

MINUTES OF SPECIAL BUDGET WORK SESSION
OF THE NEWPORT NEWS CITY COUNCIL
HELD IN THE 10th FLOOR CONFERENCE ROOM
2400 Washington Avenue
May 5, 2009
2:00 p.m.

PRESENT: Joseph C. Whitaker; Dr. Patricia P. Woodbury; Herbert H. Bateman, Jr.;
Joe S. Frank; Madeline McMillan; Sharon P. Scott (arrived at 4:30 p.m.);
and Tina L. Vick;----- 7

ABSENT: None ----- 0

OTHERS PRESENT: Randy W. Hildebrandt; Stuart E. Katz; Mabel Washington Jenkins; Alan Archer; Neil Morgan; Cynthia Rolfe; Lottie Vincent; Allen Jackson; Gregg Jones; Lisa Cipriano; Rhonda Everton; Robin Rose; Monique Warren; Chad Pritchett; Steve Carpenter; Yvonne Manning; Izabella Cieszynski; Dr. Rosanne Walters; Carol Meredith; Tricia Wilson; Glenn Butler; Brian Ramaley; Michael D. Poplawski; Thomas Murphy; Lillian Taylor; Sabine Hirschauer; Jennifer Walker; Cleder Jones; Kim Lee; and Jerri Wilson

I. Call To Order

Mayor Frank opened with the suggestion to conduct the meeting in a “round table” manner, providing each Council member the opportunity to present budget items of importance to them, that needed clarity, or deemed unresolved. Councilwoman Woodbury inquired whether each Council member’s list should be used as a guide line to address issues. Mayor Frank responded each could certainly list could be used.

II. Open Discussion on City Manager’s Recommended FY 2010 Operating Budget

Councilman Bateman requested a review of line items related to Overtime, Specialized Supplements and Contractual Services. He asked the City Manager to address the following: (1) Overtime in light of this budget, its treatment by the former City Management, how Overtime would be approached going forward to save money, ensuring necessity; (2) for Contractual Services, the processes in place efficiency and whether or not it compromised the way the City operated; and (3) Specialize Supplements.

Regarding Contractual Services, City Manager Hilderbrandt explained that a particular activity was reviewed to analyze whether a private firm could perform the work at less expense, or whether there were enough resources or personnel available to extend into a particular area of operations; i.e., in Parks and Recreation, maintenance of landscaped areas, right-of-ways, some parks were contracted out because there was not enough personnel to cover all of those activities with current staff. City Manager Hildebrandt conveyed each budget year, there was a

review of the amount of money committed to Contractual Services and, if needed, to cut back or determine the elimination of some or any of the areas being covered by landscaping contracts. There were other contracts for maintaining equipment, in particular, Operations. In Parks and Recreation, there was a large contract with the SPCA for shelter services. The Police Department had contractual services in areas where it was necessary to have outside work done. In each case, an evaluation was performed to determine whether the particular activity was necessary, then (2) whether it could be performed cheaper in-house or out sourced. City Manager Hildebrandt advised that over the years, contracts had shifted back and forth; at times custodial services had been contracted out. The City re-evaluated it, and now, this service is provided in-house to maintain a better product with more management control. The same idea applied to Security, which was relocated in-house under Public Works. He explained when a decision was made to contract services out, a procurement process was performed by the Department of Purchasing, which secured bids for services and accepted the lowest responsible bidder. This process was not at the discretion of the department, but the procurement office. City Manager Hildebrandt stated every larger department had in its budget, items which were covered by Contractual Services. Every year it was carefully reviewed to ensure the amount was appropriate to contract. He explained contracts spelled out the cost for services and any escalation from year-to-year. One of the contracts coming up was in the Solid Waste operations. The City must renew the recycling contract and would be on bid. That was a major contract, for a particular service, determined to be most effectively implemented by contract.

Regarding Overtime, City Manager Hildebrandt indicated in the past, Overtime was often under-budgeted. It was assumed that by attrition and vacancies, if overtime exceeded the budget, the cost could be covered by vacancy savings. In the past few years, the City had eliminated the money to attrition; built in savings from turn-over positions, and had frozen positions. A realistic look was given to the Overtime actual costs based on experience from previous years and input given from the departments. City Manager Hildebrandt recognized the Police Department's overtime was sometimes uncontrollable due to major investigations, field operations, or dignitaries that came to the community and personnel was mobilized to attend to a particular situation.

City Manager Hildebrandt mentioned the Fire Department had traditionally used overtime because of the inability to keep all positions filled, and to man all the equipment. Several people must work overtime every shift to ensure the equipment was fully staffed. City Manager Hildebrandt conveyed this Overtime item was not discretionary, and used only in an emergency. He provided the example of when pipes needed to be repaired, in Waterworks and Sewers, there was personnel that worked on a overtime basis, as needed. Overtime was controlled as much as possible, but had been identified as monies that would ultimately be spent. In the past few years, the City had properly budgeted for and watched Overtime closely. Additional funds had been issued to the Fire Department. The Chief provided to Council rational due to the department being under-staffed, although no positions were eliminated, or frozen any vacancies, and in spite of the Department hiring as soon as candidates enter the academy.

Regarding Specialized Supplements, City Manager Hildebrandt explained the City provided allowances for clothing to the Police (uniforms for personnel and Detectives) and Fire operations; K9 personnel received additional funding; field training officers received a \$1,500 annual supplement for performing this function in addition to normal duties; Fire and Paramedics teams received specialty pay; tech rescue, hazardous material, bomb technicians and Marine and Response teams received supplements to their salary based on serving on these teams. City Manager Hildebrandt explained the Police and Fire have educational incentive pay in place to encourage higher learning of Associates and Bachelor degrees; receive an Associates degree-an additional \$600; receive a Bachelors degree-an additional \$1,000. This has been a standard practice in the City. The Police also have an investigation stipend for on-call personnel that are called out during the night to respond to particular situations. In Public Works, an Apprentice program supplement is paid to assist the process to get through the program. Car allowances are provided to department directors which are supplements to salaries. The items identified by the City Manager are included in Specialized Supplement line item.

