



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 Steven L. Brown
Councilmember Hope L. Harper
Councilmember Billy Hobbs
Councilmember Martha Mugler

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

Wednesday, April 12, 2023

1:00 PM

Council Chambers

CALL TO ORDER

Vice Mayor Gray called the meeting to order at 1 p.m. All members of the City Council were present except for Mayor Tuck. The Vice Mayor shared that Mayor Tuck was not present due to attending a convening discussing gun violence prevention strategies.

Present 6 - Councilmember Chris L. Bowman, Councilmember Steven L. Brown, Vice Mayor Jimmy Gray, Councilmember Hope L. Harper, Councilmember Billy Hobbs, and Councilmember Martha Mugler

Excused 1 - Mayor Donnie R. Tuck

JIMMY GRAY PRESIDED

AGENDA

1. [23-0107](#) Budget Briefing: Hampton City Schools Budget

Attachments: [Presentation](#)

City Manager Mary Bunting reminded everyone that City Council does not have jurisdiction over the school budget and, each year, the School Board and Superintendent present the school budget at a Council meeting so that residents can hear how the funds provided by the state, federal and local governments are being utilized.

Dr. Richard Mason, Chairman of the Hampton School Board, greeted those on the

dais and began the presentation. He shared that according to the Virginia School Board Association (VSBA), school boards are responsible for selecting and hiring a superintendent, instituting policy development, and approving and supervising the budget. Hampton takes these responsibilities in highest regard; therefore, the budget being brought forth represents strategic budgeting as the division is committed to being good stewards of taxpayer money.

Dr. Mason also shared Hampton City Schools (HCS) mission which is to work in collaboration with our community to ensure academic excellence for every child, every day, whatever it takes. Aligned with this mission, the School Board provided the Superintendent with it's priorities during the development of this budget. Priorities for this fiscal year (2024) include maximizing every child's learning; attracting, developing and retaining exceptional staff; and creating safe, nurturing environments. In addition to presenting a balanced budget, this budget aligns with the school division's mission and priorities.

On behalf of the School Board, Dr. Mason thanked Council for the collaboration and partnership it has with HCS and shared some good news which can be attributed to this collaboration and the investment in our young people. HCS class of 2022 posted the highest on-time graduation rate since 2008 of 97.64%, exceeding the state average. It also posted the highest on-time graduation rate in the region. The class of 2022 dropout rate was 0.62%, which is significantly lower than the state average and the lowest dropout rate of the 15 school divisions in our region. Finally, the class of 2022 had 34 students, (for a total of 60 students in the past 2 years) who graduated with their associate's degree a few weeks before receiving their high school diploma.

Dr. Mason again thanked Council, on behalf of the School Board, for its partnership, investment in our City and dedication to HCS students and staff.

HCS Chief Financial Officer Brittany Branch presented an overview of the FY24 School Board Budget. In summary, the budget includes a 5% compensation increase; no increase to employee healthcare premiums; salary adjustments for teachers and select support staff in addition to the 5% compensation increase; an increase to the minimum hourly rate to \$12.50; a 1% one-time bonus; and the addition of new positions.

Ms. Branch shared the next group of slides pertaining to the budget development process; School Board priorities; the total budget for next school year (\$346.4 million); a list of all funds in the budget; and the amount budgeted for each fund.

The next portion of the presentation focused on the largest fund in the budget, the

School Operating Fund (\$272.7 million). This fund is significant because it is where the City Council's investment is accounted for, based on the funding formula. Ms. Branch highlighted the aspects of this fund including state and local fund sources; federal and miscellaneous revenue; expenditures by classification; expenditures by object/type; competitive compensation; teacher salary scale adjustments; additional compensation highlights; position changes; and budget reductions and savings.

The final slide of the presentation listed additional items within the School Operating fund and the amounts allotted for each item. The items are as follows: the Pharmacy and Wellness Center; the Academies of Hampton; debt service payments; the Virginia Preschool Initiative; and FY24 one-time expenditures/contingency.

Ms. Branch thanked Council, the City Manager and Assistant City Managers for their collaboration during the process and emphasized that this budget is possible because of the investment the City puts into our young people. Ms. Branch opened the floor for questions and comments from Council.

