

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

March 27, 2019

4:30 p.m.

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

ABSENT: None-----0

OTHERS PRESENT: Cynthia Rohlf; Collins L. Owens; Mabel Washington Jenkins; Joye Thompson; Darlene Bradberry; Lisa Cipriano; Cory Cloud; Keith Ferguson; Sh'lea Frazier; Constantinos Velissarios; Maria Abilar; Susan Goodwin; Florence Kingston; Carol Meredith; Claudia Cotton; Reed Fowler; Sheila McAllister; Everett Skipper; Ven Thomas; Louis Martinez; Alan Archer; David Freeman; Cleder Jones; Kim Lee; Eoghan Miller; Zina Middleton; and Reema Amin

I. Closed Meeting

(3:30 p.m. – 4:20 p.m.)

II. FY 2019 Recommended Operating Budget

Ms. Cynthia L. Rohlf, City Manager, stated that she was pleased to provide the FY 2019 Recommended Operating Budget. She advised there were three factors that were considered as staff went through the budget process: 1) Continue to invest in employees and maintain salary structure; 2) Provide support for Public Schools; and 3) Continued investment in the City's infrastructure, and organizational equipment to promote efficiency and public safety purposes. She introduced Ms. Lisa Cipriano, Director, Department of Budget & Evaluation, to provide the presentation. She extended appreciation to Ms. Cipriano and staff of the Department of Budget and Evaluation, as well as the members of the Budget Committee for their work on the budget.

Ms. Cipriano stated that financial matters were improving and noted revenue and expenditure impacts realized while preparing the FY 2019 Recommended Budget (a copy of the presentation, "Overview – Fiscal Year 2019 City Manager Recommended Operating Budget," is attached and made a part of these minutes):

- Major Revenue Impacts
 - Increase in Real Estate Assessments for the first time across each property classification in many years
 - primarily in the commercial/industrial and apartments & condominium markets

- 53% of residential properties will not increase
 - Continued signs of economic recovery
 - No new taxes, no changes in tax rates
 - Major Expense Considerations
 - Contribution to Schools
 - Salary adjustments for employee investment
 - Increased Healthcare costs
 - Increased Operational Efficiencies
 - Maintenance of programs and services

Ms. Cipriano noted the Components of the FY 2019 Financial Plan totaled \$982,476,045 and was comprised of the following:

1. FY 2019 Recommended Operating Budget	
General Fund	\$486.5 million
City Support to Schools	
Operations	\$110.8 million
Debt Service	\$ 8.1 million
Total School Budget	\$303.6 million
2. FY 2019 Approved Capital Improvements Plan (CIP) \$101,308,849	
General Fund Supported Projects	
User-Fee Supported Projects	

Ms. Cipriano pointed out that the FY 2019 Recommended Operating Budget would amount to approximately \$486.5 million after the \$110.8 million was deducted for Schools. She advised that information regarding the NNPS Superintendent’s suggested budget, adjusted for the City’s contribution of \$119 million, would be depicted throughout the presentation. All other funding that was requested by the NNPS Superintendent, prior to the Schools Boards adoption, had not changed. The only difference, reflected in the presentation, was \$2.4 million of City funding, versus the \$5 million that the NNPS Superintendent recommended to the School Board.

Ms. Cipriano reported the FY 2019 Recommended Budget totaled \$881 million, and represented a \$14 million (1.6%) increase over FY 2018. She noted the FY 2019 Recommended Budget included:

• General Fund	\$486.5 million; increased 0.1%
• City Transfer to Schools	\$110.8 million; increased 0.6%
○ Debt Service	\$8.1 million; decreased 8.0%
• School Fund	\$303.6 million; increased 2.3%
• Waterworks Fund	\$ 91.7 million; increased 1.1%
• Wastewater Fund	\$ 21.7 million; decreased 3.6%

- Solid Waste Fund \$ 14.6 million; decreased 2.0%
- Stormwater Fund \$ 22.0 million; increased 1.4%
- All Other Special Revenue and Trust Funds \$427.5 million; increased 1.7%

Ms. Cipriano noted the percentage composition of the FY 2019 Recommended Operating Budget:

