

The work session meeting of the Petersburg City Council was held on Tuesday, April 1, 2025 at the Petersburg Public Library. Mayor Parham called the meeting to order at 5:14 p.m. The meeting video link is <https://petersburgva.new.swagit.com/videos/338898>.

1. ROLL CALL:

Present:

Samuel Parham, Mayor – Ward 3
Darrin Hill, Vice Mayor – Ward 2
Charles Cuthbert, Jr., Councilor – Ward 4
W. Howard Myers, Councilor – Ward 5
Annette Smith-Lee, Councilor - Ward 6
Arnold Westbrook, Jr., Councilor – Ward 7

Absent:

Marlow Jones, Councilor – Ward 1 (Late)D/Aiuto

Present from City Council Administration:

City Manager John March Altman, Jr.
City Attorney Anthony C. Williams
City Clerk Tangi R. Hill

2. PRAYER:

Vice Mayor Hill led the Council meeting in prayer.

3. PLEDGE OF ALLEGIANCE:

Mayor Parham led the Council and the citizens in the pledge of allegiance.

4. DETERMINATION OF THE PRESENCE OF A QUORUM:

A quorum was present.

5. PROCLAMATIONS/RECOGNITIONS/PRESENTATION OF CEREMONIAL PROCLAMATIONS

National Child Abuse Prevention Month Proclamation

Mayor Parham presented the Proclamation for National Child Abuse Prevention Month.

A representative from Social Services accepted the proclamation.

Week of the Young Child, April 5-11, 2025, Proclamation

Mayor Parham presented the Proclamation for the Week of the Young Child.

Bill D'Aiuto, Petersburg Department of Social Services Director, accepted the proclamation.

6. PUBLIC COMMENTS

Pamela Lundy, 12 North Birch Street, said that a drainage problem had persisted on North Birch Street because there was no drainage system in place on Foley Street, which caused water to overflow and flood the houses. Cars became stuck, and it was resulting in financial losses. She

had a contractor assess the situation who stated that it was impossible to access the backyard due to the existing conditions. Although some drainage had been installed on Birch Street a couple of years ago, the water was now flowing from Foley Street, which was eroding her yard at 12 North Birch Street. She said the improvements would be expensive, but it was currently costing her a lot, as well. She asked Council to consider including the Foley Street area in the storm and flood study, as it was causing significant issues with rodents, mold, and cars becoming stuck.

Harriet Wynn, 405 Grove Avenue, had concerns about the approved plans for 401 Grove Avenue. She said that she had been trying to understand the approved building plans, including the proximity of her house to the building, and the parking space allocated for this property. From a safety perspective, she was concerned about her house, the street, and the safety implications of a two-story building with rental units upstairs and office space at the bottom, situated on a small lot.

Council Member Cuthbert noted that it appeared all necessary approvals had been granted, leaving little room for action at this point. He said that he understood Ms. Wynn's concerns, and he asked if there were any available options for addressing them.

John Altman, City Manager, said that if the property was in compliance with the zoning regulations, there was not much that they could do because it was meeting the code requirements. He was not aware of any actions they could take to preventing them from building the house.

7. APPROVAL OF CONSENT AGENDA (TO INCLUDE MINUTES OF PREVIOUS MEETINGS):

- a. Minutes of Previous Meetings:
 - March 18, 2025 Closed Session
 - March 18, 2025 City Council Meeting
 - November 19, 2024 City Council Meeting
 - November 6, 2024 City Council Work Session
- b. First Reading and Schedule a Public Hearing for Consideration of an Ordinance Authorizing the City Manager to Execute a Deed of Easement Between the City of Petersburg and Virginia Electric and Power Company to Install a Transformer and Associated Underground Conduits and Cables for the Poor Creek Pumping Station Project on City Property Located at 16 Raleigh Avenue
- c. First Reading and Schedule an Official Public Hearing for Consideration of an Ordinance Authorizing the City Manager to Execute a Deed of Easement to Virginia Electric and Power Company Across the Property Located at 1937 Johnson Avenue
- d. First Read and Schedule a Public Hearing for Consideration of an Amendment to the FY25 Petersburg City Public Schools Budget, in the Amount of \$4,523,723
- e. First Read and Schedule a Public Hearing for Consideration of an Amendment to the FY25 Grants Fund & the FY25 Streets Fund
- f. First Read and to Schedule a Public Hearing of an Ordinance Request by Crater Center, LLC to Amend the Zoning Ordinance of the City of Petersburg to Allow Recreational Substance Retail Uses in the B-2, General Commercial Zoning District with an Approved Special Use Permit and At Least 1,000 Linear Feet from the Property Line of Any Child Day Care Center or Public, Private, or Parochial School

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- g. First Read and to Schedule a Public Hearing of an Ordinance for a Request by Alexander Graham, Jr., on Behalf of the Warrenton Group, to Rezone Property at 2233 Halifax Road, Parcel ID 076030800, from the A, Agricultural, District to the M-1, Light Industrial, District with Proffers
 - h. First Read and to Schedule a Public Hearing of an Ordinance for an Amendment to the Zoning Ordinance of the City of Petersburg Pertaining to the Introduction of Civil Penalties for Violations of the Zoning Ordinance
 - i. First Reading and Schedule a Public Hearing on an Ordinance to Authorize the Purchase of Property Located at 530 E. Washington Street - Tax Parcel ID No. 012280013
 - j. A Resolution Authorizing the City Manager to Execute an Amended Development Agreement Between the City of Petersburg and ECIMED-1, LLC for the Development of 101 West Washington Street Located in Petersburg, VA
 - k. An Ordinance Authorizing the City Manager to Execute the Purchase Option Agreement Between the City of Petersburg and SUBSTRATE LLC for the Development of 130 N. Union Street and 122-124 West Tabb Street Located in Petersburg, VA
 - l. An Ordinance Authorizing the City Manager to Execute a Land Use Agreement Between the City of Petersburg and Morgan Contracting to Utilize City Property (1015 Commerce Street) for the Purpose of a Lay Down/Storage Area for the Construction of the Poor Creek Force Main Project

Vice Mayor Hill made a motion to approve the Consent Agenda as presented. Council Member Myers seconded the motion.

