MINUTES OF WORK SESSION
OF THE NEWPORT NEWS CITY COUNCIL
HELD IN THE 10TH FLOOR CONFERENCE ROOM
2400 WASHINGTON AVENUE
October 11, 2016
2:30 p.m.

PRESENT: Sharon P. Scott; Tina L. Vick; Herbert H. Bateman, Jr.; Saundra N. Cherry, D. Min.; Marcellus L. Harris III; and McKinley L. Price, DDS----------6

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

OTHERS PRESENT: James M. Bourey; Collins L. Owens; Mabel Washington Jenkins; Alan Archer; Cynthia Rohlf; RoShaundra Ellington; Darlene Bradberry; Lisa Cipriano; Chad Pritchett; Keith Ferguson; Everett Skipper; R. B. Alley; Scott Dewhirst; Florence Kingston; Carol Meredith; Chris Morello; Sheila McAllister; Dawn Barber; Mike Neal; Ashby Kilgore; John Eley; Mary Lou Roaseau; Kim Lee; Jerri Wilson; Jennifer Walker; Reema Amin; and Dave Ress

I. 2016 Fourth Quarter Financial Report Briefing

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

Ms. Cipriano reminded that the FY 2016 First Quarter projections resulted in a $231,000 surplus, FY 2016 Second Quarter projections resulted in a $691,000 surplus, and FY 2016 Third Quarter projections resulted in a $75,000 surplus (a copy of the presentation, "FY 2016 General Fund Year-End Report – Based on Preliminary Fourth Quarter Results," is attached and made a part of these minutes).

Ms. Cipriano advised that Federal and State Grant revenue of $4.1 million, and the anticipated use of the Fund Balance of $4.5 million was included as part of the FY 2016 Operating Budget, which resulted in a shortage of $710,000 in grant funding and the non-use of the Fund Balance.

Ms. Cipriano reported FY 2016 Fourth Quarter projections resulted in a $4.4 million revenue shortfall and a $4.7 million expenditure surplus, which resulted in a $309,000 year-end surplus. She stated the results were realized without the use of Fund Balance reserves and was prior to Finance closing out the fiscal year. She reminded that bad debt write-offs and other changes could affect the year-end total.

Ms. Cipriano stated the adopted FY 2016 Operating Budget totaled $464.2 million; however, FY 2016 Fourth Quarter Revenue projections totaled -$4.4 million, which

resulted in a 0.9% decrease. The change in revenue projections were realized in the following categories:

- Real Estate Taxes - up $750,000
- Personal Property - up $2.48 million
- Machinery & Tools - up $397,000
- Sales Tax - down $621,000
- Lodging Tax - up $331,000
- Meals Tax - up $1.55 million
- BPOL Taxes - down $676,000
- Cigarette Tax - down $391,000
- Tax on Deeds - down $194,000
- Building Permits - up $113,000
- Fines/Forfeitures - down $837,000

Ms. Cipriano reported the adopted FY 2016 Fourth Quarter Expenditure projections totaled $4.7 million, which equated to a 1.0% increase. The change in expenditure projections were realized in the following categories:

- Salaries and Benefits - up $247,000
- Contractual Services - up $787,000
- Fuel - up $506,000
- Utilities - down $99,000
- Materials/Supplies - up $208,000

Ms. Cipriano reported the FY 2016 Fourth Quarter resulted in a year-end budget surplus of $309,000. She stated that revenues, especially those that were consumer driven, were excellent performers. There were some deficit fluctuations in limited areas that would need to be tracked in FY 2017. There also was no need to use the Fund Balance or to adjust Expenditures, which was good news for FY 2017.

II. 2017 State Legislative Package

City Manager Bourey introduced Ms. Jerri Wilson, Management and Legislative Program Analyst, City Manager's Office, to report on the 2017 Legislative Priorities.

Ms. Wilson stated that the State Legislative Priorities 2017 Virginia General Assembly packet included "A Message from the Newport News City Council," that summarized their long-standing positions on overarching issues that pertained to Local Government

Authority and Revenue. The City Council asked that the General Assembly not take away local control over land use decisions and leave the City's revenue intact (a copy of the "State Legislative Priorities 2017 Session, Virginia General Assembly," packet and presentation are attached and made a part of these minutes).

Ms. Wilson reported that the 2017 General Assembly Session was scheduled to begin on January 11, 2017, and would be a short Session. She stated it was anticipated that there would be a significant State budget shortfall of approximately $1.5 million. It was important to point out that all Members of the House were up for re-election in the Fall of 2017, as well as the election of a new Governor. The City's local delegation was in transition and November elections could impact the session.

Ms. Wilson noted the 2017 Legislative Priorities Code Change Requests and Budget Priorities (see justification for each in the presentation attached to these minutes):

2017 Legislative Requests

1. **Municipal Park Rangers** – Amend several sections of the Code of Virginia, to include Municipal Park Rangers in the list of officers authorized for the purposes of enforcement powers.

