

MINUTES OF WORK SESSION
OF THE NEWPORT NEWS CITY COUNCIL
HELD IN THE 10th FLOOR CONFERENCE ROOM
2400 Washington Avenue
April 10, 2007
1:00 p.m.

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

ABSENT: None ----- 0

OTHERS PRESENT: Randy W. Hildebrandt; Stuart E. Katz; Mabel V. Washington; Neil Morgan; William Mitchell; Butch Blanks; Allen Jackson; Al Riutort; Florence Kingston; Brian Ramaley; Eileen Leininger; Gregg Jones; Lisa Cipriano; Rhonda Everton; William Keeler; Robin Rose; Michael Poplawski; Mike Barber; Charlie Crowson; Priscilla Bele; Police Chief James Fox; Dawn Barber; Joseph Moore; Thomas Bennett; Mike Brown; Lillian Taylor; Sheriff Gabriel Morgan; Richard Donaldson; Theodore Hicks; Carlton Ashby; Michael Wagner; Dr. Ashby Kilgore; Sabine Hirschauer; Lottie Vincent; Cleder Jones; Kim Lee; and Jennifer Walker

I. Fiscal Year 2008 Recommended Operating Budget Presentation

Mr. Randy W. Hildebrandt, City Manager, presented a memorandum outlining the amount of funding set aside for the replacement of Information Technology equipment for review by City Council for its April 24, 2007 Work Session. (A copy of the memo is attached and made a part of these minutes.)

A. Police Department

City Manager Hildebrandt introduced Mr. James Fox, Chief of Police, to report on the Police Department's future priorities. (A copy of the presentation, "Newport News Police Department," is attached and made a part of these minutes.)

Chief Fox stated Newport News Police Department's (NNPD) number one priority was making Newport News a safe community. He explained the five strategic goals of the NNPD along with their accomplishments to date: 1) Reduce crime and the fear of crime in Newport News; 2) Partner with the community to resolve neighborhood concerns and enhance the quality of life in Newport News; 3) Recruit, retain and develop a highly capable and professional workforce; 4) Foster leading edge technology in community policing and in emergency response capabilities; and 5) Enhance external and internal communication.

Chief Fox noted percentage changes for crime statistics from 2005 to 2006. He shared Crime Maps showing crimes committed in apartment complexes and public housing units, as well as maps noting the types of crimes committed (homicides,

robberies, aggravated assaults, burglaries, vehicle thefts, drugs, weapons, and all reported offenses). (A copy of the crime maps are attached and made a part of these minutes.)

Chief Fox reported the factors affecting crime were demographics/geography, recidivism/alternative sentencing, drugs and weapons. He stated the strategies and programs for FY 2007 included reducing crime and traffic violations.

Chief Fox noted the following future personnel needs included: four officers for the Crime Response Team; five officers for Asheton, Huntington Point, and Jefferson Commons; three Community Resource Officers; four School Resource Officers and one School Resource Officer Sergeant; three Administrative Assistants for the Information Desk; and a Hardware/Software Technician.

Councilman Haskins inquired whether there were statistics noting crimes by gun permit carriers versus non-gun permit carriers. Chief Fox replied the NNPD did not track such information.

Councilwoman McMillan inquired whether First Cities had considered the proliferation of payday lenders and cash converters as crime driven entities, and whether a coordinated effort had been made to remedy such entities. Mayor Frank replied the context in which payday lenders and cash converters were discussed with First Cities related to the abuse of the borrowers; not the fact that they were crime generators. First Cities debated how people were being abused and the impact on military families, and the poor and the collection practice consequences of not repaying loans.

Mayor Frank asked Chief Fox to provide documentation about payday lenders and cash converters as crime driven entities for presentation to the legislature. He felt crime was a focal point that could get more attention rather than the abuse these businesses caused borrowers.

Councilwoman McMillan inquired whether the Police Chief or the City Manager saw any cost savings or retention benefits in having certain City employees telecommute by working from home, and whether telecommuting might be an incentive. Chief Fox replied it was his goal to get each Police Officer a laptop. City Manager Hildebrandt agreed that the City needed to have opportunities to allow people to work from home when appropriate.

