

1. City Council Agenda April 10, 2023

Documents:

[WORK SESSION AGENDA 4-10-23.PDF](#)
[WORK SESSION - TWO TREE PARK.PDF](#)
[REGULAR SESSION MEETING AGENDA 4-10-23.PDF](#)
[REGULAR SESSION MINUTES 3-27-23.PDF](#)
[PUBLIC HEARING CCIP.PDF](#)
[RECOMMENDED BUDGET FOR FY2024.PDF](#)
[CLOSED SESSION.PDF](#)

**AGENDA
POQUOSON CITY COUNCIL
WORK SESSION
MONDAY, APRIL 10, 2023
COUNCIL CHAMBERS
6:15 P.M.**

- 1. Joint Meeting with the Parks and Recreation Advisory Board – Two Tree Park**



CITY OF POQUOSON

OFFICE OF THE CITY MANAGER

500 CITY HALL AVENUE
POQUOSON, VA 23662
(757) 868-3000 TELEPHONE
(757) 868-3101 FAX

April 10, 2023

TO: City Council

FROM: Kristi Schultz, Chairperson, Parks and Recreation Advisory Board

THROUGH: City Manager

SUBJ: Two Tree Park: Proposed Recreational Amenities

The Poquoson Parks & Recreation Advisory Board is grateful for the opportunity to meet with City Council this evening regarding amenities at “Two Tree Park”. For purposes of identification, “Two Tree Park” represents the three-parcel assemblage of 6.649 acres previously acquired by the City of Poquoson. The property is bordered by Kelsor Drive, Gordon Drive, West River Road and Yorktown Road.

As Council will recall, during the past year, the Parks & Recreation Advisory Board has solicited citizen input, evaluated the information gathered, and determined First Phase recreational amenity options at Two Tree Park for Council’s review and consideration. The attached PowerPoint highlights these proposed options.

Tonight, the Parks & Recreation Advisory Board is proud to convey these recommendations, and they represent the initial items of a longer-term phased approach. This phased approach will allow for iterative funding, more immediate wins, and further time to research future suggested recreational elements for “Two Tree Park.”

The first-phase amenities include:

- An ADA-compliant parking area for approximately 8-10 vehicles and bike rack
- A gravel walking trail along the perimeter of the park
- A 20’ x 20’ picnic shelter with 2-3 picnic tables

The Advisory Board believes that these first phase recommendations represent important elements which introduce the space to the community at large. Subsequent proposed phases will continue to refine the vision for recreational pursuits at Two Tree Park and will be mindful of its residential surroundings.

The Parks & Recreation Advisory Board respectfully offers these recommendations for City Council’s consideration this evening and is pleased to provide additional information regarding them.

**POQUOSON CITY COUNCIL
REGULAR SESSION MEETING
MONDAY, APRIL 10, 2023, 7:00 P.M.**

A. MEETING CALLED TO ORDER

B. INVOCATION AND PLEDGE OF ALLEGIANCE – Mayor Helsel

C. AUDIENCE FOR VISITORS

D. APPROVAL OF THE MINUTES

(a) Regular Session March 27, 2023

E. PUBLIC HEARINGS

- **Recommended Constrained Capital Improvement Plan for Fiscal Years 2024-2028 and Beyond**

F. NEW BUSINESS

1. Recommended Budget for Fiscal Year (FY) 2024

G. CLOSED SESSION

Closed Session pursuant to Section 2.2-3711(A)(3) of the Code of Virginia (1950), as amended to discuss acquisition of real property for a public purpose

H. RECONVENEMENT – Certification of Closed Session

I. COMMENTS OF THE CITY MANAGER

J. COUNCIL DIRECTIVES

K. ADJOURNMENT

MINUTES OF THE CITY COUNCIL MEETING
March 27, 2023 7:00 P.M.
REGULAR SESSION

PRESENT: The Honorable Gordon C. Helsel, Jr., Mayor
The Honorable Carey L. Freeman, Vice Mayor
The Honorable Charles M. Southall III
The Honorable David A. Hux
The Honorable Keith A. Feigh
The Honorable Alison Fox

Randy Wheeler, City Manager
Kimberly Healy, City Clerk

ABSENT: The Honorable Jana D. Andrews
D. Wayne Moore, City Attorney

MEETING CALLED TO ORDER:

Mayor Helsel called the meeting to order at approximately 7:00 p.m.

INVOCATION AND PLEDGE OF ALLEGIANCE:

Councilman Hux rendered the invocation and led the audience in the Pledge of Allegiance.

