

**CITY OF MANASSAS PARK - STAFF REPORT/RECOMMENDATION**

REQUESTING DEPARTMENT City Clerk **AGENDA ITEM 6A**

MEETING DATE: June 16 2020

SUBJECT/TOPIC: **Approval of Minutes** *May 31, 2020 and June 2, 2020*

Approval as presented or noted corrections

|   |  |
|---|--|
| <b>CITY MANAGER APPROVAL:</b><br>Approved: <input type="checkbox"/> <input type="checkbox"/> Not Required: <input checked="" type="checkbox"/>  | <hr/> <i>Laszlo Palko City Manager</i> |
| <b>CITY ATTORNEY APPROVAL:</b><br>Required: <input type="checkbox"/> <input type="checkbox"/> Not Required: <input checked="" type="checkbox"/> | <hr/> <i>Dean H. Crowhurst</i>         |

ATTACHMENTS Minutes

OFFICIAL MINUTES OF THE REGULAR MEETING OF THE MANASSAS PARK GOVERNING BODY HELD ON SUNDAY, MAY 31, 2020 AT 7:00PM AT MANASSAS PARK GOVERNING BODY MEETING ROOM, ONE PARK CENTER COURT, MANASSAS PARK, VIRGINIA

Roll Call

Present

Jeanette Rishell, Mayor  
Preston Banks, Vice Mayor  
Hector Cendejas  
Donald Shuemaker  
Miriam Machado  
Alanna Mensing  
Haseeb Javed

Absent

None

Staff

Laszlo A. Palko, City Manager  
Keith Nguyen, Assistant to City Manager  
Dean Crowhurst, City Attorney

**1. Approval of Agenda:** There was no agenda

MOTION: Councilmember Shuemaker moved to approve Agenda.

SECOND: Councilmember Mensing

VOTE: Yes Shuemaker, Mensing, Banks, Cendejas Javed, Machado, Rishell.

Statement read into record: City Manager and Chief of Police:

We are deeply saddened by the tragic death of Mr. George Floyd. May he rest in peace. Our hearts and condolences go out to the family of Mr. Floyd and for all mourning this tragedy as we are. Our City Government and Police Department remain committed to our values of defending our Constitution and our people's 1st Amendment right of free speech and right to peaceably assemble. We remain committed to upholding the law and to the principle of equal justice. We remain committed to protecting our community and keeping all safe. We continue to and always will reject all forms of racism, bigotry and hate. We stand with those who want peace and justice for all and reject those promoting or acting in violence against our fellow man/woman and their businesses and property. We hope to be part of the national dialogue of improving peace and justice and finding solutions to bring all communities together, while continuing to foster positive relationships between our Community and our Police and City Government. We urge calm and restraint from all, and invite those seeking change to engage in productive dialogue with us about how we can improve our society together. We need to come together as a people and create a better more unified future. May Mr. Floyd rest in peace, and again we express our deep condolences to his family. We pray that such tragedies will not occur again.

**2 Closed Meeting pursuant to VA. Code 2.2-3711A: 7:10PM: Paragraph 19:**

MOTION: Councilmember Shuemaker moved that the Governing Body go into closed meeting to to be briefed on and discuss plans to protect public safety and governmental facilities and personnel in light of the unrest, violence, and vandalism that is occurring in nearby communities, pursuant to paragraph 19 of Subsection 2.2-3711A of the Code of Virginia.f Subsection 2.2-3711A of the Code of Virginia.

SECOND: Councilmember Mensing

VOTE: Yes: Shuemaker, Mensing, Banks, Cendejas Javed, Machado, Rishell.

**2a. Return to Open Meeting: 8:15PM:**

MOTION: Councilmember Shuemaker

SECOND: Councilmember Mensing

VOTE: Yes: Shuemaker, Mensing, Banks, Cendejas Javed, Machado, Rishell.

**2b. Certification of Meeting:**

MOTION: Councilmember Shuemaker moved to approve 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 Mensing

VOTE: Yes: Shuemaker, Mensing, Banks, Cendejas Javed, Machado, Rishell.

Close Meeting at 8:16pm:

MOTION: Councilmember Shuemaker moved to adjourn at 8:16pm:

SECOND: Councilmember Mensing

VOTE: Yes: Unanimously passed

Approved June 16, 2020

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Jeanette Rishell, Mayor

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Lana A Conner, City Clerk

OFFICIAL MINUTES OF THE REGULAR MEETING OF THE MANASSAS PARK GOVERNING BODY HELD ON TUESDAY, JUNE 2, 2020 AT 7:08PM AT MANASSAS PARK CITY COUNCIL CHAMBERS, ONE PARK CENTER COURT, MANASSAS PARK, VIRGINIA

Roll Call

Present                               Jeanette Rishell, Mayor  
  Preston Banks, Vice Mayor  
  Hector Cendejas (Participation Remotely)  
  Donald Shuemaker  
  Miriam Machado (Participation Remotely)  
  Alanna Mensing  
  Haseeb Javed (Participation Remotely)

Absent                                 None

Staff                                   Lana A Conner, City Clerk  
  Laszlo A. Palko, City Manager  
  Keith Nguyen, Assistant to City Manager  
  Dean Crowhurst, City Attorney

Per the General Assembly's approval of the Governor's amendments to the biennial budget, the GB may now meet electronically without a quorum actually assembled in a single location, and without the in-person Governing Body (GB) members voting on the participation of those who are remoting in.

