19(13) and 1.19(15) above, is based upon the ratio of the number of the Franchisee's Subscribers in the Service Area as of the last day of the period for which Gross Revenue is being calculated to the number of the Franchisee's Subscribers within all areas covered by the particular revenue source as of the last day of such period. By way of illustrative example, the Franchisee sells two ads: Ad "A" is broadcast nationwide; Ad "B" is broadcast only within Virginia. The Franchisee has 100 Subscribers in the Service Area, 500 Subscribers in Virginia, and 1,000 Subscribers nationwide. Gross Revenue as to the LFA from Ad "A" is ten percent (10%) of the Franchisee's revenue therefrom. Gross Revenue as to the LFA from Ad "B" is twenty percent (20%) of the Franchisee's revenue therefrom.

Gross Revenue shall not include:

1.19.1 Revenues received by any Affiliate or other Person in exchange for supplying goods or services used by the Franchisee to provide Cable Service over the Cable System;

1.19.2 Bad debts written off by the Franchisee in the normal course of its business; provided, however, that bad debt recoveries shall be included in Gross Revenue during the period collected;

1.19.3 Refunds, rebates, or discounts made to Subscribers or other third parties;

1.19.4 Any revenues classified, in whole or in part, as Non-Cable Services revenue under federal or state law including, without limitation, revenue received from Telecommunications Services; revenue received from Information Services including, without limitation, Internet Access service, electronic mail service, internet-derived electronic bulletin

board service, or similar online computer services; charges made to the public for commercial or cable television that is used for two-way communication that is classified as Non-Cable Services; and any other revenues classified as Non-Cable Services in accordance with applicable laws or regulations;

1.19.5 Any revenue of the Franchisee or any other Person that is received directly from the sale of merchandise through any Cable Service distributed over the Cable System, notwithstanding that portion of such revenue which represents or can be attributed to a Subscriber fee or a payment for the use of the Cable System for the sale of such merchandise, which portion shall be included in Gross Revenue;

1.19.6 The sale of Cable Services on the Cable System for resale in which the purchaser is required to collect cable franchise fees from purchaser's customer;

1.19.7 Any tax of general applicability imposed upon the Franchisee or upon Subscribers by a local, state, federal, or any other governmental entity and required to be collected by the Franchisee and remitted to the taxing entity (including, but not limited to, sales/use tax, gross receipts tax, excise tax, utility users tax, public service tax, communication taxes, and non-cable franchise fees);

1.19.8 Any forgone revenue that the Franchisee chooses not to receive in exchange for its provision of free or reduced cost cable or other communications services to any Person including, without limitation, employees of the Franchisee and public institutions or other institutions designated in this Franchise; provided, however, that such forgone revenue that the Franchisee chooses not to receive in exchange for trades, barter, services, or other items of value shall be included in Gross Revenue;

1.19.9 Sales of capital assets or sales of surplus equipment that are not deemed to be a Cable Service;

1.19.10 Program launch fees; and

1.19.11 Directory or Internet advertising revenue including, but not limited to, yellow page, white page, banner advertisement, and electronic publishing.

1.20 *High Definition* or *HD*: Format for digital television transmission with video transmitted in at least a 16:9 aspect ratio with a resolution of at least 720p or 1080i.

1.21 *Information Services*: Has the same meaning given to it by Section 3 of the Communications Act, 47 U.S.C. § 153(24), as may be amended, which currently states: "the offering of a capability for generating, acquiring, storing, transforming, processing, retrieving, utilizing, or making available information via telecommunications, and includes electronic publishing, but does not include any use of any such capability for the management, control, or operation of a telecommunications system or the management of a telecommunications service."

1.22 *Initial Service Area*: All portions of the LFA where Cable Service is being offered as of the Effective Date.

1.23 *Internet Access*: Broadband access service that enables Subscribers to access the Internet.

1.24 *Local Franchising Authority or LFA*: The incorporated area (entire existing territorial limits) of the City of Hopewell, Virginia, and such additional areas as may be incorporated into the corporate (territorial) limits of the City of Hopewell during the term of this Franchise.

1.25 *Non-Cable Services*: Any service that is not a Cable Service as defined herein including, but not limited to, Information Services and Telecommunications Services.

1.26 *Normal Operating Conditions*: Those service conditions that are within the control of the Franchisee. Those conditions that are not within the control of the Franchisee include, but are not limited to, natural disasters, civil disturbances, power outages, telephone network outages, and severe or unusual weather conditions. Those conditions that are ordinarily within the control of the Franchisee include, but are not limited to, special promotions, pay-per-view events, rate increases, regular peak or seasonal demand periods, and maintenance or rebuild of the Cable System. See 47 C.F.R. § 76.309(c)(4)(ii).

1.27 *PEG*: Public, Educational or Government.

1.28 *Person*: An individual, partnership, association, joint stock company, trust, corporation, limited liability company, or governmental entity.

1.29 *Public Access Channel*: An Access Channel available for the non-commercial use by the residents in the LFA.

1.30 *Public Rights-of-Way*: The surface and the area across, in, over, along, upon, and below the surface of the public streets, roads, bridges, sidewalks, lanes, courts, ways, alleys, and boulevards, including public utility easements and public lands and waterways used as Public Rights-of-Way, as the same now or may hereafter exist, which are under the jurisdiction or control of the LFA. Public Rights-of-Way do not include the airwaves above a right-of-way with regard to cellular or other wireless communications or broadcast services.

1.31 *Service Area*: All portions of the LFA where Cable Service is offered.

1.32 *Service Interruption*: The loss of picture or sound on one (1) or more cable Channels.

1.33 *Standard Definition or SD*: Format for digital television transmission with video transmitted in a 4:3 aspect ratio with a resolution of at least 480i.

1.34 *Subscriber*: A Person who lawfully receives Cable Service over the Cable System with the Franchisee's express permission.

1.35 *Telecommunications Facilities*: The Franchisee's existing Telecommunications Services and Information Services facilities and its FTTP Network facilities.

1.36 *Telecommunications Services*: Has the meaning given to it in Section 3 of the Communications Act, 47 U.S.C. § 153(53), as may be amended, which currently states: “the offering of telecommunications for a fee directly to the public, or to such classes of users as to be effectively available directly to the public, regardless of the facilities used.”

1.37 *Title II*: Title II of the Communications Act, Common Carriers, as may be amended, which governs the provision of Telecommunications Services.

1.38 *Title VI*: Title VI of the Communications Act, Cable Communications, as may be amended, which governs the provision of Cable Services by the Franchisee.

1.39 *Transfer of the Franchise*:

1.39.1 Any transaction in which:

1.39.1.1 the right, title, control or other interest in the Franchisee is transferred, directly or indirectly, from one (1) Person or group of Persons to another Person or group of Persons, so that control of the Franchisee is transferred; or

1.39.1.2 at least thirty percent (30%) of the equitable ownership of the Franchisee is transferred or assigned; or

1.39.1.3 the rights held by the Franchisee pursuant to this Agreement are transferred or assigned to another Person or group of Persons.

1.39.2 Notwithstanding Subsection 1.39.1 above, a Transfer of the Franchise shall not include transfer of an ownership or other interest in the Franchisee to the parent of the Franchisee or to another Affiliate of the Franchisee; transfer of an interest in this Franchise or the rights held by the Franchisee under this Franchise to the parent of the Franchisee or to another Affiliate of the Franchisee; any action that is the result of a merger of the parent of the Franchisee; or any action that is the result of a merger of another Affiliate of the Franchisee.

1.40 *Video Programming*: Has the meaning given to it by Section 602 of the Communications Act, 47 U.S.C. § 522(20), as may be amended, which currently states: “programming provided by, or generally considered comparable to programming provided by, a television broadcast station.”

1.41 *Video Service Provider or VSP*: Any entity using wired facilities occupying a substantial portion of the Public Rights-of-Way as the primary means of delivery to provide Video Programming services to multiple subscribers within the territorial boundaries of the LFA. A VSP shall include any entity that provides Cable Services or Video Programming services within the territorial boundaries of the LFA.

## **2. GRANT OF AUTHORITY; LIMITS AND RESERVATIONS**

2.1 *Grant of Authority*: Subject to the terms and conditions of this Agreement and applicable laws and regulations, the LFA hereby grants to the Franchisee the right to own, construct, operate, and maintain a Cable System to provide Cable Services along the Public

Rights-of-Way within the LFA. No privilege or power of eminent domain is bestowed or waived by this grant or by this Agreement.

2.2 *Grant Not Exclusive.* This Agreement and the rights it grants to use and occupy the Public Rights-of-Way is not exclusive and does not preclude the issuance of other franchises to operate Cable Systems within the City, affect the LFA's right to authorize use of Public Rights-of-Way by other persons to operate Cable Systems or for other purposes as it determines appropriate, or affect the LFA's right to itself construct, operate or maintain a Cable System, with or without a franchise. Any such rights that are granted shall not materially interfere with existing facilities of the Franchisee's Cable System or the Franchisee's FTTP Network.

2.3 *Franchise Agreement Subject to Other Laws.* This Franchise Agreement is subject to and shall be governed by all applicable terms, conditions and provisions of the Cable Act, the Virginia Cable Franchise Law and any other applicable provision of federal, state or local law.

2.4 *Franchise Subject to Police Powers:* Nothing in this Franchise shall be construed to prohibit the reasonable, necessary, and lawful exercise of the police powers of the LFA. The LFA shall not subject the Franchisee to any ordinances or regulations that are in material conflict with this Franchise. If the LFA exercises its reasonable, necessary, and lawful police power rights and such exercise results in a material alteration of the terms and conditions of this Agreement that makes it commercially impracticable for the Franchisee to continue the provision of Cable Services in the LFA, then the parties shall modify this Agreement to the mutual satisfaction of both parties to ameliorate the negative effects of the LFA's exercise of its police power rights on the Franchisee. Any modification to this Agreement shall be in writing and signed by both parties. If the parties cannot reach agreement on how to ameliorate the negative effects of the LFA's exercise of its police power rights, then the parties agree to submit the matter to binding arbitration in accordance with the commercial arbitration rules of the American Arbitration Association.

2.5 *The LFA's Regulatory Authority:* The parties recognize that the Franchisee FTTP Network has been constructed and is operated and maintained as an upgrade to and/or extension of its existing Telecommunications Facilities for the provision of Non-Cable Services. The jurisdiction of the LFA over the Franchisee's Telecommunications Facilities is governed by federal and state law, and the LFA will not assert jurisdiction over the Franchisee's FTTP Network in contravention of those laws. The parties acknowledge that a telecommunications franchise dated July 11, 1989, as may be amended or replaced, governs Franchisee's use of the Public Rights-of-Ways for the construction, operation, maintenance, upgrading, and/or extension of its FTTP Network ("Telecommunications Franchise"). Therefore, as provided in Section 621(b)(3)(A) of the Communications Act, 47 U.S.C. § 541(b)(3)(A), the LFA's regulatory authority under Title VI of the Communications Act is not applicable to the construction, installation, maintenance, or operation of the Franchisee's FTTP Network to the extent the FTTP Network uses the Franchisee's existing Telecommunications Facilities for the provision of Non-Cable Services. This Agreement shall not be construed to limit whatever existing regulatory authority the LFA may have under the Telecommunications Franchise or federal and state law with respect to the FTTP Network facilities.

2.6 *Term:* This Franchise shall become effective on the Effective Date as defined in Section 1.13 above. The term of this Franchise shall be five (5) years from the Effective Date, unless the Franchise is earlier terminated by the Franchisee pursuant to the terms of Section 2.4 of this Agreement or is revoked by the LFA pursuant to Section 12.4 of this Agreement.

2.7 *Termination Generally:* Notwithstanding any provision herein to the contrary, the Franchisee may terminate this Franchise and all obligations hereunder at any time during the term of this Franchise for any reason, in the Franchisee's sole discretion, upon six (6) months' written notice to the LFA.

2.8 *Modification Based on VSP Requirements; Competitive Equity:*

2.8.1 If there is a change in federal, state, or local law that reduces any material financial and/or operational obligation that the LFA has required from or imposed upon a VSP, or if the LFA enters into any franchise, agreement, license, or grant of authorization with a VSP to provide Video Programming services to residential subscribers in the LFA and the franchise, agreement, license or grant of authorization, taken as a whole upon consideration of all of its material obligations, is materially less burdensome than the terms imposed by this Franchise, then the Franchisee and the LFA shall, within sixty (60) days of the LFA's receipt of the Franchisee's written notice, commence negotiations to modify this Franchise to create reasonable competitive equity between the Franchisee and such other VSP(s).

2.8.2 The Franchisee's notice pursuant to Subsection 2.5.1 shall specify either the change in law or the lesser burden in an authorization to a competitive VSP and the resulting change in obligations. The Franchisee shall respond to reasonable information requests from the LFA, as may be necessary to review the change in obligations resulting from the cited law or the alleged lesser burden.

2.8.3 In the event the parties do not reach mutually acceptable agreement on a modification requested by the Franchisee, the Franchisee shall, at any time and in its sole discretion, have the option of exercising either of the following actions:

2.8.3.1 if agreed by both parties, submitting the matter to binding commercial arbitration by a mutually-selected arbitrator in accordance with the rules of the American Arbitration Association; or

2.8.3.2 submitting the matter to mediation by a mutually-acceptable mediator.

2.9 *Effect of Acceptance.* By accepting the Franchise and executing this Franchise Agreement, the Franchisee: (1) acknowledges and accepts the LFA's legal right to grant the Franchise, to enter this Franchise Agreement, and to enact and enforce ordinances and regulations of general applicability that may relate to the Franchisee; (2) accepts and agrees to comply with each provision of this Agreement; and (3) agrees that the Franchise was granted pursuant to processes and procedures consistent with applicable law.

2.10 *No Waiver:*

2.10.1 The failure or delay of the LFA on one (1) or more occasions to exercise a right or to require compliance or performance under this Franchise, the Communications Act, or any other applicable state or federal law shall not be deemed to constitute a waiver of such right or a waiver of compliance or performance by the LFA, nor to excuse the Franchisee from complying or performing, unless such right or such compliance or performance has been specifically waived in writing.

2.10.2 The failure or delay of the Franchisee on one (1) or more occasions to exercise a right under this Franchise or applicable law, or to require performance under this Franchise, shall not be deemed to constitute a waiver of such right or of performance by the Franchisee, nor shall it excuse the LFA from performance, unless such right or performance has been specifically waived in writing.

2.11 *Construction of Agreement:*

2.11.1 The provisions of this Franchise shall be liberally construed to effectuate their objectives.

2.11.2 Nothing herein shall be construed to limit the scope or applicability of Section 625 of the Communications Act, 47 U.S.C. § 545.

2.11.3 Should any change to federal, state or local law have the lawful effect of materially altering the terms and conditions of this Agreement making it commercially impracticable for the Franchisee to continue the provision of Cable Services in the LFA, then the parties shall modify this Franchise to the mutual satisfaction of both parties to ameliorate the negative effects on the Franchisee and the LFA of the material alteration. Any modification to this Franchise shall be in writing and signed by both parties. If the parties cannot reach agreement on the above-referenced modification to this Franchise, then upon either party's initiative, the parties agree to submit the matter to binding arbitration in accordance with the commercial arbitration rules of the American Arbitration Association.

2.12 *Compliance with Federal and State Privacy Laws:* The Franchisee shall comply with the privacy provisions of Section 631 of the Communications Act, 47 U.S.C. § 551, and all other applicable federal and state privacy laws and regulations. The parties agree that, during the term hereof, the Franchisee shall not be subject to any local laws or ordinances which, directly or indirectly, conflict with or exceed the scope of such applicable federal and/or state privacy laws.

2.13 *Permits:* Nothing herein shall be construed to limit the LFA's lawful authority to require permits and applicable fees for certain activities in the Public Rights-of-Way; provided, however, that the Franchisee shall not be required to obtain permits for Cable Service drops for individual Subscribers.

**3. PROVISION OF CABLE SERVICE**

3.1 *Service Area:*

3.1.1 *Initial Service Area:* Subject to the issuance of all necessary permits by the LFA, the Franchisee shall offer Cable Service to all residential households in the Initial Service Area, and may make Cable Service available to businesses in the Initial Service Area, except: (A) for periods of Force Majeure; (B) for periods of unreasonable delay caused by the LFA; (C) for periods of delay resulting from the Franchisee’s inability to obtain authority to access rights-of-way in the Service Area; (D) in areas where developments, buildings or other residential dwelling units are subject to claimed exclusive arrangements with other providers; (E) in areas, developments, buildings or other residential dwelling units where the Franchisee cannot gain access under reasonable terms and conditions after good faith negotiation, as reasonably determined by the Franchisee; (F) in areas, developments, buildings or other residential dwelling units where the Franchisee is unable to provide Cable Service for technical reasons or which require non-standard facilities which are not available on a commercially reasonable basis including, but not limited to, circumstances where the Franchisee cannot access the areas, developments, buildings or other residential dwelling units by using the Franchisee’s existing network pathways and which would thus require the construction of new trunk, feeder, or distribution lines; (G) in areas, developments, buildings or other residential dwelling units where the Franchisee determines, at its sole discretion, that providing such Cable Service is not commercially reasonable; and (H) in areas, developments, buildings or other residential dwelling units that are not habitable or have not been constructed as of the Effective Date.

