

**MINUTES OF REGULAR MEETING  
OF THE NEWPORT NEWS CITY COUNCIL  
HELD IN THE CITY COUNCIL CHAMBERS  
2400 WASHINGTON AVENUE  
May 8, 2007  
7:30 P.M.**

---

PRESENT: Joseph C. Whitaker; Charles C. Allen; Herbert H. Bateman, Jr.; Joe S. Frank;  
William F. Haskins; Madeline McMillan; and Sharon P. Scott-----7

ABSENT: None-----0

1. The invocation was rendered by Pastor Karen L. Wilson, Temple of Peace Church.
2. The Pledge of Allegiance to the Flag of the United States of America was led by Councilman Joseph C. Whitaker.
3. Public Hearings
  - (a) Conditional Use Permit CU-07-219, Madison Company of Newport News

Mayor Frank presented AN ORDINANCE GRANTING CONDITIONAL USE PERMIT NUMBER CU-07-219 FOR THE HEREINAFTER DESCRIBED PROPERTY FOR THE PURPOSE OF PERMITTING THE OPERATION OF A GYMNASIUM IN AN M1 LIGHT INDUSTRIAL DISTRICT. He advised this granted a conditional use permit for the operation of a gymnasium on a 1.70 acre parcel that was part of a 2.69 acre parcel zoned M1 Light Industrial and located at 341 Bell King Road. This public hearing was continued from the April 24, 2007 Regular Meeting of City Council. The City Manager requested another continuation to the May 22, 2007 Meeting. The Planning Commission voted 9:0 to recommend to City Council the approval of this conditional use permit application.

(No Speakers)

Councilwoman McMillan moved to defer this item to the May 22, 2007 Regular Meeting of City Council; seconded by Councilman Haskins.

Vote on Roll Call:  
Ayes: Whitaker, Allen, Bateman, Frank, Haskins, McMillan, Scott  
Nays: None

- (b) Framework for the Future Comprehensive Plan Amendment PLN-07-69

Mayor Frank presented A RESOLUTION AMENDING THE FRAMEWORK FOR THE FUTURE TO IDENTIFY THE USE OF PROPERTY IDENTIFIED HEREIN TO BE COMMUNITY COMMERCIAL. He advised this would amend the City's Comprehensive Plan known as "Framework for the Future" to change the land use for property located at 12896 Jefferson Avenue from Community Facilities and Low Density Residential to Community Commercial. The Planning Commission voted 9:0 to recommend to City Council the approval of this comprehensive plan amendment, and the City Manager concurred with the recommendation.

3. Public Hearings Continued

(b) Framework for the Future Comprehensive Plan Amendment PLN-07-69  
Continued

(No Speakers)

Councilman Whitaker moved closure of the public hearing; seconded by Councilman Haskins.

Vote on Roll Call:

Ayes: Whitaker, Allen, Bateman, Frank, Haskins, McMillan, Scott

Nays: None

Councilman Haskins moved adoption of the above resolution; seconded by Councilman Whitaker.

Vote on Roll Call:

Ayes: Whitaker, Allen, Bateman, Frank, Haskins, McMillan, Scott

Nays: None

(c) Change of Zoning CZ-07-237, Auto Properties Hall Ford, LLC

Mayor Frank presented AN ORDINANCE TO AMEND AND REORDAIN ORDINANCE NO. 5028-97 BY AMENDING THAT CERTAIN MAP ENTITLED, "ZONING DISTRICT MAP" (CONSISTING OF REAL ESTATE TAX ASSESSMENT MAPS 001 THROUGH 322 AND KEPT ON FILE IN THE OFFICES OF THE DEPARTMENTS OF CODES COMPLIANCE AND PLANNING) DATED THE 10<sup>TH</sup> DAY OF JUNE, 1997, WHICH SAID MAP IS MADE A PART OF THE SAID ORDINANCE NO. 5028-97. He advised this changed the zoning of a 9.30 acre parcel at 12896 Jefferson Avenue from R4 Single Family Dwelling and C2 General Commercial to C2 General Commercial. The Planning Commission voted 9:0 to recommend to City Council the approval of this change of zoning, and the City Manager concurred with that recommendation.

(No Speakers)

Councilman Haskins moved closure of the public hearing; seconded by Councilman Whitaker.

Vote on Roll Call:

Ayes: Whitaker, Allen, Bateman, Frank, Haskins, McMillan, Scott

Nays: None

Councilman Haskins moved adoption of the above ordinance; seconded by Councilman Whitaker.

3. Public Hearings Continued

(c) Change of Zoning CZ-07-237, Auto Properties Hall Ford, LLC Continued

Vote on Roll Call:

Ayes: Whitaker, Allen, Bateman, Frank, Haskins, McMillan, Scott

Nays: None

(d) Effective Real Property Tax Rate

Mayor Frank stated this was an opportunity for City Council to receive public comments on the effective real property tax rate as it related to the recommended Fiscal Year 2008 Operating Budget. This public hearing was required by State Code when a locality proposed an increase in property tax levies. The lowered rate necessary to offset increased assessments would be \$1.046 per \$100 of assessed value. The difference between the lowered tax rate and the proposed tax rate was \$0.094 per \$100 of assessed value. That difference is known as the effective tax rate increase.

Councilman Whitaker thanked the citizens who had come out to express their opinion and to provide input regarding the City Manager's FY 2008 Recommended Operating Budget, including those who called, submitted letters and e-mail messages. He thanked the City Manager and staff for their effort to develop a budget that did not compromise the quality of services provided to the citizens. Councilman Whitaker stated that citizen involvement in government affairs was vital to a democratic society. He assured that he had listened attentively and would keep all comments and suggestions in mind as Council deliberated.

