

NORFOLK, VIRGINIA
MEETING OF COUNCIL
WORK SESSION
TUESDAY, MAY 4, 2021

Mayor Alexander, called the meeting to order at 4:00 p.m. and announced this meeting on May 4, 2021, is being held by electronic communication means pursuant to Item 4-0.01 in House Bill 30 (Chapter 1289) of the 2020 Session.

The Governor of the Commonwealth of Virginia has declared a State of Emergency due to the public health danger of the novel coronavirus COVID-19 pandemic, which constitutes a disaster and emergency under Virginia Code Section 44-146.16.

The COVID-19 pandemic makes it impracticable or unsafe for the City Council to assemble in a single location.

The purpose of this meeting is to discuss or transact the business statutorily required or necessary to continue operations of this public body and the discharge of its lawful purposes, duties, and responsibilities.

This meeting will be conducted by the following electronic communication means: telephonically and electronically through WebEx. The public may participate by providing their comments in email to the Clerk's Office in advance of the hearing or by WebEx phone or video.

The members of the Council were present by remote/electronic WebEx: Mrs. Courtney R. Doyle, Mrs. Mamie B. Johnson, Mrs. Andria P. McClellan, Ms. Danica Royster, Mr. Tommy Smigiel, and Vice Mayor Martin Thomas Jr. Mr. Paul R. Riddick attended telephonically, and Mayor Kenneth Cooper Alexander appeared in person.

CLOSED SESSION

Motion for closed session was approved for purposes which are set out in **Clause 3** subsection A of Section 2.2-3711 of the Virginia Freedom of Information Act:

- (3) Discussion of the disposition of publicly held real property in the Downtown/St. Paul's area and the Campostella area, where the discussion in an open meeting would adversely affect the negotiating strategy of the public body.

Yes: Doyle, Johnson, McClellan, Riddick, Royster, Smigiel, Thomas and Alexander.

No: None.

AGENDA

Announcement

Dr. Filer stated as part of the Downtown Transit Plan, the Department of Transit will conduct a demonstration of a bus-bike-scooter dedicated lane along Boush Street between City Hall Avenue and Brambleton Avenue. The first demonstration will take place on May 7th from 8:00 a.m. to 3:00 p.m.; second on May 8th from 10:00 a.m. to 2:00 p.m. Citizens are encouraged to attend and bring bikes and scooters to test the dedicated lane. Transit staff will be available to talk to citizens.

Run/Walk Events Update

Presenters: Ms. Erin Quigley, Event Services Manager, Cultural Facilities

Mr. Kurt Krause, President and CEO, VisitNorfolk

Dr. Filer stated the amendment being recommended to Council was not in the original proposed budget. It is a new way to fund a grants program and a sponsorship program for all run-walk events that occur throughout the city.

Ms. Quigley reported as follows:

Run/Walk Existing Policy Overview

- Existing policy was initially implemented in June 2012
- Focus was to have set guidelines to ensure all run/walk events followed the same process and cost structure
- Established fees for all services and standard in-kind support
- Created a discount for run/walks that supported a local* non-profit
- Allowed the City discretion to sponsor a run/walk event at any level

**Local = Norfolk Based (Existing Policy)*

Why Consider a New Policy?

- Current Policy relies primarily on in-kind services provided by city departments
- No funds are budgeted for this support – city staff working the events are often in an overtime status
- Most department's no longer have the capacity to meet the demands of the current policy
 - Number of Run/Walks continues to increase
 - Budget reductions from COVID-19 pandemic have reduced capacity for non-mission critical spending

Run/Walk Policy Update

Objective:

Implement a new sponsorship program for run/walk events

Priorities:

- Equity – Ensure parity for all applicants by establishing consistent eligibility criteria
- Community Engagement – Support and encourage local events that engage neighborhoods and the community in healthy activities
- Economic Impact – Provide increased support for nationally marketed events that drive economic impact via hotels and tourism
- Operating budget – Reduce the impact of in-kind support on department budgets by allocating specific funding for run/walk sponsorships

Updates to the Overall Policy

UPDATE: Discounts & Multi-Year Agreements

Non-Profit Discount:

- **Current:** Run/Walks **that benefit a local non-profit** can receive a 20% discount on City Norfolk Police Department (NPD) and Transit services
- **New:** Run/Walks **that are produced by a regional (Hampton Roads) non-profit** can receive a 20% discount on City NPD and Transit services. **Norfolk based non-profits will receive an additional 5% discount.**

Multi-Year Agreements:

- **Current:** N/A
- **New:**
 - Applicants will provide a proposal¹ to Seven Venues to facilitate review by the City Manager
 - Multi-year agreements will only be implemented for **national** races
 - Agreements will be limited in term to **3** year terms
 - Agreements will not guarantee specific run/walk routes

¹Deadline for proposal submission – 12 Months prior to event

UPDATE: City Communications Support

Current: N/A

New:

- **Marketing Support**
 - Share events on social media
 - Highlight upcoming run/walk events in City's newsletter
 - Post run/walk events to the calendar on www.norfolk.gov
- **Community Notification (traffic impacts and street closures/restrictions)**
 - Share event press releases
 - Assist with using Next Door to notify residents of run/walk events

Mr. Krause next reported on VisitNorfolk's Marketing Support as follows:

NEW: Visit Norfolk Marketing Support

Current: N/A

New:

- **Social Channels (Facebook, Instagram & Twitter)**
 - Create and share posts/stories about races
- **PR Efforts**
 - Press Releases/Sporting Publications
- **Website (Events Calendar/Blogs)**
- **E-Newsletter Distribution**

Mr. Krause briefly reviewed an Economic Impact chart showing the J&A Race Key Results. A \$1.2 million economic impact was generated that included hotel stays, restaurants, retail, etc.

Ms. Quigley next reported on Sponsorships. She presented a funding model and Sponsorship examples.

UPDATE: Sponsorships

Current Policy:

- Entities requesting City sponsorship submit a letter of request
- Policy provides no evaluation criteria or standards to determine approval or sponsorship level
- Sponsorships are a combination of cash and in-kind support
- Norfolk Public Schools run/walks do not pay for City services

New Policy:

Establish cash sponsorship program to be managed by Visit Norfolk in place of providing in-kind services or fee waivers

- Create a sponsorship application (6-month application deadline)
- Event would receive city approval on permit application and then Visit Norfolk would determine cash sponsorship eligibility
- All currently sponsored events would apply for the new sponsorship program
- Events produced by a new promoter would be eligible to apply for a sponsorship after the first year
- Discontinue fee waivers for rent, permit/applications, and in-kind city service support other than the regional non-profit discount

- Requires allocating appropriate funding to Visit Norfolk

Financial Implication

2019 run/walk participation numbers:

- Estimate 16,000+ combined registered participants in all run/walk events

2019 run/walk sponsorship estimated totals:

- \$70,000 in-kind (staff/rent fee waivers)
- \$40,000 cash

Projected CY 2022 sponsorship with new program:

- **\$18,000 in-kind (staff/rent fee waivers for non-profits)**
- **\$100,000 - \$125,000 cash***

*Will vary based on number of run/walk events and total participation numbers

Transition

- Currently sponsored events (**NPS/PTA events, CHKD and Heart of Ghent**) without multi-year agreements would follow the new sponsorship policy starting in CY 2022
 - Events would receive full current sponsorship level in CY 2021
 - Events would submit sponsorship application for CY 2022 funding
- All events requesting **new sponsorship** would submit application for funding
- Current multi-year agreement with **J&A Racing** expires at the end of CY 2021

Next Steps

- Confirm availability of funding to start program in FY 2022
- Update policy and develop application process
- Notify existing events of new process and post application online

Councilman Smigiel commented that citizens want the 5k race to return to Ocean View, but due to the traffic issues and complications on Ocean View Avenue, a lot of officers are needed. He asked if there are areas where volunteers could be used. Ms. Quigley answered they would talk with NPD about staffing issues and try and find a resolution to make it as cost-effective as possible.

Councilwoman Johnson asked for more run-walks and biking events in other neighborhoods throughout the city.

