



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, October 10, 2018

1:00 PM

Council Chambers

CALL TO ORDER

Mayor Tuck called the meeting to order at 1 p.m. with all members of the City 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

City Manager Mary Bunting announced that the General Assembly item on the agenda will be presented at 2:30 pm once the out of town presenter has arrived. She noted that should we get to that item prior to 2:30 pm, we will recess the open session, move forward with the closed session, and reconvene the open session for the General Assembly presentation.

1. [18-0343](#) Briefing on Hampton-Newport News Community Services Board Request to Increase the Current Line of Credit

Attachments: [Slide](#)

Ms. Bunting provided the following introduction to the item: The Hampton/Newport News Community Services Board (CSB) has requested an increase to their current line of credit. There was some reference to this in the performance contract that Council reviewed last month. The purpose of today's presentation is to provide clarity to the public about the need for the line of credit and the CSB's historically strong financial management practices. Ms. Bunting noted that there is a State legal

requirement involved in the process.

Ms. Bunting introduced CSB's Executive Director Natale Christian to begin the presentation.

Ms. Christian thanked Council for the opportunity to speak and for its on-going support. She explained that in accordance with the State Code, the CSB is required to come before Council for approval of an increase in its line of credit, budget approval or its annual Performance Contract. Today, the CSB is coming before Council for approval of an increase in its line of credit.

Ms. Christian explained that the Performance Contract is an agreement between the Department of Behavioral Health and Developmental Services (DBHDS) and CSBs across the State. This year, there is a new element in the Performance Contract which requires the CSB to increase its financial standing. The CSB is asking for permission (approval from the City) to potentially borrow funds.

CSB Chief Financial Officer Denise Newlon greeted those on the dais and provided the following explanation regarding the request: The final Performance Contract for FY2019 and FY2020 was received from DBHDS. The Performance Contract now requires all operating CSBs to maintain an operating reserve of funds sufficient to cover at least two months of operating expenses and personnel expenses to ensure that that CSB's financial position is sound. Based on the current budget, this would equate to \$11.6 million in cash and the available line of credit. As of June 30, 2018, the CSB has an operating cash balance of \$7.8 million. In order to meet the new Performance Contract requirements, we are requesting an increase to our line of credit from \$3,000,000 to \$5,000,000 with Towne Bank. This will ensure that we are in compliance with the new requirements. This line of credit does not bind the City of Hampton in any way.

Ms. Newlon noted that the Hampton/Newport News CSB has not utilized this line of credit since 2014. She then opened the floor for questions and/or comments from those on the dais.

Ms. Bunting clarified that the purpose of today's presentation is to fully disclose the increase with our residents so that they understand that we are being deliberate about everything that we undertake. She reiterated that this is not a financial obligation of the City; instead, it is a State required approval by the City (the State also requires a sufficient reserve capacity). She noted that we also wanted to allow the CSB an opportunity to share that historically it hasn't had to use its increase and they are financially responsible.

Councilwoman Curtis asked for clarification that by approving this, Council will in no way put Hampton taxpayers on the hook if in the worst case scenario the CSB borrows against this in default. She also asked why it is necessary for Council to approve the request.

Ms. Newlon clarified that this does not bind the City (taxpayers) in any way.

Ms. Christian explained that the Code of Virginia (37.2-504.11) requires approval by the locality anytime CSBs borrow money.

For the benefit of the public, Ms. Bunting noted that this presentation was provided this afternoon for explanation of the request. There is an item on the evening consent agenda for approval.

2. [18-0339](#) Briefing on an Ordinance of the City of Hampton, Virginia to Create a Regional Industrial Facility Authority Pursuant to Section 15.2-6400 et seq. of the Code of Virginia (the "Act")

Attachments: [Presentation](#)

Ms. Bunting stated today's briefing is on the Ordinance regarding the creation of a Regional Industrial Facility Authority (RIFA). She added that this is an Economic Development initiative and will come before Council for action at the October 24th City Council meeting.

