

The Special City Council Meeting of the Petersburg City Council was held on Tuesday, July 16, 2020, on live stream. Mayor Parham called the Special City Council Meeting to order at 12:00p.m.

**1. CALL TO ORDER**

**2. ROLL CALL:**

Present:

Council Member Charles H. Cuthbert, Jr  
Council Member Treska Wilson-Smith  
Council Member Annette Smith-Lee  
Council Member Darrin Hill  
Council Member W. Howard Myers  
Mayor Samuel Parham

Absent: Vice Mayor John A. Hart, Sr.

Present from City Administration:

City Attorney Anthony Williams  
City Manager Aretha R. Ferrell-Benavides  
Clerk of City Council Nykesha D. Jackson

**3. REPORTS/CONSIDERATION:**

a. COVID-19 Update

**BACKGROUND:** This financial policy is a statement of guidelines and goals that will influence the guide the management practice of the City of Petersburg, Virginia. Financial Policy Guidelines that adopted, adhered to, and regularly reviewed are recognized as the cornerstone of sound financial management. These Financial Policy Guidelines were originally adopted in September 2014, and then amended in April 2017. The Foundation of the Financial Policy Guidelines are the same as they have been previously, but since the City of Petersburg has been recovering from the fiscal crisis that it once faced, these Financial Policy Guidelines need to better reflect the fiscal environment that the City of Petersburg faces now and in the future.

**RECOMMENDATION:** Recommend City Council approve the attached updated Financial Policy Guidelines.

PowerPoint Presentation: [http://www.petersburgva.gov/DocumentCenter/View/5406/Petersburg-City-of-VA-Financial-Status-Report--Reserves\\_20200720-FINAL](http://www.petersburgva.gov/DocumentCenter/View/5406/Petersburg-City-of-VA-Financial-Status-Report--Reserves_20200720-FINAL)

Mrs. Benavides stated, "So, Mayor to start out today we are fortunate to have Davenport & Company here to take us through an update. As we are talking about all things finance today, they want to give us an update on our status report. They have also been responsible with helping us to develop our initial finance policies and they have reviewed the policies. So, I am going to, without further, turn it over to them and let them introduce themselves."

David Rose, representative from Davenport & Company, stated, "My partner Roland Kooch is going to walk you through the presentation. But we are delighted to be here today. We are going to provide a brief background and then we are going to talk about the major center that we are going to focus on which is your unassigned fund balance, which is the reserved. It is there history of where you been and where you are now. Tremendous progress has been made and this is going to be very positive report that you and the citizens are

\*Audio available upon request.

going to see.”

Roland Kooch, financial advisor from Davenport & Company, gave a briefing of the PowerPoint presentation that was presented.

Key points:

- The City of Petersburg established a series of Financial Policy Guidelines which included the unassigned fund balance levels in 2014.
- Under the current administration the City has had two credit rating upgrades with the goal of more upgrades to come.
- The unassigned fund balance enables the City to earn interest income that helps alleviate pressure on tax rates.
- Over the past three years, the City fiscal health has rebounded, and the levels have improved dramatically.
- Key tenets – Unassigned Fund Balance shall be comprised of liquid cash and investments; allow for a margin of safety against unforeseen expenditures and not be used for annual recurring expenditures, except in the event of unforeseen emergency circumstances.
- After the minimum initial target is reached, the City shall plan to increase unassigned fund balance so that it is not less than 10% of its General Fund and School Component Unit Operating Expenditures.
- The City and Davenport to work towards implementing RAN, including evaluation of cash flow projections and estimated RAN size, with the goal of RAN funding by October 2020.
- Heading into the second half of 2021, with providing a strategic recommendation for capital expenditures and a borrowing strategy with necessary user rates and charges so as to maintain the self-supporting operations of the Utility Enterprise Fund.

There was discussion among City Council Members and Davenport & Company.

Mrs. Benavides stated, “Because of time and I know that we have a number of topics, Mr. Floyd presented to you the financial policy at the prior meeting. What we have done, based on feedback that we have received from council made some adjustments to the policy and made some corrections and spelled out a few things. But what I would like to move forward with is our final portion of it is our new policies have moved basically and some are a 30-day, 60-day, and 90-day reserve. It would give us a spill of where we are trying to go. And I would caution you and say that as you think of the word 30-day, that is based on the budget at that time. And so, as I budget increase that 30-day increases as well as the 60. Based on where we are today we have a budget of \$73.33 million dollars. Which represents around \$200,926 a day. A 30-day reserved, general fund only, represents \$6.03 million. A 60-day is \$12 million and a 90-day is \$18 million based on today. Our budget currently has a significant reduction that we have made due to COVID. And so what we are asking council to do is approve our adjusted financial policies that reflect a futuristic plan but also a plan taking us forward so that we can not only improve our credit rating but ensure that we have the practices in place to continue what we are doing. And I believe you have a resolution attached for council’s consideration.”

Council Member Myers made a motion to approve by resolution the Financial Policy Guidelines. The motion was seconded by Council Member Hill.

Mayor Parham opened the floor for public comments.

Seeing no hands, Mayor Parham closed the public comments.

There was no discussion on the motion. The motion was approved on roll call vote. On roll call vote, voting yes: Cuthbert, Wilson-Smith, Myers, Smith-Lee, Hill, and Parham; Absent: Hart

\*Audio available upon request.

**20-R-36 A RESOLUTION APPROVING THE CITY OF PETERSBURG FINANCIAL POLICY GUIDELINES.**

b. Water Collection Emergency Services Update.

**BACKGROUND:** The Historic Petersburg Foundation previously received a grant in the amount of \$35,000 to which a matching grant in the amount of \$300,000 proposed for use in the renovation of the Exchange Building owned by the City of Petersburg. While the City was not able to commit to a cash match of \$50,000, the Manager has indicated that capital improvements to the facility and other non-monetary contributions toward the renovations are included in previously budgeted funds and may be used to satisfy the requirement. Council previously passed a Resolution supporting the renovation and authorized an operational MOU with Preservation Petersburg Task Force. This MOU will allow HPF to proceed with the renovation efforts.

**RECOMMENDATION:** Approve motion to authorize execution of the MOU.

Council Member Cuthbert made a motion to authorize the City Manager to execute the proposed MOU with the Historic Petersburg Foundation. The motion was seconded by Council Member Hill. There was no discussion on the motion. The motion was approved on roll call vote. On roll call vote, voting yes: Cuthbert, Wilson-Smith, Myers, Smith-Lee, Hill, and Parham; Absent: Hart

c. Consideration of adoption of the update financial policy guideline by resolution.

**BACKGROUND:** This financial policy is a statement of guidelines and a goals that will influence and guide the management practice of the City of Petersburg, Virginia. Financial Policy Guidelines that adopted

**RECOMMENDATION:** Presentation of Final CAFR of FY18-FY19 and consideration of approval.

d. Petersburg Public Library Funding.

**BACKGROUND:** No background information.

**RECOMMENDATION:** Presentation of Final CAFR of FY18-FY19 and consideration of approval.

**3. ADJOURNMENT:**

City Council adjourned at 11:33 a.m.

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Clerk of City Council

**APPROVED:**

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Mayor

\*Audio available upon request.