



CITY OF HOPEWELL

Hopewell, Virginia 23860

AGENDA

(804) 541-2408

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info@hopewellva.gov

cityclerk@hopewellva.gov

CITY COUNCIL

John B. Partin, Jr., Mayor, Ward #3

Jasmine E. Gore, Vice Mayor, Ward #4

Rita Joyner, Councilor, Ward #1

Michael B. Harris, Councilor, Ward #2

Janice B. Denton, Councilor, Ward #5

Brenda S. Pelham, Councilor, Ward #6

Dominic R. Holloway, Sr., Councilor, Ward #7

Dr. Concetta Manker, City Manager

Danielle Smith, City Attorney

Brittani Williams, City Clerk

Bridetta Williams, Deputy Clerk

April 11, 2024

SPECIAL MEETING

Work Session- 6:00 PM

6:00 p.m.

Call to order, roll call, and welcome to visitors

SPECIAL MEETING

WORK SESSION

WS1 – Balancing the Budget FY 25 – Russell Branson, Interim Finance Director

BOARD/COMMISSION VACANCIES

Architectural Review Board – 3 Vacancies

Downtown Design Review – 2 Vacancies

Board of Building Code and Fire Prevention Code Appeals – 5 Vacancies

Keep Hopewell Beautiful – 1 Vacancy

Recreation and Parks – 4 Vacancies

Library Board – 1 Vacancies

DSS – 7 Vacancies

Healthy Families – 3 Vacancies (3 pending applications)

District 19 – 2 Vacancies

Adjournment

City of Hopewell Finance Committee

April 10, 2024

Agenda

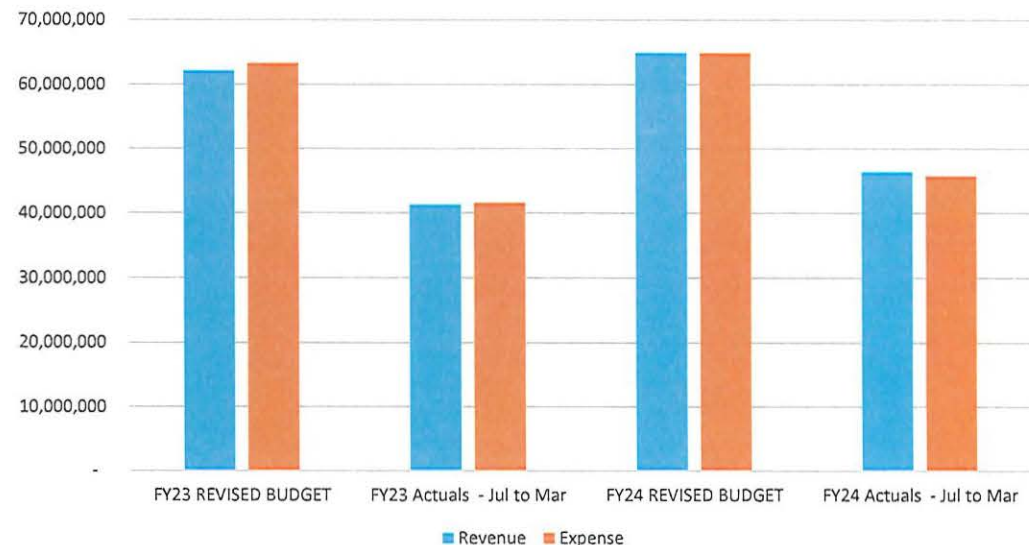
1. Minutes from Last Meeting
2. Monthly Financial
 - Citywide
 - General Fund
 - Enterprise Funds
 - Schools
3. Budget Balancing Preview
4. Cash Flow Analysis
5. Old Business

Monthly Reports

General Fund Financials -- Through March

- General Fund revenue has caught up with spending. This is the typical trend with first round of taxes being collected

