

OFFICIAL MINUTES OF THE MANASSAS PARK GOVERNING BODY BOARD OF DIRECTORS MEETING HELD ON TUESDAY OCTOBER 7, 2008 AT 7:00 PM AT CITY HALL, ONE PARK CENTER COURT, MANASSAS PARK, VIRGINIA

**1. Roll Call:** Frank Jones, Mayor  
Bryan Polk, Vice Mayor  
Fran Kassinger  
Michael Bunner  
Keith Miller  
William J. Treuting, Jr.

Absent: Cyndi Gardner

Staff Present: Mercury Payton, City Manager  
Dean Crowhurst, City Attorney

**1. Call to Order: 7:00 pm**

**2. Clark Realty-Landscaping and Streetscaping for City Center: Will Skinner**

Festival Pavilion buildings at the end of Market Street by the traffic circle to the left. Those are the focal point for what will be Town Festival outdoor movie showings, farmers market, and outdoor events. This would be a good place for events that now take place at Signal Hill.

Improved Outdoor Dining: There are two main corners they envision for their sit down restaurants they are looking to get. Do you want close end of the building or away from the building. How do you make customers feel comfortable sitting out there particularly the landscaping creating a buffer between cars? Customers need to feel like they are screened and safe. People can sit around the smaller fountains.

They are taking a hard look at how people get to the site and the pedestrian traffic flow. They have added a raised pedestrian crossing mid block. You want people to be able to access the retail conveniently and safely. Driving to the retail stores at this time is not convenient. By providing a designated crossing, you are trying to funnel the traffic in the safest way possible. The raised crossing works in conjunction with other features such as going 25MPH. The main crosswalk will be at the end of Building B closest to railroad track. They are putting in an additional crosswalk which is a ramping up of flat platform and then ramp down mid block that has been in the plan. They work in conjunction with the raised median. The third crosswalk is across from Alliance Bank may or may not be raised based on some other factors.

There are a lot of movements and steps for a customer to get into a store which creates problems for someone running a shop. They have put in a left-hand turn only into the retail lot.

They are working with Norfolk Southern to create an "at grade" crossing for the VRE. Entrance would be through Milleson Park the property located at Manassas Drive and Park Center. This links in with the pedestrian environment.

They have added a dog park which is a big thing in other town centers.

Commissioner Polk stated the intersection raise table changed from a square to an oval. Clark is still aerating with civil design and believes it will go back to a square.

Lighted trellis:

**3. Change in Effective Date for Real Estate Assessment: Richard Sanderson, City Assessor:**

Issue Summary: The Governing Body of the City of Manassas Park is considering aligning calendar year real estate tax assessments with the fiscal year budget in order to accurately anticipate changes in the real property tax revenues for the City that affect each budget year. Current estimates show that real estate tax assessments may decline 22% in 2009, resulting in a budget shortfall for the City of more than \$2.4 million in real estate tax revenue (\$1.1 million for City and \$1.3 for Schools). According to Virginia Code, the Governing Body can adopt ordinances that change the effective date for the real estate tax assessment year from January 1 to July 1, and other ordinances that relate to real estate tax assessment and Board of Equalization activities in order to comply with this date change.

The following questions and answers are presented to help the citizens of Manassas Park and other stakeholders in the real estate tax assessment process or who use such information in the real estate industry.

**Question 1: Why is the Governing Body considering aligning calendar year real estate tax assessments with the fiscal year budget cycle?** Current estimates show that real estate tax assessments may decline 22% in 2009, resulting in a budget shortfall for the City of more than \$2.4 million in real estate tax revenue (\$1.1 million for City and \$1.3 for Schools).

The desire of the Governing Body in aligning the real estate tax assessment year with the fiscal year budget process is to accurately anticipate changes in the real property tax revenues for the City that affect each budget year. For the current FY 2008-2009 general fund budget, real estate tax revenues represent approximately 52% of general fund revenues.

Each spring, as part of the City's fiscal year budget process the Governing Body considers and adopts a real estate tax rate to be levied against the City's real property tax base for the current calendar year assessments (January 1 through December 31) and estimates how the tax base may change for the upcoming assessment. The City's fiscal year budget covers the period from July 1 through June 30.