2. **Underage Possession of Handguns and Assault Weapons in the Home or on the Property** – Amend Section 18.2-308.7 of the Code of Virginia to clarify that a person under 18 who resided with a parent, grandparent, or legal guardian, must have their permission to possess a handgun or assault firearm while in the home or on the property.

3. **Liens for Nonpayment of Waste and Recycling Fees** – Amend Section 15.9-925 of the Code of Virginia to allow municipalities the option of placing liens against properties for nonpayment of waste and recycling collection fees and charges consistent with the authority granted in VA Code Section 15.2-2119 E for water and sewer services.

4. **Court Discretion to Reinstate Discontinued Civil Cases** – Amend Section 8.01-335 of the Code of Virginia by adding language to affirm a court's authority to choose whether or not to reinstate a discontinued civil case.

2017 Position Statements

- **Expand Medicaid Expansion** – The City Council of Newport News urges the Virginia General Assembly to implement Medicaid expansion as provided by the Affordable Care Act.

- **Fund Public Transportation** – The General Assembly should identify a dedicated revenue source independent of local general funds to sustain and improve regional transit services and allow Hampton Roads to use regional transportation funds for public transportation purposes.

- **Authorize Magistrates to order testing in cases of exposure to infection with Human Immunodeficiency virus or Hepatitis B or C viruses** – The City Council urges the General Assembly to authorize the Magistrate to order testing rather than a General District Court Judge due to time constraints.

- **Remove Restoration Restriction on Emergency Psychiatric Treatment** – The City Council supports legislation that would expedite emergency psychiatric treatment for an inmate of a local correctional facility to be hospitalized, if necessary.

- **Study Port of Virginia Economic Impact to Host Cities** – The City of Newport News respectfully requests that the General Assembly update the 1999 JLARC Study focusing on the financial relationship between the Port and its host cities.

- **Fund Local Youth Employment Programs** – Support legislation to establish a State funding stream to support local youth employment programs.

City Manager Bourey stated, while at a meeting of local City Managers, he suggested that, particularly Urban Cities (Norfolk, Portsmouth, Hampton, Newport News), submit a request to the General Assembly asking for additional funding to support juvenile employment programs.

Councilwoman Cherry inquired whether the funding would be for youth employment programs beyond the Summer Training and Enrichment Program (STEP). City

Manager Bourey replied that the funding would be allocated for urban cities to administer summer youth employment programs. It had not been defined for more than that. He stated the STEP Program had been effective and helpful and could be expanded. The funding would be targeted annual funding for summer youth employment programs.

Councilwoman Cherry felt it was important that the City looked beyond the summer for ongoing youth employment programs. City Manager Bourey agreed. Councilwoman Cherry felt the City needed to look further if the funding was only for summer youth employment programs. City Manager Bourey replied that the funding was for youth employment programs for the summer and beyond.

Councilwoman Scott inquired whether the proposed youth employment program would include a work training component. City Manager Bourey replied yes. Ms. Wilson agreed that the proposed program could include a work training component. She advised that the great thing about asking for a regional fund was that each locality could design a program that best suited them.

City Manager Bourey saw the request as funding, such as $10 million, which would be allocated and distributed to Urban Cities, based on their population, to be used for youth employment programs.

Mayor Price pointed out that a problem could arise when the funding was based on statistics, where the better a locality did, the less funding they would receive. City Manager Bourey agreed that the better the statistics for improvement, the less funding one received. He advised that juvenile crime had decreased by 17% in 2015. Juvenile arrests had decreased by 9% in the summer of 2015 due to STEP, Newport News Public Schools (NNPS) Summer Program for Arts, Recreation and Knowledge (SPARK), and the implementation of a curfew for youth. There were 27% less juvenile arrests in 2016, which could include all three components; however, a major increase in the number of curfew violations were realized by stepping up enforcement, which helped with the reductions in youth crime. Unfortunately, there were more weapons charges during the summer of 2016, which was another issue that had to be addressed.

Mayor Price inquired whether there were any statistics on the number of guns taken off the streets during the summer of 2016. City Manager Bourey replied that he would get the information and provide it to City Council.

- **Restrict Predatory Lending** – The City Council supported legislation that restricted predatory lending practices, which posed a threat to the well-being of the community. Many payday lenders charged excessive fees, failed to verify a borrower's ability to repay and targeted high-cost loans to the elderly, low-income, and minority families.

Councilwoman Scott indicated that the Denbigh area had more than enough predatory lenders. She inquired whether there had been any discussion about a moratorium in areas that already had an excessive amount of predatory lenders. Ms. Wilson replied no. There had been a moratorium on legislative bills that dealt with predatory lenders. The Legislators were unreceptive to this type of legislation.

- **Stormwater Local Assistance Fund** – City Council asked the General Assembly to provide funding of $20 million in the second year of the biennium for the Stormwater Local Assistance Fund.

