



City of Hampton

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

Council Approved Minutes - Final City Council Work Session

Mayor Jimmy Gray
Vice Mayor Steven L. Brown
Councilmember Randy C. Bowman, Sr.
Councilmember Carolyn S. Campbell
Councilmember Michelle Taylor Ferebee
Councilmember Hope L. Harper
Councilmember Martha M. Mugler

STAFF: Mary Bunting, City Manager
Courtney R. Sydnor, City Attorney
Katherine K. Glass, MMC, Clerk of Council

Wednesday, December 10, 2025

1:00 PM

Council Chambers

CALL TO ORDER

Mayor Gray convened the meeting at 1 p.m. All members of the City Council were present.

Present 7 - Councilmember Randy C. Bowman Sr., Vice Mayor Steven L. Brown, Councilmember Carolyn S. Campbell, Councilmember Michelle T. Ferebee, Councilmember Hope L. Harper, Councilmember Martha Mugler, and Mayor Jimmy Gray

JIMMY GRAY PRESIDED

AGENDA

1. [25-0311](#) Hampton Roads Transit (HRT) System Optimization Plan (SOP) Briefing

Attachments: [Presentation](#)

Mayor Jimmy Gray called the meeting to order and acknowledged the several presentations on the agenda, turning the floor over to City Manager Mary Bunting. Ms. Bunting introduced Ray Amoruso, Chief Planning and Development Officer for Hampton Roads Transit, who presented the System Optimization Plan (SOP) to the council. Mr. Amoruso explained that the SOP is designed to optimize the use of limited resources by evaluating underperforming, low-ridership bus routes and reallocating operators and financial resources to higher-demand routes. He noted that Hampton Roads Transit currently faces a shortage of approximately 50 bus operators per day, affecting the reliability of service on the system's 68 routes, including regional backbone, commuter, and local routes. The plan aims to improve ridership, reliability, and overall cost-effectiveness by eliminating low-performing routes, consolidating or realigning

others, and implementing micro transit, a demand-responsive service that allows riders to schedule pickups via phone. Mr. Amoruso highlighted that the elimination of certain routes would free up 65 operators and 14 peak vehicles, enabling increased frequency on high-performing routes, with over 300,000 residents gaining access to buses every 15 minutes. He emphasized the operational benefits of reduced missed trips, improved operator retention, and cost savings that could be reinvested into micro transit.

During the discussion, Vice Mayor Brown inquired about ensuring timely service for riders affected by route consolidations and the financial impact of reducing mandatory overtime. Mr. Amoruso responded that freed operators would support high-frequency routes, and micro transit zones would maintain coverage for affected areas. He also addressed recruitment challenges, explaining ongoing efforts to expand the pool of qualified drivers while complying with federal and health regulations. Mr. Amoruso concluded by outlining the schedule for public engagement, council briefings, and phased implementation of the SOP beginning in May 2027. Mayor Gray inquired about autonomous bus technology, and Mr. Amoruso noted that the technology is best suited for lower speeds and requires further development. Mr. Amoruso then announced his retirement after 44 years in the transit industry, and the Council and audience applauded his service. Mayor Gray recognized his contributions and acknowledged the expertise he leaves for his successor.

Presented by Ray Amaruso, Chief Planning & Development Officer. Following Mr. Amaruso's presentation, he announced that he will soon be retiring and Mayor Gray congratulated him on his many years of service.

2. [25-0304](#) Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2025

Attachments: [Cherry Bekaert Audit Presentation](#)
[Finance Department Presentation](#)
[2025 ACFR](#)
[Council Memo](#)

City Manager Mary Bunting transitioned to the next item on the agenda, introducing the speakers who would review the City's annual comprehensive financial report for the fiscal year ending June 30, 2025, and provide insight into the City's financial performance. The presentation began with external auditors from Cherry Bekaert LLC: Laura Harden (Engagement Director) and Shelby Brown (Audit Manager), who provided an overview of the audit results. The auditors issued an unmodified, clean opinion on the financial statements, noting no material weaknesses or significant deficiencies in internal controls. They confirmed compliance with relevant laws and regulations and highlighted one corrected misstatement of \$222,000. The auditors discussed accounting estimates, related-party transactions, and upcoming GASB standards, emphasizing that no issues were encountered during the audit and no fraud or illegal acts were identified. Following

the audit report, Chief Financial Officer Karl Daughtrey reviewed the city's financial performance. Revenues totaled \$465 million, exceeding the budget by \$23.6 million, with approximately \$9 million from one-time sources. Expenditures were \$446.6 million, under budget by 2%, resulting in a positive fund balance of \$18.4 million. Of this, \$5.2 million was added to the unassigned fund balance, which now totals \$115.1 million. Mr. Daughtrey explained the components of fund balance-restricted, committed, assigned, and unassigned-and emphasized its role in managing cash flow, emergency needs, and maintaining strong credit ratings. He highlighted significant revenue contributors, including property taxes, interest earnings, and consumer-driven taxes, and reviewed key expenditures and transfers to schools, capital projects, debt service, and the convention center.

During the discussion, Councilmembers asked questions regarding the City's financial allocations, including a question about the Aquaplex. City Manager Mary Bunting explained that costs for the Aquaplex were offset by reallocating staff and funds from the former Old Hampton Community Center, timing debt service strategically, and implementing a \$1 per room night hotel tax, which helped cover the incremental cost of converting a planned community center into a larger competitive facility. Deputy Director of Finance Brittany Abbott concluded the presentation by reviewing the government-wide financial statements. She highlighted the city's overall growth in net position over the last five years, including \$22 million in debt reduction, and noted strong performance in both governmental and business-type activities, such as the Hampton Roads Convention Center and the wastewater fund. City Manager Bunting praised the finance team for their exemplary work, noting their consistent recognition through the GFOA award.

