

MINUTES OF THE JULY 23, 2019 SPECIAL CITY COUNCIL MEETING

A special meeting of the Hopewell City Council was held Tuesday, July 23, 2019, at 6:30 p.m. in the City Council Chambers, Municipal Building, 300 North Main Street, Hopewell, Virginia.

PRESENT: Jasmine E. Gore, Mayor, Ward 4
Patience Bennett, Vice Mayor, Ward 7
Deborah Randolph, Councilor, Ward 1
Arlene Holloway, Councilor, Ward 2
Janice B. Denton, Councilor, Ward 5
Brenda Pelham, Councilor, Ward 6

John M. Altman, Jr., City Manager
Charles Dane, Assistant City Manager
Sandra R. Robinson, City Attorney
Ronnieye L. Arrington, City Clerk
Debra McKnight, Assistant City Clerk

ABSENT: John B. Partin, Jr., Councilor, Ward 3

ROLL CALL

Mayor Gore opened the meeting at 6:30 p.m. Roll call was taken as follows:

Mayor Gore	-	present
Vice Mayor Bennett	-	present
Councilor Randolph	-	present
Councilor Partin	-	absent
Councilor Holloway	-	present
Councilor Denton	-	present
Councilor Pelham	-	present

SPECIAL MEETING

Mayor Gore called the meeting to order, and thanked all for attending. She then asked for a moment of silence. Mayor Gore requested that the City Attorney go over the rules for special meetings. Sandra Robinson, City Attorney, did so based on Council rules. Councilor Randolph proposed that, since the CAFR's were going to be discussed, Council waive its normal ten-minute time limit.

Motion: Councilor Pelham moved to suspend Rule 203 of the Council rules so that there is no time limit on questions. Councilor Denton seconded the motion. Upon the roll call, the vote resulted:

Councilor Pelham	-	yes
Vice Mayor Bennett	-	yes
Councilor Randolph	-	yes
Councilor Holloway	-	yes
Mayor Gore	-	yes
Councilor Denton	-	yes

Motion passed 6-0

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UNFINISHED BUSINESS

UB-1 Modification of Existing Construction Contract - City Contract 10-18 was awarded in the amount of \$271,895.00 to complete two (2) separate VDOT Revenue Sharing Projects. During the execution of the first project (Route 156 Culvert Repair and Extension) unknown site conditions warranted additional storm drainage and slope repairs within the project limits. This additional work did not exceed the original contract value, but will exceed the modification increase of twenty-five (25) percent of the amount of the original contract once the second planned project (Industrial Street Turn Lane and Circle Improvements) is completed. Staff is seeking an additional \$77,686.90 above the allowable twenty-five (25) percent increase to offset the additional unexpected work and complete the second project. The required funds are in the recently approved FY 2020 Capital Improvement Program for VDOT Match Projects and was included as the number one priority project. Austin Anderson, Construction Manager, presented information to Council, and fielded questions regarding the VDOT Revenue Sharing Project Match.

Motion: Councilor Pelham moved to approve the twenty-five percent increase from the original contract to offset the additional unexpected work and complete the second project. Vice Mayor Bennett seconded the motion. Upon the roll call, the vote resulted:

Councilor Pelham	-	yes
Vice Mayor Bennett	-	yes
Councilor Randolph	-	yes
Councilor Holloway	-	yes
Mayor Gore	-	yes
Councilor Denton	-	yes

Motion passed 6-0

UB-2 Vote to approve the proposed Community Development Block Grant (CDBG) FY 2019- 2020 Budget- the City of Hopewell has been notified that it will receive \$190,398 in CDBG funding for the FY 2018-2019. City Staff has reviewed all applications for funding submitted by various agencies and have developed a proposed CDBG budget for City Council's consideration. City Administration provided City Council with three priorities for the 2015- 2020 Consolidated Plan. They are housing /homelessness, early childhood development, and elder care. Funding recommendations for the upcoming year are based on these goals. The 19-20 Annual Action Plan describes the projects that will be funded in the fourth year of the Consolidated Plan. Bill Dore, CDBG Coordinator, addressed Council regarding the budget allocation. Council discussed the issues and addressed questions to Mr. Dore.

Motion: Councilor Pelham moved that all budget amounts for CDBG remain the same, except that Catholic Charities be reduced by half, and that half be given to Healthy Families. Her motion failed for lack of a second.

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Councilor Randolph moved that the original staff proposed funding for CDBG, with funding equal between all agencies, be approved. Her motion was seconded by Councilor Denton.

