



City of Richmond

Meeting Minutes

Finance and Economic Development Standing Committee

Thursday, September 19, 2019

1:00 PM

Council Chamber, 2nd Floor – City Hall

Committee Members and Others in Attendance

The Honorable Michael Jones – Chair
The Honorable Kristen Larson – Vice Chair
The Honorable Parker Agelasto – Member
The Honorable Andreas Addison – Council member
Meghan Brown, Interim Council Chief of Staff
Bill Echelberger, Jr., Council Budget Analyst
Pamela Nichols Assistant City Clerk
Candice Reid, City Clerk
Tabrica Rentz, Deputy City Attorney
RJ Warren, Deputy City Clerk

Call to Order

Chair Michael Jones called the meeting to order at 1:15 p.m., and presided.

Evacuation Announcement and Citizen Speaker Guidelines

Pamela Nichols, assistant city clerk, provided information on the appropriate manner in which the Council Chamber is to be evacuated in the event of an emergency along with citizen speaker guidelines.

Public Comment Period

Thomas Courtney addressed the committee regarding short term housing rentals and potential short term rental legislation. Mr. Courtney reported on financial benefits of short term rentals, implementation concerns and opposition regarding a portion of the draft legislation.

A copy of the material provided has been filed.

Approval of Minutes

There were no corrections or amendments to the meeting minutes of Thursday, July 18, 2019, and the committee unanimously approved the minutes as presented.

Board Vacancies

There were no board applications for review.

Presentation(s)

There were no presentations.

Paper(s) for Consideration

Member Parker Agelasto moved to amend the agenda as follows:

ORD. 2018-236

To amend ch. 26, art. V, div. 2 of the City Code by adding therein new sections 26-370-26-374, concerning a real estate tax deferral program for real estate owned and occupied as a sole dwelling, for the purpose of establishing a new real estate tax deferral program for real estate owned and occupied as a sole dwelling.

Patron: Ms. Gray

To be continued to the October 17, 2019 Finance and Economic Development Standing Committee meeting

ORD. 2019-118

To amend City Code ch. 2, art. IV, div. 1 by adding therein a new § 2-239, concerning value engineering, for the purpose of requiring value engineering for projects costing more than \$5,000,000.00.

Patron: Ms. Gray

To be continued to the October 17, 2019 Finance and Economic Development Standing Committee meeting

ORD. 2019-189

To amend City Code §§26-401, concerning the amount of exemption for rehabilitated residential or multifamily qualified structures, and 26-404, concerning that amount of exemption for rehabilitated commercial or industrial qualified structures, for the purpose of reducing the exemption period for rehabilitated residential and multifamily qualified structures from ten years to five years; reducing the exemption period for rehabilitated commercial and industrial qualified structures outside of an Enterprise Zone from seven years to three years; reducing the exemption period for rehabilitated commercial and industrial qualified structures within an Enterprise Zone from ten years to five years; and removing the provision allowing a partial tax exemption for renovated residential or multifamily real estate exceeding the square footage limitations set forth in City Code §26-399.

Patron: Mr. Jones

To be continued to the October 17, 2019 Finance and Economic Development Standing Committee meeting

ORD. 2019-249

To amend ch. 11 of the City Code by adding therein a new art. VIII (§§11-190-11-197) to establish a commercial property assessed clean energy program in accordance with Va. Code §15.2-958.3, for the purpose of facilitating the development of clean energy projects.

Patron: Ms. Larson

To be continued to the October 17, 2019 Finance and Economic Development Standing Committee meeting

The motion was seconded and unanimously approved.

The following ordinance was considered:

ORD. 2019-208

To amend City Code §12-263, concerning the Budget and Revenue Stabilization Contingency Reserve, to set forth stipulations for the use of the reserve.

Patron: President Newbille

Meghan Brown, interim council chief of staff, introduced ORD. 2019-208. Ms. Brown explained that the proposed legislation would amend §12-263 of the City Code to remove reference to the unassigned fund balance. Ms. Brown further explained that at the request of city administration, the proposed ordinance would be amended to give flexibility to the use of the funds, but would maintain the guidelines for appropriations.

Member Parker Agelasto expressed support of ORD. 2019-208, but opposition to the proposed amendment.

John Wack, director of Finance, advised the committee that the patron was provided comments from the city's financial advisor regarding the impact of ORD. 2019-208.

The committee requested the information provided to the patron and agreed to continue the proposed legislation to allow time for the review of the requested information.

There were no further comments or discussions and **Vice Chair Kristen Larson moved to continue ORD. 2019-208 to the October 17, 2019 Finance and Economic Development Standing Committee meeting, which was seconded and unanimously approved.**

The following ordinance was considered:

ORD. 2019-248

To amend and reordain City Code § 26-355, concerning the levy of tax on real estate, to establish a tax rate of \$1.20 for the tax year beginning Jan. 1, 2020, pursuant to Va. Code § 58.1-3321(b), and increasing such rate from the Rolled Back Tax Rate of \$1.122 as computed in accordance with Va. Code § 58.1-3321(a).