The following benchmarks for the meeting this evening have been met.

\*First, the Governor has declared a state of emergency for the current COVID-19 pandemic, in accordance with Code of Virginia.

\*\*Second, the declared emergency makes it impractical or potentially unsafe for the GB to assemble in a single location, and guidance from state and federal government support this determination. Therefore, the GB will be meeting with various members participating electronically through Go-To-Meeting.

\*\*Third, the meeting is to discuss or transact the business statutorily required or necessary to continue operations of the Governing Body.

\*\*Fourth, the Governing Body will make available a recording or transcript of the meeting on its website in accordance Code of Virginia.

\*\*Fifth, notice has been and will continue to be provided to the public using available methods

\*\*Lastly, we have made, and will continue to make, arrangements for public access through electronic means, including the ability to comment.

Those participating electronically are Councilmember Miriam Machado, Councilmember Haseeb Javed, and Councilmember Hector Cendejas

Those participating In Person are Vice Mayor Preston Banks, Councilmember Donald Shuemaker, Councilmember Alanna Mensing, and Mayor Jeanette Rishell.

**1. Approval of Agenda:**

MOTION: Councilmember Machado moved to approve Agenda.

SECOND: Councilmember Mensing

VOTE: Yes Machado, Mensing, Banks, Shuemaker, Rishell. Remotely: Cendejas, Javed

**2. Moment of Silence/Pledge of Allegiance:** Councilmember Mensing

**3. Public Comment Time:** None

**4. Public Hearings:**

**4a. Consideration of Effective Real Estate Tax Rate for FY2020-2021:**

Mayor opened Public Hearing at 7:08pm.

Assessment Increase. Total assessed value of real property, excluding additional assessments for new construction, or improvement to property, exceeds last year's total assessed value of real property by 4.96 percent. Lowered Rate Necessary to Offset Increased Assessment. The tax rate, which would levy the same amount of real estate tax as last year, when multiplied by the new total assessed value of real estate with the exclusions mentioned above, would be \$1.48 per \$100 of assessed value. This rate will be known as the "lowered tax rate." Effective Rate Increase. The City of Manassas Park is considering the adoption of a tax rate not to exceed \$1.55 per \$100 of assessed value. The difference between the increased tax rate and the proposed tax rate would be \$0.07 per \$100, or a 4.73% increase. This difference will be known as the "effective tax rate increase." Note: Individual real property taxes may, however, change at a percentage greater than or less than the above percentage. Proposed Total Budget Increase. Based on the proposed real property tax rate and changes in other revenues, the proposed total general fund budget of Manassas Park will increase over last years by 0.00%. Public Hearing. A public hearing on the proposed tax rate will be held on Tuesday, June 2, 2020 at 7:00 p.m. in the City Council Chambers of City Hall, One Park Center Court, Manassas Park, Virginia 20111. Public Access. The hearing is being held in a public facility believed to be accessible to persons with disabilities. Any person with questions on the accessibility of the facility should contact Lana Conner, City Clerk at 703-335-8808 or l.conner@manassasparkva.gov.

There were no citizens wishing to address this public hearing.

Close Public Hearing at 7:10pm:

MOTION: Councilmember Shuemaker

SECOND: Councilmember Mensing

VOTE: Yes Shuemaker, Mensing, Banks, Rishell. Remotely: Cendejas, Javed, Machado

**4b. Summary of Proposed Taxes and Fees FY2020-2021:**

Mayor opened Public Hearing at 7:11pm.

The Governing Body of the City of Manassas Park, VA will conduct a Public Hearing on Tuesday, June 2, 2020 beginning at 7:00pm, or as soon thereafter as possible for receiving citizen comments concerning the proposed 2020/2021 budget. Copies of the budget are available in City Clerk's office, Mon-Fri from 8:30am-5pm

|                       | Current Rate               | FY21 Tax  |
|-----------------------|----------------------------|-----------|
| Real Estate Tax       | \$1.55 per \$100 valuation | No Change |
| Personal Property Tax | \$3.50 per \$100 valuation | No Change |
| Machinery & Tool Tax  | \$3.50 per \$100 valuation | No Change |

Public Service Utilities rate will be in accordance with Title 58.1-2505 of Virginia State Code, as amended.