For example, for the FY 2009 budget year the City Assessor provided the Director of Finance with the CY 2008 assessments on February 19, 2008 (that had an effective date of Jan. 1, 2008) and estimated that the CY 2009 real property tax base would decline 3.5% (11.25% depreciation in properties values offset by an expected \$100 million in expected new construction value). The challenge is estimating how real estate values will change in more than 10 months (February through December) under unique and changing real estate market conditions.

The prevailing residential real estate market for 2008 is characterized as a buyer's market where sellers are motivated by actions in lieu of foreclosure (short sales and third-party sales) or bank-owned properties are being sold. 85.2% of the real estate transactions that took place during the first six months of CY 2008 in the City of Manassas Park were pre and post-foreclosure sales. And because pre and post-foreclosure sales are such a major force in the market, all other sales are indicating a similar decline in market value in order to compete. These conditions are not expected to change in any substantive way to alter prevailing market conditions.

For the 2008 real estate assessments (that were effective January 1, 2008, and considered sales during 2007) and prior assessments, pre and post foreclosure sales were not a prevailing part of market and, therefore, were not considered in determining property assessment changes from year to year.

**Question 2: Under what authority can the Governing Body change the real estate tax assessment date?** Virginia Code Sections 58.1-3010 and 58.1-3011 provide that a governing body may adopt ordinances that change the effective date for the real estate tax assessment year from January 1 to July 1, and other ordinances that relate to real estate tax assessment and Board of Equalization activities in order to comply with this date change.

**Question 3: What has the Governing Body already done to proactively respond to this situation?** As part of their September 9, 2008, meeting, the Governing Body heard a presentation by the City Assessor related to an expected decline in the City's real estate tax base of 22%. After the presentation on assessments, Mayor Jones outlined how the Governing Body was proactively responding to the situation, which included:

- Zero-based review of all City-provided services through in-depth study by City staff
- Identification of costs, alternatives, and impact options by City staff
- Prioritizing list of cost saving recommendations by City staff
- Hiring to all vacant City positions halted (individual vacancies evaluated on a case-by-case basis, considering impact to City health, safety, and welfare)
- Curtail spending
- Coordinate City's actions and response with surrounding localities
- Consider citizen input

**Question 4: What other options are being considered by the Governing Body?**

Mayor Jones' presentation of September 9 also outlined the options that the Governing Body planned to consider, which included:

- Review and modify City services and staffing levels, if appropriate
- Outsource and partner with other jurisdictions
- Use City's emergency reserve (one time solution, not ongoing or long term solution)
- Re-baseline real estate tax rate, but not increase the amount of real estate tax bill to the citizens
- Final estimated impact of decline in real estate assessments after City Assessor studies market and reports changes up to the time when budget decisions need to be made (March/April 2009)

**Question 5: How can I voice my concerns to the Governing Body on this issue?**

The Governing Body will consider a resolution to amend or enact specific ordinances related to this issue and hold a public hearing on dates to be announced during October and November. All meetings will be advertised in advance and the City's main website includes a meeting calendar. Citizens are encouraged to sign-up to speak on any item or notify the City Clerk at the meeting. The City website also includes contact information for the Governing Body.

**Question 6: Are other cities considering a similar change?** According to a 2006 survey by the Virginia Department of Taxation, 53% of Virginia cities, or 21 of 40 cities, have changed their real estate tax assessment year to align with the fiscal budget year. Virginia cities that have changed their real estate tax assessment year to align with the fiscal budget year include Chesapeake, Hampton, Harrisonburg, Newport News, Norfolk, Petersburg, Portsmouth, Suffolk, and Virginia Beach, all of whom also assessment real estate each year.

Because real estate assessments are generally prepared in the fall and winter, and the typical budget process will not begin until about February 2009, it is too early to tell if other cities will consider a similar change.

**Question 7: Will the alignment of the real estate tax assessment year with the fiscal budget year affect other taxes?** No, the alignment of the real estate tax assessment year with the fiscal budget year will not affect other taxes, just the real estate tax. The process for personal property taxes will remain the same.

**Question 8: Will all types or classes of real estate be affected by this change?**

All types or classes of real estate will be affected by the aligning of the real estate tax assessment year with the fiscal year budget. The classes of taxable real estate in the City currently include residential properties (single family detached homes, townhomes, and residential condominiums), commercial properties (apartments, offices, and general retail properties) and industrial properties (distribution, storage, and manufacturing warehouses and facilities).

