



# 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 Linda D. Curtis*  
*Councilmember Jimmy Gray*  
*Councilmember W.H. "Billy" Hobbs*  
*Councilmember Will Moffett*  
*Councilmember Teresa V. Schmidt*  
*Councilmember Chris Snead*

*STAFF: Mary Bunting, City Manager*  
*Vanessa T. Valldejuli, City Attorney*  
*Katherine K. Glass, CMC, Clerk of Council*

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**Wednesday, April 25, 2018**

**1:00 PM**

**Council Chambers**

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### CALL TO ORDER

Mayor Tuck convened the meeting at 1 p.m. with all members of the City Council present.

**Present** 7 - Vice Mayor Linda D. Curtis, Councilmember Jimmy Gray, Councilmember Billy Hobbs, Councilmember Will Moffett, Councilmember Teresa V. Schmidt, Councilmember Chris Snead, and Mayor Donnie R. Tuck

### DONNIE R. TUCK PRESIDED

### AGENDA

1. [18-0149](#) Budget Briefings - City Manager's Recommended FY2019-2023 Capital Improvement Plan, and Discussion of City Manager's Recommended FY2019 Budget

City Manager Mary Bunting stated that this afternoon is devoted to working on budget questions and issues. She noted that the previous presentation on the five-year Capital Improvement Plan (CIP) focused on the process and not the actual plan, so this is the first full presentation on the proposed layering of projects into the five-year plan. She emphasized that this is a plan. There is no way to know how revenues are going to be over the next five years, or even with what will happen in the upcoming year with the State budget currently unresolved. The five-year plan never stays static because priorities change and things such as land acquisition issues can arise. The first year is generally the focus because this is what is included in the current budget. Council adopts a five-year plan to signal to the community and rating agencies where the City is planning to spend money.

Ms. Bunting introduced Mr. Torriano Askew, Budget & Management Analyst, who provided a presentation on the FY19-23 CIP. He noted that this CIP is more focused on economic growth than it has been in the past, rising from 4% of the funding to 21%. He also noted that the funding for the Good Government strategic priority is generally dedicated or restricted funding that cannot be used elsewhere.

When sharing the specific funding breakdown, Mr. Askew noted that the proposed Social Services building has not been given any funding as staff is currently researching possible State funding for this project.

Councilwoman Snead noted that during discussions about the Public Works Operations Center, \$2 million had been discussed, but this would not do everything that needed to be done. She did not want citizens to think that was all the funding needed. Ms. Bunting stated that the original plan for this center was to relocate it, but relocation was much more expensive than originally thought. Staff had not looked into the cost of upgrading the facility at that time, so numbers have not been finalized. She noted that it should state additional funding to be added in later CIPs, but that number has not been determined.

Ms. Bunting noted that with the Social Services building project a site had been chosen and it ultimately ended up not being appropriate. Once a site has been chosen, the amount will be adjusted. She also noted that Council had requested a Master Plan process for Buckroe, so those projects have been pushed out and some supplementation may be necessary. She reemphasized that this is a plan and things are always in flux in the latter years.

Councilman Gray asked for clarification on the possible State funding for the Social Services Building. Mr. Askew introduced Mr. Steven Lynch, Interim Economic Development Director, with additional information. Mr. Lynch noted that while working for another locality, the locality brought in a private developer who constructed the facility after conferring with the State that the debt service that came along with the facility would be partially reimbursed. Those monthly payments were reimbursed between 80% and 85%, which allowed the city to afford the facility without incurring the direct liability to the city's financial statement, although it was an indirect liability. The city paid rent to the private developer. He noted that each year, based upon the Social Services reserve pool, payment could diminish, although that locality never saw less than 65%.

Mayor Tuck asked why the State would be interested in doing something like that. Mr. Lynch stated that in this situation, the building was obsolete and in such a state that renovating it was not feasible. The locality positioned itself in the queue for State funding for Social Services buildings. Mayor Tuck asked what the process for

something like that is, if it was something that would have to be presented by the local State delegation. Mr. Lynch stated that the City can go directly to the State and present its case for the need of a new building to get into the queue for funding. The funding is based on the State's pool for Social Services.

Councilwoman Snead stated that it was similar to the City deciding to build another State-supported facility, such as a jail. The State historically provides some funding for those types of facilities, and Social Services is a State program. Ms. Bunting stated that the City cannot enter the queue until it has a proposal in place. They cannot present just a concept.