Councilman Whitaker advised that many difficult decisions had to be made – balancing the need to give property owners some level of tax relief from increased real estate assessments and the need to provide core services. He indicated that public safety could not be compromised, nor could the provision of quality education be compromised. It was important that the Newport News Public School (NNPS) remain competitive with regard to teacher salaries. Likewise, having worked closely with staff, Councilman Whitaker stated that City employees were dedicated professionals that worked in the public's interest and should be adequately compensated.

Commenting on citizens' cries to curtail development initiatives, Councilman Whitaker stated that Newport News had the lowest per capita income in the region, and must have upscale housing to attract high income families. City Center and similar areas expanded the City's tax base initiatives.

Increased contributions to the City's retirement fund would be a challenge. Councilman Whitaker stated that Council must work with the City Manager and the Retirement Board to develop a plan to assure that a responsible retirement program was in place, and yet was affordable in the long-term.

Councilman Whitaker pledged to work with the Manager and his colleagues to adopt a budget that was sustainable and reflected responsible government.

3. Public Hearings Continued
  - (d) Effective Real Property Tax Rate

Mr. David Kundis, 106 Church Road, Newport News, regarding the May 1, 2007 Special City Council Work Session, observed that the reductions made were painless. He further commented that the City Manager had asked City Departments to make reductions to items with which they had become comfortable. Mr. Kundis indicated Departments should have been told to reduce costs by 10%, including personnel. He stated it was probable that every City operation, including Schools, could be reduced by ten percent (10%) without pain. Mr. Kundis made the following suggestions: (1) freeze all increased spending; (2) reduce department costs by 10% across the board; (3) do not replace any vehicles for one year, but maintain; (4) freeze travel and training for one year; (5) freeze salary increases for one year; (6) freeze hiring for one year; (7) shift more medical and retirement costs to the employees; (8) freeze money for the Ferguson Center for the Arts and the Virginia Living Museum; (9) freeze money for Information Technology for one year; (10) freeze increases in personal property tax, sales tax, and meals tax; and (11) balance the real estate tax rate with the increase in the assessments. Mr. Kundis felt this budget was irresponsible and that City Council should be more accountable and responsible to the citizens. He suggested that the City Manager revisit every area with a positive plan to cut and develop a more responsible budget. He further suggested that the Schools budget be postponed until May 15, 2007; and the City Budget until June 15, 2007.

Mr. J. Harry Howard, 629 Haystack Landing Road, Newport News, commented on the action of City Council to adopt legislation for the Hampton Roads Transportation Authority, without seeking public comment at its April 10, 2007 Regular Meeting. He suggested that City Council rescind the vote and let the citizens decide by way of referendum. He further requested that the legality of the bill be determined. Mr. Howard felt this was a decision which should have been made on the State level. Regarding the City Manager's FY 2008 City Recommended Operating Budget, Mr. Howard urged City Council to spend taxpayer dollars wisely, make decisions based upon the best interest of the City and its citizens; and stay away from catering to special interest groups or to create a legacy. He reminded members of City Council that they were elected at the pleasure of the people. The year 2007 could be remembered as the great tax revolt.

Ms. Laura J. Irby, 18 Davis Avenue, Newport News, regarding the May 1, 2007 Special City Council Work Session, stated that she was impressed by the Sheriff's Department, who prioritized needs and cut the fat. Ms. Irby observed that each department, with the exception of the City Manager, cut something, but felt the departments were rushed in their ability to have an in-depth review of their budget. One Council member had noted an extraordinary jump in contractual services. Ms. Irby felt the budget should be cut more and was not convinced that City Council had done all that could be done. A number of citizens had experience with budgeting matters and had offered assistance - Ms. Irby suggested the City Manager look into the offers. She stated the NNPS board's budget was acceptable, but the City's Operating Budget was still too high and needed to be reduced further.

Mr. Todd A. Budlong, homeowner, Commercial Real Estate owner and Manager,

3. Public Hearings Continued
  - (d) Effective Real Property Tax Rate

59 N. Madison Lane, Newport News, suggested the consideration of tax incidents, an important economic concept. He stated that excessive real estate taxes solely resided in the over-assessed homes in Newport News. He indicated that both commercial and residential landlords had to adjust rental rates to counterbalance increased real estate tax liabilities. Landlords were forced to assign real estate tax responsibility to tenants or offer leases for shorter terms due deal with the uncertainty of yearly increases in assessments and taxes. Mr. Budlong stated that the individuals who struggled to make ends meet, were retirees and those on fixed incomes, and suffered the most from tax incidents. These citizens were left with no other option but to consider more tax responsible cities in which to live and shop. Mr. Budlong stated the tax rate, coupled with unrealistic property assessments was forcing citizens out of their homes, businesses, and City. Citizens were in constant competition with less tax heavy residents, as well as City subsidized developments. With less disposable income, citizens were unable to invest in basic capital improvements, plaguing the City with aesthetic blight, and further hindering the City's marketability. Mr. Budlong stated, if the precedent of eminent domain and publicly funded City-owned developments were an indication, citizens would not have homes or businesses to worry about being over-taxed. He stated that the real estate property tax rate of \$1.10 per hundred was not low enough and expected the City Council to defer the approval of the budget to make more cuts in spending. Citizens promised to hold individual Council members accountable for their vote.

Mr. David Irby, 18 Davis Avenue, Newport News, commended City Council for its hard work on the budget, but stated their work was not over. Regarding the May 1, 2007 Special City Council Work Session, Mr. Irby stated he was upset by the City Manager's comments to Councilwoman McMillan's inquiries regarding certain increased expenditures in the budget that remained unexplained. He shared with tax cuts, his taxes had increased 40%. He questioned why the City could not cut its budget by 10% if he had to cut 40%. Mr. Davis expressed disapproval of the action by City Council to adopt legislation for the Hampton Roads Transportation Authority, without seeking public comment at its April 10, 2007 Regular Meeting.