Councilman Bateman suggested a continued review of the proposed budget to be the focus and whether the line items addressed by each member of Council, determine if cut would save additional monies to cut \$1.3 million needed to reduce the real estate tax? Is Council trying to redirect monies it saves toward another program? Or to eliminate wasteful and inefficient programs. If the desired outcome is to redirect monies, Councilman Bateman identified three areas he would like to direct saving: neighborhood street repairs, the Pension plan, or into Tuition Reimbursement.

Councilman Bateman opened up the issue of the Office of Children, Youth and Families brought forth by comments from Councilwomen McMillan and Woodbury. He stated the questions raised by his colleagues were of legitimate concern. He questioned what the City was receiving from the Office, what could be expected in the future, and what was being done in the Central District. He expressed his doubt about solving the issue before the budget was approved. Councilman Bateman reminded the City Manager recommended a review of that department. He stated if the goal was to have that department function efficiently, at an optimum level, or to identify whether the department continued its existence; the concerns raised required Council to review it in an in-depth manner. He asked for the City Manager to report back to assist Council in making an informed decision on the department's direction. Councilman Bateman conveyed his concerns of just cutting positions from the department without knowing the full impact of doing so.

Councilman Bateman expressed his appreciation for the work of the City Manager on the proposed operating budget, and the efforts of his colleagues on Council in scrutinizing the information.

Vice Mayor Whitaker expressed his agreement with Councilman Bateman on the proposed budget and the efforts of the City Manager in preparation of the budget. He stated he did not offer any recommendations for additional cuts, but would like to hear more from his colleagues on the reasons for their recommendations.

Councilwoman Woodbury stated she shared concerns on particular line items with Councilwoman McMillan and deferred to Councilwoman McMillan. Councilwoman Woodbury indicated that she met with members of the Budget and Evaluation Office to discuss other line item concerns and received satisfactory explanations for those items.

Councilwoman McMillan indicated she put out her list of concerns because she assumed Council was charged to give suggestions as representatives of their constituency. She commented people were upset about the economy and wanted cuts in government, and she felt that the City's government had become too large. She mentioned the population had decreased, but there were more and more people working for the City. She felt it was time to look at things in terms of scale and efficiency, without looking at personality was not always done. Councilwoman McMillan identified her list of cuts: Dues, over \$65,000; Travel, over \$90,000; Books and Printing, over \$31,000. She stated she realized that everyone took pride and ownership in what they did. She cited an example of printing departmental newsletters as excessive spending and was an unnecessary expense. She suggested newsletters to be forwarded via e-mail, or a limited number of copies put out for distribution. She stated the printing had cost sky-rocketed over the previous budget. Councilwoman McMillan indicated that the line items she identified should not be a surprise; she mentioned the same line items every budget year.

Councilwoman McMillan informed that she asked for the elimination of certain positions. She stated she put out a list of suggested cuts for Council to review and felt it was apparently widely distributed and not explained. She commented that she did suggest the elimination of the Office on Children, Youth & Families; then stated, not to eliminate but to consolidate the tasks of the two departments to save money. The Office on Children, Youth & Families had moved under the umbrella of the Department of Human Services (DHS). She questioned other items of concerns she identified as several cost codes funneled into Thomas Nelson/Workforce Development. Councilwoman McMillan mentioned there were several things she thought could be easily merged into another department or downsized to save money. She reiterated she stood by the cuts she suggested, and would like answers to the questions and concerns she submitted.

Councilwoman Vick concurred with Councilwoman McMillan on being asked to review the proposed budget and listing items of concern for Council's scrutiny. She commented on the number of citizens that had contacted her regarding suggested cuts and expressed their support of them. She advised that she stood by her suggested cuts.

Regarding the Office of Children, Youth and Families, Councilwoman Vick reminded that she did not want to eliminate the department, but consolidate the services offered with the Department of Human Services. She expressed her disappointment that misinformation was leaked to others regarding conversations of Council. Councilwoman Vick commented on the deductions in the marketing line items. She stated with available technology, there were a number of ways to release information which would help in the reduction of costs.

Councilwoman Woodbury commented that it was Council's responsibility to their constituency to address items of concern. She provided an example of the City's \$600,000 contribution to the Virginia Living Museum. She informed that the Virginia Living Museum was a recipient of a very large grant. She informed that she understood from what she was told that the museum was financially flush with this multi-million dollar grant. She stated that if this were true, the City should not budget this money for the museum. She reminded that she requested the City Manager investigate the matter and report back. She identified the Performing Arts budget for cuts. She felt the City could not continue supporting of programs with citizens tax dollars, when citizens could no longer afford to purchase tickets to events in this economy. She would like to see the line item reduced to \$150,000 from its current budgeted amount of \$227,718.

Councilwoman Woodbury identified the line item for the Hampton Roads Military Alliance. She acknowledged she was unfamiliar with the organization, but questioned the amount budgeted. She inquired whether the amount was per capita. City Manager Hildebrandt responded it was. Dr. Woodbury identified the Sports Commission line item and stated she discovered its association with the Junior Olympics. She inquired whether the City was participating in the Junior Olympics.

Mayor Frank advised of similar concerns, and he was told the City remained involved, and that the organization brought different activities into the community, which brought people into the community and boosted the economy. He felt it was a good return on investment.

Councilwoman Woodbury inquired about the Regional Airport Task Force and requested clarity on its purpose. Councilman Bateman responded the regional air service development fund was put in place and revenue and monies were based upon contributions from the various counties and cities that had an interest in the airport. It was used to attract additional routes and airlines for additional coverage from Newport News-Williamsburg Airport to other cities across the United States, where people desired to travel. The Airport was interested in finding routes to places such as Chicago, Denver, the West, in general terms, direct flights. Councilman Bateman explained that some carriers would not take on new routes without guaranteed rate subsidies. This was how it was able to attract some of the airlines. If the airport was to be successful, and as a part of the economic engine of the Peninsula, it needed to be in the forefront, making sure it had the needed routes for the citizenry and support of the region.

