



City of Richmond

Meeting Minutes

Finance and Economic Development Standing Committee

Thursday, October 18, 2018

3:00 PM

Council Chamber, 2nd Floor – City Hall

Committee Members and Staff in Attendance

The Honorable Cynthia Newbille – Chair
The Honorable Michael Jones – Vice Chair (*late arrival*)
The Honorable Parker Agelasto – Member (*late arrival and early departure*)
The Honorable Kim Gray – Member (*late arrival and early departure*)
The Honorable Kristen Larson – Member
The Honorable Ellen Robertson – Alternate Member
Lisa Braxton, Interim Deputy City Clerk
Bill Echelberger Jr., Council Budget Analyst
Charles Jackson, Council Budget Analyst
Pamela Nichols, Assistant City Clerk
Tabrica Rentz, Senior Assistant City Attorney

Call to Order

Chair Cynthia Newbille called the meeting to order at 3:04 p.m.

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

There were no public comments.

Paper(s) for Consideration

Member Kristen Larson moved to amend the agenda as follows:

ORD. 2018-233

To amend City Code § 27-201, concerning parking for disabled persons in time-restricted or metered spaces in certain areas, to provide that no benefits deriving from Va. Code § 46.2-1245 shall apply within certain areas of the city.

Patron: Mayor Stoney

To be continued to the December 20, 2018 Finance and Economic Development Standing Committee meeting

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 November 15, 2018 Finance and Economic Development Standing Committee meeting

ORD. 2018-254

To amend Ord. No. 2018-057, adopted May 14, 2018, which adopted the Fiscal Year 2018-2019 General Fund Budget and made appropriations pursuant thereto, by transferring funds in the amount of \$30,000.00 from the Office of Community Wealth Building's Workforce Development program and re-appropriating these transferred funds to a new line item in the Non-Departmental agency called the "Owens & Minor Medical, Inc. On the Job Training Grant through the EDA" line item for the purpose of making a grant to Owens & Minor Medical, Inc., to subsidize certain job training activities by Owens & Minor Medical, Inc.

Patron: Mayor Stoney

To be continued to the November 15, 2018 Finance and Economic Development Standing Committee meeting

The motion was seconded and approved: Ayes 3, Larson, Robertson, Newbille. Gray, Agelasto and Jones had not yet arrived.

Approval of Minutes

There were no minutes for the committee to consider.

Member Parker Agelasto arrived and was seated.

Board Vacancies

Pamela Nichols, assistant city clerk, reviewed the following board application for consideration by the committee:

Member Kristen Larson moved to forward the following board application to Council with the recommendation to approve:

<u>Board Name</u>	<u>Criteria for Appointment</u>	<u>Applicant Name</u>
Richmond Metropolitan Convention and Visitors Bureau	* (1 vacancy)	Lester Johnson Jr.

* Applicants must either reside or work in the city.

The motion was seconded and approved: Ayes 4, Larson, Agelasto, Robertson, Newbille. Gray and Jones had not yet arrived.

Chair Cynthia Newbille agreed to update the committee on the status of mayoral vacancies for the Minority Business Enterprise and Emerging Small Business Advisory Board at the November meeting.

Presentations

There were no presentations.

Paper(s) for Consideration

The following ordinance was considered:

Vice Chair Michael Jones arrived and was seated.

Member Kim Gray arrived and was seated.

ORD. 2018-238

To amend City Code § 12-36, concerning disposition of revenues derived from the expiration of partial exemptions from real estate taxation, to provide that the proceeds from certain sales of tax delinquent properties shall be credited to the Affordable Housing Trust Fund.

Patron: Ms. Robertson

Councilor Ellen Robertson provided an overview of ORD. 2018-238 and explained that the funding will expand the city's ability to address affordable housing needs.

John Wack, director – Finance, remarked that ORD. 2018-238 will divert millions in revenue from the upcoming General Fund budget.

Jay Brown, director – Budget and Strategic Planning, reported that an appropriation to the Affordable Housing Trust Fund was included in the FY 2020 General Fund Budget.

Member Kim Gray suggested imposing a ceiling on the maximum amount to be appropriated to the Trust Fund; she also questioned whether City Council should create a comprehensive affordable housing strategy with measurable goals and timelines.

Councilor Robertson requested information on city administration's use of revenue from the sales of the tax delinquent properties.

Member Kristen Larson requested a presentation from the Affordable Housing Trust Fund Oversight Board at an upcoming Organizational Development Standing Committee Meeting. Member Larson stated that she would support an allocation of one million dollars to the Affordable Housing Trust Fund.

Member Agelasto requested an update from city administration regarding the fiscal impact of ORD. 2018-238 on the FY 2020 General Fund Budget.

