



July 26, 2018

**Memorandum #2018-92**

**TO: Hampton Roads Chief Administrative Officers**

**BY: James Baker, Chair**

**RE: Hampton Roads Chief Administrative Officers Luncheon Meeting – August 1, 2018**

The next Hampton Roads Chief Administrative Officers' meeting will held Wednesday, August 1, 2018 at 11:45 AM (lunch served at 11:30 AM) at the Hampton Roads Sanitation District (HRSD) North Shore Operations Center, 2389 G Avenue, Newport News (map attached for reference). The agenda and related materials are attached.

RAC/ka

Attachments

copy: Hampton Roads Directors of Utilities

**Chief Administrative Officers:**

James E. Baker, CH  
Mary Bunting, HA  
Brent Fedors, GL  
Tyrone W. Franklin, SY  
Dave Hansen, VB  
Michael W. Johnson, SH  
Randy Keaton, IW  
R. Randy Martin, FR  
Neil Morgan, YK  
Lydia Pettis Patton, PO  
William Porter, JC  
Patrick Roberts, SU  
Cynthia Rohlf, NN  
Doug Smith, NO  
Michael Stallings, WN  
Brian Thrower, SM  
Andrew Trivette, WM  
J. Randall Wheeler, Poquoson

HRSD  
North Shore Operations Center  
2389 G Avenue, Newport News, Virginia



**Hampton Roads  
Chief Administrative Officer (CAO) Committee  
Meeting**

**HRSD North Shore Operations Center  
2389 G Avenue  
Newport News, VA 23602**

**Wednesday  
August 1, 2018  
11:45 am  
(Lunch served beginning at 11:30 am)**

**I. Call to Order**

**II. Meeting Minutes**

The summary minutes from the July 20, 2018 Special Meeting of the Regional CAO Committee meeting are attached for the Committee's review and approval.

**III. Approval of Agenda**

The CAO Committee should consider any additions or revisions to the meeting agenda.

**IV. Public Comment Period (limit 3 minutes per individual)**

**V. Affordability of City Services**

Affordability issues continue to challenge local governments nationwide. The CAOs were initially briefed on affordability at the May 3, 2017 meeting (see attached excerpt from the Summary Minutes). HRPDC Principal Water Resources Engineer Whitney Katchmark and HRSD General Manager Ted Henifin will brief the group on innovative rate structures and customer assistance programs implemented elsewhere that are receiving national attention. Mr. Henifin will also discuss HRSD's proposed approach to the issue. The group will consider potential next steps to continue the regional discussion of affordability issues. The region's Directors of Utilities will attend and participate in this discussion.

**VI. Other Business**

Update on economic development discussions.

**VII. Adjournment**

**Hampton Roads Planning District Commission (HRPDC)  
Special Chief Administrative Officer Meeting  
Summary Minutes of July 20, 2018**

The July 20, 2018 Special Chief Administrative Officer (CAO) Meeting was called to order at approximately 11:50 a.m. by Mr. James Baker, CAO Committee Chair and Chesapeake City Manager, at the Surf's Up Restaurant located at 100 Carys Chapel Road in Poquoson. The following members were in attendance:

James Baker, Chesapeake  
Randy Martin, Franklin  
Brian DeProfio, Hampton  
Alan Archer, Newport News  
Doug Smith, Norfolk  
Randy Wheeler, Poquoson  
Graham Wilson, Poquoson  
Patrick Roberts, Suffolk  
Andrew Trivette, Williamsburg  
Neil Morgan, York County

**Others Recorded Attending:**

Robert Crum, HRPDC  
Keith Cannady, HRPDC  
Greg Grootendorst, HRPDC  
Ron Carlee, ODU

Mr. Baker thanked Mr. Wheeler for hosting today's meeting. Mr. Wheeler welcomed the CAO Committee to Poquoson, and provided background information on the Surf's Up restaurant and the site where the business is located. Mr. Wheeler also introduced Poquoson Deputy City Manager Graham Wilson, who was welcomed by the CAO Committee. Mr. Baker indicated that he, Mr. Wheeler and Mr. Crum have discussed the opportunity for the City Managers and County Administrators to bring their deputies to CAO meetings when they are the host locality for the meeting. This would be a great opportunity for the managers/administrators to help introduce their deputies and assist them with forming important networks and relationships.

**Public Comment Period**

There were no public comments provided.

**Regional Economic Development Coordination**

Mr. Crum reminded members that today is a Special CAO Committee meeting that was called because the regular CAO Committee meeting for July conflicted with the July 4th Holiday. He thanked everyone for their attendance today, noting that he understands how difficult it is to add an additional meeting to everyone's calendar. He indicated that the focus of today's meeting is to continue discussion of how economic development can be organized to increase the economic competitiveness of Hampton Roads. He noted that a

subgroup of the CAO Committee will meet with four members of the business community on Monday, July 23 to discuss the potential organization of the Hampton Roads Economic Development Alliance (HREDA). He noted that it is expected that the business community will express an interest in increasing their funding to HREDA if the local governments commit to a regional approach to economic development. The purpose of today's Special CAO Committee meeting is to provide the CAO representatives input on ideas they should share with the business leaders at Monday's meeting.

