



Town of Vienna

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

Meeting Minutes Town Council Work Session

Monday, March 5, 2018

7:32 PM

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

Work Session

1. Regular Business

Present:

*Mayor Laurie A. DiRocco
Council Member Tara L. Bloch
Council Member Linda J. Colbert
Council Member Pasha M. Majdi
Council Member Douglas E. Noble
Council Member Carey J. Sienicki
Council Member Howard J. Springsteen*

Staff present:

*Mercury T. Payton, Town Manager
Marion Serfass, Director of Finance
Michael Gallagher, Public Works, Director
David Donohue, Public Works, Deputy Director
Jim Morris, Chief of Police
Lynne DeWilde, Public Information – Communications & Marketing Manager
Carol S. Waters, Legislative, Deputy Town Clerk*

a. [18-773](#) Results of Water and Sewer Rate Study

Attachments: [Vienna Rates Presentation 2018-02-26](#)

[List of water main breaks](#)

The Town Manager opened the work session at 7:30 p.m. and turned it over to the Finance Director, who introduced Eric Callocchia and Alex Sears of Municipal and Financial Services Group (MFSG). Mr. Callocchia reported that his company had built a financial model that projects the operating capital costs and usage, and builds a financial plan for Vienna to fully invest in their water and sewer system over the next five to ten years while phasing-in revenue increases in order to reach a point where Vienna's water and sewer system is basically self-sustaining. Mr. Callocchia said they had done their best to allocate certain costs, based on things like the ratio of water and sewer customers and the ratio of water and sewer usage. They had also established, in general, what the system should be raising from water rates separately from sewer rates realizing that, going forward, a utility fund over a target balance of a certain minimum should be maintained. He stated that the Town would want to maintain a certain level of reserves, not only funding the operating capital but maintaining reserves for any emergencies, and that the Town wants to keep rates as low as possible over time.

Mr. Callocchia spoke on the two sets of expenses, operating and capital. As he said,

operating expenses are your day-to-day expenses such as salaries and benefits, electricity, etc. Capital expenses can be split into both system maintenance and system expansion. In Virginia, one-time fees charged to new customers that connect to your system (availability fees) are what funds system expansion.

Regarding factors that affect rates and fees on the operating side, Mr. Callocchia said Vienna sends about half its sewer flow to D.C. Water and the Blue Plains Plant and half of it to Fairfax County. In the financial model, MFSG calculated operating costs built into Vienna's system that are escalating at 4% and 3% for those two budget line items. Vienna's water wholesale is increasing at 1% per year and these figures are based on projections that MFSG got from staff. Every two years, Fairfax County bills Vienna for what they consider to be Vienna's portion of the capital investments that Fairfax made in their sewer treatment plant, based on Vienna's flow to that plant.

Mr. Callocchia noted that Vienna also needs to spend a certain amount of money repairing and rehabilitating its own water collection and distribution systems, and that is also included in the capital program. David Donahue, Deputy Director of Public Works, reviewed the criteria used for replacing water and sewer mains and a list of projects on the list for water main replacement. The water mains listed for replacement have had six or more breaks. Mr. Donahue said water mains with less than six breaks were not being considered for replacement because there is not enough funding. He commented that the money in the proposed rate study would go a long way towards water line replacement, which currently costs about \$250 per linear foot. It was noted that the Town has slightly over 130 miles of water lines.

The MFSG representatives reviewed a chart representing costs to replace water mains as they reach the end of their useful life. They estimated 75 to 100 years of useful life on portions of the system, depending upon when they were installed. Water lines tend to have to be replaced. Sewer lines tend to be cheaper because they can be relined. Mr. Callocchia reported that there is a national problem where infrastructure which was installed in the 1970's and late 1960's is actually deteriorating faster than the infrastructure that was installed in the 1940's and 1950's. He said that it has to do with material and the quality of the infrastructure when it was laid.

Discussions continued for an additional forty minutes or more on the water and sewer system's revenue requirements, rate structures, recommendations, projections, and so on. The analysis graphs presented by MFSG are attached for viewing. Several Council Members asked about investing more money to replace water lines sooner than indicated on the financial plan.