General Fund Revenue and Expenditures Through March



* General Fund excludes other Governmental Funds such as Parks and Recreation

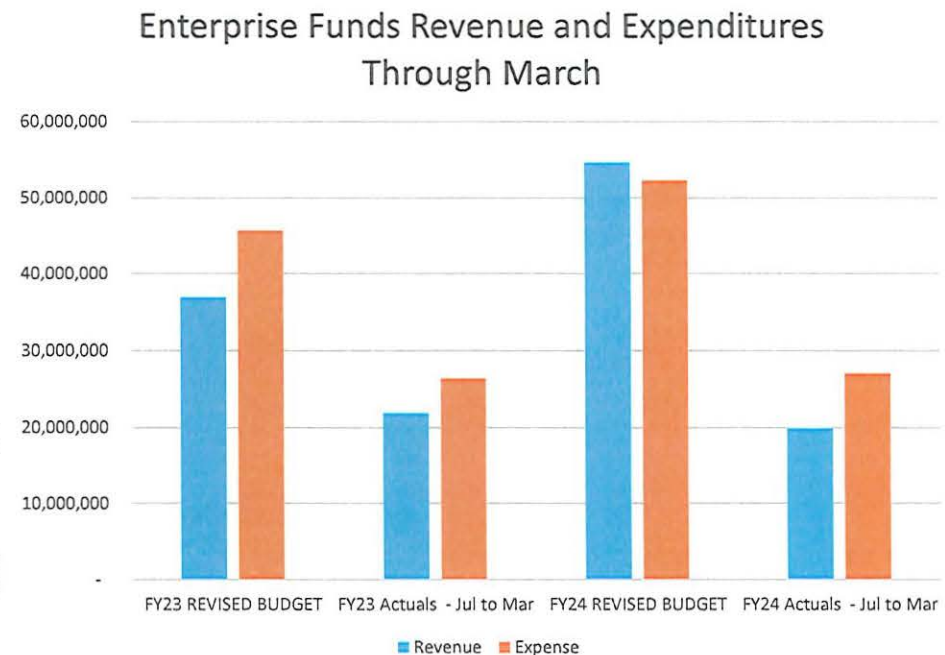
CITY OF HOPEWELL
FY2023 - FY2024 BUDGET VS ACTUALS
FOR PERIODS JULY TO MARCH

GENERAL FUND

REVENUES	FY23 REVISED BUDGET	FY23 Actuals - Jul to Mar	FY23 % Rec'd	FY24 REVISED BUDGET	FY24 Actuals - Jul to Mar	FY24 % Rec'd
REAL ESTATE TAXES	16,048,566	7,426,304	46.3%	20,979,167	9,838,182	46.9%
PUBLIC SERVICE CORP TAX	4,201,137	3,527,866	84.0%	4,100,000	5,834,527	142.3%
PERSONAL PROPERTY TAX	5,872,900	5,680,676	96.7%	5,636,800	5,689,264	100.9%
MACH & TOOL TAX	8,984,874	5,202,774	57.9%	8,783,500	4,425,526	50.4%
PPTRA STATE REIMBURSEMENT	1,618,030	1,537,128	95.0%	1,618,030	1,537,128	95.0%
OTHER TAXES	6,505,000	5,983,903	92.0%	6,560,000	5,306,846	80.9%
USE OF MONEY & PROPERTY	65,000	70,253	108.1%	65,000	63,340	97.4%
CHARGES FOR SERVICES	644,815	563,860	87.4%	698,053	833,274	119.4%
PENALTIES & INTEREST	460,500	381,773	82.9%	487,500	818,746	167.9%
PERMITS, FEES AND LICENSES	326,300	357,557	109.6%	285,600	498,586	174.6%
FINES & FORFEITURES	860,500	773,537	89.9%	860,500	941,216	109.4%
GRANTS	219,302	224,051	102.2%	57,016	52,696	92.4%
STATE REVENUES	7,522,479	6,220,541	82.7%	8,194,190	6,593,454	80.5%
FEDERAL REVENUES	134,986	1,371,381	1015.9%	1,894,753	2,091,664	110.4%
MISCELLANEOUS REVENUE	6,441,469	303,767	4.7%	2,426,283	246,208	10.1%
IN LIEU OF TAXES	1,257,500	943,125	75.0%	1,257,500	943,125	75.0%
TRANSFERS IN	1,009,000	756,750	75.0%	1,009,000	756,750	75.0%
TOTAL REVENUES	62,172,358	41,325,246	66.47%	64,912,892	46,470,534	71.59%
EXPENDITURES	FY23 REVISED BUDGET	FY23 Actuals - Jul to Mar	FY23 % Used	FY24 REVISED BUDGET	FY24 Actuals - Jul to Mar	FY24 % Used
SALARIES & WAGES	18,167,567	12,102,856	66.6%	19,539,654	13,129,117	67.2%
HEALTH BENEFITS	3,433,800	2,435,244	70.9%	3,554,597	2,398,924	67.5%
EMPLOYEE BENEFITS	214,607	114,514	53.4%	263,322	117,958	44.8%
RETIREMENT	2,540,929	1,649,088	64.9%	2,877,889	1,841,521	64.0%
OTHER PERSONNEL	1,492,974	1,022,294	68.5%	1,623,552	1,110,283	68.4%
PROFESSIONAL SERVICES	4,639,944	2,681,847	57.8%	4,876,970	4,268,419	87.5%
WORKERS COMPENSATION	436,567	299,164	68.5%	429,097	323,097	75.3%
SERVICE & SUPPLIES	4,671,790	2,867,765	61.4%	5,982,684	3,788,912	63.3%
OUTSIDE AGENCIES	4,979,341	3,584,450	72.0%	5,197,506	3,827,861	73.6%
NON-DEPARTMENTAL	13,877	-	0.0%	1,541	832	54.0%
OTHER	2,900,822	68,630	2.4%	210,264	50,974	24.2%
CAPITAL	713,811	452,961	63.5%	667,477	263,078	39.4%
SUPPORT OF SCHOOLS	13,580,075	10,185,056	75.0%	13,580,000	10,185,000	75.0%
TRANSFERS OUT	5,530,894	4,148,170	75.0%	6,108,345	4,581,259	75.0%
TOTAL EXPENDITURES	63,316,998	41,612,040	65.7%	64,912,898	45,887,235	70.7%
NET INCOME	(1,144,640)	(286,794)	0.75%	(6)	583,299	0.90%

