



City of Hampton

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

Council Approved Minutes - Final City Council Work Session

Mayor George Wallace
Vice Mayor Linda D. Curtis
Councilmember W.H. "Billy" Hobbs
Councilmember Will Moffett
Councilmember Teresa V. Schmidt
Councilmember Chris Snead
Councilmember Donnie R. Tuck

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

Wednesday, March 23, 2016

1:00 PM

Council Chambers

CALL TO ORDER

Vice Mayor Curtis called the meeting to order at 1:02 p.m. All members of City Council were present and Mayor Wallace was detained at a meeting and arrived late. Mayor Wallace arrived at 1:28 p.m.

Present 6 - Vice Mayor Linda D. Curtis, Councilmember Billy Hobbs, Councilmember Will Moffett, Councilmember Teresa V. Schmidt, Councilmember Chris Snead, and Councilmember Donnie R. Tuck

Out 1 - Mayor George Wallace

LINDA CURTIS PRESIDED

AGENDA

1. [16-0099](#) Budget Briefings - State Budget Impacts on Fiscal Year 2017 Budget and Results from Public Budget Input Sessions

Attachments: [Presentation](#)

Director of Budget and Strategic Initiatives Brian Deproffio provided the following background information regarding key dates and events which have taken place during the State Budget process. The Governor released his proposed budget on December 17, 2015. This was one of the first significant steps taken by the State since the recession to begin increasing local aid to local governments in Virginia. He noted that we have seen our aid from the State decrease substantially over time particularly as it relates to aid to the

School System.

Mr. DeProfio continued stating that the General Assembly passed the budget on March 11, 2016. This budget increases and decreases some funding levels which will be reviewed in today's presentation. He then announced that the reconvened session of the General Assembly which will address any Governor vetoes is scheduled for April 20, 2016. Mr. DeProfio added that specific impacts on Hampton are not yet known and are pending the State's issuance of the specific impacts on local governments report.

Mr. DeProfio shared information about funding for various categories related to the budget. The categories include: education, public safety, economic development, Fort Monroe and additional items of interest.

Mr. DeProfio elaborated on the public safety category stating there was a 3.2% increase for HB599 Funds, State funds which support local police. He noted that this is a decrease from what the Governor had put in his budget of 3.9%. He added that we estimate the 3.2% increase will result in a \$208,750 increase from what we had in the FY16 budget. Mr. DeProfio noted that on the Senate side of the budget (before the conferees met) there was only a 25% reimbursement for this item resulting in Hampton receiving a higher amount than what was in the House side of the budget.

Mr. DeProfio elaborated on the economic development category. He stated the budget funds the Go Virginia Initiative in the amount of \$35 million. This encourages local governments to work together on economic development related projects. He continued stating \$2.25 million was also added for Brownfield Restoration remediation grants. He clarified that Brownfields are properties which have environmental concerns, such as dry cleaners which have chemical concerns at their sites.

Mr. DeProfio shared information about funding for additional items. (1) the State allows local Treasurer's under contract to the Commonwealth Attorneys to continue collecting delinquent court fines and split the collections with the Commonwealth 50/50. This has a \$95,000 negative impact on Hampton's budget. Mr. DeProfio noted that we were grandfathered in at 100% up until this past year when the grandfather clause was removed. (2) a 2% salary adjustment for State-supported local employees effective December 1, 2016.

Like school raises, this is contingent upon the State meeting its revenue projections. (3) \$20 million dollars for storm water local assistance grants. (4) language included in the budget stipulates that there would be no tolls on existing roads without General Assembly approval. For example, tolls at the Hampton Roads Bridge Tunnel to fund improvements to the Monitor Merrimac Bridge Tunnel would be prohibited. (5) \$500,000 per year increase in the Community Services Act (CSA) Administration. This is the first increase since Fiscal Year 2000. (6) \$4.3 million increase for each year for local Social Services Administration for increased volume of Medicaid eligibility determinations. (7) \$4.7 million increase for Healthy Families funding. Mr. DeProfio noted that we have been inquiring what impact this may have on the City's Healthy Family Program and are awaiting those details. (8) \$3.5 million in FY17 and \$6.9 million in FY18 for 2019 Commemoration, a State level 2019 Commemoration entity.

Mr. DeProfio concluded his remarks stating we should see a positive net impact on revenues. This includes other positive investments that could benefit Hampton. He noted that the approved budget is an important step in the right direction after years of declining State support for local government; this puts Hampton back in the positive category. He noted that in 2015, we were required to return \$700,000 in revenue to the State; however, this year, we are beginning to see an increase at the local level.

Mr. DeProfio reminded everyone that a lot of work needs to be done in order to get Virginia localities where they were prior to the recession.

Mr. DeProfio opened the floor for questions from those on the dais.

In response to Councilwoman Snead, Mr. DeProfio confirmed that the \$500,000 for the CSA will be spread among all localities; therefore, will not generate much.

Councilwoman Schmidt inquired about the 2% increase for teachers under the education category. She asked if teachers will receive an overall 4% increase if the State provides a 2% increase and Hampton provides an additional 2% increase.