Councilman Brown commended Ms. Branch on the excellent presentation and then asked a series of questions about increases for some school positions. Ms. Branch clarified that 1% bonuses will be given to both full-time and part-time employees; bus drivers will receive the 5% compensation increase - that and the current bus driver minimum wage rate of \$21 per hour puts Hampton's drivers well over the \$15 per hour rate; and effective July 1, the cafeteria staff minimum rate will be \$15 per hour as part of this budget. In addition, compensation increases will not directly impact custodians because those positions are outsourced.

Councilman Brown also applauded the School Board and staff for preparing a proactive budget without waiting for additional resources from Richmond.

Councilwoman Harper asked about the significant increase in teachers' salaries. Ms. Branch explained that Hampton's more experienced teacher's salaries ranked lower when compared to neighboring localities including Newport News and York County. This was a good option for Hampton to use additional funds available to invest. In addition, it was determined that experienced teachers are more likely to move from school division to school division, so Hampton wanted to consider how to lead the pack and encourage experienced teachers to come to Hampton. Ms. Branch noted that this increase is in addition to the 5% increase that everyone will receive.

HCS Superintendent, Dr. Jeffrey Smith, added that the regional analysis is available for Council's review if needed. He also emphasized that Hampton wants to attract

and retain people and be as competitive as possible.

In response to Councilman Bowman's questions about rental income, security and technology, Ms. Branch stated that HCS receive income from renting out spaces such as the Peake Childhood Center. With regard to security and technology, measures to address those concerns are being handled under the current school year's budget.

Councilwoman Mugler thanked the presenters and noted that Hampton previously worked on lower step increases, thus the need for the work on the upper steps.

Ms. Branch provided the following information in response to Councilwoman Mugler. Increases from the additional investments will be in addition to the 5% increase; step increases plus the 5% increase will be effective July 1; the sizable increase in the food and nutrition services category can be attributed to the additional federal revenue received for food services because HCS are Community Eligibility Provision Program (CEP) schools where students receive free breakfast and lunch; the state has considered a sizeable fund balance which HCS is required to spend (these funds can be used for things like equipment upgrades in cafeterias); no additional cafeteria monitor positions were included in this budget; and currently, no additional increases from the state are expected, but the hope is that there will be in the future, based on proposals from the Governor, Senate and House.

Dr. Smith added that recruitment has been a problem and the hope is that the 5% increase will help recruit more individuals for a number of positions including cafeteria monitors. He also commented on the multi-year budgeting process which includes processes designed to ensure HCS will be able to withstand future reductions that may come from the state.

Councilman Hobbs thanked HCS, the School Board and staff for all they do and commented about the successes of his children and grandchildren who are products of HCS.

Councilman Brown asked about additional School Resource Officer (SRO) positions in the budget. Ms. Branch explained that SROs are funded through the City. School Security Officers (SSOs) are funded through HCS, and this budget does include an additional SSO.

Dr. Smith commented about the City's partnership with HCS in this regard and also about the expansion of school security personnel through grant programs.

Councilman Brown spoke about funding in this or next year's budget for additional

sports and sporting equipment. Ms. Branch shared that there are basketball programs at the middle school level with the intension of expanding to other sports like track and field in upcoming years budgets. Dr. Smith also made a few remarks about expanding middle school level sports programs.

Ms. Bunting acknowledged the great partnership between the School Board and City Council and how Hampton has become an example to other localities in that regard. She also said that everyone is sad to see Dr. Smith retire, but is confident that the School Board will find a Superintendent that is committed to embracing this partnership.

Dr. Smith gave closing remarks. He said it has been a pleasure serving as Superintendent and being a part of the community. He, too, is confident that Hampton is in good hands and will maintain the great partnership it has with Council. He spoke about how the community, City Manager, City Council, students and their families have embraced him. He thanked the School Board and others for their support and leadership and then encouraged everyone to continue to focus on the collective impact of building from a place of strength. He emphasized that this work is about HCS mission to ensure academic excellence for every child, every day, whatever it takes. Lastly, he said he believes that Hampton is a true model for urban education and then thanked everyone for the opportunity to be Hampton's Superintendent.

Vice Mayor Gray thanked Dr. Smith for all he has done for our youth and the role he played in Hampton coming this far. He also said he hopes the positive partnership with Council allowed the process to be easier for Dr. Smith during his time here in Hampton.

