

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

July 12, 2016

3:00 p.m.

PRESENT: Herbert H. Bateman, Jr.; Sandra N. Cherry, D. Min.; Marcellus L. Harris III; McKinley L. Price, DDS; Sharon P. Scott; Tina L. Vick; and Dr. Patricia P. Woodbury -----7

ABSENT: None-----0

OTHERS PRESENT: James M. Bourey; Collins L. Owens; Mabel Washington Jenkins; Cynthia Rohlf; Alan Archer; Robert Pealo; Wanda Pierre; Lisa Cipriano; Sherry Crocker; Florence Kingston; Sheila McAllister; Claudia Cotton; Natale Ward Christian; Page Hayhurst; Cleder Jones; Kim Lee; Jerri Wilson; Jennifer Walker; RoShaundra Ellington; and Dave Ress

- I. Hampton-Newport News Community Services Board FY 2017 – FY 2018 Performance Contract and FY 2017 Operating Budget Presentation

Mr. James M. Bourey, City Manager, introduced Ms. Natale Ward Christian, Executive Director, Hampton-Newport News Community Services Board (HNNCSB), to provide the presentation.

Ms. Christian advised that the parties of the FY 2017 – FY 2018 Performance Contract included the HNNCSB and the Department of Behavioral Health and Developmental Services (DBHDS). The Performance Contract was the primary accountability and funding mechanism between the HNNCSB and the DBHDS. The Performance Contract described the HNNCSB’s commitment to the people that they served in the Cities of Newport News and Hampton. The Performance Contract required formal approval of the HNNCSB Board of Directors and the City Councils of the Cities of Newport News and Hampton.

Ms. Christian noted the FY 2017 - 2018 Performance Contract Budget Principles:

- Programs should be self-supporting to the extent possible and maximizing earned revenue.
- Programs should operate in an economic and efficient manner and apply all human and capital resources necessary to achieve their mission and eliminate any waste.
- State and local funds and any excess program revenue should be used to support the strategic initiative of the HNNCSB and any individuals who did not have a pay source. Their model did not solely rely on grant funds, but included fee revenue, which was used to assist individuals who did not have a payer source.
- Programs/services were monitored and right sized on a regular basis to assure that there was sufficient revenue to cover the cost of services.

Ms. Christian noted the FY 2017 - 2018 Performance Contract Budget Highlights:

- Staff Compensation
 - Increase salary and hourly wage rates:
 - 4% effective 6/26/2016, for all full-time employees hired before 6/1/2012, to include the required match for the 1% for the employee paid Virginia Retirement System (VRS) increase
 - 3% effective 6/26/2016, for all other salaried and hourly employees
 - Limit budgeted payroll lag to 2%
- Initiated a Comprehensive Compensation Study for future planning

Ms. Christian explained that a Compensation Study was done in 2016 to determine where the HNNCSB fell in the area of employee compensation and fringe benefits as compared to other organizations. The results of the study should be available by mid-year 2016 to see whether changes were needed in 2017.

- Fringe Benefits
 - Re-evaluate health insurance to balance required savings with staff impact
- Strategic Plan Initiatives
 - Hire a Director of Communication and Development to assist in enhancing the HNNCSB's brand in the community to emphasize their role and what services they provided (Behavioral Health Services).
 - Increased Workforce Development in how to train and retain staff
 - Continue Outcome Measurement and Alignment with Best Practices
- Allow for a contribution of \$500,000 to the operating reserve
- Fund Capital Requirements for vehicles and equipment
- Level State, Federal and Local Funding
- Attainable/conservative fee revenue

Councilwoman Cherry inquired whether the HNNCSB looked at their branding to help the public understand that their services were specifically centered to help the mentally ill. Ms. Christian replied yes. She indicated it was an ongoing agenda item for their board meetings. The board was looking at their name, webpage design, and advertising, but had to consider all elements and not be premature in changing their name.