SPECIAL PRESENTATIONS:

- Fire/Police Recognition – Playtime Learning Center Fire – Mayor Helsel presented Certificates of Appreciation to members of the Poquoson Fire Department, Poquoson Police Department, York County Fire Department and Hampton Fire Department for the heroism they displayed during the fire at Playtime Learning Center on February 2, 2023.
- Child Abuse Prevention Month – Mayor Helsel presented a Proclamation to the Poquoson Exchange Club in honor of Child Abuse Prevention Month which takes place in April.

AUDIENCE FOR VISITORS:

None

APPROVAL OF THE MINUTES:

Vice Mayor Freeman moved, seconded by Councilman Southall, to adopt the minutes of the Regular Session held March 13, 2023 as submitted. Recorded vote on the motion:

YES: Councilmembers Feigh, Fox, Southall, Hux, Vice Mayor Freeman and Mayor Helsel

NO: None

NEW BUSINESS:

1. Resolution Making Nominations for Appointments to the Board of Equalization

Vice Mayor Freeman moved, seconded by Councilman Southall, to adopt a Resolution Making Nominations for Appointments to the Board of Equalization with the names Kimberly Hollingsworth, Shannon Edwards, Dennis Ankeney and Casey D. Stratton inserted. Recorded vote on the motion:

YES: Councilmembers Southall, Feigh, Hux, Fox, Vice Mayor Freeman and Mayor Helsel

NO: None

2. Resolution Making an Appointment to the Economic Development Authority

Vice Mayor Freeman moved, seconded by Councilman Southall, to adopt a Resolution Making an Appointment to the Economic Development Authority with the name Robert B. Derby inserted with a term expiring March 31, 2027. Recorded vote on the motion:

YES: Councilmembers Hux, Southall, Fox, Feigh, Vice Mayor Freeman and Mayor Helsel

NO: None

COMMENTS OF THE CITY MANAGER:

City Manager, Randy Wheeler, expressed everyone's frustration with the pace of the HRSD project on Wythe Creek Road. Mr. Wheeler explained that HRSD was trying to stretch their work day to get the project completed but it was causing major traffic issues during rush hour, so they will now stop work from 4:30 p.m. to 6:30 p.m. to try to help alleviate this issue. HRSD has also pushed their anticipated date of completion from the end of March to sometime in April.

COUNCIL DIRECTIVES:

Councilman Southall thanked the first responders who were recognized. Councilman Southall also congratulated the Exchange Club for their work in the community. He also thanked the citizens present and at home for paying attention to their local government and encouraged others to do so as well and to participate by serving on a Board and Commission.

Councilwoman Fox thanked everyone who attended the meeting and appreciated that Mayor Helsel was able to shake their hands and express the City's appreciation for their contribution to the community. Councilwoman Fox also expressed her appreciation for the Exchange Club and for Mr. Wheeler giving an update on the HRSD project.

Councilman Feigh reminded everyone of the Food Bank on Tuesday, March 28, 2023 at the Municipal Building. Councilman Feigh also stated that he had recently attended the Inauguration of Dr. Towanna Porter-Brennan at Virginia Peninsula Community College.

ADJOURNMENT:

There being no further business, Vice Mayor Freeman moved, seconded by Councilman Southall to adjourn the meeting. Recorded vote on the motion:

YES: Councilmembers Southall, Hux, Fox, Feigh, Vice Mayor Freeman and Mayor Helsel

NO: None

The meeting was adjourned at approximately 7:29 p.m.



CITY OF POQUOSON

COMMUNITY DEVELOPMENT

500 CITY HALL AVENUE
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(757) 868-3105 FAX

April 10, 2023

TO: City Council

THROUGH: Randy Wheeler, City Manager

FROM: Thomas J. Cannella II, Principal Planner

SUBJECT: Public Hearing on Recommended Constrained Capital Improvement Plan for Fiscal Years 2024—Beyond 2028

A public hearing has been advertised for this meeting on the recommended Constrained Capital Improvements Plan (CCIP) for Fiscal Years 2024-Beyond 2028. The CCIP, a multi-year planning document, provides input to the development of the annual budget for Fiscal Year 2024. The recommended plan presented to you for consideration is fiscally constrained by projected revenue which includes planned and potential debt financing. A summary of the recommended constrained project list by division/department can be found on page five of the document. Additionally, you will find status updates to previously approved projects on pages 14-20. The CCIP was approved by the Planning Commission by a vote of 6-0 on March 20, 2023.

