

**MINUTES OF BUDGET PUBLIC HEARING  
OF THE NEWPORT NEWS CITY COUNCIL  
HELD IN THE MARY PASSAGE MIDDLE SCHOOL AUDITORIUM  
400 Atkinson Way  
April 21, 2010  
7:00 P.M.**

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PRESENT: Sharon P. Scott; Tina L. Vick; Joseph C. Whitaker; Dr. Patricia P. Woodbury;  
Herbert H. Bateman, Jr.; Joe S. Frank; and Madeline McMillan-----7

ABSENT: None-----0

I. Call to Order

Mayor Frank advised this was the second of two public hearings that City Council was conducting on the City Manager's Fiscal Year 2011 Recommended Operating Budget. An earlier public hearing was held on April 13, 2010. He advised, on Tuesday, April 27, 2010, City Council would hold a Work Session to discuss the comments, suggestions, and recommendations received from the public, and communicate its thoughts and concerns to the City Manager. He advised, on May 11, 2010, City Council planned to adopt the Newport News Public School's (NNPS) FY 2011 Operating Budget, and the City Manager's FY 2011 Recommended Operating Budget. Mayor Frank asked City Manager Neil Morgan to provide a brief overview of the FY 2011 Recommended Operating Budget.

City Manager Neil Morgan advised this was the second of two public hearings that City Council would conduct on the City Manager's Recommended Fiscal Year 2011 Operating Budget. The second hearing would be held on Wednesday, April 21, 2010, 7:00 p.m. at Mary Passage Middle School, 400 Atkinson Way.

City Manager Neil Morgan reminded that he had submitted his first recommended operating budget to City Council on March 23, 2010. The Total Operating Budget, or the "all funds" budget, for FY 2011 was \$745,706,785.00, which included several funds: (1) General Fund; (2) Schools; (3) Waterworks; and 23 Special Revenue and Trust Funds, e.g. Pension Trust Fund, Solid Waste, Stormwater and Wastewater funds, all Parks and Recreation special activity funds, and economic development funds.

In the proposed budget for FY 2011, the "all funds" budget was projected to decline by \$25.1 million from FY 2010, or decrease by 3.3%.

The General Fund, more commonly discussed, was the year-to-year measure of the City budget, was recommended at \$410,497,000.00, which represented a decrease of \$10.6 million, or 2.5% below FY 2010. City Manager Morgan stated there were no tax increases in the FY 2011 Recommended Operating Budget, including categories such as real estate, personal property, machinery and tools, and meals, or lodging. The proposed real estate tax rate would remain at \$1.10 per one hundred, which was set in FY 2008. He further stated that real estate property assessments would decline by an average of 4.5%.

City Manager Morgan indicated the General Fund had declined over the past three fiscal years from a peak of \$433 million in FY 2009 to \$410 million for FY 2011, which amounted to a \$23 million, or a 5.3% decline. Given the fiscal environment and the state of the national economy, there were no new initiatives in the FY 2011 Recommended Operating

## II. Public Hearing for Fiscal Year 2011 Operating Budget Continued

Budget. He advised there were suggested increases in three significant categories, i.e. (1) Pension Contribution: an increase from \$22 million to \$27 million; (2) Health Insurance Premium: an increase of 15% projected for January 2011; and (3) Vehicle Fuel Cost: an increase by 36% (a copy of the City Manager's remarks are attached and made a part of these minutes).

On the expenditure side, reductions were met through: (1) a Reduction in Force (RIF). This involved 112 net positions, 14 were filled, 98 were vacant positions which could be eliminated without affecting an individual. City Manager Morgan stated the impact the FY 2011 budget would have on the employees would hopefully be mitigated by the RIF Policy. He advised the RIF Policy would actively attempt to place individuals in vacant positions where possible. A partial hiring freeze had been in place since September 2009, which generated a majority of the eliminated positions. No filled public safety positions were eliminated.