- General Fund 41.7%
- School Fund 26.0%
- User Fee Funds 5.0%
- Waterworks 7.8%
- Other Special Revenue and Trust Funds 18.2%
- Vehicle Services Fund 1.2%
- CDBG Fund 0.1%

Ms. Cipriano stated Real Estate Tax values were the main drivers of General Fund Revenue. Real estate assessed values were down \$1.6 billion during the recessionary years. She stated with the latest assessment value, she anticipated the value going up to the City \$15.3 billion. It had taken the City 20 years to get caught up on the recessionary value in 2019. She noted the City Assessor indicated the City had eliminated “toxic assess debt” (i.e. properties that were under water, short sales, and high mortgages). After the elimination of toxic assess debt that where growth was being seen in the assessments. State Revenue was down \$9 million between FY 2008 – FY 2015 (did not include State Grant funding beginning in 2016). She noted in FY 2018 – 2019 there was no real growth in State Revenue which was adjusting for a reimbursement for jail/inmate population. The Constitutional Officers staffing changes in the Commissioner of the Revenues’ office with lower salaries, which was part of the contribution to a lower State Revenue. The City was fortunate that in the past two years that it did not experience any deductions.

Ms. Cipriano advised that the funding for Schools was made up of two portions: Operations and Debt Service. Over the two years (FY 2017 – 2018) the City contribution increased to \$3.1 million and for FY 2019 the contribution would increase by \$719,384. The City’s direct funding for the Schools Operations and Debt Service totaled \$119 million. Under the former Governor Terry McAuliffe budget the recommended State funding was \$6.7 million. She noted from FY 2009 – 2018, the City’s overall funding support in new money to the NNPS Operations budget had increased in the amount of \$12,842,079 or 13.2%.

Ms. Cipriano reported the FY 2019 General Fund Revenues totaled \$486.5 million, and represented a \$0.6 million (0.1%) increase over FY 2018. She noted the proposed changes in FY 2019. She noted that the City of Newport News was the highest generator of machinery and tools tax in the State of Virginia. The projection for the Business, Professional, and Occupational License Tax (BPOL) was lower than the FY 2018 by \$275,000 or 1.58% less to reflect the collection trends for FY 2017 – 2018. The Sale Tax for January 2018 was just

below \$1.9 million, but averaging over a seven (7) month period \$2.1 million per month in sales tax revenue which was \$75,000 more per month that was collected in FY 2017. She informed that in FY 2019, \$5.3 million from the General Fund Balance would not be used as a revenue source.

General Fund Revenues:

- Real Estate Tax \$193.0 million; increased 2.6%
- Personal Property Tax \$ 54.8 million; increased 0.6%
- Machinery and Tools Tax \$ 23.1 million; increased 2.2%
- BPOL Tax \$ 17.1 million; decreased 1.2%
- Sales Tax \$ 24.8 million; increased 0.0%
- Meals Tax \$ 25.9 million; increased 0.0%
- State Aid \$ 67.7 million; decreased 0.4%
- All Other Taxes/Fees \$ 77.2 million; decreased 4.9%
- Federal/State Grant funds \$ 2.9 million; decreased 14.7%

Councilwoman Woodbury inquired about BPOL Tax and the decrease in collections. Ms. Cipriano replied she does not understand how retailers were down when sales taxes are up and would have to research.

Ms. Cipriano noted detailed revenue changes anticipated in the FY 2019 Recommended Budget (see the information on page 17 and 18 in the presentation attached to these minutes). She stated 78% of the \$486.5 million FY 2019 General Fund Revenue fell into two areas:

- General Property Taxes - 56% (Real Estate, Personal Property and Machinery and Tools Taxes)
- Other Local Taxes - 22% (Sales, Meals, Lodging and BPOL Taxes)
Maintaining tax rate at \$1.22

Ms. Cipriano stated there was no proposed increase to the Real Estate tax rate for FY 2019 of the \$1.22 per \$100 of assessed value. She advised that all property classifications may see some level of an increase or assessment adjustment due to overall levy growth of 2.46%. The levy change would be in Commercial property values, as well as, Apartments and Condos. She noted 53% of homeowners would not see change.