In addition to those who spoke, Rev. Dr. Reginald C. Woodhouse, School Board Member, and Dr. Raymond Haynes, Chief of Secondary School Leadership, were also present.

2. [23-0106](#) Budget Briefings: City Manager's Recommended FY 2024-2028 Capital Improvement Plan ("CIP")

Attachments: [Presentation](#)

Ms. Bunting introduced the item and noted that no action is required today. Today's presentation provides an opportunity for Council and the community to hear about the proposed plan and for Council to provide their input. The item will be on the next meeting's agenda for action.

Management Analyst Rebecca Spurrier greeted those on the dais and presented on the proposed fiscal year 2024-2028 Capital Improvement Plan (CIP). She noted that

this information has been presented before, therefore, she would provide an overview for the benefit of the public and Council.

Included in the presentation was the definition of a CIP and the ways in which CIP projects are funded, including bonds, general fund, dedicated sources and state and federal funding. This plan focuses on projects that advance Council's priorities in the following categories: economic growth, educated citizenry, excellence in government, living with water, placemaking, family resilience and economic empowerment, and a safe and clean community.

Ms. Spurrier reviewed the next section of the presentation which listed the percentage of funding allocated for each priority in the budget: economic growth, 4%; educated citizenry, 23%, excellence in government, 36%; family resilience and economic empowerment, 1%; living with water, 18%; placemaking, 9%; and safe and clean community, 9%. The amount of funding for the various projects under each priority is also included in the slide presentation.

With regard to excellence in government, Ms. Spurrier shared that this is the highest spending category because it includes maintenance of our facilities and buildings. With regard to placemaking, she noted that the public art allocation that City Council passed will be recommended to be included in this.

Ms. Spurrier concluded the presentation and stated that the current proposed plan is for FY24 and the next four years which are planned years. The first year is the capital budget component of the Manager's Recommended Budget.

Ms. Spurrier opened the floor for questions and comments.

Ms. Bunting explained that some areas, such as family resiliency, have much smaller percentages than other areas because many of the programs are more operating in nature versus capital intensive. She then provided a few more examples of this concept.

Councilman Bowman commended Ms. Spurrier on the presentation as this was her first time presenting to Council.

Vice Mayor Gray also commended Ms. Spurrier on the thorough presentation leaving Council with few follow up questions.

3. [23-0108](#) Budget Briefing: Highlights of the City Manager's Fiscal Year 2024 Recommended Budget

Attachments: [Presentation](#)

City Manager Bunting delivered the below preview of the budget. She also announced that the detailed budget document is in production and will be available April 15.

THE CITY MANAGER'S PREVIEW BUDGET MESSAGE:

This is my fourteenth budget as City Manager, and each year has brought a new challenge that must be faced. From my first years during the Great Recession to the unprecedented impact of COVID-19, the City of Hampton has continued to move forward using our resources to the best of our ability under the guidance of our community, our Council, and our skilled City staff.

Strong revenue growth continues this year, making this the second budget in a row in which the tough choices were not about cutting services (thankfully), but rather how much to reinvest in them while also providing meaningful tax relief for citizens. Our COVID recovery has continued, and our tourism and economic development efforts have enhanced local revenues. The promises made to our workforce and our community that we would reinvest in them as the economy improved are realized with this recommended budget.

The total budget for FY24 is \$611,451,337, or an increase of 4.5%, which is less than the inflation of 2022 which was 6.5%. Based upon our school funding formula (as you heard earlier today), Hampton City Schools will receive \$91,804,718, from our local government and local tax resources bringing our total local funding above the State requirement to \$38.3 million.

Ms. Bunting paused to rephrase the above information. The State requires a certain match requirement based upon the composite index for all localities. There is no locality in the School Division that operates purely on what the state formula suggests localities should have to pay. The localities inevitably subsidize the school budget well in excess of that amount. Hampton is no different. When I say our commitment to our school district above the State minimum match requirement is \$38.3 million, that is significant and it represents roughly 36 cents on our tax rate. This shows the commitment of the partnership spoken of earlier - that we want to invest in our young people and make sure that they are life, career and college ready. However, it does speak to the fact that when we talk about how hopeful we are that the State maybe does more of a fat budget than a skinny budget, that there is a ways for the State to go in terms of supplementing and supporting our school district. Our local commitment has been real and significant and is netting dividends as we all know.

