



**CITY OF
HOPEWELL**
Hopewell, Virginia 23860

AGENDA

(804) 541-2408

www.hopewellva.gov
info@hopewellva.gov
cityclerk@hopewellva.gov

CITY COUNCIL

Patience A. Bennett, Mayor, Ward #7
John B. Partin, Jr., Vice Mayor, Ward #3
Deborah B. Randolph, Councilor, Ward #1
Arlene Holloway, Councilor, Ward #2
Jasmine E. Gore, Councilor, Ward #4
Janice B. Denton, Councilor, Ward #5
Brenda S. Pelham, Councilor, Ward #6

John M. Altman, Jr., City Manager
Sandra R. Robinson, City Attorney
Mollie P. Bess, Acting City Clerk

May 18, 2021

**CITY COUNCIL WORK SESSION
ELECTRONIC**

Work Session: 6:30 PM

6:30 p.m. Call to order, roll call, and welcome to visitors

WORK SESSION

WS- **Work Session** – Proposed FY22 Operating & Capital Budget

- Hopewell City Schools FY22 Budget
- City of Hopewell FY22 Budget

Adjournment

Proposed FY 22 Operating & Capital Budget



Public Hearing

**Hopewell, VA
City Council Meeting
May 13, 2021**

Proposed FY 22 Operating & Capital Budget



The purpose of today's City Manager's presentation is to:

- Provide City Council with an overview and highlights of the proposed FY22 Operating Budget and Revenues

Proposed FY 22 Operating & Capital Budget

The framework of the proposed FY 22 Operating & Capital Budget is:

- Neither aggressive – Not tax rate increase driven
- Nor passive – saying yes to budgetary inclusion that exceeds FY 20 levels
- Fiscally responsible – providing adequate funding to render services to the citizens of Hopewell, VA

Proposed FY 22 Operating & Capital Budget

The development of the proposed FY 22 Operating & Capital Budget deployed the four (4) pillar approach:

1. Assessment – Are we budget sound?
2. Analysis – Reviewed prior budget practices & trends.
3. Preservation – Will proposed revenues meet costs?
4. Status – Are we able to handle matters that may arise during FY 22 that are not budgeted for?

Proposed FY 22 Operating & Capital Budget

The outcome of deploying this fiscal stewardship approach :

1. Proposed Operational & Capital Budget– \$180,848,289
 - Total of 31 funds required for operation of City services
 - An increase of \$8,821,095 or 5.13% over FY 21
2. Proposed General Operating Fund recommended funding – \$54,328,648
 - A increase of \$1,710,971 or 3.25% over FY 21
3. Remain within the baseline budget equal to the adopted FY21 budget
4. NO tax rate adjustments for FY22
5. NO draw from Unassigned Fund Balance to balance the budget.
 - Continuation of maintaining a structurally balanced budget

Proposed FY 22 Operating & Capital Budget



The framework of the proposed FY 22 Operating & Capital Budget is:

- Health Insurance Cost Increase Absorbed by the City
- No Tax Rate Increases
- No New Projects
- No New Debt
- No Use of Fund Balance
- School Funding consistent with FY 21 funding level

Proposed FY 22 Operating & Capital Budget

Proposed Tax Rates for the 2021 Tax Year

Real Estate	\$1.13 per \$100 of Assessed Value
Personal Property	\$3.50 per \$100 of Assessed Value
Machinery & Tools	\$3.05 per \$100 of Assessed Value
Meals	6.0%

✦ **NOTE:** American Rescue Plan Act does not allow reduction in tax rate

Proposed FY 22 Operating & Capital Budget

City Manager's Revenue Committee

- City Manager
- Assistant City Manager
- Commissioner of Revenue
- Treasurer
- Real Estate Assessor
- Finance Director
- Budget Analyst

Proposed FY 22 Operating & Capital Budget



City of Hopewell, Virginia	
FY 22 Proposed Revenue Budget-All Funds	
General Fund	54,328,648
Social Services	6,374,402
CSA	3,359,460
Recreation	1,895,601
Marina	25,000
Anti-Litter	6,063
Economic Development	20,000
Self-Insurance	600,000
Cemetery	52,500
Healthy Families	329,777
School Operating	52,950,156
School Textbook	500,000
School Cafeteria	3,660,863
School Bldg/Bus Replacement	47,180
Solid Waste	2,480,191
Sewer System Operating	9,791,352
Sewer System Maintenance	8,429,981
Sewer System Bond	1,636,371
Storm Water 1	1,046,046
Storm Water 2	10,000
Water Renewal	26,592,487
Debt Service	5,158,271
Capital Projects	1,500,000
Total Revenue	180,848,289