Interim Economic Development Director Steven Lynch greeted those on the dais and then introduced Mr. Steven Meade, Partner with Patten, Wornom, Hatten and Diamonstein (PWHD), who has worked with and will continue to work with various localities to get this initiative prepared for presentation at various localities. Mr. Meade will be available to answer any legal questions that may arise.

Mr. Lynch provided information about the Virginia Regional Industrial Facilities Act, the purpose of RIFA, the creation of the RIFA (the Eastern Virginia Regional Industrial Facility Authority - "EVRIFA"), RIFA members (jurisdictions which will participate) and RIFA future expansion. He noted that James City County has taken a formal vote and has approved it; Williamsburg, Newport News and Poquoson have received presentations and are moving the process forward; the City of Hampton and the County of York are in the initial presentation phase and will return to their respective bodies for formal action.

Mr. Lynch noted that this is not a closed door and we are creating this RIFA to permit participation by additional jurisdictions in the Region 5 zone.

In response to Mayor Tuck, Mr. Lynch stated that the Southside has not initiated action; however, we have had dialogue with some Southside jurisdictions about their participation in our RIFA. He noted that the Southside could partner with us without creating a RIFA of its own; however, they have the independence and latitude to create one on the Southside should they desire.

In response to Mayor Tuck, Ms. Bunting explained that regional managers have expressed interest in joining this RIFA versus creating a separate one. However, we are further ahead than the Southside localities because our project needed a structure such as this. The Southside's Broadband project does not require such structure (they are not buying a piece of land; are not leasing to an economic development prospect; are sharing tax and lease revenue as we would with the unmanned proposal). Instead, there is a league locality and they are sharing money between localities which doesn't need a specialized structure. She continued explaining what the Regional Industrial Facilities Authority will do is allow us to go jointly on a project and based upon the proportional input, receive proportional output (revenue sharing). She explained that their project isn't revenue sharing and is a capital project they are doing jointly - GoVirginia is participating in it. Since we were looking to do revenue sharing, we needed this new structure.

Ms. Bunting noted that the plan is for Southside localities to join our RIFA as opposed to having multiple RIFA's.

In response to Councilman Brown, Mr. Lynch noted that he would speak about the relationship between the local Economic Development Authority (EDA) and RIFA later in the presentation.

Mr. Lynch continued his presentation. He shared information about the governing board, annual report, project participation, revenue sharing and termination.

Mr. Lynch provided additional details about RIFA: It will be a public body. The report will be of full disclosure and available to anyone who chooses to review it. There will be no requirement that each member must participate in every project. Members must bear cost and expense to benefit from the revenue the project may generate. Each locality will be asked to take action so that tax revenue generated from a project is returned to the Authority allowing it to thrive and take on other projects.

In response to Vice Mayor Gray, Mr. Lynch explained that this RIFA will only cover the projects that the member locality brings to the RIFA. The EDA will still be able to perform and do projects independent of this body.

In response to Vice Mayor Gray, Mr. Lynch explained that if a member locality chooses not to participate in a RIFA project, they will still maintain a seat regarding participation on the board; however, the bylaws have not been formulated regarding whether or not the member will be allowed to participate in decisions regarding that project.

In response to Councilman Brown, Mr. Lynch said we have secured a \$150,000 grant from GoVirginia that all of the jurisdictions will collectively match. Hampton will be participating in that match up to \$35,000 (our current commitment). He added that the EDA approved \$2,500 for us to contribute to the formation of the RIFA for expenses such as legal expenses. Because we are not a legal body at this point, The Peninsula Chamber of Commerce is acting as our fiscal agent.

In response to Councilman Brown, Mr. Lynch reiterated that RIFA meetings will be public and the board will decide the frequency of the meetings.

Councilman Brown inquired whether RIFA is receiving unsolicited proposals for the projects.

Mr. Meade explained that RIFA could consider and receive unsolicited projects. He continued explaining that the legislation in the General Assembly is broad enough to allow participation by non-members. He noted that he doesn't anticipate that happening and that most of these projects will be initiated by the localities' EDA bringing it forward.