Councilwoman Woodbury commented she did not understand the increase in the allocation for the Regional Airport line item, if it was per capita, and indicated she would like to see it decreased.

Mayor Frank explained, when the City started the effort to attract airlines, monies were fronted. He stated the airport studied destination points and developed data on flights. The airlines also developed data that supported a limited number of aircrafts with dates and destination points where the planes travel, in time slots people actually traveled. The airport negotiated with an airlines on a case-by-case basis for air service between here and destination point A, providing data necessary to support the demand for needed service. If airlines agreed, this fund supplemented the revenue of the airlines and guaranteed they would not lose money if they chose to bring service to the airport. This money is used as incentive for airlines in a joint venture of the Peninsula.

Councilwoman Woodbury asked why funding increased from \$60,000 to \$108,000. City Manager Hildebrandt responded the first year was partial funding.

Mayor Frank expounded on the City Manager's response. He indicated the City of Newport News originally provided all funding for the Airport. This occurred before the local communities committed to full funding, per capita, to the Regional Airport Task Force.

Vice Mayor Whitaker stated he wanted to work with his colleagues on their budget concerns and inquired of an explanation for the individual suggested cuts. He stated one of the suggested cuts provided by a member of Council was to cut funding for An Achievable Dream of \$100,000. He commented on the success of the program and could not understand why anyone would suggest withholding funding. He mentioned one of the various programs hosted by An Achievable Dream, the Mother and Daughter Breakfast, and the excellence performed by the children, ages 6-7 years old, in their participation of the program. Vice Mayor Whitaker disagreed with cutting funding to support the education of our children. He suggested that Council do what was best for the City and its citizens. He indicated when Council did not work together, problems occurred, which was reflected in the lists of suggested cuts.

Councilwoman Tina Vick disagreed. She stated that there were differences in viewpoints which represented individual members of Council. When different outlooks were shared, better results were achieved.

Councilwoman McMillan stated the Achievable Dream program began as an agreement between the school system and An Achievable Dream. The monetary support was to come from the school system, private donations with business solicitation, and partnerships. She reminded that An Achievable Dreams had received, over the past several years, thousands of dollars

in federal grants, state grants, private grants, and grants from other organizations. She stated that the monies budgeted in the FY 2010 proposed budget was a donation. Councilwoman McMillan stated Council must ask whether An Achievable Dream received enough funds that the City could eliminate \$100,000, temporarily. It was her opinion that this donation could be cut.

Mayor Frank suggested Council get pass personality and get to the budget to bring resolution and consensus. The City Manager needed guidance and direction to prepare the final budget for adoption on May 12, 2009. He asked Council members to remain focused in an effort to discover who supported what and to reach a conclusion, which he felt was the obligation of Council.

Councilwoman Vick stated she had the opportunity to speak with representatives of Sister Cities. She mentioned her conversation with Chairman, Mr. Gary Hunter, who felt that City's support for an additional year would help the organization.

Councilwoman McMillan stated she suggested a minor reduction for the Sister Cities program of \$15,000.

Mayor Frank requested a list incorporating all of Council's suggestions (A copy is attached and made a part of these minutes.)

Mayor Frank called attention to the City Manager's memorandum dated May 1, 2009, entitled Potential Adjustments to the FY 2010 Recommended Community Support Funding. He suggested Council review each line item and indicate whether they supported some or all of the cuts suggested, and welcomed comments. Mayor Frank hoped at the conclusion of the meeting, the City Manager would be able to prepare a budget that incorporated the suggested recommendations of Council.

Councilwoman McMillan explained her rationale for wanting to cut funding for Achievable Dream was based on past information she was privy to.

Compensation for Boards

Mayor Frank began with the first item for compensation of certain boards designated by the State to have such. Mayor Frank asked where the numbers came from. Ms. Lisa Cipriano explained how the figures were derived and its representation of individual Council members suggested percentage cuts.

After much discussion, it was the consensus of Council to accept the City Manager's budgeted recommendation.

TNCC Workforce Development Center

Mayor Frank presented the next item for discussion, the Thomas Nelson Community College (TNCC) Workforce Development Center. He inquired if it was Councilwoman Woodbury's suggestion to eliminate the line item all together. Councilwoman Woodbury responded no, but suggested a percentage.

Councilwoman McMillan inquired about the different line items figures related to TNCC; i.e., Peninsula Workforce Development, (\$92,776); TNCC Workforce Development Center, (\$91,500); and Payment to TNCC (\$221,526).

City Manager Hildebrandt explained the Peninsula Workforce Development Center was the new building and all six local jurisdictions agreed to participate in the funding of the building. Councilwoman McMillan interjected her assumption that the City's portion was \$75,000 annually.

City Manager Hildebrandt acknowledged Ms. Robyn Rose, Sr. Budget Analyst, Department of Budget and Evaluation, to provide clarity. Ms. Rose stated the amount of \$75,000 was for the Discovery Center. She conveyed that the City had a 20 year commitment to the Peninsula Development Center.

Other concerns were raised by Council and Mayor Frank suggested to come back to the line item once the City Manager got answers to their concerns.

VA High Speed Rail

Mayor Frank explained the City had contributed to the Virginia High Speed Rail initiative since it was organized. He explained the plan included working with Amtrak to get high speed rail from DC to Richmond, and from Richmond to the Peninsula. He mentioned the plan had support from the public and private sector around the State. He felt the expense was a relatively small amount.

Councilwoman McMillan inquired about the time limit for support of this venture. Mayor Frank responded he could not answer her question. He informed of a meeting he attended in Williamsburg on matters related to this issue and stated the project would be funded with federal monies. Councilwoman McMillan asked how the City's contribution guaranteed

anything. Mayor Frank stated it kept the City at the table and provided an opportunity to engage people to make decisions.