Councilwoman Cherry understood, and indicated that the HNNCSB had been around for a long time. She stated that the HNNCSB could educate, but if they were looking for the "buzz words" that were touted in the industry, their services were more about mental health rather than community. She inquired whether mental health services could be better emphasized as the HNNCSB moved forward. She felt it might be beneficial for the HNNCSB to change their name to reflect mental health services,

which would help gain additional clients. Ms. Christian agreed, and stated that was a key consideration. She stated the HNNCSB's Strategic Plan centered upon their name, education, and role in the community.

Ms. Christian reported that HNNCSB FY 2017 – 2018 revenue totaled \$70,266,294, which amounted to a \$1,960,217 increase over FY 2016. She noted the major revenue changes for FY 2017 - 2018:

Ms. Christian noted the percentage of revenue by source of the FY 2017 - 2018 HNNCSB Budget:

Ms. Christian advised that on behalf of the region (Health Planning Region 5, which included nine CSBs) the HNNCSB was the fiscal agent for regional projects. The HNNCSB managed approximately \$7 million on behalf of the region.

Councilman Bateman inquired whether the HNNCSB received payment for managing regional projects. Ms. Christian replied that the HNNCSB did receive an administrative fee for the management of regional projects.

Vice Mayor Vick inquired about the services that the HNNCSB provided for a fee. Ms. Christian replied that the services that the HNNCSB provided for a fee included Outpatient Services, Day Support Services, etc.

Councilwoman Scott inquired whether such services were offered regionally. Ms. Christian replied that some regional services were operated by the HNNCSB and there was money that they managed on behalf of the region. For example, they operated regional crisis services for people with intellectual disabilities, such as the REACH (Regional, Education, Assessment, Crisis Services, Habilitation) program, the SAMHSA (Substance Abuse and Mental Health Services Administration) program, and the Transcend Residential House program, which provided 24-hour supervised housing for

people transitioning from the Virginia State Hospital.

Councilwoman Scott inquired whether residents of the Transcend Residential House were able to reside there permanently. Ms. Christian replied, yes, they could remain in the home permanently.

Ms. Christian noted the FY 2017- 2018 Program Activities of the HNNCSB (see information on page 10 of the presentation attached to these minutes).

Ms. Christian noted the HNNCSB FY2017- 2018 Budget Expense Comparisons by Category (see information on page 11 of presentation attached to these minutes):

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|---------------------|--------------|
| • Personnel | \$48,109,114 |
| • Staff Development | \$ 322,335 |
| • Facilities | \$ 5,395,425 |
| • Equipment | \$ 3,142,126 |
| • Travel | \$ 688,487 |
| • Contractual | \$ 6,047,296 |
| • Client Support | \$ 1,802,800 |
| • Family Support | \$ 25,000 |
| • Contract Programs | \$ 4,077,736 |
| • Miscellaneous | \$ 655,975 |

Ms. Christian noted the Value Added Services of the HNNCSB:

- Crisis Intervention Training for Law Enforcement Officers
- Therapeutic Day Treatment in Newport News City Schools
- Newport News Healthy Families Case Management Partnership
- Expansion of Housing Initiatives for the Homeless and those with ID/DD Waivers

Ms. Christian noted the FY 2017 - 2018 HNNCSB Budget Summary:

- Maintained high quality community-based programs that were responsive to the needs of the citizens within available funds
- Provided for the continued and improved financial health of the HNNCSB and recognized changes to service delivery models
- Continued stewardship of public resources by providing effective and efficient services in a challenging financial environment

Ms. Christian asked City Council to approve the HNNCSB Performance Contract and Budget for FY 2017 - 2018. She shared that as the new Executive Director of the HNNCSB, she had a

tough and challenging job, but loved the work. She was doing well because of the support that she received from the communities that the HNNCSB served (the Cities of Newport News and Hampton), as well as her staff and leadership team. She thanked the members of City Council for their support, and City Manager Bourey for providing her with the assistance of Assistant City Manager Alan Archer. She commended and thanked Mr. Archer for assisting the HNNCSB.

Vice Mayor Vick thanked Ms. Christian for stepping up to the plate. She believed that the Board could not have chosen a better person for the position of Executive Director. She commended Ms. Christian for being a good communicator and exhibiting heartfelt passion for her job. She commended her leadership team and indicated she heard nothing but good things regarding the mission of the HNNCSB.