Ms. Cary Nunnally, member of RETRO (real estate tax reduction organization), 9 Hilton Terrace, Newport News, agreed that improvements to the City were nice, but indicated that citizens could not afford to use them. She stated that citizens wanted to live comfortably in the homes they built and paid for years ago. She reminded that RETRO members had offered lists of proposed line item budget reductions and City Council owed it to the citizens to review their recommendations. She asked that Council delay the vote on the proposed City budget.

Mr. L. T. Vaughn, 595 Snug Harbor Lane, Newport News, stated the tax rate of \$1.10 per hundred would cost citizens an average increase of 10% in their real estate taxes. There was an average of 18.6% increase in the real property assessments citywide. He stated there was a lot of fat in the budget. He further stated a different innovative approach to management was needed at every level of City government. Mr. Vaughn indicated managers were paid to make tough decisions. He stated the citizens who faced higher payments and higher rent as a result of

3. Public Hearings Continued
  - (d) Effective Real Property Tax Rate

higher taxes, risked losing their homes and needed a solution. He advised City Council of their opportunity to find ways to reduce the real property taxes and cut government costs. He urged City Council to delay the vote on the FY 2008 City Operating Budget and to review the ideas of cutting more fat and reducing the real property tax rate.

Mr. Richard Vanderzee, 475 Cheshire Court, Newport News, inquired about the legality of the vote by City Council to adopt legislation for the Hampton Roads Transportation Authority, without seeking public comment at its April 10, 2007 Regular Meeting. He suggested that City Council pose the question to the State Attorney General, Bob McDonnell. Mr. Vanderzee further suggested that City Council reduce the real estate property tax rate.

Mr. Roy Osborne, landlord and mortgage loan officer, 103 Linda Drive, Newport News, shared facts and figures to demonstrate how the real estate property assessments and tax rates had increased. He stated the increases tended to trickle down to the tenants. He shared that two months of his rent went to Newport News City taxes alone. Mr. Osborne stated that citizens did not have extra money. He suggested the City be a non-profit service, not so much a business; unless it countered and made money to compensate so the taxes did not have to be increased to make up the difference.

Mr. A. C. Pulliam, Jr., 239 Falcon Drive, Newport News, announced that City Council set the tax rate and elections were coming up in 2008 and 2010. He suggested the budget be reviewed again. Upon review of the Council appointed boards, commissions, committees, and authorities, Mr. Pulliam suggested the addition of a Citizen's Advisory Budget Committee. He stated that many citizens were suffering and had to decide between food and medicine; some had to choose between cheaper less quality housing. Mr. Pulliam suggested that projects be completed before starting new projects and to use the resources, personnel, and finances that were available. He further suggested that offices and departments be combined. Mr. Pulliam suggested a review of the number of facilities being rented. He observed a duplication of efforts, i.e. James River Marina, which could produce a top quality marina that would produce revenue. Police Officers and Park Rangers duties could also combine a number of their activities. Mr. Pulliam suggested caution in hiring "someone to watch the hen house."

Ms. Cheryl Johnson, representing the Newport News Hospitality Association and hoteliers, 1000 Omni Boulevard, Newport News, expressed concern regarding the projected decrease of \$163,000 to the Tourism budget. This proposed cut was a part of the allocation from the General Fund. She felt the \$310,000 represented the City's commitment to tourism. Ms. Johnson pointed out that the balance of this revenue was generated by the hotels through an occupancy tax. The City's funding of \$300,000 to promote the City Center – Marriott Hotel and Conference Center, created an undesirable competition between the City, and the public sector and the industry. She suggested that some, or all, of this money be reallocated to benefit all of tourism, not just one entity. Ms. Johnson stated the proposed budget cut from tourism, which supported hotels, attractions, restaurants, and retail, should be a priority as these businesses contributed significantly to the City's tax base. The investment in tourism was an instant return.

3. Public Hearings Continued
  - (d) Effective Real Property Tax Rate

Even though revenue was up in the industry, there had been no new business into the City that assisted in generating new room nights in the market. Ms. Johnson stated now was not the time to cut the budget, but the time to support and grow tourism.

Mr. Anthony Starkey, 42 Madison Lane South, Newport News, shared that his property assessment had increased 82% since purchasing a house in the City in 2004. He volunteered to assist with the budget process to reduce spending. Mr. Starkey suggested the delay of vehicle replacements and information technology and a serious review of “nicety” vs. “necessity.” Reports showed that real estate sales were down, prices were down, and that money was migrating to the stock market. The forces that were driving the assessments up were in the past. Mr. Starkey stated it would be nice to offset the assessments with a proportional tax rate in order to bring the tax amount more into line with something affordable.

Mr. Roy Dunkum, 80 Colombia Drive, Newport News, observed that some areas of the City complained about a lack of curbs and gutters, and the City had ripped up good curbs and installed new ones in other areas. One area to review, in an effort to reduce expenditures, was Public Works. Mr. Dunkum stated there were some things that were optional in this area. He reminded that RETRO had tried to have constructive input into the budget process, while many complained about huge tax increases; but stated it was too early to close the dialogue in considering reductions to the General Fund. He stated that more reductions were in order and stated there was no pressing need to approve the budget. Mr. Dunkum urged a delay in the approval of the City’s Operating Budget. He further requested consideration be given to recall the hasty vote by City Council to adopt legislation for the Hampton Roads Transportation Authority, without seeking public comment at its April 10, 2007 Regular Meeting. Mr. Dunkum pointed out that a rejection of this authority would result in the delay of transportation issues in Hampton Roads, but would be a small price to pay for killing a tax monster. He felt that all municipalities had projects that could be funded under the plan, but questioned whether the citizens and officials were so intent on having short-term satisfaction of its wants, that it would approve this regional taxing authority at the cost of surrendering our constitutional rights to a vote.

