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## AGENDA

### NEWPORT NEWS CITY COUNCIL REGULAR CITY COUNCIL MEETING

OCTOBER 28, 2014

City Council Chambers

7:00 p.m.

#### **A. Call to Order**

**B. Invocation** - Pastor Peter A. Evans, Colossian Baptist Church

#### **C. Pledge of Allegiance to the Flag of the United States of America**

American Legion, Braxton-Perkins Post No. 25

#### **D. Presentations**

1. Presentation: Newport News Police Department (NNPD) – Certified Crime Prevention Community (Re-Designation) by the Department of Criminal Justice Services (DCJS)

#### **E. Public Hearings**

1. Ordinance Authorizing the City to Contract a Debt and Issue General Obligation General Improvement (GOGI) Bonds of the City in the Principal Amount of \$48,890,000
2. Resolution Authorizing the City to Contract a Debt and Issue Water Revenue Bonds in the Amount of \$31,000,000 to Finance Public Improvement Projects

#### **F. Consent Agenda**

1. Minutes of the Work Session of October 14, 2014
2. Minutes of the Special Meeting of October 14, 2014
3. Minutes of the Regular Meeting of October 14, 2014
4. Resolution of Recognition: Honoring the Newport News Redevelopment & Housing Authority (NNRHA) on its 75th Anniversary
5. Resolution of Recognition: Honoring the First Church of Newport News (Baptist) on its

6. Resolution Authorizing the Adoption of the City's 2015 State Legislative Package

#### **G. Other City Council Actions**

1. Ordinance Amending City Code, Chapter 31, Pensions and Retirement; Article II., Division 4, Section 31-41, Purchase of Prior Service; and Division 7, Section 31-73, Changes or Errors in Records Resulting in Erroneous Calculations or Payments
2. 1 of 2: Resolution Authorizing the Refunding of General Obligation General Improvement (GOGI) Bonds to Issue up to \$110,000,000 for the Duration of Calendar Year 2015
3. 2 of 2: Resolution Authorizing the Refunding of Water Revenue Bonds to Issue up to \$40,000,000 for the Duration of Calendar Year 2015

#### **H. Appropriations**

1. Department of Human Services (DHS) - FY 2015 Maternal Infant Early Childhood Home Visiting (MIECHV) Grant - \$430,483

#### **I. Citizen Comments on Matters Germane to the Business of City Council**

#### **\*J. New Business and Councilmember Comments**

1. City Manager
2. City Attorney
3. City Clerk
4. Price
5. Scott
6. Vick
7. Woodbury
8. Bateman
9. Cherry
10. Coleman

#### **K. Adjourn**

**\*THE BUSINESS PORTION OF THE MEETING WILL BE CONCLUDED NO LATER THAN 10:00 P.M. TO ALLOW PERSONS TO ADDRESS CITY COUNCIL UNDER "CITIZEN COMMENTS ON MATTERS GERMANE TO THE BUSINESS OF CITY COUNCIL."**

- A. Call to Order
  
- B. Invocation – Pastor Peter A. Evans, Colossian Baptist Church
  
- C. Pledge of Allegiance to the Flag of the United States of America –  
American Legion, Braxton-Perkins Post No. 25
  
- D. Presentations

## E. Public Hearings

1. Ordinance Authorizing the City to Contract a Debt and Issue General Obligation General Improvement (GOGI) Bonds of the City in the Principal Amount of \$48,890,000

ACTION:

A REQUEST TO ADOPT AN ORDINANCE  
AUTHORIZING THE CITY TO CONTRACT A DEBT  
AND ISSUE GENERAL OBLIGATION GENERAL  
IMPROVEMENT (GOGI) BONDS IN THE AMOUNT OF  
\$48,890,000 TO FINANCE THE COSTS OF VARIOUS  
PUBLIC IMPROVEMENT PROJECTS.

BACKGROUND:

- The proposed bond ordinance of \$48,890,000 will allow the City the flexibility to issue bonds if market conditions at the time of a bond sale provide the best financing option for the City.
- The ordinance is in support of the projects in the City's Adopted FY 2015 Capital Improvements Plan (CIP).
- This ordinance rescinds the prior outstanding bond authorization found as Ordinance No. 7021-13, dated November 26, 2013.
- This ordinance includes the customary authorization to issue Bond Anticipation Notes (BANS) prior to the sale of bonds, should cash flow or market conditions dictate the use of such notes.
- The net bond proceeds are allocated to be spent in the ten categories identified in the CIP.
- The City Manager recommends approval.

FISCAL IMPACT:

- N/A

Supporting Material

CM Memo re FY15 GOGI Bonds Auth

sdm12949 Ord Authorizing the Issuance of \$48,890,000 GOGI Bonds

# CITY OF NEWPORT NEWS

## OFFICE OF THE CITY MANAGER

October 22, 2014

**TO:** The Honorable City Council  
**FROM:** City Manager  
**SUBJECT:** FY 2015 Bond Authorization

In order to appropriate money for the construction of some projects approved in the FY 2015 Capital Improvements Plan (CIP), and to sell bonds later when necessary, I recommend that the FY 2015 Bond Authorization be \$48,890,000. Seventy percent (70%) or \$33,980,000 of the total Bond Authorization is General Fund revenue debt supported projects. The remaining \$14,910,000 or 30% is for projects in the fee based self-supporting funds of Stormwater (Stormwater Drainage), Wastewater (Sewer Rehabilitations), and Solid Waste. The City's FY 2014 Bond Authorization of \$54,590,000 was approved November 26, 2013. Funding approved by and included in the FY 2014 Bond Authorization, but not appropriated to date has been added to the FY 2015 Bond Authorization to provide a source of funds to move forward on capital projects approved previously by City Council.

A category summary of the proposed bond authorization is provided below.

### FY 2015 BOND AUTHORIZATION

| <u>Purpose</u>        | <u>Amount</u>       |
|-----------------------|---------------------|
| Community Development | \$3,800,000         |
| Environmental         | 4,900,000           |
| Parks and Recreation  | 1,140,000           |
| Public Buildings      | 12,400,000          |
| Schools               | 500,000             |
| Streets and Bridges   | 10,040,000          |
| Sewer Rehabilitations | 6,539,000           |
| Solid Waste           | 996,000             |
| Stormwater Drainage   | 7,375,000           |
| Sewer Extensions      | 1,200,000           |
| <b>Total</b>          | <b>\$48,890,000</b> |

State law requires that City Council conduct a public hearing to allow citizens an opportunity to present their views on the proposed bond ordinance. The Notice of Public Hearing appeared in the *Daily Press* on Tuesday, October 14, 2014, and again on Tuesday, October 21, 2014. The public hearing will be held at the October 28, 2014 City Council meeting.

I recommend approval of the FY 2015 Bond Authorization Ordinance.

  
James M. Bourey

JMB:LJC

**ORDINANCE NO. \_\_\_\_\_**

AN ORDINANCE AUTHORIZING THE ISSUANCE OF FORTY-EIGHT MILLION EIGHT HUNDRED NINETY THOUSAND DOLLARS (\$48,890,000) PRINCIPAL AMOUNT OF CITY OF NEWPORT NEWS, VIRGINIA, GENERAL OBLIGATION GENERAL IMPROVEMENT BONDS FOR THE PURPOSE OF PROVIDING FUNDS TO PAY THE COSTS OF VARIOUS PUBLIC IMPROVEMENT PROJECTS OF AND FOR THE CITY; FIXING THE FORM, DENOMINATION AND CERTAIN OTHER DETAILS OF SUCH BONDS; PROVIDING FOR THE SALE OF SUCH BONDS AND DELEGATING TO THE CITY MANAGER CERTAIN POWERS WITH RESPECT THERETO; AUTHORIZING THE PREPARATION AND DELIVERY OF A PRELIMINARY OFFICIAL STATEMENT AND A FINAL OFFICIAL STATEMENT RELATING TO THE BONDS; AUTHORIZING THE CITY MANAGER TO EXECUTE AND DELIVER A CONTINUING DISCLOSURE CERTIFICATE OR A CONTINUING DISCLOSURE AGREEMENT RELATING TO THE BONDS; AUTHORIZING AND PROVIDING FOR THE ISSUANCE AND SALE OF A LIKE PRINCIPAL AMOUNT OF GENERAL OBLIGATION GENERAL IMPROVEMENT BOND ANTICIPATION NOTES IN ANTICIPATION OF THE ISSUANCE AND SALE OF SUCH BONDS; SPECIFYING MORE PARTICULARLY THE PURPOSES TO WHICH THE PROCEEDS SHALL BE APPLIED; AND PROVIDING THAT THE AUTHORIZATION OF SUCH BONDS IS IN LIEU OF AND IN SUBSTITUTION FOR GENERAL OBLIGATION GENERAL IMPROVEMENT BONDS AUTHORIZED BUT UNISSUED UNDER AND PURSUANT TO ORDINANCE NO. 7021-13.

WHEREAS, in the judgment of the Council (the "Council") of the City of Newport News, Virginia (the "City"), it is desirable to authorize the issuance of \$48,890,000 principal amount of general obligations of the City in the form of General Obligation General Improvement Bonds of the City to provide funds to pay the costs of various public improvement projects of and for the City and to authorize the issuance of a like principal amount of General Obligation General Improvement Bond Anticipation Notes in anticipation of the issuance of such Bonds;

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF NEWPORT NEWS, VIRGINIA:

SECTION 1. Pursuant to Chapter 26 of Title 15.2 of the Code of Virginia, 1950, the same being the Public Finance Act of 1991, for the purpose of providing funds to finance the costs of various public improvement projects of and for the City as set forth in Section 7, there are authorized to be issued Forty-Eight Million Eight Hundred Ninety Thousand Dollars (\$48,890,000) principal amount of general obligation bonds of the City to be designated "General Obligation General Improvement Bonds" (the "Bonds").

SECTION 2. (a) The Bonds shall be issued and sold in their entirety at one time, or from time to time in part in series, as shall be determined by the City Manager. Any series of the Bonds may be sold contemporaneously with any other bonds of the City. There shall be added to the designation of the Bonds a series designation determined by the City Manager of the City. All such Bonds shall be issued in fully registered form and shall be in the

Manager of the City. All such Bonds shall be issued in fully registered form and shall be in the denomination of \$5,000 or any integral multiple thereof. The Bonds of a given series shall be numbered from GR-1 upwards in order of issuance and shall have such other series designation as shall be determined by the City Manager; shall mature in such years and in such amounts in each year as shall be determined by the City Manager; and shall bear interest, calculated on the basis of a 360-day year consisting of twelve 30-day months, at such rate or rates per annum as shall be determined in accordance with the provisions of Section 9, such interest to be payable semiannually; *provided* that the first interest payment date may be any date within one (1) year from the date of the Bonds as determined by the City Manager. The City Manager is authorized to determine, in accordance with and subject to the provisions of this Ordinance: the date or dates of the Bonds; the interest payment dates thereof; the maturity dates thereof; the amount of principal maturing on each maturity date; the place or places of payment thereof and the paying agent or paying agents therefor; the place of registration, exchange or transfer thereof and the registrar therefor; and whether or not the Bonds shall be subject to redemption prior to their stated maturity or maturities and if subject to such redemption, the premiums, if any, payable upon such redemption and the respective periods in which such premiums are payable. In the event the Bonds of any series shall be dated as of a date other than the first day of a calendar month or the dates on which interest is payable on such series are other than the first days of calendar months, the provisions of Section 4 with regard to the authentication of such Bonds and of Section 10 with regard to the forms of such Bonds shall be modified as the City Manager shall determine to be necessary or appropriate.

(b) (i) If the Bonds of any series are subject to redemption and if any Bonds (or portions thereof in installments of \$5,000 or any integral multiple thereof) are to be redeemed, notice of such redemption specifying the date, numbers and maturity or maturities of the Bond or Bonds to be redeemed, the date and place or places fixed for their redemption and if less than the entire principal amount of a Bond called for redemption is to be redeemed, that such Bond must be surrendered in exchange for payment of the principal amount thereof to be redeemed and the issuance of a new Bond or Bonds equalling in principal amount that portion of the principal amount of such Bond not to be redeemed, shall be mailed not less than thirty (30) days prior to the date fixed for redemption, by first class mail, postage prepaid, to the registered owner of such Bond at the address of such registered owner as it appears on the books of registry kept by the registrar and paying agent as of the close of business on the forty-fifth (45th) day next preceding the date fixed for redemption. If any Bond shall have been called for redemption and notice thereof shall have been given as hereinabove set forth, and payment of the principal amount of such Bond (or of the principal amount thereof to be redeemed) and of the accrued interest payable upon such redemption shall have been duly made or provided for, interest on such Bond (or on the principal amount thereof to be redeemed) shall cease to accrue from and after the date so specified for the redemption thereof.

(ii) Any notice of the optional redemption of the Bonds may state that it is conditioned upon there being on deposit with the City, or with the registrar and paying agent on behalf of the City, on the date fixed for the redemption thereof an amount of money sufficient to pay the redemption price of such Bonds, together with the interest accrued thereon to the date fixed for the redemption thereof, and any conditional notice so given may be rescinded at any time before the payment of the redemption price of such Bonds, together with the interest accrued thereon, is due and payable if any such condition so specified is not satisfied. If a redemption of any Bonds does not occur after a conditional notice is given due to there not being

on deposit with the City, or with the registrar and paying agent on behalf of the City, a sufficient amount of money to pay the redemption price of such Bonds, together with the interest accrued thereon to the date fixed for the redemption thereof, the corresponding notice of redemption shall be deemed to be revoked.

(iii) So long as the Bonds are in book-entry only form, any notice of redemption shall be given only to The Depository Trust Company, New York, New York ("DTC"), or to its nominee. The City shall not be responsible for providing any beneficial owner of the Bonds any notice of redemption.

SECTION 3. The full faith and credit of the City are irrevocably pledged to the punctual payment of the principal of and interest on the Bonds as the same become due. In each year while the Bonds, or any of them, are outstanding and unpaid, the Council is authorized and required to levy and collect annually, at the same time and in the same manner as other taxes of the City are assessed, levied and collected, a tax upon all taxable property within the City, over and above all other taxes, authorized or limited by law and without limitation as to rate or amount, sufficient to pay when due the principal of and interest on the Bonds to the extent other funds of the City are not lawfully available and appropriated for such purpose.

SECTION 4. (a) The Bonds shall be executed, for and on behalf of the City, by the manual or facsimile signature of the Mayor of the City and shall have a facsimile of the corporate seal of the City imprinted thereon, attested by the manual or facsimile signature of the City Clerk of the City.

(b) The City Manager shall direct the registrar and paying agent for the Bonds of a given series to authenticate such Bonds and no such Bond shall be valid or obligatory for any purpose unless and until the certificate of authentication endorsed on such Bond shall have been manually executed by an authorized officer of the registrar and paying agent. Upon the authentication of any Bonds the registrar and paying agent shall insert in the certificate of authentication the date as of which such Bonds are authenticated as follows: (i) if the Bond is authenticated prior to the first interest payment date, the certificate shall be dated as of the date of the initial issuance and delivery of the Bonds of the series of Bonds of which such Bond is one, (ii) if the Bond is authenticated upon an interest payment date, the certificate shall be dated as of such interest payment date, (iii) if the Bond is authenticated after the fifteenth (15th) day of the calendar month next preceding an interest payment date and prior to such interest payment date, the certificate shall be dated as of such interest payment date and (iv) in all other instances the certificate shall be dated as of the interest payment date next preceding the date upon which the Bond is authenticated.

(c) The execution and authentication of the Bonds in the manner above set forth is adopted as a due and sufficient authentication of the Bonds.

SECTION 5. (a) The principal of the Bonds shall be payable in such coin or currency of the United States of America as at the respective dates of payment thereof is legal tender for public and private debts, at the option of the registered owner thereof, at the place or places of payment and through the paying agent or paying agents for the Bonds determined by the City Manager in accordance with Section 2. Interest on the Bonds shall be payable by check mailed by the registrar and paying agent to the registered owners of such Bonds at their

respective addresses as such addresses appear on the books of registry kept pursuant to this Section 5; *provided, however*, that so long as the Bonds are in book-entry form and registered in the name of Cede & Co., as nominee of DTC, or in the name of such other nominee of DTC as may be requested by an authorized representative of DTC, interest on the Bonds shall be paid directly to Cede & Co. or such other nominee of DTC by wire transfer.

(b) At all times during which any Bond of any series remains outstanding and unpaid, the registrar and paying agent for such series shall keep or cause to be kept at its designated corporate trust office books of registry for the registration, exchange and transfer of Bonds of such series. Upon presentation at its designated corporate trust office for such purpose, the registrar and paying agent, under such reasonable regulations as it may prescribe, shall register, exchange or transfer, or cause to be registered, exchanged or transferred, on the books of registry the Bonds as hereinbefore set forth.

(c) The books of registry shall at all times be open for inspection by the City or any duly authorized officer thereof.

(d) Any Bond may be exchanged at the designated corporate trust office of the registrar and paying agent for such series of Bonds for a like aggregate principal amount of such Bonds in other authorized principal sums of the same series, interest rate and maturity.

(e) Any Bond of any series may, in accordance with its terms, be transferred upon the books of registry by the person in whose name it is registered, in person or by such person's duly authorized agent, upon surrender of such Bond to the registrar and paying agent for such series for cancellation, accompanied by a written instrument of transfer duly executed by the registered owner in person or by the duly authorized attorney for such registered owner, in form satisfactory to the registrar and paying agent.

(f) All transfers or exchanges pursuant to this Section 5 shall be made without expense to the registered owner of such Bonds, except as otherwise herein provided, and except that the registrar and paying agent for such series of Bonds shall require the payment by the registered owner of the Bond requesting such transfer or exchange of any tax or other governmental charges required to be paid with respect to such transfer or exchange. All Bonds surrendered pursuant to this Section 5 shall be cancelled.

(g) (i) The Bonds shall be issued in full book-entry form. One Bond representing each maturity of the Bonds will be issued to and registered in the name of Cede & Co., as nominee of DTC, as registered owner of the Bonds and each such Bond will be immobilized in the custody of DTC. DTC will act as securities depository for the Bonds. Individual purchases will be made in book-entry form only, in the principal amount of \$5,000 or any integral multiple thereof. Purchasers will not receive physical delivery of certificates representing their interest in the Bonds purchased.

(ii) Principal and interest payments on the Bonds will be made by the registrar and paying agent in its capacity as paying agent for the Bonds to DTC or its nominee, Cede & Co., as registered owner of the Bonds, which will in turn remit such payments to DTC participants for subsequent disbursement to the beneficial owners of the Bonds. Transfers of principal and interest payments to DTC participants will be the responsibility of DTC. Transfers

of such payments to beneficial owners of the Bonds by DTC participants will be the responsibility of such participants and other nominees of such beneficial owners. Transfers of ownership interests in the Bonds will be accomplished by book entries made by DTC and, in turn, by DTC participants who act on behalf of the indirect participants of DTC and the beneficial owners of the Bonds.

(iii) The City will not be responsible or liable for sending transaction statements or for maintaining, supervising or reviewing records maintained by DTC, its participants or persons acting through such participants or for transmitting payments to, communicating with, notifying or otherwise dealing with any beneficial owner of the Bonds.

SECTION 6. (a) CUSIP identification numbers may be printed on the Bonds, but no such number shall constitute a part of the contract evidenced by the particular Bond upon which it is printed; no liability shall attach to the City or any officer or agent thereof (including any paying agent for the Bonds) by reason of such numbers or any use made thereof (including any use thereof made by the City, any such officer or any such agent) or by reason of any inaccuracy, error or omission with respect thereto or in such use; and any inaccuracy, error or omission with respect to such numbers shall not constitute cause for failure or refusal by a purchaser of the Bonds to accept delivery of and pay for such Bonds. All expenses in connection with the assignment and printing of CUSIP numbers on the Bonds shall be paid by the initial purchasers of the Bonds.

(b) A copy of the final legal opinion with respect to the Bonds, with the name of the attorney or attorneys rendering the same, together with a certification of the City Clerk, executed by a facsimile signature of that officer, to the effect that such copy is a true and complete copy (except for letterhead and date) of the legal opinion which was dated as of the date of delivery of and payment for the Bonds, may be printed on the Bonds.

SECTION 7. The proceeds of sale of the Bonds shall be applied to the payment of the costs of the following public improvement projects of and for the City set forth below (including expenses necessary or incidental to the financing thereof) in substantially the following amounts:

| <u>Purpose</u>        | <u>Amount</u>     |
|-----------------------|-------------------|
| Community Development | \$ 3,800,000      |
| Environmental         | 4,900,000         |
| Parks and Recreation  | 1,140,000         |
| Public Buildings      | 12,400,000        |
| Schools               | 500,000           |
| Sewer Extension       | 1,200,000         |
| Sewer Rehabilitation  | 6,539,000         |
| Solid Waste           | 996,000           |
| Stormwater Drainage   | 7,375,000         |
| Streets and Bridges   | <u>10,040,000</u> |
| Total                 | \$48,890,000      |

*provided* that if any category set forth above shall require less than the entire amount indicated for such category, the difference may be applied to any of the other categories.

SECTION 8. To the extent it shall be contemplated at the time of their issuance that the interest on any Bonds issued hereunder shall be excludable from gross income for purposes of federal income taxation, the City covenants and agrees that it shall comply with the provisions of Sections 103 and 141-150 of the Internal Revenue Code of 1986 (the "1986 Code") and the applicable Treasury Regulations promulgated under such Sections 103 and 141-150 so long as any Bonds are outstanding.

SECTION 9. (a) Pursuant to the authority of and for the purposes specified herein, the Council hereby authorizes the City Manager, without further action of the Council, to sell the Bonds in one or more series in accordance with the provisions of Section 2 at competitive or negotiated sale at not less than ninety-seven percent (97%) of the principal amount thereof, plus accrued interest from their date to the date of delivery thereof and payment therefor, and on such other terms and conditions as are provided in the Official Notice of Sale thereof or in the Purchase Contract or Bond Purchase Agreement relating thereto. The Bonds shall bear interest at such rates per annum as shall be approved by the City Manager; *provided* that (i) in no event shall the true interest cost to the City for the Bonds of any series exceed six percent (6%) and (ii) in no event shall the premium payable by the City upon the redemption of the Bonds exceed two percent (2%) of the principal amount thereof.

(b) If the Bonds are sold at competitive sale, they may be sold contemporaneously with other bonds of the City under a combined Official Notice of Sale. If the Bonds are sold at competitive sale, the City Manager is hereby authorized to cause to be prepared and distributed (via electronic dissemination or otherwise) an Official Notice of Sale of the Bonds in such form and containing such terms and conditions as he may deem advisable, subject to the provisions hereof.

(c) If the Bonds are sold at negotiated sale, the City Manager is hereby authorized to select the underwriters for the Bonds of each series (the "Underwriters") and to sell the Bonds of each series at a negotiated sale to the Underwriters selected by the City Manager, and to execute and deliver to the Underwriters one or more Purchase Contracts or Bond Purchase Agreements relating to the sale of the Bonds by the City to such Underwriters.

(d) The City Manager is hereby authorized to cause to be prepared and distributed (via electronic dissemination or otherwise) a Preliminary Official Statement and a final Official Statement relating to the Bonds of each series. The City Manager is hereby further authorized to certify that the Preliminary Official Statement for the Bonds of each series authorized hereunder is "deemed final" for purposes of Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934 ("Rule 15c2-12"). The Mayor is hereby authorized to execute and deliver the final Official Statement for the Bonds of each series authorized hereunder, and the City Manager, the Director of Budget and Evaluation and the City Attorney are hereby authorized to execute and deliver to the purchasers of the Bonds of each series certificates in the forms provided for in the Official Statement for the Bonds of such series.

(e) The City Manager is hereby further authorized to execute and deliver to the purchasers of the Bonds of each series authorized hereunder a Continuing Disclosure

Certificate or a Continuing Disclosure Agreement evidencing the City's undertaking to comply with the continuing disclosure requirements of Paragraph (b)(5) of Rule 15c2-12 to the extent applicable to the Bonds, such Continuing Disclosure Certificate or Continuing Disclosure Agreement to be in such form as shall be approved by the City Manager upon the advice of counsel (including the City Attorney or Bond Counsel to the City), such approval to be conclusively evidenced by the execution of such Continuing Disclosure Certificate or Continuing Disclosure Agreement by the City Manager.

SECTION 10. The Bonds, the certificate of authentication of the registrar and paying agent and the assignment endorsed on the Bonds, shall be in substantially the form set forth in Exhibit A.

SECTION 11. General obligation general improvement bond anticipation notes (the "Notes") are authorized for issuance and sale by the City Manager in anticipation of the issuance of the Bonds authorized for issuance herein. The Notes shall be sold at competitive or negotiated sale at not less than ninety-seven percent (97%) of the principal amount thereof, plus accrued interest thereon from that date to the date of delivery thereof and payment therefor and on such other terms and conditions as are determined by the City Manager. The Notes shall bear interest, calculated on such basis as shall be determined by the City Manager, such interest to be payable on such date or dates or at maturity as shall be determined by the City Manager, and shall mature on such date or dates as shall be determined by the City Manager. If the Notes are offered for competitive sale, a notice of sale or summary notice of sale shall be prepared, published and distributed. There shall also be prepared and distributed (via electronic dissemination or otherwise) a Preliminary Official Statement and a final Official Statement relating to the Notes in such form as shall be approved by the City Manager. The issuance and details of the Notes shall be governed by the provisions of Section 15.2-2628 of Title 15.2, Chapter 26, Article 2 of the Code of Virginia, 1950. The provisions of Sections 3 and 8 shall apply to the Notes to the same extent the same apply to the Bonds except, in the case of the provisions of Section 3, only to the extent the Notes are not paid from the proceeds of the Bonds or from any other available funds. The City Manager is hereby authorized, without further notice to or action by the Council, to sell the Notes of any series and to determine the rates of interest the Notes of such series shall bear; *provided that*: (i) in no event shall the true interest cost to the City for the Notes of such series exceed six percent (6%); and (ii) in no event shall the premium payable by the City upon the redemption of the Notes of such series exceed two percent (2%). The Bonds in anticipation of which the Notes are issued pursuant to this Section 11 may be issued and sold in accordance with the provisions of this Ordinance at any time within five (5) years of the date of issuance of the first Notes issued in anticipation of such Bonds.

SECTION 12. The Council hereby authorizes the City to make expenditures for the purpose for which the Bonds are to be issued in advance of the issuance and receipt of the proceeds of the Bonds and to reimburse such expenditures from the proceeds of the Bonds. The adoption of this Ordinance shall be considered as an "official intent" within the meaning of Treasury Regulation Section 1.150-2 promulgated under the 1986 Code.

SECTION 13. The Bonds authorized hereby are in lieu of and in substitution for \$9,590,000 principal amount of authorized but unissued general obligation general improvement bonds heretofore authorized in Ordinance No. 7021-13 adopted by the Council on November 26,

2013, and the authorizations provided in Ordinance No. 7021-13 adopted by the Council on November 26, 2013, shall not be or be deemed to be in addition to the Bonds authorized hereby.

SECTION 14. The City Clerk is hereby directed to file a copy of this Ordinance, certified by such City Clerk to be a true copy hereof, with the Circuit Court of the City of Newport News, Virginia.

SECTION 15. All ordinances and proceedings in conflict herewith are, to the extent of such conflict, repealed.

SECTION 16. That this ordinance shall be in effect on and after the date of its adoption, October 28, 2014.

**EXHIBIT A**

**UNITED STATES OF AMERICA  
COMMONWEALTH OF VIRGINIA  
CITY OF NEWPORT NEWS  
GENERAL OBLIGATION GENERAL IMPROVEMENT BOND  
SERIES \_\_ OF \_\_\_\_**

**REGISTERED**

**REGISTERED**

**No. GR-\_\_**

**\$\_\_\_\_\_**

**MATURITY DATE:    INTEREST RATE:    DATE OF BONDS:    CUSIP NUMBER:**

**REGISTERED OWNER:**

**PRINCIPAL SUM:**

**DOLLARS**

THE CITY OF NEWPORT NEWS, IN THE COMMONWEALTH OF VIRGINIA (THE "CITY"), FOR VALUE RECEIVED, ACKNOWLEDGES ITSELF INDEBTED AND HEREBY PROMISES TO PAY to the Registered Owner (named above), or registered assigns, on the Maturity Date (specified above) (unless this Bond shall be subject to prior redemption and shall have been duly called for previous redemption and payment of the redemption price duly made or provided for), the Principal Sum (specified above), and to pay interest on such Principal Sum on \_\_\_\_\_, \_\_\_\_ and semiannually on each \_\_\_\_\_ and \_\_\_\_\_ thereafter (each such date is hereinafter referred to as an "interest payment date"), from the date hereof or from the interest payment date next preceding the date of authentication hereof to which interest shall have been paid, unless such date of authentication is an interest payment date, in which case from such interest payment date, [or unless such date of authentication is within the period from the sixteenth (16th) day to the last day of the calendar month next preceding the following interest payment date, in which case from such following interest payment date, such interest to be paid until the maturity or redemption hereof at the Interest Rate (specified above) per annum, by check mailed by the Registrar and Paying Agent hereinafter mentioned to the Registered Owner hereof in whose name this Bond is registered upon the books of registry, as of the close of business on the fifteenth (15th) day (whether or not a business day) of the calendar month next preceding each interest payment date] [or unless such date of authentication is within the period from the first (1st) day to the fourteenth (14th) day of the calendar month in which the following interest payment date shall occur, in which case from such following interest payment date, such interest to be paid until the maturity or redemption hereof at the Interest Rate (specified above) per annum, by check mailed by the Registrar and Paying Agent hereinafter mentioned to the Registered Owner hereof in whose name this Bond is registered upon the books of registry, as of the close of business on the last day (whether or not a business day) of the calendar month next preceding each interest payment date]; *provided, however,* that so long as this Bond is in book-entry only form and registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), or in the name of such

other nominee of DTC as may be requested by an authorized representative of DTC, interest on this Bond shall be paid directly to Cede & Co. or such other nominee of DTC by wire transfer. Interest on this Bond shall be calculated on the basis of a three hundred and sixty (360) day year comprised of twelve (12) thirty (30) day months.

The principal of this Bond is payable on presentation and surrender hereof, at the designated corporate trust office of \_\_\_\_\_, the Registrar and Paying Agent, in the City of \_\_\_\_\_, \_\_\_\_\_. Principal of and interest on this Bond are payable in any coin or currency of the United States of America which, on the respective dates of payment thereof, shall be legal tender for public and private debts.

This Bond is one of a series of Bonds of like date, denomination and tenor except as to number, interest rate and maturity issued for the purpose of providing funds to pay the costs of various public improvement projects of and for the City, under and pursuant to and in full compliance with the Constitution and statutes of the Commonwealth of Virginia, including Chapter 26 of Title 15.2 of the Code of Virginia, 1950 (the same being the Public Finance Act of 1991), and ordinances and other proceedings of the Council of the City duly adopted and taken under such the Public Finance Act of 1991.

The Bonds of the series of which this Bond is one (or portions thereof in installments of \$5,000) maturing on and after \_\_\_\_\_ 1, \_\_\_\_ are subject to redemption at the option of the City prior to their stated maturities on or after \_\_\_\_\_ 1, \_\_\_\_, in whole or in part from time to time on any date, in such order as may be determined by the City (except that if at any time less than all of the Bonds of a given maturity are called for redemption, the particular Bonds or portions thereof in installments of \$5,000 of such maturity to be redeemed shall be selected by lot), upon payment of a redemption price equal to the principal amount of the Bonds to be redeemed, together with the interest accrued thereon to the date fixed for redemption thereof.

The Bonds of the series of which this Bond is one maturing on \_\_\_\_\_ 1, \_\_\_\_ are subject to mandatory sinking fund redemption on \_\_\_\_\_ 1, \_\_\_\_ and on \_\_\_\_\_ 1 of each year thereafter and to payment at maturity in the principal amounts in each year set forth below, in the case of redemption with the particular Bond or Bonds maturing on \_\_\_\_\_ 1, \_\_\_\_ or portions thereof to be redeemed to be selected by lot, upon payment of the principal amount of the Bonds maturing on \_\_\_\_\_ 1, \_\_\_\_ to be redeemed, together with the interest accrued on the principal amount to be redeemed to the date fixed for the redemption thereof:

Year

Principal Amount

The City, at its option, may credit against such mandatory sinking fund redemption requirement the principal amount of any Bonds maturing on \_\_\_\_\_ 1, \_\_\_\_ which have been purchased and cancelled by the City or which have been redeemed and not theretofore applied as a credit against such mandatory sinking fund redemption requirement.

If this Bond is redeemable and this Bond (or any portion of the principal amount hereof in installments of \$5,000) shall be called for redemption, notice of the redemption hereof, specifying the date, number and maturity of this Bond, the date and place or places fixed for its redemption and if less than the entire principal amount of this Bond is to be redeemed, that this Bond must be surrendered in exchange for the portion of the principal amount hereof to be redeemed and a new Bond or Bonds issued equalling in principal amount that portion of the principal amount hereof not to be redeemed, shall be mailed not less than thirty (30) days prior to the date fixed for redemption, by first class mail, postage prepaid, to the Registered Owner hereof at the address of such Registered Owner as it appears on the books of registry kept by the Registrar and Paying Agent as of the close of business on the forty-fifth (45th) day next preceding the date fixed for redemption. If notice of the redemption of this Bond (or the portion of the principal amount hereof to be redeemed) shall have been given as aforesaid, and payment of the principal amount of this Bond (or the portion of the principal amount hereof to be redeemed) and of the accrued interest payable upon such redemption shall have been duly made or provided for, interest hereon shall cease to accrue from and after the date so specified for the redemption hereof.

Any notice of the optional redemption of this Bond may state that it is conditioned upon there being on deposit with the City, or with the Registrar and Paying Agent on behalf of the City, on the date fixed for the redemption hereof an amount of money sufficient to pay the redemption price of this Bond, together with the interest accrued thereon to the date fixed for the redemption hereof, and any conditional notice so given may be rescinded at any time before the payment of the redemption price of this Bond, together with the interest accrued thereon, is due and payable if any such condition so specified is not satisfied. If a redemption of this Bond does not occur after a conditional notice is given due to there not being on deposit with the City, or with the Registrar and Paying Agent on behalf of the City, a sufficient amount of money to pay the redemption price of this Bond, together with the interest accrued thereon to the date fixed for the redemption hereof, the corresponding notice of redemption shall be deemed to be revoked.

Subject to the limitations and upon payment of the charges, if any, provided in the proceedings authorizing the Bonds of the series of which this Bond is one, this Bond may be exchanged at the designated corporate trust office of the Registrar and Paying Agent for a like aggregate principal amount of Bonds of other authorized principal amounts and of the same series, interest rate and maturity. This Bond is transferable by the Registered Owner hereof, in person or by the attorney for such Registered Owner duly authorized in writing, on the books of registry kept by the Registrar and Paying Agent for such purpose at the designated corporate trust office of the Registrar and Paying Agent, but only in the manner, subject to the limitations and upon payment of the charges, if any, provided in the proceedings authorizing the Bonds of the series of which this Bond is one, and upon the surrender hereof for cancellation. Upon such transfer a new Bond or Bonds of authorized denominations and of the same aggregate principal amount, issue, interest rate and maturity as the Bond surrendered, will be issued to the transferee in exchange herefor.