Proposed FY 22 Operating & Capital Budget

City of Hopewell, Virginia General Fund

REVENUES	FY 22 Proposed Budget	FY 21 Adopted Budget	Dollar Change	% Change
Real Estate	\$ 15,976,053	\$ 15,487,893	\$ 488,160	3.15%
Public Service Corp	\$ 4,201,137	\$ 4,313,205	\$ (112,068)	-2.60%
Personal Property	\$ 6,680,910	\$ 6,000,000	\$ 680,910	11.35%
Machine & Tool	\$ 8,184,807	\$ 7,912,000	\$ 272,807	3.45%
Interest & Penalty	\$ 620,000	\$ 618,500	\$ 1,500	0.24%
Other Taxes	\$ 6,080,000	\$ 6,078,000	\$ 2,000	0.03%
Permits & Fees	\$ 345,000	\$ 299,700	\$ 45,300	15.12%
Use of Money	\$ 65,000	\$ 62,500	\$ 2,500	4.00%
Charges for Services	\$ 576,100	\$ 562,600	\$ 13,500	2.40%
Fines/Forfeitures	\$ 893,500	\$ 901,827	\$ (8,327)	-0.92%
Miscellaneous	\$ 244,914	\$ 286,385	\$ (41,471)	-14.48%
Local	\$ 1,257,500	\$ 923,500	\$ 334,000	36.17%
State	\$ 7,655,727	\$ 7,518,567	\$ 137,160	1.82%
Federal	\$ 26,000	\$ 220,000	\$ (194,000)	-88.18%
Transfers	\$ 1,391,500	\$ 1,391,500	\$ -	0.00%
Other Revenues	\$ 139,500	\$ 41,500	\$ 89,000	214.46%
Total Revenues	\$ 54,328,648	\$ 52,617,877	\$ 1,710,971	3.25%

Proposed FY 22 Operating & Capital Budget



Definition of Revenue Terms:

- Use of Money – Interest Income and Rent of Property (ARLS)
- Charges of Services – Circuit Court Clerk Fees, Sheriff Fees, Law Library Fees, Courthouse Maintenance Fees, Jail Admission Fees, Police Record Checks, EMS Billing, and E-Summons Fees
- Miscellaneous – Donation/Private Grants, Sale of Real Estate Data, Tax Exemption Program Fees, Insurance/FEMA Refunds, Keep Hopewell Beautiful, FOIA Fees, Toter Replacement Fees, Employee Misc. Reimbursement, Vendor Misc. Reimbursement
- Local – Payment in Lieu of Taxes, Commonwealth’s Attorney Drug & Seizure; Police Drug & Seizure, and Sheriff Drug & Seizure
- Transfers – (Cost Recovery) Sewer Service Fund, Solid Waste Fund, and Dept. of Social Services

Proposed FY 22 Operating & Capital Budget



City of Hopewell, Virginia	
FY 22 Proposed Expenditure Budget-All Funds	
General Fund	54,328,648
Social Services	6,374,402
CSA	3,359,460
Recreation	1,895,601
Marina	25,000
Anti-Litter	6,063
Economic Development	20,000
Self-Insurance	600,000
Cemetery	52,500
Healthy Families	329,777
School Operating	52,950,156
School Textbook	500,000
School Cafeteria	3,660,863
School Bldg./Bus Replacement	47,180
Solid Waste	2,480,191
Sewer System Operating	9,791,352
Sewer System Maintenance	8,429,981
Sewer System Bond	1,636,371
Storm Water 1	1,046,046
Storm Water 2	10,000
Water Renewal	26,592,487
Debt Service	5,158,271
Grants	53,940
Capital Projects	1,500,000
Total Expenditures	180,848,289

