



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 Chris L. Bowman
Councilmember Eleanor Weston Brown
Councilmember Steven L. Brown
Councilmember Billy Hobbs
Councilmember Chris Snead

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

Wednesday, April 28, 2021

1:00 PM

Council Chambers

CALL TO ORDER

Mayor Tuck called the meeting to order at 1 p.m. All members of the City Council were present except for Councilwoman Brown who arrived just after roll call.

Present 6 - Councilmember Chris L. Bowman, Councilmember Steven L. Brown, Vice Mayor Jimmy Gray, Councilmember Billy Hobbs, Councilmember Chris Snead, and Mayor Donnie R. Tuck

Absent 1 - Councilmember Eleanor Weston Brown

DONNIE R. TUCK PRESIDED

AGENDA

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

1. [21-0142](#) Budget Briefings: City Manager's Recommended FY 2022-2026 Capital Improvement Plan ("CIP") and Discussion on City Manager's Recommended FY 2022 Budget

Attachments: [Presentation - CIP](#)
[Presentation - Stormwater](#)

City Manager Mary Bunting introduced the item and reminded everyone that the budget adoptions and public hearings process will begin this evening, therefore, the

Capital Improvement Plan (CIP) will be discussed during today's work session. She explained that adding a fifth year in the CIP is being considered because it is a five-year rolling plan with the first year projections being based upon realistic revenues. She also reminded everyone that when the CIP is developed, the goal is to be conservative and not set expectations that cannot be delivered; after getting through the first year and having a more realistic revenue picture, there is potential for new projects to be added. Ms. Bunting assured everyone that she is aware of the community's desire for the completion of many projects; however, there will only be a few changes to the CIP due to the austere year, the pandemic and the addition of the fifth year in the CIP.

Ms. Bunting introduced Management Systems Analyst, Genevieve Thomas, to make the presentation.

Ms. Thomas greeted those on the dais and began presenting on the proposed FY22-26 CIP.

Ms. Thomas reviewed the first few slides of the presentation which defined a CIP; described how the City pays for CIP projects; listed the Council strategic priorities as economic growth, education and engaged citizenry, family resilience and economic empowerment, good government, living with water, placemaking, and safe and clean initiatives; and provided the percentage of funding allocated for each Council strategic priority.

The next several slides of the presentation that Ms. Thomas reviewed listed various projects under each Council strategic priority and the dollar amount allocated for each project.

Ms. Thomas concluded the presentation by sharing what lies ahead in the next five years and the remaining key steps in the budget process. This information was included on the final two slides of the presentation.

Ms. Thomas opened the floor for questions from Council.

Councilwoman Snead commended Ms. Thomas for the excellent presentation and spoke about economic growth and the City's effort to improve the housing stock. She asked Ms. Bunting to speak about funding for housing improvements, housing redevelopment and the Model Block Program; what will be purchased with those funds; and whether that action will push forth the effort to increase the values of the housing stock.

Ms. Bunting agreed that there is a need to put more toward housing and clarified

that more would have been put toward housing had there been more revenue growth. Council has expressed this as a high priority, but there was not much new money for it, however, some housing money was added in the operating budget to support the Model Block initiative and included two neighborhoods in that process. She continued stating that part of that work required the support of design center services and that belonged in the operating budget, not in the capital budget. She noted that all of the housing efforts are not in that CIP, instead, some have been added to the operating budget. She continued explaining that because all of the housing funds were not spent, some money is being carried into next year, so we did not feel the need to bump up the first year of the CIP's allocation. She reminded everyone that when all of the money is not spent to complete capital projects, those funds get rolled over and that extra money is there.

Ms. Bunting continued saying that at Vice Mayor Gray's suggestion, Assistant City Manager Brian DeProfio is preparing a document which will list the funds from different pots of allocation. There are other projects that the Housing Authority does that are also being lent to some of our efforts. One consideration is the use of the Housing Venture Program to put toward the Model Block Program because the Olde Northampton neighborhood was up for housing venture consideration; this is also a neighborhood where the City wanted to do model block. Ms. Bunting said that there are considerable resources to make some progress next year and more could be done with more money; however, given that there was not a lot of revenue growth this year and lost effects from the pandemic, the number could not be pushed anymore.