City Manager Morgan advised it was not possible to recommend a budget that had no impact on services. Those impacts included: (1) Elimination of curbside loose leaf collection, saving approximately \$150,000 in operating costs. There would be the avoidance of \$1 million in equipment replacement; (2) Reduction of operating hours for three historical services sites – Endview Plantation, Lee Hall Mansion, and The Newsome House; and (3) Elimination of the State Income Tax preparation service, a unit in the Commissioner of the Revenue's Office, staffed by three individuals.

City Manager Morgan indicated a major impact in the budget was the \$4 million reduction in the City's contribution to the Newport News Public School (NNPS) system. He stated this was significant in the context of the cuts the NNPS had to deal with from the State.

In the area of Community Support, City Manager Morgan indicated that he did not recommend any new funding for community support agencies. A number of modest reductions were suggested to many of the community support agencies, for a net reduction of \$125,000.

In terms of employee compensation, City Manager Morgan stated there would be no general salary adjustments or merit increases for FY 2011. Hopefully with an improving economy, the issue could be reviewed again.

City Manager Morgan advised there would be no rate or fee increases for the General Fund. All user fees for Solid Waste collections, Stormwater management, and Wastewater remained at FY 2010 levels. He did recommend a modest rate increase for Waterworks. For a typical Newport News residential customer, the increase would amount to 3.1% or \$1.47 in the water portion of the bi-monthly bill.

City Manager Morgan stated this had been a difficult budget in a difficult economy, with declining revenues; but he had done his best, working with an excellent budget staff to come up with a balanced set of recommendations (a copy of the City Manager's remarks are attached, in full, and made a part of these minutes).

II. Public Hearing for Fiscal Year 2011 Operating Budget Continued

A. Public Comments

Mr. Jason Young, Executive Director, Community Futures Foundation, a non-profit organization that rented the Denbigh House, 12725 McManus Boulevard, Newport News, thanked the City of Newport News for its ongoing support of The Denbigh House through Community Support. He stated, The Denbigh House, an innovative rehabilitation program for survivors of brain injuries, was designed to deal with complex, cognitive behavioral and emotional issues faced by survivors of brain injury. Mr. Young indicated the program was overwhelmed with referrals and community interest; and the State, over the past ten years, had recognized the growing impact of brain injury on the community and had appropriated a small amount of funding for core services specifically targeted to address those survivors of brain injury. Mr. Young reminded that local community support was critical for the program's continued State funding, and was one of the benchmarks to be reported. Support from the local community served, was a strong indicator to the State that the services were both needed and wanted by the locality. Since opening in 2005, The Denbigh House had served over 100 survivors through its services; and while serving the entire Peninsula, approximately 60% of those served were residents of Newport News.

Mr. Freddie B. Allen, 346 Blair Avenue, Newport News, thanked City Manager Morgan and Councilwoman McMillan for their assistance in a matter with utility companies. Mr. Allen conducted a management study related to the City's Operating Budget. He stated that one-fourth of the City's revenue was from the federal and state government, and over 60% of the NNPS funds were from the same sources. He questioned who was accountable for the funds. He felt the City was inflating revenue with the federal and state revenue with the funds earmarked for the Newport News Public Schools.

Mr. Mike Wagner, Vice Chairman, Newport News School Board, 411 Dora Drive, Newport News, expressed support for the NNPS FY 2011 Budget. He stated the School Board and the staff made every effort to turn the current economic challenge into an opportunity to focus its resources, while ensuring that all students received an excellent education. While financial reductions were significant, the program and personnel reductions were targeted to minimize the effects on the students. The Schools budget ensured continued emphasis on 21<sup>st</sup> Century Learning, the Career Pathways Program, and the Dropout Prevention/Recovery Program. Mr. Wagner stated the School Board's budget was a responsible and lean spending plan that supported and prepared students to become college, career, and citizen ready; and was an important investment in the future of the City's youngest citizens. He urged Council's full support of the FY 2011 School Budget.