Patron: President Newbille

Meghan Brown, interim council chief of staff, introduced ORD. 2019-248 and reported that the projected revenue from the tax rate was computed in the adopted Fiscal Year 2020 budget.

Member Parker Agelasto stated that consideration of an annual tax rate should occur during consideration of the annual budget. Member Agelasto requested city administration to contact other jurisdictions which have a similar practice, to discuss their process for advertising consideration of the tax rate and the annual budget review.

John Wack, director of Finance, was present to respond to questions.

There were no further comments or discussions and **Member Parker Agelasto moved to forward ORD. 2019-248 to Council with the recommendation to approve, which was seconded and unanimously approved.**

The following ordinances were considered:

ORD. 2019-251

To amend and reordain certain fees set forth in Appendix A of the City Code for section 8-545 (concerning fees for the temporary use of Main Street Station) for the purpose of revising the schedule of fees for the temporary use of Main Street Station.

Patron: Mayor Stoney

ORD. 2019-254

To authorize the Chief Administrative Officer, for and on behalf of the City of Richmond, to execute an Assignment and Assumption of License Agreements between the City of Richmond and the Richmond Metropolitan Transportation Authority for the purpose of transferring license agreements for certain events held at Main Street Station from the Richmond Metropolitan Transportation Authority to the City.

Patron: Mayor Stoney

Lynne Lancaster, deputy director of Parking and Shared Mobility – Department of Public Works, introduced ORD. 2019-251 and ORD. 2019-254.

Member Parker Agelasto inquired about the fee schedule for the Main Street Station Headhouse and asked city administration to provide more detail for the fee calculations.

There were no further comments or discussions and **Vice Chair Kristen Larson moved to forward ORD. 2019-251 and 2019-254 to Council with the recommendation to approve, which was seconded and unanimously approved.**

The following ordinance was considered:

ORD. 2019-252

To authorize the Chief Administrative Officer, for and on behalf of the City of Richmond, to execute a Grant Contract between the City of Richmond and Capital Trees for the purpose of making landscape improvements to The Low Line park in the city of Richmond.

Patron: Mayor Stoney

Mark Olinger, director of Planning and Development Review, introduced ORD. 2019-252.

Councilor Andreas Addison arrived at 1:47 p.m., and was seated.

There were no further comments or discussions and **Member Parker Agelasto moved to forward ORD. 2019-252 to Council with the recommendation to approve, which was seconded and unanimously approved.**

The following ordinance was considered:

ORD. 2019-253

To provide for the granting by the City of Richmond to the person, firm or corporation to be ascertained in the manner prescribed by law, of the lease, franchise, right and privilege to use certain property, consisting of 91 single parking spaces located at 212 North 18th Street, for parking in accordance with a certain Parking Lease.

Patron: Mayor Stoney

Lynne Lancaster, deputy director of Parking and Shared Mobility – Department of Public Works, introduced ORD. 2019-253 and explained the agreement would permit a 40-year lease of 91 parking spaces in one of the city's underutilized parking areas located in Shockoe Bottom.

Member Parker Agelasto expressed concern about the term of the lease and a lack of community engagement regarding an area in Shockoe Bottom that had gained the attention of many of the city's residents.

Councilor Andreas Addison suggested an amendment to the lease agreement which would allow for a 90-day termination clause on behalf of the city.

Member Agelasto expressed frustration that there was consideration for a parking agreement for a protected archeological site that once was a warehouse where enslaved people worked. Member Agelasto stated that the proposed use did not represent the voices of the citizens and should be stricken. Member Agelasto recalled that in 2015, Council approved the appropriation of \$50,000 to begin a preliminary archeological investigation of the site.

Vice Chair Kristen Larson stated that she was not comfortable moving forward with the proposed legislation without reviewing the resolution referenced by Member Agelasto.

Chair Michael Jones asked Council staff to research methods to track Council's actions along with pertinent information that could be easily referenced if needed.

Member Agelasto referenced Res. 2015-R026-035 and reiterated his desire to have ORD. 2019-253 stricken.

There were no further comments or discussions and Member Parker Agelasto moved to forward ORD. 2019-253 to Council with the recommendation to strike, which was seconded and unanimously approved.

The following resolution was considered:

RES. 2019-R051

To request that the Mayor propose a Fiscal Year 2020-2021 capital budget and a capital improvement program for the four fiscal years thereafter that includes at least \$3,000,000.00 recommended for appropriation or planned appropriation for capital projects identified, with their scopes determined, through a participatory budgeting process.

Patrons: Mr. Addison, Mr. Agelasto and Ms. Larson

Councilor Andreas Addison introduced RES. 2019-R051 and stated that a participatory budgeting process would build stronger communities and empower people to collectively decide how to spend public money.