Councilor Pelham	-	yes
Vice Mayor Bennett	-	yes
Councilor Randolph	-	yes
Councilor Holloway	-	yes
Mayor Gore	-	yes
Councilor Denton	-	yes

Motion passed 6-0

Mayor Gore noted that there had been a change to the law, and that HB2027 required that the City post the status of its audits on both the website, and that a statement be included in the agenda. Mr. Altman advised that the required statement was already included on the website. At the Mayor's request, he read the statement into the record:

The City of Hopewell's remediation implementation plan to bring current Comprehensive Annual Financial Reports (CAFR)—Status Update:

FY 15-16 CAFR – Completed 10.24.2018

FY 16-17 CAFR – Completed -06-10-2019

FY 17-18 CAFR – Ongoing (estimated completion 8-31-2019)

Delays have been due to:

Post implementation system issues

Finance Department staff turnover and transition

SPECIAL BUSINESS

- SB-1 CAFR Update – FY2015 – Cherry Bekaert (including transmittal files, SEFAs)** – Request previous auditors provide information and respond to Council questions regarding the FY2015 CAFR – Rob Churchman, Partner at Cherry Bekaert LLP, in the Government Services Group was unable to attend due to serious personal issues. Council discussed some questions related to the 2015 Audit to John M. Altman, Jr., City Manager. He explained that the audit took twenty-one months to complete. Mr. Altman said that there were items still needed to completed, and that the CAFR team was in the process of working with Cherry Bekaert to complete the re-statements. Mr. Altman said that there were items still needed for the single federal audit, but that all state required filings had been completed. By consensus of Council, the remainder of this item was tabled until the Cherry Bekaert representative was available to present to Council.

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SB-2 CAFR Update – FY2016 – PB Mares (include transmittal files, SEFAs) - Request auditors provide information and respond to Council questions regarding the FY2016 CAFR – Ms. Betsy Hedrick, Mr. Mike Garber and Ms. Angela Nichols of PB Mare, LLP came forward and presented information to Council regarding the FY2016 CAFR. They went over the audit findings, and advised Council of the status of the CAFR. They said they were waiting for the 2015 single audit to be completed by Cherry Bekaert to finalize the FY2016 CAFR. Each of the negative findings from the 2016 CAFR was read and a brief explanation given.

Mr. Michael Terry, the Finance Director, addressed Council and responded to questions. He said that implementation of the new system was a large part of the delay in completion of the CAFRs and in the audit findings. He said that, prior to the new system, employees understood their fiscal responsibilities, but with the new system, departments were no longer interfacing. Staff did not receive the training or communication they needed regarding the fact that the new system would require new policies and processes. Mr. Terry stated that they have still not addressed this issue because the focus was on completion of the CAFRs.

Motion: Councilor Pelham moved to stay until 10:30 to finish the agenda. Her motion was seconded by Mayor Gore. Upon the roll call, the vote resulted:

Councilor Pelham	-	yes
Vice Mayor Bennett	-	no
Councilor Randolph	-	no
Councilor Holloway	-	no
Mayor Gore	-	yes
Councilor Denton	-	no

Motion failed 4-2

Mayor Gore requested that the City Attorney Robinson look at State and Federal law and statutes, City Charter, other rules and policies that we have in place to address the audit findings: regarding internal policy for budget transfers, vendor procurement caps, threshold for bidding services, emergency waivers, vouchers, change orders, purchase order approvals, small purchases, reconciliation policy, which codes go for which account and the purpose of them, single-source contracting and agreement policy, year-end closing policies, MUNIS restatement policy for approval and documentation why, debt management procedure policy, background checks for vendors and third parties who have access to our MUNIS system or address our financial statements, policy for supporting records and documentation for expenditures and receivables, segregation of duties and system based on logical access controls based on what was reported in the audit, create separate policies or reiterate the Charter that says that no department or staff member can bind the City into anything before coming to Council for approval, lower those thresholds to meet the average amount by other localities, to address the budget resolution for FY20 to correct the transfers between departments, or funds, and a separate policy limiting budget transfers.

Mayor Gore then thanked PB Mares for attending, and said she would contact them offline to see if they were available for meeting at a later date.

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Mayor Gore requested that any department cited in the audit come forward and report out to Council at the August 20, 2019 meeting. She also asked that the auditors provide a clear list of what they need from the Beacon as that was one of the items for which they had no information. Mayor gore also requested that staff be prepared to report out at the August 20, 2019 meeting what software in MUNIS had not been fully implemented or updated.

ADJOURN

The meeting ended at 9:30 p.m. when Council reached the three-hour time limit.

/s/ Jasmine E. Gore

Jasmine E. Gore, Mayor

/s/ Ronniece L. Arrington

Ronniece L. Arrington, City Clerk