Councilwoman Scott inquired if the levy changes affected a specific district or the entire City. Ms. Cipriano replied the entire City, majority would come from industry parks.

Ms. Cipriano noted the growth of the General Fund Operating Budget from FY 2008 to FY 2019 (see information on page 21 of the presentation attached to these minutes). The recommended General Fund Operating Budget was \$486,531,000, which included \$2,900,000 in

Federal and State grant funds. The General Fund Budget was \$555,000 or 0.09% higher than the revised FY 2018 budget.

Ms. Cipriano noted the FY 2019 proposed General Fund Expenditure changes:

- City Support for NNPS
- Salary Adjustment, Merit-based
- Health Insurance Premium Increase
- Contractual Obligations
- Limited Program Changes
- Overall Reduced number of Positions

Ms. Cipriano reported the FY 2019 General Fund Expenditures totaled \$486.5 million, and represented a \$0.6 million (0.1%) increase over FY 2018. She noted the proposed changes in FY 2019 General Fund Expenditures:

- | | |
|-----------------------------|---------------------------------|
| • Salaries | \$142.1 million; increased 0.5% |
| • Fringe Benefits | \$ 77.1 million; increased 0.7% |
| • City Support for NNPS | |
| o Operations | \$110.9 million; increased 0.6% |
| o Debt Service | \$ 8.1 million; decreased 8.0% |
| • City Debt Service | \$ 34.7 million; decreased 2.3% |
| • Contractual Services | \$ 20.3 million; decreased 1.5% |
| • All Other Operating Costs | \$ 90.4 million; increased 1.1% |
| • Federal/State Grant funds | \$ 2.9 million; decreased 14.7% |

Ms. Cipriano stated the City fully funded annual contribution for employees hired in one of three retirement plans offered by Virginia Retirement System (VRS). The City's VRS rate increased from 5.44% to 5.67% for FY 2019, from \$2.9 million to \$3.3 million. She stated debt service had decreased by \$300,000 from FY 2018.

Ms. Cipriano stated the \$486.5 million proposed for the FY 2019 General Fund expenditure fell into four areas:

- | | |
|--------------------------------|----------------------|
| • Salaries and Fringe Benefits | \$219.12million; 45% |
| • Support for Schools | \$119.0 million; 25% |
| • All Other Costs | \$113.6 million; 23% |
| o Community Regional Support | \$ 11.8 million |
| o Vehicle and IT Replacement | \$ 4.0 million |
| o Contractual Services | \$ 20.3 million |
| o Utilities, Vehicle Fuel | \$ 8.0 million |
| • Debt Service | \$ 3.7 million; 7% |

Ms. Cipriano noted the breakdown of the \$486.5 million FY 2019 General Fund Expenditures:

- Salaries & Fringes Benefits – 45%
- Support for Schools - 25%
- All Other Costs - 23% (Parks, Libraries, Public Works, Engineering, Codes and everyone else)
- Debt Service – 7%

Ms. Cipriano stated that the Pension contribution increased by \$18.9 million from FY 2011 to 2019 (see information on page 25 of the presentation). She reminded, since FY 2016, the City had met 100% of the Actuarial Recommended Contribution (ARC) for fiscal soundness of the Newport News Employee Retirement Fund (NNERF), for FY 2019, the annual contribution to the pension system would be \$46.2 million city-wide or 1.1%, with \$8.6 million of School Division support, and \$5.4 million from the 5% salary contribution of all NNERF employees. As more NNERF employees retired, the City's contribution would increase in the future because the 5% that was coming out NNERF employees' paychecks would cease. The City's portion would grow for declining NNERF employees as well as the valuation of the Pension fund. The City's Virginia Retirement System (VRS) contribution would increase. As more NNERF employees retired, they would be replaced by VRS employees, so that portion would increase as well.

Ms. Cipriano advised that FY 2019 General Fund Healthcare Costs amounted to \$25.7 million, which resulted in an \$813,000 increase over FY 2018. The City would absorb 5.2 % of the increase with employees required to pay 5.2 % of the increase. She noted the increase in Healthcare costs from FY 2011 – FY 2019. She indicated 5.3% of the General Fund represented Healthcare costs.