Ms. Becky Tuzzolo, 307 Riverside Drive, Newport News, requested delay of the approval of the FY 2008 City’s Operating Budget. She commended City Council for its work to reduce the real estate property tax rate to \$1.10 per hundred, but indicated it was not enough. She stated on average, the assessments increased by 18.6%, which meant there was no tax cut, but a rate cut, where the City would take in more revenue from real estate. Citizens would still pay more. Ms. Tuzzolo wanted the City to take no more from real estate than it did in the previous year until a period of reasonable growth was reached, which required reducing the rate lower than \$1.10. She urged Council delay approval of the FY 2008 Operating Budget because there was more room to cut expenses; to stick with core services, and to cut out the fluff. Ms. Tuzzolo further urged City Council to proceed with approval of the School’s budget. A delay of the City’s budget would provide the City Manager with ample opportunity to examine and implement citizens and Council member’s input on suggested cuts.

3. Public Hearings Continued
  - (d) Effective Real Property Tax Rate

Mr. John Gergely, 449 Winterhaven Drive, Newport News, expressed concern regarding the tax monster created by City Council's adoption of legislation for the Hampton Roads Transportation Authority, without seeking public comment at its April 10, 2007 Regular Meeting. Mr. Gergely stated this Authority would impact citizen's taxes even more. He shared the following new taxes that would be authorized by this entity, to name a few: (1) Driving with a suspended license - \$750.00 would be added to the current fine; (2) Reckless Driving - \$1,050.00; (3) DUI - \$2,250.00; (4) Misdemeanor convictions related to driving - \$900.00; (5) Felony convictions related to driving - \$3,000.00; (6) Anyone with 8 points on their license - \$700.00; (7) \$33.00 for each private passenger car per year; (8) \$38.00 for each private passenger car over 4,000 pounds; (9) \$0.30 per hundred pounds per vehicles hauling more than 10 adults; (10) \$23.00 for each trailer; and the list continued. Mr. Gergeley stated this money would not go to the transportation fund to support highways.

Mayor Frank stated that the list Mr. Gergeley shared were fees from the Statewide Transportation package, not the Region.

Ms. LaDonna Williams, 301 Park Place, Newport News, commended City Council for making an attempt to lower real estate property taxes. Ms. Williams sought an even lower rate. She stated that growth was good, but also costly. She pointed out that most people working in Newport News, lived outside of the City limits. She inquired whether this was by choice or because the real estate rate in Newport News was so high. Ms. Williams expressed appreciation for the services and programs the City offered, but felt there was too much fat in the budget and that additional cuts could be made. She asked that the citizens and Council share the same vision to make the City affordable for all of the citizens to live in Newport News. She urged that City Council delay approval of the FY 2008 City's Operating Budget.

Ms. Christine Jacques Gergely, 449 Winterhaven Drive, Newport News, urged City Council to delay approval of the FY 2008 City's Operating Budget, without cutting the police, fire or services for the Sheriff, and approve the School's Budget. She suggested cuts to the City budget in categories such as memberships to professional organizations. Along with the budget, Ms. Gergely reminded of additional forthcoming taxes by the State for transportation, as well as by the region, for transportation as a result of the adoption of the resolution that approved the Hampton Roads Transportation Authority. She stated that Newport News could not compare to Richmond with the big business and high management jobs. Newport News was based on blue collar jobs and was for the people, who needed to be able to pay their taxes. Ms. Gergely promised to see members of Council at the ballot box should they approve the budget.

Councilman Haskins moved closure of the public hearing; seconded by Councilman Whitaker.

Vote on Roll Call:

Ayes: Whitaker, Allen, Bateman, Frank, Haskins, McMillan, Scott

Nays: None

4. Consent Agenda

Councilman Haskins moved adoption of the Consent Agenda, Items A through E, both inclusive, as shown below; seconded by Councilwoman Scott.

(a) Minutes of Work Session of April 24, 2007

Vote on Roll Call:

Ayes: Whitaker, Allen, Bateman, Frank, Haskins, McMillan, Scott

Nays: None

(b) Minutes of Regular Meeting of April 24, 2007

Vote on Roll Call:

Ayes: Whitaker, Allen, Bateman, Frank, Haskins, McMillan, Scott

Nays: None

(c) Approval of Meetings for Board of Review of Real Estate Assessments

AN ORDINANCE SETTING THE NUMBER OF DAYS SUFFICIENT FOR COMPLETION OF WORK OF THE BOARD OF REVIEW OF REAL ESTATE ASSESSMENTS FOR THE 2006 YEAR OF SERVICE. This ordinance approved four (4) days as sufficient for the work of the Board of Review of Real Estate Assessments for its 2006 term. In accordance with provisions of the City Code, members of the Board would be compensated at the rate of \$75.00 per day. City Council was required to set the number of days sufficient for the Board to complete its work. Attached to these minutes is a memorandum from the Commissioner of the Revenue, whose office provides staff support to the Board, recommending four (4) days to serve as the basis for member compensation for last year's term.

