



City of Hampton

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

Council Approved Minutes - Final City Council Special 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, May 3, 2023

6:30 PM

Council Chambers

Second Public Hearing and First Reading of FY24 Manager's Recommended Budget

CALL TO ORDER

Present 7 - Councilmember Chris L. Bowman, Councilmember Steven L. Brown, Vice Mayor Jimmy Gray, Councilmember Hope L. Harper, Councilmember Billy Hobbs, Councilmember Martha Mugler, and Mayor Donnie R. Tuck

DONNIE R. TUCK PRESIDED

Mayor Tuck called the meeting to order at 6:30 p.m. All members of the City Council were present.

READING OF THE CALL FOR THE SPECIAL MEETING

Katherine K. Glass, Clerk of Council, read the call for the special meeting.

This meeting has been called by agreement of all members of the City Council for the specific purpose of conducting public hearings on the FY 2024 budget and to take legislative actions specifically required to adopt the City of Hampton's budget for FY 2024.

AGENDA

INVOCATION AND PLEDGE OF ALLEGIANCE: Councilwoman Martha Mugler

Councilwoman Mugler gave the invocation.

Presentations

City Manager, Mary Bunting, made the following statement regarding tonight's special meeting: In tonight's special meeting, City Council will be taking the first votes on the proposed manager's recommended budget. By tradition and practice, even when we anticipate subsequent changes to the budget, we approve all budget ordinances as presented for first reading to move things along and to give Council and staff a second full opportunity to hear from the public, which we will also do tonight. We will incorporate desired changes after the first reading by amending individual ordinances as necessary, and if necessary, on the second reading when they are approved. Please note that budget ordinances, even when they are finally approved, will not be effective until July 1, 2023, or January 1, 2024, in the case of personal property taxes. For voting tonight, each budget and tax ordinance will be voted on separately. The first thing we will do though before we enter into the public hearing is hear from Council's Finance Committee. The Council Finance Committee is the group that Council has appointed to look at the tax rate equalization and stabilization policy that has been previously adopted. The Council Finance Committee works with our Finance Director to evaluate real estate growth and look at factors such as the consumer price index and resident income growth to determine what the proposed equalization rate should be if we are perfectly aligning with the Council policy.

1. [23-0121](#) Finance Committee Recommendation

Attachments: [Presentation](#)

Ms. Bunting introduced Mr. William C. Andrews, IV, and Ms. Linda Curtis, who are citizen appointees on the Council Finance Committee, to make the presentation. Ms. Curtis greeted those on the dais and the citizens of Hampton and provided background information on the Finance Committee which was established in 2005 to enhance the Council's role in developing a strategic view of City finances and to support the Council. The committee is comprised of citizens at large, representatives from City Council and the City Manager's office; and is supported by the Finance and Budget departments as well as the Commissioner of Revenue and Assessor, as needed. The committee's primary focus recently has been the substantial growth in real property values throughout the City. Ms. Curtis provided a brief history of the financial guideline dealing with real estate growth, which was approved by the Council in 2006, implemented with the fiscal year 2007 budget, and revised in 2013.

Mr. Andrews reviewed the presentation which provided background information about real estate growth and included a tax equalization chart. The chart listed the increase or decrease in real estate tax revenue; the actual tax rate; and what the equalized tax rate would be based on the growth or decrease in real estate tax revenue due to assessments. The chart provided the above information for fiscal years 2015 - 2023 and also provided the proposed information for the fiscal year 2024.

Mr. Andrews stated that the Finance Committee reviewed and voted at their April 24th meeting to confirm the stabilization real estate tax rate of \$1.18 per \$100 of assessed value (per the guideline) and then opened the floor for questions from Council.

Mayor Tuck gave brief remarks about a town hall that was held the previous Thursday. Some concerns arose about the personal property and real estate tax rates. He explained that the City is primarily dependent on personal property and real estate taxes, sales and meal taxes, and revenue from events held at City venues (such as the Coliseum). He asked the City Manager to comment on what has been done concerning personal property taxes and other topics concerning funding and tax rates.