Ms. Cipriano stated a majority of the City's operating costs were in salaries and fringe benefits. For 2019, all departments were asked to review position allotments and functions to identify adequate staffing levels for existing services. There would be a net decrease of seven positions in the General Fund. Ms. Cipriano noted the FY 2019 Position Changes:

- General Fund
 - 1 New position
 - 7 Positions eliminated – All Positions are vacant
 - System Database Administrator (Information Technology)
 - Business Analyst B (Information Technology)
 - Senior Juvenile Service Counselor (Juvenile Service)
 - Staff Technician (Assessor)
 - (2) Registered Nurses – CHIP Program (Human Services)
 - Operations Superintendent (Engineering)
- Other (Fee Based) Funds
 - 11 New positions

- (2) Peninsula Regional Animal Shelter – Animal Shelter Technician II and Animal Shelter Veterinarian
- (6) Solid Waste Fund – Master Equipment Operators and Construction Maintenance Worker II
- (2) Recreation Revolving Fund – Assistant Recreation Center Supervisors
- (1) Wastewater Fund – Senior Instrumentation and Control Specialist
 - 1 Position eliminated in Stormwater
- Schools
 - Elimination of 7 allotments

Councilwoman Cherry noted that the Department of Parks, Recreation and Tourism was one of the largest departments that kept the City with entertainment and activities with a lot of part-time employees. She would like the City to evaluation hiring practices of the Parks, Recreation and Tourism department in the future. Ms. Cipriano replied that City Manager Rohlf went through a declassification process of part-time employees. In the past budgets, the City had included funding for pay adjustments and salary compression. She indicated that part-time employees had received pay adjustments which was a priority in an effort to keep part-time employees and ensure they returned.

Councilwoman Cherry inquired about the 17 allotments eliminated from the schools. Ms. Cipriano replied she understood those 17 positions were associated with Huntington Middle School closure. The schools would relocate those employees within the school system.

Councilman Harris inquired whether those 17 positions were from Huntington Middle School and whether those employees would lose their jobs. City Manager Rohlf replied that those employees would be placed in other positions if they wished to stay with the School system.

Councilman Harris indicated with the City, positions would be absorbed, but with the closure of Huntington Middle School, employees may lose their job. City Manager Rohlf stated that the Schools assured those employees would not lose their job, but would be placed at other locations within the school system. City Attorney Owens indicated as with any organization, employees retire, gain employment elsewhere and those vacancies would be filled with the 17 positions.

Councilman Bateman inquired whether the equipment would be removed from Huntington Middle School. City Manager Rohlf replied that she did not have that information available, but thought the equipment would be moved within the school system where it would be most needed.

Ms. Cipriano noted major adjustments to the FY 2019 Recommended Operating Budget:

- Average 2% Salary Adjustment \$2.8 million
- Health Care Cost Increase \$ 813,000
- Retirement Increases – NNERF and VRS \$(600,000) and \$383,000
- Increased School Funding \$ 719,384
- Increased Cash Capital \$ 579,950
- Homeless Day Service Center \$ 427,000
- Behavioral Health Docket \$ 150,000
- Elimination of net six (6) Positions \$(428,000)
- Reclassification Pool Funding \$ (450,000)
- Decrease in Local and Federal Grant Matching \$ (550,000)
- Debt Service Decrease \$(1.4 million)

Ms. Cipriano stated a new and exciting program added to the budget was the Behavioral Health Docket. She reminded City Council of Newport News Drug Courts, this program was specifically for individuals with serious mental illnesses or behavior issues that found themselves in legal troubles. This was a special docket where a case manager would be assigned to an individual needing to find the right treatment and management of their particular case(s), to try to avoid placing them in the general population with incarcerated individuals. This program would address the needs of individuals and focus on their emotional and mental limitations. This program would be contracted out to the Hampton-Newport News Community Services Board.

Councilwoman Cherry inquired whether grant funding was anticipated for the Local and Federal Grant Match. Ms. Cipriano stated there had been a decrease of Federal Grant Matching; however, the City would continue to seek grant funding.

