



City of Richmond

900 East Broad Street
Richmond, VA 23219
www.rva.gov/office-city-clerk

Draft Meeting Minutes Finance and Economic Development Standing Committee

Thursday, January 18, 2024

1:00 PM

Council Chamber, 2nd Floor – City Hall

Committee Members and Other Council Members in Attendance

The Honorable Cynthia Newbille – Chair
The Honorable Ellen Robertson – Vice Chair (late arrival)
The Honorable Katherine Jordan – Member
The Honorable Kristen Nye – Council President (late arrival)
The Honorable Ann-Frances Lambert – Council Vice President (late arrival)
The Honorable Nicole Jones – Councilmember (late arrival and early departure)

Staff and Others in Attendance

Tori Cotman, Assistant City Attorney
LaTanja Davenport, Council Budget Analyst
Joyce Davis, Council Policy Analyst
Tamiya Lunsford, Council Budget Analyst
Candice Reid, City Clerk
RJ Warren, Deputy City Clerk

Call to Order

Chair Cynthia Newbille called the meeting to order at 1:00 p.m., and presided.

Chamber Emergency Evacuation Plan Announcement and Citizen Speaker Guidelines

Upon the Chair's request, Deputy City Clerk RJ Warren 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

There were no public comment speakers.

Approval of Minutes

There were no corrections or amendments to the meeting minutes of the Thursday, December 21, 2023 committee meeting, and the committee approved the minutes as presented.

[CD.2024.004](#) December 21, 2023 - Finance & Economic Development Meeting Minutes

Board Vacancies

Deputy City Clerk RJ Warren reviewed board applications for consideration by the committee.

[CD.2024.013](#) Finance & Economic Development Board Vacancy Report

A copy of the material provided has been filed.

Member Katherine Jordan moved to forward the following appointment and reappointment applications to Council with a recommendation to approve, which was seconded and unanimously approved:

Minority Business Enterprise and Emerging Small Business Advisory Board:
Le'Teshia LeSane (reappointment)

Richmond Retirement System:
Regina Johnson Elbert

Paper(s) for Consideration

The following ordinance was considered:

1. [ORD. 2024-011](#) To amend Ord. No. 2023-071, adopted May 8, 2023, which adopted the Fiscal Year 2023-2024 General Fund Budget and made appropriations pursuant thereto, by increasing anticipated revenues from (i) certain funds due to the City from the Greater Richmond Convention Center Authority, in accordance with an Interlocal Agreement dated February 1, 2000, by \$3,140,571.00 and (ii) additional interest generated from the use of City funds by \$509,429.00 and appropriating the sum of \$3,650,000.00 to the Department of Economic Development for the purpose of providing funding for the acquisition of the parcel of real property located at 10 Belt Boulevard in the city of Richmond for community services related to homelessness and housing alternatives. (8th District)

Patrons: Mayor Stoney

There were no comments or discussion and Member Katherine Jordan moved continue ORD. 2024-011 to the February 15, 2024 Finance and Economic Development Standing Committee meeting, which was seconded and approved: Ayes 2, Jordan, Newbille. Noes None. Robertson had not yet arrived.

Presentation(s)

Debt Capacity and Affordability

Michael Nguyen, Chief Investment and Debt Officer for Finance and Administration, provided the committee with a presentation regarding the city's debt capacity and affordability, the city's bond rating, and capital improvement project planning.

Vice Chair Ellen Robertson arrived at 1:10 p.m., and was seated.

Councilor Nicole Jones joined the meeting via Microsoft Teams at 1:25 p.m.

President Kristen Nye arrived at 1:26 p.m., and was seated.

A copy of the material provided has been filed.

[CD.2024.017](#) Debt Capacity Presentation

Vice Chair Ellen Robertson addressed the city's bond rating, and she inquired about action needed by the city to achieve a AAA bond rating.

Mr. Nguyen provided examples and metrics used by credit rating agencies in determining a bond rating, and he noted action that the agencies were requesting from the city to achieve a higher rating.

David Rose, Davenport & Co. Senior Vice President and Manager of Public Finance, provided additional information regarding how credit rating agencies determine the city's bond rating.

Lincoln Saunders, Chief Administrative Officer, provided information regarding how the city forecasts future capital improvement projects and its impact on the city's debt capacity.