In response to Councilwoman Snead, Mr. Lynch explained that initially, the various Economic Development Departments will supply support staff; however, an executive director position may be necessary in the future if the project grows.

Ms. Bunting added that the host locality advancing the project will take the majority of the work.

In response to Councilwoman Snead, Mr. Lynch clarified that the RIFA financial statements will produce audited financial statements independent of the various members' jurisdictions. He noted that the financial statements will be produced annually.

Mayor Tuck expressed concern about the cost associated with larger, more expensive projects.

Mr. Lynch explained that RIFA can act as an independent entity which can borrow funds. He said based on projects we will be entertaining, we anticipate that each

locality that chooses to participate will be able to do so in cash. Hampton is calling on funding from our EDA through its Economic Development fund. He added that authorities have the right as a legal entity to borrow funds; however, that hasn't been designed in the bylaws.

Ms. Bunting described the regional jail as an example of an independent authority that had bonding capacity.

Councilwoman Snead commented that she supports this project and is excited to see that we are looking at things from a regional perspective. She also expressed excitement that the State has given us the incentive through the GoVirginia initiative.

Presented by Steven Lynch, Senior Business Development Manager. Prior to the presentation, Mary Bunting, the City Manager, introduced Hampton's new Director of Economic Development, Chuck Rigney, who was formerly with the City of Norfolk. She also complimented Mr. Lynch on the excellent job he did as Interim Director.

3. [18-0329](#) Briefing on Citizen Satisfaction Survey

Attachments: [Presentation](#)

Ms. Bunting provided introductory remarks. She emphasized the survey is about how citizens perceive City services.

Communications Strategist Robin McCormick announced that this survey was previously taken annually; however, it was determined that perception changes slowly and since there weren't dramatic changes in the annual surveys, we have moved to issuing the survey every two years.

Ms. McCormick announced that this year, a new vendor, Issues and Answers Network, Inc., conducted the survey. She then gave a brief history about Issues and Answers.

Ms. McCormick stated that one of the significant changes in the survey is the number of cell phones used to complete this 20 minute survey. She added that the willingness of people to take a survey of this length by phone speaks volumes about Hampton. She noted that we were able to reach more minorities and youth through cell phones.

Ms. McCormick introduced Senior Account Executive Victor Crain to provide an overview of the results of the survey. This overview will provide information regarding citizen satisfaction levels of our main City services.

Mr. Crain greeted those on the dais and thanked them for the opportunity to speak.

Mr. Crain stated the survey was designed to give broad coverage and represent all geographic areas in the City. Mr. Crain also spoke about the methodology of retrieving the information and emphasized the amount of information received via cell phones. He noted that the data is public data and is available on the web.

Mr. Crain shared results regarding citizen overall satisfaction. Ninety percent of residents are satisfied with overall City services. He noted that this is a good number and his firm has not found many cities with a much higher percentage.

Mr. Crain shared the survey results including the percentage of citizens that were satisfied in various categories. He also shared how Hampton compares to other localities in Virginia regarding various topics. Survey topics and questions include: value for tax dollar; quality of life in Hampton; perceptions of safety; shift in perceptions of safety; resident satisfaction with City services; use of City facilities and services; ease of contacting the City; where residents get information about the City; and what residents want the City to do to make Hampton a better place to live.

Mayor Tuck inquired about citizen feedback and whether citizens were dissatisfied in any particular area.

Mr. Crain said that there were open ended questions throughout the course of the survey; however, no one topic stood out. He noted that later in the presentation, he would speak about what residents want the City to do to make Hampton a better place to live.

Mr. Crain stated his firm did statistic modeling on overall satisfaction with City services. The two things that are most affecting how people feel about their satisfaction of City services were overall appearance of the City and how neighborhoods receive City services. With regards to quality of life, people expressed concern about the City's effort to encourage diversity and the openness of the City in the decision making process.

