



City of Hampton

22 Lincoln Street
Hampton, VA 23669
www.hampton.gov

Council Approved Minutes - Final City Council Work Session

Mayor George Wallace
Vice Mayor Linda D. Curtis
Councilmember W.H. "Billy" Hobbs
Councilmember Will Moffett
Councilmember Teresa V. Schmidt
Councilmember Chris Snead
Councilmember Donnie R. Tuck

STAFF: Mary Bunting, City Manager
Vanessa T. Valldejuli, City Attorney
Katherine K. Glass, CMC, Clerk of Council

Wednesday, February 24, 2016

1:00 PM

Council Chambers

CALL TO ORDER

Mayor Wallace called the meeting to order at 1:06 p.m. All members of the City Council were present.

Present 7 - Vice Mayor Linda D. Curtis, Councilmember Billy Hobbs, Councilmember Will Moffett, Councilmember Teresa V. Schmidt, Councilmember Chris Snead, Councilmember Donnie R. Tuck, and Mayor George Wallace

GEORGE E. WALLACE PRESIDED

AGENDA

1. [16-0073](#) Budget Briefings - Financial Advisor Presentation on Refunding Opportunity and Staff Presentation on the Public Engagement Process for the Fiscal Year 2017 budget

Attachments: [Presentation - Financial Advisors](#)
[Presentation - CIP](#)
[Survey Open End Comments](#)

City Manager Mary Bunting introduced Mr. David Rose of Davenport & Company. She commended the financial advisors and the City's finance team, led by Finance Director Karl Daughtrey and Director of Budget & Strategic Initiatives Brian DeProfio, for always looking for money saving opportunities for the City.

Mr. Rose provided Council with a presentation summarizing the Request for

Proposals (RFP) for refinancing the City's 2009 Motorola equipment lease. He stated that the news provided today demonstrates the result of great leadership and stability in Hampton.

Mr. Rose noted that the sole goal of this refinancing was to save money. The City did not extend the final maturities of the existing debt, but simply exchanged the current interest rate, which is over 4%, for a lower interest rate.

Mr. Rose stated that when this lease was made in 2009, there was an ability for the City to prepay it. This is essentially what the City is doing today, prepaying it because interest rates have come down, so the City will extinguish the old loan in exchange for a new loan with a lower interest rate. The City wanted to keep that flexibility, and Bank of America provided a more favorable provision. In two years, the City can prepay the loan if it so desires. TD Bank would also allow the City to prepay, but with a Yield Maintenance Fee, which means that the City would owe the interest to TD Bank for the remaining time.

Mr. Rose noted that the City has a policy that if the savings for a refinancing, after including the cost of the refinancing, is at 3% or higher, it is acceptable. This will lock in a percentage of savings that is more than twice the level of that requirement.

Mr. Rose stated that they are targeting a March 10th closing date, so the savings could actually be higher than expected.

Ms. Bunting noted that the resolution to proceed is on tonight's legislative agenda.

Councilwoman Schmidt asked if these rates would be locked in until the closing. Mr. Rose confirmed that they would.

Councilwoman Schmidt asked about the "make whole penalty" on Slide 3 under TD Bank, and if this was what Mr. Rose had been referring to as the early payoff fee. Mr. Rose confirmed this is what he meant.

Vice Mayor Curtis thanked the financial advisors for their work.

Mayor Wallace asked if there was any prepayment penalty on the original 2009 Motorola lease. Mr. Rose indicated that there was no prepayment penalty, but if there had been, it would have been factored into the numbers.

Ms. Bunting introduced Communications Strategist Robin McCormick. She stated that the City has long engaged the public early in the budget process. Approximately two months ago, the City started its Capital Improvement Plan (CIP) public engagement, which involved a formal meeting and online polling. She stated that this is important because the CIP gets adopted at the same time as the budget, and the first year of the CIP is rolled into the Manager's Recommended Budget.

Ms. McCormick provided Council with a presentation summarizing the CIP public input results, and reviewing the steps that will be taken for the operating budget public input sessions.

Ms. McCormick noted that the one in-person input session was attended by approximately twelve people. Online polling was open for approximately three weeks. The online polling resulted in approximately half of what has been seen in previous years. She believes this is a result of resident burnout, as well as the lack of threatening cuts and large new projects.

Mayor Wallace asked for clarification on "all areas represented." Ms. McCormick stated that this indicated that all ZIP codes were represented.