Enterprise Financials -- Through March

- Enterprise Funds include:
Regional Water, Sewer, Solid Waste, and Storm Water
- Budget reflects adjustment in February
- Capital funded by “use of surplus” from last year, so does not show up as new revenue
- HWR revenue was not adjusted to reflect funding of capital from “Misc. Revenues”



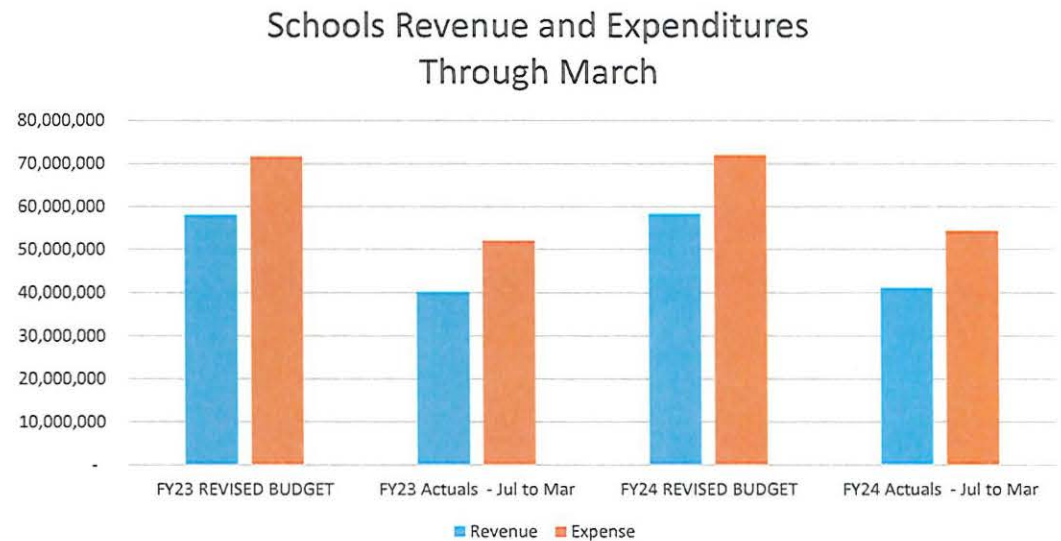
CITY OF HOPEWELL
FY2023 - FY2024 BUDGET VS ACTUALS
FOR PERIODS JULY TO MARCH

ENTERPRISE FUNDS

REVENUES	FY23 REVISED BUDGET	FY23 Actuals - Jul to Mar	FY23 % Rec'd	FY24 REVISED BUDGET	FY24 Actuals - Jul to Mar	FY24 % Rec'd
USE OF MONEY & PROPERTY	235,000	355,910	151.5%	235,000	429,132	182.6%
CHARGES FOR SERVICES	26,864,705	20,366,474	75.8%	36,547,435	18,213,800	49.8%
MISCELLANEOUS REVENUE	6,533,708	8,894	0.1%	16,405,933	209,195	1.3%
IN LIEU OF TAXES	334,011	250,508	75.0%	334,011	222,674	66.7%
DEBT SERVICE	1,139,596	854,648	75.0%	1,120,526	747,017	66.7%
NITROGEN CONTROL	1,800,000	-	0.0%	-	-	---
TOTAL REVENUES	36,907,020	21,836,434	59.17%	54,642,905	19,821,818	36.28%
EXPENDITURES	FY23 REVISED BUDGET	FY23 Actuals - Jul to Mar	FY23 % Used	FY24 REVISED BUDGET	FY24 Actuals - Jul to Mar	FY24 % Used
SALARIES & WAGES	4,452,074	2,997,277	67.3%	4,716,662	2,833,985	60.1%
HEALTH BENEFITS	654,215	439,248	67.1%	640,213	411,335	64.2%
EMPLOYEE BENEFITS	74,730	25,496	34.1%	74,182	25,920	34.9%
RETIREMENT	604,737	400,036	66.2%	624,982	377,884	60.5%
OTHER PERSONNEL	352,561	265,730	75.4%	353,036	237,007	67.1%
PROFESSIONAL SERVICES	8,297,248	5,657,851	68.2%	9,147,463	5,631,545	61.6%
WORKERS COMPENSATION	57,150	38,383	67.2%	50,674	36,795	72.6%
SERVICE & SUPPLIES	13,471,865	10,904,684	80.9%	20,908,012	11,859,120	56.7%
OUTSIDE AGENCIES	4,000	9,865	246.6%	6,000	3,272	54.5%
NON-DEPARTMENTAL	1,257,500	943,125	75.0%	1,257,500	943,125	75.0%
OTHER	75,708	31,216	41.2%	61,400	17,125	27.9%
CAPITAL	13,795,653	2,208,751	16.0%	11,849,103	1,986,331	16.8%
DEBT	2,588,815	2,461,999	95.1%	2,588,642	2,687,776	103.8%
TOTAL EXPENDITURES	45,686,256	26,383,662	57.7%	52,277,869	27,051,219	51.7%
NET INCOME	(8,779,236)	(4,547,228)	1.42%	2,365,036	(7,229,401)	-15.47%

