



City of Hampton

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

Council Approved Minutes - Final City Council Work Session

Mayor Donnie R. Tuck
Vice Mayor Jimmy Gray
Councilmember Chris L. Bowman
Councilmember Eleanor Weston Brown
Councilmember Steven L. Brown
Councilmember Billy Hobbs
Councilmember Chris Snead

STAFF: Mary Bunting, City Manager
Cheran Cordell Ivery, City Attorney
Katherine K. Glass, Clerk of Council

Wednesday, March 10, 2021

1:00 PM

Council Chambers

CALL TO ORDER

Mayor Tuck called the meeting to order at 1:01 p.m. All members of the City Council were present except for Councilwoman Brown who is away today.

Present 6 - Councilmember Chris L. Bowman, Councilmember Steven L. Brown, Vice Mayor Jimmy Gray, Councilmember Billy Hobbs, Councilmember Chris Snead, and Mayor Donnie R. Tuck

Excused 1 - Councilmember Eleanor Weston Brown

DONNIE R. TUCK PRESIDED

AGENDA

1. [21-0081](#) Budget Briefings: (A) Stormwater, Wastewater, and Solid Waste Fees; (B) Site Plan and Subdivision Fees; and (C) Opportunities for Public Input into the Budget

Attachments: [Stormwater, Wastewater, and Solid Waste Fees Presentation](#)
[Site Plan / Subdivision Fees Presentation](#)
[Public Input Opportunities Presentation](#)

City Manager, Mary Bunting introduced the presentation by Jason Mitchell, Director of Public Works, to discuss various special revenue funds.

Mr. Mitchell greeted attendees and began his presentation to discuss special and

revenue enterprise fund requests for fee increases. He began with the stormwater program, highlighting its mission and reviewing stormwater services. He continued to the next slide highlighting the top three drivers: Resilient Hampton projects, reducing neighborhood flooding, and increasing operating and maintenance expenses.

On the stormwater fee considerations slide, he reviewed the monthly fee and asked Council's consideration to raise it \$1 in FY22 to \$10.83. The projection shows the fees increasing in the future but highlighted that calculations were based on current projections and subject to change in the future at Council's discretion.

Mr. Mitchell proceeded to discuss the stormwater monthly bill comparison stating the City is at \$9.83 and the projection would increase to \$10.83 which is above the average of Newport News, Norfolk, and Virginia Beach. The next slide displayed current and projected fees of the stormwater fund balance. If the fund balance is used without projected fund increases through FY23 we would deplete the fund balance. He stated that he would show how using a portion of the fund balance and slightly increasing the fee will allow the City to retain about a million dollars by FY27.

He requested Council approve the use of \$1.5 million of fund balance to lessen increases to customers in FY22.

Mr. Mitchell opened the floor for questions.

Councilwoman Snead inquired about the use of fund balance money and use of funds for Resilient Hampton.

Mr. Mitchell explained the fund balance portion goes towards current stormwater projects. The projection is slowly using fund balance down to a minimal level along with rate increases. He also verified the funds would be put toward projects or debt funded.

Vice Mayor asked how much of an increase is anticipated with twenty cents for Resilient Hampton.

Mr. Mitchell responded approximately \$200,000.00 for twenty cents and \$800,000.00 for eighty cents.

Councilman Brown asked about the average for stormwater fees in other localities. Mr. Mitchell stated the average to be \$10.20.

Mrs. Bunting included that Hampton's proposed rate is displayed yet unsure if

other localities will increase their rates because they have not yet released their budgets. She stated Hampton is currently below the average and expected to continue to be below the average when other localities adopt their budgets.

Mayor Tuck asked how much more of the fund balance would be required in FY2022 if the fee was not increased by \$1. Mr. Mitchell stated it would be \$3M.

Mayor Tuck asked if this would go into the City Manager's recommended budget. Mrs. Bunting agreed but stated if Council is not comfortable with raising the dollar, the fund balance can be drawn down faster and maintain or slow down the pace of capital projects.