Councilwoman Cherry inquired about the location of the Transcend Residential House. Ms. Christian replied the Transcend Residential House was located off of J. Clyde Morris Boulevard, but she could not disclose the exact address.

Ms. Christian stated she hoped to return to City Council in late 2016 to provide an update on the services that the HNNCSB provided. She invited members of City Council to contact her should they desire to tour any of their facilities.

II. Windy Knolls Briefing

City Manager Bourey introduced Assistant City Manager Cynthia Rohlf and City Attorney Collie Owens to provide the Windy Knolls Briefing.

Assistant City Manager Rohlf stated the Windy Knolls development was located near the intersection of Bland Boulevard and Campbell Road. She advised, in April of 2005, City Council authorized the City Manager to execute a Project Development Agreement with BECO Construction for the Windy Knolls Condominium Project. Due to the softening housing market in 2008, BECO requested an amendment to the Project Development Agreement to allow for the development of luxury apartments. In reply to BECO's request, City staff proposed a combination of luxury condominiums and high-end apartments for Windy Knolls. In February 2008, City Council amended the Project Development Agreement to allow for the construction of 136 condominiums and 168 luxury apartments, for a total of 304 units. Approximately 94 condominiums had been constructed and 42 of the 94 were being rented as apartments. In 2011, a proposal was submitted to amend the Project Development Agreement to build additional apartments. Much discussion was held as the condominium owners voiced concerns about a reduction in the value of their properties. Legal issues were raised between the homeowners and the developers. One particular issue that surfaced was that there would be a limit on the number of condos and apartments that could be rented, which was a maximum of 40 units. She introduced City Attorney Owens to continue with the briefing.

City Attorney Owens advised that BECO Construction approached the City in 2005 to gain access through a 31-acre parcel, adjacent to Sharon Drive, to allow the development of a high end for sale condominium project. In return, the developer agreed to pay for and build an access road that would serve the City and its planned future light rail station. The original Project Development Agreement in 2005 stipulated the construction of 250 for sale condominiums. In 2008, the market fell and the developer stated they could not honor the construction of high end condos for the entire project. In February 2008, the agreement was renegotiated, and approved by City Council for the construction of 136 condos and 168 luxury apartments. The amended Project Development Agreement also stipulated that no more than 40 condos could be leased. BECO returned to the City in 2011 and requested another amendment to the agreement. The developer had built 168 apartments, but had not built the 136 condo units. City Attorney Owens believed that the Project Development Agreement stipulated that the developer would not receive a Certificate of Occupancy (CO) without completing the condos. Many condo owners voiced opposition to an additional amendment to the Project Development Agreement to construct additional apartments. Litigation ensued between the condo owners and the developer in 2012. The developer and the property owners had reached an agreement, part of which would involve the City, to reduce the number of independently owned condos to 52 and increase the number of luxury apartments. The current total number of units amounted to 304, and the developer proposed increasing the number to 310. City Attorney Owens stated City staff did not want the number of apartments to increase above 304 units, but continued to work on the matter. There was an issue regarding the number of condos that could be rented. Several military personnel who owned condos, and had to deploy, were unable to lease their properties due to the minimum rule requirement that no more than 40 units could be leased, which was the reason the minimum increased to 42, rather than 40. According to the developer's attorney, the homeowner's were in agreement with the proposed second amendment to the Project Development Agreement. The amended agreement would be available for adoption by City Council at the Regular Meeting of August 9, 2016.

Mayor Price understood the tenants and homeowners were in agreement; however, staff wanted to limit the number of apartments to 304 units instead of the 310 that were proposed by the developer. City Attorney Owens replied yes, staff was in support of 304 units; however, he would get with the Planning staff and the developer about the number of units.

Councilwoman Cherry stated that she wanted to hear from the condo owners who invested in the property. She understood the specifics of the matter, but wanted to ensure that the condo owners supported the amendment. She did not want to hear from the developer alone. Assistant City Manager Rohlf advised, as part of the Settlement Agreement, the owners agreed and were in accord with moving forward. The developer and owners had reached an agreement over much discussion.

