The work session meeting of the Petersburg City Council was held on Tuesday, September 2, 2025, at the Petersburg Public Library. Mayor Parham called the meeting to order at 7:31 p.m. The meeting video link is https://petersburgva.new.swagit.com/videos/354129.

1. ROLL CALL:

Present:

Samuel Parham, Mayor – Ward 3
Darrin Hill, Vice Mayor – Ward 2
Marlow Jones, Councilor – Ward 1
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:

Present from City 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. PUBLIC COMMENTS

Ken Pritchett, 1113 Overbrook Road, stated that he had previously commented on most of what he intended to share with Council, but he would mention a few other things. He asked what the delay was in reopening Oak Hill Drive, which had been shut down for almost three years without a clear timeline.

Mr. Altman replied to Mr. Pritchett, explaining that that they were taking the culverts out and putting in a new structure on Oak Hill Drive to handle the bridge, but it was a long-term solution. In the short term, Council had very recently appropriated funding to implement a short-term solution that will allow the road to be reopened for emergency vehicles, and that would be completed as soon as possible.

Mr. Pritchett said that he had one final question regarding the casino. He asked if there was a citizens advisory committee or Council authority board to maintain a level of awareness and responsibility between the City Council, Petersburg residents, and the casino. He asked Council to please present information regarding this issue at their next meeting.

Marlo Green, 301 Rolfe Street, stated that in July, several Pocahantas Island residents attended the South Central Wastewater Authority's meeting. She noted that the Wastewater Authority had about $28 million in unrestricted revenue, and not a single dollar had been reinvested into the Pocahantas Island community, despite the Authority's location in the neighborhood. She said that she had done some research and found an example from Buffalo, New York where a betterment fund was created using unrestricted funding for the now-restricted funding specifically to invest more resources there.

Ms. Green said that at that meeting, she had requested the Wastewater Authority to put money back into the neighborhood they affected by repaving the roads once they had finished their remaining upgrades over the next four years; however, they had not received a response as of yet. She emphasized that when large organizations such as this were located in neighborhoods, they should be reinvesting in the neighborhood, especially with $28 million in revenues.

Ms. Green said that on another note, there would be a candlelight concert that would tell the story of friendship through the music of Whitney Houston on September 25, 2025, through the OCR Community Empowerment Group, and she invited all Council members and staff to attend this free event. She said that finally, she had completed a fellowship program through Preservation Virginia for the Jarratt House. She hoped they would host similar events in the future in order to share a more complete account of the African-American history that encompassed much of the City but sometimes lacked substantial documentation.

David Batts, 1127 High Pearl Street, complained that nothing had been done to fix the storm drains all over the City, despite Council previously assuring him they were going to do something about it. He said that it continued to be a severe situation throughout Petersburg; he had four feet of water in his building during the last storm. He was disappointed and frustrated that Council had decided to allocate funding to other projects in the City when the stormwater management was clearly in desperate need of improvement. He said that it made no sense to ignore major infrastructure failures, but the City continued to do nothing except for putting up warning signs in flood-prone areas. He was appalled at the approach Council had taken so far, especially since this was ultimately a public safety issue. He requested Council to view stormwater management as a top priority and make the necessary physical improvements to the City's infrastructure.

6. <u>APPROVAL OF CONSENT AGENDA (TO INCLUDE MINUTES OF PREVIOUS MEETINGS</u>

a. Minutes of Previous Meetings

- July 15, 2025, Closed Session
- July 25, 2025, Regular City Council Meeting
- July 24, 2025, Special Meeting

b. First Read and Schedule a Public Hearing for Consideration of an Amendment to the FY26 Grants Fund

c. First Read and Schedule a Public Hearing for Consideration of the FY26 Carry Forward Requests from the Previous Fiscal Year

d. First Read and Schedule a Public Hearing for Consideration of an Ordinance Authorizing the City Manager to Execute the Purchase Agreement Between the City of Petersburg and Dale Pittman for the Development of 117 Lafayette Street (Portion of Property) Located in Petersburg, VA

e. First Read and Schedule a Public Hearing for Consideration of an Ordinance Authorizing the City Manager to Execute the Purchase Agreements Between the City of Petersburg and Daniel Smith Real Estate LLC, for the Development of Lots 4, 6, 9, and 12 Ross Court, Located in Petersburg, VA

f. First Read and Schedule a Public Hearing for Consideration of an Ordinance to Approve a Request for Anthony Lewis, High Stepper Enterprise, LLC, on Behalf of Paula Wynn Harris, for a

Special Use Permit to Operate a Stand-Alone Vehicle Repair Shop at 1311 Commerce Street, Parcel ID 024150800, in the M-1, Light Industrial Zoning District

g. First Read and Schedule a Public Hearing for Consideration of an Ordinance to Approve an Amendment to the Zoning Ordinance for the City of Petersburg for the Purpose of Updating and Clarifying Sign and Advertising Regulations to Address Ongoing Complaints and Issues Pertaining to Certain Advertising Devices Throughout the City

h. First Read and Schedule a Public Hearing for Consideration of an Ordinance to Approve an Amendment to the Zoning Ordinance of the City of Petersburg for the Purpose of Incorporating Additional Landscaping Requirements for New Land Development and Off-Street Parking Areas

i. First Read and to Schedule a Public Hearing for Consideration of an Ordinance to Approve an Amendment to the Zoning Ordinance of Petersburg for the Purpose of Allowing Municipal Animal Pounds or Shelters in the A, Agricultural Zoning District and Removing a Requirement for an Approved Special Use Permit for Public and Government Buildings and Public Utilities and Services in the City

j. First Reading and schedule a Public Hearing for Consideration of an Ordinance to Approve Awarding a 1.5% One-Time Bonus (Approved by the Virginia General Assembly and Governor) to Employees of the City of Petersburg Department of Social Services

Vice Mayor Hill made a motion to adopt the consent agenda as presented. Council Member Westbrook seconded the motion.

