

OFFICIAL MINUTES OF THE REGULAR MEETING OF THE MANASSAS PARK GOVERNING BODY HELD ON TUESDAY, MARCH 6, 2012 AT 7:10 PM AT MANASSAS PARK CITY HALL, ONE PARK CENTER COURT, MANASSAS PARK, VIRGINIA

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

AGENDA ITEM 7a
March 20 2012

Absent: None

Staff Present: Dean Crowhurst, City Attorney
James Zumwalt, City Manager

1. Approval of Agenda:

MOTION: Councilmember Treuting moved to approve the Agenda with removal of Item 6a Introduction of Fire Chief David Dixon and removal of Item 12/13/14 Closed Meeting.

SECOND: Councilmember Banks

VOTE: Unanimously passed

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

3. Citizens Time:

1. James Sejd: 9205 Vassau Court: Owner of American Stripping Company: They employ thirty two people. After looking at the 2012 Manassas Park Legislative Agenda, he wanted to address two items: Priority #4: Oppose restrictions on the ability of local elected officials to raise revenue to pay for local government services and Item 2: Specifically opposes efforts to limit City authority to levy Business, Professional and Occupational License (BPOL) tax and Machinery & Tools (M&T) tax.

On January 24, 2012 the Governing Body approved an ordinance that would include tax incentives to certain qualifying businesses to attract businesses to the city. This is a great sales tool. The reason these incentives are required is that the tax rate is high and city needs to attract business and the way to do that is lower rates initially and then taxes increasing at a rate over ten years. The tax rate is higher than competitive communities. Attracting a high tech defense company as this ordinance provides would lead one to believe that they would be brought in under the premises of low taxes. These businesses would not look at city budget but would look at the tax rate in the future five or ten years when they are paying real taxes. He does not think the city will get a high tech company to come in as a fly by Night Company. They will come in to stay. They will not come into the city with a high tax rate. The 2013 budget will not help lower the tax rate because it is higher than in previous years. The Governing Body continues to spend too much money. This budget is based on a 3.5% increase in assessments. If this increase does not happen the city is back to cutting in FY2014. He is urging the Governing Body not to approve the FY2013 budget but reduce it by 5%. The city bond rating reduction is bad news. Trying to get the debt service financed in the years to come not only will not allow new businesses to come in but the businesses here are going to be lower tech because they are not going to look long term. They will look at the cost to rent. They will look at ease to Route 66. If you want high tech businesses you will have to lower the marginal tax rate and to do that you have to spend less money.

4. Proclamation: Designate April 2012: Donate Life Month: Connie Sprow

MOTION: Councilmember Miller moved to approve designating April 2012 as Donate Life Month.

SECOND: Councilmember Banks

VOTE: Unanimously passed

Ms. Sprow thanked the Governing Body for this proclamation. She and her husband are a donor family member. Two of her daughters died in 1985 and became donors and saved or enhanced the lives of at least twelve individuals. On September 2009, they lost a son to kidney disease. At least eighteen people in this region die each year while waiting for a transplant which is mostly kidneys. She would like to ask that everyone sign up to be a donor. The Mayor stated he is a donor. If you have more questions please contact www.savesevenlives.org

5. Recognitions: None

6. Presentation:

6a Introduction of Fire Chief David Dixon: April 3, 2012 Agenda

6b Richard Sanderson, City Assessor: Update of 2012 Real Estate Assessment For FY2012-2013:

This is in follow up to December presentation that projected a 3.5% increase in the City's real estate tax base for 2012. The 2012 assessments that become effective on July 1 will affect the fiscal year (FY) 2012-2013 budget for the City. The forecasted increase of 3.5% in the real estate tax base is still expected. Tonight the Assessor follows up on two items discussed in December: (1) foreclosures trends; and (2) the use of foreclosure-related sales in determining assessments.

When assessments in December were discussed, foreclosures during the second and third quarters of 2011 were up slightly from the previous two quarters but fourth quarter foreclosures had not yet been reported. The fourth quarter foreclosures were less.

While data collection and analysis for the 2012 assessments has been completed and the values have been assigned to most properties, foreclosures and resulting foreclosure-related sales (short sales and bank-owned properties sales) will continue to affect the Manassas Park real estate market, probably for the next few years. According to CoreLogic, a California-based information service that specializes in property and mortgage data, *shadow inventory* is "the number of distressed properties not currently listed that are seriously delinquent (90 days or more), in foreclosure and owned by lenders." While we don't know the number of homeowners that are seriously delinquent, we do know the number of foreclosures that take place and the number of properties owned by lenders once an instrument transferring ownership is recorded. Of primary concern as it relates to shadow inventory, has been the mortgage-foreclosure lawsuit filed by attorney generals from 50 states and the District. While the lawsuit was underway, many industry experts reasoned that major lenders would wait to initiate foreclosure proceedings until after the outcome of the lawsuit was known, thus creating a large inventory of what would ultimately become foreclosures and bank-owned properties. According to The Economist, a landmark deal was announced on February 9 of a settlement between five lenders, the federal government, and 49 state attorneys-generals. There were five major banks (Allied Financial, Bank of America, City Group, Mortgage Chase and Wells Fargo) in that settlement. He gave city slide of the outcome of that and the number of properties located in the City which was not many. The difficulty is some of these banks originated mortgages under other banks. Out of these five involved in lawsuit there are only four city owned properties as of end of year. At December 31, 2011 lenders owned 23 properties in the City.

In December 2011 he did not have the last three months foreclosure figures. When a property is foreclosed on and the property transfer's that information is recorded and he gets the information at that time.

Foreclosures are not used in assessment process because it is not a sale but a formal proceeding when someone loses their property and goes back to the bank. They then put it on the market as real estate owned or bank owned property. These are used in the assessment process for the past several years or are under certain conditions.

The Assessor is hoping that in 2012 the city will be under the 20% list and can disregard those foreclosure related sales. The Assessor assesses value at 100% of market value. It started to be quite a gap between looking at properties that were typical sales and ones that had bank owned properties or short sales involved in this. After a period of time the market started to adjust itself, prices started to drop and so they started to merge again. Assessment notices will go out to property owner's mid-April. Early May he will have a detailed assessment report that analysis's the changes in assessment by class of property and have statistics that shows the changes from 2011. In May, city will hold a Public Hearing on real estate tax rate for FY2013.

7. Consent Agenda:

7a. Approval of Minutes of February 28, 2012

MOTION: Councilmember Treuting

SECOND: Councilmember Miller

VOTE: Unanimously passed

8. Unfinished Business: None

9. New Business: No New Business

10. Worksession: Manager's Recommended FY2013 Budget (all funds)

The City Manager will get final regional services budget amounts which may change from last year. Councilmember Treuting found a \$5,000 double count in the budget which was overlooked. The Mayor stated the Enterprise budget will be discussed in Worksession on March 20, 2012 after the normal meeting and asked the Governing Body members to get their questions to the Public Works Director as soon as possible so he will be able to address any issues on March 20, 2012. The Mayor requested that an advance copy be sent to Governing Body as soon as possible. Governing Body was given a budget calendar for FY2013 budget.

11. Manager's Report

The Legislatures are continuing their sessions and has not been successful in passing a budget at this time. The Virginia Municipal League is encouraging officials to contact their legislators about this matter.

Potomac and Rappahannock Transportation Commission: PRTC and its agent, First Transit, were successful in negotiating a three year agreement with the AFSCME union employees so there will be no interruption in service.

They are looking at the impact through PRTC of the 2% motor fuels tax with escalated dollars is going to adjust the financial projections. It will be determined by the long term fuel cost. PRTC has been given special statutory relief authority to buy fuel futures which will improve their ability to get fuel at a more competitive price and not get stuck paying pump prices if they continue to escalate.

The Mayor's and Chairs decided they should send out a letter to the legislators in Richmond which was originally drafted for the Senate. The proposal has come back and not just to the senate but for the General Assembly as a whole. The letter expresses concern about the senate lack of action toward an adopted state budget. Please be aware of several approaching deadlines that affect local governments in northern Virginia. Every government must approve a budget fix a tax rate by July 1st under Virginia code. Every jurisdiction is required to adopt its annual school budget by May 1st or at least 30 days after receiving an estimate of state ad whichever is later. All local school divisions must notify its teachers of any reduction in force due to decrease in school budget within two weeks of approval of budget but no later than June 1st. Without approval of state budget, the local government budget decision making is difficult to finalize and threat of July 1st shutdown of non-essential state operations may materialize. Approve a budget that responsibly addresses the fiscal challenges the state faces and fully program those programs and services which are either mandated or committed to providing to local governments.

It was Consensus of the Governing Body that the Mayor send this letter. The majority of the members of the Mayors & Chairs has endorsed sending this letter.

12. Closed Meeting State Code of Virginia Freedom of Information Act: Section 2.2- 3711a: Code of Virginia: No Closed Meeting called

13. Return to Open Session

14. Certification & Action out of Closed Meeting if Necessary

15. Adjournment: The Mayor adjourned the meeting at 7:45 pm.

Approved March 20, 2012

Frank Jones, Mayor

Lana A Conner

OFFICIAL MINUTES OF THE SPECIAL MEETING OF THE MANASSAS PARK GOVERNING BODY HELD ON TUESDAY, MARCH 12, 2012 AT 7:07 PM AT MANASSAS PARK CITY HALL, ONE PARK CENTER COURT, MANASSAS PARK, VIRGINIA

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

Absent: None

Staff Present: None

The Mayor called this Special Meeting for one item to go into Closed Session under Personnel (1).

Closed Meeting State Code of Virginia Freedom of Information Act Section 2.2-3711a of the Code of Virginia: Paragraph (1) Personnel: 7:07 PM:

MOTION: Councilmember Miller moved that the Governing Body go into closed meeting to (i) discuss the performance of a specific public officer, pursuant to paragraph 1 of Subsection 2.2-3711A of the Code of Virginia.

SECOND: Councilmember Leeper

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

Return to Open Session: 8:45 pm:

MOTION: Councilmember Naddoni

SECOND: Councilmember Leeper

VOTE: Unanimously passed

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 Leeper

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

Adjournment: 8:46pm:

The Mayor adjourned the meeting at 8:46 pm.

Approved March 20, 2012

Frank Jones, Mayor

Lana A Conner