

MINUTES OF REGULAR MEETING
OF THE NEWPORT NEWS CITY COUNCIL
HELD IN THE CITY COUNCIL CHAMBERS
2400 WASHINGTON AVENUE
May 13, 2008
7:30 p.m.

PRESENT: Joseph C. Whitaker; Charles C. Allen; Herbert H. Bateman, Jr.; Joe S. Frank; William F. Haskins; and Madeline McMillan ----- 6

ABSENT: Sharon P. Scott ----- 1

1. The invocation was rendered by Reverend Clyde DeLoach, Christ United Methodist Church.

2. The Pledge of Allegiance to the Flag of the United States of America was led by Councilman Whitaker.

MOTION MADE BY COUNCILMAN HASKINS; SECONDED BY VICE MAYOR ALLEN; AND CARRIED UNANIMOUSLY TO EXCUSE COUNCILWOMAN SCOTT FROM THIS MEETING.

3. Public Hearings

(a) Grant of Utility Easement at Jefferson Avenue and Woodfin Road

Mayor Frank presented AN ORDINANCE 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 DEED OF EASEMENT BY AND BETWEEN THE CITY OF NEWPORT NEWS, VIRGINIA, AND VIRGINIA ELECTRIC AND POWER COMPANY, D/B/A/ DOMINION VIRGINIA POWER DATED THE 13TH DAY OF MAY, 2008, FOR ELECTRIC UTILITY LINES UNDER A PORTION OF JEFFERSON AVENUE AND WOODFIN ROAD. He advised this granted a utility easement to Dominion Virginia Power over City-owned land located at Jefferson Avenue and Woodfin Road. This proposed grant of a utility easement was advertised and processed pursuant to State Code requirements prior to City Council receiving bids at its April 22, 2008 meeting. One bid from Dominion Virginia Power was received at that meeting. This proposed easement was under a portion of these two streets for a total of 20 feet, and would be used for underground electrical service distribution.

(No speakers)

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

Vote on Roll Call:

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

Nays: None

3. Public Hearings Continued

(a) Grant of Utility Easement at Jefferson Avenue and Woodfin Road Continued

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

Vote on Roll Call:

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

Nays: None

(b) Grant of Utility Easement at Rivers Ridge Circle

Mayor Frank presented AN ORDINANCE 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 DEED OF EASEMENT BY AND BETWEEN THE CITY OF NEWPORT NEWS, VIRGINIA, AND VIRGINIA ELECTRIC AND POWER COMPANY, D/B/A DOMINION VIRGINIA POWER DATED THE 13TH DAY OF MAY, 2008, FOR ELECTRIC UTILITY LINES UNDER A PORTION OF RIVERS EDGE CIRCLE. He advised this would grant a utility easement to Dominion Virginia Power over City-owned land on a portion of Rivers Ridge Circle. This proposed grant of a utility easement was advertised and processed pursuant to State Code requirements prior to City Council receiving bids at the April 22, 2008 meeting. One bid from Dominion Virginia Power was received at that meeting. This proposed easement was under a portion of Rivers Ridge Circle for a total of 15 feet, and would be used for underground electrical service distribution.

(No speakers)

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

Vote on Roll Call:

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

Nays: None

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

Vote on Roll Call:

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

Nays: None

3. Public Hearings Continued

(c) Vacation and Closing of a Portion of Macon Avenue Right-of-Way

Mayor Frank presented AN ORDINANCE CLOSING AND VACATING THAT CERTAIN PORTION OF A STREET KNOWN AS MACON AVENUE, IN THE CITY OF NEWPORT NEWS, VIRGINIA, AS SHOWN ON THE PLAT ATTACHED HERETO AND MADE A PART OF THIS ORDINANCE. He stated this would close and vacate a portion of Macon Avenue right-of-way and approve a property exchange for a portion of lot 464 North Avenue. This involved the vacation of a parcel that was twelve and one-half feet (12.5') in width consisting of 1,217 square feet. The portion proposed for vacation was a .08-acre corner property with frontage on both North and Macon Avenues. This vacation allowed the combined parcel to meet the minimum building setback requirements for the special exception required to develop the proposed single family dwelling. The owner of the adjacent property that requested this vacation would pay the City the City Assessor's appraised value of \$2,650.

(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

Nays: None

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

Vote on Roll Call:

Ayes: Whitaker, Bateman, Frank, Haskins, McMillan

Nays: Allen

(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 2009 Operating budget. This public hearing was required by State Code when a locality proposed an increase in property tax levies. The lowered tax rate necessary to offset increased assessments would be \$1.034 per \$100 of assessed value. The difference between the lowered tax rate and the proposed tax rate was \$0.066 per \$100 of assessed value. That difference was known as the effective tax rate increase.

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

Mr. Brian Powell, 91 Huxley Place, Newport News, resident of Glendale, voiced concern about City assessments and the real estate tax rate. He understood the City had to raise revenue for services such as Police and Fire support, but he questioned how the City equated the levy by using the third highest assessed properties in the area, when the country and its citizens were facing economic hardship due to a pending recession and increased food and gas prices. He inquired why the City assessed the value of his and other homes based upon last year's real estate values. Homes were not selling for the City's assessed values. He stated his 2008 assessment was based on what real estate sold for in 2007, and he felt it was an unfair way to raise City revenue. He understood there had been costly spending for things such as the City Center, the Jump-over-Jeff bus program and several other things that came in over budget. He understood such things happened, but he also understood that one had to cut back when they did not have enough money to pay for certain things. He asked City Council to take a look at the assessments and what the market was in realistic terms of where they were today and issue proper assessments based upon today's market, not upon prior year markets when real estate prices were increasing.

Mayor Frank stated normally, during Public Hearings, City Council did not respond to comments, but with regard to properties being assessed, based on prior year sales, it was also hard for City Council to understand. He explained the Assessor's appraisal process lagged 18 months behind today's real estate values because of the time it took to analyze and evaluate properties, i.e. 70,000 housing units in the City. The delay did not create problems in years where real estate values did not change, but did create problems when real estate increased dramatically. The City planned to appropriate funding to upgrade and replace the Assessor's Office computer system, which would help decrease the time it took to analyze and evaluate properties. Mayor Frank indicated the City was obligated to have assessments done yearly and the methodology that the State used, like other Cities, had that gap between current and prior values. He stated the City would see a substantial reduction in real estate assessments next year because they would reflect real estate values of today.

Vice Mayor Allen noted the Jump-Over-Jeff program was not locally funded. He explained Hampton Roads Transit received a grant to see whether there was a need to develop transit between Port Warwick and the City Center. Once the Jump-Over-Jeff program did not generate the participation, the funding was reprogrammed. There was no local money in the Jump-Over-Jeff program.

Councilman Haskins stated Jump-Over-Jeff was from a federal program called CEMAC. There was no local taxpayer money involved in the program. The federal government authorized the grant to help with transportation.