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

7. SPECIAL REPORTS

a. Tri-Cities Realtors Association Presentation

Nancy Stankey, 2025 President of Southside Virginia Association of Realtors (SVAR), gave a presentation to the Board. She stated that she was joined by CEO Danielle Via. She explained that the Southside Virginia Association of Realtors represents more than 450 realtors serving the Tri-Cities area. They have been part of this community for over 100 years, and their mission is clear: to serve as a community resource by enhancing professionalism, upholding the National Association of Realtors Code of Ethics, and protecting home ownership and property rights through advocacy and education. She said they were here today to let the Council know that SVAR is here as a resource to the City of Petersburg.

Ms. Stankey explained that one of the ways they support their local leaders is by providing market reports that break down current trends in the Tri-Cities real estate market. They have already begun sharing these reports with their Economic Development Director, Brian Moore, and they can provide them for anyone on the Council who might find them helpful.

Council Member Cuthbert stated that he was interested in reducing the number of vacant buildings in the City. He asked if there was a possibility of increasing the annual fees associated with vacant buildings, which currently were only $100 per year. He asked if SVAR would support a proposal to increase the vacancy charge if it were presented before the General Assembly.

Ms. Stankey replied that she could discuss it with SVAR's advocacy committee and report back to Council after that.

Vice Mayor Hill thanked Ms. Stankey and Ms. Via for providing this information to Council. He stated that they could schedule a follow-up presentation with the Clerk of Council.

b. Petersburg Transit Modernization Initiative Update – Darius Mason, Petersburg Area Transit, and Danielle McCray, Kimley Horn, and Department of Rail and Public Transportation Representatives

Darius Mason, Director of Petersburg Area Transit, stated that staff last discussed this matter with Council on March 18, 2025, when they presented the Pittsburgh Transit Modernization Initiative, a study aimed at improving transportation for elderly individuals, those with disabilities, and low-income areas. He said that they were pleased to provide an update on their progress.

Sarah Sciarrino, Transportation Planner with Kimley-Horn, provided an update on the Petersburg Transit Modernization Initiative. She summarized that the purpose of the project was to increase transit access in the Petersburg community and modernize PAT's operations. This project was being funded through a Federal Transit Administration grant called the Areas of Persistent Poverty Grant, which focused on improving transit accessibility in areas with economic conditions. A significant part of the project involved gathering feedback from the Petersburg community and stakeholders, as well as analyzing data. She explained that the project had three main components: a comprehensive operational analysis of PAT's paratransit service; an accessibility gap assessment for fixed route and paratransit services; and a low-no-fuel feasibility study. She noted that the latter would be an item for future study.

Ms. Sciarrino provided an overview of the project timeline. This project began in the summer of 2024, and when they presented to City Council in March, they discussed the Phase 1 public engagement events and the comprehensive operational analysis of paratransit service. Since then, they have worked on the accessibility gap assessment and Phase 2 public engagement. She noted that the Phase 2 public engagement events involved working with the same community champions they had worked with in Phase 1 to gather recommendations and move forward with next steps. This project was expected to be completed this fall, and the next steps would be the low-no-fuel feasibility study.

Ms. Sciarrino stated that to perform the accessibility gap assessment, they performed an analysis of existing PAT operations and received public input, then identified gaps in PAT service using that data, and finally developed recommendations with PAT staff. She summarized the results of the assessment, which indicated there are gaps in the level and quality of service, customer communications, and operational challenges of PAT.

Danielle McCray, Professional Engineer, provided the recommendations and implementation strategy. She explained that these would form a roadmap for PAT to address the gaps in accessibility defined in the previous phase of the study. These recommendations are intended to improve delivery service, the riders' experience, and overall access to transit in Petersburg. A detailed technical memo had been provided to PAT in partnership with the project team, outlining incremental steps to help PAT achieve these recommendations.

Ms. McCray reviewed the recommendations relating to improving existing services and infrastructure. These recommendations are: to consider extending weekday hours and potentially weekend services to better align with shift workers and employee hours that are earlier in the day or later in the day; to refine services to high-demand areas and underserved communities, potentially including micro-transit and regional partnerships where those opportunities exist; and to improve bus stop infrastructure and amenities, such as sidewalks, shelters, lighting, and accessible pathways. She explained that the Kimley-Horn team would provide criteria to help PAT prioritize these infrastructure improvements, ensuring that future funding was invested appropriately. She noted that some of the paratransit users may be able to shift to fixed route service if these infrastructure improvements are made.

Ms. McCray reviewed the recommendations focused on improving the public's familiarity with PAT service. These recommendations are to establish a regular channel for feedback through comment forms or annual surveys; and to provide information across multiple platforms, including website information, interactive maps, and multilingual support services. She commended PAT staff for already implementing some improvements on the latter recommendation.

Ms. McCray reviewed the recommendations for optimizing existing services, primarily addressing workforce challenges. The recommendations are exploring educational partnerships with organizations like Richard Bland College, apprenticeships, or mentorship programs to strengthen the workforce pipeline; and to leverage technologies to improve scheduling, routing, and performance metrics, enabling a more automated system.

Ms. McCray explained that the technical detailed document provided near-term improvements, but in the immediate future, PAT should consider the following four steps: first, focusing on high ridership areas and refining services to serve those individuals who needed it most; second, implementing findings from a recent compensation study to attract and retain the most qualified individuals to deliver service; third, to develop a comment feedback form through existing technology platforms, allowing PAT staff to receive regular feedback from riders and improve the delivery of service; and fourth, evaluate opportunities to extend weekend services to accommodate employees who needed the service outside of the hours currently provided.

Ms. McCray stated they were wrapping up the current phase of the project, and PAT had now shifted its focus to the low-no fuel feasibility study, which would focus on vehicles and low-no emission vehicles to help deliver the service in an environmentally friendly manner.

Council Member Jones thanked Mr. Mason for adding all the new bus stops around the City, which have improved access to bus stops and also made the City look great. He asked Mr. Mason to please let Council know what he and his drivers needed in order to continue doing such a great job. He asked if PAT was considering extending their hours of service in the near term.