The full faith and credit of the City are irrevocably pledged to the punctual payment of the principal of and interest on this Bond as the same become due. In each year while this Bond is outstanding and unpaid, the Council of the City is authorized and required to levy and collect annually, at the same time and in the same manner as other taxes of the City are

assessed, levied and collected, a tax upon all taxable property within the City, over and above all other taxes, authorized or limited by law and without limitation as to rate or amount, sufficient to pay when due the principal of and interest on this Bond to the extent other funds of the City are not lawfully available and appropriated for such purpose.

This Bond shall not be valid or obligatory unless the certificate of authentication hereon shall have been manually signed by an authorized officer of the Registrar and Paying Agent.

It is certified, recited and declared that all acts, conditions and things required to exist, happen or be performed precedent to and in the issuance of this Bond do exist, have happened and have been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other indebtedness of the City does not exceed any limitation of indebtedness prescribed by the Constitution or statutes of the Commonwealth of Virginia or the Charter of the City.

IN WITNESS WHEREOF, the City has caused this Bond to be executed by the manual or facsimile signature of the Mayor of the City; a facsimile of the corporate seal of the City to be imprinted hereon attested by the manual or facsimile signature of the City Clerk of the City; and this Bond to be dated the date first above written.

CITY OF NEWPORT NEWS, VIRGINIA

\_\_\_\_\_  
Mayor

[SEAL]

Attest:

\_\_\_\_\_  
City Clerk

#### **CERTIFICATE OF AUTHENTICATION**

This Bond is one of the Bonds delivered pursuant to the within-mentioned proceedings.

[\_\_\_\_\_] , Registrar and Paying Agent

By: \_\_\_\_\_  
Authorized Officer

Date of Authentication: \_\_\_\_\_

## ASSIGNMENT

For valued received the undersigned hereby sell(s), assign(s) and transfer(s) unto

---

---

(Please print or type name and address of, including postal zip code, of Assignee)

PLEASE INSERT SOCIAL SECURITY OR  
OTHER TAX IDENTIFYING NUMBER OF ASSIGNEE

the within Bond and all rights hereunder, hereby irrevocably constituting and appointing \_\_\_\_\_, Attorney, to transfer such Bond on the books kept for the registration thereof, with the full power of substitution in the premises.

Dated: \_\_\_\_\_

Signature Guaranteed:

---

NOTICE: Signature(s) must be guaranteed by a member firm of The New York Stock Exchange, Inc. or a commercial bank or trust company.

---

(Signature of Registered Owner)  
NOTICE: The signature above must correspond with the name of the Registered Owner as it appears on the front of this Bond in every particular, without alteration, enlargement or any change whatsoever.

## E. Public Hearings

2. Resolution Authorizing the City to Contract a Debt and Issue Water Revenue Bonds in the Amount of \$31,000,000 to Finance Public Improvement Projects

ACTION:

A REQUEST TO APPROVE A RESOLUTION AUTHORIZING THE CITY TO CONTRACT A DEBT AND ISSUE WATER REVENUE BONDS IN THE AMOUNT OF \$31 MILLION TO FINANCE THE COSTS OF VARIOUS PUBLIC IMPROVEMENT PROJECTS.

BACKGROUND:

- The proposed bond ordinance of \$31 million will allow Public Utilities the flexibility to issue water revenue bonds if market conditions at the time of bond sale provide the best financing option for the City.
- The ordinance is in support of Public Utilities' projects to construct extensions, additions, and capital improvements to the water system of the City.
- Public Utilities currently has approximately \$17 million available for appropriation from Bond Series 2007 and 2008B, yet projects totaling \$48 million need funding.
- As a result, a bond authorization in the amount of \$31 million is recommended.
- The City Manager recommends approval.

FISCAL IMPACT:

- N/A

Supporting Material

CM Memo re Water Revenue Bonds Auth

sdm12951 Reso Authorizing Issuance of \$31,000,000 Water Bonds (new)

# CITY OF NEWPORT NEWS

## OFFICE OF THE CITY MANAGER

October 22, 2014

**TO:** The Honorable City Council

**FROM:** City Manager

**SUBJECT:** Water Revenue Bond Authorization

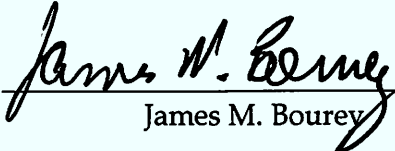
In order to sell bonds when necessary to perform essential Public Utilities' projects, I recommend a Water Revenue Bond Authorization of \$31 million. The Water Revenue Bonds to be issued under this authorization will be secured by a pledge of the revenues of the water system of the City.

Public Utilities currently has funds available for appropriation from Bond Series 2007 and 2008B. The net project budget available from these two bonds is approximately \$17 million. Public Utilities has identified a number of important projects that are planned over the next several years. These projects total nearly \$48 million. As a result, a bond authorization in the amount of \$31 million is recommended (\$48 million less the \$17 million available from the two previous authorizations).

When needed, the water revenue bonds will be issued for the purpose of providing funds to construct extensions, additions and capital improvements to, and renewals and replacements of capital assets of, and purchasing and installing new equipment for, the water system of the City. This system supplies 126,000 accounts and a population of nearly 405,000.

State law requires that City Council conduct a public hearing to allow citizens to present their views on the proposed bond ordinance. The Notice of Public Hearing appeared in the *Daily Press* on Tuesday, October 14, 2014, and again on Tuesday, October 21, 2014. The public hearing will be held at the October 28, 2014 City Council meeting.

I recommend approval of this Water Revenue Bond Authorization Ordinance.

  
James M. Bourey

JMB:WW

**RESOLUTION NO. \_\_\_\_\_**

RESOLUTION AUTHORIZING AND PROVIDING FOR THE ISSUANCE AND SALE OF NOT TO EXCEED THIRTY-ONE MILLION DOLLARS (\$31,000,000) AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, OF CITY OF NEWPORT NEWS, VIRGINIA, FOR THE PURPOSE OF FINANCING THE COSTS OF EXTENSIONS, ADDITIONS AND CAPITAL IMPROVEMENTS TO, OR THE RENEWAL AND REPLACEMENT OF CAPITAL ASSETS OF, OR PURCHASING AND INSTALLING NEW EQUIPMENT FOR, THE WATER SYSTEM OF THE CITY, AND ACQUISITION OF PROPERTY IN CONNECTION THEREWITH; AUTHORIZING THE ISSUANCE AND APPROVING THE SALE OF SUCH BONDS OR AN EQUAL PRINCIPAL AMOUNT OF WATER REVENUE BOND ANTICIPATION NOTES OF THE CITY AT COMPETITIVE OR NEGOTIATED SALE AND DELEGATING TO THE CITY MANAGER CERTAIN POWERS WITH RESPECT THERETO; AUTHORIZING THE CITY MANAGER TO FIX THE MATURITIES, INTEREST RATES AND OTHER DETAILS OF SUCH BONDS; APPROVING THE FORM OF SUCH BONDS; APPOINTING THE REGISTRAR AND PAYING AGENT FOR SUCH BONDS; MAKING CERTAIN FINDINGS AND DETERMINATIONS AND OTHERWISE PROVIDING WITH RESPECT TO THE ISSUANCE AND SALE OF SUCH BONDS; AND AUTHORIZING THE REIMBURSEMENT FROM THE PROCEEDS OF SUCH BONDS OF EXPENDITURES TO BE MADE BY THE CITY IN ADVANCE OF THE ISSUANCE AND RECEIPT OF THE PROCEEDS OF SUCH BONDS.

## TABLE OF CONTENTS

| <u>SECTION</u>                                                                                                                                                                       | <u>PAGE</u> |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|
| SECTION 1. Definitions; Rules of Construction .....                                                                                                                                  | 1           |
| SECTION 2. Authorization of Issuance of the Additional Bonds.....                                                                                                                    | 2           |
| SECTION 3. Conditions Precedent to Delivery of the Additional Bonds.....                                                                                                             | 2           |
| SECTION 4. Book-Entry Only System; Appointment of Registrar and Paying Agent;<br>Payment of Additional Bonds; Books of Registry; Exchanges and<br>Transfers of Additional Bonds..... | 3           |
| SECTION 5. Execution and Authentication of the Additional Bonds; CUSIP<br>Identification Numbers; Insurance.....                                                                     | 5           |
| SECTION 6. Covenant as to Compliance with Code.....                                                                                                                                  | 6           |
| SECTION 7. Form of the Additional Bonds .....                                                                                                                                        | 6           |
| SECTION 8. Sale of the Additional Bonds; Authorization of Issuance and Sale of<br>Water Revenue Bond Anticipation Notes.....                                                         | 6           |
| SECTION 9. Application of Proceeds of the Additional Bonds .....                                                                                                                     | 8           |
| SECTION 10. Establishment of Separate Account in Debt Service Reserve Fund .....                                                                                                     | 9           |
| SECTION 11. Debt Service Payments .....                                                                                                                                              | 9           |
| SECTION 12. Supplemental Resolution is a “Supplemental Resolution” Under the<br>Bond Resolution; the Additional Bonds are “Bonds” Under the Bond<br>Resolution .....                 | 9           |
| SECTION 13. Further Action of Authorized Officers of the City .....                                                                                                                  | 10          |
| SECTION 14. Official Intent Under Reimbursement Regulations .....                                                                                                                    | 10          |
| SECTION 15. Filing of this Supplemental Resolution with Circuit Court.....                                                                                                           | 10          |
| SECTION 16. Effect of Article and Section Headings and Table of Contents .....                                                                                                       | 10          |
| SECTION 17. Effectiveness of this Supplemental Resolution.....                                                                                                                       | 10          |
| EXHIBIT A Form of Bonds .....                                                                                                                                                        | A-1         |

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF NEWPORT NEWS, VIRGINIA:

SECTION 1. Definitions; Rules of Construction. (a) Unless the context shall clearly indicate some other meaning, all the words and terms used in this Supplemental Resolution which are defined in the Bond Resolution, entitled "RESOLUTION OF THE COUNCIL OF THE CITY OF NEWPORT NEWS, VIRGINIA, AUTHORIZING THE ISSUANCE OF WATER REVENUE BONDS OF THE CITY OF NEWPORT NEWS, VIRGINIA, AND PROVIDING FOR THE SECURITY OF THE HOLDERS THEREOF", adopted by the Council (the "Council") of the City of Newport News, Virginia (the "City"), on January 23, 2007 (such Bond Resolution, as from time to time amended or supplemented by Supplemental Resolutions as defined in such Bond Resolution, herein referred to collectively as the "Bond Resolution"), shall for all purposes of this Supplemental Resolution have the respective meanings given to them in the Bond Resolution.

(b) Unless the context shall clearly indicate some other meaning, the following terms shall, for all purposes of the Bond Resolution and of any certificate, resolution or other instrument amendatory thereof or supplemental thereto (including for all purposes of this Supplemental Resolution) and for all purposes of any opinion or instrument or other document therein mentioned, have the following meanings, with the following definitions to be equally applicable to both the singular and plural forms of such terms and *vice versa*:

"Additional Bonds" shall mean the Bonds authorized in Section 2 of this Supplemental Resolution and issued under the Bond Resolution and this Supplemental Resolution at any time Outstanding.

"Supplemental Resolution" shall mean this Supplemental Resolution.

(c) Unless the context shall clearly indicate otherwise or otherwise require, (i) all references in this Supplemental Resolution to the Bond Resolution (without specifying in such references any particular section of the Bond Resolution) shall be to the Bond Resolution as amended and supplemented, (ii) all references by number in this Supplemental Resolution to a particular section of the Bond Resolution shall be to the section of that number of the Bond Resolution, and if such section shall have been amended or supplemented, to such section as so amended and supplemented, and (iii) all references by number in this Supplemental Resolution to a particular section of this Supplemental Resolution shall be only to the section of that number of this Supplemental Resolution.

(d) Whenever used in this Supplemental Resolution, the words "herein", "hereinbefore", "hereinafter", "hereof", "hereunder" and other words of similar import, refer to this Supplemental Resolution only and to this Supplemental Resolution as a whole and not to any particular article, section or subdivision hereof; and the words "therein", "thereinbefore", "thereof", "thereunder" and other words of similar import, refer to the Bond Resolution as a whole and not to any particular article, section or subdivision thereof.

SECTION 2. Authorization of Issuance of the Additional Bonds. (a) Pursuant to Chapter 26 of Title 15.2 of the Code of Virginia, 1950, the same being the Public Finance Act of 1991, for the purpose of financing the costs of extensions, additions and capital improvements to, or renewal and replacement of capital assets of, or purchasing and installing new equipment for the System, and the acquisition of property in connection therewith, there are hereby authorized to be issued, and shall be issued, under and secured by the Bond Resolution, including this Supplemental Resolution, a Series of Bonds in the aggregate principal amount of not to exceed \$31,000,000, to be designated as the "City of Newport News, Virginia, Water Revenue Bonds" (hereinbefore defined as the "Additional Bonds").

(b) The Additional Bonds shall be dated as of their date of issue; shall be issued in fully registered form; shall be in the denomination of \$5,000 or any integral multiple thereof; and shall be numbered or lettered, or both, as shall be determined by the Registrar and Paying Agent for the Additional Bonds, which numbers or letters shall have the letter "R" prefixed thereto. The Additional Bonds shall be numbered from R-1 upwards in order of issuance and shall have such other series designation as shall be determined by the City Manager; shall mature in such years and in such amounts in each year as shall be determined by the City Manager; *provided* that the Additional Bonds shall mature at such time not exceeding forty (40) years from their date; and shall bear interest, calculated on the basis of a 360-day year comprised of twelve 30-day months, at such rate or rates per annum as shall be determined by the City Manager in accordance with the provisions of Section 8, such interest to be payable semiannually; *provided* that the first interest payment date may be any date within one (1) year from the date of the Additional Bonds as determined by the City Manager. The City Manager is authorized to determine, in accordance with and subject to the provisions of this Supplemental Resolution: the interest payment dates of the Additional Bonds; the maturity dates thereof; the amount of principal maturing on each maturity date; and whether or not the Additional Bonds shall be subject to redemption prior to their stated maturity or maturities and, if subject to such redemption, the premiums, if any, payable upon such redemption and the respective periods in which such premiums are payable.

(c) If the Additional Bonds are subject to redemption and if any Additional Bonds (or portions thereof in installments of \$5,000 or any integral multiple thereof) are to be redeemed, notice of such redemption of such Additional Bonds shall be given in accordance with the provisions of Section 6.5 of the Bond Resolution.

SECTION 3. Conditions Precedent to Delivery of the Additional Bonds. In compliance with the conditions precedent to the delivery of the Bonds prescribed in Section 2.4 of the Bond Resolution, the Additional Bonds shall be delivered only upon receipt by the Trustee of:

(a) a copy of this Supplemental Resolution authorizing the Additional Bonds, certified by the City Clerk of the City or an Authorized Officer of the City, by which or pursuant to which the terms of the Additional Bonds are specified, which Supplemental Resolution contains findings and determinations of the Council that no default exists in the payment of the principal of or premium, if any, or interest on any Bond, and that all mandatory redemptions, if

any, of Bonds required to have been made under the terms of the Bond Resolution or any Supplemental Resolution shall have been made;

(b) a Bond Counsel's Opinion to the effect that (i) this Supplemental Resolution has been duly and lawfully adopted by the Council of the City and is in full force and effect, (ii) the Bond Resolution has been duly and lawfully adopted by the Council of the City and is valid and binding upon, and enforceable against, the City (except to the extent that the enforceability thereof may be subject to judicial discretion, to the exercise of the sovereign police powers of the Commonwealth of Virginia and to valid bankruptcy, insolvency, reorganization, moratorium and other laws affecting the relief of debtors), (iii) the Bond Resolution creates the valid pledge which it purports to create of the Revenues and of moneys and securities on deposit in any of the Funds established hereunder and thereunder subject to the application thereof to the purposes and on the conditions permitted by the Bond Resolution and (iv) upon the execution and delivery thereof, the Additional Bonds will have been duly and validly authorized and issued in accordance with the Bond Resolution;

(c) a written order as to the delivery of the Additional Bonds and the application of Bond proceeds, signed by an Authorized Officer of the City; and

(d) a Certificate of the Director of Budget and Evaluation that the Additional Bonds are issued in compliance with the provisions of Section 7.11(b) of the Bond Resolution, which Certificate shall be accompanied (i) by an Accountant's Certificate confirming the calculations set forth in such Certificate of the Director of Budget and Evaluation with respect to the amounts of Revenues, Operating Expenses and Debt Service and (ii), if applicable, a Certificate of any firm of engineers, accountants or consultants referred to in Section 7.11(b)(i) of the Bond Resolution with respect to any *pro forma* analysis of Revenues described in such Section 7.11(b)(i) of the Bond Resolution or a Certificate of any recognized feasibility consultant in the field of water financing referred to in Section 7.11(b)(ii) of the Bond Resolution with respect to any projection of Revenues referred to in such Section 7.11(b)(ii) of the Bond Resolution.

SECTION 4. Book-Entry Only System; Appointment of Registrar and Paying Agent; Payment of Additional Bonds; Books of Registry; Exchanges and Transfers of Additional Bonds. (a)(i) The Additional Bonds shall be issued, upon initial issuance, in fully registered form and registered in the name of Cede & Co., a nominee of The Depository Trust Company, New York, New York ("DTC"), or in the name of such other nominee of DTC as may be requested by an authorized representative of DTC, as registered owner of the Additional Bonds, and immobilized in the custody of DTC. One fully registered Additional Bond for the principal amount of each maturity shall be registered to Cede & Co. or such other nominee of DTC. Beneficial owners of the Additional Bonds shall not receive physical delivery of the Additional Bonds. Individual purchases of the Additional Bonds may be made in book-entry form only in principal amounts of \$5,000 and integral multiples thereof. While registered in the name of Cede & Co. or such other nominee of DTC, principal, premium, if any, and interest payments on the Additional Bonds shall be made by wire transfer to DTC or its nominee as registered owner

of such Additional Bonds on the applicable payment date, notwithstanding the provisions of Section 4(d) hereof.

(ii) Transfers of principal, premium, if any, and interest payments to the participants of DTC, which include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations (the "Participants") shall be the responsibility of DTC. Transfers of principal, premium, if any, and interest payments to beneficial owners of the Additional Bonds by the Participants is the responsibility of the Participants and other nominees of such beneficial owners. The Registrar and Paying Agent, hereinafter referred to, shall notify DTC of any notice required to be given pursuant to the Resolution, as supplemented by this Supplemental Resolution, not less than fifteen (15) calendar days prior to the date upon which such notice is required to be given; *provided* that the failure to provide such notice to DTC shall not invalidate any action taken or notice given by the Registrar and Paying Agent hereunder.

(iii) Transfers of ownership interests in the Additional Bonds shall be made by DTC and its Participants, acting as nominees of the beneficial owners of the Additional Bonds, in accordance with rules specified by DTC and its Participants. The City makes no assurances that DTC, its Participants or other nominees of the beneficial owners of the Additional Bonds shall act in accordance with such rules or on a timely basis.

(b) Replacement Additional Bonds (the "Replacement Additional Bonds") shall be issued directly to beneficial owners of the Additional Bonds rather than to DTC, or its nominee, but only in the event that:

(i) DTC determines not to continue to act as securities depository for the Additional Bonds; or

(ii) the City has advised DTC of its determination that DTC is incapable of discharging its duties; or

(iii) the City has determined that it is in the best interest of the beneficial owners of the Additional Bonds not to continue the book-entry system of transfer.

Upon the occurrence of the events described in clause (i) or (ii) above the City shall attempt to locate another qualified securities depository. If the City fails to locate another qualified securities depository to replace DTC, the City shall execute and delivery Replacement Additional Bonds substantially in the form set forth in Section 7 hereof to the Participants. In the event the City makes the determination noted in clause (iii) above (the City undertakes no obligation to make any investigation to determine the occurrence of any events that would permit the City to make any such determination) and has made provisions to notify the beneficial owners of the Additional Bonds by mailing an appropriate notice to DTC, the City shall execute and deliver Replacement Additional Bonds substantially in the form set forth in Section 7 hereof to any Participants making a request for such Replacement Additional Bonds. The City shall be

entitled to rely on the records provided by DTC as to the Participants entitled to receive Replacement Additional Bonds. Principal of and premium, if any, and interest on the Replacement Additional Bonds shall be payable as provided in subsection (d) of this Section 4 hereof, and such Replacement Additional Bonds will be transferable and exchangeable in accordance with subsection (e) of this Section 4.

(c) Appointment of Registrar and Paying Agent. U.S. Bank National Association has been appointed to serve as Trustee under the Bond Resolution. In accordance with the provisions of Sections 11.11 and 11.14 of the Bond Resolution, the Trustee (herein referred to as the "Registrar" or the "Paying Agent" or as the "Registrar and Paying Agent") is hereby appointed to serve as the Registrar and Paying Agent for the Additional Bonds.

(d) Payment of the Additional Bonds. (i) The interest on the Additional Bonds shall be payable by check, draft or wire transfer mailed by the Registrar and Paying Agent to the registered owners of the Additional Bonds at their addresses as the same appear on the books of registry as of the fifteenth day of the month next preceding each interest payment date.

(ii) The principal of the Additional Bonds shall be payable at the designated corporate trust office of the Registrar and Paying Agent.

(iii) The principal of and interest on the Additional Bonds shall be payable in such coin or currency of the United States of America as at the respective dates of payment is legal tender for public and private debts.

(e) Books of Registry; Exchanges and Transfers of the Additional Bonds. Unless otherwise provided herein, all matters related to the books of registry, interchangeability and negotiability, transfer and registry, of the Additional Bonds shall be subject to the provisions of the Bond Resolution.

#### SECTION 5. Execution and Authentication of the Additional Bonds; CUSIP Identification Numbers; Insurance.

(a) Execution of the Additional Bonds. The Additional Bonds shall be executed by or on behalf of the City in accordance with the provisions of Section 3.10 of the Bond Resolution.

(b) Authentication of the Additional Bonds. The City Manager shall direct the Registrar and Paying Agent to authenticate the Additional Bonds and no Additional Bond shall be valid or obligatory for any purpose unless and until the certificate of authentication endorsed on such Additional Bond shall have been manually executed by an authorized signator of the Registrar and Paying Agent. Upon the authentication of any Additional Bond, the Registrar and Paying Agent shall insert in the certificate of authentication the date as of which such Additional Bond is authenticated. The execution and authentication of the Additional Bonds in the manner above set forth is adopted as a due and sufficient authentication of the

## Additional Bonds.

(c) CUSIP Identification Numbers. CUSIP identification numbers may be printed on the Additional Bonds, but neither the failure to print any such number on any Additional Bonds, nor any error or omission with respect thereto, shall constitute cause for failure or refusal by the underwriters of the Additional Bonds to accept delivery of and pay for the Additional Bonds in accordance with the terms of their agreement to purchase the Additional Bonds. No such number shall constitute or be deemed to be a part of any Additional Bond or a part of the contract evidenced thereby and no liability shall attach to the City or any of its officers or agents because of or on account of any such number or any use made thereof.

(d) Insurance. The City Manager is hereby authorized to arrange for insurance guaranteeing the scheduled payments of principal and interest on the Additional Bonds and/or payments from the Reserve Account in the Debt Service Reserve Fund for the Additional Bonds, including entering into required commitments upon such terms and conditions as the City Manager shall determine on the advice of the City's financial advisor and legal counsel (including the City Attorney and Bond Counsel).

SECTION 6. Covenant as to Compliance with Code. To the extent it shall be contemplated at the time of their issuance that the interest on any Additional Bonds issued hereunder shall be excludable from gross income for purposes of federal income taxation, the City covenants and agrees to comply with the provisions of Sections 103 and 141 through 150 of the Code and the applicable Treasury Regulations promulgated thereunder throughout the term of such Additional Bonds.

SECTION 7. Form of the Additional Bonds. The Additional Bonds shall be in substantially the form set forth in Exhibit A hereto with such necessary or appropriate variations, omissions and insertions as are incidental to their numbers, interest rates and maturities or as are otherwise permitted or required by law or this Supplemental Resolution.

SECTION 8. Sale of the Additional Bonds; Authorization of Issuance and Sale of Water Revenue Bond Anticipation Notes. (a) (i) Pursuant to the authority of and for the purposes specified herein, the Council hereby authorizes the City Manager, without further action by the Council, to sell the Additional Bonds at competitive or negotiated sale at not less than ninety-seven percent (97%) of the principal amount thereof, plus accrued interest if any thereon from their date to the date of delivery thereof and payment therefor, and on such other terms and conditions as are provided in the Official Notice of Sale thereof or in the Purchase Contract or Bond Purchase Agreement relating thereto. If the Additional Bonds shall be sold at competitive or negotiated sale, the Additional Bonds shall bear interest at such rates per annum as shall be approved by the City Manager; *provided, however*, in no event shall the true interest cost for the Additional Bonds exceed six percent (6%) and *provided further* in no event shall the premium payable by the City upon the redemption of the Additional Bonds exceed two percent (2%) of the principal amount thereof. If the Additional Bonds are sold at competitive sale, the City Manager is hereby authorized to cause to be prepared and distributed (via electronic dissemination or otherwise) an Official Notice of Sale of the Additional Bonds in such form and

containing such terms and conditions as he may deem advisable, subject to the provisions hereof. If the Additional Bonds are sold at negotiated sale, the City Manager is hereby authorized to select the underwriters of the Additional Bonds and to enter into a Purchase Contract or Bond Purchase Agreement with such underwriters in such form as shall be approved by the City Manager upon the advice of counsel (including the City Attorney or Bond Counsel to the City), such approval to be conclusively evidenced by the execution and delivery of the Purchase Contract or Bond Purchase Agreement by the City Manager. The City Manager is hereby authorized to cause to be prepared and distributed (via electronic dissemination or otherwise) a Preliminary Official Statement and a final Official Statement relating to the Additional Bonds.

(ii) The City Manager is hereby further authorized to certify that the Preliminary Official Statement for the Additional Bonds authorized hereunder is "deemed final" for purposes of Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934 ("Rule 15c2-12"). The City Manager is hereby further authorized to execute and deliver to the purchasers of the Additional Bonds a Continuing Disclosure Certificate or a Continuing Disclosure Agreement evidencing the City's undertaking to comply with the continuing disclosure requirements of Paragraph (b)(5) of Rule 15c2-12 to the extent applicable to the Additional Bonds, such Continuing Disclosure Certificate or Continuing Disclosure Agreement to be in such form as shall be approved by the City Manager upon the advice of counsel (including the City Attorney or Bond Counsel to the City), such approval to be conclusively evidenced by the execution of the Continuing Disclosure Certificate or Continuing Disclosure Agreement by the City Manager. The Mayor is hereby authorized to execute and deliver the final Official Statement for the Additional Bonds, and the City Manager, the Director of Budget and Evaluation and the City Attorney are hereby authorized to execute and deliver to the purchasers of the Additional Bonds certificates in the forms provided for in the Official Statement for the Additional Bonds.

(b) (i) In lieu of selling the Additional Bonds in accordance with the provisions of subsection (a) of this Section 8, pursuant to the authority of and for the purposes specified herein, the Council authorizes the City Manager, without further action by the Council, to issue and sell at competitive or negotiated sale not to exceed \$31,000,000 principal amount of City of Newport News, Virginia, Water Revenue Bond Anticipation Notes (the "Notes") at not less than ninety-seven percent (97%) of the principal amount thereof, plus accrued interest if any thereon from their date to the date of delivery thereof and payment therefor, and on such other terms and conditions as are provided in the Official Notice of Sale thereof or in the Purchase Contract or Bond Purchase Agreement relating thereto. If the Notes shall be sold at competitive or negotiated sale, the Notes shall bear interest at such rates per annum as shall be approved by the City Manager; *provided, however*, in no event shall the true interest cost for the Notes exceed six percent (6%) and *provided further* in no event shall the premium payable by the City upon the redemption of the Notes exceed two percent (2%) of the principal amount thereof and *provided further* in no event shall the Notes mature later than five years from the date of their original issuance. If the Notes are sold at competitive sale, the City Manager is hereby authorized to cause to be prepared and distributed (via electronic dissemination or otherwise) an Official Notice of Sale of the Notes in such form and containing such terms and conditions as he may deem advisable, subject to the provisions hereof. If the Notes are sold at negotiated sale, the

City Manager is hereby authorized to select the underwriters of the Notes and to enter into a Purchase Contract or Bond Purchase Agreement with such underwriters in such form as shall be approved by the City Manager upon the advice of counsel (including the City Attorney or Bond Counsel to the City), such approval to be conclusively evidenced by the execution and delivery of the Purchase Contract by the City Manager. The City Manager is hereby authorized to cause to be prepared and distributed a Preliminary Official Statement and a final Official Statement relating to the Notes.

(ii) The City Manager is hereby further authorized to certify that the Preliminary Official Statement for the Notes authorized hereunder is "deemed final" for purposes of Rule 15c2-12. The City Manager is hereby further authorized to execute and deliver to the purchasers of the Notes a Continuing Disclosure Certificate or a Continuing Disclosure Agreement evidencing the City's undertaking to comply with the continuing disclosure requirements of Paragraph (b)(5) of such Rule 15c2-12 to the extent applicable to the Notes, such Continuing Disclosure Certificate or Continuing Disclosure Agreement to be in such form as shall be approved by the City Manager upon the advice of counsel (including the City Attorney or Bond Counsel to the City), such approval to be conclusively evidenced by the execution of the Continuing Disclosure Certificate or Continuing Disclosure Agreement by the City Manager. The Mayor is hereby authorized to execute and deliver the final Official Statement for the Notes, and the City Manager, the Director of Budget and Evaluation and the City Attorney are hereby authorized to execute and deliver to the purchasers of the Notes certificates in the forms provided for in the Official Statement for the Notes.

(iii) The provisions of this Supplemental Resolution applicable to the Additional Bonds shall apply to the Notes, *mutatis mutandis*, with the exception of the provisions of Sections 3 and 10 hereof.

(iv) The Notes shall be issued pursuant to and in accordance with the provisions of Section 2.6 of the Bond Resolution. The interest on the Notes shall be payable on a parity with the payment of the interest on the Bonds outstanding under the Bond Resolution. The principal of the Notes may be paid from the proceeds of the Notes (or any renewal thereof) or from the proceeds of the Additional Bonds in anticipation of which the Notes were issued.

(v) The Notes shall be in substantially the form of the Additional Bonds set form in Exhibit A hereto with such necessary or appropriate variations, omissions and insertions as are incidental to their numbers, interest rates and maturities or as are otherwise permitted or required by law or this Supplemental Resolution.

SECTION 9. Application of Proceeds of the Additional Bonds. The proceeds of sale of the Additional Bonds received by the City shall be applied as follows:

(a) an amount (or surety bond or insurance policy) shall be deposited in the Debt Service Reserve Fund sufficient to ensure that there is on deposit in the Debt Service Reserve Fund an amount equal to the maximum Debt Service Reserve Requirement on the

Additional Bonds;

(b) an amount shall be repaid to the appropriate funds of the City equal to the amount of money which has been advanced to the purposes for which the Additional Bonds are being issued; and

(c) the balance of the proceeds of the Additional Bonds shall be deposited in the Construction Account in the Construction Fund and applied as provided in the Bond Resolution to the payment, among other things, of the Costs of Issuance of the Additional Bonds and the Costs of Construction.

SECTION 10. Establishment of Separate Account in Debt Service Reserve Fund. Pursuant to Section 5.6 of the Bond Resolution, there shall be established a separate account in the Debt Service Reserve Fund for the Additional Bonds to be designated "Reserve Account". Contemporaneously with the issuance of the Additional Bonds there shall be deposited into the Debt Service Reserve Fund and credited to the Reserve Account for the sole benefit of the holders of the Additional Bonds an amount (or surety bond or insurance policy) sufficient to ensure that there is on deposit in such Fund an amount equal to the maximum Debt Service Reserve Requirement on the Additional Bonds.

SECTION 11. Debt Service Payments. The payment of principal, including Sinking Fund Payments, and interest on the Additional Bonds shall be made in accordance with the provisions of Section 5.5 of the Bond Resolution.

SECTION 12. Supplemental Resolution is a "Supplemental Resolution" Under the Bond Resolution; the Additional Bonds are "Bonds" Under the Bond Resolution.

(a) This Supplemental Resolution is adopted pursuant to the Bond Resolution. This Supplemental Resolution (i) supplements the Bond Resolution, (ii) is hereby found, determined, and declared to constitute and to be a "Supplemental Resolution" within the meaning of the quoted words as defined and used in the Bond Resolution and (iii) is adopted pursuant to and under the authority of the Bond Resolution.

(b) The Additional Bonds are hereby found, determined and declared to constitute and to be "Bonds" within the meaning of the quoted words as defined and used in the Bond Resolution. The Additional Bonds shall be entitled to the benefits, security and protection of the Bond Resolution, equally and proportionately with any other Bonds hereafter issued thereunder; shall be payable from the Revenues of the System on a parity with all Bonds hereafter issued under the Bond Resolution; shall rank *pari passu* with all Bonds hereafter issued under the Bond Resolution; and shall be equally and ratably secured with all Bonds hereafter issued under the Bond Resolution by a prior and paramount lien and charge on the Revenues, without priority or distinction by reason of series, number, date, date of sale, date of issuance, date of execution and authentication or date of delivery, all as is more fully set forth in the Bond Resolution. It is hereby further found, determined and declared that no default exists in the payment of the principal of or interest and premium, if any, on any Bond issued under the Bond

Resolution and that all mandatory redemptions, if any, of Bonds required to have been made under the terms of the Bond Resolution or any Supplemental Resolution have been made.

(c) Prior to the issuance of the Additional Bonds, the provisions of this Supplemental Bond Resolution may be amended in whole or in part by a Supplemental Resolution adopted by the Council of the City without the consent of the Trustee, which shall be fully effective in accordance with its terms upon the filing with the Trustee of a copy thereof certified by the City Clerk or an Authorized Officer of the City.

SECTION 13. Further Action of Authorized Officers of the City. Any Authorized Officer or Officers of the City is or are hereby authorized to execute such further documents or take any and all such further action as upon the advice of the City's financial advisor and legal counsel (including the City Attorney and Bond Counsel to the City) (i) he, she or they shall deem necessary or desirable in order to effectuate the issuance, delivery and payment of the Additional Bonds in accordance with the terms of the Bond Resolution and this Supplemental Resolution or (ii) may be reasonably required on part of such Authorized Officer of the City to carry out, give effect to and consummate the transactions contemplated hereby and by the documents referred to in the Bond Resolution or in this Supplemental Resolution or approved thereby or hereby.

SECTION 14. Official Intent Under Reimbursement Regulations. The Council hereby authorizes the City to make expenditures for the purpose for which the Additional Bonds are to be issued in advance of the issuance and receipt of the proceeds of the Additional Bonds and to reimburse such expenditures from the proceeds of the Additional Bonds. The adoption of this Supplemental Resolution shall be considered an "official intent" within the meaning of Treasury Regulation Section 1.150-2 promulgated under the Code.

SECTION 15. Filing of this Supplemental Resolution with Circuit Court. The City Clerk be and hereby is authorized and directed to file a copy of this Supplemental Resolution, certified by the City Clerk to be a true and correct copy thereof, with the Circuit Court of the City of Newport News, Virginia.

SECTION 16. Effect of Article and Section Headings and Table of Contents. The headings or titles of articles and sections hereof, and any table of contents appended hereto or copies hereof, shall be for convenience of reference only and shall not affect the meaning or construction, interpretation or effect of this Supplemental Resolution.

SECTION 17. Effectiveness of this Supplemental Resolution. This Supplemental Resolution shall be effective from and after October 28, 2014, the same being the date of adoption of this Supplemental Resolution by the Council.