Mayor Price stated there was a lawsuit pending and understood that both sides were in agreement with the amendment.

City Attorney Owens pointed out that all of the condo owners were not a part of the law suit, and he did not know whether they agreed to the amendment.

Mayor Price stated, according to the attorney for the Windy Knolls Homeowner's Association, the majority of the owners supported the amendment.

Assistant City Manager Rohlf stated there were a number of issues and the developer tried to appease all involved. Staff could certainly follow-up with the owners to get their perspective.

Councilman Bateman inquired about the rental occupancy rate. Assistant City Manager Rohlf replied that the occupancy rate for the rentals was at 100%.

Councilman Bateman recalled that City Council was concerned that the apartments were not constructed with a certain standard as promised by the developer. Assistant City Manager Rohlf advised that the developer had made structural upgrades to the apartments. The upgrades were not as originally proposed; but, the developer made a good faith effort to satisfy the concerns of the owners.

Councilwoman Scott stated that she met with the homeowner's and developer's attorneys, along with another attorney, and several property owners who voiced concern that they did not want to live in a community that did not look as if it was finished. Many voiced concern that they could not rent their properties should the need arise. She felt that the amended agreement rectified the concerns of all parties. She voiced concern that a meeting should be held with all of the property owners, and they promised to plan a community meeting. She advised Councilwoman Cherry that she would contact her should a meeting be scheduled. She wanted to know their perspective and that they were represented. Assistant City Manager Rohlf stated that staff would follow-up with the owners, and let City Council know of any planned community meetings between the attorneys, developers and the owners.

Vice Mayor Vick voiced concern about a rule that one could not qualify for financing to buy a condominium in a community where 52% of units were rented. She inquired whether such could affect the Windy Knolls owners. Assistant City Manager Rohlf believed that was an FHA loan requirement.

Councilman Bateman agreed that a certain percentage of the homes purchased had to be through conventional financing in order to get the FHA designation. The developers of Windy Knolls would want to aspire to make the community attractive to qualify for FHA loan designation.

Vice Mayor Vick understood that a purchaser had to pay cash or qualify for a conventional loan for a condo in a community where a certain percentage of rentals were leased. She voiced concern that the Windy Knolls property owners would not be able to sell their property if the area was infused with rental housing.

III. Virginia Living Museum (VLM) Lease Renewal

City Manager introduced Ms. Florence Kingston, Director, Department of Development, to provide an overview of the Virginia Living Museum Lease Renewal with the City.

Ms. Kingston reported that the City leased a 20.96 acre parcel to the Virginia Living Museum (VLM), out of an approximately 71 acre parcel, located at 524 J. Clyde Morris Boulevard, since September 22, 1966, for \$1 per year. The current lease was due to expire on August 31, 2016. The original 40-year lease had been followed by four subsequent five-year lease renewals (1996, 2001, 2006, 2011). The current lease did not contain the renewal provision, which was the reason staff was bringing it back to City Council. The new lease would be for five years, with the same terms and conditions. The City owned all the buildings on the property. The VLM would maintain the building, carry fire insurance and pay all public utility costs. The Museum would carry adequate liability insurance and hold the City harmless for losses of physical damage, bodily injury or death. The lease would begin on September 1, 2016 and terminate on August 31, 2021. The lease would continue, in five year increments, for \$1 per year.

Councilwoman Cherry inquired about the reason that the City provided the VLM with \$400,000 for their HVAC system if their lease was only \$1 per year. City Manager Bourey replied that a Performance Study of the VLM was done, which compared the VLM to other museums around the country. He recommended not offering the VLM the same level of funding as was provided in the past. The reality was that the VLM could not sustain itself on admission revenue alone; and needed some form of subsidy.

Councilwoman Cherry inquired about other matters that were affecting the VLM's revenue. City Attorney Owens explained that the VLM was affected by the downturn in the real estate market in 2009. Just before the downturn, the VLM received a loan from the bank to build a new museum. He did not understand how they received the loan since the City did not sign off on the Deed of Trust. The bank called the note and the VLM had to come up with the \$5 to \$6 million that they owned on the loan.