Mr. Mason replied yes; they needed one Memorandum of Understanding (MOU) to be completed before they could extend their hours until 9:00 p.m. Additionally, they would be extending service back up the boulevard through Colonial Heights to Brightpoint Community College, and extending their Greyhound hours until 9:15 p.m. He noted that it would take more labor and vehicles, but they were very close to making these extensions a reality.

Council Member Jones suggested that PAT consider providing at least one overnight bus in the City, which could help people travel safely throughout the nighttime hours. He asked if information-sharing could be improved at bus stops.

Mr. Mason confirmed that was something they are currently working on right now; Council had previously approved a grant for PAT to pursue signage improvements at bus stops. However, they first needed to study the most effective implementation before installing any new signs.

Council Member Jones noted there had been a shortage of drivers for PAT and the school system. He suggested they consider cross-training so that PAT drivers could drive the school buses and vice versa in order to fill the gaps, as well as have a comprehensive strategy for bus driving in case of emergencies.

Mr. Mason explained that the PAT staff were federally funded, and school bus drivers were funded by the state, so there may be some complexities, but they could discuss it further to see how it could work.

Council Member Smith-Lee asked if PAT could possibly provide transit for students who wanted to stay late for after-school activities. She recalled a student recently telling her that she could not join the cheerleading squad at the high school because she did not have transportation to take her home after practice and games, which was disheartening. She said that she was planning to bring this up to the School Board as well, because it was unacceptable that their City schools did not have activity bus service for after-school activities.

Mr. Mason replied that he completely understood and wanted PAT to be able to provide all of these important transit services. However, PAT required rolling stock to make that happen.

Council Member Jones agreed with Council Member Smith-Lee that they needed an activity bus for the City's children. He asked Mr. Mason to elaborate on what rolling stock was.

Mr. Mason clarified that rolling stock referred to buses.

Council Member Jones asked if they could possibly make it happen.

Mr. Mason noted that PAT would soon be offering extended hours for five of their routes, so students could take those specific buses until 9:00 p.m. He said that he was shocked to hear that the schools did not have an activity bus.

Mayor Parham stated that Council, the School Division, and Transit needed to have a discussion to identify the appropriate solution.

Vice Mayor Hill asked if PAT had considered some form of overnight transit service, as Council Member Jones had suggested. He also asked if tour bus services for the historic districts of the City had been considered.

Mr. Mason confirmed that PAT had discussed 24/7 bus service with Live Casino representatives, which was also contingent on availability of rolling stock and employees. He stated that PAT was preparing for a higher demand for their transit services throughout all hours of the day. Additionally, he was expecting Council's support to make these improvements possible.

Vice Mayor Hill asked how many positions were currently vacant at PAT.

Mr. Mason replied that there were currently four vacancies.

Council Member Cuthbert asked if there was potential for PAT to extend service to Emporia.

Mr. Mason clarified that PAT was currently discussing the possibility of extending service with Brunswick County, which would be grant-funded with local matches of participating localities if approved. In that case, PAT would be contracted to provide the service. He said that he would bring back more information to the Board if it moved forward.

Mayor Parham expressed his gratitude to Transit staff, the Kimley-Horn team, and DRPT representatives for this transit update and all of their dedicated work.

c. UVA Presentation – Innovate Petersburg Fund

Bryan David, Program Director for Southern Virginia, Weldon Cooper Center for Public Service at the University of Virginia, gave a presentation on the Innovate Petersburg Fund. He stated that he had been working with Mr. Moore and other staff over the last few months to bring back to Council an assessment and strategy for economic development. He provided an overview of the current work, which included establishing a community investment fund and performing a downtown master property infill analysis to include the potential for additional hotels. He noted that they were nearing the final stages of drafting the analysis; he and Mr. Moore were anticipating presenting the findings to Council at one of their October meetings. Mr. David reviewed the next steps, including a strategic managed plan for the Poor Creek Service Area and downtown development work.

Mr. David stated that his report provided a detailed blueprint outlining both the reasoning and the strategy for developing and implementing the Innovate Petersburg Fund. He explained that ambitious, directing a targeted portion of projected new General Fund revenues from resort, casino, and data center developments made this initiative both realistic and achievable if approached incrementally and deliberately. His goal was to provide City leadership with a comprehensive framework that allowed flexibility in determining the sequencing and pace of implementation. He believed the fund could deliver significant economic development benefits for Petersburg while providing City leadership with a strategic tool to guide long-term growth and investment.

Mr. David explained that this initiative converted targeted portions of projected new General Fund revenues into investments that could bring long-term community wealth. However, it was built on three pillars: community participation, transparency, and disciplined fiscal management. He stated that the report outlined the purpose, vision, goals, and investment principles. He noted that these were starting points, and he welcomed Council's input and decision-making, as well as stakeholder group input throughout the process. The investment principles were crucial, as they ensured that investments provided a return to the City.

Mr. David said that he recommended that the front-end work involve engagement strategies, neighborhood listening sessions, and targeted stakeholder meetings. He proposed establishing an Innovate Petersburg Committee to bring this vision to life. This City Council-appointed advisory body would serve as both an advisor and a fiduciary, evaluating and recommending projects. The committee's work would be closely tied to the City's annual capital budgets, with an additional technical advisory committee providing subject matter expertise on specific projects.

Mr. David reiterated that the source of funds for these projects would come from new revenues, specifically targeted amounts from revenues the City received from data centers and the resort casino. This would be part of the annual budget process and therefore would ensure that these projects were sustainable and aligned with the City's overall financial plan.

Mr. David explained that to maintain project level sustainability, recipients of these projects, whether City departments or community groups, would need to provide a business plan outlining how they would sustain the project, including projected revenues and costs. He stated that self-sustaining models and matching funds for projects were recommended as well. He said that Weldon Cooper could provide a pre-funding analysis on the return on investment (ROI) for projects using quantitative and qualitative metrics. After a project was implemented, they could then compare it to the ROI projections to better determine if it was successful or if improvements needed to be made.

Mr. David provided recommendations for what this fund could be used for, including but not limited to economic and workforce development, public education and youth development, small business development and entrepreneurship, infrastructure and civic improvements, fund administration and reserve, public safety, tourism, arts, and culture, and environmental resilience. He had provided example projects that he had experience within local government, regional economic development, and the GOVirginia program; however, there could be others identified by Petersburg.