SECTION 18. That this resolution shall be in effect on and after the date of its adoption, October 28, 2014.

**EXHIBIT A**

**(FORM OF BONDS)**

**UNITED STATES OF AMERICA  
COMMONWEALTH OF VIRGINIA  
CITY OF NEWPORT NEWS  
WATER REVENUE BOND,  
SERIES \_\_\_\_**

**REGISTERED**

**REGISTERED**

**No. R-\_\_**

**\$\_\_\_\_\_**

**MATURITY DATE:**

**INTEREST RATE:**

**DATE OF BOND:**

**CUSIP NUMBER:**

**REGISTERED OWNER:**

**PRINCIPAL SUM:**

THE CITY OF NEWPORT NEWS, IN THE COMMONWEALTH OF VIRGINIA (THE "CITY"), FOR VALUE RECEIVED, ACKNOWLEDGES ITSELF INDEBTED AND HEREBY PROMISES TO PAY to the Registered Owner (named above), or registered assigns, but solely from the Revenues and money pledged to the payment hereof hereinafter specified and not otherwise, on the Maturity Date (specified above) (unless this Bond shall be subject to prior redemption and shall have been duly called for previous redemption and payment of the redemption price duly made or provided for), the Principal Sum (specified above), and to pay interest on such Principal Sum, but solely from the Revenues and money pledged to the payment hereof hereinafter specified and not otherwise, on \_\_\_\_\_, \_\_\_\_\_ and semiannually on each \_\_\_\_\_ and \_\_\_\_\_ thereafter (each such date is hereinafter referred to as an "interest payment date"), from the date hereof or from the interest payment date next preceding the date of authentication hereof to which interest shall have been paid, unless such date of authentication is an interest payment date, in which case from such interest payment date, or unless such date of authentication is within the period from the sixteenth (16th) day to the last day of the calendar month next preceding the following interest payment date, in which case from such following interest payment date, such interest to be paid until the maturity or redemption hereof at the Interest Rate (specified above) per annum, by check mailed by the Registrar and Paying Agent hereinafter mentioned to the Registered Owner hereof in whose name this Bond is registered upon the books of registry, as of the close of business on the fifteenth (15th) day (whether or not a business day) of the calendar month next preceding each interest payment date. Interest on this Bond shall be calculated on the basis of a three hundred sixty (360) day year comprised of twelve (12) thirty (30) day months.

The principal of this Bond is payable on presentation and surrender hereof at the designated corporate trust office of U.S. Bank National Association, the Registrar and Paying Agent, in the City of \_\_\_\_\_, \_\_\_\_\_. Principal of and interest on this Bond are payable in such coin or currency of the United States of America as at the respective dates of payment thereof is legal tender for public and private debts.

This Bond is one of a duly authorized Series of Bonds (herein referred to as the "Bonds") of the aggregate principal amount of \_\_\_\_\_ dollars (\$\_\_\_\_\_) of like date, denomination and tenor herewith except for number, interest rate, maturity and redemption provisions, and is issued under and pursuant to and in full compliance with the Constitution and statutes of the Commonwealth of Virginia, including Chapter 26 of Title 15.2 of the Code of Virginia, 1950 (the same being the Public Finance Act of 1991), a resolution duly adopted on January 23, 2007, by the Council of the City, entitled "RESOLUTION OF THE COUNCIL OF THE CITY OF NEWPORT NEWS, VIRGINIA, AUTHORIZING THE ISSUANCE OF WATER REVENUE BONDS OF THE CITY OF NEWPORT NEWS, VIRGINIA, AND PROVIDING FOR THE SECURITY OF THE HOLDERS THEREOF", and a resolution supplemental thereto duly adopted by the Council of the City on October 28, 2014, entitled "RESOLUTION AUTHORIZING AND PROVIDING FOR THE ISSUANCE AND SALE OF NOT TO EXCEED THIRTY-ONE MILLION DOLLARS (\$31,000,000) AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, OF CITY OF NEWPORT NEWS, VIRGINIA, FOR THE PURPOSE OF FINANCING THE COSTS OF EXTENSIONS, ADDITIONS AND CAPITAL IMPROVEMENTS TO, OR THE RENEWAL AND REPLACEMENT OF CAPITAL ASSETS OF, OR PURCHASING AND INSTALLING NEW EQUIPMENT FOR, THE WATER SYSTEM OF THE CITY, AND ACQUISITION OF PROPERTY IN CONNECTION THEREWITH; AUTHORIZING THE ISSUANCE AND APPROVING THE SALE OF SUCH BONDS OR AN EQUAL PRINCIPAL AMOUNT OF WATER REVENUE BOND ANTICIPATION NOTES OF THE CITY AT COMPETITIVE OR NEGOTIATED SALE AND DELEGATING TO THE CITY MANAGER CERTAIN POWERS WITH RESPECT THERETO; AUTHORIZING THE CITY MANAGER TO FIX THE MATURITIES, INTEREST RATES AND OTHER DETAILS OF SUCH BONDS; APPROVING THE FORM OF SUCH BONDS; APPOINTING THE REGISTRAR AND PAYING AGENT FOR SUCH BONDS; MAKING CERTAIN FINDINGS AND DETERMINATIONS AND OTHERWISE PROVIDING WITH RESPECT TO THE ISSUANCE AND SALE OF SUCH BONDS; AND AUTHORIZING THE REIMBURSEMENT FROM THE PROCEEDS OF SUCH BONDS OF EXPENDITURES TO BE MADE BY THE CITY IN ADVANCE OF THE ISSUANCE AND RECEIPT OF THE PROCEEDS OF SUCH BONDS" (such resolutions being herein referred to collectively as the "Resolution") for the purpose of financing the costs of extensions, additions and capital improvements to, or the renewal and replacement of capital assets of, or purchasing and installing new equipment for, the water system in the City, and the acquisition of property in connection therewith.

This Bond and the Series of Bonds of which this is one and interest thereon are payable solely from, and secured equally and ratably with other Bonds which may hereafter be issued on a parity therewith under the Resolution outstanding from time to time solely by a lien and charge on, the Revenues (as defined in the Resolution) derived from the operation of the

System, subject to the prior payment from such Revenues of Operating Expenses of the System, and from moneys held in the funds and accounts created and established under the Resolution pledged to the payment thereof. The Resolution provides that the Bonds issued thereunder shall not be deemed to constitute full faith and credit general obligations of the City for which there is a right to compel the exercise of the *ad valorem* taxing power of the City.

Reference is hereby made to the Resolution, to all of the provisions of which any Registered Owner of this Bond by his acceptance hereof hereby assents, for definitions of terms; the description of and the nature and extent of the security for the Bonds issued under the Resolution, including this Bond; the description of the System; the description of the Revenues and the moneys held in the funds and accounts created and established under the Resolution pledged to the payment of the principal of and premium, if any, and interest on, the Bonds issued under the Resolution, including this Bond; the nature and extent and manner of enforcement of the pledge; the covenants of the City as to the fixing, establishing, maintaining and revising of rates and charges for the provision and sale of water services of the System; the covenants of the City as to the collection, deposit and application of the Revenues of the System; the conditions upon which other Bonds may hereafter be issued under the Resolution payable on a parity with this Bond from the Revenues of the System of the City and equally and ratably secured herewith; the rights, duties and obligations of the City; the provisions discharging the Resolution as to this Bond and the lien and pledge of this Bond on the Revenues of the System if there shall have been deposited in accordance with the provisions of the Resolution on or before the maturity or redemption hereof moneys sufficient to pay the principal hereof and the interest hereon to the maturity or redemption date hereof, or certain specified securities maturing at such times and in such amounts which, together with the earnings thereon, would be sufficient for such payment, or a combination of both such moneys and securities; and for the other terms and provisions of the Resolution.

The Bonds of the Series of which this Bond is one maturing on or before \_\_\_\_ 1, \_\_\_\_ are not subject to redemption prior to their stated maturities. The Bonds of the Series of which this Bond is one maturing on and after \_\_\_\_ 1, \_\_\_\_ (or portions thereof in installments of \$5,000) are subject to redemption at the option of the City prior to their stated maturities, on or after \_\_\_\_ 1, \_\_\_\_, in whole or in part from time to time on any date, in such order as may be determined by the City (except that if at any time less than all of the Bonds of a given maturity are called for redemption, the particular Bonds or portions thereof in installments of \$5,000 of such maturity to be redeemed will be selected by lot), upon payment of a redemption price equal to the principal amount of the Bonds to be redeemed, together with the interest accrued thereon to the date fixed for the redemption thereof.

The Bonds of the Series of which this Bond is one maturing on \_\_\_\_ 1, \_\_\_\_ shall be subject to mandatory sinking fund redemption on \_\_\_\_ 1, \_\_\_\_ and on \_\_\_\_ 1 of each year thereafter to maturity, from moneys to be credited to the Debt Service Fund for the redemption of such Bonds, in the principal amounts in each year set forth below, with the particular Bond or Bonds or portions thereof to be redeemed to be selected by lot, upon payment of the principal amount of the Bonds to be redeemed, together with the interest accrued on the principal amount to be redeemed to the date fixed for the redemption thereof:

Year  
(     1     )

Principal Amount

If this Bond is redeemable and this Bond (or any portion of the principal amount hereof in installments of \$5,000) shall be called for redemption, notice of the redemption hereof, specifying the date, number and maturity of this Bond, the date and place or places fixed for its redemption and if less than the entire principal amount of this Bond is to be redeemed, that this Bond must be surrendered in exchange for the portion of the principal amount hereof to be redeemed and a new Bond or Bonds issued equalling in principal amount that portion of the principal amount hereof not to be redeemed, shall be mailed not less than thirty (30) days prior to the date fixed for redemption, by first class mail, postage prepaid, to the Registered Owner hereof at the address of such Registered Owner as it appears on the books of registry kept by the Registrar and Paying Agent as of the close of business on the forty-fifth (45th) day next preceding the date fixed for redemption. If notice of the redemption of this Bond (or the portion of the principal amount hereof to be redeemed) shall have been given as aforesaid, and payment of the principal amount of this Bond (or the portion of the principal amount hereof to be redeemed) and of the accrued interest payable upon such redemption shall have been duly made or provided for, interest hereon shall cease to accrue from and after the date so specified for the redemption hereof.

Any notice of the optional redemption of this Bond may state that it is conditioned upon there being on deposit with the City, or with the Registrar and Paying Agent on behalf of the City, on the date fixed for the redemption hereof an amount of money sufficient to pay the redemption price of this Bond, together with the interest accrued thereon to the date fixed for the redemption hereof, and any conditional notice so given may be rescinded at any time before the payment of the redemption price of this Bond, together with the interest accrued thereon, is due and payable if any such condition so specified is not satisfied. If a redemption of this Bond does not occur after a conditional notice is given due to there not being on deposit with the City, or with the Registrar and Paying Agent on behalf of the City, a sufficient amount of money to pay the redemption price of this Bond, together with the interest accrued thereon to the date fixed for the redemption hereof, the corresponding notice of redemption shall be deemed to be revoked.

Subject to the limitations and upon payment of the charges, if any, provided in the proceedings authorizing the Bonds of the Series of which this Bond is one, this Bond may be exchanged at the designated corporate trust office of the Registrar and Paying Agent for a like aggregate principal amount of Bonds of other authorized principal amounts and of the Series of which this Bond is one. This Bond is transferable by the Registered Owner hereof, in person or

by his attorney duly authorized in writing, at the designated corporate trust office of the Registrar and Paying Agent but only in the manner, subject to the limitations and upon payment of the charges, if any, provided in the proceedings authorizing the Bonds of the Series of which this Bond is one, and upon the surrender hereof for cancellation. Upon such transfer a new Bond or Bonds of authorized denominations and of the same aggregate principal amount of the Series of which this Bond is one will be issued to the transferee in exchange herefor.

This Bond shall not be valid or obligatory unless the certificate of authentication hereon shall have been manually signed by an authorized signator of the Registrar and Paying Agent.

It is hereby certified, recited and declared that all acts, conditions and things required to have happened, to exist and to have been performed precedent to and in the issuance of this Bond and the series of which it is one, have happened, do exist and have been performed in regular and due time, form and manner as required by law, and that the Bonds of the Series of which this Bond is one do not exceed any constitutional or statutory limitation of indebtedness.

IN WITNESS WHEREOF, the City has caused this Bond to be executed by the manual or facsimile signature of the Mayor of the City; a facsimile of the corporate seal of the City to be imprinted hereon, attested by the manual or facsimile signature of the City Clerk of the City; and this Bond to be dated the date above first written.

CITY OF NEWPORT NEWS, VIRGINIA

[SEAL]

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Mayor

Attest:

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City Clerk

## **CERTIFICATE OF AUTHENTICATION**

This Bond is one of the Bonds delivered pursuant to the within-mentioned proceedings.

U.S. BANK NATIONAL ASSOCIATION, Registrar  
and Paying Agent

By: \_\_\_\_\_  
Authorized Signature

Date of Authentication: \_\_\_\_\_, \_\_\_\_\_

## ASSIGNMENT

For valued received the undersigned hereby sell(s), assign(s) and transfer(s) unto

---

(Please print or type name and address of, including postal zip code, of Assignee)

PLEASE INSERT SOCIAL SECURITY OR  
OTHER TAX IDENTIFYING NUMBER OF ASSIGNEE

the within Bond and all rights hereunder, hereby irrevocably constituting and appointing \_\_\_\_\_, Attorney, to transfer such Bond on the books kept for the registration thereof, with the full power of substitution in the premises.

Dated: \_\_\_\_\_

Signature Guaranteed: \_\_\_\_\_

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NOTICE: Signature(s) must be guaranteed by a member firm of The New York Stock Exchange, Inc. or a commercial bank or trust company.

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(Signature of Registered Owner)

NOTICE: The signature above must correspond with the name of the Registered Owner as it appears on the front of this Bond in every particular, without alteration, enlargement or any change whatsoever.

## **F. Consent Agenda**

### 1. Minutes of the Work Session of October 14, 2014

ACTION:                      • N/A

BACKGROUND:            • N/A

FISCAL  
IMPACT:                    • N/A

### Supporting Material

Minutes of the Work Session of October 14, 2014

**MINUTES OF WORK SESSION  
OF THE NEWPORT NEWS CITY COUNCIL  
HELD IN THE 10<sup>TH</sup> FLOOR CONFERENCE ROOM  
2400 WASHINGTON AVENUE  
October 14, 2014  
4:00 p.m.**

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

**ABSENT:** Tina L. Vick ----- 1

**OTHERS PRESENT:** James M. Bourey; Collins L. Owens; Mabel Washington Jenkins; Cynthia Rohlf; Alan Archer; Wanda Pierre; Richard Caplan; Michael Nealer; Sheila McAllister; Florence Kingston; Lisa Cipriano; Marc Rodgers; Claudia Cotton; Telly Whitfield; Jerri Wilson; Larry Payne; Harold Roach; Tom Mitchell; Cleder Jones; Scott Dewhirst; Patrick Finneran; Jennifer Walker; RoShaundra Ellington; MaRhonda Echols; Eoghan (Owen) Miller; and Theresa Clift

I. Legislative Priorities

Mr. James M. Bourey, City Manager, introduced Ms. Jerri Wilson, Management and Legislative Program Analyst, City Manager's Office, to report on the 2015 Legislative Priorities.

Ms. Wilson reported the 2015 General Assembly Session was scheduled to begin on January 14, 2015. She stated bill pre-filing began July 21, 2014, and ended December 8, 2014. The state budget, redistricting and ethics would be the high priorities for the Session and the Session would supposedly be short. All members in both Houses were up for re-election in November. Ms. Wilson stated a Business Development Caucus was formed several years ago to focus on reducing and/or eliminating local Business Professional Occupational License (BPOL) taxes and Machinery and Tools (M&T) taxes (a copy of the presentation, "2015 State Legislative Priorities – City of Newport News, October 14, 2014," is attached and made a part of these minutes).

Ms. Wilson noted highlights of the FY 2014 – 2015 State budget:

- \$2.4 billion deficit (as of August 2014)
- General Assembly made-up \$1.5 billion in June 2014 budget
- \$882 million in biennial reductions announced
  - \$192 million to state agencies
  - \$90 million to higher education
  - \$60 million for aide to local government
  - \$705 million from rainy day fund

- \$272 million Governor's recommended reductions for FY 2016. There was hope that the revenue forecast would exceed projections. A revenue report released on October 14, 2014 showed savings. There also was talk about delaying the additional sales tax for transportation projects. Additional State agency cuts were likely to make up the \$272 million gap.

Ms. Wilson noted the 2015 Legislative Priorities package included the following requests (see justification for the priorities in the presentation attached to these minutes):

1. **Photo-Safe Traffic Monitoring Notice of Violations** – Amend the City Code, Section 15.2-968.1, to replace the word “summons” with the words “notice of violation”, which reflected the language in use by localities when an infraction occurred. The current wording in the Virginia Code Section 15.2 -968.1, “Use of photo-monitoring systems to enforce traffic signals”, repeatedly used the word “summons” when in fact the established practice was to issue a “notice of violation”. In a recent court case, regarding a contested Photo-Safe violation, the presiding Judge advised that he could not convict under the current code as a summons was not issued.
2. **Hampton Roads Transportation Accountability Commission Voting** – Amend Chapter 678 of the Acts of Assembly 2014 Session, pertaining to the Hampton Roads Transportation Accountability Commission (HRTAC), to allow the Chief Elected Official (CEO) of a governing body to designate another council or board member to represent him/her in the event their absence from a meeting. Such designation shall be made to the chair of the HRTAC, electronically or in writing, before the meeting and shall be valid for only the meeting which the CEO is unable to attend.
3. **Funding for Public Transportation** – Request the General Assembly to take action that would allow public transportation to maintain and expand service levels. A dedicated revenue source, independent of local general funds, was necessary to sustain and improve regional transit services.
4. **Funding for Peninsula Transit Corridor Study** – The City of Newport News asks that the General Assembly provide \$1.9 million in funding for a study to identify potential high capacity, fixed guide-way transit corridors in Hampton and Newport News.

5. **Regulation of Transportation Network Companies** – Request the General Assembly to regulate Transportation Network Companies (TNC) using standards comparable to those localities use to regulate taxi cabs. In addition, the State should require that TNC drivers were subject to applicable taxes and fees resultant from their for-hire employment. Localities should retain the authority to regulate taxi-cabs.
6. **BPOL, Machinery and Tools, and Merchants Capital Tax** – Request the General Assembly to reject legislation that would reduce, eliminate, or constrain local government revenue sources including BPOL, Machinery and Tools, and the Merchants Capital taxes.
7. **Joint Legislative Audit and Review Commission (JLARC) Study of Transportation Funding Equity** – The City of Newport News supports the request for a Joint Legislative Audit and Review Commission (JLARC) Study of transportation funding equity.
8. **Commonwealth Transportation Board Representation by Congressional District** – The City of Newport News supports an amendment to the Code of Virginia such that Commonwealth Transportation Board members are selected by one representative from each Congressional district while retaining the current at-large members.
9. **Aid to Localities Reduction** – Request the General Assembly to refrain from further reductions in State aid to localities.
10. **Enterprise Zone Program Funding** – Request that the General Assembly maintain level funding from FY 2015 for FY 2016 for the Virginia Enterprise Zone (VEZ) program.
11. **Funding for Governor's Development Opportunity Fund** – Request that the General Assembly maintain level funding from FY 2014 for FY 2016 for the Governor's Development Opportunity Fund.

Councilman Bateman inquired about the discussion to remove a portion of the Hilton Commons area out of the Enterprise Zone. He felt the area should remain in the Enterprise Zone. Ms. Wilson responded that there were some Enterprise Zone boundary changes; however, Ms. Florence Kingston, Director, Department of Development, would have to respond to Councilman Bateman's question.

Page 4

Minutes of Work Session

October 14, 2014

Councilwoman Woodbury inquired whether pay-day lending legislation had been totally disbanded. Ms. Wilson replied that pay-day lending legislation would no longer be addressed by the General Assembly. She stated the legislation could be added by City Council, but no legislator would support the matter.

Councilwoman Woodbury inquired whether it would hurt to include a statement to note the position of the City. Ms. Wilson replied that most of the legislators understood that the City was in support of instituting restrictions on pay-day lending establishments.

Councilwoman Woodbury inquired whether there was support among City Council to include a Position Paper on legislation that would institute restrictions on pay-day lending establishments.

There was consensus among City Council to include a Position Paper on legislation that would institute restrictions on pay-day lending establishments.

City Manager Bourey introduced Mr. Eoghan (Owen) Miller, as the new Management Analyst for the City Manager's office. He stated Mr. Miller reigned from Columbia, Missouri, with a Master's degree in Public Administration and a law degree. Mr. Miller worked in various places to include the City of Wichita, Kansas and had received high accolades from the City Manager of Wichita. He was delighted to have Mr. Miller as part of his team.

## II. Abandoned/Derelict Properties

City Manager Bourey introduced Ms. Cindy Rohlf, Assistant City Manager, to provide the presentation on the Community Maintenance efforts to address problem properties (abandoned, dilapidated and derelict structures).

Assistant City Manager Rohlf stated the ten year demolition process included 191 structures, mostly in the Southeast Community (see presentation, "Abandoned/Derelict Properties", attached and made a part of these minutes). She stated the Community Maintenance Team (Team) instituted an initiative to determine how to rid the community of derelict properties. The Team recognized that collaboration was needed between the Departments of Codes Compliance, Police, Fire, Finance and Public Works, and the City Attorney's Office to identify problematic properties and assist with prioritization for follow-up action/demolition. A windshield block-by-block survey was done and 250 vacant properties were identified. The 250 properties were in various stages of disrepair. All of the properties would not be demolished as they only required minor improvements. Over the next six

Page 5

Minutes of Work Session

October 14, 2014

months, the Team would determine what types of improvements and follow-up action was necessary. Initial reports determined that 72 of the 250 properties were in the pipeline for potential demolition (see examples of unsafe, unsecure and blighted structures and properties that posed electrical and fire hazards in the presentation attached to these minutes).

Councilwoman Woodbury inquired whether most of the problem properties were rental properties. Assistant City Manager Rohlf replied the 250 properties that were identified were vacant properties. Part of the problem was that the owners or a responsible party could not be located, which then became a problem for the City.

Vice Mayor Coleman inquired whether many of the properties were bank owned due to foreclosures. Assistant City Manager Rohlf replied no; most were old properties with very little value. They were properties that the City had maintained for many years and had numerous liens.

Councilwoman Scott questioned at what point a property would be cited for demolition. Assistant City Manager Rohlf replied once the liens hit 50% of the assessed value the City would automatically take the property. There was a legal process that the City had to abide by which could take months. Staff was looking at the City's internal process to determine whether they could speed-up the process.

Councilwoman Scott recalled prior discussion about properties acquired by the City, due to liens, could be renovated by non-profit organizations. Assistant City Manager Rohlf stated she recalled the discussion.

Assistant City Manager Rohlf stated there was a legal process that had to be followed by the City once it was determined that a property had been neglected, which was sometimes frustrating for adjacent property owners. The internal and legal process could take months to get to the point of demolition. City staff was researching how to speed up the process.

Assistant City Manager Rohlf indicated the next step was to determine how to maintain properties that the City acquired that were not demolished. She stated the Team would collaborate with the Department of Development and the Newport News Redevelopment and Housing Authority to recommend a program that would allow non-profit and outside agencies to acquire and renovate confiscated properties to return them to the tax rolls. A few years ago the General Assembly adopted legislation that allowed the City to give properties to non-profit agencies, but the process posed too many restrictions that the City was only able to identify 16 properties. There was much more that the City could do. The Team was working hard to identify a process. It was an ongoing effort to rid the City of derelict properties; but it came at a significant cost. Staff was focusing on single properties, but there were larger properties that the City was working to clean-up as well.

Page 6

Minutes of Work Session

October 14, 2014

Councilwoman Scott inquired whether all the above-noted properties were in the Southeast Community. Assistant City Manager Rohlf replied yes.

Councilwoman Cherry inquired about the Newsome Park Townhomes and whether the City was in conversation with the owners. Assistant City Manager Rohlf replied the City was aware of the property, was in conversation with the owners, and enforcement actions were ongoing. Councilwoman Cherry inquired whether the owners had to abide by the Code. Assistant City Manager Rohlf replied yes. She stated the owners were cooperating and allowing inspections of the property. Staff was three-fourth of the way to completing the inspections. Enforcement efforts continued with the owners.

Councilwoman Cherry stated during the Virginia Municipal League Conference, in Roanoke, Virginia, October 5 - 7, 2014, she attended a workshop on property maintenance where it was noted that by State Code that a properly boarded-up property that posed no safety issues could continue to exist in a community. Assistant City Manager Rohlf felt there were different interpretations of what was considered safe. She stated many communities were in agreement that a boarded-up property was a safety issue. Staff was working closely with the City Attorney's office to determine how to proceed regarding non-safety issues.

Councilwoman Cherry stated she attended the workshop to determine whether the City was really addressing the matter of abandoned properties.

Vice Mayor Coleman inquired whether staff considered including a page on the City's website that would note the status and progress taken by the City on an abandoned property. He stated the information could include where the City was in the process of demolition of a particular property. This would provide adjacent property owners with some assurance that the City was working on the issue. Assistant City Manager Rohlf felt that was something that could be done. She stated prior information had been provided on the City's website, but there was some confusion in terms of categories. Staff was reworking the information to disseminate to adjacent property owners.

Councilman Bateman felt a pattern existed that alerted the City when a property was being neglected, such as a string of Code violations and unpaid real estate taxes. He inquired whether City staff took note of such trends. Assistant City Manager Rohlf replied the issue of neglect would not be remedied by enforcement alone. Once a property reached a certain state, owners were unable to make necessary repairs. She agreed that staff should see a pattern of neglect and contact property owners to determine whether help was needed.

Councilwoman Cherry understood that due process was happening, but cautioned staff about neighborhood watch meeting attendees who were negligent in frequenting and noting derelict properties in the community. She stated it would be great to offer some information, whether on the City

Page 7

Minutes of Work Session

October 14, 2014

Channel or online, about the status of dilapidated properties. Assistant City Manager Rohlf replied that staff tried to personally get the information out to the community, but sometimes the audience was unreceptive and did not allow staff the opportunity comment on what was being done. Many preferred to tell staff what they were not doing, rather than listen to what had been done about a particular piece of property. Staff was aware of the properties and the issues. The City Council had a strategic plan, and staff was moving forward to implement that plan.

### III. United Way Presentation

City Manager Bourey introduced Mr. Scott Dewhirst, Assistant Director, Department of Public Utilities, and the 2014 United Way Campaign Coordinator for the City of Newport News, to offer information about the campaign.

Mr. Dewhirst stated the City's 2014 United Way goal was \$222,222. He stated the City raised \$214,000 in 2013. The goal for 2014 was increased by \$8,222. He stated several initiatives were being undertaken to meet the goal, to include meetings and social events (a listing of several initiatives is noted on the flyer attached and made a part of these minutes).

Mr. Dewhirst stated the 2014 Campaign Slogan was "Give 'Em 5." He challenged those that were new to the United Way to give \$5 per month which amounted to a \$60 annual contribution. He challenged those who had given in the past to donate an additional \$5 per month over what they had contributed in the past. The City would surpass its goal of \$222,222 if everyone accepted and applied the challenge.

Mr. Dewhirst stated the United Way of the Virginia Peninsula had a relationship with 34 different agencies and sponsored 68 different programs. The United Way tried to assist programs that were already working in the community that met the needs of individuals and families. The United Way was not enabling, but empowering people to make a change in their lives.

Mr. Dewhirst appreciated the opportunity to serve as the 2014 United Way Campaign Coordinator for the City. He was a firm believer of what the United Way was doing. He felt he was doing the right thing by serving as the Coordinator to help citizens and his fellow community members. He invited the members of City Council to attend one of the Hot Dog luncheon socials that were scheduled on Tuesday, October 16, 11:30 a.m. – 1:30 p.m., outside the City Hall Lobby, and Friday, October 27, at 12:00 p.m., at the Police Headquarters. He stated a United Way representative would be on hand at each event. He thanked Mayor Price and City Manager Bourey for agreeing to participate in a Silent Auction. The highest bidder would be able to have lunch with the Mayor and City Manager. More information would be available on the City's website.

Page 8

Minutes of Work Session

October 14, 2014

City Manager Bourey stated the important thing was to have every City employee exposed to the United Way and the programs offered. He stated that he and staff were not coercing City employees to participate in the program; they were only trying to get everyone to understand the benefits of the United Way, and the services offered to the community. The benefits they provided could and have assisted many individuals.

Councilwoman Woodbury inquired whether any testimonials had been put on the City's website about how the United Way benefitted many individuals. Mr. Dewhirst replied he would ensure that the stories be put on the City's website.

Councilwoman Woodbury inquired whether a video could be included on the website. Mr. Dewhirst replied that was looked into but the United Way did not want to show favoritism to any one organization. City Manager Bourey stated staff was looking into the matter.

#### IV. Comments/Ideas/Suggestions

Councilwoman Woodbury suggested that City Council rescind the Rules of Procedure to allow five minutes, instead of three, for citizen comments during City Council meetings. It was obvious that citizens did not have the appropriate amount of time for comments.

Councilman Bateman stated he saw a proliferation of trash and garbage on the ingress/egress lanes of Interstate-64. The trash gave a bad taste when one entered or exited Interstate-64. He did not feel it was the sole responsibility of the City to clean-up the trash, and suggested that staff reach out to the Virginia Department of Transportation for assistance. City Manager Bourey stated he would look into the matter.

City Manager Bourey reminded about the 2015 One City Marathon. He stated one of the courses included in the marathon, near the Mariners' Museum on Boundary Road, was in need of repair. He stated the road was not in the best condition, but was a beautiful part of the course. He had been in conversations with the management of the Mariners' Museum to inquire about a partnership to improve the roadway, but they were not interested in participating. Since they were not interested, staff suggested doing modest improvements (patch holes and overlay of the roadway) that amounted to approximately \$5,000. He stated the City was doing well with sponsorships and the budget for the Marathon. A full briefing about the Marathon would be provided in the near future. He felt the sponsorships and fees that were raised would cover the improvements. He asked for consensus among City Council to make the \$5,000 contribution to the Mariners' Museum over and above what was already provided to make the improvements to the roadway.

Page 9

Minutes of Work Session

October 14, 2014

Councilwoman Cherry stated she wanted to make sure that the City was inclusive by holding an event at King Lincoln Park during the Marathon. City Manager Bourey stated that King Lincoln Park may not be the best place to hold an event during the Marathon due to the weather in March. Councilwoman Cherry understood, but felt that the City needed to think about an event for the Southeast Community. City Manager Bourey stated staff planned an event on Friday evening before the Marathon at the Downing Gross Cultural Arts Center in order to be inclusive and to reach out to the community in addition to what was planned at Victory Landing Park in downtown Newport News.

Councilwoman Cherry felt an event at the Downing Gross Cultural Arts Center would be fine; however, she did not care what it was, i.e. a Zumba-thon, football, basketball, etc., depending on the weather, needed to be held at King Lincoln Park. She stated just the effort would be helpful. Citizens came up with suggestions and inquired about the reason that a Marathon event could not be held at King Lincoln Park. She was not talking about something that would be costly. Whether held on Friday, Saturday, or Sunday, something needed to be planned for King Lincoln Park. Perhaps, something that would be inclusive and was health related could be planned that would take the focus off of the Marathon, such as a One City Health Fair. She felt \$1,000 could be spent for a children's activity in King Lincoln Park, if \$5,000 could be spent for the improvement of a road. She had received comments from the residents about an event at King Lincoln Park. City Manager Bourey stated he would look into the matter.

There was consensus among City Council to appropriate \$5,000 to the Mariners' Museum for improvements to Boundary Road.

City Manager Bourey stated he had a number of conversations with citizens and members of City Council about an anti-tethering ordinance. He stated one conversation had suggested drafting the ordinance in a way that it would grandfather those who already had dog licenses. A brief conversation was had with City Attorney Collie Owens, who would look at how that could or could not be done, based various issues. He suggested that there be general support from City Council before drafting an anti-tethering ordinance.

Councilman Bateman stated he was in favor of drafting an anti-tethering ordinance.

City Manager Bourey stated there were anti-tethering ordinances nationwide that allowed tethering for a set number of hours per day. City Manager Bourey stated such ordinances were difficult to enforce. He felt allowing tethering for one-hour per day would make more sense.

Councilwoman Scott questioned who would monitor whether or not a dog was tethered and for how long. City Manager Bourey replied it would be monitored by the Animal Control division.

Page 10

Minutes of Work Session

October 14, 2014

Councilwoman Woodbury felt it would be very costly to monitor dog tethering. City Manager Bourey noted that the City of Hampton adopted an anti-tethering ordinance. He felt such an ordinance for Newport News would be difficult to enforce.

Councilwoman Scott stated it did not make sense to have an anti-tethering law. She felt whether one could or could not tether would not determine how one treated their dog. A dog owner was going to be responsible for their dog whether they were tethered or not if they loved their dog. She did not believe the City should be involved in this matter. She stated there were homeless children running around with dirty and uncombed hair, but when someone saw a dog tethered they became upset. She spoke to PETA, and suggested, since it was a huge issue for them, that they regulate the matter. She felt PETA should take responsibility for the matter by teaching dog owners how to be responsible pet owners. The City would have to use manpower to enforce the matter if it implemented an ordinance, which required money. She did not see it being a City issue.

Vice Mayor Coleman inquired whether additional funds would need to be allocated for Animal Control to enforce an anti-dog-tethering ordinance. City Manager Bourey did not anticipate that additional manpower would be required, and stated it would not be his recommendation. Most of the enforcement would be due to complaints.

Councilwoman Scott stated no one would know how long a dog was tethered. She understood, in conversation with the City Manager, that anyone who wanted a dog would have to buy a fence. Vice Mayor Coleman replied that was correct. Councilwoman Scott stated she did not think it was City Council's place to say that a citizen would have to install a fence to own a dog. She stated anyone who loved their animal would be responsible to do what was right. She was not in support of requiring a citizen to install a fence in order to have a dog and did not believe it was fair. City Manager Bourey stated there were many dog owners who did not have a fence and were responsible pet owners.

Councilwoman Scott understood that the ordinance required that a dog owner have a fence if they wanted their dog to reside outdoors. She stated some people did not want an indoor dog. City Manager Bourey agreed that the proposed ordinance required that a dog owner have a fence if they wanted to house their dog outside.

Mayor Price understood that the ordinance would grandfather current dog owners and new owners would have to abide by a standard of care, which he would support; however, it would be difficult for him to support anything that would be retroactive and not grandfather current dog owners, which would cause them an additional expense. He would support an ordinance that required people that obtained a dog, henceforth, to install a fence by a certain date, but would not support non-tethering or limited tethering across-the-board.

Page 11  
Minutes of Work Session  
October 14, 2014

Councilwoman Scott inquired about the number of dogs already in the City. City Manager Bourey replied there were approximately 4,000 registered dogs in the City, but the Treasurer would have an accurate number.

Councilwoman Woodbury agreed with Mayor Price and stated she would support an ordinance that grandfathered current dog owners from being required to install a fence.

Councilwoman Scott stated it was her understanding that the 4,000 current dog owners would be grandfathered and would not be required to install a fence. She inquired whether current dog owners would be able to continue tethering their dogs, but new owners would not be allowed to tether their dogs. City Manager Bourey replied yes.

Mayor Price stated there was a mechanism already in place for an animal that was being consistently tethered and neglected. He stated action would be taken against a dog owner that abused their dog.

