

OFFICIAL MINUTES OF THE MANASSAS PARK GOVERNING BODY MEETING
HELD ON WEDNESDAY, NOVEMBER 12, 2008 AT 7:00 PM AT CITY HALL, ONE
PARK CENTER COURT, MANASSAS PARK, VIRGINIA

1. Roll Call: Bryan Polk, Vice Mayor
Cyndi Gardner
Fran Kassinger
Keith Miller

Absent: Frank Jones, Mayor
Michael Bunner
William J. Treuting, Jr.

Staff Present: Lana A. Conner, City Clerk
Mercury Payton, City Manager
Dean Crowhurst, City Attorney

1. Approval of Agenda:

MOTION: Councilmember Kassinger moved to approve Agenda with the following changes: 4a Neighborhood will be continued to December meeting. Request for Closed Meeting will not be need so 6, 7, and 8 will be removed from agenda.

SECOND: Councilmember Gardner

VOTE: Unanimously passed

2. Public Hearings:

2a. Aligning Calendar Year Real Estate Tax Assessments with the Fiscal Year Budget: Published November 4, 2008:

Notice is hereby given that the Governing Body of the City of Manassas Park will hold a public hearing on Wednesday, November 12, 2008 at 7:00 p.m., or as soon thereafter as possible, for the purpose of receiving public comment and considering an ordinance to amend Section 22-1 of the Code of the City of Manassas Park, Virginia, to align the City's annual real estate tax assessment with its fiscal year budget. Approval of the ordinance would change the date of assessment from January 1 to July 1 each year and would allow the City to accurately anticipate changes in the real property tax revenues for the City that affect each budget year.

A copy of full text of the proposed ordinance is available for viewing at the City Clerk's office at City Hall, One Park Center Court, Manassas Park, Virginia between the hours of 8:30 a.m. and 5:00 p.m., Monday - Friday, and on the City's website at www.cityofmanassaspark.us.

Public hearings are held in the Council Chambers of City Hall. The public is encouraged to attend this hearing and provide comments on the proposed ordinance.

For publication November 4, 2008

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. Taxes will still be due in June and December of the tax year. The difference will be that revenues will be collected within same fiscal year.

For the current FY 2008-2009 general fund budget, real estate tax revenues represent approximately 52% of general fund revenues.

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.

Vice Mayor Polk opened the Public Hearing.

Citizens wishing to speak:

Peter Farrell: He wanted one thing made clear to the citizens that they will be paying the same property tax through the first half of 2009 with this re-alignment. He understand why the city needs to do this because if they don't there will be a significant shortfall.

Vice Mayor Polk stated the assessment that was performed in January 2008 will prevail through first half of 2009.

MOTION: Councilmember Kassinger moved to close Public Hearing at 7:08.

SECOND: Councilmember Gardner

VOTE: Unanimously passed

3. Resolution 08-1000-1065: Revenue Anticipation Line of Credit Note:

The City Attorney stated because the city collects taxes on December 5th that there is a potential shortfall for general operating fund. This is a bridge line and an anticipation note in anticipation of funds we receive by December 5th. This allows the city to maintain day to day operations. This would also apply for the June 5th tax collection. These funds must be paid back within thirty (30) days.

MOTION: Councilmember Miller moved to approve Resolution authorizing the issuance and sale of a revenue anticipation line of credit note.

SECOND: Councilmember Kassinger

VOTE ROLL CALL: Yes: Miller, Kassinger, Gardner, Polk

4. Presentation:

4a. Neighborhood Watch Representative: Removed from agenda.

4b. HDR Update on Parks & Recreation: Roger D. Solomen: Report made part of record.

Councilmember Kassinger stated this has been one of the most well managed projects the city has ever had even with a few setbacks. She applauds both parks & recreation and HDR for a job well done.

4c. Update on Schools: Dr. Bruce McDade: Report made part of record.

4d. City Bond Rating Upgrade by Standard and Poors: Affirming of Moody's Bond Rating:

The City of Manassas Park is pleased to announce that Standard & Poor's Rating Services (New York, NY) has upgraded the City's bond rating to "AA-" from "A+". Standard and Poor's is a nationally recognized independent agency that evaluates the credit quality of both public and private sector debt and securities. In its credit report, Standard & Poor's based the upgrade primarily on the City's "continued solid management oversight and controls, coupled with aggressive management actions to address possible revenue shortfalls." In conjunction with the recent sale of \$13.1 million of general obligation bond anticipation notes to fund a purchase of additional water capacity, City staff participated in conference calls with Standard & Poor's and Moody's credit rating agencies to update them on economic and financial developments within the City.