- **Legalize Medical Marijuana for the Treatment of Neuropathy** - The City of Newport News supported legislation to legalize the use of medical marijuana for the treatment of Neuropathy.

Other Initiatives

The City was a voting member of the Hampton Roads Planning District Commission, the Hampton Roads Transportation Planning Organization and the Hampton Roads Transportation Accountability Commission and unless stated, supported the legislative agendas of each.

Councilman Bateman reminded that in 2015 there were discussions about the possibility of having a regional Review Committee of Law Enforcement Officers to review police officer involved shootings. He recalled that the City Manager was in support of a statewide review committee effort. He inquired about the status of the matter. Ms. Wilson replied that she understood that the Hampton Roads Regional Chiefs of Police Association had discussed the matter. City Manager Bourey replied that the Police Chiefs met with the State Police who indicated they would be able to handle police involved shooting investigations. The Regional Chiefs of Police were in support of the State handling such investigations. It had been decided that the State would handle such matters, and the City would endorse the initiative. All of the major jurisdictions were in support of allowing the State Police to handle independent

investigations of police involved shootings.

Councilwoman Scott stated that she had been asking for a Review Committee in the City of Newport News for the past 14 years, since being elected to City Council. There had been times when she had been told that the State did not want to review certain police involved shootings in Newport News. She inquired whether there would be legislation that mandated that the State handle independent police involved shooting investigations. City Manager Bourey replied that he did not anticipate that there would be any state legislation, but there would be an agreement.

Councilwoman Scott stated that she could appreciate that, but she knew of other Cities, Counties and States that had Citizen Review Boards. She believed it was still important for citizens to be involved in review committees because of politics, nepotism, cronyism, etc. Sometimes citizens, especially those impacted by police involved shootings, felt more comfortable if allowed to participate on the Review Committee. It was like having a jury of your peers. Citizens would feel more comfortable if there was someone from the City involved in an investigation, which would always be her position. She wanted the record to note that citizens should be involved in Review Committees that dealt with police involved shootings.

Councilman Bateman disagreed and stated he would like to have the State take some responsibility to help the City with such matters, because he felt that a review was important. He inquired whether legislators needed to know that City Council was sensitive to the matter. City Manager Bourey believed that the City needed to have an agreement with the State regarding to a Review Committee. He asked Assistant City Manager Alan Archer to ensure the agreement was done and report back to City Council once the matter was resolved.

Councilwoman Scott indicated that it may not be a State priority when there was a situation in Newport News. The State may be busy handling other matters. They may have bigger cases, such as federal cases, and may not have time for City reviews. She inquired what would happen then.

Mayor Price believed that there would be some type of Memorandum of Understanding with the State.

Councilwoman Scott inquired whether the Mayor believed that there may be a group of people galvanized for such purpose and event. The Mayor replied yes.

Councilman Bateman asked for an update on the background check loophole and whether it was still outstanding. Ms. Wilson replied that it was still outstanding and nothing had changed. There had not been much political will to close the loophole.

Vice Mayor Vick thanked Ms. Wilson for her representation at the Virginia Municipal League and at the City's legislative committee meetings.

Councilman Bateman inquired about the gun control bill from 2015. Ms. Wilson replied that the gun control bill did not gain much interest.

III. Capital Project Priorities Discussion

City Manager Bourey reminded about a prior discussion held at the September 12, 2016 Work Session regarding the roles of the City Manager and City Council, and indicated it was important that City Council offer some direction regarding the Capital Improvement Program (CIP), especially in light of school funding issues. The CIP was a policy document on which City Council should have an opportunity to weigh in. This discussion entailed the amount of funding that was put towards capital projects and the distribution of that funding. Staff would offer the issues that drove the CIP, which included debt service, and the way it was distributed as well as the City's bond ratings. The discussion would include funding that had been provided to Schools and what could be done to increase funding for Schools, with feedback from City Council. The City had limited resources and could not fund everything. The request that was received from the School District exceeded $140 million. There were certain options available to the City that would help, but staff wanted to provide additional alternatives if City Council wanted to be more aggressive in providing funding. Positive information had been received from Dr. Ashby Kilgore, Superintendent of Schools that the Schools were able to make a substantial reduction in the amount of funding needed for Huntington Middle School (approximately $36 million). He introduced Ms. Cipriano, to provide the presentation.

Ms. Cipriano stated the CIP was a five-year funding guide that supported debt and needed projects. She explained that City Council approved a bond authorization for CIP projects that allowed staff to go to the bond market and borrow money, which generated the debt that the City paid. The City had been very aggressive for many years in how the debt was issued. The City issued 20-year bonds, because that was usually the life of a project. The City also did something called level principal, which allowed the principal to be paid at the same time that the 20-year loan was being paid off, which resulted in lower interest and a faster payoff period.