Ms. Kristen Beam, 201 Palen Avenue, Newport News, thanked members of City Council for their dedication and hard work. Ms. Beam, originally from the Maryland area, was surprised by the controversy over City Center. Being new to the area, she indicated that she enjoyed City Center and felt it was an asset to the community. Ms. Beam advised that she was in the midst of planning her wedding to be held at the Marriott in City Center with 250 guests, with 100 out-of-town guests, to be housed at the Marriott. She was a previous conference planner in Alexandria, and when conferences were planned for Hampton Roads, she used Norfolk

II. Public Hearing for Fiscal Year 2011 Operating Budget Continued

A. Public Comments Continued

as the venue because she was unaware of City Center. She spent \$40,000 that could have been spent at City Center.

Mr. Tom Penny, life-long Newport News resident, member of RETRO, and retired City employee, 14 Larchmont Crescent, Newport News, expressed appreciation to Ms. Lisa Cipriano, Director, Department of Budget and Evaluation, and staff for helping him understand the City Manager's FY 2011 Recommended Operating Budget. He expressed the following concerns: (1) The FY 2011 Budget Transmittal Letter highlighted cuts in anticipated revenue and departmental expenditures. In looking at line-by-line comparisons, he noticed increases in five of twenty expenditure categories, with two of five constitutional officers, receiving a combined increase of \$6.3% over FY 2010. The public was told that everyone would share the pain of the proposed cuts; however, it appeared that some departments would receive substantial increases, while others would experience substantial cuts, most notably Police and Fire. Mr. Penny urged City Council to hold the line on spending "across the board," and to reject the recommended increases, saving millions of dollars without affecting City services.

Mr. Penny also expressed concern about money appropriated to continue public-private partnerships involving City Center. Results of a retail-use survey came to 36 occupied retail spaces, and 17 vacant retail spaces. He noticed signs in some of the condominiums advertising free rent. It became evident that many of the residential units were unoccupied. City leadership had indicated that City Center generated a considerable amount of sales tax revenue. His research showed the Virginia Department of Taxation did not disclose information about sales tax collections from individual businesses, and questioned how the information was derived to support the claim. Mr. Penny indicated that City Center had reached the point where it was time for the City to divest itself of financial involvement. He felt that City Center had become much like the King William Reservoir project, and had never moved forward on its own merit.

Mr. Penny additionally expressed concern about taxpayer dollars being given to various community support groups. He suggested that performance reports be required of these various groups, to include an assessment of performance, relative to measurable criteria, and those agencies not meeting the standards, be excluded from the budget appropriation process. He was of the understanding that the City did not perform routine financial audits on community agencies or groups that received monetary support from the City. Taxpayers had the right to know their money was being properly spent and the City should be in a position to reasonably provide such assurance. Due to the difficulty and time involved with audits, Mr. Penny recommended that audits be conducted on all community agencies receiving more than \$10,000 annually from the City. He further recommended that City Council adopt an ordinance establishing an independent citizen oversight committee to be responsible for evaluating the performance of City-funded agencies or groups, and for making recommendations to Council for continued support.

Mr. Michael Dallas, Chief Operating Officer, Thomas Jefferson National Accelerator Facility (Jefferson Lab), 12000 Jefferson Avenue, Newport News, located near City

II. Public Hearing for Fiscal Year 2011 Operating Budget Continued

A. Public Comments Continued

Center, with an annual budget of approximately \$200 million. Mr. Dallas indicated the City had been a very supportive host for Jefferson Lab for over 25 years. He expressed appreciation for the relationship and support. He documented the value of having a great conference facility close to Jefferson Lab, which was one of ten national science laboratories in the United States with over 800 employees, and 1,300 users. On any given day, 200-300 of those users occupied hotel spaces. Conferences and meetings were an essential part of scientific collaboration and brought an international profile to Jefferson Lab and the Newport News area. Meeting space at Jefferson Lab was limited, and large conferences required an auditorium and multiple meeting rooms. In the past, Jefferson Lab had been forced to look away from Newport News to host conferences. Having a conference center nearby, such as the Marriott Hotel and Conference Center, was extremely beneficial, allowing Jefferson Lab to host more meetings in Newport News. Jefferson Lab was lined up to host dozens of conferences between 2010 and 2015, ranging in attendance from 300-1,500. Mr. Dallas advised that Jefferson Lab was in the middle of a \$500 million upgrade/modernization program, slated to add 300-400 more jobs, and increase its user population by 50% over the next 5-10 years. Jefferson Lab saw an increasing need for conference facilities, as an essential part of its scientific exchange and outreach. He encouraged City Council's continued support.

