



# City of Richmond

## Meeting Minutes

### Finance and Economic Development Standing Committee

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Thursday, July 21, 2016

3:00 PM

Council Chamber, 2nd Floor – City Hall

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The Honorable Kathy Graziano – Chair  
The Honorable Parker Agelasto, Vice Chair  
The Honorable Ellen Robertson – Committee Member  
Lou B. Ali, Council Chief of Staff  
Haskell Brown, Deputy City Attorney  
Meghan Brown, Interim Deputy Council Chief of Staff  
Jean V. Capel, City Clerk  
Bill Echelberger Jr., Council Budget Analyst  
Pamela Nichols, Assistant City Clerk  
Candice Reid, Deputy City Clerk  
Tabrica Rentz, Senior Assistant City Attorney

#### Call to Order

Chair Kathy Graziano called the meeting to order at 3:11 p.m.

#### Evacuation Announcement and Citizen Speaker Guidelines

Upon the committee's request, 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.

#### Approval of Minutes

The minutes from the Thursday, June 23, 2016, meeting at 3:30 p.m., were approved – Motioned by Committee member Ellen Robertson, and seconded – 2/0/1 (Abstention, Agelasto)

#### Paper(s) for Consideration

**Committee member Ellen Robertson moved to continue the following papers to the August 18<sup>th</sup> Finance and Economic Development Standing Committee meeting, which was seconded and approved ~ Vote 3/0.**

ORD. 2016-091 - To amend and reordain City Code § 2-301, concerning certain definitions applicable to City Code §§ 2-301—2-304, for the purpose of modifying the definition of “economic development project” to include public investment.  
**Patron:** Ms. Robertson

ORD. 2016-154 - To declare that a public necessity exists and to authorize the Chief Administrative Officer or the designee thereof, for and on behalf of the City of Richmond, to acquire, at a tax delinquent judicial sale, the property located at 3102 1st Avenue and to authorize the conveyance of such property for \$1,750 to Adult Alternative Program Inc. for the purposes of eliminating blight and making such property available for redevelopment.  
**Patron:** Mayor Jones

ORD. 2016-155 - To declare that a public necessity exists and to authorize the Chief Administrative Officer or the designee thereof, for and on behalf of the City of Richmond, to acquire, at a tax delinquent judicial sale, the property located at 3205 Midlothian Turnpike and to authorize the conveyance of such property for \$1,750 to Adult Alternative Program Inc. for the purposes of eliminating blight and making such property available for redevelopment.  
**Patron:** Mayor Jones

## **Presentation(s)**

### **Washington Redskins/Bon Secours Pro Forma**

Lee Downey, deputy chief administrative officer – Economic and Community Development, provided an update on the expectation of the performance agreement for the Bon Secours Redskins Training Center project. Mr. Downey stated that the project, which extends beyond the training center, includes investments and projects in the East End and leasing and other commitments for the Westhampton School property. He reported that there were direct and indirect financial impacts totaling millions of dollars. Mr. Downey also reported on the Economic Development Authority's (EDA) contributions for the training center and emphasized that payments to the Washington Redskins organization consisted of in-kind services and direct funding and required no additional funds from the city's general fund. Mr. Downey also stated that the project has exceeded obligations pursuant to the performance agreement.

*A copy of the material provided has been filed.*

The committee requested a report to depict the elements of the original deal, including the expectations for the investments, timelines for the investment, expected terms of investment and actual tax dollars received. The committee also requested an update on the remainder of the city's financial obligation for the project.

Chair Kathy Graziano stated that the project's financial impact extends beyond the facility and that administration should include all aspects of the project in its future presentation to the committee.

Mr. Downey responded to questions regarding the economic agreement and agreed to work with the city's Finance Department to prepare the information; he stated that the terms of the annual payments to the Washington Redskins organization and repayments to the city were structured as a part of the original contract.

## **Discussion Item(s)**

### **Inspector General Report – Vendor's Failure to Submit Admissions Tax**

Chair Kathy Graziano advised the committee that she asked Lenora Reid, deputy chief administrative officer – Finance and Administration, and her staff to discuss the findings of the Office of the Inspector General (OIG) with the committee.