Ms. McCormick clarified that the \$17 million indicated for the Sports Tourism Facility is an additive cost. The cost of a 25 meter pool is listed under Place Making, and the \$17 million listed on Slide 4 is what it would cost to expand the pool into a tourism facility.

Ms. McCormick explained the ranking system. Items were awarded 10 points if everyone voted for an item as their 1st choice, 9 points for their 2nd choice, and so on.

Ms. McCormick clarified that body-worn cameras for police are both a capital cost and an operating cost, as there are annual expenses associated with the cameras. The GPS vehicle locators go on police and fire trucks so

dispatchers know exactly where they are and who is the closest to any given incident.

Ms. McCormick noted that there was also a section for open ended comments. There were no common themes, and stated that about half of the comments were actually about the operating budget.

Ms. Bunting stated that she has reserved once a month to participate in the online Mayor's Chat program for residents who prefer online engagement. Ms. McCormick stated that this is not the end of in-person polling, but that it would be better attended if and when there is money to do additional projects.

Presented by David Rose of Davenport & Company who covered the equipment refinancing lease. Robin McCormick, Communications Strategist, presented information on the capital improvement plan input results and on the public engagement process for the Fiscal Year 2017 budget.

REGIONAL ISSUES

NEW BUSINESS

Councilman Tuck stated that there has been some concern about the lack of Hampton Roads Transit (HRT) bus shelters near senior centers. He asked about the cost of those shelters and if the City can bear the cost if HRT cannot.

Ms. Bunting stated that the City had overpaid several hundred thousand dollars to HRT in previous years, and has requested that those funds be put towards bus shelters. Not all of those requested and funded have been built yet. Public Works worked with HRT to prioritize those bus shelters based on the utilization. She will provide those pending locations to Council, as there may be overlap with what citizens have requested. The City is committed to trying to get as many bus shelters as possible. She reminded seniors that there is a Handi-Ride service available. Many seniors are able to use this resource, which could be why some of the user counts near the senior centers are not as high.

Councilman Moffett noted that City staff is constantly working with HRT staff to identify locations for bus shelters. He commended the City and HRT for

their recent efforts, in coordination with Langley Air Force Base, to solve a dilemma that forced people to exit a bus, cross traffic, and wait out in the elements. There will now be a shelter and a turnaround.

Councilwoman Schmidt noted that Public Works Director Lynn Allsbrook has indicated to Council that the water tanks located in Phoebus and Fox Hill will be taken down this summer. She has asked if it is possible to reverse the water during times of flooding to store in the tanks and release slowly after flood events. Mr. Allsbrook has done some math for her and indicated that the tank at Fox Hill would amount to approximately three inches over a football field. He also suggested that it could be used for something else. She asked Council to think of uses for the tanks before they are taken down, as they could be valuable asset, possibly at no cost.

CLOSED SESSION

2. [16-0022](#) Closed session pursuant to Virginia Code Sections 2.2-3711.A.1, .3, .5 and .7 to discuss a personnel matter involving a department head, to discuss or consider the acquisition of real property for a public purpose, or the disposition of publicly held real property in the area of Downtown Hampton, where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the city, to discuss a prospective business or industry or the expansion of an existing business or industry where no previous announcement has been made of the business' or industry's interest in locating or expanding its facilities in Hampton, and to consult with legal counsel employed or retained by the City regarding specific legal matters concerning a vested rights issue requiring the provision of legal advice by such counsel.

At 1:37 p.m., a motion was made by Councilmember Snead, seconded by Councilmember Schmidt that this agenda item be approved. Closed session was recessed at approximately 3:49 p.m. due to a tornado warning and resumed at approximately 4:15 p.m. The motion carried by the following vote:

Aye: 7 - Vice Mayor Curtis, Councilmember Hobbs,
Councilmember Moffett, Councilmember Schmidt,
Councilmember Snead, Councilmember Tuck and Mayor
Wallace

CERTIFICATION

3. [16-0023](#) Resolution Certifying Closed Session

At approximately 5:41 p.m., a motion was made by Vice Mayor Curtis, seconded by Councilmember Snead that this agenda item be approved. The motion carried by the following vote:

Aye: 6 - Vice Mayor Curtis, Councilmember Hobbs,
Councilmember Schmidt, Councilmember Snead,
Councilmember Tuck and Mayor Wallace

Out: 1 - Councilmember Moffett

ADJOURNMENT

George E. Wallace
Mayor

Katherine K. Glass, CMC
Clerk of Council

Date approved by Council _____