Councilman Bateman stated the VLM dedicated the decision to build the new museum the promise from the State and Federal Governments that they would always assist the VLM with funding, and for years and years they did. The VLM continued to make extraordinary efforts in fundraising by sponsoring and planning events. The new facility was not built until they had exhausted all room at the old facility. The new facility was built before the Schools Field Trip budget was cut. All of the above matters had occurred at the same time.

City Manager Bourey reminded, in addition to the above-noted events, the VLM had experienced a major flood. The City offered the VLM a challenge grant in FY 2015, which required the VLM to raise private sector funding. The City would match every public dollar that the VLM raised. The VLM was able to significantly increase its funding, which was the reason the City felt they needed to be on their own. In reality, the VLM would never fully be able to be self-sufficient. A survey of similar museums was done as part of the Performance Audit, which noted that most museums received local, state and/or federal subsidies as they did not have a sustainable model.

Councilwoman Cherry advised that she loved the VLM, but wondered what their Executive Board was doing to acquire additional funding to become self-supportive. She asked about their Five-Year Strategic Plan. City Manager Bourey replied that the VLM's Strategic Plan included starting an endowment to help sustain its operating funds overtime, and they needed help to get there.

Councilwoman Cherry inquired about the VLM's Strategic Plan for funding, outside of what they would receive from the City. City Manager Bourey replied that they were continuing to look for subsidies by going out to private parties to raise funds for an endowment that would pay a significant portion of their ongoing operating costs and for their capital improvements. Their strategy was to rely upon private philanthropy to make up the difference in the public funding that they received. Councilman Bateman stated they were using their funding more efficiently by leasing their facility out for weddings, receptions, community meetings, which was also a part of their Strategic Plan.

City Manager Bourey advised that the Audit examined fees charged by similar museums around the country, especially in the Southeast. The representatives of the VLM felt that their fees were in line with those charged by other museums in the country.

City Manager Bourey stated there was a physiological argument about how much would be appropriate to fund the VLM, which was why the City provided the \$528,000. For two years, the City provided the VLM with an additional \$400,000. The recommendation for 2015 was to offer the VLM a challenge grant and they raised three times what the public sector did. The City was at \$528,000, which he felt was sustainable as a grant and as a regional contribution.

Councilwoman Cherry inquired whether it was the City Manager's recommendation to provide the VLM with \$528,000 on an annual basis. City Manager Bourey replied yes, as the City had provided for many years.

Councilwoman Cherry reiterated that she wanted to know what the VLM was doing. When was a report going to be given to the City if the City provided them with \$528,000? She was not

trying to be harsh, but just wanted to know what the VLM was doing and when they would come and provide the City with a report about their fiscal responsibility for sustainability. City Manager Bourey stated they would be happy to provide the information. He stated the City received some information from the VLM in 2015 about what they raised. He recognized Ms. Page Hayhurst, Executive Director, VLM, who was in attendance. He felt the representatives of the VLM would be happy to attend a meeting to provide the information.

Ms. Hayhurst stated that the VLM had a five year plan that she would be happy to share.

Councilman Bateman inquired whether the VLM had ongoing initiatives to locate grants. Ms. Hayhurst replied yes, they were always trying to locate grant funding. She stated that the funding received from the City was approximately 15% of their total operating budget. The VLM provided \$9 million in economic impact to the City.

City Manager Bourey stated that a Work Session presentation could be scheduled to share the VLM's strategic plan. Councilwoman Cherry replied that she would like a presentation to be scheduled.

Councilman Bateman advised that the lease needed to be renewed one way or the other, because the City owned the property and wanted the VLM to remain.

IV. Comments/Ideas/Suggestions

Councilwoman Woodbury asked the City Manager to be more specific concerning her e-mail message to him about trees that were being cut down adjacent to the Newport News/Williamsburg International Airport (NNWIA), rather than his response that the trees were being cut down due to safety reasons. City Manager Bourey replied that there was a question raised about whether the trees were on the airport property. The trees were located near, and on a parcel of undeveloped land adjacent to the trailer park and were losing branches and falling down. An assessment was done and determined that some of the trees needed to be cut down due to safety issues because many frequented the area to walk.