Ms. Bunting noted that she was unable to state exactly what this will purchase; however, staff will provide specific information prior to the evening session.

Councilwoman Snead reiterated that it would be helpful for Council to have a comprehensive list of what is available to address the housing stock improvements.

Again Ms. Bunting said that that information should be ready prior to this evening's hearing and vote. Mr. DeProfio noted that he anticipates the information being ready today.

Councilwoman Snead made reference to a few calls that she has received from citizens inquiring about the City spending \$6.5 million for a state-of-the-art firing range facility and whether a scaled down version of the firing range could be considered allowing for the remaining funds to potentially be used for another project such as a library.

Ms. Bunting made the following remarks in response to Councilwoman Snead. The

firing range is in the preliminary design stages and better cost estimates will be available once the preliminary design stage is complete. Ten or fifteen years ago, the cost estimate without bells and whistles was approximately \$5 million. This budget does not reflect more than what is needed, and there will be a better sense of things once the design element is complete. Ms. Bunting assured everyone that as with all projects, the goal is to meet the objective, and in this case, not build a firing range that does not meet the objective for the police department resulting in having to spend more after the fact because it was not spent up front. She added that it is also important to value engineered buildings and not overspend on buildings.

Ms. Bunting made the following remarks addressing libraries. The question sometimes arises whether the City should build a new branch library. Historically, Hampton has chosen to do branch libraries in neighborhood shopping centers because they are nice anchors and give more life to a neighborhood shopping center, making it more viable for the surrounding area. Pulling a branch out of shopping center could have detrimental effects, for example, the City hopes to revitalize the Willow Oaks library, but pulling the library out of that shopping center and building a new branch could have a negative impact in the shopping center. It is also cheaper to lease a facility than to build a facility. By leasing, we support the neighborhood shopping centers and are also able to put more money into books and media in the library. This has been Hampton's historical position. We did invest in a nice main library with capital funds, but we have aligned branch libraries in neighborhood centers. Ms. Bunting continued stating for the record, that the City purchased the building in which the Phoebus library branch is located because it was for sale and the City did not want to lose that branch location. This building was also purchased for the same price as the lease payments would have been for the period of debt service. Ms. Bunting also emphasized that our branch libraries are very well received by our public; if we were to find more money in the value end of the design of the firing range, higher Council priorities would be taken into consideration first unless Council changed their approach.

Councilman Bowman commended Ms. Thomas on the presentation and referenced the \$972,000 contribution for Thomas Nelson Community College (TNCC) under the education strategic priority. He said that that figure has increased from the \$200,000 to \$300,000 figures from years ago, and then asked whether a formula is used to determine that figure and whether those funds are used for grounds and infrastructure.

Ms. Bunting clarified that the \$972,000 is over a five year period, equating to approximately \$200,000 per year. She explained that there is a formula which relates to the number of fulltime student equivalents that each locality has and is divvied up to localities. She continued saying that historically, the state has required

that those funds be used for grounds and maintenance; however, there are some changes in state law that may no longer require that. She announced that TNCC has asked that localities that have been giving money under that requirement contemplate continuing to do so in support of other kinds of programmatic needs. In future CIP years, there is potential that the funds could be used for additional things other than facilities; Council could also revisit whether they want to continue to contribute and where the contribution might be directed, such as to fund scholarships for students who need additional financial support. She noted that these ideas are being worked on and would come before Council for presentation.

Councilman Brown asked if TNCC has requested any assistance from the City to help pay for the major roof collapse on one of its buildings.

Ms. Bunting explained that the building Councilman Brown referenced is a state building that was insured under the State self-insurance plan. She also stated that as a board member, she questioned whether localities would be on the hook for any cost share arrangement and the board was advised that it would be entirely financed by the state insurance fund.