Mr. David reviewed the staffing and operational capacity aspects of this fund. He explained that this type of fund would require staffing to oversee the core functions, staffing of the committee, and City staff and community sponsors to coordinate and guide project applications and implementation. He proposed there be a fund manager, administrative support, contracted experts as needed, and technology platforms. Finally, the fund would need a dedicated annual General Fund appropriation, derived from a portion of new local tax revenues generated by major economic development projects, and determined by the City Council during their annual budget process.

Mr. David emphasized that staffing and operations should be considered a strategic investment in effective fund management, with anticipated returns through economic growth and an expanded tax base projects to outweigh administrative expenses over time. He clarified that if it was determined that the fund was contributing to projects that provided a qualitative and quantitative return to the City, staffing would pay for itself over time.

Mr. David reviewed the implementation timeline. He explained that the fund could be implemented in sequenced phases across three fiscal years beginning in FY2026 to ensure strong governance, operational readiness, and measurable community impact. He summarized that the first year would be the organizational launch and planning, followed by the program launch and start of investments, and finally the evaluation, refinement, and expansion of the fund. He added that he could provide many more details associated with implementation to City leadership as needed.

Mayor Parham thanked Mr. David for the presentation.

Mr. David stated that he would follow up with City staff to work through the next steps for implementation of the community investment fund.

d. FY26 Capital Improvement Budget

Garry Cozier, Budget Manager,

Mr. Cozier gave a presentation on a high-level view of the Capital Improvement Plan for FY2026. He noted that the full five-year plan would be presented to the Board at a subsequent meeting. He stated that in the Facilities subcategory, the total across several projects, including Farmer Street, the animal shelter, Union Train, rehabilitation at Parks and Recreation, renovations at City Hall, the courts, HVAC replacements, and Southside Depot, was $16 million for the current fiscal year. He said that for Fire and Emergency Medical Services (EMS), their current expectation was $210,000. The next subcategory was Information Technology (IT), at $72,000.

Mr. Cozier noted that each of these projects had an associated funding source, which was listed next to them in the chart provided. The funding source could be either the Reserve, their regular source for capital funds, or various grants or bonds that they currently had. He continued to state that for Public Works, they anticipated expenditures of $1.7 million across a couple of traffic-related projects.

Mr. Cozier stated that for Engineering, they had $775,000; for Street Operations, it was $6 million, which included the Oak Hill Bridge replacement that had been funded and was anticipated to be completed in this fiscal year. The next subcategory was Stormwater, with several ongoing projects that also had substantial grants currently in place. He noted that these grants were on the consent agenda tonight and would be before the Board at the next meeting for approval. These projects would help with the drainage and stormwater issues they were experiencing within the City and totaled $9 million.

Mr. Cozier stated that in the subcategory of Water and Wastewater, it included the two major projects. Together, they totaled $36 million planned for this current fiscal year across the capital projects. Finally, they had Transit at $2.8 million across several projects, bringing the total Capital Budget for FY26 to $73,565,326. He reiterated that this information was an overview of the City's capital projects for this fiscal year, and the full version of this Capital Budget and Capital Improvement Plan would be presented to Council at a future meeting.

Council Member Jones asked if the listed $1.5 million was the total amount it would cost to fix the Wilcox Lake Dam.

Mr. Cozier clarified that the $1.5 million was the cost anticipated for this fiscal year, and this would be covered by a grant. He did not have the full project cost in these documents, but he would review that as part of the five-year Capital Improvement Plan.

Vice Mayor Hill requested that staff convene with the contractors and Public Works to determine what steps were necessary to take the trees off the hill at Wilcox Lake.

Council Member Westbrook asked what work had been completed with the previously allocated funds for Wilcox Lake. He recalled that there had been money allocated for that dam for at least the past four years since he had been on Council.

Mr. Cozier replied that he was unsure; however, if Council had set aside the funds and they had not been used, they were still available.

Council Member Cuthbert agreed with Council Member Westbrook that money had been set aside for Wilcox Lake Dam improvements; however, to his knowledge no work had been completed. He asked if City Manager Altman had any information about this issue. He asked if there was a schedule for the work at the dam.

City Manager Altman stated that he did not have the dates available right now, but he was aware they were in the midst of finalizing the contract to be sent out for construction bids. He stated that they did not have funds available to cover the full cost of the project, so they had applied for additional funding. He noted that the main issue had been the past few years of steep inflation, which had affected the City's ability to finance the project.

Council Member Cuthbert noted that this dam had been a long-standing concern for members of Council and to the public. He said that additionally, he wanted to mention the noticeable, widespread growth of weeds in the gutters along City roads. He asked if there was a plan to remove those weeds.

City Manager Altman replied that at the next Council meeting, staff would be requesting Council to approve a resolution to appropriate funding for street sweeping. After that, once they secured a street sweeper machine, they would begin cleaning all the streets and removing the plants growing in the gutters. He added that he already had a list of streets for the street sweeper to clean up.

e. Staff Update on Recreational Substance Retail Uses

Jared Crews, Interim Director of Planning and Community Development, provided an update to Council. He explained that vape shops had been a recurring issue, so he would provide some background on the topic, share the text of the ordinance they had adopted, the challenges they had faced, and potential solutions moving forward. He summarized that prior to July last year, tobacco and vape shops were allowed by right in the City's commercial districts and the M-1 Light Industrial Zoning District. In late 2023 and early 2024, they saw a significant influx of these shops into the City, and in March, staff began working on a text amendment to limit these uses.

Mr. Crews stated that staff worked with the Planning Commission to develop a recommendation, which was presented to Council in July. He noted that during this timeframe, the state law was amended on April 5, 2025, to specify how localities could regulate tobacco, nicotine, and hemp sales. This caused staff to revisit their original proposal and make adjustments. In July last year, Council adopted Zoning Text Amendment 2024-ZTA-03, which limited recreational substance retail or vape shops to the M-1 zoning district and required a special use permit. Additionally, the ordinance required separation from daycare facilities, public, private, and parochial schools.