Stormwater Management  
Fee \$146.18/ERU Annually \$152.03/ERU Annually

| Garbage Collection Fee (per month)            |         |         |
|---|---------|---------|
| Residential - Curbside pickup                 | \$21.85 | \$22.94 |
| Residential - (including apartments) dumpster | \$11.64 | \$12.22 |

City Manager stated that since the presentation of the original budget options, the Governing Body decided to adjust the budget to consider not raising any fees on residents in FY2021 due to the burdens of COVID-19 on our residents.

There were no citizens wishing to address this public hearing.

Close Public Hearing at 7:14pm:

MOTION: Councilmember Shuemaker

SECOND: Councilmember Mensing

VOTE: Yes Shuemaker, Mensing, Banks, Rishell. Remotely: Cendejas, Javed, Machado

**4c. Summary of FY2020-2021 Budget:**

Mayor opened Public Hearing at 7:15pm

City Manager presented two options for Council consideration.



## City of Manassas Park Public Hearing Summary of FY2020-2021 Budget

The Governing Body of the City of Manassas Park, VA will conduct a Public Hearing on Tuesday, June 2, 2020 beginning at 7:00pm, or as soon thereafter as possible for receiving citizen comments concerning the proposed 2020/2021 budget. Copies of the budget are available in City Clerk's office, Mon-Fri from 8:30am-5pm. Meeting will be held in City Hall, One Park Center Court. The City Manager has presented two options for Governing Body consideration on budget:

**Option 1:**

| City Budget:                                | Amended Budget       | Proposed Budget      | Increase (Decrease)   | %            |
|---|----------------------|----------------------|-----------------------|--------------|
| General Fund (Operations, Capital, & Debt)* | 53,255,174.00        | 51,304,509.00        | (1,950,665.00)        | -3.6%        |
| Water & Sewer Fund                          | 9,311,103.00         | 9,566,300.00         | 255,197.00            | 2.7%         |
| Storm Water Fund                            | 1,128,555.00         | 1,073,452.00         | (55,103.00)           | -4.9%        |
| Solid Waste Fund                            | 1,072,150.00         | 1,125,063.00         | 52,913.00             | 4.9%         |
| <b>Total - City Budget</b>                  | <b>64,800,323.00</b> | <b>63,481,854.00</b> | <b>(1,318,469.00)</b> | <b>-2.1%</b> |

  

| School Budget:             |                      | Increase (Decrease)  | %                   |             |
|----------------------------|----------------------|----------------------|---------------------|-------------|
| Operating & Federal Fund** | 42,918,154.00        | 45,562,025.00        | 2,643,871.00        | 6.2%        |
| Capital Fund               | 409,267.00           | -                    | (409,267.00)        | -100.0%     |
| Food Service Fund          | 1,957,392.00         | 2,071,509.00         | 114,117.00          | 5.8%        |
| Medical Trust Fund         | 35,552.00            | 154,247.00           | 118,695.00          | 334.3%      |
| <b>Total Schools Funds</b> | <b>45,351,095.00</b> | <b>48,137,782.00</b> | <b>2,786,687.00</b> | <b>6.1%</b> |

**Total All - Budget\*\*\***

|  |                |                |              |      |
|--|----------------|----------------|--------------|------|
|  | 110,151,418.00 | 111,629,636.00 | 1,478,218.00 | 1.3% |
|--|----------------|----------------|--------------|------|

\* includes \$12,450,000.00 for schools, a double counting of \$1,250,979.11 from Capital contributions from the operating fund turned in expenditures in the capital fund, and tax credits (\$490K).  
 \*\* includes \$12,450,000.00 in funding from the City  
 \*\*\* includes double counting of both City contributions to Schools and GF contributions to Capital

  

**Option 2:**

| City Budget:                                | Budget               | Budget               | (Decrease)          | %            |
|---|----------------------|----------------------|---------------------|--------------|
| General Fund (Operations, Capital, & Debt)* | 53,255,174.00        | 51,591,917.00        | (1,663,257.00)      | -3.1%        |
| Water & Sewer Fund                          | 9,311,103.00         | 9,908,480.00         | 597,377.00          | 6.4%         |
| Storm Water Fund                            | 1,128,555.00         | 1,080,810.00         | (47,745.00)         | -4.2%        |
| Solid Waste Fund                            | 1,072,150.00         | 1,125,063.00         | 52,913.00           | 4.9%         |
| <b>Total - City Budget</b>                  | <b>64,800,323.00</b> | <b>64,001,090.00</b> | <b>(799,233.00)</b> | <b>-1.2%</b> |

