

**MINUTES OF BUDGET PUBLIC HEARING
OF THE NEWPORT NEWS CITY COUNCIL
HELD IN THE DENBIGH COMMUNITY CENTER
15198 Warwick Boulevard
April 14, 2016
7:00 P.M.**

PRESENT: Dr. Patricia P. Woodbury; Herbert H. Bateman, Jr.; Saundra N. Cherry, D. Min.;
Robert S. Coleman; McKinley L. Price, DDS; Sharon P. Scott; and Tina L. Vick-
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ABSENT: None-----0

I. Call to Order

Mayor Price called the meeting to order and welcomed the citizens to the Budget Public Hearing.

Mayor Price reminded that the City Code identified the procedure for citizen participation, as well as the opportunity for citizens to address City Council related to the City's FY 2017 Recommended Operating Budget. He pointed out the ordinance highlighting citizen participation and encouraged citizens to review the document.

Mayor Price requested that cell phones and/or pagers be silenced or turned off.

Mayor Price advised that this was the second public hearing that City Council was conducting on the City's Fiscal Year 2017 Recommended Operating Budget. He indicated, by State Code, each locality was required to hold one public hearing, but due to the unique geography of the City of Newport News, two public hearings were held for the ease and benefit of the citizens. This ensured that City Council heard from all citizens on their budget issues. Mayor Price reminded that the City Manager had presented his FY 2017 Recommended Operating Budget to City Council on March 22, 2016. Two Work Sessions had been held to hear detailed presentations on the Recommended Budget. He advised, on Tuesday, April 26, 2016, City Council would hold a third Budget Work Session to discuss the comments, suggestions, and recommendations received from the public, and communicate its desires and concerns to the City Manager. He further advised, on Tuesday, May 10, 2016, City Council planned to adopt the Newport News Public Schools (NNPS) Budget, and hopefully, adopt the City's FY 2017 Recommended Operating Budget. By State Code, the last legal date to adopt the NNPS budget was May 15 of each year, and June 15 of each year, for the City's Operating Budget. He advised that the Budget Hearing would be carried live on the City's Cable Channel, Cox 48; and Verizon Cable Channel 19; as well as the City's website "www.nnva.gov." The City's proposed FY 2017 Operating Budget could be viewed online at www.nnva.gov, and in the local public library. Mayor Price asked City Manager Jim Bourey to provide a brief overview of the FY 2017 Recommended Operating Budget (a copy of remarks made by Mayor Price are attached and made a part of these minutes).

City Manager Bourey stated the FY 2017 Recommended Operating Budget was driven by City Council priorities and addressed many of the City's major challenges.

City Manager Bourey reported a projected increase in General Fund revenue of three percent (3%). He further reported an increase of 4.2% in property tax revenues. The

II. Public Hearing for the City Manager's Fiscal Year 2017 Recommended Operating Budget Continued

overall Recommended Operating Budget totaled \$858 million, a 3.5% increase. The General Fund Recommended Budget was \$478 million, which was a 3% increase. He indicated that Real Estate Assessments would experience an increase for the second consecutive year. Although very few residential properties would see increases, there would be a significant increase in commercial and industrial properties.

The City achieved a balanced budget without any Real Estate tax rate increase, or any tax rate increases for a third consecutive year. There were basic operating increases in enterprise funds and utility funds – established in FY 2015. The City was fortunate to have a second year of a steady increase in revenues to work with going into the FY 2017 budget. Years of tough budgets and low revenues called for significant cut-backs. Past difficult financial years forced certain actions to be addressed, i.e. actions used to help balance the budget, such as high attrition credits, and continue pushing employee salaries that lagged during the recession years. A three percent (3%) salary increase would be added to the salary line item to fund merit-based raises. Once again, nearly one million dollars would be included to fund the merit increases. City Manager Bourey added that the City needed to fund its contractual obligations for supporting investments in technology, to meet federal and state mandates for a range of programs that included correction staffing and stormwater and wastewater environment directives.

City Manager Bourey advised that tremendous progress had been made on the virtual war on youth and gang violence. The Summer Training and Enrichment Program (STEP) had proven to be a valuable tool to make inroads in this effort. The Street Outreach workers had been “ears and eyes” in the community – helping to reach youth one by one, and were making a difference. The FY 2017 Recommended Operating Budget included a \$400,000 increase to fund the expanded program and continue work in the Department of Human Services, started by the expiring Office of Juvenile Justice and Delinquency Prevention (OJJDP) grant.