Ms. Cipriano noted FY 2019 Support for Strategic Priorities:

- Community Maintenance and Renewal
 - Continued Funding for Demolition, Neighborhood Cleanup Investments
 - New Community Support Agency recommendation – Serve Newport News
- Economic Development and Redevelopment
 - CNI Grant Support, Planning Realignment (Site & Subdivision), Tax Incentive Programs (Enterprise, Tourism, Defense Zones)
- Maximum Emphasis on Public Safety
 - Funding for Youth and Gang Violence Initiative – STEP Transition
 - NEW – Behavioral Health Docket
- Sustainable Local Governmental Policies
 - Fleet Replacement and IT Replacement

- Fiscal Management and Efficient Operations
 - Met both Pension Obligations and Cash Contribution in CIP
 - Elimination of Vacant Positions, Inclusion of Federal and State Grant Funds

Ms. Cipriano informed of a new program, “Serve Newport News,” funded at \$8,000 and anticipated to receive a lot of leverage from the program, which relied on volunteers. “Serve Newport News” was a program similar to Habitat for Humanity’s Neighborhood Blitz that relies on volunteers that worked with individuals with income challenges that did not qualify for Habitat for Humanity help. This program would serve as the next tier up for homeowners. The City hoped to gain partnerships.

Ms. Cipriano noted that the FY 2019 Recommended Budget included internal operational efficiencies. The one example was shifting Site and Subdivision personnel from Engineering to the Planning Department to coordinate and streamline the processes associated with planning and development/redevelopment activities in the City.

Ms. Cipriano reported that the FY 2019 Recommended Budget included \$1.5 million allocated to address Youth and Gang violence to establish a pilot program for employment opportunities within the City organization. City Manager Rohlf stated the City was in the 5th year of the Summer Training and Enrichment Program (STEP) which had been successful; but it was time for the City to further develop and explore options to create a more long-term employment path for participants, particularly in the 19 – 24 age groups to receive training and permanent employment. Over the next year, the City would develop a more formalized proposal to achieve this goal and forming partnerships with businesses, and Christopher Newport University, Old Dominion University or Thomas Nelson Community College for workforce training program.

Councilwoman Cherry questioned the funding for the Youth and Gang Violence Initiative, specifically for STEP. City Manager Rohlf replied that STEP was a large portion of the program funded; however, there were a number of other components incorporated within the Youth and Gang Violence Initiative funding. She said it was not just the STEP program.

Councilwoman Cherry reminded when the Youth and Gang Violence Initiative/STEP Program was created it was also to connect agencies and organizations, so that services were not being duplicated and people could come together and fill in the gap. City Manager Rohlf stated that was the same funding, and the City was working to bring those agencies and organizations together.

Councilwoman Cherry questioned how the community was being informed about STEP, because she had members of the community stating they were unaware of the program. Councilman Harris replied that the applications were available at schools.

Vice Mayor Vick stated representatives of the Youth and Gang Violence Initiative/STEP were going where the children were located, which was in the high schools.

Councilwoman Cherry sought information to share with community members. City Manager Rohlf stated she would provide the application and information to Councilwoman Cherry. City Manager Rohlf stated applications were being submitted. Mr. Archer stated 475 applications had been received to date.

Councilman Harris questioned how the information got to those individuals out-of-school, the 18 – 24 year old age group. Mr. Archer stated that everything was handled electronically because paper applications had become a cumbersome process with the agencies that City worked with, so the process was completely automated. Businesses could register and find out more information about the program. The process had been ongoing since February 2018. Mr. Archer replied that Ms. Marhonda Echols, Youth and Gang Violence Coordinator attended many community events. Businesses could visit the STEP website <https://step.nnva.gov/>.

Councilwoman Cherry advised that a grandmother had inquired about the program and unfortunately, everyone did not have access to a computer. City Manager Rohlf replied it was the goal of the program to get the information out to as many individuals as possible.

Councilwoman Cherry questioned about the “Serve Newport News” Program and how the \$8,000 would be used. City Manager Rohlf replied the funding would be used for advertising, supplies, and administrative costs. Ms. Cipriano stated a presentation would be presented at a future City Council Work Session.

Other Funds

Ms. Cipriano reported that the FY 2019 Recommended Budget included \$119 million for Schools, which increased by approximately \$719,384. She indicated that State revenue for Schools was estimated to increase by \$6.1 million.