Vote on Roll Call:

Ayes: Whitaker, Allen, Bateman, Frank, Haskins, McMillan, Scott

Nays: None

(d) Revenue Sharing Program – Richneck Road Project

A RESOLUTION AUTHORIZING AND DIRECTING THE CITY MANAGER TO EXECUTE AND THE CITY CLERK TO ATTEST, ON BEHALF OF THE CITY OF NEWPORT NEWS, VIRGINIA, THAT CERTAIN STANDARD PROJECT ADMINISTRATION AGREEMENT BY AND BETWEEN THE CITY OF NEWPORT NEWS, VIRGINIA, AND THE COMMONWEALTH OF VIRGINIA, DEPARTMENT OF TRANSPORTATION, DATED THE 8<sup>TH</sup> DAY OF MAY, 2007, FOR THE RICHNECK ROAD PROJECT. This resolution authorized the execution of a project administration agreement with the Virginia Department of Transportation to enable the use of Virginia Department of Transportation (VDOT) Revenue Sharing funds for the Richneck Road Project. This agreement formally allowed the immediate transfer of \$294,920 of VDOT Revenue Sharing funds originally intended for the Deep Creek Road project for use on the Richneck Road project. VDOT agreed

4. Consent Agenda Continued Continued
  - (d) Revenue Sharing Program – Richneck Road Project

to this transfer of Revenue Sharing funds that the City had requested in June 2006, which was subsequently determined could not be used for the Deep Creek Road project. The City also made a separate request for \$1,000,000 of Fiscal Year 2007 Revenue Sharing funds from VDOT for the Richneck Road project.

Vote on Roll Call:  
Ayes: Whitaker, Allen, Bateman, Frank, Haskins, McMillan, Scott  
Nays: None

- (e) Resolution of Recognition – H. Reed Fowler, Jr.

A RESOLUTION OF RECOGNITION RECOGNIZING H. REED FOWLER, JR. This Resolution recognized the City’s Director of Public Works, Mr. H. Reed Fowler, Jr. Mr. Fowler had been with the City for 23 years and was recently designated as one of the American Public Works Association’s Top Ten Public Works Leaders for 2007.

Vote on Roll Call:  
Ayes: Whitaker, Allen, Bateman, Frank, Haskins, McMillan, Scott  
Nays: None

5. Ordinances to Enact the Fiscal Year 2008 City Operating Budget
  - (a) Real Estate Property Tax Rate

AN ORDINANCE TO REORDAIN CHAPTER 40, TAXATION, OF THE CODE OF THE CITY OF NEWPORT NEWS, VIRGINIA, ARTICLE II., REAL ESTATE TAXES, DIVISION 1., GENERALLY, SECTION 40-12, LEVIED; AMOUNT. This ordinance established the real estate property tax rate for FY 2008 at \$1.10 per \$100 of assessed value. City Manager Hildebrandt indicated this represented a \$0.10 and 8.3% percent reduction from the current rate. This rate was 5.2% above the effective rate for 2008.

(No Speakers)

Councilwoman McMillan moved to defer Item 5(a) and Item 5(b) to the June 12, 2007 Regular Meeting of City Council. The motion failed for lack of a second.

Councilman Bateman moved adoption of the above ordinance; seconded by Vice Mayor Allen.

Councilman Haskins advised that all members of City Council had carefully reviewed the budget diligently and had discussed most of the issues and tried to reduce

5. Ordinances to Enact the Fiscal Year 2008 City Operating Budget Continued

(a) Real Estate Property Tax Rate Continued

the budget as much as possible. He felt the rate possibly could have been reduced to \$1.08, but there was not enough support.

Vote on Roll Call:

Ayes: Whitaker, Allen, Bateman, Frank, Haskins, Scott

Nays: McMillan

(b) Personal Property Tax Rate – Mobile Homes and Public Service Corporation Properties

AN ORDINANCE TO AMEND AND REORDAIN CHAPTER 40, TAXATION, OF THE CODE OF THE CITY OF NEWPORT NEWS, VIRGINIA, ARTICLE XII., TANGIBLE PERSONAL PROPERTY TAXES, DIVISION 2., TAX LEVY AND RATES, SECTION 40-220.3, MOBILE HOME TAX; LEVIED; AMOUNT; AND SECTION 40-220.5, TAX ON PERSONAL PROPERTY OF PUBLIC SERVICE CORPORATIONS (EXCEPT AIRCRAFT, AUTOMOBILES AND TRUCKS); LEVIED; AMOUNT. This ordinance established the personal property tax rate for mobile homes and public service corporations for the period January 1, 2008 through December 31, 2008 at \$1.10 per \$100 of assessed value.

(No Speakers)

Councilman Bateman moved adoption of the above ordinance; seconded by Vice Mayor Allen.

Vote on Roll Call:

Ayes: Whitaker, Allen, Bateman, Frank, Haskins, Scott

Nays: McMillan

(c) Sewer User Fee

AN ORDINANCE TO AMEND AND REORDAIN CHAPTER 33, SEWERS AND SEWAGE DISPOSAL, OF THE CODE OF THE CITY OF NEWPORT NEWS, VIRGINIA, ARTICLE III., SEWER USE CHARGES, SECTION 33-33, RATE. This ordinance established the sewer user fee at \$1.53 for each one hundred cubic feet, or fraction thereof, of metered water consumption. City Manager Hildebrandt advised this represented a 12.5% increase to cover the operating cost increases and the debt service for the additional sewer projects involved in the rehabilitation and replacement of aging sewer facilities.

(No Speakers)

Councilman Whitaker moved adoption of the above ordinance; seconded by Councilman Haskins.

5. Ordinances to Enact the Fiscal Year 2008 City Operating Budget Continued

(c) Sewer User Fee Continued

Vote on Roll Call:

Ayes: Whitaker, Allen, Bateman, Frank, Haskins, Scott

Nays: McMillan

(d) Stormwater Management Service Charge

AN ORDINANCE TO AMEND AND REORDAIN CHAPTER 37.1, STORMWATER MANAGEMENT, OF THE CODE OF THE CITY OF NEWPORT NEWS, VIRGINIA, ARTICLE II., SERVICE CHARGE, SECTION 37.1-14, SERVICE CHARGE, BILLING, PAYMENT, INTEREST, FEE AND LIEN. This ordinance established the stormwater management service proration charge at \$4.85 per Equivalent Residential Unit (ERU) per month. This represented an increase from \$4.35 per month or approximately \$6.00 per year for the average single family resident.