Presented by Karl Daughtrey, Chief Financial Officer. Mr. Daughtrey thanked the Budget staff who assisted in this process: Brittany Abbott, Deputy Director of Finance - Controller; April Peters, Debt Manager; Sybil Ellsworth, Financial Analyst; Andrea Lane, Financial Analyst; Veronica Kmetz, Senior Accountant; Janice Anderson, Senior Accountant; Ashley Brunner, Senior Accountant; Valerie Jarrett, Financial Analyst; and Marcie Dunn, Financial Analyst.

The Auditor's report was presented by Laura Harden, Engagement Director, and Shelby Brown, Audit Manager.

Mr. Daughtrey returned to the podium to present additional information and was followed by Brittany Abbott.

3. [25-0348](#) Peninsula Town Center Retail Incubator

Attachments: [Peninsula Town Center Retail Incubator](#)

City Manager Mary Bunting introduced Lavonya Jones, Senior Manager for Innovation, Entrepreneurship, and Small Business Development, to present the Retail Incubator Program at Peninsula Town Center. Ms. Jones provided an overview of her background in entrepreneurship and investment and outlined the program's objectives, scope, and structure. She explained that the incubator is designed to help home-based businesses transition to sustainable brick-and-mortar operations by providing affordable retail space, mentorship, technical assistance, and a supportive ecosystem. The program will occupy three suites at Peninsula Town Center alongside anchor partners, including the Hampton Convention & Visitors Bureau and Hampton City Schools, which will use the space to provide students with opportunities to design, launch, and operate real businesses. Ms. Jones described eligible businesses as those offering gift items, home decor, clothing, accessories, candles, fragrances, arts, and packaged non-perishable foods, while noting that dining, entertainment, service-based businesses, and certain restricted retailers are ineligible. Businesses will participate in a cohort model, signing a 12-month lease with the option to renew, and will receive two years of post-program support. The 12-month program curriculum will cover retail industry fundamentals, customer service, business operations and leadership, branding and marketing, finance, access to capital, and supplier management. Each business will operate its own point-of-sale system and submit monthly reports detailing sales and financial information. Program evaluation will consider business growth, economic impact, community and visitor engagement, and accountability metrics.

The target launch date for the program is February 2026. Recruitment and selection of participants will take one to three months, followed by a pre-incubation phase where participants receive preparatory materials. The incubation phase will last six to twenty months, with post-incubation support and monitoring provided afterward. During the discussion, Councilmembers inquired about several aspects of the program, including lease terms, point-of-sale technology, business planning, marketing strategies, potential partnerships, and guidance on permits and zoning. Ms. Jones and Leonard Sledge, Chief Officer for Community and Economic Development, clarified that participants would receive comprehensive support throughout their growth, including assistance with business planning, marketing, and connections to regional resources, ensuring that businesses are fully supported as they transition to permanent retail operations.

Mayor Gray asked the rest of Council if there were any additional questions for the presenters. No further discussion took place. He thanked the presenters and closed the session.

Presented by Lavonya Jones, Senior Innovation,

Entrepreneurship & Small Business Development Manager.
Additional information was provided by Leonard Sledge, Chief
Officer for Community & Economic Development.

REGIONAL ISSUES

There were no regional issues to report on.

NEW BUSINESS

There were no items of new business.

CLOSED SESSION

- 4. [25-0351](#) Closed session pursuant to Virginia Code Section 2.2-3711.A (.1) to discuss salary supplements for Hampton's Constitutional Officers and appointments as listed on the agenda and the performance of appointees to a local commission

At 2:33 p.m., a motion was made by Councilmember Martha Mugler and seconded by Councilmember Randy Bowman, Sr., that this Closed Session - Motion be approved. The motion carried by the following vote:

Aye: 7 - Councilmember Bowman Sr., Vice Mayor Brown, Councilmember Campbell, Councilmember Ferebee, Councilmember Harper, Councilmember Mugler and Mayor Gray

- 5. [25-0252](#) Consideration of an Appointment to the Hampton Redevelopment & Housing Authority (HRHA)
- 6. [25-0290](#) Consideration of an Appointment to the Hampton Animal Response Team Advisory Committee
- 8. [25-0344](#) Consideration of Appointments to the Coliseum Advisory Committee
- 9. [25-0345](#) Consideration of an Appointment to the Planning Commission
- 10. [25-0346](#) Consideration of an Appointment to the Towing Advisory Board
- 11. [25-0349](#) Consideration of Appointments to the Citizens Police Advisory Group (CPAG)

Councilwoman Ferebee and Councilwoman Mugler left the room before the discussion of appointments to the Virginia Air & Space Science Center Board of Directors.

- 7. [25-0275](#) Consideration of Appointments to the Virginia Air & Space Science Center Board of Directors

CERTIFICATION

- 12. [25-0340](#) Resolution Certifying Closed Session

At 4:52 p.m., a motion was made by Vice Mayor Steven Brown and seconded by Councilmember Carolyn Campbell, that this Closed Session - Certification be approved. The motion carried by the following vote:

Aye: 7 - Councilmember Bowman Sr., Vice Mayor Brown, Councilmember Campbell, Councilmember Ferebee, Councilmember Harper, Councilmember Mugler and Mayor Gray

ADJOURNMENT

The meeting adjourned at 4:52 p.m.

Jimmy Gray
Mayor

Katherine K. Glass, MMC
Clerk of Council

Date approved by Council _____