Councilwoman Woodbury inquired whether that was the area proposed for the new SCOT Center for Newport News Public Schools. City Manager Bourey replied no.

Councilwoman Woodbury indicated that she had visited the area of the trailer park and witnessed that the area looked as if it was being cleared for a future project. City Manager Bourey replied the area was being cleared for a walking path and the trees were removed due to safety concerns.

Councilwoman Scott inquired whether her concern regarding the Fire Department and Police Department uniforms being the same color had been addressed. City Manager Bourey replied that the Fire Department personnel planned to revert back to their previous uniform colors.

Councilwoman Scott stated in light of the national news and her prior request since being a member of City Council, she wanted City Council to consider appointing a Citizen's Review Board to cover controversial matters that may arise that were as devastating as what had happened in other parts of the country in regards to shootings of civilians by Police Officers. She felt it was important to have a tool such as a Citizen's Review Board should issues arise in the City of Newport News. It was important to have a group of people independent of City officials and staff, who could be engaged if there was a situation. She asked the members of City Council to give the matter consideration. She recalled that she had brought the matter up several times in the past, but did not remember the pros and cons of doing such.

City Attorney Owens replied he recalled that there were some pros and cons noted during the time of the former City Attorney Katz. He believed part of the reason was that when you were investigating the activity of Police Department employees that they were entitled to some degree of privacy. Should a grievance hearing be held, it was the employee's choice in whether they wanted it open or closed to the public as it was a private personnel matter. In the State of Virginia, personnel matters were considered privileged, which was one of the major issues experienced.

Councilman Bateman stated the City had not found its process to be flawed. He felt because of what the City Attorney stated that was the main reason for not appointing a Citizen's Review Board.

Councilwoman Scott suggested that the City look at how other jurisdictions achieved that goal. She believed it was an important consideration. She would hate to see something catastrophic happen in the City and there was no comfort zone for the citizens and the people involved. There was much going on and anything that rose above the level of what had already happened would be devastating.

Mayor Price recalled that the Chief of Police was going to look into a regional effort as a result of the prior discussion held concerning a Citizen's Task Force. He inquired about the status of the Chief of Police proposal for a regional effort.

City Manager Bourey advised that the conversation was still going on. He believed the issue seemed to be about having another entity available to review what happened in a Police shooting incident. He urged that it be a professional organization that really understood employees because a citizens group would not understand law investigation tools and how they took place.

Councilwoman Scott stated there were citizens who were Police Officers, Detectives, Lawyers, etc. who could be appointed to be on the board. She felt a Citizens Review Board could include professional citizens.

Councilwoman Cherry advised that the City of Portsmouth Police Department had a Chief Council which was composed of Pastors and other community leaders that had finished the Citizen Police Academy. The Chief Council talked about issues and other things that came up, especially officer involved shootings. The new Police Chief of Portsmouth was working on establishing trust within the community by having a Chief Council. She indicated that she had spoken to Police Chief Myers about the matter. The idea of a Chief Council showed transparency. She believed that graduates of the Citizens' Police Academy were familiar with the Police Department responsibilities and could be part of a Chief Council to hear from the community to provide the feedback to law enforcement.

City Manager Bourey recalled when there was a shooting a year ago there was a tremendous outreach by ministers, which helped the situation, although it was limited. He believed that perhaps, establishing something that was formal and already prepared and gathered could work.

Councilman Harris recalled there was a group of pastors who were getting together to address such issues. City Manager Bourey understood that the group was still active.

Councilman Bateman stated he liked the idea of a regional board as proposed by the Chief of Police. He understood it took time, but felt it was the most logical way to get something placed that would serve as an intermediary step to ensure there was a good process. He asked the City Manager to look into the matter.