There was no discussion on the motion. The motion was approved on a roll call vote.

On a roll call vote, voting yes: Cuthbert, Jones, Myers, Westbrook, Smith-Lee, Hill, and Parham; no: N/A; Abstain: N/A.

8. **SPECIAL REPORTS**

Petersburg Area Transit Moving the City of Petersburg Forward -Darius Mason, Director of Mass Transit

Darius Mason, Director of Petersburg Area Transit, said the discussion they were about to have concerned the aging fleet. He was an enthusiastic supporter of the City of Petersburg's potential growth in the near future. One of the City's biggest accomplishments was providing transit service to its citizens. PAT provided transit transportation access throughout all parts of Petersburg and the tri-cities, which had a positive impact on the local economy, government, retail, and tourism. He said he started working with the City of Petersburg as a transit operator about 18 years ago. In his second year, they had received seven to nine brand new transit buses through a lease-to-own program with BB&T Bank. In order to move the City forward, they needed to replace the rolling stock.

Mr. Mason said the useful life of a large, heavy-duty transit bus that seated 35 to 40 individuals was 12 years. A medium-light-duty transit bus that seated 25 to 35 was five years. A light-duty bus, 30 feet or less, seating 15 passengers, was four years. Everything highlighted in red on the slide had reached its end of life. He explained that the data in green represented the buses that were still available for use, with the two yellow highlighted buses expected to reach their end of life this year. He noted that the next slide displayed a service interruption form used by the maintenance department and dispatchers, detailing the mechanical breakdowns of the fleet. The majority of these issues were related to buses

that had reached their end of life.

Mr. Mason said they planned to build a new casino in Petersburg, serving citizens from Richmond, Henrico, Hopewell, Dinwiddie, and Colonial Heights. He aimed to ensure that the buses were well-maintained and presentable, unlike the current state of the fleet. The department was in talks with ABC Companies, a company that manufactured the trolleys in the City, to acquire 40-foot transit buses through Hometown Bus Company. He believed this was a development that should have been brought to the Council's attention five years ago. He regretted that he was not in a position to make this recommendation five years ago.

Mr. Mason likened the transit employees' role to that of the police department or the fire department, as they were also public servants. Their goal was to transport citizens, including the council members, who often took tours of the City, in a more efficient and reliable manner.

Vice Mayor Hill asked for more information on the fleet.

Mr. Mason replied that they had 29 buses, and 22 had met the useful life. He said that GRTC had donated four buses, and they were in the process of donating two more until they could get more rolling stock. He said that he was in talks with the City Manager and the Davenport Group to find replacement solutions. He stated that they were spending almost \$350,000 annually on repairs for these buses, which was significantly impacting the budget. He suggested that acquiring seven or ten new buses would greatly benefit the transit system. He said that they still had to consider disposal of the 22 buses that had met the end of the useful life.

Vice Mayor Hill asked about the extent of the City's service area.

Mr. Mason stated that GRTC currently covered most areas north of their service area, and their focus was on expanding south, with discussions underway with Brunswick County. He also mentioned that they were exploring potential partnerships with the City of Emporia and the County of Prince George. He said that they required more rolling stock to expand the service area.

Council Member Smith-Lee asked what the average cost for a bus was.

Mr. Mason stated that the buses they were considering through the ABC Company were a \$750,000 model, which came equipped with various features, including cameras, fare boxes, bike racks, passenger counters, and driver protective barriers. He said that the Gillig buses, the current fleet model, cost about \$1 million, and they did not include any of the additional equipment on delivery, so that would incur an additional cost. He said that buses took between 12 to 18 months to manufacture.

Council Member Jones asked how many miles per year were travelled within the City.

Mr. Mason estimated over 900,000 miles.

Council Member Jones asked if they would replace a bus that had low mileage but had reached the end of its useful life.

Mr. Mason said that according to FTA standards, once a vehicle reached its useful life, it must be disposed. He stated that the option to extend the vehicle's useful life was available, but it came at a cost to keep them in service.

Council Member Jones asked for information about any preventative maintenance programs.

Mr. Mason stated that they utilized a preventive maintenance software called Fleet Maintenance Pro, and the maintenance department performed worked on all of the buses on a maintenance schedule.

Council Member Jones asked if expanding the service area would reduce the service life of the buses.

Mr. Mason said that was not necessarily the case. He said that they secured their funding through a combination of miles driven and ridership.

Council Member Jones asked what programs were in place to provide the best possible training for workers.

Mr. Mason stated that they had a state-of-the-art training program called TAPCO, which was provided to every new transit employee when they began their training and was maintained through the safety coordinator for ongoing training.

Council Member Jones asked why they were seeking grants for bus shelters when they had the equipment in storage, apparently sitting out in the elements for years.

Mr. Mason replied that they had the materials for three bus shelters and 30 benches.

Council Member Jones asked why they were not installed.

Mr. Mason replied that they had 420 bus stops. He said they had to prioritize bus stops.

Council Member Jones asked how long the materials had been in storage.

Mr. Mason said they had been in storage for a couple of years.

City Manager Altman explained that a commitment had been made to relocate and install a shelter on 6 South Sycamore, but when they reviewed the email, they discovered that the director had left just two weeks after the commitment was made. As a result, they were catching up on this. He acknowledged that they were working to establish and prioritize other commitments.

City Manager Altman agreed that prioritizing the shelters was essential. He stated that allocating necessary funding to put in pads and get the shelters up was crucial. Once the pads were in place, they could likely have one up in about three weeks, including the concrete pad and setup. They had more need for shelters than they currently had available and that prioritizing those needs was a matter of urgency. If the Council identified areas where they would like to add shelters, he was more than happy to work towards making that happen and finding funding for those projects.

Mayor Parham clarified that the shelters and benches were acquired under the previous director.