Ms. Bunting transitioned into the next portion of her message related to the tax rate

and fees.

One of the most important goals in any budget year is to avoid any tax increases unless absolutely necessary. I am pleased that once again this year, the proposed budget includes a real estate tax rate reduction - this time of 2 cents, reducing our tax rate from the current FY23 amount of \$1.18 to \$1.16 per \$100 of valuation. Of course, before last year, it was \$1.24. Together, with last year's decrease, we have reduced it from \$1.24 to \$1.16, making it lower than many comparable cities, including Newport News, Norfolk, and Portsmouth. This is especially noteworthy as Hampton does not have some of the large revenue-producing entities that those localities have, such as the shipyard in Newport News or the casino revenue now in Portsmouth. I think all of us can be proud of the work we are doing together to provide great service delivery at a reasonable price for our residents.

City Council has also already passed a 93% Personal Property Tax assessment ratio, meaning that we will base the personal property tax bills on 93% of the current car values rather than the full value which was the typical approach to use full value until we started finding the used car market doing unusual things last year. This assessment ratio (adjustment) was passed to offset the impact of that still-elevated used car market on tax bills, and represents a total personal property tax relief of \$2.4 million for residents. The estimated revenue based upon that ratio has been factored into this proposed budget. What we will see for our residents with personal property being a calendar year tax, they will begin to receive the benefit of that in June and it will continue in December.

This budget does include two proposed rate changes to user fees. The \$1 per residential unit (or the equivalent of that size) per month stormwater fee increase will enhance our stormwater infrastructure maintenance programs throughout the City, going toward items such as public ditch maintenance and water quality testing. This year's scheduled increase will be dedicated to enhanced ditch maintenance, allowing our Public Works teams to clear the ditches multiple times a year as opposed to the current once per year schedule. This is something we've heard loud and clear from residents that they'd like to see more of and this is the proper way for funding it. The proposed sewer user fee increase of 11 cents per 100 cubic feet of water will allow Public Works to better maintain our wastewater infrastructure, totaling over 475 miles of piping and 106 pumping stations. Both of these increases combined will cost the average resident an additional \$1.73 per month, and still leave our residents paying less for these fees than all but one of our neighboring localities.

Unfunded mandates imposed by the State, and supplemental funding to State agencies necessary to ensure our citizens' needs are served, continue to pull (funding) away from City initiatives and require an additional tax burden to our

citizens.

The effect of our tax rate is significant. In our budget document, you will see full details of the analysis. When we look at how much the City is having to subsidize above what the match requires us to do for the Sheriff, the Treasurer, the Clerk of Courts, the Commissioner of the Revenue, the Commonwealth's Attorney, the Line of Duty Act and our Schools (which I already mentioned) and on top of that, the coverage of the Property Tax for Disabled Veterans - when you add all of that up, that is the equivalent of 75 cents on our tax rate. In other words, instead of the \$1.16 we are proposing, if the State were funding those, our rate could be 41 cents lower than what it is. This is pretty significant and it does not include other mandates and impacts on the City's tax base like the reform of the telecommunications taxes which we have seen a loss of revenue each year, resulting in an estimated loss of \$4 million in the upcoming year alone.

Our staff (and our Council) works very hard to provide value for our residents (and) provides necessary services. We do it in a very constrained environment and I believe we do very well. I'm very pleased that we can recommend another tax rate reduction this year, while also reinvesting in our workforce.

Ms. Bunting transitioned into the next portion of her message about the workforce.

Our workforce is the heart of our City. Time and again, citizens have rated City employees highly in our Citizen Satisfaction Surveys. Our City consistently does more with less employees per capita than our neighboring localities. Employee compensation and increasing staffing levels have been among our top priorities as a leadership team and community, with both consistently ranking highly in our I-Value budget input sessions. I am pleased to be able to propose a pay increase of at least 5% for full-time employees who have been with us for at least a year. I am also proposing we increase our minimum wage for all employees to \$15 per hour. We announced our intention to do so last year, and I am pleased that we will be able to follow through with that goal. This increase will put us two-and-a-half years ahead of the State mandate, making us more competitive in today's job market.