  

| School Budget:             |                      | Increase (Decrease)  | %                   |             |
|----------------------------|----------------------|----------------------|---------------------|-------------|
| Operating & Federal Fund** | 42,918,154.00        | 45,562,025.00        | 2,643,871.00        | 6.2%        |
| Capital Fund               | 409,267.00           | -                    | (409,267.00)        | -100.0%     |
| Food Service Fund          | 1,957,392.00         | 2,071,509.00         | 114,117.00          | 5.8%        |
| Medical Trust Fund         | 35,552.00            | 154,247.00           | 118,695.00          | 334.3%      |
| <b>Total Schools Funds</b> | <b>45,351,095.00</b> | <b>48,137,782.00</b> | <b>2,786,687.00</b> | <b>6.1%</b> |

**Total All - Budget\*\*\***

|  |                |                |              |      |
|--|----------------|----------------|--------------|------|
|  | 110,151,418.00 | 112,138,872.00 | 1,987,454.00 | 1.8% |
|--|----------------|----------------|--------------|------|

\* includes \$12,517,200.75 for schools, a double counting of \$1,250,979.11 from Capital contributions from the operating fund turned in expenditures in the capital fund, and tax credits (\$490K).  
 \*\* includes \$12,517,200.75 in funding from the City  
 \*\*\* includes double counting of both City contributions to Schools and GF contributions to Capital

5/15/20

City Manager will record a presentation this weekend that will be placed on website and YouTube. The City advertised both budgets for input from the Public. Since presentation of the budget, additional changes will be presented by the City Manager at the Public Hearing. The City Manager, with guidance from the Governing Body, presented the flat budget reflecting the changing financial situation due to COVID-19. All budget materials can be found in the link below-

<https://www.cityofmanassaspark.us/news/1982-proposed-city-budget-fy-2021.html>

Still unclear what the impacts will be- clearer picture this summer (how much revenue is declining) and fall (duration of recession). □ FY 20 Budget – Forecasted potential loss of \$650K in commercial tax revenues (15% loss) and \$350K+ in Parks & Rec revenues (assuming we cannot reopen remainder of Fiscal Year). – Budget still projected to be balanced- tight spending controls including partial hiring freeze. □ FY 21 Budget – Forecasted potential loss of \$770K in commercial tax revenues (20% loss). – Overall Revenues down by nearly \$400K. Stronger RE/PP Tax growth helps cushion falling commercial revenues and departmental revenues. □ FY 22 Budget – Forecasted potential loss of over \$1M due to expected decline in assessment values. □ Potentially a three-year fiscal impact. Use of \$1.5M of \$1.7M+ Fund Balance needed with the current financial model that has spending increases.

There will be no reimbursement in FY20. City will have COVID-19 expenses in FY20 but no revenue. There will be FEMA reimbursement for FY2021 but possibility city will not see this until FY22.

City will have to approve FY2021 appropriations on June 16, 2020 to capture the expenditures this year or carry that over until next meeting. This is based on approving FY2020 budget amendment 2.

FY2019 Parks & Recreation expenditure will be reimbursed by CARES Act (received total of \$1.5 million last Friday). Most of CARES Act funds will be expended in FY2020.

VDOT funding for Conner Drive: City Manager does not believe that funding will be in jeopardy for this project. There have been significant funds spent on this project. Until the remaining parcel owners signs the permit, the project cannot proceed. Once permit is signed, they are hoping that VDOT will give them permission to advertise the utility relocation (utilities located in delineated wetlands) project. Target date is November 2020.

GENERAL FUND □ Flat Budget – Budget Decrease of \$1.9M (4%) driven largely by decreased revenues (\$400K), decreased transportation spending (\$1.5M+), decreased debt spending (\$700K), with operational spending increases from departments (\$545K+). – 5% increase in Assessments + PP Tax Collection growth from decals helped cushion loss of other revenues. – Departmental spending increases driven by rising health care (5%- \$128K) and VRS retirement (2%- \$163K) costs.

In both budgets, \$1.2M contribution to capital per model is preserved, but over \$350K cut since PC presentation.

Surpluses- built reserves from a negative \$1.1M position in FY 16 to a now positive \$1.7M+ position at the end of FY 19. Across the board cuts made in FY 18 and capital spending deferred. – Debt Refinancing-saved the City \$2.2M from FY 20 - FY 22 (+ we reestablished our credit). – Other Actions- Securing \$493K via a BLA agreement with the County (Blooms Park) and saving \$500K+ (over next two FY's) from Library decision (withdrawing from County system).

Scaling back spending increases over one or potentially two Fiscal Years if necessary. – Continuing to pursue debt-refinancing opportunities when they become available.