Mr. Mason said that was correct. Prioritizing bus stops was not an easy task, as many of the streets lacked sidewalks where bus stops were located. He explained that to accommodate a bus stop, they would need to cut a pad, then install a shelter, and add a bench.

Council Member Jones stated that the answer he received last time they were here was that they would look for grants when they already had at least one shelter. He expressed concern that they would follow the same process with the grants, letting the bus stops and canopies sit in storage. He urged everyone to prioritize the bus stops in addition to the buses. He said they should place importance on the people who use the buses.

Mayor Parham asked for more information about the Petersburg Walmart bus stop.

Mr. Mason said they spoke with Walmart and learned that they had a bus shelter located at the store entrance. The area where the two bus benches were situated was created by the City. Unfortunately, Walmart would not permit the installation of a bus shelter due to it being private property.

Mayor Parham asked if they could use eminent domain to install a bus stop at Walmart.

Anthony Williams, City Attorney, said eminent domain could be used, but it was a long and expensive process.

Mayor Parham requested that staff investigate this matter and provide Council with possible solutions. This was a public safety issue. He noted that the high volume of traffic through that area posed a challenge, as there was insufficient seating for individuals with children, forcing them to stand near the curb.

Mr. Mason suggested that the easiest solution for the Walmart location would be to ask Walmart to provide two parking spaces on the pavement, which could then be accompanied by two benches and shelters.

Council Member Jones said there was a bus stop at the corner, which actually originated from the other shopping center and had been relocated. He said that was the problem, because shoppers at the other shopping center had to walk far to get to the bus stop.

Mr. Mason said the reason they relocated the bus stop was a very serious safety issue. They had numerous bus accidents in that area. Just last week, they had an accident where someone ran into the back of the bus. This was becoming a safety concern, as the buses were getting damaged. People who worked in the nearby stores would park their vehicles near the bus stop, causing additional safety issues. His safety coordinator, who was responsible for all safety-related matters, had brought this to his attention. He stated that the issue was the bus route. He suggested that to improve efficiency and safety, the buses could secure two parking spaces when entering Walmart's lot, thereby reducing congestion at the corner.

Mr. Williams said that he and the City Manager could meet with Council Member Jones, Vice Mayor Hill, and Mr. Mason to review the Walmart bus stop issue.

Presentation to Discuss Allocation of the Remaining \$132,090 in Community Development Block Grant (CDBG) COVID CARES Act Funds to Support Social Services

Jennifer Murphy-James, CDGB Administrator, reported that in October 2024, the CDBG Advisory Board had \$264,000 in CDGB funds available from the 2019 COVID CARES Act. She stated that \$132,000 was awarded to support critical home repairs. She noted that the Board had listened to public comments and understood the concern to address the needs of the unsheltered and homeless in the City. HUD mandates required the City to address homelessness. She said that in the Five-Year Consolidated Plan, which was from 2020 to 2025, it identified addressing homelessness as a priority.

Ms. Murphy explained that the Advisory Board, along with herself, the PCD Director, and the Advisory Board Chair, held several meetings with stakeholders, including Ms. Pat Hines, director of The Hub shelter, the Healthy Start Loving Steps program, and the Department of Social Services. She shared that they gathered information on the issue and presented it to the Advisory Board members on February 12. She reported that on February 28, the Advisory Board voted on a plan of action. HUD required the City to address the unsheltered concern as per the Petersburg's 2020-2024 CDGB Consolidated Plan, which indicated that homelessness was an area that would be remediated.

Ms. Murphy said that at a Council meeting on February 6, 2024, citizens also requested that the City address the issue of homelessness. She stated that the Advisory Board requested support for the City Department of Social Services to address homelessness prevention and remediation, utilizing the remaining COVID CARES Act funds in the amount of \$132,090. She explained that the factors contributing to homelessness, such as high housing costs, inflation, natural disasters, migration, and economic downturns, had led to the rise in homelessness in the City of Petersburg.

Ms. Murphy noted that the City had one of the highest eviction rates in the state for a mid-sized city and a significant homeless population. She cited the Crater Area Coalition on Homelessness's (CACH) report of 681 unsheltered individuals in 2024 and a July 26, 2022 article in the Progress Index, which indicated a large homeless population and the lack of nearby shelters. She said that in 2022, the City hosted its first housing summit. To sort out these solutions, the City had to examine the availability of affordable housing and programs that provided support for the transition into permanent housing. She said they needed to consider temporary shelters, rent subsidies, and a system of coordinated care.

Ms. Murphy said the goal was to create an effective delivery of support services that could foster potential collaborations within the City of Petersburg. The Department of Social Services would lead the coordination, and unhoused individuals and families would receive targeted services such as outreach, intake, assessment, emergency shelter, rapid rehousing, and rent assistance. The ultimate goal was permanent housing and stability. She said the request was for the remaining CDBG funds to be used to support the Department of Social Services in their coordination, collaboration, and delivery of homeless prevention and remediation services. The City was currently celebrating the 50th anniversary of the CDGB program. Through their experience, they learned that award-winning CDGB projects were often the result of collaboration, and they believed that the Department of Social Services was the ideal partner for this effort.

Vice Mayor Hill asked how regional trends were applied to the City.

Ms. Murphy stated that a cycle of overflow existed in the region, causing people to move between Hopewell, Petersburg, and Colonial Heights. Public health rankings showed that homelessness and being unsheltered were significant social determinants of health, putting individuals at high risk. She noted that the City of Petersburg and the City of Hopewell ranked at the bottom of these rankings. One of the goals was to improve this status by supporting efforts to prevent homelessness and, by extension, child abuse prevention.

Ms. Murphy said she spoke to a representative from CACH, and according to the point-in-time count, 28 individuals were found to be approachable, but due to safety concerns, not everyone could be approached, and the count only included 28 individuals in the City.

Council Member Jones noted that homelessness and unhoused were different terms. He said that some people chose to be homeless, and those people should not receive targeted care. He said that hotels and motels were not houses, so people staying in these places were still unhoused. He noted that schools were facing issues due to unhoused students. He highlighted the need for a way out of homelessness and into homeownership. Before focusing on individuals who did not want to be housed, he believed they needed to prioritize those who were truly unhoused, specifically the women and men currently residing in hotels and motels and those with children.