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

Mr. David Walls, 111 Huxley Place, Newport News, of the Glendale subdivision, noted a petition was sent throughout his neighborhood to alert City Council that Glendale's assessments were not in line with other areas in the City this year. (A copy of the petition is attached and made a part of these minutes.) The average rate increase in his neighborhood was 10% or higher, while in Hidenwood the rate increased by only .02%. He and his wife bought their starter home in Glendale nine years ago for \$105,000, with the hope of upgrading to a bigger home. However, their plans changed when they had twins and they decided to stay in Glendale. They added a \$50,000 addition to their home two years ago. In the last two years alone, his assessment increased by \$70,000, which amounted to a 31% increase. Mr. Walls did not mind paying a fair rate for fair value. The value of his home as assessed by the City was \$292,000. A real estate appraiser looked at his property and the values in Glendale. The appraiser did not understand how the \$292,000 assessment was derived by the City and indicated there was nothing to constitute that value, which seemed out of line and ridiculous. Mr. Walls felt if assessments were that far out of line, the real estate tax rate needed to be adjusted. He hoped City Council would decrease the real estate tax rate. He felt \$1.10 of \$100 of assessed value was too high for Newport News. Isle of Wight, James City County, York County, Poquoson, had a lower real estate tax rate and offered equivalent services. Mr. Walls voiced concern that the school, attended by students residing in Glendale, was not up-to-par, and barely met his or the State standard. He also voiced concern about his home settling because of a sound barrier wall on the other side of the train tracks, adjacent to his property. He felt this situation needed to be addressed as far as making the trains slow down. Mr. Walls indicated the City's debt should not be approaching \$1 billion. He stated it took one week of his salary to pay the increase in his real estate taxes over the last nine years. He asked City Council to step up to the plate and answer their constituents.

Mr. Bob Killebrew, 13 Hilton Terrace, Newport News, on behalf of the Real Estate Tax Relief Organization (RETRO), stated RETRO had waged a two year campaign to return the real estate tax rate to normal growth after City Council surged real estate taxes in 2004 and 2005. He stated, to return to normal levels the real estate tax rate should be \$.93 cents per \$100 of assessed value, and RETRO believed such a rate was achievable, without cutting the school budget or attacking City personnel. RETRO spent this year giving results of citizen budget analyses and suggestions on how the real estate tax rate could be reduced to \$.93 per \$100. In private meetings, the majority of City Council agreed with RETRO that cuts were necessary in the City budget, yet they had seen little public progress. Last year City Council cut the tax rate from \$1.20 to \$1.10 and he wanted City Council to repeat that performance again this year to \$.93. He noted RETRO bottom lines: 1) RETRO continued to believe in the future of Newport News and its people; 2) RETRO was for good schools, public safety and the hard working men and women of City government who were RETRO's fellow taxpayers; and 3) RETRO believed City Council could responsibly cut both the real estate tax rate and the budget, without cutting schools or essential services. Even if City Council did not cut as deeply as

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

RETRO preferred, any rate over \$1.03 was a tax increase for citizens. Many members on City Council in private stated they were not going to vote for a tax hike and he hoped that would be remembered. Mr. Killebrew stated RETRO was increasingly concerned about the fiscal health of Newport News, in that the City was nearly \$1 billion in debt. Unless the City began to take stringent cost cutting measures, the taxpayers would experience a blood bath next year when assessments fell, the City's income dropped, and the City faced the debt and other projects that were not cut this year. He stated the responsibility of the debt crisis was not the City Manager's, but the burden of the debt and crushing property taxes that resulted from it were the responsibility of City Council. The City was not yet in a crisis, but only in debt; the City had not yet lost its vitality, but was losing residents on a daily basis to York County and other outlying suburbs. The time for big investment was over; the time for reinvestment in citizens and the financial health in Newport News was present. He urged City Council, on behalf of the citizens of Newport News, to cut the real estate tax rate and reduce City spending. He acknowledged and agreed with Vice Mayor Allen that City Council had cut the real estate tax rate by \$.04 the year that RETRO started their campaign.

Ms. Gud Haboush, 318 1st Street, stated he spoke to the Assessor's Office and found out they were throwing out any sales that were due to foreclosure, or distress. He felt foreclosures and distressed sales should be considered when half the sales were no longer standard. When the distress sales were at 1% that was different, but when half the sales were distressed sales they should be reconsidered.

Mayor Frank stated State law required the City to deal with arms length sales from willing buyers and sellers. Foreclosures and bankruptcies were not willing transactions, and as a matter of State law, the City Assessor's Office was not allowed to consider those properties. However, he understood Mr. Haboush's point.

Mr. James Stancil, 113 Phillips Lane, Newport News, stated City Council was forgetting what democracy was about. He stated Mayor Frank had a majority, even with the newly elected Council members. Mr. Stancil stated City Council needed to develop compassion for their citizens, which he did not sense. City Council was obligating its citizens. He had never heard of a municipality working closely with a limited liability company that was named after a City, i.e. the Newport News Limited Liability Company that was leasing property in Oyster Point. He was astonished that City Council was not lowering property taxes this year. Mr. Stancil informed he had made progress on his petition to require term limits on City Council members. He asked the citizens to sign a referendum so that term limits could be imposed on City officials. If citizens wanted compassionate government officials leading the City they would be willing to sign his petition.

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

Councilman Bateman moved closure of the public hearing; seconded by Vice Mayor Allen.

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

4. Consent Agenda

Councilwoman McMillan moved adoption of the Consent Agenda, Items (a) through (i), both inclusive, as shown below, with the exception of Items (b) and (c); seconded by Vice Mayor Allen.

- (a) Minutes of the Work Session of April 8, 2008

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

- (d) Minutes of the Budget Public Hearing of April 24, 2008

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

- (e) Fire Protection and Rescue Services Mutual Aid Agreement with City of Hampton

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 AGREEMENT FOR MUTUAL AID FOR FIRE AND RESCUE AND EMERGENCY MEDICAL SERVICES BY AND BETWEEN THE CITY OF NEWPORT NEWS, VIRGINIA, AND THE CITY OF HAMPTON, VIRGINIA, DATED THE 13TH DAY OF MAY, 2008. This resolution authorized the execution of an updated Fire Protection and Rescue Services Mutual Aid Agreement with the City of Hampton. This mutual aid agreement dated back to 1984, and was updated periodically to reflect changes that occurred within each jurisdiction. This proposed update was required to accommodate the Fire Department's accreditation process. A

4. Consent Agenda Continued
 - (e) Fire Protection and Rescue Services Mutual Aid Agreement with City of Hampton Continued

requirement of this process was that “external agency agreements were current and supported organization objectives.” This update did not deviate from the provision of services the City would provide to other inter-jurisdictional agencies through existing mutual aid agreements.

Vote on Roll Call:

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

Nays: None

- (f) Resolution in Memoriam – Elizabeth Fauntleroy Smith Bentien

A RESOLUTION IN MEMORIAM FOR ELIZABETH FAUNTLEROY SMITH BENTIEN. Ms. Bentien was a longtime resident of Denbigh and was a graduate of Newport News High School and the College of William and Mary. She was very active in community affairs and taught for many years in the Warwick Country and Newport News School systems.

Vote on Roll Call:

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

Nays: None

- (g) Renewal of Easement Agreement with Luck Stone Corporation

A RESOLUTION AUTHORIZING THE EXECUTION OF AN AFFIDAVIT ACKNOWLEDGING THE EXTENSION OF AN EXISTING EASEMENT AGREEMENT WITH THE LUCK STONE CORPORATION. This was a request to provide a four-year extension of an easement across City-owned land that was granted by City Council in 1999, which was last extended on May 25, 2004. This easement allowed Luck Stone the right of ingress and egress to access its property located at 781 Industrial Park Drive. This extension carried with it the same terms and considerations as the original easement agreement.