Ms. Bunting explained that personal property tax is assessed and collected on a calendar year basis rather than a fiscal year basis. She shared that, due to last year's skewed used car market, at the recommendation of the Commissioner of Revenue, Council chose to do a lower assessed value on the price of cars to try to correct for the inflated used car market. It has improved in 2023 but has not been completely corrected. Based on the Commissioner of Revenue's recommendation, Council adopted a rate of 93% of the assessed value.

Ms. Bunting shared that, last year, the real estate tax rate was lowered by \$.06 and this year it is being lowered by \$.02. Hampton has led the region in real estate tax reductions. She stated that staff has worked to provide Council and the community with a budget that reflects a balance between giving residents tax relief and investing in essential services, which includes employee compensation. This will help the City keep and retain quality employees to serve the community. Hampton's rate of \$1.24 two years ago was the third highest behind Portsmouth and Norfolk. We are now lower than Newport News and approaching Poquoson.

Mayor Tuck shared that, at last week's town hall, a statement was made about Hampton's tax rate compared to York County and Poquoson. He stated that he looked at housing values after the meeting and found that the median housing value in Hampton is \$247,000. York County's median housing value ranges between

\$401,000 and \$419,000, while in Poquoson and Suffolk, it is \$331,000. He explained that, if Hampton's housing values were the same as those localities, a lower tax rate would be possible. He asked the City Manager to address some of the things Hampton does in response to the General Assembly's failure to do things it is supposed to.

Ms. Bunting explained that the State is responsible for setting funding requirements for schools based on standards of quality which are meant to say how many positions per 100 students are needed (teachers, nurses, counselors, etc.). The State funds its share of the formulas they provide and localities are supposed to match that based upon a composite index. She stated that no school division in the Commonwealth, town, city, or county can provide services with just their composite index share. That means that the standards of quality are artificially low, resulting in the State not paying what it theoretically should for the cost of education.

The State historically provided a line-of-duty payment to help support family members of firefighters or police officers who died in the line of duty. However, around the time of the 2010 recession, the cost was shifted to the localities. Ms. Bunting shared that at last check, Hampton's was about \$800,000 per year. Hampton is also impacted disproportionately to others by the real estate tax relief for 100% service-connected disabled veterans. There is no income limitation so if a disabled veteran is unable to serve in the military, but can work a full-time job and collect a salary in another industry, they are still entitled to the tax relief. Being home to a military base and VA (Veteran's Administration) Center, Hampton is very attractive to retirees, which results in a larger tax relief impact than other localities.

These are a few of the many subsidies Hampton provides that contribute to a higher tax rate.

Ms. Bunting commented that in comparison to localities such as York County, Hampton provides services that residents in the counties don't always get. For example, York County's law enforcement is provided exclusively by their Sheriff's department which is heavily subsidized by the State. However, Hampton runs a Police department and Sheriff's department, which creates additional expenses. Another example is VDOT's (Virginia Department of Transportation) maintenance of York County's roads. Hampton receives funds from the State to take care of its roads, however, the rate has not been increased at the same rate that VDOT has increased its budget. Residential trash, recycling, and bulk pickup are other services Hampton provides.

Public Hearing

2. [23-0114](#) Public Hearing to Receive Citizens' Comments Regarding the City Manager's Recommended Budget for Fiscal Year 2024
As there were no individuals signed up to speak at the public hearing, the Clerk dispensed with reading the protocol for public hearings.

Mayor Tuck opened the public hearing and, since there were no speakers signed up to speak, he closed the public hearing.

