

January 27, 2009

MINUTES OF THE CITY COUNCIL MEETING HELD JANUARY 27, 2009

A Work Session of the City Council of the City of Hopewell, Virginia, was held Tuesday, January 27, 2009, at 6:30 PM in the City Council Chambers, Municipal Building, 300 North Main Street, Hopewell, Virginia.

PRESENT: Brenda S. Pelham, Mayor
N. Gregory Cuffey, Vice Mayor
Christina J. Luman-Bailey, Councilor
Curtis W. Harris, Councilor
Kenneth B. Emerson, Councilor
Gerald S. Stokes, Councilor
K. Wayne Walton, Councilor

Ann M. Romano, City Clerk
Edwin C. Daley, City Manager

Mayor Pelham opened the Work Session at 6:30 PM. Roll call was taken as follows:

Mayor Pelham	-	present
Vice Mayor Cuffey	-	present
Councilor Bailey	-	ABSENT (arrived at 6:37 PM)
Councilor Harris	-	present
Councilor Emerson	-	present
Councilor Stokes	-	present
Councilor Walton	-	present

Mayor Pelham opened the meeting and Councilor Harris offered the prayer.

1. **2008 AUDIT REPORT - ELESTEEN HAGER, DIRECTOR OF FINANCE**

Mr. Hager introduced Ann Wall of Robinson Farmer Cox who presented the 2008 Audit Report (filed in the City Clerk's Office). She indicated that the City met all deadlines as of November 30, 2008. The report will be filed with the Department of Environmental Quality (DEQ) by January 28, 2009. Three opinions were entered from Robinson Farmer Cox. (1) The Financial Statement received a clean opinion. Items (2) and (3) referred to the Compliance Section of the report and the City's internal controls. The report will be submitted to the GFOA. The City's general ledger reconciles to the audit report. The General Fund Balance is \$11.8M.

2. **WASTEWATER TREATMENT FACILITY PRESENTATION - MARK HALEY, and JEANNIE GRANDSTAFF**

Mark Haley, Director of the Wastewater Treatment Facility, presented a report on Domestic Wastewater Treatment Expansion (filed in the City Clerk's Office.) It addressed the Primary Plant Relocation Project and utility connection fees. The 50-year-old Primary Plant is close to capacity; site constrained and cannot be expanded at its present location.

Jeanie Grandstaff-Environmental Manager, HRWTF, reported that the City has a contract with Ft. Lee for 2.5M gallons of treatment per day. With BRAC, they will be at the full 2.5M gallons. Prince George contracts for 2M gallons and currently uses 600,000 gallons per day. The regional plant does have the capacity to expand. The project also aids the overall plan for nitrogen reduction in the future by segregating the domestic wastewater for ease of nitrogen removal.

DISCUSSION: The HRWTF Commission's industrial members should participate in the project, but have recently stated that they believe this project is solely related to area growth. Due to the need for future nitrogen reduction the project is not necessarily the responsibility of only the City of Hopewell and

January 27, 2009

should be supported by manufacturing. A question was posed asked what action it would take for City Council to seek their support. Regarding possible effluent reuse, the City's wastewater is too warm and the chloride level is too high at this time. The Wastewater Treatment Facility was complimented and commended for their work. There was mention of lobbying for funding and the algae project as a treatment alternative for nitrogen removal.

3. **UTILITY CONNECTION FEES - MARK HALEY & WAYNE TRIMBLE**

Wayne Trimble, Trimble & Associates, presented the Study for Wastewater Connection Fees (filed in the City Clerk's Office). He indicated that Ft. Lee is paying a minimum amount whether they use it or not. Ft. Lee usually receives a refund. A contract customer is handled differently than volumetric rate customers. Mr. Trimble addressed Connection Fee Structure, a Study for Wastewater Connection Fees for the City of Hopewell. Regarding the connection fees, he indicated that growth should pay for growth. There was a proposal presented for an increase from \$150 per unit to \$2,000 per unit. Only Richmond has a lower connection fee and that is only by \$50.00. Hopewell would still have the lowest in the area.

Dr. Daley advised Council to adopt the fees before the budget. It will create money for capital improvements. Anyone who already paid a connection fee could be exempt. Raising the sewer rate for utilities is separate from this connection fee. When a developer builds a house in Prince George today, they are paying \$4,000 to connect to our system and Hopewell does not get any of that money. As an example, the City could contribute \$1,000 per household unit, but Jimmy Jones would be doing the larger project of enlarging the road. When we do that we contribute to the project. Utility connections would cost \$2,000 per unit in this proposal for utility connections. Concessions could be made for economic development opportunities, but the City must be cautious that they are done in a defensible manner.