Mayor Tuck asked for an explanation for the Thomas Nelson Community College (TNCC) campus improvements. Ms. Bunting stated that State law requires that the City participate in any projects that are a designated number of miles off of their actual buildings on the campus. Typically these are roadway and signage improvements. An example recently funded is the new traffic light. The theory behind that is the improvements benefit not only the campus, but also residents. In addition to that, the City funds a long-term commitment to the Peninsula Workforce Development Center lease. Each of the localities on the Peninsula gets a proposed budget from TNCC that outlines the projects that fall within the bounds of both the Hampton and Williamsburg campuses. Each of the localities (Newport News, James City County, York County, Hampton, and Williamsburg) will pay its share of the projects, based on the proportional number of residents that attend TNCC.

Mayor Tuck asked about the asterisk on Slide 13 for School One-to-One Technology. Ms. Bunting stated that when the City first started funding that project, it was for \$2 million per year for devices, with a dedicated tax increase for that project. Hampton City Schools (HCS) purchased cheaper equipment, moving from iPads to Chromebooks, and maximized Federal grants so they did not need \$2 million for the capital purchase. However, they had underestimated the staff support needed for teacher training and maintenance. Therefore, HCS requested that \$1 million from the capital funding be moved to the operating budget to support the technology specialists' salaries. The asterisk is to indicate that in prior plans this amount would have been \$10 million.

Councilman Moffett asked about the traffic signal retiming funding and if this would coincide with what was being discussed with the Hampton Roads Transit (HRT) buses. Mr. Lynn Allsbrook, Public Works Director, stated that this is using Regional Congestion Mitigation Air Quality (CMAQ) funds to adjust traffic signals to improve traffic flow every 3-5 years. It is not specifically driven towards HRT. Councilman Moffett asked if the City could consult with HRT to get efficiency out of the retiming, as there had been previous discussion on adjusting bus routes. Mr. Allsbrook stated

that there are technologies available that could be investigated.

Mayor Tuck asked what area of Cunningham Drive would be receiving sidewalks. Mr. Allsbrook stated that this is another CMAQ project. It goes from the intersection of Todds Lane and Lakeshore Drive on the west side of the Interstate 64 (I-64) overpass to Mercury Boulevard to fill in missing gaps in the sidewalk. Ms. Bunting asked if this was 100% funding by CMAQ. Mr. Allsbrook confirmed that there is no local match.

Mayor Tuck asked if it was feasible to put sidewalks on Mercury Boulevard between I-64 and Armistead Avenue. Mr. Allsbrook stated that he actually had good news: Public Works is in the process of executing a construction contract for a sidewalk between Coliseum Drive and Armistead Avenue. The dedicated outside lanes will be moved in.

Mayor Tuck asked about the extension of Commerce Drive to Mercury Boulevard. He noted that there are four entryways within approximately 200 feet. He asked if that was too many access points. Mr. Allsbrook stated that Public Works is conscious of that during design and it has been reviewed. He noted that since Mercury Boulevard is on the National Highway System, the Virginia Department of Transportation (VDOT) is also required to review it.

Councilman Gray asked if the construction contract for Mercury Boulevard was for both sides. Mr. Allsbrook confirmed that it is.

Councilman Gray asked if the City is committed to only using State funding for maintenance when some of the City's roads could use some accelerated work. Ms. Bunting stated that Council can decide to use additional funding. She noted that the State takes care of the roads in counties, so the Highway Maintenance program is the State's way of being equitable to cities. This does not mean the City can only use those funds. If Council wants to prioritize local funding, it is very expensive, but staff can price out whatever Council requests.

Councilman Gray asked how the schedule for resurfacing is determined. Mr. Allsbrook stated that VDOT has a contract that the City uses to have all the roads in Hampton rated. The ratings are then ordered worst to best, and the City addresses the roads in the worst condition first. Part of the City's philosophy is to spread the paving funding evenly into all ten neighborhood districts every year. The City also addresses curb and gutter repairs at that time. Ms. Bunting stated that some residential roads do not get very much traffic, so they could be paved a lot less routinely than other roads with more significant traffic. This is why the City uses the pavement condition survey.

Councilwoman Schmidt asked about Beach Road, right at the Dandy Point outfall, where the water sits. She asked if this was included in the neighborhood stormwater improvement project. Mr. Allsbrook stated that outfall maintenance is included in part of the CIP. This funding will address those outfalls, to include clearing debris or removing high spots. However, all those projects require Army Corps of Engineers' permits. The City is in the process of obtaining those permits.

Mayor Tuck asked if the funding for the aquatics center was in FY19. Ms. Bunting stated that there is no funding for the aquatics center in FY19. The City may not spend any money in FY20, but it is placed there because that is the time previously targeted for changing the hotel user fee tax to help with any sports tourism facility. If that revenue is put into the budget, the City has to spend it on items related to tourism.

Councilman Gray noted that he did not see any funding for enhancements to parking for the Boo Williams Sportsplex. He asked if that would fall under the Parks, Recreation, & Leisure Services maintenance funding. Ms. Bunting stated that there is no funding for parking extension at this time. Public Works has been tasked with obtaining a wetlands delineation, which must be completed before any asset expansion can be considered at that site. A contractor has been selected for that project.