Mr. DeProfio clarified that the Schools would determine exactly how much of

an increase would be provided to teachers and the State would reimburse the schools 2%. He noted that State money is only for eligible positions, and many school positions are not eligible for that increase.

Councilwoman Schmidt inquired about economic development incentive grants for FY16. Mr. DeProfio noted he would research that information and provide it to Council; however, he believes the number falls between the FY17 and FY18 figures which are \$65 million and \$55 million, respectively.

Councilman Tuck inquired about State plans for the 2019 Commemoration.

City Manager Mary Bunting stated we have representatives and staff members who regularly meet with the Commission, the Executive Director of the Fort Monroe Authority Mr. Glenn Oder, and the newly hired Director of the 2019 Commemoration Ms. Kathy Spangler. She continued saying the Commemoration has various themes and subcommittees which highlight topics such as the arrival story of the African Americans, women, and the legislature. She announced that the General Assembly has given the Fort Monroe Authority permission to use bonding funds from the State for some projects.

Assistant City Manager Laura Fitzpatrick added that we are meeting monthly with the State, the Fort Monroe Authority, and the National Park Service to formalize our partnership. She assured everyone that we have open communication channels with the State.

In response to Councilman Hobbs, Mr. DeProfio elaborated on the Payment in Lieu of Taxes (PILOT) fee with regard to Fort Monroe. He explained in past years, the State has not funded this and will not be funding it this year at the level they are supposed to according to the amount of taxes that would be due based on the assessments. He continued explaining that the State has taken a position in which they want us to remove those liens against the property that equate to the amount they hadn't provided previously before they are going to disperse funds.

Ms. Bunting stated the General Assembly adopted a specific State Statute that addresses the Fort Monroe Authority and lays out how to calculate the PILOT fees. She stated that the State's calculation was set to mirror the

Real Estate Tax collection practices elsewhere in the City and is set up this way because there are residents and private businesses at Fort Monroe that are not there for State purposes. She reminded everyone that while the State owns the underlying land, private uses are there and are expected to grow overtime. She explained that the PILOT was designed to help the City offset typical services it provides such as police, fire, schools, electoral, and library services. She clarified that until the land becomes privately held, there is no mechanism for collecting the tax.

For the benefit of the public, Ms. Bunting explained further that the PILOT formula which is included in the State Code would generate more money for the City. She continued stating that same Code authorizes the City to lien the property, but not foreclose on the property. She clarified that the intent was to make the City whole in terms of payment. She expressed the importance of the public understanding why the City would lien State property.

Councilwoman Schmidt asked how the City can put a lien on State property when the State has the power.

Ms. Bunting addressed the possibility of waiving the liens. She explained that we felt we did not have legal authority to waive liens because the State Code specified what should be done when full payment is not received. She explained that the language was added to provide a legal means to answer how to handle writing off something that we were told to assess. She noted that under Virginia Law, anything that's included in the budget language supersedes existing State law, so this supersedes the enabling authority.

Ms. Bunting clarified that under this scenario, the original intent by the State Code was that the City would be made whole; however, the added budget language states we do not get paid unless we record a deed which states we are writing off the past lien and promise not to put any future liens on the property.

City Attorney Vanessa Valdejuli added that this creates an inequity because any other private owner in the City and the Commonwealth that owes taxes has those taxes taken out of the proceeds when the property is sold; however, this language means the City will not be able to recoup those funds

when the Fort Monroe Authority decides to sell its property. She noted that this has set Fort Monroe apart from any other property owner in the Commonwealth of Virginia.

Ms. Bunting added that the land the Army is holding on to such as the Marina, the Northgate area and other disputed parcels are not being assessed because the Commonwealth does not own them, therefore; it is not subject to the PILOT. However, when these parcels transfer to Fort Monroe, the PILOT calculation would be even higher.

Vice Mayor Curtis commented that they have capped the PILOT at less than what we are owed and are now saying you cannot collect it. She asked whether there was opportunity for public comment and/or the City to weigh in about this.

Ms. Bunting stated we found out about this when the budget was released.

In response to Vice Mayor Curtis, Senior Deputy City Attorney Patricia Melochick clarified that prior year write-offs that invoked the need for the lien were approximately \$1.2 million. She explained that by Code, we are permitted to add interest although we are not permitted to invoke a penalty. She noted that the statute contemplated these taxes being paid from any source, but it has always been paid solely by appropriation. She continued stating that while the difference between what the State is paying and what the assessment proves to be is close; it is important to keep in mind the other property yet to transfer; so, it is the long-term impact of this policy that concerns us more than the immediate impact.

Ms. Bunting opened the floor for additional questions and/or comments regarding the budget prior to moving to the next portion of the meeting. There were no additional questions and/or comments posed.

Ms. Bunting reminded everyone that Hampton is one of the few cities that allows citizens to provide input on the budget prior to the Manager making a recommendation. She stated this practice allows the City Manager and staff to take citizen comments into consideration as the budget is being prepared; it also allows citizens more time to understand the dynamics of the budget.