Councilwoman McClellan suggested scaling this to include other types of outdoor athletic events such as a triathlon and to take advantage of our waterways by having a run along Shore Drive between Virginia Beach and Norfolk.

Budget Worksession – Reconciliation

Presenters: Dr. Larry H. Filer II, City Manager
Mr. Gregory Patrick, Budget Director

Dr. Filer stated after receiving feedback from Council at budget sessions and one-on-one meetings, amendments have been made as follows:

FY 2022 Operating Budget Amendments

<u>Sources of Operating Budget Amendments/Adjustments</u>	<u>One-time Amount</u>	<u>Ongoing Amount</u>
Additional State funding for five percent teacher salary increases	\$0	\$5,200,229
Remove ongoing funds for Nutritional Equity Fund	\$0	\$250,000
Remove funds for jury management expenses	\$0	\$180,000
Realize projected savings in city healthcare costs	\$0	\$82,330
Reduce funds for Human Services Grants	\$0	\$67,500
Reduce funds for Run/Walk incentive program in Cultural Facilities	\$0	\$25,000
Transfer funds from the Resilience Penny designation to the CIP	\$1,150,000	\$0
Transfer Unspent Poverty Commission Funds to Nutritional Equity Fund	\$287,000	\$0
Total	\$1,437,000	\$5,805,059

<u>Uses of Operating Budget Amendments/Adjustments</u>	<u>One-time Amount</u>	<u>Ongoing Amount</u>
Regrade Firefight EMT-I, Firefight EMT-P, and Fire Inspector positions	\$0	\$200,000
Provide funds to continue the Life Long Learning program	\$0	\$150,000
Increase funds to NCVB to administer city's Run/Walk Incentive program	\$0	\$125,000
Increase Operating Support for the Southside Boys and Girls Club	\$0	\$67,500
Provide operating support for 757 Collab in FY 2022 and FY 2023	\$0	\$55,000
Increase funds for HRPDC member dues	\$0	\$7,330
Increase cash transfer to the CIP	\$1,150,000	\$0
Increase funds and change funding source for Nutritional Equity Fund	\$287,000	\$0
Totals	\$1,437,000	\$5,805,059

Amended FY 2022 General Fund Budget

Revenue	Amount	Amendments	Budget
General Property Taxes	\$322,871,000	\$0	\$322,871,000
Other Local Taxes	\$161,646,000	\$0	\$161,646,000
State/Federal/Other – Norfolk Public Schools	\$215,921,108	\$5,200,229	\$221,121,337
State/Federal Aid – Other	\$137,665,960	\$0	\$137,665,960
Other Revenue	\$52,871,393	\$0	\$52,871,393
Other Sources and Transfers In	\$32,568,400	\$287,000	\$32,855,400
Total Revenue	\$923,543,861	\$5,487,229	\$929,031,090

Expenditure	Amount	Amendments	Budget
Personnel Expenditures			
Salaries & Wages	\$242,371,574	\$200,000	\$242,571,574
Temporary Position Funding	\$4,187,271	\$0	\$4,187,271
Benefits (Healthcare & Retirement)	\$70,864,817	(\$82,330)	\$70,782,487
Total Personnel Expenditures	\$317,423,662	\$117,670	\$317,541,332
Non-personnel Expenditures			
Department Non-personnel	\$181,637,298	\$169,330	\$181,806,628
NPS – State, Federal, & Other	\$215,921,108	\$5,200,229	\$221,121,337
NPS – Local, including CTI	\$133,746,972	\$0	\$133,746,972
Debt Service	\$74,814,821	\$0	\$74,814,821
Total Non-personnel Expenditures	\$606,120,199	\$5,369,559	\$611,489,758
Total Expenditures	\$923,543,861	\$5,487,229	\$929,031,090

Dr. Filer stated the \$923.5 million remains the same. They are optimistic about the revenue forecast, but there are concerns about reaching herd immunity with COVID, so they are allowing for a little wiggle room should retail sales, meals, admissions, etc., not rebound as much as predicted. What is added to the General Fund increases the revenue side to \$929 million and that is the amount of money transferred in from the Poverty Commission and the state, which is dedicated to Norfolk Public Schools (NPS).

