



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 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

Wednesday, February 13, 2019

1:00 PM

Council Chambers

CALL TO ORDER

Mayor Tuck called the meeting to order at 1:00 p.m. with all members of Council present.

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

AGENDA

1. [19-0076](#) Budget Briefings - Tax Relief Programs and Opportunities for Public Input on the FY20 Budget

Attachments: [Tax Relief Presentation](#)
[Public Input Presentation](#)

City Manager Mary Bunting provided opening remarks. She reminded everyone that ever since the FY11 Budget, Hampton has embraced incorporating community engagement in the budget process - this provides the community with an opportunity to express their opinion about how they would like the budget shaped. Ms. Bunting also reminded everyone that there will be in-person and on-line public input sessions during the month of March.

Communications Strategist Robin McCormick shared information about how citizens can participate in the budget process.

Ms. McCormick reminded everyone about the recent report from the City Assessor which revealed that the taxable value of our land is increasing at a small percentage; however, this increase (percentage) is not likely to fund all of the requests for next year's priorities. She explained that although our revenues and expenses have been rising (since FY10), we are not keeping pace with inflation. As a result, cuts have been made in an attempt to remain level. She emphasized that people (staff) are at the heart of our expenses and make up 70% of the City's budget and 80% of the school's budget.

Ms. McCormick shared the key issues for the FY20 general fund money. They include: retaining excellent school and City staff and providing compensation that retains experienced people; hiring qualified public safety applicants (Hampton's hiring scale is below neighboring cities); and increasing staffing for crime-fighting initiatives.

Ms. Bunting noted that Hampton was in alignment with other localities' pay scales when the budget development was done last year; however, some localities changed their public safety pay scale in the middle of the fiscal year (Hampton was unable to). She also noted that staff will consider those changes in an attempt to attract new employees and retain our trained employees.

Ms. McCormick spoke about potential ways to fund the City's needs. She explained that in the past, citizens have rejected cuts to services; therefore, we are seeking citizens' priorities. She added that solid waste fees/expenses have increased; therefore, we are seeking citizens' opinions on what level of service they desire and at what cost.

Ms. McCormick emphasized the importance of citizens providing their input prior to the City Manager's Recommended Budget announcement - this will ensure citizens' opinions and suggestions are considered as part of the Recommended Budget.

Ms. Bunting noted that she and Hampton City Schools Superintendent Dr. Jeffery Smith will participate in the process, and are in support of compensation for City employees and school teachers. In addition, they will give residents a glimpse into the City and school budgets.

Ms. McCormick opened the floor for questions from those on the dais.

Councilwoman Snead emphasized that she is not against the pay adjustments being proposed; however, she would like additional data about pay scale adjustments for public safety officers and other positions. She also requested information about why employees are leaving, where they are going and the number of vacant

positions in the City.

Additional discussion took place among those on the dais and staff. Topics of discussion and various requests included: a request for market study results regarding employee compensation and where Hampton compares to other localities and regions, and a request for data regarding the length of time positions have been vacant.

Ms. Bunting noted that staff will provide all of that data to Council.

Ms. Mary Joyner, Tax Manager for the Office of the Commissioner of the Revenue, provided an update on the Elderly or Disabled Relief Program and Disabled Veteran Exemption.

Ms. Joyner shared information about the Local Option Program (Hampton's Real Estate Tax Relief Program) including the requirements associated with the program and the 3 categories individuals may fall under (freeze, deferral, and exemption). She also spoke about tax relief available to Hampton homeowners for new applicants.

Ms. Joyner elaborated on the exemption associated with the program. The exemption is only available to qualifying homeowners who were in the program on July 1, 2013, and continue to meet qualifications.

Ms. Joyner spoke about revenue impacts from FY17, FY18 and FY19. She noted that additional statistics dating back to FY13 were not included in this presentation, but can be provided at a later date.

In response to Councilwoman Snead, Ms. Joyner clarified that the reduction in the number of parcels impacted during various fiscal years was a result of the applicants passing away or the sale of property.

In response to Councilman Brown, Ms. Joyner explained that under the deferral option if a resident passes away resulting in a lien on the property, the City of Hampton receives the funds and takes precedence over the mortgaged lien.