Virginia Living Museum

Councilwoman Woodbury stated the Virginia Living Museum should start supporting itself. She commented they had recently received a large grant. Mayor Frank was unaware that the museum had received a grant.

Mayor Frank inquired if the City Manager had received information regarding the alleged grant of the Virginia Living Museum. City Manager Hildebrandt replied the Virginia Living Museum had received a challenge grant from the private sector that required the Museum to raise \$3 million dollars by December in order cover the debt they had on the facility. No additional money was given for the Museum's operating budget. They were dealing with the debt incurred on the facility at this time.

Councilman Bateman stated he respected Councilwoman Woodbury's opinion, but the Museum would not be flush with the receipt of this grant. He agreed the City should wean itself from supporting the museum; but needed to assist this time. He expressed support for this line item.

Councilwoman McMillan expressed her opinion that the Museum was never self-supporting. She recommended a decrease in the level of funding.

Mayor Frank stated the Museum had to deal with the bank to restructure their loan and would need every dime to deal with its debt, to which meant the Museum's operating funds would be limited for another year. He supported the City's contribution.

Councilwoman Woodbury felt the contribution to the Virginia Living Museum was the only entity the City Manager did not cut by 10 percent.

Councilwoman Vick had suggested a decrease in funding. She further suggested the City Manager approach the Museum about Council's concerns.

City Manager Hildebrandt informed Council he had prepared a letter to send to Ms. Hayhurst requesting the Museum provide a long-term financial plan which outlined how the Museum could begin to reduce the amount of money the City was contributing in support, and what other resources would help cover the expenses of the museum.

After much discussion, there was a consensus to support full funding for the Museum.

City Manager Hildebrandt responded to questions raised by Council on a previous line item for the Peninsula Workforce Development. He acknowledged that the original commitment of support to Workforce Development was \$73,500 for the office on Butler Farm Road. Part of the commitment created verbally by the City, was during the creation of a similar program in the Williamsburg area, that the City, along with James City and York Counties, would support the lease on that office. The City was asked to contribute \$18,000 on a \$90,000 lease for a center that is operated in Williamsburg. It would provide similar services of its counterpart in Hampton. It was confirmed that York and James City Counties supported the Hampton Center.

Peninsula Workforce Development

Councilwoman McMillan inquired about the amount of \$92,776 for the Peninsula Workforce Development. City Manager Hildebrand explained those monies supported programming of the Workforce Development Center; not the building lease.

Transitions Family Violence

Councilwoman McMillan recommended the line item for Transitions Family Violence be cut. She felt it was not appropriate to contribute to the program.

Vice Mayor Whitaker commented that he attended a workshop associated with the Transitions program and felt they were doing a good job in the community. He expressed continued support for the program.

Consensus was reached to support the program (4:2).

Preschool Partners

Councilwoman McMillan suggested elimination of support for Preschool Partners. She recalled when the City originally entertained support of this group, it was to be a one-time donation only. She stated this was a private group to monitor and certify pre-schools. She did not wish to continue support.

Mayor Frank indicated Councilwoman McMillan may be correct in her recollection. He explained the function the group performed; They also help parents decide what preschool program is best for their child.

Mayor Frank inquired of the support for continued funding of this program. There was consensus to keep full funding on this line item (4:2).

Boys & Girls Club

Councilwoman McMillan suggested a cut of \$40,000 to the Boys and Girls Clubs line item. There was consensus to keep full funding on this line item (4:2).

NN Crime Watch

Councilwoman McMillan suggested a cut in funding for the Newport News Crime Watch line item of \$7,765. Vice Mayor Whitaker supported funding. City Manager Hildebrandt indicated this was funding for the coalition and not the individual crime watch groups. Councilwoman McMillan reiterated she felt her suggested cut was appropriate. City Manager Hildebrandt informed he had cut the item by 10 percent.

Consensus was met to eliminate funding (4:2).

JET Corps

Councilwoman McMillan recommended a cut of \$11,800 to the Jet Corps line item. Councilman Bateman agreed with the recommendation. There was consensus to cut an additional 10 percent of the recommended support of \$36,800 (4:2).

Red Cross

Councilwoman McMillan recommended to increase the allocation for the line item, Red Cross by an additional \$10,000. Mayor Frank supported the recommendation. Consensus was reached to increase allocation to \$20,000 (4:2).

Virginia Scholarship

City Manager Hildebrandt identified the Virginia Scholarship line item was the Tim and Daphne Reid Foundation.

Councilwoman McMillan recommended to cut funding. She conveyed that the scholarship may be well intended; being a private scholarship, it did not serve the majority of the City's citizens. She thought it was only for minority students.

Vice Mayor Whitaker and City Manager Hildebrandt disagree. The City Manager stated he would look into the matter for Council.

Councilwoman Woodbury inquired why the City allocated funding for a private scholarship which the founders could very well fund themselves.

Mayor Frank explained that Tim and Daphne Reid came, spoke with Council and made a case for why they wanted to have programming in Newport News as part of their fundraising efforts. The City of Newport News was sponsoring the programming in the community to benefit the kids.

Councilwoman McMillan suggested donating \$10,000 to a Newport News Scholarship to benefit the kids of Newport News.

Mayor Frank clarified that the City was contributing money to the fundraising event being sponsored by Tim and Daphne Reid, so that the net proceeds derived from the event went directly to the scholarships.

Councilwoman Woodbury indicated that she would like to see a report explaining the criteria, listing the scholarship recipients, and what the funding was used for.

Mayor Frank inquired of support for the full proposed funding for this line item. Consensus was reached to support funding of \$9,000 (4:2).

Public Arts Foundation

Councilwoman McMillan recommended elimination of funding for the Public Art Foundation line item. Mayor Frank questioned whether the proposed allocation was necessary to continue the purchases the Public Art Foundation had committed to. Mayor Frank stated he was unaware whether the allocation was a contractual obligation.