FY 2022 – FY 2026 CIP Amendments

FY 2022 CIP Amendments

Sources to Fund CIP Amendments/Adjustments	Amount
Increase cash to the CIP from projected budget savings	\$1,500,000
Resilience Penny Designation	\$1,150,000
Eliminate “Demolish the Willis Building” CIP project	\$605,000
Increase General Obligation Bonds	\$395,000
Total	\$3,650,000

Uses of CIP Amendment Funds	Amount
Provide Capital Grant to Southside Boys & Girls Club for facility improvements	\$1,500,000
Implement Flood Mitigation at Cambridge Crescent and Carroll Place	\$1,150,000
Design Berkley Square Complex	\$1,000,000
Total	\$3,650,000

FY 2023 – FY 2026 CIP Plan Changes

Action	Project Name	FY2023	FY2024	FY2025	FY2026	Total
Add Project	Improve Arts District Street-scapes	\$2,500,000	\$2,350,000	\$0	\$0	\$4,850,000

Dr. Filer stated these are the amendments that are occurring through the whole five-year CIP. They do not necessarily occur in this fiscal year. They may occur in an out-year.

Amended FY 2022 – FY 2026 CIP

Amended FY 2022 – FY 2026 Capital Improvement Plan – Summary

Fund	FY2022	FY2023	FY2024	FY2025	FY2026	5-Yr Total
General Capital	\$96.5	\$97.2	\$52.0	\$57.4	\$45.0	\$348.0
Amendments/Plan Changes	\$3.0	\$2.5	\$2.4	\$0.0	\$0.0	\$7.9
Total General Capital	\$99.5	\$99.7	\$54.4	\$57.4	\$45.0	\$355.9
Parking	\$1.5	\$2.5	\$2.5	\$2.5	\$2.5	\$11.5
Storm Water	\$33.3	\$29.2	\$15.9	\$15.2	\$6.2	\$99.8
Wastewater	\$17.0	\$17.0	\$17.0	\$17.0	\$17.0	\$85.0
Water	\$36.2	\$35.8	\$32.0	\$34.8	\$33.9	\$172.6
Grand Total	\$187.5	\$184.2	\$121.7	\$126.9	\$104.5	\$724.8

(All numbers in Millions)

Councilman Riddick asked will the pool in Grandy Village be operational this summer? Dr. Filer stated the pool is at Chesterfield Academy and there may be a delay to its opening due to the construction of the park. He stated he will check with Mr. Beaver on an opening date.

Councilman Riddick asked will the city continue to maintain the Campostella Heights Resource Center while the Southside Boys and Girls Club is doing the programming? Dr. Filer stated it is a city-owned building and will continue to be maintained by the city.

Councilwoman Royster asked will the Campostella Heights Resource Center be open to seniors and other citizens while the Southside Boys and Girls Club are using it? Dr. Filer answered there are three computer resource centers on the southside that the library managed. They now have a computer center in the new Tucker Library and that is primarily where citizens who used the resource center will go.

Councilman Riddick asked for an update on the Martin Luther King monument. Dr. Filer answered that the monument's steel understructure is being renovated and is in worse shape than anticipated. It might take up to eight weeks before it is returned. Currently they will be closing one lane of traffic as they renovate the fountain. Once that has been completed, the tower will be returned. He stated he will contact the contractor to see if they can give a specific date.

Councilman Smigiel commented on a discrepancy in Council's budget book related to SWIFT funds to NPS for CIP funding and added he would provide the page to the City Manager.

Councilman Smigiel Ocean View has been designated as a Tours and Development Grant area, but there is no funding match from the city in our budget to attract hotel developers. He proposed putting a tax on short-term rentals to start that fund. Mayor Alexander echoed Councilman Smigiel and asked if the City Manager could fund \$150,000 to establish the fund and

consider initiating a competitive application fee or registration fee of short-term rentals as a source to start the fund.

Councilwoman McClellan asked how many short-term rentals are registered in the city? Dr. Filer answered he would provide the number at the May 11th meeting.

Councilwoman Johnson asked the City Manager to contact NPS and ask about their summer plans for our scholars academically and for before and after school programs so we can provide the information to our citizens.