



City of Richmond

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

Meeting Minutes Finance and Economic Development Standing Committee

Thursday, October 20, 2022

1:00 PM

Council Chamber, 2nd Floor – City Hall

Committee Members

The Honorable Michael Jones – Chair
The Honorable Kristen Nye – Vice Chair
The Honorable Ellen Robertson – Committee Member

Staff and Others in Attendance

The Honorable Reva Trammell – Council member (early departure)
Joyce Davis, Interim Council Chief of Staff
Tori Cotman, Assistant City Attorney
Candice Reid, City Clerk
RJ Warren, Deputy City Clerk

Call to Order

Chair Michael Jones called the meeting to order at 1:04 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, September 15, 2022 committee meeting, and the committee approved the minutes as presented.

[CD.2022.327](#) September 15, 2022 Finance and Economic Development Meeting Minutes

Papers for Consideration

The following ordinance was considered:

1. [ORD. 2022-270](#) 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, 2023, pursuant to Va. Code § 58.1-3321(b), and increasing such rate from the Rolled Back Tax Rate of \$1.072 as computed in accordance with Va. Code § 58.1-3321(a).

Patrons: President Newbille

Interim Council Chief of Staff Joyce Davis provided an introduction of the proposed ordinance on behalf of patron President Cynthia Newbille.

Chair Michael Jones informed the committee that city administration desired to provide a presentation that addressed the city's real estate tax. Chair Jones stated that due to the committee not receiving the presentation three days prior to the meeting, as required by Rule (I)(D)(4)(c) of City Council's Rules of Procedure, he would not permit the presentation to proceed.

Chief Administrative Officer (CAO) Lincoln Saunders informed the committee that he believed the presentation would be beneficial for members to review, but noted he understood the concerns Chair Jones raised. CAO Saunders stated that city administration would try and adhere to the rule. CAO Saunders requested that Council provide city administration with a seven-day notice regarding presentation requests, so that city administration would have enough time to submit documentation three days prior to any meeting.

Vice Chair Kristen Nye stated that adhering to the three-day rule requirement provides both Council and the public an opportunity to review submitted material.

Public Hearing

Janice Carter-Lovejoy spoke in opposition to ORD. 2022-270, and stated that the real estate assessment of her home had increased 55 percent over the past six years. Ms.

Carter-Lovejoy also stated that the proposed rate of a \$1.20 did not match the growth of the city's budget, and she further stated that the proposed tax rate did not account for the impact of inflation. Ms. Carter-Lovejoy requested that Council work to assist long-term residents of the city through homestead exemption rebates or other tax relief methods.

Deborah Fisk spoke in opposition of ORD. 2022-270, and she stated that city residents were already negatively impacted by rising real estate assessments. Ms. Fisk also stated that no homes were recently sold in her neighborhood, so she did not understand how the increased assessments were decided.

Steve Groomsly spoke in opposition of ORD. 2022-270, and he stated that the real estate tax rate of \$1.20 did not incorporate the impact of rising real estate assessments. Mr. Groomsly also stated that the taxes collected from the combination of the \$1.20 tax rate and rising real estate assessments did not match the city's rate of budget growth. Mr. Groomsly further stated that city residents who live on fixed incomes would be significantly impacted by the proposed tax rate of \$1.20.

Reid Carter spoke in opposition of ORD. 2022-270, and he stated that he did not believe the city needed to implement a tax rate of \$1.20 to receive enough revenue to fund the city's budget. Mr. Reid also stated that he believed the city should only collect enough revenue to cover the city budget, and that no revenue surpluses should occur.

CAO Saunders informed the committee that city administration and the mayor recommend that the city's real estate tax rate remain at \$1.20. CAO Saunders also stated that city administration and the mayor identified providing tax relief to city residents as a priority, and he informed the committee that city administration planned to provide city residents tax relief through a rebate in 2023. CAO Saunders further stated that city administration and the city assessor were collaborating to amend the real estate assessment schedule.

Member Ellen Robertson stated that she believed city administration's real estate tax presentation would have been beneficial for the committee, and she requested that Council have an opportunity to review it at a future meeting.

Vice Chair Nye stated that she wanted to lower the real estate tax the prior year, but was not able to do so due to legal notice requirements. Vice Chair Nye informed members that she did not support the real estate tax rate of \$1.20.

Chair Michael Jones stated that he tried to lower the real estate tax rate the prior year, but that his proposal of a tax rate of \$1.16 was rejected by Council. Chair Jones also stated that the real estate tax rate should be established during city budget review and adoption, so that city administration could plan the upcoming city budget with the known real estate tax rate. Chair Jones requested that city administration provide Council with a fiscal impact statement addressing the proposed real estate tax rates on the city's projected revenue.

City Assessor Richie McKeithen addressed the committee and provided information detailing the city's real estate assessment process.

Councilwoman Reva Trammell addressed how city's real estate tax rate compared to surrounding counties, and she also addressed the impact of rising real estate assessments on city residents.

Member Robertson stated her support for amending the city's real estate assessment calendar. Member Robertson also stated the schedule change would allow the city to know the exact revenue provided by real estate taxes, rather than relying on projections provided by the city assessor.