Mayor Tuck inquired about the replenishment of the stormwater budget. Mr. Mitchell stated it would depend on Council's decision to increase the rate.

Mrs. Bunting added that there needs to be a fund balance. She continued to explain the purposes of a fund balance: a contingency account for emergencies or unanticipated occurrences. The City has a healthy fund balance and is able to recommend using the fund balance to help with capital projects instead of raising rates for citizens. She also expounded on the Mayor's question in reference to replenishing the stormwater budget asking what steps to take if a larger increase is needed to replenish the budget. She asked if a dollar a year is cheaper than waiting until year three when it's three or four dollars.

Mr. Mitchell responded yes, and explained the policy for thirty days operating cash of the fund. They try not to go below the operating fund for emergency purposes.

Mayor asked how much harm it would be to the budget if the City charged below \$1.

The City Manager Bunting made the following remarks, "We could also just not do as many capital projects. So, I want to be clear when we share this. This was the planned increase in how we would use the money. I think it's perfectly reasonable for us, particularly in the pandemic environment, and knowing there are other influences to maybe say we want to do some lesser amount, or maybe not even do it at all. Those are perfectly reasonable policy distinctions and that's part of why we present to you before we ever release the budget, is to see if there's some guidance you would like to suggest to us. And I will say, we haven't got to it yet-it's the next part, but wastewater is also going to be a need of a fee increase and that one is critical because of various consent decree issues in the region. So, if we wanted to say we want to mitigate for our residence, stormwater is where as I, the City Manager, would recommend we maybe hold back either with a lower fee or no fee at all so that we can afford to do the wastewater because the wastewater is going to be,

as Jason will speak to in just a moment, very critical due to some of the issues that are regionalist facing with the consent decrees in our area.”

Councilwoman Snead requested clarity in funding the resiliency program.

Mr. Mitchell stated that out of the current \$12M, \$8M was invested leaving a surplus of \$4M. Although the original thought was to move forward with a dollar increase annually, it would slow progression of the projects. After speaking with Mr. O’Neill, he believes some of the designs have taken longer than anticipated so that is why they are requesting a dollar increase and can still put \$.20 into Resilient Hampton and still use the other \$800,000.00 to enhance neighborhood flooding projects.

City Manager Bunting added that the \$200,000.00 could be converted to \$2M because the 10x ratio is generally used. She continued that the Resilient Hampton is really critical due to sea level rise planning and coastal resiliency needs. There are other stormwater issues in the City not specifically related to those tidal level influences. If the focus is only on Resilient Hampton, neighborhood issues would not be dealt with. This is why 100% of the money goes to Resilient Hampton every other year and on the off years there is an 80/20 split to assure flooding and stormwater needs of residents not influenced by tidal level influences are also addressed. She stated the best way to get the best bang for the buck is to monetize with a bond issue and use the money for the debt service.

Councilwoman Snead stated that she is in agreement with the Mayor’s decision in reference to a dollar increase as long as something is done.

City Manager Bunting responded that the fund balance would not be used for debt service. It would be a straight cash funded project. She clarified that the program would be \$1 a month, \$12 for the year for residents. For businesses it could be more because they get it based upon the number of equivalent residential units. A dollar is a dollar per Equivalent Residential Units (ERU).

Councilwoman Snead continued that it is worth doing the \$1 increase.

Mayor Tuck suggested rethinking the dollar amount because of other things that are happening.

Vice Mayor Gray asked if the \$5 million represents the 30 days of operating funds that is maintained for policy.

Mr. Mitchell stated it represents more than 30 days in the operating, so the reserve would be consistently used over the years along with small rate increases to keep

the rates low.

Vice Mayor Gray and City Manager Bunting continued in a conversation in reference to what would happen if the dollar was not used. Mrs. Bunting stated that under the Council's direction the revenue stream can be maximized.

Vice Mayor asked for an idea of projects that could not be done under the current budget.

Mr. Mitchell presented an example of a ditch in Fox Hill with major flooding issues which would take much longer to reduce flooding. A similar project was on Mill Point Road where the plan was reorganized and a system redesigned to make it flow better.