DISCUSSION: At a future time Mr. Haley will come back to Council to talk about cost of service (sewer rates). The proposal is for a \$7.52 increase per month per customer. By comparison, Hopewell would still maintain the lowest cost in the area. If there is an existing connection, they should not be charged again; only charge for new connections. Concessions could be made for economic development opportunities. Prince George County charged the Regional Jail \$585,000 for 600 additional beds in the jail.

By consensus of Council, it was agreed to have a public hearing to move this forward. The City Manager indicated that it might be held in March 2009.

4. **CAPITAL PROJECTS FUNDING PLAN - DAVID ROSE & JIMMY SANDERSON
DAVENPORT & COMPANY**

David Rose presented to Council the City of Hopewell Capital Funding Plan (filed in the City Clerk's Office). Mr. Rose reported that each one penny (1¢) tax increase would net \$150,000. His report factored in 3% growth. The total real estate assessment for the budget is \$148M; the City budget is \$100M - amount vs. assessed value. He discussed debt service and the total revenues and expenditures.

DISCUSSION: The City's goal is to have construction of the Social Services building begins very soon, but the City Manager indicated that it would probably not be before July 2009. One of the plants in the City (Smurfit) has filed for bankruptcy, and ethanol plants in many paces are failing. There was concern for how the City proceeds if either of those issues goes negative. The budget has not factored in any money coming from the ethanol plant. Only after it is opened will the City see what the estimates are. Smurfit continued to operate; they are not retail.

5. **RENTAL INSPECTION PROGRAM EXPANSION REPORT & GRAFFITI - FIRE
CHIEF JOHN TUNSTALL**

Chief Tunstall reported that the Code does allow expansion of the district. The boundaries are in the proposed ordinance amendment. The next proposed area recommended for Rental Inspection was changed from Arlington Heights to the "B" Village area because that area has received more calls for service from Code Enforcement. Arlington Heights received more calls five years ago, but not now. Also,

January 27, 2009

the proposed area contains 56% rental properties. The Code of Virginia must be followed. The City must protect the health and welfare of its citizens. Rentals City-wide are 9886; there were 7759 code issues in the 28-month period of June 2006 to September 2008. Of 714 properties (both rental and ownership) there were 1471 code issues. Code Enforcement does not just respond to calls. They monitor the area. But, they have no right to go into a rental if there is no call. The Fire Department and Code Enforcement were also asked to make a recommendation for the next Rental Inspection area. Council can choose any area they want. The statistics were looked at. The first obligation is to comply with the Code of Virginia. The proposed area would provide the most change. Any homes built in the past four years are exempt from inspection.

DISCUSSION: Based on the Chief's finding, he presented his recommendation. The Rental Inspection Program started in one area and there was discussion that the next area would be Arlington Heights. Some adjustments must be made from time to time. Some Council members felt a preference to go back to the original proposal of Arlington Heights. There are a number of new houses in the Arlington Heights area, some of which may be rentals. However, Rental Inspections cannot be made on those houses for four years. There was a lot of home ownership in Arlington Heights. Some may be rental, but not blighted. Some Councilors agreed with the Chief's proposal. The Chief was asked to provide to Council members the number of rental units in Arlington Heights and the number of Code Enforcement calls. Also, some Councilors requested the number of rentals in each of the areas. The City Manager agreed to provide the requested information for the Arlington Heights area and the proposed "B" Village area. Staff was commended for the work they have done. Once a new area is designated, inspections do not finish. There are exemptions for four years, but if there is a violation they can go back in one year. Some felt that the "B" Village proposal should be delayed for six months and then revisited. There was also a request for a report of what has happened with the units inspected in the City Point area and the outcome. Chief Tunstall will provide that information. Code violations are separate and distinct from crimes.

The Chief proposed an ordinance amending City Code Chapter 19, Section 19-182, Rental Inspection District Boundaries, as follows:

ORDINANCE NO. 2009-__

An Ordinance amending Hopewell City Code Chapter 19, Section 19-182, Rental Inspection District Boundaries, to create an additional rental inspection district within the City of Hopewell.

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF HOPEWELL, that the following provisions of Hopewell City Code Chapter 19, Section 19-182, Rental Inspection District Boundaries be amended as follows:

Sec. 19-182. Rental inspection district boundaries.