City Manager Hildebrandt explained the allocation helped support the administration's operations, including maintenance of the art pieces they already had in place. He explained that the majority of the funding for the public art pieces was raised by private donations.

Mayor Frank explained that it was easier to raise money for a piece of art. The City's contribution was to support operations and maintenance. Councilman Bateman voiced his support. The vote was deferred.

C. Waldo Scott Center

City Manager Hildebrandt stated the allocation for the C. Waldo Scott Center was one of the services and/or programs he had not reduced by ten percent. Consensus was reached to support funding of \$292,640 (4:2).

YWCA

There was consensus to support funding of \$39,655 for the YWCA (4:2).

Virginia Arts Festival

Consensus was not reached to support funding of the Virginia Arts Festival (3:3). The vote was deferred.

Support for the Performing Arts

Consensus was not reached to support funding of the Performing Arts (3:3). City Manager Hildebrandt identified line item as the Arts Commission, which provided grants to different organizations that applied for money. Councilwoman Woodbury explained her recommendation to cut funding by \$77,718.

Sister Cities

Councilwoman McMillan recommended cut of \$14,000 for the Sister Cities line item. Consensus was reached to reduce proposed funding from \$53,550 to \$39,550.

JCC Transit-NN to Williamsburg

Consensus was reached to support funding of \$25,000 for the James City County Transit-Newport News-Williamsburg line item. City Manager Hildebrandt explained the City helped with the connection between HRT and the routes in the Williamsburg area. Mayor Frank identified the line item as support for the citizens that lived in the City, but worked in the Williamsburg area. The money supported transportation for those citizens that did not have cars to get back and forth to work.

VA Peninsula Chamber of Commerce

City Manager Hildebrandt informed the line item Virginia Peninsula Chamber of Commerce allocation were dues the City paid to the Chamber of Commerce.

Councilwoman McMillan inquired about the difference between the Chamber of Commerce-Business (VPCC-Business) and the Peninsula Chamber of Commerce.

City Manager Hildebrandt explained VPCC-Business was a special program that worked with small businesses, which the City funded in addition to the dues, to support the

program. Mayor Frank explained the program assisted people who wanted to start business, gain an understanding of the procedures and processes. The program helped to identify funding sources.

After much discussion, consensus was reached to support full funding of \$17,360 for the Virginia Peninsula Chamber of Commerce (4:2).

Chamber of Commerce-Business

There was consensus to cut funding for the line item VPCC-Business of \$7,660.

HRT

City Manager Hildebrandt advised that there would be a reduction of \$224,000 to the listed figure for the Hampton Roads Transit line item (HRT). Consensus was reached to support funding of \$4,237,461(4:2).

HRT - Capital

There was consensus to support funding of \$255,024 for the HRT-Capital line item (4:2).

Hampton Planning District

Mayor Frank commented the allocation for the Hampton Roads Planning District was important. He explained the contribution was per capita, and the organization's rate had not gone up in years. Mayor Frank identified services provided by the organization regionally. Mayor Frank urged continued support.

City Manager Hildebrandt reminded Council that he mentioned in his recommendation that regional organization had formula commitments and he recommended supporting those organizations. He felt it was the City's obligation to pay its share for the services provided. Consensus was reached to support full funding of \$148,600 (4:3).

Hampton Roads Planning District Commission-Municipal Construction Standards Committee (HRPDC-MCSC)

City Manager Hildebrandt explained the Hampton Roads Planning District Commission-Municipal Construction Standards Committee (HRPDC-MCSC) line item. He stated all the communities worked together to create uniformed standards. This was the City's contribution to that effort. He indicated the money assisted with payment of a staff person to work on behalf of all the local jurisdictions.

Councilwoman Woodbury stated that HRPDC should assume the responsibility for a staff person. She suggested that the funding should be deducted from the allotment of the \$148,000. Councilman Bateman concurred with her suggestion and recommended the City Manager approach HRPDC with Council's concerns. Consensus was reached to cut funding of \$5,745 to line item HRPDC-MCSC (4:3)

Hampton Roads Economic Development Alliance

Councilwoman McMillan inquired about the Hampton Roads Economic Development Alliance and what they did for the City. She indicated everything that came to Newport News was channeled through the Economic/Industrial Development Authority of the City. She felt the City did not gain any economic ventures through the Alliance. When one looked at their annual briefings and pie charts, the City was not receiving much benefit from the organization.

Councilman Bateman replied the Airport Commission worked with the HREDA to attract businesses to the South runway of the airport. He stated the HREDA had been successful in attracting business to the airport. The HREDA searched out aviation and avionic businesses for the Airport. Several international firms had shown interest.

Councilwoman McMillan inquired about the successes accomplished in bringing business to the Airport by way of the HREDA. Councilman Bateman indicated he could not speak about what businesses HREDA had been successful in attracting to the airport, but indicated there were businesses who were interested in the South runway area of the Airport.

Councilwoman Woodbury suggested that the Airport Commission fund the HREDA.

Mayor Frank stated the HREDA bought and recruited businesses from around the world to the Hampton Roads region. The HREDA travelled the world to market the Hampton Roads region. Once a business showed interest in Newport News, the EDA would step in and negotiate a contract to lure them to Newport News. The HREDA provided an ongoing marketing effort for the region.

Councilwoman McMillan inquired about the number of businesses that HREDA had attracted to Newport News. Mayor Frank did not know the exact number of businesses that had located to the region, but he felt marketing should be ongoing.

Councilwoman McMillan understood that but felt there should not be a duplication of effort between multiple agencies. Mayor Frank stated there was a coordination of efforts and the HREDA worked with the State. The State preferred working with a regional agency, rather than working one on one with localities.

There was consensus among City Council to support \$170,195 for the HREDA which was a reduction, as noted by the City Manager, of \$8,958 from their original request.

Hampton Roads Military and Federal Facilities Alliance

Councilwoman Woodbury felt the funding request of Hampton Roads Military and Federal Facilities Alliance (HRMFFA) was high. City Manager Hildebrandt replied that the funding was population based.