Councilman Haskins felt a time study should be conducted of personnel, in all City departments, to determine the length of time it takes to do their jobs.

Councilman Haskins felt the City should make a comparison of crimes and statistics against surrounding localities.

Chief Fox explained an additional \$543,290 was requested in overtime funds for FY 2008. He stated the additional funds would help the Police Department in its fight against crime as well as provide coverage for the increase of events in the City, i.e. Jamestown 2007 celebration and concerts at the Ferguson Center for the Arts.

Councilman Haskins inquired how the NNPD managed vacation earned but not used. He inquired how the NNPD managed approved vacation to drive down accrued vacation statistics. Police Chief Fox replied he did not have that information.

Councilman Haskins noted the City had \$18 million in vacation earned but not used which drove the City's costs up. He stated the private sector reviewed such statistics so that such benefits were used. City Manager Hildebrandt stated the City was studying the issue of unused vacation, and indicated he would present a proposal to City Council regarding accrued leave and changes in some of the City's leave policies at a Work Session in May 2007.

Mayor Frank expressed concern about Police overtime as related to courtroom time, and understood many Police officers relied on overtime as additional income. He stated, from a City perspective, this was a huge amount because judges kept officers in courtrooms for hours. He inquired whether the NNPD, judges, and prosecuting attorneys could sit down and research a better system to eliminate unnecessary overtime.

There was consensus among City Council to adopt the recommended FY 2008 budget for the Newport News Police.

B. Sheriff

City Manager Hildebrandt introduced Mr. Gabriel Morgan, Sheriff, Newport News Sheriff's Department, to provide an overview and impact of funding on his department.

Councilman Haskins inquired about the ratio requirement for State funding versus City funding that the Sheriff Department received. Sheriff Morgan replied the ratio was 70% from the State and 30% from the City. He stated it was difficult to assess the requirement because the State required the City to be responsible for inmate care, i.e. mattresses, medical care, food, and City requirements fluctuated based on the number of inmates.

Councilman Haskins inquired about the amount of funding the Sheriff received from the State for each inmate. Sheriff Morgan replied it depended on the inmate's status and indicated he received \$8 for an inmate convicted of a misdemeanor and up to \$14 for a convicted felon.

Councilman Haskins inquired whether there were ratio figures from the State for the last five to six years. Sheriff Morgan replied his department had ratio information available for the past 20 years, regarding the amount the State paid per inmate versus actual costs. They estimated the deficit for a 20 year period amounted to over \$1 million, and if the State provided cost-of-living increases for those years it would be a deficit of \$20 million.

Councilwoman McMillan inquired how the City's \$1 million would change the 70/30 ratio within the Sheriff's funding strategy. Sheriff Morgan replied he would provide the information when he received the details from the State in May 2007.

Councilwoman McMillan stated she was looking for leverage against the State by noting that the City was paying far more than its 30% and the State needed to step up to the plate.

Sheriff Morgan reported the following strategies of the Newport News Sheriff's Office (NNSO) regarding protecting the public: 1) Custody of Criminals; 2) Reducing Recidivism; 3) Reducing Overcrowding; 4) Educating the Public; 5) Accreditation Standards; 6) Leadership Training; 7) Increased Court Security Measures; and 8) Public Access through a web site. He explained the responsibilities of the Professional Standards Bureau, the Services Bureau, and the Operations Bureau and highlighted their cost savings and key accomplishments. (A copy of his presentation, Newport News Sheriff's Office, "Committed to Making a Difference," is attached and made a part of these minutes.)

Sheriff Morgan reported it cost \$28,000 to house one inmate in his facility, and noted by reducing recidivism the City would save money along with reducing overcrowding. He believed in educating the public about what his office was doing because the citizens were the individuals receiving the actual benefits of the Sheriff's department.

Sheriff Morgan stated NNSO spent a considerable amount of money training and developing leaders. He stated they were on board in making sure everyone, through the rank of captain, had been through organized training. Most of the training his staff attended was covered by the Federal government, which was a cost savings benefit for the City.

Councilwoman McMillan inquired about in-house training through the Professional Standards Bureau, and whether the NNSO was bringing outside people in to do the training or using senior staff members. Sheriff Morgan replied accredited, certified instructors, through the Department of Criminal Justice, were conducting the training, along with in-house professionals.