Ms. Reid and Director of Finance John Wack responded to questions regarding the total number of businesses that were delinquent in paying their admissions and other taxes to the city. Debt and Investment Portfolio Manager James Duval was also present to respond to questions.

Vice Chair Parker Agelasto asked city administration to provide a more comprehensive list of all tax delinquent businesses. Vice Chair Agelasto stated that several businesses have indicated that they were not aware of an admissions tax; therefore, he is interested in knowing the Finance Department's notification process to assist collection efforts.

Mr. Wack reported that the Finance Department's tax audit and enforcement areas have been understaffed; however, it is the goal of the department to fill those vacancies and begin collection efforts. Ms. Reid stated that the department has contacted the City Attorney's Office to get an unambiguous interpretation of the City Code regarding tax collection.

Committee member Ellen Robertson expressed concern that the report from the OIG listed the names of only six business owners when there are more tax delinquent businesses.

#### **Paper(s) for Consideration - continued**

**Vice Chair Parker Agelasto moved to forward the following papers to Council with the recommendation to approve, which was seconded and approved ~ Vote 3/0.**

ORD. 2016-194 - To authorize the Chief Administrative Officer to accept funds in the amount of \$14,739.20 from the Richmond Redevelopment and Housing Authority and to appropriate the increase to the Fiscal Year 2016-2017 Special Fund Budget by increasing estimated revenues and the amount appropriated to the Department of Economic and Community Development's Affordable Housing - Non CDBG Project Areas special fund by \$14,739.20 for the purpose of funding the Affordable Housing Trust Fund.

**Patron:** Mayor Jones

*Ron Johnson, chief credit and financial strategies officer – Economic and Community Development, introduced ORD. 2016-194.*

ORD. 2016-195 - To authorize the Chief Administrative Officer to accept funds in the amount of \$86,345.00 from the County of Henrico and to appropriate the increase to the Fiscal Year 2016-2017 Special Fund Budget by increasing estimated revenues and the amount appropriated to the Department of Emergency Communications by \$86,345.00 for the purpose of funding the Text-to-911 Project, a shared services initiative to enhance the ability of citizens to contact the Department of Emergency Communications through text messaging.

**Patron:** Mayor Jones

*Jackie Crotts, deputy director of Emergency Communications, introduced ORD. 2016-195 and provided information on the implementation and deployment of Text to 911.*

*A copy of the material provided has been filed.*

**Vice Chair Parker Agelasto moved to forward the following paper to Council with the recommendation to approve, which was seconded and approved ~ Vote 2/0/1 (Abstention, Agelasto)**

ORD. 2016-196 - To amend Ord. No. 2016-048, adopted May 13, 2016, which adopted the Fiscal Year 2016-2017 Special Fund Budget and made appropriations pursuant thereto, by transferring and reappropriating funds in the amount of \$363,000.00 from the Department of Public Works' Parking Enterprise Fund to the Department of Public Works' Special Parking Districts special fund for the purpose of providing services in accordance with the Special Parking Districts Program established by City Code § 27-281.  
**Patron:** Mayor Jones

*Lynn Lancaster, interim duty director – General Services, introduced ORD. 2016-196.*

*Vice Chair Parker Agelasto advised the committee that he will abstain from a recommendation of the proposed legislation because of a potential conflict of interest.*

**Committee member Ellen Robertson moved to forward the following paper to Council with the recommendation to approve with an amendment, which was seconded and approved ~ Vote 3/0.**

ORD. 2016-197 - To amend sections 21-4, 21-42, 21-44, 21-47, 21-53, 21-54, 21-63, 21-67, and 21-68 of the City Code, concerning public procurement, and to amend ch. 21, art. II of the City Code by adding therein a new section 21-73, concerning job order contracting, for the purpose of reflecting amendments to state law that Va. Code § 2.2-4343(A)(12) requires the City to follow.  
**Patron:** Mayor Jones

*Edward Gibbs, director of Procurement Services, introduced ORD. 2016-197.*

*Haskell Brown, deputy city attorney, advised the committee of a proposed amendment to ORD. 2016-197.*

**Vice Chair Parker Agelasto moved to continue the following papers to the September 15<sup>th</sup> Finance and Economic Development Standing Committee meeting, which was seconded and approved ~ Vote 3/0.**