Mr. Crain spoke about what residents want the City to do to make Hampton a better place to live. He noted that resident opinions were highly fragmented and many people couldn't think of anything when the question was asked. Areas in which residents thought the City could do something to make Hampton better include: make the City safer; have more police on the street; improve roads; have more activities for children and teens; improve schools; business development; lower property taxes; job creation; better communication with residents; bring people

together; more help for seniors; more affordable housing; address homelessness and poverty; fix and beautify neighborhoods; better flood and water management; better pay; and better public transportation.

Additional discussion took place among Mr. Crain, the City Manager and the members of Council. Additional information provided was: approximately 400 interviews were conducted; crime and neighborhood streets were two major citizen concerns; feedback data in City departments; and sentiment about law enforcement.

At Ms. Bunting's request, Mr. Crain gave the following explanation as to why the number 400 is statistically significant: Subject to two standard caveats that respondents for a survey are selected randomly without bias and that they are selected from a list that is largely comprehensive so that everyone in the City has an equal probability of participation in the research - on a sample of 385 to 386 rounded to 400, gives an accuracy of overall results of plus or minus 5%. This is what most people are happy with at a 95% level of confidence. If we drew a different sample of 400 from the City, we would be 95% confident that the results would closely match.

Ms. McCormick added that we increased the sample size to 400 (in 2012 and 2014, it was only 300). She continued saying that when you look at the total results, that gave a fairly accurate picture but when you began to break it down into gender or zip code or other ways to look at the data, it was much less reliable - this is why we increased the numbers.

Mr. Crain noted that if his company has the pleasure to do the survey again, it is their hope that they have better representation from the Hispanic community.

Ms. Bunting gave closing remarks and also recognized that the community appreciates the high performance of our staff. She thanked our team for doing an excellent job.

At about 2:06 p.m., following the presentation, Council prepared to convene closed session as they awaited the presenter for agenda item #4. The Mayor called upon Cheran Ivery, City Attorney, who explained that the members of City Council would take a few minutes off camera to do a video shoot that was purely social and fun and did not include any discussion of City business.

4. [18-0326](#) Briefing of the City of Hampton, Virginia's 2019 General Assembly Priorities

Attachments: [Presentation](#)
[Hampton Legislative Agenda 2019](#)

For the benefit of the public, Ms. Bunting provided the following explanation regarding our General Assembly process: It is important for localities to be involved in sharing concerns of their constituents as well as of the body to our legislative delegation so that they can make, change or not make laws that would have negative consequences in our community and make laws that have positive impacts in our community. In the past, Council has taken action at the same meeting in which the presentation was provided on the proposed legislative agenda; however, this year, Council is being given more time to discuss what is being proposed.

Ms. Bunting clarified that Council is not being asked to vote this evening; instead, Council action will be requested at the October 24th evening session to adopt the priorities. This will allow time for Council to inform staff of additional items they would like to see added or modified.

Ms. Bunting introduced President of Two Capitols Consulting LLC, Mr. David Hallock, Jr., to summarize the proposed legislative priority agenda.

Mr. Hallock greeted those on the dais and explained that the process includes holding meetings with various stakeholders and partners to determine how to solve problems that are important to the City of Hampton. The information gathered from those meetings is incorporated into a proposed legislative package for Council's consideration. He emphasized that Two Capitols Consulting welcomes feedback on how to improve this process.

Mr. Hallock shared the names of the Two Capitols Consulting team members. They include: Vice President CJ Stolle, Vice President Randy Pearson, Vice President Devon Cabot and Assistant Vice President Elizabeth Parker.

For the benefit of the public and the new members of Council, Mr. Hallock shared Hampton's 2018 legislative successes. They include: getting \$2.5 million in State appropriation to match local money in getting the Virginia Tech Seafood Agricultural Research and Extension Center; expanded the ability of localities to abate nuisances to include repeated acts of unlawful discharge of firearms; secured \$700,000 for Hampton to purchase land encroaching Langley Air Force base; clarified language regarding the display, parking, selling advertising sale of certain used motor vehicles to limit per property; added the City of Hampton in the cities allowed to utilize volunteer property maintenance and zoning inspectors; added special assistant to the governor for coastal adaptation and protection; and established a floor on the 2.1 percent motor vehicle fuels sales tax in Hampton

Roads.