Vice Mayor Coleman stated the City was trying to stop people from buying a dog on impulse. Many did not understand the responsibility of taking care of a dog or pet, which led to tethering their dogs.

Councilwoman Cherry voiced concern and agreed with Councilwoman Scott about grandfathering current dog owners and requiring new dog owners to have to purchase and install a fence, which could be very costly. Vice Mayor Coleman stated a dog owner would understand that going forward.

Councilwoman Cherry understood that dog owners would be aware of the requirement in the future, but she did not believe that all dog owners registered their pets. Vice Mayor Coleman agreed and stated citizens who did not register their dogs would be in violation of the ordinance. Councilwoman Cherry inquired about enforcement of the ordinance. Vice Mayor Coleman replied that the ordinance would be enforced by Animal Control, based on a report from a citizen.

Councilwoman Scott stated a citizen could not tell if a dog was registered or not. Vice Mayor Coleman stated it would be a problem if the owner was walking the dog without a leash. He stated Animal Control would check to see if a dog was licensed if a report was received from a neighbor. Councilwoman Scott stated it would be difficult to enforce the ordinance, and there was an ordinance currently on the books against dog cruelty.

Mayor Price stated the part he liked about the proposed ordinance was there was an educational component included that noted the negative aspects of dog tethering. He stated the educational component would be important.

Page 12  
Minutes of Work Session  
October 14, 2014

Councilwoman Woodbury stated there were health issues that arose from dog tethering, as well. She agreed that the educational component was a benefit.

Vice Mayor Coleman agreed with Mayor Price and Councilwoman Woodbury and noted that isolation also made dogs aggressive.

City Manager Bourey understood there was interest going forward and he would leave the matter up to City Council.

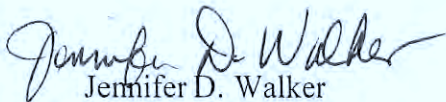
Councilwoman Cherry inquired whether the proposed ordinance would require that a citizen install a fence if they purchased a dog.

Vice Mayor Coleman asked the City Manager and City Attorney to draft a tethering ordinance for City Council's review and further discussion.

Mayor Price stated the ingress ramp onto Interstate-664 at 26<sup>th</sup> and Jefferson Avenue was in need of a yield sign. City Manager Bourey stated he would have staff look into the matter.

Councilwoman Scott stated, while at the Virginia Municipal League Conference, in Roanoke, Virginia, October 5 – 7, 2014, she attended a session on gang prevention and putting people to work. The session was in reference to pop-up businesses that were utilizing vacant properties. The owners of the vacant properties were able to receive a prorated rent for six-months by allowing a new business start-up. There was a mini-grant that included a 30-day job training component to teach individuals how to run a business and get a jump-start. She asked the City Manager to look into the matter. She felt the program would be beneficial for those in the STEP Program who were 18 – 24 years old, who had entrepreneurial insight. Councilwoman Scott stated she would email the information to the City Manager.

THERE BEING NO FURTHER BUSINESS  
ON MOTION, COUNCIL ADJOURNED AT 5:29 P.M.

  
Jennifer D. Walker  
Chief Deputy City Clerk

McKinley L. Price  
Mayor  
Presiding Officer

A true copy, tested:

City Clerk

## **F. Consent Agenda**

### 2. Minutes of the Special Meeting of October 14, 2014

ACTION:                      • N/A

BACKGROUND:            • N/A

FISCAL  
IMPACT:                    • N/A

### Supporting Material

Minutes of the Special Meeting of October 14, 2014

**MINUTES OF SPECIAL MEETING  
OF THE NEWPORT NEWS CITY COUNCIL  
HELD IN THE 10<sup>TH</sup> FLOOR CONFERENCE ROOM  
2400 WASHINGTON AVENUE  
OCTOBER 14, 2014  
5:30 P.M.**

---

PRESENT: Robert S. Coleman; McKinley L. Price, DDS; Sharon P. Scott; Dr. Patricia P. Woodbury; Herbert H. Bateman, Jr.; and Sandra N. Cherry, D. Min.-----6

ABSENT: Tina L. Vick-----1

OTHERS PRESENT: James M. Bourey; Collins L. Owens, Jr.; Mabel Washington Jenkins; Alan Archer; Cynthia Rohlf; Richard Caplan; Florence Kingston; Marc Rodgers; and Jennifer Walker.

After ascertaining that proper meeting notice had been provided to each member of City Council, Mayor Price called the meeting to order and stated the meeting was being held for the following purpose:

- (1) To call a closed meeting pursuant to Section 2.2-3711(A) of the Code of Virginia, 1950, as amended, Subsections: (3) a discussion or consideration of the acquisition of real property for a public purpose, where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the City, the subject of which is the acquisition of real property in the southern section of the City; (5) discussion of a prospective business or industry where no previous announcement has been made of the business' or industry's interest in locating a facility in the community, the subject of which is a prospective business in the southern section of the City; and (7) a consultation with legal counsel pertaining to actual and probable litigation, where such consultation in open meeting would adversely affect the negotiating posture of the public body, the subjects of which are cases involving allegations of civil rights violations.

Vice Mayor Coleman moved for a closed meeting under section and reasons cited above; seconded by Councilwoman Scott.

Vote on Roll Call:

Ayes: Coleman, Price, Whitaker, Woodbury, Bateman, Cherry

Nays: None

(Closed Session 5:34 p.m. – 5:50 p.m.)

After reconvening in open session, Vice Mayor Coleman moved to certify that to the best of each member's knowledge (1) only public business matters lawfully exempted from open meeting requirements under the Virginia Freedom of Information Act, and (2) only such public business matters as were identified in the motion by which the closed meeting was convened were heard, discussed or considered in the closed meeting by the Council. Motion seconded by Councilwoman Woodbury.

**DRAFT**

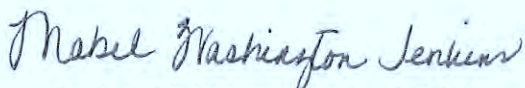
Page 2  
Minutes of Special Meeting  
October 14, 2014

Vote on Roll Call:

Ayes: Coleman, Price, Whitaker, Woodbury, Bateman, Cherry

Nays: None

THERE BEING NO FURTHER BUSINESS,  
ON MOTION, COUNCIL ADJOURNED AT 5:50 P.M.



Mabel Washington Jenkins, MMC  
City Clerk

McKinley L. Price, DDS  
Mayor  
Presiding Officer

A true copy, teste:

City Clerk

**DRAFT**

**CERTIFICATE OF CLOSED MEETING**

**MEETING DATE:** October 14, 2014

**MOTION:** Vice Mayor Robert S. Coleman

**SECOND:** Councilwoman Dr. Patricia Woodbury

WHEREAS, the City Council of the City of Newport News has convened a closed meeting on this date pursuant to an affirmative recorded vote as required under the Virginia Freedom of Information Act; and

WHEREAS, Section 2.2-3712.D of the Code of Virginia, 1950, as amended, requires a certification by this City Council that such closed meeting was conducted in conformity with Virginia law.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Newport News does hereby certify that, to the best of each member's knowledge, (i) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the closed meeting to which this certification resolution applies, and (ii) only such business matters as were identified in the motion convening the closed meeting were heard, discussed or considered by the City Council.

**VOTE**

AYES: Cherry, Coleman, Price, Scott, Woodbury, Bateman

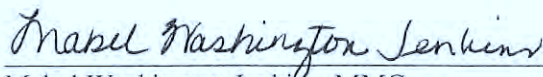
NAYS: None

ABSTENTION: None

ABSENT DURING VOTE: Vick

ABSENT DURING MEETING: Vick

ATTEST:



Mabel Washington Jenkins, MMC  
City Clerk

## **F. Consent Agenda**

### 3. Minutes of the Regular Meeting of October 14, 2014

ACTION:                      • N/A

BACKGROUND:            • N/A

FISCAL  
IMPACT:                    • N/A

#### Supporting Material

Minutes of the Regular Meeting of October 14, 2014

MINUTES OF REGULAR MEETING  
OF THE NEWPORT NEWS CITY COUNCIL  
HELD IN THE CITY COUNCIL CHAMBERS  
2400 WASHINGTON AVENUE  
OCTOBER 14, 2014  
7:00 P.M.

---

PRESENT: Robert S. Coleman; McKinley L. Price, DDS; Sharon P. Scott; Dr. Patricia P. Woodbury; Herbert H. Bateman, Jr.; and Sandra N. Cherry, D. Min.-----6

ABSENT: Tina L. Vick-----1

A. Call to Order

Mayor Price stated the City Code identified the procedure for citizen participation regarding items on the Council agenda, as well as the opportunity for citizens to address City Council on matters germane to the business of the Council. He explained matters that were germane to the business of Council meant matters that the City Council, by law, were empowered to act upon. This did not include announcements that were personal to an individual, business, or organization. He pointed out copies of the ordinance highlighting citizen participation, and encouraged citizens to review the document.

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

B. Invocation

The invocation was rendered by the Honorable McKinley L. Price, DDS, Mayor, City of Newport News.

C. Pledge of Allegiance to the Flag of the United States of America

The Pledge of Allegiance to the Flag of the United States of America was led by Vice Mayor Robert S. Coleman.

D. Presentations

None

*MOTION MADE BY COUNCILWOMAN WOODBURY; SECONDED BY COUNCILWOMAN SCOTT; AND CARRIED UNANIMOUSLY TO EXCUSE COUNCILWOMAN VICK FROM THIS MEETING.*

On behalf of his colleagues on the Newport News City Council, Mayor Price extended condolences to Councilwoman Tina Vick and the Vick family, who loss her sister, Ms. Gwendolyn Diane Gilmore.

E. Public Hearings

1. Ordinance Authorizing a Lease Amendment between the City of Newport News and James River Fishing Pier, Inc. to Temporarily Decrease Rental Payments

AN ORDINANCE AUTHORIZING AND DIRECTING THE CITY MANAGER TO EXECUTE AND THE CITY CLERK TO ATTEST, ON BEHALF OF THE CITY OF NEWPORT NEWS, VIRGINIA, THAT CERTAIN AMENDMENT NO. 2 DATED THE 14<sup>TH</sup> DAY OF OCTOBER, 2014, TO THAT DEED OF LEASE BY AND BETWEEN THE CITY OF NEWPORT NEWS, VIRGINIA, AND JAMES RIVER FISHING PIER, INC., DATED THE 1<sup>ST</sup> DAY OF MAY, 1996. This ordinance authorized an amendment to the lease between the City and James River Fishing Pier, Inc. (JRFP) and authorized the City Manager to execute any documents necessary to effectuate the transaction. The City closed the JRFP due to structural issues, and was undergoing demolition and replacement. The closure of the pier had impacted financial conditions related to the City's lease with the JRFP. An amendment to the lease to provide some financial accommodation for a limited period of time was proposed to address the consequences of closure of the pier. The amendment included forgiveness of the remaining balance of \$22,450, plus accrued interest on a promissory note and adjustment of the additional rent percentage from 10% to 7% beginning March 17, 2014, until the pier was rebuilt and available for public use. The City Manager recommended approval.

(No registered speakers)

Councilman Bateman moved closure of the public hearing; seconded by Vice Mayor Coleman.

Vote on Roll Call:

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

Nays: None

Vice Mayor Coleman moved adoption of the above ordinance; seconded by Councilwoman Scott.

Councilwoman Scott inquired whether forgiveness of the remaining balance would be retroactive back to March, 2014 from 10% to 7%.

City Manager Bourey responded that the amount they paid was based on the previous year's sales. The pier was out of commission beginning in March, which was why the City was going back to that time.

Vote on Roll Call:

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

Nays: None

E. Public Hearings Continued

2. Ordinance Authorizing the Vacation of Portions of 31<sup>st</sup> Street, 32<sup>nd</sup> Street, 33<sup>rd</sup> Street, and the Northerly Half of Terminal Avenue for the Brooks Crossing Project Site – Phase I

AN ORDINANCE VACATING PORTIONS OF THOSE CERTAIN STREETS KNOWN AS 31<sup>ST</sup> STREET, 32<sup>ND</sup> STREET, 33<sup>RD</sup> STREET, AND TERMINAL AVENUE IN THE CITY OF NEWPORT NEWS, VIRGINIA, AS DESCRIBED HEREIN. This ordinance authorized the vacation of portions of 31<sup>st</sup> Street, 32<sup>nd</sup> Street, 33<sup>rd</sup> Street, and the northeasterly half of Terminal Avenue, and authorized the City Manager to execute any documents necessary to effectuate the transaction. In order to help facilitate Phase I development of the Brooks Crossing Project in the Southeast Community, certain streets, and portions thereof, needed to be vacated. Information regarding vacating the relevant rights-of-way had been circulated for interdepartmental review, to which no objections were noted. The City Manager recommended approval.

(No registered speakers)

Councilwoman Scott moved closure of the public hearing; seconded by Councilman Bateman.

Vote on Roll Call:

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

Nays: None

Councilwoman Scott moved adoption of the above ordinance; seconded by Vice Mayor Coleman.

Councilwoman Woodbury inquired whether any residences were affected. City Manager Bourey responded no. Councilwoman Woodbury questioned whether it was the street themselves or the easement. City Manager Bourey replied yes, that was correct.

Mayor Price commented that he was happy to see this moving forward.

Vote on Roll Call:

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

Nays: None

3. Ordinance Authorizing the City Manager to Execute a Deed of Vacation for a 15-foot Sanitary Sewer Easement on Property Located and Commonly Known as 808 Triton Court and an Amendment to the Land Exchange Agreement

AN ORDINANCE AUTHORIZING AND DIRECTING THE CITY MANAGER TO EXECUTE AND THE CITY CLERK TO ATTEST ON BEHALF OF THE CITY OF NEWPORT NEWS, VIRGINIA, A DEED OF VACATION VACATING AN INTER-

E. Public Hearings Continued

3. Ordinance Authorizing the City Manager to Execute a Deed of Vacation for a 15-foot Sanitary Sewer Easement on Property Located and Commonly Known as 808 Triton Court and an Amendment to the Land Exchange Agreement Continued

EST IN REAL PROPERTY AS DESCRIBED HEREIN TO ROBERT E. YANCEY, AND EXECUTION OF A FIRST AMENDMENT TO LAND EXCHANGE AGREEMENT DATED NOVEMBER 23, 2010, AND AUTHORIZING THE CITY MANAGER TO TAKE SUCH FURTHER ACTION AS SHALL BE NECESSARY TO COMPLETE THE TRANSACTION. This ordinance authorized the City Manager to execute a Deed of Vacation, vacating an interest in real property and a first amendment to the Land Exchange Agreement. Mr. Robert E. Yancey, owner of 808 Triton Court, requested vacation and conveyance of the 15-foot easement located on this parcel. The City acquisition of the easement was originally part of a transaction memorialized in a Land Exchange Agreement between Mr. Yancey and the City of Newport News, dated November 23, 2010. As part of the transaction set forth in the Agreement, Mr. Yancey conveyed a lot for a sanitary sewer pump station known as 809 Triton Court and the easement on 808 Triton Court. The pump station parcel was transferred to the Hampton Roads Sanitation District (HRSD) by the City of Newport News, and HRSD installed the sewer main in the City right-of-way of Triton Court rather than in the easement, rendering the easement unnecessary. The first amendment to the Land Exchange Agreement would mutually release reciprocal duties of the parties. The City Manager recommended approval.

Mr. Joe S. Frank, 2 Madison Circle, Newport News, David, Kamp, and Frank, Attorney for the Applicant, was available to answer questions.

Councilman Bateman moved closure of the public hearing; seconded by Councilwoman Scott.

Vote on Roll Call:

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

Nays: None

Councilwoman Woodbury moved adoption of the above ordinance; seconded by Councilwoman Scott.

Vote on Roll Call:

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

Nays: None

F. Consent Agenda

Councilwoman Scott moved adoption of the Consent Agenda, Items 1 through 3, both inclusive, as amended, as shown below; seconded by Vice Mayor Coleman.

F. Consent Agenda Continued

1. Minutes of the Work Session of September 23, 2014

(No registered speakers)

Vote on Roll Call:

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

Nays: None

2. Minutes of the Special Meeting of September 23, 2014

(No registered speakers)

Vote on Roll Call:

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

Nays: None

3. Minutes of the Regular Meeting of September 23, 2014

(No registered speakers)

Vote on Roll Call:

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

Nays: None

G. Other City Council Actions

(1) Motion to Approve the Designation of National League of Cities (NLC)  
“Congress of Cities” Voting Delegates

City Council was requested to designate, by motion, the City’s Voting and Alternate Voting Delegate for the National League of Cities (NLC) Annual Business Meeting during the 2014 Congress of Cities. The NLC Congress of Cities and Exposition was scheduled to be held in Austin, Texas, November 18 - 22, 2014. The Annual Business Meeting was scheduled at the conclusion of the exposition on Saturday, November 22, 2014. As a direct member City, Newport News was entitled to four votes at the meeting. A voting delegate and alternate must be officially designated by the City, as NLC by-laws prohibited voting by proxy, and the voting delegate or alternate must be present to cast the City’s votes.

(No registered speakers)

Councilman Bateman moved to designate Councilwoman Tina L. Vick as the City’s Voting Delegate and Councilwoman Dr. Patricia Woodbury as the Alternate Voting Delegate for the NLC Annual Business Meeting; seconded by Councilwoman Scott.

G. Other City Council Actions Continued

- (1) Motion to Approve the Designation of National League of Cities (NLC) "Congress of Cities" Voting Delegates Continued

Vote on Roll Call:

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

Nays: None

- (2) Ordinance Accepting the Street and Public Improvements in the Heather Heights Subdivision into the City System

AN ORDINANCE TO ACCEPT KENNETH COURT, HEATHER HEIGHTS SUBDIVISION, AND THE PHYSICAL IMPROVEMENTS CONTAINED THEREIN AND THEREON INTO THE CITY STREET SYSTEM. This ordinance accepted the street and public improvements in the Heather Heights Subdivision into the City's system for the State Maintenance Reimbursement Program. A final inspection was made of the street and public improvements done in the Heather Heights subdivision. The inspection indicated that the developer complied with all requirements. Once accepted, the street, which was constructed at the developer's expense, would be eligible for State Maintenance reimbursements to the City. The City Manager recommended approval.

(No registered speakers)

Councilwoman Woodbury moved adoption of the above ordinance; seconded by Councilwoman Scott.

Vote on Roll Call:

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

Nays: None

- (3) Resolution Endorsing a Transportation Alternatives Program (TAP) Project for the Washington Avenue Streetscape and Pedestrian Improvements

A RESOLUTION ENDORSING A TRANSPORTATION ALTERNATIVES PROJECT FOR THE WASHINGTON AVENUE STREETSCAPE AND PEDESTRIAN IMPROVEMENTS IN THE CITY OF NEWPORT NEWS. This resolution endorsed the City's application for a Transportation Alternatives Program Project (TAP) for the Washington Avenue Streetscape and Pedestrian Improvements. This Federal grant provided localities funding to improve pedestrian and bicycle facilities. The City applied for funding to improve the sidewalks, crosswalks, and lighting on Washington Avenue between 30<sup>th</sup> Street and 34<sup>th</sup> Street. The first phase of the Washington Avenue improvements was completed in conjunction with the Apprentice School. The grant request was for \$400,000, with a 20% City match of \$100,000, for a total project cost of \$500,000. If the application were approved in June 2015, the City could potentially receive \$400,000. The City Manager recommended approval.

(No registered speakers)

G. Other City Council Actions Continued

- (3) Resolution Endorsing a Transportation Alternatives Program (TAP) Project for the Washington Avenue Streetscape and Pedestrian Improvements Continued

Councilwoman Scott moved adoption of the above resolution; seconded by Vice Mayor Coleman.

Vote on Roll Call:

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

Nays: None

H. Appropriations

Councilwoman Scott moved adoption of Appropriations, Items 1 through 6, both inclusive, as shown below; seconded by Vice Mayor Coleman.

- (1) Department of Public Works – MTD Products Company: Troy-Bilt and Keep America Beautiful Taking Root Gardening Grant

A RESOLUTION APPROPRIATING FUNDS FROM TROY-BILT AND KEEP AMERICA BEAUTIFUL TAKING ROOT GARDENING GRANT (\$8,000.00) TO GREEN FOUNDATION PAYMENT (\$8,000.00). This resolution appropriated \$8,000.00 from the MTD Products Company, Troy-Bilt and Keep America Beautiful Taking Root Gardening Grant to the Newport News Department of Public Works. The City applied for, and was awarded an \$8,000 Troy-Bilt and Keep America Beautiful Taking Root Gardening Grant from the MTD Products Company. The Department of Public Works would manage the grant, which would fund the development of new outdoor classrooms and enhance outdoor spaces at Newport News Public Schools (NNPS). In addition to the grant award, the City also received \$1,500.00 in gardening tools to complete the green space project through its partnership with the Newport News Green Foundation, NNPS, and Christopher Newport University (CNU). No local grant match was required. The City Manager recommended approval.

(No registered speakers)

Vote on Roll Call:

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

Nays: None

- (2) Department of Engineering – Virginia Department of Transportation (VDOT) Grant: Safe Routes to School Coordinator

A RESOLUTION APPROPRIATING FUNDS FROM STATE REVENUE (\$10,400.00) AND FEDERAL REVENUE (\$41,600.00) TO SAFE ROUTES TO SCHOOL COORD. (\$52,000.00). This resolution appropriated \$52,000.00 from the Virginia

H. Appropriations Continued

(2) Department of Engineering – Virginia Department of Transportation (VDOT) Grant: Safe Routes to School Coordinator Continued

Department of Transportation (VDOT) for a Safe Routes to School Coordinator. The City received a VDOT grant of \$52,000.00 for a Safe Routes to School Coordinator. The Coordinator would work with several Newport News public elementary and middle schools to develop plans to encourage walking and biking to school. The grant funds would pay the salary and benefits for a Coordinator for one year. The City Manager recommended approval.

Councilwoman Woodbury stated this was a one-year grant, and inquired whether the person selected for this position would be a City employee or an employee of the NNPS. City Manager Bourey replied, yes, this was a one-year grant, applied by the NNPS; however, they did not feel they were in a position to bring someone on board, so the City would hire someone. City Manager Bourey advised this employee would be hired for one year. He was hopeful that the City would be able to re-apply and get the grant. It would help develop the safe routes and sidewalks to schools and other safety improvements throughout the City. Councilwoman Woodbury indicated it was a wonderful idea because it would get more kids walking to schools. She wondered how many would be able to walk to school due to all of the busing. City Manager Bourey hoped there would be a significant number using the routes to schools. Councilwoman Woodbury inquired whether rides would still be provided. City Manager Bourey could not answer the question as policies were different throughout the school districts.

(No registered speakers)

Vote on Roll Call:

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

Nays: None

(3) Newport News Police Department (NNPD) – FY 2015 Department of Motor Vehicles (DMV) Grant

A RESOLUTION APPROPRIATING FUNDS FROM AR-F-DMV GRANTS (\$57,297.00) TO OVERTIME (\$43,200.00), MACHINERY & EQUIPMENT (\$10,000.00), TRAVEL-TRAIN/MEETING EXP (\$2,097.00) AND SPECIALIZED POLICE SUPP (\$2,000.00). This resolution appropriated \$57,297.00 in Federal Funds from the Department of Motor Vehicles (DMV) for use by the NNPD for selective enforcement, training in traffic safety, and for the purchase of radar units and alco-sensors. This grant award required a cash or an in-kind match of 33% or \$28,649.00. The in-kind match would be met through the use of vehicles and fuel in conducting the selective enforcement sessions. The City Manager recommended approval.

(No registered speakers)

H. Appropriations Continued

- (3) Newport News Police Department (NNPD) – FY 2015 Department of Motor Vehicles (DMV) Grant Continued

Vote on Roll Call:

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

Nays: None

- (4) Newport News Police Department (NNPD) – Department of Justice, Bureau of Justice Assistance, Justice Assistance Grant (JAG)

A RESOLUTION APPROPRIATING FUNDS FROM FEDERAL REVENUE (\$121,585.00) TO SPECIALIZED POLICE EQUIP (\$75,000.00) AND WEARING APPAREL (\$46,585.00). This resolution appropriated \$121,585.00 from the Department of Justice, Bureau of Justice Assistance, Justice Assistance Grant (JAG) for use by the Newport News Police Department (NNPD). The City applied for the JAG, which was an annual grant awarded by the Department of Justice based on a locality's population and crime statistics. JAG funds allowed localities to support a broad range of activities to prevent and control crime based on their local needs and conditions. In its application, NNPD specified that the funds would be used to purchase ballistic vest carriers, tasers, and body cameras. The City received notification in September 2014 that the grant had been awarded in the amount of \$121,585.00. No local match was required. The City Manager recommended approval.

(No registered speakers)

Vote on Roll Call:

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

Nays: None

- (5) Newport News Police Department (NNPD) – Criminal Justice Training Academy Fees

A RESOLUTION APPROPRIATING FUNDS FROM USE OF FUND BAL-FY14 (\$205,000.00) TO SPECIALIZED POLICE SUPP (\$205,000.00). This resolution appropriated \$205,000.00 from the Criminal Justice Training Academy Fees for use by the NNPD. The Criminal Justice Training Academy Fees allowed the clerks of the Circuit, General District, and Juvenile and Domestic Relations Courts to assess and collect a five dollar (\$5.00) fee in every case in which costs were assessable. All funds collected were to be used to support the Police Department's Criminal Justice Training Academy. This appropriation would be utilized for specialized training for NNPD employees, and the purchase of needed ammunition to conduct annual firearms training for officers. The balance in Criminal Justice Training Academy fees was \$300,685.00. The City Manager recommended approval.

(No registered speakers)

## H. Appropriations Continued

- (5) Newport News Police Department (NNPD) – Criminal Justice Training Academy Fees Continued

Vote on Roll Call:

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

Nays: None

- (6) Department of Development – FY 2014 Bond Authorization, Community Development Category: Southeast Community

A RESOLUTION APPROPRIATING FUNDS FROM BONDS AUTHORIZED AND ISSUED (\$2,000,000.00) TO SOUTHEAST COMMUNITY REDEVELOPMENT INITIATIVES (\$2,000,000.00). This resolution appropriated \$2 million from the FY 2014 Bond Authorization, Community Development Category for the Southeast Community Redevelopment Initiatives. The first phases of Jefferson Avenue streetscape improvements were complete, and Phase II was under design. Numerous redevelopment activities had been undertaken and were arising to complement the investment already made. In addition to ongoing initiatives, the commencement of the Brooks Crossing Project was imminent. The strategy of maintaining fiscal readiness through the Capital Improvements Plan (CIP) was vital to the continued revitalization of the Southeast Community. The FY 2014 Bond Authorization, Community Development Category had \$2 million remaining to be appropriated for project investments in the Southeast Community. The City Manager recommended approval.

(No registered speakers)

Vote on Roll Call:

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

Nays: None

## I. Citizen Comments on Matters Germane to the Business of City Council

Mr. John Bloom, 14214 Penrith Lane, Newport News, shared a letter from the Southern Christian Leadership Conference, dated May 23, 2014, requesting that City Council make a charter amendment to include provisions for recall elections in the City of Newport News. The letter also expressed concern about safety in the City. Mr. Bloom read the only reason the City did not have the safest streets and the best government and schools in the State was due to mismanagement of priorities on the part of the Newport News City Council, some of who believed that spending taxpayer funds for a \$13 million Denbigh Community Center and \$7.5 million on an Animal Control Facility was more important than protecting the citizens of Newport News and providing the best education for our children. Recall elections should be included in the Newport News City Charter, as were in Hampton, Norfolk, Portsmouth, and Richmond, to name a few. The letter asked that public comments on recall elections be included on the October 28, 2014 City Council agenda. Mr. Bloom closed with words from the late President Ronald Reagan, "A government's first duty is to protect its people, not run their lives."

I. Citizen Comments on Matters Germane to the Business of City Council  
Continued

Mr. Michael Edwards, 3310 Oak Avenue, Newport News, extended condolence to Councilwoman Tina L. Vick, on the loss of her sister, Ms. Gwendolyn Diane Gilmore.

Mr. Edwards commented on the wonderful parade held on September 6, 2014, hosted by the SCLC. He expressed gratitude and appreciation to the City Council, for their attendance and participation, specifically, Mayor Price, Councilwomen Cherry and Dr. Woodbury, Councilman Bateman, and former Councilman Joseph Whitaker. Mr. Edwards expressed appreciation to Chief of Police, Mr. Richard Myers, for his hands-on approach and Officer Greathouse, for participating with the crowd and greeting the citizens as they walked the parade, in an effort to get close with the community, which was important for reducing crime. He also thanked clergymen, Dr. Tremayne Johnson, Pastor, Zion Baptist Church, and Reverend Leroy Salary, Second Baptist Church East End, for their participation and the use of their facilities.

Mr. Edwards shared a letter to the Editor, from Mr. Andrew Shannon, printed in the October 4, 2014 issue of the Daily Press. The letter mentioned the moral obligation on the part of the City for the homeless. The City had cleared out a homeless camp, but yet had not cleared land to build transitional housing for the homeless. The letter went on to say it was the moral imperative that the City provide shelter for its homeless citizens. (A full copy of the letter is attached and made a part of these minutes).

Mr. William V. Lassiter, 22 Argall Place, Newport News, proprietor of B & G Concession, 3011 Madison Avenue, Newport News, addressed the Street and Sidewalk Vendors Ordinance, adopted July 8, 2014, that went into effect September 1, 2014. He was one of the vendors that had been negatively affected by the ordinance. He advised that he served customers, and was featured in the Oyster Pointer newspaper, and on TV News Channel 3. After 11 years of operation at the site, Mr. Lassiter was told that he had been operating illegally. He suddenly had no place to operate his business, after securing a \$1 million liability insurance policy, which was maintained for two years. The ordinance wrongly hurt vendors that were not involved in the Newport News Shipyard situation as well as the workers, who had limited lunch breaks. There was also a need in the Oyster Point Area. He asked that City Council amend Ordinance #7076-14.

Councilwoman Scott inquired where the City stood in the process, as the discussion had been held regarding creating more spots. She questioned whether City Center would be included in the extra spaces to be created, as there were others that were affected.

City Manager Bourey advised that Ordinance #7076-14 never allowed Mr. Lassiter to operate in his spot. Staff would look into extending an additional area beyond the Shipyard and the Oyster Point area, which required an amendment to the ordinance. He advised that he and Assistant City Manager Cynthia Rohlf had met with a number of vendors to look at adjusting some of the spaces. City Manager Bourey promised to present an amended ordinance to City Council which addressed the issue. Councilwoman Scott inquired about the timeline for bringing forth the amendment. She advised that the vendor(s) was in the space and everyone knew it. City Manager Bourey promised to present an amendment within a thirty (30) day period.

I. Citizen Comments on Matters Germane to the Business of City Council  
Continued

for City Council's review.

Councilwoman Cherry indicated that she had received calls and letters about vendors who had been told that they could not vend on private property that was not in the downtown area listed in the ordinance. She asked for clarity related to that matter. City Manager Bourey indicated that vending on private property was a zoning issue. If they were not able to vend on that property, they would not comply with existing zoning on that site, and would need to receive zoning approval for operating a retail establishment. There would also be certain site plan requirements to be met. Councilwoman Scott questioned whether it would be illegal for someone that had a site, to allow someone to lease space. City Manager Bourey replied, depending on the circumstances, it may or may not comply with the zoning ordinance, but they would still need to gain site plan approval to operate on the site. Councilwoman Cherry inquired whether the proprietor would need to apply for zoning. City Manager Bourey responded, it depended on the circumstances of the site. In most instances, the proprietor would need to apply for zoning, either for approval to be a part of a use on a site, or to get a zoning change. Councilwoman Cherry inquired whether a letter from the owner was required granting permission to vend on their property. City Manager Bourey indicated, anyone that had an application for a site plan or approval of use on a site, would have to have the property owner's approval.

Councilwoman Woodbury advised that she too had received numerous calls, and expressed concern about the requirement for the insurance, yet the vendors had no income. She couldn't stress strongly enough that the problem needed to be solved as quickly as possible. City Manager Bourey stated that the insurance requirement was a very important requirement for people operating within the public right-of-way, or operating an establishment that served food to people. Councilwoman Woodbury stated the vendor had to be able to pay for the insurance. City Manager Bourey stated, if the vendor was not operating, insurance was not required, but if they were on the street operating, and receiving income as a result, insurance was required.

Councilwoman Cherry reiterated, some of the vendors had business, had insurance, then the ordinance came. City Manager Bourey stated that some of the vendors were operating in different locations from where they operated previously. City Manager Bourey stated, no street vendor had been operating on private property. Councilwoman Cherry advised that vendors had contacted her, indicating they had been accosted, telling them they had to move and could not vend in a particular location any longer because they were not following the ordinance. Councilwoman Cherry thought the ordinance only pertained to the Shipyard area. City Manager Bourey indicated the area was for downtown, which was the only area which allowed on street vending. Other areas of the City, did not allow any public street-right-of-way vending.

Councilwoman Scott inquired what happened if a vendor was found to be operating illegally, as was a vendor operating in the Denbigh area during the weekend of October 11<sup>th</sup>. She questioned whether the vendors were cited. City Manager Bourey responded that vendors would be cited for operating illegally. Councilwoman Scott questioned whether the vendors would be fined and whether the fine and the process were included in the ordinance.

I. Citizen Comments on Matters Germane to the Business of City Council  
Continued

Assistant City Manager, Cindy Rohlf advised that the ordinance (Ordinance #7076-14) only applied to the downtown area. She explained there was a difference between commercial vending and food vending. Food vending was not allowed anywhere, but commercial vending was allowed with appropriate licensure and in the appropriate district.

Mr. Tony Curtis, 958-12<sup>th</sup> Street, Newport News, shared his new idea, which entailed putting a convention center on the harbor, completely redeveloping Newport News' harbor, and adding a Sportsplex on the existing land of the Newport News Redevelopment and Housing Authority. He indicated the land would not come up for proposal for approximately one year. Mr. Curtis referenced the City Manager's proposal where the trains came in at Bland Boulevard; but Mr. Curtis suggested changing the tracks, bringing the trains into the Harbor, which brought tourists from everywhere in the country. He stated every City was working on their waterfront. Mr. Curtis further suggested adding a Seafood Park within Newport News' Harbor, creating approximately 15,000 jobs with all of the development in the East End. This would uplift the people, who were in culture shock and despair from the downed economy (a copy of Mr. Curtis' Convention Center proposal is attached and made a part of these minutes). Bringing the tourists downtown, would make the blight go away. Changing the direction and the attitude of the customer would fill the City's coffers in an effort to energize the City of Newport News.

Mr. Antonio Thompson, 3011 Madison Avenue, Newport News, addressed the importance of public safety and security. He stated that treasury enrichment could not be neglected. Recycling was of equal importance. He commended members of City Council for their hard work.

Mr. Thompson warned that turbulent times would be forthcoming, to include pestilence and famine. Wars were occurring in the Middle East.

Mr. Thompson prayed for the Police Department. He advised that the media was overwhelming the police. He stated a Police Officer should not second guess himself, particularly if he/she felt their life was in danger.

Mr. Thompson mentioned the widespread fear of the Ebola virus, suggesting that President Obama was aware of something, having told hospitals to slow down because they were not aware of how the virus was coming into the Country. He would continue to pray for members of City Council and the City of Newport News.

Ms. Helen H. Foster, 722 North Avenue, Newport News, thanked members of City Council and City Officials for good things done for the North Newport News community. On Saturday, August 23, 2014, the North Newport News community celebrated 114 years as a community. Every department played a role, including but not limited to, the City Attorney's Office, Departments of Engineering, Parks, Recreation and Tourism, and Police. Their vision was to build a relationship with the Police Department. She expressed appreciation for those that were able to attend. Ms. Foster commended the secretaries of each department. She further commended the Newport News Police and the job they were doing in the community.