Ms. Cipriano noted Capital Financing and Debt Management guiding principles adopted by City Council in 2007:

- Debt burden (Schools and General Fund Revenue for fiscal year compared to Taxable Assessed Value)
  - Goal: Maximum 3%
  - Status: 2.3%
- Debt Retirement
  - Goal: Minimum 30% in five years and 60% in ten years
  - Status: 43% in five years; 74% in ten years
- Debt Service Ratio (Combination of Revenues in any given year)
  - Goal: Maximum GF Debt Service of 9.5% of combined City and School Division Annual Revenue
  - Status: 7.2%
- Cash Capital (CIP paid in Cash)
  - Goal: Minimum 20%
  - Status: 24%

Ms. Cipriano advised that the City's bond rating was important when issuing bonds. She noted Moody's and the S&P's bond ratings from June 2011 to December 2015, which had increased positively, and noted the positives and concerns that were voiced by the two rating agencies (see information on pages 3 and 4 of presentation, "Capital Project Priority Discussion," attached and made a part of these minutes).

Councilman Bateman reminded that Capital financing and debt management principles were revised to be more fiscally conservative six or seven years prior, which led to a favorable bond rating.

Ms. Cipriano noted the amount of outstanding General Obligation Liability, Literary Loan and General Supported EDA Debt from FY 2007 to FY 2016 (see information on page 5 of the presentation attached to these minutes).

Ms. Cipriano noted which fund paid the FY 2017 City Debt service of $60.9 million:

- General Fund paid $47.4 million or 8% of the General Fund and Schools Debt
- Self-Supporting Funds/User Fee Funds paid $12.5 million or 20%
- Schools paid $1 million of 2% of VRS & Schools Bus Debt

Ms. Cipriano noted current and projected General Fund General Obligation Debt Service (see information on pages 7 – 8 of the presentation attached to these minutes). The General Fund was currently paying approximately $48.1 million in debt. She advised that the debt would be reduced to $41.8 million by FY 2022 if the City did not issue any additional bonds. The debt service was projected to increase to $45.2 million in FY 2022, since the City had an active bond authorization for FY 2016 projects, in addition to the adopted FY 2017 – FY 2021 CIP.

Ms. Cipriano noted current and projected All Funds (User Fees, General Funds and Schools inclusive) General Obligation Debt Service (see information on pages 9 – 10 of the presentation attached to these minutes). She advised that All Funds was currently paying approximately $53.0 million in debt. The debt would be reduced to $39.4 million by FY 2022 if the City did not issue any additional bonds. The debt service was projected to increase to $57.8 million by FY 2022 to fund the FY 2017 – FY 2021 CIP.

Ms. Cipriano reminded about the composition of the approved FY 2017 – 2021 CIP (Cash Capital and Debt) by sources:

- Streets and Bridges 22.1%
- Community Development 22.1%
- Schools 21.5%
- Public Buildings 19.1%
- Transit 0.4%
- Parks & Recreation 7.7%
- Equipment 6.6%
- Environmental 0.6%

Ms. Cipriano noted the total approved General Fund Cash Capital and General Obligations Bonds from FY 2010 – FY 2017 and the amount that was dedicated to Newport News Public Schools (see information on page 12 of the presentation attached to these minutes). She stated the total FY 2010 General Fund Cash Capital and General Obligation Bond totaled $193.6 million.

Ms. Cipriano noted the history of Cash Capital and General Obligation Bond funding for all the categories that were represented in the CIP from FY 2010 – FY 2017 (see information on page 13 of the presentation attached to these minutes).

Ms. Cipriano noted Critical and Strategic project investments in the CIP from FY 2010 – 2017:

- Community Development
  - Upper Warwick Corridor/Denbigh
  - SCOT Center Relocation
  - Downtown Initiatives

Councilwoman Cherry asked for a breakdown of Cash Capital and GOB funding for Community Development projects from FY 2013 – 2016. She would like to know the specific projects that were in the CIP. Ms. Cipriano replied that she would provide the information to Councilwoman Cherry.

- Streets and Bridges
  - Major Bridge Repairs
  - Atkinson Boulevard
  - Lower Jefferson Avenue Street Reconstruction and Streetscape Improvements
  - Major Transportation Revenue Sharing Match
- Public Buildings
  - Grissom Library Replacement
  - Denbigh Community Center – Phase 2
  - Public Works Warehouse
  - Public Safety Jail Renovations
  - Fire Station 11 Replacement

Councilwoman Scott inquired whether the City had met all the requirements of the EPA's mandates on Sewer and Stormwater issues. Ms. Cipriano replied no; the funding for the improvements was being absorbed into Consent Order and Wastewater type projects.