Ms. Bunting added that in this instance, families are given time to resolve the tax lien (usually via sale of the property); however, if the family chooses to keep the property, they are given a year to pay off the deferred tax. She also noted that nothing is done with the lien as long as the individual is still living in the home.

Mayor Tuck explained that the purpose of the program is to allow individuals to live in

their homes without the burden of paying taxes. The purpose is not, however, to allow the participants heirs to receive properties and sell them at a full profit.

Ms. Joyner shared information about the Residential Tax Revenue Impact and Disabled Veteran Real Estate Tax Exemption for the years FY12-FY19. She announced that the total revenue loss over the eight year period is \$10,522,565, a large impact on the City.

Councilman Curtis commented that when amendments related to these topics are passed at the General Assembly, we ask that the laws be spread Statewide so that the burden does not fall disproportionately on localities (such as Hampton) which have large percentages of disabled veterans.

Additional discussion took place among those on the dais, Ms. Joyner and Ms. Bunting. Topics of discussion included: veterans with previously undiagnosed health problems who later provide proof of their disability (this creates the number of participants to rise); the effective date of the exemption; exemption eligibility; service-connected disability/qualifications; benefits extended to the qualifying surviving spouse (co-owner with the veteran); increase in the availability of the exemption; high revenue loss due to the program; localities which are disproportionately impacted due to large percentages of disabled veterans; qualifications/criteria/application process; State Code requirements; required veteran support documents; increase in the number of people moving to our community and using this exemption; significant impacts these programs have on Hampton; total residential revenue in comparison to various localities; values of homes owned by disabled veterans; and legislation before the General Assembly requesting money be returned to localities whose total revenue impact was more than 1%.

Additional discussion took place among those on the dais and Ms. Bunting regarding the tax freeze and tax deferral program; the effect of changes in social security payments (increases may result in people being removed from the program); and the index approach in which numbers are reviewed and determinations are made on a yearly basis according to the increase in social security.

All members of Council agreed that social security increases should not cause individuals to be booted from the program and that the index approach is the appropriate way to move forward.

Presented by Robin McCormick, Communications Specialist, and
Mary Joyner, Tax Manager.

Public Input opportunities for the FY20 Budget will take place at the following times:

- March 5th at 6:30 p.m. at Phoebus High School
- March 7th at 6:30 p.m. at Kecoughtan High School
- March 9th at 9:00 a.m. at Bethel High School
- March 12th at 6:30 p.m. at Hampton High School

REGIONAL ISSUES

There were no regional issues.

NEW BUSINESS

Mayor Tuck stated that he was in Washington, D.C. last evening for a reception for the Federal 2019 Commemorative Committee, appointed by the Secretary of the Interior. They are generating a lot of buzz nationally for the 2019 celebrations to create awareness and dialogue beyond the August festivities.

CLOSED SESSION

- 2. [19-0077](#) Closed session pursuant to Virginia Code Sections 2.2-3711.A.1, .6 and .8 to discuss council appointees to the Board of Review of Real Estate Assessment, the H2O Community Development Authority, the Hampton Roads Regional Jail Authority, the Planning Commission, and the Peninsula Stadium Authority, to discuss or consider the investment of public funds where competition or bargaining is involved, where, if made public initially, the financial interest of the governmental unit would be adversely affected and to consult with legal counsel employed or retained by the city regarding the current status of the law as it relates to risk management claims regarding private property owners requiring the provision of legal advice by such counsel.

At 2:00 p.m., a motion was made by Councilmember Curtis seconded by Councilmember Hobbs, that this Closed Session - Motion be approved. The motion carried by the following vote:

Aye: 7 - Councilmember Weston Brown, Councilmember Brown, Councilmember Curtis, Vice Mayor Gray, Councilmember Hobbs, Councilmember Snead and Mayor Tuck

CERTIFICATION

3. [19-0078](#) Resolution Certifying Closed Session

At 4:15 p.m., a motion was made by Councilmember Weston Brown seconded by Councilmember Hobbs, that this Closed Session - Certification be approved. The motion carried by the following vote:

Aye: 7 - Councilmember Weston Brown, Councilmember Brown, Councilmember Curtis, Vice Mayor Gray, Councilmember Hobbs, Councilmember Snead and Mayor Tuck

ADJOURNMENT

The meeting adjourned at 4:15 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 _____