Additionally, to battle compression that inevitably occurred during the Great Recession and the subsequent leaner years, we are proposing a new step plan for all of our sworn public safety (that includes Police, Fire, and Sheriff) Officers. This plan was developed as a result of a compensation study that Council agreed to fund last year. The plan will provide 2.5% steps for each year of service, providing for a clear, reliable method of achieving raises with continued service with the City. We will implement the plan in total this year, giving all of those sworn employees a 5% pay increase and then placing them on the tenured appropriate step. In a few

cases, employees may need to be placed on a higher step to ensure they do not lose pay, but by and large, this step plan will allow us to resolve the compression that has plagued us for several years.

The compensation study for our general workforce should be concluded over the next fiscal year, allowing us to implement a pay strategy for the rest of our employees in FY25. Of course, the rest of our employees will get that same 5% this year, but any changes to their compensation structure, whether we go to a step system for them or we change the pay plan that they are currently in, that would come in FY25.

Compensation isn't everything. Our employees need to know that they have the support of an adequate workforce beside them. Where one person is doing the work of multiple jobs, it is important to reduce that workload and re-establish a healthy work/life balance. So, I am proposing that we add positions in many understaffed departments, such as Human Services, Community Development, the Treasurer's Office, Commissioner of the Revenue's Office and Parks, Recreation & Leisure Services, to help make citizen interactions with the City more efficient, while increasing employee morale.

As health insurance premiums continue to rise, the budget proposes that the City cover 80% of the increase, for a total of \$1.143 million. This will help us to ensure our employees benefit from the proposed pay increase. While we have covered the full cost of insurance premium increases over the last several years, we forecasted that we could not, and should not, do that in perpetuity. We felt the greater weight must be given providing a substantial increase of pay for all employees, which also has long-term benefits to employee retirements, and bringing all our employees to at least a \$15 minimum wage. Additionally, the costs to implement the new step plan for public safety employees this year and a new pay system for civilians next year are significant, and must take priority.

Together, these proposed salary and benefit investments total over \$12.6 million in FY24. As the backbone of our service delivery system, our hard-working employees are certainly deserving of these raises.

Ms. Bunting transitioned into the next portion of her message about Council's strategic priority areas.

Educated Citizenry

Ms. Bunting noted that she had already spent a lot of time talking about educated citizenry; and, therefore, would not repeat herself. She shared that a lot of that

information will be addressed fully in the Manager's message and then made the following summarized remarks about educated citizenry.

We are very pleased with how the School Board has continued to invite the City to participate in their budget process and we continue to invite them to participate in ours. As noted in the earlier presentation, the school approved budget provided the same 5% increase in pay for their positions that we are proposing and they also looked at step adjustments which is what we are doing for the sworn public safety officers this time. We try to work very well together, to partner together to make sure that we can provide both meaningful and similar salary adjustments to our staff because we all are one Hampton family and we do not want any one part of our family earning too terribly much more than others, so, I'm very proud of that partnership.

Safe and Clean Community

Providing a community that citizens are proud to call home, a city where they feel safe and have an enhanced quality of life, is a top priority, of course. Over the years, public safety has been the only segment of the budget that has grown at a rate higher than inflation, demonstrating the strong focus our Council and citizens have on supporting public safety. We are again making several investments in public safety this year. Of course, one of the biggest ones is the investment in the sworn public safety step system which we do believe will help us to retain and attract quality candidates to those units.

We also have some other investments in the budget in this area. Our civil process deputies are faced with potentially dangerous situations when serving warrants and executing their duties in the community. The Sheriff requested, and I have proposed, an investment in body cameras for our civil process deputies to meet the agency, City, and public need relative to the safety of our deputies, as well as to ensure transparency and accountability around those interactions. Also, necessary for the protection of our public safety officers, inmates, and the community, is the proposed upgrade to security cameras in our correction facilities and courts, and to the jail information system.

Our park rangers provide a critical public safety need in our community as well. Many times when we think about making sure that places are safe, we only think of police officers, and of course, they are critical to our community, but the park rangers provide service in all of our parks and on the beaches and it is important that we support them as more and more people use our beaches and more and more people use our parks, they have requested, and we have proposed, providing them with two additional positions to help increase security in those areas. These

positions will also reduce the need to utilize all of our School Resource Officers for security during the summer months at the beaches, allowing those officers to be deployed to other high priority police assignments.