Mayor Frank stated the job of HRMFFA was to keep federally funded facilities and institutions in the region and to locate other institutions to the region. He chaired the Alliance and indicated they had been successful in keeping and acquiring businesses to and in the region.

There was consensus among City Council to support \$90,920 in funding for the HRMFA.

The Hampton Road Partnership (HRP)

Councilwoman Scott inquired about the HRP and what it did.

Mayor Frank stated the HRP was started by former Mayor Barry DuVal and it included the presidents and CEO's of major corporations, colleges, universities, the Mayor and Chairs, and Commanding officers of military institutions of the region, who supported and built the region. They lobbied the legislature and worked to build the region's economy through policy decisions. There was consensus among City Council to fund the HRP in the amount of \$15,675.

The Hampton Roads Sports Commission (Sports Commission)

Mr. Michael Poplawski, Director, Parks, Recreation & Tourism, asked that the Sports Commission be fully funded. He stated the Summer Olympics was planned for the region in the summer of 2010. The Sports Commission coordinated the activities of the Summer Olympics to ensure that all localities in Hampton Roads played a part in hosting activities, which in turn, generated tourism dollars.

There was consensus among City Council to fund the Sports Commission in the amount of \$27,000.

The Regional Airport Task Force

There was consensus among City Council to support funding in the amount

of \$108,744 for the Regional Airport Task Force.

City Manager Hildebrandt explained this was a contingency account for emergencies that might arise during the year. The City would not be impacted should City Council decide to eliminate the funding.

There was consensus among City Council to support Community Support Contingency funding in the amount of \$15,000.

City Manager Hildebrandt explained this funding was public infrastructure improvement funding for TNCC that was paid based on the number of students from Newport News who attended the college.

There was consensus among City Council to support TNCC funding in the amount of \$221,526.

Councilwoman Scott apologized for arriving late due to traffic congestion and asked the Mayor to revisit the following items: 1) Preschool Partners – She expressed opposition to support funding for Preschool Partners. She felt they should raise their own funding for the services they provided to the working public; 2) Achievable Dream – She voiced opposition to support \$100,000 in funding for the An Achievable Dream. She felt they did not need the funding; and 3) Virginia Scholarship – She felt the City should only sponsor one scholarship per year; she did not want to fund this entire request.

Mayor Frank stated he had already received consensus (four votes) among City Council in support of funding for Preschool Partners, An Achievable Dream and the Virginia Scholarship.

Mayor Frank indicated there were a few items that City Council did not reach consensus on, prior to Councilwoman Scott's arrival, which included: 1) The Virginia High Speed Rail for \$10,000, which kept the City at the table in dealing with Amtrak and trying to get high speed rail from Richmond to Newport News. Mayor Frank suggested funding the Virginia High Speed Rail for the City to stay engaged. Councilwoman Scott inquired whether it could be revisited next year. Councilwoman Scott voiced opposition to funding for Virginia High Speed Rail in the amount of \$10,000. There was consensus among City Council to eliminate funding for Virginia High Speed Rail in the amount of \$10,000; 2) The Public Art Foundation for \$49,500 – Councilwoman Woodbury felt the City could eliminate the funding in FY2010 and reinstate it when the economy improved. Mayor Frank explained the funding covered maintenance, lighting and support for the art once it was installed. Councilwoman Scott voiced opposition to funding the Public Art Foundation. Councilwoman Vick voiced support. There was consensus among City Council to support funding \$49,500 for the Public Art Foundation; 3) Virginia Arts Festival for

\$90,000 – Councilwoman Scott proposed reducing the amount of funding. There was consensus among City Council to support \$75,000 for the Virginia Arts Festival; and 4) Support for the Performing Arts for \$227,718 – Mayor Frank stated Councilwoman Woodbury felt City Council should reduce the Performing Arts funding, by \$77,718, by not supporting funding for Christopher Newport University (CNU) and the Youth Orchestra. Councilwoman Woodbury stated her reasoning for reducing the Performing Arts funding, by \$77,718, was that the \$16,000 for the Young Audiences could be paid for by the School System, who just received stimulus funding and \$47,600 for CNU was not needed; CNU could support their own performing arts. She recommended reducing the Performing Arts funding from \$227,718 to \$150,000. There was consensus among City Council to support funding for the Performing Arts in the amount of \$150,000.

Councilman Bateman inquired whether the City would specifically cut certain things from the Performing Arts funding to reduce it to \$150,000. Councilwoman Woodbury replied City Council would cut the Performing Arts funding by \$77,718, and allow the Newport News Arts Commission to do whatever they wanted with the \$150,000.

Mayor Frank stated that Councilman Bateman suggested that City Council ask the City Manager to review the makeup, and mission of the Office on Children, Youth and Families along with the services they delivered to the City and its citizens. He wanted to know what the impacts were in the community.

Councilwoman McMillan pointed out the City Manager had already provided City Council with a memo detailing the makeup and mission of the Office on Children Youth and Families. (A copy of memo to City Council, from the City Manager, dated May 1, 2009, regarding of the Office on Children, Youth and Families, is attached and made a part of these minutes.)

Councilman Bateman understood the memo, but felt the City Manager needed to provide additional information to City Council. He felt an in depth study was needed to confirm where the Office was going in its mission. He felt City Council needed an end product noting that the department was efficient and provided the level of service that was necessary to render results. He was not convinced that he had received enough information to determine whether the Office should be abolished. He asked the City Manager to provide more information to City Council about the Office on Children, Youth and Families.

Councilwoman Scott inquired about the impacts the Office on Children, Youth and Families had made. She felt there should be clear documentation and proof of the outcome that were being accomplished. Documentation should already be available for the programs that had been implemented and the outcomes of those programs.

Councilwoman McMillan stated the documentation should include who was responsible for implementing the programs and the results of those programs.