Ms. Bunting noted that this year, the public requested more online interaction in addition to having an in-person meeting; therefore, more online interaction was added as well as two town hall chats. Ms. Bunting then introduced Communications Strategist Ms. Robin McCormick to summarize the results of the in-person meetings and the online town hall chats.

Ms. McCormick presented the results from the public budget input sessions. She emphasized that we are aware that citizens do not want to cut services nor do they want to raise tax revenue. She announced that there was not much interest this year; however, Council and the City Manager have stressed that staff compensation is a priority. She stated many of the citizen questions were not budget related; instead, they were priority related. She noted that there was a variety of topics of concern, but no overriding concern was expressed during the forums.

Ms. McCormick reminded everyone that the input has been posted on Hampton.gov/lvalue for the public to view the chats and transcripts. She also listed upcoming dates and events related to the budget.

Ms. Bunting reminded everyone that the budget will be officially released on April 15, 2016; however, a Council meeting is scheduled for April 13, 2016 at which there will be a preview of the budget. She added that the budget workshop on the 13th will include a more detailed preview for the public and Council.

Ms. Bunting opened the floor for additional comments and/or questions regarding public input. There were no additional questions and/or comments.

Mayor Wallace presided over the remainder of the meeting.

Presented by Brian DeProfio, Director of Budget and Strategic Initiatives, and Robin McCormick, Communications Strategist.

REGIONAL ISSUES

NEW BUSINESS

Councilman Tuck stated that citizens have expressed concern about fishing opportunities in Hampton being limited to the Buckroe Pier and at Fort Monroe; whereas, years ago, there were more opportunities available. He

asked Ms. Bunting to address what precipitated this change and whether there is reference to it somewhere in our Charter or in an Ordinance.

Ms. Bunting stated at one time people fished off of bridges, public streets and highways; however, this type of fishing created traffic hazards and cleanliness concerns. She explained in the past, people tended to park in inappropriate places creating traffic hazards. They also tended to leave bait and discarded debris from cleaning fish; this debris gets into the roadways causing not only cleanliness problems, but also the potential for traffic hazards. She noted that it would not be advisable from a traffic management and a safety standpoint to lift the restrictions without first resolving some of these concerns.

In response to Vice Mayor Curtis, Ms. Bunting stated there are also opportunities for fishing at the urban fishery pond near the Boo Williams Sportsplex. This was made possible via a grant from the Virginia Department of Game and Inland Fisheries. She commended our Park Ranger staff for doing an excellent job of creating spaces for people to sit and fish. She noted that there is also ample parking at this location.

Ms. Bunting added that the Fort Monroe Authority (FMA) is desirous of increasing opportunities for fishing at Fort Monroe and is pursuing repairs to the Finger Pier. She said FMA is considering a State Grant for the project; however, needs to first ensure that there aren't too many restrictions associated with the grant.

Councilwoman Snead inquired about fishing opportunities at Sandy Bottom Nature Park. Ms. Bunting confirmed that there are also fishing opportunities at Sandy Bottom Nature Park.

For the benefit of all, Ms. Bunting noted that she would determine where all of the fishing opportunities are in Hampton and make sure that information is made available on our Parks and Recreation website.

City Attorney Valldejuli noted that the Ordinances regarding fishing have been in place since 1964.

Mayor Wallace commented that he recalls instances in which collisions were

the result of people fishing and being parked inappropriately which is part of the reasoning behind the restrictions.

Mayor Wallace called for any additional new business items for discussion. There were no additional new business items.

CLOSED SESSION

2. [16-0033](#) Closed session pursuant to Virginia Code Sections 2.2-3711.A.1, .3 and .7 to discuss appointments to the Virginia Municipal League policy committees; to discuss or consider the acquisition of real property for a public purpose and/or the disposition of publicly held real property in the areas of Buckroe and Downtown Hampton, where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the city; and to consult with legal counsel employed or retained by the City regarding specific legal matters pertaining to Fort Monroe requiring the provision of legal advice by such counsel

A motion was made by Vice Mayor Curtis, and was seconded by Councilmember Schmidt. The motion carried by the following vote:

Aye: 7 - Vice Mayor Curtis, Councilmember Hobbs, Councilmember Moffett, Councilmember Schmidt, Councilmember Snead, Councilmember Tuck and Mayor Wallace

3. [16-0104](#) Consideration of nominations to the Virginia Municipal League 2016 Policy Committees

Attachments: [2016 VML Memo](#)
[2016 VML Nomination Form](#)
[VML Policy Process](#)

CERTIFICATION

4. [16-0038](#) Resolution Certifying Closed Session

A motion was made by Councilmember Moffett, and was seconded by Vice Mayor Curtis. The motion carried by the following vote:

Aye: 7 - Vice Mayor Curtis, Councilmember Hobbs,
Councilmember Moffett, Councilmember Schmidt,
Councilmember Snead, Councilmember Tuck and Mayor
Wallace

ADJOURNMENT

Contact Info:
Clerk of Council, 757-727-6315, council@hampton.gov

George E. Wallace
Mayor

Katherine K. Glass, CMC
Clerk of Council

Date approved by Council _____