To build upon the initiative that Council started in FY23, this budget includes three new Code Inspector positions to increase the frequency of inspections and provide staff flexibility to conduct strategic targeted enforcement. Additionally, we propose an increase in overhead tree right-of-way maintenance and additional capital funding to refresh all of our non-reflective pavement markings to keep our roads safe and looking clean.

Reducing violence and the impact of violence on our youth and our young adult population remain two of our top priorities. Through the dedication and hard work of our City employees, the City has secured significant funding from both the State and Federal governments. As a couple of examples, our Commonwealth's Attorney was awarded over \$230,000 in grants for Operation Ceasefire, a diversion program intended to give youth who have started a life of criminality the opportunity to choose a different path. Efforts spearheaded by our Office of Youth and Young Adult Opportunities have resulted in \$4.6 million in Federal funds earmarked by Congressman Scott to continue the work we have already begun. Stopping violence before it can even begin and reaching those impacted by the violence we are unable to prevent are of paramount importance. Obtaining these grants shows that we not only believe our efforts are making a difference, but so do those outside our community. As described in a little bit greater detail under another section, we are also increasing funding to the Hampton-Newport News Community Services Board, who was a key partner in assisting in addressing violence reduction through trauma informed counseling.

Family Resilience and Economic Empowerment

Helping those who are most vulnerable in our community and assisting them with learning to stand on their own while receiving the care and services they need immediately, has long been a priority for the City. With this budget, we are proposing new positions in our Human Services Department and additional funding to our community partners.

With the proposed additional Case Manager and Family Service Specialist positions in Human Services, staff will be able to handle the rising caseload for Adult Services, which has more than doubled over the last three years, and focus on specialized programs for assisting families in crisis. Even after adjusting for population size, our Human Services Department has fewer workers than Newport News. While we don't believe we need to have the same staffing levels as Newport News, these positions

will address the greatest needs of the department.

We could not do the necessary work without assistance from our community partners. Accordingly, we are also making adjustments to several outside agencies such as Transitions, the Foodbank, the Center for Child and Family Services and the Peninsula Agency on Aging. Additionally, we are investing \$500,000 in new recurring funding for the Hampton-Newport News Community Services Board which will be bringing on a Crisis Intervention Center, expanding their work with our Police Division and providing comprehensive trauma counseling services in support of our gun violence reduction efforts.

This year, we will move our Human Services staff to a new location. This upgraded space will enhance our employees' sense of place and ensure that we are providing services to those who are most vulnerable in a comfortable, modern, and safe environment.

Economic Growth

Growing our economic base helps to ease the tax burden for our citizens, and as such, it was a primary focus for many years and will continue to be. Many of the decisions we made during leaner years have resulted in some of the big projects coming online today. This fiscal year, we will see several large developments finalize construction and be added to the City's tax rolls. The WVS development located on the former Goodyear site is nearing completion. This project will introduce new retail and apartments Downtown, bringing us closer to our goal of maximizing the housing to support flourishing retail businesses along our waterfront. Even without its doors fully open, 50% of the space has been leased. The Watermark at Northampton located on Big Bethel will provide an additional 75 townhomes to our housing stock. Trilogy, a major redevelopment of the former Lincoln Park & Towers site, has been announced and will begin construction in the new fiscal year. These homes and apartments are essential to serving the incoming Flight Training Unit that is currently being relocated from Florida to Langley Air Force Base this year.

We also saw the opening of several new restaurants in our Coliseum area. These fast-growing national food chains have only recently made their way to our part of the east coast, and they chose new locations in Hampton. We are looking forward to the future. With all the new developments, we expect to have shovels in the ground this upcoming year, and the companies looking to revitalize some of our empty retail spaces, like the OneLife Fitness Center and the Riverside Behavioral Health Emergency Department, both in Coliseum Central. These achievements are yet another sign of a growing economy.

Living with Water

As a thriving waterfront community, no small amount of importance can be given to adapting our practices to ensure we have a thriving, resilient City in the future. The threat of flooding is something we desire to mitigate for our citizens as much as possible.

This year, we are proposing two additional positions in our Community Development Department related to resiliency. These added positions will assist in efforts begun by our Resilient Hampton Team, which oversees multiple large capital projects, grants, resilient planning efforts, and local citizen grant programs.