3.1.2 *Additional Service Areas:* The Franchisee shall not be required to extend its Cable System or to provide Cable Services to any other areas within the LFA during the term of this Franchise or any renewals thereof. If the Franchisee desires to add Additional Service Areas within the LFA, the Franchisee may do so at its sole discretion.

3.2 *Availability of Cable Service:* The Franchisee shall make Cable Service available to all residential dwelling units and may make Cable Service available to businesses within the Service Area in conformance with Section 3.1, and the Franchisee shall not discriminate between or among any individuals in the availability of Cable Service. In the areas in which the Franchisee shall provide Cable Service, the Franchisee shall be required to connect, at the Franchisee’s expense, other than a standard installation charge, all residential dwelling units that are within two hundred (200) feet of trunk or feeder lines not otherwise already served by the Franchisee’s FTTP Network. The Franchisee shall be allowed to recover, from a Subscriber that requests such connection, no more than the actual costs incurred for the portion of a residential dwelling unit connection that exceeds two hundred (200) feet and the actual costs incurred to connect any non-residential dwelling unit Subscriber.

#### **4. SYSTEM FACILITIES**

4.1 *Technical Requirements:* The Cable System shall meet or exceed all applicable technical performance standards of the FCC, any other future applicable technical performance standards, the National Electrical Safety Code, the National Electrical Code and any other applicable federal laws and the laws of the Commonwealth of Virginia to the extent not in conflict with federal law and regulations.

4.2 *System Characteristics:* The Franchisee’s Cable System shall be designed and operated as an active two-way system that allocates sufficient bandwidth to deliver reliable two-way Cable Services.

4.3 *Interconnection:* The Franchisee shall operate its Cable System so that it may be interconnected with other cable systems in the LFA. Interconnection of systems may be made by direct cable connection, microwave link, satellite, or other appropriate methods.

4.4 *No Interference:* The Cable System shall be operated in such a manner as to comply with all applicable FCC requirements regarding (i) consumer electronic equipment and (ii) interference with the reception of off-the-air signals of licensed FCC operators.

4.5 *Standby Power:* The Cable System shall incorporate equipment capable of providing continuous standby powering of the System during any commercial utility power outage.

4.6 *Emergency Alert System:* The Franchisee shall comply with the applicable requirements of the FCC and the Commonwealth of Virginia with respect to the operation of an Emergency Alert System (“EAS”) and with applicable state and local EAS plans in order that emergency messages may be distributed over the Cable System.

4.7 *Parental Control:* The Franchisee shall comply with all applicable requirements of federal law(s) governing Subscribers’ capability to control the reception of any channels being received on their television sets.

## 5. **PEG SERVICES**

### 5.1 *PEG Channel Set Aside:*

5.1.1 In order to ensure universal availability of Public, Educational, and Government Access programming, the Franchisee shall reserve on the Basic Service tier capacity for one (1) dedicated Public, Educational, and Government Access Channel (“PEG Channel”) for exclusive use by the LFA or its designee. The PEG Channel shall be used for community programming related to public, educational and/or governmental activities. The LFA shall have complete control over the content, scheduling, administration and all other programming aspects of the PEG Channel, and may delegate such functions, or a portion of such functions, to an appropriate designee. The Franchisee shall not exercise any editorial control over PEG Channel programming. The Franchisee shall maintain in good working order the video link(s) and equipment necessary to transmit the PEG Channel signal to the channel aggregation site for further processing and distribution to Subscribers. The Franchisee shall maintain the PEG Channel and video link(s) in accordance with FCC technical specifications that are comparable to the specifications used to maintain commercial Channels transmitted to Subscribers on the Cable System, except that the Franchisee shall not be responsible for the technical signal quality of the programming produced by any PEG Channel producer.

5.1.2 The LFA and the Franchisee will comply with all laws and regulations related to use of the PEG Channel. The parties agree that the Franchisee shall retain the right to utilize such reserved PEG Channel capacity, in its sole discretion, during the term of

this Franchise until such time as the LFA notifies the Franchisee in writing of its desire to begin using the PEG Channel pursuant to Subsection 5.1.3 below.

5.1.3 The LFA may obtain from the Franchisee, within one hundred twenty (120) days of the receipt of written notice from the LFA and upon requirement by the LFA of the same of any other providers of Cable Service in the LFA, one (1) PEG Channel as identified in Subsection 5.1.1 for exclusive use by the LFA or its designee. Such notification shall constitute authorization to the Franchisee to transmit such PEG Channel programming within and without the LFA. The Franchisee shall assign the PEG Channel number to the extent such Channel number assignment does not interfere with the Franchisee's existing or planned Channel number line-up and contractual obligations, provided it is understood that the Franchisee specifically reserves the right to make or change such PEG Channel number assignment, in its sole discretion, upon at least thirty (30) days' written notice to the LFA. If the PEG Channel provided under this Article 5 is not being utilized by the LFA, or if the LFA ceases to use the PEG Channel during the term of this Franchise, the Franchisee may utilize such PEG Channel capacity, in its sole discretion, until such time as the LFA elects to utilize the PEG Channel for its intended purpose. In the event the LFA decides to exercise its right to use previously de-activated PEG Channel capacity, the LFA shall provide the Franchisee with written notice and the Franchisee shall re-activate the PEG Channel within ninety (90) days of receipt of the written request from the LFA.

5.2 *PEG Channel Equipment and Programming:* The LFA and/or its designee shall be solely responsible for operating its switching equipment and the picture and audio quality of all PEG Channel programming up to the demarcation point and for ensuring all PEG Channel programming is inserted on the appropriate upstream PEG Channel. All PEG Channel programming shall be transmitted to the Franchisee in baseband or SD-SDI format with either mono or stereo audio signals, and with signals received by the Franchisee in stereo cablecast by the Franchisee in stereo. Notwithstanding the foregoing, the Franchisee shall not be obligated to provide the LFA or its designee with either cablecast equipment and facilities or the personnel responsible for maintaining and operating equipment and facilities on the LFA's side of the demarcation point and used to generate or administer any PEG Channel access signals, except as necessary to implement the Franchisee's responsibilities specified herein. The LFA and the Franchisee shall work together in good faith to resolve any connection issues. If the LFA issues a franchise to, or renews a franchise with, a competing cable operator, the competing cable operator may not connect its system to the Franchisee's System for the purposes of obtaining PEG Channel programming from the PEG Channels transmitted on the Franchisee's System without the Franchisee's prior written consent.

5.3 *Interconnection for PEG Channel Programming:* The Franchisee may, in its sole discretion, use reasonable efforts to interconnect its Cable System with the existing cable operator(s). If interconnection is not pursued, for purposes of providing the PEG Channels, no earlier than six (6) months after written notice by the LFA to activate the PEG Channels, subject to the provisions of Section 3.1 and so long as such location(s) are within the Initial Service Area, the LFA may require the Franchisee to provide a video link, without charge to the LFA, to a location within the Service Area where PEG Channel programming is originated for the purpose of cablecasting such PEG Channel programming. The Franchisee shall maintain the fiber connection to such origination location in good working order and without any charge to the LFA. Alternatively, in coordination with Franchisee, the LFA will deliver the PEG programming to

Franchisee via the LFA's own broadband connection using Secure Reliable Transport (SRT) or other comparable broadband video delivery technology as designated by the Franchisee; such delivery will be the LFA's responsibility, including any broadband costs and compliance with terms of service of the internet service provider. The Franchisee shall not be obligated to provide the LFA with either cablecast equipment and facilities or personnel responsible for maintaining and operating such equipment and facilities or generating any such PEG Channel programming.

5.4 *PEG Channel Relocation:* The LFA shall have the right to relocate the location where its PEG Channel programming originates after such time as the Franchisee has established a direct connection or has interconnected with another cable operator for purposes of obtaining PEG Channel programming as follows: (i) the Franchisee's obligation shall be subject to the same conditions that apply to the PEG Channel origination sites as set forth in this Article 5; (ii) the LFA shall provide access to such site at least ninety (90) days prior to the LFA's anticipated use of the relocated PEG Channel origination site; and (iii) the LFA shall reimburse the Franchisee for the actual costs it incurs to relocate its direct connection or for any additional costs associated with the interconnection with any other cable operator. Said relocation shall be undertaken within ninety (90) days of the LFA both: (A) providing a written request therefore, and (B) meeting the conditions set forth above.

5.5 *High Definition PEG Channel:* The LFA may make a written request to activate a PEG Channel, or to upgrade/replace an existing Standard Definition ("SD") PEG Channel, to be broadcast in High Definition ("HD"). The Franchisee shall carry all components of the HD PEG Channel signals that are provided by the LFA or its designee including, but not limited to, video, audio, stereo, closed captioning, and other elements associated with the programming. Upon receipt of the LFA's written request, the Franchisee shall make the HD PEG Channel available to the LFA or the PEG Channel designee within one hundred twenty (120) days if the HD PEG Channel is an initial activation or within two hundred seventy (270) days if the HD PEG Channel is an upgrade/replacement of an existing SD PEG Channel. If applicable, the LFA shall include in the written notice a statement of the existing PEG Channel number assignment on the Franchisee's Cable System and the originating location of the PEG Channel programming. The HD PEG Channel will be assigned a new Channel number on the Franchisee's Channel line-up. To the extent permitted by law, the Franchisee shall be allowed to recover from Subscribers applicable costs incurred to transmit HD PEG Channel programming.

5.5.1 All programming content for the HD PEG Channel shall be transmitted to the Franchisee in HD-SDI format with a resolution of 720p or 1080i. The LFA expressly acknowledges that an HD PEG Channel may not be available at all times during the term of this Agreement on the Franchisee's Basic Service tier and that in order to view the HD PEG Channel, a Subscriber may be required to upgrade equipment at an additional charge. The Franchisee shall have the right to discontinue provision and reclaim the bandwidth of the Standard Definition Access Channel ninety (90) days after the launch of the HD PEG Channel as required by this Section 5.5.

5.6 *PEG Grant:* Upon written notice from the LFA to activate a PEG Channel under Section 5.1 of this Agreement, and in the event the LFA, through passage of a resolution, agrees to a fee to support the capital and equipment needs of the PEG Channel, Franchisee shall

provide a grant to the LFA to be used for capital costs used in support of the production of PEG Channel programming. Such fee shall be the sum of twenty-five cents (\$0.25) per Subscriber per month (“PEG Fee”). The PEG Fee shall be remitted to the LFA within ninety (90) days of the Franchisee’s receipt of written notice from the LFA that (i) the LFA intends to activate a PEG Channel, and (ii) the LFA requires payment of the same amount from all other cable operator(s) providing Cable Service in the LFA. If requested in writing, the LFA shall provide the Franchisee with a complete accounting of the distribution of the PEG Grant funds paid by the Franchisee. Upon ninety (90) days’ written notice, Franchisee shall pay to the LFA a one-time twenty thousand dollars (\$20,000) advance of the PEG Fee as capital support for PEG access (“PEG Grant”). The PEG Grant must be requested at initiation of the PEG Fee and may not be requested at anytime thereafter. Franchisee shall be entitled to retain the PEG Fee collected from Subscribers until it has recouped the PEG Grant. If requested in writing, the LFA shall provide the Franchisee with a complete accounting of the distribution of the PEG Grant funds paid by the Franchisee.

5.7 *Indemnity for PEG Services:* The LFA shall require all local producers and users of any of the PEG facilities or the PEG Channel to agree in writing to authorize the Franchisee to transmit programming consistent with this Agreement and to defend and hold harmless the Franchisee and the LFA from and against any and all liability or other injury, including the reasonable cost of defending claims or litigation, arising from or in connection with claims regarding a PEG Channel programming facility, not including the FTTP Network, or PEG Channel or PEG Channel programming, including claims for failure to comply with applicable federal laws, rules, regulations or other requirements of local, state, or federal authorities; for claims of libel, slander, invasion of privacy, or the infringement of common law or statutory copyright; for unauthorized use of any trademark, trade name, or service mark; for breach of contractual or other obligations owing to third parties by the producer or user; and for any other injury or damage in law or equity. The LFA may establish rules and procedures for use of PEG Channel facilities consistent with applicable laws and regulations. Notwithstanding the foregoing, the LFA shall not indemnify the Franchisee for any damages, liability, or claims resulting from acts of willful misconduct or negligence of the Franchisee, its officers, employees, or agents.

5.8 *Recovery of Costs:* The Franchisee shall be allowed to recover any costs arising from the provision of PEG Channel services as set forth in Section 622 of the Communications Act, 47 U.S.C. § 542, and to include such costs as a separately billed line item on each Subscriber’s bill. Without limiting the foregoing, if allowed under state and federal laws, the Franchisee may externalize, line-item, or otherwise pass through interconnection costs to Subscribers.

## **6. FRANCHISE FEES**

6.1 *Communications Sales and Use Tax:* The parties shall comply with all applicable requirements of the provisions of Va. Code § 58.1-645 (the “Communications Sales and Use Tax”) in its current form and as it may be amended. Should at any time during the term of this Franchise the Communications Sales and Use Tax be repealed or amended to reduce or eliminate the payment of taxes by the Franchisee on the provision of Cable Services over the Cable System, the LFA may, to the extent allowable under applicable law, require, upon sixty (60) days written notice, that the Franchisee pay to the LFA a franchise fee based on Gross Revenue in an

amount established by the LFA that is no greater than that allowed by federal law; provided, however, that: (1) any such requirement to pay a franchise fee applies equally to all franchised cable operators in the LFA; (2) the Franchisee shall not be compelled to pay any higher percentage of gross revenue as franchise fees than any other franchised cable operator providing service in the LFA; and (3) Franchisee shall not be obligated to pay franchise fees on revenues not included in gross revenues by any other franchised cable operator in the LFA. Any payment of franchise fees to the LFA pursuant to this Article 6 shall be made on an annual basis and shall be due forty-five (45) days after the close of each calendar year. Each franchise fee payment shall be accompanied by a brief report prepared by a representative of the Franchisee that shows the basis for the computation of all Gross Revenue derived during the period for which such franchise fee payment is made.

6.2 *Supporting Information:* Each franchise fee payment shall be accompanied by a brief report that provides line items for revenue sources and the amount of revenue received from each source and is verified by a financial manager of the Franchisee showing the basis for the computation.

6.3 *Limitation on Franchise Fee Actions:* The parties agree that the period of limitation for recovery of any franchise fee payable hereunder shall be forty-eight (48) months from the date on which the applicable payment by the Franchisee is due.

6.4 *Audits:*

6.4.1 The LFA may conduct a franchise fee review or audit of the Franchisee's books and records pertaining directly to the Franchisee's payment of franchise fees to the LFA no more than once every two (2) years during the term of this Franchise. Any audit shall be initiated through written notice to the Franchisee by the LFA, and the LFA or any auditor employed by the LFA shall submit its request for records within forty-five (45) days of the LFA's notice; provided, however, that the parties shall work cooperatively on an ongoing basis during the audit review in the event the LFA or its designated auditor identifies reasonable follow-up records that are necessary to complete the audit. Subject to the confidentiality provisions of Section 8.1 below, and execution of a non-disclosure agreement with the LFA or an auditor employed by the LFA, all records requested by the LFA for such audit shall be made available to the LFA or its auditor within forty-five (45) days of the LFA's request for documents. All records shall be provided by the Franchisee for inspection at a mutually agreed upon location or, if agreed by the parties, through secure electronic communication.

6.4.2 Any audit conducted by the LFA or auditor employed by the LFA shall be completed within one hundred twenty (120) days of receipt of all documents identified in the request for records submitted pursuant to Subsection 6.4.1, or by such other date as is mutually agreed to by the parties. If upon completion of the audit, the LFA does not make a claim for additional payments, then the LFA shall provide the Franchisee with written documentation of closure of the audit within forty-five (45) days from the date the audit is completed. The LFA's claim for additional franchise fee payments shall be provided to the Franchisee within forty-five (45) days from the date on which the audit is completed by the LFA or its auditor or by such other date as is mutually agreed to by the parties.

6.4.3 Each party shall bear its own costs of an audit; provided, however, that if the results of any audit indicate that the Franchisee underpaid the franchise fees by five percent (5%) or more, then the Franchisee shall pay the reasonable, documented, out-of-pocket costs of the audit up to eight thousand dollars (\$8,000).

6.4.4 If the results of an audit indicate an underpayment of franchise fees, the parties agree that such underpayment shall be remitted to the LFA within thirty (30) days; provided, however, that the Franchisee shall be required to remit underpayments to the LFA together with interest at six percent (6%) of the amount correctly due from the date such underpayment would have been due.