Tax and Fee Ordinances

3. [23-0069](#) Ordinance to Adopt the Tax Rate Applicable to Real Estate and Improvements Thereon in the City of Hampton, Virginia for Fiscal Year 2024 Beginning July 1, 2023 and Ending June 30, 2024

A motion was made by Councilmember Chris Bowman and seconded by Councilmember Hope Harper, that this Ordinance-Budget-Non-Coded be approved on first reading.
The motion carried by the following vote:

Aye: 7 - Councilmember Bowman, Councilmember Brown, Vice Mayor Gray, Councilmember Harper, Councilmember Hobbs, Councilmember Mugler and Mayor Tuck

4. [23-0124](#) Ordinance to Adopt Tax Rates Applicable to All Classifications of Tangible Personal Property Liable for Such Levy in the City of Hampton, Virginia for the Calendar Year Beginning January 1, 2024

A motion was made by Councilmember Hope Harper and seconded by Councilmember Martha Mugler, that this Ordinance-Budget-Non-Coded be approved on first reading.
The motion carried by the following vote:

Aye: 7 - Councilmember Bowman, Councilmember Brown, Vice Mayor Gray, Councilmember Harper, Councilmember Hobbs, Councilmember Mugler and Mayor Tuck

5. [23-0071](#) Ordinance to Amend and Reenact the City Code of the City of

Hampton, Virginia by Amending Chapter 33.2, Titled "Stormwater Management," Article IV, Titled "Service Charges and Revenues," Section 33.2-35, Titled "Same-Billing, Payment, Interest, Fee and Lien"

Attachments: [Stormwater ERU increase 4.27.23](#)

A motion was made by Councilmember Martha Mugler and seconded by Vice Mayor Jimmy Gray, that this Ordinance-Budget-Coded be approved on first reading. The motion carried by the following vote:

Aye: 7 - Councilmember Bowman, Councilmember Brown, Vice Mayor Gray, Councilmember Harper, Councilmember Hobbs, Councilmember Mugler and Mayor Tuck

6. [23-0072](#) Ordinance to Amend and Reenact the City Code of the City of Hampton, Virginia by Amending Chapter 30, Titled "Sewers and Sewage Disposal," Article III, Titled "Sewer Use Charges," Section 30-48, Titled "Amount"

Attachments: [Sewer User 4.27.23](#)

A motion was made by Vice Mayor Jimmy Gray and seconded by Councilmember Billy Hobbs, that this Ordinance-Budget-Coded be approved on first reading. The motion carried by the following vote:

Aye: 7 - Councilmember Bowman, Councilmember Brown, Vice Mayor Gray, Councilmember Harper, Councilmember Hobbs, Councilmember Mugler and Mayor Tuck

Appropriation Ordinances

Mayor Tuck stated that Councilman Mugler would like to make a statement and a request.

Councilwoman Mugler stated that she consulted with the City Attorney because her spouse is the Commissioner of the Revenue for the City of Hampton. As such, out of an abundance of caution and to avoid any appearance of impropriety, she would like to recuse herself from all discussion and voting regarding funding to be budgeted and appropriated to

the Commissioner of the Revenue. Accordingly, she requested that an item under File 23-0073, the General Fund – Expenses be pulled and voted on as a separate matter, so that she could abstain from voting on the budget and appropriations for the Commissioner of the Revenue.

Mayor Tuck asked if any members of Council objected to her request and no objections were expressed.

[23-0132](#)

Motion to separate all expenses included in the General Fund to be budgeted and appropriated for Department Code 140 (Commissioner of the Revenue) for a separate vote.

A motion was made by Councilmember Martha Mugler and seconded by Councilmember Steven Brown, to separate all expenses included in the General Fund to be budgeted and appropriated for Department Code 140 (Commissioner of the Revenue) for a separate vote. The motion carried by the following vote:

Aye: 7 - Councilmember Bowman, Councilmember Brown, Vice Mayor Gray, Councilmember Harper, Councilmember Hobbs, Councilmember Mugler and Mayor Tuck

7.