Councilwoman McMillan inquired whether the cost for in-house training was covered under a federal program or taken out of the Sheriff's budget. Sheriff Morgan replied the cost for in-house training was taken out of the NNSO's budget.

Councilwoman Scott inquired whether training cost could be shared with Sheriff Departments in surrounding municipalities. Sheriff Morgan replied they presently shared training cost with surrounding localities, i.e. Norfolk's Sheriff Department.

Councilman Haskins inquired about the liability to the City due to an overcrowded jail. City Attorney Stuart Katz replied it was difficult to answer such a question. He stated a specific set of facts might generate different answers, and indicated he would look into the situation.

Sheriff Morgan stated, as a member of the State Supreme Court Commission on Mental Incapacitation Laws, he noticed mental illness was an area that affected every jail, particularly, the Hampton Roads Regional Jail. He presented a handout, "Spending by Drug Category," (attached to these minutes) and pointed out that psychiatric drugs attributed to 27% of NNSO's pharmaceutical budget, which totaled as much as \$10,000 a month. He stated as the State reduced mental beds, mental patients were returning to local communities and becoming a burden to the judicial system. Sheriff Morgan suggested that City Council talk to the legislature about the cost to care for mental inmates.

Sheriff Morgan reported although the jail was rated to house 248 inmates, the average daily count topped 700. He stated 80% of the jail population was pre-trial inmates who had not been convicted of a crime. He reported on the inmate profile and approved funding versus actual operating costs for FY 2005 – FY 2007.

Councilman Haskins expressed interest in the funding costs for the City Jail, the City Farm and the Regional Jail Authority, including cost benefits.

Councilman Whitaker inquired about the percentage of inmates having health problems when they arrived at the jail. Sheriff Morgan replied 42% of incoming inmates had health problems.

Sheriff Morgan reported of the 34 staff persons needed for his department, the State only funded nine staff positions.

Councilman Haskins inquired whether Sheriff Morgan met with the judicial representatives of the Court to discuss courtroom security, and whether this information was reported to the State Compensation Board.

Mayor Frank inquired whether the Sheriff could appeal the State Compensation Board's designation of only nine deputy positions for the Court.

Mayor Frank inquired whether the budget proposed by the City Manager was sufficient for the Sheriff's department. Sheriff Morgan replied he would be appreciative if City Council supported the City Manager's recommended FY 2008 budget for the Sheriff's department.

Councilwoman Scott inquired about the implementation of home security devices. Sheriff Morgan replied home security devices were up and running, but noted public safety was his main concern.

Vice Mayor Allen inquired whether the Sheriff used the old Juvenile Detention facility for the housing of inmates. City Manager Hildebrandt replied the facility would become available in FY 2008, which would give the Sheriff Department 103 additional beds.

Councilwoman McMillan asked about sending more inmates to the City Farm. Sheriff Morgan replied there were no plans in sending more inmates to the City Farm due to their criteria for accepting inmates from the City.

C. Parks, Recreation & Tourism

City Manager Hildebrandt introduced Mr. Michael Poplawski, Director, Department of Parks, Recreation and Tourism, to present an overview of the FY 2008 budget request for the Department of Parks, Recreation and Tourism.

Mr. Poplawski stated the Department of Parks, Recreation and Tourism's FY 2008 Budget supported City Council's vision principles and operational guidelines. He stated Parks, Recreation and Tourism was committed to: 1) maintaining a commitment to excellence; 2) providing a wide range of activities for all citizens and visitors; 3) providing a variety of arts and cultural opportunities to citizens; 4) assuring that a variety of events and programs were affordable and accessible to all citizens; and 5) creating an environment within the community that promoted the development of art and artists and their interactions with youth. (A copy of his presentation, "An Overview

of Proposed FY 2008 Budget Recommendations – Department of Parks, Recreation & Tourism,” is attached and made a part of these minutes.)

Mr. Poplawski reported that the FY 2008 fund request for Parks, Recreation & Tourism totaled \$24,277,283, and noted 40% was from the revolving fund and 60% was from the general fund.