Councilwoman Woodbury stated, as a prior member of the School Board, she had asked about the impacts made by the Office on Children, Youth and Families. She never received information. She felt there was not enough hands-on types of outreach coming from the Office. She had only seen pretty brochures. She inquired how the City was “Keeping Our Kids Safe.” She felt the “Keeping Our Kids Safe” was a good program, but inquired about how the program was being implemented and how much safer were our kids.

Councilwoman Scott stated she had heard pros and cons about the programs. She attended a Keeping Our Kids Safe program, where there was conversation about getting the business community involved in keeping kids safe. She felt if one wanted to keep kids safe, then one had to go to the neighborhoods and talk with the residents and youth involved.

City Manager Hildebrandt replied that was what the City was doing.

Councilwoman Scott stated if so, she had heard or seen no measurable results. She stated she had heard some positive things about the program. She felt City Council should be able to see what was being done and maybe reevaluate the program on how it was run so that all the funds were not spent on meetings and activities.

Councilman Bateman felt City Council needed to have a recording mechanism in place to note what had been achieved. He felt the City Manager should provide the City Council with a quarterly report on the Office on Children Youth and Families.

Councilwoman McMillan stated she did not believe an unbiased quarterly report could be produced by the City Manager. Good people worked hard to try and implement programs but when it was not successful, no one wanted to admit failure. While in attendance at a recent Scholarship breakfast, she spoke with members of the Mayor’s Youth Commission, who indicated matters were not being handled effectively on the Commission, and they felt the program was not working.

Councilwoman Woodbury stated her questions about the Office on Children, Youth and Families came about after she noticed a \$30,000 shortage in funding for the Boys and Girls Clubs. While searching through the City Manager’s FY2010 Recommended Budget, she noticed that the Office on Children, Youth and Families was top-heavy. The department consisted of a Director, Deputy Director, Assistant Manager and a Senior Program Manager. She felt funding could be saved by combining efforts.

City Manager Hildebrand pointed out those were not the titles of staff in the Office on Children, Youth and Families today. Those titles existed before the agency was consolidated with the Department of Human Services. The Office on Children, Youth and Families’ staff members were now doing different things.

Councilwoman Vick disagreed with the City Manager and indicated the positions were listed in the City Manager's Recommended FY2010 budget.

Councilman Bateman stated he could not vote to cut four positions from the City budget without understanding how it would impact the City in carrying out its mission to provide services to the youth of the community.

Councilwoman McMillan pointed out that other jobs were cut from the budget.

Councilman Bateman reiterated the need for further study on the Office on Children, Youth and Families, by the City Manager.

Councilwoman Vick stated it was not just the staff of the Office on Children, Youth and Families that were being impacted by budget cuts. She noted the painter who had lost his position after working over 26 years for the City. She did not understand the outcry she received with regards to the Office on Children, Youth and Families. She inquired why the same concern was not expressed for other employees that had lost their jobs. She stated no one seemed to have cared about the laborers that were cut from the City's payroll.

Councilwoman Woodbury felt the City Manager could not objectively evaluate a department that he created.

Councilwoman Scott inquired about the mission of the Office on Children, Youth and Families when it was created by the City Manager.

City Manager Hildebrandt replied the mission of the Office of Children, Youth and Families was to promote youth development by getting young people engaged in positive activities where they received support, i.e. mentorship and community programs. He promoted an array of programs and agencies to work together to accommodate the needs of youth.

Vice Mayor Whitaker pointed out that his granddaughter was a member of the Mayor's Youth Commission and she spoke positively about the program.

Mayor Frank stated it was clear that City Council had concerns about the effectiveness of the Office on Children, Youth and Families. He stated City Council wanted to see an effort made by the City Manager on what the Office on Children, Youth and Families hoped to accomplish, in what time frame and how he planned to measure that success.

Councilwoman Vick questioned who was implementing the program when all the staff was in management positions. She inquired about the programs that were implemented in the South District by the Office on Children, Youth and Families. City Manager Hildebrandt stated

the staff was not in management, but were out implementing the programs in the community. He stated the Office was working with the C. Waldo Scott Center to increase programming as part of the People-to-People effort. A staff person was working to see whether more programs could occur at the Center.

Councilwoman Scott felt that one should quantify how to measure results before the program was implemented.

Mayor Frank stated he was in support of keeping the program funding and staff of the Office on Children, Youth and Families intact and have the City Manager provide City Council with an in depth report on the mission, accomplishments, and what measures he planned to implement to provide measurable outcomes to City Council within 120 days.

Councilwoman Woodbury stated she supported the suggestion of Councilwoman McMillan that \$200,000 of the budget for the Office on Children, Youth and Families be transferred to the Department of Human Services and that the Mayor's Youth Commission and the Commission on Youth be transferred to the Department of Parks, Recreation and Tourism, since they provided activities to the youth of the City.

Councilwoman McMillan suggested that the Office on Children, Youth and Families be reorganized by moving programs and staff members under the Healthy Families Program and move the Mayor's Youth Commission and the Commission on Youth under Parks, Recreation and Tourism, because they worked with youth activities. That would cut about \$200,000 out of the budget. Who the City Manager would move and how it would be restructured was up to him.

Councilwoman Vick inquired about the impact to the Office on Children, Youth and Families, if two management positions were eliminated. City Manager Hildebrandt replied he would evaluate the impact of eliminating two management positions and report back to City Council.

Mayor Frank suggested the City Manager report back to City Council with his recommendations for the Office on Children, Youth and Families with regard to the above requests within 120 days. He asked the City Manager to evaluate the recommendations about how the Office on Children, Youth and Families would be structured, funded and what positions would be eliminated or restructured to carry out their mission.

Councilwoman McMillan resented the fact that she and other members of City Council were being labeled as arbitrary and foolish in their comments, that they had done no homework, had held no discussion with anyone, had received no public feedback, etc. and were pressured to accept a position that they did not feel was correct. She resented the fact that they were being labeled as having no wisdom of their own in addressing the situation.