The FY 2017 Recommended Operating Budget would include the ramp-up to fully fund the City's retirement system obligation in the Newport News Employee Retirement Fund (NNERF). City Manager Bourey reported that the NNERF was fully funded – one year sooner than planned.

City Manager Bourey advised that during the past challenging budget years, the City's investment in Information Technology languished, but strides were being made to reverse that. He announced, in October, the City would have an operational on-line development permitting system. This would greatly enhance the City's internal efficiency and effectiveness to facilitate the private sector to do business with the City. He advised that the City was moving forward to automate systems and operate in a paperless mode to allow citizens to interact electronically with the City.

Transit was an important community service which had struggled. The City would look at key routes to better time transfers among routes. This was in addition to helping Hampton Roads Transit (HRT) leverage state and federal funding to purchase critically needed new buses. These buses would not only provide reliable service, but would help reduce maintenance costs in the long-term.

II. Public Hearing for the City Manager's Fiscal Year 2017 Recommended Operating Budget Continued

Support to the School Division was also important. The local required match was approximately \$56 million, which was not enough. City Manager Bourey advised that the City would provide \$118 million, plus another million (\$119 million), which was important to the NNPS (Newport News Public School system), who did an outstanding job to educate our children. The NNPS was also helped by an extra \$1.3 million from the State, which was a positive for the NNPS.

City Manager Bourey shared that he, once again, had asked City departments to prepare budgets based on less money than they received in 2016. This was to "stretch" everyone to examine further potential savings. Staff came up with an additional \$651,000.00 of savings that was used to help balance the budget. He advised that 21 new positions would be added to the General Fund in FY 2017, many in important positions that would help enhance the City's overall performance. Twelve of the positions were not new. Six were Police Officers and would be absorbed into our public safety compliment at the end of an expiring grant and six would be shifted from the City's pension fund to allow for better service delivery of employee benefits. The only service reduction that citizens would see would be in the Main Street Library branch, where the Virginiana Room collection would be open by appointment on Sundays, with other minor adjustments, in order to reduce one full-time staffing position.

City Manager Bourey reported that the combined capital budget, and overall City Budget exceeded \$1 billion for the first time. He indicated the FY 2017 Recommended Operating Budget was in sync with City Council's goals and aspirations for the City of Newport News. Based on a real estate assessment increase of 1.8%, the average homeowner may experience no change in the real estate tax responsibility, and an average of \$0.45 per week, or \$23.00 per year.

City Manager Bourey thanked the City's Department Directors, City staff, and all who were involved in the budget process, including Assistant City Managers, Mr. Alan Archer and Ms. Cynthia Rohlf, as well as the entire Department of Budget and Evaluation (Chad Pritchett, Keith Ferguson, William Keeler, Robyn Rose, Sherry Crocker, Nicole Ellis, and Tylisha Sample), especially Ms. Lisa Cipriano, Budget Director (a copy of Mr. Bourey's remarks are attached in full and made a part of these minutes).

A. Public Comments to City Council

Mr. Jason Young, Executive Director for Community Brain Injury Services, the non-profit agency that operated The Denbigh House, 12725 McManus Boulevard, Suite 2E, Newport News, thanked the City of Newport News for its ongoing support of The Denbigh House through the Community Support Agency Grant Program. He indicated that this was the 10th year The Denbigh House had been included in the City's Recommended Operating Budget. Mr. Young advised that The Denbigh House was a state-defined core safety net service program that provided an array of intensive services for survivors of brain injury on the Peninsula, and was the only safety net service program available to Newport News residents. Services were designed to help survivors return to paid employment, regain independence, and provide an opportunity to

II. Public Hearing for the City Manager's Fiscal Year 2017 Recommended Operating Budget Continued

A. Public Comments to City Council Continued

continue to live safely and independently in the community. Services were provided as long as the client needed, which could be an extremely long time with the level of service provided by The Denbigh House. Mr. Young indicated that The Denbigh House was a state-defined core safety net service program that provided an array of intensive and comprehensive services. He advised that no client was turned anyone away based on their ability to afford the services. Part of the requirement as a safety net provider, was a mandate to engage the local community. The partnership with the City of Newport News remained critical to the ongoing ability to provide services to as many citizens as possible. Brain injury was not a mandated service, for any of the Community Services Boards in operation throughout the Commonwealth of Virginia. The City's funding sent a strong message about the value of having a diverse service system that supported the needs of persons with a variety of disabilities, including brain injury. The services helped to prevent unnecessary hospitalization, and helped to keep individuals out of much more costly institutions. On behalf of the over 220 survivors served in 2015, Mr. Young extended thanks for the funding and the partnership to help deliver a more streamlined, systematic approach to survivors of brain injury in the community.