[23-0073](#)

Ordinance to Adopt a Budget and Appropriate Monies for the General Fund (City and Schools) of the City of Hampton for Fiscal Year 2024 beginning July 1, 2023 and ending June 30, 2024

Attachments: [General Fund Ordinance](#)

A motion was made by Councilmember Steven Brown and seconded by Councilmember Chris Bowman, that the portion of the General Fund expenses to be budgeted and appropriated for Department Code 140 (Commissioner of the Revenue) be approved on first reading. The motion carried by the following vote:

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

Abstained: 1 - Councilmember Mugler

A motion was made by Councilmember Chris Bowman and seconded by Councilmember Hope Harper, to adopt a Budget and Appropriate Monies for the General Fund of the City of Hampton, Virginia (City and Schools) for Fiscal Year 2024 beginning July 1, 2023 and ending June 30, 2024; other than Department 140 (Commissioner of the Revenue), which was already approved by a separate vote. The motion carried by the following vote:

Aye: 7 - Councilmember Bowman, Councilmember Brown, Vice Mayor Gray, Councilmember Harper, Councilmember Hobbs, Councilmember Mugler and Mayor Tuck

8. [23-0074](#) Ordinance to Adopt a Budget and Appropriate Monies for the Capital Budget (Capital Projects) Fund of the City of Hampton for Fiscal Year 2024 beginning July 1, 2023 and ending June 30, 2024

Attachments: [Capital Budget \(Projects\) Fund](#)

A motion was made by Councilmember Hope Harper and seconded by Councilmember Martha Mugler, that this Ordinance-Budget-Non-Coded be approved on first reading. The motion carried by the following vote:

Aye: 7 - Councilmember Bowman, Councilmember Brown, Vice Mayor Gray, Councilmember Harper, Councilmember Hobbs, Councilmember Mugler and Mayor Tuck

9. [23-0075](#) Ordinance to Adopt a Budget and Appropriate Monies for the Hampton Coliseum/Arts Commission/Hampton VA Aquaplex Fund of the City of Hampton for Fiscal Year 2024 beginning July 1, 2023, and ending June 30, 2024

Attachments: [Hampton Coliseum/Arts Commission/Hampton VA Aquaplex Fund](#)

A motion was made by Councilmember Martha Mugler and seconded by Vice Mayor Jimmy Gray, that this Ordinance-Budget-Non-Coded be approved on first reading. The motion carried by the following vote:

Aye: 7 - Councilmember Bowman, Councilmember Brown, Vice Mayor Gray, Councilmember Harper, Councilmember Hobbs, Councilmember Mugler and Mayor Tuck

10. [23-0076](#) Ordinance to Adopt a Budget and Appropriate Monies for the Hampton Roads Convention Center Fund of the City of Hampton for Fiscal Year 2024 beginning July 1, 2023 and ending June 30, 2024

Attachments: [Hampton Roads Convention Center Fund](#)

A motion was made by Vice Mayor Jimmy Gray and seconded by Councilmember Billy Hobbs, that this Ordinance-Budget-Non-Coded be approved on first reading. The motion carried by the following vote:

Aye: 7 - Councilmember Bowman, Councilmember Brown, Vice Mayor Gray, Councilmember Harper, Councilmember Hobbs, Councilmember Mugler and Mayor Tuck

11. [23-0077](#) Ordinance to Adopt a Budget and Appropriate Monies for The Hamptons Golf Course Fund of the City of Hampton for Fiscal Year 2024 beginning July 1, 2023 and ending June 30, 2024

Attachments: [The Hamptons Golf Course Fund](#)

A motion was made by Councilmember Billy Hobbs and seconded by Councilmember Steven Brown, that this Ordinance-Budget-Non-Coded be approved on first reading. The motion carried by the following vote:

Aye: 7 - Councilmember Bowman, Councilmember Brown, Vice Mayor Gray, Councilmember Harper, Councilmember Hobbs, Councilmember Mugler and Mayor Tuck

12. [23-0078](#) Ordinance to Adopt a Budget and Appropriate Monies for the Woodlands Golf Course Fund of the City of Hampton for Fiscal Year 2024 beginning July 1, 2023 and ending June 30, 2024

Attachments: [Woodlands Golf Course Fund](#)

A motion was made by Councilmember Steven Brown and seconded by Councilmember Chris Bowman, that this Ordinance-Budget-Non-Coded be approved on first reading.