(No Speakers)

Councilman Bateman moved adoption of the above ordinance; seconded by Councilman Haskins.

Vote on Roll Call:

Ayes: Whitaker, Allen, Bateman, Frank, Haskins, Scott

Nays: McMillan

(e) Rate Schedule for Water Consumption

AN ORDINANCE TO AMEND AND REORDAIN CHAPTER 42, WATER SUPPLY, OF THE CODE OF THE CITY OF NEWPORT NEWS, VIRGINIA, ARTICLE III., WATER RATES AND FEES, SECTION 42-32, RATES AND FEES DEFINDED; AND SECTION 42-33, RATES AND FEES. This ordinance established the rate for water consumption at \$2.78 per 100 cubic feet consumed for the first six HCF; \$2.92 for each 100 cubic feet consumed over six HCF; and established the summer consumption rate at \$0.59 per HCF.

(No Speakers)

Councilman Whitaker moved adoption of the above ordinance; seconded by Vice Mayor Allen.

Vote on Roll Call:

Ayes: Whitaker, Allen, Bateman, Frank, Haskins, Scott

Nays: McMillan

5. Ordinances to Enact the Fiscal Year 2008 City Operating Budget Continued

(f) Sewer Connection Charge

AN ORDINANCE TO AMEND AND REORDAIN CHAPTER 33, SEWERS AND SEWAGE DISPOSAL, OF THE CODE OF THE CITY OF NEWPORT NEWS, VIRGINIA, ARTICLE II., CONNECTIONS TO PUBLIC SEWER, SECTION 33-19, CHARGES. This ordinance established the sewer connection charge at \$2,737.00 along with a lateral installation charge of \$1,095.00; and a revised schedule of flat rate charges.

(No Speakers)

Councilman Bateman moved adoption of the above ordinance; seconded by Vice Mayor Allen.

Vote on Roll Call:

Ayes: Whitaker, Allen, Bateman, Frank, Haskins, McMillan, Scott

Nays: None

(g) Amendment to the City's Policy Regarding Sewers

A RESOLUTION TO AMEND THE CITY'S "POLICY REGARDING SEWERS" TO INCREASE THE AMOUNT BY WHICH SEWER ASSESSMENTS ARE CALCULATED. This resolution amended the City's Policy regarding sewers, which would increase the rate by which sewer assessments were calculated, from \$44.00 to \$46.00 per front foot of property served. This applied to projects where sewer extensions were being installed.

(No Speakers)

Vice Mayor Allen moved adoption of the above resolution; seconded by Councilman Haskins.

Vote on Roll Call:

Ayes: Whitaker, Allen, Bateman, Frank, Haskins, McMillan, Scott

Nays: None

(h) Building Regulation Fee Schedule

AN ORDINANCE TO AMEND AND REORDAIN CHAPTER 13, BUILDING REGULATIONS, OF THE CODE OF THE CITY OF NEWPORT NEWS, VIRGINIA, ARTICLE II., UNIFORM STATEWIDE BUILDING CODE, DIVISION 1., GENERALLY, SECTION 13-26, FEES, PERMIT FEES-PRESCRIBED. This ordinance established a revised Schedule of Building Regulation Fees. These generally amounted to a 10% increase in building permit and inspection fees and would generate an additional \$118,000.00 in revenue to offset costs for the Department of Codes Compliance.

(No Speakers)

5. Ordinances to Enact the Fiscal Year 2008 City Operating Budget Continued

(h) Building Regulation Fee Schedule Continued

Councilman Bateman moved adoption of the above ordinance; seconded by Councilman Haskins.

Vote on Roll Call:

Ayes: Whitaker, Allen, Bateman, Frank, Haskins, McMillan, Scott

Nays: None

(i) Certificate of Use and Occupancy Fee Schedule

AN ORDINANCE TO AMEND AND REORDAIN CHAPTER 13, BUILDING REGULATIONS, OF THE CODE OF THE CITY OF NEWPORT NEWS, VIRGINIA, ARTICLE IX., CERTIFICATE OF USE AND OCCUPANCY, SECTION 13-170, PREMISES; ENTITLEMENT. This ordinance established the Certificate of Use and Occupancy Fee at \$55.00 and kept the reinspection fee at \$35.00. This was a \$5.00 or 10% increase.

(No Speakers)

Councilman Bateman moved adoption of the above ordinance; seconded by Councilman Haskins.

Vote on Roll Call:

Ayes: Whitaker, Allen, Bateman, Frank, Haskins, McMillan, Scott

Nays: None

(j) Grand Opening and Reopening Sign Fee

AN ORDINANCE TO AMEND AND REORDAIN CHAPTER 33.01, SIGNS, OF THE CODE OF THE CITY OF NEWPORT NEWS, VIRGINIA, ARTICLE I, GENERAL REGULATIONS, SECTION 33.01-7, OTHER PERMISSIBLE SIGNS. This ordinance established a permit application fee of \$35.00 for special decorative displays used for announcing the grand opening or reopening of a new store, business, or profession. This was a new fee that would generate approximately \$2,700.00 per year and would offset the costs involved in monitoring and regulating these activities.

(No Speakers)

Vice Mayor Allen moved adoption of the above ordinance; seconded by Councilman Haskins.