For the benefit of the public, Councilwoman Brown referenced the allocation for school maintenance and technology for \$67.4 million and reminded everyone that this Council has been committed to bringing building maintenance and more technology to our school buildings; therefore, there is a significant allocation in the budget for that work and she is glad to see it.

Vice Mayor Gray piggy-backed on Councilwoman Snead's comments about funding for the firing range and said that while there are concerns about the cost, the firing range is being relocated because it is currently located near the Olde Northampton neighborhood which has been designated as a housing venture neighborhood to improve the neighborhood. Removing the noise will make this a better community, particularly for children and for those who want to invest in the neighborhood for homeownership instead of renting. He added that it may be of concern that the City is investing money to teach officers how to shoot, particularly in today's environment with police shootings; however, it is also important to remember that all types of officers including arson investigators, animal control officers and parks officers are required to qualify annually and need a location to obtain these qualifications.

For the benefit of the public, Ms. Bunting added that this is a need that most localities have and although this facility is being built for our use, there will be times when there will be excess capacity. She announced that regional conversations are underway with state and federal partners that have those certification requirements to determine if the City is able to get revenue recovery by sharing the space. She

continued saying that Hampton's outdoor facility is currently shared with some federal partners, whereas, other cities have been restricted in an attempt to not burden the neighborhood. She concluded her comments by sharing that there may be potential to offset some of the cost and the City will pursue revenue recovery opportunities which would be returned to the general fund to offset the expense up fronted for the facility.

Councilwoman Snead clarified that she is in support of the firing range. She continued saying that a few citizens asked her to reiterate that they wanted Council to ensure that the \$6.5 million will be spent on something that is necessary. She added that she explained the process to those citizens (as mentioned by Vice Mayor Gray) and clarified that those citizens were not against the firing range; instead, they wanted to be certain that the City will only put what is necessary into the firing range and that there is potential to reallocate remaining funds to other projects.

Ms. Bunting reminded everyone that this evening, a separate public hearing and vote will take place on the CIP.

Ms. Bunting transitioned into the second portion of the open session which was dedicated to discussion about the City Manager's recommended budget. She reminded everyone that a hearing will take place this evening; however, a vote will not be taken because by state law, the budget hearing must take place on a night other than the vote. For the benefit of the public, she also explained that Hampton traditionally offers two budget public hearing opportunities and takes the first vote with the second hearing and the second vote a week later. Next week, a special meeting will take place for a second public hearing on the budget and the first vote.

Ms. Bunting said that today was meant to be structured as an open session for Council to ask questions and obtain additional information or discuss potential desired changes to the managers recommended budget. She noted that Council had several questions following the first presentation on the stormwater fee and additional questions were raised about whether the fee should be raised at all; therefore, she asked the Public Works Director to present information on stormwater projects.

In addition, Ms. Bunting reminded everyone that Council had some ideas for potential ways to handle the stormwater fee including deferring the rate increase and using more fund balance to keep projects on schedule, or implementing a \$.50 increase versus a \$1.00 increase and balance the difference later; however, it was determined that drawing down more aggressively on fund balance to avoid a rate increase this year may result in even higher rates in years to follow. Ms. Bunting shared that staff has worked on some preliminary modeling scenarios and

projections and then introduced Public Works Director, Jason Mitchell, to present on the proposed stormwater fee increase.

Mr. Mitchell greeted those on the dais and reviewed the mission of the stormwater program as shown on the first slide of the presentation.

Mr. Mitchell reviewed the next several slides of the presentation which provided information about the aging infrastructure in the City and listed stormwater projects for consideration.

The next several slides of the presentation provided a stormwater monthly bill comparison for various localities in the region; three scenarios related to proposed changes to the stormwater fee rates; and a chart which reflected how the stormwater fund balance would be affected if fees remain the same and how it would be affected by the proposed changes.

Mr. Mitchell noted that Hampton has the lowest stormwater monthly bill rate in the region. He also emphasized the importance of maintaining a 90 day stormwater fund balance in case of an emergency such as an emergency which may require replacement of the stormwater system.