Mr. John McLeod, long-time Newport News resident, and AARP Tax Aide District Coordinator for the Peninsula, 620 Haystack Landing Road, Newport News, expressed opposition to the proposal to close the Commissioner of the Revenue's State Tax Income Preparation Division. AARP assisted approximately 4,000 low and middle-income tax payers annually, free of charge. In 2008, the assisted tax payers received nearly \$2.9 million in tax refunds, which meant dollars to the community. Mr. McLeod commended Ms. Linda Kriner, Deputy Commissioner of the Revenue I, taught his office Virginia tax law annually, and was the only source of Virginia tax booklets. He further stated the Commissioner of the Revenue's Income Tax Preparation Division processed all part-year and Virginia tax State only returns, relieving AARP from having to learn and deal with the tricky and difficult forms, allowing them to assist more taxpayers. He further stated that Newport News residents deserved the quality assistance they had become accustomed to with the complex and difficult income tax laws imposed by the Virginia General Assembly. Mr. McLeod advised, if the FY 2011 City Manager's Recommended Operating Budget were adopted, eliminating the Income Tax Preparation Division, Newport News residents would be the only area City with no local Virginia tax assistance available. This would occur at the same time that the General Assembly was eliminating the I-File system, providing the ability for individuals to file their taxes on-line. Newport News citizens deserved better. Mr. McLeod felt that closing this division and eliminating three working positions would allow the City budget to be unbalanced. It further added to the record unemployment. He requested that City Council reject the proposal to eliminate the State Income Tax Preparation Division in the Commissioner of the Revenue's Office.

Mr. Teddy Hicks, Chairman, Newport News School Board, thanked City Council for their continued support of the Newport News Public Schools, who was charged with

II. Public Hearing for Fiscal Year 2011 Operating Budget Continued

A. Public Comments Continued

educating all of the children of this great City, which brought various experiences and backgrounds. He stated the School budget was drafted with input from all segments of the community, to include parents, students, and staff. He urged City Council to fully support the Newport News School Board's FY 2011 Operating Budget. Mr. Hicks stated the School budget was a responsible spending plan which focused on instruction and safety. Career Pathways and Youth Development would continue to be key areas of concern. The budget was a very important investment in the education of children. He solicited City Council approval for the School Board approved budget.

Mr. James Stancil, 113 Phillips Lane, Newport News, on behalf of RETRO (Real Estate Tax Reduction Organization), requested a reduction in the real estate tax rate of five cents, calculated to total \$8 million. He reminded that a \$40 million escrow on 3 Fountain Plaza in Oyster Point, on top of guaranteeing paying \$1.3 million per year on a \$10 million building for 25 years. He inquired, if \$40 million was in escrow since 2001, which had earned interest, perhaps the citizens could get a tax cut out. Mr. Stancil did not see where the guarantee was needed because \$1.3 million had already been guaranteed, in addition to taking care of the maintenance and utilities on the building. Mr. Stancil advised that RETRO would like to see more transparency in government. He suggested that the Economic Development Authority be more transparent in their meeting times. He further suggested more transparency in the budget, citing a change in the format, to avoid providing a more detailed account on the spending of City dollars, particularly after writing a \$40 million escrow on a \$10 million building. RETRO questioned the need for a water rate increase, when \$40 million in bonds were issued in FY 2009 toward the King William Reservoir. If the bond went through and property was not purchased, he suggested using those funds for Waterworks, rather than increasing the water rate for citizens. Regarding Historical Services, Mr. Stancil suggested getting rid of Endview Plantation and Lee Hall Mansion, particularly since the City of Williamsburg promoted historical tourism, and had sold Carter's Grove Plantation. He felt the sale from Endview Plantation and Lee Hall Mansion would allow a reduction in the real estate tax rate and would not require a water rate increase.