City Manager Bunting transitioned into the wastewater presentation.

Mr. Mitchell introduced the second part of the presentation about the wastewater program. He reviewed the mission and operations of Hampton's wastewater program. There are approximately 108 pump stations in more than 600 miles of underground sanitary sewer systems.

He explained the difference between Hampton Roads Sanitation District (HRSD) and Hampton's wastewater systems. In the City of Hampton there are more than 100 pump stations and 600 miles of underground infrastructure. The majority of the infrastructure was built in the 1960s and made of terracotta clay which is brittle and requires a lot of maintenance. He continued that Hampton's wastewater system feeds into HRSD's wastewater treatment facilities throughout Hampton Roads to treat and release back into the Chesapeake Bay.

The next slide summarized the wastewater rate increase drivers: Regional Memorandum Agreement, Wastewater Surcharge, and Wastewater User Fee. Mr Mitchell explained the Swift program recommended by HRSD which elects to take on capacity related issues for the region. That caused the City to shift from a consent order to a memorandum of understanding with locality partners indicating efficient operation to keep them up to speed. In 2014 and 2015 it was estimated that repairs would be \$165M to \$168M dollars. The existing repairs are in the neighborhood of \$200 million dollars in today's dollars. The goal is to gradually spread the increase over the next 20 years and be more aggressive with schedule to repair and replace system. He described a sinkhole located in the Wythe neighbor big enough for a car to fall into that should encourage the advancement of rehab efforts for the sanitary sewer system to prevent this from occurring.

Next, Mr. Mitchell discussed wastewater projected fees along with the increases for FY 2022, 2024, and 2026. The combined monthly bill for residents is \$14.30 a month. He proposed to increase the user fee by \$.33 and surcharge fee by \$.28 so the monthly bill would increase by about \$4 a month to continue to maintain the systems.

The next two slides illustrated the wastewater unrestricted net position current versus proposed fees and Memorandum of Agreement (MOA) net position current versus proposed fees. He elected to reduce funds balance slightly, raise rates slightly, and keep a balance of less than \$800 thousand dollars which is about the 30 day net cash. The average cost of a pump station today is \$2M dollars so it doesn't take many failures to deplete the fund balance. He announced \$6.7M in the fund but funds may be depleted half way through 2023.

Councilman Brown inquired about the cost of pump stations. Mr. Mitchell responded that there are 108 pump stations in Hampton, VA. A developer would either build a pump station or cost share with the City depending on how much flow and where it's going. Councilwoman Snead wanted to know if it was the City to replace pump stations. Mr. Mitchell stated that it would be on the City to replace pump stations.

He continued the MOA net position, current vs. proposed presentation stating if there is no rate increase the fund balance will be depleted by FY2023. The suggestion to Council is to allow use of a portion of fund balance over the next several years, small rate increases, and retain about \$400,000 for emergency purposes.

The next slide illustrated the wastewater combined monthly bill comparison that displayed Hampton with the lowest monthly bill below Newport News and others in the region. Mr. Mitchell read over recommendations to use \$1M of wastewater unrestricted net position to lessen fee increase to customers in FY2022 which will decrease unrestricted net position from \$3.4M to \$2.4M, use \$1.6M of MOA net position to lessen fee increase in FY2022, adopt sewer usage fee and surcharge fee, and review projections of expenses and revenues for FY2024 and beyond. Mr. Mitchell continued that Public Works reviewed projected expenses for the solid waste program and no fee increases were requested for FY2022. They are using some of the fund balance to deal with global recycling increase costs.

City Manager Bunting reminded the public that the recommendations are staff recommendations and the public will have input opportunities before staff makes a final recommendation to Council. Once the recommended budget comes out the Council still has formal public hearings. The reason it is presented today is to get early feedback and direction from Council. If staff is going in a direction Council is not comfortable with, there is still time between now and once the budget is released.