ORD. 2016-137 - To amend ch. 12, art. II of the City Code by adding therein a new section 12-37, concerning the disposition of revenues from the City's meals tax, for the purpose of funding the operation of public schools in the city.  
**Patrons:** Mr. Baliles and Mr. Agelasto

ORD. 2016-139 - To amend ch. 12, art. II of the City Code by adding therein a new section 12-37, concerning the disposition of 75% of the City's year-end General Fund surplus, for the purpose of funding the operation of public schools in the city.  
**Patron:** Mr. Baliles

ORD. 2016-140 - To amend ch. 12, art. II of the City Code by adding therein a new section 12-37, concerning the disposition of certain revenues from real estate taxes, for the purpose of funding the operation of public schools in the city.

**Patron:** Mr. Baliles

*Selena Cuffee-Glenn, chief administrative officer, advised the committee that city administration does not support the proposed legislation and would like to discuss concerns, which were previously discussed with the patron, regarding the three proposed ordinances.*

*Jay Brown, Budget and Strategic Planning director, presented city administration's response to the proposed legislation. Mr. Brown stated that a single revenue designation does not correlate to total General Fund revenues, does not provide a consistent and dependable funding source for Richmond Public Schools (RPS) and will require tax increases and additional cuts to other city services. Mr. Brown further stated that, through the years, the city's contribution to RPS has increased while the number of pupils has decreased over that same time period and that any surplus should not be used for recurring annual operational needs.*

*Anne Seward, the city's financial consultant, stated that the proposed legislation is not in alignment with best budgeting practices and could result in bigger financial problems.*

*A copy of the material provided has been filed.*

*Vice Chair Parker Agelasto stated that he was curious to learn whether authorization of the one percent meals tax was extended and that he would like to review the legislation that City Council approved, for the extension of the one percent meals tax. Vice Chair Agelasto asked the City Attorney's Office to follow-up with him concerning the meals tax.*

*Ms. Reid and Ms. Seward advised the committee that City Council adopts the city's tax rates during the annual budget process.*

*Chair Kathy Graziano stated that, with the upcoming changes to City Council and administration, the proposed legislation should be withdrawn or continued to January 2017.*

### **Support**

**Ansley Perkins** spoke in support of ORD. 2016-137 and ORD. 2016-140 stating that other localities utilize the same types of revenue for school investment and that the city should support a dedicated funding source for RPS.

### **Discussion Item(s) - continued**

John Wack, director of Finance, clarified that approximately seven hundred businesses were currently delinquent in paying its taxes to the city.

Vice Chair Parker Agelasto asked city administration to provide the committee with updates on efforts to close the budget deficits for Fiscal Year 2016 and completing the 2015 Comprehensive Annual Financial Report (CAFR).

Lenora Reid stated that city administration anticipates distributing the Fiscal Year 2016 Fourth Quarter Revenue and Expenditure Projection Report in the month of August; she stated that in terms of the CAFR, the city has submitted all requested documents and administration hopes that review of the information will be completed shortly; however, finalization of the report is uncertain.

## **Board Vacancies**

Pamela Nichols, assistant city clerk, reviewed the mayoral appointments for the Richmond Metropolitan Transportation Authority.

**It was the consensus of the committee to approve recommendation of the following board applicant:**

### **Richmond Metropolitan Transportation Authority**

- Dr. Unwanna B. Dabney – Initial appointment

The committee requested resumes and expectations for appointees Brandon Powell and Rodney Waller. The committee noted that the surrounding localities' appointments to the authority consist of at least one elected official and members are appointed by the Board of Supervisors; therefore, they would like the mayor to consider a similar process for the city.

## **Discussion Item(s) – Continued**

Vice Chair Parker Agelasto provided an update on a potential applicant for the Richmond Metropolitan Convention and Visitors Bureau (RMCVB), also known as Richmond Region Tourism.

## **August Meeting**

Vice Chair Parker Agelasto moved to cancel the August 18<sup>th</sup> Finance and Economic Development Standing Committee meeting, which was seconded and approved ~ Vote 3/0.

## **Staff Report**

Meghan Brown, interim deputy council chief of staff, and Bill Echelberger, council budget analyst, provided the committee with the July staff report.

*A copy of the material provided has been filed.*

## **Adjournment**

There being no further business, the meeting adjourned at 5:19 p.m.