



**City of Petersburg
Virginia**

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City Council

Samuel Parham, Mayor – Ward 3
John A. Hart, Sr., Vice Mayor – Ward 7
Treska Wilson-Smith, Councilor – Ward 1
Darrin Hill, Councilor – Ward 2
Charles Cuthbert, Councilor – Ward 4
W. Howard Myers, Councilor – Ward 5
Annette Smith-Lee, Councilor – Ward 6

City Manager

Aretha R. Ferrell-Benavides

SPECIAL CITY COUNCIL MEETING AGENDA

**January 22, 2018
Council Chambers
135 North Union Street
6:00pm**

- 1. Roll Call**
- 2. Purpose:**
 - a. Request for public hearing to amend Ordinance 17-ORD-25 adopted by City Council on June 6, 2017, to remove the contingent sunset provision relating to the increase in water and wastewater rates charged by the City.
- 3. Closed Session:**
 - a. The purpose of closed session is for the discussion of evaluations of City Council Appointees.
- 4. Adjournment**



City of Petersburg

Ordinance, Resolution, and Agenda Request

DATE: January 22, 2018

TO: The Honorable Mayor and Members of City Council

THROUGH: Aretha R. Ferrell-Benavides, City Manager

FROM: Blake Rane, Finance Director and Joe Preston, City Attorney

RE: Request for public hearing to amend Ordinance 17-ORD-25 adopted by City Council on June 6, 2017, to remove the contingent sunset provision relating to the increase in water and wastewater rates charged by the City.

PURPOSE: To authorize a public hearing for City Council to consider an amendment to Ordinance 17-ORD-25 adopted by City Council on June 6, 2017 to remove the contingent sunset provision effective on January 31, 2018 relating to the increase in water and wastewater rates charged by the City to permit the City to continue to meet its existing loan obligations and prevent disruption of City billing and collections.

REASON: On June 6, 2017 the City Council approved Ordinance 17-ORD-25 approving an increase in water and wastewater rates for fiscal year 2018, subject to a sunset provision on January 31, 2018 targeting certain collection efforts by the City. City Council recognizes that billing and collection efforts have improved considerably in the current fiscal year and wishes to authorize an amendment to the original ordinance to provide that the rate increase is permanent.

RECOMMENDATION: Recommend City Council authorize a public hearing at the next available meeting to approve an amendment to amend the Ordinance 17-ORD-25 adopted by City Council on June 6, 2017 to remove the contingent sunset provision and make the rate increase permanent, effective January 31, 2018.

BACKGROUND: On June 6, 2017, City Council approved a 14.3% increase in water and wastewater rates in the City. These increases match the commitments made by the City as part of its five year plan to improve the liquidity for the water and wastewater systems. These increases were also required as part of conditions of loans between the City and the Virginia Resources Authority. At that time, City Council expressed concern about the low rate of collections by City staff. As part of the Council's review, it was proposed that the rate increase for Fiscal Year 2018 be subject to a contingent sunset provision, whereby City Council could decide to not continue the rate increase if collection efforts did not improve by January 31, 2018. Collection efforts have improved considerably over the last six months – previously the collection ratio was near 70%; the latest reports from City staff show collections at over 80%. To ensure

that the water and wastewater systems continue to improve financially and to prevent and disruption or confusion as to water and wastewater rates going forward, it is requested by City staff that City Council permanently approve the rate increase for Fiscal Year 2018 without the contingent provision that the rate increase may end. Otherwise the City will be in violation of its loan agreements with Virginia Resources Authority and the fiscal stability of the water and wastewater systems may be eroded. Additionally, failing to make the rate increase permanent would lead to considerable confusion in billing and collections going forward.

The amendment to Ordinance 17-ORD-25 should be adopted in the form of an ordinance, subject to the typical public hearing requirements. This action will authorize that public hearing at the next available City Council meeting date to approve the amendment of Ordinance 17-ORD-25 to delete the contingent sunset provision and make the rate increase set forth therein permanent, without need for further action by City Council. This shall have no effect on future water and wastewater rate-setting to be considered or approved by City Council.

COST TO CITY: N/A

BUDGETED ITEM: N/A

REVENUE TO CITY: N/A

CITY COUNCIL HEARING DATE: February 2018

CONSIDERATION BY OTHER GOVERNMENT ENTITIES: N/A

AFFECTED AGENCIES: N/A

RELATIONSHIP TO EXISTING ORDINANCE OR RESOLUTION: Yes, Ordinance 17-ORD-25 adopted June 6, 2017.

REQUIRED CHANGES TO WORK PROGRAMS: N/A

ATTACHMENTS: N/A

STAFF: N/A