**Question 9: How will the real estate tax assessment process change when it is aligned with the fiscal year budget?** The real estate tax assessment process will change in six different ways when it is aligned to with the fiscal budget year. These six key topic areas are explained below in the date order that they will most likely occur.

1. No reassessment will take place on January 1. Instead the last reassessment will remain at 2008 (which had an effective date of January 1, 2008) until the FY 2009-2010 reassessment is completed (with an effective date of July 1, 2009).
2. Notices of Assessment will not be mailed in February of 2009 as previously done. Notices for the FY 2009-2010 property assessments are expected to be mailed to all property owners on May 20, 2009.
3. The deadline for filing an application for the Tax Relief Program for Elderly and Disabled will change from April 1 to June 1 [tentative date].
4. The deadline for filing a Request for Review of Assessment form with the Office of the City Assessor will be changed from April 15 to June 19.
5. The deadline for filing an Appeal of Real Estate Assessment form with the Board of Equalization will be changed from June 1 to August 1. [tentative date]
6. City staff will work with lenders who have real estate tax escrow accounts and real estate brokers and settlement agents who prorate real estate taxes so that these changes have a smooth transition.

**Question 10: Will real estate taxes still be due June 5 and December 5 as in past years?** Yes, real estate tax bills will still be due June 5 and December 5 as they have in past years. However, on a fiscal year basis the first installment will be due December 5 and the second installment due June 5. City staff will work with lenders who have real estate tax escrow accounts and real estate brokers and settlement agents who prorate real estate taxes so that these changes have a smooth transition.

**Question 11: What other changes will this alignment cause?** Question 9 (pages 4-5 above) outlined the real estate tax assessment process changes that are expected when the real estate tax assessment year is aligned with the fiscal year budget. City staff has considered all of the areas that would be affected and discussed the change with their counterparts in several Virginia cities where they have aligned calendar year real estate tax assessments with the fiscal year budget.

**Other Available Resources:**

Proactive Approach to Expected Assessment Decline

[http://www.cityofmanassaspark.us/Public\\_Documents/ManassasParkVA\\_WebDocs/2008%20Assessment%20Process%20Issue%20--%20FJ%20Changes.pdf](http://www.cityofmanassaspark.us/Public_Documents/ManassasParkVA_WebDocs/2008%20Assessment%20Process%20Issue%20--%20FJ%20Changes.pdf)

Update on Assessments (2009)

[http://www.cityofmanassaspark.us/Public\\_Documents/ManassasParkVA\\_WebDocs/Update%20on%20Assessments%20\(revised\).pdf](http://www.cityofmanassaspark.us/Public_Documents/ManassasParkVA_WebDocs/Update%20on%20Assessments%20(revised).pdf)

City of Manassas Park website

<http://www.cityofmanassaspark.us>

Meetings Calendar

[http://www.cityofmanassaspark.us/Public\\_Documents/ManassasParkVA\\_Calendar/?formid=158](http://www.cityofmanassaspark.us/Public_Documents/ManassasParkVA_Calendar/?formid=158)

The following is a calendar of activities related to aligning calendar year (CY) real estate taxes with the fiscal year (FY) budget.

**Calendar for Remainder of CY 2008 (October – December 31, 2008)**

**Oct/Nov.** Governing Body to advertise and hold public hearing on aligning real estate tax assessment year with fiscal year budget cycle

**December 5** Calendar year (CY) 2008 real estate tax bill for second half installment due

**Calendar for Short CY 2009 (January 1 – June 30, 2009)**

January 1 Because of alignment of real estate tax assessments to fiscal year (FY) budget period no reassessment to be effective until July 1, 2009

February 28 Because of alignment of real estate tax assessments to FY budget cycle Notices of Assessment for FY 2009-2010 (effective July 1, 2009) are not expected to be mailed until May

April 1 Because of alignment of real estate tax assessments to FY budget cycle the deadline for filing an application for Tax Relief Program for Elderly and Disabled is expected to change to June 1

April 15 Because of alignment of real estate tax assessments to FY budget cycle the deadline for filing a Request for Review of Assessment form with the Office of the City Assessor concerning the FY 2009-2010 assessments is expected to change to June 19