The City cannot spend more than approved appropriations. Zero dollars utilization of reserves for FY21 because of capital cuts. Transfer of \$1,073,802.48 to FY21 budget. The majority of changes to this budget is related to CARES Act. City is not using CARES Act funds for revenue losses. There is still concern about the potential of real estate market crash in FY2022. We need to have a strong fund balance in FY2022. In March 2021, if there are no negative impact to real estate market, the City Manager will request a budget amendment for approval of items that have been pushed up to future years such as salary increase. Electoral budget: part-time person to full-time person. It has funds for increased hours for a person for November election. Project Manager: if Phase III is approved, City Manager will come with additional request to continue this position to help with city hall project. At this time, the proposed budget has no downtown funding in it. If approved, he will update the model and come back with changes to the FY21 budget. They are expanding two positions in Social Services giving them more hours with CARES Act funding.

HR Department: with City Manager and HR position, salaries are higher while Finance is lower because of shifting of payroll employee to HR budget and shifting budget analyst to City Manager budget.

Fuel and fleet budgets: with Enterprise program, city will see a savings. It will not help city with FY2021 but does with the ten-year model. Expanding city capability while reducing cost.

City is transferring \$38,726.95 surplus to reserves. FY2020 budget should balance or have a surplus.

City Manager adjusted the school budget per approved Resolution.

Enterprise Fund FY 21 Water & Sewer Budget – No rate increase in FY 21.

Storm Water No rate increase for FY 21. It is in a positive position. Russia Branch stream restoration: trying to find creative solution to fund because that is driving rate increases. Balance with reserve contribution so there will be no increase to residents.

Solid Waste FY21: No rate increase. They are pushing the glass dumpster back a year. Reduced hazardous waste event (\$45,000) to one per year. Does not take into account the waste transfer station impact. It may have impact to the rate growth.

Police vehicle leases: they will taper off until we have no more leases. Enterprise Lease will then provide necessary vehicle that are SUVs and smaller. They cannot provide large or specialized vehicles. Enterprise will provide a fire department vehicle in FY2021.

Park trails and security cameras are pushed back a year. City is going to upgrade laptops for teleworking.

PRTC: how is their gas tax budget and potential revenue? Gas prices are very low and should stay low for quite a while. If revenues decrease, a budget amendment may be required.

NVTA Transportation Funds: City receives money from NVTA (30%) every month as their contribution. This year they have received two contributions; one from NVTA and one from the courts. Going forward, the city will only receive funds from NVTA. These audited funds can only be used for transportation projects.

Other revenue \$167,000: each year the city receives revenue that is not easily classified and it goes into this fund. City received \$1 million from Palisades and it was put in this fund. City does not create a GL number for one-time items.

VRE Garage: \$5,416. City Manager will review this line item.

Schools: emergency purchase school chiller (\$300,000) would have changed budget. If expended during FY20, their school surplus amount would drop. He will ask for amended budget showing their final budget at end of fiscal year.

Councilmember Shuemaker stated he has heard schools gave raises to employees (state funds) while the city has a flat budget and cannot give any raises. The Mayor stated the city has no control on school funding since it is state funding.

Short-term decisions:

- Decide on Flat or 2% budget or hybrid + revisit in December?
- Backflow Prevention Tech + Registrar Assistant (Full-Time)?
- Downtown? – Building Official?

Medium-Term Decisions:

Hold off on spending increases until next year's assessments are known?

There were no citizens wishing to address this public hearing.

Close Public Hearing at 7:14pm:

MOTION: Councilmember Shuemaker

SECOND: Councilmember Mensing

VOTE: Yes Shuemaker, Mensing, Banks, Rishell. Remotely: Cendejas, Javed, Machado

## **5. Presentations, Information and Recognitions:**

### **5a. Proclamation June 2020 LBGT Month:**

MOTION: Councilmember Shuemaker moved to approve Proclamation as presented.

SECOND: Councilmember Mensing

Tom Hasina was present to accept proclamation. He thanked the Governing Body for their support of supporting rights for the community. He presented the Governing Body with wristbands for their continued support of equality.

VOTE: YES: Shuemaker, Mensing, Banks, Javed, Rishell: Remotely Cendejas, Machado

## **6. Consent Agenda:**

### **6a. Approval of Minutes of May 19, 2020:**

MOTION: Councilmember Shuemaker moved to approve with noted corrections by Mayor Rishell:

\*\*Page 14 – Last paragraph, second sentence should read "...identified under and un-insured populations..." \*\*Page 15 – Second paragraph, second sentence should read: "The Mason and Partners Clinic in Manassas Park was highlighted..." \*\*Page 22 – Third paragraph, third sentence should read: "...but no longer provided tax breaks..." not tax rates.

SECOND: Councilmember Mensing

VOTE: Yes: Shuemaker, Mensing, Banks, Rishell Remotely Cendejas, Javed, Machado

## **7. Unfinished Business: None**

## **8. New Business:**

### **8a. Resolution \_\_\_\_\_ Amendment to City's Cafeteria Plan: Flex-Spending Cafeteria Plan**

Because of his job and CARE ACT, Vice Mayor Banks recused himself from discussion and voting this item.

Effective January 2020, the CARES Act now allows City employees to be reimbursed for over-the-counter medical products without the requirement of a medical prescription when utilizing a Health Flexible Savings Account (“FSA”). Since the FSA is an employee paid benefit, this change will not negatively impact the City’s budget, but instead provide a benefit to our employees. However, in order to allow employees to take advantage of this change, there is a requirement for the Governing Body to authorize City Staff to amend the existing City Cafeteria Plan.

Staff recommends that the Governing Body adopt the resolution authorizing the City Manager to sign the amendment to the existing City Cafeteria Plan that permits employees to seek reimbursement for over-the-counter medical products without a prescription for account-based plans, such as health flexible savings accounts (“Health FSAs”), Health Reimbursement arrangements (“HRAs”), and other accident and health plans, as well as to Health Savings Account (“HSAs”) in accordance with the CARES Act.

MOTION: Councilmember Shuemaker moved that the Governing Body adopt the resolution authorizing the City Manager to sign the amendment to the existing City Cafeteria Plan that permits employees to seek reimbursement for over-the-counter medical products without a prescription for account-based plans, such as health flexible savings accounts (“Health FSAs”), Health Reimbursement arrangements (“HRAs”), and other accident and health plans, as well as to Health Savings Account (“HSAs”) in accordance with the CARES Act. as presented.

SECOND: Councilmember Mensing

VOTE: YES: Shuemaker, Mensing, Banks, Rishell: Remotely Cendejas, Javed, Machado

**8b. Phase III City Center Comprehensive Agreement:**

The City Manager will record a presentation this weekend on this Agreement that will highlight changes to this agreement. He will be working with the City Attorney and Developers to come up with an agreement and finalizing all the exhibits. Phase III and IV will be discussed at the June 9, 2020 worksession.

**8c. Phase IV City Center Purchase and Sale Agreement:**

As part of City Center Phase I (formerly known as City Center developed by Clark in the late 2000’s; now known as Parq 170 owned by Hasta Capital), the City agreed to ground lease City owned parking lots to the City Center owners for both residential and retail parking. Unfortunately, the parking lots were not in the vicinity of the retail to enable successful leasing (thus the empty store fronts). In order for the City to provide adjacent retail parking and be able to negotiate an amendment to the Ground Lease with the Phase 1 City Center owners (required to enable both Phases III and IV), the City has partnered with local developer Aksoylu Properties of Prince William County (located on Liberia Avenue) to develop a plan for redevelopment of the adjacent parcels east of Parq 170 now known as Phase IV. The City will be securing new land (we will lose a net of 1 acre and thus the land value as part of this transaction for downtown parking post development to support both commercial and residential parking requirements for Phases I and IV, with this public parking being adjacent to the commercial components to maximize commercial viability. Besides helping to address the parking issues that have plagued the retail component of City Center Phase I for the past decade (e.g. empty storefronts and no commercial revenues for the City), and enabling the amendment to the existing Ground Lease with the Phase I City Center owners, the development itself will improve the City’s tax base via two apartment buildings and one 100K Square Foot Commercial Building (retail, office, and/or hotel suites).

Phase 1 of the Phase IV development I components to pay off the acquisition and development costs for the developer to achieve our parking goals for retail:



Once the commercial anchor is open in Phase III, the Commercial Building will become market viable in Phase IV resulting in Phase 2 of the Phase IV development (in the interim the City secures a significant amount of downtown parking to enable commercial success and residential parking options):



The Governing Body held a public hearing on the sale of public land associated with the Phase IV development deal.

Highlights for the City include:

“Conner Drive. The Purchaser will extend Conner Drive to Manassas Drive and will connect Conner Drive to Market Street”

“Residential Buildings 1 and 2. The Purchaser will construct and own a multi-family apartment building with no more than 195 units in the location generally shown on the Master Plan ... and a multi-family apartment building with no more than 200 units ... both of which will include podium parking to ensure parking ratio of 1.5 parking spaces per unit.”

“Commercial Building 3. The Purchaser will construct what is shown on the Master Plan as ...“Commercial Building 3”), containing approximately 100,000 square feet of commercial space.”

Financial Considerations.

(1) The Purchaser will pay the City One Million Three Hundred Eighty-Seven Thousand One Hundred Thirty-Nine and 23/100 Dollars (\$1,387,139.24) upon the completion of Residential Building 1 and prior to receiving a certification of occupancy for Residential Building 1.

(2) The Purchaser will pay City One Million Three Hundred Fifty- Three Thousand Four Hundred Sixty and 76/100 Dollars (\$1,353,460.76) upon the completion of Residential Building 2 and prior to receiving a certificate of occupancy for Residential Building 2.

Phase 1 Parking Goal for City- “Development on the Property will not begin until a 150-space parking lot has been constructed in the location generally shown on the Master Plan and the City has obtained a release and termination of its ground lease on the Property from GH City Center LLC and the City has inspected and accepted the new parking lot.”

City cannot regulate swimming pools. It is an amenity.

#### **8d. CARES Act Budget Request: City Manager:**

Vice Mayor Banks recused himself from discussion on this item due to his job. The City Manager sent a letter to Department of Accounts for clarification on these reimbursements. Their answers were vague. They must use federal guidelines to the best of our abilities. Staff does not believe they can pay water bills because that might be a conflict with money because locality cannot benefit from these funds.

The Governing Body deposited \$1,524,888.00 of CARES Act funding into city bank account. Full amount will be recognized as part of FY20 budget amendment 2. \$1,073,802 of total will be transferred as unspent CARES Act Funding for FY21 Budget with \$451,085.52 planned for FY20 spending/reimbursement.

The City Manager presented the following categories of spending that the Governing Body approved:

FY20-\$451,085.52 Total:

- \$330K for Parks & Recreation to reimburse the City for expenditures related to COVID -19 response: Payroll expenditures related to % of worked hours dedicated to Food Delivery, Extra Cleaning across City, Social Distance Line Control for City Hall and MAP Clinic for testing, Contact Tracing Support to Health Department+ Food and Fuel
- \$110K for Employee Support- Paid Sick Leave (\$11.7K), PD Overtime (\$12K), Hazard Pay Stipend (\$80K), and Childcare Support (\$6.5K).
- \$2K for Technology Enhancements for telework (laptops and accessories for Police Department Ad min Staff).
- \$2.1 K for Additional COVID-19 Workforce for Social Services Benefits Management (temporary promotion and extra hours for current two part-time employees instead of hiring a new position).
- \$6.3K for PPE and Social Distancing Equipment- non FEMA Reimbursable

FY 21- \$1,073,802 Total

- \$511 K for Small Business Grant Program.
- \$200K for Rent/Mortgage support (\$1 OOK) and Utility support (\$1 OOK) for residents.
- \$126K for Employee Support- Paid Sick Leave (\$55K), PD Overtime (\$36K), Quarantine Lodging (\$18K), and Childcare Support (\$17.SK).
- \$185.8K for Technology Enhancements for telework and customer service (laptops, software enhancements and website enhancements).
- \$12.9K for Additional COVID-19 Workforce for Social Services Benefits Management (temporary promotion and extra hours for current two part-time employees instead of hiring a new position).
- \$21.4K for PPE and Social Distancing Equipment- non FEMA Reimbursable
- \$16K for Cleaning Support- Decontamination system - non FEMA Reimbursable

CARES ACT Round 2 Funding

The degree of funding will depend on number of residents and businesses that apply and are approved.

The following is the FY 21 budget additions if we receive additional CARES Act Funding (\$1.5M) and if FEMA does not reimburse the City:

- \$105.8K for Parks & Recreation to reimburse the City for expenditures related to COVID-19 response in July of FY 21.
- \$500K for Small Business Grant Program Part 2.
- \$200K more for Rent/Mortgage and Utility Support program.  
Should be limited to primary resident. As a result of COVID-19 there could be foreclosures and bankruptcies. Help people stay in their homes. There will be residents that will have a balloon payment coming due. Social Services has a program through Prince William County Cooperative Extension, they can use to help citizens with budgeting. Will not know the extent of the damage of COVID-19 until end of year.
- \$80K for Hazard Pay Stipend for potential second wave. Police & fire are more at risk.
- \$7K for Technology Enhancements we are seeking FEMA reimbursement on.
- \$100K for Community Health Coordinator.
- \$22K for PPE and Social Distancing Equipment we are seeking FEMA reimbursement
- \$500K for additional Test Kits for Map Clinic.
- \$12.4K for cleaning supplies we are seeking FEMA reimbursement on.