In the CCIP, you will find that each project has an identified funding source for which to complete it. The majority of the projects are related to public safety equipment replacement, a traffic signal system, replacement of City Hall doors, and the update of computer equipment. These projects with the exception of the fire ladder truck and utilities projects will be supported with a transfer of funds from the General Fund. The fire ladder truck has an estimate cost of \$1.7 Million which will be supported by a debt issuance to be included in the recommended annual budget that will be presented to you in late April. The utilities projects will be supported by revenue received in the Sewer Fund.

Tonight, City Council has the option to approved the CCIP which was approved by the Planning Commission or if additional information is required, staff can present the CCIP during work session at the next meeting.

AN ORDINANCE TO APPROVE THE CONSTRAINED CAPITAL IMPROVEMENTS PLAN (CCIP) FOR FISCAL YEARS 2024 – BEYOND 2028

WHEREAS, the proposed Constrained Capital Improvements Plan (CCIP) for Fiscal Years 2024 – Beyond 2028 has been presented; and

WHEREAS, a public hearing to receive public comments and review the CCIP was held before the Planning Commission on March 20, 2023 and City Council on April 10, 2023; and

WHEREAS, the Planning Commission recommended approval of the CCIP as presented by a unanimous vote; and

WHEREAS, careful and thorough consideration was given to the CCIP.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Poquoson, Virginia:

Section 1: That the proposed CCIP for Fiscal Years 2024-Beyond 2028 is hereby approved.

Section 2: That this ordinance shall become effective immediately upon adoption.

ADOPTED: _____

TESTE: _____
City Clerk



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April 10, 2023

TO: Honorable Mayor and Members of City Council

FROM: Randy Wheeler, City Manager

SUBJECT: Recommended Budget for Fiscal Year (FY) 2024

Thank you for the opportunity to present the City Manager's Recommended Budget for Fiscal Year (FY) 2024, submitted in accordance with Article V of the Poquoson City Charter.

Introduction:

Each year we begin the budget development process with a detailed review of the current fiscal year and the City's overall financial position. I am pleased to share that, despite the lingering effects of the public health emergency, high inflation rate and other economic challenges, the City's overall financial position remains strong. At this point, we can anticipate a small, positive year-end contribution to the General Fund Balance.

As we look forward to the upcoming fiscal year, a number of significant issues must be considered as part of the budget development process. These are:

Continued high inflation and the possibility of a recession beginning later this year. Virginia's Secretary of Finance, Stephen E. Cummings, has recently forecast "a recession beginning at the end of Q3 of FY2023 and lasting two to three quarters."

Significant hiring challenges, particularly in Police. We are challenged to keep pace with increasing starting/hiring salaries of competing local governments, the federal and state governments and private sector companies. We are seeing smaller, less qualified applicant pools and filling some vacancies has exceeded six months or more. In Police, the challenge is even more acute, with many localities offering substantially higher starting pay and hiring bonuses, particularly for certified officers.

Increasing pressures relating to employee retention, particularly in Public Safety. We are seeing a noticeable increase in the number of employees that are pursuing employment opportunities elsewhere. Each time we lose an experienced employee, we are challenged to replace them at a comparable level of salary and experience and even when we can, it can sometimes take many months to refill the position. All of these challenges are even more acute for sworn public safety personnel, between hiring bonuses, rapidly increasing hiring

ranges and increases in advanced medical certification supplements and other public safety-specific incentives being implemented by other Hampton Roads localities, we are at an increased risk of losing employees to our neighbors. On top of that is the compounding burnout experienced by our employees due to the prolonged public health emergency, who are considering a change of profession rather than just a change in local government employers. Finally, policing in this country has been under considerable and sustained stress over the past few years. This has resulted in a decreased number and quality of applicants, hundreds of current vacancies in Hampton Roads, increased retirements and employee job changes to pursue opportunities outside local government law enforcement.

Poquoson Schools are facing similar wage, recruitment and retention challenges. While we defer to the Superintendent and School Board to speak for and about the specific challenges they are experiencing, they have traditionally faced the same recruitment and retention challenges as the City government due to low starting pay and lower relative pay ranges. School employees, like their students and the students' families, have experienced a great deal of stress, frustration and burnout over the past few years.

Real property reassessment. The City is projecting a significant increase in real estate values associated with the upcoming biennial reassessment process. The portion of the increase which is associated with value changes of existing properties translates into a tax bill increase for the average property owner if the rate is not equalized (reduced). We will be challenged to find the right balance between service/wage demands and the level of taxation for our community.