6.4.5 Any entity employed by the LFA that performs the audit or franchise fee review shall be a professional firm with recognized expertise in auditing franchise fees and shall not be permitted to be compensated on a success-based formula, e.g., payment based on an underpayment of franchise fees, if any.

6.5 *Bundled Services*: If Cable Services are provided to Subscribers in conjunction with Non-Cable Services, the calculation of Gross Revenue shall be adjusted, if needed, to include only the value of the Cable Services billed to Subscribers, as reflected on the books and records of the Franchisee in accordance with FCC rules, regulations, standards, or orders. If the Franchisee bundles Cable Services with Non-Cable Services, the Franchisee agrees that it will not intentionally or unlawfully allocate such revenue for the purpose of evading payments due under this Franchise. The parties agree that tariffed Telecommunications Services that cannot be discounted by state or federal law or regulation are to be excluded from the bundled discount allocation basis.

## **7. CUSTOMER SERVICE**

Customer Service Standards to be complied with by the Franchisee are set forth in Exhibit A. Such standards may be amended by written consent of the parties.

## **8. REPORTS AND RECORDS**

8.1 *Open Books and Records*: Upon written notice to the Franchisee, the LFA shall have the right to inspect the Franchisee's books and records pertaining to this Agreement or the Franchisee's provision of Cable Service in the LFA at any time during Normal Business Hours to ensure compliance with the terms of this Franchise. Such notice shall specifically reference the section or subsection of this Franchise that is under review, so that the Franchisee may organize the necessary books and records for appropriate access by the LFA. Within thirty (30) days of the LFA's written notice, all records requested by the LFA shall be provided by the Franchisee for inspection at a mutually agreed upon location or, if agreed by the parties, through secure electronic communication. The Franchisee shall not be required to maintain any books and records for Franchise compliance purposes longer than thirty-six (36) months. Notwithstanding anything to the contrary set forth herein, the Franchisee shall not be required to disclose information that it reasonably deems to be proprietary or confidential in nature, nor to disclose any of its or an Affiliate's books and records not relating to this Agreement or to the provision of Cable Service in the LFA. If the Franchisee claims any information to be proprietary or confidential, it shall

identify the information and provide a written explanation as to the reason it is claimed to be confidential or proprietary. The LFA shall treat any information disclosed by the Franchisee as confidential so long as it is permitted to do so under applicable law, and shall only disclose it to employees, representatives, and agents of the LFA that have a need to know, or in order to enforce the provisions hereof. The Franchisee shall not be required to provide Subscriber information in violation of Section 631 of the Communications Act, 47 U.S.C. § 551.

8.2 *Records Required:* The Franchisee shall at all times maintain the following, which may be inspected pursuant to Section 8.1 above:

8.2.1 Records of all Complaints for a period of forty-eight (48) months. Complaints recorded will not be limited to Complaints requiring an employee service call.

8.2.2 Records of Significant Outages (as defined in the Customer Service Standards attached as Exhibit A) for a period of forty-eight (48) months.

8.2.3 Records of Service Calls for repair and maintenance (as set forth in the Customer Service Standards attached as Exhibit A) for a period of forty-eight (48) months.

8.2.4 Records of installation/reconnection and requests for service extension (as set forth in the Customer Service Standards attached as Exhibit A) for a period of forty-eight (48) months.

## 9. INSURANCE AND INDEMNIFICATION

### 9.1 *Insurance:*

9.1.1 The Franchisee shall maintain in full force and effect, at its own cost and expense, during the Franchise term, the following insurance coverage:

9.1.1.1 Commercial General Liability Insurance with limits of three million dollars (\$3,000,000) per occurrence for property damage and bodily injury and three million dollars (\$3,000,000) general aggregate including premises-operations, contractual liability, personal and advertising injury and products/completed operations covering the construction, operation, and maintenance of the Cable System, and the conduct of the Franchisee's Cable Service business in the LFA.

9.1.1.2 Automobile Liability Insurance in the amount of one million dollars (\$1,000,000) combined single limit each accident for bodily injury and property damage coverage covering all owned, non-owned, and hired vehicles.

9.1.1.3 Workers' Compensation Insurance in compliance with the statutory requirements of the Commonwealth of Virginia and Employers' Liability Insurance in the following amounts: (i) Bodily Injury by Accident: one hundred thousand dollars (\$100,000); and (ii) Bodily Injury by Disease: one hundred thousand dollars (\$100,000) each employee; five hundred thousand dollars (\$500,000) disease policy limit.

9.1.2 The LFA shall be included as an additional insured as its interest may appear under this Franchise on Commercial General Liability and Automobile Liability insurance policies.

9.1.3 Upon receipt of notice from its insurer, the Franchisee shall provide the LFA with thirty (30) days' prior written notice of cancellation of any required insurance.

9.1.4 Each of the required insurance policies shall be with insurers qualified to do business in the Commonwealth of Virginia, with an A-VII or better rating for financial condition and financial performance by Best's Key Rating Guide, Property/Casualty Edition.

9.1.5 Upon written request, the Franchisee shall deliver to the LFA Certificates of Insurance showing evidence of the required coverage.

## 9.2 *Indemnification:*

9.2.1 The Franchisee agrees to indemnify, save, hold harmless, and defend the LFA, its elected and appointed officials, officers, agents, boards, and employees, from and against any and all claims for injury, loss, liability, cost or expense arising in whole or in part from, incident to, or connected with any act or omission of the Franchisee, its officers, agents, or employees, including the acts or omissions of any contractor or subcontractor of the Franchisee, arising out of the construction, operation, upgrade, or maintenance of its Cable System. The obligation to indemnify, save, hold harmless and defend the LFA shall include the obligation to pay judgments, injuries, liabilities, damages, penalties, expert fees, court costs and the Franchisee's own attorney's fees. The LFA shall give the Franchisee timely written notice of the LFA's request for indemnification within (i) thirty (30) days of receipt of a claim or action pursuant to this subsection or (ii) ten (10) days following service of legal process on the LFA or its designated agent of any action related to this subsection. The LFA agrees that it will take all necessary action to avoid a default judgment. Notwithstanding the foregoing, the Franchisee shall not indemnify the LFA for any damages, liability, or claims resulting from, and the LFA shall be responsible for, the LFA's own acts of willful misconduct or the willful misconduct of its elected and appointed officials, officers, agents, boards, and employees.

9.2.2 With respect to the Franchisee's indemnity obligations set forth in Subsection 9.2.1, the Franchisee shall provide the defense of any claims brought against the LFA by selecting counsel of the Franchisee's choice to defend the claim, subject to the consent of the LFA, which shall not unreasonably be withheld. Nothing herein shall be deemed to prevent the LFA from cooperating with the Franchisee and participating in the defense of any litigation by its own counsel at its own cost and expense; provided, however, that after consultation with the LFA, the Franchisee shall have the right to defend, settle, or compromise any claim or action arising hereunder, and the Franchisee shall have the authority to decide the appropriateness and the amount of any such settlement. In the event that the terms of any such proposed settlement include the release of the LFA, and the LFA does not consent to the terms of any such settlement or compromise, the Franchisee shall not settle the claim or action, but its obligation to indemnify the LFA shall in no event exceed the amount of such settlement.

9.3 *Performance Guaranty.* The Franchisee shall provide to the LFA security for the performance of its obligations under this Agreement in the amount of thirty thousand dollars (\$30,000). The form of this security may, at the Franchisee’s option, be a performance bond, letter of credit, cash deposit, cashier’s check, or any other security acceptable to the LFA. In the event that a performance bond provided pursuant to this Agreement is not renewed or is cancelled, the Franchisee shall provide new security pursuant to this Section 12.6 within thirty (30) days of such cancellation or failure to renew. Neither cancellation, nor termination, nor refusal by a surety to extend the bond, nor the inability of the Franchisee to file a replacement bond or replacement security for its obligations, shall constitute a loss to the LFA that is recoverable under the bond.

## **10. TRANSFER OF FRANCHISE**

Subject to Section 617 of the Communications Act, 47 U.S.C. § 537, and applicable federal regulations, no Transfer of the Franchise shall occur without the prior written consent of the LFA, provided that such consent shall not be unreasonably conditioned or withheld. No such consent shall be required, however, for a transfer in trust, by mortgage, by other hypothecation, by assignment of any rights, title, or interest of the Franchisee in this Franchise or the Cable System in order to secure indebtedness, or for transactions otherwise excluded under Section 1.39 above.

## **11. RENEWAL OF FRANCHISE**

The LFA and the Franchisee agree that any proceedings undertaken that relate to the renewal of this Franchise shall be governed by and comply with the provisions of Section 626 of the Communications Act, 47 U.S.C. § 546.

## **12. ENFORCEMENT AND TERMINATION OF FRANCHISE**

12.1 *Notice of Noncompliance:* If at any time the LFA believes that the Franchisee has not complied with the terms of this Franchise, the LFA shall informally discuss the matter with the Franchisee. If these discussions do not lead to resolution of the problem in a reasonable time, the LFA shall then notify the Franchisee in writing of the nature of the alleged noncompliance (for purposes of this Article 12, the “Noncompliance Notice”). If the LFA does not notify the Franchisee of any alleged noncompliance, it shall not operate as a waiver of any rights of the LFA hereunder or pursuant to applicable law.

12.2 *The Franchisee’s Right to Cure or Respond:* The Franchisee shall have thirty (30) days from receipt of the Noncompliance Notice to: (i) respond to the LFA in writing, if the Franchisee contests (in whole or in part) the assertion of noncompliance; (ii) cure such noncompliance; or (iii) in the event that, by its nature, such noncompliance cannot be cured within such thirty (30) day period, initiate reasonable steps to remedy such noncompliance, diligently pursue such remedy to completion, and notify the LFA of the steps being taken and the date by which the cure is projected to be completed. Upon cure of any noncompliance, the LFA shall provide written confirmation that such cure has been effected.

12.3 *Enforcement Measures:* Subject to applicable federal, state and local law, in the event the LFA determines that the Franchisee is in default of any provision of this Franchise, the LFA may:

12.3.1 Seek specific performance of any provision, which reasonably lends itself to such remedy, as an alternative to damages; or

12.3.2 Commence an action at law for monetary damages or seek other equitable relief; or

12.3.3 In the case of a substantial noncompliance with a material provision of this Franchise, seek to revoke the Franchise in accordance with Section 12.4 below; or,

12.3.4 Apply any other remedy provided for in this Agreement or applicable federal, state, or local laws.

12.4 *Revocation:* Should the LFA seek to revoke this Agreement after following the procedures set forth in Sections 12.1-12.2 above, the LFA shall give written notice to the Franchisee of such intent. The notice shall set forth the specific nature of the noncompliance. The Franchisee shall have sixty (60) days from receipt of such notice to object in writing and to state its reasons for such objection. In the event the LFA has not received a satisfactory response from the Franchisee, it may then seek revocation of this Agreement and shall schedule a public hearing. The LFA shall cause to be served upon the Franchisee, at least thirty (30) days prior to such public hearing, a written notice specifying the time and place of such hearing.

12.4.1 At any designated public hearing at which the LFA has informed the Franchisee that revocation is a possible consequence in accordance with the written notice requirements set forth above, the Franchisee shall be provided a fair opportunity for full participation, including the following rights: to be represented by legal counsel; to introduce relevant evidence and require the production of evidence; and to question and/or cross-examine witnesses. A complete verbatim record and transcript shall be made of such hearing at the Franchisee's sole cost and expense.

12.4.2 Following the public hearing, the Franchisee shall be provided up to thirty (30) days to submit its proposed findings and conclusions to the LFA in writing, and thereafter the LFA shall provide a written determination to the Franchisee setting forth: (i) whether an event of default has occurred under this Agreement; (ii) whether such event of default is excusable; and (iii) whether such event of default has been cured by the Franchisee. The LFA shall also determine whether it will revoke this Franchise based on the information presented or, in the discretion of the LFA, grant additional time to the Franchisee to effect any cure. If the LFA determines that it will revoke this Franchise, the LFA shall promptly provide the Franchisee with a written determination setting forth the LFA's reasoning for such revocation. The Franchisee may appeal such written determination of the LFA to an appropriate court of competent jurisdiction, which will have the power to review the determination of the LFA consistent with applicable law. The Franchisee shall be entitled to such relief as the court finds appropriate. Such appeal must be taken within the time frame permitted by law.

### **13. MISCELLANEOUS PROVISIONS**

13.1 *Actions of Parties*: In any action by the LFA or the Franchisee that is mandated or permitted under the terms hereof, such party shall act in a reasonable, expeditious, and timely manner.

13.2 *Binding Acceptance*: This Agreement shall bind and benefit the parties hereto and their respective successors and assigns.

13.3 *Preemption*: In the event that a change in federal or state law or regulation preempts or limits the enforceability of a provision of this Agreement, the provision shall be read to be preempted or limited, but only to the extent and for the time required by such law or regulation. In the event such federal or state law or regulation is subsequently repealed, rescinded, amended, or otherwise changed so that the provision hereof that had been preempted or limited is no longer preempted or limited, such provision shall thereupon return to full force and effect, and shall thereafter be binding on the parties hereto, without the requirement of further action on the part of the LFA.

13.4 *Force Majeure*: The Franchisee shall not be held in default under, or in noncompliance with, the provisions of this Franchise, nor suffer any enforcement or penalty relating to noncompliance or default, where such noncompliance or alleged defaults occurred or were caused by a Force Majeure event.

13.5 *Choice of Law*. This Agreement shall be construed in accordance with the laws of the Commonwealth of Virginia, without giving effect to its principles of conflicts of laws. The Parties irrevocably consent to venue and jurisdiction of the Virginia state courts for the City of Hopewell, Virginia and the United States District Court for the Eastern District of Virginia, Richmond Division.

13.6 *Good Faith Error*: The parties hereby agree that it is not the LFA's intention to subject the Franchisee to penalties, fines, forfeitures, or revocation of the Franchise for violations of this Agreement where the violation was a good faith error that resulted in no or minimal negative impact on Subscribers or the LFA, or where strict performance would result in practical difficulties and hardship being placed upon the Franchisee that outweigh the benefit to be derived by Subscribers and/or the LFA.

13.7 *Delivery of Payments*: The Franchisee may use electronic funds transfer to make any payments to the LFA required under this Agreement.

13.8 *Notices*: Any notices required shall be given in writing or as allowed by applicable law, and shall be deemed received five (5) days after mailing of the same in the U.S. mail with postage prepaid at the addresses set forth below or, if delivered by hand, electronically, or overnight courier, upon receipt or refusal. Each party may change its designee by providing written notice to the other party.

13.8.1 Notices to the Franchisee shall be mailed to:

Latanya Buggs  
Regional President – Consumer & Mass Business Markets  
Verizon Virginia LLC  
13101 Columbia Pike  
Silver Spring, MD 20904

With a copy to:

Verizon  
One Verizon Way  
Basking Ridge, NJ 07920  
Attention: Sarah E. Lyzak, Vice President and  
Deputy General Counsel

13.8.2 Notices to the LFA shall be mailed to:

City of Hopewell  
300 North Main Street  
Hopewell, VA 23860  
Attn: City Manager

13.9 *Entire Agreement*: This Franchise and the Exhibits hereto constitute the entire agreement between the Franchisee and the LFA and supersedes all prior or contemporaneous agreements, representations, or understanding (whether written or oral) of the parties regarding the subject matter hereof. Any lawful ordinances or parts of ordinances related to the provision of Cable Services over the Cable System in the LFA that conflict with the provisions of this Agreement are superseded by this Agreement.

13.10 *Amendments*: Amendments or modifications to this Agreement shall be mutually agreed to in writing and signed by the parties.

13.11 *Captions*: The captions and headings of articles and sections throughout this Agreement are intended solely to facilitate reading and reference to the sections and provisions of this Agreement. Such captions shall not affect the meaning or interpretation of this Agreement.

13.12 *Severability*: If any section, subsection, sentence, paragraph, term, or provision hereof is determined to be illegal, invalid, or unconstitutional by any court of competent jurisdiction or by any state or federal regulatory authority having jurisdiction thereof, such determination shall have no effect on the validity of any other section, subsection, sentence, paragraph, term, or provision hereof, all of which will remain in full force and effect for the term of this Franchise.

13.13 *Recitals*: The recitals set forth in this Agreement are incorporated into the body of this Agreement as if they had been originally set forth herein.

13.14 *FTTP Network Transfer Prohibition:* Under no circumstance including, without limitation, upon expiration, revocation, termination, denial of renewal of this Franchise, or any other action to forbid or disallow the Franchisee from providing Cable Services, shall the Franchisee or its assignees be required to sell any right, title, interest, use, or control of any portion of the Franchisee’s FTTP Network including, without limitation, the Cable System and any capacity used for Cable Service or otherwise, to the LFA or any third party. The Franchisee shall not be required to remove the FTTP Network or to relocate the FTTP Network or any portion thereof as a result of revocation, expiration, termination, denial of renewal, or any other action to forbid or disallow the Franchisee from providing Cable Services. This provision is not intended to contravene leased access requirements under Title VI of the Communications Act or the PEG service requirements set out in this Agreement.