Vote on Roll Call:

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

Nays: None

- (h) Additional Extension of Conditional Use Permit CU-06-194, Center Car Wash, LLC

AN ORDINANCE TO AMEND ORDINANCE NO. 6250-06 AND THEREBY GRANT A TWELVE MONTH EXTENSION OF CONDITIONAL USE PERMIT CU-06-194 FOR

4. Consent Agenda Continued

- (h) Additional Extension of Conditional Use Permit CU-06-194, Center Car Wash, LLC
Continued

CENTER CAR WASH, LLC. This conditional use permit was approved by City Council on May 23, 2006, to allow a car wash on a 0.927 acre property located at 9512 Warwick Boulevard. One twelve-month extension of this permit was granted by City Council on April 10, 2007. The Zoning Ordinance allowed an applicant to request from City Council an extension of up to 24 months. The Planning Commission voted to recommend to City Council the approval of this second and final extension, and the City Manager concurred with that recommendation.

Vote on Roll Call:

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

Nays: None

- (i) City Code Amendment – Serving of Alcohol for Special Events at Specified City
Facilities

AN ORDINANCE TO AMEND AND REORDAIN CHAPTER 29, PARKS, SQUARES, AND RECREATIONAL FACILITIES, OF THE CODE OF THE CITY OF NEWPORT NEWS, VIRGINIA, ARTICLE II., GENERAL REGULATIONS GOVERNING PARKS, SQUARES, BEACHES, GOLF COURSES, ETC., SECTION 29-46, CONSUMPTION AND POSSESSION OF ALCOHOLIC BEVERAGES IN OR ON RECREATION FACILITIES; INTOXICATED PERSONS PROHIBITED; EXCEPTION FOR DEER RUN GOLF COURSE. This amended the City Code to authorize the serving of alcohol at special events at specified City facilities upon approval of the City Manager. The City Code currently authorized alcoholic beverages at one City-owned facility, the Deer Run Golf Course. This proposed amendment would extend that authorization to the Downing-Gross Cultural Arts Center, Lee Hall Mansion, Endview Plantation, Newsome House, Virginia War Museum, and the Newport News Park Campsites. This proposed amendment would allow these locations, with the proper Virginia Alcoholic Beverage Permit, to serve or sell alcohol as part of a designated special event when specifically authorized by the City Manager. The amendment also codified the current practice of allowing adult campers using the Newport News Park Campsites to consume, not sell, alcoholic beverages while on their rented campsites.

Vote on Roll Call:

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

Nays: None

Councilwoman McMillan moved adoption of the Consent Agenda, Items (b) and (c), as shown below; seconded by Councilman Haskins.

4. Consent Agenda Continued

(b) Minutes of the Work Session of April 22, 2008

Vote on Roll Call:

Ayes: Whitaker, Allen, Bateman, Haskins, McMillan

Nays: None

Abstention: Frank (was not present at the April 22, 2008 Council Work Session)

(c) Minutes of the Regular Meeting of April 22, 2008

Vote on Roll Call:

Ayes: Whitaker, Allen, Bateman, Haskins, McMillan

Nays: None

Abstention: Frank (was not present at the April 22, 2008 Regular Meeting of City Council)

5. Receipt of Bids for the Grant of a Utility Easement over City-Owned Property Located in York County

One (1) bid was received and opened from Dominion Virginia Power for the grant of a utility easement over City-owned property located in York County and was forwarded to the City Manager for review and evaluation. This proposed grant of a utility easement was advertised pursuant to State Code requirements pertaining to such transactions that were for a term of greater than five years. This proposed easement was for 15 feet in length to provide underground electric service conduit and cables. A public hearing had been advertised for the May 27, 2008 City Council meeting for consideration of the ordinance that would grant the easement to the successful bidder.

6. Ordinances to Enact the Fiscal Year 2009 City Operation 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 Fiscal Year 2009 at \$1.10 per \$100 of assessed value.

Ms. Towanda Alister, 123 Fisher Drive, Newport News, asked City Council to continue the trend of reducing the tax rate by \$.10 to offset what was going on in the economy.

6. Ordinances to Enact the Fiscal Year 2009 City Operation Budget Continued
 - (a) Real Estate Property Tax Rate Continued

Mr. John Procyson, 305 Normandy Lane, Newport News, RETRO member, stated Newport News was at the brink of bankruptcy with the continuing exodus of the middle class. He stated the difference between the approved FY2008 Operating Budget and the proposed FY2009 Operating Budget was a 3 to 4% increase. In addition to no real estate tax increase, citizens would soon see enormous increases in water rates, sewer fees and trash pick-up fees. Water rates would skyrocket to pay off the \$250 million in additional debt related to the King William Reservoir. Mr. Procyson reported the City Planning Department had 12 planners, a Director, Assistant Director, and specialists in areas that covered community planning, environmental planning, research planning and landscape planning, etc. They were paid an average of \$65,000 per year; a total of \$780,000, but the City hired an outside consultant for \$54,000 to tell the City how to improve the streetscape in the Southeast Commerce Center. The people who worked in the Planning Department knew the City better than an outsider and should be ashamed that someone felt they could not do their job. Mr. Procyson stated City operations, except for Public Utilities and a few special funds, cost taxpayers close to \$315 million per year. Newport News City schools cost the taxpayers as much as all other City expenditures; almost \$11,000 per year, per student. He asked the School administrators to stop telling taxpayers that schools needed more and more money. He noted a Daily Press article dated August 17, 1997, regarding the King William Reservoir, where Mayor Frank asked residents to set their alarm clocks for the year of 2000, which was when the City would start running a water deficit on the Peninsula. It's been eight years and the City was doing alright. If the City scaled down the hungry developers and got serious about water conservation, King William Reservoir would just be a bad memory. He stated, on April 6, 2006, in the Daily Press, Councilman Haskins, stated the City just had to stop spending and noted they had too much debt. Mr. Procyson stated today the City had much more debt and City Council kept spending and, almost, few voted to stop spending. He stated members of City Council were the people who put the taxpayers nearly \$1 billion in debt. They were the people who had approved the mindless spending in the last six years, very little of which had helped the middle class taxpayer. City Council needed to work much harder and question every dollar of expenditures.

Mr. A. C. Pulliam, Jr., 239 Falcon Drive, Newport News, RETRO member, noted comments from the public to members of RETRO expressing their disappointment in the way the City was functioning and suggestions for improvement. He stated RETRO was thriving and was not going away. He noted the freeze in jobs, as noted in the Daily Press article on May 13, 2008, looked like a 5% reduction in the real estate tax, which he hoped City Council would vote on tonight.

Councilman Haskins felt it was healthy to the City that RETRO was organized and got involved in City government to help City Council as they went through the budget process. He indicated out of all the years he sat on City Council, this year he had seen more citizen participation than what he had seen in a long time. Government was of the people, for the people and by the people.

6. Ordinances to Enact the Fiscal Year 2009 City Operation Budget Continued
 - (a) Real Estate Property Tax Rate Continued

He congratulated the members of RETRO for getting citizens involved and urged them to continue the process.

Ms. Pearl Murren, 187 Spur Court, Newport News, Glendale resident, stated she agreed with the comments made by Mr. Brian Powell and Mr. David Walls who spoke under Item 3(d) above regarding the issues in Glendale. She stated she had been a resident of Glendale since 1965 and was proud of her neighborhood. She was concerned about high assessments and real estate taxes for young families and retirees who lived on a fixed income. She feared that young families would leave Glendale because of high real estate taxes and inadequate schools. Ms. Murren asked City Council to lower the tax rate.

