



Town of Vienna

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

Meeting Minutes Town Council Work Session

Monday, April 20, 2020

7:30 PM

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

Work Session

1. Regular Business

Town Manager Mercury Payton introduced Council Member Nisha Patel, who will direct the work session in the absence of Mayor DiRocco. Council Member Patel called the work session to order at 7: 40 PM. After reading the resolution for continuity of government she noted two items on the agenda.

A. [20-1658](#)

Review progress of the Police Department project with Dewberry and Project Management Team

The Police Department has continued working with the Project Manager Downey and Scott and architectural firm Dewberry on the planning of a new police facility. Representative from both companies presented updates and fielded questions from Council.

Council Member Potter expressed concern regarding the 2.5% inflation rate. In response to his query regarding compounding, Mr. Williams indicated that the figures are typically compounded annually and stressed that adjustments are still being made to this percentage. Council Member Potter emphasized his desire to see the new numbers when available as it is his belief the percentage will be closer to 5. He stressed the importance of getting these number correct up front so Council can make decisions based upon real dollar amounts. Chief Morris pointed out that these figures are generated from two separate sources; Downy and Scott, and Dewberry. Council Member Potter expressed concern regarding contingency numbers requesting true percentages as well as actual dollar figures. Mr. Williams explained that the design contingency percentage is typically reduced as the project moves closer to document finalization. Council Member Potter stressed that with all the unknowns which drive up project costs, the contingency should be set at 10% rather than the stated 3%. Mr. Williams clarified that the documents include both construction and design contingencies. He believes that Council Member Potter is referencing construction contingencies, while he was referencing design contingencies. He noted that construction contingencies would be addressed prior to the final project sign off. Council Member Springsteen echoed concerns voiced by Council Member Potter. He requested an overall project contingency figure and cautioned against repeating the mistakes of the Community Center Project. Town Manager Payton emphasized that every component should be accounted for in the project costs; when going out for bid, there should be no missing elements. Mr. Downy and Mr. Williams provided an overview of the process by which the contingency costs were generated stating it is their belief that the figure is adequate based on project risks.

Council Member Patel requested costs for under grounding power lines fronting the new facility pointing out that this step is in the comprehensive plan and should be included. Council Member Springsteen interjected that prior discussions have revealed the under grounding costs run in the several hundred thousand dollars, so any discussion of this effort should have taken place six to eight months ago. Council Member Majdi stated that this item should be present in all future capital projects, and perhaps should be looked at for the current project.

Mr. Williams continued his presentation citing changes made in accordance with citizen and Council input. Regarding lighting, Council Member Majdi inquired about the positive effect of the design changes. Mr. Williams stated that Fairfax County guidelines require that lighting not exceed a specified spillover. He agreed to provide this documented information to Town Manager Payton so it can be applied to other Town projects. In response to questions by Council Member Potter, Mr. Williams noted that the generator would be situated as it is currently. He further explained that the current transformer is located on the church site and regardless of any upgrade recommendations by Dominion Power, will remain at this site.

Following various questions from Council Member Potter referencing interior design issues, Mr. Williams noted that the project is currently working toward the silver level LEED designation. He emphasized that while many of the project design items may push the project closer to gold level, it may be difficult to achieve due to site constraints.

Addressing an earlier question posed by Council Member Springsteen regarding the overall contingency percentage Mr. Downey referenced the owner's soft cost as a construction contingency carried by Downey outside of a cost estimate generated by the architects cost estimator. He further explained that they do have concerns about the cost estimate, however the most recent figures indicate that the project is tracking on budget. He would like Council to understand that there is, on Council's side of the ledger, a construction contingency that they believe is a reasonable contingency for a relatively clean project. The floor to skin ratio is considered to be a valid predictor of costs and this project is one of the more efficient ones they have looked at. He did note concerns regarding short term supply chain interruptions due to COVID. Optimistically, the rapid rate of inflation experienced over the last three years appears to be slowing and could conceivably reverse trend by the time the project goes to market. He indicated that they budgeted 3% of project costs for construction contingency; that is in addition to the contingencies that the Dewberry estimator put into "hard construction costs". Generally new projects run less than 1% change order. He does believe they have identified and worked through the majority of the major risks and feels confident in the current documents.

Town Manager Payton questioned whether the 3% construction contingency, the 3% design contingency, and the 2.5% inflation rate were cumulative. Mr. Downey responded that it appeared as if they compound; each percentage is applied to a subtotal and carried into the total, so that does not include additional contingency in the owner's soft costs side of the project. Council Member Potter sought clarification noting that inflation rate should not be included in totaling contingency cost. He identified the prior referenced 3% each for construction and design contingencies but questioned what the third percentage figure represented. Mr. Downey responded that design/estimating contingency is a fixed percentage. The line item shows it at 3%. Should the owners soft cost budget include an additional 3% contingency for unforeseen construction changes, and the project

comes back on bid day with additional funds available in the project, he recommends leaving that money in the budget to cover additional unforeseen costs. Council Member Potter sought additional clarification that Mr. Downey is stating 6% contingency costs; 3% each for owner's soft cost and design. Mr. Downey replied that the stated numbers are correct unless there are future owner generated change requests. Council Member Potter commented that, based upon his many years of experience, project contingency costs have typically been 10% or more. His greatest concern rests with the fact that this is a Town project. It is imperative that Council have confidence in the numbers. He continued by providing an example of the cost projections for the shooting range which lacks information on costs associated with special ventilation, special hardware, etc. Mr. Downey addressed this concern indicating that the items mentioned have all been rolled into other costs, for example, ventilation concerns have been included in the HVAC system, sound insulation has been addressed in the costs of sound proofing. He suggested that he could talk directly with Council Member Potter to address these concerns and further noted that there will be further puts and takes in the next version. Council Member Patel requested that he email Council a breakdown of all items included in each line. Town Manager Payton and Council Member Springsteen expressed agreement.