(a) There is hereby created a rental inspection district within the City of Hopewell with boundaries as follows: All of the land lying and situate in the City of Hopewell, Virginia, that falls within the 2000 United States Census Tract Numbered 8201, being that land lying and situate in the City of Hopewell, Virginia, bound on the North/West by the waters of the Appomattox River, on the North/East by the waters of the James River, and then South/East along Poythress Run Creek to its intersection with Station Street, following Station Street South/West to its intersection with Hopewell Street, and then along Hopewell Street North to the Appomattox River, such area being more commonly known as City Point. There is hereby created an additional rental inspection district within the City of Hopewell with boundaries as follows: Beginning at a point at the intersection of the City's Corporate Limits and Hopewell Street extended traveling south along Hopewell Street to a point at the intersection of Hopewell Street extended and the Norfolk-Southern Railroad tracks; proceeding west along the Norfolk-Southern Railroad tracks to its intersection with Sixth Avenue; north along Sixth Avenue to its intersection with West Broadway; then west along West Broadway to the intersection with the ravine just west of Monticello Avenue; then north along the ravine to the Appomattox River and the Corporate Limits; then

January 27, 2009

east along the Corporate Limits to the intersection with Hopewell Street extended, the beginning point (as indicated on the attached map).

(b) City council may alter the boundaries of the rental inspection district, provide for additional rental inspection district areas, or provide for the inspection of residential rental dwelling units outside of designated rental inspection districts, in compliance with Va. Code § 36-105.1:1, and any amendments thereto.

Chief Tunstall reported on graffiti and how to remove it. It must be made part of the City Code.

6. **BUDGET REVIEW - ELESTEEN HAGER, DIRECTOR OF FINANCE and ED DALEY, CITY MANAGER**

Mr. Hager provided a brief budget review (filed in the City Clerk's office) and identified one particular item: Personal Property taxes, which are not due until February 15. The value of SUVs (sports utility vehicles) and trucks has been going down. There has been a loss of \$550,000 in Personal Property taxes. That will cause a \$2.3M short fall. The Commissioner of the Revenue will not have the figures until the first of next month. All other jurisdictions are seeing a 10-20% drop. The City collects \$190,000 annually for sticker fees. Outside of the tax rate structure, the City does not have much leeway. Assessments will be ready at the end of next month. Council will be able to view the preliminary budget at the end of March. There will be no salary increases, and no increases for the schools. All City Manager departments have cut 10% of non-personnel budget items for this year and will be carried over to next year. The City Manager is reviewing the Travel Policy in February. Other policies will be coming up for revision also. The City Manager's budget will show the Hopewell Police Department non-personnel items reduced by 10% and their vacancies cannot be filled.

DISCUSSION: Perhaps the City must begin to address services and freezing salaries rather than raising taxes. Unfilled positions will not be filled. The City must meet the retiree health insurance liability. The City has collected approximately \$160,000 over the last 12 months in speeding tickets from I-295. They made an investment of approximately \$90,000 (two additional Sheriff's cars, etc.). The collections go into the General Fund and \$250,000 has been budgeted from that source. The travel expense mileage reimbursement was set at 55¢ per mile as adopted by the IRS. Beginning February 1, the rate will decrease to 40¢ per mile. The City Manager has been talking to Chesterfield County about their university, which trains their employees, to provide more training here for our employees.

7. **EMPLOYEE RETENTION REPORT - DISTRIBUTED BY THE CITY MANAGER**

Dr. Daley distributed the Employee Retention Report (filed in the City Clerk's Office) prepared by Intern, Alfredo Alvarado. Council was asked to review its contents for discussion at a future time.

8. **DISCUSSION OF CITY-OWNED PROPERTIES - MARCH ALTMAN, ASSISTANT CITY MANAGER**

Mr. Altman presented an oral report of the City's property available for development or sale. He did not include the Butterworth Building and the Mallonee School, which are both under contract. The list of City-owned properties included the vacant lot on Hopewell Street adjacent to the Quick Lunch, the old City jail, the old SPCA, the old Food Lion property, the Cawson Street parking lot, vacant lot on Main Street, 330 Appomattox Street, the old Patrick Copeland site, the vacant property behind the Evergreen Motel, the marina, the Bluffs site and a small piece of vacant land on Old Iron Road. The City has purchase options on some properties, but do not own them and therefore were not included. There are a

January 27, 2009

total of 34 properties in the City that we own that we could sell. Copies of the information will be put in Council's mailboxes and will be discussed in the future.

The City Manager suggested dividing the Patrick Copeland property and put in a permanent park on the portion adjacent to the river and allow the remainder of the site to be available for development opportunities; taking bids on the property adjacent to the Quick Lunch site; selling the small lot on Old Iron Road; taking proposals on the Food Lion property; moving Social Services and sell that building; and selling the lot on Main Street when we know what will happen with the Blaha Building.

ADJOURN

At 9:35 PM motion was made by Councilor Walton, and seconded by Councilor Emerson, to adjourn the meeting. Upon the roll call, the vote resulted:

Councilor Stokes	-	yes
Councilor Walton	-	yes
Mayor Pelham	-	yes
Vice Mayor Cuffey	-	yes
Councilor Bailey	-	yes
Councilor Harris	-	yes
Councilor Emerson	-	yes

Brenda S. Pelham
Mayor

Ann M. Romano, City Clerk