Mr. Poplawski reported that revenues were not sufficient to subsidize annual increases associated with personnel salary adjustments, increases in health insurance and retirement rates, liability insurance premiums and other non-discretionary expenses for the Historical Services Fund. While the FY 2007 General Fund budget provided a critical infusion of funding to help address the issue, an additional contribution was needed to offset the proposed FY 2008 salary adjustments as well as for implementation of the recommendations of the Department of Human Resources’ job study.

Councilman Haskins inquired about a comparison of the Historical Services fund sources for FY 2005 – FY 2007, to get an idea of where they were and where they were going.

Mayor Frank inquired whether statistics were available noting the number of people visiting historical resources. Mr. Poplawski replied 60,000 individuals per year visited historical resources in the City.

Councilwoman McMillan inquired whether statistics were available noting zip codes of individuals visiting the City’s historical resources. Mr. Poplawski replied there were statistics noting such information.

Mayor Frank felt an analysis was needed to see what the City could do to make historical resources more inviting and appealing to attract more people.

Mr. Poplawski recommended that the Historical Services Fund be increased by \$53,211 to provide maintenance and repair of existing [mostly, non-revenue producing] facilities and sites (\$24,111) as well as stabilize and provide basic utilities, security and fire protection for the relocated Lee Hall Depot (\$29,100).

Councilman Haskins inquired whether \$29,100 was an adequate amount for materials for the Lee Hall Depot. Mr. Poplawski replied the \$29,100 was an adequate amount to maintain the building in its present shape; it would not cover any major renovation projects.

Mr. Poplawski stated the total FY 2008 funding for the Downing Gross Cultural Arts Center increased by \$654,684. He stated this funding would provide four (4) additional full-time employees to oversee the four major areas of the facility (theater/performing arts, museum and exhibits, visual arts, and advertising/marketing).

Mayor Frank inquired about the completion date for the Downing Gross Cultural Arts Center. Mr. Mike Barber, Assistant Director, Parks, Recreation & Tourism, replied the Center should be completed by June 2007, and noted programs were presently running successfully.

Councilwoman McMillan asked about the amount the Office of Human Affairs paid for leasing part of the Center. Vice Mayor Allen replied OHA was matching funding.

Mr. Poplawski reported that the recommended funding for Special Events for FY 2008 totaled \$210,000. He explained this amount included \$50,000 in event marketing, which would be used to advertise and promote all events – not only at City Center, but also at Port Warwick and surrounding locations. This budget recommendation assumed continued involvement and financial support by non-City organizations and businesses (\$50,000 in private funding was being targeted for FY 2008) and accounted for \$26,000 in targeted saving from existing events.

D. Commissioner of the Revenue – State Telecommunications Revenue Issues

City Manager Hildebrandt introduced Mr. Charlie Crowson, Commissioner of the Revenue, to give an overview of Communications Tax Reform – House Bill 568 (2006). (A copy of memo explaining the Communications Tax Reform is attached and made a part of these minutes.)

Mr. Crowson stated House Bill 568 orchestrated a major restructuring of local telecommunications taxes. He stated the bill substantively repealed the direct local authority to administer nearly half a billion in tax revenue (roughly \$13.3 million) for Newport News. The bill was passed with reasonable assurance that it would be revenue neutral for all local governments. He explained the new taxes adopted; State taxes repealed and replaced; local taxes repealed and replaced; local taxes not affected; and State taxes not affected. He stated the City of Newport News was looking at a \$2.4 million shortfall for FY 2007 (based on \$13.3 million budget) and \$2.4 million shortfall for FY 2008 (based on \$12 million budget).

City Manager Hildebrandt stated a loss of approximately to \$3.5 million in telecommunications taxes from the State would significantly reduce the City's ability to grant a \$.03 cent tax reduction on the real estate tax rate for citizens.

Councilman Haskins stated the City needed to refuse services to its citizens because of State mandates. He stated as long as the City continued to pick up costs, the State would continue to implement unfunded mandates.

City Manager Hildebrandt stated the City had to run an emergency dispatch program regardless of whether it received State funding. He stated the City needed to send a clear message to the General Assembly delegation pointing out that the telecommunications tax legislation did not do what it promised and, as a result, made it difficult for City Council to provide City services and tax relief to its citizens.