I. Citizen Comments on Matters Germane to the Business of City Council  
Continued

Ms. Dana Carter, 1585 Hampton Avenue, Newport News, requested that she be regarded as the "invisible citizen." Her comments were related to the Whitaker Memorial Hospital building. She was one of the citizens that was at the facility in an attempt to bring the building up to code and to perform maintenance around the building in terms of grass, broken windows, and similar projects. Ms. Carter indicated she was unnerved over the things she had seen and heard going on at the facility, to include complaints to the Police. She did not understand the need for police presence. There were many citizens that had expressed an interest in the building. Ms. Carter advised that she had met with the owner of the building, and received permission from Ms. Holloman, who managed the building, to perform maintenance. There were citizens that were interested in raising capital. Ms. Carter had in interest in preserving the community, and exhorting the citizens in the community to invest in themselves. She stated that people did not need a handout, but needed economic empowerment. Regarding the redevelopment taking place throughout the City of Newport News, Ms. Carter inquired about the number of minority contractors that were a part of the money coming in to revitalize the City, which was a major concern. She stated that people would buy into the renovation of the Whitaker Memorial Hospital building. "The Messenger (the person responsible for financing the project)," has spent \$10,000 thus far, for renovation of the Whitaker Memorial Hospital building. Ms. Carter stated the building was in terrible disrepair.

J. New Business and Councilmember Comments

City Manager Bourey, provided comments regarding the effort to develop a grocery in the Southeast community. He advised that meetings were held with two of the parties from which Letters of Intent were received. Additional meetings would be held in follow-up to finalize an agreement with the two parties, from which a selection could be made to develop a grocery store in the Southeast community. There had been discussions with two other parties which may be able to come to the table to offer possibilities for developing a grocery store. He advised that staff continued to push the matter and would continue to provide updates. It was his hope to bring this matter to a conclusion as quickly as possible.

City Attorney Owens extended condolences to Councilwoman Tina Vick, on the loss of her sister, Ms. Gwendolyn Diane Gilmore.

City Clerk Mabel Washington Jenkins extended condolences to Councilwoman Tina Vick (and family), on the loss of her sister, Ms. Gwendolyn Diane Gilmore.

City Clerk Washington Jenkins wished the members of City Council a Happy Bosses Day. Bosses Day would be celebrated on Thursday, October 16, 2014.

City Clerk Washington Jenkins wished her husband, Keith G. Jenkins a Happy Anniversary. Mr. and Mrs. Jenkins would celebrate their sixth wedding anniversary on Saturday, October 18, 2014.

Vice Mayor Coleman extended condolences to Councilwoman Tina Vick (and family), on the loss of her sister, Ms. Gwendolyn Diane Gilmore.

J. New Business and Councilmember Comments Continued

Vice Mayor Coleman thanked his colleagues for the lively discussion at the October 14, 2014 City Council Work Session regarding dog tethering.

Mayor Price advised that he attended six National Night Out events on Tuesday, October 7, 2014. He indicated it was great to see citizens out enjoying themselves and their community. He expressed thanks to those responsible for the Neighborhood Watch Program. The goals of the event was to heighten crime and drug prevention awareness, generate partnerships, and to send a message to the criminals that neighborhoods and the police were united in fighting crime.

Mayor Price shared that Newport News participated in the Mayor's Change Challenge for Hunger Action month. Hampton Mayor, George Wallace, issued a challenge to the City of Newport News to raise \$1,000 in change and 500 pounds of food to be donated to the Foodbank of the Virginia Peninsula. Newport News city employees raised \$1,509 in change and 200 pounds of food in a two week period. He and Vice Mayor Coleman took the money and food to the Foodbank on the morning of October 14, 2014. Mayor Price thanked the employees for their response to the challenge.

Mayor Price mentioned that he attended Southeast Community Day festivities on Saturday, September 6, 2014, in support of the local talent that the Newport News City Council graciously donated funds toward. He thanked the local talent groups for their participation in the festivities.

Mayor Price extended condolences to Councilwoman Tina Vick (and family), on the loss of her sister, Ms. Gwendolyn Diane Gilmore.

Mayor Price extended condolences to the Munick Family, on the loss of Mr. John Munick, who died on October 9, 2014. Mr. Munick loved the City of Newport News and very much gave of his time and talent to the City. His heart went out to the Munick and Vick families in their time of sorrow.

Councilwoman Scott extended condolences to Councilwoman Tina Vick (and family), on the loss of her sister, Ms. Gwendolyn Diane Gilmore. On a personal note, Councilwoman Scott advised that she had five sisters and could not imagine losing one. She and Councilwoman Vick had bonded and spoken about the importance of family.

Councilwoman Scott announced the next North District Town Hall Meeting was scheduled for Monday, October 27, 2014, at 7:00 p.m. at the Denbigh Community Center (15198 Warwick Boulevard). The guest speaker would be Chief R. B. Alley, Newport News Fire Department. She encouraged all citizens to attend.

Councilwoman Scott offered Happy Birthday wishes to Assistant City Manager, Alan K. Archer, who celebrated his birthday on October 14, 2014.

J. New Business and Councilmember Comments Continued

Councilwoman Scott announced a Zumbathon would be held on Wednesday, October 22, 2014, 6:00 p.m. – 8:00 p.m., with Candace, a Zumba instructor, at the Denbigh Community Center (15198 Warwick Boulevard). The Zumbathon served as a kick-off event for the North District Holiday Food Drive Party. Toys would be collected for the Angel Tree Network. Attendees were asked to bring a toy and/or food.

Councilwoman Woodbury thanked the citizens for their attendance and participation. She was saddened that the citizen comments when addressing City Council was shortened from five (5) to three (3) minutes because citizens did not have enough time to finish their thoughts. She suggested that her colleagues reconsider the time limitation, but received no takers.

Councilwoman Woodbury thanked Mr. Curtis for his remarks. She commended him on his ideas for the City.

Councilwoman Woodbury advised that she and her colleagues, along with the City Manager, attended the Annual Conference of the Virginia Municipal League in Roanoke, Virginia on October 5-8, 2014. They received many good ideas from many of the workshops. They heard from Speaker of the House, Delegate William J. Howell, Virginia House of Delegates. They were able to ask questions, some of which may affect Newport News. The Legislature would once again attempt to do away with the City's Machinery and Tools Taxes and BPOL (Business Professional and Occupational License) tax, which would put the City in a bind. All citizens would be affected by this action.

Councilwoman Woodbury mentioned that attendees also heard from Senator Mark Warner, Democratic incumbent, for the U. S. Senate, and Republican nominee Ed Gillespie, for the U. S. Senate, who were also present at the VML Conference. She indicated attendees heard an inspirational message from Dr. Lowell Catlett, New Mexico State University's College of Agricultural, Consumer and Environmental Sciences. Dr. Catlett was a futurist who talked about 3D printers and their uses; he also talked about where citizens were going and the impact felt by all.

Councilwoman Woodbury was delighted to have served on the VML Executive Committee.

Councilwoman Woodbury advised that the VML Executive Director, Ms. Kimberly Winn, who was interested in civics, invited all 7<sup>th</sup> graders to join its essay contest, "If I Were Mayor," to tell others what they would do as Mayor to make their cities and towns great places to live. Regional winners from around the State would be selected. Winners would receive a \$150 cash prize and plaque. One Statewide winner would be selected and would receive a \$250 cash prize and plaque. The winners, along with their teachers, would be recognized at a special ceremony in Richmond.

VML Executive Director, Ms. Kimberly Winn, had instituted Regional Suppers. The Regional Supper in Newport News was scheduled for Wednesday, November 5, 2014, at 6:00 p.m., at the Newport News Marriott Hotel at City Center (740 Town Center Drive), at a cost

J. New Business and Councilmember Comments Continued

of \$35. The Suppers would provide local government officials and appointees with important information pertaining to the 2015 General Assembly session. Elected and appointed officials from member localities were encouraged to attend. Each meeting would include presentations by staff and other subject experts on issues likely to surface during the 2015 session.

Councilwoman Woodbury advised that she and Councilwoman Vick had an opportunity to visit with the former Newport News City Manager, Mr. Neil Morgan.

Councilwoman Woodbury extended condolences to Councilwoman Tina Vick (and family), on the loss of her sister, Ms. Gwendolyn Diane Gilmore. She advised that she had lost her only sister and knew how tough the situation was to experience.

Councilman Bateman extended condolences to Councilwoman Tina Vick (and family), on the loss of her sister, Ms. Gwendolyn Diane Gilmore.

Councilman Bateman thanked City Manager Bourey, and his staff, to include the City Clerk's Office, as well as a number of Directors of various City departments for their hard work and responsiveness and promptness to obtain answers for various questions and issues.

Councilman Bateman thanked City Manager Bourey for the presentation about the 2015 United Way Campaign. The 2015 theme was "3 Priorities, One Bold Vision." Councilman Bateman encouraged his colleagues, citizens, and City employees to review all that the United Way did for Newport News and the Peninsula, and to thoughtfully consider making a contribution.

Councilwoman Cherry extended condolences to Councilwoman Tina Vick (and family), on the loss of her sister, Ms. Gwendolyn Diane Gilmore.

Councilwoman Cherry thanked Ms. Helen Foster and members of the North Newport News Civic League for their attendance and participation.

Councilwoman Cherry thanked Mr. Thompson for his kind words and his insight. She acknowledged Mr. Thompson and his wife of 29 years.

Councilwoman Cherry thanked Mr. Curtis for his energy and ideas. She was hopeful that the City Manager was energized by his remarks.

Councilwoman Cherry thanked all citizens for their attendance and participation. She stated that City Council members wanted to hear from them.

Councilwoman Cherry indicated that she had the opportunity to attend the Annual Conference of the Virginia Municipal League in Roanoke, Virginia on October 5-8, 2014. She stated the Conference was very enlightening. She learned a great deal and she and her colleagues returned with many ideas that they felt would be of benefit to the City of Newport News.

J. New Business and Councilmember Comments Continued

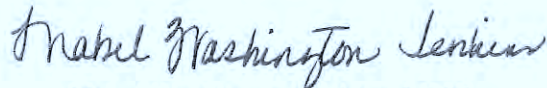
Councilwoman Cherry advised that the City of Newport News was awarded the platinum level in the 2014 Green Government Challenge. She and her colleagues were honored to be recipients of the award.

Councilwoman Cherry announced that The Downtown Newport News Merchants and Neighbors Association held a meeting called "A Clarion Call to the Community" each month, on the third Thursday. The next meeting was scheduled for Thursday, October 16, 2014, 6:00 p.m. – 7:30 p.m., at the Downing Gross Cultural Arts Center (2410 Wickham Avenue). Attendees would discuss how to make the community better, and how members of the community could become involved in making the community a better place to live.

K. Adjourn

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

THERE BEING NO FURTHER BUSINESS,  
ON MOTION, COUNCIL ADJOURNED AT 8:01 P.M.



Mabel Washington Jenkins, MMC  
City Clerk

McKinley L. Price, DDS  
Mayor  
Presiding Officer

A true copy, teste:

City Clerk

## F. Consent Agenda

### 4. Resolution of Recognition: Honoring the Newport News Redevelopment & Housing Authority (NNRHA) on its 75th Anniversary

ACTION: A REQUEST TO APPROVE A RESOLUTION OF RECOGNITION HONORING AND CONGRATULATING THE NEWPORT NEWS REDEVELOPMENT AND HOUSING AUTHORITY (NNRHA) ON ITS 75TH ANNIVERSARY.

BACKGROUND:

- The NNRHA was established on January 16, 1939, with a mission to maintain and create affordable housing, viable neighborhoods, and opportunities for self-sufficiency that enhance the quality of life of all Newport News citizens.
- NNRHA currently owns and manages 11 public housing communities within the City, providing homes for 1,565 households.
- The NNRHA administers over 2,200 Housing Choice Vouchers (Section 8), owns and manages over 1,600 affordable rental housing units and provides a number of service to residents, to include college scholarships, job training and employment assistance, and have assisted participants to become homeowners.
- City Council recognizes NNRHA on its 75th anniversary and congratulates the leaders, employees, and volunteers on their dedicated service to the citizens of Newport News.
- The City Manager recommends approval.

FISCAL IMPACT: • N/A

#### Supporting Material

sdm12920 Recognition re NNRHA - 75th Anniversary

**RESOLUTION NO. \_\_\_\_\_**

**RESOLUTION OF RECOGNITION**

WHEREAS, the Newport News Redevelopment and Housing Authority (NNRHA) celebrates its 75<sup>th</sup> anniversary of providing outstanding service to City of Newport News in 2014; and

WHEREAS, the NNRHA was established on January 16, 1939 as a political subdivision of the Commonwealth and was the third such authority to be established in the state; and

WHEREAS, the mission of the NNRHA is to maintain and create affordable housing, viable neighborhoods, and opportunities for self-sufficiency that enhance the quality of life of all citizens of Newport News; and

WHEREAS, the NNRHA currently owns and manages 11 public housing communities in Newport News providing homes for 1,565 households; and

WHEREAS, the NNRHA administers over 2200 Housing Choice Vouchers (Section 8) and owns and manages over 1600 affordable rental housing units across the City; and

WHEREAS, the NNRHA provides services to residents which include providing 27 college scholarships in 2014 totaling over \$53,000; job training and employment assistance to over 1,403 adult residents; Family Self Sufficiency programs which have assisted 153 participants to become homeowners; and the Neighborhood Networks Lab which serves 58 students each day; and

WHEREAS, the NNRHA administers the Community Development Block Grant and the HOME programs for the City of Newport News and also provides assistance to small businesses through the Newport News Urban Development Action Grant Program; and

WHEREAS, the NNRHA is governed by its seven commissioners, who are the foundation for the Authority's actions and accomplishments. The Executive Director serves at their pleasure and through the work of four departments: Administrative Services; Community Development; Finance; and Housing, meets the mission and goals of the organization; and

WHEREAS, the Council for the City of Newport News wishes to recognize the Newport News Redevelopment and Housing Authority on the 75<sup>th</sup> Anniversary of its founding and the Council acknowledges the many leaders, employees and volunteers who have supported the Authority in its commitment to provide exceptional and selfless service to the citizens of City of Newport News.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Newport News, Virginia:

1. That it hereby recognizes and congratulates the Newport News Redevelopment and Housing Authority on its 75<sup>th</sup> anniversary in the City of Newport News.
2. That it congratulates the leaders, employees, and volunteers of the Newport News Redevelopment and Housing Authority on their dedicated service to the citizens of Newport News, and extends its best wishes for continued success and development in the City of Newport News.
3. That a copy of this resolution be spread upon the records of this body and that a copy be presented to the Newport News Redevelopment and Housing Authority.
4. That this resolution shall be in effect on and after the date of its adoption, October 28, 2014.

## F. Consent Agenda

### 5. Resolution of Recognition: Honoring the First Church of Newport News (Baptist) on its 150th Anniversary

ACTION: A REQUEST TO APPROVE A RESOLUTION OF RECOGNITION FOR THE FIRST CHURCH OF NEWPORT NEWS (BAPTIST) ON ITS 150TH ANNIVERSARY.

BACKGROUND:

- In 1864, members of the African-American community in Warwick County, under the name First Baptist Church erected a wood-framed building at a location that is now the 400 block of 28th Street.
- In 1897, the original wood-framed building was moved to the 600 block of 24th Street, while a new brick building was being erected at 23rd Street and Jefferson Avenue.
- Thereafter, the groundbreaking for a new church facility took place on June 20, 1971, and once the building was completed the congregation began worshiping there in November 1972.
- In 1972, in honor of their rich history in the City, the church changed its name from First Baptist Church to First Church of Newport News (Baptist).
- The church's motto is "The Friendly Church on the Corner, Where Everybody is Somebody, and Christ is All."
- The theme for its 150th Anniversary is "Renewing Minds and Transforming Lives with a Legacy of Hope and Charity."
- City Council recognizes the First Church of Newport News (Baptist) on its 150th Anniversary and acknowledges the many individuals who have supported the Church and its leaders commitment to mankind through the numerous ministries, programs and services offered to the citizens of Newport News.
- The City Manager recommends approval.

FISCAL IMPACT: • N/A

#### Supporting Material

sdm12933 Recognition re First Church of Newport News (Baptist)

**RESOLUTION NO. \_\_\_\_\_**

**RESOLUTION OF RECOGNITION**

WHEREAS, the Council for the City of Newport News, Virginia, would like to recognize the 150<sup>th</sup> anniversary of the First Church of Newport News (Baptist); and

WHEREAS, in 1864, members of the African-American community in Warwick County under the name First Baptist Church and erected a wood-framed building at a location that is now the 400 block of 28<sup>th</sup> Street. This structure cost \$3,000 dollars and had a seating capacity of 500. Reverend Thomas Poole of Isle of Wight County was the prime organizer and first pastor of the church; and

WHEREAS, in 1897, during the pastorate of Reverend William H. Dixon, the original wood-framed building was moved to the 600 block of 24<sup>th</sup> Street while the building of a new brick edifice began at 23<sup>rd</sup> Street and Jefferson Avenue. Services continued in the old building until the new facility was completed. The completed building with its towering steeple was a landmark on the Newport News horizon for many years; and

WHEREAS, lots for the current church location were purchased on 23<sup>rd</sup> & 24<sup>th</sup> Streets and Wickham Avenue. A new church facility was built under the pastorate of Reverend Doctor Fred J. Boddie, Jr. The groundbreaking took place on June 20, 1971 and the congregation began worshipping there in November 1972. The current church facility located at 2300 Wickham Avenue includes educational facilities, a fellowship hall and meditative chapel; and

WHEREAS, in 1972, in honor of their rich history in the City of Newport News, the church changed its name from First Baptist Church to First Church of Newport News (Baptist); and

WHEREAS, First Church of Newport News (Baptist) has been served by many pastors throughout its history, including Reverend Thomas Poole, Reverend Carr, Reverend Young, Reverend Jackson, Reverend Cooley, Reverend William H. Dixon, Reverend H. Howell Harris, Reverend W.A. Taylor, Reverend C.D. Henderson, Dr. Arthur A. Galvin, Reverend John Francis Williams, Reverend Doctor Fred J. Boddie, Jr., Reverend Reginald L. Dawkins, and Reverend Rodney Johnson; and

WHEREAS, the church's motto is "The Friendly Church on the Corner, Where Everybody is Somebody, and Christ is All." and the theme for its 150<sup>th</sup> Anniversary is "Renewing Minds and Transforming Lives with a Legacy of Hope and Charity."

WHEREAS, the Council for the City of Newport News wishes to recognize the First Church of Newport News (Baptist) on the 150<sup>th</sup> Anniversary of its founding and the Council acknowledges the many individuals who have supported the Church and its leaders in its

commitment to mankind through the numerous ministries, programs, and services offered to the citizens of City of Newport News.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Newport News, Virginia:

1. That it hereby recognizes and congratulates First Church of Newport News (Baptist) on its 150<sup>th</sup> anniversary in the City of Newport News.
2. That it congratulates First Church of Newport News (Baptist) for its dedicated service to the citizens of Newport News, and extends its best wishes for continued success and development in the City of Newport News.
3. That a copy of this resolution be spread upon the records of this body and that a copy be presented to First Church of Newport News (Baptist).
4. That this resolution shall be in effect on and after the date of its adoption, October 28, 2014.

## **F. Consent Agenda**

### 6. Resolution Authorizing the Adoption of the City's 2015 State Legislative Package

ACTION: A REQUEST TO APPROVE A RESOLUTION ADOPTING THE CITY OF NEWPORT NEWS 2015 STATE LEGISLATIVE PACKAGE

BACKGROUND:

- The City prepares a State Legislative Package annually for presentation to the Virginia General Assembly.
- Council was presented the City's State Legislative Priorities Package for the 2015 Virginia General Assembly at its October 14th, Work session.
- The City Manager recommends approval.

FISCAL  
IMPACT:

- N/A

#### Supporting Material

CM Memo re 2015 State Legislative Pckg

sdm12947 Reso Approving and Adopting the City's Legislative Program for the FY15 VA General Assembly

# CITY OF NEWPORT NEWS

## OFFICE OF THE CITY MANAGER

October 22, 2014

**TO:** The Honorable City Council  
**FROM:** City Manager  
**SUBJECT:** 2015 Legislative Priorities

Attached to the resolution prepared by the City Attorney's office is an amended draft of the City's 2015 State Legislative Priorities for the Virginia General Assembly which was presented for your review at your October 14 work session. Per your request, an item was added to the document which states the City's position in support of restrictions on predatory lending practices.

This year's legislative priorities include several items to improve funding options for public transportation, amendments to the enabling legislation of the Hampton Roads Transportation Accountability Commission (HRTAC), and a funding request for the Peninsula Transit Corridor Study. There are also policy statements regarding statewide issues that will have significant local impact such as changes to Business, Professional and Occupational License (BPOL) and Machinery and Tolls (M&T) taxes, funding for economic development incentives, State aid to localities reductions, and the regulation of Transportation Network Companies. We have included support for a study of transportation funding equity and support for Commonwealth Transportation Board representation to be based on congressional districts.

The proposed draft also includes a request to amend the language used in the *Code of Virginia* in reference to photo-monitoring systems for traffic signal enforcement. We are requesting that the Code language read "notice of violation" instead of "summons" as that language more accurately reflects the day-to-day operation of the program by localities.

Once you have approved the legislative priorities, copies of the City's legislative package will be distributed to our General Assembly delegation. I recommend your approval of this legislative package.

  
James M. Bourey

JMB:JGW:wmp

cc: Collins L. Owens, Jr., City Attorney  
Jerri Wilson, Legislative Liaison

**RESOLUTION NO. \_\_\_\_\_**

**A RESOLUTION OF THE COUNCIL OF THE CITY OF NEWPORT NEWS, VIRGINIA, APPROVING AND ADOPTING THE CITY OF NEWPORT NEWS' LEGISLATIVE PROGRAM FOR THE 2015 VIRGINIA GENERAL ASSEMBLY.**

WHEREAS, the Newport News City Council analyzes and adopts both specific legislative proposals and general policy positions as a part of its legislative program during its deliberations concerning positions to be presented for use by the Virginia General Assembly; and

WHEREAS, the legislative proposals are specific initiatives which the Newport News City Council believes should be acted upon as a part of the work of the 2015 Virginia General Assembly legislative session; and

WHEREAS, the Newport News City Council requests that the Virginia General Assembly consider and act upon the legislative proposals identified in the Newport News 2015 Legislative Program.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Newport News, Virginia, that it hereby approves and adopts the Newport News 2015 Legislative Program, a copy of which is attached hereto and made a part hereof.

BE IT FURTHER RESOLVED that it is the City Council's express desire that the legislative proposals approved and adopted hereby be considered and acted upon during the legislative session of the 2015 Virginia General Assembly.

BE IT FURTHER RESOLVED that the City Manager is directed to provide a copy of the 2015 Legislative Program to each member of the City's Virginia General Assembly delegation.

BE IT FURTHER RESOLVED that the City Manager, the City Attorney and/or their designee(s) is/are hereby authorized and directed to provide necessary input and clarification during the 2015 Virginia General Assembly session and to carry out other activities as needed to assist in attaining the goals and objectives contained in the City's 2015 Legislative Program.

# State Legislative Priorities

2015

Virginia General Assembly



# DRAFT WORKING PAPERS



DRAFT WORKING PAPERS

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**THE CITY OF NEWPORT NEWS, VIRGINIA**

**CITY COUNCIL**

*McKinley L. Price, D.D.S., Mayor, At Large*

*Robert S. Coleman, Vice Mayor, North District*

*Herbert H. Bateman, Jr., Central District*

*Saundra Cherry, South District*

*Sharon P. Scott, North District*

*Tina L. Vick, South District*

*Dr. Pat Woodbury, Central District*

**CONTACT CITY COUNCIL**

[council@nnva.gov](mailto:council@nnva.gov)

757.926.8634

**CITY MANAGER**

*James M. Bourey*

## DRAFT WORKING PAPERS

### SENATE OF VIRGINIA

**John C. Miller (D)**

**1st Senate District**

P.O. Box 6113

Newport News, VA 23606

757.595.1100

[district01@senate.virginia.gov](mailto:district01@senate.virginia.gov)

In Session: 804.698.7501

General Assembly Building Room 306

Committee Assignments:

- Agriculture, Conservation and Natural Resources
- Education and Health
- Local Government
- Rehabilitation and Social Services

**Mamie E. Locke, Ph.D. (D)**

**2nd Senate District**

P.O. Box 9048

Hampton, VA 23670

757.825.5880

[district02@senate.virginia.gov](mailto:district02@senate.virginia.gov)

In Session: 804.698.7502

General Assembly Building Room 427

Committee Assignments:

- Education and Health
- General Laws and Technology
- Local Government
- Rehabilitation and Social Services

### VIRGINIA HOUSE OF DELEGATES

**Monty Mason (D)**

**93rd District**

P.O. Box 232

Williamsburg, VA 23187

757.229.9310

[DelMMason@house.virginia.gov](mailto:DelMMason@house.virginia.gov)

In session: 804.698.1093

General Assembly Building Room 806

Committee Assignments:

- Counties Cities and Towns
- Courts of Justice

**David Yancey (R)**

**94th District**

P.O. Box 1163

Newport News, VA 23601

757-897-3953

[DelDYancey@house.virginia.gov](mailto:DelDYancey@house.virginia.gov)

In Session: 804.698.1094

General Assembly Building Room 717

Committee Assignments:

- Education
- General Laws
- Transportation

**Mamye E. BaCote (D)**

**95th District**

P.O. Box 5154

Newport News, VA 23605

757.244.4415

[DelMBaCote@house.virginia.gov](mailto:DelMBaCote@house.virginia.gov)

In Session: 804.698.1095

General Assembly Building Room 507

Committee Assignments:

- Appropriations
- Health Welfare and Institutions
- Transportation

# DRAFT WORKING PAPERS

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## LEGISLATIVE PRIORITIES

- I. Photo Safe Traffic Monitoring Notice of Violations ~ Amend language in VA Code Section 15.2-968.1
- II. Hampton Roads Transportation Accountability Commission Voting
- III. Funding for Public Transportation
- IV. Funding for Peninsula Transit Corridor Study
- V. Regulation of Transportation Network Companies
- VI. BPOL, Machinery and Tools, and Merchants Capital Taxes
- VII. Joint Legislative Audit and Review Commission Study of Transportation Funding Equity
- VIII. Commonwealth Transportation Board Representation by Congressional District
- IX. Aid to Localities Reductions
- X. Funding for Enterprise Zone Program
- XI. Funding for Governor's Development Opportunity Fund
- XII. Support Restriction on Predatory Lending

## DRAFT WORKING PAPERS

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### I. PHOTO-SAFE TRAFFIC MONITORING SYSTEMS, NOTICE OF VIOLATION

*Request:*

The City of Newport News asks that the General Assembly amend section 15.2-968.1 of the Code of Virginia to replace the word “summons” with the words “notice of violation” which reflects the language in use by localities when an infraction occurs.

*Justification:*

The current wording in Virginia Code § 15.2-968.1, “Use of photo-monitoring systems to enforce traffic signals”, repeatedly uses the word “summons” when in fact the established practice is to issue a “notice of violation”. In a recent court case regarding a contested Photo-Safe violation, the Judge in the case reviewed the code and advised that he could not convict under the current code as a summons was not issued.

The City of Newport News requests that the language in Virginia Code section 15.2-968.1 be amended to reflect the actual day-to-day operation of the program by localities.

## DRAFT WORKING PAPERS

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### II. HAMPTON ROADS TRANSPORTATION ACCOUNTABILITY COMMISSION VOTING

*Request:*

The City of Newport News asks that the General Assembly amend chapter 678 of the Acts of Assembly 2014 session pertaining to the Hampton Roads Transportation Accountability Commission (HRTAC) to allow the Chief Elected Official (CEO) of a governing body embraced by the commission to designate another council or board member to represent him/her in the event that he/she is unable to attend a meeting. Such designation shall be made to the chair of the HRTAC electronically or in writing before the meeting and shall be valid for only the meeting which the CEO is unable to attend.

*Justification:*

The enabling legislation of the Hampton Roads Transportation Accountability Commission requires that the voting member for each locality embraced by the commission be the Chief Elected Official of that locality. The law further states that decisions by the commission must be made by: 1) a quorum constituting a majority of the elected officials of the Commission, 2) the affirmative vote of two-thirds of the voting members present and voting, and 3) two-thirds of the chief elected officers of the counties and cities embraced by Planning District 23 who are present and voting and whose counties and cities includes at least two-thirds of the population embraced by the Commission.

It is extremely important that Commission decisions reflect the will of the citizens that it serves. To that end, an accommodation should be made to guarantee that every jurisdiction can be represented at every meeting. As most chief elected officials have full-time careers in addition to their part-time elected positions, it is not unreasonable to expect that a situation could arise that would prohibit them from attending a HRTAC meeting. Further, no provision currently exists to address the unfortunate circumstance when a CEO might be incapacitated for an extended period of time. Allowing a member of a City Council or Board of Supervisors to represent the locality in the absence of the Mayor or Chair maintains accountability to the citizens while also ensuring that they are represented in the decision-making process.

## DRAFT WORKING PAPERS

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### III. FUNDING FOR PUBLIC TRANSPORTATION

*Request:*

The City of Newport News requests that the General Assembly take action that will allow public transportation to maintain and expand service levels.

*Justification:*

Funding for public transportation is a priority policy issue because a robust regional transit system will support regional economic competitiveness and mobility. The existing funding structure for public transportation in Hampton Roads hinders the planning and delivery of the region's transit system and jeopardizes its ability to continue to provide service at current levels, much less make anticipated expansions.

The City of Newport News is served by Hampton Roads Transit. Local revenue provides more than 35% of HRT funding. The cost to the City of Newport News for public transit has increased by approximately 15 percent over the most recent three fiscal years with an FY 2014 cost of \$5,751,844. This increase has come with no expansion in services. Relying on local general fund revenue puts public transit in competition with education and public safety for limited local dollars. **Therefore, a dedicated revenue source independent of local general funds is necessary to sustain and improve regional transit services.**

HB2313, the landmark Transportation bill passed by the General Assembly in 2013 allows Northern Virginia to use 70 percent of its regional revenues for regional road and transit projects. This same legislation does not allow Hampton Roads to use regional money for public transportation purposes. This inequity puts our region at a distinct disadvantage. **For this reason, the City supports amendments needed to allow Hampton Roads regional transportation funds to be used for public transportation purposes.**

HB2313 also predicated increased Transportation Trust Fund dollars—a percentage of which is designated for transit—on the passage of the Federal Marketplace Fairness Act (MFA), granting States the authority to collect taxes on internet sales. If it fails to pass, in January of 2015, Virginia's wholesale gas tax will increase automatically to compensate. **In this event, increased revenue from the gas tax should be allocated in the same manner that MFA revenues would have been allocated under HB2313.**

## DRAFT WORKING PAPERS

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### IV. FUNDING FOR PENINSULA TRANSIT CORRIDOR STUDY

*Request:*

The City of Newport News asks that the General Assembly provide \$1.9 million in funding for a study to identify potential high capacity, fixed guideway transit corridors in Hampton and Newport News.

*Justification:*

Hampton Roads Transit is proposing a study to identify potential high capacity, fixed guideway transit corridors in Hampton and Newport News that could connect major residential and commercial activity centers including Newport News Shipbuilding, Peninsula Town Center in Hampton, City Centre at Oyster Point, and other Peninsula destinations. This study would provide a foundation for streamlined entrance into the formal environmental review process required under the National Environmental Policy Act for major federal actions. The cost of the study is \$1.9 million.

The City of Newport News is committed to the vision of a robust and vibrant transportation system that is multi-modal and provides options for both workforce and leisure travelers. Options such as bus rapid transit and rail can improve accessibility and mobility, support major employment centers, and fuel the economic engines in our communities. A fixed guideway study is the first step in a process that will ultimately yield tremendous return-on-investment. The City supports State funding of the Peninsula Local Transit Corridor Study.

### V. REGULATION OF TRANSPORTATION NETWORK COMPANIES

*Request:*

The City of Newport News asks that the General Assembly regulate Transportation Network Companies using standards comparable to those localities use to regulate taxi cabs. In addition, the State should require that TNC drivers are subject to applicable taxes and fees resultant from their for-hire employment. Localities should retain the authority to regulate taxi cabs.

*Justification:*

Transportation Network Companies (TNCs) connect riders with drivers using smart-phone technology to arrange transportation and collect fares. The convenience offered by this service makes it appealing to travelers. Functionally, the service operates like a taxi but it is currently not regulated the way that taxis are. After legislative consideration in the 2014 Session, the General Assembly charged the Virginia Department of Motor Vehicles to develop a framework for regulating TNCs. It is anticipated that the State, not local government, will regulate Transportation Network Companies. Local governments should retain the authority to regulate taxi cabs.

Local governments have very well-defined regulations that govern for-hire vehicles operating within our jurisdictions. Public safety is a primary concern in crafting local regulations. In Newport News, applicants for a driver's permit are submitted to a thorough background check to insure that they are appropriately licensed to operate a motor vehicle and have no disqualifying offenses on record. The City requires that vehicles used to transport passengers for a fare are inspected annually by our Police division AND possess a current Virginia vehicle safety inspection sticker. The additional scrutiny assures us that the overall condition of the vehicle is in good working order. To the extent possible, riders should be safe at all times. For-hire vehicles are required to maintain proscribed levels of insurance coverage at all times to protect the public from financial losses should an incident occur.

TNC partners should be required to remit applicable local taxes such as Business Professional Occupational License taxes. Also, Virginia law grants car tax relief to personal passenger vehicles used primarily for nonbusiness purposes. An owner whose vehicle is frequently used for TNC purposes may become ineligible for car tax relief.

The City of Newport News asks that any regulatory framework adopted by the State, 1) place maximum emphasis on public safety and, 2) include provisions to allow localities to apply existing tax laws.

## DRAFT WORKING PAPERS

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### VI. BPOL, MACHINERY AND TOOLS, AND MERCHANTS CAPITAL TAX

#### Request:

The City of Newport News asks the General Assembly to reject legislation that will reduce, eliminate, or constrain local government revenue sources including BPOL, Machinery and Tools, and the Merchants Capital taxes.

#### Justification:

Virginia takes great pride in being a business-friendly state. To that end, law makers continually look for ways to make the Commonwealth more appealing to businesses. While the City of Newport News applauds the efforts of the General Assembly to bring jobs and economic growth to Virginia, local government revenue should not be the bargaining chip with which this is accomplished. However, each year in the effort to lower the business tax burden, it is local revenue streams such as BPOL and Machinery and Tools taxes that are continually reviewed for reduction or elimination.

Statewide estimates for BPOL and Machinery and Tool tax revenue are approximately \$900 million annually. In Newport News, BPOL and Machinery and Tools taxes generate approximately 8.3 percent of the City's General Fund. In FY14 the City collected approximately \$20.8 million in Machinery & Tools taxes and \$15.7 million in BPOL. However, the burden to most businesses is relatively small: two-thirds of Newport News businesses pay a flat fee of either \$30 or \$50, based on their annual gross receipts. Only one-third of the City's businesses pay a tax based on their business activity and the tax rate for that activity.

