

**MINUTES OF WORK SESSION
OF THE NEWPORT NEWS CITY COUNCIL
HELD IN THE 10TH FLOOR CONFERENCE ROOM
2400 WASHINGTON AVENUE**

May 24, 2016

4:10 p.m.

PRESENT: Robert S. Coleman; McKinley L. Price, DDS; Sharon P. Scott (arrived at 4:38 p.m.); Tina L. Vick; Herbert H. Bateman, Jr. (arrived at 4:20 p.m.); and Sandra N. Cherry, D. Min-----6

ABSENT: Dr. Patricia P. Woodbury -----1

OTHERS PRESENT: James M. Bourey; Collins L. Owens; Mabel Washington Jenkins; Cynthia Rohlf; Darlene Bradberry; Patrick Murphrey; Wanda Pierre; Lisa Cipriano; Sherry Crocker; Chad Pritchett; Tom Mitchell; Frank James; R. B. Alley; Richard Myers; Reed Fowler; Florence Kingston; Jennifer Walker; RoShaundra Ellington; Eoghan Miller; and Theresa Clift

I. FY 2016 Third Quarter Financial Report

Mr. James M. Bourey, City Manager, introduced Ms. Lisa Cipriano, Director, Department of Budget and Evaluation, to provide the FY 2016 Third Quarter Financial Report.

Ms. Cipriano pointed out that the Adopted FY 2016 Operating Budget Revenue totaled \$464.2 million, which included \$4.1 million of anticipated grant funding from the State and Federal government (a copy of the presentation, "FY 2016 General Fund Forecast, Based on Third Quarter Results," is attached and made a part of these minutes).

Ms. Cipriano noted the FY 2016 Third Quarter revenue projections in the following categories:

- | | |
|-------------------------------------|------------------------|
| • Real Estate Taxes & Delinquencies | \$1.5 million increase |
| • Personal Property Taxes | \$1.1 million increase |
| • Machinery & Tools | \$220,000 increase |
| • Sales Tax | On Target |
| • Lodging Tax | \$200,000 increase |
| • Meals Tax | \$400,000 increase |
| • BPOL Taxes | \$1.1 million decrease |
| • Cigarette Tax | \$200,000 decrease |

- Telecom Tax \$400,000 decrease
- Tax on Deeds \$200,000 decrease
- Building Permits \$100,000 increase
- Fines/Forfeitures \$1 million decrease

Ms. Cipriano advised that all of the above projections included the anticipated use of \$4 million of the City's Fund Balance. Staff hoped they would collect enough revenue by the end of FY 2016 to avoid the need to draw down from the \$4 million Fund Balance. City Manager Bourey noted the \$4 million Fund Balance as of June 30, 2015, was moved forward into the FY 2016 Budget.

Ms. Cipriano reported that the Adopted FY 2016 Operating Budget Expenditures totaled \$464.2 million. She noted FY 2016 Third Quarter expenditure projections in the following categories:

- Salaries \$699,000 decrease
- Benefits \$585,000 increase
- Contractual Services \$1.1 million increase
- Fuel/Utilities \$544,000 increase
- Materials/Supplies \$344,000 increase

Ms. Cipriano stated that the FY 2016 Third Quarter resulted in a budget surplus of approximately \$75,000 as of March 31, 2016. She stated that staff anticipated the surplus would increase should revenues be received better than projected. There would be some fluctuations in limited areas, such as Fines, but there was no need to adjust expenditures to meet revenue projections.

Ms. Cipriano noted two additional funds that would show up in the printed report and in the Manager's letter that required special attention:

- General Liability Fund (covered all of the actions of an employee and the City which were not related to Self-insurance)
 - Projected Deficit of \$1.4 million
 - Case Settlements, Legal Fees
 - Sufficient Reserves in the General Fund and the Liability Fund to cover the over-expenditure
- Golf Course Fund
 - Projected Deficit of \$592,000
 - Manage staffing to season and had many other fixed costs
 - Poor Spring Season was experienced

II. Newport News Employees Retirement Fund (NNERF) – City Code Amendments Briefing

City Manager Bourey introduced Mr. Tom Mitchell, Director, Department of Finance, to provide the presentation (a copy of the presentation is attached and made a part of these minutes).

