

**August 25, 2022  
Special Meeting**

**MINUTES OF THE SPECIAL CITY COUNCIL MEETING**

A Special Meeting of the City Council of the City of Hopewell, Virginia, was held Thursday, August 25, 2022, at 6:30 pm in the City Council Chambers, Municipal Building, 300 North Main Street, Hopewell, Virginia 23860.

**PRESENT:** Patience Bennett, Mayor (Ward 7)  
Johnny Partin, Vice Mayor (Ward 3)  
Deborah Randolph, Councilor (Ward 1)  
Jasmine Gore, Councilor (Ward 4)  
Janice Denton, Councilor (Ward 5)

**ABSENT:** Councilor Arlene Holloway (Ward 2)  
Councilor Brenda Pelham (Ward 6) \* attempted to join by electronic means but was not successful

**STAFF:** Mollie P. Bess, City Clerk (absent)  
Dr. Concetta Manker, Interim City Manager  
Danielle Ferguson Smith, City Attorney

Mayor Bennett called the meeting to order at 6:30 p.m.

Roll Call:	Mayor Bennett	-	Present
	Vice Mayor Partin	-	Present
	Councilor Randolph	-	Present
	Councilor Holloway	-	Absent
	Councilor Gore	-	Present
	Councilor Denton	-	Present
	Councilor Pelham	-	Absent

Motion to approve the agenda made by Vice Mayor Partin and seconded by Councilor Gore.

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Roll Call:

Vice Mayor Partin	-	Yes
Councilor Gore	-	Yes
Councilor Denton	-	No
Mayor Bennett	-	Yes
Councilor Randolph	-	No

Motion Passes:    3 – Ayes  
                          2 – Nays

Ms. Debra Kidd, Chief Deputy Commissioner of Revenue explained that the City of Hopewell is expected to see a \$2 million dollar increase in taxes. The increase will create a \$700,000 deficit with the PPTRA portion. She explained the need to adjust the PPTRA (Personal Property Tax Rate Adjustment) from 44% to 27%.

During her presentation, Ms. Kidd explained that there was a need for a personal property tax rate adjustment to \$3.50 per \$100 value. Ms. Kidd provided a 2020 PPTRA estimate of taxes as August 4, 2022 (document attached to the minutes) and explained that she did not have a recommendation for City Council but that the Treasurer’s office required a vote from City Council expeditiously in order to provide the tax assessments to Hopewell citizens.

Councilor Gore asked Ms. Kidd whether citizens would see the same type of increase. Ms. Kidd responded that citizens with older model vehicles could see a higher increase than those with a newer model vehicle but that the tax rate proposed increase would be based on the total value of the vehicle.

Vice Mayor Partin requested that Ms. Kidd explain the definition of the significance of the PPTRA. Ms. Kidd explained that the PPTRA was the Personal Property Rate Adjustment derived from state funds as an offset to the personal property taxes due from Hopewell citizens. She further explained that state funds have provided \$1.6 million previously. Based on current market trends, Ms. Kidd explained that there will probably be an increase in the valuation of vehicles. The expected increase in vehicle value will create an increase in personal property tax bills.

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Vice Mayor Partin asked Debra Kidd for her recommendation to the PPTRA proposed increase. Ms. Kidd responded that if City Council planned to leave the state tax contribution rate at \$3.50 per \$100 of value, then a decrease in PPTRA would be necessary from 44% to 27% to avoid a deficit.

Vice Mayor Partin then moved to adopt the state contribution tax rate of \$3.50 and to decrease the PPTRA from 44% to 27% to avoid a \$700,000 deficit. The motion was seconded by Councilor Gore.

**Discussion:**

Councilor Gore asked Debra Kidd to explain the proposed tax schedule once again for taxpayers. Ms. Kidd explained that if the state rate of contribution stayed the same (\$3.50) then the PPTRA would have to be decreased. She explained that where an individual vehicle is worth \$1000 or less then the state would pay up to that amount. From \$1000.01 to \$20,000 then the state would pay a portion and the owner would be responsible for a portion. For every amount above \$20,000, the taxpayer would be responsible for that full amount. She further explained that everyone would be affected by this issue.