City Manager Hildebrandt felt the telecommunications tax shortfall was manageable and hoped that some of the shortage would be offset with unexpected revenues. He indicated he would manage the budget closely.

Mayor Frank requested that the City Manager write a strongly worded letter to members of the legislature pointing out how the Communications Tax Reform bill negatively affected the City, and ask that priority be set to correct compensation to the City.

E. Waterworks

This item was deferred until the April 24, 2007 Work Session of City Council. Mr. Brian Ramaley, Director, Department of Public Utilities, presented a copy of the Water Rate Report for FY 2008, for review by City Council. (A copy of the report is attached and made a part of these minutes.)

F. Schools

City Manager Hildebrandt introduced Mr. Richard B. "Rick" Donaldson, Jr., Chairman, School Board, Newport News Public Schools, to report on the FY 2008 Operating Budget for Newport News Public Schools (NNPS).

Mr. Donaldson stated the challenges faced by NNPS for FY 2008 included a small increase in state revenue; a competitive teacher job market; and decreased enrollment. He stated with such back drops NNPS realized the priorities it faced for FY 2008. (A copy of the presentation, "Smart, Safe Schools – An Investment in Our Future," is attached and made a part of these minutes.)

Mr. Donaldson noted the following budget priorities for NNPS for FY 2008: 1) Achievement; 2) Safety; 3) Compensation; and 4) Choice. He introduced Dr. Ashby C. Kilgore, Interim Superintendent, NNPS, to provide details of the FY 2008 NNPS's budget.

Dr. Kilgore explained NNPS projected revenue and expenditures for FY 2008. (A copy of the revenue and expenditure summaries are included in the presentation, "Smart, Safe Schools – An Investment in Our Future," attached and made a part of these minutes.) She stated the total FY 2008 recommended budget amounted to \$306.9 million, which was a 3% increase over last year's budget. She stated 80.4% of their budget was based on personnel costs, 11.6% was based non-discretionary funding (debt service) and 8% was based on discretionary funding (programs and materials).

Dr. Kilgore stated NNPS was committed to increasing salary levels for teachers. She reported, at the entry level, NNPS had the lowest salary scale on the Peninsula. Dr. Kilgore stated NNPS recommended a 5% salary increase for teachers for FY 2008, which amounted to a \$10.0 million increase in compensation. To pay for the increase, NNPS reduced 45 positions and internally transferred \$2.3 million from those employee costs for the raises. Staff was reduced by attrition, restructuring of internal programs, eliminating vacant positions from the budget, and by declining enrollment. By offering NNPS teacher's a 5% salary increase, they would begin to catch up with neighboring localities.

Councilman Haskins inquired about the percentage of teachers with 5, 10, 20, 30 years with the NNPS. Dr. Kilgore replied she would get the information and report back to City Council.

Councilwoman McMillan inquired how many teachers had been employed with NNPS for five years or more. Dr. Kilgore noted she would provide the information to City Council at a later date.

Dr. Kilgore noted the results from City investments in NNPS and the results received over the last four years. She explained suspension trends, dropout statistics, reading performance, algebra readiness, SOL accreditation, and Adequate Yearly Progress, and noted improvements in all categories. She reported Newport News had the lowest drop-out rate of any of the Southside and surrounding school districts.

Councilwoman McMillan inquired about the number of schools not yet accredited, and which schools were they. Dr. Kilgore replied four middle schools were not yet accredited (Huntington, Hines, Crittenden, and Passage) and three elementary schools (Sedgefield, Palmer, and Watkins).

Mayor Frank inquired about student enrollment projections for the next four years, considering the decrease of 300 students and the basis for the numbers. Dr. Kilgore replied their growth areas were in high school and the steady areas of increased enrollment were in elementary and middle schools. She replied NNPS did not anticipate huge decreases, nor were huge increases anticipated. She stated it was interesting to see increases in kindergarten and first grade. There was also a 200+ waiting list from private school students who wanted to attend Newport News Magnet Schools.

Councilman Bateman inquired whether NNPS had considered expanding Magnet Schools, and inquired whether NNPS was able to track populations that used neighborhood schools. Dr. Kilgore indicated Magnet Schools were more expensive to operate. She stated they were not able to track populations that used neighborhood schools.

