

MINUTES OF WORK SESSION
OF THE NEWPORT NEWS CITY COUNCIL
HELD IN THE 10th FLOOR CONFERENCE ROOM
2400 Washington Avenue
June 8, 2010
4:00 p.m.

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

ABSENT: None ----- 0

OTHERS PRESENT: Mayor-Elect McKinley L. Price, DDS; Neil Morgan; Stuart Katz; Mabel Washington Jenkins; Cynthia Rohlf; Collins Owens; Wanda Pierre; Everett Skipper; John Kaoudis; Joe Lawlor; Dan Curran; and Jennifer Walker

I. VDOT Urban Construction Initiative – Resolution and Agreement

City Manager Morgan stated City Council was asked to approve a resolution which authorized the City to become a member of the Virginia Department of Transportation’s (VDOT) Urban Construction Initiative (UCI). He explained, historically, VDOT had been the administrator of transportation improvement projects, with the exception of some smaller projects that were administered with their authority. For several years the City had done well in administering smaller transportation projects, and it seemed the time to take over administration of all transportation improvement projects. VDOT had steadily reduced their capacity to administer transportation improvement projects and indicated they would be unable to support future projects. VDOT would take more of an oversight role of transportation projects in coordination with the Federal Highway Administration (FHWA). He introduced Mr. John Kaoudis, Assistant Director, Department of Engineering, to offer a brief overview of VDOT’s UCI.

Mr. Kaoudis reported VDOT provided Cities and Towns, in the urban system, an opportunity to manage their entire transportation construction program in 2003. The Cities and Towns already participating in the UCI include Hampton, Richmond, Virginia Beach, Charlottesville, Bridgewater, Harrisonburg, Lynchburg, Blacksburg, Dumfries, and Colonial Heights. Policies and procedures of the UCI included project delivery, financial management and leverage of resources.

Mr. Kaoudis noted the benefits of participation in the UCI were: 1) Shift control of Urban Construction Programs to localities; 2) Local control of project progression [Streamlined agreement and project delivery process]; 3) Financial streamlining [Receive State urban allocation in quarterly payments as funds became available; Change 2% match requirement, no match required for new projects; and locality seeks reimbursement as project progressed.]; 4) VDOT was accountable for providing oversight, but not for individual decisions; and 5) Opportunity for Programmatic Certification. (A copy of the presentation, “VDOT – Virginia Department of Transportation, Urban Construction Initiative,” is attached and made a part of these minutes.)

Councilwoman McMillan stated she needed clarification and inquired about the reimbursement for various projects, particularly in regards to Item 2.b., on page two, of the agreement noting "Such reimbursements shall be payable by the DEPARTMENT within 30 calendar days of receipt of a complete and acceptable invoice," and Item 2.a., on page three, noting "Pay the CITY the state portion of its annual construction apportionment on a quarterly basis...." Mr. Kaoudis replied Item 2.b. dealt with payment, once per month, from VDOT for a construction project administered by the City, and Item 2.a., on page 3, dealt with the City's urban allocation pertaining to State funds. (A copy of the resolution and agreement are attached and made a part of these minutes.)

Councilwoman McMillan inquired whether the above matters were subject to the annual General Assembly budget process. Mr. Skipper replied the above noted items described the pot of funding which amounted to 80% federal, 20% State and 2% City; 80% would be paid on a 30-day cycle and 20% of the State's urban allocation would be paid quarterly.

Mayor Frank inquired whether funds had to be available before a contract could be awarded, based on the availability of funds, as noted by Mr. Kaoudis. Mr. Kaoudis replied the City Attorney was reviewing the matter, but he and staff understood that the City must have the funds upfront to award a contract and be reimbursed by the State.

Mayor Frank recalled the City of Norfolk funded their share of a light-rail system with urban funds, but did not receive reimbursement because the State ran out of money. He felt the same thing could happen in Newport News and inquired whether such issues were addressed in the proposed UCI agreement. City Manager Morgan stated there would be no problem to award bids and appropriate funding for the projects that were on the horizon for the next six to eight years, with anticipation that the State would reimburse the City. Future funding and reimbursement issues could arise on a large scale project similar to the Warwick Boulevard Widening Project.