Schools Financials -- Through March

- Expenses estimated through March. Schools are catching up with monthly expense reports
- Schools cost will increase with \$6.5M in additional grants this year (to come to Council)

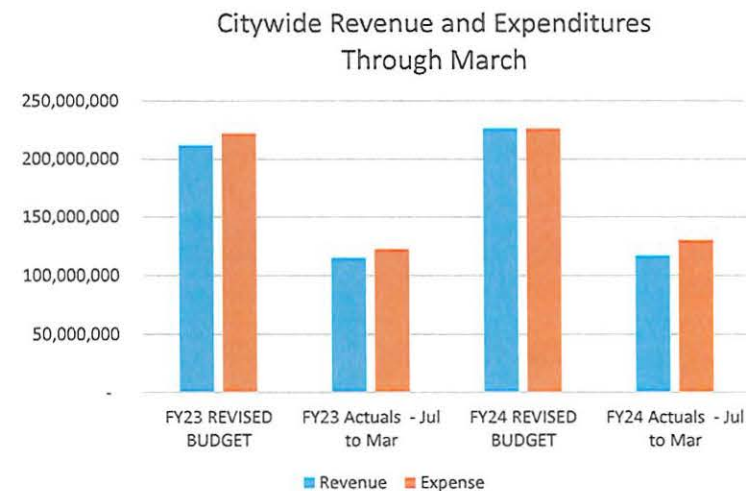


CITY OF HOPEWELL
FY2023 - FY2024 BUDGET VS ACTUALS
FOR PERIODS JULY TO MARCH
SCHOOLS

	FY23 REVISED	FY23 Actuals - Jul	FY23 %	FY24 REVISED	FY24 Actuals -	
REVENUES	BUDGET	to Mar	Rec'd	BUDGET	Jul to Mar	FY24 % Rec'd
CHARGES FOR SERVICES	3,303,779	93,450	2.8%	5,023,384	1,288,702	25.7%
STATE REVENUES	39,042,242	38,681,755	99.1%	39,351,282	31,913,980	81.1%
FEDERAL REVENUES	15,775,373	1,386,799	8.8%	13,980,744	7,979,312	57.1%
TOTAL REVENUES	58,121,394	40,162,004	69.10%	58,355,410	41,181,994	70.57%
	FY23 REVISED	FY23 Actuals - Jul	FY23 %	FY24 REVISED	FY24 Actuals -	
EXPENDITURES	BUDGET	to Mar	Used	BUDGET	Jul to Mar	FY24 % Used
SERVICE & SUPPLIES	2,670,408	-	0.0%	3,072,226	-	0.0%
OTHER	68,983,881	52,103,524	75.5%	68,816,004	54,482,513	79.2%
CAPITAL	47,180	-	0.0%	47,180	-	0.0%
TOTAL EXPENDITURES	71,701,469	52,103,524	72.7%	71,935,410	54,482,513	75.7%
NET INCOME	(13,580,075)	(11,941,521)	-3.57%	(13,580,000)	(13,300,520)	-5.17%