Vice Mayor Gray commented on deferred stormwater projects suggesting real estate taxes go toward funding the projects. He doesn't want projects deferred and sensitive to concerns of high assessments and additional taxes. (Vice Mayor Gray made additional comments which were inaudible due to technical difficulties.)

Mayor Tuck expressed concern with reduced family budgets and high assessments. Once the Council receives the City Manager's recommended budget and feedback from the public, it will be easier to understand what is valued.

City Manager Bunting explained that staff understands if Council disagrees with staff it is because it is their policy making role. She expressed their job is to alert the Council to the needs within the community. She continued that they don't want to raise the rates or taxes. The philosophy of the City is to not raise fees if it is not required. An update on assessments will be discussed at the evening session under Manager's reports.

Ms. Bunting thanked Mr. Mitchell and his team for a great presentation and introduced Phil Prisco, Development Services Manager. She continued that he will present the annual review of the site plan and subdivision fees in comparison to other localities.

Mr. Prisco greeted the Council and proceeded with the evaluation of current site plan and subdivision fees. He announced a small group was created to poll surrounding jurisdictions. He reviewed goals that were set: compare current fee schedule with surrounding jurisdictions, present a framework if change was needed to the Council, incentivize higher quality submissions to make work easier for the customer and the City, remain competitive in the region, and strengthen partnership for success.

Next, he reviewed setting the subdivision and site plan fees, referring to two different state code sections: mandatory provisions of a subdivision ordinance and site plans submitted in accordance with zoning ordinance.

Mr. Prisco describing the functions of the site plan and subdivision team and shared that the committee also receives assistance from other City divisions.

Next, he discussed the initial and resubmission site plan fees from 2018 to 2021. He shared the total site plans increased from four to nine as of day of presentation therefore increasing the initial fee. Mr. Prisco added that the little star notes the City projects without fees.

He compared the site plan review fees for Hampton, Newport News, Portsmouth,

Norfolk, and Virginia Beach. His team researched the setup of the initial filing and amount of fees. He announced the team was surprised to find out it was not apples to apples, every City does things differently.

Mr. Prisco reviewed the site plans of the local cities based on research on how the fees would be charged if they were presented to the surrounding cities. Overall he reported no huge differences.

The next slide laid out the five cities and how charges are broken down for subdivision fee comparisons.

He presented background information for fees collected.

In conclusion, Hampton appears to be competitive with fees in the region so at this time the staff doesn't recommend any changes.

Mr. Prisco opened the floor for questions.

Mayor Tuck and Mr. Prisco discussed what the numbers represented in the site plan example graph. Mr. Prisco explained the numbers represented current site plans in Hampton.

No more questions or comments were made.

City Manager Bunting introduced Robin McCormick, Communications Strategist, to discuss opportunities for public input into the budget. Mrs. Bunting continued that that are pandemic influences to the budget and will discuss revenue estimates and how the pandemic has impacted commercial revenues at the next meeting. This year there will not be a poll on new City services until the economy fully recovers from the pandemic. She wants to hear from the public about City services they care most about. She stated that Ms. McCormick will discuss how people can access opportunities and that the City Manager's office is available to speak to groups via Zoom. There are opportunities available for homeowners and faith based groups as well.

Ms. McCormick greeted the council and continued with presentation. She explained last year's ranking of projects and new items that were most important until COVID hit. Ms. McCormick expressed the information from last year would not have changed drastically and did not want to ask the same questions two years in a row. Some of the things ranked highly included capital, but most of the operating priorities are still on hold. This year the discussion will be framed around property assessments, tax rates, high-priority projects, special funds or fees such as

stormwater or waste water, and fund requests for the City.

Next, Ms. McCormick confirmed three Facebook Live Questions & Answers in March. They will also be aired on Channel 47 for people who do not have internet.

For the public's benefit, Ms. McCormick reviewed the next steps for Manager's recommended budget which included released date, hard copies, download/view online, public hearings, and council vote.

City Manager Bunting stated that Hampton is one of the few localities that organizes pre-release opportunities for budget input. It is helpful for the City Manager's staff to finalize the recommended budget. She encouraged Hampton citizens to contact the office and join one of the sessions to learn more about the budget. She thanked citizens that are watching and choose to join.