To offset the loss of BPOL and M&T revenue, the City would have to increase the real estate tax rate by a minimum of \$0.27. To put this in perspective, in order to compensate for the loss of local business taxes, which cost most businesses \$30 to \$50 annually, a home owner in the City's median home value range of \$205,000 would see increased real estate taxes of over \$500 annually. In consideration of the City services that equally benefit businesses and residents - such as public safety, education, transit, roads - it seems unfair that residents should bear the entire cost.

The City of Newport News respectfully requests that the General Assembly reject any legislation that will negatively impact local government revenue streams and/or cause the tax burden to be shifted to the citizens.

## DRAFT WORKING PAPERS

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### VII. JOINT LEGISLATIVE AUDIT AND REVIEW COMMISSION (JLARC) STUDY OF TRANSPORTATION FUNDING EQUITY

#### Request:

The City of Newport News supports the request for a Joint Legislative Audit and Review Commission (JLARC) study of transportation funding equity.

#### Justification:

The General Assembly directs that the Commonwealth Transportation Board allocate funds for transportation construction after maintenance and other subtractions are taken from total revenue available. Forty percent of transportation funding goes to primary roadway allocation and thirty percent goes to each of the secondary and urban systems.

In 1984, JLARC completed a study of “The Equity of Current Provision for Allocating Highway and Transportation Funds in Virginia” (JLARC Study #64). The purpose of this review was to examine the needs of urban, primary, and secondary roads systems and recommend the portion of funding that should be allocated to each. The 1984 study which was described as “a rigorous and objective analysis of the need for construction dollars” recommended that the General Assembly distribute one-third of the funding to each system. Instead, the General Assembly implemented the 40-30-30 distribution which is currently in use.

By 2017, HB2313 will generate sufficient funding to allow allocations to the various road systems. Because the current distribution formula is based on a study completed almost three decades before HB2313, it seems appropriate that a new study be completed that will determine the most appropriate use for new funding, determine the adequacy of roadway maintenance funding provided to localities, and examine funding breakouts for other modes of transportation such as transit.

## DRAFT WORKING PAPERS

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### VIII. COMMONWEALTH TRANSPORTATION BOARD REPRESENTATION BY CONGRESSIONAL DISTRICT

*Request:*

The City of Newport News supports an amendment to the Code of Virginia such that Commonwealth Transportation Board members are selected by one representative from each Congressional district while retaining the current At-Large members.

*Justification:*

Currently, the Commonwealth Transportation Board is primarily composed of members from the VDOT construction districts across Virginia. The construction districts were drawn in the late 1920's and do not accurately represent the current population. Since that time, the Commonwealth's population has coalesced along the I-95/I-64 corridor and the I-66/I-81 corridor. The construction districts and representation on the Commonwealth Transportation Board do not correlate with where the majority of the people in the Commonwealth reside. Aligning representation with Virginia's population distribution, while retaining the current At-Large members, is the most equitable way for Commonwealth Transportation Board to prioritize funds and programs for the Commonwealth.



## DRAFT WORKING PAPERS

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### IX. AID TO LOCALITIES REDUCTIONS

*Request:*

The City of Newport News asks that the General Assembly refrain from further reductions in State aid to localities.

*Justification:*

In times of significant economic challenge, the State routinely passes these challenges down to the local government level by reducing State aid programs. Reductions in State aid to localities are applied to essential services, including law enforcement, jail administration, foster care and child protection services, election administration and social services. Localities must elect to either take reductions in particular programs, or to send the State a check for the amounts determined by the Virginia Department of Planning and Budget.

In fiscal years 2009, 2010 and 2013 the State budget contained annual reductions of \$50 million in across-the-board cuts to cities and counties. In fiscal years 2011 and 2012, the annual reductions were at \$60 million. Over the most recent five-year period, these reductions cost the City of Newport News \$7.9 million.

In FY 2015, the General Assembly agreed to reduce State aid to localities by \$30 million. While we appreciate that the level of reduction was not as high as in previous years, we are deeply chagrined at the prospect of trimming local budgets that are already emaciated. Given that the outlook for FY 2016 call for even greater reductions to the State budget, the City of Newport News asks that the General Assembly refrain from making further reductions in State aid to localities.

## DRAFT WORKING PAPERS

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### X. ENTERPRISE ZONE PROGRAM FUNDING

#### Request:

The City of Newport News requests that the General Assembly maintain level funding from FY15 for the upcoming fiscal year FY16 for the Virginia Enterprise Zone (VEZ) program.

#### Justification:

The Virginia Enterprise Zone program encourages new business activity by providing State grants and local tax relief. The program creates an improved climate for private sector investment, development and expansion in targeted areas. Two grant-based incentives are available, Job Creation Grants and Real Property Investment Grants. Newport News consistently ranks as one of top Enterprise Zones in the state, regularly placing at or near the top in grant dollars leveraged and total number of qualifying businesses. Over the past two grant years, there were 46 qualifying Newport News businesses which received a total of over \$3 million in Virginia Enterprise Zone grants. Over this period, these grants helped to create and sustain over 1,100 new jobs and stimulate approximately \$19 million in new real property improvements in Newport News.

For FY 2015, the General Assembly appropriated approximately \$14 million to be used for Virginia Enterprise Zone grant payments to qualifying businesses and property owners. Should this annual appropriation be minimized, the benefits of this program to local businesses could be severely depleted. If the total funding needed to fulfill the commitments for approved Virginia Enterprise Zone grantees exceeds the total amount of appropriated funding, grants are then prorated across the board as necessary. This severely impacts the effectiveness of the program and can, without notice, severely impact the amount of funding a zone investor receives or planned to receive. Therefore, it is in the best interest of economic development and redevelopment that the General Assembly maintain level funding of this important economic development tool.

## DRAFT WORKING PAPERS

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### XI. FUNDING FOR GOVERNOR'S DEVELOPMENT OPPORTUNITY FUND

*Request:*

The City of Newport News requests that the General Assembly maintain level funding from FY15 for the upcoming fiscal year for the Governor's Development Opportunity Fund.

*Justification:*

The Governor's Development Opportunity Fund (GOF) is an important economic development tool that helps to secure a project. It is one of the only discretionary incentives which can be used to provide an immediate cash grant to incent a company to expand at a particular location. GOF funding has been utilized by companies in a many ways such as assisting companies to train new and existing employees to operate new advanced manufacturing equipment and to assist with funding of critical infrastructure to support the expansion of company operations. GOF grants are secured through a performance agreement and must be repaid by the company should they not meet their obligations to create new jobs and capital investment.

In recent years, the City of Newport News and Commonwealth have benefited significantly from major business expansions incented through the GOF. These major business expansions have been critical to supporting the economic vitality of the City of Newport News, the Hampton Roads region, and the Commonwealth. Recent projects secured through the GOF include expansions at major Newport News employers such as Continental Automotive Systems, High Liner Foods, Liebherr Mining Equipment, and Canon Virginia, Inc. As a result of these expansions, the GOF has helped to create over 1,400 new jobs and has generated several hundred million dollars of capital investment in real property and machinery and equipment.

GOF projects are investments that yield long term benefits to the economy such as stable employment and new tax revenue. So, despite the economic challenges that the State is facing in the upcoming biennium, the General Assembly should make every effort to maintain level funding for the Governor's Development Opportunity Fund.

### XI. SUPPORT RESTRICTIONS ON PREDATORY LENDING

*Request:*

The City of Newport News asks that the General Assembly support legislation that will restrict predatory lending practices.

*Justification:*

Predatory lending practices such as those used by payday lenders pose a threat to the well-being of the community. Many payday lenders charge excessive fees, fail to verify a borrower's ability to repay, and target high-cost loans to the elderly, low-income, and minority families. High rates and hidden fees can combine to make a payday loan difficult to repay. Borrowers often become caught in a cycle of short-term, high-interest debt which can undermine any attempt to save money and build good credit.

With these concerns in mind, the City of Newport News supports legislation that will:

- ▶ Impose an interest rate cap of thirty-six percent, calculated as an effective annual percentage rate including all fees or charges of any kind, for any consumer credit, including but not limited to payday loans, vehicle title loans, and Tax Refund Anticipation Loans, extended in the Commonwealth of Virginia;
- ▶ Prohibit a creditor's use of a personal check or other device as a means, directly or indirectly, to gain access to a consumers bank account;
- ▶ Incorporate into the Code of Virginia the protections regarding consumer credit to military person, as reflected in the Military Lending Act of 2007, 10 United States Code Section 987, to all Virginia residents; and
- ▶ Allow localities to limit the number of such businesses that may operate within a specified geographic area.

# DRAFT WORKING PAPERS



## DRAFT WORKING PAPERS

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*For additional copies of this document, please contact:*

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City of Newport News  
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[jgwilson@nnva.gov](mailto:jgwilson@nnva.gov)

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## G. Other City Council Actions

1. Ordinance Amending City Code, Chapter 31, Pensions and Retirement; Article II., Division 4, Section 31-41, Purchase of Prior Service; and Division 7, Section 31-73, Changes or Errors in Records Resulting in Erroneous Calculations or Payments

ACTION:

A REQUEST TO ADOPT AN ORDINANCE AMENDING CITY CODE, CHAPTER 31, PENSIONS AND RETIREMENT; ARTICLE II., EMPLOYEES' RETIREMENT FUND; DIVISION 4, CREDITED SERVICE; SECTION 31-41, PURCHASE PRIOR SERVICE; AND DIVISION 7, ADMINISTRATION; SECTION 31-73, CHANGES OR ERRORS IN RECORDS RESULTING IN ERRONEOUS CALCULATION OR PAYMENTS.

BACKGROUND:

- This request comes from the Board of Trustees of the Newport News Employees' Retirement Fund (NNERF).
- The ordinance amendment will allow for a small number of employees, formerly employed full-time by the Virginia Peninsula Tourism and Conference Bureau, Inc. to purchase prior service credit.
- It will also allow for the Board of Trustees to recommend to the City Manager to waive repayment of all or part of any erroneous payments made to a retiree, if the recipient was overpaid through no fault of their own and could not have reasonably known of the error.
- The City Manager recommends approval.

FISCAL IMPACT:

- N/A

Supporting Material

CM Memo re Chapt 31 Pensions & Retirement Ord Amdmnt

sdm12756 Amending Sec. 31-41, Purchase of prior service and Sec. 31-73, Changes or errors in records

# CITY OF NEWPORT NEWS

## OFFICE OF THE CITY MANAGER

October 22, 2014

**TO:** The Honorable City Council

**FROM:** City Manager

**SUBJECT:** Ordinance Amendments to Chapter 31, Pensions and Retirement

The Board of Trustees of the Newport News Employees' Retirement Fund (NNERF) is requesting and recommending two changes to the City Code.

The first recommendation is to Chapter 31, Pensions and Retirement; Article II., Employees' Retirement Fund; Division 4, Credited Service; Section 31-41, relating to the purchase of prior service credit. This change would allow a small number of City employees who were formerly employed full-time by the Virginia Peninsula Tourism and Conference Bureau to purchase service credit for the time they served with the Bureau. The purchase would be at actuarially neutral rates so such a change would not have a cost to the Fund. It is noted that Newport News, Hampton, York County, and Poquoson provided most of the Bureau's funding, and that these localities appointed the six initial directors of the corporation. The City acted as fiscal agent for the Bureau beginning in the mid 1980's. Support for the Bureau ended around 1993 after which it ceased to exist.

Currently, employees may purchase service credits based on employment with other political subdivisions of Virginia. However, since the Tourism and Conference Bureau was established as a non-stock corporation, it does not currently qualify as a political subdivision under the City Code, and therefore, was not available for service credit. The City was instrumental in the Bureau's establishment and operation.

The second change is to Division 7, Administration; Section 31-73, in regard to erroneous payments made to employees by NNERF. Currently, the City Code requires that any and all overpayments made to retirees MUST be reclaimed. The proposed change would align the NNERF with

the provisions of VRS, so that reimbursement to the NNERF by the retiree for overpayments may be waived in limited circumstances. Under this amendment, the Board may recommend that the City Manager, waive any or all repayments if the recipient was overpaid through no fault of his or her own and could not have been reasonably expected to detect the error. Upon receipt of the Board's recommendation, I may disapprove the waiver of repayment or approve the waiver of all or part of the overpayment to the retiree.

I recommend approval of these changes.

  
James M. Bourey

JMB/TM

**ORDINANCE NO. \_\_\_\_\_**

AN ORDINANCE TO AMEND AND REORDAIN CHAPTER 31, PENSIONS AND RETIREMENT, OF THE CODE OF THE CITY OF NEWPORT NEWS, VIRGINIA, ARTICLE II., EMPLOYEES' RETIREMENT FUND, DIVISION 4., CREDITED SERVICE, SECTION 31-41, PURCHASE OF PRIOR SERVICE; AND DIVISION 7., ADMINISTRATION, SECTION 31-73, CHANGES OR ERRORS IN RECORDS RESULTING IN ERRONEOUS CALCULATIONS OR PAYMENTS.

NOW, THEREFORE, BE IT ORDAINED by the Council of the City of Newport News, Virginia:

1. That Chapter 31, Pensions and Retirement, of the Code of the City of Newport News, Virginia, Article II., Employees' Retirement Fund, Division 4., Credited Service, Section 31-41, Purchase of prior service; and Division 7., Administration, Section 31-73, Changes or errors in records resulting in erroneous calculations or payments, be, and the same hereby is, amended and reordained as follows:

**CHAPTER 31**

**PENSIONS AND RETIREMENT**

**ARTICLE II. EMPLOYEES' RETIREMENT FUND**

**DIVISION 4. CREDITED SERVICE**

**Sec. 31-41. Purchase of prior service.**

(a) City employees - Any provision of this article to the contrary notwithstanding and subject to the conditions hereinafter set forth, a city employee who has vested in his or her accrued benefit under the fund may purchase credited service at an actuarially determined cost neutral purchase rate, approved from time to time by the board multiplied by his or her annual salary as of the date of purchase as follows:

- (1) Time employed by the city under a CETA program.
- (2) No more than ten (10) years of active duty service in the armed forces of the United States of America not otherwise credited under section 31-44, and not otherwise exchanged under section 2-111.

- (3) Prior credited service with the Newport News Employees' Retirement Fund which was forfeited because of the withdrawal of accumulated contributions.
- (4) Credited service earned as a regular full-time or equivalent employee with (i) VRS or (ii) the retirement plan of any other political subdivision of Virginia, including this fund, which is not considered in the calculation of a retirement benefit.
- (5) Credited service with the city during which the employee participated in a city approved IRC section 457 deferred compensation plan, as an alternative to the fund, by transferring assets from the alternative IRC section 457 plan to the fund.
- (6) Time employed by the Virginia Peninsula Tourism and Conference Bureau, Inc. as a full-time employee.

(b) School board employees - Any provision of this article to the contrary notwithstanding, and subject to the conditions hereinafter set forth, a school board employee who has vested in his or her accrued benefit under the fund may purchase credited service at an actuarially determined cost neutral purchase rate, approved from time to time by the board, multiplied by his or her annual salary as of the date of purchase as follows:

- (1) Time employed by the school board under a CETA program.
- (2) No more than ten (10) years of active duty service in the armed forces of the United States of America not otherwise credited pursuant to section 31-44, and not otherwise exchanged pursuant to section 2-111.
- (3) Prior credited service with the fund which was forfeited because of the withdrawal of accumulated contributions.
- (4) Credited service earned as a regular full-time or equivalent employee under (i) VRS or (ii) the retirement plan of any other political subdivision of Virginia, including this fund, which is not considered in the calculation of a retirement benefit.
- (5) Time employed by the Virginia Peninsula Tourism and Conference Bureau, Inc. as a full-time employee.

(c) All or a portion of the service specified in subsections (a) and (b) of this section may be purchased, however, in order for VRS participants to purchase credited service under subsection

(b), such credited service must have first been purchased under VRS.

(d) Any member purchasing credited service with the city by transferring assets from the city approved IRC section 457(b) alternative deferred compensation plan provided for in section 2-106 to the fund shall transfer assets equal to the actuarially determined cost neutral purchase rate, approved from time to time by the board, multiplied by the member's annual salary as of the date of purchase.

(e) Payment for service as provided in subsections (a) and (b) of this section may be made by (i) direct trustee-to-trustee transfer from a city approved IRC section 457(b) deferred compensation plan, other than the plan provided for in section 2-106, (ii) in a lump sum, or (iii) by payroll deduction. Only one (1) payroll deduction for this purpose shall be made at any one (1) time. Should the payroll deduction be terminated for any reason prior to purchasing the entire period applied for, the member shall be credited with the portion of such period for which payment has been received. If the payroll deduction is continued beyond the point at which the entire period applied for has been purchased, the member may be credited with such additional time as may otherwise have been eligible for purchase but no more than the entire period eligible for purchase. Any excess payments shall be refunded to the member, or the member's beneficiary, if the member is deceased. Except for excess payments, no payments made hereunder shall be refundable.

## **DIVISION 7. ADMINISTRATION**

### **Sec. 31-73. Changes or errors in records resulting in erroneous calculations or payments.**

(a) If any change or error in calculations or records results in any recipient receiving payments either more or less than they would have been entitled to receive from the fund had the calculations or records been correct, the board shall correct the error and adjust subsequent payments.

(b) If the board determines that a recipient has been erroneously underpaid by the fund, the fund shall pay the recipient an amount equal to the difference between what was paid and what should have been paid.

(c) If the board determines that a recipient has been erroneously overpaid, such recipient shall repay the erroneous overpayment to the fund.

(d) Notwithstanding subsection (c), if a recipient has been overpaid through no fault of his and could not reasonably have been expected to detect the error, the board may recommend waiver of any or all repayment, and if waiver is recommended by the board, the city manager may disapprove the recommendation, or waive all or part of any repayment.

2. That this ordinance shall be in effect on and after the date of its adoption, October, 28, 2014.

## **G. Other City Council Actions**

2. 1 of 2: Resolution Authorizing the Refunding of General Obligation General Improvement (GOGI) Bonds to Issue up to \$110,000,000 for the Duration of Calendar Year 2015

**ACTION:**

A REQUEST TO APPROVE A RESOLUTION THAT PROVIDES A STANDING AUTHORIZATION FOR THE DURATION OF CALENDAR YEAR 2015 TO ISSUE UP TO \$110 MILLION IN REFUNDING BONDS FOR GENERAL OBLIGATION GENERAL IMPROVEMENT (GOGI) BONDS TO DECREASE THE CITY'S DEBT SERVICE, SHOULD INTEREST RATES DECLINE DURING THIS PERIOD TO SUFFICIENTLY WARRANT A REFUNDING.

**BACKGROUND:**

- The proposed resolution will allow the City to refund certain outstanding issues of GOGI Bonds in advance of their stated maturities.
- The City's financial advisor, Public Financial Management, Inc. (PFM) has advised this proposed action in response to potential low interest rates in the municipal bond market.

**FISCAL IMPACT:**

- This resolution restricts the issue of Refunding Bonds to market conditions that would result in a net present value savings to the City of not less than three percent (3%).
- The City Manager recommends approval.

**Supporting Material**

CM Memo re 2015 Refunding Bond Auth-GOB

sdm12950 Authorizing Ord re Issuance of \$110,000,000 (GOGI Refunding)

# CITY OF NEWPORT NEWS

## OFFICE OF THE CITY MANAGER

October 22, 2014

**TO:** The Honorable City Council

**FROM:** City Manager

**SUBJECT:** Authorization to Issue General Obligation Refunding Bonds

I am requesting that City Council approve two separate calendar year 2015 refunding bond authorizations. The first is for General Obligation Bonds for the City and the second is for Water Revenue Bonds for Waterworks. The General Obligation (GOB) refunding authorization will allow the City to refinance up to \$110 million of outstanding bonds if market conditions were favorable. City Council approved a \$90 million refunding bond authorization in November 2013 for calendar year 2014. The second authorization for Water Revenue bonds will allow the City to refinance up to \$40 million of outstanding bonds.

The City's financial advisor, Public Financial Management (PFM), performs refunding analyses on the City's outstanding bonds to identify opportunities to generate debt service savings of at least three percent (3%) of refunded par. PFM's recommendation of \$110 million GOB Bonds and \$40 million Water Revenue Bond in refunding par amount will position the City to take advantage of any favorable interest rate environment that may materialize during calendar year 2015.

You will recall the City last refunded GOB and Water bonds in late April 2014 concurrent with a new money bond sale of \$45 million. Due to our recent bond rating upgrade and favorable market conditions, a total of \$79.96 million of various outstanding general improvement and water bonds (both taxable and nontaxable) were refinanced. That refunding action generated a total present value savings of almost \$5.1 million in net present value over the life of the bonds, or 6.32% of the refunded par. The City only refunds bonds that will result in a net present value savings of at least 3%.

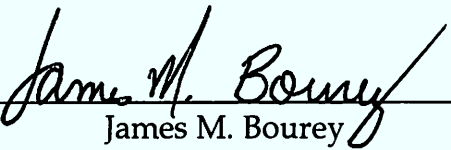
The Honorable City Council

Page 2

Authorization to Issue General Obligation Refunding Bonds

October 22, 2014

A refunding resolution allows the City to issue stand-alone refunding bonds, or issue refunding bonds in conjunction with our next bond sale, which is tentatively scheduled for early autumn in 2015. I will keep City Council informed if market conditions change sufficiently to generate debt service savings that would warrant the City refunding any of its outstanding debt.

  
James M. Bourey

JMB:LJC

**ORDINANCE NO. \_\_\_\_\_**

AN ORDINANCE AUTHORIZING THE ISSUANCE OF NOT TO EXCEED ONE HUNDRED TEN MILLION DOLLARS (\$110,000,000) PRINCIPAL AMOUNT OF GENERAL OBLIGATIONS OF THE CITY OF NEWPORT NEWS, VIRGINIA, IN THE FORM OF CITY OF NEWPORT NEWS, VIRGINIA, GENERAL OBLIGATION GENERAL IMPROVEMENT REFUNDING BONDS AND/OR GENERAL OBLIGATION WATER REFUNDING BONDS FOR THE PURPOSE OF PROVIDING FUNDS TO REFUND AND REDEEM CERTAIN OUTSTANDING GENERAL OBLIGATION GENERAL IMPROVEMENT BONDS AND/OR GENERAL OBLIGATION WATER BONDS OR OTHER GENERAL OBLIGATIONS OF SUCH CITY; AUTHORIZING THE SALE OF SUCH BONDS; FIXING THE FORM, DENOMINATION AND CERTAIN OTHER DETAILS OF SUCH BONDS; PROVIDING FOR THE SALE OF SUCH BONDS AND DELEGATING TO THE CITY MANAGER CERTAIN POWERS WITH RESPECT THERETO; AUTHORIZING THE PREPARATION AND DELIVERY OF THE PRELIMINARY OFFICIAL STATEMENT AND FINAL OFFICIAL STATEMENT RELATING TO SUCH BONDS; AUTHORIZING THE CITY MANAGER TO EXECUTE AND DELIVER A CONTINUING DISCLOSURE CERTIFICATE OR A CONTINUING DISCLOSURE AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE APPOINTMENT OF AN ESCROW AGENT; AUTHORIZING THE EXECUTION AND DELIVERY OF AN ESCROW DEPOSIT AGREEMENT BY AND BETWEEN THE CITY AND SUCH ESCROW AGENT AND THE PURCHASE OF THE SECURITIES TO BE HELD THEREUNDER; AND AUTHORIZING THE DESIGNATION OF THE REFUNDED BONDS FOR REDEMPTION.

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF NEWPORT NEWS, VIRGINIA:

SECTION 1. The Council (the "Council") of the City of Newport News, Virginia (the "City"), hereby finds and determines as follows:

(a) The City has been advised by the City's Financial Advisor that the refunding in advance of their stated maturities of all or a portion of certain currently outstanding issues of General Obligation General Improvement Bonds and/or General Obligation Water Bonds of the City or other general obligations of the City for which the City is responsible for payment may result in debt service cost savings to the City.

(b) The Council desires to authorize the issuance and sale of General Obligation General Improvement Refunding Bonds and/or General Obligation Water Refunding Bonds to provide for the refunding and redemption of all or a portion of such outstanding General Obligation General Improvement Bonds and/or General Obligation Water Bonds of the City or other general obligations of the City for which the City is responsible for payment, the refunding of which shall be recommended by the City's Financial Advisor (such bonds or other obligations to be refunded being referred to hereinafter as the "Refunded Bonds").

(c) In the judgment of the Council, it is desirable to authorize the issuance and sale of not to exceed One Hundred Ten Million Dollars (\$110,000,000) aggregate principal amount of General Obligation General Improvement Refunding Bonds and/or General Obligation Water Refunding Bonds, the same to be known and designated as the "City of Newport News, Virginia, General Obligation General Improvement Refunding Bonds" (the "General Improvement Refunding Bonds") and/or the "City of Newport News, Virginia, General Obligation Water Refunding Bonds" (the "Water Refunding Bonds" and, collectively with the General Improvement Refunding Bonds, the "Refunding Bonds"), for the purpose of providing funds to refund and redeem all or a portion of the Refunded Bonds and to pay the costs of issuing the Refunding Bonds.

(d) In the further judgment of the Council, it is desirable to authorize the sale of the Refunding Bonds in one or more series under one or more Preliminary Official Statements and final Official Statements.

SECTION 2. Pursuant to Chapter 26 of Title 15.2 of the Code of Virginia, 1950, the same being the Public Finance Act of 1991, for the purpose of providing funds to refund and redeem certain outstanding General Obligation General Improvement Bonds and/or General Obligation Water Bonds of the City or other general obligations of the City for which the City is responsible for payment, there are authorized to be issued not to exceed One Hundred Ten Million Dollars (\$110,000,000) principal amount of general obligation bonds of the City, to be designated and known as the "City of Newport News, Virginia, General Obligation General Improvement Refunding Bonds" (hereinbefore defined as the "General Improvement Refunding Bonds") and/or the "City of Newport News, Virginia, General Obligation Water Refunding Bonds" (hereinbefore defined as the "Water Refunding Bonds", and, collectively with the General Improvement Refunding Bonds, as the "Refunding Bonds").

SECTION 3. (a) The Refunding Bonds of each issue shall be issued and sold in their entirety at one time, or from time to time in part in series, as shall be determined by the City Manager. Any series of the Refunding Bonds may be sold contemporaneously with any other bonds of the City, either as a separate series or as a combined series with any other bonds of the City. There shall be added to the designation of the Refunding Bonds a series designation determined by the City Manager of the City. All such Refunding Bonds shall be issued in fully registered form and shall be in the denomination of \$5,000 or any integral multiple thereof. The Refunding Bonds of a given series shall be numbered from R-1 upwards in order of issuance and shall have such other series prefix or suffix or numbering system as shall be determined by the City Manager; shall mature in such years and in such amounts in each year as shall be determined by the City Manager; and shall bear interest, calculated on the basis of a 360-day year comprised of twelve 30-day months, at such rate or rates per annum as shall be determined by the City Manager in accordance with the provisions of Section 10, such interest to be payable semiannually; *provided* the first interest payment date may be any date within one (1) year from the date of the Refunding Bonds as determined by the City Manager. The City Manager is authorized to determine, in accordance with and subject to the provisions of this Ordinance: the date or dates of the Refunding Bonds; the interest payment dates thereof; the maturity dates thereof; the amount of principal maturing on each maturity date; the place or places of payment thereof and the paying agent or paying agents therefor; the place of registration, exchange or

transfer thereof and the registrar therefor; and whether or not the Refunding Bonds shall be subject to redemption prior to their stated maturity or maturities and, if subject to such redemption, the premiums, if any, payable upon such redemption and the respective periods in which such premiums are payable. In the event the Refunding Bonds of any series shall be dated as of a date other than the first day of a calendar month or the dates on which interest is payable on such series are other than the first days of calendar months, the provisions of Section 5 with regard to the authentication of such Refunding Bonds and of Section 14 with regard to the forms of such Refunding Bonds shall be modified as the City Manager shall determine to be necessary or appropriate.

(b) (i) If the Refunding Bonds of any series are subject to redemption and if any Refunding Bonds (or portions thereof in installments of \$5,000 or any integral multiple thereof) are to be redeemed, notice of such redemption specifying the date, numbers and maturity or maturities of the Refunding Bond or Refunding Bonds to be redeemed, the date and place or places fixed for their redemption and if less than the entire principal amount of a Refunding Bond called for redemption is to be redeemed, that such Refunding Bond must be surrendered in exchange for payment of the principal amount thereof to be redeemed and the issuance of a new Refunding Bond or Refunding Bonds equalling in principal amount that portion of the principal amount of such Refunding Bond not to be redeemed, shall be mailed not less than thirty (30) days prior to the date fixed for redemption, by first class mail, postage prepaid, to the registered owner of such Refunding Bond at the address of such registered owner as it appears on the books of registry kept by the registrar and paying agent as of the close of business on the forty-fifth (45th) day next preceding the date fixed for redemption. If any Refunding Bond shall have been called for redemption and notice thereof shall have been given as hereinabove set forth, and payment of the principal amount of such Refunding Bond (or the principal amount thereof to be redeemed) and of the accrued interest payable upon such redemption shall have been duly made or provided for, interest on such Refunding Bond (or the principal amount thereof to be redeemed) shall cease to accrue from and after the date so specified for the redemption thereof.

(ii) Any notice of the optional redemption of the Refunding Bonds may state that it is conditioned upon there being on deposit with the City, or with the registrar and paying agent on behalf of the City, on the date fixed for the redemption thereof an amount of money sufficient to pay the redemption price of such Refunding Bonds, together with the interest accrued thereon to the date fixed for the redemption thereof, and any conditional notice so given may be rescinded at any time before the payment of the redemption price of such Refunding Bonds, together with the interest accrued thereon, is due and payable if any such condition so specified is not satisfied. If a redemption of any Refunding Bonds does not occur after a conditional notice is given due to there not being on deposit with the City, or with the registrar and paying agent on behalf of the City, a sufficient amount of money to pay the redemption price of such Refunding Bonds, together with the interest accrued thereon to the date fixed for the redemption thereof, the corresponding notice of redemption shall be deemed to be revoked.

(iii) So long as the Refunding Bonds are in book-entry only form, any notice of redemption shall be given only to The Depository Trust Company, New York, New York ("DTC"), or to its nominee. The City shall not be responsible for providing any beneficial owner of the Refunding Bonds any notice of redemption.

SECTION 4. (a) The full faith and credit of the City are irrevocably pledged to the punctual payment of the principal of and interest on the General Improvement Refunding Bonds as the same become due. In each year while the General Improvement Refunding Bonds, or any of them, are outstanding and unpaid, the Council is authorized and required to levy and collect annually, at the same time and in the same manner as other taxes of the City are assessed, levied and collected, a tax upon all taxable property within the City, over and above all other taxes, authorized or limited by law and without limitation as to rate or amount, sufficient to pay when due the principal of and interest on the General Improvement Refunding Bonds to the extent other funds of the City are not lawfully available and appropriated for such purpose.

(b) The full faith and credit of the City are irrevocably pledged to the punctual payment of the principal of and interest on the Water Refunding Bonds as the same become due to the extent the income and revenues of the waterworks system of the City are or will be insufficient to provide for the payment of the principal of and interest on the Water Refunding Bonds. In each year while the Water Refunding Bonds, or any of them, are outstanding and unpaid, the Council is authorized and required to levy and collect annually, at the same time and in the same manner as other taxes of the City are assessed, levied and collected, a tax upon all taxable property within the City, over and above all other taxes, authorized or limited by law and without limitation as to rate or amount, sufficient to pay when due the principal of and interest on the Water Refunding Bonds to the extent other funds of the City are not lawfully available and appropriated for such purpose.

SECTION 5. (a) The Refunding Bonds shall be executed, for and on behalf of the City, by the manual or facsimile signature of the Mayor of the City and shall have a facsimile of the corporate seal of the City imprinted thereon, attested by the manual or facsimile signature of the City Clerk of the City.

(b) The City Manager shall direct the registrar and paying agent for the Refunding Bonds of a given series to authenticate such Refunding Bonds and no such Refunding Bond shall be valid or obligatory for any purpose unless and until the certificate of authentication endorsed on such Refunding Bond shall have been manually executed by an authorized officer of the registrar and paying agent. Upon the authentication of any Refunding Bonds the registrar and paying agent shall insert in the certificate of authentication the date as of which such Refunding Bonds are authenticated as follows: (i) if the Refunding Bond is authenticated prior to the first interest payment date, the certificate shall be dated as of the date of the initial issuance and delivery of the Refunding Bonds of the series of Refunding Bonds of which such Refunding Bond is one, (ii) if the Refunding Bond is authenticated upon an interest payment date, the certificate shall be dated as of such interest payment date, (iii) if the Refunding Bond is authenticated after the fifteenth (15th) day of the calendar month next preceding an interest payment date and prior to such interest payment date, the certificate shall be dated as of such interest payment date, and (iv) in all other instances the certificate shall be dated as of the interest payment date next preceding the date upon which the Refunding Bond is authenticated.

(c) The execution and authentication of the Refunding Bonds in the manner above set forth is adopted as a due and sufficient authentication of the Refunding Bonds.

SECTION 6. (a) The principal of the Refunding Bonds shall be payable in such coin or currency of the United States of America as at the respective dates of payment thereof is legal tender for public and private debts, at the option of the registered owner thereof, at the place or places of payment and through the paying agent or paying agents for the Refunding Bonds determined by the City Manager in accordance with Section 3. Interest on the Refunding Bonds shall be payable by check mailed by the registrar and paying agent to the registered owners of the Refunding Bonds at their respective addresses as such addresses appear on the books of registry kept pursuant to this Section 6; *provided, however*, that so long as the Refunding Bonds are in book-entry form and registered in the name of Cede & Co., as nominee of DTC, or in the name of such other nominee of DTC as may be requested by an authorized representative of DTC, interest on the Refunding Bonds shall be paid directly to Cede & Co. or such other nominee of DTC by wire transfer.

(b) At all times during which any Refunding Bond of any series remains outstanding and unpaid, the registrar and paying agent for such series shall keep or cause to be kept at its designated corporate trust office books of registry for the registration, exchange and transfer of the Refunding Bonds of such series. Upon presentation at its designated corporate trust office for such purpose, the registrar and paying agent, under such reasonable regulations as it may prescribe, shall register, exchange or transfer, or cause to be registered, exchanged or transferred, on the books of registry the Refunding Bonds as hereinbefore set forth.

(c) The books of registry shall at all times be open for inspection by the City or any duly authorized officer thereof.

(d) Any Refunding Bond may be exchanged at the designated corporate trust office of the registrar and paying agent for such series of Refunding Bonds for a like aggregate principal amount of such Refunding Bonds in other authorized principal sums of the same series, interest rate and maturity.

(e) Any Refunding Bond of any series may, in accordance with its terms, be transferred upon the books of registry by the person in whose name it is registered, in person or by such person's duly authorized agent, upon surrender of such Refunding Bond to the registrar and paying agent for such series for cancellation, accompanied by a written instrument of transfer duly executed by the registered owner in person or by such registered owner's duly authorized attorney, in form satisfactory to the registrar and paying agent.

(f) All transfers or exchanges pursuant to this Section 6 shall be made without expense to the registered owner of such Refunding Bonds, except as otherwise herein provided, and except that the registrar and paying agent for such series of Refunding Bonds shall require the payment by the registered owner of the Refunding Bond requesting such transfer or exchange of any tax or other governmental charges required to be paid with respect to such transfer or exchange. All Refunding Bonds surrendered pursuant to this Section 6 shall be cancelled.