Ms. Sandra A. Brown, 704 McLawhorne Drive, Newport News, shared that she was a brain injury survivor. She was grateful for The Denbigh House's help through her situation. It helped individuals with brain injury learn skills to become productive members of the community. She shared that her initial brain injury was a right cerebral hematoma from birth. Doctors told her that she had a 50/50 chance of survival. She was then hit by a car years later, and suffered a broken leg and a concussion. It became hard for her to keep a job. The Denbigh House assisted a great deal. She has since landed a job and attributes her well-being and success to The Denbigh House. Ms. Brown advised that The Denbigh House was a vital part of the community, and was the only clubhouse for brain injury survivors on the Peninsula. She thanked City Council for their continued financial support. She invited Council Members to take a tour of The Denbigh House to learn how The Denbigh House operated.

Mr. Douglas Brown, Member of the Newport News School Board, thanked members of City Council for the opportunity to provide remarks about the FY 2016-2017 School Board Proposed Budget. He stated that Newport News Public Schools (NNPS) was very excited to be able to prepare children for jobs of tomorrow by competing today. The NNPS was fortunate to receive an increase in funding from the State of Virginia, and was using the revenue to help compete today. Mr. Brown shared the following specific uses for the increased funding: (1) Giving teachers raises for the second consecutive year; (2) Increasing the number of fourth and fifth grade teachers in an effort to reduce the classroom sizes; (3) The building of a strong STEM (Science, Technology, Engineering, and Mathematics) corridor, adding a health sciences division at Warwick High School, where over 300 students had pre-enrolled; and (4) Some of the federal funding received would be used to increase the wireless access within the schools. Students would be required to take SOL tests via computer. Mr. Brown thanked members of the Newport News City Council for increasing their contribution to the NNPS for the second consecutive year, as well as the additional \$1 million to provide cash capital. The NNPS capital needs were great, with more than half of the schools in excess of 50 years old.

II. Public Hearing for the City Manager's Fiscal Year 2017 Recommended Operating Budget Continued

A. Public Comments to City Council Continued

The \$1 million provided by the City would go a long way to fixing the roofs, and replacing HVAC systems. Mr. Brown thanked City Council for being a partner with the NNPS.

Mr. Alonzo R. Bell, Jr., President-Elect of the Board of Trustees of the Virginia Living Museum (VLM). Mr. Bell introduced members of the VLM and other Board Members in attendance: Ms. Page Hayhurst, Executive Director; Ms. Virginia Gabriele, Marketing Director; Ms. Virginia Kleinhample, Development Director; Ms. Goodie Trista, Marketing Manager; and Ms. Kathy Howell and Mr. William H. Carr,

As a lifelong resident of Newport News, Mr. Bell recalled fond memories of field trips to the VLM. He indicated that he was pleased that his daughters, Alecia and Alexis, who were in college, had the opportunity to enjoy the same experiences that he had to tour the VLM. The VLM had been a part of his family for two generations.

Mr. Bell announced that the VLM would celebrate 50 years of service to the community – highlighted by a Black Tie Gala, entitled “Enchanted Otter Masque,” on May 6, 2016, 6:00 p.m., at the Virginia Living Museum (524 J. Clyde Morris Boulevard).

Mr. Bell indicated that more than 240,000 individuals visit the museum annually. As a member of the Newport News Education Foundation, he advised that he was encouraged that the VLM programs delivered STEM (Science, Technology, Engineering, and Mathematics) education, coordinated with the SOLs, and was grade-level correlated.

Mr. Bell stated that the VLM was committed to its fundraising efforts, and the Board of Trustees supported the VLM financially 100%. He advised that the Board must replace the chillers at the museum in order to safely accommodate more than 2,000 animals, and to provide a comfortable atmosphere for the guests. The replacement of the chillers would take place over the next two months, and would cost approximately \$375,000. The Board hoped that City Council would consider methods to assist in providing the capital necessary to complete the replacement of the chillers.