The motion carried by the following vote:

Aye: 7 - Councilmember Bowman, Councilmember Brown, Vice Mayor Gray, Councilmember Harper, Councilmember Hobbs, Councilmember Mugler and Mayor Tuck

13. [23-0079](#) Ordinance to Adopt a Budget and Appropriate Monies for the Fleet Services Fund of the City of Hampton for Fiscal Year 2024 beginning July 1, 2023 and ending June 30, 2024

Attachments: [Fleet Services Fund](#)

A motion was made by Councilmember Chris Bowman and seconded by Councilmember Hope Harper, that this Ordinance-Budget-Non-Coded be approved on first reading. The motion carried by the following vote:

Aye: 7 - Councilmember Bowman, Councilmember Brown, Vice Mayor Gray, Councilmember Harper, Councilmember Hobbs, Councilmember Mugler and Mayor Tuck

14. [23-0080](#) Ordinance to Adopt a Budget and Appropriate Monies for the Fleet Services - Equipment Replacement Fund of the City of Hampton for Fiscal Year 2024 beginning July 1, 2023 and ending June 30, 2024

Attachments: [Fleet Services - Equipment Replacement Fund](#)

A motion was made by Councilmember Hope Harper and seconded by Councilmember Martha Mugler, that this Ordinance-Budget-Non-Coded be approved on first reading. The motion carried by the following vote:

Aye: 7 - Councilmember Bowman, Councilmember Brown, Vice Mayor Gray, Councilmember Harper, Councilmember Hobbs, Councilmember Mugler and Mayor Tuck

15. [23-0081](#) Ordinance to Adopt a Budget and Appropriate Monies for the Information Technology Fund of the City of Hampton for Fiscal Year 2024 beginning July 1, 2023 and ending June 30, 2024

Attachments: [Information Technology Fund](#)

A motion was made by Councilmember Martha Mugler and seconded by Vice Mayor Jimmy Gray, that this

Ordinance-Budget-Non-Coded be approved on first reading.

The motion carried by the following vote:

Aye: 7 - Councilmember Bowman, Councilmember Brown, Vice Mayor Gray, Councilmember Harper, Councilmember Hobbs, Councilmember Mugler and Mayor Tuck

16. [23-0082](#) Ordinance to Adopt a Budget and Appropriate Monies for the Risk Management Fund (City and Schools) of the City of Hampton for Fiscal Year 2024 beginning July 1, 2023 and ending June 30, 2024

Attachments: [Risk Management Fund](#)

A motion was made by Vice Mayor Jimmy Gray and seconded by Councilmember Billy Hobbs, that this

Ordinance-Budget-Non-Coded be approved on first reading.

The motion carried by the following vote:

Aye: 7 - Councilmember Bowman, Councilmember Brown, Vice Mayor Gray, Councilmember Harper, Councilmember Hobbs, Councilmember Mugler and Mayor Tuck

17. [23-0083](#) Ordinance to Adopt a Budget and Appropriate Monies for the Solid Waste Management Fund of the City of Hampton for Fiscal Year 2024 beginning July 1, 2023 and ending June 30, 2024

Attachments: [Solid Waste Management Fund](#)

A motion was made by Councilmember Billy Hobbs and

seconded by Councilmember Steven Brown, that this

Ordinance-Budget-Non-Coded be approved on first reading.