(g) (i) The Refunding Bonds shall be issued in full book-entry form. One Refunding Bond representing each maturity of each series of the Refunding Bonds will be issued to and registered in the name of Cede & Co., as nominee of DTC, as registered owner of the

Refunding Bonds and each such Refunding Bond will be immobilized in the custody of DTC. DTC will act as securities depository for the Refunding Bonds. Individual purchases will be made in book-entry form only, in the principal amount of \$5,000 or any integral multiple thereof. Purchasers will not receive physical delivery of certificates representing their interest in the Refunding Bonds purchased.

(ii) Principal and interest payments on the Refunding Bonds will be made by the registrar and paying agent to DTC or its nominee, Cede & Co., as registered owner of the Refunding Bonds, which will in turn remit such payments to the DTC participants for subsequent disbursement to the beneficial owners of the Refunding Bonds. Transfers of principal and interest payments to the DTC participants will be the responsibility of DTC. Transfers of such payments to beneficial owners of the Refunding Bonds by DTC participants will be the responsibility of such participants and other nominees of such beneficial owners. Transfers of ownership interests in the Refunding Bonds will be accomplished by book entries made by DTC and, in turn, by the DTC participants who act on behalf of the indirect participants of DTC and the beneficial owners of the Refunding Bonds.

(iii) The City will not be responsible or liable for sending transaction statements or for maintaining, supervising or reviewing records maintained by DTC, its participants or persons acting through such participants or for transmitting payments to, communicating with, notifying, or otherwise dealing with any beneficial owner of the Refunding Bonds.

SECTION 7. (a) CUSIP identification numbers may be printed on the Refunding Bonds, but no such number shall constitute a part of the contract evidenced by the particular Refunding Bond upon which it is printed; no liability shall attach to the City or any officer or agent thereof (including any paying agent for the Refunding Bonds) by reason of such numbers or any use made thereof (including any use thereof made by the City, any such officer or any such agent) or by reason of any inaccuracy, error or omission with respect thereto or in such use; and any inaccuracy, error or omission with respect to such numbers shall not constitute cause for failure or refusal by a purchaser of the Refunding Bonds to accept delivery of and pay for such Refunding Bonds. All expenses in connection with the assignment and printing of CUSIP numbers on the Refunding Bonds shall be paid by the initial purchasers of the Refunding Bonds.

(b) A copy of the final legal opinion with respect to the Refunding Bonds, with the name of the attorney or attorneys rendering the same, together with a certification of the City Clerk, executed by a facsimile signature of that officer, to the effect that such copy is a true and complete copy (except for letterhead and date) of the legal opinion which was dated as of the date of delivery of and payment for the Refunding Bonds, may be printed on the Refunding Bonds.

SECTION 8. The proceeds of sale of the Refunding Bonds shall be applied as follows:

(a) Such portion of the proceeds of the Refunding Bonds as shall be required shall be deposited with an Escrow Agent under an Escrow Deposit Agreement and applied as

provided therein to pay when due (i) the interest on the Refunded Bonds to the respective maturity dates or dates of redemption thereof and (ii) the principal or the redemption prices of the Refunded Bonds on the respective maturity dates or dates of redemption thereof.

(b) The balance of the proceeds of the Refunding Bonds shall be applied to the payment of the costs of issuing the Refunding Bonds to the extent payable from the proceeds of the Refunding Bonds.

SECTION 9. To the extent it shall be contemplated at the time of their issuance that the interest on any Refunding Bonds issued hereunder shall be excludable from gross income for purposes of federal income taxation, the City covenants and agrees to comply with the provisions of Sections 103 and 141-150 of the Internal Revenue Code of 1986 and the applicable Treasury Regulations promulgated thereunder throughout the term of the Refunding Bonds.

SECTION 10. (a) Pursuant to the authority of and for the purposes specified herein, the Council hereby authorizes the City Manager, without further action of the Council, to sell the Refunding Bonds in one or more series in accordance with the provisions of Section 3 at competitive or negotiated sale at not less than ninety-seven percent (97%) of the principal amount thereof, plus accrued interest from their date to the date of delivery thereof and payment therefor, and on such other terms and conditions as are provided in the Official Notice of Sale thereof or in the Purchase Contract or Bond Purchase Agreement relating thereto; *provided* that a series of the Refunding Bonds may be sold, whether at competitive or negotiated sale, only if the refunding of the Refunded Bonds will result in net present value savings to the City of not less than three percent (3%), based on the principal amount of the related Refunded Bonds. The Refunding Bonds shall bear interest at such rates per annum as shall be approved by the City Manager; *provided, however*, in no event shall the true interest cost for the Refunding Bonds of any series exceed six percent (6%) and *provided further* in no event shall the premium payable by the City upon the redemption of the Refunding Bonds exceed two percent (2%) of the principal amount thereof.

(b) If the Bonds are sold at competitive sale, they may be sold contemporaneously with other bonds of the City under a combined Official Notice of Sale. If the Refunding Bonds are sold at competitive sale, the City Manager is hereby authorized to cause to be prepared and distributed (via electronic dissemination or otherwise) an Official Notice of Sale of the Refunding Bonds in such form and containing such terms and conditions as he may deem advisable, subject to the provisions hereof.

(c) If the Refunding Bonds are sold at negotiated sale, the City Manager is hereby authorized to select the underwriters for the Refunding Bonds of each series (the "Underwriters") and to sell the Refunding Bonds of each series at a negotiated sale to the Underwriters selected by the City Manager, and to execute and deliver to the Underwriters one or more Purchase Contracts or Bond Purchase Agreements relating to the sale of the Refunding Bonds by the City to such Underwriters.

(d) The actions of the City Manager and other City officials, employees and agents of the City in connection with the authorization, issuance, sale and delivery of the

Refunding Bonds and the refunding of the Refunded Bonds are hereby authorized, approved, ratified and confirmed.

SECTION 11. The City Manager is hereby authorized to cause to be prepared and distributed (via electronic dissemination or otherwise) a Preliminary Official Statement and a final Official Statement relating to the Refunding Bonds. The City Manager is hereby further authorized to certify that the Preliminary Official Statement for the Refunding Bonds of each series authorized hereunder is "deemed final" for purposes of Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934 ("Rule 15c2-12"). The City Manager is hereby further authorized to execute and deliver to the purchasers of the Refunding Bonds of each series authorized hereunder a Continuing Disclosure Certificate or a Continuing Disclosure Agreement evidencing the City's undertaking to comply with the continuing disclosure requirements of Paragraph (b)(5) of Rule 15c2-12 to the extent applicable to the Refunding Bonds, such Continuing Disclosure Certificate or Continuing Disclosure Agreement to be in such form as shall be approved by the City Manager upon the advice of counsel (including the City Attorney or Bond Counsel to the City), such approval to be conclusively evidenced by the execution of such Continuing Disclosure Certificate or Continuing Disclosure Agreement by the City Manager. The Mayor is hereby authorized to execute and deliver the final Official Statement for the Refunding Bonds of each series authorized hereunder, and the City Manager, the Director of Budget and Evaluation and the City Attorney are hereby authorized to execute and deliver to the purchasers of the Refunding Bonds of each series certificates in the forms provided for in the Official Statement for the Refunding Bonds of such series.

SECTION 12. (a) The City Manager is hereby authorized to appoint an escrow agent (the "Escrow Agent") for the City in connection with the refunding of the Refunded Bonds.

(b) The City Manager is hereby authorized to execute and deliver an Escrow Deposit Agreement in connection with each series of Refunding Bonds by and between the City and the Escrow Agent in such form as shall be approved by the City Manager upon the advice of counsel (including the City Attorney or Bond Counsel), such approval to be conclusively evidenced by the execution of the Escrow Deposit Agreement by the City Manager.

(c) Either the City Manager or the Director of Budget and Evaluation, or their respective designees, are hereby authorized from time to time to execute, on behalf of the City, subscriptions for United States Time Deposit Securities - State and Local Government Series, if any, or purchase agreements for open market obligations, if any, to be purchased by the Escrow Agent as Government Securities (as defined in the Escrow Deposit Agreement) from moneys deposited in the Escrow Deposit Fund created and established under any Escrow Deposit Agreement and from time to time to authorize the sale of such United States Time Deposit Securities - State and Local Government Series and the purchase of other United States Time Deposit Securities - State and Local Government Series or open market obligations of the United States in lieu of and in substitution therefor. Such United States Time Deposit Securities - State and Local Government Series, if any, and open market obligations so purchased shall be held by the Escrow Agent under and in accordance with the provisions of the related Escrow Deposit

Agreement. Either the City Manager or the Director of Budget and Evaluation, or their respective designees, are hereby authorized to enter into such purchase agreements as shall be required in connection with the purchase by the Escrow Agent, from moneys deposited in the Escrow Deposit Fund created and established under any Escrow Deposit Agreement, of Government Securities (as defined in the Escrow Deposit Agreement) other than United States Time Deposit Securities - State and Local Government Series.

SECTION 13. Subject to the issuance, sale and delivery of the Refunding Bonds pursuant to this Ordinance, the Council hereby designates the Refunded Bonds to be redeemed, together with the interest accrued thereon to the respective dates fixed for the redemption thereof, plus the applicable premium, if any. The City Manager is hereby authorized and directed to deliver to the escrow agent under the Escrow Deposit Agreement, irrevocable written instructions to give notices of such redemption of the Refunded Bonds, in the name and on behalf of the City, to the holders thereof, such notices to be given in the manner and at the time or times provided in the respective proceedings authorizing the issuance of the respective bonds and to be in substantially the form to be set forth as an exhibit to the Escrow Deposit Agreement.

SECTION 14. The Refunding Bonds, the certificate of authentication of the registrar and paying agent and the assignment endorsed on the Refunding Bonds, shall be in substantially the forms set forth in Exhibit A.

SECTION 15. The City Clerk is hereby directed to file a copy of this Ordinance, certified by such City Clerk to be a true copy hereof, with the Circuit Court of the City of Newport News, Virginia.

SECTION 16. All ordinances and proceedings in conflict herewith are, to the extent of such conflict, repealed.

SECTION 17. In the event any Refunding Bonds authorized for issuance under this Ordinance shall not have been issued on or before December 31, 2015, such authorization to issue such Refunding Bonds shall terminate and shall be of no further force and effect.

SECTION 18. That this ordinance shall be in effect on and after the date of its adoption, October 28, 2014.

**EXHIBIT A**

**UNITED STATES OF AMERICA  
COMMONWEALTH OF VIRGINIA  
CITY OF NEWPORT NEWS  
GENERAL OBLIGATION [GENERAL IMPROVEMENT]  
[WATER] REFUNDING BOND  
SERIES \_\_ OF \_\_**

**REGISTERED**

**REGISTERED**

**No. [GR-\_\_] [WR-\_\_]**

**\$ \_\_\_\_\_**

**MATURITY DATE:    INTEREST RATE:    DATE OF BONDS:    CUSIP NUMBER:**

**REGISTERED OWNER:**

**PRINCIPAL SUM:**

**DOLLARS**

THE CITY OF NEWPORT NEWS, IN THE COMMONWEALTH OF VIRGINIA (THE "CITY"), FOR VALUE RECEIVED, ACKNOWLEDGES ITSELF INDEBTED AND HEREBY PROMISES TO PAY to the Registered Owner (named above), or registered assigns, on the Maturity Date (specified above) (unless this Bond shall be subject to prior redemption and shall have been duly called for previous redemption and payment of the redemption price duly made or provided for), the Principal Sum (specified above), and to pay interest on such Principal Sum on \_\_\_\_\_, \_\_\_\_\_ and semiannually on each \_\_\_\_\_ and \_\_\_\_\_ thereafter (each such date is hereinafter referred to as an "interest payment date"), from the date hereof or from the interest payment date next preceding the date of authentication hereof to which interest shall have been paid, unless such date of authentication is an interest payment date, in which case from such interest payment date, [or unless such date of authentication is within the period from the sixteenth (16th) day to the last day of the calendar month next preceding the following interest payment date, in which case from such following interest payment date, such interest to be paid until the maturity or redemption hereof at the Interest Rate (specified above) per annum, by check mailed by the Registrar and Paying Agent hereinafter mentioned to the Registered Owner hereof in whose name this Bond is registered upon the books of registry, as of the close of business on the fifteenth (15th) day (whether or not a business day) of the calendar month next preceding each interest payment date] [or unless such date of authentication is within the period from the first (1st) day to the fourteenth (14th) day of the calendar month in which the following interest payment date shall occur, in which case from such following interest payment date, such interest to be paid until the maturity or redemption hereof at the Interest Rate (specified above) per annum, by check mailed by the Registrar and Paying Agent hereinafter mentioned to the Registered Owner hereof in whose name this Bond is registered upon the books of registry, as of the close of business on the last day (whether or not a business day) of the calendar month next preceding each interest payment date]; *provided, however,* that so long as this Bond is in book-entry only form and registered in the name of

Cede & Co., as nominee of The Depository Trust Company ("DTC"), or in the name of such other nominee of DTC as may be requested by an authorized representative of DTC, interest on this Bond shall be paid directly to Cede & Co. or such other nominee of DTC by wire transfer. Interest on this Bond shall be calculated on the basis of a three hundred and sixty (360) day year comprised of twelve (12) thirty (30) day months.

The principal of this Bond is payable on presentation and surrender hereof, at the designated corporate trust office of \_\_\_\_\_, the Registrar and Paying Agent, in the City of \_\_\_\_\_, \_\_\_\_\_. Principal of and interest on this Bond are payable in any coin or currency of the United States of America which, on the respective dates of payment thereof, shall be legal tender for public and private debts.

[*General Improvement Refunding Bonds:* This Bond is one of a series of Bonds of like date, denomination and tenor except as to number, interest rate and maturity issued for the purpose of providing funds to refund in advance of their stated maturities certain outstanding general obligation general improvement bonds of the City, under and pursuant to and in full compliance with the Constitution and statutes of the Commonwealth of Virginia, including Chapter 26 of Title 15.2 of the Code of Virginia, 1950 (the same being the Public Finance Act of 1991), and ordinances and other proceedings of the Council of the City duly adopted and taken under the Public Finance Act of 1991.]

[*Water Refunding Bonds:* This Bond is one of a series of Bonds of like date, denomination and tenor except as to number, interest rate and maturity issued for the purpose of providing funds to refund in advance of their stated maturities certain outstanding general obligation water bonds of the City, under and pursuant to and in full compliance with the Constitution and statutes of the Commonwealth of Virginia, including Chapter 26 of Title 15.2 of the Code of Virginia, 1950 (the same being the Public Finance Act of 1991), the Charter of the City, and ordinances and other proceedings of the Council of the City duly adopted and taken under the Public Finance Act of 1991.]

The Bonds of the series of which this Bond is one (or portions thereof in installments of \$5,000) maturing on and after \_\_\_\_\_ 1, \_\_\_\_ are subject to redemption at the option of the City prior to their stated maturities on or after \_\_\_\_\_ 1, \_\_\_\_, in whole or in part from time to time on any date, in such order as may be determined by the City (except that if at any time less than all of the Bonds of a given maturity are called for redemption, the particular Bonds or portions thereof in installments of \$5,000 of such maturity to be redeemed shall be selected by lot), upon payment of a redemption price equal to the principal amount of the Bonds to be redeemed, together with the interest accrued thereon to the date fixed for redemption thereof.

The Bonds of the series of which this Bond is one maturing on \_\_\_\_\_ 1, \_\_\_\_ are subject to mandatory sinking fund redemption on \_\_\_\_\_ 1, \_\_\_\_ and on \_\_\_\_\_ 1 of each year thereafter and to payment at maturity in the principal amounts in each year set forth below, in the case of redemption with the particular Bond or Bonds maturing on \_\_\_\_\_ 1, \_\_\_\_ or portions thereof to be redeemed to be selected by lot, upon payment of the principal amount of

the Bonds maturing on \_\_\_\_\_ 1, \_\_\_\_\_ to be redeemed, together with the interest accrued on the principal amount to be redeemed to the date fixed for the redemption thereof:

Year

Principal Amount

The City, at its option, may credit against such mandatory sinking fund redemption requirement the principal amount of any Bonds maturing on \_\_\_\_\_ 1, \_\_\_\_\_ which have been purchased and cancelled by the City or which have been redeemed and not theretofore applied as a credit against such mandatory sinking fund redemption requirement.

If this Bond is redeemable and this Bond (or any portion of the principal amount hereof in installments of \$5,000) shall be called for redemption, notice of the redemption hereof, specifying the date, number and maturity of this Bond, the date and place or places fixed for its redemption and if less than the entire principal amount of this Bond is to be redeemed, that this Bond must be surrendered in exchange for the portion of the principal amount hereof to be redeemed and a new Bond or Bonds issued equalling in principal amount that portion of the principal amount hereof not to be redeemed, shall be mailed not less than thirty (30) days prior to the date fixed for redemption, by first class mail, postage prepaid, to the Registered Owner hereof at such Registered Owner's address as it appears on the books of registry kept by the Registrar and Paying Agent as of the close of business on the forty-fifth (45th) day next preceding the date fixed for redemption. If notice of the redemption of this Bond (or the portion of the principal amount hereof to be redeemed) shall have been given as aforesaid, and payment of the principal amount of this Bond (or the portion of the principal amount hereof to be redeemed) and of the accrued interest payable upon such redemption shall have been duly made or provided for, interest hereon shall cease to accrue from and after the date so specified for the redemption hereof.

Any notice of the optional redemption of this Bond may state that it is conditioned upon there being on deposit with the City, or with the Registrar and Paying Agent on behalf of the City, on the date fixed for the redemption hereof an amount of money sufficient to pay the redemption price of this Bond, together with the interest accrued thereon to the date fixed for the redemption hereof, and any conditional notice so given may be rescinded at any time before the payment of the redemption price of this Bond, together with the interest accrued thereon, is due and payable if any such condition so specified is not satisfied. If a redemption of this Bond does not occur after a conditional notice is given due to there not being on deposit with the City, or with the Registrar and Paying Agent on behalf of the City, a sufficient amount of money to pay the redemption price of this Bond, together with the interest accrued thereon to the date fixed for the redemption hereof, the corresponding notice of redemption shall be deemed to be revoked.

Subject to the limitations and upon payment of the charges, if any, provided in the proceedings authorizing the Bonds of the series of which this Bond is one, this Bond may be exchanged at the designated corporate trust office of the Registrar and Paying Agent for a like aggregate principal amount of Bonds of other authorized principal amounts and of the same

series, interest rate and maturity. This Bond is transferable by the Registered Owner hereof, in person or by such Registered Owner's attorney duly authorized in writing, on the books of registry kept by the Registrar and Paying Agent for such purpose at the designated corporate trust office of the Registrar and Paying Agent, but only in the manner, subject to the limitations and upon payment of the charges, if any, provided in the proceedings authorizing the Bonds of the series of which this Bond is one, and upon the surrender hereof for cancellation. Upon such transfer a new Bond or Bonds of authorized denominations and of the same aggregate principal amount, issue, interest rate and maturity as the Bond surrendered, will be issued to the transferee in exchange herefor.

*[General Improvement Refunding Bonds:* The full faith and credit of the City are irrevocably pledged to the punctual payment of the principal of and interest on this Bond as the same become due. In each year while this Bond is outstanding and unpaid, the Council of the City is authorized and required to levy and collect annually, at the same time and in the same manner as other taxes of the City are assessed, levied and collected, a tax upon all taxable property within the City, over and above all other taxes, authorized or limited by law and without limitation as to rate or amount, sufficient to pay when due the principal of and interest on this Bond to the extent other funds of the City are not lawfully available and appropriated for such purpose.]

*[Water Refunding Bonds:* The full faith and credit of the City are irrevocably pledged to the punctual payment of the principal of and interest on this Bond as the same become due to the extent the income and revenues of the waterworks system of the City are or will be insufficient to provide for the payment of the principal of and interest on the Bonds of the issue of Bonds of which this Bond is one. In each year while this Bond is outstanding and unpaid, the Council of the City is authorized and required to levy and collect annually, at the same time and in the same manner as other taxes in the City are assessed, levied and collected, a tax upon all taxable property within the City, over and above all other taxes, authorized or limited by law and without limitation as to rate or amount, sufficient to pay when due the principal of and interest on this Bond to the extent other funds of the City are not lawfully available and appropriated for such purpose.]

This Bond shall not be valid or obligatory unless the certificate of authentication hereon shall have been manually signed by an authorized officer of the Registrar and Paying Agent.

It is certified, recited and declared that all acts, conditions and things required to exist, happen or be performed precedent to and in the issuance of this Bond do exist, have happened and have been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other indebtedness of the City does not exceed any limitation of indebtedness prescribed by the Constitution or statutes of the Commonwealth of Virginia or the Charter of the City.

IN WITNESS WHEREOF, the City has caused this Bond to be executed by the manual or facsimile signature of the Mayor of the City; a facsimile of the corporate seal of the City to be imprinted hereon attested by the manual or facsimile signature of the City Clerk of the City; and this Bond to be dated first above written.

CITY OF NEWPORT NEWS, VIRGINIA

\_\_\_\_\_  
Mayor

[SEAL]

Attest:

\_\_\_\_\_  
City Clerk

#### CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds delivered pursuant to the within-mentioned proceedings.

[\_\_\_\_\_] ,  
Registrar and Paying Agent

By: \_\_\_\_\_  
Authorized Officer

Date of Authentication: \_\_\_\_\_

## ASSIGNMENT

For valued received the undersigned hereby sell(s), assign(s) and transfer(s) unto

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(Please print or type name and address, including postal zip code, of Assignee)

PLEASE INSERT SOCIAL SECURITY OR  
OTHER TAX IDENTIFYING NUMBER OF ASSIGNEE

the within Bond and all rights hereunder, hereby irrevocably constituting and appointing \_\_\_\_\_, Attorney, to transfer such Bond on the books kept for the registration thereof, with the full power of substitution in the premises.

Dated: \_\_\_\_\_

Signature Guaranteed:

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NOTICE: Signature(s) must be guaranteed by a member firm of The New York Stock Exchange, Inc. or a commercial bank or trust company.

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(Signature of Registered Owner)  
NOTICE: The signature above must correspond with the name of the Registered Owner as it appears on the front of this Bond in every particular, without alteration, enlargement or any change whatsoever.

## **G. Other City Council Actions**

3. 2 of 2: Resolution Authorizing the Refunding of Water Revenue Bonds to Issue up to \$40,000,000 for the Duration of Calendar Year 2015

**ACTION:**

A REQUEST TO APPROVE A RESOLUTION THAT PROVIDES A STANDING AUTHORIZATION FOR THE DURATION OF CALENDAR YEAR 2015 TO ISSUE UP TO \$40 MILLION IN REFUNDING BONDS FOR WATER REVENUE BONDS TO DECREASE THE CITY'S DEBT SERVICE, SHOULD INTEREST RATES DECLINE DURING THIS PERIOD TO SUFFICIENTLY WARRANT A REFUNDING.

**BACKGROUND:**

- The proposed resolution will allow the City to refund certain outstanding issues of Water Revenue Bonds in advance of their stated maturities.
- The City's financial advisor, Public Financial Management, Inc. (PFM) has advised this proposed action in response to potential low interest rates in the municipal bond market.

**FISCAL IMPACT:**

- This resolution restricts the issue of Refunding Bonds to market conditions that would result in a net present value savings to the City of not less than three percent (3%).
- The City Manager recommends approval.

**Supporting Material**

sdm12952 Reso Authorizing the Issuance of \$40,000,000 Water Revenue Bonds (Refunding)

**RESOLUTION NO. \_\_\_\_\_**

RESOLUTION AUTHORIZING AND PROVIDING FOR THE ISSUANCE AND SALE OF NOT TO EXCEED FORTY MILLION DOLLARS (\$40,000,000) AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE REFUNDING BONDS, OF CITY OF NEWPORT NEWS, VIRGINIA, FOR THE PURPOSE OF PROVIDING FUNDS TO REFUND AND REDEEM CERTAIN OUTSTANDING WATER REVENUE BONDS OF THE CITY; AUTHORIZING THE ISSUANCE AND APPROVING THE SALE OF SUCH REFUNDING BONDS AT COMPETITIVE OR NEGOTIATED SALE AND DELEGATING TO THE CITY MANAGER CERTAIN POWERS WITH RESPECT THERETO; AUTHORIZING THE CITY MANAGER TO FIX THE MATURITIES, INTEREST RATES AND OTHER DETAILS OF SUCH REFUNDING BONDS; APPROVING THE FORM OF SUCH REFUNDING BONDS; APPOINTING THE REGISTRAR AND PAYING AGENT FOR SUCH REFUNDING BONDS; APPOINTING THE TRUSTEE AS ESCROW AGENT FOR THE REFUNDED BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF AN ESCROW DEPOSIT AGREEMENT FOR EACH SERIES OF SUCH REFUNDING BONDS; AUTHORIZING THE DESIGNATION OF THE REFUNDED BONDS FOR REDEMPTION; AND MAKING CERTAIN FINDINGS AND DETERMINATIONS AND OTHERWISE PROVIDING WITH RESPECT TO THE ISSUANCE AND SALE OF SUCH REFUNDING BONDS.

## **TABLE OF CONTENTS**

| <b><u>SECTION</u></b>                                                                                                                                                                                                                   | <b><u>PAGE</u></b> |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|
| SECTION 1. Definitions; Rules of Construction .....                                                                                                                                                                                     | 1                  |
| SECTION 2. Authorization of Issuance of the Refunding Bonds .....                                                                                                                                                                       | 2                  |
| SECTION 3. Conditions Precedent to Delivery of the Refunding Bonds .....                                                                                                                                                                | 3                  |
| SECTION 4. Book-Entry Only System; Appointment of Registrar and Paying Agent;<br>Payment of Refunding Bonds; Books of Registry; Exchanges and<br>Transfers of Refunding Bonds .....                                                     | 4                  |
| SECTION 5. Execution and Authentication of the Refunding Bonds; CUSIP<br>Identification Numbers; Insurance .....                                                                                                                        | 6                  |
| SECTION 6. Covenant as to Compliance with Code .....                                                                                                                                                                                    | 6                  |
| SECTION 7. Form of the Refunding Bonds .....                                                                                                                                                                                            | 7                  |
| SECTION 8. Sale of the Refunding Bonds .....                                                                                                                                                                                            | 7                  |
| SECTION 9. Appointment of Trustee as Escrow Agent; Authorization of Execution<br>and Delivery of Escrow Deposit Agreement; Authorization of Purchase<br>of Government Securities; Designation of Refunded Bonds for<br>Redemption ..... | 8                  |
| SECTION 10. Application of Proceeds of the Refunding Bonds .....                                                                                                                                                                        | 9                  |
| SECTION 11. Establishment of Separate Account in Debt Service Reserve Fund .....                                                                                                                                                        | 9                  |
| SECTION 12. Debt Service Payments .....                                                                                                                                                                                                 | 9                  |
| SECTION 13. Supplemental Resolution is a “Supplemental Resolution” Under the<br>Bond Resolution; the Refunding Bonds are “Bonds” Under the Bond<br>Resolution .....                                                                     | 9                  |
| SECTION 14. Further Action of Authorized Officers of the City .....                                                                                                                                                                     | 10                 |
| SECTION 15. Filing of this Supplemental Resolution with Circuit Court .....                                                                                                                                                             | 10                 |
| SECTION 16. Effect of Article and Section Headings and Table of Contents .....                                                                                                                                                          | 10                 |
| SECTION 17. Effectiveness of this Supplemental Resolution .....                                                                                                                                                                         | 10                 |
| EXHIBIT A Form of Bonds .....                                                                                                                                                                                                           | A-1                |

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF NEWPORT NEWS, VIRGINIA:

SECTION 1. Definitions; Rules of Construction. (a) Unless the context shall clearly indicate some other meaning, all the words and terms used in this Supplemental Resolution which are defined in the Bond Resolution, entitled "RESOLUTION OF THE COUNCIL OF THE CITY OF NEWPORT NEWS, VIRGINIA, AUTHORIZING THE ISSUANCE OF WATER REVENUE BONDS OF THE CITY OF NEWPORT NEWS, VIRGINIA, AND PROVIDING FOR THE SECURITY OF THE HOLDERS THEREOF", adopted by the Council (the "Council") of the City of Newport News, Virginia (the "City"), on January 23, 2007 (such Bond Resolution, as from time to time amended or supplemented by Supplemental Resolutions as defined in such Bond Resolution, herein referred to collectively as the "Bond Resolution"), shall for all purposes of this Supplemental Resolution have the respective meanings given to them in the Bond Resolution.

(b) Unless the context shall clearly indicate some other meaning, the following terms shall, for all purposes of the Bond Resolution and of any certificate, resolution or other instrument amendatory thereof or supplemental thereto (including for all purposes of this Supplemental Resolution) and for all purposes of any opinion or instrument or other document therein mentioned, have the following meanings, with the following definitions to be equally applicable to both the singular and plural forms of such terms and *vice versa*:

"Escrow Agent" shall mean the Trustee in its capacity as Escrow Agent for the Refunded Bonds under the Escrow Deposit Agreement.

"Escrow Deposit Agreement" shall mean the Escrow Deposit Agreement, dated the date of issuance of the Refunding Bonds of any series, by and between the City and the Trustee, as Escrow Agent, providing for the refunding and redemption of the Refunded Bonds.

"Government Securities" shall mean such obligations as are described in clause (i) of the definition of Investment Securities in the Bond Resolution, to wit, direct obligations of or obligations guaranteed by the United States of America.

"Refunded Bonds" shall mean all or a portion of the outstanding City of Newport News, Virginia, Water Revenue Bonds, Series 2007, dated June 21, 2007.

"Refunding Bonds" shall mean the Bonds authorized in Section 2 of this Supplemental Resolution and issued under the Bond Resolution and this Supplemental Resolution at any time Outstanding.

"Supplemental Resolution" shall mean this Supplemental Resolution.

(c) Unless the context shall clearly indicate otherwise or otherwise require, (i) all references in this Supplemental Resolution to the Bond Resolution (without specifying in

such references any particular section of the Bond Resolution) shall be to the Bond Resolution as amended and supplemented, (ii) all references by number in this Supplemental Resolution to a particular section of the Bond Resolution shall be to the section of that number of the Bond Resolution, and if such section shall have been amended or supplemented, to such section as so amended and supplemented, and (iii) all references by number in this Supplemental Resolution to a particular section of this Supplemental Resolution shall be only to the section of that number of this Supplemental Resolution.

(d) Whenever used in this Supplemental Resolution, the words "herein", "hereinbefore", "hereinafter", "hereof", "hereunder" and other words of similar import, refer to this Supplemental Resolution only and to this Supplemental Resolution as a whole and not to any particular article, section or subdivision hereof; and the words "therein", "thereinbefore", "thereof", "thereunder" and other words of similar import, refer to the Bond Resolution as a whole and not to any particular article, section or subdivision thereof.

SECTION 2. Authorization of Issuance of the Refunding Bonds. (a) Pursuant to Chapter 26 of Title 15.2 of the Code of Virginia, 1950, the same being the Public Finance Act of 1991, for the purpose of providing funds to refund and redeem the outstanding Refunded Bonds, there are hereby authorized to be issued, and shall be issued, under and secured by the Bond Resolution, including this Supplemental Resolution, a Series of Bonds in the aggregate principal amount of not to exceed \$40,000,000, to be designated as the "City of Newport News, Virginia, Water Revenue Refunding Bonds" (hereinbefore defined as the "Refunding Bonds").

(b) The Refunding Bonds shall be dated as of their date of issue; shall be issued in fully registered form; shall be in the denomination of \$5,000 or any integral multiple thereof; and shall be numbered or lettered, or both, as shall be determined by the Registrar and Paying Agent for the Refunding Bonds, which numbers or letters shall have the letter "R" prefixed thereto. The Refunding Bonds shall be numbered from R-1 upwards in order of issuance and shall have such other series designation as shall be determined by the City Manager; shall mature in such years and in such amounts in each year as shall be determined by the City Manager; *provided* that the Refunding Bonds shall mature at such time not exceeding forty (40) years from their date; and shall bear interest, calculated on the basis of a 360-day year comprised of twelve 30-day months, at such rate or rates per annum as shall be determined by the City Manager in accordance with the provisions of Section 8, such interest to be payable semiannually; *provided* that the first interest payment date may be any date within one (1) year from the date of the Refunding Bonds as determined by the City Manager. The City Manager is authorized to determine, in accordance with and subject to the provisions of this Supplemental Resolution: the interest payment dates of the Refunding Bonds; the maturity dates thereof; the amount of principal maturing on each maturity date; and whether or not the Refunding Bonds shall be subject to redemption prior to their stated maturity or maturities and, if subject to such redemption, the premiums, if any, payable upon such redemption and the respective periods in which such premiums are payable.

(c) If the Refunding Bonds are subject to redemption and if any Refunding Bonds (or portions thereof in installments of \$5,000 or any integral multiple thereof) are to be

redeemed, notice of such redemption of such Refunding Bonds shall be given in accordance with the provisions of Section 6.5 of the Bond Resolution.

SECTION 3. Conditions Precedent to Delivery of the Refunding Bonds. In compliance with the conditions precedent to the delivery of the Bonds prescribed in Sections 2.4 and 2.5 of the Bond Resolution, the Refunding Bonds shall be delivered only upon receipt by the Trustee of:

(a) a copy of this Supplemental Resolution authorizing the Refunding Bonds, certified by the City Clerk of the City or an Authorized Officer of the City, by which or pursuant to which the terms of the Refunding Bonds are specified, which Supplemental Resolution contains findings and determinations of the Council that no default exists in the payment of the principal of or premium, if any, or interest on any Bond, and that all mandatory redemptions, if any, of Bonds required to have been made under the terms of the Bond Resolution or any Supplemental Resolution shall have been made;

(b) a Bond Counsel's Opinion to the effect that (i) this Supplemental Resolution has been duly and lawfully adopted by the Council of the City and is in full force and effect, (ii) the Bond Resolution has been duly and lawfully adopted by the Council of the City and is valid and binding upon, and enforceable against, the City (except to the extent that the enforceability thereof may be subject to judicial discretion, to the exercise of the sovereign police powers of the Commonwealth of Virginia and to valid bankruptcy, insolvency, reorganization, moratorium and other laws affecting the relief of debtors), (iii) the Bond Resolution creates the valid pledge which it purports to create of the Revenues and of moneys and securities on deposit in any of the Funds established hereunder and thereunder subject to the application thereof to the purposes and on the conditions permitted by the Bond Resolution and (iv) upon the execution and delivery thereof, the Refunding Bonds will have been duly and validly authorized and issued in accordance with the Bond Resolution;

(c) a written order as to the delivery of the Refunding Bonds and the application of Bond proceeds, signed by an Authorized Officer of the City;

(d) a Certificate of the Director of Budget and Evaluation that the Refunding Bonds are issued in compliance with the provisions of Section 7.11(b) of the Bond Resolution, which Certificate shall be accompanied (i) by an Accountant's Certificate confirming the calculations set forth in such Certificate of the Director of Budget and Evaluation with respect to the amounts of Revenues, Operating Expenses and Debt Service and (ii), if applicable, a Certificate of any firm of engineers, accountants or consultants referred to in Section 7.11(b)(i) of the Bond Resolution with respect to any *pro forma* analysis of Revenues described in such Section 7.11(b)(i) of the Bond Resolution or a Certificate of any recognized feasibility consultant in the field of water financing referred to in Section 7.11(b)(ii) of the Bond Resolution with respect to any projection of Revenues referred to in such Section 7.11(b)(ii) of the Bond Resolution; *provided, however*, that the requirements of subsection (d) of Section 2.4 of the Bond Resolution and this subsection (d) of Section 3 of this Supplemental Resolution need not to be complied with if the Refunding Bonds do not mature later than the Refunded

Bonds and Debt Service in any Fiscal Year on the Refunding Bonds does not exceed Debt Service in any Fiscal Year on the Refunded Bonds by more than ten percent (10%); and

(e) a receipt of the Trustee, as Escrow Agent, that it has received instructions as to the payment or redemption of the Refunded Bonds together with instructions as to the giving of notice of redemption of the Refunded Bonds.