Dr. Mostafa Sabbah, former Director, Department of Engineering, 7501 River Road, Newport News, presented remarks on the City Manager's FY 2011 Recommended Operating Budget. He stated it seemed that most of the sacrifices were shouldered by the lower salaried employees and taxpayers. He questioned how top management was maintaining their salaries and luxury benefits such as car allowances and free gas. He also questioned the budget's reflection of a reduction-in-force when certain line items, such as materials and office supplies were increasing. Dr. Sabbah commented specifically on detailed expenditures in the City Manager's office, and the Departments of Engineering, Development, and Public Works. Dr. Sabbah stated the City should evoke the concept of consolidating services, whether human or otherwise; and aggressively investigate its validity. He felt this would result in greater efficiency, a savings in tax dollars that would improve the City's financial problems, and provide real estate tax relief to the citizens of Newport News (Dr. Sabbah's remarks are attached, in full, and made a part of these minutes).

II. Public Hearing for Fiscal Year 2011 Operating Budget Continued

A. Public Comments Continued

Mr. Alonzo Bell, Jr., lifelong City resident and local business owner, and Chairman of the EDA/IDA, 141 Denbigh Boulevard, Newport News, thanked Council members McMillan and Scott for their efforts regarding the Denbigh area. Mr. Bell addressed the City's \$300,000 annual contribution for the purpose of marketing the Marriot Conference Center under a Joint Marketing Agreement between the City of Newport News, the EDA, and the Marriott, which was authorized by City Council in 2004. He stated the Joint Marketing Agreement was a contract that committed City funds to be used for a very specific purpose to assist and promote, not only the Marriott Conference Center and the City as a whole, but Oyster Point, and the entire Hampton Roads region. Mr. Bell considered the agreement as a moral obligation agreement. The City's financial advisors reviewed the agreement and indicated it was a moral obligation and contractual obligation for the City. He expressed concern that failing to honor this obligation would send a negative message to the bond holders, bond rating agencies, banks, investors, and developers. Under the Joint Marketing Agreement, there were clear parameters that governed how the \$300,000 could be spent. Each year, Goodman and Company conducted an independent audit to review all expenditures and issued a report. In every instance, all expenditures were validated as appropriate within the terms of the agreement. Most would admit the convenience of having this fine facility in the heart of the City. In order to get this full service hotel, a commitment to a Conference Center was needed. The Conference Center was publicly owned, but privately managed. The Marriott's share for marketing far exceeded the City's contribution. It was appropriate for the City to commit these marketing dollars to ensure this public asset generated tax revenue and was good business. Mr. Bell urged City Council to strongly consider the potential harm of failing to fund the \$300,000. The trade-off would be too great a cost to pay for the negative ramifications it could bring.

Mr. Tim Smith, President, Virginia War Museum Foundation, Railway Road, Yorktown, responding to comments made by Mr. Stancil, advised that Lee Hall Mansion and Endview Plantation had historic preservation easements, and could not be sold; but Carter's Grove belonged to a private Foundation. The Foundation assisted in raising money for sites and helping with programs. Several programs, within the next few years, that would make the sites and the Museums important, included the 200<sup>th</sup> Anniversary of the War of 1812, and the 150<sup>th</sup> Anniversary of the American Civil War (the Sesquicentennial). The outreach programs from Endview, Lee Hall and the Virginia War Museum, went into the NNPS and brought students into history. The Foundation raised \$354,000 in the past year, either from grants, or donations. He reminded City Council to remember Historic Services, who were getting hit to the point they may not be able to function properly.