Vote on Roll Call:

Ayes: Whitaker, Allen, Bateman, Frank, Haskins, McMillan, Scott

Nays: None

5. Ordinances to Enact the Fiscal Year 2008 City Operating Budget Continued

(k) Fiscal Year 2008 Operating Budget and Appropriation of Funds

AN ORDINANCE TO APPROVE THE BUDGET AND APPROPRIATE FUNDS TO OPERATE THE CITY OF NEWPORT NEWS FOR THE FISCAL YEAR BEGINNING JULY 1, 2007, AND ENDING JUNE 30, 2008, INCLUSIVE. This ordinance approved the City's Operating Budget for Fiscal Year 2008, with a total appropriation of \$790,320,197.00 to operate the City for the Fiscal Year beginning July 1, 2007. City Manager Hildebrandt commended the City's Department of Budget and Evaluation, who worked diligently since December 2007 to develop the budget and present information and many analyses requested. He further commended Department Directors who put together thoughtful and prudent budgets. He assured that all departments would continue to seek ways to control and reduce costs.

(No Speakers)

Councilwoman McMillan moved to defer approval of the Operational Budget until the June 12, 2007 Regular Meeting of Council and the Newport News Public School (NNPS) Budget be voted on by separate ordinance prepared by the City Attorney. The motion failed for lack of a second.

Mayor Frank advised that the ordinance included the adoption of the City's contribution to the NNPS budget and approval of the NNPS budget was included in the motion.

Vice Mayor Allen moved adoption of the above ordinance; seconded by Councilman Bateman.

Councilwoman Scott stated that many citizens had spoken on cuts in the Operating Budget. She reminded that when Council started negotiations at \$1.14 per hundred, the City Manager did not believe it possible to achieve \$1.10 per hundred. She was aware that was not what the citizens expected, but felt it was a good faith effort and expressed support for \$1.10. Councilwoman Scott stated that City Council would continue to look at the budget and next year, if there were other areas to be cut, City Council would make those cuts. She stated there were some things in the budget that were necessary and it was imperative that those situations be taken care of. Regarding the comments not to replace the fleet, she advised if the citizens must be protected, the employees who drive those vehicles must also be protected. She shared an incident where the City Clerk was stranded at a Council meeting in one of the vehicles that was a part of the City's fleet. She advised some items she must support and was hopeful as time went on, the tax rate could be lowered to a rate suggested by the citizens; and felt there was no option to date.

Councilman Bateman stated that this Budget season had been as challenging as any that he had experienced. He stated that City Council had learned from listening to the many citizens and received very good ideas. He stated the interest was exemplified by the large number of e-mail messages, phone calls, and letters that were received.

5. Ordinances to Enact the Fiscal Year 2008 City Operating Budget Continued
  - (k) Fiscal Year 2008 Operating Budget and Appropriation of Funds

He indicated that it was the duty of City Council to listen. He realized there was not a great deal of happiness with the FY 2008 budget, which went both ways. City Council tried to build consensus and recognized that it was fundamental that they try to reduce the tax rate as much as possible. Councilman Bateman stated he was convinced that the City Council had put forth a good faith effort. Discussions were made regarding the Work Sessions. He advised that much of the work was not done in Work Sessions and that a number of citizen suggestions and ideas were adopted in the budget. Recognizing that the rate was not reduced as some would have liked, Councilman Bateman advised that cuts were evaluated that had not been reviewed and felt that level of scrutiny would continue. He expressed appreciation to the citizens for their time and involvement.

Mayor Frank expressed awareness that many citizens were angry and upset. He advised the process was challenging and difficult. There were many accusations, and criticisms, as well as phone calls advising that City Council had cut too much. The most vocal did not believe that City Council had cut enough. Mayor Frank advised that the process was ongoing and continuing and that City Council needed to address the concerns of the citizens. He stated he was not prepared to lead the City backward, but wanted to move it forward. He indicated that clearly, the budget must be reviewed carefully every year. And although the criticisms and accusations were difficult to hear, he accepted them and indicated that City Council was focused on trying to do better. He advised that not only did the current year have to be reviewed, but the Council must also look at the long-term and whether the City could sustain tax cuts the level of taxation over time. He expected that the assessed rates would level off as real estate sales would probably not continue upward. Mayor Frank pointed out that the assessment process was not current. The last assessment cut-off was July 2006, which did not reflect transactions between then and now. The City was faced with a \$2.4 million deficit and had anticipated receiving revenue from the State, however, the vision of the telecommunications tax (authority was taken away from local government) was redesigned. Such actions needed to be anticipated and prepared for. The City Manager committed that if he could find ways to cut further during the year, he would do so. Mayor Frank expressed his support for the budget and was appreciative that everyone worked hard together to develop a responsible budget that addressed the needs of the community.

Councilman Haskins reiterated that the City had to provide revenue to furnish the services that the citizens needed. Regarding the State's allocations, the State failed in its responsibility in providing adequate funds for highways. The City did not have the wherewithal to create the revenue that the State was requiring the City to use in order to satisfy the citizens. The Dillon Rule only allows the City to do what the State allows by the Charter. The State does not allow the City to invoke income tax. The City creates and invests money in economic development to create incomes for the people in the City of Newport News, but could not get revenue back as a result. He urged citizens to communicate with the State legislators.

5. Ordinances to Enact the Fiscal Year 2008 City Operating Budget Continued

(k) Fiscal Year 2008 Operating Budget and Appropriation of Funds Continued

Vote on Roll Call:

Ayes: Whitaker, Allen, Bateman, Frank, Haskins, Scott

Nays: McMillan

6. Receipt of Opening of Bids for the Grant of Utility Easements – 705 Thimble Shoals Boulevard

One (1) bid was received and opened from Dominion Virginia Power for the grant of two utility easements over City-owned land located at 702 Thimble Shoals Boulevard and forwarded to the City Manager for review and evaluation. This proposed grant of utility easements was advertised pursuant to State Code requirements pertaining to such transactions that were for a term greater than five years. This transaction involved the granting of two variable width utility easements of approximately 1,542.20 square feet (0.036 acres). The easements were needed for the transmission and distribution of electric power to the property located at 705 Thimble Shoals Boulevard. A public hearing was advertised for the May 22, 2007 Regular Meeting of City Council to consider the ordinance that would grant the actual easements to the successful bidder.