Mr. Donaldson concluded the presentation by stating he supported the City Manager's recommended FY 2008 budget for NNPS. He stated this year, in his experience, had been the most cooperative of negotiations between the City and NNPS.

II. FY 2007- FY 2008 Consolidated Plan for Housing and Community Development

Mayor Frank explained the U.S. Department of Housing and Urban Development (HUD) required that a five-year strategy document be developed and submitted on a regular basis, and the latest five-year plan covered the period 2006-2010. This five-year document was reviewed and approved by City Council on April 26, 2005. For each year in between the five-year period only an update, referred to as the Annual Action Plan (Action Plan) was required to be submitted to HUD. (A copy of the Action Plan, including proposed use of funds for the upcoming FY 2007-2008 Community Development Block Grant and the HOME Investment Partnership is attached to these minutes.)

There was consensus among City Council to move forward with adoption of the FY 2007-2008 Consolidated Housing and Community Development Annual Action Plan.

III. Hampton Roads Regional Transportation Authority

City Manager Hildebrandt introduced Dr. Rhonda Sturgis, Legislative Relations Coordinator, to report on the Hampton Roads Regional Transportation Authority.

Dr. Sturgis reported that the General Assembly approved the Governor's amendments to the transportation bill HB 3202 on Wednesday, April 4, 2007. She stated the bill allowed the Hampton Roads region to create an Authority to implement fees, which would begin to pay for many of the transportation projects so badly needed in the region. The bill authorized the creation of the Hampton Roads Transportation Authority, provided that seven of the twelve jurisdictions, who comprised 50% of the population, within the region, elected to join. The twelve Hampton Roads localities included were the Counties of Isle of Wight, James City and York, and the Cities of Chesapeake, Hampton, Newport News, Norfolk, Poquoson, Portsmouth, Suffolk, Virginia Beach and Williamsburg. Also, the Counties of Accomack and Northhampton would be included in the Authority once all bonds and other debt of the Chesapeake Bay Bridge Tunnel were paid in full.

Dr. Sturgis stated the Authority would generate approximately \$168 million per year for regional transportation projects, with a potential to increase by \$20 to \$60 million. She reported the regional plan required adding, or increasing the following fees: \$10 automobile inspection fee (\$12,300,000); 5% tax on automobile repairs (\$18,900,000); grantor's tax of \$0.40 cents per \$100 of assessed value (\$49,100,000); motor vehicle rental tax of 2% (\$3,500,000); one-time vehicle registration fee of 1% (\$41,200,000); annual vehicle registration fee of \$10 (\$13,300,000); and 2% retail tax on motor fuel sales. Discretionary fees included commercial real estate surcharges up to 10 cents (\$20,400,000); local annual vehicle registration fees of \$10 (\$13,200,000) and commercial and residential impact fees which were yet to be determined.

Councilman Haskins inquired whether City Council implemented the fees. Dr. Sturgis replied the Authority would be responsible for implementing fees.

Councilman Haskins questioned why a referendum was not considered. Mr. Stuart Katz, City Attorney, replied the City Charter did not permit a Referendum for the way in which the legislation was structured by the General Assembly. He stated the City had a Charter provision, imposed in 1958, that was limited only to ordinances. The law that the General Assembly passed with the Governor's amendment dealt with a resolution and the interpretation of legislation was such that specific importance had to be given to the words that were used by the General Assembly in 1958.

Councilwoman McMillan inquired whether it could be put forth in a non-binding referendum. City Attorney Katz replied no, because the charter provision required the City to petition the court and then the court would order a referendum.

Councilwoman McMillan inquired whether the decision to have a general election for the Mayor was done under a non-binding referendum. City Attorney Katz replied he had no recollection of the request for general election of the Mayor.

Councilwoman McMillan stated she did not support the authority or the legislation.

Councilman Haskins felt implementation of this legislation was imposing taxation without representation. Mayor Frank stated that was not true because the members of the Transportation District were elected, which were the Chairmen of the Boards of Supervisors of each of the Counties, and Mayors of all the Cities involved, or their designees.