The motion carried by the following vote:

Aye: 7 - Councilmember Bowman, Councilmember Brown, Vice Mayor Gray, Councilmember Harper, Councilmember Hobbs, Councilmember Mugler and Mayor Tuck

18. [23-0084](#) Ordinance to Adopt a Budget and Appropriate Monies for the Steam Plant Fund of the City of Hampton for Fiscal Year 2024 beginning July 1, 2023 and ending June 30, 2024

Attachments: [Steam Plant Fund](#)

A motion was made by Councilmember Steven Brown and

seconded by Councilmember Chris Bowman, that this Ordinance-Budget-Non-Coded be approved on first reading. The motion carried by the following vote:

Aye: 7 - Councilmember Bowman, Councilmember Brown, Vice Mayor Gray, Councilmember Harper, Councilmember Hobbs, Councilmember Mugler and Mayor Tuck

19. [23-0085](#) Ordinance to Adopt a Budget and Appropriate Monies for the Stormwater Management Fund of the City of Hampton for Fiscal Year 2024 beginning July 1, 2023 and ending June 30, 2024

Attachments: [Stormwater Management Fund](#)

A motion was made by Councilmember Chris Bowman and seconded by Councilmember Hope Harper, that this Ordinance-Budget-Non-Coded be approved on first reading. The motion carried by the following vote:

Aye: 7 - Councilmember Bowman, Councilmember Brown, Vice Mayor Gray, Councilmember Harper, Councilmember Hobbs, Councilmember Mugler and Mayor Tuck

20. [23-0086](#) Ordinance to Adopt a Budget and Appropriate Monies for the Wastewater Management Fund of the City of Hampton for Fiscal Year 2024 beginning July 1, 2023 and ending June 30, 2024

Attachments: [Wastewater Management Fund](#)

A motion was made by Councilmember Harper and seconded by Councilmember Mugler, that this Ordinance-Budget-Non-Coded be approved on first reading. The motion carried by the following vote:

Aye: 7 - Councilmember Bowman, Councilmember Brown, Vice Mayor Gray, Councilmember Harper, Councilmember Hobbs, Councilmember Mugler and Mayor Tuck

21. [23-0087](#) Ordinance to Adopt a Budget and Appropriate Monies for the Community Development Block Grant & HOME Investment Partnership Program Fund of the City of Hampton for Fiscal Year 2024 beginning July 1, 2023 and ending June 30, 2024

Attachments: [Community Development Block Grant \(CDBG\) and HOME Fund](#)

A motion was made by Councilmember Martha Mugler and seconded by Vice Mayor Jimmy Gray, that this Ordinance-Budget-Non-Coded be approved on first reading. The motion carried by the following vote:

Aye: 7 - Councilmember Bowman, Councilmember Brown, Vice Mayor Gray, Councilmember Harper, Councilmember Hobbs, Councilmember Mugler and Mayor Tuck

22. [23-0088](#) Ordinance to Adopt a Budget and Appropriate Monies for the Economic Development Fund of the City of Hampton for Fiscal Year 2024 beginning July 1, 2023 and ending June 30, 2024

Attachments: [Economic Development Fund](#)

A motion was made by Vice Mayor Jimmy Gray and seconded by Councilmember Billy Hobbs, that this Ordinance-Budget-Non-Coded be approved on first reading. The motion carried by the following vote:

Aye: 7 - Councilmember Bowman, Councilmember Brown, Vice Mayor Gray, Councilmember Harper, Councilmember Hobbs, Councilmember Mugler and Mayor Tuck

23. [23-0089](#) Ordinance to Adopt a Budget and Appropriate Monies for the Grant (Federal Grants) Fund of the City of Hampton for Fiscal Year 2024 beginning July 1, 2023 and ending June 30, 2024

Attachments: [Grant Fund](#)

A motion was made by Councilmember Billy Hobbs and seconded by Councilmember Steven Brown, that this Ordinance-Budget-Non-Coded be approved on first reading. The motion carried by the following vote:

Aye: 7 - Councilmember Bowman, Councilmember Brown, Vice Mayor Gray, Councilmember Harper, Councilmember Hobbs, Councilmember Mugler and Mayor Tuck

ADJOURNMENT

The meeting adjourned at 7:10 p.m.

Donnie R. Tuck
Mayor

Katherine K. Glass, CMC
Clerk of Council

Date approved by Council _____