Mr. Thomas P. Herbert, member of the EDA, and Chair of the Conference Center Marketing Committee, 69 James Landing Road, Newport News, which provided oversight for the \$300,000 annual marketing contribution to the Marriott Conference Center at City Center. He reminded that the Conference Center Marketing Committee was established by City Council in 2004 and was comprised of one representative from each of the following entities: President of the Newport News Hospitality Association, the City's Administrator of Tourism, a representative from Newport News Town Center, a meeting planner or attraction facility manager, the Marriott's General Manager, and an EDA board member. The

II. Public Hearing for Fiscal Year 2011 Operating Budget Continued

A. Public Comments Continued

City's \$300,000 annual marketing contribution was specifically earmarked for certain expenditures, the purpose of which was to promote the City and the region as a desirable meeting, conference and event destination. The Committee met quarterly and worked closely with the Conference Center staff. At each meeting the collaborative efforts were reviewed. Many, but not all, funded by the \$300,000, were reviewed among the Conference Center staff, the City's Tourism Department, the Newport News Hospitality Association, and area hotels, motels, attractions, restaurants, and businesses. Mr. Herbert stated the Joint Marketing Agreement established the \$300,000 contribution for the purpose of marketing the Conference Center, and was necessary in order to attract a new, full-service hotel to Newport News. Before the hotel, many large meetings and events were held outside of the City. The marketing efforts benefited this City-owned asset and served to attract other business to Newport News and the entire business community, to generate sales, lodging, and other tax revenue. The City must not abandon its marketing or business partners in this effort.

Councilwoman Woodbury inquired whether the amount in FY 2010 was more than \$300,000. Mr. Herbert replied it was \$300,000 as called for in the Joint Marketing Agreement. City Manager Morgan responded that there was some amount of additional money that the Marriott, or other private parties, contributed to this effort, which gets accounted for in addition to the \$300,000 in the reporting. The amount the City contributed had been consistently \$300,000.

Councilwoman McMillan inquired whether the total effort for marketing was far more than the \$300,000, not including the amount that the Marriott spent. City Manager Morgan stated there were additional funds from the Marriott that were routed through this structure, in addition to other funds spent and other tourism promotion funds. Councilwoman McMillan inquired whether this included the efforts made through the Tourism Division, where the City Center's name was placed on everything sent out, on the website, etc., and whether these efforts were included in an estimate of what was spent on marketing the Marriott Conference Center. City Manager Morgan replied it was not included in the accounting; but there were other promotion efforts by the Marriott and by the City's Tourism program that had other interconnected and overlapping features. Councilwoman McMillan tried to establish the total amount that was spent by all entities to market this one area and facility.

Reverend Marcellus L. Harris, Jr., 12720 Patrick Henry Drive, Newport News, expressed support for the School Board's budget. He thanked the School Board and the Superintendent for their restructuring, sacrificial considerations for constructing a budget that met the demands of the NNPS programs and initiatives, without compromising staff, salaries and programs for the children. The School Board was able to absorb revenue decreases and continue to support the children, the primary asset to the City. He reminded that student safety should not be compromised because of cost. Reverend Harris urged that City Council support the School Board's Budget.

Ms. Betty Swain, owner of The Lunch Bell for 30 years, 38 Hitchens Lane, Newport News, encouraged Council to continue the \$300,000 contribution for the Marriott

II. Public Hearing for Fiscal Year 2011 Operating Budget Continued

A. Public Comments Continued

Conference Center. She indicated that The Lunch Bell received many visitors, who were first timers to the Newport News area that had attended a conference or event at the Marriott. Most visitors were in awe of City Center. The Lunch Bell benefited from the visitors to City Center, as did other areas of the City. She urged City Council to continue the contribution of \$300,000 to market the Marriott Conference Center.

