

# Mayor: Raise Richmond's debt limit, taxes to fund projects for city, schools

By NED OLIVER Richmond Times-Dispatch | Posted: Monday, June 27, 2016 10:30 pm

Richmond Mayor Dwight C. Jones issued his recommendations for resolving the city's school facilities quandary Monday: Borrow more money and raise taxes.

Jones said he supports "immediate action" to raise the city's debt limit, which is currently maxed out. The move would enable the city to issue \$580 million in bonds over the next 10 years.

He said the money should be used for projects for the city and for schools, which are projecting a combined \$1.5 billion in capital needs.

To afford the debt payments that would accompany the increased borrowing, Jones recommended the city consider an as-of-yet undetermined combination of tax increases ranging from real estate, meals, personal property, admission to theaters and shows, vehicle licenses and cigarettes.

"This is a realistic approach that provides a 10-year program to move us forward," Jones said. "This is a well-thought-out plan that will require discipline but that will make us a better city in the long run."

Jones said it will be up to the next mayor and City Council to decide whether to utilize the additional borrowing capacity, what projects to spend it on and which tax increases to implement to pay down that debt.

But he made clear that before he leaves office, he hopes to address the city's debt limit, which is governed by an internal financial policy but tied to the city's credit rating.

The city's financial adviser, Davenport and Co., has warned that raising the city's debt capacity could hurt the city's Aa+ rating, which Jones has touted as an achievement during his administration. Jones said his recommendations include policies "to maintain and protect the city's current credit rating, to the extent possible."

Reaction from City Council members, who would have to approve the action, was mixed, with many stressing the need to tie an increase to the debt limit to increased revenue from the beginning.

"If we're going to raise it, we should figure out how to pay for it," Councilwoman Ellen F. Robertson said.

Councilwoman Kathy C. Graziano made a similar point, as did City Council President Michelle R. Mosby.



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Mayor Dwight C. Jones speaks about the budget during a press conference Friday, April 15, 2016.

“We really need to look at all the options and we really need to understand that whatever we do, we have to have revenues to support it,” said Mosby, who is running for mayor. “We need to do something, because at the end of the day, we have to take care of city services and our public schools.”

Councilman Charles R. Samuels questioned Jones’ push to act on the matter in the next 30 days.

“I don’t think this is something we should be shoving down the citizens’ throats,” he said.

“Too often when the administration asks for immediate response to a proposal, it comes back to bite us later,” Samuels said. “On the one hand, if we can resolve this issue, we shouldn’t wait; however, we are essentially making a decision that could turn out to be an albatross around the next mayor and council’s neck.”

Jones’ press secretary, Tammy D. Hawley, said the council could consider tax increases at the same time as it considers the debt limit. “But how likely that is, I could not project,” she said.

Graziano said that was a question better left to those presently campaigning for office.

“What path to take will be determined by the new mayor and council,” she said.

Regardless, school officials said they are encouraged by the dialogue.

Superintendent Dana T. Bedden said he hopes “the dialogue and planning continues and ultimately leads to realistic and sustainable solutions.”

Jones said the next step for his proposal is for the city and school system to “finalize their lists of targeted projects to be pursued over the 10-year funding period” by July 15.