Councilwoman Cherry advised that as the City considered a regional approach, one had to remember that everyone in a region did not have the same mindset. She stated law enforcement mentalities could be on a broad scale when considering a regional approach. She felt there was great disparity in different Police Departments, which she experienced from talking to the command staff of various Police Departments. She loved and thanked God for the members of the Newport News Police Department, because of the things that she had witnessed while travelling in other localities. She reiterated that when one talked about a regional board, everyone did not have the same mindset.

City Manager Bourey advised that in light of his past work and perspective, he was in support of the idea of a state agency that had the capacity to review Police matters. He had a conversation with Chief Myers in regards to the incident that happened in 2015 and there was no State capacity to review the incident. If the State had that capacity, he would advocate it as a great source. While, he supported the idea of a regional Police Department approach, he was not sure that the public would trust a review by a fellow police officer from another locality. He supported the idea of an investigation to be done at the State level. He believed that a review by a state agency would provide the best outcome because it would be independent of other police officers. Such a board did not exist, but there could be interest to do so.

Councilwoman Scott asked that the City Attorney look into the repercussions of having a Citizen's Review Board with people from the City of Newport News. She believed that they would have

the best interest and there could be some possibility for it to be a true Newport News citizen effort. She would like to know if it could be legally done through the City's Charter.

Vice Mayor Vick thanked all who assisted with the Swearing-in Ceremony held earlier today. She indicated she had received many compliments.

Councilwoman Scott invited all to attend the Annual Sister Cities Breakfast scheduled for Friday, July 22, 2016, at 8:00 a.m., at the CNU David Student Union. She stated the event helped the Sister Cities in their funding efforts. This was their second largest fundraiser of the year, which was very successful. The Sister Cities asked for a monetary donation to attend the breakfast. It was scheduled from 8:00 a.m. – 9:00 a.m. She asked all to contact Ms. Kate Helwig, Executive Director, Newport News Sister Cities, Inc., the City Clerk's Office, or she and/or Councilwoman Patricia Woodbury if they would like to attend.

Councilman Harris commended City Manager Bourey for setting up meetings for him to meet the City's Department Directors. He stated the meetings were awesome, he learned a lot, and he appreciated the effort.

Councilman Harris thanked all who assisted with the Swearing-in Ceremony earlier in the day. He stated it was a great experience.

Councilman Harris thanked all who prayed with him and offered support for his father, Rev. Marcellus Harris II. His father sent regards as well. He appreciated all the support in becoming acclimated to the City, and indicated he would continue to absorb as much information as possible.

City Manager Bourey thanked Councilman Harris for the time spent to meet with the City's Department Directors.

Mayor Price, on behalf of the members of City Council, invited Councilman Harris to call either of them should he need any assistance.

City Clerk Mabel Washington Jenkins urged the members of City Council to continue to review their weekly calendars. She reminded about the Grand Opening of Total Wines on July 14, 2016, at 10:00 a.m., at Jefferson Commons, 12551 Jefferson Avenue.

Councilwoman Cherry inquired whether the issue she raised at the June 28, 2016 Work Session, regarding a remedy to alleviate speeding on Marshall Avenue, had been addressed. Assistant City Manager Rohlf stated that the Department of Engineering was working on the issue and should be providing a response to Councilwoman Cherry in the near future.

Councilwoman Cherry inquired about information she received concerning the elevation of railroad tracks and asked whether staff had been looking into the matter. Assistant City Manager Rohlf

replied that the Departments of Engineering and Public Works were working to determine how to fix the issue.

Councilman Bateman inquired whether staff had contacted Ms. Veronica Williams, the Attorney representing the elderly citizens who attended the June 28, 2016 Regular City Council Meeting, to determine how much money they owed to their mortgage companies. He asked whether a telephone number was provided.

Councilwoman Woodbury replied that she had their names, telephone numbers and the amounts they owed. She had been trying to raise money to help the elderly ladies pay their taxes. She was trying to help the 88 year old first and then the handicap individual. She had been able to get commitments of approximately \$4,000. She and the attorney talked at length and she was able to get the 88 year old to declare bankruptcy. She would have to pay her overdue taxes, but she was able to stop the foreclosure of her home.