Ms. Debra Jones, P. O. Box 2067, Newport News, stated to continue the curbside loose leaf collection program was environmentally responsible. If the program was discontinued, the leaves would go to the landfill, which would not be cost effective due to increased tipping fees and transportation costs. There would also be increased indirect costs for stormwater pipe maintenance to unplug leaves washed down drains, which could cause complicated flooding issues. The recycling program offsets leaf collection costs since the leaves were mulched and sold. The program could be made more profitable through offering residential bulk delivery at a reasonable fee. Ms. Jones reiterated that to dump leaves in the landfill was environmentally irresponsible.

Regarding the \$300,000 contribution to market the Marriott Conference Center, Ms. Jones stated that local small businesses in the area accepted the responsibility for their own growth and success. If small local businesses could be successful, it should be expected of larger businesses as well.

Mr. Ward Scull, owner, Virginia Transfer and Storage Company, 38 Langhorne Circle, Newport News, thanked City Manager Morgan for the fine job done to guide Council members through the budget process in tough economic times, specifically regarding his use of Channel 48 to increase the transparency of the budget and the budget process. Mr. Scull encouraged City Council to look carefully at the non-profit organizations, who contributed a huge amount of value to the City and the quality of life. He stated that public radio was a good thing. Approximately \$70,000 was invested in WHRO, and approximately \$500,000 was received back. He cautioned the idea of cutting it. Mr. Scull encouraged Council to continue to cut where they could, but did not see how the real estate tax rate could be reduced and at the same time maintain public safety, education, quality of life and the AA bond rating. Former Mayor of Indianapolis, Bill Hudnut, stated that Newport News had a vision, was moving forward, was attracting new businesses, and was increasing its tax base making it a world class City in addition to being the world's greatest harbor. Mr. Scull thanked members of City Council for their continued leadership and encouraged them to find the good, continue to move Newport News forward, and allow the City Manager, staff, and department heads to perform and manage their departments in accordance with the City Charter.

Dr. Tiffany Lewis, 9 Victoria Station, Newport News, thanked members of Council, specifically Councilwoman McMillan, and the City Manager for the significant drainage improvements on her property. Dr. Lewis addressed Council regarding the real estate tax rate, which had not changed. She received her assessments for two properties in the City, and based on her assessment on her primary residence, it reflected a 1.8% reduction over the past year. The same property was appraised, which reflected a 10.7% reduction. The City assessment reflected a

II. Public Hearing for Fiscal Year 2011 Operating Budget Continued

A. Public Comments Continued

4.6% reduction on her second property. When that property was appraised, it reflected a 13.5% reduction in assessed value. She stated, although the tax rate had not changed, the assessed value did not truly reflect the magnitude of the number of foreclosures and short sales that had occurred in the City over the past few years. Dr. Lewis asked members of City Council to reflect on the issue because it had a major significant impact on the economy, and people being able to refinance or sell their homes. She wanted some level of comfort that if her home lost value, the amount she paid in taxes reflected the actual value of her home.

B. Request for Motion of City Council to Close the Public Hearing

Councilwoman McMillan moved closure of the public hearing; seconded by Councilwoman Scott.

Vote on Roll Call:

Ayes: Scott, Vick, Whitaker, Woodbury, Bateman, Frank, McMillan

Nays: None

Mayor Frank announced there would be a Council Work Session on Tuesday, April 27, 2010, at which time Council would have an opportunity to respond and reflect on comments heard at the two public hearings, and deliberate among themselves as to what changes, if any, would be made to the City Manager's Recommended FY 2011 Operating Budget. Following that, City staff would prepare a final budget, and a motion would be entertained at the Regular Meeting of City Council scheduled for May 11, 2010 to adopt the Budget, which would include the School Budget.

III. Adjournment

THERE BEING NO FURTHER BUSINESS,  
ON MOTION, COUNCIL ADJOURNED AT 8:28 P.M.

*Mabel Washington Jenkins*

Mabel Washington Jenkins, MMC  
City Clerk

Joe S. Frank  
Mayor  
Presiding Officer

A true copy, teste:

City Clerk