Mr. Crews explained that the text amendment defined what recreational substances were, including products made of tobacco, nicotine, and vaping fluid. The text also defined what recreational substance retail was, broken down into two categories: off-site use and on-site use. Off-site use referred to a facility where the retail sale of recreational substances was the primary business operation, while on-site use referred to a business where the product was meant to be consumed on-site, such as a hookah bar or cigar lounge.

Mr. Crews stated that the ordinance also required a special use permit and specified that recreational substance retail must be located at least 1,000 linear feet from the property line of any daycare center, public school, or private school. Furthermore, the Code of Virginia change was important, as it empowered localities to regulate the retail sale locations of tobacco products, nicotine vapor products, alternative nicotine products, or hemp products intended for smoking, and may prohibit sale locations within 1,000 linear feet of a child daycare center, public-private parochial school.

Mr. Crews stated that the state code went on to state that this change would not affect anyone holding a valid license prior to the effective date, which was July 1, 2024, or any facility that was operating before that time. Since adoption, the City has encountered challenges with enforcement, which has caused frustration among staff and Council. Some of these issues included legally nonconforming shops, limitations on local land use regulations, and First Amendment protections.

Mr. Crews stated that additionally, the City faced challenges with regard to business licenses being approved for convenience stores that ultimately became vape shops. The zoning violation enforcement process could only begin once a violation was identified, making it difficult to prevent the vape shop operation from the outset. This process did not produce immediate results, except in cases where businesses voluntarily complied. Another issue was that violations could extend beyond the sale of vape and tobacco products, with some businesses operating skill game machines, violating the sign ordinance, or selling illegal products.

Mr. Crews discussed the Planning staff's ongoing efforts to combat these challenges. One important piece was proactive enforcement, which involved frequent inspections of potential offenders and taking corrective action immediately. Regarding the business license process, staff were intensifying it, including more thorough vetting. This meant they were no longer allowing businesses to simply fill out paperwork and claim to be a convenience store. Instead, they required floor plans and business plans that outlined the business, inventory, and store layout. They were also writing into the approval that these businesses were subject to inspection as soon as they opened, to ensure they were using the approved use.

Mr. Crews continued to explain that they were exploring more intensive requirements, such as requiring a written affidavit that could be attached to the file, swearing that the business intended to operate as approved. They had been collaborating with other City departments, including the

Fire Marshal's Office and the Commissioner of Revenue's office. He added that recently, they had successfully shut down a shop for violating both Fire and Zoning codes.

Mr. Crews stated that they were also reviewing amendments to the Zoning Ordinance to clarify the use of recreational substance retail shops. The revised ordinance would use clear wording to define what a vape shop was and where it was allowed. Additionally, they were considering a text amendment to update their sign ordinance, as many of these shops had unattractive and loud signage. They were also monitoring other localities' approaches to addressing these issues, including adopting new ordinances or conducting systemic raids.

Mr. Crews summarized the goals of this initiative. Their aim was to decrease the number of teenagers using tobacco or vape products, as there was a proven correlation between proximity and volume of stores and the likelihood of younger individuals smoking. They aimed to support a diverse economy while prioritizing public health and safety. They also wanted to promote civic pride and enhance community character. As stated in the Comprehensive Plan, the quality of their built environment had a profound impact on community health, and Petersburg would strive to build upon elements that supported a healthy community.

City Manager Altman added that if Council had any thoughts or suggestions on strengthening this ordinance or other considerations on how to proceed, he would ask they let staff know so they could incorporate them into the language.

Council Member Cuthbert expressed concern about the administrative burden associated with a stipulation in the ordinance. He said that it required a 25% limit on inventory and 15% limit on display shelves for vape products, but he thought it may be difficult to enforce this specific regulation.

Mr. Crews agreed it may be challenging to enforce because the City depended on voluntary cooperation with the store owner. Although it may take staff time, it would result in regular assessments and maintenance of potential offenders. The challenge staff anticipated was that chain stores such as Walmart, Dollar General, Wawa, and Sheetz would be included in this category, which was why they included a measurable limit of inventory.

Council Member Cuthbert asked if Council could specifically prohibit the sale of vape products except in the M-1 District with a special use permit, while still allowing tobacco products to be sold in all districts. He asked for Council's feedback on potentially requesting the City Manager to draft such a proposal for Council to consider at their next meeting. He was concerned that without prohibiting them outright, this ordinance would create a major administrative burden without reducing the number of vape shops in the City.

Mayor Parham recalled that Henrico County was currently drafting something similar, so perhaps the City Manager could create something similar for Petersburg to consider.

Anthony Williams, City Attorney, stated that they may have to specify the language of the amendment to the Zoning Ordinance to define vape shops based on the sale of vape products, rather than prohibiting vape products in general. While it may take a while longer due to the public hearing process, Council had the option to direct that process to begin tonight.

Vice Mayor Hill asked if the City could legally limit the number of vape shops in Petersburg.

City Attorney Williams replied that he believed Council Member Cuthbert's request would achieve that effect. While they could potentially limit the future growth, they could not shut down the shops that were currently licensed.

Vice Mayor Hill noted that the School Division had begun issuing suspensions to students who were caught vaping on school property. He believed they must address this as swiftly and to the greatest extent possible in order to curb this behavior and improve the health and social outcomes for the City's youth.

Council Member Jones stated that pre-market tobacco product application (PMTA) was the process through which products were approved by the Food and Drug Administration (FTA) before their sale was allowed in the United States. He explained that by the end of 2025, it would be illegal for any vape products to be sold in Virginia that were not explicitly stated in this directory, effectively enforcing the federal PMTA at the local level. He suggested that this would greatly assist the City in curbing the proliferation of vape products, as staff could refer to this list of FDA-approved products and eliminate any that were not listed.

f. Petersburg Department of Social Services Presentation on Federal Law Changes Impacting SNAP and Medicaid

Bill D'Aiuto, Director of Social Services, gave a presentation to Council. He stated that he had some negative news regarding the impact federal changes to the Supplemental Nutrition Assistance Program (SNAP) and Medicaid would have on the City, but he also had some positive news to share. He provided background information on the Department of Social Services. He explained that in terms of the programs they administered, their total number of positions was 90, including 10 emergency hires. They had a total of 116 full-time equivalents (FTE), with about 26 vacancies. Of these, about half supported the administration of the SNAP, Temporary Assistance for Needy Families (TANF), and Medicaid programs, which he would discuss in more detail. They also administered childcare subsidy, energy assistance, employment services programming for SNAP and TANF clients, as well as a range of child welfare and adult services programming.