13.15 *Parental Control:* The Franchisee shall comply with all applicable requirements of federal law(s) governing Subscribers’ capability to control the reception of any Channels being received on their television sets.

13.16 *Independent Review:* The LFA and the Franchisee each acknowledge that they have received independent legal advice in entering into this Agreement. In the event that a dispute arises over the meaning or application of any term(s) of this Agreement, such term(s) shall not be construed by the reference to any doctrine calling for ambiguities to be construed against the drafter of this Agreement.

13.17 *No Third Party Beneficiaries:* Except as expressly provided herein, this Agreement is not intended to, and does not, create any rights or benefits on behalf of any Person other than the parties to this Agreement.

13.18 *Counterparts; Electronic Signatures.* This Agreement may be executed in two or more counterparts, each of which shall be considered an original and but one and the same instrument. Electronic signatures shall have the same effect as manual signatures, in accordance with the Virginia Uniform Electronic Transactions Act, Chapter 42.1, Title 59.1 of the Code.

**[SIGNATURE PAGE FOLLOWS]**

CITY OF HOPEWELL, VIRGINIA

By: \_\_\_\_\_

Print: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

*Pursuant to Ordinance No. \_\_\_\_\_, dated \_\_\_\_\_, 2026.*

VERIZON VIRGINIA LLC

By: \_\_\_\_\_

Print: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

EXHIBIT

Exhibit A – Customer Service Standards

## EXHIBIT A

### CUSTOMER SERVICE STANDARDS

These standards shall apply to the Franchisee to the extent it is providing Cable Services over the Cable System in the Service Area.

#### **SECTION 1: DEFINITIONS**

A. **Respond**: The Franchisee's investigation of a Service Interruption after receiving a Subscriber call by opening a trouble ticket, if required, and responding to the call.

B. **Significant Outage**: A Significant Outage of the Cable Service shall mean any Service Interruption lasting at least four (4) continuous hours that affects at least ten percent (10%) of the Subscribers in the Service Area.

C. **Service Call**: The action taken by the Franchisee to correct a Service Interruption the effect of which is limited to an individual Subscriber.

D. **Standard Installation**: Installations where the Subscriber is within two hundred (200) feet of trunk or feeder lines.

#### **SECTION 2: OFFICE HOURS AND TELEPHONE AVAILABILITY**

A. The Franchisee shall maintain a toll-free number to receive all calls and inquiries from Subscribers and/or residents in the Service Area regarding Cable Service. Franchisee representatives trained and qualified to answer questions related to Cable Service in the Service Area must respond to Subscriber telephone inquiries during the Franchisee's Normal Business Hours. Franchisee representatives shall identify themselves by name when answering this number. After Normal Business Hours, the toll-free number may be answered by an Automated Response Unit ("ARU") or a Voice Response Unit ("VRU"), including an answering machine. Inquiries received after Normal Business Hours shall be responded to by a trained Franchisee representative on the next business day.

B. The Franchisee's telephone numbers shall be listed, with appropriate description (e.g., administration, customer service, billing, repair, etc.), in the directory published by the local telephone company or companies serving the Service Area, beginning with the next publication cycle after acceptance of this Franchise by the Franchisee.

C. The Franchisee may, at any time, use an ARU or a VRU to distribute calls. If a foreign language routing option is provided, and the Subscriber does not enter an option, the menu will default to the first tier menu of English options.

After the first tier menu (not including a foreign language rollout) has run through three (3) times, if Subscribers do not select any option, the ARU or VRU will forward the call to a queue for a live representative. The Franchisee may reasonably substitute this requirement with another method of handling calls from Subscribers who do not have touch-tone telephones.

D. Under Normal Operating Conditions, calls received by the Franchisee shall be answered within thirty (30) seconds. The Franchisee shall meet this standard for ninety percent (90%) of the calls it receives at all call centers receiving calls from Subscribers, as measured on a cumulative quarterly calendar basis. Measurement of this standard shall include all calls received by the Franchisee at all call centers receiving calls from Subscribers, whether they are answered by a live representative, by an automated attendant, or abandoned after thirty (30) seconds of call waiting.

E. Under Normal Operating Conditions, callers to the Franchisee shall receive a busy signal no more than three percent (3%) of the time during any calendar quarter.

F. At the Franchisee's option, the measurements above may be changed from calendar quarters to billing or accounting quarters. The Franchisee shall notify the LFA of such a change at least thirty (30) days in advance of any implementation. The Franchisee shall not be required to acquire equipment or perform surveys to measure compliance with the telephone answering standards above unless a historical record of Complaints indicates a clear failure to comply.

### **SECTION 3: INSTALLATIONS AND SERVICE APPOINTMENTS**

A. All installations will be in accordance with the rules of the FCC, the National Electrical Code, and the National Electrical Safety Code including, but not limited to, appropriate grounding, connection of equipment to ensure reception of Cable Service, and the provision of required consumer information and literature to adequately inform the Subscriber in the utilization of Franchisee-supplied equipment and Cable Service.

B. The Standard Installation shall be performed within seven (7) business days after the placement of the Optical Network Terminal ("ONT") on the Subscriber's premises or within seven (7) business days after an order is placed if the ONT is already installed on the Subscriber's premises.

The Franchisee shall meet this standard for ninety-five percent (95%) of the Standard Installations it performs, as measured on a calendar quarter basis, excluding Subscriber requests for connection later than seven (7) days after ONT placement or later than seven (7) days after an order is placed if the ONT is already installed on the Subscriber's premises.

C. At the Franchisee's option, the measurements above may be changed from calendar quarters to billing or accounting quarters. The Franchisee shall notify the LFA of such a change at least thirty (30) days in advance of any implementation.

D. The Franchisee will offer Subscribers "appointment window" alternatives for arrival to perform installations, Service Calls, and other activities of a maximum four (4) hour time block scheduled during Normal Business Hours. At the Franchisee's discretion, the Franchisee may offer Subscribers appointment arrival times other than these four (4) hour time blocks, if agreeable to the Subscriber. These hour restrictions do not apply to weekends. The Franchisee may not cancel an appointment with a Subscriber after the close of business on the business day prior to the scheduled appointment. If a technician is running late for an appointment with a Subscriber and will not be able to keep the appointment as scheduled, the Subscriber will be

contacted. The appointment will be rescheduled, as necessary, at a time which is convenient for the Subscriber.

#### **SECTION 4: SERVICE INTERRUPTIONS AND OUTAGES**

A. The Franchisee shall exercise commercially reasonable efforts to limit any Significant Outage for the purpose of maintaining, repairing, or constructing the Cable System. Except in an emergency or other situation necessitating a more expedited or alternative notification procedure, the Franchisee may schedule a Significant Outage for a period of more than four (4) hours during any twenty-four (24) hour period only after the LFA and each affected Subscriber in the Service Area have been given fifteen (15) days' prior notice of the proposed Significant Outage. Notwithstanding the foregoing, the Franchisee may perform modifications, repairs, and upgrades to the Cable System between 12:01 a.m. and 6:00 a.m. which may interrupt Cable Service.

B. Under Normal Operating Conditions, the Franchisee must Respond to a call from a Subscriber regarding a Service Interruption or other service problem within the following time frames:

(1) Within twenty-four (24) hours, including weekends, of receiving Subscriber calls respecting Service Interruptions in the Service Area, and shall diligently pursue to completion.

(2) The Franchisee must begin actions to correct all other Cable Service problems the next business day after notification by the Subscriber or the LFA of a Cable Service problem, and shall diligently pursue to completion.

C. Under Normal Operating Conditions, the Franchisee shall complete Service Calls within seventy-two (72) hours of the time the Franchisee commences to Respond to the Service Interruption, not including weekends and situations where the Subscriber is not reasonably available for a Service Call to correct the Service Interruption within the seventy-two (72) hour period.

D. The Franchisee shall meet the standard in Subsection 4.C. for ninety percent (90%) of the Service Calls it completes, as measured on a calendar quarterly basis.

E. At the Franchisee's option, the above measurements may be changed from calendar quarters to billing or accounting quarters. The Franchisee shall notify the LFA of such a change at least thirty (30) days in advance of any implementation.

F. Under Normal Operating Conditions, the Franchisee shall provide a credit upon Subscriber request when all Channels received by that Subscriber are out of service for a period of four (4) consecutive hours or more. The credit shall equal, at a minimum, a proportionate amount of the affected Subscriber's current monthly bill. In order to qualify for the credit, the Subscriber must promptly report the problem and allow the Franchisee to verify the problem if requested by the Franchisee. If Subscriber availability is required for repair, a credit will not be provided for such time, if any, that the Subscriber is not reasonably available.

G. Under Normal Operating Conditions, if a Significant Outage affects all Cable Services for more than twenty-four (24) consecutive hours, the Franchisee shall issue upon Subscriber request a credit in an amount equal to their monthly recurring charges for the proportionate time the Cable Service was out, or a credit equal to the charge for the basic plus enhanced basic level of service for the proportionate time the Cable Service was out, whichever is technically feasible or, if both are technically feasible, as determined by the Franchisee provided such determination is non-discriminatory. Such credit shall be reflected on a subsequent Subscriber billing statement.

H. The Franchisee may provide all notices identified in this Section 4 electronically or on-screen.

## **SECTION 5: SUBSCRIBER COMPLAINTS**

Under Normal Operating Conditions, the Franchisee shall investigate Subscriber Complaints referred by the LFA within seventy-two (72) hours of receipt. The Franchisee shall notify the LFA of those matters that necessitate an excess of seventy-two (72) hours to resolve, but those matters must be resolved within fifteen (15) days of the initial Complaint. The LFA may require reasonable documentation to be provided by the Franchisee to substantiate the request for additional time to resolve the problem. For purposes of this Section 5, “resolve” means that the Franchisee shall perform those actions which, in the normal course of business, are necessary to investigate the Subscriber’s Complaint and advise the Subscriber of the results of that investigation.

## **SECTION 6: BILLING**

A. Subscriber bills shall be clear, concise, and understandable. Bills shall be fully itemized to include all applicable service tiers and, if applicable, all related equipment charges. Bills shall clearly delineate activity during the billing period, including optional charges, rebates, credits, and aggregate late charges. The Franchisee shall maintain records of the date and place of delivery of bills.

B. A specific due date shall be listed on the bill of every Subscriber whose account is current. Delinquent accounts may receive a bill that lists the due date as upon receipt; however, the current portion of that bill shall not be considered past due.

C. Any Subscriber who, in good faith, disputes all or part of any bill shall have the option of withholding the disputed amount without disconnect or late fee being assessed until the dispute is resolved provided that:

- (1) The Subscriber pays all undisputed charges;
- (2) The Subscriber provides notification of the dispute to the Franchisee within five (5) days prior to the due date;
- (3) The Subscriber cooperates in determining the accuracy and/or appropriateness of the charges in dispute; and

(4) It shall be within the Franchisee’s sole discretion to determine when the dispute has been resolved.

(5) In the case of a billing dispute, Franchisee must respond to a written complaint from a Subscriber within thirty (30) days.

D. Under Normal Operating Conditions, the Franchisee shall initiate investigation and resolution of all billing Complaints received from Subscribers within five (5) business days of receipt of the Complaint. Final resolution shall not be unreasonably delayed.

E. The Franchisee shall provide a telephone number and address on the bill for Subscribers to contact the Franchisee.

F. The Franchisee shall forward a copy of any Cable Service-related billing inserts or other mailing sent to Subscribers to the LFA upon written request.

G. The LFA hereby requests that the Franchisee omit the LFA’s name, address, and telephone number from Subscriber bills as permitted by 47 C.F.R. § 76.952.

#### **SECTION 7: RATES, FEES, AND CHARGES**

A. The Franchisee shall not, except to the extent permitted by law, impose any fee or charge for Service Calls to a Subscriber’s premises to perform any repair or maintenance work related to the Franchisee’s equipment necessary to receive Cable Service, except where such problem is caused by a negligent or wrongful act of the Subscriber (including, but not limited to a situation in which the Subscriber reconnects the Franchisee’s equipment incorrectly) or by the failure of the Subscriber to take reasonable precautions to protect the Franchisee’s equipment.

B. The Franchisee shall provide reasonable notice to Subscribers of the possible assessment of a late fee on bills or by separate notice.

#### **SECTION 8: DISCONNECTION/DENIAL OF SERVICE**

A. The Franchisee shall not terminate Cable Service for nonpayment of a delinquent account unless the Franchisee provides a notice of the delinquency and impending termination prior to the proposed final termination. The notice shall be provided to the Subscriber to whom the Cable Service is billed. The notice of delinquency and impending termination may be part of a billing statement.

B. Cable Service terminated in error must be restored without charge within twenty-four (24) hours of notice. If a Subscriber was billed for the period during which Cable Service was terminated in error, a credit shall be issued to the Subscriber if the Cable Service termination was reported by the Subscriber.

C. Nothing in these standards shall limit the right of the Franchisee to deny Cable Service for non-payment of previously provided Cable Services, refusal to pay any required deposit, theft of Cable Service, damage to the Franchisee’s equipment, abusive and/or threatening behavior toward the Franchisee’s employees or representatives, refusal to provide credit history

information, or refusal to allow the Franchisee to validate the identity, credit history, and credit worthiness via an external credit agency.

## **SECTION 9: COMMUNICATIONS WITH SUBSCRIBERS**

A. All Franchisee personnel, contractors, and subcontractors contacting Subscribers or potential Subscribers at the homes of such Subscribers or potential Subscribers shall wear a clearly visible identification card bearing their name and photograph. The Franchisee shall make reasonable efforts to account for all identification cards at all times. In addition, all Franchisee representatives shall wear appropriate clothing while working at a Subscriber's or potential Subscriber's premises. Every service vehicle of the Franchisee and its contractors or subcontractors shall be clearly identified as such to the public. Specifically, Franchisee vehicles shall have the Franchisee's logo plainly visible. The vehicles of those contractors and subcontractors working for the Franchisee shall have the contractor's/subcontractor's name plus markings (such as a magnetic door sign) indicating they are under contract to the Franchisee.

B. All contact with a Subscriber or potential Subscriber by a Person representing the Franchisee shall be conducted in a courteous manner.

C. All notices identified in this Section 9 shall be by either:

- (1) A separate document included with a billing statement or a message included on the portion of the monthly bill that is to be retained by the Subscriber;
- (2) A separate electronic notification;
- (3) A separate on-screen notification; or
- (4) Any other reasonable written means.

D. The Franchisee shall provide reasonable notice to Subscribers of any pricing changes or additional changes (excluding sales discounts, new products, or offers) and, subject to the foregoing, any changes in Cable Services, including Channel line-ups. Such notice must be given to Subscribers a minimum of thirty (30) days in advance of such changes if within the control of the Franchisee, and the Franchisee shall provide a copy of the notice to the LFA including how and where the notice was given to Subscribers.

E. The Franchisee shall provide information to all Subscribers about each of the following items at the time of installation of Cable Services, annually to all Subscribers, at any time upon request, and, subject to Subsection 9.D., at least thirty (30) days prior to making significant changes in the information required by this Subsection 9.E. if within the control of the Franchisee:

- (1) Products and Cable Services offered;
- (2) Prices and options for Cable Services and condition of subscription to Cable Services. Prices shall include those for Cable Service options, equipment rentals, program guides,

installation, downgrades, late fees, and other fees charged by the Franchisee related to Cable Service;

(3) Installation and maintenance policies including, when applicable, information regarding the Subscriber's in-home wiring rights during the period Cable Service is being provided;

(4) Channel positions of Cable Services offered on the Cable System;

(5) Complaint procedures, including the name, address, and telephone number of the LFA, but with a notice advising the Subscriber to initially contact the Franchisee about all complaints and questions;

(6) Procedures for requesting Cable Service credit;

(7) The availability of a parental control device;

(8) Franchisee practices and procedures for protecting against invasion of privacy; and

(9) The address and telephone number of the Franchisee's office to which complaints may be reported.

F. Notices of changes in rates shall indicate the Cable Service new rates and old rates, if applicable.

G. Every notice of termination of Cable Service shall include the following information:

(1) The name and address of the Subscriber whose account is delinquent;

(2) The amount of the delinquency for all services billed;

(3) The date by which payment is required in order to avoid termination of Cable Service; and

(4) The telephone number for the Franchisee where the Subscriber can receive additional information about their account and discuss the pending termination.

