

OFFICIAL MINUTES OF THE GOVERNING BODY WORKSESSION HELD ON TUESDAY, APRIL 12, 2011 AT 7:00 PM AT MANASSAS PARK CITY HALL, ONE PARK CENTER COURT, MANASSAS PARK, VIRGINIA

1. Roll Call: Frank Jones, Mayor
 Bryan E. Polk, Vice Mayor
 Keith Miller
 William J. Treuting, Jr.
 Suhas Naddoni
 Preston Banks
 Brian Leeper

Absent: None

Staff Present: Lana A Conner, City Clerk
 James Zumwalt, City Manager
 Dr. Bruce McDade, Superintendent of Schools
 Michael Wine, Chairman of School Board

1. Approval of Agenda: Agenda accepted as presented.

2. Moment of Silence/Pledge of Allegiance

3. Worksession FY2012 Budgets:

FY2011 outlook for rest of FY2011	FY2012 Beginning Status
Revenue \$33.0 Million	\$34.1 Million
Expenditures \$32.6 Million	\$35.3 Million
Delta \$350,000	(\$1.2 Million) Shortfall

The Mayor stated from the state there may be \$14.6 more out of the direct support to police and fire in the current year. There may be more hits to emergency services. There are other reductions in the \$34 billion additional dollars that they took out with the conference committee. Part of the state money for that 509 Grant is flow through from federal funds.

City Manager recommendation to cover \$1.2 million shortfall:

A. Increase Revenue Estimates	\$192,000
B. Stretch Revenue Goal for Community Center	265,000
C. Storm Water Utility Fund Transfer (2employees & Administration fee)	129,000
1. Other Net line item reduction throughout budget	176,000
2. Support CDA with staff resources	13,200
3. Limit legal costs to contract minimum	44,000
4. Earmark 2 Cents of tax levy for debt service	126,000
D. Regional Services, initial reduction	230,000
E. EMS cost recovery rate adjustment	30,000

Consensus: put \$11,000 additional in budget for Registrar's office.

Manassas Park schools gave the Governing Body budget notes for FY2012.

On the comparison of financial data for Governing Body for FY11 and FYY12, the Mayor asked for an explanation on Total Other Uses of Funds for FY2011 (projections) proposed adoption May 2011 in the amount of \$412,426. That is a huge increase as opposed to the other line items. Krista Kelly stated that it probably is wrong and could be put in the wrong category but she believes that the bottom line of the budget is correct.

4. Instruct City Staff to schedule Public Hearing on May 3, 2011 for the FY2012 Budget:

MOTION: Councilmember Miller

SECOND: Councilmember Polk

VOTE: Unanimously passed with Councilmember Naddoni abstaining

5. Discussion on Redistricting:

Councilmember Leeper gave the Governing Body a slide presentation on the redistricting lines. Governing Body was not happy with the way the districts are laid out. They asked the Mayor to send Governor McDonnell a letter expressing their concerns.

MOTION: Councilmember Polk moved to authorize the Mayor to send a letter to Governor McDonnell expressing the City's opposition to the proposed redistricting.

SECOND: Councilmember Naddoni

VOTE: Unanimously passed

6. Closed Meeting State Code of Virginia Freedom of Information Act: Section 2.2- 3711a of the Code of Virginia No meeting scheduled

7. Return to Open Session

8. Certification & Action out of Closed Meeting if Necessary

No closed meeting scheduled

9. Adjournment at 10:50 pm.

The Mayor closed the meeting at 10:50 pm.

Approved

Frank Jones, Mayor

Lana A Conner, City Clerk

Roll Call: Frank Jones, Mayor
Bryan E. Polk, Vice Mayor
Keith D. Miller
William J. Treuting, Jr.
Preston Banks
Brian Leeper

Absent: Suhas Naddoni
Staff Present: Lana A Conner, City Clerk
James Zumwalt, City Manager
Dean Crowhurst, City Attorney

1. Approval of Agenda:

MOTION: Councilmember Treuting moved to approve Agenda with following: changes: Remove Item 5f Ordinance: Permanent Vehicle Decals Ordinance and place on May 3, 2011 agenda. Item 10: Closed Meeting not needed. The City Attorney is requesting that an item be added to Agenda 7a (7): Clark: Extend Bond Requirement

SECOND: Councilmember Miller

VOTE ROLL CALL: Yes: Treuting, Miller, Leeper, Banks, Polk, Jones

2. Moment of Silence/Pledge of Allegiance: Councilmember Treuting

3. Citizens time: There were no citizens wishing to address the Governing Body.

4. Community Center First Year Operating Report and Financial Plan for FY2012:
Catherine Morretta, Director:

Copy of presentation made part of the record. She continues to believe that the stretch revenue is achievable for next fiscal year. She is asking the Governing Body to continue to look to their peers to encourage them to continue to access their services, attend their public events on behalf of their programs, their services and initiatives. Continue to engage in dialogue with the public. Please schedule some public meetings at their community center to increase traffic into the facility.

Councilmember Polk stated he liked the cost recovery model diagram since that was the first time he had seen it represented like that. In the past, citizens have focused on one building or one program and this describes the parks & recreation program as a series of services, buildings, cost, and revenues. Some of the revenues, the department target to recover and some of which they don't because of the good of the community. The Mayor stated this plan was well thought out and well presented.

The Mayor asked the Governing Body if any of them have ideas to have them e-mail the department and copy the other members of Governing Body.

The Mayor asked the City Attorney to look into the contributions due the city from Comcast and Verizon as part of the franchise agreement. The Governing Body has not held city meetings there because of the lack of a camera but these funds could make that possible. They will look at ways to hold meetings in the Community Center. The Mayor would like the Governing Body to meet periodically at this facility during the summer months.

5. Consent Agenda:

MOTION: Councilmember Polk moved to approve Consent Agenda as presented as amended: Removal of Item 5f:

5a. Approval of Minutes: April 5, 2011

5b. Board of Equalization:

Recommendation to Prince William Circuit Court: Appointment of John Fraber and Martha Collier 3 yr terms

5c. Planning Commission: Appointment: Oscar Jamilla: 4 years

5d. Ordinance _____ Sec 2-8, Procedures for processing checks returned for Insufficient Funds Article I, in General, of Chapter 2, Administration

5e. Ordinance _____: Delinquent Tax Collection Cost: April 5 Agenda

5f. Ordinance _____: Permanent Vehicle Decal Ordinance: City Attorney: Removed and placed on May 3 Agenda

SECOND: Councilmember Treuting

VOTE: Unanimously passed

6. Unfinished Business:

6a. American Disposal Residential Charge Payment: \$54,028.93: City Attorney:

When Jay Johnson took over as the Interim Public Works Director he realized that there was a discrepancy in payments. This began a series of meetings and communications with American Disposal representatives, who readily admitted their mistake. Apparently, instead of being handled by the office that deals with contracted services such as ours, the City's account was being handled by the office that deals with all their other (non-contract) collections. As a result the City's rate increased the same amount as the rate charged the other customers. The city stopped making payments to American Disposal until the magnitude of the overcharges was figured out.

In addition, a fuel surcharge was added to some of the bills 2009 (which presumably was also done for their non-contract customers). Because none of the rate increases or fuel surcharges was authorized by the Governing Body, City Attorney prepared a spreadsheet to show how much the City had been overcharged since July 1, 2007. What was determined was that through the end of September 2010, the City had been overcharged (and overpaid) \$137,837.53. Adding in the total amount of overcharges in four outstanding invoices for October 2010 through January 2011 brought the total amount that the City was overcharged through January 2011 to \$159,407.33. City Attorney recommendation, which was based on legal principles and which was followed, was that the City offset the amount charged for the four outstanding invoices by \$159,407.33. This made the City's payment to settle all invoices through January 2011 come to \$68,442.67 and brought the City back to where it would have been had no increases been implemented since June 2007. All subsequent invoices have been, and will continue to be, recalculated using the last authorized rate of \$13.58 per residential unit effective July 2007.

Nonetheless, the invoice received from American Disposal for residential trash collections in July 2007 was based on a rate of \$13.93 per residence. Subsequently, the rate charged the City was increased to \$14.63 (a 5% increase) effective July 1, 2008 and to \$15.00 (a 2.5% increase) effective July 1, 2010. At no time since June 2007 has a request been presented to the Governing Body for an increase in the rates.

The City Attorney stated you would retroactively approve the rate of \$13.99 effective July 08 and the rate of \$14.36 effective July 2010. This will net the city a credit of over \$100,000.

Dumpster collections are separate and they will address this issue separately.

The city will be going out for bid this year for this contract.

Members of Governing Body thanked Jay Johnson for his due diligence in finding this overcharge and saving the city a lot of money.

MOTION: Councilmember Miller moved to accept recommendation of City Attorney and approve the retroactive rate and authorize payment to American Disposal in the amount of \$54,028.93.

SECOND: Councilmember Polk

VOTE ROLL CALL: Unanimously passed

7. New Business

7a. City Center Close Out Items: City Attorney:

Tim Alexander, Clark, was present if anyone has any questions.

7a1. Revised Deed of Boundary Line Adjustment:

The City Attorney stated this is a follow up to the last time he presented this to the Governing Body. The deed is a comparison version that shows the changes the bank requested. The Governing Body previously approved the deed and authorized it to be signed by the Mayor, with the understanding that non-material changes requested by the bank could be made. The Mayor has already signed the deed and the city is waiting for the bank, the trustee and Clark to sign it and send it back. In addition to the changes shown, there will be one additional change. The City Attorney has received recordation information for the Substitution of Trustee so Recital R-8 will be changed to fill in the date and Instrument Number.

The City Attorney stated this does not need a motion since it has been previously approved.

7a2. Manassas Drive Median Landscaping Maintenance Agreement:

The last time this was presented to the Governing Body there was a discussion about possibly having CDA handle the maintenance of landscaping within the Manassas Drive median. The City Attorney had previously been concerned about having Park Center LLC, a wholly-owned subsidiary of Clark, maintain the median and also prepare the budget that the other property owners would be bound by. This would have placed an encumbrance on the land that might have negatively impacted the City's efforts to sell the Milleson tract and the City Hall site since potential owner/developers might have a problem with another owner/developer setting the budget. This agreement resolves that concern and is less complicated than having the CDA be responsible for the maintenance.

This agreement still has the owners of the four corners each paying 25% of the maintenance. It also still has Park Center LLC coming up with an annual budget for the maintenance and distributing the budget to the owners of all four of the properties. Now, however, there is a requirement that each property owner must approve the budget. If they can't reach agreement and approve the budget by a certain date, the city then will step in and set the budget. We now have the city acting as an independent third party. This limits the ability of Park Center LLC to arbitrarily set the price for the maintenance by allowing another owner/developer to challenge the cost. If it doesn't like what Park Center LLC is doing—the owner/developer could just refuse to approve Park Center LLC's budget and let the City set the budget instead. The City will not be required to pay any of the maintenance costs, though. Park Center LLC will be fully responsible for the maintenance until the City either sells or leases Parcel A-1 to a non-public third party.

MOTION: Councilmember Miller moved to approve Manassas Drive Median Landscaping Maintenance Agreement between the City and Park Center LLC as recommended by City Attorney and authorize the Mayor to sign the agreement.

SECOND: Councilmember Treuting

VOTE ROLL CALL: Miller, Treuting, Banks, Leeper, Polk, Jones

7a3. First Amendment to Maintenance Agreement for CDA Improvements

Like the median maintenance agreement, this amendment has been previously presented to the Governing Body. It would amend the agreement entered into by the CDA Park Center LLC on April 1, 2007. The original agreement had Park Center LLC picking up the full cost of maintaining the private roads (Parcel A-3 in the deed of boundary line adjustment). The City asked that Clark pay for the full cost when the original plan was negotiated because the City cannot get VDOT maintenance funds for roads that are configured like the private roads in Park Center. The City and Clark agreed to make them private with public access/ingress-egress easements. To the general public they look like public roads but legally the City does not have to maintain them. Clark had initially planned to buy all the property within the CDA district, which includes Parcel A1, but Parcel A1 is part of the phase that Clark decided not to purchase. Now the City owns Parcel A1 and can sell it to a developer other than Clark. Clark would like to have the future owner of Parcel A1 contribute one-third toward the cost of maintaining the private roads and has asked that the existing maintenance agreement be amended.

The City attorney initially had the same problems with the amendment as he had with the Manassas Drive median maintenance agreement. He did not want to encumber Parcel A1 in a way that might negatively impact the City's efforts to sell it to a developer in the future. This new amendment handles the maintenance in a similar way as the Manssas Drive median maintenance agreement does. Park Center LLC is still responsible for preparing an annual budget and presenting it to the other owners. If all owners do not approve by a certain date then the CDA will set the budget.

The amendment now also includes the City as a party since the City is the current owner of Parcel A1. The City will not be required to pay any maintenance costs, though. Park Center LLC will be fully responsible for the maintenance until the City sells or leases Parcel A1 to a non-public third party.

MOTION: Councilmember Miller moved to approve the First Amendment to the Maintenance Agreement as recommended by the City Attorney and authorize the Mayor to sign the amendment.

SECOND: Councilmember Treuting

VOTE ROLL CALL: Miller, Treuting, Banks, Leeper, Polk, Jones

7a4 Letter from Clark requesting conveyance of Milleson Tract to the City

The Milleson tract is located at the southeast corner of Park Center Court and Manassas Drive. It is currently owned by the CDA, but by agreement with Clark the City Attorney has held the deed conveying it to the CDA in escrow and has not had it recorded. By agreement, once Clark had spent \$50,000 on grading and landscaping for the Milleson tract it would get conveyed over to the city. Tomorrow the CDA will vote on the final requisition which includes paying Park Center LLC the remainder of the \$50,000 for work that has been on the parcel. Because \$50,000 has been spent on improving the Milleson tract, Clark would now like to convey it to the City and have the deed held in escrow destroyed.

MOTION: Councilmember Miller moved to authorize the conveyance of the Milleson Tract (Lot 1B of the Resubdivision Plat of Lot 1, Conner Center Subdivision, designated as Parcel N in the agreement for purchase and sale dated October 22, 2005, as amended) to the City of Manassas Park and authorize the Mayor to sign necessary papers on behalf of the City.

SECOND: Councilmember Leeper

VOTE ROLL CALL: Miller, Leeper, Banks, Polk, Treuting, Jones

7a5 Letter from Clark requesting removal of Dog Park on Milleson tract from Park Center master plan

Clark wanted a dog park on the Milleson tract but the City did not want it there. Park Center LLC, a wholly-owned subsidiary of Clark, is requesting a modification of the Park Center master plan to remove the dog park on the Milleson Tract (Lot 1B of the Resubdivision Plat of Lot 1, Conner Center Subdivision, designated as Parcel N in the agreement for purchase and sale dated October 22, 2005, as amended). Instead, Park Center LLC would like to locate the dog park on Parcel A1-1 as part of a Temporary Passive Recreational Easement included in the deed of boundary line adjustment previously approved by the Governing Body (see item 7a1 above). Councilmember Banks stated there were residents that liked the idea of having a dog park there. The Mayor stated there were safety concerns with it being that close to the road and children and animals getting away from owners and trying to cross the road. Tim Alexander of Clark stated that the dog park would be open to all City residents and not just its tenants.

MOTION: Councilmember Leeper moved to approve modifying the master plan as requested by Park Center LLC to remove the proposed location of a dog park from the Milleson tract (Lot 1B of the Resubdivision Plat of Lot 1, Conner Center Subdivision, designated as Parcel N in the agreement for purchase and sale dated October 22, 2005, as amended) to Parcel A1-1 as part of a Temporary Passive Recreational Easement.

SECOND: Councilmember Treuting

The Mayor stated a stipulation of this modification was that this would be for public use and not just for tenants of City Center at Manassas Park. He also pointed out that this dog park discussion has nothing to do with the proposed dog park at Costello Park.

VOTE ROLL CALL: Leeper, Treuting, Banks, Miller, Polk, Jones

7a6. Letter from Clark requesting to pay the City \$20,000 for signage within Route 28 Median: City Attorney:

This agreement with Clark for development of Park Center included a requirement that Clark would budget \$20,000 for a sign to be placed in the Route 28 median that would direct people to the City Center business district as well as other public points of interest. The sign would not be an advertisement for the Clark project because doing so would create a public forum. Clark was supposed to design and build the sign, which the City would then use to provide directions to the community center, Signal Bay Waterpark, etc. Clark was never able to get the sign process off the ground because of VDOT restrictions on placing signs within Route 28. Although private entities cannot

place signs in the median the City has a better shot at getting approval from VDOT. This is especially true because the City would be replacing signs that already exist with signs that were designed by Clark.

Park Center LLC is requesting that the City accept the \$20,000 budgeted for the signs in instead of having Clark install the signs. If the City agrees to this request, Park Center LLC will ask the CDA to release to the City the funds designated for construction of a sign on Route 28. These two actions would satisfy the requirements for the Route 28 sign originating from the agreement for purchase and sale dated October 22, 2005, as amended.

MOTION: Councilmember Leeper moved to approve Park Center LLC's request that the City accept the \$20,000 budgeted for design and construction of signs in the Route 28 median, which will satisfy requirements for the Route 28 sign originating from the agreement for purchase and sale dated October 22, 2005, as amended.

SECOND: Councilmember Treuting

The \$20,000 was in the original contract.

VOTE ROLL CALL: Leeper, Treuting, Banks, Miller, Polk, Jones

7a7. Clark request to extend performance agreements for Park Center: City Attorney:

Approximately five months ago, the Governing Body authorized the extension of performance agreements for the Park Center project. The City entered into the performance agreements with Clark and Clark deposited cash into escrow with the City to ensure performance of the improvements shown on the approved site plan. There has been one extension that was done administratively for one year but further extensions require Governing Body approval, which was done last June for one year. Because work still needs to be completed on the project, Clark is now requesting an additional extension of six months.

Public Works staff completed a walk through on the project and came up with a punch list of items that must be completed prior to the release of the cash escrow. There is a significant amount of concrete work that must be repaired around the City Hall parking lot and on Manassas Drive in front of City Center, which includes the stamped walkway across Manassas Drive. The contractor that did this work is no longer in business and Clark may have to go after that company's bonding company, which may take some time. For this reason, the Director of Public Works feels that a six month extension of the performance agreements would be reasonable. Tim Alexander of Clark stated that he didn't think it would take six months to complete the punch list items, but because of the problems with the contractor, and because of the potential that weather could impact the work, it might take six months before the work is done. He believes that six months would be sufficient to avoid having to come back to the Governing Body for an additional extension.

Although the security is currently in the form of a cash escrow, Clark would like to use letters of credit or surety bonds for the extension.

MOTION; Councilmember Treuting moved that the city authorize a six month extension for the performance agreement and escrow from the due date in June 2011 as recommended by staff.

SECOND: Councilmember Polk

VOTE ROLL CALL: Treuting, Polk, Banks, Leeper, Miller, Jones

**7b. Resolutions to authorize FY2012 VDOT Revenue Sharing Applications:
Calvin O'Dell, Building Official:**

VDOT's Revenue Sharing Program has helped the City greatly reduce its roadway improvement project expenses for many years, on various infrastructure projects. The City has traditionally been approved for Revenue Sharing dollars each year. Due to the current economic climate and the lower than estimated costs of construction, the City has previously approved Revenue Sharing funds leftover from completed projects in the amount of \$465,247. These VDOT approved funds must either be reallocated to approved Revenue Sharing projects or released back to VDOT. The City only has two pending Revenue Sharing projects that could serve to absorb these leftovers, but neither of these will likely require these excess funds, and may in fact come in under budget and create more leftovers themselves.

Several years ago, the state limited the scope of the Revenue Sharing program to only include new construction projects. Maintenance and repair projects, although transportation related, no longer meet the program's criteria. This has greatly reduced the number of priority projects within our City that qualify for the program. Last year, due to state budget reductions, VDOT only approved Revenue Sharing funds for a portion of the application amounts. This trend is likely to continue, at least through this Revenue Sharing cycle, leaving a funding void for each approved project that could be filled by our leftover funds. Based on the quantity of leftover funds that need to be redistributed and the estimates associated with potential candidate projects, it is likely that the City will need multiple FY2012 Revenue Sharing projects approved in order to absorb these funds. Assuming that we are awarded only a portion of these requested amounts on all three applications as staff anticipates, we would then be able to redistribute leftover Revenue Sharing dollars from past projects into these new projects to make up the balance and create a full share on all three projects. This would make the City's financial burden on these projects 50% of the project costs, in line with what we were used to experiencing in pre-recession conditions. The projects staff has chosen as potential candidates are:

7b(1) Resolution _____ Conner Drive Extension, Euclid to Rt. 28 –

This project is in the CIP for FY2014, and best fits VDOT's new construction requirement for Revenue Sharing funding potential. This project would also answer the constant citizen complaints about the condition of the existing Conner Dr., west of Euclid Ave., as improvements associated with the extension would require repaving of the existing portion. Cost Estimate: Conner Drive Extension, Euclid to Rt. 28 - \$400,000

MOTION: Councilmember Treuting moved to approve by Resolution Staff applying for Revenue Sharing funds for total cost of \$400,000.

SECOND: Councilmember Miller

Councilmember Polk stated this is a good idea but he does not want to see a traffic light located there. It is important how you ingress egress that area. Mr. Johnson stated this is a right in/right out only and no crossing of the median. NOVEC has one a transformer located on that corner. Route 28 has a right turn lane all the way down to Manassas Drive.

VOTE ROLL CALL: Treuting, Miller, Banks, Leeper, Polk, Jones

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7b (2) Resolution _____ Sidewalk on Euclid Avenue North of Manassas Dr.:

Although staff is hopeful of receiving funding for this project through the SAFE Routes to SCHOOL Program, it has been confirmed with VDOT that the resources available to this program are limited, and depending on the number of successful applications, they may only be able to offer partial funding of large projects. Therefore, we have verified that SAFE Routes funding can be mixed with Revenue Sharing dollars, and secure a share agreement will only further help relieve the City's financial burden on this project. This project is now a high priority project in the CIP for FY2012, and it is imperative that we secure any and all available funding resources. Cost Estimate: Sidewalk on Euclid Avenue North of Manassas Dr. - \$425,000

MOTION: Councilmember Treuting moved to approve by Resolution Staff applying for Revenue Sharing funds for sidewalk on Euclid Avenue North of Manassas Drive for total cost of \$425,000.

SECOND: Councilmember Polk

VOTE ROLL CALL: Treuting, Polk, Banks, Leeper, Miller, Jones

7b(3) Resolution _____ Railroad Quiet Zone Infrastructure Improvements

Although not currently in the CIP, this project has received a good deal of attention, and may soon become a priority. This is a divider in the center of the road to prevent cars from going around the railroad stops and extending the sidewalk to rail track on both sidewalks. The city could then look at requesting that the train horns be turned off between 10pm – 7pm. Cost Estimate: Railroad Quiet Zone Infrastructure Improvements - \$40,000

MOTION: Councilmember Polk moved to approve by Resolution Staff applying for Revenue Sharing funds for railroad quiet zone infrastructure improvements.

SECOND: Councilmember Banks

Jay Johnson thanked Councilmember Leeper for sending him the literature and stated that Calvin O'Dell has been doing a great job on these projects.

VOTE ROLL CALL: Polk, Banks, Leeper, Miller, Treuting, Jones

7c. Resolution _____ : Authorize 2011 SAFE Route to School Travel Plans and funding application submission to VDOT at estimated cost of \$425,000:

VDOT administers the federal SAFE Routes to SCHOOL Program in the state of Virginia. This program enables community leaders, schools and parents across the United States to improve safety and encourage more children, including children with disabilities, to safely walk and bicycle to school. VDOT requires the submission of a Travel Plan that outlines existing conditions, evaluates areas where improvements are needed, and offers solutions that would encourage the act of walking and biking to school. These solutions may include major infrastructure changes that can be funded by grant money available to the program. This is a two step process, where the submission of a Travel Plan is followed by a funding application. This project was brought to the attention of staff at the end of March, and both school and city staff members have been hard at work in order to submit an acceptable plan by the April 29th deadline. The major barrier to pedestrians highlighted in the plan is the lack of a sidewalk on Euclid Avenue, north of Manassas Dr. The sidewalk project which was in the CIP for FY2014 as a medium priority project, has now been relisted in the CIP as a high priority project for FY2012. A first draft of the Travel Plan has been created, missing pieces of the plan are being filled in every day, and staff believes that we will be able to submit a plan worthy of funding by the April 29th deadline. Staff has considered funding for the sidewalk project the primary hurdle to be overcome. Due to the acquisition of right of way as well as the required conversion from a ditch system to a curb and gutter system, estimated project costs are at \$425,000, which was considered prohibitive at this point and time. However, this program offers the potential for 100% funding, with no out of pocket commitment from the City.

With the recent construction of City Center and its related improvements, as well as the upcoming Euclid Ave. Intersection Improvements Project planned to begin next year, this would be an excellent opportunity to fill in the blanks between the center of the City and the high school/middle school campus. Making our plan and application stand out can be difficult, but by showing that our suggested improvements fill in the blanks as mentioned above, showing that the City has related commitments like the Euclid intersection project, and showing that we have cleared major hurdles associated with infrastructure projects (i.e. Governing Body support) we can move ourselves ahead of the competition. That is why we would like to have a resolution of support signed before the submission of the plan. We would like to show VDOT that all we are waiting for is funding.

MOTION: Councilmember Treuting moved to approve by Resolution staff applying for 2011 SAFE Route to School Travel Plans and funding application submission to VDOT at estimated cost of \$425,000.

SECOND: Councilmember Banks

VOTE ROLL CALL: Treuting, Banks, Leeper, Miller, Polk, Jones

Councilmember Treuting thanked Calvin and staff for all the work they have done in putting this information together to apply for funding. Calvin thanked the schools for all their help on this project and stated it was a team project. The Governing Body thanked Councilmember Leeper for all his work in gathering the information for staff to proceed with application for funding.

The Director of Public Works stated city will be getting a traffic study for Mathis and Route 28 timing study in May. Thursday night starting at 9:00pm the public works department will be taken the signal out of commission at Route 28 and Mathis Avenue with police assistance to change the cabinets out.

8. Water & Sewer Utility Budget: James Zumwalt, City Manager and Jay Johnson, Public Works Department:

Copy of budget made part of the record.

City closed their wells and now purchases water from City of Manassas and Prince William Service Authority (through Fairfax County). The water comes into the city through master meters. The majority of the pipes in the ground is old and tends to leak. City has a lot of small leaks because of this. Because of the old pipes, water is leaking into the sewer lines which go to Upper Occoquan Sewage Authority plant through a master meter to be treated. UOSA bills the city based on usage.

Leak Out (in 1,000s of gallons): average annual water loss = 136,461,000 gallons

Leak In (per thousand gallons): average annual (I&I) = 107,341,000 gallons/year

Leak Out (in 1,000s of gallons): average annual water loss = 136,461,000 gallons

Leak In (per thousand gallons): average annual (I&I) = 107,341,000 gallons/year

Cost to purchase water: \$2.00/1000 gallons x 136,461 = \$273,000

Cost to treat sewage: \$5.80/1000 gallons x 107,341 = \$623,000

Total loss for the year: total cost city won't recover = \$896,000

Leaks can be caused by software billing errors, master meter errors or open valve to a neighbor.

Prior to 2008: 13 years with no rate increase and tap fees subsidized operations

In 2008, Governing Body approved a new rate structure which included rate increase and the policy became use tap fees for capital only. The city is still operating in the red. This budget has no tap fees income included. It has no capital project expense; it has no one time expenditures. It omits depreciation and solid waste.

Since then, administrative charge increased, no tap fees during recession: pay debt service with water/sewer bill revenue, cost of water increased and cost of sewer treatment increased. Administrative charge for proposed FY12 budget is \$997,269 which is based on percentage from certain departments.

As a share holder, we pay based on a formula for overhead and maintenance.

Proposed FY12 budget shows in the red (\$1,486,669) which includes bond principal and interest rate payments. Upper Occoquan Sewage Authority payments are a big part of the budget. Staff is recommending for FY2012 and increase of 6% for total of \$6.17 gallon.

To solve the problem, city needs a large rate increase to cover \$1.5 million operating shortfall and \$0.5 million capital. Spend \$1 million year capital on leak reductions. That would be \$0.5 million from rate increase and \$0.5 million from tap fees or draw down from \$5.7 million expendable fund balance. City is spending a million more than it is making.

"Spendable" Fund Balance as of June 30, 2011: \$5.7 million. If used, the city would use all of the balance in 2-3 years. Controlling leaks could save about \$1 million/year. City should spend at least \$1 million/year to reduce leaks.

The City Manager recommends an increase in monthly bill of \$42.00 (56% increase) will provide for \$1.5 million shortfall plus \$0.5 mill for capital based on 3,889 customers for a total of \$1,960,056. Current UOSA fixed costs per month per customer is \$26 but the city is paying \$61 per customer per month.

Whitman Requardt did a water study on the city and found minimal leaks. He has his personnel out at 2 or 3 o'clock in the morning when usage is at its lowest testing for leaks but so far has not found anything significant. They have upgraded the system by going from a 410 hydraulic grade line to a 457 grade line which might cause leaks because of the pressure. Trying to find I/I leaks is an ongoing problem at 40%. With the new SCADA system coming on line, the city will have real time data.

The Governing Body will hold a special Worksession on this issue before making a final decision.

9. City Manager: James Zumwalt:

This Monday from 8:30-10:30 the Education Summit featuring Dr. Bruce McDade will be held at the Community Center. He would like as many members to attend as possible.

10. **Closed Meeting State Code of Virginia Freedom of Information Act: Section 2.2-3711a of the Code of Virginia: There was not a call for a closed meeting.**
11. **Return to Open Session:**
12. **Certification & Action out of Closed Meeting if Necessary**

13. Adjournment: 8:55 pm

Mayor Jones adjourned the meeting at 8:55pm.

Approved.

Frank Jones, Mayor