Ms. Cipriano stated that the FY 2017 – FY 2022 CIP included $197.2 million for NNPS Cash Capital and GOB funding. She advised that the current FY 2017 level of funding for NNPS included $42.4 million, which was 21.5% of the annual FY 2017 CIP total. An additional $6.9 million would be added to debt for NNPS, over five years, should the City increase funding to 25% (see information on page 16 of the presentation attached to these minutes). To be able to spread the $6.9 million over five years (2017 – 2021), $1.4 million in

additional Cash Capital and GOB funding would be added to the CIP on an annual basis, which would amount a 25% increase over five years.

Councilman Bateman inquired whether this was an arbitrary way that the City could afford to fund additional projects for the Schools. City Manager Bourey replied that the City could not meet all of its needs even if additional funding was not provided to the schools. This was a way to increase school funding because there seemed to be an interest by City Council to do so, and staff wanted to determine the level of interest.

Ms. Cipriano noted the history of NNPS Requested and Approved CIP amounts from FY 2012 - FY 2018 (see information on page 17 of the presentation). City Manager Bourey stated the City would be able to meet some, but not all, of the School's needs, and 25% seemed like a good first step.

Ms. Cipriano suggested that one way to increase funding for the schools by more than 25% was through a dedicated real estate tax. She stated that increasing the real estate tax rate by $0.01 would amount to $1,509,916 in annual tax revenue, which would support a 20-year payment commitment of $20,073,376 worth of projects for the Schools (see different computations of real estate tax rate increases on page 18 of the presentation attached to these minutes). To fully fund 100% of the Newport News School Board's CIP FY 2018 – 2022 funding request ($100,366,878), before making adjustments for Huntington Middle School, the real estate tax rate would need to be increased by $0.05.

Councilwoman Scott inquired whether the increase to the real estate tax rate would be over a five-year period. City Manager Bourey replied that it would take 20 years of an increased real estate tax rate of $0.05 to fund the School Board's five-year CIP request of $100.4 million. He stated the increase would be earmarked for School projects only. This was an alternative should City Council desire, and would make a major change in the funding for schools.

Councilwoman Scott inquired whether the $0.05 real estate tax increase for the schools was over and above any increase that would be needed to balance the City's budget. City Manager Bourey replied that he had never recommended a tax rate increase throughout his career as a City Manager and would not support one today. He believed, through increased revenue, the City would be able to balance its budget. He stated that people would pay increased taxes as their property values increased. It was not likely that he would recommend a tax rate increase, absent of any other unusual circumstances. From a policy perspective, for City

Councils' consideration, one could argue that this was an unusual situation where an investment was necessary.

Vice Mayor Vick inquired whether this was similar to what the City of Norfolk did for their schools. City Manager Bourey replied yes.

Councilwoman Cherry advised that the City of Hampton also increased their real estate tax rate to provide a dedicated funding source for their school projects.

City Manager Bourey stated it was safe to argue that the City had gotten behind from where it needed to be in relation to school funding. He noted discussion points to consider additional funding for the Schools included:

- Making a change to the amount to be funded by taking on an incremental increase because the City had been prudent in its debt
- Eliminate City projects that added to the CIP level
- Find a way to raise additional revenue

He inquired of City Councils' level of interest and how progressive they wanted to be in the CIP in relation to the Schools and other projects.

Councilwoman Scott hoped that City Council could consider a combination of alternatives, rather than a $0.05 increase to the real estate tax rate. She stated that citizens would be concerned about committing to an extra $0.05 cents for a 20-year period. She realized that the aging School facilities were creating a large problem and were beginning to be a financial liability on the City as well as the Schools. She would like to consider a combination of alternatives that would help the issue.

Vice Mayor Vick stated that she would like to hold a community meeting to talk about the real estate tax rate increase and gain feedback. There may be many people in support of a real estate tax rate increase if the funding was dedicated for education.

City Manager Bourey advised that the CIP had to be delivered to City Council by the end of October 2016, and perhaps, a two-step process could be instituted that would provide incremental steps to address some of the School's needs (the additional $6.9 million) and a community conversation about additional funding.

Councilman Harris inquired whether the data was available on what surrounding localities provided their school systems. City Manager Bourey replied that he would get the information; however, that was like comparing apples to oranges. For instance, there were matters that the City of Hampton included in their operating budget, which were not included in their capital budget, which the City of Newport News would do differently. It was difficult to compare one jurisdiction to another.

Mayor Price believed that the City's tax base would increase as new economic capital projects were approved, which would reduce the need to raise taxes. He felt the City could get an idea of projected revenue, based on planned capital projects.

Mayor Price believed that citizens should also have input when dealing with something of this magnitude, not only by discussion, but through a Referendum. He felt it was necessary to have intense discussions regarding the privatization of the projects because they were raising and providing funding to the Schools. There may be a difference of opinion about which school projects would be covered at any particular time. Everyone's wants and needs could sometimes be different when looking at various situations. Mayor Price appreciated this presentation as it provided him with the knowledge to have some philosophical discussion.