7. Citizen Comments on Matters Germane to the Business of City Council

Mr. Gregory Cherry, Chairperson, Downtown Newport News Merchants and Neighbors Association, Inc. (DTNNMNA, Inc.), 617 27<sup>th</sup> Street, Newport News, addressed a new-birth initiative that was submitted to the Mayor and City Manager in May 2006.

Mr. Cherry distributed a copy of a letter and petition signed by concerned citizens related to a proposal for the Mesic Hardware Building, located at 2513 Jefferson Avenue (a copy is attached and made a part of these minutes). Mr. Cherry reminded of an urban development overlay district plan approved in 2004 for urban development concerning several blocks of the Jefferson Avenue Commercial Corridor. The association was formed solely to deal with the economic premise of creating small business development and building life back to the corridor. Regarding the land use concept in the Framework for the Future, adopted in 1993, Section 14.1, which described neighborhoods as “the basic social service and community development unit of the city. A quality city is made up of desirable residential neighborhoods, each with its unique identity and character. The City values, and by its actions, will protect and enhance its residential neighborhoods.” Mr. Cherry pointed out that the Southeast community was very historic, but had no identify. Mr. Cherry asked that the DTNNMNA be allowed to make a presentation at a Council Work Session, and have an opportunity to submit a request for proposal for the Mesic Hardware Building for retail mixed use space. Mr. Cherry indicated that the DTNNMNA saw no need to place a police precinct at the Mesic Hardware Building. The DTNNMNA was willing to do what was needed as a 501(c)3 charitable organization to seek monies from other sources to transform the Southeast community and historic downtown and be able to accommodate tax challenges and issues and bring more revenue into the City.

7. Citizen Comments on Matters Germane to the Business of City Council  
Continued

Councilman Haskins inquired whether a police precinct was being considered for the Mesic Hardware Building. City Manager Hildebrandt responded yes, it had been a part of the plan for approximately two years as part of the CIP, although it was not imminent in terms of construction. If City Council wanted to revisit the matter, he would bring it to a Work Session for discussion.

Mayor Frank advised that he had received a letter from Mr. Cherry in which he indicated that he had not received a reply from his proposal that was submitted in January. City Manager Hildebrandt apologized, indicating it had been in the works and he should be contacted soon.

Mr. Terry Savage, 1001 Cherry Creek Drive, Newport News, expressed opposition to the Hampton Roads Transportation Authority and requested that City Council reverse its vote from the April 10, 2007 Regular Meeting of Council at which time action was taken to adopt legislation approving the creation of the Authority without seeking public comment. Mr. Savage stated the City was the fall guy. He reminded that Newport News was the first locality to approve the legislation, but other locales would follow. He indicated if Newport News were to stand up and say no, other localities would follow. Let Richmond do their job. He stated it was not the City's responsibility to do the State's job. Mr. Savage stated the Hampton Roads Transportation Authority was scary and had unlimited authority. He shared language from the bill, "in addition to all other taxes, fees permitted by the law, the governing body of any such locality may, by ordinance, declare the entire locality a special regional transportation tax district and impose a transportation impact commercial real property tax at the rate of .3% of fair market value."

Mayor Frank responded that the commercial real estate tax portion was limited to commercial real estate and excluded residential, and did not impose a tax on individual residential property. He further stated it was a local option, meaning it was not mandated as part of the package. It gave local government an opportunity to choose to do it, or not, as they see fit.

Mr. Savage added, once the fees were imposed in the locality, the fees could not be discontinued. With all due respect, he had not seen a government agency that did not attempt to impose a tax that was an option, and not do it.

Mayor Frank stated an attempt was made to get the State to eliminate the provision and any mention of commercial real estate. Mr. Savage indicated this was his reason requesting the Council to "say no," and send the plan back to Richmond.

Mr. John Wesley Hill, 2906 Mapleton Avenue, Norfolk, inquired about the release of the investigative reports concerning the police shooting death of Robert Lamont Harper. As an investigator and former police officer, Mr. Hill stated that this was the longest period following an incident where the report was not released. He advised that a complaint had been lodged against the bondsman, who represented the Lexington National Insurance Company,

7. Citizen Comments on Matters Germane to the Business of City Council  
Continued

and requested that the City suspend his license until this activity was complete. A copy of a letter to the City Manager from Special Investigator John Wesley Hill is attached and made a part of these minutes. Mr. Hill suggested that members of hate groups may be infiltrating the Police Departments.

City Manager Hildebrandt responded that the Police Department could not complete its investigation until the medical examiners had produced their reports on toxicology, ballistics, and other conclusions. He advised that this information had not been received to-date, thereby preventing the Police Department from completing its work. The Police Department had substantially completed all other portions of the investigation. The City Manager indicated he would begin review of that information to come to some conclusions. He advised it would probably be a few weeks before the City was in a position to release the reports. Mr. Hildebrandt assured Mr. Harper's mother that she would be personally briefed on the information when ready for release.

8. New Business and Councilmember Comments

There was no new business or comments brought forth.

THERE BEING NO FURTHER BUSINESS,  
ON MOTION, COUNCIL ADJOURNED AT 9:37 P.M.

Mabel V. Washington, CMC  
City Clerk

Joe S. Frank  
Mayor  
Presiding Officer

A true copy, teste:

City Clerk