Councilman Gray stated that it is important to speed up plans to address the parking issue at this complex, as they are in need of approximately 400 to 500 additional spaces and there are significant challenges when events are hosted there. Larger cities are competing for these tournaments, so Hampton needs to remain competitive. He noted that Virginia Beach is considering building a sports complex, and they have plenty of parking and hotels. Ms. Bunting stated that staff will get an estimate for the cost of 400 to 500 additional spaces, but nothing can be designed until a wetlands delineation is completed.

Councilwoman Schmidt stated that she understands people park all over the grass in the area during events and asked if the City could at least put down "Crush and Run" while waiting for the delineation to be completed, as the process can take a long time. Ms. Bunting stated that the State considers "Crush and Run" to have the same environmental impact as pavement. Staff will look at solutions and get those cost estimates.

Councilman Hobbs noted that Langley Speedway has been having more than capacity crowds at their events. He stated that it would be nice to have a lot in between the two locations and have shuttles.

Mayor Tuck noted that there has been some overflow parking in the Sentara complex, but this is not a good long-term solution. He noted that there is some vacant land in that area the City could purchase. He also noted that the City has purchased areas in the Clear Zone that might be utilized. Ms. Bunting stated that staff will check with Langley Air Force Base to see if that is an acceptable use.

Vice Mayor Curtis stated that a short-term solution is to create a shuttle service. The City is at risk of losing business and potential revenue from those who simply cannot find parking.

Councilman Moffett and Councilwoman Snead agreed that this needs to be a priority.

Ms. Bunting opened the floor for questions on the operating budget, noting that tonight will be the first Public Hearing on the CIP and the operating budget, as well as the Community Development Block Grant (CDBG) budget. The CIP is the only one that will have a vote tonight.

Ms. Bunting noted that the State does not have an approved budget. The House has approved it, but the Senate has not. The Senate will not reconvene until right before the City's legal deadline to approve its budget. The City will most likely have to amend its budget, and she cannot predict when those amendments will need to take place. She noted that the House, Senate, and Governor are all out of alignment on school funding, so HCS will absolutely have to amend their own budget. There is not a lot of flexibility in the City's budget at this point.

Vice Mayor Curtis addressed the issue of Newport News giving teachers a 4% raise, and that this could put pressure on Hampton to match that raise. In order to do so, it would require adding \$3 million to the budget. This would also prompt the discussion of raises for first responders and other City workers, which would be an additional \$2 million. Providing that level of raises would require a tax increase because there is no other room in the budget.

Ms. Bunting stated that there was much back and forth between Newport News Public Schools (NNPS) and the Newport News City Council over this decision. The Newport News City Council did not give NNPS money for a raise, but picked up additional school maintenance funding on their capital budget, so NNPS would have flexibility with money they already had for salary increases. Because of the HCS and Hampton City Council local funding formula relationship, HCS already has flexibility to spend their money as they wish. She cannot imagine where additional funding for raises would come from in the presented budget and does not believe

HCS Superintendent Dr. Jeffrey Smith has that level of capacity in his budget.

Ms. Bunting noted that often citizens will suggest not doing a capital project and using that funding for salary increases, but that cannot legally be done. Each additional \$1 million in the budget is worth one penny on the real estate tax rate. Although teachers and City workers are deserving of a raise, the City is reluctant to ask the citizens to do more, especially when many of them are struggling themselves and not getting raise support at their private employers. If this is something Council wanted to do, it would have to come with revenue changes.

Councilwoman Snead asked what other localities are doing for cost-of-living increases. Ms. Bunting stated that the majority are providing 2% raises. Newport News is only giving their workforce 2%, even in light of the conversations with their School Board. York County has proposed a 2% increase, with an additional \$750 extra for employees making under a certain threshold. Norfolk has a step system in place for police and fire. Their general workforce is getting 2% and their police and fire are getting a step. While she would support a 3% or 4% raise if the funding was available, it is not affordable without raising taxes and fees. She noted that the City has already cut \$1 million out of the budget to be able to provide 2% raises.

Presented by the City Manager, Mary Bunting, and Torriano Askew, Budget & Management Analyst. Additional information was provided by Steve Lynch, Interim Director of Economic Development, and Lynn Allsbrook, Director of Public Works.

**REGIONAL ISSUES**

**NEW BUSINESS**

**CLOSED SESSION**

There was no closed session.

**CERTIFICATION**

**ADJOURNMENT**

The meeting adjourned at 2:04 p.m.

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Donnie R. Tuck  
Mayor

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Katherine K. Glass, CMC  
Clerk of Council

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