R-2

**AN ORDINANCE IMPLEMENTING THE PUBLIC-PRIVATE EDUCATION FACILITIES AND INFRASTRUCTURE ACT OF 2002 (PPEA)**

WHEREAS, the Public-Private Education Facilities and Infrastructure Act of 2002 (“PPEA”) authorizes responsible public entities, including cities, to develop or operate qualifying projects through contracts with private entities;

WHEREAS, the PPEA requires that a responsible public entity adopt guidelines that are reasonably designed to encourage competition and guide the selection of projects and private entities under the PPEA prior to receiving or acting on any PPEA proposal;

WHEREAS, the City Council of Hopewell, Virginia desires to establish such guidelines and procedures to receive, evaluate, and implement qualifying PPEA projects, including wastewater treatment facilities and related public infrastructure;

WHEREAS, Council has given notice of its intention to create this ordinance and conducted a public hearing in accordance with Va. Code § 15.2-1427; and

WHEREAS, the full text of this proposed ordinance was available for the public and was adopted by Council at a public hearing held on April 28, 2026, now therefore

BE IT ORDAINED by the City Council of Hopewell, Virginia that Hopewell City Code § 2A is hereby amended by creating Sections 2A-2 and 2A-3 as set forth below.

**Chapter 2A PROCUREMENT**

**Sec. 2A-2. Reserved.**

**Sec. 2A-3. Public-Private Education Facilities and Infrastructure Act.**

(a) Adoption and Statement of Purpose.

1. Adoption. The City hereby adopts the “Guidelines and Procedures for the Receipt and Review of Proposals under the PPEA” (“PPEA Guidelines”; “the Act”), attached hereto and incorporated by reference. The PPEA Guidelines are modeled on the Commonwealth’s model guidelines and conform to their requirements.
2. Purpose. The purpose of these Guidelines is to: (i) encourage innovative approaches to financing, developing, operating, and maintaining public facilities and services; (ii) provide a transparent, competitive process for both solicited and unsolicited proposals; and (iii) protect the public interest through clear evaluation criteria, oversight, and performance-based agreements.

(b) Applicability and Qualifying Projects.

1. **Applicability.** These Guidelines apply to qualifying projects as defined by the Act, including, without limitation, public buildings and facilities, utility and wastewater infrastructure, and related improvements and services.
2. **Responsible Public Entity.** For City projects, the “Responsible Public Entity” is the City.

(c) Receipt of Proposals; Solicited and Unsolicited.

1. **Solicited Proposals.** The City may issue Requests for Proposals (“RFPs”) under the PPEA. RFPs will state evaluation criteria and submission requirements consistent with these Guidelines.
2. **Unsolicited Proposals.**
  - i. **Decision to Accept for Consideration.** Upon receipt of an unsolicited proposal, the City Manager (or designee) shall recommend to Council whether to accept the proposal for conceptual-stage evaluation.
  - ii. **Posting & Competing Proposals Period.** If accepted for consideration, the City shall post a public notice and accept competing proposals for not less than 45 days (or longer if specified).
  - iii. **Review Fee.** The City may charge a non-refundable proposal review fee sufficient to cover the City’s costs (consultants, legal, financial, engineering) to evaluate a PPEA proposal.
3. **Format & Content.** Proposers must follow the two-stage submission format: Conceptual Stage and, if shortlisted, Detailed Stage. Submissions must include qualifications and experience, project characteristics, financing plan, schedule, operations plan, and public-benefit analysis as described in the PPEA Guidelines.

(d) Evaluation & Selection.

1. **Evaluation Criteria.** The City will evaluate proposals using criteria including: (i) qualifications and experience; (ii) project characteristics (risk allocation, design, operations, maintenance, lifecycle costs); (iii) financing (sources, affordability, risk to the City); (iv) public benefit and compatibility; and (v) other factors set forth in the PPEA Guidelines.
2. **Competitive Negotiation.** The City may conduct competitive negotiations with one or more proposers consistent with these Guidelines and the Act.
3. **Affected Jurisdictions.** The City shall provide appropriate notice to any affected jurisdictions and consider their comments as required by the Act.

(e) Transparency; FOIA; Confidentiality.

1. **Public Records.** PPEA proposals are subject to the Virginia Freedom of Information Act (“FOIA”). Trade secrets, financial records, and proprietary information may be withheld if the proposer invokes the applicable exemptions at the time of submission and provides a written, detailed justification per FOIA and the Act.

Ordinance No: \_\_\_\_\_

- (f) Posting Requirements. The City will post summaries of proposals and major business points prior to entering into an interim or comprehensive agreement, consistent with the Act and the PPEA Guidelines.
- (g) Interim and Comprehensive Agreements.
  - 1. Interim Agreement. The City may enter into an interim agreement addressing phases such as planning, design, environmental review, permitting, financial analysis, and development of terms.
  - 2. Comprehensive Agreement. Prior to development or operation of a qualifying project, the City will execute a comprehensive agreement with the selected private entity specifying duties, performance standards, risk allocation, payment terms, financing, insurance, indemnification, security for performance, audits, remedies, and ownership at termination.
  - 3. Performance Security & Monitoring. Agreements must require appropriate payment/performance bonds or other security and provide for City monitoring, auditing rights, and remedies for default, including step-in rights where appropriate.
  - 4. Procurement; Conflicts; SWaM Participation.
    - i. Procurement Exemption. Procurement of PPEA projects must follow this Ordinance and the PPEA Guidelines, and is exempt from the Virginia Public Procurement Act to the extent provided by the Act.
    - ii. Ethics & Conflicts of Interest. City officials and employees must comply with the State and Local Government Conflict of Interests Act and disclose any conflicts related to a PPEA proposal.
    - iii. SWaM and Local Participation. Proposers are encouraged to include Small, Women-owned, and Minority-owned business participation and local workforce strategies. The comprehensive agreement may include goals or reporting requirements consistent with law.
- (h) Appropriations and Finance.
  - 1. Appropriations. Any City payment obligation is subject to appropriation by Council, and no debt can be incurred except in compliance with law.
  - 2. Financial Close. The City may require evidence of committed financing prior to execution of the comprehensive agreement and may condition notice to proceed on financial close.
- (i) PPEA Officer; Administration. The Director of Finance administers these Guidelines and any resulting contract.
- (j) Severability. If any provision of this Ordinance or the PPEA Guidelines is held invalid, the remaining provisions will remain in full force and effect.

**State law ref:** Va. Code §§ 2.2-3700 et seq. and 56-575.1 et seq.

DONE this \_\_\_\_ day of \_\_\_\_\_, 2026.

Ordinance No: \_\_\_\_\_

\_\_\_\_\_  
Mayor Johnny Partin, Ward 3

VOTING AYE:

VOTING NAY:

ABSENT:

ABSTAINING:

Witness this signature and seal

ATTEST:

\_\_\_\_\_  
Sade' Allen, City Clerk

## **City of Hopewell – PPEA Guidelines and Procedures**

These Guidelines establish the City’s process to solicit, receive, evaluate, negotiate, and implement public-private partnerships for qualifying projects under the Public-Private Education Facilities and Infrastructure Act of 2002 (Va. Code § 56-575.1 et seq.). They are modeled on the Commonwealth’s model guidelines and adapted for municipal use.

### **SECTION 1. PURPOSE AND AUTHORITY**

- 1.1 Purpose. Establish a transparent, competitive, and efficient process to deliver public facilities and services through PPEA; encourage innovation; optimize risk allocation; protect the public interest.
- 1.2 Authority; Responsible Public Entity. The City is a “responsible public entity” (RPE) eligible to develop or operate qualifying projects; these Guidelines are adopted by ordinance and govern PPEA procurements.

### **SECTION 2. DEFINITIONS AND APPLICABILITY**

- 2.1 Definitions. Terms have the meanings set forth in Va. Code § 56-575.1 (e.g., affected jurisdiction, comprehensive agreement, interim agreement, qualifying project).
- 2.2 Qualifying Projects. May include education facilities, public buildings, safety and security improvements, utility and wastewater or water infrastructure, technology infrastructure and services, and any other facility that meets a public purpose.
- 2.3 Applicability. Applies to solicited and unsolicited proposals, from conceptual through comprehensive agreement.

### **SECTION 3. ADMINISTRATION, POSTING, AND FOIA**

- 3.1 PPEA Officer. The Director of Finance administers these Guidelines, coordinates intake, manages evaluation teams and advisors, ensures postings and FOIA compliance, and maintains the procurement record.
- 3.2 Public Posting. If the City accepts an unsolicited proposal for conceptual review or issues a PPEA RFP, it posts notice and a proposal summary on the City website and any additional platforms; unsolicited proposals must allow at least 45 days for competing proposals.
- 3.3 FOIA Treatment; Confidentiality. PPEA submissions are public records; proposers may withhold trade secrets/financial records/proprietary information by invoking exemptions at submission, identifying specific data, and stating reasons. The City will prepare redacted versions.

### **SECTION 4. SOLICITED PROPOSALS (CITY-INITIATED)**

- 4.1 RFP Content. State project goals, scope, anticipated risk allocation, evaluation criteria, schedule, submission requirements (conceptual stage), detailed-stage

- requirements for shortlisted proposers, and any special provisions (e.g., SWaM goals).
- 4.2 Competitive Phase. The City may use a two-stage process (conceptual then detailed), interviews, confidential meetings, technical workshops, and negotiations.

## **SECTION 5. UNSOLICITED PROPOSALS (PRIVATE-INITIATED)**

- 5.1 Submission and Initial Review. Any private entity may submit an unsolicited proposal to the PPEA Officer. The City Manager may accept it for conceptual-stage consideration (alignment to needs, feasibility, public benefit, funding, competition).
- 5.2 Posting and Competing Proposals. If accepted for consideration, the City posts and receives competing conceptual proposals for at least 45 days; the City may decline to proceed after conceptual review.
- 5.3 Proposal Review Fee. The City assesses a non-refundable review fee sufficient to cover internal and external evaluation costs; may scale with project value and require additional deposits.

## **SECTION 6. SUBMISSION REQUIREMENTS**

- 6.1 Conceptual Stage (All Proposals). Include: (a) executive summary/public benefit; (b) qualifications & experience; (c) project characteristics; (d) delivery & risk matrix; (e) financing plan; (f) schedule; (g) real estate; (h) affected jurisdictions; (i) draft business terms; (j) FOIA/proprietary index.
- 6.2 Detailed Stage (Shortlisted Only). Include: (a) definitive technical proposal/spec KPIs; (b) 30–60% design basis; (c) construction plan (GMP/target price), cost breakdowns; (d) O&M/lifecycle plan (staffing, CMMS, PM/PdM); (e) financing (term sheets, model with sensitivities); (f) final risk matrix with quantification; (g) community benefits (SWaM/local labor); (h) legal/commercial term sheets; (i) handback plan and asset condition criteria; (j) updated FOIA index.

## **SECTION 7. EVALUATION AND SELECTION**

- 7.1 Evaluation Teams. Multi-disciplinary (technical, financial, legal, operations); external advisors as needed.
- 7.2 Evaluation Criteria. Weighted criteria: qualifications & experience; technical merit; delivery & risk; financing & affordability (value-for-money vs PSC); public benefit & compatibility; schedule & feasibility; O&M/lifecycle performance; and other factors in the RFP/notice.
- 7.3 Competitive Negotiations and Trade-Offs. The City may negotiate, request clarifications and BAFOs, and make best-value trade-offs consistent with law.
- 7.4 Affected Jurisdictions. Notify and consider comments as required.

## **SECTION 8. INTERIM AND COMPREHENSIVE AGREEMENTS**

- 8.1 Interim Agreement. May define pre-development activities and costs (planning, design, environmental, permitting, financial analysis, early works).
- 8.2 Comprehensive Agreement. Must include scope; performance standards; payment mechanism; schedule; financing conditions; audits; insurance; indemnities; bonding/security; change control; dispute resolution; default and termination; City step-in rights; handback; ownership.
- 8.3 Performance Security. Payment and performance bonds or alternate security as approved.

## **SECTION 9. FINANCING, APPROPRIATIONS, AND VALUE FOR MONEY**

- 9.1 Appropriation. Any City payment obligation is subject to annual appropriation; no debt except as permitted by law.
- 9.2 Financial Close; Evidence of Financing. Firm commitments may be required as a condition to agreement execution or NTP.
- 9.3 Value-for-Money/Public Sector Comparator. For major projects, the City may perform VfM/PSC analyses to consider risk-adjusted lifecycle value.

## **SECTION 10. ETHICS, TRANSPARENCY, AND PUBLIC ENGAGEMENT**

- 10.1 Conflicts of Interest. City officers/employees comply with the State and Local Government Conflict of Interests Act; proposers disclose conflicts.
- 10.2 Transparency and Pre-Award Disclosures. Prior to executing interim or comprehensive agreements, the City will make available a summary of key business terms, subject to FOIA protections.
- 10.3 Public Engagement. For significant projects, the City may hold public meetings to present scope, benefits, impacts, and financial approach.

## **SECTION 11. SMALL BUSINESS, SWaM, AND LOCAL WORKFORCE**

- 11.1 SWaM Participation. Proposers are encouraged to maximize participation of Small, Women-owned, and Minority-owned businesses; the City may set goals and reporting consistent with law.
- 11.2 Local Workforce & Apprenticeship. Proposers are encouraged to include local hiring strategies and registered apprenticeships.

## **SECTION 12. RECORDS, AUDITS, AND PERFORMANCE MONITORING**

- 12.1 Records and Audit Rights. The City may audit and inspect all project records, including financials, schedules, and performance data, for the life of the agreement, as well as any additional period specified in the agreement.

- 12.2 Performance Monitoring; KPIs. Agreements will include KPIs tied to availability, quality, safety, environmental compliance, and customer service; with remedies, deductions, and bonuses as applicable.

### **SECTION 13. REAL ESTATE, SITE CONTROL, AND UTILITIES**

- 13.1 Property Interests. Proposals identify needed property interests; agreements allocate acquisition, title, and relocation responsibilities and risk.
- 13.2 Utilities and Third-Party Coordination. Proposals address utility relocations and third-party interfaces; risk allocations defined in agreements.

### **SECTION 14. MODIFICATIONS AND CHANGE MANAGEMENT**

- 14.1 Change Orders. Comprehensive agreements will include a change-order regime for scope, price, schedule, and risk adjustments; thresholds for Council approval.
- 14.2 Relief and Compensation Events. Define events (e.g., force majeure, City-caused delays) and methodology for time and cost adjustments.

### **SECTION 15. HANDBACK, TERMINATION, AND STEP-IN**

- 15.1 Handback Requirements. Include asset condition standards at term end, inspections, and reserve funding if appropriate.
- 15.2 Termination and Step-In Rights. City rights on material default to step in, cure, or terminate; ensure service continuity.

### **SECTION 16. MISCELLANEOUS**

- 16.1 Reservation of Rights. The City may reject any proposal at any time and terminate a PPEA process without liability, consistent with law.
- 16.2 Severability. If any provision is held invalid, the remainder continues in effect.
- 16.3 Effective Date. These Guidelines are effective upon Council adoption and remain in force until amended or repealed.

## **Exhibits**

### Exhibit A — Conceptual Stage Submission Checklist

- Cover letter; executive summary; FOIA/proprietary index; public-benefit narrative.
- Organization & experience; key personnel; safety record; surety letters.
- Technical concept; performance outcomes; siting; permitting path.
- Delivery model & risk matrix; preliminary O&M & lifecycle plan.
- Financing strategy: sources/uses; proposed public participation; affordability analysis.
- Schedule; real estate; affected jurisdictions; draft commercial terms.

### Exhibit B — Detailed Stage Submission Checklist

- 30–60% design basis; testable performance specs/KPIs.
- Construction plan (GMP/target price), cost details, contingencies.
- O&M staffing, CMMS, preventive/predictive maintenance, lifecycle replacement schedule.
- Financing: credit approvals, term sheets, financial model with sensitivities, covenants.
- Community benefits (SWaM, local labor, apprenticeship).
- Legal term sheets for interim and comprehensive agreements.
- Handback plan and asset condition criteria at term end.

### Exhibit C — Evaluation Matrix (Illustrative Weights)

- Qualifications & experience (15–25%).
- Technical approach (20–30%).
- Risk allocation (10–20%).
- Financing & affordability / Value-for-Money (20–30%).
- Public benefit & compatibility (10–15%).
- Schedule & feasibility (5–10%).

### Exhibit D — Review Fee Schedule (Example)

- Minimum fee \$5,000 or 0.05% of proposed capital cost (whichever greater); cap \$100,000 per phase.
- City may request additional deposits to fund external legal, financial, and technical advisors.
- Fees are non-refundable and due at submission; unused deposits will be reconciled at phase end.

### Exhibit E — FOIA/Proprietary Data Cover Sheet (Template)

Ordinance No: \_\_\_\_\_

Proposer hereby invokes Va. Code § 56-575.4(G) and applicable FOIA exemptions for the specifically identified, page-referenced materials listed below, and states that protection is necessary to protect trade secrets or proprietary information. A redacted copy suitable for public release is attached.