Citywide Financials -- Through March

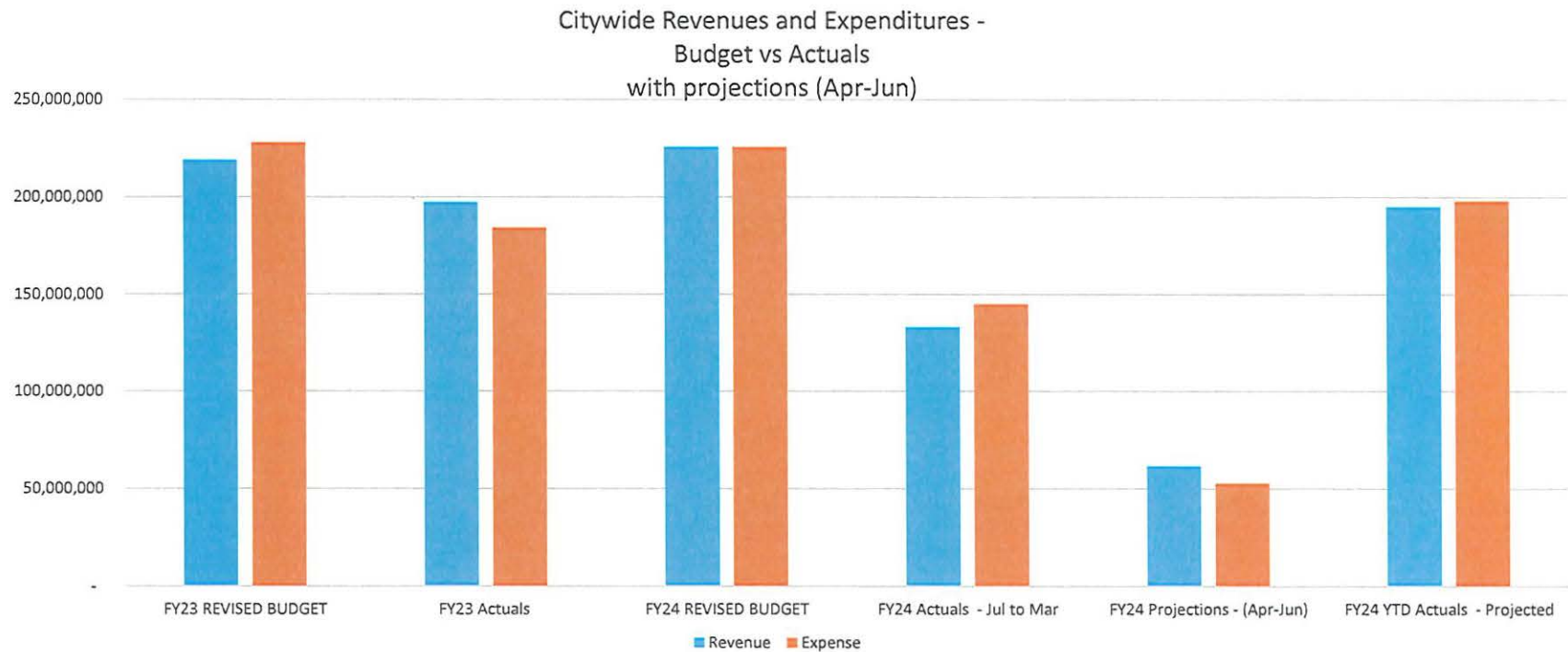
- Citywide, the financials show \$13.0M more expenses than revenue
- This should catch up over the second half of the year with City taxes and Schools Federal and State revenues coming in



CITY OF HOPEWELL
FY2023 - FY2024 BUDGET VS ACTUALS
FOR PERIODS JULY TO MARCH
CITY-WIDE

REVENUES	FY23 REVISED BUDGET	FY23 Actuals - Jul to Mar	FY23 % Rec'd	FY24 REVISED BUDGET	FY24 Actuals - Jul to Mar	FY24 % Rec'd
REAL ESTATE TAXES	16,048,566	7,426,304	46.3%	20,979,167	9,838,182	46.9%
PUBLIC SERVICE CORP TAX	4,201,137	3,527,866	84.0%	4,100,000	5,834,527	142.3%
PERSONAL PROPERTY TAX	5,872,900	5,680,676	96.7%	5,636,800	5,689,264	100.9%
MACH & TOOL TAX	8,984,874	5,202,774	57.9%	8,783,500	4,425,526	50.4%
PPTRA STATE REIMBURSEMENT	1,618,030	1,537,128	95.0%	1,618,030	1,537,128	95.0%
OTHER TAXES	9,855,000	8,662,728	87.9%	10,110,000	7,104,599	70.3%
USE OF MONEY & PROPERTY CHARGES FOR SERVICES	541,500	602,140	111.2%	340,000	677,286	199.2%
PENALTIES & INTEREST	31,040,099	21,595,331	69.6%	40,078,140	20,558,274	51.3%
PERMITS, FEES AND LICENSES	465,500	383,415	82.4%	488,500	823,727	168.6%
FINES & FORFEITURES	326,300	357,557	109.6%	285,600	498,586	174.6%
GRANTS	873,910	788,536	90.2%	860,500	991,200	115.2%
STATE REVENUES	330,802	304,035	91.9%	221,516	492,142	222.2%
FEDERAL REVENUES	52,976,843	50,730,202	95.8%	54,730,232	44,705,191	81.7%
MISCELLANEOUS REVENUE	24,399,901	6,093,696	25.0%	20,820,289	11,463,626	55.1%
IN LIEU OF TAXES	21,146,324	431,546	2.0%	24,067,657	596,723	2.5%
DEBT SERVICE	1,591,511	1,193,633	75.0%	1,591,511	1,165,799	73.3%
NITROGEN CONTROL	1,139,596	854,648	75.0%	1,120,526	747,017	66.7%
TRANSFERS IN	1,800,000	-	0.0%	-	-	---
TOTAL REVENUES	211,602,542	115,372,216	54.52%	225,765,912	117,148,798	51.89%
EXPENDITURES	FY23 REVISED BUDGET	FY23 Actuals - Jul to Mar	FY23 % Used	FY24 REVISED BUDGET	FY24 Actuals - Jul to Mar	FY24 % Used
SALARIES & WAGES	26,953,247	17,884,820	66.4%	29,137,551	19,165,041	65.8%
HEALTH BENEFITS	4,883,240	3,371,106	69.0%	4,960,733	3,335,276	67.2%
EMPLOYEE BENEFITS	326,560	153,635	47.0%	382,361	164,002	42.9%
RETIREMENT	3,749,597	2,454,253	65.5%	4,179,372	2,683,775	64.2%
OTHER PERSONNEL	2,208,159	1,521,363	68.9%	2,383,137	1,611,306	67.6%
PROFESSIONAL SERVICES	13,815,458	8,995,625	65.1%	14,418,902	10,163,534	70.5%
WORKERS COMPENSATION	529,766	351,595	66.4%	509,172	374,489	73.5%
SERVICE & SUPPLIES	34,397,299	19,761,850	57.5%	41,355,106	22,431,667	54.2%
OUTSIDE AGENCIES	5,673,789	3,631,224	64.0%	5,714,027	3,921,859	68.6%
NON-DEPARTMENTAL	1,271,377	943,125	74.2%	1,259,041	943,957	75.0%
OTHER	72,125,921	52,234,817	72.4%	69,238,042	54,603,654	78.9%
CAPITAL	21,037,444	5,490,047	26.1%	15,875,446	4,430,049	27.9%
DEBT	7,425,414	6,021,861	81.1%	7,428,083	6,598,246	88.8%
SUPPORT OF SCHOOLS	13,580,075	10,185,056	75.0%	13,580,000	10,185,000	75.0%
TRANSFERS OUT	13,800,674	4,148,170	30.1%	15,344,944	4,581,259	29.9%
TOTAL EXPENDITURES	221,778,020	122,815,320	55.38%	225,765,917	130,426,854	57.77%
NET INCOME	(10,175,478)	(7,443,104)	-0.85%	(5)	(13,278,056)	-5.88%