Mr. Mitchell noted the proposed changes that were recommended by the Retirement Board and the City Manager, effective July 1, 2016:

1. Increase in the mandatory retirement age for Public Safety officers from age 63 to age 67
 - a. Recommended by Police and Fire Chiefs
 - b. Mandatory retirement age for Virginia Retirement System (VRS) City Public Safety employees was 70
 - c. Police and Fire would have “Fit-for-Duty” tests to insure they were in adequate physical condition to remain on the job until age 67
2. Provide a lump sum option for retirees with small retirement annuities.
 - a. Included 1,400 School employees (covered primarily by VRS) who had earned small monthly NNERF retirement annuities of \$10 to \$150
 - b. Option would allow for the employees to choose a lump sum payment of their retirement annuity and \$3,300 death benefit. This option would only be available at retirement.
 - c. Would reduce administrative burden to the City’s NNERF staff
 - d. Would be “actuarially neutral” to NNERF, which meant it would not affect the plan, regardless of what the retiree decided
 - e. Option had been requested by School employees
3. Eliminate the “alternate schedule” for the City’s contribution to retiree health insurance premiums
 - a. Currently there were two schedules for determining the amount of City contribution to retiree health and dental premiums
 - b. One for employees with more than 10 years of service as of March 1, 2010, and one for those with less than 10 years
 - c. The City added three additional insurance plans since 2013, making the current wording ambiguous
 - d. The change would mean that all retirees with the same length of service would receive the same level of City contribution
4. Technical correction to address the “Porting” of credited service from one jurisdiction to another.

- a. Historically, there had been agreements in place with other localities about how service credit could be “Ported” from the City’s retirement fund to the retirement fund of another locality when an employee left to work for another municipality
- b. Since NNERF was a closed fund, the City did not allow transfers into NNERF
- c. Portability language needed to be amended to reflect that NNERF was a closed plan
- d. City NNERF employees MAY transfer (“Port”) credit to another plan, but new City employees, from other municipalities, MAY NOT transfer credit to NNERF

Mayor Price inquired whether a Police Officer that was forced to retire would be able to reapply or whether this was for current and future employees. City Attorney Collins Owens replied retired Police Officers would be able to reapply, but would become a part of VRS. The revision would only apply to current NNERF employees.

III. Comments/Ideas/Suggestions

City Manager Bourey stated the 2nd Annual World Arts Celebration that was scheduled on May 21, 2016, had been postponed and rescheduled for July 16, 2016, due to inclement weather. He stated July 16, 2016, seemed to be the best date available that would not conflict with other events, such as graduations, the Lee Hall Wine Festival, etc. July was further away than what was wanted, but all of the vendors and entertainers were available on that date. Final plans for the event would be forthcoming.

Mayor Price asked the City Manager to consider changing the time of the World Arts Celebration on July 16, 2016, from mid-afternoon to late-afternoon/early-evening due to summertime heat. City Manager Bourey stated he would request that the event be scheduled for a later time in the day.

City Manager Bourey reminded about the 4th Annual Memorial Day Concert at City Center, scheduled for Monday, May 30, 2016, from 7:30 p.m. – 9:30 p.m. He hoped the event would not be rained-out. He advised there was a Pre-Performance Reception scheduled from 5:00 p.m. to 7:15 p.m.

Councilwoman Cherry inquired about a concern she voiced at the March 22, 2016 Work Session of City Council, regarding who was responsible for the repair of a number of caved-in and crumbled sidewalk panels that were located in front of the downtown Post Office, at 25th Street and West Avenue. She took a photo of the damage last week as it had not been repaired. She inquired whether the issue had been looked into. Assistant City Manager Cindy Rohlf replied that she did not recall the issue, but she would have staff look into the matter.

Councilwoman Cherry voiced concern about overflow traffic on Jefferson Avenue from 27th to 25th Street, down to 12th Street, due to congestion issues on Interstate-664. She inquired whether “Do Not Block the Intersection” signage could be erected along the corridor. She stated the amount of traffic that came onto Jefferson Avenue from Interstate-664, during times of congestion, was unreal. She advised that most of the drivers did not adhere to the 25-mile per hour speed limit. No one could get out onto Jefferson Avenue during congested times. She inquired what could be done. Assistant City Manager Rohlf indicated that the Director of the Department of Engineering, Mr. Everett Skipper, was working on the issue. She would provide a report to Councilwoman Cherry.

Councilwoman Cherry advised that she received an e-mail message from Ms. Ayanna King, Chief Executive Officer, Big Brother Big Sisters of the Greater Virginia Peninsula (see attached), asking the City to support the work of the Big Brothers Big Sisters. She asked for support of City Council to provide approximately \$15,000 of City Council 2016 Contingency Funding to Big Brothers Big Sisters of the Greater Virginia Peninsula. Big Brothers Big Sisters was a big organization that did great things. Years ago, the Big Brothers Big Sisters of the Peninsula embraced the Williamsburg Chapter of Big Brothers Big Sisters, and indicated that their United Way funds had been reduced. There was consensus among City Council to appropriate \$15,000 of City Council 2016 Contingency Funding to Big Brothers Big Sisters of the Greater Virginia Peninsula. City Attorney Owens stated that staff would ensure that Big Brothers Big Sisters was eligible to receive the funding before disbursement from the City. Councilwoman Cherry agreed, and indicated Ms. King was open to provide the necessary information needed to qualify for the funding.