R-3

**NOTICE OF PUBLIC HEARING**  
**City of Hopewell VA**  
**Proposed Tax Rates 2027**

There will be a Public Hearing on the proposed tax rates for 2027 at 7:30 pm on Tuesday, April 28, 2026 in City Council Chambers, 300 N. Main St. Hopewell, VA. The hearing shall be open to the public. The governing body shall permit persons desiring to be heard an opportunity to present oral testimony within such reasonable time limits as shall be determined by the governing body. The current and proposed rates are shown in the schedules below.

| TAX                        | TAX RATES    |               |
|----------------------------|--------------|---------------|
|                            | Current 2026 | Proposed 2027 |
| Real Estate                | \$ 1.17      | \$ 1.17       |
| Personal Property          | \$ 3.50      | \$ 3.50       |
| Business Personal Property | \$ 3.50      | \$ 3.50       |
| Machinery & Tools          | \$ 3.10      | \$ 3.10       |

\*\*Property tax rates are per \$100 of assessed values\*\*

| TAX             | TAX RATES    |               |
|-----------------|--------------|---------------|
|                 | Current 2025 | Proposed 2027 |
| Food & Beverage | 6%           | 6%            |
| Lodging         | 10%          | 10%           |

All interested persons may appear and present their views at the above time and place. Anyone needing assistance or accommodations under the provisions of the Americans with Disabilities Act should contact the City Clerk at (804) 541-2249

R-4



# CITY OF HOPEWELL CITY COUNCIL ACTION FORM

**Strategic Operating Plan Vision Theme:**

- Civic Engagement
- Culture & Recreation
- Economic Development
- Education
- Housing
- Safe & Healthy Environment
- None (Does not apply)

**Order of Business:**

- Consent Agenda
- Public Hearing
- Presentation-Boards/Commissions
- Unfinished Business
- Citizen/Councilor Request
- Regular Business
- Reports of Council Committees

**Action:**

- Approve and File
- Take Appropriate Action
- Receive & File (no motion required)
- Approve Ordinance 1<sup>st</sup> Reading
- Approve Ordinance 2<sup>nd</sup> Reading
- Set a Public Hearing
- Approve on Emergency Measure

**COUNCIL AGENDA ITEM TITLE:**

Allocation of revenue received from Prince George County-HWR Meter Reconciliation Agreement for Pump Station Repairs. (Fund 41)

**ISSUE:** A significant surplus in revenue has been identified within Fund 40 due to prior incorrect billing to Prince George County caused by a faulty flow meter. The originally budgeted revenue of \$820,000 has increased to actual collections totaling \$3,034,047.29, resulting in excess funds that are currently unallocated. Immediate pump station repairs are needed, and a funding source must be identified.

**RECOMMENDATION:** Staff recommend that City Council authorize the use of the surplus revenue generated from Prince George County to fund urgent pump station repairs within Fund 41. Additionally, staff recommends initiating a budget amendment to formally recognize and appropriate the additional revenue for outstanding invoices payments for pump station repairs as well as payment for repairs for the rest of the Fiscal Year.

**TIMING:** Immediate action is recommended due to the urgency of pump station repairs and the availability of surplus funds.

**SUMMARY:**

- |                          |                          |                                   |                          |                          |                                   |
|--------------------------|--------------------------|-----------------------------------|--------------------------|--------------------------|-----------------------------------|
| <b>Y</b>                 | <b>N</b>                 |                                   | <b>Y</b>                 | <b>N</b>                 |                                   |
| <input type="checkbox"/> | <input type="checkbox"/> | Vice Mayor Rita Joyner, Ward #1   | <input type="checkbox"/> | <input type="checkbox"/> | Councilor Susan Daye, Ward #5     |
| <input type="checkbox"/> | <input type="checkbox"/> | Councilor Michael Harris, Ward #2 | <input type="checkbox"/> | <input type="checkbox"/> | Councilor Malik Wheat, Ward #6    |
| <input type="checkbox"/> | <input type="checkbox"/> | Mayor John B. Partin, Ward #3     | <input type="checkbox"/> | <input type="checkbox"/> | Councilor Lovena Rapole., Ward #7 |
| <input type="checkbox"/> | <input type="checkbox"/> | Councilor Ronnie Ellis, Ward #4   |                          |                          |                                   |

**BACKGROUND:**

Due to a faulty flow meter, Prince George County was previously underbilled. Once corrected, revenue collections significantly exceeded the originally budgeted amount.

- Budgeted Revenue: \$820,000
- Collected Revenue: \$3,034,047.29
- Resulting Surplus: \$2,214,047.29

This surplus presents an opportunity to address critical infrastructure needs, specifically pump station repairs within Fund 41.

**ENCLOSED DOCUMENTS:**

**STAFF:** Tomeca S. Bynum, Administrative Support Manager – Hopewell Water Renewal

**FOR IN MEETING USE ONLY**

**MOTION:** \_\_\_\_\_

**Roll Call**

---

**SUMMARY:**

- |                          |                          |                                   |
|--------------------------|--------------------------|-----------------------------------|
| <b>Y</b>                 | <b>N</b>                 |                                   |
| <input type="checkbox"/> | <input type="checkbox"/> | Vice Mayor Rita Joyner, Ward #1   |
| <input type="checkbox"/> | <input type="checkbox"/> | Councilor Michael Harris, Ward #2 |
| <input type="checkbox"/> | <input type="checkbox"/> | Mayor John B. Partin, Ward #3     |
| <input type="checkbox"/> | <input type="checkbox"/> | Councilor Ronnie Ellis, Ward #4   |

- |                          |                          |                                   |
|--------------------------|--------------------------|-----------------------------------|
| <b>Y</b>                 | <b>N</b>                 |                                   |
| <input type="checkbox"/> | <input type="checkbox"/> | Councilor Susan Daye, Ward #5     |
| <input type="checkbox"/> | <input type="checkbox"/> | Councilor Malik Wheat, Ward #6    |
| <input type="checkbox"/> | <input type="checkbox"/> | Councilor Lovena Rapole., Ward #7 |

|   |                |
|---|----------------|
| <b>41431222.506007</b>                        |                |
| Atwater Spare Pump                            | \$21,487.00    |
| Bailey's Creek / First Ave Taskmaster Grinder | \$125,835.00   |
| Bailey's Creek Spare Pump                     | \$147,989.00   |
| First St.                                     | \$161,623.00   |
| Holly Lane                                    | \$20,899.00    |
| Jackson Farm                                  | \$137,820.00   |
| Mansion Hills pump Quote 03261-15             | \$21,392.00    |
| North Colonial                                | \$36,926.00    |
| Queen Anne                                    | \$137,268.00   |
| R4R PUMP                                      | \$425,000.00   |
| Rental Boom Crane                             | \$7,500.00     |
| Sherwood                                      | \$44,032.00    |
| Station St                                    | \$59,022.00    |
| Water St                                      | \$39,348.00    |
| Yacht Club Valve                              | \$8,325.00     |
| Grand Total                                   | \$1,394,466.00 |

Resolution No: \_\_\_\_\_

RESOLUTION AMENDING THE HOPEWELL WATER RENEWAL FY2026 BUDGET TO PUMP  
STATION REPAIRS

WHEREAS, the City Council of Hopewell, Virginia approved the Hopewell Water Renewal (HWR) FY2026 budget as part of the City's annual budget during a public meeting held on May 27, 2025;

WHEREAS, a surplus in revenue of \$2,214,047.29 was recovered from underbilling due to a faulty flow meter;

WHEREAS, the surplus would allow for critical infrastructure repairs needed for pump station; and

WHEREAS, Council is committed to protecting the health and safety of the Hopewell community and recognizes the need for these critical repairs; Now Therefore,

BE IT RESOLVED that Council hereby approves an amendment to the Hopewell Water Renewal budget to reappropriate \$2,214,047.29 from surplus revenue to pump station repairs.

Adopted at a regular meeting of the City Council of Hopewell, Virginia held on April 28, 2026.

Witness this signature and seal

\_\_\_\_\_  
Mayor Johnny Partin, Ward 3

VOTING AYE:

VOTING NAY:

ABSTAINING:

ABSENT:

ATTEST:

\_\_\_\_\_  
Sade' Allen, City Clerk

R-5



# CITY OF HOPEWELL CITY COUNCIL ACTION FORM

**Strategic Operating Plan Vision Theme:**

- Civic Engagement
- Culture & Recreation
- Economic Development
- Education
- Housing
- Safe & Healthy Environment
- None (Does not apply)

**Order of Business:**

- Consent Agenda
- Public Hearing
- Presentation-Boards/Commissions
- Unfinished Business
- Citizen/Councilor Request
- Regular Business
- Reports of Council Committees

**Action:**

- Approve and File
- Take Appropriate Action
- Receive & File (no motion required)
- Approve Ordinance 1<sup>st</sup> Reading
- Approve Ordinance 2<sup>nd</sup> Reading
- Set a Public Hearing
- Approve on Emergency Measure

**COUNCIL AGENDA ITEM TITLE:**

HWR Fund 32 Budget Amendment Request – FY2026 Maintenance Repairs and Fire Recovery

**ISSUE:**

Fund 32 requires a budget amendment to add additional revenue sources and expenses to address critical maintenance repairs and recovery of expenses due to an unforeseen plant fire during FY2026.

**RECOMMENDATION** Approve a budget amendment of \$1,089,577.03 using industrial user charges and insurance reimbursement funds to cover maintenance repairs and reimburse line items for fire-related expenses.

Further, City Council is requested to approve a budget amendment to formally recognize and appropriate these funds for the completion of critical maintenance projects. Approval of the budget amendment will ensure proper allocation and expenditure in accordance with City financial policies.

**TIMING:**

Immediate action is requested to meet payment deadlines and continue repairs.

**BACKGROUND:****SUMMARY:**

- | Y                        | N                        |                                   | Y                        | N                        |                                   |
|--------------------------|--------------------------|-----------------------------------|--------------------------|--------------------------|-----------------------------------|
| <input type="checkbox"/> | <input type="checkbox"/> | Vice Mayor Rita Joyner, Ward #1   | <input type="checkbox"/> | <input type="checkbox"/> | Councilor Susan Daye, Ward #5     |
| <input type="checkbox"/> | <input type="checkbox"/> | Councilor Michael Harris, Ward #2 | <input type="checkbox"/> | <input type="checkbox"/> | Councilor Malik Wheat, Ward #6    |
| <input type="checkbox"/> | <input type="checkbox"/> | Mayor John B. Partin, Ward #3     | <input type="checkbox"/> | <input type="checkbox"/> | Councilor Lovena Rapole., Ward #7 |
| <input type="checkbox"/> | <input type="checkbox"/> | Councilor Ronnie Ellis, Ward #4   |                          |                          |                                   |

Industrial user revenue \$289,511.54, reimbursement for pump station repairs \$338,209.94 and \$461,855 in insurance reimbursement.

A plant fire caused \$471,855.55 in damages, with a \$10,000 deductible not reimbursed.

Budget constraints require amendment to proceed.

**STAFF:** Tomeca S. Bynum, Administrative Support Manager – Hopewell Water Renewal

**FOR IN MEETING USE ONLY**

**MOTION:** \_\_\_\_\_

**Roll Call**

---

**SUMMARY:**

**Y N**

- Vice Mayor Rita Joyner, Ward #1
- Councilor Michael Harris, Ward #2
- Mayor John B. Partin, Ward #3
- Councilor Ronnie Ellis, Ward #4

**Y N**

- Councilor Susan Daye, Ward #5
- Councilor Malik Wheat, Ward #6
- Councilor Lovena Rapole., Ward #7

| Account Code | Equipment                 | Part Description   | Part#                                 | Qty Needed     | Unit Cost   | Total Cost  | Supplier/Vendor                              | TOTAL       |
|--------------|---------------------------|--|---------------------------------------|----------------|-------------|-------------|--|-------------|
|              | Rental Aircompressor      | for Tanks  | 11489463                              | 6 months       |             | \$6,342.00  | United Rental - past due 3 months            |             |
|              | HVAC -LAB                 | Trane Package M#YSD150G4RHAOVOOO   | SN: 192811065D                        | 1              |             | \$1,528.00  | Dominion Services Company - past due invoice |             |
|              | Domestic Basement         | Pneumatic Dezurik Valve  | 9275767                               | 1              |             | \$2,254.55  | Applied                                      |             |
|              | Domestic Basement         | 4in Flange Adapter   | 9.1304E+13                            | 1              |             | \$711.66    | Applied                                      |             |
|              | Domestic Basement         | Victalutic Valve   | C040031PM0                            |                |             | \$616.03    | Applied                                      |             |
|              | Industrial Screen Bearing | Bearing SKF  | SKF-F2B 112-TF                        | 2              |             | \$212.30    | Applied                                      |             |
|              | IFP                       | Filters Quote 10132437   | Multiple Filters/Orings               | Multiple items |             | \$1,035.23  | Putzmeister                                  | \$12,699.77 |
|              | Specialty Gas Cylinders   | Open PO 2600477  |                                       | Estimated      |             | \$20,000.00 | Past due invoices 5767.45                    |             |
|              | Domestic Grit             | Exhaust Fan Motor  | MTR- 5KH32FN3123X                     | 1              |             | \$328.28    | Applied                                      |             |
|              | O2 plant                  | Add Perlite  | Q-482026                              | 1700 cubic ft  |             | \$23,160.00 | Penn Perlite                                 |             |
|              | GEA#2 Centrifuge          | Site Visit Fleming 4/13-4/15   | 0010-0361-650 8012-626 /UCF 756-50-35 |                |             | \$8,040.88  | GEA  |             |
|              | GEA#2 Centrifuge          | Parts used Actuator, Plate- Soldered, spacer ring , 0007-1816-760, 0007-1991-750, 0005-6000-120                                | Order# 3652146391                     |                |             | \$30,000.00 | GEA  |             |
|              | Grit Tank                 | CHAIN NCS720S-NX 6"P 114" NO ATCH REF 303-80517-3  | 140051 roll per 9.5ft                 | 30             | \$ 215.16   | \$6,454.80  | Evoqua                                       |             |
|              | Secondary                 | CHAIN NCS720S-NX 6"P 114" NO ATCH REF 303-80517-3  | 140051                                | 20             | \$ 215.16   | \$4,303.20  |  |             |
|              | Primary                   | COLLAR SS 1" BORE #1L640   | 140002                                | 4              | \$ 8.92     | \$35.68     |  |             |
|              | Primary                   | PINS - SHEAR 29E #CA1943-29 PRIMARY TANK & BARSCREEN   | 140004                                | 10             | \$ 5.41     | \$54.10     |  |             |
|              | Primary                   | PLATES - SHEAR PIN CLUTCH HUB 2 1/2" BORE #CA3839-1 PRIMARY TANK   | 140007                                | 2              | \$ 28.52    | \$57.04     |  |             |
|              | Primary                   | PLATES - SHEAR PIN CLUTCH HUB 1 5/8" BORE #CA3839-1 PRIMARY TANK   | 140008                                | 2              | \$ 33.69    | \$67.38     |  |             |
|              | Primary                   | CHAIN TENSIONER S/O 11240 V05-0018 S059650 B74723 PRIMARY TANKS  | 140013                                | 2              | \$ 465.31   | \$930.62    |  |             |
|              | Primary                   | TAKE-UP TENSIONER TO INCLUDE 2 BRONZE BUSHINGS PER TENSIONER   | 140015                                | 2              | \$ 613.22   | \$1,226.44  |  |             |
|              | Primary                   | SPROCKET - 7-TH 1" BORE C/I CHAIN TIGHTNER #603-20443-80 REX NH78-7T   | 140016                                | 2              | \$ 286.76   | \$573.52    |  |             |
|              | Primary                   | SPROCKET - SHEAR PIN 78-11T 9.26" PD 403-20237-80 W2T118520  | 140018                                | 4              | \$ 1,520.71 | \$6,082.84  |  |             |
|              | Primary                   | HUB - SHEAR PIN CLUTCH 1 5/8" LEFT #327030-107   | 140019                                | 2              | \$ 835.37   | \$1,670.74  |  |             |
|              | Primary                   | HUB - SHEAR PIN CLUTCH 1-5/8" RIGHT #327030-108  | 140020                                | 2              | \$ 863.43   | \$1,726.86  |  |             |
|              | Primary                   | HUB - SHEAR PIN CLUTCH 2-1/2" LEFT #327030-105   | 140021                                | 2              | \$ 1,206.09 | \$2,412.18  |  |             |
|              | Primary                   | HUB - SHEAR PIN CLUTCH 2-1/2" RIGHT #327030-104  | 140022                                | 2              | \$ 1,206.09 | \$2,412.18  |  |             |
|              | Primary                   | STUB SHAFT CHAIN TIGHTNER - COLD ROLL (PRI. & SEC. TANK) STEELCRAFT #15-360  | 140030                                | 4              | \$ 175.00   | \$700.00    |  |             |
|              | Secondary                 | STUB SHAFT CHAIN TIGHTNER - COLD ROLL (PRI. & SEC. TANK) STEELCRAFT #15-360  | 140030                                | 4              | \$ 175.00   | \$700.00    |  |             |
|              | Primary                   | SPACER FLIGHT 4.81X6.81X2.88"T, 8" SIGMA+ PN303-70267-1 DRG P97-1321-1   | 140038                                | 60             | \$ 5.80     | \$348.00    |  |             |
|              | Secondary                 | SPACER FLIGHT 4.81X6.81X2.88"T, 8" SIGMA+ PN303-70267-1 DRG P97-1321-1   | 140038                                | 60             | \$ 5.80     | \$348.00    |  |             |
|              | Secondary                 | CHAIN TENSIONER - RIGHT  | 140039                                | 2              | \$ 158.40   | \$316.80    |  |             |
|              | Secondary                 | CHAIN TENSIONER - LEFT   | 140040                                | 2              | \$ 155.83   | \$311.66    |  |             |
|              | Secondary                 | TAKE-UP TENSIONER SHAFT 1"X11"X11"   | 140041                                | 2              | \$ 286.31   | \$572.62    |  |             |
|              | Secondary                 | SPROCKET NCS720S-23T HEADSHAFT 2.44" BORE CC V03-5180-1-2  | 140042                                | 2              | \$ 1,911.26 | \$3,822.52  |  |             |
|              | Secondary                 | SPROCKET NCS720S-23T HEADSHAFT 3.94" BORE EFF V03-5180-1-3   | 140043                                | 2              | \$ 1,690.00 | \$3,380.00  |  |             |
|              | Secondary                 | SPROCKET NCS720S-23T HEADSHAFT 4.94" BORE INF V03-5180-1-1   | 140044                                | 2              | \$ 1,365.78 | \$2,731.56  |  |             |
|              | Secondary                 | SPROCKET 17T 3.55" B CORNERSHAFT (1.94" SHAFT) V03-5180-2-1  | 140045                                | 2              | \$ 792.65   | \$1,585.30  |  |             |
|              | Secondary                 | SPROCKET 17T 5.05" B CORNERSHAFT V03-5180-3-1  | 140046                                | 2              | \$ 839.29   | \$1,678.58  |  |             |
|              | Secondary                 | SLEEVE BEARING NYOIL 1.94" CC V03-5180-4-1   | 140047                                | 2              | \$ 632.44   | \$1,264.88  |  |             |
|              | Secondary                 | SLEEVE BEARING NYOIL 2.94" INF V03-5180-4-5  | 140048                                | 2              | \$ 457.00   | \$914.00    |  |             |
|              | Secondary                 | SLEEVE BEARING NYOIL 3.44" TOP INF V03-5180-4-7  | 140049                                | 2              | \$ 507.81   | \$1,015.62  |  |             |
|              | Secondary                 | SLEEVE BEARING NYOIL 3.94" EFF V03-5180-4-9  | 140050                                | 2              | \$ 634.88   | \$1,269.76  |  |             |
|              | Primary                   | FLIGHT-SIGMA 3"X8"X69" FIBER- GLASS #PN97-1321-1   | 140052                                | 40             | \$ 163.83   | \$6,553.20  |  |             |
|              | Secondary                 | FLIGHT-SIGMA 3"X8"X69" FIBER- GLASS #PN97-1321-1   | 140052                                | 40             | \$ 163.83   | \$6,553.20  |  |             |
|              | Secondary                 | CLAMPCO #941MS-0600 T-BOLT TYPE 316 SS 3/4"  | 140054                                | 10             | \$ 11.34    | \$113.40    |  |             |
|              | Secondary                 | SHAFT HEAD 2.44"D X 82.88"LG 1018 W3T380255  | 140055                                | 1              | \$ 564.34   | \$564.34    |  |             |
|              | Secondary                 | BEARING WALL 2.437"D SA, BAB, W/GRS FTG W3T23628   | 140056                                | 4              | \$ 445.00   | \$1,780.00  |  |             |
|              | Secondary                 | COLLAR SET SOLIDS 2.44"D, 1.00" THIK, ZP W2T117149   | 140057                                | 8              | \$ 48.16    | \$385.28    |  |             |
|              | Secondary                 | KEY SQUARE, A108-1018, 625" X 4.13" W3T397862  | 140058                                | 2              | \$ 24.08    | \$48.16     |  |             |
|              | Secondary                 | KEY SQUARE, A108-1018, 625" X 3.75" W3T397859  | 140059                                | 2              | \$ 5.08     | \$10.16     |  |             |
|              | Primary                   | SPROCKET WT232-349 NH78 40T 33.25PD 2.44B D-DISH (PRI TANKS) RE 303-80419-82   | 140061                                | 1              | \$ 2,500.00 | \$2,500.00  |  |             |
|              | Secondary                 | W3T23641 - BEARING-WALL,3.937"D,SA,BABB,W/GRS FTG  | 140066                                | 2              | \$ 1,845.65 | \$3,691.30  |  |             |
|              | Secondary                 | WEAR SHOES- Molded, 1/2" x 3" x 3" x 4.5" long with lug, with (1) hole each leg, black repro UHMW, drill for 3/8" bolts(UPPER) | 150009                                | 120            | \$ 6.25     | \$750.00    |  |             |
|              | Secondary                 | WEAR SHOES- Molded, 1/2" x 3" x 3" x 5.5" long with (2) holes each leg, black repro UHMW, drill for 3/8" bolts(BOTTOM)         | 150010                                | 120            | \$ 7.13     | \$855.62    |  |             |
|              | Secondary                 | CHAIN TENSIONER - TAKE-UP TOWERS - COMPLETE SECONDARY  | 150012                                | 1              | \$ 194.00   | \$194.00    |  |             |
|              | Secondary                 | HUB - SHEAR PIN CLUTCH RIGHT #327030-100   | 150013                                | 1              | \$ 897.25   | \$897.25    |  |             |
|              | Secondary                 | SPROCKET - NON-METALLIC 1" BORE 7-TOOTH #603-20449-80  | 150015                                | 4              | \$ 315.76   | \$1,263.04  |  |             |
|              | Secondary                 | SPROCKET - SHEAR PIN NON- METALLIC 11-TOOTH 4 1/2" #403205208  | 150017                                | 1              | \$ 167.29   | \$167.29    |  |             |
|              | Secondary                 | HUB - SHEAR PIN CLUTCH LEFT 2" BORE  | 150019                                | 1              | \$ 290.00   | \$290.00    |  |             |
|              | Secondary                 | HUB SHEAR PIN CLUTCH RIGHT 2" BORE #327030-100 (SPIRAL JAWS)   | 150020                                | 1              | \$ 775.95   | \$775.95    |  |             |

|  |                        |   |                           |     |    |              |              |  |              |
|--|------------------------|---|---------------------------|-----|----|--------------|--------------|--|--------------|
|  | Secondary              | CHAIN ATTACH LINK NCS720 S POLY W3T422427   | 150031                    | 200 | \$ | 22.69        | \$4,537.82   |  |              |
|  | Secondary              | CHAIN PIN FOR #841-32180 (140051) R166-E  | 150032                    | 200 | \$ | 3.12         | \$624.28     |  |              |
|  | Secondary              | FLIGHT SIGMAPLUS 3"X8"X226" PN R00-3961-1 MATERIAL # W3T24018                         | 150033                    | 50  | \$ | 213.11       | \$10,655.74  |  |              |
|  | Secondary              | CHAIN - NH-78 NON-METALLIC BEIGE #695C40529 SEC. TANK                                 | 150034                    | 60  | \$ | 42.30        | \$2,537.98   |  |              |
|  | Secondary RAS pumps    | Rebuild Kit T10   | T10C71SC-B                | 3   | \$ | 15,000.00    |              |  |              |
|  | Industrial Grit        | KEYS #398-06001-25 (HEAD SHAFT SPROCKET) GRIT CH                                      | 470007                    | 1   | \$ | 6.91         | \$6.91       |  |              |
|  | Industrial Grit        | BUCKET GRIT #P95-C187-101-1-AO 8.5" LONG NON METALLIC                                 | 470009                    | 40  | \$ | 431.53       | \$17,261.25  |  |              |
|  | Industrial Grit        | LOCKNUT SS 3/8"   | 470010                    | 200 | \$ | 0.55         | \$110.70     |  |              |
|  | Industrial Grit        | HEX BOLTS- SS 3/8" X 2-1/2"   | 470012                    | 200 | \$ | 1.69         | \$338.88     |  |              |
|  | Industrial Grit        | COTTER PINS- SS 3/32" X 1"  | 470013                    | 200 | \$ | 0.09         | \$18.44      |  |              |
|  | Industrial Grit        | PINS - ATTACHMENT #103-51572-1  | 470014                    | 200 | \$ | 14.96        | \$2,992.62   |  |              |
|  | Industrial Grit        | SHOES- BUCKETS #P95-0277-105 -1   | 470015                    | 200 | \$ | 19.26        | \$3,851.96   |  |              |
|  | Industrial Grit        | SPROCKETS - EFF. CORNERSHAFT #603-81162-93-AO 25T 3.94" BORE SS (7" LG. HUB)          | 470016                    | 2   | \$ | 2,572.70     | \$5,145.39   |  |              |
|  | Industrial Grit        | SLEEVE BEARINGS #603-31144-3 2.44" BORE (EFF. CORN. SHAFT) UHMW 7" HUB (GRIT CHAMBER) | 470017                    | 8   | \$ | 210.91       | \$1,687.25   |  |              |
|  | Industrial Grit        | SPROCKET - INF. CORNERSHAFT #603-81163-92-AO 19T 3.94" BORE                           | 470018                    | 4   | \$ | 2,161.62     | \$8,646.49   |  |              |
|  | Industrial Grit        | SLEEVE BEARINGS #603-31144-5 2.94" BORE (INFL. CORN SHAFT) UHMW 7" HUB                | 470019                    | 4   | \$ | 213.07       | \$852.27     |  |              |
|  | Industrial Grit        | BEARING GRIT CHANNEL CROSS SCREW END MARTIN-TEB4BB                                    | 470020                    | 2   | \$ | 223.97       | \$447.94     |  | \$217,604.14 |
|  | Maint Supplies         | Misc- nuts, bolts, buckets, mechanic gloves etc.                                      | Items from Stores         | 1   | \$ | 40,000.00    | \$40,000.00  |  |              |
|  | DAF Nikuni             | Nikuni Parts rebuild  | KTM80SP-1                 | 2   | \$ | 14,579.00    | \$29,158.00  |  |              |
|  | DAF Polymer            | Polymer Parts - Prominent Fluid   | PolyRex-870               | 2   | \$ | 12,000.00    | \$24,000.00  |  |              |
|  | Domestic Grit          | Clean out   |                           | 1   | \$ | 8,000.00     | \$8,000.00   |  |              |
|  | DAF Metering Pumps     | Netsch parts  | NM031BY02S12B             | 2   | \$ | 7,500.00     | \$15,000.00  |  |              |
|  | R4R Pump               | Gravelly Run  | Invoices Future estimated | 1   | \$ | 70,729.36    | \$70,729.36  |  |              |
|  | Current Negative Funds | Reconcile current numbers   | Negative budget funds     | 1   |    | \$121,093.19 | \$121,093.19 |  |              |
|  | Current Negative Funds |   |                           | 1   |    | \$2,875.92   | \$2,875.92   |  |              |
|  | Current Negative Funds |   |                           | 1   |    | \$264.72     | \$264.72     |  |              |
|  | Rental Boom Crane      |   |                           | 1   | \$ | 7,500.00     | \$7,500.00   |  | \$318,621.19 |

TOTALS

|                          |              |
|--------------------------|--------------|
| Nutrient Credit Exchange | \$317,023.95 |
| HWR (PLANT)              | \$548,925.10 |
| GRAVELLY YRUN            | \$174,902.98 |
| BEAR CREEK               | \$48,725.00  |

|  |                        |  |                           |   |    |             |                   |             |  |
|--|------------------------|--|---------------------------|---|----|-------------|-------------------|-------------|--|
|  | R4R Pump               | Gravelly Run                               | Invoices Future estimated | 1 | \$ | 70,729.36   | \$70,729.36       | \$70,729.36 |  |
|  | Gravelly Vaughn pump   | Repair Model S36-A000-0018                 | sn:129600                 | 1 |    | \$41,275.77 | ESP Quote 1251008 | \$41,275.77 |  |
|  | Gravelly Vaughn Pump#2 | Repair Model S36-A000-0018                 |                           | 1 |    | \$21,622.08 | ESP Quote 1260449 | \$62,897.85 |  |
|  | Bear Creek             | Rotating Assemblies with 8912 Seal Options | 8" B5414L sn: 2142280     | 1 | \$ | 48,725.00   | \$48,725.00       | \$48,725.00 |  |

Total \$223,627.00  
Grand Total \$1,089,577.03

Industrial User Charges

\$289,511.54 Users %

|   |        |              |                |
|---|--------|--------------|----------------|
| Ashland   | 10.10% | \$29,240.67  | \$29,240.67    |
| Westrock  | 44.00% | \$127,385.08 | \$127,385.08   |
| Virginia American Water                                   | 6.80%  | \$19,686.78  | \$19,686.78    |
| City Of Hopewell  | 18.90% | \$54,717.68  | \$54,717.68    |
| Advansix  | 20.20% | \$58,481.33  | \$58,481.33    |
| Ashland-Bear Creek Pump Station Revenue Reimbursement     |        | \$0.00       | \$41,530.00    |
| Advansix -Gravelly Run Pump Station Revenue Reimbursement |        | \$0.00       | \$296,679.94   |
| Insurance Claim Reimbursement                             |        |              | \$461,855.55   |
| Total For Council Action                                  |        | \$289,511.54 | \$1,089,577.03 |

Resolution No: \_\_\_\_\_

RESOLUTION AMENDING THE HOPEWELL WATER RENEWAL FY2026 BUDGET TO OPERATIONS AND MAINTENANCE FOR CRITICAL REPAIRS TO THE HOPEWELL WATER RENEWAL (HWR) PLANT

WHEREAS, the City Council of Hopewell, Virginia approved the Hopewell Water Renewal (HWR) FY2026 budget as part of the City's annual budget during a public meeting held on May 27, 2025;

WHEREAS, the HWR plant suffered significant damage due to an unforeseen fire, requiring additional funding for critical maintenance and repairs;

WHEREAS, HWR maintains a revenue stream from industrial user charges that may be used to support these necessary repairs; and

WHEREAS, Council is committed to protecting the health and safety of the Hopewell community and recognizes the need for these critical repairs; and Now Therefore,

BE IT RESOLVED that Council hereby approves an amendment to the Hopewell Water Renewal budget to reappropriate funds in the total amount of **\$2,056,393.16**, as follows:

Hopewell Water Renewal Fund-032:

Resources:

|  |                       |
|--|-----------------------|
| Industrial User Charges                          | \$1,256,327.67        |
| Ashland Bear Creek Pump Station Reimbursement    | \$41,530.00           |
| Advansix-Gravelly Run Pump Station Reimbursement | \$296,679.94          |
| Insurance Reimbursement 32.479907                | \$461,855.55          |
| <b>Total Resources:</b>                          | <b>\$2,056,393.16</b> |

Appropriations:

|                       |                       |
|-----------------------|-----------------------|
| <b>HWR Operations</b> | <b>\$2,056,393.16</b> |
|-----------------------|-----------------------|

Adopted at the regular meeting of the City Council of Hopewell, Virginia held on April 28, 2026.

Witness this signature and seal

\_\_\_\_\_  
Mayor Johnny Partin, Ward 3

VOTING AYE:

VOTING NAY:

Resolution No: \_\_\_\_\_

ABSTAINING:

ABSENT:

ATTEST:

\_\_\_\_\_  
Sade' Allen, City Clerk

R-6

# ORIGINATOR AGENCY

Branding · Marketing · Strategy

## Part 1

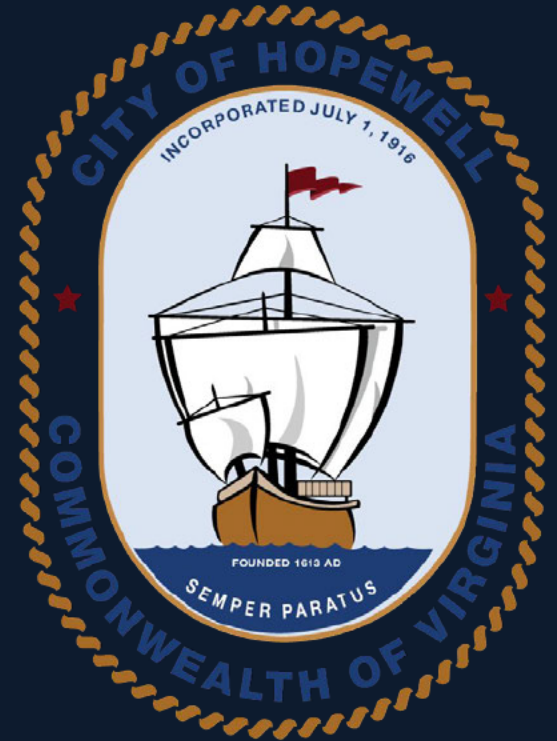
Brand refresh and community tagline survey — complete. Logo redesign, focus groups, sentiment analysis, and visual mockups all delivered for tonight council vote.