Councilor Randolph stated that her issue with the decal fee rebate is not that people will not be able to pay the money but that the proposed \$20 will not make up the amount of the proposed deficit. Citizens with newer vehicles will probably be hit the hardest. Councilor Randolph asked Ms. Kidd what was going to be her original recommendation with regard to a change in the tax rate. Councilor Randolph then suggested that if \$3.40 was used instead of \$3.50 what would happen? Ms. Kidd stated that if the \$3.40 was used as a tax rate, then the PPTRA would need to be adjusted to 30% to avoid a bigger deficit in taxes. She assessed that there would be \$160,000 for a 10% difference. Councilor Randolph then pointed out that \$160,000 is less of a loss than the decal fee rebate.

Debra Kidd then asked for feedback from City Council as to what it would like to do.

Councilor Randolph stated that the City Council has not discussed the issue as a body but that she was trying to make sure that there wasn't a \$400,000 shortage.

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Vice Mayor Partin commented that Ms. Kidd should sit down with the Interim City manager, Dr. Manker to see what the long-term effects will be after adopting the rate of \$3.50 and PPTRA of 27% tonight and then bring back some options in September with regards to the proposed shortfall of \$400,000.

Councilor Randolph suggested to City Council members that they could adopt the proposed tax schedule tonight but in the future, that they could only lower it and it could not be raised higher.

Councilor Gore stated that the tax rate needs to be set so that the City Treasurer may use the rates in order to provide personal property tax assessments.

Councilor Gore asked Dr. Manker to follow up with the internal audit in order to see if there are other ways to cut inflation for the city.

Councilor Denton asked Ms. Kidd if time was of the essence in order to make a decision to which Ms. Kidd replied yes.

Councilor Randolph stated that she believed that Councilor Gore wanted to stay at \$3.50 and a PPTRA of 27%. She stated that she could not support a decal fee rebate but that she could not support that. Ultimately, the City of Hopewell will make about \$2 million worth of revenue with a tax rate of \$3.50 but that she would feel better if she could adjust the tax rate to \$3.40. She moved to make a substitute motion for a tax rate of \$3.40 instead of \$3.50.

Mayor Bennett called for a vote on Councilor Randolph's substitute motion. The motion to allow the substitute motion was seconded by Councilor Gore.

Roll Call	Vice Mayor Partin	-	No
	Councilor Gore	-	No
	Councilor Denton	-	Yes
	Mayor Bennett	-	No
	Councilor Randolph	-	Yes

Motion Fails:      2 – Ayes  
                             3 – Nays

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Councilor Gore commented that her concern was that if there was an adjustment to the tax rate of \$3.50 and the PPTRA of 27% that there would be tax assessments on top of tax liabilities for citizens. While the tax responsibility for citizens was going to be inconvenient, it was necessary to avoid ongoing budget deficits and would give the city time to discover other methods to deal with the operational budget.

Mayor Bennet called for the vote to accept a tax rate of \$3.50 per \$100 value and to adjust the PPTRA to 27%.

Roll Call:

Vice Mayor Partin	-	Yes
Councilor Gore	-	Yes
Councilor Denton	-	No
Mayor Bennett	-	Yes
Councilor Randolph	-	No

Mayor Bennet asked for a Restatement of the Motion from the City Attorney. The motion was to accept a tax rate of \$3.50 per \$100 value and adjust the PPTRA to 27%.

Roll Call:

Vice Mayor Partin	-	Yes
Councilor Gore	-	Yes
Councilor Denton	-	No
Mayor Bennett	-	Yes
Councilor Randolph	-	No

Motion Passes: 3 – Ayes  
2 – Nays

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Mayor Bennett noted that although Councilor Pelham had joined electronically, there had not been a vote to allow her to join the meeting. Councilor Pelham acknowledged the same.

Mayor Bennet moved to adjourn the meeting. The motion was seconded by Vice Mayor Partin.

Roll Call:

Vice Mayor Partin	-	Yes
Councilor Gore	-	Yes
Councilor Denton	-	Yes
Mayor Bennett	-	Yes
Councilor Randolph	-	Yes

Motion Passes: 5 – Ayes  
0 – Nays

Meeting Adjourned

  
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Patience Bennett, Mayor

/s/ Mollie P. Bess  
Mollie P. Bess, City Clerk