Councilwoman Woodbury advised that she continued to try to raise money for the two and find a way to funnel it to them. She did not have a 501C so she was trying to work with a bank or credit union to see whether an account could be set-up. In the meantime, the lawyer had a proposal. There were a finite number of people that had been affected by the change from tax exemption to tax deferral. She had voted for the change, but admitted that she was wrong. In looking back at the issue, City Council should have made the conditions more restrictive because people were taking advantage of the situation. Instead of doing away with everything, they should have realized that there were some who had reverse mortgages who could not afford to pay their taxes.

City Manager Bourey stated that on the evening's agenda was a revised ordinance to institute tax exemption for those who qualified, effective and retroactive to July 1, 2016. He stated the City would realize a revenue reduction of approximately \$250,000, but he felt it could be covered.

Vice Mayor Vick advised that when the tax deferral ordinance was passed it was not done to cause a burden on people with reverse mortgages. She recalled that City Council had agreed to revisit the matter in several years to see whether it was working or whether an amendment was needed. The proposal was not adopted to cause harm to anyone. It was passed because people were living longer, and it was weighing on the City's tax base.

Councilwoman Woodbury agreed, and recalled that former Vice Mayor Madeline McMillan had warned about the reverse mortgage situation, but she did not listen. She voiced concern for individuals who were suffering. She had spoken to credit union representatives about setting up an account for donations to help the two women who attended the June 28, 2016 Regular City Council meeting.

Councilman Bateman indicated that the reverse mortgage companies needed to learn from this situation, because they could not control City governments. He was sorry that such happened,

but mortgage companies needed to learn from this as did the City. He indicated that he would try to help as well.

Councilwoman Scott pointed out that reverse mortgage holders could qualify for a line-of-credit if they had equity in their homes. Councilman Bateman stated that some reverse mortgage companies did not allow an applicant to secure a second mortgage.

Councilwoman Scott understood that some reverse mortgage companies did not allow applicants to secure a second mortgage; however, there were some reverse mortgage companies who did allow such, as she knew someone who had obtained a second mortgage.

Councilman Bateman reiterated that a second mortgage was allowable under some reverse mortgages, but not all.

City Manager Bourey reminded about the World Arts Celebration scheduled for Saturday, July 16, 2016, at City Center at Oyster Point Fountain Plaza, from 4 p.m. – 9:00 p.m. He stated it would be an amazing event with representation from approximately 30 countries. It was a celebration of all cultures in the City.

Councilwoman Scott inquired whether the Department of Parks, Recreation and Tourism planned the event. City Manager Bourey replied it was a combination of efforts that was between the Virginia Arts Festival and the Department of Parks, Recreation and Tourism. The Department of Parks, Recreation, and Tourism was not as involved as they were in 2015. The Virginia Arts Festival had assisted more with the entertainment.

Councilwoman Scott inquired about the amount of local entertainment that was included in the event. City Manager Bourey replied he would get the information and provide it to City Council.

Councilwoman Scott stated when she suggested the event several years ago she appreciated the way it was done, but she did want the City to include as many local entertainers as possible. She stated the idea was born from local entertainers who wanted to participate and heal the City. They were now going to the Southside where more opportunity presented itself. She asked the City Manager to provide her with the information.

Councilwoman Woodbury reminded about her request for a Resolution of Recognition for Dudley's Driving School that was requested several meetings ago. She believed the history of the family and founder, Ms. Sadie Belle Howell-Dudley, being the first African American to start a driving business warranted them such recognition. She would appreciate the support of City Council to consider the matter.

Mayor Price reminded about the request from Senator Tommy Norment asking for monetary assistance from the City to erect a memorial in honor of the late State Trooper Chad Phillip Dermeyer who was killed in the line of duty on March 31, 2016. He asked City Council to support the appropriation of funds from the City Council Contingency Fund. There was support among City Council to appropriate the needed funding from the City Council Contingency Fund.

THERE BEING NO FURTHER BUSINESS
ON MOTION, COUNCIL ADJOURNED AT 5:20 P.M.


Jennifer D. Walker, MMC
Chief Deputy City Clerk

McKinley L. Price
Mayor
Presiding Officer

A true copy, teste:

City Clerk