SECTION 4. Book-Entry Only System; Appointment of Registrar and Paying Agent; Payment of Refunding Bonds; Books of Registry; Exchanges and Transfers of Refunding Bonds. (a) (i) The Refunding Bonds shall be issued, upon initial issuance, in fully registered form and registered in the name of Cede & Co., a nominee of The Depository Trust Company, New York, New York ("DTC"), or in the name of such other nominee of DTC as may be requested by an authorized representative of DTC, as registered owner of the Refunding Bonds, and immobilized in the custody of DTC. One fully registered Refunding Bond for the principal amount of each maturity shall be registered to Cede & Co. or such other nominee of DTC. Beneficial owners of the Refunding Bonds shall not receive physical delivery of the Refunding Bonds. Individual purchases of the Refunding Bonds may be made in book-entry form only in principal amounts of \$5,000 and integral multiples thereof. While registered in the name of Cede & Co. or such other nominee of DTC, principal, premium, if any, and interest payments on the Refunding Bonds shall be made by wire transfer to DTC or its nominee as registered owner of such Refunding Bonds on the applicable payment date, notwithstanding the provisions of Section 4(d) hereof.

(ii) Transfers of principal, premium, if any, and interest payments to the participants of DTC, which include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations (the "Participants") shall be the responsibility of DTC. Transfers of principal, premium, if any, and interest payments to beneficial owners of the Refunding Bonds by the Participants is the responsibility of the Participants and other nominees of such beneficial owners. The Registrar and Paying Agent, hereinafter referred to, shall notify DTC of any notice required to be given pursuant to the Resolution, as supplemented by this Supplemental Resolution, not less than fifteen (15) calendar days prior to the date upon which such notice is required to be given; *provided* that the failure to provide such notice to DTC shall not invalidate any action taken or notice given by the Registrar and Paying Agent hereunder.

(iii) Transfers of ownership interests in the Refunding Bonds shall be made by DTC and its Participants, acting as nominees of the beneficial owners of the Refunding Bonds, in accordance with rules specified by DTC and its Participants. The City makes no assurances that DTC, its Participants or other nominees of the beneficial owners of the Refunding Bonds shall act in accordance with such rules or on a timely basis.

(b) Replacement Refunding Bonds (the "Replacement Refunding Bonds") shall be issued directly to beneficial owners of the Refunding Bonds rather than to DTC, or its nominee, but only in the event that:

(i) DTC determines not to continue to act as securities depository for the Refunding Bonds; or

(ii) the City has advised DTC of its determination that DTC is incapable of discharging its duties; or

(iii) the City has determined that it is in the best interest of the beneficial owners of the Refunding Bonds not to continue the book-entry system of transfer.

Upon the occurrence of the events described in clause (i) or (ii) above the City shall attempt to locate another qualified securities depository. If the City fails to locate another qualified securities depository to replace DTC, the City shall execute and delivery Replacement Refunding Bonds substantially in the form set forth in Section 7 hereof to the Participants. In the event the City makes the determination noted in clause (iii) above (the City undertakes no obligation to make any investigation to determine the occurrence of any events that would permit the City to make any such determination) and has made provisions to notify the beneficial owners of the Refunding Bonds by mailing an appropriate notice to DTC, the City shall execute and deliver Replacement Refunding Bonds substantially in the form set forth in Section 7 hereof to any Participants making a request for such Replacement Refunding Bonds. The City shall be entitled to rely on the records provided by DTC as to the Participants entitled to receive Replacement Refunding Bonds. Principal of and premium, if any, and interest on the Replacement Refunding Bonds shall be payable as provided in subsection (d) of this Section 4 hereof, and such Replacement Refunding Bonds will be transferable and exchangeable in accordance with subsection (e) of this Section 4.

(c) Appointment of Registrar and Paying Agent. U.S. Bank National Association has been appointed to serve as Trustee under the Bond Resolution. In accordance with the provisions of Sections 11.11 and 11.14 of the Bond Resolution, the Trustee (herein referred to as the "Registrar" or the "Paying Agent" or as the "Registrar and Paying Agent") is hereby appointed to serve as the Registrar and Paying Agent for the Refunding Bonds.

(d) Payment of the Refunding Bonds. (i) The interest on the Refunding Bonds shall be payable by check, draft or wire transfer mailed by the Registrar and Paying Agent to the registered owners of the Refunding Bonds at their addresses as the same appear on the books of registry as of the fifteenth day of the month next preceding each interest payment date.

(ii) The principal of the Refunding Bonds shall be payable at the designated corporate trust office of the Registrar and Paying Agent.

(iii) The principal of and interest on the Refunding Bonds shall be payable in such coin or currency of the United States of America as at the respective dates of payment is legal tender for public and private debts.

(e) Books of Registry; Exchanges and Transfers of the Refunding Bonds. Unless otherwise provided herein, all matters related to the books of registry, interchangeability and negotiability, transfer and registry, of the Refunding Bonds shall be subject to the provisions of the Bond Resolution.

SECTION 5. Execution and Authentication of the Refunding Bonds; CUSIP Identification Numbers; Insurance.

(a) Execution of the Refunding Bonds. The Refunding Bonds shall be executed by or on behalf of the City in accordance with the provisions of Section 3.10 of the Bond Resolution.

(b) Authentication of the Refunding Bonds. The City Manager shall direct the Registrar and Paying Agent to authenticate the Refunding Bonds and no Refunding Bond shall be valid or obligatory for any purpose unless and until the certificate of authentication endorsed on such Refunding Bond shall have been manually executed by an authorized signator of the Registrar and Paying Agent. Upon the authentication of any Refunding Bond, the Registrar and Paying Agent shall insert in the certificate of authentication the date as of which such Refunding Bond is authenticated. The execution and authentication of the Refunding Bonds in the manner above set forth is adopted as a due and sufficient authentication of the Refunding Bonds.

(c) CUSIP Identification Numbers. CUSIP identification numbers may be printed on the Refunding Bonds, but neither the failure to print any such number on any Refunding Bonds, nor any error or omission with respect thereto, shall constitute cause for failure or refusal by the purchasers or underwriters of the Refunding Bonds to accept delivery of and pay for the Refunding Bonds in accordance with their agreement to purchase the Refunding Bonds. No such number shall constitute or be a part of any Refunding Bond or a part of the contract evidenced thereby and no liability shall attach to the City or any of its officers or agents because of or on account of any such number or any use made thereof.

(d) Insurance. The City Manager is hereby authorized to arrange for insurance guaranteeing the scheduled payments of principal of and interest on the Refunding Bonds and/or payments from the Reserve Account in the Debt Service Reserve Fund relating to the Refunding Bonds, including entering into required commitments upon such terms and conditions as the City Manager shall determine on the advice of the City's financial advisor and legal counsel (including the City Attorney and Bond Counsel).

SECTION 6. Covenant as to Compliance with Code. To the extent it shall be contemplated at the time of their issuance that the interest on any Refunding Bonds issued hereunder shall be excludable from gross income for purposes of federal income taxation, the City covenants and agrees to comply with the provisions of Sections 103 and 141 through 150 of the Code and the applicable Treasury Regulations promulgated thereunder throughout the term of such Refunding Bonds.

SECTION 7. Form of the Refunding Bonds. The Refunding Bonds shall be in substantially the form set forth in Exhibit A hereto with such necessary or appropriate variations, omissions and insertions as are incidental to their numbers, interest rates and maturities or as are otherwise permitted or required by law or this Supplemental Resolution.

SECTION 8. Sale of the Refunding Bonds. (a) Pursuant to the authority of and for the purposes specified herein, the Council hereby authorizes the City Manager, without further action by the Council, to sell the Refunding Bonds at competitive or negotiated sale at not less than ninety-seven percent (97%) of the principal amount thereof, plus accrued interest if any thereon from their date to the date of delivery thereof and payment therefor, and on such other terms and conditions as are provided in the Official Notice of Sale thereof or in the Purchase Contract or Bond Purchase Agreement relating thereto; *provided* that a series of the Refunding Bonds may be sold, whether at competitive or negotiated sale, only if the refunding of the Refunded Bonds will result in net present value savings to the City of not less than three percent (3%), based on the principal amount of the related Refunded Bonds. If the Refunding Bonds shall be sold at competitive or negotiated sale, the Refunding Bonds shall bear interest at such rates per annum as shall be approved by the City Manager; *provided, however*, in no event shall the true interest cost for the Refunding Bonds exceed six percent (6%) and *provided further* in no event shall the premium payable by the City upon the redemption of the Refunding Bonds exceed two percent (2%) of the principal amount thereof. If the Refunding Bonds are sold at competitive sale, the City Manager is hereby authorized to cause to be prepared and distributed (via electronic dissemination or otherwise) an Official Notice of Sale of the Refunding Bonds in such form and containing such terms and conditions as he may deem advisable, subject to the provisions hereof. If the Refunding Bonds are sold at negotiated sale, the City Manager is hereby authorized to select the underwriters of the Refunding Bonds and to enter into a Purchase Contract or Bond Purchase Agreement with such underwriters in such form as shall be approved by the City Manager upon the advice of counsel (including the City Attorney or Bond Counsel to the City), such approval to be conclusively evidenced by the execution and delivery of the Purchase Contract or Bond Purchase Agreement by the City Manager. The City Manager is hereby authorized to cause to be prepared and distributed (via electronic dissemination or otherwise) a Preliminary Official Statement and a final Official Statement relating to the Refunding Bonds.

(b) The City Manager is hereby further authorized to certify that the Preliminary Official Statement for the Refunding Bonds authorized hereunder is "deemed final" for purposes of Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934 ("Rule 15c2-12"). The City Manager is hereby further authorized to execute and deliver to the purchasers of the Refunding Bonds a Continuing Disclosure Certificate or a Continuing Disclosure Agreement evidencing the City's undertaking to comply with the continuing disclosure requirements of Paragraph (b)(5) of Rule 15c2-12 to the extent applicable to the Refunding Bonds, such Continuing Disclosure Certificate or Continuing Disclosure Agreement to be in such form as shall be approved by the City Manager upon the advice of counsel (including the City Attorney or Bond Counsel to the City), such approval to be conclusively evidenced by the execution of the Continuing Disclosure Certificate or Continuing Disclosure Agreement by the City Manager. The Mayor is hereby authorized to execute and deliver the final Official Statement for the Refunding Bonds, and the City Manager,

the Director of Budget and Evaluation and the City Attorney are hereby authorized to execute and deliver to the purchasers of the Refunding Bonds certificates in the forms provided for in the Official Statement for the Refunding Bonds.

SECTION 9. Appointment of Trustee as Escrow Agent; Authorization of Execution and Delivery of Escrow Deposit Agreement; Authorization of Purchase of Government Securities; Designation of Refunded Bonds for Redemption.

(a) The Trustee is hereby appointed as Escrow Agent for the City in connection with the refunding of the Refunded Bonds.

(b) In connection with the refunding and defeasance of the Refunded Bonds and in accordance with the provisions of Section 12(b) of the Bond Resolution, the City Manager is hereby authorized to execute and deliver an Escrow Deposit Agreement in connection with each series of Refunding Bonds in such form as shall be approved by the City Manager upon the advice of counsel (including the City Attorney or Bond Counsel), such approval to be evidenced by the execution of the Escrow Deposit Agreement by the City Manager.

(c) Either the City Manager or the Director of Budget and Evaluation, or their respective designees, are hereby authorized from time to time to execute, on behalf of the City, subscriptions for United States Time Deposit Securities – State and Local Government Series, if any, or purchase agreements for open market obligations, if any, to be purchased by the Escrow Agent as Government Securities from moneys deposited in the Escrow Deposit Fund created and established under any Escrow Deposit Agreement and from time to time to authorize the sale of such United States Time Deposit Securities – State and Local Government Series and the purchase of other United States Time Deposit Securities – State and Local Government Series in lieu of and substitution therefor. Such United States Time Deposit Securities – State and Local Government Series, if any, and open market obligations so purchased shall be held by the Escrow Agent under and in accordance with the provisions of the related Escrow Deposit Agreement. Either the City Manager or the Director of Budget and Evaluation, or their respective designees, are hereby authorized to enter into such purchase agreements as shall be required in connection with the purchase by the Escrow Agent, from moneys deposited in the Escrow Deposit Fund created and established under any Escrow Deposit Agreement other than United States Time Deposit Securities – State and Local Government Series.

(d) Subject to the issuance, sale and delivery of the Refunding Bonds pursuant to this Supplemental Resolution, the Council hereby designates the Refunded Bonds to be redeemed, together with the interest accrued thereon to the respective dates fixed for the redemption thereof, plus the applicable premium, if any. The City Manager is hereby authorized and directed to deliver to the escrow agent under the Escrow Deposit Agreement, irrevocable written instructions to give notices of such redemption of the Refunded Bonds, in the name and on behalf of the City, to the holders thereof, such notices to be given in the manner and at the time or times provided in the respective proceedings authorizing the issuance

of the respective bonds and to be in substantially the form to be set forth as an exhibit to the Escrow Deposit Agreement.

SECTION 10. Application of Proceeds of the Refunding Bonds. The proceeds of sale of the Refunding Bonds received by the City shall be applied as follows:

(a) an amount (or surety bond or insurance policy) shall be deposited in the Debt Service Reserve Fund sufficient to ensure that there is on deposit in the Debt Service Reserve Fund an amount equal to the maximum Debt Service Reserve Requirement on the Refunding Bonds;

(b) an amount required to refund and redeem the Refunded Bonds shall be deposited with the Trustee, as Escrow Agent under the Escrow Deposit Agreement; and

(c) the balance of the proceeds of the Refunding Bonds shall be deposited in the Construction Account in the Construction Fund and applied as provided in the Bond Resolution to the payment of the Costs of Issuance of the Refunding Bonds.

SECTION 11. Establishment of Separate Account in Debt Service Reserve Fund. Pursuant to Section 5.6 of the Bond Resolution, there shall be established a separate account in the Debt Service Reserve Fund for the Refunding Bonds to be designated "Reserve Account". Contemporaneously with the issuance of the Refunding Bonds there shall be deposited into the Debt Service Reserve Fund and credited to the Reserve Account for the sole benefit of the holders of the Refunding Bonds an amount (or surety bond or insurance policy) sufficient to ensure that there is on deposit in such Fund an amount equal to the maximum Debt Service Reserve Requirement on the Refunding Bonds.

SECTION 12. Debt Service Payments. The payment of principal, including Sinking Fund Payments, and interest on the Refunding Bonds shall be made in accordance with the provisions of Section 5.5 of the Bond Resolution.

SECTION 13. Supplemental Resolution is a "Supplemental Resolution" Under the Bond Resolution; the Refunding Bonds are "Bonds" Under the Bond Resolution.

(a) This Supplemental Resolution is adopted pursuant to the Bond Resolution. This Supplemental Resolution (i) supplements the Bond Resolution, (ii) is hereby found, determined, and declared to constitute and to be a "Supplemental Resolution" within the meaning of the quoted words as defined and used in the Bond Resolution and (iii) is adopted pursuant to and under the authority of the Bond Resolution.

(b) The Refunding Bonds are hereby found, determined and declared to constitute and to be "Bonds" within the meaning of the quoted words as defined and used in the Bond Resolution. The Refunding Bonds shall be entitled to the benefits, security and protection of the Bond Resolution, equally and proportionately with any other Bonds hereafter issued thereunder; shall be payable from the Revenues of the System on a parity with all Bonds

hereafter issued under the Bond Resolution; shall rank *pari passu* with all Bonds hereafter issued under the Bond Resolution; and shall be equally and ratably secured with all Bonds hereafter issued under the Bond Resolution by a prior and paramount lien and charge on the Revenues, without priority or distinction by reason of series, number, date, date of sale, date of issuance, date of execution and authentication or date of delivery, all as is more fully set forth in the Bond Resolution. It is hereby further found, determined and declared that no default exists in the payment of the principal of or interest and premium, if any, on any Bond issued under the Bond Resolution and that all mandatory redemptions, if any, of Bonds required to have been made under the terms of the Bond Resolution or any Supplemental Resolution have been made.

(c) Prior to the issuance of the Refunding Bonds, the provisions of this Supplemental Bond Resolution may be amended in whole or in part by a Supplemental Resolution adopted by the Council of the City without the consent of the Trustee, which shall be fully effective in accordance with its terms upon the filing with the Trustee of a copy thereof certified by the City Clerk or an Authorized Officer of the City.

SECTION 14. Further Action of Authorized Officers of the City. Any Authorized Officer or Officers of the City is or are hereby authorized to execute such further documents or take any and all such further action as upon the advice of the City's financial advisor and legal counsel (including the City Attorney and Bond Counsel to the City) (i) he, she or they shall deem necessary or desirable in order to effectuate the issuance, delivery and payment of the Refunding Bonds in accordance with the terms of the Bond Resolution and this Supplemental Resolution or (ii) may be reasonably required on part of such Authorized Officer of the City to carry out, give effect to and consummate the transactions contemplated hereby and by the documents referred to in the Bond Resolution or in this Supplemental Resolution or approved thereby or hereby.

SECTION 15. Filing of this Supplemental Resolution with Circuit Court. The City Clerk be and hereby is authorized and directed to file a copy of this Supplemental Resolution, certified by the City Clerk to be a true and correct copy thereof, with the Circuit Court of the City of Newport News, Virginia.

SECTION 16. Effect of Article and Section Headings and Table of Contents. The headings or titles of articles and sections hereof, and any table of contents appended hereto or copies hereof, shall be for convenience of reference only and shall not affect the meaning or construction, interpretation or effect of this Supplemental Resolution.

SECTION 17. Effectiveness of this Supplemental Resolution. This Supplemental Resolution shall be effective from and after October 28, 2014, the same being the date of adoption of this Supplemental Resolution by the Council

SECTION 18. That this resolution shall be in effect on and after the date of its adoption, October 28, 2014.

**EXHIBIT A**

**(FORM OF BONDS)**

**UNITED STATES OF AMERICA  
COMMONWEALTH OF VIRGINIA  
CITY OF NEWPORT NEWS  
WATER REVENUE REFUNDING BOND,  
SERIES \_\_\_\_**

**REGISTERED**

**REGISTERED**

**No. R-\_\_**

**\$\_\_\_\_\_**

**MATURITY DATE:**

**INTEREST RATE:**

**DATE OF BOND:**

**CUSIP NUMBER:**

**REGISTERED OWNER:**

**PRINCIPAL SUM:**

THE CITY OF NEWPORT NEWS, IN THE COMMONWEALTH OF VIRGINIA (THE "CITY"), FOR VALUE RECEIVED, ACKNOWLEDGES ITSELF INDEBTED AND HEREBY PROMISES TO PAY to the Registered Owner (named above), or registered assigns, but solely from the Revenues and money pledged to the payment hereof hereinafter specified and not otherwise, on the Maturity Date (specified above) (unless this Bond shall be subject to prior redemption and shall have been duly called for previous redemption and payment of the redemption price duly made or provided for), the Principal Sum (specified above), and to pay interest on such Principal Sum, but solely from the Revenues and money pledged to the payment hereof hereinafter specified and not otherwise, on \_\_\_\_\_, \_\_\_\_\_ and semiannually on each \_\_\_\_\_ and \_\_\_\_\_ thereafter (each such date is hereinafter referred to as an "interest payment date"), from the date hereof or from the interest payment date next preceding the date of authentication hereof to which interest shall have been paid, unless such date of authentication is an interest payment date, in which case from such interest payment date, or unless such date of authentication is within the period from the sixteenth (16th) day to the last day of the calendar month next preceding the following interest payment date, in which case from such following interest payment date, such interest to be paid until the maturity or redemption hereof at the Interest Rate (specified above) per annum, by check mailed by the Registrar and Paying Agent hereinafter mentioned to the Registered Owner hereof in whose name this Bond is registered upon the books of registry, as of the close of business on the fifteenth (15th) day (whether or not a business day) of the calendar month next preceding each interest payment date. Interest on this Bond shall be calculated on the basis of a three hundred sixty (360) day year comprised of twelve (12) thirty (30) day months.

The principal of this Bond is payable on presentation and surrender hereof at the designated corporate trust office of U.S. Bank National Association, the Registrar and Paying Agent, in the City of \_\_\_\_\_, \_\_\_\_\_. Principal of and interest on this Bond are payable in such coin or currency of the United States of America as at the respective dates of payment thereof is legal tender for public and private debts.

This Bond is one of a duly authorized Series of Bonds (herein referred to as the "Bonds") of the aggregate principal amount of \_\_\_\_\_ dollars (\$\_\_\_\_\_) of like date, denomination and tenor herewith except for number, interest rate, maturity and redemption provisions, and is issued under and pursuant to and in full compliance with the Constitution and statutes of the Commonwealth of Virginia, including Chapter 26 of Title 15.2 of the Code of Virginia, 1950 (the same being the Public Finance Act of 1991), a resolution duly adopted on January 23, 2007, by the Council of the City, entitled "RESOLUTION OF THE COUNCIL OF THE CITY OF NEWPORT NEWS, VIRGINIA, AUTHORIZING THE ISSUANCE OF WATER REVENUE BONDS OF THE CITY OF NEWPORT NEWS, VIRGINIA, AND PROVIDING FOR THE SECURITY OF THE HOLDERS THEREOF", and a resolution supplemental thereto duly adopted by the Council of the City on October 28, 2014, entitled "RESOLUTION AUTHORIZING AND PROVIDING FOR THE ISSUANCE AND SALE OF NOT TO EXCEED FORTY MILLION DOLLARS (\$40,000,000) AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE REFUNDING BONDS, OF CITY OF NEWPORT NEWS, VIRGINIA, FOR THE PURPOSE OF PROVIDING FUNDS TO REFUND AND REDEEM CERTAIN OUTSTANDING WATER REVENUE BONDS OF THE CITY; AUTHORIZING THE ISSUANCE AND APPROVING THE SALE OF SUCH REFUNDING BONDS AT COMPETITIVE OR NEGOTIATED SALE AND DELEGATING TO THE CITY MANAGER CERTAIN POWERS WITH RESPECT THERETO; AUTHORIZING THE CITY MANAGER TO FIX THE MATURITIES, INTEREST RATES AND OTHER DETAILS OF SUCH REFUNDING BONDS; APPROVING THE FORM OF SUCH REFUNDING BONDS; APPOINTING THE REGISTRAR AND PAYING AGENT FOR SUCH REFUNDING BONDS; APPOINTING THE TRUSTEE AS ESCROW AGENT FOR THE REFUNDED BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF AN ESCROW DEPOSIT AGREEMENT FOR EACH SERIES OF SUCH REFUNDING BONDS; AUTHORIZING THE DESIGNATION OF THE REFUNDED BONDS FOR REDEMPTION; AND MAKING CERTAIN FINDINGS AND DETERMINATIONS AND OTHERWISE PROVIDING WITH RESPECT TO THE ISSUANCE AND SALE OF SUCH REFUNDING BONDS" (such resolutions being herein referred to collectively as the "Resolution") for the purpose of providing funds to refund and redeem certain outstanding water revenue bonds of the City.

This Bond and the Series of Bonds of which this is one and interest thereon are payable solely from, and secured equally and ratably with other Bonds which may hereafter be issued on a parity therewith under the Resolution outstanding from time to time solely by a lien and charge on, the Revenues (as defined in the Resolution) derived from the operation of the System, subject to the prior payment from such Revenues of Operating Expenses of the System, and from moneys held in the funds and accounts created and established under the Resolution pledged to the payment thereof. The Resolution provides that the Bonds issued thereunder shall

not be deemed to constitute full faith and credit general obligations of the City for which there is a right to compel the exercise of the *ad valorem* taxing power of the City.

Reference is hereby made to the Resolution, to all of the provisions of which any Registered Owner of this Bond by his acceptance hereof hereby assents, for definitions of terms; the description of and the nature and extent of the security for the Bonds issued under the Resolution, including this Bond; the description of the System; the description of the Revenues and the moneys held in the funds and accounts created and established under the Resolution pledged to the payment of the principal of and premium, if any, and interest on, the Bonds issued under the Resolution, including this Bond; the nature and extent and manner of enforcement of the pledge; the covenants of the City as to the fixing, establishing, maintaining and revising of rates and charges for the provision and sale of water services of the System; the covenants of the City as to the collection, deposit and application of the Revenues of the System; the conditions upon which other Bonds may hereafter be issued under the Resolution payable on a parity with this Bond from the Revenues of the System of the City and equally and ratably secured herewith; the rights, duties and obligations of the City; the provisions discharging the Resolution as to this Bond and the lien and pledge of this Bond on the Revenues of the System if there shall have been deposited in accordance with the provisions of the Resolution on or before the maturity or redemption hereof moneys sufficient to pay the principal hereof and the interest hereon to the maturity or redemption date hereof, or certain specified securities maturing at such times and in such amounts which, together with the earnings thereon, would be sufficient for such payment, or a combination of both such moneys and securities; and for the other terms and provisions of the Resolution.

The Bonds of the Series of which this Bond is one maturing on or before \_\_\_\_ 1, \_\_\_\_ are not subject to redemption prior to their stated maturities. The Bonds of the Series of which this Bond is one maturing on and after \_\_\_\_ 1, \_\_\_\_ (or portions thereof in installments of \$5,000) are subject to redemption at the option of the City prior to their stated maturities, on or after \_\_\_\_ 1, \_\_\_\_, in whole or in part from time to time on any date, in such order as may be determined by the City (except that if at any time less than all of the Bonds of a given maturity are called for redemption, the particular Bonds or portions thereof in installments of \$5,000 of such maturity to be redeemed will be selected by lot), upon payment of a redemption price equal to the principal amount of the Bonds to be redeemed, together with the interest accrued thereon to the date fixed for the redemption thereof.

The Bonds of the Series of which this Bond is one maturing on \_\_\_\_ 1, \_\_\_\_ shall be subject to mandatory sinking fund redemption on \_\_\_\_ 1, \_\_\_\_ and on \_\_\_\_ 1 of each year thereafter to maturity, from moneys to be credited to the Debt Service Fund for the redemption of such Bonds, in the principal amounts in each year set forth below, with the particular Bond or Bonds or portions thereof to be redeemed to be selected by lot, upon payment of the principal amount of the Bonds to be redeemed, together with the interest accrued on the principal amount to be redeemed to the date fixed for the redemption thereof:

Year  
(\_\_\_\_ 1)

Principal Amount

If this Bond is redeemable and this Bond (or any portion of the principal amount hereof in installments of \$5,000) shall be called for redemption, notice of the redemption hereof, specifying the date, number and maturity of this Bond, the date and place or places fixed for its redemption and if less than the entire principal amount of this Bond is to be redeemed, that this Bond must be surrendered in exchange for the portion of the principal amount hereof to be redeemed and a new Bond or Bonds issued equalling in principal amount that portion of the principal amount hereof not to be redeemed, shall be mailed not less than thirty (30) days prior to the date fixed for redemption, by first class mail, postage prepaid, to the Registered Owner hereof at the address of such Registered Owner as it appears on the books of registry kept by the Registrar and Paying Agent as of the close of business on the forty-fifth (45th) day next preceding the date fixed for redemption. If notice of the redemption of this Bond (or the portion of the principal amount hereof to be redeemed) shall have been given as aforesaid, and payment of the principal amount of this Bond (or the portion of the principal amount hereof to be redeemed) and of the accrued interest payable upon such redemption shall have been duly made or provided for, interest hereon shall cease to accrue from and after the date so specified for the redemption hereof.

Any notice of the optional redemption of this Bond may state that it is conditioned upon there being on deposit with the City, or with the Registrar and Paying Agent on behalf of the City, on the date fixed for the redemption hereof an amount of money sufficient to pay the redemption price of this Bond, together with the interest accrued thereon to the date fixed for the redemption hereof, and any conditional notice so given may be rescinded at any time before the payment of the redemption price of this Bond, together with the interest accrued thereon, is due and payable if any such condition so specified is not satisfied. If a redemption of this Bond does not occur after a conditional notice is given due to there not being on deposit with the City, or with the Registrar and Paying Agent on behalf of the City, a sufficient amount of money to pay the redemption price of this Bond, together with the interest accrued thereon to the date fixed for the redemption hereof, the corresponding notice of redemption shall be deemed to be revoked.

Subject to the limitations and upon payment of the charges, if any, provided in the proceedings authorizing the Bonds of the Series of which this Bond is one, this Bond may be exchanged at the designated corporate trust office of the Registrar and Paying Agent for a like aggregate principal amount of Bonds of other authorized principal amounts and of the Series of which this Bond is one. This Bond is transferable by the Registered Owner hereof, in person or by his attorney duly authorized in writing, at the designated corporate trust office of the Registrar and Paying Agent but only in the manner, subject to the limitations and upon payment of the charges, if any, provided in the proceedings authorizing the Bonds of the Series of which this Bond is one, and upon the surrender hereof for cancellation. Upon such transfer a new Bond or

Bonds of authorized denominations and of the same aggregate principal amount of the Series of which this Bond is one will be issued to the transferee in exchange herefor.

This Bond shall not be valid or obligatory unless the certificate of authentication hereon shall have been manually signed by an authorized signator of the Registrar and Paying Agent.

It is hereby certified, recited and declared that all acts, conditions and things required to have happened, to exist and to have been performed precedent to and in the issuance of this Bond and the series of which it is one, have happened, do exist and have been performed in regular and due time, form and manner as required by law, and that the Bonds of the Series of which this Bond is one do not exceed any constitutional or statutory limitation of indebtedness.

IN WITNESS WHEREOF, the City has caused this Bond to be executed by the manual or facsimile signature of the Mayor of the City; a facsimile of the corporate seal of the City to be imprinted hereon, attested by the manual or facsimile signature of the City Clerk of the City; and this Bond to be dated the date above first written.

CITY OF NEWPORT NEWS, VIRGINIA

[SEAL]

\_\_\_\_\_  
Mayor

Attest:

\_\_\_\_\_  
City Clerk

#### CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds delivered pursuant to the within-mentioned proceedings.

U.S. BANK NATIONAL ASSOCIATION, Registrar  
and Paying Agent

By: \_\_\_\_\_  
Authorized Signature

Date of Authentication: \_\_\_\_\_, \_\_\_\_\_

## ASSIGNMENT

For valued received the undersigned hereby sell(s), assign(s) and transfer(s) unto

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(Please print or type name and address of, including postal zip code, of Assignee)

PLEASE INSERT SOCIAL SECURITY OR  
OTHER TAX IDENTIFYING NUMBER OF ASSIGNEE

the within Bond and all rights hereunder, hereby irrevocably constituting and appointing  
\_\_\_\_\_, Attorney, to transfer such Bond on the  
books kept for the registration thereof, with the full power of substitution in the premises.

Dated: \_\_\_\_\_

Signature Guaranteed: \_\_\_\_\_

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NOTICE: Signature(s) must be guaranteed by a member firm of The New York Stock Exchange, Inc. or a commercial bank or trust company.

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(Signature of Registered Owner)

NOTICE: The signature above must correspond with the name of the Registered Owner as it appears on the front of this Bond in every particular, without alteration, enlargement or any change whatsoever.

## H. Appropriations

### ACTION:

A REQUEST FOR A MOTION OF CITY COUNCIL TO  
APPROVE AS A BLOCK THE FOLLOWING  
APPROPRIATIONS.

1. Department of Human Services (DHS) - FY 2015  
Maternal Infant Early Childhood Home Visiting  
(MIECHV) Grant - \$430,483

## H. Appropriations

1. Department of Human Services (DHS) - FY 2015 Maternal Infant Early Childhood Home Visiting (MIECHV) Grant - \$430,483

ACTION:

A REQUEST TO APPROVE A RESOLUTION APPROPRIATING \$430,483 OF FEDERAL REVENUE TO THE DEPARTMENT OF HUMAN SERVICES (DHS) FOR THE MATERNAL INFANT EARLY CHILDHOOD HOME VISITING (MIECHV) PROGRAM.

BACKGROUND:

- The Virginia Department of Health (VDH) has awarded the third year of funding for the Home Visiting Grant in the amount of \$430,483.
- The purpose of this grant is to expand the delivery of home visiting services using evidence-based early childhood home visiting models.

FISCAL IMPACT:

- No local match is required.
- The City Manager recommends approval.

Supporting Material

CM Memo re MIECHV Grant for DHS

sdm12943 Appropriation re FY15 MIECHV Grant

# CITY OF NEWPORT NEWS

## OFFICE OF THE CITY MANAGER

October 14, 2014

**TO:** The Honorable City Council

**FROM:** City Manager

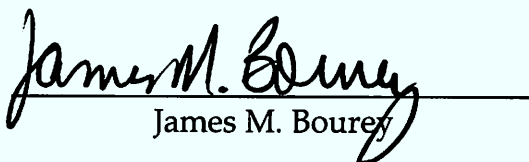
**SUBJECT:** FY 2015 Maternal Infant Early Childhood Home Visiting (MIECHV) Grant

The City's Department of Human Services (DHS) has been awarded the third year of funding in the amount of \$430,483 for the Home Visiting Grant by the Virginia Department of Health (VDH). This award is a non-competitive renewal grant for up to four years and will be used to provide voluntary home visiting services to parents with children prenatal to age five.

DHS implemented two models approved by the Department of Health and Human Services that meet the criteria for an evidence-based early childhood home visiting service delivery model. The first model is an expansion of the existing Healthy Families America home visitation program and the second model is a Parents as Teachers program. The Parents as Teachers model serves families that are not eligible for Healthy Families or not eligible for another home visiting program serving Newport News residents.

The Health Resources and Services Administration (HRSA) has developed and approved six benchmarks that the program will be required to collect data on and report annually. The program must show improvement in four of the six constructs selected by Virginia in the third year of funding to continue receiving funds in the subsequent year.

Approval of the appropriation resolution is recommended.

  
James M. Bourey

JMB:sg

cc: Venerria Thomas, Director, Department of Human Services  
Rosanne Walters, Deputy Director, Department of Human Services

**RESOLUTION NO. \_\_\_\_\_**

A RESOLUTION APPROPRIATING FUNDS FROM FEDERAL REVENUE - MIECHV TO MIECHV PROGRAM.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Newport News:

That it hereby appropriates funds from Federal Revenue - MIECHV to MIECHV Program, as follows:

Appropriation From:

|                                      |               |
|--------------------------------------|---------------|
| Federal Revenue - MIECHV             |               |
| 2650-000-34-3495-483000-000000-0000- |               |
| 34N15-34N15                          | \$ 430,483.00 |

Appropriation To:

|                                      |               |
|--------------------------------------|---------------|
| MIECHV Program                       |               |
| 2650-000-34-3495-530100-000000-0000- |               |
| 34N15-34N15                          | \$ 430,483.00 |

\*I. Citizen Comments on Matters Germane to the Business of City Council

J. New Business and Councilmember Comments

City Manager  
City Attorney  
City Clerk

Price  
Scott  
Vick  
Woodbury  
Bateman  
Cherry  
Coleman

K. Adjourn

**\*THE BUSINESS PORTION OF THE MEETING WILL BE CONCLUDED NO  
LATER THAN 10:00 P.M. TO ALLOW PERSONS TO ADDRESS CITY COUNCIL  
UNDER "CITIZEN COMMENTS ON MATTERS GERMANE TO THE BUSINESS  
OF CITY COUNCIL."**