Councilwoman McMillan recalled the Virginia Advanced Shipbuilding Carrier Integration Center (VASCIC) project and the assurance that funding would be available; however, no funding was available in the following year. She voiced concern that the same thing could happen with the UCI.

Mayor Frank agreed with Councilwoman McMillan, and voiced concern about funding being subject to an annual appropriation by the General Assembly. He felt the City was alleviating pressure on the State and putting it on itself. It was important to know whether the funding would be in hand, and relatively available, at the onset of a project. Mayor Frank voiced concern about staff support (inspectors, engineers, accountants, lawyers, etc.) needed to handle an ongoing array of transportation projects.

City Manager Morgan concurred, but indicated VDOT was getting out of the business of administering transportation improvement projects. He stated the City had developed the ability to manage federal regulations and had taken on smaller transportation projects. The City risked its ability to regionally compete for transportation funding if the proposed UCI resolution was not adopted, and would eventually have to sign-up. He felt the issues dealing with funding should work out by the time the next big project came about. Mr. Skipper stated Programmatic Certification was required, which took a year to obtain after adoption of the resolution. Certification would substantially reduce the amount of oversight by VDOT. He agreed the issue of funding being subject to an annual appropriation by the General Assembly before the next big project, must be investigated.

Councilwoman McMillan stated there was nothing to indicate that the agreement was binding with the General Assembly. She voiced concern about the phrase “shall be binding upon both parties.” She felt the General Assembly could come back and say they did not have funding in any particular year. Mr. Skipper stated it was important to note that the State and federal government signed such contracts all of the time, without funding in the bank, on the basis of the six-year Transportation Plan.

Councilwoman Woodbury inquired whether staff had spoken to representatives of other localities already in the program. Mr. Skipper replied staff had spoken to representatives of other localities, who indicated they had not done large projects that required major multi-year commitments.

Mr. Skipper reiterated that VDOT would no longer administer transportation projects, which meant they would never get done if City Council chose not to adopt the resolution. City Council would have discretion on whether issues were adequately addressed to accept or deny a project. If City Council determined that the issues were adequately addressed, and the City was prepared to proceed with a project, then the project moved forward.

Councilwoman Woodbury inquired whether the staff of the Department of Engineering would need to be increased. Mr. Skipper replied the staff of the Department of Engineering did not need to be increased at this time.

Councilwoman Woodbury inquired whether the design of transportation projects would be under the City’s control; and asked who designed the Warwick Boulevard Widening Project? Mr. Skipper replied the design of future transportation projects would be at the discretion of City Council. He indicated the Warwick Boulevard Widening Project was designed and administered by VDOT.

Councilwoman Scott inquired about the impact the UCI would have on the Departments of Purchasing and Finance and the City Attorney’s office. City Manager Morgan felt it

would be an improvement for the City Attorney's office due to limited agreements. City Attorney Katz did not agree, and felt it was an "apples and oranges" comparison because as more transportation projects came on board, his office would be tasked with the responsibility of drafting additional contracts and agreements. City Manager Morgan felt the UCI would not have a significant impact on the Departments of Purchasing and Finance. Mr. Skipper replied the Department of Engineering handled invoicing and payments received from VDOT.

Miscellaneous Item

City Attorney Katz noted a revised ordinance granting a Conditional Use Permit to allow construction of a Communications Tower at R.O. Nelson Elementary School, on the evening's agenda, which included additional conditions. The noted changes included three additional paragraphs beginning with paragraphs 14, 15, and 16, on pages 3 of the ordinance and the renumbering of subsequent paragraphs. (A copy of the ordinance is attached and made a part of these minutes.)

THERE BEING NO FURTHER BUSINESS,
ON MOTION, COUNCIL ADJOURNED AT 4:48 P.M.

Jennifer D. Walker, CMC
Chief Deputy City Clerk

Joe S. Frank
Mayor
Presiding Officer