Mr. Anthony Starkey, 42 Madison Lane South, Newport News, stated the City's debt amounted to \$514 million, the Pension plan shortfall amounted to \$211 million, and the Employee Retiree benefit deficit amounted to \$223 million, which totaled \$968 million or virtually \$1 billion. He stated the \$968 million debt, in terms of a population of 178,000, broke down to \$5,500 per citizen. In terms of 7,954 Newport News homeowners, each owed close to \$12,828 towards the existing City debt. The average homeowner already paid real estate taxes, water, sewer and garbage fees, which totaled close to \$3,000 per household. He noted Councilman Bateman felt the City was handling its finances appropriately because Moody's gave the City a good bond rating. Mr. Starkey inquired why City debt was in such bad shape if finances were handled appropriately. He inquired whether the bond rating reflected Moody's confidence that the City could tax its people harshly enough to cover its debt. Mr. Starkey stated the City's population had declined by 1,900 residents between 2000 and 2006. He felt families were relocating to other neighboring municipalities where real estate taxes were less harsh. He urged the City Council to cut its spending by any and all means necessary in order to get its financial situation into alignment with taxation.

Councilman Bateman stated Standard and Poor's and Moody's were highly rated credit analysis firms who looked at the same things as Mr. Starkey and highlighted a few things that sometimes City Council failed to get across to the citizens, such as City Council's attempt to be responsible in the fiscal realm. He stated City Council approved a debt reduction policy to get the incidence of the City's debt down to 3.5%, which Standard and Poor's and Moody's had acknowledged. The credit rating agencies recognized that the City's valuation of real estate had continued to grow and that Newport News had invested in itself. City Council also was working to negotiate itself out of Moral Obligation debt. Some of the Moral Obligation debt included such things as the Herbert H. Bateman Carrier Integration Center, which was built for the Shipyard. The Shipyard was one of the largest companies in America and felt they would pay the City back. City Council was

6. Ordinances to Enact the Fiscal Year 2009 City Operation Budget Continued
 - (a) Real Estate Property Tax Rate Continued

working to address its debt and Pension shortfall by working to stabilize the fund. City Council looked back and questioned whether they could have contributed more to the Pension fund. However, the present City Council was not to blame for all. Some of the blame was due to the cost of healthcare, the number of employees retiring, the longevity of retirees, and the change in the Actuary's assumption. He wished City Council had done more, but they stared the issue in the face and recognized it along with the bond rating agencies. The bond rating agencies had faith in Newport News to deal with the debt. He appreciated Mr. Starkey's interest and indicated City Council was not sweeping the issues under the rug.

Ms. Pixie Killebrew, 13 Hilton Terrace, Newport News, Charter member of RETRO, stated City Council needed to work on fiscal responsibility so that Newport News would remain a progressive place, with viable neighborhoods and wonderful services, which citizens had become accustomed. She stated State law required that there be a public hearing if there was a real estate tax rate change and the real estate tax was the cause of a rise in the revenue stream. Any tax rate above \$1.03 per \$100 of assessed value was a tax hike. Ms. Killebrew stated several members of City Council privately stated to RETRO they would not vote for a tax hike and now was the time to make good on that statement. RETRO's agenda was that the City had a tax rate of \$.93 per \$100 of assessed value. This would put citizens back on the same slope that was normal before the exaggerated spending that was fueled by the rapid rise in the City's real estate assessments in 2004. Surely, City Council could agree to tell the City Manager to "make a budget in which the revenue stream does not rise from last year." Ms. Killebrew felt the City Manager could do it; he had a well paid staff that would do whatever City Council felt was good for the City. She encouraged City Council to take the opportunity to keep Newport News as a progressive City. City Council needed to start the prudent management that the citizens expected in order to plan finances. Do not take the exception as was offered in the State law or State Code. Government was difficult and she was grateful for members of City Council willing to do their jobs. She truly hoped that City Council could make this first commitment to the future of Newport News. She stated City Council could not borrow its way out of debt.

Councilman Whitaker stated he owned property just as everyone else and noted his property value, within the last three years, had increased 110%. He stated he lived in the Southeast Community. The Southeast Community needed revitalization, which City Council was committed to doing. When new housing was built, the real estate tax rate went up. He indicated he met with members of RETRO, but had never indicated he would not vote for a tax increase or decrease. He wanted real estate taxes to go down also, just as much as anyone else. Property taxes increase, especially when communities were improved. Councilman Whitaker stated members of City Council were human beings and taxpayers just as everyone else. He worried about citizen concerns. The South-

6. Ordinances to Enact the Fiscal Year 2009 City Operation Budget Continued
 - (a) Real Estate Property Tax Rate Continued

east Community had been slighted by citizens moving to central and northern Newport News and now City Council was faced with revitalization. He was happy that citizens were having more input in City government; however, he did not like the idea of citizen's talking to City Council in a disrespectful manner. Members of City Council lived in the community, along with the citizens. He suffered each and every day he lived in the Southeast Community, where the community was plagued by gun shots, murders, etc. He was not going to move out of the Southeast Community because people were needed to help revitalize the community. The Southeast Community was a good community. Councilman Whitaker asked that citizens not forget that there were other areas in Newport News that needed attention. City Council needed to help the whole City; not just one part. He wanted real estate taxes to decrease because he also needed a new car. Everyone on City Council was looking at what and how funding was spent. He felt sorry for citizens who belittled City Council. City Council was only trying to do a good job on behalf of the citizens.

Councilwoman McMillan moved to defer Item 6(a) through (h) to the June 27, 2008 Regular Meeting of City Council; seconded by Councilman Haskins.

Mayor Frank stated City Council had a number of public hearings, received much public input, read much correspondence and worked very hard on the budget. He realized City Council did not get to give citizens a tax rate reduction, based on where the City was economically. He came into the budget season with the hope that City Council could offer citizens a decrease in their real estate tax rate. After all the work, hours spent, time, and staff discussions, it was clear that it would not be responsible to reduce the real estate tax rate. He voiced concern about the comment made that next year would be a very difficult year with tax increases, which was the last thing he wanted to do. City Council tried to cut recurring expenses, such as a hiring freeze, a 5% cut in departmental operating budgets, etc., to make sure that the FY2009 Operating Budget was constrained and could be supported next year without a tax increase. City Council foresaw problems with sales tax revenue, Business and Professional Occupational License Tax (BPOL) revenue, and further reductions in State aid for the City as well as Schools, which were matters City Council had to responsibly take into account. Mayor Frank stated it was always good to make citizens happy, which he would have loved to do, but City Council had a responsibility. City Council took an oath to do what they felt was right and responsible. He felt City Council worked hard and effectively on the budget. What some people thought was unnecessary, others felt was critically important. City Council had to weigh and balance those differences. Because of that, he opposed the motion and was prepared to support the Ordinances to enact the Fiscal Year 2009 City Operating Budget.