April Governing Body to advertise and hold a public hearing on short CY 2009 and FY 2009-2010 real estate tax rates, as part of FY 2009-2010 City budget process

April Governing Body to adopt short CY 2009 and FY 2009-2010 real estate tax rates

May 1 Real estate tax bills mailed for short CY 2009 to be levied against last assessment (2008)

May 20 Notices of Assessment for FY 2009-2010 to be mailed to all owners of real estate

June 1 Deadline for filing an application for Tax Relief Program for Elderly and Disabled

June 1 Because of alignment of real estate tax assessments to FY budget cycle the deadline for filing an Appeal of Real Estate Assessment form with the Board of Equalization concerning the FY 2009-2010 assessments is expected to change to August 1

June 5 Short CY 2009 real estate tax bills due (levied against last reassessment in 2008)

June 19 Deadline for filing a Request for Review of Assessment form concerning the FY 2009-2010 assessments with the Office of the City Assessor

**Calendar for FY 2009-2010 (July 1, 2009 – June 30, 2010)**

July 1 Effective date for FY 2009-2010 real estate tax assessment year

July 1 City's FY 2009-2010 budget year begins

August 1 Deadline for filing an Appeal of Real Estate Assessment form with the Board of Equalization concerning the FY 2009-2010 assessments

November 1 First installment of FY 2009-2010 real estate tax mailed

December 5 First installment of FY 2009-2010 real estate tax due

April Governing Body to advertise and hold public hearing on FY 2010-2011 real estate tax rate, as part of FY 2010-2011 City budget process

April Governing Body to adopt FY 2010-2011 real estate tax rates

May 1 Real estate tax bills mailed for FY 2009-2010 levied against FY 2009-2010 real estate assessments

May 20 Notices of Assessment for FY 2010-2011 to be mailed to all owners of real estate

June 1 Deadline for filing an application for Tax Relief Program for Elderly and Disabled for FY 2010-2011 real estate tax assessment year

June 5 Second installment of FY 2009-2010 real estate tax bills due (levied against FY 2009-2010 real estate reassessments)

June 19 Deadline for filing a Request for Review of Assessment form concerning the FY 2010-2011 assessments with the Office of the City Assessor

The City will hold a Public Hearing in November on this issue and take action.

**4. Monthly Department Update: (Written Reports)** Reports made part of the record.

**5. Water Rate Implementation Update:**

The City Manager stated the new rates will be effective with bills going out starting this week.

**6. FY 2009 Cost Saving Measures: Finance Director:  
General Fund Financial Picture:**

- Controllable expenditures vs limited control revenues
- Significant revenue shortfalls in Fiscal Years 2007, 2008\*\*\*, and anticipated for FY 2009
  - Primarily due to decline in assessed values
  - Other revenues fall short for various reasons
- Over the same time frame, expenditures have been held in check by Dept Directors & Management
  - FY 2007: Expenditures under budget \$470,000
  - FY 2008\*\*\*: Expenditures under budget \$325,000

\*\*\* FY 2008 numbers are preliminary/unaudited

**Need for FY09 Budget Reductions**

● Necessary for cash flow improvement and pave the way for the FY 2010 budget process.

● NO tax rate increase proposed for FY 2009

● Looking at City only for FY 2009, 2 separate scenarios, assuming the 20% assessment decline becomes reality:

1) IF no actions taken now - \$1.1 million shortfall for FY 2009

2) IF assessment date moved to July 1 as discussed, and no budget reductions made:

- Defers the \$1.1 million shortfall, but
- *Creates a \$2+ million shortfall for FY 2010 (based on FY 09 exp.)*
- Prudent action to begin budget reductions NOW
- Increases our flexibility and available options to deal with projected shortfall.

