



City of Richmond

900 East Broad Street
Richmond, VA 23219
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Minutes

Organizational Development Standing Committee

Monday, February 5, 2018

5:00 PM

Council Chamber, 2nd Floor - City Hall

Committee Members and Staff in Attendance

The Honorable Chris Hilbert – Chair
The Honorable Cynthia Newbille – Vice Chair
The Honorable Andreas Addison – Member
The Honorable Parker Agelasto – Member
The Honorable Kim Gray – Member
The Honorable Michael Jones – Member
The Honorable Kristen Larson – Member
The Honorable Ellen Robertson – Member
The Honorable Reva Trammell – Member
Lou Brown Ali, Council Chief of Staff
Debra Bowles, Assistant City Clerk
Allen Jackson, City Attorney
Candice Reid, Interim City Clerk

Call to Order

Chair Chris Hilbert called the meeting to order at 6:29 p.m.

Evacuation Announcement and Citizen Speaker Guidelines

Debra Bowles, 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.

Approval of Minutes

Member Parker Agelasto moved to approve the meeting minutes of January 3, 2018, which was seconded and approved: Ayes 8 – Robertson, Larson, Agelasto, Gray, Trammell, Addison, Newbille, Hilbert. Noes – None. Abstentions 1 – Jones.

Board Vacancies

Board and Commissions Administrator Alexander Rawles reviewed board appointment applications for consideration by the committee.

It was the consensus of the committee to forward the following applicants to Council with the recommendation to approve:

<u>Board Name</u>	<u>Criteria for Appointment</u>	<u>Applicant Name</u>
Ethics Reform Task Force (11 members)	Persons with experience and expertise concerning ethical standards in both the public sector and the private sector and concerning areas, such as human resources and procurement, that may be relevant to the consideration of appropriate ethical standards for a governmental organization * (1 vacancy)	Dr. Cristen Jandreau
Maggie L. Walker Initiative Citizens Advisory Board (16 members)	Resident of the city of Richmond (1 vacancy)	Cindy P. Chambers

A copy of the material provided has been filed.

Paper(s) for Consideration

The following ordinance was considered:

ORD. 2018-017

To amend Ch. 12, art. II of the City Code by adding therein a new § 12-37, concerning the disposition of certain meals tax proceeds, and to amend City Code § 26-669, concerning the levy of a meals tax, for the purpose of increasing the meals tax from 6% to 7.5% with the intent of making additional funds available for the renovation and replacement of public school facilities in the city.

Chief Administrative Officer Selena Cuffee-Glenn introduced Senior Vice President of Public Finance with Davenport and Company, LLC, David Rose, who provided a brief overview of the city's current debt structure. Director of Finance John Wack reviewed the city's major revenue sources, the impact on Richmond Public Schools (RPS), budget challenges and the rationale for the additional 1.5% meals tax.

A copy of the material provided has been filed.

Opposition

Chris Malo expressed opposition to **ORD. 2018-017** stating that Richmond Public Schools (RPS) is being set up for failure due to not fully funding the School Board Facilities Plan proposal and also stated that there should be community input on the meals tax.

Support

Cheryl Lewis Burke, 7th District RPS School Board Representative, expressed support of **ORD. 2018-017** stating that now is the time to start giving the children of RPS a chance to be successful with a few pennies more to repair or replace school facilities.

Elizabeth Doerr, 1st District RPS School Board Representative, expressed support of **ORD. 2018-017** and spoke on the conditions of many of the schools and requested that Council support the mayor's proposal to fund a portion of the monetary needs for the proposed facilities plan.

Jason Kamras, RPS Superintendent, expressed support of **ORD. 2018-017** stating that the students of RPS need to know that the adults of the city care about them by providing them with renovated or new facilities.

Dr. Patrick Sapini, Vice Chair and 5th District Representative of the RPS School Board, expressed

his support of **ORD. 2018-017** stating that the children of RPS are an investment and they deserve a renovated or new facility for learning.

Opposition

Shannon Conway with the River Restaurant Group, expressed opposition to **ORD. 2018-017** stating that the proposed meals tax increase is the only plan available and the problems at RPS are not new, and with a new superintendent of schools there are no guarantees that the plan will not change. Ms. Conway also stated that revenue generated from a previous meals tax increase, specifically in 2003, were not 100% used to fund the intended projects stated and there is concern that the increase could be handled in the same manner.

Frank Grinetto, director of operations for six city restaurants, expressed opposition to **ORD. 2018-017** stating that Council is not holding the mayor accountable for his lack of planning and asked that customers not have to pay one of the highest meal taxes in the country.

Montigue Magruder expressed opposition to **ORD. 2018-017** stating that, should Senate Bill 750, which is currently being considered in the General Assembly pass, the mayor would then need to generate a revenue plan that does not involve raising taxes.

Jake Crocker, representing Richmond Restaurant Alliance, expressed opposition to **ORD. 2018-017** stating that the alliance believes in the city and RPS; however, they do not agree with carrying the burden, especially when the independent restaurants are already contributing more than \$33,000,000 in additional taxes not levied on any other industry.