Mr. Mitchell concluded the presentation and announced that staff's recommendation is to use fund balance to lessen the fee increase to customers in FY22 decreasing the fund balance from \$6.9 to \$5.4 million; adopt the stormwater fee of a \$1.00 increase for FY22; and review projections of expenses and revenues for FY24 and beyond. He then opened the floor for questions and comments from Council.

Mayor Tuck referenced the slides which showed scenarios B and C and asked why the FY24 projection shows as \$1.60 instead of \$1.50 if the proposed fee increase for FY22 is \$.50 and the proposed fee for FY23 is \$1.00.

Mr. Mitchell replied stating those figures are based on how the model runs. He reminded everyone that the sooner the money is invested in the system, the further it is pushed down the road and the more impact it will have. He noted that there are many variations of the model.

Ms. Bunting confirmed that there are many potential combinations for consideration; however, this scenario was chosen because the money that would be deferred related to non-resilient Hampton work as staff waited until the next time when they were doing non-resilient Hampton work to propose the increase. She continued speaking about various options which incorporate different increase amounts over a number of fiscal years and said that staff will be happy to run any scenario that

Council wishes. She reiterated that the more fund balance is drawn down, the higher the rate will be raised in following years.

Councilman Brown thanked Mr. Mitchell for the concise and thorough presentation and asked how many projects could potentially be completed with a \$.50 increase.

Mr. Mitchell replied stating that approximately 10-12 projects could be completed with a \$.50 increase; however, this would significantly reduce the number of projects which could potentially be completed. He noted that as many projects as possible will be completed with the amount of funding received.

Councilman Brown continued saying that according to the presentation, Hampton has one of the lowest stormwater fee rates in the region, and also expressed concern that if the fee is raised and continues to increase overtime, Hampton could become a locality with one of the highest stormwater fee rates in the region. He also referenced the fact that Hampton has one of the highest personal property tax rates in the region and said he supports resiliency and other types of projects, but he is uncertain if this is the correct climate for another increase.

In response to Councilman Hobbs' question about whether delaying or reducing funding could result in more damage to be fixed later, Mr. Mitchell stated that the majority of the projects are in residential neighborhoods; therefore, customers would wait longer for repairs and resolutions to flood issues in their neighborhoods.

Ms. Bunting added that no projects would be deferred if the scenario including more fund balance is used. However, if some of the work is subsidized with fund balance, eventually, fund balance will run out which means that if a higher portion is used when funds run out, not only is a rate increase required, but the utilization of fund balance will have to be made up. She explained that the \$1.00 rate increase was suggested in an attempt to smooth that out and eliminate significant increases at any one given time.

Ms. Bunting shared some additional scenarios and the impact that varying rate changes would have in future fiscal years.

Councilwoman Brown shared her concerns about deferring the increase. She said that while this has been a difficult year for citizens who have suffered economic loss, it is important to remember the concerns that citizens have about flooding in Hampton, and, therefore, it is important to connect the stormwater fee to the work being done to maintain the quality of life for Hampton residents. She emphasized that she is in favor of sticking to the plan of smoothing the way of a balanced incremental increase overtime that aligns with doing as many mandated projects as

possible and addressing flood issues in the citizens' neighborhoods. She reminded everyone that Hampton is fully built out, has old infrastructure and has a lot of water which needs to be maintained. She assured everyone that she is sensitive to the fact that every dollar counts in family budgets, but this increase amounts to \$12.00 per year and if the increase is done overtime, then fund balance will not need to be used. She expressed concern that if fund balance (the savings account) is used, those funds will not be available in case of an emergency. She reiterated that in her opinion this plan is reasonable without having to push it off down the road and have a higher rate later and the stormwater fee is fair and reasonable. She urged her colleagues to stick with the plan of implementing the \$1.00 increase this year.

Mayor Tuck clarified that choosing to implement a lower increase does not equate to not doing other projects; instead, it suggests doing some projects with some fund balance and pushing off more of the increase, instead of pushing off projects.