Councilman Bateman stated he appreciated the discussion by the City Manager. He stated City Council tried to express to the School Board that they needed to understand what their options were to determine funding for the Schools. It was a process and he appreciated the City Manager and Superintendent Kilgore working together. He believed that it would help to publically note what the realities were in an effort to come up with the funding needed for School capital projects. It was important to the bond rating to appropriately balance City debt. He stated that changing Pension/Retirement Plan Actuary Assumptions was another issue that would have an impact on the City. He would like to talk about the process of working and continuing to collaborate with the School division. He believed more could be done if City Council was knowledgeable. It was great to know that the cost for Huntington Middle School had decreased. He would like to believe that the School Board and City Council could determine several options without having to have a Referendum.

Mayor Price inquired whether there was any projection as to what effect a $0.05 real estate tax rate increase would have on the City's bond rating. Ms. Cipriano replied no, because they looked at what the City did with its funding. City Manager Bourey stated that the additional $0.05 would increase the City's revenue and debt ratio. The bond rating agencies would not frown on the City increasing its debt if its revenue increased.

Mayor Price recalled prior discussion about not obligating future City Councils' on certain proposed matters. He inquired whether a dedicated fund would obligate future City Councils and whether they would have to vote on the matter annually. City Attorney Owens replied that the City Council would vote to change its tax rate and the funding revenue generated from the $0.05 would be earmarked to pay the School's debt, and would not obligate future City Councils. City Manager Bourey replied that City Council could not obligate a future City Council by adopting a new tax rate.

Councilwoman Cherry inquired about the benefit of increasing the City's bond rating. Ms. Cipriano replied that increasing the bond rating would enhance the City's ability to acquire lower interest rates and gain lender premiums when borrowing money.

Councilwoman Cherry inquired whether the City only borrowed when bond cash was depleted and a project was needed, even if it was for a lower interest rate. Ms. Cipriano replied that was correct; the City only went to the bond market when it was out of bond cash. City Manager Bourey reminded that the City had refinanced a number of loans over the past several years by taking advantage of lower interest rates, which saved millions of dollars.

Mayor Price suggested that City Council consider something incremental by including the $6.9 million in the FY 2018 – 2022 CIP, and having further discussion about alternative funding.

There was consensus among City Council to move forward with including the $6.9 million in the FY 2018 – 2022 CIP for school projects, and having further discussion about alternative funding.

Ms. Cipriano recognized Mr. Chad Pritchett, Senior Budget Analyst, for composing the presentation and information included.

Mayor Price recognized the members of the School Board and staff who were in attendance. He hoped that they would appreciate what City Council was going through. He felt it had been very helpful for the City Council to plan for the future. He looked forward to continuing the conversation.

Vice Mayor Vick agreed and hoped that the School Board and City Council continued to meet and have interaction. City Manager Bourey agreed and stated they had to get out of the "us versus them mentality," which was a no-win situation.

Closed Meeting: 5:00 p.m. – 6:15 p.m.

City Manager Bourey reminded about the Transportation Revenue Sharing project on the evening's agenda and indicated that staff felt putting funding into Independence Boulevard did not make sense. Staff suggested that Exit C off of Intertstate-64 to Boykin Road be substituted for Independence Boulevard, which would reduce a tremendous amount of traffic on Jefferson Avenue. He provided a revised resolution for the evening's Regular meeting.

Mayor Price excused himself from the meeting and turned the floor over to Vice Mayor Vick.

Councilwoman Scott advised that she had previously stated that she wanted to reinstitute the Christmas Parade that was once held in the City of Newport News. She believed that since this was the 15th Anniversary of the North District Holiday Food Drive that this would be an excellent time to reinstitute the Christmas Parade and add it as a component of the Food Drive. The thought of doing it was to rebrand the Food Drive as a One City Celebration so that once the Christmas Parade was reinstituted it did not necessarily have to be in the North District. The parade could be moved across the City to each district. She mentioned the matter to the City Manager earlier in the year who replied that the Mayor wanted a Memorial Day Parade, but there was no further discussion about the matter. She then found out, in October, after applying for the parade permit in September that City Council action was required to grant the permit.

Councilwoman Scott stated, as a member of City Council for more than 14 years, she was confused about all the things that had been going on and now, all of a sudden, she needed City Council approval to hold a parade. City Council did things day-by-day, point-by-point, and case-by-case. She just wanted to bring the matter before City Council to try to get a consensus, because time was of the essence. She had been announcing the parade all year, it was scheduled for December 17, and now there was a hurdle that needed to be overcome. The Engineering Department had the application and responded back to her that the parade could not be approved without having a Viewing Stand. Other issues arose once she resolved the Viewing Stand issue. The City Manager had to approve the permit and it had to come before City Council. She voiced concern with the process and the delay at this point, especially since she had been talking about the matter all year. She did not realize that City Council action was needed in order to have a parade in the City of Newport News.