CAO Saunders provided the committee with additional information regarding the impact of a \$1.16 real estate tax rate on future budgets and city staffing beyond fiscal year 2023.

Member Robertson requested that city administration provide a fiscal impact statement regarding the proposed real estate tax rates. Member Robertson stated that she wanted to know the impact on the city's ability to address affordable housing and other city services.

Chair Jones stated that he agreed with Member Robertson, and he requested that city administration provide Council with fiscal impact statements addressing the impact of the proposed tax rates.

There were no further comments or discussions and Member Ellen Robertson moved to forward ORD. 2022-270 to Council with no recommendation, which was seconded and approved: Ayes 2, Robertson, Jones. Noes 1, Nye.

The following ordinance was considered:

2. [ORD. 2022-271](#) To amend and reordain City Code § 26-355, concerning the levy of tax on real estate, to establish a tax rate of \$1.16 for the tax year beginning Jan. 1, 2023, pursuant to Va. Code § 58.1-3321(b), and increasing such rate from the Rolled Back Tax Rate of \$1.072 as computed in accordance with Va. Code § 58.1-3321(a).

Patrons: Ms. Nye and Ms. Trammell

Vice Chair Kristen Nye provided an introduction and additional information regarding the proposed ordinance.

Councilwoman Reva Trammell also provided introductory comments regarding ORD. 2022-271.

Public Hearing

Brian King spoke in support of ORD. 2022-271, and stated that the rise of real estate assessments, in combination with the city's current \$1.20 real estate tax rate, created financial difficulties for city residents.

Reid Carter spoke in support of ORD. 2022-271, and stated that he believed the city's previous budget surpluses provided enough revenue for the city to reduce the real estate tax rate to \$1.16 and provide residents with a tax rebate.

Vice Chair Kristen Nye moved to forward ORD. 2022-271 to Council with a recommendation to approve. The motion was not seconded and failed.

Chair Michael Jones stated that he supported the proposed tax rate of \$1.16 referenced in ORD. 2022-271, but he informed members that he would need to review a fiscal impact statement prior to Council's final vote on the ordinance.

Councilwoman Reva Trammell stated that economic development projects, such as a casino, would help the city produce additional revenue.

There were no further comments or discussions and Vice Chair Kristen Nye moved to forward ORD. 2022-271 to Council with no recommendation, which was seconded and unanimously approved.

Member Ellen Robertson requested that Council schedule a work session with city administration regarding the city's budget.

The following ordinance was considered:

3. [ORD. 2022-278](#) To amend and reordain City Code § 26-355, concerning the levy of tax on real estate, to establish a tax rate of \$1.10 for the tax year beginning Jan. 1, 2023, pursuant to Va. Code § 58.1-3321(b), and increasing such rate from the Rolled Back Tax Rate of \$1.072 as computed in accordance with Va. Code § 58.1-3321(a).

Patrons: Ms. Trammell

Councilwoman Reva Trammell provided an introduction and additional background information regarding ORD. 2022-278. Councilwoman Trammell requested that the committee forward ORD. 2022-278 to Council with no recommendation.

Chair Michael Jones confirmed with City Assessor Richie McKeithen that property owners enrolled in the city's tax abatement program would continue to receive the abatement benefit regardless of which real estate tax rate Council adopts.

Vice Chair Kristen Nye stated that she supported a reduction of the real estate tax rate, but that she could not support the proposed rate of \$1.10 referenced in ORD. 2022-278.

There were no further comments or discussions and Member Ellen Robertson moved to forward ORD. 2022-278 to Council with no recommendation, which was seconded and unanimously approved.

Councilwoman Reva Trammell exited the meeting at 3:02 p.m.

Presentations

Introduction to City Revenues

[CD.2022.360](#) Introduction to City Revenues Presentation

Jason May, Budget and Strategic Planning Director, provided the committee with a presentation that addressed city revenue. Mr. May detailed how and when the city receives revenue, and how certain city expenditures impact revenue spending.

Chair Michael Jones stated that the presentation was provided at the request of the committee.

Member Ellen Robertson stated that the revenue presentation would also be beneficial at a budget work session between Council and city administration.

Chair Michael Jones requested additional data regarding state-owned properties that do not pay real estate taxes to the city.

Board Vacancies

Council Management Analyst Pam Nichols reviewed board applications for consideration by the committee.

[CD.2022.348](#) October 20, 2022 Quarterly Board Vacancy Report - Finance and Economic Development Standing Committee

Member Ellen Robertson moved to forward the following board appointment and reappointment applications to Council with recommendation to approve, which was seconded and unanimously approved:

Minority Business Enterprise and Emerging Small Business Advisory Board:
Morris Cephas (reappointment)
Shirley Crawford

Member Ellen Robertson moved to forward the following board appointment applications to Council with recommendation to approve, which was seconded and unanimously approved:

Richmond Region Tourism:
Paulin Cheatham
Michael Lindsey

Discussion Items

There were no discussion items.

Staff Report

Interim Council Chief of Staff Joyce Davis provided a copy of the October staff report, which has been filed.

[CD.2022.358](#) October Finance and Economic Development Staff Report

Adjournment

There being no further business, the meeting adjourned at 3:27 p.m.