Personal property values are returning to traditional levels faster than anticipated. In the current tax year, localities saw a sharp increase in the value of used cars. Initially it was anticipated that the return to more traditional values would take several years; however, recent data suggests that used cars values are already dropping significantly.

In FY2024, the City anticipates awarding the construction contract for the Public Safety Building. This building is currently under design and is scheduled for construction bid in CY23. Given inflationary pressures and supply chain issues, it is possible that this project may come in over budget. With the development of this budget, we need to do (or not do) those things necessary to protect our flexibility in dealing with that should it occur.

The City has several large vehicle replacement challenges, beginning with the replacement of one of the Fire Department's medic units and a ladder truck. The cost of the latter will likely cost close to two million dollars and may have a three-year lead time to acquire. We will continue to look for grants to help offset our cost when available. We should also look for opportunities to utilize one-time funds to augment what might be available in recurring funding.

As of this printing, the General Assembly has not yet completed its work on the State FY2024 Budget. This adds an additional level of uncertainty to our budgetary planning particularly as it relates to employee compensation.

Guiding Principles of Budget Development:

As the budget team and I worked through the development of this budget recommendation, we continued to use the five guiding principles that have helped provide a framework for the past several budgets. These five guiding principles are:

Stable Property Tax Rates: The FY2024 Recommended Budget does not contain any tax rate increases. We do anticipate a significant increase in the overall value of real property, approximately an average of 12% overall. This is a combination of increases in values associated with the biennial reassessment process, a noticeable increase in existing home upgrades and additions, and the anticipated increase in new housing being added to the tax base associated with the Legacy of Poquoson, Quarter Creek and Bull Run Phase II developments. To partially offset the impact of the increase in assessed value this budget proposes a reduction in the real estate tax rate of two cents from \$1.13/\$100 of assessed value (AV) to \$1.11/\$100 AV.

The personal property tax rate remains stable in the Recommended Budget. As Council will recall last year, the Council approved a one-time reduction to the tax collection ration of 10%. We initially anticipated doing something similar this year; however, the temporary spike in used car values in tax year 2022 is rapidly receding and for this reason there is no rate reduction recommended for tax year 2023.

Focus on Existing Services: The Recommended Budget prioritizes the continuation of existing programs and services. Having said that, this budget recommendation does include significant new investments in public safety, in terms of staffing and equipment.

Adherence to Financial Guidelines: The Recommended Budget has been prepared in accordance with the City Council's Adopted Fiscal Management Guidelines.

Base Financial Recommendation on Best Information Available: As noted previously, the Virginia General Assembly has not yet completed its budget work, the period of historically high interest rates continues and the Federal Reserve is anticipated to continue to raise interest rates this year as part of its efforts to combat inflation. Each of these factors adds uncertainty to future budgetary planning. This Recommended Budget is based on the best information available.

Limit New Initiatives: There are a limited number of new initiatives in the Recommended Budget, all of which relate directly or indirectly to public safety. These initiatives will be summarized in the Strategic Focus Area – Public Safety section below.

Consistent with our past practice the remainder of the Budget Message is structured around the City's five identified strategic focus areas. This budget message will also reflect efforts in the current fiscal year that relate to each focus area.

Strategic Focus Area #1 – Public Education:

The Recommended Budget fully funds the School Board's budget request and in fact slightly exceeds the Board's request to account for local support requirements associated with the yet to be completed State budget. At present the House of Delegates and Senate's respective budgets contain a 7% compensation adjustment for state supported school positions. The School Board's budget request also contains local funding support for a small number of primary school aged special education related positions. The total recommended increase in local funding for the School Division is \$699,788 over the current year's adopted budget.

I am also pleased that earlier this fiscal year, the Poquoson Middle School Modernization/Renovation Project was completed.

Strategic Focus Area #2 – Public Safety:

The Recommended Budget contains several important investments in public safety. As Council is aware the City has recently made application for six firefighter positions through the federal SAFER grant process. These positions were applied for with the intent of increasing minimum staffing per shift and moving the City closer to meeting the applicable National Fire Protection Association (NFPA) staffing standard. Should the City not be successful in securing this grant, the recommended budget is structured to provide a resource bundle to allow the Council to consider adding a limited number of positions at the mid-year review.

The Recommended Budget also contains funding for additional 3 police officer positions, including police cars and equipment to begin the process of increasing patrol shifts by one additional officer per shift. These positions are also recommended for mid-year hiring.