After ongoing discussion it was the consensus of City Council to support the Mayor's suggestion to approve the Office on Children, Youth and Families budget as recommended by the City Manager, and have the City Manager provide a comprehensive review of the Office on Children, Youth and Families' programs, its performance, the personnel necessary to execute its performance, goals and a metric of how they planned to evaluate success, within 120 days. The City Manager would also provide City Council with study results on whether to move the Office on Children, Youth and Families to Healthy Families, and the Mayor's Youth Commission and the Youth Services Commission under the Department of Parks, Recreation and Tourism, as well as, analyze and evaluate other issues expressed by City Council. At that point City Council should have the information it needed to make an informed decision.

City Manager Hildebrandt stated, from his and City Council revisions and recommendations for the FY 2010 operating budget, the City had realized \$225,000 in savings to be reallocated. He inquired of City Council's desire on how the \$225,000 would be spent to balance the budget.

Mayor Frank suggested using a portion of the funding to restore the Family Film Series from two to four weekends. This was an inexpensive way to bring families together in a pleasant atmosphere. He suggested reinstating the Oyster Point Oyster Roast in the amount of \$20,000. He recommended appropriating funding to open the Magruder Pool for the 2009 summer season.

Councilwoman McMillan suggested restoring \$70,000 in funding to clean and maintain ditches throughout the City. She questioned taking funding from the Facilities Maintenance for the Community Pool Day Program without funding the program with part of the \$225,000. She felt needs should be addressed rather than entertainment. City Manager Hildebrandt replied that could be done.

Councilwoman Woodbury stated City Council took a lot of time going through the budget to eliminate funding, and now they were going to regurgitate and start again. Mayor Frank stated he listened to everyone and some of the decisions bothered him. To satisfy his own sense of what was right and what was wrong, he felt an obligation to articulate it.

Councilwoman McMillan understood Mayor Frank, but in studying the budget one had to ask whether such things as increases in travel, dues, etc. were germane to the mission that had to be done to reduce the budget. She felt she and other members of City Council were being accused of being arbitrary, by pulling figures out of the sky and not giving thought to their suggestions to cut the budget, and therefore, none of their recommendations were being considered.

Councilwoman Woodbury agreed with Councilwoman McMillan. She felt City Council was called to study the budget for its citizens and make cuts where they saw excess.

Mayor Frank felt all members of City Council went through a similar process. He studied all suggestions; however, if he did not reach the same conclusions, it was not because he had not given the recommendations an honest evaluation and consideration. He appreciated the opportunity to go through the information. He felt the City Manager's recommended FY 2010 Budget was sufficient. Some matters were troublesome to him, i.e. putting off road repairs and closing the West Avenue Library; however compromises were made. Everyone had their own opinions, coming from their own backgrounds and values.

Councilwoman McMillan stated Councilwoman Woodbury made a valid point that City Council studied the budget in search of savings, to either cut the tax rate, supplement the Pension fund or to save jobs. Now, City Council was putting the funding back into the budget. She felt the only matters that should go back into the budget were for necessities. She felt things should be prioritized.

There was consensus among City Council to support funding (\$18,500) to restore the Family Film Series from two to four weekends, \$70,000 to maintain and clean the City ditches, and \$20,000 in funding to reopen the Magruder Pool for the 2009 summer season.

Mayor Frank felt if there was any money remaining, that it be used for Street maintenance, repair and resurfacing. He felt tuition assistance was important, and the Pension fund. City Manager Hildebrandt felt there would not be enough funding to cover these three matters. He recommended putting the additional funding in a Contingency fund to address needs as they arose.

There was consensus among City Council to put any remaining funding not appropriated, into a Contingency Fund for unanticipated and unexpected matters that surfaced throughout the year.

Councilwoman Woodbury inquired about a matter brought up last time by Councilwoman McMillan, as well as a letter and phone call she received about the \$100,000 that the School system reimbursed the City for legal services, when they could get the same services from the City Attorney's office for free. She inquired how City Council felt about decreasing the \$100,000 from the School Board FY2010 Operating budget.

Councilwoman McMillan felt City Council should cut the \$100,000 from the budget and indicated the School Board was spending \$100,000 on a personal preference that they wanted the City to pay for. She suggested cutting the School Board's FY2010 Operating Budget by \$100,000.

There was consensus among City Council to decrease the School Board's FY2010 Operating Budget by \$100,000 and allow the City Attorney's office to provide the School Board with legal services at the School's request.

Councilwoman McMillan requested that the City Manager review Dues and Association Membership funding. She stated corporations were not paying for certifications employees received from associations in order for letters to be put behind one's name. If it was not germane to departments and she could not think why it should, then she felt such should be cut. She requested the City Manager to review funding for Printing and Reproduction. City Manager Hildebrandt replied he would review the funding categories.

Councilwoman McMillan elaborated about tickets for events that were paid out of the budget of City Council. She felt City Council should not pay for tickets to attend select events with taxpayer's funds. If organizations felt that official presence would enhance certain events, then such organizations should provide City Council members with discounts.

Councilwoman Vick voiced disagreement in eliminating funding to attend various events on behalf of City Council. City Council members did not receive huge salaries. She felt some consideration should be given because members of City Council should have a presence at some events on behalf of the City.

Councilwoman Woodbury suggested that City Council set a policy that allocated an equal amount of funding for each member to travel and attend events.

Councilwoman Scott agreed with Councilwoman Vick and indicated she did not have discretionary funding available to attend various events that the Council was invited to attend on behalf of the City.

Mayor Frank felt if City Council was looking at things to do to demonstrate that it was paying attention to the money it spent, than allocating a certain amount to each Council member was a valid suggestion.

There was consensus among City Council to leave the funding as it presently was. City Council could look at the matter in the future.

**THERE BEING NO FURTHER BUSINESS,
ON MOTION, COUNCIL ADJOURNED AT 6:37 P.M.**

Jennifer A. Patterson
Deputy City Clerk

Joe S. Frank
Mayor
Presiding Officer

A true copy, teste:

City Clerk