Ms. Cipriano advised that Waterworks would experience an operating increase of \$1 million or a 1.1% increase over FY 2018. She reminded that User Fee Funds were driven by the same pressures experienced by the General Fund, such as increased health insurance costs, salary adjustments, and full funding for implementation of monthly billing for residential customers. There was no change in water rates and no change to the monthly service fee.

Ms. Cipriano stated the Solid Waste Fund would experience an operating decrease of \$276,000 or 1.8% over FY 2018. She advised that there was an increased health insurance cost and salary adjustment. There would be an increase of six (6) positions for the year round Litter Control Task Force. She advised there was a proposed increase of \$.25 per week to the Solid Waste fee for FY 2019.

Solid Waste	\$14,686,000		
		FY 2018	FY 2019
		<u>Current</u>	<u>Recommended</u>
Container Size		<i>Cost per week</i>	
• Medium (60 gallons)		\$5.64	\$5.84
• Standard (90 gallons)		\$7.05	\$7.30

Ms. Cipriano reported that the Wastewater Fund would experience an operating decrease of \$821,000 or 3.6% from FY 2018. She advised that the establishment of a Senior Instrumentation/Control Specialist to maintain and repair all Sanitary Sewer/Stormwater Pump Stations and address the Consent Order's requirement to reduce all Sanitary Sewer overflows; reduces maintenance costs. There was a proposed increase to the fixed monthly Wastewater Service Fee, and no change to the volume based Sewer User Fee.

Wastewater	\$21,778,000
• Proposed increase to the fixed monthly fee would increase the typical household annual cost for wastewater collection service by \$6.00	

Meter Size	Monthly Service Fee		<i>Change</i>	<i>Annual Impact</i>
	FY 2018 Current <u>Rate</u>	FY 2019 Proposed <u>Rate</u>		
5/8"	\$4.50	\$ 5.00	\$0.50	\$ 6.00
3/4"	\$6.12	\$ 6.80	\$0.68	\$ 8.16
1"	\$10.07	\$11.19	\$1.12	\$13.44
1.5"	\$16.40	\$18.23	\$1.83	\$21.96
2"	\$23.80	\$26.45	\$2.65	\$31.80
3"	\$32.05	\$35.62	\$3.57	\$42.84
4"	\$40.62	\$45.14	\$4.52	\$54.24
6"	\$49.43	\$54.92	\$5.49	\$65.88
8"	\$58.32	\$64.80	\$6.48	\$77.76
10"	\$67.25	\$74.72	\$7.47	\$89.64

Ms. Cipriano stated the Stormwater Fund would experience an operating increase of \$305,000 or 1.4% over FY 2018. The Stormwater Management Fee continued to be impacted by Federal and State Stormwater regulations. She advised that the two (2) major components were Municipal Separate Storm Sewer System (MS4) and Total Maximum Daily Load (TMDL) under the Chesapeake Bay Preservation Act. There was an increase in the health insurance costs and salary adjustment. She noted there was one position eliminated. There was not a rate increase in Stormwater Management.

Stormwater	\$22,088,000	
		FY 2019 <u>Recommended</u>
Rate structure changes		
Stormwater Management Fee		
Rate/ERU per month		\$11.60
Annual Rate per 1 ERU		\$139.20

Ms. Cipriano noted the annual total impact of FY 2019 User Fees and tax increases, on a typical household amounted to approximately \$57.61.

	<u>Weekly Increase</u>	<u>Monthly Increase</u>	<u>Annual Increase</u>
• Real Estate Tax	\$0.00	\$0.00	\$38.61
• Stormwater Fee	\$0.00	\$0.00	\$ 0.00
• Solid Waste Fee	\$0.25	\$1.08	\$13.00
• Sewer User Fee	\$0.00	\$0.00	\$ 0.00
• Sewer Monthly Service Fee	\$0.12	\$0.50	\$ 6.00
• Water Monthly Service Fee	\$0.00	\$0.00	\$ 0.00
	\$0.37	\$1.58	\$57.61