6. Ordinances to Enact the Fiscal Year 2009 City Operation Budget Continued
 - (a) Real Estate Property Tax Rate Continued

Councilwoman McMillan stated she recognized that the City Manager had the responsibility to define the operational costs of the City, and felt he worked to put in the budget what he thought was necessary considering his priorities as well as the varying priorities of City Council. She appreciated the City Manager and the Mayor's response to her memo regarding her concern over varying budget line item costs. (A copy of the memo is attached to these minutes.) Unfortunately, due to personal circumstances, she did not have the time to clearly outline those concerns and apologized to the City Manager and Mayor Frank for not providing lists of specific details. However, while City Council had a fiscal responsibility to approve a budget and set spending priorities, it also had the responsibility to carefully consider the views of its citizens. It had been made clear that the people of Newport News felt the stress of the increase tax burden generated by higher assessments on their property. In order to lower the property tax, City Council must cut and maintain a lower level of spending within its operational budget and they were not doing that.

Councilwoman McMillan stated the approved budget for FY 2008 was \$415,598,000. During the year, that budget was infused with \$15 million plus from the Fund Balance Reserves for an ending spending tab of over \$431 million. This year, the City was spending the \$415 million plus the \$15 million and an additional \$1.1 million. Either the FY 2008 approved budget was grossly underestimated or the City had increased its spending level by \$16 million for operational costs. If that increase was to be considered the norm, City Council would be in trouble because all indicators told them that they would not have the previous large increases in revenue in the future to support such a spending level. And, most importantly, citizens could not absorb the increases through the property taxes assessed on their homes. Councilwoman McMillan stated the City's total operating budget had increased by approximately 54% since 2002. City Council needed to get back to providing basic services and needed to lower the property tax. Newport News could not be a competitive City if it had the highest property taxes on the Peninsula. She suggested that City Council not vote on the City's budget at this meeting and continue to work to adjust the budget to provide a decrease in the property tax. (A copy of Councilwoman McMillan's remarks are attached and made a part of these minutes.)

Councilman Haskins stated in reading today's Daily Press article (attached to these minutes), the City Manager indicated the City would save \$8.52 million by freezing 200 full-time job openings for a year. Councilman Haskins understood City Council would need the savings for next year's budget. He agreed with some of the citizens who were concerned about City spending and increases in real estate taxes, gas taxes, etc. There were many retired shipyard worker who lived in the Community. He, being a retired shipyard worker, knew that their Pension income had not increased since retirement, but their cost of living had increased tremendously. Most increases retirees realized were strictly from Social Security income increases. Councilman Haskins stated everything was increasing and he, personally, did not know what the citizens were going to do. If City Council went

6. Ordinances to Enact the Fiscal Year 2009 City Operation Budget Continued
 - (a) Real Estate Property Tax Rate Continued

back and looked at the excess revenue that was in City department budgets there was a considerable amount of excess revenue that could help balance the FY 2009 budget. He did not understand government financing that well, but understood from the private sector that when you had to cut a department budget you did it by cutting spending without decreasing production. In order to get needed cuts in the private sector, they did it by working hard and finding other ways to do things. He stated the City would have revenue left over from departments, and was convinced the City Manager could cut 10% out of each department's budget if he wished to do so. Councilman Haskins felt City Council could use the \$8 million realized in the job freeze to cut the tax rate and help the actuary liability of the Pension fund. He stated the Pension system was actuarially unsound because it had not been correctly funded in the last ten years. The City failed to meet that responsibility for the City employees and he felt it needed to be done. He felt City Council should take the suggestions of the citizens and give them the opportunity to know that the City was listening. City Council might not be able to change a thing, but at least they could study citizen suggestions. He was in favor of deferring the vote to June, as suggested by Councilwoman McMillan. He appreciated citizens sharing their views of the budget and felt City Council needed to listen and take another look at how they could reduce the tax rate by June 27, 2008.

City Manager Hildebrandt stated the \$8.52 million savings, as referenced in the newspaper article, was calculated by the newspaper reporter and not by him. He stated the reporter simply took the 200 vacancies and multiplied them by the average wage of City workers. The reality was that he was not going to be able to freeze Police and Fire personnel positions. That was an area where he could not continue to freeze hiring because they provided critical public services.

City Attorney Stuart Katz pointed out the budget had to be adopted, per City Charter, by June 15, 2008.

Councilwoman McMillan moved to revise her prior motion to defer Item 6(a) through (h) to the June 10, 2008 Regular Meeting of City Council; seconded by Councilman Haskins.

Councilman Whitaker stated he understood that City Council had gone over the budget and looked at everything that was possible to reduce the budget and now they were going to take additional time to go over the budget again. He felt City Council needed to address this because they were going to get in trouble if they did not. He was in favor of giving the citizens all the time that City Council could possibly give. City Council already had the budget set for the schools and the City and now they wanted to review it again. He was for giving the citizens as much time as possible. The reason he wanted to do that was because City Council needed to sit some of the citizens down, talk to

6. Ordinances to Enact the Fiscal Year 2009 City Operation Budget Continued
 - (a) Real Estate Property Tax Rate Continued

them and explain the process. They really did not understand the work that went into the budget and that was his concern. He was not trying to back out or anything, but what he needed to do was to vote no.

Vote on Roll Call:
Ayes: Haskins, McMillan
Nays: Whitaker, Allen, Bateman, Frank

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

Vote on Roll Call:
Ayes: Whitaker, Allen, Bateman, Frank, Haskins
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 of January 1, 2009 through December 31, 2009, at \$1.10 per \$100 of assessed value.

(No Speakers)

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

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

6. Ordinances to Enact the Fiscal Year 2009 City Operation Budget Continued

(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 \$1.63 for each one hundred cubic feet, or fraction thereof, of metered water consumption; and a Sewer User Fee Surcharge of \$.45 HCF.

(No Speakers)

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

Vote on Roll Call:

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

Nays: None

(d) Storm Water 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 charge at \$61.20 per ERU per year; and when applicable, the service charge shall be prorated at \$5.10 per ERU per month.

(No Speakers)

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

Councilman Haskins stated he wanted the citizens to know that City Council was required by federal order to do certain things with the City's stormwater drainage, which was one of the reasons that the service charges were increasing.

Vote on Roll Call:

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

Nays: None

6. Ordinances to Enact the Fiscal Year 2009 City Operation Budget Continued
- (e) Residential Solid Waste Collection Fees for Fiscal Year 2009 and 2010

AN ORDINANCE TO AMEND AND REORDAIN CHAPTER 19, SOLID WASTE, LITTER AND RECYCLING, OF THE CODE OF THE CITY OF NEWPORT NEWS, VIRGINIA, ARTICLE IV., RESIDENTIAL SOLID WASTES FEES, SECTION 19-41, RESIDENTIAL SOLID WASTE COLLECTION FEES. This ordinance established a revised schedule of Residential Solid Waste Collection Fees as follows:

	FY 2008	FY 2009
Medium (60 Gallons) (per week)	\$4.02	\$4.30
Standard (90 Gallons) (per week)	\$5.03	\$5.38
Small and Standard (per week)	\$9.05	\$9.68
Two Standards (per week)	\$10.06	\$10.76

(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

Nays: None

- (f) 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 42-33, RATES AND FEES. This ordinance established the water rate for commercial, residential and industrial uses at \$3.04 per 100 cubic feet above six; the lifeline rate for all HCF above six at \$3.04; and the summer conservation rate at \$.61 per HCF. Additionally, in the ordinance was a revised system development fee schedule.