Two major projects will receive the majority of their funding in this year's capital budget, as the construction phases begin. The Little Back River Road Reconstruction will widen Little Back River Road from Riverchase Drive to Clemwood Parkway, providing an extra travel lane, sidewalks, and a pedestrian/bike lane. This project will also include drainage improvements to help mitigate persistent flooding. The North Armistead Avenue Road Raising Project will elevate the road by as much as 5.25 feet, bringing it above sea level and preventing this essential roadway from flooding out during major storm events. Both of these projects will directly impact our citizens and further our goal to be a resilient City.

We have also included \$3 million in capital funding for dredging of our public waterways throughout the City. Dredging improves water quality, helps to foster healthier aquatic ecosystems, reduces flood risks, and makes our waterways more navigable. This has been a long-standing request from citizens, and I am pleased we are able to move forward with funding at this time. We have also included capital funding for bulkhead repairs to our Downtown marina area, which will provide the necessary improvements for the continued safety and enjoyment of the waterfront.

Placemaking

Our citizens feel a strong connection to our City's history and our City's future, and this is never more evident than in their open support of shared public spaces. Citizens are the reason for the success of our Neighborhood Centers, and citizens are the most frequent visitors to our many City parks and beaches. The City believes in providing the best amenities possible to enhance our citizens' quality of life.

In this budget, we are proposing that we fund a pilot program for public art, for one medium sized or two small public art projects to enhance our public spaces. Additionally, we are proposing increased funding to city-wide and Downtown

beautification efforts, to help develop a more vibrant community. We have also received additional funding from the Virginia Department of Transportation to support our efforts in the Old Buckroe Road pedestrian improvements, which should be completed this year. This project will help improve physical and social connections along a major corridor connecting Buckroe and Phoebus.

Our Parks Master Plan will be finalized this year, providing us with the community input necessary to develop new goals and projects to fund during future fiscal years. I look forward to having a plan to provide additional quality of life improvements to our residents in the future, but in the meantime, we have continued our multi-million-dollar capital investments in improving, renovating, and maintaining our current infrastructure.

Excellence in Government

The City of Hampton strives to be a leader in innovative, collaborative, and effective governance, focusing on ways to improve engagement and trust between the community and the government, and provide the highest level of public service to our residents.

To do so, we need to ensure we have highly qualified and motivated individuals working for the City. We are proposing additional positions in the City Treasurer's Office and Commissioner of the Revenue's Office to increase efficiencies related to tax collection and reporting. We are also proposing additional positions in several internal departments - Information Technology, Human Resources and Fleet Services- to ensure that those internal operations continue to improve and support our more public-facing employees so that they have the support they need to provide their excellent public service. These departments were the ones that were most scaled back during the housing market crisis/recession in the early 2010-2014 timeframe. These cuts were required then, but improvements to our revenue give us the opportunity to restore many of the positions to make sure we can meet the technology and human resource demands of our departments.

In our Public Works Department, we are proposing four additional positions, one in Operations, and three in Traffic Engineering. The new Assistant Operations Manager will support the Operations Manager in the day-to-day management of over 400 employees in eight divisions, allowing for improved operations and proactive work in preventing problems affecting our citizens. The three new Traffic Engineering positions will allow for the employees to provide preventative maintenance to our 185 signalized intersections and 64 flashing school signs, instead of merely reacting to problems as they arise.

On the capital side, we are proposing an increase in maintenance funds for public facilities, as well as the many roadway improvements including, but not limited to, replacing reflective coatings and signs on the streets and upgrading our aging traffic signaling system. These investments will help to extend the life of our public buildings and infrastructure, creating better spaces for our employees and our citizens.

Public Input through I Value

I do want to acknowledge the public input that we've had through the I Value Program over the last many years. I am, as always, grateful that more than 1,000 residents took the time to participate in this year's I Value budget process, either attending a meeting, watching Facebook Live, or completing a survey. I am pleased to note that many of the new initiatives we are proposing in this budget were also high priorities with the residents who participated in the I Value input sessions. In particular, our residents were very supportive of our employees, strongly favoring wage increases, a higher minimum wage, and adding step increases for sworn public safety employees. Our residents also recognized the need to increase staff in many of the areas I've talked about. Increases in mental health programs by the Community Services Board and Riverside Behavioral Healthcare System were also popular. Upgrades to wastewater infrastructure and increased cleaning of ditches that would be funded with user fee increases also drew support.