The Recommended Budget includes a plan to move forward with the acquisition process for both the Fire Department's medic unit replacement, the replacement of the ladder truck and a replacement police car. The debt service associated with the first year of this acquisition plan for the ladder is included in the budget and we have worked with our financial advisors to minimize the impact of the debt service requirement in later years. The plan to fund the remaining funds needed for the medic unit and police car replacement is to fund via cash transfer from the General Fund.

The budget contains funding for a part-time, temporary construction manager for the planned Public Safety Building.

Finally, in recognition of recent efforts by a number of Hampton Roads/Peninsula localities to boost supplemental pay for advanced EMS certifications such as paramedic, I am recommending that we increase the advanced EMS supplements paid to both Fire and Police Department Personnel by 50% respectively. This will narrow the gap between Poquoson and our neighbors, though it will not fully match the rates others are paying. This is important for both recruitment and retention of highly qualified personnel and something we will need to continue to monitor.

Strategic Focus Area #3 - Quality of Life:

There are no new initiatives in the FY2024 Recommended Budget though the budget does contain “permanent” funding for the June 2024 parks and recreation community block party which will be similar to the event we held in June 2022. We do have a number of quality-of-life projects that are in-process. This calendar year we anticipate completing the South Lawson Park walking trail, outdoor basketball court and restroom facilities. Additionally, the City Council anticipates receiving the phase one park plan recommendations for Two Tree Park from the Parks and Recreation Advisory Committee in April.

Strategic Focus Area #4 – Quality of Services:

Providing high quality services to our community continues to be one of the most important priorities for our local government. As the public health emergency continues to recede and the effects on our economy continue to impact our community, the staff has been challenged to be flexible and resilient to adapt to new and changing service delivery requirements.

For the upcoming fiscal year, we have worked to limit new initiatives and have chosen to focus on increasing employees’ compensation. The Recommended Budget contains a 7% pay adjustment for all permanent full-time and part-time employees to help ensure that we can continue to recruit and retain quality staff members. This 7% adjustment is in line with what most Hampton Roads localities are considering, reflects the unusually high rate of inflation and is in line with what we believe the General Assembly will eventually approve for state-supported school positions. As Council is aware Poquoson’s starting pay and pay ranges, as well as the School Division’s, are lower than most other Hampton Roads communities. Should we be unable to support this level of adjustment for both City employees and the schools it will exacerbate our existing recruitment and retention challenges.

Strategic Focus Area #5 – Fiscal Stability:

Over the past few years, the cost to maintain the Solid Waste Fund has continued to increase beyond what the City has collected for the services. During this time, the Sewer Fund has maintained a healthy fund balance. The FY2024 Recommended Budget includes a proposed rate increase to the solid waste fee to properly reflect the requirements of the Solid Waste Fund. There is also a proposed rate decrease in the sewer service fee by the same amount in the Sewer Fund. This proposed rate change ensures that the cost to citizens remains stable.

I am pleased to share with you that despite the many challenges we experienced during the public health emergency and despite the related, economic impacts we continue to experience that our fiscal position remains strong. The City remains in compliance with all of its adopted fiscal management policies, our fiscal stability reserve remains fully funded at the Council established one-million-dollar level and our bond ratings, including the AAA from Standard and Poor’s, remain unchanged.

Conclusion:

The past few years have brought unprecedented challenges to our city. As a local government and as a community we have been challenged to adapt to a rapidly changing and extended public health

emergency. As we look to next fiscal year and beyond, we face more than the usual amount of budgetary uncertainty in Richmond, continuing high levels of inflation and a highly competitive labor market.

The main focus of this budget is to continue to make investments in our public work force so as to guard our ability to recruit and retain highly qualified staff and to move forward important public safety initiatives such as increasing operational shift staffing and making necessary investments in public safety equipment while at the same time reducing the real estate tax rate to partially offset the impact of the biennial reassessment on our property owners.

I would like to thank the members of the City Council, School Board and staff that each play an important role in the development of the annual budget. My team and I look forward to working with Council members as you begin your formal deliberations.

CERTIFICATION OF CLOSED SESSION

WHEREAS, the Council of the City of Poquoson, Virginia convened in a closed session on this date pursuant to an affirmative recorded vote and in accordance with the provisions of the Virginia Freedom of Information Act; and

WHEREAS, 2.2-3711(A)(3) of the Code of Virginia (1950), as amended requires a certification by this Council that such closed session was conducted in conformity with Virginia Law.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Poquoson, Virginia does hereby certify that to the best of each member's knowledge, only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the closed session to which this certification resolution applies and only such public business matters as were identified in the motion convening the closed session were heard, discussed or considered by the Council.

ADOPTED: _____

TESTE: _____
City Clerk