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

Mr. Kelly Place, 213 Waller Mill Road, Williamsburg, Virginia, stated he wanted to address City Council on the water rate increases as well as the project development agreements that City Council signed between James City County, King William County and perhaps others that were related to the increases. It was difficult to find out what the agreements were because when they were

6. Ordinances to Enact the Fiscal Year 2009 City Operation Budget Continued
 - (f) Rate Schedule for Water Consumption Continued

first put on the docket it was difficult for citizens to find out what type of agreements were being signed that required them to pay an increase water rate and other fees for many generations. He felt the increase in fees, if going to something sustainable, i.e. conservation initiatives, would be fine. He believed the increased fees were to provide water for future residents to come. He believed developers, who profit from additional populations of an already over-crowded Peninsula, should pay the fees. He did not believe the average person should pay the fees. He felt it was somewhat reflective of the spending problem that the City had. Some of the fees were predicated on supporting the King William Reservoir project. He did not understand why City Council did not have a public hearing if City Council was going to consign and bind citizens to multi-generational deals regarding this project. The bonds were financed with Revenue bonds, which were more expensive than General Obligation bonds. He stated General Obligation bonds required the public's vote. Mr. Place was distressed because he could not move back to Newport News due to increasing real estates taxes, water rates and a consequent decrease in one's quality of life. He felt the increased water rates were intended to support far more people than what was on the Peninsula or that the Peninsula could ecologically sustain. The entire project was predicated on increasing Waterworks' customer base from 400,000 to 600,000 in about 20 or 30 years. He did not feel the region needed another population increase because all that would do was increase the pressure to raise taxes. City Council was already struggling and putting increased strain on inadequate infrastructure. Agreements and increased water rates were causing citizens to pay for an over populated situation with inadequate infrastructure and increasing tax burdens that could not be met to pay for that infrastructure.

Councilman Haskins stated if the citizens did not have the Waterworks department they would be paying \$.90 more in real estate taxes. He asked the citizens to consider that people who did not live in Newport News were not required to pay those taxes.

Vote on Roll Call:
Ayes: Whitaker, Allen, Bateman, Frank, Haskins
Nays: McMillan

- (g) Fiscal Year 2009 Classification and Pay Plan

AN ORDINANCE PROVIDING FOR THE ADOPTION OF A CLASSIFICATION AND PAY PLAN FOR THE EMPLOYEES OF THE CITY OF NEWPORT NEWS FOR FISCAL YEARS 2009. This ordinance approved the City's Fiscal Year 2009 Employee Classification Pay Plan.

(No Speakers)

6. Ordinances to Enact the Fiscal Year 2009 City Operation Budget Continued
 - (g) Fiscal Year 2009 Classification and Pay Plan Continued

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

Councilwoman McMillan stated she was not going to support this item. She felt the cap should be at 3% and not up to 4% on job performance, since the City was cutting the School Board budget that would deny the teachers their 4% raise.

Vice Mayor Allen felt it was interesting that Newport News, in spite of the General Assembly, had moved to take care of its teachers. He stated it was interesting to play the words about the 4% because that was not what was really happening. What was happening was that the department head had to give a 2% increase to all employees, but had the liberty of giving a 4% increase to a particular employee who excelled in dedication and commitment to the City over an employee who did not. The department head received funding for a 3% salary increase adjustment for each employee, but had the discretion, based on performance of employee, how much of that percentage they might get. He stated no employee was receiving a 4% salary increase outside of the 3%.

Vote on Roll Call:

Ayes: Whitaker, Allen, Bateman, Frank, Haskins

Nays: McMillan

- (h) Fiscal Year 2009 City and School Division 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, 2008, AND ENDING JUNE 30, 2009, INCLUSIVE. This ordinance approved the City's operating budget for Fiscal Year 2009, and appropriating \$815,491,348 to operate the City and School division for the Fiscal Year beginning July 1, 2008.

(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

Nays: McMillan

7. Appropriations from Fiscal Year 2007 Fund Balance Reserves for Specific Projects in Conjunction with the Fiscal Year 2009 Operating Budget

Councilman Whitaker moved adoption of Items (a) through (f), both inclusive, as shown below; seconded by Vice Mayor Allen.

(a) Refuse Truck Replacement

A RESOLUTION APPROPRIATING FUNDS FROM GENERAL FUND RESERVES (\$575,000) TO REFUSE TRUCKS (\$575,000). This resolution appropriated \$575,000 from Fiscal Year 2007 Fund Balance Reserves for the purchase of four solid waste refuse trucks. The next round of more stringent Environmental Protection Agency exhaust emission standards would go into effect for all 2010-year model diesel trucks. These new regulations would increase the cost of this class of trucks to at least \$10,000 each. Purchasing these refuse trucks this fiscal year would avoid \$57,000 in price increases next fiscal year and help mitigate the spike in vehicle replacement expenses anticipated in Fiscal Year 2010.

(No Speakers)

Vote on Roll Call:

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

Nays: None

(b) Fire Apparatus Replacement

A RESOLUTION APPROPRIATING FUNDS FROM GENERAL FUND RESERVES (\$1,020,000) TO FIRE APPARATUS AND EQUIPMENT (\$1,020,000). This resolution appropriated \$1,020,000 from Fiscal Year 2009 Fund Balance Reserves for the purchase of two fire engines. The next round of more stringent Environmental Protection Agency exhaust emission standards would go into effect for all 2010-year model diesel trucks. These new regulations would increase the cost of this class of truck chassis to at least \$44,000. Purchasing these two fire apparatus this fiscal year would avoid price increases next fiscal year and relieve the cash capital expenditure portion of the Fiscal Year 2009 Operating Budget.

(No Speakers)

Vote on Roll Call:

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

Nays: None

7. Appropriations from Fiscal Year 2007 Fund Balance Reserves for Specific Projects in Conjunction with the Fiscal Year 2009 Operating Budget Continued

(c) CAMA (Computer Aid Mass Appraisal)

A RESOLUTION APPROPRIATING FUNDS FROM GENERAL FUND RESERVES (\$2,371,000) TO CAMA SYSTEM (\$2,371,000). This resolution appropriated \$2,371,000 from Fiscal Year 2007 Fund Balance Reserves for the Computer Aided Mass Appraisal Software package. This was a software package that aided the development of real estate appraisals for taxation purposes. It calculates value based on cost and market variable, or in the case of commercial properties, income. It includes a Real Estate Tax billing function for use by the City Treasurer's Office.

(No Speakers)

Vote on Roll Call:

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

Nays: None

(d) Software and Hardware (Information Technology Fund)

A RESOLUTION APPROPRIATING FUNDS FROM GENERAL FUND RESERVES (\$1,200,000) TO SOFTWARE AND HARDWARE (\$1,200,000). This would appropriate \$1,200,000 from Fiscal Year 2007 Fund Balance Reserves for five specific computer software and hardware acquisitions. This proposed appropriation would allow the acquisition of needed information technology items that could not be funded in the proposed Fiscal Year 2009 Operating Budget. The specific items included were: 1) Human Services Software; 2) I/Mobile Software; 3) E-Mail and Scheduling System; 4) Sheriff's Office Network Upgrade; 5) MEDS (Multipurpose Emergency Dispatch System).