Vice Mayor Gray referenced the proposal to hold the line on the real estate tax rate due to the impact the pandemic has had on City finances and said in all fairness, citizens have also felt an impact as a result of the pandemic. He agreed with Councilwoman Brown in that a \$12.00 annual fee does not seem to be much; however, he cannot count other people's money or determine the impact that amount would have on others. He noted that over the past several months, he has heard more concerns from citizens about flood problems rather than the proposed increase in the fee. He also clarified that he is not in favor of delaying projects; however, is concerned about the increase during a time when everyone is in recovery mode from the pandemic. In the interest of fairness to everyone (the City and the citizens), he suggested considering ways to offset the cost this year and add the cost at a later year also taking into account that most members of Council will be here next year to honor any decisions to move forward with the delay and then move forward with the increase next year.

In response to Councilwoman Snead, Ms. Bunting and Mr. Mitchell confirmed that the recommendation involves a combination of implementing the fee and using fund balance. Ms. Bunting noted that deferring the \$1.00 fee increase would require decreasing the fund balance even more aggressively.

Ms. Bunting again spoke briefly about some of the model scenarios.

Councilwoman Snead commented that she understands everyone's perspective about not implementing an increase at this time; however, the \$1.00 monthly increase equates to \$12.00 per year which is a low price to pay for a major impact on our City to mitigate flooding. She said she does not believe in betting on what will happen years from now because we could be in a worse financial situation a few

years from now and need to increase the fee at that time. She said she supports holding the line and increasing the fee \$12 more per year to receive the positive impact of what will be done in the City regarding flooding. She noted that she has not had many people requesting the fee to not be increased and risk not having a project completed. She concluded her comments agreeing with Councilwoman Brown and was in support of the \$1.00 increase.

Councilman Bowman was not in support of deferring this or using fund balance; he was in support of the \$1.00 increase; and noted that he has had no communication on the subject from citizens.

Councilman Brown asked Mr. Mitchell to confirm whether the projects will be completed. Mr. Mitchell replied stating yes. Councilman Brown then questioned whether the use of fund balance will put the City in a critical position. He said that he understood his colleagues views on the \$1.00 increase and whether people can afford it, but he is also curious about those who are already struggling who may not have expressed the impact that the increase will have on them because oftentimes, silence does not mean that people are not concerned, instead, it may mean that they believe expressing their opinion will not matter. He commented that this is a challenging time for everyone as citizens and members of Council. He concluded his comments saying if the projects are not going to be impeded or delayed, then the intention should be to listen to the citizens and assure them that the projects will be completed. He added that he would be more comfortable supporting a \$.50 increase versus the \$1.00 increase.

In response to Mayor Tuck, Mr. Mitchell confirmed that fund balance is already being used in these projects.

Mayor Tuck opened the floor for additional questions or comments. No additional questions or comments were posed.

Ms. Bunting noted that staff is available to receive feedback from Council should they have additional comments, questions or concerns about the budget.

REGIONAL ISSUES

There were no regional issues.

NEW BUSINESS

There were no items of new business.

CLOSED SESSION

2. [21-0036](#) Closed session pursuant to Virginia Code Sections 2.2-3711.A (.1), (.3), (.6) and (.8) to discuss an appointment as outlined on the agenda; to discuss the disposition of real property for a public purpose in the Shell Road corridor, where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the City; 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 City would be adversely affected; and to consult with legal counsel employed by the City regarding changes taking effect on July 1, 2021, to §15.2-901 of the Code of Virginia and criminal blight as outlined in §15.2-907 of the Code of Virginia and §24-112 of the Hampton City Code.

At 1:49 p.m., a motion was made by Councilmember Steven Brown and seconded by Councilmember Chris Snead, that this Closed Session - Motion be approved. The motion carried by the following vote:

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

3. [21-0120](#) Consideration of Appointments to the Hampton Redevelopment and Housing Authority

CERTIFICATION

4. [21-0064](#) Resolution Certifying Closed Session

At 5:20 p.m., a motion was made by Councilmember Billy Hobbs and seconded by Councilmember Steven Brown, that this Closed Session - Certification be approved. The motion carried by the following vote:

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

ADJOURNMENT

The meeting adjourned at 5:20 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 _____