Vice Mayor Vick inquired whether Councilwoman Scott was going to organize the parade. Councilwoman Scott replied that she had already applied for the parade permit through the Department of Engineering. It would not be a "Sharon Scott" event. The City had totally supported the Food Drive for most of the time that she had been on Council, and she had never asked for any financial support from the City for the event. She still was not asking for any financial support for the parade, but understood that the Police, Fire and other City departments would have to include the matter in their budgets. She needed some help from City Council because she was rather disappointed that this discussion was just happening in October when she had been talking about the matter for the entire year.

Councilwoman Cherry inquired how others obtained parade permits without the approval of City Council. City Attorney Owens replied that anyone could apply for a parade permit, but they had to pay a fee. He believed that Councilwoman Scott was looking for a City sponsored parade that did not require the payment of a fee.

Councilwoman Scott replied that she only filed the paperwork; she never stated that she wanted the fee to be waived or that she wanted an exemption of any kind.

City Manager Bourey replied that the filing was for a City sponsored parade that would have added a very significant cost to the City of approximately $20,000 or more. He stated the parade was planned on a day of which the Engineering Department had a major concern. The Engineering Department was concerned about closing portions of Warwick Boulevard on the busiest shopping day of the year. The time, the safety concerns, and other matters were major issues.

Councilwoman Scott replied that the parade would only impact one side of the street for less than two hours. She stated the parade would begin on Oriana Road and proceed to the Denbigh Community Center. She spoke about the matter with several people who indicated the parade would probably take less than two hours.

Councilman Bateman advised that it would have been logical for Councilwoman Scott to share the information with City Council. Councilwoman Scott stated that she did not know it required City Council action. She mentioned the matter to the City Manager, who was her fourth City Manager. Since she had been a member of City Council, when she mentioned a matter to the City Manager it would be handled or she would be told, in an appropriate amount of time, that it could not be done. The matter would not come up six months later.

Councilman Bateman understood where Councilwoman Scott's heart was and felt it was an admirable thing to do. Councilwoman Scott replied that it was not her heart; it was for the citizens. She served at the will of the citizens. Councilman Bateman agreed, and stated that he liked to be involved in projects that included the entire City Council. It would have been a better project had Council been informed in February about a Christmas Parade, which would have avoided the argument.

Councilwoman Scott stated there was no argument, but indicated that she had mentioned the matter to the City Manager, since he stated that his will was to do the will of City Council. She should have received some direction six months earlier as opposed to discussing the matter in October.

Councilman Bateman reminded about the Virginia Institute of Government presentation and discussion held on September 12, 2016, regarding Council/Manager interaction. The discussion noted that City Council should work as a team. A parade was the perfect time to work together, but he never heard anything about a Christmas Parade. He felt it would be a "half-made" parade at this point in time, even if the funding became available.

Councilwoman Scott disagreed that it would be a "half-made" parade.

Councilman Bateman stated that he would like to get fully behind the parade with Councilwoman Scott if she tried to do it in another way.

Councilwoman Scott reiterated that it would not be a "half-made" parade. Councilman Bateman stated that City Council would have known about what was going to happen if the parade was well planned; it was not well planned.

Councilwoman Scott advised that the parade was planned, but was not approved.

Councilman Bateman stated if it was planned then the funding would have been allocated and the parade would have been paid for. Councilwoman Scott stated that she did not know that it took City Council action to plan a parade on the side of a street.

City Manager Bourey stated that City staff would say no to the parade if it were up to them. This was not a good time or place to have a parade; it posed significant safety concerns, and was not budgeted.

Councilwoman Scott pointed out that the City could be shut-down for a Marathon, but a small section of a street, that only had three intersections, and would be impacted for less than two hours, could not be shut-down.

City Manager Bourey advised that the time for the parade was scheduled on a busy Saturday.

Councilwoman Scott stated that there was no shopping in the area of the proposed parade; there was nothing in Denbigh for people to buy; and there was no shopping between Oriana Road and Fort Eustis Boulevard. City Manager Bourey replied that the traffic from Warwick Boulevard would have to be re-routed to Jefferson Avenue, which would cause a major traffic jam, especially during the Christmas holiday season.

Councilwoman Scott stated that there was not a lot of traffic on Saturday mornings. They had been doing the Holiday Food Drive for the past 15 years, and there was no traffic during that time of morning. She had lived in Denbigh since 1998.

City Manager Bourey stated that City staff could not approve the permit if Councilwoman Scott was asking for staff's recommendation, which was the reason that it needed the approval of City Council.

Councilwoman Scott disagreed, and stated that City Manager Bourey would not approve the permit. City Manager Bourey stated that the Engineering Department would not approve the permit.

Councilwoman Scott stated she was sure that the Engineering Department was providing the City Manager with information and that he was giving them information. She had not heard anyone from the Engineering Department state the reason that the permit would not be approved. This was not the first time that the City Manager was hearing about the matter, and he knew that she wanted the parade, because when she brought the matter up, the City Manager indicated that the Mayor wanted to plan a Memorial Day parade.