(No Speakers)

Vote on Roll Call:

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

Nays: None

(e) Southeast Waterfront Redevelopment Initiative

A RESOLUTION APPROPRIATING FUNDS FROM GENERAL FUND RESERVES (\$1,000,000) TO SOUTHEAST WATERFRONT FUND INITIATIVE (\$1,000,000). This would appropriate \$1,000,000 from Fiscal Year 2007 Fund Balance Reserves for the Southeast Waterfront Redevelopment initiative. This proposed appropriation supported a major City Council strategic

7. Appropriations from Fiscal Year 2007 Fund Balance Reserves for Specific Projects in Conjunction with the Fiscal Year 2009 Operating Budget Continued

(e) Southeast Waterfront Redevelopment Initiative Continued

priority. This was start-up funding and would be appropriated to the City's Economic Development Authority for use next fiscal year.

(No Speakers)

Vote on Roll Call:

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

Nays: None

(f) Security Cameras

A RESOLUTION APPROPRIATING FUNDS FROM GENERAL FUND RESERVES (\$400,000) TO SECURITY CAMERAS SYSTEM (\$400,000). This would appropriate \$400,000 from Fiscal Year 2007 Fund Balance Reserves for Security Cameras. This project involved a platform system that had the capability to integrate the Police Department's seven cameras that were located throughout the Southeast Community. Additionally, this funding would provide a camera system for NNRHA property located on Ridley Circle and Lassiter Drive. Also, cameras would be acquired for the Downing-Gross Cultural Arts Center and Magruder Pool.

(No Speakers)

Vote on Roll Call:

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

Nays: None

Vice Mayor Allen pointed out that the City Manager followed the instructions of City Council, in the above matter, in the sense that they were not putting those purchases, particularly the long-term equipment in the City's bonding issues, but were buying with cash to reduce the City's debt. Mayor Frank pointed out the City Manager also was dealing with matters that would have had to been dealt with in next year's budget by funding them with surplus funding.

8. Appropriations

Councilman Whitaker moved adoption of Items (a) and (b), as shown below; seconded by Vice Mayor Allen.

8. Appropriations Continued

Councilman Whitaker stated he wanted to make it clear to the public that City Council was not spending local funding for these appropriations, but was using grant funding.

(a) Supplemental State Health Department Grant for the Fire Department

A RESOLUTION APPROPRIATING FUNDS FROM EMS FUNDS/LICENSE TAX (\$103,263) TO FOUR FOR LIFE FUNDS. This would appropriate \$103,263 of State Supplemental Grant Revenue for the Fire Department's "Four for Life" program. This grant revenue from the State Health Department was specifically designated for the "Four for Life" program, and was generated by a \$4.00 charge for the registration of each motor vehicle. In accordance with a State code provision, 26% of these fees were returned to the locality where vehicles were registered. The State Code further stipulated that these grant funds could only be used for emergency medical services. There was no local grant match requirement for these funds.

(No Speakers)

Vote on Roll Call:

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

Nays: None

(b) Homeland Security Program Grant – Fire Department

A RESOLUTION APPROPRIATING FUNDS FROM VIRGINIA DEPARTMENT OF EMERGENCY MANAGEMENT (\$110,923) TO 2008 STATE HOMELAND SECURITY PROGRAM GRANT (\$110,923). This would appropriate \$110,923 of State Homeland Security Program Grant Revenue for Use by the City's Regional Hazardous Materials Response Team. This was a "no match" grant program administered by the Virginia Department of Emergency Management to support the City's hazardous materials response teams. The City and State had a cost-sharing agreement in which the State provided training and funding in exchange for the City maintaining a regional response team. This particular funding was restricted to the purchase of chemical, biological, radiological/nuclear, and explosive equipment and training.

(No Speakers)

Councilman Haskins inquired whether the City had done a cost of benefits analysis of whether the region was paying what they needed to pay for the help that the City received from hazard-

8. Appropriations Continued

(b) Homeland Security Program Grant – Fire Department Continued

ous materials response teams. He stated the City's Fire Department did a tremendous job, and felt the City gave more than the benefit it was receiving. City Manager Hildebrandt replied the City was reimbursed on the cost incurred, including time, whenever the City's team went outside of their jurisdiction. Also, this funding helped the City meet its training and equipment requirements. City Manager Hildebrandt felt the benefit to the City, in having a regional team, was that it could provide top level hazardous material response to the community than what it could afford without having the regional team that was supported by the State.

Vote on Roll Call:

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

Nays: None

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

Ms. Michele L. Horne, P.O. Box 814, Newport News, noted the outstanding work of the Newport News Police and Sheriff's Departments and complimented City Council for their work. She stated City Council was courageous in the handling of controversial issues. She stated the Newport News Police and Sheriff's Department had a true task of being counselors as well as defenders in dealing with the youth of today. The Police and Sheriff personnel were wonderful when it came to counseling skills in resolving situations dealing with weapons and gangs. She respectfully asked City Council to grant the Police and Sheriff personnel an increase in their income and benefits and, at the same time, she felt they did a good job of resolving issues when it came to race.

Ms. Dawn Young, 15 Paddock Drive, Newport News, asked City Council for help to in dealing with noise from young drivers on the Avenue of the Arts, car shows held by CNU in the parking garage on the Avenue of the Arts, and CNU students who lived off campus in her neighborhood. (A copy of her remarks and pictures are attached to these minutes.)

Mayor Frank stated he and the City Manager met with the Police officials and representatives of CNU to talk about the majority of the issues voiced by Ms. Young. He stated they tried to form a task force that met from time to time to discuss these problems. He asked the City Manager to look into the matter. He acknowledged CNU college student were a problem not only on Paddock Drive but in other areas of Hidenwood, such as Madison Lane. He received complaints about CNU students racing down the street at night. The City wanted to be welcoming and friendly to the students but, at the same time, City Council had to protect property values and the safety and peace of mind of the citizens. He felt an effort needed to be made to remedy the problems. It was an emerging

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

problem and it was not going to go away by itself. Mayor Frank stated this was not an isolated complaint, but reflected a situation that the City had in all of the areas surrounding CNU, which needed to be handled.

City Manager Hildebrandt stated as a result of the meeting the City had developed brochures, emphasizing student responsibilities as residents in the City's neighborhoods, to share with students during their orientation sessions. This would continue to be a challenging problem, which many university communities experienced. There were no easy solutions and some of the things pointed out, such as parking on lawns, was not a violation. The Police Department and Codes Compliance tried to be as responsive as they could to citizens but had to work within the laws and regulations of the City.

Councilwoman McMillan inquired whether there was any discussion about sharing some of the enforcement efforts with the CNU campus police. City Manager Hildebrandt replied they had talked about that and they had been somewhat willing to support and assist the Police when their students were involved. He felt the university had more sanctions they could impose upon students who were not behaving properly in the City's neighborhoods, than what the City could through criminal laws.

Councilman Haskins recalled a similar problem experienced by his wife when she lived in a townhome community in Hampton with students from Hampton University. He stated she called Dr. Harvey, the President of the University, and the problem ceased. He did not understand how one college president could get its students to behave and the other one could not.

Mayor Frank inquired whether there was a possibility of having a special zoning category for student housing within State law or was that considered spot zoning when it affected individual homes. He felt City Council could look at the nature of specific complaints, because some matters were out of their control. For instance, if one could not park in the yard that might reduce the number of people living in a residence. In addition to working with CNU, he suggested that the City look at the nature of the complaint, and look at the City Code to see whether the City could make any changes in the law that might help alleviate the problem.

Councilwoman McMillan inquired whether property owners who provided student housing had to register with the university. City Manager Hildebrandt believed students were supposed to be registered if they were living off campus, but the University had some difficulty monitoring and getting correct addresses where students actually resided.