Steve Rosser expressed opposition to **ORD. 2018-017** requesting that the city make the tax more broad-based to provide continuity and sustainability for RPS as opposed to an industry specific tax plan.

Demetrios Tsipstis, restaurant owner, expressed opposition to **ORD. 2018-017** stating that restaurants should not be the only businesses that must charge a higher meals tax, breweries should as well, which could mean that the debt resulting from new and renovated school facilities, would be paid faster. Mr. Tsipstis also stated that the tax increase would penalize the citizens of Richmond more than visitors of the city.

Scott Garnett, restaurant owner, real estate broker and a founder of Building a Better RPS, expressed opposition to **ORD. 2018-017** stating that Building a Better RPS has provided and contributed over \$200,000 to RPS with the majority of funding coming from local restaurants and breweries. Mr. Garnett also stated that the city should consider possibly increasing the real estate tax specifically for school funding, challenge Fortune 500 companies to give \$5,000,000 collectively over a period of five years, and possibly taxing those renting within the city, all of which could generate more than \$20,000,000 of additional revenue.

Mariah White expressed opposition to **ORD. 2018-017** stating that a meals tax increase will not fully fund RPS and the city needs a plan that incorporates all entities to support better facilities for all students.

James Baldwin, restaurant owner, expressed opposition to **ORD. 2018-017** stating that the plan does not offer full support of the RPS facilities plan.

Liz Kincaid, representing RVA Hospitality, expressed opposition to **ORD. 2018-017** stating that the process is moving too fast and there needs to be more time to evaluate the process to generate more revenue to support RPS.

David Hahn, restaurant owner, expressed opposition to **ORD. 2018-017** stating that asking for more money with a plan of action in place is good; however, he lacks confidence in believing that 100% of the revenue being generated from the meals tax will be going to RPS.

Support

Mary Gresham, RPS educator, expressed support of **ORD. 2018-017** stating that the children and employees of RPS need a dedicated source of funding schools and the learning environment of every student should be a top priority of Council.

Kate Minnick expressed support of **ORD. 2018-017** stating that the current conditions of RPS will cause her family to send their children to private schools or move to a neighboring county. Ms. Minnick also stated that the city needs to invest in RPS as the conditions are not acceptable for any child.

Katherine Jordan expressed support of **ORD. 2018-017** stating that this is the only offered plan to generate revenue, this is a beginning and stated that it is a good idea to develop a marketing campaign to inform customers that the additional meals tax is to offset the cost for renovations and new RPS facilities.

Amy Wentz expressed support of **ORD. 2018-017** stating that the city cannot wait on finding a revenue source to repair RPS facilities and passing the proposed legislation does not prevent members of Council from creating additional legislation to generate more revenue for RPS.

Dona Huang, program manager for Lead, Safe and Healthy Homes with the Richmond City Health District, stated that she does not support or oppose the meals tax; however, she has assessed the environmental health issues within RPS. Ms. Huang also stated that children of low income levels are attending schools that expose them more to the same issues they face at home due to indoor contaminates within RPS and these issues need to be corrected.

Member Michael Jones requested Ms. Huang's contact information for the possibility of a presentation at a future Education and Human Services Standing Committee meeting.

Greta Harris expressed support of **ORD. 2018-017** stating that she would gladly pay the additional meals tax as it would be a viable funding source dedicated to RPS.

Julia Righetti expressed support of **ORD. 2018-017** stating that the tax increase will allow for benefits for the students of RPS; however, if progress is not made within the next five years, she will move her family outside the city.

Dominic Barrett expressed support of **ORD. 2018-017** stating that, if the revenue from the meals tax is not designated to fund RPS facilities within the ordinance then support for the legislation should stop. Mr. Barrett also stated that other resources should be considered to fund RPS.

Scott Castro expressed support of **ORD. 2018-017** stating there will not be one source that resolves the RPS facilities issue but the meals tax increase is a step in the right direction; he also stated that it is not the taxes that are keeping millennials from purchasing homes within the city but the poor condition of RPS facilities.

Tichi Pinkney Eppes expressed support of **ORD. 2018-017** stating that the children of RPS cannot wait. Ms. Pinkney Eppes expressed excitement for the mayor's recommendation; however additional funding resources need to be found.

Willie Hilliard expressed support of **ORD. 2018-017** stating that something has to be done to

improve the condition of RPS facilities and the mayor has put in place a starting point; he also stated that residents will be willing to pay the extra 1.5% tax provided the revenue goes to RPS.

Lester Johnson, restaurant owner, expressed support of **ORD. 2018-017** stating that the mayor's political talking point has turned into an action plan. Mr. Johnson also stated that there is one plan for consideration at this time but the community needs to work together and the mayor, Council and School Board need to work together to pull RPS out of its current situation.

Opposition

Kandise Lucas, a founding member of Advocates for Equity in Schools, expressed opposition to **ORD. 2018-017** alleging that revenue from the meals tax imposed in Henrico County did not fund its schools as promised; therefore, a meals tax increase would not work in Richmond. Ms. Lucas stated that RPS is not fiscally responsible enough to handle funds.