Citywide Financials YTD with Projections



Budget Presentation Preview

Budget Needs

- **Operations** – Funded through forecast revenues across all funds and departments. Operations may need to be cut in order to fund priority capital needs

- **Capital:**

- **General Fund** – Only \$618,000 funded by forecast revenues. Up to \$6.9M has been identified as needed for capital in FY25
- **HRWTP** – Will be funded with rate revenues from industry partners and City sewer
- **Sewer** – Will be funded with increased sewer rates (pending new rate study) or accumulated revenue (to be identified after all audits are complete)

- **Reserves:**

- **General Fund** – No funding for increased reserves in forecast revenue
- **HRWTP** – Reserve fund required by HRWTP funding agreements to be funded with accumulated revenues (to be identified after all audits are complete)
- **Sewer** – To be identified as a part of a new rate study. No revenue identified for FY25
- **Other Funds** – Need a comprehensive reserves study to determine overall reserves levels for City

Funding Options

Taxes

- **Real Estate** – increase by \$0.07 per \$100 in AV
- **Personal Property Tax** – increase by \$0.50 per \$100 in AV
- **Machinery & Tools** -- Increases by 0.05% of book value of M&T
- **Food & Beverage Tax** – increase by 0.5% of bill
- **Lodging Tax** – Increase by 1% of room rate
- **Institute Cigarette Tax** – \$0.40 per pack would yield approx. \$500,000 per year

Storm Water Fees

- Increase Storm water from \$6 or \$8 per parcel per month = \$450K to \$900K per year
- An additional \$63,000 of revenue can be generated by changing the EDU for non-residential units from 2,100 sf to 1,800 sf

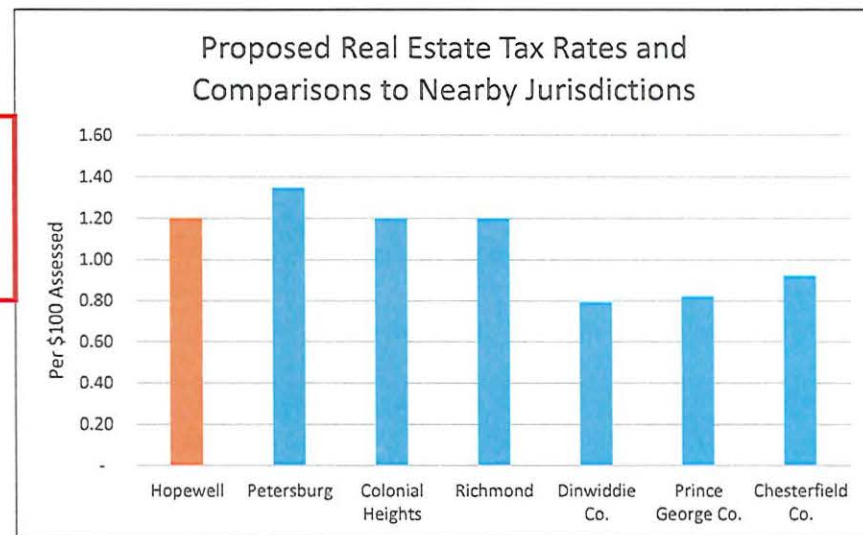
Reduced Operating Expenses

- If tax or fee increase are not sufficient to fund capital, operating expenses may require reductions
- Reductions will reduce services currently provided by the City