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

Councilman Bateman stated students who attended CNU, who did not live on campus, needed to be required to provide the university with their address of residence. CNU was trying to find ways to contact students who did not reside on campus to let them know of citizen concerns. CNU was looking at the orchestration of that, but it had not been finalized.

Mayor Frank understood students had to give an address to receive informational mailings, but they were not required to give their address of residence. City Council needed to do more than what it was doing to get its arms around the problem.

Ms. Joan Wildblood, 1 Paddock Drive, Newport News, voiced concern about student housing and problems CNU students caused on Paddock Drive. She stated Paddock Drive had gone from a street of well kept homes and lawns to one where 20% of the houses were occupied by CNU students. The students cared little about the appearance of the homes or yards and had frequent parties that were long and loud. Paddock Drive was ceasing to be a neighborhood and was just becoming off-campus parking. People had sold their homes to get away from the problem, only to make another home available for students. Off campus parking had created ugly areas and complaints by long-time residents. CNU had a beautiful landscape and maintained campus, but was slowly becoming surrounded by increasingly shabby streets. When residents called the City for help no one seemed to care or did anything to remedy the situation. Ms. Wildblood referenced a neighborhood covenant (attached to these minutes) that was recorded before Paddock Drive became a residential area that noted "No noxious or offensive activity shall be carried on upon any lot nor shall anything be done thereon which may be or become an annoyance or nuisance to the neighborhood." She felt City Council would agree that most of the activity in her neighborhood was obnoxious and a nuisance. She understood City Council was aware of the problem and hoped they would actively do something about the problem before the areas deteriorated more into an area of crime, rapes and shootings. Newport News needed to learn from other university communities in what they did to deal with such problems. She asked for needed support to save her neighborhood.

Mayor Frank stated the restricted covenants were enforceable by other property owners; they were not enforceable by the City. He could not tell the City Attorney to go out and enforce such covenants. The neighbors on Paddock Drive would have to hire an attorney and fight the problem collectively.

Councilman Bateman stated he lived in the Paddock Drive neighborhood and was aware of the problem. He stated his mother was a prior resident of Shoe Lane who dealt with student housing, which provoked them to get together with CNU and flush out some of the issues raised. There was a work in progress that was ongoing and the Dean of Students and President Tribble were listening and cooperating.

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

Ms. Carol Hogge, 3 Gay Drive, Newport News, advocated for the rebuilding of the Deep Creek pier. She stated she became a homeowner in Newport News in January 1986. Her home was valued at \$50,000 in 1986, \$114,000 in 2004, \$164,000 in 2008. Her taxes, including personal property taxes and a decal fee totaled \$2,000. Her taxes paid for many things in Newport News, including the \$700,000 for doorway at the School Administration Building, the statues at the entrance of Riverside Hospital and the steel structure at the airport. Her taxes even helped to pay to demolish the Deep Creek pier at the proposed fee of \$50,000. Ms. Hogge stated she forwarded a petition to City Council bearing the signatures of 2,000 individuals to rebuild the Deep Creek pier. If all those petitioners paid the same amount in taxes, as she did, it would amount to \$4 million, which was more than enough to rebuild the Deep Creek pier and the bulkhead at Menchville. The pier had not out served its usefulness according to the resolution of when to demolish the pier; the watermen and the public were still using it. It seemed citizens were obligated by law and the State to pay taxes, but the City was only obligated to take citizen's hard earned money. She received a letter from the Mayor in September 2007 noting he hoped that he could make the rebuilding of the pier happen and asked that it be put into the Capital Improvement Plan (CIP). At the last meeting in April, she asked that the pier be put into the budget, because it had not been included in the CIP. She inquired how could the citizens have faith and trust in City governance if citizens were pacified and nothing happened. Ms. Hogge, asked City Council to rebuild the Deep Creek pier for the watermen and the public for it truly was a need.

Mr. C. W. Powell, 3 Gay Drive, Newport News, asked City Council to appropriate funding to rebuild the Deep Creek Pier.

Ms. Kimberly Winn, 510 Bulkley Place, Newport News, inquired whether the Reverend Dr. Martin Luther King Park at 25th and Jefferson Avenue was still being considered. She felt the Park was a vital asset for the community and its children. Ms. Winn inquired about the parking lot at 25th and Huntington Avenue and 23rd Street, which were now paid parking lots, when they were free three months ago. She noted several citizens towed from the parking lots for \$120. She felt such a fee was enormous for citizens to pay. She inquired whether the parking lots could be made to be more affordable for citizens.

Mr. Julian Scott, 2410 West Avenue, Newport News, asked that City Council reconsider the proposal to close the West Avenue Library. He stated he saw no reason to close the Library.

Mayor Frank stated City Council approved the FY2009 Operating Budget this evening, which kept the Library open.

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

Ms. Sheryl Holmes Abbott, 1604 Orcutt Avenue, Newport News, stated many people were not moving to Newport News because of the taxes. She stated on a daily basis she spoke to individuals who choose Hampton, Yorktown, and James City County, over Newport News. She felt City Council needed to keep that in consideration as they moved forward. She voiced concern to Councilman Whitaker regarding his comments earlier on his vote to defer item 6(a) through (h). She had a group who wanted to extend options of the budget not being approved this evening in order to look for alternatives. She stated she proposed alternatives, regarding City retirement, which would bring millions of dollars into the budget that had not been addressed by City Manager Hildebrandt. She was confused because Councilman Whitaker indicated he wanted the people to be heard and on the same breath voted no to defer item 6 (a) through (h). She inquired whether there were any guidelines or ordinances that could be changed that made it mandatory that every Councilmember be present on such an important event as the budget tonight. She felt these matters should be addressed in the future.

Mayor Frank stated he kept hearing from people that Newport News was losing population from citizens leaving, which he did not believe. He asked the City Manager to provide City Council with a report that addressed this issue. He felt some mistakes were made in the census analysis and believed it had been corrected, which was accepted by the Bureau of Census. City Manager Hildebrandt stated he would have the Department of Planning provide the report and information to City Council.

10. New Business and Councilmember Comments

City Manager Hildebrandt announced the retirement of Ms. Shirley Wells, Director, Video Production Services, and congratulated her on her retirement after 20 years of service with the City. Ms. Wells had been intermittently involved in the development of the City's video production capabilities and its award winning program now aired on Channel 48. He wished her the best in her retirement and thanked her for her service to the City.

City Clerk Mabel V. Washington, thanked City Council and everyone for the honor bestowed upon her this evening congratulating her as President of the Virginia Municipal Clerk's Association.

Councilman Whitaker stated he was for the citizens and tried to do everything he possibly could as a City Councilman. He indicated he did not change his vote; he had a problem with it and after he realized there would have been a conflict between the School and City budget, had he voted to defer the item to June 10, 2008, he decided to vote no.

10. New Business and Councilmember Comments Continued

Councilwoman McMillan stated Ms. Shirley Wells had been extremely competent as the City's Director of Video Production Services, as one could tell from the many awards the Department of Video Production Services received. She stated Ms. Wells was a very gracious and lovely lady and wished her well in her retirement.

THERE BEING NO FURTHER BUSINESS,
ON MOTION, COUNCIL ADJOURNED AT 9:50 P.M.

Jennifer D. Walker, CMC
Chief Deputy City Clerk

Joe S. Frank
Mayor
Presiding Officer

A true copy, teste:

City Clerk