The most difficult choice that all of us have to make is how to pay for the new programs and initiatives we believe will benefit our community. In this year's polling, the largest group of people were comfortable with maintaining the tax rate to make more funding available. Grouping results showed that half of the residents agreed with a rate that is \$1.16 or higher, which is the rate I have proposed. We believe the large number of people supportive of maintaining our tax rate or only lowering it by a few cents speaks to the confidence that most Hampton residents have in City Council and staff. We have used, and will continue to use, their tax money wisely. When I was forced to recommend increasing the rate when housing values dropped, I also committed to recommend lowering the rate when values increased. Though most other jurisdictions' managers have not proposed tax rate reductions this year, we, in Hampton, are firmly committed to keeping the tax rates as low as possible while maintaining outstanding services and quality of life.

Ms. Bunting made the following closing remarks.

Every year, I reaffirm my commitment to Council's vision of Hampton. The statement is as true today as it was when we developed it several years ago: We are Hampton, a vibrant waterfront community celebrating and embracing over 400 years

of history and innovation to create an even more dynamic future. Every decision I (we) make is with those words in my mind, and I believe that every part of this proposed budget will help strengthen our City for the future.

As always, I would like to thank the strong team of department heads, Assistant City Managers, and the budget team for putting together a balanced budget that seeks to meet as many community needs as feasible. I also thank the community for their continued participation and thoughtful insight during our budget development process. When we work together, there is nothing we cannot achieve.

My staff and I stand ready to work with each Council Member in the coming weeks to discuss the budget and its impact on our community and workforce. We look forward to the community's input on the FY24 Manager's Recommended Budget and the deliberations that follow.

Ms. Bunting shared the next steps in the process. The full manager's recommended budget will be released on April 15 and will be available online at www.Hampton.gov/budget. Hard copies of the budget will also be available in the library on April 18. The first Council public hearing on the budget will be held April 26. There will be no vote on the budget at that time, although there will be a vote on the CIP on that day. The first vote of the budget will occur after a second public hearing on May 3. Our final Council vote will take place on May 10.

Ms. Bunting thanked Council for their indulgence during the lengthy presentation and acknowledged that the budget is big, but it was important that the residents have a full appreciation for how money is being spent and the new initiatives being proposed.

Ms. Bunting opened the floor for questions from Council.

Councilwoman Harper thanked Ms. Bunting for the informative presentation. She also referenced the estimated cost for the City to cover 80% of the increase in health insurance premiums (\$1.1 million) and asked what the cost would be for the City to cover 100% of the health insurance premium increase.

Finance Director Karl Daughtrey stated that the cost for the City to cover 100% of the health insurance premium increase would be approximately \$1.4 million.

Councilman Bowman asked if the Finance Committee will present to Council as they have done in past years.

Ms. Bunting shared that the Finance Committee meets after the release of the

budget and a volunteer from the committee typically speaks to Council at one of the public hearing sessions.

Ms. Bunting reminded everyone that staff is available for additional questions and comments from Council and the community as we go through the process.

REGIONAL ISSUES

There were no regional issues for discussion.

NEW BUSINESS

There were no items of new business.

CLOSED SESSION

4. [23-0103](#) Closed session pursuant to Virginia Code Section 2.2-3711.A (.3) to discuss the disposition of publicly held property in the Phoebus area of the City where discussion in an open meeting would adversely affect the bargaining or negotiating strategy of the City.

A motion was made by Councilmember Martha Mugler and seconded by Councilmember Steven Brown, that this Closed Session - Motion be approved. The motion carried by the following vote:

Aye: 6 - Councilmember Bowman, Councilmember Brown, Vice Mayor Gray, Councilmember Harper, Councilmember Hobbs and Councilmember Mugler

CERTIFICATION

5. [23-0025](#) Resolution Certifying Closed Session

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: 6 - Councilmember Bowman, Councilmember Brown, Vice Mayor Gray, Councilmember Harper, Councilmember Hobbs and Councilmember Mugler

ADJOURNMENT

The meeting adjourned at 3:24 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 _____