Dr. Marla Crawford, expressed opposition to **ORD. 2018-017** stating there should be oversight and accountability for the use of the funds being generated for RPS. Ms. Crawford also stated that RPS is not fiscally responsible to use the meals tax increase revenue.

Roderyck Bullock, expressed opposition to **ORD. 2018-017** stating that it is not fair for the citizens that dine in the city to be forced to pay a higher meals tax. Mr. Bullock stated that the city needs to be creative in finding additional ways to generate revenue for schools.

Member Kim Gray stated that there has not been enough time for members to receive input from their respective district constituents regarding the proposed meals tax increase.

Member Reva Trammell moved to continue ORD. 2018-017 for 60 days, to allow members the opportunity to hold district meetings with constituents regarding the proposal, which was seconded.

Member Michael Jones requested the opportunity for all members to discuss the proposed legislation before voting on Member Trammell's motion. Mr. Jones stated that he was on the side of the children and the choice should be driven by their needs.

Member Ellen Robertson stated that she supports ORD. 2018-017 and the proposal is not a new beginning but a continuation of Council's support to RPS. Ms. Robertson also stated that Council should commit to getting the job done.

Member Parker Agelasto stated that 5th District constituents support RPS but they are concerned about not having a comprehensive plan to fully fund the needs of RPS. Mr. Agelasto also stated that he supports Ms. Trammell's request to continue ORD. 2018-017, as additional discussion is necessary to determine various funding sources for schools.

Member Kristen Larson offered an amendment to Ms. Trammell's motion, requesting that ORD. 2018-017 be continued to the March 12th Council meeting, to allow members time to draft amendments to the proposed legislation that could be considered at the February 26th Council meeting.

Member Andreas Addison stated that he believes there is no true comprehensive plan for RPS facilities.

Member Reva Trammell stated that she would support a 30-day continuance of ORD. 2018-017, in lieu of the 60-day continuance she requested in her original motion.

Vice Chair Cynthia Newbille stated that Council cannot delay action on fixing the deplorable conditions of RPS facilities, and the proposed meals tax increase means the beginning of the development of a comprehensive plan to fund the construction and renovation of city schools.

Chair Chris Hilbert stated that new and renovated RPS facilities are warranted at this time.

Member Reva Trammell moved to continue ORD. 2018-017 to the Monday, March 5th, Organizational Development Standing Committee meeting.

Member Parker Agelasto requested that Member Trammell's motion be amended to refer ORD. 2018-017 to the Finance and Economic Development Standing Committee meeting, on Thursday, February 15th, for the committee's deliberation of proposed amendments; to forward the recommended amendments for introduction and consideration to the Monday, February 26th, Council meeting; to refer the amended ordinance back to the Organizational Development Standing Committee meeting on Monday, March 5th, for further review and a recommendation; and to hold a final vote on the ordinance at the Monday, March 12th, Council meeting.

Assistant City Clerk Debra Bowles informed members that the committee cannot recommend referring the proposed ordinance to another standing committee; however, Council, at its next regular Formal meeting, may vote to refer it to a different standing committee.

Member Reva Trammell requested that the city attorney affirm the accuracy of the assistant city clerk's statement.

City Attorney Allen Jackson advised the committee to forward ORD. 2018-017, with no recommendation, to the Monday, February 12th, Formal Council meeting, where the body can vote to refer the ordinance to the Thursday, February 15th, Finance and Economic Development Standing Committee, for its review of any proposed amendments. City Attorney Jackson stated that the Finance and Economic Development Standing Committee may make the recommendation to amend or not to amend the ordinance and forward it to the Monday, February 26th, Formal Council meeting. He further stated that, if ORD. 2018-017 is amended at the meeting, the amended ordinance can then be referred back to the Organizational Development Standing Committee at its meeting on Monday, March 5th, and return to Council for a final vote on Monday, March 12th.

Member Kim Gray asked whether the president of Council can refer the ordinance to the Finance and Economic Development Standing Committee at the request of the Organizational Development Standing Committee.

City Attorney Allen Jackson responded that the president only has the authority to refer legislation to a committee at its introduction.

Member Reva Trammell requested that her motion to continue ORD. 2018-017 to the March 5th, Organizational Development Standing Committee meeting be considered.

The motion to continue ORD. 2018-017 to the Monday, March 5th, Organizational Development Standing Committee meeting failed: Ayes 4 – Larson, Agelasto, Gray, Trammell. Noes 5 – Jones, Robertson, Addison, Newbille, Hilbert.

Member Michael Jones moved to forward ORD. 2018-017, with recommendation to approve, to the Monday, February 12th, Council meeting, which was seconded and passed: Ayes 5 – Jones, Robertson, Addison, Newbille, Hilbert. Noes, 3, Larson, Agelasto, Gray. Abstentions 1 – Trammell.

Discussion Item(s)

Council Procedures for the FY2019 Budget Review Process

Deputy Council Chief of Staff Meghan Brown provided the committee members with a copy of the 2019/2020 Budget Review and Approval Process for their review.

A copy of the material provided has been filed.

Adjournment

There being no further business, the meeting adjourned at 10:04 p.m.