Mr. D'Aiuto stated that as of the end of July, their caseload included 11,262 SNAP recipients, which equated to 6,374 households. The TANF program was composed of 666 individuals or 375 households. Medicaid was their largest program, currently serving 18,221 individuals. Given their approximate population of around 34,058, as of the last census in July 2024, their reach in terms of the percentage of the City population they served for SNAP was approximately 33%, and for Medicaid, it was around 53%. This meant that DSS had a significant presence throughout the community, providing a social safety net.

Mr. D'Aiuto provided some context regarding the fiscal impact of the SNAP program, as some of the changes may result in a reduction in eligible individuals. Currently, as of their caseload in July, the total benefits issued equated to $2,124,376, with an average household allotment of around $333. This was a monthly issuance amount, and approximately $25 million went back to households and the economy in terms of groceries and nutritional support to families.

Mr. D'Aiuto explained that the Federal Reconciliation Act, H.R.1, which was approved on July 4, 2025, by the President, brought significant and far-reaching changes to eligibility criteria for SNAP and Medicaid. Some of the changes were the first of their kind in the SNAP program, which started as the food stamp program in the mid-1960s. The first change that would impact states was the administrative cost shift. Currently, their programs were funded by a 50%/50% share, with 50% of federal dollars drawn down by the state and the state responsible for paying the other 50% for administration.

Mr. D'Aiuto stated that Virginia was one of 10 states that were unique in this arrangement, as they were a state-supervised but locally administered program. As a City Department, they were responsible for administering these programs, with the state covering 50% of the cost, and their local match from the City of Petersburg being 15.5%. He stated that beginning on October 1, 2026, the state match would increase to 75%. That change alone would increase $90 million in additional general revenue that the Commonwealth would need to find to continue supporting SNAP operations across the entire state.

Mr. D'Aiuto stated that at this time, it was unclear how the General Assembly would address this change in the upcoming General Assembly session. They may try to absorb the $90 million or attempt to cost-share, similar to the 15.5% currently paid by the City for program administration. He noted that the Virginia League of Social Service Executives, of which he was a member, was planning to lobby the General Assembly to absorb this amount.

Mr. D'Aiuto explained that the second impact of the bill came later in October 2027, with the penalty associated with it was significant. He clarified that while he saw it as a penalty, it was referred to it as a "benefit match." He stated that currently, 100% of the SNAP benefit was funded by federal dollars, with no cost-sharing required from states or localities, dating back to the inception of the Food Stamp Act in 1964. This change would result in a significant shift, as states would now be required to match the SNAP benefit based on a "quality control payment error rate."

Mr. D'Aiuto stated that historically, states had administered quality control to prove the program's integrity and eligibility determination accuracy. The penalty would be based on the current payment error rate, determined through a sampling of cases throughout the federal fiscal year. In Virginia, the current payment error rate was 11.5%. According to the bill requirements, if a state's error rate was under 6%, there would be zero penalty. If it fell between 6% and 8%, the penalty would be 5%. If it ranged from 8% to 9.99%, the penalty would be 10%. If it exceeded 10%, the penalty would be 15%. Based on the current total issuance in Virginia, applying this penalty would result in an additional $270 million. On top of the $90 million, this could potentially result in a $360 million hit to the Commonwealth's general revenue.

Mr. D'Aiuto stated that additionally, the changes would expand the able-bodied adults without dependents category. Currently, individuals between the ages of 18 and 54 with no children under 18 were time-limited to a certain number of months of SNAP benefits. This limit would increase to 18 to 64. The caregiver exemption would also be narrowed, meaning that individuals with children aged 14 or over but under 18 would be subject to time limits unless they met an exemption. Waivers, which states had historically used to exempt individuals from work requirements and time limits based on unemployment rates and local economic conditions, would now be subject to stricter requirements.

Mr. D'Aiuto stated that 12 communities in Virginia, including Petersburg, were under a waiver that allowed for exemptions, but that ended on June 30, 2025, and the state's request for feedback on the waiver had not been responded to, and the new H.R.1 bill required waivers to be approved only if the unemployment rate was over 10%. Given Petersburg's current unemployment rate of around 5% or below, they would not qualify under the new requirements. This waiver would be ending on September 30, 2025, meaning that they would have to implement time limits for individuals meeting the able-bodied requirements.

Mr. D'Aiuto stated that furthermore, Medicaid would now have work requirements at the federal level, effective January 1, 2027. This meant that individuals in the expansion Medicaid category, which included those between the ages of 18 and 64, would be required to work, participate in public service, or an education program at least 80 hours a month in some capacity. He noted that they would also have to increase the number of renewals for Medicaid, from once a year to twice a year, which would increase the workload and require clients to complete more renewal applications.

Mr. D'Aiuto summarized that key timelines included October 1 when the cost share for administrative costs would increase to 75%. He said that in June of 2026, the federal government Department of Health and Human Services (HHS) was required to provide interim and final rules on the Medicaid work requirements to states. By January 1, 2027, Medicaid work requirements and six-month renewals for the expansion categories would take effect. On October 1, 2027, the payment error rate-based benefit match would begin in the state, approximately two years from now.

Mr. D'Aiuto reviewed the local impacts that would occur based on these changes. Locally, they had 11,262 individuals on SNAP in the City, with approximately 5,000 individuals meeting the criteria for able-bodied adults without dependents. Starting on October 1, 2027, these individuals would be required to work at least 20 hours a week or meet an exemption to continue receiving SNAP benefits. If they met the work requirement, their benefits would be based on their income and allotment.

