



# City of Hampton

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

## Council Approved Minutes - Final City Council Special Session

*Mayor Donnie R. Tuck*  
*Vice Mayor Jimmy Gray*  
*Councilmember Eleanor Weston Brown*  
*Councilmember Steven L. Brown*  
*Councilmember Linda D. Curtis*  
*Councilmember W.H. "Billy" Hobbs*  
*Councilmember Chris Snead*

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

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**Wednesday, May 13, 2020**

**1:00 PM**

**Council Chambers and  
Electronically**

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### CALL TO ORDER

Mayor Tuck called the meeting to order at 1:00 p.m.

All members of the City Council were present utilizing video conferencing provided by Zoom. The meeting was hosted remotely by Dacia Walker, Marketing/Development Manager. Mayor Tuck was physically present in Council Chambers also participating in the Zoom video conference.

**Present** 7 - Councilmember Eleanor Weston Brown, Councilmember Steven L. Brown, Councilmember Linda D. Curtis, Vice Mayor Jimmy Gray, Councilmember Billy Hobbs, Councilmember Chris Snead, and Mayor Donnie R. Tuck

### DONNIE R. TUCK PRESIDED

### READING OF THE CALL FOR THE SPECIAL MEETING

Katherine K. Glass, Clerk of Council, read the call for the special meeting as follows:

This meeting has been called by agreement of all members of the City Council for the specific purpose of taking legislative actions which, if not taken, would cause irreparable harm to the City of Hampton and its citizens, and is necessitated due to the continuing public health threat caused by the communicable

disease known as Novel Coronavirus or “COVID-19”.

## AGENDA

### 1. [20-0125](#) Budget Briefing

Attachments: [Presentation](#)

Clerk of Council, Katherine Glass read the title for the item.

City Manager Mary Bunting announced that today’s work session will be used to address Council’s questions regarding the budget and to resolve any amendments Council would like to make this evening. She introduced Assistant City Manager Brian DeProfio to provide information in response to questions related to the budget.

Mr. DeProfio addressed the question regarding the number of additional homes that will be served with the action of transferring positions currently being funded by the Community Development Block Grant (CDBG) Program to the General Fund. He announced that approximately 7-10 homes will be served through that action with most home repair grants ranging from \$15,000 to \$25,000.

Mr. DeProfio provided the following information in response to questions posed regarding the public safety radio system lease: The current equipment lease began in February of 2009, an approximately \$14.5 million project with Motorola. Payments on that lease began in March of 2011. The final payment was made on March 1, 2020. Some of the infrastructure purchased for that system will remain in place; therefore, the current project will cost less than the approximately \$14.5 million spent in 2009.

Mr. DeProfio spoke about an item Council will be asked to act upon as part of the budget adoption this evening, which is the City Manager’s plan to freeze \$12 million of expenditures in FY21. He reminded everyone that before those expenditures are released, staff will monitor revenues and the impacts from COVID-19; provide monthly updates to Council; provide quarterly updates at the afternoon work sessions; and communicate with Council any plans to spend frozen expenditures before they occur.

Mr. DeProfio continued stating that the City Manager has recommended, and Council agreed, that the first priority out of frozen funds would be employee salary increases and targeted compression adjustments; second priority would be positions which would free up CDBG funding needed to support housing repairs for low income individuals; and other new initiatives and positions would be added as funds permit. He added that part of the overall plan would be either to defer the planned bond issue or structure it to provide debt service relief in the FY21 budget. He noted

that Council will be asked to endorse this plan this evening.

Mr. DeProfio spoke about the Neighborhood Infrastructure Improvement Funds item Council is also being asked to endorse. He clarified that the first year of Neighborhood Infrastructure Improvement Funds would focus on supporting the installation of sidewalks on Old Buckroe Road between East Mercury Boulevard and Pembroke Avenue.

Mr. DeProfio announced that the only item requiring a Council amendment to the budget is to decrease the outside agency funding for Hampton Roads Transit (HRT). He explained that those funds would be moved into contingency to increase the contingency reserve. This reflects part of a plan that HRT communities are working on with HRT to mitigate the impact of the local share of the State Recordation Tax being diverted to support transit/transportation projects in the Commonwealth. He continued explaining that the State initiated direct funding to transit in our region; part of that funding source was the Recordation Tax sent to localities by the State. He noted that we have been working with HRT to hold all local communities involved in HRT harmless from the diversion of those funds to support transit.

Mr. DeProfio opened the floor for questions from Council.

In response to Councilman Brown, Mr. DeProfio clarified that the three CDBG positions are staff positions funded in the CDBG Program that would be transferred to the General Fund, freeing up approximately \$185,000 to support greater activity on housing reinvestments.

Councilman Brown expressed concern about the employees in those positions. Mr. DeProfio clarified that those positions would be funded by the General Fund.

In response to Councilwoman Snead, Mr. DeProfio explained that the vast majority of the funds for the radio system will be used to replace hand-held radios which have a lifespan of approximately ten years; therefore, the expectation is that money will be spent approximately every ten years to replace them. He also explained that the debt service would be structured to coincide with the useful life cycle of the equipment that would be purchased.