49.2%
of
Taxes

Real Estate Taxes

- Real estate taxes for FY25 are forecast to remain flat if no increase in rate is approved
 - **If a proposed rate increase from \$1.13/\$100 AV to \$1.20 is approved, an additional \$1.4M of revenue will be generated**
- This increase would have the following impacts on tax payers
 - \$100,000 AV = \$70 per year increase
 - \$1,000,000 AV = \$700 per year increase



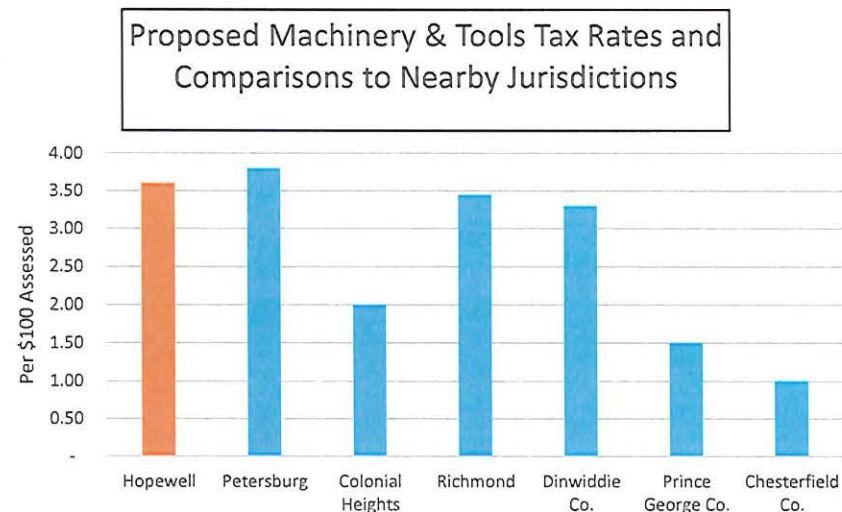
Machinery & Tools Tax

19.8%
of
Taxes

- Impacted by rate of tax charged and new or upgraded equipment in local businesses

■ **If current Mach & Tool tax of 3.1% is increased to 3.6%, it will generate \$1.3M of additional revenue**

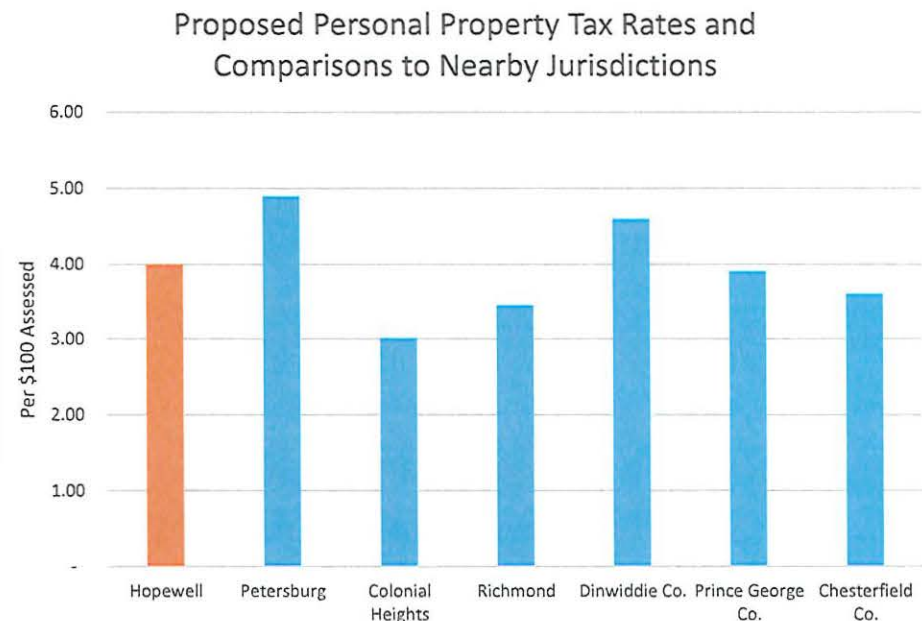
- This increase would have the following impacts on tax payers
 - \$1,000,000 AV = \$5,000 per year increase



Personal Property Tax

14.4%
of
Taxes

- This is a tax on tangible personal property (e.g., vehicles)
- Current rate is \$3.5/\$100 assessment. **The proposed increase to \$4.00/\$100 assessment will generate an additional \$970,000 in revenue**
- This increase would have the following impacts on tax payers
 - \$10,000 AV = \$50 per year increase