Council Member Jones said one point he had made to the School Board and Council in the past was that when a child's address was at a hotel, the relevant school or hotel should contact social services, and social services should then conduct a welfare check. He was appalled by the reality that hotels could be used for human trafficking, sex trafficking, and other illicit activities. Additionally, he was concerned about the potential for parents to become entangled in these situations, inadvertently putting their children at risk. He was not concerned about individuals who simply wanted to be homeless, as their children did not have a voice to advocate for themselves.

Council Member Jones said he believed the true homelessness count was much higher than what the figures indicated. He said that hotels needed to be raided, and there should be daily welfare checks. He said that parents needed help. He said that the Housing Authority should be more involved, as they owned property, had beautiful apartments, both new and old, and had available space. He said they were not doing anything, and that was one of the issues he wished to discuss. He stated that targeted

services were essential. He said these should be provided to those who were struggling with addiction, who were struggling to find their next meal, he wanted to acknowledge the many people who were working to help them.

Council Member Jones expressed concerns about the lack of background checks on people when the City provided them with housing. He said that they needed to conduct thorough research before providing aid. But they also knew that there were people in need right now. Their priority should be the well-being of children in the City. He said that he needed to see the database and see where the homeless people were coming from.

Ms. Murphy-James said that she agreed. She said that she thought she needed to apologize to all the members of City Council, as it appeared that her presentation did not effectively convey her intention. She said that the presentation failed to clearly present the ask of the Advisory Board, which was that the Department of Social Services be supported in their efforts to prevent and remediate homelessness.

Ms. Murphy-James said that the Director of Social Services was present and may be able to speak to the issue more eloquently. She explained that the funds would be used to support the ongoing work of Social Services, preventing families from being evicted or ending up in hotels in the first place, and in the event that emergency services were needed, they would receive that support. She said that she would like to share a bit about her background. She had been involved in community organizing since she was 18 years old; she had worked in some of the roughest areas in New York, and she moved to Richmond in 2007.

Ms. Murphy-James said that she had spent over six and a half years working in Petersburg, and she was deeply familiar with the issues and concerns in their community. As an advocate for children and families, she strongly believed that children were being harmed by being raised in hotels, and this was an issue that the Area Coalition on Homeless was working to address. She said that the Department of Social Services was seeking to coordinate services amongst providers, including Pat Hines and the Housing Authority, to develop a coordinated system of care that would prevent families from becoming homeless in the first place.

Council Member Jones stated that he thought they needed to distinguish between helping with homelessness and helping the unhoused.

Ms. Murphy-James said that what they were focusing on was prevention first, followed by remediation. She said that they were aiming to prevent individuals from ending up in a position of being unhoused, unsheltered, or homeless. To gain a better understanding of the entire scope, she would like to invite Mr. D'Aiuto to share more about the services provided by the Department of Social Services and elaborate on how these funds would support his efforts.

Council Member Jones said that he would like to discuss the high eviction rates in their area. He noted that one of the reasons for this was that many people were being evicted by slumlords, which was a problem the City needed to address. He said that they were currently working to target these landlords so people would not have to rent from them. He emphasized that they needed a program to provide support to those who were struggling so they did not end up in hotels.

Ms. Murphy-James clarified that the Housing Authority does offer programs to assist individuals, including teaching them about credit, building their savings, and helping them transition from subsidized housing to homeownership; these programs do exist.

Mayor Parham stated that he had to leave to attend a ribbon-cutting ceremony for ANSA McAL's BleachTech facility, which was the company's largest acquisition to date. Before he left, he wanted to add that they should coordinate with the schools. He noted that the School Board had been addressing

something that the City needed to address as well, which were the mental health and trauma aspects related to homelessness and unsheltered issues. If they did not address these concerns, their children would struggle to learn. Therefore, they must integrate these issues and focus on addressing the youth's health and education.

Vice Mayor Hill presided over the remaining of the meeting.

Council Member Cuthbert said that he would like to clarify a point. He said that on page 196, it was stated that \$132,000 was awarded to support critical home repair. He asked if staff was suggesting that they divert that \$132,000 away from critical home repair.

Ms. Murphy-James replied no; the original amount left over was \$264,000. She explained that half of that amount was originally allocated to Project Homes to conduct critical home repairs, ensuring the safety of the individuals living in these homes. The remaining balance was \$132,000, and they were requesting that this balance be awarded to the Department of Social Services to coordinate the prevention of homelessness and remediation efforts. This funding would enable them to provide support services as part of a coordinated system of care.

Council Member Cuthbert said that he was unclear about the breakdown of how these funds would be utilized. He asked if it was determined that the \$132,000 was the right amount for the work.

Ms. Murphy-James replied yes; the Social Services Department would be using that funding directly for prevention services such as rent assistance and utility assistance. She said that she would like Mr. D'Aiuto to come up and discuss a program he currently had, which would be supplemented by this funding.

William D'Aiuto, Director of Social Services, stated he would provide more information about the program Ms. Murphy-James referenced. He explained that they received approximately \$32,000 to \$34,000 from the Federal Child Abuse Prevention Fund each fiscal year, which promoted safe and stable families. This funding was typically available at the beginning of the fiscal year and was usually spent within three to four months, as they focused on maintaining families and homes that came to their attention.

Mr. D'Aiuto continued that when the CDBG manager reached out to them several months ago to discuss the potential of this program, they felt that they could leverage their existing infrastructure. Since there would be no extra administrative costs, the full \$132,000 would be available for services. He was not aware of the specific HUD restrictions, but he believed that they could work within those guidelines.

Mr. D'Aiuto noted that based on the comments heard tonight, staff certainly could focus their work to assist families who were currently living in hotels and motels. He stated that this collaboration would allow them to use their resources efficiently, without having to establish new infrastructure, and would help to make the most of the limited time frame, as the funding must be spent by next July. He said that when they worked with families who received prevention funding, they must agree to a two-month voluntary agreement to collaborate with them through case management.

Mr. D'Aiuto explained that as part of this agreement, they not only provided assistance to help them secure a more stable living situation, but they also committed to working with them for at least two months. During this time, they aimed to connect them to other community resources, including job services, financial assistance, and other relevant services. He believed this plan allowed them to quickly utilize the funding to support those in crisis and provide comprehensive support.

Council Member Cuthbert said that they had documented that there were 681 unsheltered individuals in the area, not just within Petersburg, but also outside of it. He stated that when they successfully

assisted a homeless individual or family in leaving a hotel, there would be an empty room. He asked how that room would be filled.

Mr. D'Aiuto replied that he was unable to speculate on that matter. He noted that there were City regulations in place that required a person could not stay in a motel for more than 30 days, after which they may be eligible for a 90-day extension. He stated his department did become involved when these extensions were requested. Over the eight months he had been in this role, they had a few instances where they had worked with families in need, connecting them to other services. He said that outside of these exceptions, there was little to prevent individuals who could pay from occupying motel rooms, which motel owners would likely seek to fill.

Council Member Cuthbert expressed concern that the impacts of these efforts may be limited in terms of how they helped Petersburg residents.

Mr. D'Aiuto acknowledged Council Member Cuthbert's concern; however, the funding was time-sensitive and the CDBG staff was likely trying to prevent it from being lost. He said that they were aware of the current need, and he believed that they were seeking the opportunity to use this funding to help individuals who were currently in crisis.

Council Member Cuthbert asked if they could instead allocate this funding to the other \$132,000 in critical home repair.

Ms. Murphy-James explained that when staff first presented to the City Council, they had requested that the full \$264,000 be allocated to critical home repair, and \$132,000 was ultimately awarded to that program. They listened to the public comments and members of the community, including Ms. Pat Hines, and representatives from the Housing Authority expressed concerns that they should be addressing the needs of individuals who were not housed or at risk of losing housing.

Ms. Murphy-James said that they took their comments into consideration, and the Advisory Board regrouped. She said that they then met with Ms. Hines and other community stakeholders to find a solution that made the most sense. She said that given that the Department of Social Services already had the necessary infrastructure to operate a program like this, and to facilitate coordination between service providers and stakeholders, this solution seemed like the best option.

Council Member Cuthbert asked if specific action was requested of the Board today.

Ms. Murphy-James replied yes; the Council was being asked to approve the use of the \$132,090 that was being awarded to the Department of Social Services. She clarified that this action was not requested today.

City Manager Altman clarified said that the request was simply to gauge the Council's agreement on this matter, and they would need to bring back as a formal action to allocate the funding. He said that they could use these funds for the housing piece that they had funded with the other half of the funding. He noted that there were specific limitations because it was CARES Act funding, so there was a set amount of uses they could use the funding for.

Council Member Cuthbert said that while he acknowledged that some benefits may come from the proposal staff presented, he questioned whether it would create a vacuum that would attract more homeless individuals into the spaces they had moved someone else out of. He said that in his assessment, a more effective use of the funding would be to allocate the first half to critical home repair, allowing income-restricted seniors to stay in their homes for longer. He said that this approach would also help address blight and prevent the creation of a vacuum that would draw in more unsheltered individuals into Petersburg.

Vice Mayor Hill said that they had divided the last allocation because his goal was to support both those individuals living in homes and those without a place to go, with the aim of helping them transition into some form of housing.

Council Member Jones said that to turn off the vacuum, they need to cut off its power source. Their goal was to help their seniors stay in their homes longer without relying on grants or CDBG funding; they needed to provide better tax breaks for seniors. When they talked about blight, they should focus on enforcing code enforcement and building up their community, just like they were doing with their Fire and Police Departments.

Council Member Jones said that he had previously declined the critical home repair funding, as suggested by the Vice Mayor, because they wanted to split the money. Before they voted next time, he thought they had not considered all the stakeholders involved, including Social Services, the Housing Authority, hotel owners, and the school system. He said that they wanted to house everyone, but they had not had a comprehensive discussion to identify and prioritize their needs. He asked if the Director had walked through Pecan Acres or Penn Oaks.

Mr. D'Aiuto replied no, he had not.

Council Member Jones emphasized that Mr. D'Aiuto needed to visit all of the City schools to understand their children's situations. He reiterated that their Social Services Department needed to sit down with the School Board and work together to find the best solutions. He stated that he wanted to give Social Services what they needed to succeed, but they must first work together with everyone affected by this problem in order to identify the best route for success.

Vice Mayor Hill noted that it appeared that Social Services had engaged with all relevant stakeholders except for the schools and hotel owners, so perhaps that could be an additional step. He asked if they could bring this item back on April 15.

City Manager Altman suggested that they should let staff regroup and meet with everyone to discuss the matter further. After that conversation, they could revisit the proposal and bring it back to the table. He said that it was possible that they would not be able to finalize it within the next two weeks, but they should aim to have a solution in place and involve all the necessary parties when they did.

9. MONTHLY REPORTS

There were no items under this portion of the agenda.

10. FINANCE AND BUDGET REPORT

FY2025-2026 Proposed Operating Budget

Garry Cozier, Budget Manager, said that tonight, staff would like to present their proposed budget to Council. They would be having future discussions in their regularly scheduled meetings, community meetings, and a special budget meeting. He stated that they were proposing an entire all funds budget of \$138,931,917, with the breakdown of funding listed on the. He noted that they would have a full in-depth presentation regarding the budget at a following meeting.

City Manager Altman said that for the Council's benefit, they would be working with the Clerk to schedule meetings with each Council Member to review the budget, as they had done in the past. They would also be scheduling community meetings to present information, gather input from citizens, and ensure that their voices were heard.

Council Member Cuthbert expressed concern that it was difficult to change a proposal once it had been

presented. He stated that he believed consultation with Council should occur before a budget was proposed.

City Manager Altman said that the General Fund was where Council had the ability to make changes, as it was the primary source of funding for the City's operations and budgeting. He said that unlike other funds, which typically generated their own revenue, the General Fund relied on the City's overall budget to function. He said that he had experience with this process in other places, and he could attest that there was certainly room for discussion and flexibility in the budget. He said that this was a presentation of a proposed budget, and throughout the process, there was an opportunity to amend the proposal and make adjustments as needed.

Vice Mayor Hill asked when the two-on-two meetings with Council would take place.

City Manager Altman said that he would be working with Ms. Hill to schedule those appointments with Council. They hoped to start scheduling them for next week, but the sooner they could do so, the better.

Council Member Jones asked how grants were calculated into the total budget.

City Manager Altman explained that the top section of the chart showed the revenue they collected into those funds, while the bottom section displayed the expenditures. The top line, General Fund, represented their tax collection, which equaled that amount. The Grants Fund section showed the grants they received, with the top line being the grants received in and the bottom line being the expenditures. Their budget would be divided into two main sections: a revenue section and an expenditure section. The expenditure section represented the funds they were spending to operate the City on a daily basis throughout the fiscal year.

Mr. Cozier said that this was just to start. He said that grants must come before the Council before they can be appropriated and, when they did, that was when they amended the Grants Fund, which allowed the number to increase throughout the fiscal year. He said that currently, the presented number was primarily covering their two recurring grants to City departments, serving as a baseline.

Council Member Jones asked how the Operating Budget fit into the overall budget.

City Manager Altman clarified that the operating budget was the General Fund; it was used to cover their operating expenses throughout the year, which included employees, EMS, medical supplies, fire uniforms, and other non-capital costs.

Council Member Jones asked if they would continue to balance the budget as the City grew, or if they would have extra money to work with.

Mr. Cozier stated that it would always be balanced.

City Manager Altman said that as per code, he was required to present a balanced budget to the Council. He said that if those additional revenues came in, his plan was to allocate a certain percentage towards operating expenses, while also setting aside funds for capital projects, schools, and economic development. When they received the additional revenue, they would have the ability to prioritize certain projects for Council consideration. He said that they would not divert all of it to the administration, as that would imply that the costs of operating were fixed. They were also keeping pace with inflation on some items and addressing other costs they were facing.

City Manager Altman noted that some positive news was that their health insurance renewal came in at a 0% increase, so there was no additional expense. He said that one of the things he had discussed was the class and compensation system, which would help them implement a new step and account for

the compression within their workforce. He said that as they grew and additional revenue came in, his goal was not to put it all towards the General Fund. Rather, he aimed to hold some of it in reserve, divide it out, and keep it available to address issues and provide a cushion for future challenges, allowing Council to make informed decisions and plan for the long-term.

Council Member Jones said that he appreciated the opportunity to learn this information. He acknowledged that he did not have all the information, and neither did the citizens. He said that education was essential, and he hoped they could establish a class, possibly a quarterly one, to teach him and the citizens about this budget information. He stated that regarding the pay structure, as their revenue increased, he believed they should prioritize the well-being of their employees, particularly those on the lowest end of the pay scale.

Vice Mayor Hill noted that Council would have a comprehensive review of the past years' spending. He said that they would be able to see everything that was spent, and note any potential for adjustments in their two-on-two meetings.

Council Member Jones asked where the revenues from cigarette taxes and other local taxes was accounted for in the budget.

City Manager Altman said that revenue came into the General Fund, which included personal property taxes, real estate taxes, machinery and tools (M&T), and other expenses such as meals and lodging. He said that this was where they accounted for that revenue. He said that the Vice Mayor and he attended the Mayor's and Chairs meeting last night, and one of the topics discussed was potentially establishing a Citizens Academy. This would involve citizens applying and spending time with each department, learning about how government worked. He expressed his appreciation for Council Member Jones' point about education, and he was aware that they had successfully implemented similar initiatives with their community presentations and budgeting process over the past couple of years.

Council Member Westbrook stated that over the past three months, he had been actively advocating for the implementation of a plastic bag tax. He said that this was a concept that was already being implemented in nearby cities and other locations had a \$0.05 tax on plastic bags. He said that he was wondering if, during their upcoming two-on-two meeting with Council, staff could provide him with some insight into what a plastic bag tax might look like in their City, so that he could begin preparing for next year's budget.

Mr. Cozier confirmed that they could definitely look into that.

Council Member Cuthbert asked what the General Fund revenue line in the budget was in Fiscal Year 24.

Mr. Cozier replied that in 2024, the amended budget was \$88 million.

Council Member Cuthbert asked if the increase in the fund balance of \$9.3 million meant that revenues were that much higher than the budgeted amount.

Mr. Cozier replied no; the budget was simply the plan. For Fiscal Year 2024, which ended June 30, 2024, the original budget was \$88 million for the General Fund. The revised budget for Fiscal Year 2025 was adopted at \$94 million, and it was recently amended to \$96 million. He said that this budget represented an increase from the current \$96 million budget.

Council Member Cuthbert said that this resulted in an \$8 million increase. He asked if these calculations assumed the tax rate would stay the same.

Mr. Cozier confirmed that these numbers did recommend that.

Council Member Cuthbert said that the underlying assumption was that the real estate tax rate, the personal property tax rate, the meals and lodging tax rate, and all other tax rates would remain the same.

Mr. Cozier replied that was correct; that was the assumption.

Council Member Cuthbert said that it appeared to him that the taxpayer was being left out of consideration in this budget process. The taxpayer was a legitimate stakeholder in all of this, and it was essential that their interests were taken into account. As Council Member Jones stated earlier this evening, one of the reasons their citizens were struggling to maintain their properties was that the high tax rates were a significant burden.

Council Member Cuthbert said that it cost the City approximately \$250,000 or \$300,000 to lower the real estate tax rate by just one penny. They were discussing a general revenue expenditure increase of \$8 million, with no benefits to the taxpayer. He emphasized that this was a pressing issue that the Council needed to address, and it seemed unfair that the taxpayer was expected to continue paying without any relief.

Council Member Cuthbert stated that he believed there needed to be a sharing of these revenues, and one way to achieve this was by adjusting tax rates downward instead of simply increasing them. He stated that he was recommending that some of the \$8 million increase be returned to the taxpayer, not necessarily the entire amount, but rather a portion of it.

Council Member Smith-Lee said that as Council Members, they would review the budget line by line, item by item, to identify any concerns or discrepancies. She said that Council would work with their Finance and Budget staff to come up with potential solutions after they had familiarized themselves with this initial presentation.

Council Member Jones expressed his gratitude to staff for answering Council's questions and concerns and explaining the presented information.

Vice Mayor Hill stated that the Citizens Academy that City Manager Altman had mentioned would allow citizens to learn about all aspects of their local government and provide them with a certificate at the end of the class.

FY24 Fund Balance Report

Garry Cozier, Budget Manager, stated that Council had requested an explanation of the factors contributing to the increase in the fund balance from their most recent closed fiscal year. He said that the fund balance was divided into two categories: non-spendable fund balance, also known as committed, and unassigned fund balance; the latter was typically the focus at the end of the fiscal year. With the combined two, the increase in the non-spendable fund balance rose by approximately \$958,000, while the unassigned fund balance increased by roughly \$8 million, resulting in a total increase of over \$9 million.

Mr. Cozier explained that the unassigned fund balance was comprised of several components. He said that from their budget, they had a planned amount, but the actual amount collected was slightly over \$6 million more than what they budgeted. He said that they incurred \$2 million less in expenses than planned. This combination of increased revenues and reduced expenses was the composition of the fund balance increase.

Mr. Cozier stated that to examine the components of the revenue increase and fund balance, this

included lines where they collected more or less than planned. He said that notable examples included general property taxes, which exceeded their expectations, and miscellaneous revenue, which included taxes such as auto rental tax and local sales and use taxes. They had some taxes previously classified as miscellaneous revenue and were now being accounted for as taxes receivable.

Mr. Cozier said that the American Rescue Plan Act line showed a loss of revenue. He explained that as the plan was implemented in 2020, they were allocating certain funds to the General Fund to compensate for revenue lost due to COVID-19. He said that it appeared that the previous budget administration simply carried over the number, which it should not have done. This accounted for the discrepancy and the \$6 million increase over what they had budgeted for.

Mr. Cozier said that looking at the expenditures, specifically salaries and wages, they had budgeted \$28 million, but actually spent a little over \$27 million. He said that this resulted in a \$1.3 million increase from salaries alone, which could be referred to as salary savings. He said that fringe benefits also showed a \$1.2 million increase. When considering all other operating expenses, they had a \$2 million surplus. He said that combining all other operating expenses, the total expenditures were \$4.6 million.

Mr. Cozier said that of this, \$2.5 million was transferred to other funds, such as the Grants Fund and Golf Course Fund. He said that therefore, the net increase in fund balance was \$2,060,121. He said that to summarize, the increase in revenues was \$8.3 million, while the decrease in expenditures was \$2 million. He said that there was a question about whether they could project the current fiscal year's fund balance, or if it would be similar or more than the prior year's fund balance.

Mr. Cozier said that in Finance, they were unable to accurately project the fund balance at the end of the fiscal year. However, based on their current analysis, they did not anticipate a significant increase in fund balance this fiscal year. He said that several major projects were on the horizon, and City departments would need to prepare for these costs. He said that speculating on the future, they did not foresee a substantial increase in fund balance for the next fiscal year.

Vice Mayor Hill asked if the \$6 million increase was due to collecting and not collecting revenue.

Mr. Cozier said that overall, there were certain lines where they fell short of the target, while others exceeded it significantly. He said that in overall, they exceeded the target, and that was a key aspect of budgeting.

Vice Mayor Hill said that it was worth noting that not everything would meet the exact specifications, but as long as it fell within the acceptable range, that was a positive outcome.

Council Member Cuthbert asked what tax rate would have been necessary to avoid this overage and balance the budget. He noted that they had \$9.3 million more than they needed.

Mr. Cozier clarified that they had \$9.3 million more than they had planned for.

Council Member Cuthbert stated that they had overtaxed by \$9.3 million.

Mr. Cozier replied no; the answer could not be that simple because the General Fund encompassed not only taxes, but also permit fees, licenses, and other revenue sources that funded the City. Therefore, it was not accurate to say that they were taxing citizens an additional \$9 million, as the \$9 million was comprised of multiple revenue streams.

Council Member Cuthbert disagreed; he stated it was accurate to say that, as taxing the people less would have resulted in a \$9.3 million reduction, leading to a zero-fund balance and a perfectly balanced budget.

Mr. Cozier clarified that was not accurate because if they had collected more money in other areas, such as building permits, and budgeted \$5,000 for that purpose, collecting \$100,000 would not be related to taxes.

Council Member Cuthbert said that if they had decreased taxes by \$9.3 million, it would have perfectly balanced revenues and expenditures. He said that this would have resulted in a balanced budget. Consequently, it meant they had taxed the people of the City of Petersburg \$9.3 million more than necessary to balance the budget. He suggested that, as a City Council, they needed to pay attention to this and revisit their tax rates.

Vice Mayor Hill said that they would discuss that topic in their upcoming work session. He said that he knew they still had a lot to accomplish in the City of Petersburg, including building bridges and addressing infrastructure needs. He said that they would explore ways to provide breaks for citizens whenever possible. He said that they had not yet realized the full potential of new developments, including the casino, so they could not rely on that. With that in mind, he said that they would schedule a financial workshop to discuss these issues further.

Council Member Jones asked how much revenue the golf course brought into the City, considering the City provided funding to it.

City Manager Altman said that the golf course fund was a self-sustaining operation, so the revenue generated within the fund paid for its operation. He said that typically, the individual responsible for the fund brought in around \$200,000 per year, although he often exceeded that amount. He said that those dollars must be spent within the confines of the fund.

11. CAPITAL PROJECTS UPDATE

There were no items under this portion of the agenda.

12. UTILITIES

Public Works Monthly Report - April 2025

Jerry Byerly, Director of Public Works, stated that the monthly report had been furnished to Council and he would be glad to answer any questions they had.

Council Member Jones asked if he could review the slides for the public's edification.

Mr. Byerly stated that the Water Utilities Department had 17 work orders, while the Wastewater Department completed 32, and Water Meter work orders totaled 49. He said that the Utility Billing department had a total of 175 work orders, with 59 terminations and 116 new services.

Mr. Byerly continued that the monthly update on streets included that they were currently conducting a citywide effort to repair potholes in all seven wards, known as the 2025 pothole blitz, which was ongoing until April 18. He said that stormwater drainage improvement projects on Church Street at Summit Street and Chuckatuck Avenue at South Boulevard had been completed, while Melville Street at Kirkham Street was pending. He said that the 2025 traffic signal conflict monitoring test was underway. He said that annual leaf collection had been completed, and weekly litter control efforts involved daily trash pickups.

Mr. Byerly said that while they did not have a specific area to focus on, they did have established routes to cover. He said that the street operations team was currently addressing removal activities in all seven wards to address items illegally dumped. Recently, they had removed a mattress that had been left in the middle of the street, and they also had removed several illegal signs along roadways,

following complaints from the Council. The Utilities team, in collaboration with the Streets Department, had pulled up the signs. He said that Ms. Williams had contributed to the effort on a Saturday. However, he noticed today that some of the previously removed signs had been reinstalled.

Mr. Byerly said that as of now, the Streets Department was at about 65% staffing levels, and they were down to about 61% on motor equipment operators. He said the Facilities Team had been working on various projects, including HVAC units at the Market Street Fire Station and spare keys for the Police Department. He said that the Stormwater Division was in the construction phase of multiple projects, including the fleets, branch, stream restoration project, and pre-construction and notice to proceed was complete, with construction activities underway.

Mr. Byerly said that the floodplain administrator position remained vacant, despite having an interview with a qualified candidate. Although the position was initially reported as unfilled, it was expected that a second interview would take place on Thursday or Friday, potentially leading to the position being filled. He said that 95% percent of all their stormwater reviews and inspections had been completed within the established timeframe. He said that four stormwater site plan reviews had been completed, and nine stormwater and soil erosion building permit reviews had also been completed.

Vice Mayor Hill asked if City Attorney Williams could elaborate on the potential ordinance to fine people for putting signs in the right-of-way. He asked if Council could receive more information on this ordinance at their next meeting.

Anthony Williams, City Attorney, replied that he had spoken with the Manager about this matter. He said that they did have a sign ordinance that addressed the placement of signs outside of the right-of-way. He believed the Manager planned to have zoning present regarding this issue. He said that with regard to signs within the right-of-way, there was a state code provision that allowed them to remove those signs from the right-of-way, which he believed Mr. Byerly had been operating under.

Vice Mayor Hill asked if City Manager Altman had made some progress with the bridge construction project that they had authorized him for.

City Manager Altman said that staff planned to bring to Council the requests to utilize the emergency fund that they had established to undertake the work. He said that they had received cost estimates for the bridge project and would bring that information to Council for consideration next week.

Vice Mayor Hill asked if they would be doing a summer Citywide cleanup.

Mr. Byerly said that it would be the second Saturday of May, the weekend before Armed Forces Day.

Council Member Jones asked if the City Manager could proceed with the funds for the bridge without bringing the item back to Council.

City Manager Altman replied that staff required authorization from Council to use the funds.

Vice Mayor Hill asked City Manager Altman to proceed as he saw best.

Council Member Jones asked what citizens could do in case their vehicle was damaged by a pothole.

City Manager Williams said that if there was damage to the vehicle or any injury caused as a result of incidents related to the City or its properties, they should contact the Risk Manager, and they would have a claim submitted through their liability carrier.

Mr. Byerly said that if there were potholes that people were aware of that they had not yet addressed, he did not want them to hesitate to reach out to his department via email, phone, or text message, and

they would add them to the list for future attention.

Council Member Jones noted that Mr. Byerly's presentation included information that they had 11 full-time positions now vacant, and six were expected to retire this year, resulting in 17 vacant positions this year. He expressed concern about the process for securing these jobs, and they must address the competitive pay. He emphasized that this was a serious issue, particularly in this department that was underpaid but seen as a first responder to emergencies in the City. He reiterated that these Utilities employees must be paid fairly for the difficult work they performed.

City Manager Altman said that he believed it was situational, but as first responders, they were part of their critical infrastructure. He said that typically, Public Works was often overlooked, as they worked behind the scenes to respond to storms, as opposed to the situations that Police and Fire responded to. He said that this was an important aspect of their comprehensive plan, and they could address these issues as part of their overall strategy.

Council Member Jones emphasized the need to provide opportunities for well-paying and gratifying jobs for their citizens, especially those struggling to make a living wage.

13. STREETS

There were no items under this portion of the agenda.

14. FACILITIES

There were no items under this portion of the agenda.

15. ECONOMIC DEVELOPMENT

There were no items under this portion of the agenda.

16. CITY MANAGER'S AGENDA

John Altman, City Manager, stated that he had nothing to report this evening.

17. BUSINESS OR REPORTS FROM THE CLERK

Tangi Hill, City Clerk, reported that the City was accepting applications for Boards and Commissions including the Arts Council, Board of Zoning Appeals (BZA), and the Community Development Block Grants (CDBG) Advisory Board. The public can find the application on the City website.

18. BUSINESS OR REPORTS FROM THE CITY ATTORNEY

Anthony Williams, City Attorney, said that he had no report this evening.

19. ADJOURNMENT

Vice Mayor Hill made a motion to adjourn. All members of the Council present voted in the affirmative. Meeting adjourned.

The City Council adjourned at 7:30 p.m.

Adopted: April 15, 2025

APPROVED:

A handwritten signature in black ink, appearing to read "Sam Paulson", written over a horizontal line.

Mayor

ATTEST:

A handwritten signature in brown ink, appearing to read "Jange R. Hill", written over a horizontal line.

City Clerk