Ms. Cipriano shared the next steps for the FY 2019 Recommended Operating Budget to include the adoption of the Public Hearing Schedule by City Council (see information on page 43 of the presentation attached to these minutes). She provided a copy of the FY 2019 Recommended Operating Budget and the City Manager's Transmittal Letter to members of City Council. The Budget Position Papers would be distributed by March 28, 2018; printed copies would be available at each public library and in the Budget & Evaluation Department. The budget was available on the City's website at <http://www.nnva.gov>. She asked members of City Council to contact the Department of Budget and Evaluation, at 757-926-8733, should they have questions and/or concerns about the budget. She requested a motion that the Newport News City Council hold a Public Hearing on the FY 2019 Recommended Operating Budget, on Tuesday, April 10, 2018, at 7:00 p.m., in the City Council Chambers at City Hall, 2400 Washington Avenue, and on Thursday, April 12, 2018, at 7:00 p.m., at the Denbigh Community Center, Room 113, 15198 Warwick Boulevard, Newport News.

Mayor Price stated having the second budget public hearing had become a great cost to the City, which was not a service to the citizens.

Councilwoman Woodbury inquired about the increased amount of funding given to the Schools. Ms. Cipriano replied the NNPS budget was increased by \$700,000 as recommended by the Acting School Superintendent.

Vice Mayor Vick inquired about the concerns voiced by the Pre-65 retirees regarding the increase in healthcare premiums. City Manager Rohlf stated the individuals who have approached City Council were the Pre-65 and the retirees over 65 were good. She said because the City was self-insured for the 500 individuals for the Pre-65 retirees, the City did contribute up to approximately \$14,000 per year per retiree depending upon whether they had a single or family plan. The cost for the Pre-65 retirees had increased and was very expensive. It cost the City about \$8 – 10 million dollars annually. The City was looking into other options for FY 2020.

Councilwoman Cherry questioned the retirement age for law enforcement and fire. City Manager Rohlf replied 67 years old.

City Manager Rohlf informed that she, the Finance Director, staff from Benefits had met with a number of the Pre-65 retirees and understood their concern because the increases were significant. They also, discussed finding a less expensive plan.

Councilwoman Scott reminded that she had mentioned whether there was a way that the Pre-65 retirees could opt-in and opt-out of the City's insurance plan. City Manager Rohlf replied individuals could come back on the City's plan if they were ill, so if the retirees opt-out they are unable to opt-in later.

Councilwoman Scott asked whether the retirees were on the same or a different plan from the current employees. City Manager Rohlf replied it was the same plan. The retirees costs were based on their lifestyle.

Councilwoman Scott asked whether the 500 retirees had been invited to attend the Pension Benefits Oversight Committee meeting. Ms. Goodwin, Director, Department of Finance, stated the retirees had not been invited; however, the meeting was open to the public. She stated three retired firefighter attended the last meeting and she had attended the firefighter's breakfast to provide information.

City Manager Rohlf stated unfortunately there was nothing that could be done in the FY 2019 budget, but staff was continuing to pursue other options for the Pre-65 retirees.

Councilwoman Scott understood their plight but advised when the retirees came before City Council, they discussed their individual situations.

Mayor Price asked for a motion in support of the FY 2019 Recommended Budget Public Hearing Schedule. Councilwoman Cherry moved, pursuant to Section 6.09 of the City Charter, that the Newport News City Council hold a Public Hearing on the FY 2019 Recommended Operating Budget, on Tuesday, April 10, 2018, at 7:00 p.m., in the City Council Chambers at City Hall, 2400 Washington Avenue, and on Thursday, April 12, 2018, at 7:00 p.m., at the Denbigh Community Center, Room 113, 15198 Warwick Boulevard, Newport News. In addition, a notice informing the public of the time and place of these Public Hearings would

be published not less than seven days prior to the date of the first Public Hearing; seconded by Vice Mayor Vick.

Vote on Roll Call:

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

Nays: None

Councilwoman Woodbury welcomed the new Chief Financial Officer with Hampton Roads Transit, Mr. Connor Burns.

III. Comments/Ideas/Suggestions

Councilwoman Cherry thanked staff for the calendars of events and requested that contact information included.