The project is currently in the permit submission phase and the process of prequalifying construction companies has begun with proposals due mid-May. Noting this timeline,

Council Member Majdi asserted that issuing the bid in July may be premature. He would prefer to wait until real estate taxes have been collected in the fall. Director Serfass reminded Council that real estate tax dollars come into the General Fund, while funds for the Police Station have been factored into the recent bond issuance. Council Member Majdi reiterated that it would still be prudent, due to current economic uncertainty, to wait until fall. Council Member Springsteen supported issuing the bid as scheduled because only then will costs be made available. Based upon his experience, bids often come in higher than projected, necessitating a re issuance. Issuing in June, and allowing for 35-45 days for receipt, Council will have a greater understanding of the numbers involved.

The purpose of this Council Work Session is for Council to be informed of the progress of the project.

B. [20-1664](#)

Fiscal Year 2020-21 Budget Work Session #3

Finance Director Marion Serfass presented the latest budget update reflecting a projected \$500,000- \$600,000 shortfall in debt service. Due to the challenges presented by the effects of the COVID-19 virus in 2020 on economic and operating factors for the Town, the work session consisted of discussion to amend the FY 2020-21 operating budget for adoption.

Council Member Springsteen opened comments by recommending that the budget be maintained as presented subject to monthly review and utilizing the three scenarios (three, six and nine months) as reference. Council Member Colbert suggested that Council may wish to consider postponing final budget vote until the June 15th Council meeting, as information continues to be received. Attorney Briglia confirmed that postponing the vote was within the timeframe, as state statute requires budget confirmation by close of fiscal year, or June 30th. Council Member Potter agreed that a June 15th vote would provide for additional information. He

also agreed that a monthly review is advisable. Council Member Majdi agreed with the recommendations, but additionally proposed a moratorium on all nonessential spending between June 15th (passing of budget) and collection of taxes (specifically Council meeting September 15, 2020). He expressed concern that 90% of the budget is considered essential spending and questioned whether this may require reconsideration once taxes have been collected in the Fall. Director Serfass confirmed that nonessential spending accounts for approximately 10% of all spending. She further clarified that items classified as essential spending can be reevaluated or postponed. Critically, she stressed that cash reserves are strong and can handle a drop in the percentage of real estate tax collections. Town Manager Payton reiterated that spending is tracked closely and adjustments made accordingly in order to close the year with a balanced budget.

Council Member Majdi stressed that he could not support a projection that the Town will return to normal by September. He suggested that Director Serfass develop an option 4 reflective of an even more pessimistic projection than the current 8% shortfall reflected in option 3. Council Member Potter noted that it would be prudent for Council to consider greater impact items that may be cut from the budget. Director Serfass reiterated that while the suggestions are valid, Council is reminded that a budget is only a plan and can be adjusted throughout the year. Council Member Majdi clarified that development of an option 4 budget would serve as a "just in case" scenario. He is not suggesting that it would be considered for adoption.

Council Member Potter inquired about the State Little League Majors tournament scheduled for July, 2020. Attorney Briglia indicated that the Little League season has not yet been canceled; the selection of Vienna as host of this tournament is an honor, and most funding will be provided through the State Little League Association.

A suggestion was made by Council Member Majdi that Council consider adding a COVID response reserve fund, to include a variety of necessary services and supplies to support Town residents as well as small businesses. Additionally, Council Member Patel posed setting aside future monies earmarked for emergencies such as these. Council Members Colbert and Springsteen cautioned against duplicating County, State or Federal effort, especially in light of the fact that the Town does not have a Health Department while Council Member Potter questioned the logistics of such an undertaking. Director Serfass, referencing remarks made earlier by Council Member Springsteen, reminded Council of a \$7M grant awarded to Fairfax County for COVID relief. The Town of Vienna is set to receive \$2M+ of that grant, to be spent on costs associated with the virus (no revenue replacement). The monies are set to be available by April 25th. Additional information will be forthcoming. Following further discussion Council Member Majdi concluded that his original suggestion was set forth as a point of discussion and urges that it be further fleshed out in future work session to determine viability.

Following confirmation from the Council, the final discussion on the Budget will be added to the May 18th Work Session agenda. Prior to that time Council is challenged to prioritize ten items to cut from the budget as well as top items that should not be subject to cut. These will be compiled and presented at the Work Session.

2. Meeting Adjournment

Work Session adjourned at 10:15 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.

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