Mr. Hallock provided information about Hampton's legislative requests which include: create an annual fund to address needs of Virginia's military and federal facilities; expedite testing in certain instances of possible HIV, Hepatitis B, or Hepatitis C exposure; support the Fort Monroe Authority's legislative requests; clarify language regarding the parking of overweight vehicles; clarify language regarding the removal of vehicles in emergency situations; add funding for Hamptons historical African American cemeteries; and provide for local ability to maintain appearance of certain properties (overgrown shrubs and trees).

For the record, Ms. Bunting made the following remarks regarding the support for the Fort Monroe Authority's legislative request: Another way to resolve the Payment in Lieu of Taxes (PILOT) would be to remove the cap. There is State Code that describes how the PILOT should be calculated. The PILOT by Code definition should be calculated to give the equivalent real estate tax value. It was a budget maneuver by some on the Conferee Committee many years ago that put a cap in place. That cap has remained. If the cap were removed altogether, the State Code provision would prevail. The larger issue is that the Fort Monroe Authority is looking to move land into long-term leaseholds. There is a State statute that deals with how to tax long-term leaseholds of 50 years or greater - we would effectively get 100% of real estate tax value. After the lease goes beyond 50 years, it's a diminishing value. The Fort Monroe Authority recognizes that would be problematic for us and for them not to have a sufficient amount of revenue generated to support the services that a more densely used fort would require. They have been willing to be partners in putting forward language that would suggest that because of the unique nature of Fort Monroe that long-term leaseholders should be dealt with differently than the rest of the State. We are working not only internally to make sure we are comfortable with the proposed language, but are working in partnership with Glenn Oder and his team at the Fort Monroe Authority to make sure they are comfortable with the language. Our goal would be by the time our delegates need to pre-file legislation, we would have total agreement on the proposed language. We will keep you updated on that.

Additional discussion took place among the members of Council, the City Manager, staff and Mr. Hallock regarding the Hampton legislative requests.

Mr. Hallock noted that once Council makes their decision at the October 24th meeting, Two Capitols Consulting will finalize the bills' drafting and secure patrons.

Mr. Hallock shared Hampton's Priority Policy Positions. They include: continue supporting and funding education initiatives; support legislative efforts to address the

opioid epidemic (fentanyl); continue supporting transportation initiatives; continue supporting and enhancing localities' resiliency efforts; expand communications sales and use tax; and refrain from passing unfunded mandates/Constitutional inequity.

Mr. Hallock shared Hampton's Coalition and community partner legislative programs. These are commissions, boards, organizations, coalitions and institutes of higher learning with which their legislative agendas are supported. They include: Hampton Roads Planning District Commission; Hampton Roads Transportation Planning Organization; Hampton Roads Transportation Accountability Commission; Virginia Municipal League; Virginia First Cities; Hampton University; and the Hampton/Newport News Community Services Board.

The presenter arrived earlier than expected so Council reconvened the meeting without going into closed session. They reconvened at 2:20 p.m.

This item was presented by David Hallock, the President of Two Capitols Consulting. Trish Melochick, Senior Deputy City Attorney, also provided information.

REGIONAL ISSUES

There were no regional issues to report on.

NEW BUSINESS

There was no new business.

CLOSED SESSION

5. [18-0318](#) Closed session pursuant to Virginia Code Sections 2.2-3711.A.3 and .7 to discuss or consider the acquisition of real property for a public purpose and the disposition of publicly held real property all in the Coliseum Central area, where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the city; 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 litigating posture of the City.

At 3:05 p.m., a motion was made by Councilmember Linda Curtis and seconded by Councilmember Billy 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

6. [18-0337](#) Resolution Certifying Closed Session

At 3:59 p.m., a motion was made by Councilmember Billy Hobbs and seconded by Councilmember Steven Brown, that this Resolution 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 3:59 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 _____