Councilman Bateman reminded that he spoke to City Manager Rohlf about presentation at a City Council work session related to the Waterworks property and the possibilities of the Eastern Virginia Mountain Biking Association to contributing building mountain bike paths along the Waterworks land. There were a number of mountain bike paths and had worked successfully with Waterworks for the past twenty-years. He said Mr. Michael Poplawski, Director of Parks, Recreation, and Tourism to have mountain bike path on Waterworks property and there were a lot of citizens take advantage of the bike paths. He realized it was sensitive to add bike paths in the eco-system and requested that another review be done with a Work Session presentation. City Manager Rohlf replied that a City Council Work Session presentation could be done and reminded that other options be presented by Waterworks.

Mayor Price requested that the regional bike paths be included in the presentation. City Manager Rohlf agreed and would work with Mr. Michael Poplawski, Director, Department of Parks, Recreation and Tourism.

Councilman Bateman advised that he spoke to City Attorney Owens about the notion or idea of working to help reducing violent crimes and gun violence, and work along with legislator to look at a concrete way to protect citizens. In some States, government was allowed to remove guns from individuals with a known mental illness. He informed City Council that he had an ordinance prepared and would like each council member to review the ordinance. To see whether this could be an option and ask legislator to look at this measure that could save life.

Councilwoman Scott informed the National League of Cities discussed gun violence and Virginia gun control laws. There was a massive difference between Virginia gun control laws and other States. The laws needed to change; however, it would take legislative change to bring this back into perspective.

Councilwoman Scott inquired about the staffing issues at the Denbigh Community Center due to budget constraints. She questioned what could be done to have a volunteer pool at community centers? Whether there were anything that would preclude the

community center from having a volunteer pool that could work at the front or monitor activities in the gym, to allow paid employees to have an opportunity to assist when work was needed, provide more oversight with programming, and the initiative discussed about the teen center. City Manager Rohlf stated staff would discuss this issue with Mr. Poplawski and staff.

Councilwoman Scott stated the City could discuss with City Attorney Owens to ensure there was nothing that would preclude volunteers from assisting at community centers. The City had a wealth of retirees who would like to volunteer.

Councilwoman Scott informed that she received a request from Woodside High School PTA seeking a donation in the amount of \$1,000 for the After Prom event at the Denbigh Community Center. Ms. Cipriano replied that each school could receive \$1,000 for their After Prom event; but they needed to make a written request. Councilwoman Scott stated she would inform the Woodside High School PTA and provide instructions.

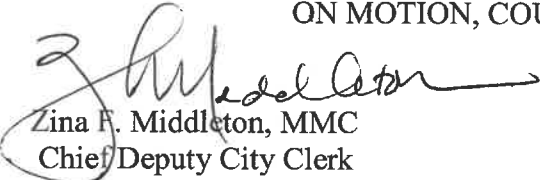
Councilwoman Woodbury advised that she had spoken with individuals about Bike Share Program at several conferences. The Bike Share Programs were very inexpensive and it would be worth researching. She believed City Center and Christopher Newport University could also benefit. City Manager Rohlf replied this request could be included with the other bike concerns when doing a presentation.

Councilman Harris advised that he received a request from Richneck Elementary School Archery Club, who qualified for the National Competition to be held May 2 – 3, 2018 and were requesting a donation. He requested \$10,000 from the contingency fund. Ms. Cipriano stated the City donated \$5,600 last year for the students to attend the National Competition. By consensus of the City Council, a donation in the amount of \$5,600 would be made from the contingency fund.

Councilman Harris inquired about the presentation made by Mr. John Bell or Eye Level Marketing to City Council about advertisements on the trash cans. City Manager Rohlf stated there had been some follow-up conversation and would provide City Council with additional information.

Councilwoman Cherry advised of a plethora of alcohol bottles behind Hemlock Drive across the street from Riverside/Brentwood where the dance studio was located. City Manager Rohlf stated she would have staff take a look into the matter.

THERE BEING NO FURTHER BUSINESS
ON MOTION, COUNCIL ADJOURNED AT 6:15 P.M.


Zina F. Middleton, MMC
Chief Deputy City Clerk

McKinley L. Price
Mayor
Presiding Officer

A true copy, teste:

City Clerk