Councilman Brown asked how citizen's priorities are weighed in terms of what they want and don't want in the budget.

Ms. McCormick responded that she will look at the ranking of citizen's priorities from last year. A lot of them are on hold, but they will proceed assuming the citizen's priorities are still the same.

Councilman Brown inquired about new initiatives.

City Manager Bunting explained that people will have the opportunity to ask questions and give opinions once a session is over. She pointed out that there is a sense of community sentiment when the information from all sessions is reviewed. Some years there is more active participation and other years there are less active participation. The sessions are very important to shape the budget but if people prefer private groups, notes will be taken during those sessions and given to Council members. She reiterated that there isn't an official vote, but the goal is to get a general sentiment based on comments made by the public. All information received will be made available to all Council members.

Councilman Brown expressed his concerns of priorities changing due to the pandemic and new residents and continued to inquire how data is captured from these individuals.

Mrs. Bunting stated if the City was looking to fund new projects she would suggest polling, but since the City is unable to do new things they will only focus on the Capital Improvement Program (CIP). If funding was available to spend on priorities, polling would be essential. She doesn't want to give a false sense of priorities being

an option when it is not the case due to limited revenue.

Ms. McCormick added that people provide feedback afterwards on Facebook Live by hitting like or dislike. She shared that after years of polling she's noticed certain priorities remain at the top such as public safety, crime prevention, and youth programs.

Mrs. Bunting informed that the results will be summarized at a public session of Council following the March 25th session and concluded the budget report presentation.

Mayor Tuck thanked Mrs. Bunting and asked the Clerk of Council, Katherine Glass, to read the closed session remarks.

Mayor Tuck announced Closed Session to resume at 2:10 pm in Community Development

Facebook Live question and answer sessions on the budget will take place as follows:

- Thursday, March 18, 2021, at 7 p.m.
- Monday, March 22, 2021, at 12 noon
- Thursday, March 25, 2021, at 7 p.m.

REGIONAL ISSUES

There were no regional issues.

NEW BUSINESS

There were no items of new business.

CLOSED SESSION

2. [21-0094](#) Closed session pursuant to Virginia Code Sections 2.2-3711.A (.1), (.3), (.7) and (.8) to discuss appointments as listed on the agenda, to discuss the disposition of real property for a public purpose in the LaSalle Avenue corridor, Greater Wythe, and the Downtown areas of the City, where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the City, and to consult with legal counsel

employed by the City regarding collective bargaining as codified in §40.1-57.2 of the Virginia Code and to consult with legal counsel pertaining to actual litigation where such consultation or briefing in an open meeting would adversely affect the negotiating or litigation posture of the City.

At 1:55 p.m., a motion was made by Councilmember Billy Hobbs and seconded by Councilmember Chris Snead, that this Closed Session - Motion be approved. The motion carried by the following vote:

Aye: 6 - Councilmember Bowman, Councilmember Brown, Vice Mayor Gray, Councilmember Hobbs, Councilmember Snead and Mayor Tuck

3. [20-0241](#) Consideration of Appointments to the Citizens' Engagement Advisory Review Commission (CEARC)

4. [21-0097](#) Consideration of an Appointment to the Board of Review of Real Estate Assessments

CERTIFICATION

5. [21-0095](#) Resolution Certifying Closed Session

At 5:44 p.m., a motion was made by Councilmember Billy Hobbs and seconded by Councilmember Chris Snead, that this Closed Session - Certification be approved. The motion carried by the following vote:

Aye: 6 - Councilmember Bowman, Councilmember Brown, Vice Mayor Gray, Councilmember Hobbs, Councilmember Snead and Mayor Tuck

ADJOURNMENT

The meeting was adjourned at 5:44 p.m.

Contact Info:
Clerk of Council, 757-727-6315, council@hampton.gov

Donnie R. Tuck
Mayor

Katherine K. Glass, CMC
Clerk of Council

Date approved by Council _____