The City's credit rating of "A2" from Moody's Investors Service was affirmed. Moody's had upgraded the City's rating to the current level from 'A3' in 2007.

The news of Standard and Poor's upgrade was greeted favorably by Vice-Mayor Bryan Polk, "this Governing Body has focused on making far-sighted choices to provide vital services to citizens, without losing sight of the fact that we have to raise the revenues to pay for them. When the credit raters recognize that we have struck the right balance, I know we are moving in the right direction. The bond rating upgrade by Standard & Poor's, and affirmation by Moody's, validates the prudent financial oversight provided by the Governing Body and staff. It should be reassuring to Manassas Park residents that, in these tough economic times, the City of Manassas Park has not only avoided trouble, but has actually advanced the credit outlook for the City."

Joseph Mason, Vice President at Davenport & Company LLC, a consultant to the City of Manassas Park, said that the latest upgrade was "reflective of the City's proactive approach to addressing the downturn in property assessments and the overall pattern of transparency and careful stewardship embraced by the Governing Body."

4e. Telecommunications License Agreement: Fiber Light of Virginia, LLC:
April Stume, Fiber Light and Rich Savage, McClare Ryan, Law Firm
representing Fiber Light:

The City Attorney stated that this is a proposed five year franchise agreement. It does not require a Public Hearing. Below are the key points:

- Ordinance term is 5 years with no renewal periods. It is expected that prior to the expiration of the 5-year term, FiberLight will ask the City to advertise for a longer franchise period, consistent with the ordinance that has been advertised.
- City does not receive direct compensation from FiberLight. If a company in the City were to use FiberLight's facilities, though, the City would get the same revenue as it is currently getting from the existing Verizon franchise.
- FiberLight must install all cable underground.
- FiberLight will relocate its facilities at its cost if the City constructs, widens or moves a street, which impacts the area of the underground facilities. This will not apply if the City enacts a PROW use fee in accordance with state law.
- The City and private parties must pay to have FiberLight's facilities relocated if not associated with constructing, widening or moving streets.
- City retains full ownership and control of public rights-of-way.
- FiberLight must post \$50,000 bond.
- City is indemnified by FiberLight.
- City can terminate ordinance upon a material breach that is not cured within 90 days following notice by the City.

They will run down Route 28 which runs through the city. They will only be using the right of way unless one of the companies in the city wishes to hook into this private network.

5. Recognition:

5a. Parks & Recreation Department: Recognition to the entire department.

Councilmember Kassinger stated this department is very modest about what they do. This department is the city's strongest asset and she cannot speak more highly of the entire staff.

5b. Fill the Boot Campaign: Todd Lupton, Deputy Fire Chief: Recognition to Richard Sanderson for his donation of \$1,000 to Red Cross Hero Campaign. This campaign supports the local chapter of Red Cross not only for disaster services as well as fire events. He stated that sometimes the Red Cross is there before the fire department leaves the scene. A hero has a heart for those in need who is engaged in the community and who is responsible to get the job done and thinks of others. This is the Manassas Park Professional Firefighters and Paramedics as well as city employee which was Richard Sanderson who donated \$1,000. On behalf of the fire and rescue department and Chief O'Neal he wishes to thank them and congratulate them for a job well done.

Vice Mayor Polk thanked Mr. Sanderson for going above and beyond your dedication with this very generous contribution.

5c. Prince William County Service Authority Water Capacity Purchase Agreement:

The City Attorney stated this agreement was approved with one change that was approved last week. The Mayor is not in town to sign it and he is asking the Governing Body to authorize the Vice Mayor to sign in his absence so that it can be taken to Service Authority tomorrow for their meeting tomorrow night.

MOTION: Councilmember Miller moved to authorize Vice Mayor Polk to sign the agreement in the absence of the Mayor as recommended by City Attorney.

SECOND: Councilmember Gardner

VOTE ROLL CALL: Yes: Miller, Gardner, Kassinger, Polk

6. Closed Meeting State Code of Virginia Freedom of Information Act: Section 2.2-3711A of the Code of Virginia

7. Return to Open Session: 10:30 PM

8. Certification & Action out of Closed Meeting if Necessary

There was not a request for a closed meeting.

9. Adjournment at 7:45 pm:

With consensus of Governing Body, Vice Mayor Polk adjourned the meeting.

Approved December 16, 2008

Francis C. Jones, Jr., Mayor

Lana A. Conner, City Clerk