Vice President Ann-Frances Lambert requested additional information regarding the impact on the city's 10-year payout ratio if the city moved forward with the construction of new schools and a new courthouse.

Mr. Nguyen stated that if the city moved forward with construction projects for both new schools and a courthouse, the city risked exceeding the recommended 60% 10-year payout ratio.

Member Katherine Jordan noted the importance of educating the public regarding the city's budget surplus and surplus policy.

Vice Chair Robertson stated that the city needed to inform the public more about why the city's real estate tax rate is related to the city's fiscal stress level. Vice Chair Robertson also addressed the amount of state owned property in the city that does not pay the city any real estate taxes.

CAO Saunders informed Council that with every increase of land owned by the state, the fiscal stress of the city also increases.

Councilor Nicole Jones left the meeting at 2:11 p.m.

Non-Departmental Process

Sabrina Joy-Hogg, Deputy Chief Administrative Officer (DCAO) for Finance and Administration, provided information to the committee regarding the city's policy and schedule for allocating funding to the city's non-departmental partners.

A copy of the material provided has been filed.

[CD.2024.023](#) Non-Departmental Process Handout

Member Katherine Jordan inquired how the city determines the amount allocated both individually and collectively to its non-departmental partners.

DCAO Joy-Hogg informed committee members about how the city reviews funding requests compared to the city's potential budget availability and the amount necessary to administer the services provided by the non-departmental entities.

Meghan Brown, Acting Director of Budget and Strategic Planning, provided information regarding the city's funding application process for non-departmental entities. Ms. Brown also informed members about what services the city specifically looks for in potential partners.

Vice Chair Ellen Robertson stated her concerns about the non-departmental process timeline in relation to the city's budget process and review schedule. Vice Chair Robertson also inquired why non-departmental funding requests have an impact on the Mayor's proposed budget prior to any requests put forward by Council.

Lincoln Saunders, Chief Administrative Officer (CAO), stated that budget allocations to non-departmental entities usually remain at the same level as prior budgets, and that any requested increases are reviewed and vetted.

Vice Chair Robertson stated her concerns about the non-departmental budget process and how the city determines which entities receive funding.

Vice President Ann-Frances Lambert inquired if the city anticipates automatic approval for non-departmental entities that received funding in the city's prior fiscal year budget. Vice President Lambert stated she was concerned that new non-departmental entities are disadvantaged from applying for funding. Vice President Lambert requested that city administration include Council District location for each non-departmental entity that will receive funding in the city's upcoming budget.

CAO Saunders stated that the city usually continues and approves funding for the city's prior non-departmental partners.

President Kristen Nye stated that the city needed to establish a more standardized review of non-departmental funding to ensure that promised services are provided.

CAO Saunders stated that he believed an update regarding how the city reviews non-departmental entities and their services would be provided at an upcoming Education and Human Services Standing Committee meeting.

Revenue Administration Process Improvement

Chief Administrative Officer (CAO) Lincoln Saunders provided the committee with a summary about steps taken by the city to improve the city's revenue administration process. CAO Saunders stated that some changes would be made administratively, but that certain changes would require amendments to the City Code.

Member Katherine Jordan inquired about how the city can provide relief to local businesses that were unaware of their tax delinquency penalties. Member Jordan also requested that the city initiate a policy regarding a mandatory time frame for the city to respond to tax inquiries from citizens and businesses.

CAO Saunders stated that the city would review the cases that involved unaware businesses to determine possible solutions. CAO Saunders also stated that the city was implementing new tax software that would provide customers the ability to retrieve information electronically without the need of contacting Finance Department employees.

Vice Chair Ellen Robertson addressed a previous audit regarding the city's meal's tax, and she stated that she has requested Council staff initiate legislation for more review of the city's tax collection and delinquency notices.

President Kristen Nye confirmed that legislation was not required to initiate the meals tax review, as Councilmembers assigned to the Audit Committee can make a request for the review.

Discussion Item(s)

There were no discussion items.

Staff Report

LaTanja Davenport, Council Budget Analyst, provided the committee with a review of the staff report.

[CD.2024.022](#) January Staff Report

Adjournment

There being no further business, the meeting adjourned at 3:10 p.m.