Councilwoman Snead expressed concern that approximately \$10 million dollars will be spent on radios every ten years.

Mr. DeProfio noted that staff will work on determining a reserve fund for future years and will consider a staggered radio replacement process.

Mayor Tuck inquired whether the radio system could potentially be set up to mirror computer replacement cycles.

Mr. DeProfio commented that it could potentially work that way; however, due to the large amount of money, a determination would need to be made regarding how it would be funded.

For the benefit of everyone, Mr. DeProfio explained that we have established a PC replacement program every five years. Part of the year-end savings from departments goes to fund the PC replacement program. He noted that a program similar to this could be considered in an attempt to generate funds to replace radios once their useful life is over.

Councilwoman Snead commented that she was under the impression that a staggered replacement system was already underway and being funded for this purpose.

Mr. DeProfio explained that the \$1.7 million in the Capital Budget (until this year) covered the lease payment for the \$14.5 million for the system and radios.

At Councilwoman Snead's request, Mr. DeProfio noted that staff will check into this further and provide information to Council.

Councilwoman Brown commented that she was under the impression that these were being paid for ratably over their useful life; therefore, either they are lease payments or a bond paid over the period of time for the useful life of the equipment. She expressed concern that if a reserve gets created, we will simultaneously be paying for current radios and saving for future radios that do not appear to have any residual value.

Mr. DeProfio noted that Councilwoman Brown was correct and that the lease or bonds issued to fund it would be structured to coincide with the useful life of equipment purchased.

In response to Councilman Hobbs, Mr. DeProfio explained that he is not aware of any trade-in or residual value in the radios, but he would explore that and verify.

Vice Mayor Gray agreed with Councilwoman Brown's comments. He also explained that when we purchased the new system years ago, we purchased the radios to work with that new system. He continued saying that in order to build a replacement plan, that plan should have started ten years ago, but because we did not build in funds for replacements, we are now faced with having to replace all of the radios at

once. In an attempt to prevent that from happening again, he suggested purchasing the radios and starting a replacement plan now, so that ten years from now, we will not be in the position of having to purchase them all at one time.

Mayor Tuck referred to Councilwoman Brown's and Vice Mayor Gray's comments and noted that he understands both perspectives.

Ms. Bunting echoed Vice Mayor Gray's comments and added that double paying for a period of time would require more from taxpayers and/or cutting other services. She also asked everyone to keep in mind that in previous years we were dealing with a recession and currently are dealing with new uncertainties. She noted that we are open to exploring new ways of doing things.

Councilwoman Snead requested additional information about the previous radio system and noted that she finds it hard to believe that all of the radios went bad at once. She reiterated her discomfort about spending nearly \$10 million on a new radio system again.

Councilman Brown inquired about warranties associated with radios and investigating other radio systems which may be able to provide a longer lifespan. He agreed that this is a tremendous expense.

Ms. Bunting emphasized the importance that localities are on a common radio system network ensuring critical regional interoperability between localities. She assured everyone that she understands the concerns and wants to use taxpayer money as judiciously as possible. She noted that a comprehensive report will be prepared and presented to Council and the public at a future meeting in response to these concerns.

Mayor Tuck asked about the number of payments and where the payments will be reflected.

Ms. Bunting explained that in past budgets, there was a Motorola lease purchase payment in the CIP each year. She clarified that it is considered debt of the locality whether it is done through a lease purchase instrument or through bonds. She continued explaining that when we switched, we started accounting for the money in debt service so we could properly align it and now the payment shows one time or what a ten year bond would look like.

Mayor Tuck asked whether additional information could be prepared in time for the evening session. Ms. Bunting noted that staff would attempt to gather additional information.

Councilwoman Snead clarified that she is not set on voting against it; instead, she is seeking clarification regarding the purchases.

Mayor Tuck opened the floor for additional questions or comments from Council. There being none, he called for additional comments from the City Manager.

Ms. Bunting made the following closing remarks: If there are no other desired amendments for this evening, we will make sure that we get you the proper amendment language to make for tonight as well as the order of votes that need to transpire to adopt the budget. I will remind you all that in addition to the second and final votes on the budget tonight are the first votes where only one vote is required. We also have the Community Development Block Grant actions. There will be one relating to the annual plan that will align with this budget and then there will be the amendment to the current year's plan as well as the appropriation for the money that we have received from the Federal government for our CDBG Entitlement COVID funds. So, those will also be on your budget tonight. Those have a public hearing, the budget does not. We've already done two budget hearings which is one more than the State requires - that is something we've always done. Tonight will be the final adoption of the budget.

Mayor Tuck opened the floor for additional comments from Council related to the budget. No questions or comments were posed.

**ADJOURNMENT**

The meeting adjourned at 1:25 p.m.

**Contact Info:**  
**Clerk of Council, 757-727-6315, [council@hampton.gov](mailto:council@hampton.gov)**

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Donnie R. Tuck  
Mayor

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Katherine K. Glass, CMC  
Clerk of Council

Date approved by Council \_\_\_\_\_