

March 28, 2016
Special Meeting-Work Session

MINUTES OF THE CITY COUNCIL SPECIAL WORKSESSION MEETING HELD
MARCH 28, 2016

A Special Work Session Meeting of the City Council of the City of Hopewell, Virginia, was held Monday, March 28, 2016, at 6:00 p.m. in the City Council Chambers, Municipal Building, 300 North Main Street, Hopewell, Virginia.

PRESENT: Brenda S. Pelham, Mayor
Arlene Holloway, Councilor
Anthony J. Zevgolis, Councilor
Jasmine E. Gore, Councilor
K. Wayne Walton, Councilor
Jackie M. Shornak, Councilor

Mark A. Haley, City Manager
Stefan M. Calos, City Attorney
Ross A. Kearney III, City Clerk

ABSENT: Christina Luman-Bailey, Vice Mayor

ROLL CALL

Mayor Pelham opened the meeting at 6:01 p.m. Roll call was taken as follows:

Mayor Pelham	-	present
Vice Mayor Luman-Bailey	-	absent (sick)
Councilor Holloway	-	present
Councilor Zevgolis	-	present
Councilor Gore	-	present
Councilor Walton	-	present
Councilor Shornak	-	present

MOTION TO ADOPT AGENDA

A motion was made by Councilor Walton, and seconded by Councilor Gore to adopt the agenda of March 28, 2016. Upon the roll call, the vote resulted:

Councilor Gore	-	yes
Councilor Walton	-	yes
Mayor Pelham	-	yes
Councilor Shornak	-	yes
Councilor Holloway	-	yes
Councilor Zevgolis	-	yes

Vote Result: 6-0 Agenda Adopted

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PRAYER AND PLEDGE OF ALLEGIANCE TO THE FLAG OF THE UNITED STATES OF AMERICA

Prayer was led by Charles Dane, followed by the Pledge of Allegiance to the Flag of the United States of America.

WORK SESSION

WS-1 – Work Session – Finance Committee Budget Recommendations

City Manager Mark Haley explained the Finance Committee recommendations and informed Council that the next Budget Meeting will be on April 4th, 2016 at 6:00 p.m. The 2016 budget includes the use of approximately \$1.3 million of non-recurring revenue for the \$649,000 in additional school operational funding and \$355,919 in additional school debt. Recurring Revenues increased in the 2017 proposed budget by more than \$1.4 million and the 2017 proposed Capital Budget is approximately \$479,000 less than last year. The 2017 proposed Budget will still need approximately \$655,110 in non-recurring revenue to balance due to the increased costs in non-department areas and that is does not include any of the City Council Funding Request.

The City Manager then briefed Council on the major budget changes. VRS Retirement Increase is \$259,000, Retirees Insurance is \$362,000, Employee COLA is \$350,000, Active Employee HC Savings \$140,000 for a total change of \$831,000. The current Budget Summary for Fiscal Year 2015-16 Revenues: Recurring \$47,701,100; Non-recurring \$1,316,000; Total: \$48,417,000. For Expenditures; Operating \$46,311,000; Capital \$2,106,000 for an overall total of \$48,417,000.

The City Manager then provided the proposed Fiscal Year 2016-17 Budget Summary that does not include the Councilors request: Revenues – Recurring \$48,582,618; Non-recurring \$0 for a total of \$48,582,618. Additional Paving Funds \$450,000; City Point Historic District Improvements \$50,000; Mallonee Gym Improvements \$250,000; Riverwalk Funds \$150,000; Street Lighting Upgrades \$30,000; .02 cents Tax Decrease \$260,000 for an overall total of \$840,000. City Manager Mark Haley then revealed the proposed Fiscal Year 2016-17 Budget Summary with Council request. Revenues - Recurring \$48,582,618; Non-recurring \$0; Total \$48,582,618. Expenditures – Operating \$46,791,928 Capital \$3,285,800; Total \$50,077,728 for a Balance \$1,495,110. Other Needs Not Funded In These Budgets - VDOT Required Matching Funds For Projects; New Positions In A Couple Of Departments Needed To Maintain The Increased Needs Of Our Citizens, Staffing Or Other Resources Needed To Accomplish Many Of The Strategic Plan Initiatives, Potential funding source for the Beacon Theater if the funds from the Last Will and Testament of recently deceased citizen are delayed or withheld. Also, the City Manager reported that within the budget the City employees would receive a \$1,000 raise.

Mayor Pelham questioned the City Manager as to the budget and was this the recommendation of the Finance Committee? The City Manager replied yes, this was the recommendation and endorsed by the Finance Committee. The Mayor also asked about the personal property tax of which the City Manager responded that the personal property tax for the Fiscal Year 2016-17 would remain the same an added that compared to the surrounding localities, the City of Hopewell was the only locality not to raise its personal property tax. The Mayor also asked when Council would be updated on the Mallonee Gym Improvements. The City Manager stated that he would email council with an update. Councilor Gore pointed out that the budget did include \$550,000 for neighborhood street improvements of which was one of City Councils request. Councilor Shornak asked the City Manager if the Department Heads were in favor of the proposed budget of which the City Manager replied yes. Councilor Shornak then asked about the Beacon funding proposed in the budget was something that had been done in the past? The City

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Manager replied no and that this item was placed in the budget just in case the funds dedicated to the Beacon from the Last Will and Testament of recently deceased citizen are delayed or withheld. Councilor Shornak replied that she was not in favor of the funding of the Beacon in the upcoming budget. Councilor Shornak also asked when the CAFR when be ready and Assistant City Manager Charles Dane replied that they hoped to have it from the auditors by the end of April 2016. Councilor Walton expressed his satisfaction with the proposed budget and commented on the fact that the City of Hopewell would have no tax increase for the first time. Councilor Gore commented and said that she was not sure that she could support the Beacon financing and requested the City Manager schedule a work session regarding the Beacon. Councilor Zevgolis asked if this was the Finance Committee's budget. Councilor Gore responded yes. Councilor Zevgolis commented that he would like to see the Beacon LLC applying for more grants instead of the City providing additional funding. Mayor Pelham and City Council members thanked staff for the work they had put into this proposed budget.

ADJOURN

At 8:20 p.m., motion was made by Councilor Zevgolis, and seconded by Councilor Walton. Upon the roll call, the vote resulted:

Councilor Gore	-	yes
Councilor Walton	-	yes
Mayor Pelham	-	yes
Councilor Shornak	-	yes
Councilor Holloway	-	yes
Councilor Zevgolis	-	yes

Vote Resulted: 6-0 Meeting Adjourned at 8:20 P.M.

Brenda S. Pelham, Mayor

Ross A. Kearney III, City Clerk