Council staff provided copies of the last five years' revenue and expenditure report from the sales of tax delinquent properties administered by the Office of the City Attorney.

A copy of the material provided has been filed.

Councilor Robertson agreed to the proposed amendment to ORD. 2018-238.

Vice Chair Michael Jones commended Councilor Robertson on her commitment in promoting affordable housing in the city.

There were no further comments or discussions and **Member Larson moved to forward ORD. 2018-238 to Council with the recommendation to approve with amendment to dedicate up to \$1,000,000.00 from the delinquent tax sale program to the Affordable Housing Trust Fund, which was seconded and approved:** Ayes 4, Larson, Gray, Jones, Newbille. Abstentions 1, Agelasto.

The following ordinance was considered:

ORD. 2018-270

To amend and reordain City Code § 26-437, concerning the distraint of property for taxes, for the purpose of allowing distraint of property for failing, refusing or neglecting to pay any admissions, lodging, meals or business, professional, or occupation license taxes in addition to real and tangible personal property taxes.

Patron: Mayor Stoney

John Wack, director – Finance, provided an overview of ORD. 2018-270.

Member Kim Gray inquired about the city's process for inspecting business licenses.

There were no further comments or discussions and **Member Larson moved to forward ORD. 2018-270 to Council with the recommendation to approve, which was seconded and unanimously approved.**

The following ordinance was considered:

ORD. 2018-271

To repeal City Code § 26-892, concerning installment payments for certain license taxes, for the purpose of eliminating the option to pay such license taxes in installments.

Patron: Mayor Stoney

John Wack, director – Finance, provided an overview of ORD. 2018-271.

Member Kristen Larson requested information on the number of businesses using the installment payment option and percentages of delinquent businesses which have failed to pay the remaining half of their taxes.

Lenora Reid, deputy chief administrative officer – Finance, explained the challenges associated with the installation payment option for business licenses.

Member Kim Gray asked that ORD. 2018-271 be placed on City Council's regular agenda to allow for additional discussion regarding the legislation.

There were no further comments or discussions and **Member Agelasto moved to forward ORD. 2018-271 to Council with the recommendation to approve, which was seconded and approved:** Ayes 4, Gray, Agelasto, Jones, Newbille. Abstentions 1, Larson.

The following resolution was considered:

RES. 2018-R093

To approve the issuance by the Richmond Redevelopment and Housing Authority of its multifamily housing revenue bonds in an amount up to \$16,000,000.00 for the acquisition, construction, renovation, rehabilitation and equipping of an approximately 139-unit multifamily residential rental housing project to be known as the SPA Lofts located at 1125 Commerce Road in the city of Richmond.

Patron: Ms. Robertson

Councilor Ellen Robertson was available to respond to questions regarding RES. 2018-R093.

There were no further comments or discussions and **Member Gray moved to forward RES. 2018-R093 to Council with the recommendation to approve, which was seconded and unanimously approved.**

Discussion Item(s)

FY 2018 General Fund Surplus Assignment

Meghan Brown, deputy council chief of staff, explained that the Finance and Economic Development Standing Committee was asked to review the estimated year end surplus for FY 2018 and make recommendations for the appropriation of the ten percent of the calculated general fund surplus. Ms. Brown provided a copy of the estimated, unaudited general fund balance as of June 30, 2018.

A copy of the material provided has been filed.

Shunda Giles, director – Department of Social Services, responded to questions regarding the special fund for the city attorney legal services.

Deputy Chief Administrative Officer Lenora Reid and City Auditor Lou Lassiter provided explanations regarding direct billing and the negative special fund balance for the city attorney legal services. Ms. Reid agreed to provide a list of accounts with negative special fund balances.

The committee discussed the estimated budget assignment for the other non-pension post-employment benefits (OPEB) Trust.

Chair Cynthia Newbille recommended a partial allocation of ten percent of the calculated general fund surplus to assist specific businesses in the Shockoe Bottom Commercial Area Revitalization Effort (CARE) zone.

Member Kim Gray recommended an allocation of the surplus funding for the city's arts program.

Chair Newbille requested information on the budget appropriation for the arts program.

Member Kristen Larson expressed support for the capital maintenance reserve fund to be utilized for road and sidewalk maintenance.

Member Kim Gray exited the meeting.

Member Parker Agelasto asked the committee to consider the appropriation of a portion of the surplus funds for the property assessed clean energy (PACE) program.

Councilor Ellen Robertson recommended appropriation of the surplus funds for the city's housing improvements opportunities to assist homeowners with repairs to their homes.

Member Parker Agelasto exited the meeting.

Staff Report

Bill Echelberger and Charles Jackson, council budget analysts, provided the October staff report.

A copy of the material provided has been filed.

Adjournment

There being no further business, the meeting adjourned at 5:18 p.m.