### **Budget Reductions – Process**

- Dept Directors requested to identify a total of \$1.1 million in cost reductions for FY 2009
  - Minimal impact to current personnel and services
    - Expand hiring freeze
  - Admin. & General Government Departments
    - \$3 million total budget
    - Initial target of 5% - cuts made range from \$3,500 to \$62,000
  - Police, Fire, DPW, Parks, DSS, IT Departments
    - \$14.5 million total budget
    - Initial target of 10% - cuts made range from \$62,000 to \$250,000

### **Sample of Reductions Identified**

- 2 vacant police officer positions frozen (\$112,000)
- Fire accreditation (\$11,000)
- Various DPW contracts (\$40,000)
  - Mosquito Control
- All but mandated take-home vehicles (\$15,000)
- Funding for special events (\$45,000)
  - Events NOT eliminated if funding support found
- Office of Teens Coordinator position frozen (\$45,000)
- Engineering costs – to be funded from related capital projects (\$63,000)
- Other positions will be frozen as they become vacant
  - Critical/necessary positions will be examined on a case-by-case basis
- Variety of other reductions
  - Data processing - Travel & Education - Repairs & Maintenance
  - Books/subscript. - Dues/memberships - Awards/misc

### **Current Frozen Positions**

- Deputy City Manager
- Business License Officer
- IT Manager
- 2 Police Officers
- Deputy Director of Social Services
- Office of Teens Coordinator

**Note: Positions not eliminated**

### **Impact of Reductions**

- While any budget reductions have some effect on efficiency and delivery of services, the reductions proposed by Dept Directors have least impact to short-term operations.
- Delaying reductions will likely significantly impact existing personnel for the FY 2010 budget.
- Additional cuts and/or a tax rate increase will be required for the FY 2010 budget regardless of the cuts made now.

### **Next Step**

- Continue looking at FY 2009 for cost reductions
- Explore opportunities for cost reductions in FY 2010 and beyond:
  - Cost sharing with surrounding jurisdictions
  - Implementing new rec center revenue model asap
- FY 2010 budget process
  - Determine cuts vs tax rate vs blend
- Continue to inform Citizens

These cost saving measures will be discussed further at the October 14, 2008 meeting of Governing Body.

**7. Resolution: Northern VA Transportation Authority (NVTA):**

At its September 11, 2008 meeting, NVTA approve a resolution expressing its appreciation for the outstanding staff support by the Northern Virginia jurisdictions, regional agencies and state agencies over the last six years as NVTA worked without a dedicated staff and this year with a limited dedicated staff. The NVTA is particularly grateful for the increased level of support it received as it worked to implement HB 3202 after the General Assembly approved the bill in April 2007. NVTA recognized the following, Dean Crowhurst, Robert Easley, Gary Fields, Laura Fitzpatrick, Kathy Gammell, Katie Moore, Mercury Peyton and Watson and asked the City to pass along the Authority's gratitude and recognition of this service.

This Resolution will be placed on the October 14, 2008 agenda.

**8. At grade pedestrian crossing at VRE:**

The City Attorney stated he is talking with Norfolk Southern about at grade pedestrian crossing for VRE station that would allow riders to park their cars on northwest side of railroad track. This would allow people to park within the parking area that is being constructed for City Center project. There will be a proposed pathway through the Milleson track which is owned by CDA and will be conveyed to city per agreement with Clark Realty Capital. The pathway leads to the tracks and runs along the tracks so they can cross an existing emergency pedestrian crossing that now exists. The platform has a dip there toward the middle which is for handicapped individuals to access emergency crossing. They are proposing to turn that into an actual at grade crossing not just on an emergency basis but regular basic. Previously Norfolk Southern has been opposed to this because they don't want people to cross their tracks for obvious reason. At this particular location we have people crossing illegally. This would be a way to control an uncontrolled situation. Right now it is very dangerous because people are jumping the existing fence to get across the tracks. We will keep a fence with an opening or some type of controlled measure. There must be something to alert the people that the train is coming. This will benefit city, city center and VRE riders throughout the region.

The pathway would tie into the overall City Center concept. There is a proposed dog park there.

The City Attorney will bring this back on a future agenda with more information.

**9. Converged Network Solutions contract for Public Works Facility**

This Custom Network Solutions Basic Agreement ("Agreement") is made between Sprint Solutions, Inc., as contracting agent on behalf of the applicable Sprint affiliated entities providing wireless telecommunications equipment and services ("Sprint") and City of Manassas Park ("Customer"). The city owns, leases, subleases, licenses or uses real property including all or a portion of the building(s) located at the 331 Manassas Drive Manassas Park VA 20110 (the "Premises"). City desires that Sprint install, operate and maintain certain in-building wireless distribution equipment to enhance the coverage of Services at the Premises (the "Equipment").