Mr. D'Aiuto stated that for Medicaid, they anticipated about 5,000 of the 18,000 residents falling into the same category, requiring some form of work activity starting January 1, 2027. This would increase DSS staff workload and lead to more appeals as they took negative actions on eligibility for SNAP and Medicaid clients. To address this, they needed to focus on payment error reduction, retrain their team, and conduct outreach within the community. Their next steps included preparing for the waiver ending on October 1, when the State of Virginia and the Department of Social Services would send notices to all impacted SNAP recipients requiring them to comply with work requirements and work to receive more than three months of SNAP benefits in any 36-month period.

Mr. D'Aiuto stated that they were still waiting for the exact dates of these notices, but he anticipated receiving them within the next two weeks. They would also experience increased phone calls and lobby traffic. He had requested the state to provide him with the exact weekend when the notices would be mailed out, so he could anticipate and plan accordingly. He would keep City Manager Altman and the Council updated on these dates.

Council Member Jones thanked staff and Council members for working together to successfully rectify the situation at Petersburg East Apartments, which had positively impacted a large number of people. He asked for clarification regarding the waiver.

Mr. D'Aiuto explained that the current waiver, which was effective July 1, 2024, and was set to expire on June 30, 2025, had undergone significant changes due to the shift in administration at the federal level. He said that the passage of H.R. 1 had altered the requirements for states to meet in order to be eligible for a waiver that exempted SNAP recipients from participating in work programs or working a minimum of 20 hours a week. As a result, they did not know the status of the waiver that ended on June 30, 2025, as the federal government had not yet responded to their request for that information.

Council Member Jones expressed doubt that they would ever receive a response from the federal government. He noted that while the end of the waiver may result in increased employment due to SNAP beneficiaries working to keep their benefits, there were others who may not be able to find work for a variety of reasons and still needed those benefits. He emphasized that all of these cases must be handled with care, as they all should consider the perspective and experience of someone applying for these benefits.

Council Member Jones stated that this would certainly affect a large number of households in the City, and he anticipated that all of their City departments would be handling the fallout at some point. He noted that another result of these changes may affect their Housing Authority, because if people in income-restricted housing got jobs to keep food benefits, they may lose their housing due to changes in their income. He emphasized that the City of Petersburg must become self-sufficient and prepare as best they could for future changes.

Mr. D'Aiuto clarified that the time limits for able-bodied adults would begin on October 1, and they would have 90 days to meet employment, education, or public service requirements before their benefits were terminated. Additionally, families with children under 18 would not be impacted by the time limit.

8. MONTHLY REPORTS

There was no report.

9. FINANCE AND BUDGET REPORT

There was no report.

10. CAPITAL PROJECTS UPDATE

There was no report.

11. UTILITIES

There was no report.

12. STREETS

There was no report.

13. FACILITIES

There was no report.

14. ECONOMIC DEVELOPMENT

There was no report.

15. CITY MANAGER'S AGENDA

a. Status Update of Project Management Reassignment for the Courthouse Project; Poor Creek Water, Wastewater and Water Tank; Police Station; Animal Shelter; Southside Depot; Oak Hill Bridge, Bank Street Hole; Stormwater Study, Wythe Street Bridge; Storm Clean Up; Wilcox Lake Dam; Grass Cutting, Cemeteries, and Others; Former Roper Property; Paving Downtown Parking Lots; Petersburg Harbor; Mountain Vernon Water Tank and Pump Station; Casino; Lead Pipe Replacement; Virginia Linen; and Travel Inn

Mike Luning, Vice President with JMT, stated that he was joined by his colleague Ben Anderson, and they would brief Council on the status of the Utilities projects, specifically water and wastewater. They had prepared a map to show all the ongoing projects. He noted that there were ongoing projects throughout all areas of the City, and they had identified all the active lead service lines that needed to be replaced.

Ben Anderson, Senior Associate at JMT, reviewed the existing water and wastewater infrastructure projects, some of which they had previously discussed. The two main Poor Creek wastewater projects, the force main replacement and the pump station upgrades, were both long overdue. The facilities were built in 1954 and had limited capacity specifically for the Poor Creek area. These projects were crucial for the pharmaceutical expansion and other development in the area, as they provided the necessary infrastructure.

Mr. Anderson stated that both projects were fully grant funded, ongoing, and expected to be completed in 2026. The photo provided was an actual snapshot of the Poor Creek Pump Station, highlighting the corrosion and rust in the highly corrosive sewer environment. The next main project involved two other Poor Creek core projects on the drinking water side, including a water extension down South Crater, control valves, a booster pumping station, and an elevated water tank.

Mr. Anderson said that these projects were wrapping up construction and were expected to be completed this fall. They were also grant funded, with funding from the Economic Development Authority (EDA) and American Rescue Plan Act (ARPA), aimed at boosting pressures in Poor Creek, serving the pharmaceuticals and hospital, improving fire flows, and resolving long-standing issues. In addition to these projects, they had the Locks Watermain Phase II, which was also grant funded and started earlier this year.

Mr. Anderson said that this was approximately 75% complete, replacing a portion of the 80-year-old asbestos cement water main that served the City's main water supply from Appomattox River Water Authority (ARWA). This project had been overdue due to significant costs associated with emergency repairs. He said that they had already completed the initial inventory of lead service lines and were moving into the replacement planning phase, which was also grant funded.

Mr. Anderson said that they had secured $3.4 million so far, with another pending application for additional funding, bringing the total to approximately $57 million of grant funds, with a planned completion period of 2026. He then reviewed projects that were not currently funded but included as part of the five-year CIP and addressed various urgent needs. He explained that the Locks Watermain Phase II and III involved replacing approximately 10,000 linear feet of the asbestos water main.

Mr. Anderson stated that the Locks Booster Station improvements aimed to upgrade the primary pump station from ARWA to deliver water across the City and supply to Poor Creek. He said that the equipment was well past its useful life, and a third pump had been needed for decades. This project was designed in 2008 but had not been constructed, with a budget of approximately $4 million.