Mr. Baker proceeded to facilitate a conversation with the CAO Committee around this issue. A number of issues/ideas were raised, including the following:

- The need for a collective impact model approach.
- We have too many organizations that have been formed to address problems, but there is no alignment between these organizations which results in a fragmented economic development approach.
- While funding from the business community is very important, we also need engaged leadership from the business community.
- Government officials have not engaged with HREDA because the meetings have not been viewed as productive.
- We should not forget tourism attraction as an important part of our economic development efforts.
- There are items the business community can take the lead on, such as branding for our region. The name Hampton Roads does not resonate with people. Most metro regions with a positive brand have the name of an actual location in their brand.
- Overall, members seemed interested in considering a fresh approach to how HREDA and regional economic development is approached in our region

Mr. Baker thanked members for their input and indicated that the CAOs who will meet with the business leaders will provide a report back to the full CAO Committee on these discussions.

### **Future Agenda Topics**

Mr. Crum reported that the next meeting of the CAO Committee will be on August 1 and the region's utility directors have been invited to attend this meeting. The primary agenda item will be a discussion of a utility rate affordability analysis that has been compiled by the HRPDC. The meeting will be hosted by the Hampton Roads Sanitation District.

### **Adjournment**

There being no further business to come before the CAO Committee, the meeting was adjourned at approximately 1:30 pm.

Respectfully Submitted,

Robert Crum, HRPDC  
Recording Secretary

## **CAO Committee Chair**

Mr. Crum introduced this item by noting that the CAO Committee will need to elect a new Chair to replace Jim Bourey. He opened the floor for nominations for Chair of the CAO Committee. Multiple members nominated James Baker, Chesapeake City Manager, to serve as CAO Committee Chair. There being no further nominations, the Committee closed the nominations and Mr. Crum called the question. The CAO Committee voted unanimously to name James Baker as the new Chair of the CAO Committee.

Members noted that it would be advantageous to have a Vice Chair to work with Mr. Baker and manage the meetings if Mr. Baker could not be present. Mr. Crum suggested that having the Vice Chair represent the Peninsula would ensure representation from both the Southside and Peninsula. Members suggested that Mary Bunting, Hampton and Marvin Collins, Williamsburg, would both be excellent candidates for the Vice Chair position, and directed Mr. Crum to reach out to both to gauge their interest.

## **Affordability of Public Services**

Mr. Baker asked Mr. Crum to introduce this item. Mr. Crum noted that this presentation addresses the affordability of public services, including water, sewer and stormwater. He noted that Whitney Katchmark and her staff have collected this information for the region's jurisdictions, and staff believes this information will be very helpful for the CAO Committee. He introduced Ms. Katchmark to provide the presentation.

Ms. Katchmark provided additional background information on this analysis, and reviewed a series of slides providing information for the region's 17 jurisdictions including the following:

- Current Cost of Services – Estimated Average Monthly Costs – Single Family Household (Water, Sewer and Stormwater Services)
- Current Cost of Services – Stormwater Fee, Hampton Roads Sanitation District (HRSD), Locality Sewer, Water and Weighted Average
- Monthly charge comparison for each jurisdiction
- Average bill in Hampton Roads (FY 2000 to FY 2035)
- Assumptions for Hampton Roads rate projections
- Residential costs for HRSD customers

Ms. Katchmark provided projections for the average utility bill for Hampton Roads residents to the year 2035, providing high, medium and low trend lines for these projections. She noted that if an assumption is made that spending 4.5% of your income on these services is affordable, the income needed to afford these services would be as follows:

- In FY 2000, households needed an income of \$10,000/year
- In FY 2017, households need an income of \$27,000/year
- In FY 2035, households will need an income of \$ 85,000/year

Ms. Katchmark also discussed drivers expected to impact rates, including increased enforcement of water quality violations under the Clean Water Act, more stringent standards and aging infrastructure. It was stressed that the upward trend in utility rates is not limited to Hampton Roads, as other metropolitan regions are also experiencing these challenges.

Ms. Katchmark concluded her presentation with an overview of options to keep costs affordable which centered on approaches to reduce and reallocate costs. She also outlined potential next steps in this discussion.

The CAO Committee members indicated that this analysis was very helpful and discussed and asked questions regarding the information presented by Ms. Katchmark. Most of the questions centered around the methodology for the projections, strategies to address rising costs and the impact on localities and residents.

### **United Way Dashboard**

Mr. Crum introduced Luciano Ramos, Vice President of Programs and Integration at the United Way of South Hampton Roads. Mr. Ramos used a website to introduce CAO Committee members to the United Way Data Dashboard. The goal of this project is to provide a one-stop data portal that would be the go to source for reliable data on the Hampton Roads region. He noted that many of the categories that the data sets are organized around are consistent with the strategic priorities identified through Envision Hampton Roads, which was adopted by the Hampton Roads Planning District Commission Board.

Mr. Ramos reviewed a few of the data sets included on the Dashboard in detail with the CAO Committee and illustrated a mapping tool that allows users to do some geographic analysis of the data. He noted that this resource was developed for use by the community, and he was hopeful that the region's localities would find value in this tool.

Mr. Crum added that an important step in a collective impact model is to set strategic priorities and strategies, and to measure progress over time to address the community's goals. Having a consistent data source that community partners use to measure and track progress is a critical part of this process. He thanked Mr. Ramos and the United Way for their work on this effort and asked the CAO Committee if there were questions or comments for Mr. Ramos.

Several CAO Committee members noted that this data dashboard could serve as a useful resource for localities. At least one Committee member asked about having a staff person join the advisory committee for this project, and Mr. Ramos noted that he would welcome participation from any jurisdiction that was interested. Committee members proceeded to discuss this data dashboard and ask questions which were addressed by Mr. Ramos. The Committee thanked Mr. Ramos and the United Way staff for their work on this project.