Proposed FY 22 Operating & Capital Budget



	FY 22 Proposed Budget	FY 21 Adopted Budget	Dollar Change	Percent Change
City of Hopewell, Virginia General Fund				
EXPENDITURES				
City Council	\$ 151,225	\$ 151,233	\$ (8)	-0.01%
City Clerk	\$ 203,553	\$ 157,230	\$ 46,323	29.46%
City Attorney	\$ 427,132	\$ 410,588	\$ 16,544	4.03%
City Manager	\$ 1,167,595	\$ 1,159,827	\$ 7,769	0.67%
Human Resources	\$ 479,078	\$ 450,456	\$ 29,222	6.49%
Finance	\$ 1,878,490	\$ 1,568,888	\$ 309,601	19.73%
Voter Registration	\$ 264,517	\$ 236,791	\$ 27,726	11.71%
Comm of Revenue	\$ 551,867	\$ 542,181	\$ 9,686	1.79%
Treasurer	\$ 509,984	\$ 528,430	\$ (4,553)	-0.86%
Information Tech	\$ 1,477,950	\$ 1,350,467	\$ 127,483	9.44%
Circuit Ct-Clerk	\$ 495,321	\$ 479,310	\$ 16,011	3.34%
Commonwealth Atty	\$ 788,741	\$ 745,524	\$ 43,217	5.80%
Victim Witness	\$ 177,481	\$ 177,481	\$ -	0.00%
Sheriff	\$ 1,666,118	\$ 1,593,351	\$ 72,767	4.57%
Circuit Ct-Law Intern	\$ 111,684	\$ 111,596	\$ 88	0.08%
General District Ct	\$ 145,511	\$ 149,781	\$ (4,270)	-2.85%
Police	\$ 8,266,474	\$ 7,957,428	\$ 309,046	3.88%
Fire	\$ 5,193,547	\$ 5,104,683	\$ 88,863	1.74%
Critier Detention	\$ 332,921	\$ 306,207	\$ 26,714	8.72%
Riverside Jail	\$ 2,441,220	\$ 2,441,220	\$ -	0.00%
Court Services	\$ 7,000	\$ 7,000	\$ -	0.00%
WJCCCA	\$ 160,673	\$ 158,971	\$ 1,702	1.07%
Public Works	\$ 5,270,638	\$ 5,190,173	\$ 80,465	1.55%
Development	\$ 1,127,451	\$ 1,073,254	\$ 54,197	5.05%
Non-Departmental	\$ 963,500	\$ 1,078,588	\$ (115,088)	-10.67%
Outside Agencies	\$ 1,845,241	\$ 1,802,289	\$ 42,952	2.38%
Transfers	\$ 18,220,135	\$ 17,657,727	\$ 562,408	3.19%
Total Expenditures	\$ 54,328,648	\$ 52,617,677	\$ 1,710,971	3.25%

Proposed FY 22 Operating & Capital Budget

Highlights of the Proposed FY 22 Budget:

- Health care cost increase absorbed by City – NO increase to Employees
 - City Council approved changes to the City Health Insurance Plans
- Mandated Services Funding (Social Services, CSA, etc.)
- 5% COLA for Comp Board positions – Constitutional Offices & DSS
- 2.5% COLA for City Employees
- 2 New FTE Positions

Proposed FY 22 Operating & Capital Budget

Highlights of the Proposed FY 22 Budget:

- 2 new positions – 33 requested, totaling \$2 million in Total Cost

<u>Department</u>	<u>Position</u>	<u>Total Cost</u>
Police Department	Animal Shelter Custodian – Convert 2 PT positions into 1 FTE	\$19,373
Water Renewal	Lab Tech – Enterprise Fund Position No Impact on the General Fund	\$68,492

Proposed FY 22 Operating & Capital Budget



Notable Changes:

City Clerk

\$38,157 PT Position Currently Assigned To Department
8,166 Ability to Hire Clerk & Asst Clerk up to \$110k
\$46,323

City Attorney

\$16,544 Service Contracts

City Manager

\$97,000 Economic Development Increase (Incentive Payment)
8,538 Salary & Benefit Changes (Health Insurance for PIO)
4,026 Travel Lines Restored
7,000 Increase in Consulting Services
(108,795) Offset By Office on Youth Removal
\$7,769

Proposed FY 22 Operating & Capital Budget



Notable Changes:

Human Resources	\$29,222	Salary & Benefit Changes Caused by Change in Staff
Finance	\$252,700	Cost of 2 Audits & Audit Support
	5,000	Travel Line Restored
	9,901	Increase in Service Contracts
	22,000	PT Real Estate Position Created During Current FY
	<u>20,000</u>	Temp Help – Real Estate
	\$309,601	
Information Technology	\$63,150	Increase in Service Contracts
	<u>4,333</u>	Travel Line Restored
	\$67,483	