Vice Mayor Vick inquired whether there was consensus among City Council to approve the Christmas Parade.

City Manager Bourey stated that he was not going to approve the parade because it posed a major problem.

Councilwoman Scott pointed out that Vice Mayor Vick was inquiring whether members of City Council would support the parade; not the City Manager.

Councilwoman Cherry inquired whether funding for the parade could be taken out of the City Council Contingency fund. City Manager Bourey replied that funding could be taken out of the City Council Contingency fund, but voiced concern about the time and safety.

Councilwoman Cherry pointed out that she would not be in attendance because it was scheduled on the same day as her "Christmas for the Children" event. Councilwoman Scott understood.

Councilwoman Scott believed the Christmas Parade would be a great thing for the community and it tied into the 15th Anniversary of the Denbigh Food Drive event. The Denbigh Food Drive Party generated several thousand people and had not posed any traffic or safety problems in Denbigh during the holiday season. She did not buy into the fact that there was a problem with traffic, especially when the City was shut-down for a Marathon on a Sunday which prevented people from going to their places of worship. Now all of a sudden, this was Jesus' birthday party, and it was an issue. She just had a problem with the matter. She believed that the City's Engineering Department was one of the best and could work out the details. The parade route details were not that complicated. She asked that City Council support the matter as there was not much time left.

Councilman Harris and Vice Mayor Vick agreed that there was not much time left to organize the parade. Councilwoman Scott stated that all that was needed were the applications from those who wanted to participate in the parade.

Vice Mayor Vick inquired whether there was consensus among City Council to approve City Council Contingency funding for the Christmas Parade.

Councilman Harris voiced support for the parade.

Councilwoman Cherry voiced support for the parade and questioned whether it could be done in 2017, if not 2016. City Manager Bourey encouraged members of City Council to plan the parade for a different time and location in 2017.

Vice Mayor Vick asked whether there was consensus among City Council to approve the parade.

Councilwoman Cherry stated that she would support providing $20,000 out of City Council Contingency funding for the parade.

Councilman Harris stated he would support the matter.

Councilman Bateman was not in support of the matter.

Vice Mayor Vick was not in support of the matter.

The vote failed as there was no consensus among City Council.

Councilman Bateman stated he wanted to postpone the vote to provide Mayor Price the opportunity to state whether he was in support of the matter.

Vice Mayor Vick stated that the vote would be continued when the Mayor returned.

Vice Mayor Vick stated she sent a letter to the members of City Council asking for a $25 donation in support of the Transitions Family Violence Services Annual Casino Night scheduled for October 15, 2016. She advised that Transitions Family Violence Services assisted women and men who were in abusive relationships.

Councilman Harris asked that the City Manager have someone look at Industrial Drive from Jefferson Avenue. He stated the traffic markings near the train tracks needed to be redefined as they were difficult to see in the dark. Also, additional lighting was needed in the area.

City Clerk Mabel Washington Jenkins reminded about the Ribbon Cutting Ceremony of the 1st Floor of the City Jail scheduled for October 14, 2016. She asked members of City Council to let her know whether they planned to attend the event.

Councilwoman Cherry asked about the Newport News Police Department Promotion Ceremony that was scheduled for October 20, 2016, and whether it had been rescheduled to November. She asked that the City Clerk check on the date and let her know as she was scheduled to do the prayer. City Clerk Jenkins stated she would check on the matter. City Manager Bourey confirmed that the event had been rescheduled to November 15, 2016.

Councilwoman Cherry asked members of City Council to purchase a candy bar from her or provide a donation of $6 in support the Mayor's Book Club fundraiser.

Councilwoman Cherry stated that the Sherwood Shopping Center had been sold and inquired about the current lease-holders and whether they would be able to continue operating through their lease term. City Manager Bourey replied the current lease-holders would be able to continue operating through their lease terms.

Councilwoman Cherry inquired whether the lease-holders would be able renew their leases. City Manager Bourey replied that it depended upon the lease-holders individual circumstances whether their leases would be renewed.

Councilwoman Cherry inquired whether the City would honor their current lease if there was a renewal clause attached to their lease for an additional one-to-two years. City Manager Bourey replied yes; it would be the lease-holder's option to continue or not if it was noted in their lease. The City would have to honor the lease.

Councilwoman Cherry inquired whether any decision had been made on what the EDA would do with the property. City Manager Bourey replied that no decision had been made as to what the EDA would do with the property. He did not believe any changes would be made within the next two to three years.

THERE BEING NO FURTHER BUSINESS
ON MOTION, COUNCIL ADJOURNED AT 6:24 P.M.

Jennifer D. Walker, MMC
Chief Deputy City Clerk

McKinley L. Price
Mayor
Presiding Officer

A true copy, teste:

City Clerk