## 2

Community focus group sessions completed with civic and business leaders across Hopewell and Prince George County.

## 11

Community stakeholders participated and provided direct input on seven tagline candidates before today's council vote.



# What Originator Agency Was Hired to Do.

Originator Agency was retained by the City of Hopewell under a Professional Services Agreement to refresh the city brand and develop a full Tourism and Economic Development Marketing Strategy. Tonight vote completes Part 1 of that engagement.

01

## Logo Redesign

Modern circular format retaining the ship and City colors. Multiple primary and secondary versions for diverse applications including social, print, and merchandise.

02

## Ten Tagline Concepts Developed

Originator Agency developed ten candidate taglines. These were refined and narrowed to seven for focus group review, then to the top options presented to Council today.

03

## Focus Group Sessions Conducted

Two sessions were held with 11 civic and business leaders including the Chamber of Commerce, EDA, Historic Hopewell Foundation, AdvanSix, Lamb Center for Arts, and Farmers Market.

04

## Sentiment Analysis & Recommendation Memo

Every tagline was evaluated against three non-negotiable criteria: Does it attract tourists? Does it attract investors? Does it differentiate Hopewell regionally?

05

## Visual Mockups Prepared

Presentation materials developed for tagline triggers the final branding up strategy.



# Five Taglines. One Vote.

COMMUNITY FOCUS GROUP

Hope Creates Love – 8 Votes

Each tagline below received votes or was directly suggested by community leaders during the two focus group sessions. Council selects one as the City primary civic identity mark.

OPTION A

## Hope Creates Love

COMMUNITY RECOMMENDED · 8 VOTES

The clear majority choice across both sessions. "Creates" signals a city of productive capacity – one that builds, makes, and generates rather than waits. Passes all three criteria: tourists, investors, regional differentiation.

OPTION B

## Hope. Home. Heart.

2 COMMUNITY VOTES

Two votes from community leaders. The warmth and belonging resonance was praised. Questions were raised about tourism reach and the word "home" in an out-of-market context.

OPTION C

## Where Friends and Rivers Meet

2 COMMUNITY VOTES

Two votes from community leaders. Already in partial use by Hopewell Downtown Partnership. Strong local resonance. Questions raised about whether it reaches audiences 150+ miles away. Flagged for reinvigoration as a program activation.

OPTION D

## Hope Flows Love

1 COMMUNITY VOTE · RIVER IDENTITY

Suggested by a community leader. Directly connects to the James River – Hopewell most underpublicized asset. Strong candidate for water and recreation sub-campaigns.

OPTION E

## Hope Builds Love

SUGGESTED – MULTIPLE LEADERS

Suggested by a community leader. "Builds" ties directly to Hopewell industrial and manufacturing identity. Participant's direct words: "We make things in Hopewell." Strong for economic development audiences.

# Initial Concepts

COMMUNITY FOCUS GROUP

Hope Creates Love – 8 Votes

Each tagline below received votes or was directly suggested by community leaders during the two focus group sessions. Council selects one as the City primary civic identity mark.

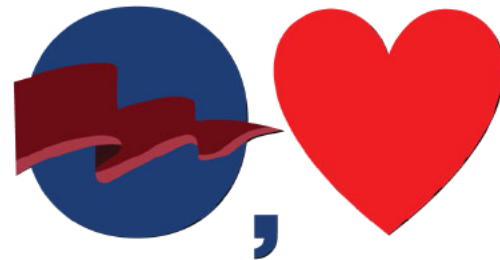
OPTION A

## Hope Creates Love

COMMUNITY RECOMMENDED - 8 VOTES

The clear majority choice across both sessions. "Creates" signals a city of productive capacity – one that builds, makes, and generates rather than waits. Passes all three criteria: tourists, investors, regional differentiation.

The logo consists of the word "HOPE" in a bold, blue, sans-serif font. A red ribbon graphic is draped across the letter "O". Below "HOPE" is the word "CREATES" in a blue, serif font. Below "CREATES" is the word "LOVE" in a bold, blue, sans-serif font, with a red heart icon replacing the letter "O".





SEMPER PARATUS  
Always Ready

Founded 1613 - Incorporated 1916  
Commonwealth of Virginia

# WHAT HAPPENS AFTER THE VOTE.

## 1 Tagline Approved by City Council

Tonight. The council vote on the primary civic identity mark closes Part 1 of the Originator Agency engagement and triggers final logo integration.

## 2 Final Brand Package Delivered

Originator Agency completes the logo system with the approved tagline. Final versions delivered across all formats: social, print, signage, merchandise, and web.

## 3 Phase 1 Launches: Research & Analysis

Phase 1 scope begins immediately after Part 1 acceptance. Deliverable: Research Report covering current marketing assets, benchmarking, audience inventory, and partnership opportunities.

## 4 Marketing Playbook + TEDR

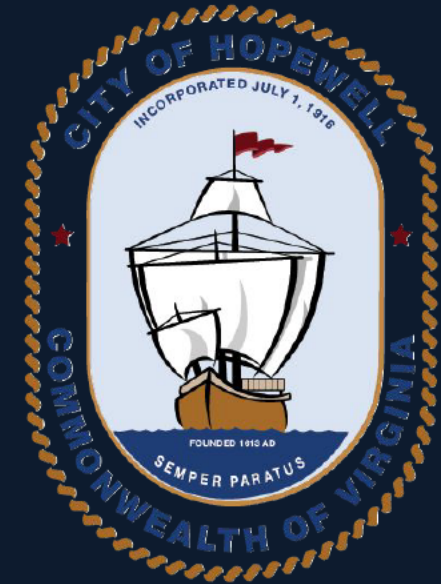
Phases 2 and 3 follow delivering the full Marketing Playbook, 12-month campaign calendar, and the Tourism and Economic Development Report (TEDR).

ORIGINATOR AGENCY · CITY OF HOPEWELL, VIRGINIA · 2026

# COMMUNITY + PEER REVIEW BRANDING TAGLINE

City of Hopewell, Virginia

Two Focus Group Sessions · Sentiment Analysis · Final Vote Results



# The Community Has Spoken.

Across two focus group sessions with community and civic leaders, Originator Agency facilitated a structured tagline review process for the City of Hopewell. The process moved through seven candidate taglines, live sentiment feedback, open-ended suggestion rounds, and a final vote. The result was clear, consistent, and confirmed across both sessions.

PRIMARY TAGLINE · COMMUNITY VOTE

# Hope Creates Love

9 VOTES ACROSS BOTH SESSIONS

SECONDARY TAGLINES WITH COMMUNITY SUPPORT

**Hope, Home & Heart**

2 votes

**Where Friends and Rivers Meet**

2 votes

**Hope Flows Love**

1 vote – river identity

# Where the Community Landed.

Votes were recorded across Session 1 (9 community leaders) and Session 2 (2 additional stakeholders). The primary mark received majority in Session 1 and was confirmed in Session 2. No other candidate came close to overtaking the result.

**9****HOPE CREATES LOVE · PRIMARY MARK****2****HOPE, HOME & HEART****2****WHERE FRIENDS & RIVERS MEET****1****HOPE FLOWS LOVE · RIVER IDENTITY****IMPORTANT CONTEXT FROM MICHAEL HALL:**

*"Hope creates love had nine votes. You can't even overturn it if you wanted to. Even if I removed the city staff votes, it would still be five to one to one."*

# The People Behind the Process.

Two sessions brought together community leaders representing economic development, tourism, civic institutions, arts, agriculture, real estate, and industry. Each voice carried a distinct perspective on what Hopewell is and what it should become.

## SESSION 1 - COMMUNITY LEADERS

HP-G Chamber of Commerce

Cobblestone Neighborhood Watch

Historic Hopewell Foundation

Hopewell Farmers Market Manager

Real Estate Broker / City Historian

AdvanSix / Chamber VP

Lamb Center for Arts & Healing

City of Hopewell

Community Stakeholder

## SESSION 2 - ADDITIONAL STAKEHOLDERS

Loyd O Taylor Of Autumn Woods Neighborhood Watch/ President

Ingram & Assoc Real Estate Co Inc. Broker/Owner

City of Hopewell

## FACILITATED BY

**Michael Hall & Dante Fillyau**  
**Senior Managing Partner**  
**Originator Agency**

# How We Got There.

01

## Seven Candidate Taglines Presented

Each tagline was read aloud without visual bias. Participants gave raw gut reactions before any context was offered. Originator Agency held back the recommended mark until all seven had been heard.

03

## Directional Pivot on "Hope"

When initial resistance surfaced around the word hope, Michael Hall opened a dedicated discussion on its merit. The group moved from skepticism to a nuanced endorsement — agreeing hope belonged in the mark when surrounded by the right words.

05

## Open Suggestion Round

The group generated new tagline options and keywords. This produced the interchangeable verb concept — hope [creates/builds/grows/flows] love — which became the framework for the final vote.

02

## Open Sentiment Discussion Per Tagline

Every tagline received unfiltered feedback. Participants were explicitly asked for brutal honesty by Director Bennett. All responses were captured in real-time sentiment analysis.

04

## Visual Introduction of Hope Gives Love

After blind feedback was collected, the logo system and visual rationale developed by Originator Agency were shared. Participants saw for the first time how the brand connected to Virginia's civic identity.

06

## Final Vote — Primary Keyword

The group voted on which middle verb would anchor the primary mark. "Creates" won decisively. Hope Creates Love was confirmed as the primary brand across both sessions.

# What the Community Rejected and Why.

## Small City, Boundless Hope

UNANIMOUS REJECTION

*"Boundless hope feels like a bottomless pit of hope that we have to reach down and find our way out of."*

The word "small" was seen as limiting. "Boundless hope" implied ongoing struggle rather than momentum. Both the scale framing and the passive sentiment were rejected by the full panel.

## Rooted in History, Rising in Hope

CONCEPTUALLY SOUND · LANGUAGE REJECTED

*"Rooted seems like stuck. There is a lot of momentum and energy going on right now."*

The historical concept was appreciated. The word "rooted" felt static. Questions about whose history was being honored and the past-tense nature of the phrasing drew concern from multiple participants.

## Built on Hope, Open for Business

NOT UNIQUE · CONTRADICTS CURRENT REALITY

*"Being based in downtown with so many visible signs of things not literally open for business – this does not resonate."*

"Open for business" was flagged as overused across many communities and not a regional differentiator. The physical reality of downtown Hopewell made the claim feel aspirational to the point of inaccuracy.

## Virginia's Well of Hope

NOT DISCUSSED AT LENGTH

*"The panel moved through it without meaningful engagement."*

No significant positive or negative reaction was recorded. The tagline did not generate the discussion needed to advance as a contender in either session.

# What Resonated in Part.

## Hope. Home. Heart.

2 VOTES · EMOTIONAL RESONANCE, TOURISM QUESTIONS

Participant called it their favorite, connecting it directly to the chamber's "you don't have to live here to belong here" philosophy. Participant noted it "rings true" for how Hopewell residents feel. However, Participant raised substantive concerns about the word "home" — asking home for whom, and flagging the unsheltered population in downtown. The warmth was real. The reach was questioned.

*"That is my favorite so far. We've been using the idea — you don't have to live here to belong here."*

## Where Hope Has Always Lived

PAST TENSE CONCERN · SUGGESTED PRESENT-TENSE REVISION: "WHERE HOPE LIVES"

Participant suggested converting the tense: "Where hope lives" as a cleaner, present-forward version. Participant in Session 2 noted she liked this one alongside the hope-blank-love concept. The stability and depth it signals were appreciated, but the past-tense framing kept it from advancing.

# The Room Found the Answer Itself.

The most significant moment in the focus group was not a vote. It was a conversation. When Michael Hall introduced the possibility that the middle word in "Hope [verb] Love" could be interchangeable, the entire energy of the room shifted. What began as skepticism toward "Hope Gives Love" became enthusiastic co-creation of a campaign architecture.

*"I think that allows you to sort of go in a bunch of different ways. If you're talking about building something or doing something, or growing something."*

— Community Stakeholder

*"Hope feeds love. So you have different aspects where that inner word becomes this exchangeable word. Hope and love are your anchor words."*

— Michael Hall · Originator Agency

*"Create actually allows a more subjective reference. It could manifest in different ways — speaking to different aspects of the city."*

— Community Stakeholder

*"I'm now firmly on team create. She got me. Creates gives you an opportunity to be creative, artistic, building a product."*

— Community Stakeholder

# What the Community Contributed.

Beyond reacting to the seven presented taglines, participants generated original suggestions during the open round. These reflect the community's instincts about Hopewell's identity and will inform sub-campaign development.

## Hope Flows Love

Suggested by Community Leader

Connects the tagline directly to the James River and Hopewell's water identity. Received 1 vote and was flagged as a strong sub-campaign for river tourism and recreation.

## Hope Builds Love

Suggested by Community Leader

Industrial and construction framing. Director Bennett personally endorsed "builds" for its connection to Hopewell's manufacturing identity – "we make things here."

## Where Hope Lives

Suggested by Community Leader

Present-tense revision of "Where Hope Has Always Lived." Cleaner, forward-facing. Noted as a possible future sub-campaign.

## Hope Grows Love

Suggested by Community Leader

Agricultural and community development connotation. Identified as ideal for farmers market and small business campaigns.

## Where Friends and Rivers Meet

Suggested by Community Leader

2 votes. Already in partial use by Hopewell Downtown Partnership. Michael Hall noted it should be reinvigorated as a program activation rather than primary outreach – if it had worked, there would not be a tourism problem.

## Made in Hopewell

Suggested by Community Leader

Manufacturing identity as civic brand. Charles Bennett specifically cited this as central to how he promotes economic development. Strong candidate for industrial tourism and B2B outreach.

# How This Connects to the Larger Strategy.

The focus group outcome does not stand alone. It connects directly to the three-layer marketing intelligence framework – The Opportunity of Hope – developed by Originator Agency to translate Hopewell's verified economic data into narrative strategy.

## L1 ECONOMIC IDENTITY MAPPING

Hopewell's manufacturing base – \$2.6B in economic output, 4,801 jobs supported, \$372M in labor income – is not separate from its tourism identity. "Hope Creates Love" names the act of production as an act of generosity. The city makes things. The city gives things. That is the brand.

## L2 SIGNAL VS. NOISE ANALYSIS

The focus group itself demonstrated signal vs. noise in action. Participants correctly identified what was authentic to Hopewell and what felt imposed or contradictory. Their instinctive rejection of "open for business" and "rooted" reflects the same analytical discipline the framework applies to data.

## L3 NARRATIVE ARC MAPPING

"Hope Creates Love" passes all three tests: attracts tourists emotionally, attracts investors with a statement of civic productive capacity, and differentiates regionally because no other Virginia city can authentically claim this phrase. It sequences across all four tourism pillars – heritage, water, sports, and arts – with a different campaign verb each time.

# One Brand. Infinite Campaigns.

The focus group produced something more valuable than a tagline. It produced a brand architecture. Hope and Love are the permanent anchor words. The verb in the middle becomes an interchangeable campaign engine – each one speaking to a different department, audience, or initiative within Hopewell's economic development and tourism strategy.

INITIAL LAUNCH · PRIMARY MARK

## Hope Creates Love

9 community votes · Confirmed across both sessions  
Active, forward-facing, civic production as generosity

BRAND UMBRELLA · CIVIC IDENTITY MARK

## Hope Gives Love

Established primary civic brand · Interchangeable with  
Hope Creates Love across campaign contexts

### THE INTERCHANGEABLE CAMPAIGN VERB SYSTEM

HOPE  
CREATES  
LOVE

Primary mark  
All audiences

HOPE  
BUILDS  
LOVE

Economic dev  
Industry / Investment

HOPE  
GROWS  
LOVE

Agriculture  
Farmers market

HOPE  
FLOWS  
LOVE

River / Water  
Recreation

HOPE  
TEACHES  
LOVE

Education  
Arts & Heritage

HOPE  
GIVES  
LOVE

Civic identity  
Brand umbrella



SEMPER PARATUS  
Always Ready

Founded 1613 · Incorporated 1916  
Commonwealth of Virginia

# HOPEWELL DOES NOT WAIT FOR GOOD THINGS TO HAPPEN. IT CREATES THEM.

The community vote is clear. The strategic framework is in place.  
The next step is approval and direction from our City Council.

Michael Hall · Managing Partner · 850-251-3668  
Originator Agency · michael@originatoragency.com

# ADJOURNMENT