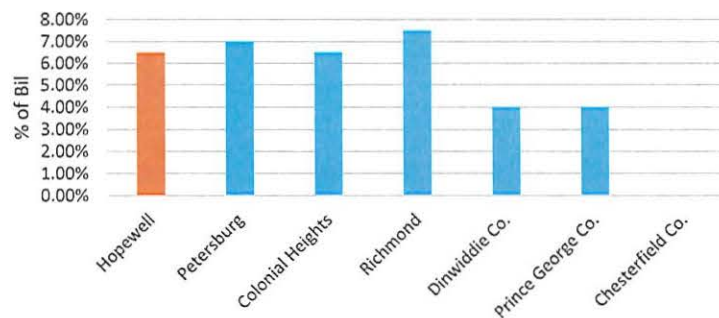


Other Taxes

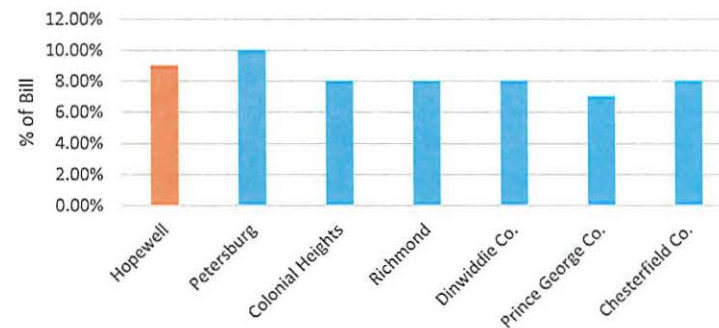
- Increase of **Food & Beverage tax** from 6% to 6.5% would generate an additional **\$175,000** in revenue, or **\$0.50 per \$10 in food & beverage**
- This revenue pays debt service and would reduce the GF subsidy

- Increase of **Lodging tax** from 8% to 9% would generate an additional **\$75,000** in revenue, or **\$1.00 per \$100 room night cost**
- This revenue pays debt service and would reduce the GF subsidy

Proposed Food & Beverage Tax Rates and Comparisons to Nearby Jurisdictions



Proposed Lodging Tax Rates and Comparisons to Nearby Jurisdictions



Filling the Funding Need

- The City has already identified \$618K in funding for capital in the proposed budget
- Storm Water fees could be increased to help fund remaining road CIP projects
- Increased taxes and reduced operations will vary based on the tax rates that the Council chooses to implement

It is recommended that at minimum the Council implement a cigarette tax and increase Food & Beverage and Lodging taxes

General Fund CIP Needs and Funding Options

	Capital Funding Needs	
	Priority	Full Request
CIP Needs	\$2,421,147	\$6,975,812
Budgeted	(\$618,000)	(\$618,000)
Storm Water Fees [1]	(\$904,000)	(\$904,000)
Increased Taxes [2]	(\$750,000)	(\$4,421,000)
Reduced Operations [3]	(\$149,147)	(\$1,032,812)
Amount Needed	\$0	\$0

[1] Assumes doubling of current fees

[2] Partial tax increases needed for priority projects

[3] Amount of operational reductions dependent on taxes

Tax Increases

Tax in Potential Order	Tax Generated	Cumulative Tax
Cigarette Tax	\$500,000	\$500,000
Lodging Tax	\$175,000	\$675,000
Food & Beverage	\$75,000	\$750,000
Real Estate	\$1,400,000	\$2,150,000
Personal Property	\$971,000	\$3,121,000
Machinery & Tools	\$1,300,000	\$4,421,000

Other Funding Options

- **Grants**

Grant funds have been applied for in several Public Works projects and may become available for other projects throughout the year. This could provide funding for more CIP projects across all departments

- **Unspent funds**

The City often has savings in personnel costs and other budgeted spending that does not occur. A mid-year budget process can be used to identify and re-program these expenses

- **Higher-than-expected revenues**

The City will have a real estate tax reassessment in January 2025. This is likely to result in higher revenues at the end of the fiscal year. As additional revenue is identified, it can be programmed for the CIP or other projects

Cash Flow

- Will be updated after budget is complete

FY25 Adopted
Budget

Updated
Revenues and
Expenses for all
programs

Adopted Capital
Program

Current Cash Balance

- As of April 9th, the City has \$14.5M in the Master Checking Account
- There is an additional \$11M in the LGIP investments

☰ Deposit accounts

CITY OF HOPEWELL ^

16 deposit accounts 📄

Current available ⓘ

\$14,462,402.73

Today @ 03 AM

[Change balance view](#)

Current ledger ⓘ

\$14,462,402.73

Today @ 03 AM

[Change balance view](#)

Opening available ⓘ

\$14,528,016.46

Today @ 03 AM

[Change balance view](#)

Old Business

Old Business

- **Expansion of Finance Committee**: Still under discussion at Council Level
- **Tax Rates**: Council to decide at April 11th hearing

ADJOURNMENT