Project Name: City of Manassas Park 331 (VA)

Account Number: 823740214

Project ID: EMBVA00643

MOTION: Councilmember Treuting moved to approve contract as presented pending final review by City Attorney and ask that it be ratified at the October 14, 2008 meeting.

SECOND: Councilmember Polk

VOTE ROLL CALL: Treuting, Polk, Bunner, Kassinger, Miller, Jones

**10. US Conference of Mayors: Statement of Support**

The City received a letter from Mark Begich, Mayor of Anchorage and Chair Task Force on Military and Community Relations. He was recently contacted by the National Committee for Employer Support of the Guard & Reserve (ESGR), an agency of the Department of Defense. They have reviewed the Task Force Initiative through the U.S. Conference of Mayors regarding Military Support and have asked for his help in introducing ESGR to the US Conference of Mayors.

ESGR volunteers serve in all fifty states and provide valuable mediation and education services to employers, Guard & Reserve members and their families regarding the Uniformed Services Employment and Re-employment Rights Act (USERRA). The ESGR also provides the individual service members the necessary mechanisms to publicly recognize employers that have gone above and beyond in their efforts to support their Guard and Reserve employees. ESGR provides Mayors the opportunity to publicly demonstrate their support for their city employees who serve in the National Guard and Reserve by signing a Statement of Support. Mr. Begich is challenging all Mayors to join with the City of Anchorage in demonstrating your support. By signing this symbolic Statement of Support for the Guard and Reserve and posting the proclamation conspicuously in your city offices, you are publicly affirming your support for the brave men and women in uniform. When Mayors sign a Statement of Support, they recognize the National Guard and Reserve as essential to the strength of our Nation and the well being of their communities. In the highest American tradition, the patriotic men and women of the National Guard and Reserve serve voluntarily in an honorable and vital profession. They train to respond to their community and their country in time of need. They deserve the support of every segment of our society. He is encouraging you to join with thousands of America's employers, governors and members of congress who have demonstrated their patriotism by signing a Statement of Support. A sample copy is enclosed.

Mayor Jones supports this measure and ask that it be placed on October 14, 2008 Agenda for consideration.

**11. Closed Meeting State Code of Virginia Freedom of Information Act: Section 2.2-3711a of the Code of Virginia: (3) Discussion or consideration of the acquisition of real property for a public purpose, (7) Consultation with City Attorney regarding specific legal matters requiring the provision of legal advice and (20) City's Emergency Management Operations Briefing**

MOTION: Councilmember Polk moved that the that the Governing Body go into closed meeting to discuss and consider 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; to consult with the City Attorney regarding a specific legal matter requiring the provision of legal advice; and to discuss the City's Emergency Management Operations Plan, pursuant to paragraphs 3, 7 and 19, respectively, of Subsection 2.2-3711A of the Code of Virginia.

SECOND: Councilmember Treuting

VOTE: Unanimously passed

**12. Return to Open Session**

**13. Certification & Action out of Closed Meeting if Necessary:**

MOTION: Councilmember Miller moved the following Resolution:

WHEREAS, the Governing Body of the City of Manassas Park has convened a closed meeting on this date pursuant to an affirmative recorded vote and in accordance with the provisions of the Virginia Freedom of Information Act; and

WHEREAS, Section 2.2-3712(d) of the Code of Virginia requires a certification by this public body that such closed meeting was conducted in conformity with Virginia law.

NOW THEREFORE BE IT RESOLVED that the Governing Body of the City of Manassas Park hereby certify that, to the best of each member's knowledge, (i) only public business matters lawfully exempted from open meeting requirements under this chapter and (ii) only such public business matters as were identified in the motion by which the closed session was convened were heard, discussed or considered in the meeting by the public body.

SECOND: Councilmember Treuting

VOTE ROLL CALL: Yes: Miller, Treuting, Bunner, Kassinger, Polk, Jones

**14. Adjournment**

MOTION: Councilmember Kassinger  
SECOND: Councilmember Miller  
VOTE ROLL CALL: Unanimously passed

Approved November 18, 2008

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Frank Jones, Mayor

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Lana A. Conner, City Clerk

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