Mayor Frank explained City Council tried several years ago to get the Legislature to pass authorization to fund six transportation projects. (Attached to these minutes is a map noting the six projects and a memo from the City Manager explaining the legislation.)

Mayor Frank stated State law required that the transportation bill HB 3202 come into effect on July 1, 2007, with implementation by localities on December 31, 2007. He explained this was an opportunity for local government to participate in the future of regional transportation in Hampton Roads. The transportation bill gave the City something to start and build on. If problems and issues arose that needed to be addressed, the City could go back and deal with those, but at least there was a plan and a program in hand that allowed the City to move the system forward. He hoped that City Council would exercise leadership and offer their support in this initiative, which he felt was urgent for the future of Newport News and the region.

Councilwoman Scott inquired about the number of representatives that would be on the Authority. Dr. Sturgis replied the Authority would consist of the chief elected officers of each of the 12 localities, or their designees, a member of the Commonwealth Transportation Board, the Director of the Virginia Department of Rail and Public Transportation, or his designee, two members of the House of Delegates, and one member of the Senate who resided in the region.

Councilwoman Scott inquired whether the City must comply with whatever was decided by the authority. Mayor Frank stated once City Council agreed to allow the Authority, the authority would impose taxes on the entire region.

Vice Mayor Allen inquired about the grantor's tax of \$.40 cents per \$100 of assessed value. Mayor Frank replied the grantor's tax was a tax collected on the sale of a house. Vice Mayor Allen inquired about the current tax. Dr. Sturgis replied she would get the information.

Councilwoman Scott inquired whether there would be State funding or whether the City would be responsible for all of the transportation projects. Dr. Sturgis replied there would be no State funding for the projects proposed by the Authority.

Councilman Haskins requested that the matter be deferred to the next City Council Work Session so that he could review the information in further detail.

Mayor Frank replied he preferred acting upon the matter immediately. He felt this would show leadership in the region and indicated Portsmouth, Norfolk, and Virginia Beach were on or planning to come on board.

Councilman Bateman inquired about a study rationalizing how the bill would impact each household. Mayor Frank shared information noting in 2006 the average home sale price in Hampton Roads was \$284,911. He stated an additional grantor's tax of \$.40 cents per 100 of assessed value would increase the one time fee on a homeowner who sold their home for \$284,911 by \$1140. A home selling for \$200,000 would be increased by \$800. According to the National Automobile Dealers Association, the average price of a new car sold in the United States in 2006 was \$28,400. A one time vehicle titling tax and a one time registration fee of 1% would yield \$284 on the average car cost of \$28,400. The Energy Information Administration estimated that per capita motor fuel consumption in Virginia was \$527 per year for each citizen assuming a regional average of 2.5 persons per household and a retail fuel cost of \$2.26 per gallon. He stated a 2% motor vehicle fuels tax would cost the average household \$61 a year. According to State revenue estimates the combined total that the average Hampton Roads household might expect to pay in FY 2009 from the \$10 increase in the vehicle inspection fee, the 5% tax on automobile repairs, the \$10 increase in the annual registration fee and the 2% retail tax on motor fuel sales amounted to \$117 a year, approximately \$9.75 a month. Mayor Frank stated if a citizen did not buy a car or sell their house, they were looking at a total cost of \$170 per year.

Councilwoman McMillan stated despite the fact that Newport News barely passed the referendum, which was for the very same projects, she could not support the transportation bill. She stated this bill was making sure that the people in this region paid for infrastructure that was going to be used by the entire State, people out of State, tourists and everyone in the world.

Mayor Frank felt the taxes would not only be imposed on local residents. He stated if he was able to handle the matter, he would not have done it this way either, but you deal with consensus and compromise in the real world. The General Assembly was able to reach some agreement and the Governor tried to improve upon the matter by working with the leadership in the legislature and people around the Commonwealth, and this was what the City received.

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April 10, 2007

There was consensus among City Council to move forward with adoption of legislation for the Hampton Roads Transportation Authority.

THERE BEING NO FURTHER BUSINESS,
ON MOTION, COUNCIL ADJOURNED AT 6:07 P.M.

Jennifer D. Walker, CMC
Chief Deputy City Clerk

Joe S. Frank
Mayor
Presiding Officer

A true copy, teste:

City Clerk