City Attorney Owens stated that after four years of the City sponsoring the Virginia Senior Games, he finally signed-up for the 2016 Virginia Senior Games, held on May 18 – 21, 2016. He was happy to announce that he won a medal for his participation.

City Clerk Mabel Washington Jenkins reminded about the Braxton-Perkins Post 25 Memorial Day Program, on Monday, May 30, 2016, 11:00 a.m. – 1:00 p.m., at the Victory Arch (25th Street and West Avenue).

City Clerk Jenkins reminded about the Boards, Commissions, and Committees Volunteer Reception, on Wednesday, May 25, 2016, 5:30 p.m. - 8:00 p.m., at the CNU David Student Union Ballroom (1 Avenue of the Arts).

Councilwoman Vick thanked Mr. Reed Fowler, Director, Department of Public Works, and his staff for cleaning up the trash on Ivy Avenue from 6th Street to Jefferson Avenue. She stated the residents of the apartments had continually dumped trash along the streets and on the Newport News Redevelopment & Housing Authority's (NNRHA) property. She reiterated her thanks to the Public Work's team who assisted with the clean-up. It was an unfortunate situation. She understood that the NNRHA was charging the residents for the disposal of sofas and chairs and rather than pay, residents were dumping the items on the housing authority's property. Assistant City Manager Rohlf advised that the Department of Codes Compliance was also keeping a check on the matter.

Councilwoman Scott inquired where Curtis Tignor Road was on the Street Resurfacing Schedule. She stated the street had been re-patched continuously and was in need of resurfacing. The City Manager stated he would look into the matter.

Councilwoman Scott stated that she had received calls about the City's mosquito pesticide spraying. She also recalled receiving an e-mail from a homeowner whose property was adjacent to a business that had standing water, which encouraged mosquito breeding. City Manager Bourey recalled the e-mail, and stated that staff was working on the matter. He asked Mr. Reed Fowler, Director, Department of Public Works, to offer information on the City's mosquito pesticide spraying program as citizens were concerned about the Zika Virus.

Mr. Fowler advised that the City actively pursued mosquito trapping to identify the types of mosquitos that were prevalent in the City. The mosquito pesticide spraying program was based on the types of mosquitos that were active in the City. The Department of Public Works did not randomly spray throughout the City. Their spraying program was based on light trap readings. They targeted areas with high light trap readings. They were in close contact with the Health Department regarding the Zika Virus, but there had been no sign of vector-borne Zika Virus mosquitos in the City. Spraying for mosquitos would begin on June 1, 2016.

Councilwoman Scott advised that she participated in the 2016 Virginia Senior Games held on May 18 – 21, 2016. She indicated that she had stiff competition, as people who were not in her age category in 2015 had moved up in 2016. She received two silver medals for the games she participated in. There were many out-of-town participants that were present in order to qualify for the National Senior Games.

Councilwoman Cherry advised that while taking her morning walk, she had noticed a huge amount of trash that had been illegally dumped in a vacant lot adjacent to 914 - 13th Street. She assumed that the Solid Waste collection personnel did not recognize or pick-up the trash since there was no house at the location. The trash had been in the area for the past three weeks. She inquired whether the Department of Public Works would be able to pick-up the trash. Mr. Fowler replied that he would have his department take care of the matter.

Mayor Price asked for City Council's support for two resolutions: 1) a Resolution of Appreciation in honor Mr. Mike Motley, a gentleman who had spent many hours manning the Newport News Police Department's Community Education and Outreach Center in Hilton (10188 Warwick Blvd.); and 2) a Resolution of Recognition in honor of Chief Warrant Officer 3 Julius Green. CWO Green was the first black officer in the Army to become a diver. He had a renowned history. Mayor Price wanted to afford recognition to both individuals for their outstanding work (see information regarding the above-noted individuals attached to these minutes). There was consensus among City Council to support the resolutions.

THERE BEING NO FURTHER BUSINESS
ON MOTION, COUNCIL ADJOURNED AT 4:51 P.M.


Jennifer D. Walker, MMC
Chief Deputy City Clerk

McKinley L. Price
Mayor
Presiding Officer

A true copy, teste:

City Clerk