Mr. Anderson stated that the Mount Vernon tank replacement, inspected in 2024, was currently in design for replacement, with about 60% of the design expected to be completed by this fall. However, the construction for this project remained unfunded. He continued to state that the Mount Vernon booster station, which drew drinking water from the Mount Vernon tank and distributed it to Poor Creek was 100% designed and ready for bid, but was also awaiting construction funds.

Mr. Anderson continued that the Wagner Road extension project also faced a similar issue, as the water system was not yet connected to Wagner Road and Interstate 460. Adding a connection point there would enhance resiliency and provide an additional supply line to Poor Creek, the hospital, pharmaceutical campus, and residents. This project was currently under design but lacked current construction funding. He stated that the Prince George Interconnect would serve as an emergency connection point between the City and Prince George using hydrants but currently was unsecure in terms of supplying water during an outage. There was a design for this project which was currently bid-ready, awaiting funding.

City Manager Altman noted that regarding the Prince George Interconnect project, Prince George had agreed to contribute to the costs of the project.

Mr. Anderson continued to explain that the water and sewer extension for the new animal shelter off Flank Road was a key component of the project. Currently, the building and utilities extension are under design. The project was funded but potentially may require additional funding if the building exceeded the estimated costs. He said that the South Crater Road Interceptor was a large diameter sewer interceptor that ran under the swamp, connecting South Crater, Wagner, and I-95.

Mr. Anderson said that using flow meters purchased by the City, they had found significant inflow and infiltration, particularly during storm events, due to the pipe's location beneath the swamp. He said that this project was crucial and should be expedited as soon as funding became available to ensure sufficient capacity for the development in Poor Creek during heavy rainfall events.

Council Member Cuthbert asked if the Poor Creek accelerated sewer rehabilitation project was part of the Capital Improvement Program.

City Manager Altman said that this was one of the items they would consider when evaluating rates and creating a flow of funding for this project was the reduction of infiltration. Currently, they did not have sufficient funding for this project, but it would be one of the areas they would look to fund, as reducing infiltration would ultimately help decrease costs associated with wastewater treatment.

Council Member Cuthbert asked when they could anticipate inclusion of this project in their CIP budget.

City Manager Altman stated that the main goal was to replace the sewer pipe, so when they discussed the rate study and potential rate increases, as well as their potential to borrow money to fund CIP projects, they could look to reprioritizing their CIP projects accordingly.

Council Member Cuthbert emphasized that this Poor Creek accelerated sewer rehabilitation project should be prioritized.

Mr. Andrews agreed that a proactive approach would not only save money on treated water, but also on emergency repairs, which were typically four to five times the cost of planned repairs. Additionally, trenchless methods would avoid traffic disturbance and road digging, so they could also minimize costs in that area. He said that he believed this project was currently in the five-year Capital Improvement Plan, but it was not funded and was scheduled for a future fiscal year. They had previously applied for grants for this project but were unsuccessful.

Mr. Luning summarized that they had discussed the planned projects, but there was a separate list of projects that they needed to review briefly. He noted that there was likely an excess of $1 billion in infrastructure needs in the City, so they had compiled a list of projects that should be prioritized for funding when it became available. Some projects were self-sustaining and required minimal investment, such as replacing aging generators and repairing manhole inserts. He said that these small improvements could yield significant returns on investment.

Mr. Luning said that on the other hand, major projects like the Bank Street Pump Station replacement and the Pocahontas Island Pump Station overhaul were costly and would be included in the City's Capital Improvement Plan for future years. He wanted to reiterate that the costs associated with these improvements would be substantial.

Council Member Cuthbert asked if there was potential for moving the pump station from Pocahantas Island to a different location in the future.

Mr. Luning explained that the existing infrastructure currently runs into the pumping station, so it must be located nearby. He said that they could consider relocating it nearby, but it likely could not be moved entirely off the island without incurring new difficulties.

Council Member Jones emphasized that the Poor Creek projects were some of the most important projects the City had undertaken. With that, there was a level of accountability they must expect from their citizens in terms of what they put down the pipes. He asked if they could consider putting in a grinder or separator on the City side of the infrastructure.

Mr. Anderson stated that the pump station upgrade featured two grinders that ground through rags, replacing the previous grinders that had become inoperable. He noted that one of the significant issues was the increased maintenance required at the pump station, and maintenance crews frequently needed to unclog the pumps. With new grinder replacements, they would be brand new and functional. To ensure they continued to function within the system, regular maintenance was crucial. Unfortunately, there was less they could do from the City's perspective, making public education on what should be flushed and what should not be essential to reduce these issues.

Council Member Jones asked the City Manager and City Attorney if the City could potentially send out informational material to educate the public. He said that they must try to change behaviors to reduce stress and damage to their water and wastewater infrastructure. Additionally, they may need to consider reporting violations or issuing fines to property owners so they can ensure accountability and maintain their infrastructure.

City Manager Altman stated that he would review the possibility of levying a fine for those activities. If they could, then he believed it was the City's responsibility to do so. He said that there was an accountability component to this, and it would provide a measure of consequence for noncompliance.

Mayor Parham asked if the City Manager had anything further to discuss.

City Manager Altman stated that at the last meeting, Councilman Cuthbert had inquired about fire hydrants and had requested that he provide a report. He stated that they had identified six inoperable hydrants in the City, with four of those having been repaired. They currently had two hydrants that would be inspected and addressed: one located at 1609 West Washington and the other at 2520 County Drive. As of September 1, they would begin the pressure checking process and would inspect hydrants throughout the City. If the pressures did not meet the required standards, they would report the issue and initiate repairs through Public Works.

16. <u>BUSINESS OR REPORTS FROM THE CLERK</u>

Tangi Hill, City Clerk, stated that she had nothing to report this evening.

17. <u>BUSINESS OR REPORTS FROM THE CITY ATTORNEY</u>

Anthony Williams, City Attorney, stated that he had nothing to report this evening.

18. <u>ADJOURNMENT</u>

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

The City Council adjourned at 9:57 p.m.

Adopted: 09/16/2025

Mayor, Samuel Parham

ATTEST:

City Clerk, Tangi R. Hill