Member Parker Agelasto expressed support of the proposed legislation and requested to be added as a co-patron of RES. 2019-R051.

Vice Chair Kristen Larson also expressed support and requested to be added as a co-patron of RES. 2019-R051.

Jay Brown, director of Budget and Strategic Planning, stated that city administration would like additional time to work with the patron regarding specifics of the proposed request. Mr. Brown asked that RES. 2019-R051 be continued to allow for additional discussion.

Support

Daisy Weaver spoke in support of RES. 2019-R051 stating that the participatory budgeting process would increase civic engagement and build stronger more collaborative relationships between residents and the local government.

Vice Chair Larson expressed concern that city administration was not contacting patrons to discuss questions about proposed legislation prior to a standing committee's consideration of that item.

Councilor Addison stated that the implementation of a participatory budget would require ongoing conversations and collaboration with city administration, citizens and Council. Councilor Addison stated he was comfortable with the committee's approval of RES. 2015-R051 and he would be amenable to an amendment to the proposed resolution, if warranted.

There were no further comments or discussions and **Member Parker Agelasto moved to forward RES. 2019-R051 to Council with the recommendation to approve, which was seconded and unanimously approved.**

The following ordinance was considered:

ORD. 2019-250

To create three new reservations of fund balance called the 2019 Cost of Living Adjustment for City Retirees Reserve, the 2019 Richmond Retirement System Unfunded Liability Reduction Reserve, and the 2019 Capital Projects Replenishment Reserve, each intended to be categorized as a committed fund balance and used, respectively, to provide a one-time, one-percent cost of living adjustment for each member of the Richmond Retirement System who has received a retirement allowance for at least one year at the time such adjustment is granted, to reduce the unfunded liability of the Richmond Retirement System, and to restore funding to certain capital projects for which funding was reduced in the Fiscal Year 2019-2020 capital budget.

Patron: Mayor Stoney

John Wack, director of Finance, introduced ORD. 2019-250 and explained that city administration did seek the advice of the city's external auditor and the city attorney before moving forward with the proposed legislation.

Support

Glenwood Burley expressed support of a 1% cost of living adjustment (COLA) referenced in ORD. 2019-250. Mr. Burley provided a copy of his prepared remarks and stated the city had failed to provide a COLA for its retirees for over ten years.

A copy of the material provided has been filed.

Daisy Weaver, chairperson of the Richmond Retirees Association, spoke in support of a COLA for city retirees. Ms. Weaver stated that it had been over a decade since retirees received a COLA and the city should consider annual or biennial COLAs for retirees.

Leighton Powell, chair of the Recreation and Parks Advisory Board, spoke in support of the proposed 2019 Capital Projects Replenishment Reserve referenced in ORD. 2019-250. Ms. Powell stated some of the funds would be used for the Brown's Island accessibility project and ADA compliant access points to the James River.

Barbara Starkey-Goode spoke in support of the 1% COLA for city retirees. Ms. Starkey-Goode noted that the retirees had not received a COLA in over ten years.

Keith Andes, Richmond Firefighters Association, stated that the city responded positively to a need for salary adjustments for sworn fire fighters and police officers and its general employees, and he hoped a similar consideration would be given to a COLA for retirees.

Bill Echelberger, council budget analyst, provided an extensive analysis of ORD. 2019-250. Mr. Echelberger reported that the proposed request was inconsistent with the city's Fund Balance Policy and provisions of Governmental Accounting Board Statement (GASB) 54. Mr. Echelberger explained that GASB requires commitments of fund balance by the governing body prior to the end of the fiscal year. Mr. Echelberger further explained that the city auditor agreed that the proposed request was not consistent with the provisions of GASB.

A copy of the material provided has been filed.

Vice Chair Kristen Larson expressed concern that the proposed ordinance did not comply with GASB. Vice Chair Larson stated that she understood the need for a COLA; however, the appropriation of the General Fund surplus had to comply with the city's regulations and acceptable accounting principles.

Member Parker Agelasto stated that the proposed ordinance was a violation of City Code. Member Agelasto explained the process for the allocation of funds based on the City's Fund Balance Policy, and noted Council's previous approval of a repayment into the retirement system that took over a year for the funds to be transferred. Member Agelasto stated that the creation of three new reservations of fund balance was unlawful, and ORD. 2019-250 should be stricken.

Meghan Brown, interim council chief of staff, responded to questions regarding the process for Council to submit legislation for the use of the surplus funds.

There were no further comments or discussions and **Member Parker Agelasto moved to forward ORD. 2019-250 to Council with the recommendation to strike, which was seconded and unanimously approved.**

Discussion Item(s)

Fund Balance

The committee was provided a report on the unaudited and estimated General Fund Balance as of June 30, 2019.

A copy of the material provided has been filed.

Staff Report

Bill Echelberger, council budget analyst, provided the committee with the September staff report.

A copy of the material provided has been filed.

Adjournment

There being no further business, the meeting adjourned at 3:11 p.m.