Proposed FY 22 Operating & Capital Budget

Notable Changes:

Development

\$20,197	Salary & Benefit Changes Caused by Change in Staff
10,000	Increased Request for Demo Fund
7,000	Travel Line Restored
5,000	Increase in Consulting Costs
12,000	Increase in Service Contracts
<u>\$54,197</u>	

Police

\$50,185	Increase in Service Contracts
174,000	Salary & Benefit Increases Due to Add'l Positions
60,000	Increase in Overtime
24,861	Need for 2nd PT Property/Evidence Specialist
<u>\$309,046</u>	

Proposed FY 22 Operating & Capital Budget

Notable Changes:

Fire

\$5,000	Increase in Overtime
5,000	Increase in Training Costs
23,863	Increase in Supply & Maintenance Costs
40,000	PT Help for Vehicle Maintenance
<u>15,000</u>	Increase in Service Contracts
\$88,863	

Public Works

\$4,465	Salary & Benefit Changes Caused by Change in Staff
8,000	Increase in On Call Pay
31,000	Increase in Service Contracts
<u>37,000</u>	Increase in Supply & Maintenance Costs
\$80,465	

Proposed FY 22 Operating & Capital Budget

Notable Changes:

Commissioner of Revenue

\$9,686 Salary & Benefit Changes for Comp Board Positions

Treasurer

\$8,080 Salary & Benefit Changes for Comp Board Positions

36,000 Increase in Professional Services - Audit Support

(2,527) Offset by Reductions by Treasurer's Office

\$41,553

Circuit Court Clerk

\$19,011 Salary & Benefit Changes for Comp Board Positions

Proposed FY 22 Operating & Capital Budget

Notable Changes:

Commonwealth Attorney

\$32,856	Salary & Benefit Changes for Comp Board Positions
<u>13,361</u>	Increases Due to Add'l Attorney Position
\$46,217	

Sheriff

\$25,478	Salary & Benefit Changes for Comp Board Positions
42,279	Add'l PT Funds for Courts Division
<u>5,000</u>	Increase in Overtime
\$72,757	

General District Court

\$(4,270)	Salary & Benefit Changes Caused by Change in Staff
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Proposed FY 22 Operating & Capital Budget

Notable Changes:

Voter Registration	\$13,800	Increase in Rent for Office Space
	8,136	Salary & Benefits Changes
	1,500	Increase in Postage
	1,500	Increase in Office Supplies
	2,800	Travel Line Restored
	\$27,736	
Crater Detention	\$26,714	Increase in Service Contract
Non-Departmental	\$(115,088)	Reduction in Employee Health Insurance and Contingency
Transfer to CIP	\$124,177	

Proposed FY 22 Operating & Capital Budget

Highlights of the Proposed HPS FY 22 Budget:

▪ Hopewell Public Schools –	
5% State Salary Increase	\$1,985,926*
Class & Comp – Phase IV Implementation	600,236
Special Education Compliance	30,000
New Special Education Teachers (2)	120,000
Health Insurance Increase	456,940
	<hr/>
	Total New Request \$3,193,102

* - Only \$279,025 in Local Funds needed for 5% State Increase

Proposed FY 22 Operating & Capital Budget

Highlights of the Proposed HPS FY 22 Budget:

- Hopewell Public Schools –

Total New Request

\$3,193,102

New State Funds for 5%

- 1,706,901

Additional Funding from the City

\$1,486,201

Total Funding Request of City

\$14,887,464

Proposed FY 22 Operating & Capital Budget

Highlights of the Proposed FY 22 Budget:

- Hopewell Public Schools –

HPS FY22 Request

\$14,887,464

Proposed FY22 Budget

\$12,242,921

Difference \$2,644,543

Requested Supplemental Funding (FY18 Audit)

\$1,800,000

Difference \$844,543

Proposed FY 22 Operating & Capital Budget



Capital Improvement Program (CIP):

- Total 5-Year CIP Requests - \$32,000,000
- FY 2022 CIP Requests – \$18,043,263
- FY 2022 CIP Funding – \$968,627

Proposed FY 22 Operating & Capital Budget



Recommended FY 2022 CIP Projects:

- Information Technology for PD/EMS Software – \$20,580
- Fire Dept. Radio & Hose Expense – \$12,500
- Fire Truck Lease Payment – \$162,414
- VDOT Project Match – \$773,133

Proposed FY 22 Operating & Capital Budget

Next Steps:

April 14, 2021	Joint City Council/School Board Budget Worksession
April 20, 2021	Budget Worksession - Expenditures
April 27, 2021	Capital Improvement Program Worksession
May 11, 2021	Adopted of the Tax Rates Resolution
May 13, 2021	HPS Budget – Public Hearing & Approval on 1 st Reading City Budget – Public Hearing & Approval on 1 st Reading
May 18, 2021	Budget Worksession
May 25, 2021	Adoption of HPS FY22 Budget on 2 nd Reading Adoption of City FY22 Budget on 2 nd Reading

Proposed FY 22 Operating & Capital Budget



Closing Comments

FY22 School Budget Requests

5% Raise*	\$1,985,926
Class & Comp – Phase IV Implementation**	\$ 600,236
Change Special Education Compliance Officers from 210 to 230 days	\$ 30,000
2 Special Education teachers	\$ 120,000
English Teacher	\$ 60,000
Health Insurance Increase	<u>\$ 456,940</u>
Total Additional Requests	<u>\$3,253,102</u>
City Level Funding (Less OOY)	\$12,265,194
Plus FY17 Surplus Used in FY21	<u>\$1,136,069</u>
Total City Funding in FY21 (Less OOY)	\$13,401,263
Plus Additional Requests	\$3,253,102
Less Extra State Funds final GA Action*	<u>(\$1,706,901)</u>
Total Request from City (Not including OOY)	<u>\$14,947,464</u>

Funds Needed (FY 17 Surplus)	\$1,136,069
Plus Additional Requests	\$3,253,102
Less Extra State Funds final GA Action*	<u>(\$1,706,901)</u>
Balance Needed	\$2,682,270
Estimate of FY18 Surplus	\$1,800,000
Estimate of FY21 Savings to be used	\$ 882,270

*If the school system does not give a 5% raise, the full \$1,706,901 will not be received from the state.

**This is the last phase of the study that needs to be implemented. It has already been deferred two years. It includes positions such as nurses, maintenance workers, central office secretaries, central office administrators, security guards, and attendance officers.

FY 2022 Budget - COLA Options

Available GF Funding	\$338,000	Option 1 -	Option 2 -	Option 3 -
ITEM				
Employee COLA @ 5%	1,100,000.00	1,100,000.00	-	-
Employee COLA @ 5%, Effective Jan 1	550,000.00	-	-	-
Employee COLA @ 2.5%	550,000.00	-	550,000.00	550,000.00
Employee COLA @ 2.5%, Effective Jan 1	275,000.00	-	-	-
<u>Positions</u>				
Economic Development Specialist (PT to FTE)	91,561.00	-	-	-
Neighborhood Planner	67,500.00	-	-	-
Rental Inspector	56,700.00	-	-	56,700.00
Residential Appraiser Analyst	68,491.83	-	-	-
Firefighters (12)	690,084.68	-	-	-
HR Generalist	80,450.00	-	-	-
IT Support Specialist I	59,762.23	-	-	-
IT MUNIS Administrator	87,750.00	-	-	87,750.00
Patrol Officers (6)	365,744.89	-	-	-
Property/Evidence Specialist (PT)	24,861.20	-	-	-
Assistant Supervisor - Dispatch (4)	243,829.93	-	-	-
Animal Shelter Custodian (2 PT to 1 FTE)*	19,379.00	-	-	19,373.00
Classification and Compensation Study	100,000.00	-	-	-
Total Cost		1,100,000.00	550,000.00	713,823.00
Available Funding in GF		338,000.00	338,000.00	338,000.00
GF Transfer to Capital	500,000.00	-	-	-
Reduce Transfer from GF to Capital**		762,000.00	212,000.00	375,823.00
Difference (+/-) Remaining in Transfer from GF to Capital		(262,000.00)	288,000.00	124,177.00

FOOTNOTES:

* - Dollar amount represents the difference needed to convert 2 PT positions to 1 FTE

** - Use Amercian Rescue Plan Act Funding to Restore Funds Retained in General Fund to FY22 CIP

FY 2022 Budget - COLA Options

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Rental Inspector	56,700.00	-	-	56,700.00
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