On behalf of the VLM, Mr. Bell thanked the City of Newport News for its outstanding support of their educational mission. The VLM was grateful for the community support that shaped the VLM's growth and success for 50 years.

Mr. Bell stated the mission of the VLM Board was to govern this tremendous community asset, and continue to promote and enhance access to the museum for all residents while working diligently to build their endowment and to become self-sustaining. In conclusion, he asked for City Council's consideration of ways to assist with the capital necessary to affect the mandatory replacements without having to curtail museum operations.

II. Public Hearing for the City Manager's Fiscal Year 2017 Recommended Operating Budget Continued

A. Public Comments to City Council Continued

Mr. Phil Harris, Vice President of the Newport News Council of PTAs (Parent Teacher Associations), 13 Minton Drive, Newport News, reiterated remarks by the Council of PTAs President, Ms. Vilencia Gross, and advised that there were nearly 10,000 members of the PTA in Newport News. Mr. Harris shared that the Council of PTAs cared deeply about NNPS teachers, students, and facilities and they supplied a supportive presence each day in the lives of 29,000 students in the NNPS by volunteering, helping teachers, reading to students, and raising funds for special projects. Mr. Harris thanked members of City Council for their support of the NNPS, and the \$1 million increase. He felt the NNPS request of \$1 million was thoughtful, particularly when thinking about his community and what he wanted it to be, and when he thought about the families that were his age and what to do with their children, where to live, the NNPS played a vital role. Making sure the school systems received what was needed was important. Being able to support a family on a teacher's salary was difficult. Mr. Harris shared statistics, citing that Newport News paid less than \$4,000 per student. The State average was \$6,000 per student, ranked 39th in the per pupil support. He thanked City Council for what was in the School's Proposed Budget for FY 2016-2017. He asked that they continue to think about future budgets, and how to make the increase be of benefit to the students and to the teachers who sacrificed so much to be a part of the education system and a part of the students' lives. There was a three percent (3%) increase in revenue, and the NNPS was receiving a little less than a one percent (1%) increase. It was his hope that these trends not continue so that the NNPS is not able to keep pace with what the community needed. The PTA fostered and provided family support through special events at school, a caring school climate through volunteers at school, a positive structure for parents to become active in schools, and was an organization of adults that served as role models for children. They also served as advocates for students and their needs. Mr. Harris stated that most revenue came from real estate investments. He indicated that decisions made on where to live was based on the school system. It would benefit the City by making sound investments in the NNPS.

Ms. Della Robbins, 14209 Penrith Lane, Newport News, advised that she was a resident of the Warwick Lawns Community, and President of the New Beech Grove Baptist Church ABC Ministry (Asset Based Community Development). The ABC Ministry worked with the Warwick Lawns Community, teaching them what ABC stood for, and how to better the community. The Campbell Road project was a major concern in the Warwick Lawns Community. She reminded that there were many elderly residents in the community and had expressed dissatisfaction in reference to the Campbell Road project. The ABC Ministry encourages the residents, asking that they remain positive, as the project had been approved and was slated to begin in late 2018. Ms. Robbins thanked the members of City Council and asked them to keep the Warwick Lawns Community in mind.

II. Public Hearing for the City Manager's Fiscal Year 2017 Recommended Operating Budget Continued

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

Vice Mayor Coleman moved closure of the public hearing; seconded by Councilwoman Vick.

Vote on Roll Call:

Ayes: Woodbury, Bateman, Cherry, Coleman, Price, Scott, Vick

Nays: None

Mayor Price reminded there would be a City Council Work Session on Tuesday, April 26, 2016, at which time City Council would have an opportunity to respond and reflect on comments heard at the public hearings, and deliberate among themselves as to what changes, if any, would be made to the City's Recommended FY 2017 Operating Budget. A motion would be entertained at the Regular Meeting of City Council scheduled for May 10, 2016 to adopt the NNPS Budget and hopefully the City's FY 2017 Recommended Operating Budget.

III. Adjourn

Mayor Price adjourned the meeting by addressing the citizens. He stated, "May what you say and do uplift the City of Newport News."

THERE BEING NO FURTHER BUSINESS,
ON MOTION, COUNCIL ADJOURNED AT 7:30 P.M.



Mabel Washington Jenkins, MMC
City Clerk

McKinley L. Price, DDS
Mayor
Presiding Officer

A true copy, teste: