



# Town of Vienna

## Meeting Minutes

### Town Council Meeting

Charles A. Robinson Jr.  
Town Hall  
127 Center Street South  
Vienna VA, 22180

---

Monday, April 13, 2020

8:00 PM

Charles A. Robinson, Jr. Town Hall, 127  
Center Street, South

---

#### Regular Meeting

#### Rollcall

**Present:** 7 - Council Member Linda Colbert, Council Member Pasha Majdi, Council Member Douglas Noble, Council Member Nisha Patel, Council Member Steve Potter, Council Member Howard J. Springsteen and Mayor Laurie DiRocco

### 2. Resolution for Continuity of Government

#### A. 20-1666 Resolution for Continuity of Government

*BE IT RESOLVED that the Town Council for the Town of Vienna does hereby approve and find for the April 13, 2020, Town Council meeting that the usual Council meeting procedures cannot be implemented safely or practically; and (a) all agenda items are necessary to address the attack, emergency, crisis, or disaster, and the failure to act on these agenda items could result in irrevocable public harm; and/or (b) all agenda items are necessary and essential to assure the continuity of Town government and operations.*

**A motion was made that the Resolution be approved. The motion carried by the following vote:**

**Aye:** 7 - Council Member Colbert, Council Member Majdi, Council Member Noble, Council Member Patel, Council Member Potter, Council Member Springsteen and Mayor DiRocco

### 3. Approval of the Minutes:

*Acceptance of the Regular Council Meeting Minutes of March 9, 2020, the Emergency Council Meeting of March 31, 2020 and the Work Session Minutes of March 14, 2020 and March 16, 2020.*

#### A. [20-1661](#) Regular Council Meeting Minutes of March 9, 2020, the Emergency Council Meeting of March 31, 2020 and the Work Session Minutes of March 14, 2020 and March 16, 2020.

*The Regular Council Meeting Minutes of March 9, 2020, the Emergency Council Meeting of March 31, 2020 and the Work Session Minutes of March 14, 2020 and March 16, 2020 were accepted as submitted.*

**The minutes were accepted the following vote:**

**Aye:** 7 - Council Member Colbert, Council Member Majdi, Council Member Noble, Council Member Patel, Council Member Potter, Council Member Springsteen and Mayor DiRocco

### 4. Closed Session

*It was moved and seconded that the members of the Vienna Town Council be polled to affirm that no Closed Session was held on Monday, April 13, 2020, and it was further moved that the Closed Session be continued to April 28, 2020 at 6:00 pm virtually, via ZOOM, in accordance with Virginia Town Code Section 2.2-3711.A. (1), and the Town of Vienna. .*

**A motion was made by Council Member Linda Colbert, seconded by Council Member Howard J. Springsteen, that this was approved.. The motion carried by the following vote:**

**Aye:** 7 - Council Member Colbert, Council Member Majdi, Council Member Noble, Council Member Patel, Council Member Potter, Council Member Springsteen and Mayor DiRocco

## 5. Public Hearings

### A. [20-1649](#)

#### Public Hearing on FY 2020-21 Proposed Budget

*Mayor DiRocco called the Public Hearing to order at 8:10 pm and instructed speakers on the evening's protocol with testimony through in person, remote (ZOOM), electronic or U.S. mail.*

*Mayor DiRocco called upon Marion Serfass, Director of Finance to provide an overview of the first item for discussion, Fiscal Year 2020-2021 Proposed Budget. Director Serfass noted that the proposed budget was reviewed by Town Council during work sessions on March 14 and 16 prior to the outbreak of the Coronavirus. At the current time, the United States, Commonwealth of Virginia, and Fairfax County are all under emergency declarations due to this outbreak. Several FY 2020-21 revenue sources are estimated to decrease below the proposed budget amounts, although the exact amount of decrease is unknown. Staff recommends that Council adjust general fund budget from that proposed by transferring approximately \$462,000 for paving, sidewalk replacement, and other items of a capital nature, from the general fund to the capital project fund. Other than this change, staff recommends that the budget for the Town's four existing operation funds remain as proposed. The town manager and finance director are charged with ensuring that the Town reduces spending in the face of revenue shortfalls.*

*Scenarios were presented representing the estimated budget shortfall for three potential return to normal dates; July 10, 2020 (\$855,000), September 10, 2020 (\$1.375 M) and December 10 (\$2.3 M). Various ideas for meeting this shortfall were presented.*

*Town Manager Payton noted that all personnel have been notified that no pay increases will be realized this budget.*

*No members of the public were present for testimony. The following is testimony via ZOOM:*

*Mr. John Pott, 134 Wade Hampton Dr., requested information on three specific items; 1) What percent of the budget does business tax represent, 2) Are reserve balances in cash, 3) Why does the bar chart indicate that expenses exceed income?*

*Mr. Charles Anderson, 25 Pleasant St., NW., wished to thank Council and staff for their vigilance during this difficult time. He emphasized the Town's ample cash reserves, recognizing the diligence of all those who worked to accrue this balance and noting that now is the time to use those resources. It is critical, however, to rebuild reserves once the Town has passed through this difficult time in order to be prepared for the next event. He stressed the need to protect Town business owners,*

*as their recovery will directly affect the Town's fiscal soundness.*

*Mr. Roy Baldwin, 121 Moore Ave., SE., agreed with the comments made by Mr. Anderson also recognizing the continued efforts of the public service workers. He requested additional information on two items: 1) When will a decision be made regarding which of the three budget scenarios will come into play, and 2) Will staff provide options for individual programs to delay, or will there be a simple overall percentage decrease?*

*Emailed comments were as follows:*

*Paul Turner, 404 Colin Ln, NW.*

*How will the proposed budget surplus for 2019/2020 and carried into 2020/2021 be impacted by the decline in the meal taxes and sales taxes as a result of the coronavirus?*

*Mary Ellen Larkins, 317 Church St., NE.*

*Marybeth Davis, 209 Glyndon St.*

*You know about the Art of Kindness but not sure if all of council knows about this wonderful project which we all need more than ever. It is also amazing how many citizens are trying to help others with an act of Kindness and it would be wonderful if people and businesses that have received Kindness would write about it.*

*During this time, the budget will be reviewed. Life and times are not normal and all of us including the town will be suffering. It is still necessary to let council know about this project. It would also be wonderful if all of council would let the citizens know this project is happening. Thank you all.*

*The Vienna Arts Society is a visual arts organization that depends heavily on income generated by commissions from member art sales at public shows throughout Fairfax County, workshops and classes, and other art-based activities. We were on track for a very successful financial year, even adding a new venue that would allow us to hold large shows of up to 100 art works on a continuing basis. The COVID-19 pandemic has brought our activities to a screeching halt as it has for all arts groups. We are anticipating close to zero income for the rest of this fiscal year and possibly well into the next. We have stripped funding down to only our fixed costs, are seeking donations, grants, and a small business loan, and we have negotiated a significant decrease in the monthly rent while our Vienna Art Center remains shuttered.*

*We are very concerned about the fate of our annual community engagement project. Since January, VAS has been planning the "Art of Kindness" project that features a member art show/sale with the theme "Kindness" that will be held at the Vienna Community Center (VCC) in October. The Vienna Photographic Society has agreed to join us with its own kindness-themed works. What is most exciting to us is that we have also invited Vienna citizens of all ages to submit short descriptions/illustrations/poems of acts of kindness they have experienced living in Vienna that will be displayed as the heart of the show.*

*VAS is also working to involve other Vienna art-related groups as performers and/or volunteers to raise awareness of the wealth of art resources in town and the array of kindness initiatives already underway in our town. Vienna's mayor has thrown her support behind the project as have business owners, local churches, the Optimists, and public and private school officials. Town officials, for example, are trying to waive rental fees for use of the VCC and have even pledged to use the kindness theme for this year's Vienna Halloween Parade occurring the same week as our event. The*

event will benefit two Vienna-based charities.

COVID-19 has certainly posed challenges to us with this project. Without income coming in, VAS will be hard pressed to fill funding gaps if grant opportunities dry up and Town and business officials who pledged financial support are not be able to follow through. We hope that the Town Council will consider waiving the VCC rental fees for our event as you consider the budget on April 13th. All that said, VAS is committed to carrying out the Art of Kindness in whatever form is possible under COVID-19 conditions. We are still hoping that our October event will proceed as planned, but we are laying the groundwork for it to be a completely virtual show if that is necessary. Our support coalition has agreed to keep working with us to make the project a success and we believe that the current circumstances make it even more important to use the power of art and community to create feelings of positivity and gratitude.

Patty Hanley, 333 West St., NW.

Thank you so much for your hard work and dedication. I also want to express my gratitude to staff for swiftly putting this budget revision together.

I believe that this model is a start for projections in this uncharted time. I do however think some more conservative estimates should be incorporated. There is no way to get this absolutely right, but many uncertainties exist. Our business set up many models to anticipate the cash flow needs for the next 12 months and our best case assumes an annual decrease of 30% in revenue for the 2020 and expect 2021 to have a 20% decrease as compared to 2019.

1. Collection on revenues i.e. property tax are not guaranteed and an assessment needs to be made of how delays in timing (late payments and nonpayment) will be handled. Commercial property owners are facing the greatest economic struggle in their lifetime. Buildings are typically highly leverage based on rental revenue using vacancy rate assumptions between 5 and 15%. Of the 26000 sq ft of retail we own approximately half is for restaurant or personal services that is effectively shut down by order of the governor.
2. Meals tax collection- once restaurants are allowed to reopen business will not immediately return to normal. Many restaurants cannot survive at 75% mode and may not reopen or may struggle to stay open leaving collections at risk.
3. BPOL tax for many businesses is based on gross sales. If we open in June expect at least a 25% reduction in gross sales.
4. An analysis of the reserve funds was not included in the online materials. How much of this fund is left at the end of 19-20? What minimums are we trying to stay above to protect our bond rating?
5. What are the plans for Council/staff to review the budget during this time of uncertainty? Monthly? Quarterly?

I have no problem supporting the approval of the budget as presented, but with certain limitations on discretionary spending starting now. Since our main source of funding comes from property tax it would be prudent to delay any discretionary spending until we see a clear picture on delinquent property taxes and the lift of Virginias lockdown order. Additionally, termination/modification clauses need to be written into every contract so we can properly scale as the situation shifts.

If you have any direct questions, please reach out.  
Thank you and be safe.

Larry Mendosa, CEO, Iron Horse Consulting LLC dba (IHC), 344 Maple Ave., W., Ste. 265

*I am responding to the proposed FY 2020-21 Town of Vienna's Budget.*

*I have reviewed the FY 2020-21 budget posted online and have several grave concerns regarding increases in the Town's budget. The proposed budgets for the "Town's four funds total \$43,577,200, represent an increase of \$2,423,820 or 5.9 percent above the current fiscal year." The FY 2020-21 budget includes salary increases, budgeted at 3.0 percent for employees.*

*I am aware that the original FY 2020-21 proposed Town of Vienna's budget was drafted prior to the COVID-19 Pandemic. As a tax payer, property, business owner, I call upon your collective passion and logical reasoning not to increase the Town of Vienna's FY 2020-21 budget by \$2,423,820 representing a 5.9 percent increase from the FY2019-20 Town of Vienna's budget and to reduce government program spending. By not adjusting the proposed FY 2020-21 Town's budget, the Town of Vienna's elected leadership clearly sends the wrong message in uncertain times, when many are concerned about their health and jobs – business.*

*NOW is the time to reduce the Town's budget, I would recommend capping the budget at the FY 2019-20 budget levels. In good prosperous times, I would not object to a 3.0 percent pay raise for employees. However, they are lucky they have jobs, while many currently do not have jobs in uncertain times.*

*As a property-home owner since 2006 and a small minority business owner since 2013 in Vienna, we are currently struggling to keep our business viable as other Vienna small business owners are in the same position, many businesses will terminate employees and will be forced to close. The COVID-19 crisis-Pandemic has greatly impacted our business revenues' due to canceled contracts, no cash flow and the inability to obtain new work during the COVID-19 Pandemic. In addition, the Governor of Virginia has told residents to stay at home until June 10th. As a nation, we are all faced with uncertainty in these troubled times.*

*I am sure there are a large number of Vienna tax payers who would agree, now is not the time to give employees pay raises and increase government spending by 5.9 percent on the backs of tax payers.*

*Respectfully,*

*John Pott, 134 Wade Hampton Dr., SW.*

*Thank you Marion,*

*Your breakdown of business revenues is most helpful.*

*Mon, Apr 13, 2020 at 1:46 PM Serfass, Marion <MSerfass@viennava.gov> wrote: The Debt Service fund is funded by meals taxes, which makes up 57% of that fund's revenue. The remainder comes from transfers from the Water and Sewer fund and General fund to pay for their share of debt.*

*In the General Fund:*

*Business License taxes – 9.3%*

*Sales taxes, but they are apportioned by the County based on the number of school children – 6.1%. Sales taxes were up in FY 2020 due to the new taxing of internet*

*sales.*

*Landlords and commercial property owners pay about 9% of general fund revenues in Real Estate taxes. We expect to collect these, as they are generally escrowed. So in total, about 15% - 24%.*

*Director Serfass responded to the question of cash reserve funds as follows:*

*General Funds (Rainy Day Funds) – Cash based, 18%, may need to draw on prior to close of 2020*

*Debt Service Funds – Current balance at \$7M cash, can be drawn on if necessary*

*Water & Sewer Fund – Small cash reserve*

*Capital Projects Fund – Holds bond money, total available \$44M (\$9M carry over from older bonds + \$35M current bond).*

*She further noted that the Town never runs expenses greater than revenue. She will review the referenced chart and reply to Mr. Potts directly. A decision on the budget will be made prior to July 1, 2020. Regarding program decisions, she indicated that department heads are accessing their programs for potential funding delays. Once through the current critical period, rebuilding reserves will become a top priority.*

*Town Manager Payton emphasized that presenting a balance budget is a top priority. Pointing out that the budget is at its core a plan, expenditures are monitored throughout the year and the Town typically concludes each year in the black.*

*Mayor DiRocco reiterated her prior recommendation at the March 14 work session that the cash reserves baseline should be raised to 17%.*

*Responding to Council questions, Director Serfass confirmed that capital funds cannot be used for operating budget and also that should the September 15 scenario be adopted the budget would fall by \$700,000 from last fiscal year due to the loss of revenue from Parks and Recreation.*

*Council Member Majdi laid out a three-point plan for addressing the current situation:*

- 1. Develop a “wait and see” budget with no new spending (with the exception of basic services) until collection of August real estate taxes;*
- 2. Create a COVID-19 response fund to include public health and safety (PPE, etc.) and small business support (micro loan program exclusive to Vienna plus additional economic development programs);*
- 3. Assume lack of normalcy through end of year so cannot support projection that business will resume by September 15, 2020.*

*Town Manager Payton reiterated that the budget is approved as a plan. Should conditions worsen adjustments will be made accordingly.*

*Council Member Colbert moved to close the Public Hearing but continue to accept public comment until Monday, April 20, 2020. Council Member Springsteen seconded the motion. Council Member Noble offered an amendment altering public comment acceptance to noon, April 17, 2020. Council Member Springsteen seconded the motion. A vote on the amendment passed unanimously. The amended motion was approved unanimously.*

*It was moved that the Town Clerk be directed to advertise a Notice of Intent to Adopt the Fiscal Year 2020-21 Budget at the May 11, 2020 Town Council meeting, following Town Council's consideration of the real estate tax rate.*

**A motion was made by Council Member Colbert, seconded by Council Member Springsteen, that the Action Item be approved. The motion carried by the following vote:**

**Aye:** 7 - Council Member Colbert, Council Member Majdi, Council Member Noble, Council Member Patel, Council Member Potter, Council Member Springsteen and Mayor DiRocco

**B. [20-1650](#)**

**Public hearing on FY 2020-21 water and sewer rates**

*Mayor DiRocco called the Public Hearing to order at 8:58 pm and instructed speakers on the evening's protocol to include testimony through in person, remote (ZOOM), electronic or U.S. mail.*

*Director Serfass presented a brief overview of the water and sewer fund stressing that the primary goal was to reach an end of year balance equal to a 60-day reserve. Laurence Creed, 317 Audreys Ct., SE., noted an increase in his bill over the past four years and expressed concern about these ever increasing costs.*

*In response to Council Member Springsteen, Director Serfass confirmed that the costs to run a new water main for a new business is \$144,000. She noted that in comparison to other jurisdictions, while the cost of 1000 gallons of water may be somewhat high, both sewer rates and services charges were either in line with or lower. Council Member Noble remarked that the two-part system will age out at the same time, which may explain some of the near term increases and that the cost structure may improve as these systems are replaced.*

*A motion was made by Council Member Noble and seconded by Council Member Springsteen to close the public hearing. An amendment was offered by Council Member Colbert to accept public comment until noon on Friday, April 17, 2020. Council Member Springsteen seconded the amendment. Vote carried unanimously.*

*A motion was made by Council Member Noble to close the public hearing leaving public comment open until noon, Friday April 17, 2020. Council Member Springsteen seconded the motion. Vote carried unanimously.*

*A motion was made by Council Member Noble and seconded by Council Member Springsteen to approve water and sewer rates and fees for FY2020-21 as presented. It was further moved that the Town Clerk be directed to advertise a Notice of Intent to Adopt water and sewer rates and fees for fiscal year 2020-21 at the May 11, 2020 Town Council meeting. Vote carried as follows:*

**A motion was made by Council Member Noble, seconded by Council Member Springsteen, that the Action Item be approved. The motion carried by the following vote:**

**Aye:** 7 - Council Member Colbert, Council Member Majdi, Council Member Noble, Council Member Patel, Council Member Potter, Council Member Springsteen and Mayor DiRocco

**6. Consent Agenda**

*A motion was made by Council Member Majdi and seconded by Council Member Springsteen to accept the consent agenda with the addition of the current date to 20-1653.*

**This matter was approved on the Consent Agenda**

**A. [20-1656](#)**

**Approve transfer of spending for 2020 paving costs from the general fund to the capital project fund**

- B. [20-1653](#) Request additional FY20 spending with Potomac Truck Center

## 7. Regular Business

- A. [20-1655](#) Resolution to extend the due date for the first installment of Town of Vienna real estate taxes to August 28, 2020

*It was moved to approve a resolution to extend the deadline for the Town of Vienna's first installment of FY 2020-21 real estate taxes to August 28, 2020, as permitted by the Code of Virginia, section 58.1-3916.*

**A motion was made by Council Member Patel, seconded by Council Member Noble, that the Action Item be approved. The motion carried by the following vote:**

**Aye:** 7 - Council Member Colbert, Council Member Majdi, Council Member Noble, Council Member Patel, Council Member Potter, Council Member Springsteen and Mayor DiRocco

- B. [20-1660](#) Emergency Ordinance and Resolution to Temporarily Amend Meals Tax Provisions of Vienna Code

*It was moved to approve the proposed emergency ordinance and resolution to amend the Meals Tax provisions of the Town of Vienna code as presented from April 14 to June 13, 2020.*

**A motion was made by Council Member Noble, seconded by Council Member Springsteen, that the Action Item be approved. The motion carried by the following vote:**

**Aye:** 7 - Council Member Colbert, Council Member Majdi, Council Member Noble, Council Member Patel, Council Member Potter, Council Member Springsteen and Mayor DiRocco

- C. [20-1659](#) Re-adoption of the Continuity of Government ordinance

*It was moved to re-adopt the Continuity of Government ordinance that was approved by Town Council at its special/emergency meeting of March 31, 2020. The re-adopted ordinance shall be good for a period of up to six months. It was further moved to direct the Town Clerk to advertise a Notice of Adoption of the Continuity of Government ordinance.*

**A motion was made by Council Member Springsteen, seconded by Council Member Majdi, that the Action Item be approved. The motion carried by the following vote:**

**Aye:** 7 - Council Member Colbert, Council Member Majdi, Council Member Noble, Council Member Patel, Council Member Potter, Council Member Springsteen and Mayor DiRocco

- D. [20-1651](#) Onondio Cove Subdivision Performance Bond Extension Request

*It was moved to extend the public improvement bond for the Onondio Cove subdivision to expire October 30, 2020.*

**A motion was made by Council Member Majdi, seconded by Council Member Springsteen, that the Action Item be approved. The motion carried by the following vote:**

**Aye:** 7 - Council Member Colbert, Council Member Majdi, Council Member Noble, Council Member Patel, Council Member Potter, Council Member Springsteen and Mayor DiRocco

## 8. Meeting Adjournment

*A motion was made by Council Member Springsteen and seconded by Council*



*Member Colbert to adjourn the meeting. Meeting adjourned at 9:35 pm.*

*THE TOWN OF VIENNA IS COMMITTED TO FULL COMPLIANCE WITH THE AMERICANS WITH DISABILITIES ACT STANDARDS. TRANSLATION SERVICES, ASSISTANCE OR ACCOMMODATION REQUESTS FROM PERSONS WITH DISABILITIES ARE TO BE REQUESTED NOT LESS THAN 3 WORKING DAYS BEFORE THE DAY OF THE EVENT. PLEASE CALL (703) 255-6304, OR 711 VIRGINIA RELAY SERVICE FOR THE HEARING IMPAIRED.*

DRAFT