CARES Act Programs-Hazard Pay

- Tier 1- full-time employees who worked 80% or more of their normal hours onsite; or full-time or part-time employees with 10 or more interactions with the public.
- Tier 2- part-time employees who worked their normal hours onsite (not less than 20 hours per week) or full-time employees who worked 50% or more of their normal hours onsite; or full-time or part-time employees with any face-to-face contact with residents.
- Tier 3- any employee who worked 10 or more full-day days onsite.

| Tier   | #of employees | Amount    | Total        |
|--------|---------------|-----------|--------------|
| Tier 1 | 116           | \$500.00  | \$58,000.00  |
| Tier 2 | 49            | \$ 300.00 | \$ 14,700.00 |
| Tier 3 | 5             | \$ 200.00 | \$ 1,000.00  |
| Tier 4 | 22            | \$100.00  | \$ 2,200.00  |
| Total  | 192           | N/A       | \$ 75,900.00 |

#### CARES Act Programs-DSS

- Workforce Support:

- Promotion of two PT Human Services Assistants to FT Family Services Specialist and Benefits Program Specialist. - Their hours would go from 58 hours over a two-week pay period to 80 hours. The additional 22 hours per pay period to support the Rent/Mortgage/Utilities program implementation and expanded benefits applications would be paid at a higher rate per hour.

- Rent/Mortgage/Utility:

- Help 100 residents with Rent/Mortgage and over 160 with Utilities. Focused on unemployed due to COVID-19 and/or COVID-19 recession who have seen an income loss. May utilize non-profit support as well.

A CDB Grant for the county and two cities will be administered by Social Services. Our citizens must apply so the department will get the word out because it is first come first serve.

#### CARES Act Programs-IT

##### Hardware:

- Laptops to replace Desktops to enable remote work.
- Computer/Phone System/Internet upgrades to enable remote work (FEMA reimbursement first).
- Teleconferencing equipment and software (FEMA reimbursement first).

- Software:

- Upgraded Website to enable online customer support - fillable documents and applications to potentially include GB Agenda Management Software and Document Management System.
- Payment Portal Upgrades for customer payment ease.
- GIS upgrades for Emergency Management and Customer Work Order Support- e.g. mobile customer service requests (Grant First).
- Adobe Pro for more computers.

##### Next Steps

- Review File and send questions and edits to City Manager.
- Provide Guidance on FY 20 Budget Amendment 2 and FY 21 Budget with respect to CARES Act Funding.
- Vote on June 15 to ratify Cares Act Budget, FY 20 Budget Amendment 2, and FY 21 Budget.
- Appropriations Request on June 15th or after (prior to July 1) for both FY 20 (Budget Amendment 2) and FY 21.

That the Governing Body authorize the City Manager to present amended FY 20 and 21 budgets to include the CARES Act spending plan proposal for Governing Body adoption at a future meeting.

**8e. FY 2020 Budget Amendment 2 Highlights-General Fund: City Manager Presentation:**

Positive Financial Impacts

- Health and Human Services COVID-19 Grant to EMS- \$6.6K
- Donation Funds for Food Purchases for COVID-19 support- \$2.8K
- CARES Act Funding- \$1.5M

Negative Financial Impacts

- CARES Act Expenditures (see CARES Act PowerPoint)- \$451 K
- CARES Act Fund Transfer to FY 21 for unspent CARES Act Money in FY 20- \$1,073,802.
- COVID 19 FEMA Reimbursable Expenditures- \$51.7K
- Debt Service Budget Error- \$53K
- \$232K increase to Operating Reserve Fund contribution (likely to disappear due to recession).
- \$932 increase in Health Department Contract.
- \$89K Street Improvement Bill that City never received in FY 16 and had to pay this FY.
- \$182K for VRE Garage Re-design.

No Financial Impacts

- Nex Gen ESInet Migration- \$46K Revenue and Expenditures Offset
- \$7K shift between Salaries and Overtime for Commissioner to retain an employee.
- \$30K shift from Facilities Professional Services to Facilities Salary- moving from Contract Support to Porter and Part-time Janitor.
- \$10K shift from Fire Facility Support to Parks & Rec Facility Support (Electrical Failure).

Next Steps:

Review Files and send questions/guidance to City Manager.

- Vote on June 16 to ratify Cares Act Budget, FY 20 Budget Amendment 2 and FY 21 Budget.
- Appropriations Request on June 16th or after (prior to July 1) for both FY 20 (Budget Amendment 2) and FY 21.

**9. City Manager Report**

COVID-19: He gave Governing Body a detailed report on this virus and what is happening in northern Virginia and the Prince William area showing positives, daily deaths, and hospitalizations. Testing has increased and the positives have went down.

City Manager recommendation: with the mixed data, defer reopening City Hall to June 15, 2020 based on this data. Staff will check data again next week to see if further delay is needed. It is important to protect senior in long-term facilities. Governing Body will look at all the statistic on June 9, 2020.

**10. Closed Meeting: No meeting scheduled**

**11. Return to Open Session**

**12. Certification of Meeting**

**11. Adjournment: 9:56PM:**

MOTION: Councilmember Shuemaker moved to adjourn at 9:56pm.

SECOND: Councilmember Mensing

VOTE: Yes: Unanimously passed

Approved June 16, 2020

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Jeanette Rishell, Mayor

Lana Conner