Water and sewer service charges as a percent of total revenues were discussed. Per Mrs. Callocchia, those fixed fees currently raise 7.7%, between the water and the sewer revenue. He stated that the greater proportion of expenses are heavily weighted on the fixed side, but most of the revenues are variable. MFSG recommended increasing the percent received from that fixed portion, phased-in over 3 years, from 7.7% to 10%, to 12.5%, up to 15%. Then they plan to keep it flat. By Fiscal Year ending 2021, the target is 15% of revenues coming from just those fixed fees, spread evenly between residential and commercial. Because of raising those fees, MFSG recommended a three year moratorium, so to speak, on the unit rate percentage increase on those water unit rates. Following that they will increase 3% for two years, and then 4% in subsequent years. Estimating the ongoing inflationary increase, MFSG had concluded that 4% keeps the system balanced. For sewer rates,

MFSG recommended four years of 10% increases on the sewer usage rate beginning in Fiscal Year ending 2019. Mr. Callocchia stated that is strictly due to the fact that Vienna pays additional capital dollars both to Fairfax County Sewer and to line rehabilitation funding built into the financial model. Current revenues are not sustaining the expenses, he reported, and over the next five to ten years there are multiple bond issues and multiple investments Vienna will make in the system that are not being funded.

Vienna has a three-tiered unit rate structure for both water and sewer consumption. MFSG's financial model maintains this structure in their recommendations but they want to change the tiers. The residential tiers are now 16,000 and 32,000 gallons of water consumption per quarter, as measured by the home's water meter. MFSG recommended that the tiers be lowered to 9,000 and 18,000 gallons. For non-residential usage, the tiers would also be adjusted.

Mr. Callocchia continued to go over the analysis as graphed and answered Council Member's questions. Mr. Payton asked whether there was some flexibility with the percentage built into the financial model, since rates charged to the Town may change over time. Mr. Callocchia answered in the affirmative, reporting that each year they have the ability to manipulate each line item of the budget by a certain percentage inflation.

Some Council Members suggested aiming higher and being more aggressive with investing money to replace water lines now, while interest rates are still low. The Mayor affirmed that it would first be necessary to see what impact that would have on the water and sewer rates. Finance Director Marion Serfass said that they are two days away from the proposed budget, and she would suggest some increases to the annual investment figures and work with that.

Council requested projections of how things would be affected if more money were to be invested earlier. Mr. Callocchia said they would do projections of the financial impact of increasing the annual investment to the capital plan to average 2.7 million dollars a year. Mayor DiRocco recapped that they want to see the impacts of 2.2 and 2.7 million dollars of annual investment, plus a cost of living increase for the capital, and also refigure the bonds at 15 years instead of 20 years, and keep the 4%. Based on that, she said, we can then look at those numbers in the next few days and decide how we want to move forward.

Mr. Payton noted that the public hearing for water and sewer rates would be conducted on April 9, 2018.

b. [18-762](#)

100 Block Patrick Street SW Permit Parking

Attachments: [March 2017, memo and traffic study](#)
[October 2017 Study](#)
[Permit parking code section](#)
[signatures](#)

Police Chief Jim Morris reminded Council how community members from Patrick Street, SW had come to Council meetings twice in 2017 to complain about parking conditions on their street. Some residents of Patrick Street, SW had indicated a problem with vehicles from the nearby apartment complex impacting the parking

places in front of their houses. Both times that complaints were brought to Council last year, the Police Department had been directed to perform parking surveys of the area.

Upon doing a parking survey of the entire block of Patrick Street, SW, the level of non-resident parking was insufficient to meet the threshold established in the Town Code which would justify permit parking. However, Chief Morris reported that the Code does allow for consideration of partial streets. When the parking surveys only included the 100 block of Patrick Street, SW, they confirmed that the number of non-resident vehicles parked in front of those houses did reach the Code's threshold of 25%. That amount qualifies those residents to apply for parking by permit only on their block.

Chief Morris asked for Council's approval to take the next step, which would be to conduct a public hearing. He further reported that all the residents on that block except for one are in favor of permit parking. Chief Morris noted that permit parking on the 100 block might be "chasing the problem" but at this point he thinks it is necessary to do it. He added that the Police Department has a letter which they can use to notify the affected residents about the public hearing.

c. [18-776](#) Strategic Plan Themes

Attachments: [notes from 1-16 council session](#)
[council identified themes](#)

The Communications and Marketing Manager of the Town's Public Information Office, Lynne DeWilde, recognized the strategic planning consultant, Craig Gerhart. Mr. Gerhart recapped the strategic plan work session which they had conducted January 16, 2018 with the Mayor and Members of Council. As said by Mr. Gerhart, "You got together and you did some visioning, a good first sort of brain dump about things that you think that you want Vienna to be as a town at some point out into the future. And then you did some headlines laying out a path of accomplishments that would get the Town there. We then spent some time looking at some things that were outstanding in the community, in the region, that were either pushing you in the direction you want to go or maybe hindering you from achieving that directional path. And then we identified some things that maybe we could do to take advantage of the positive forces that existed, and things that we could do to maybe counteract those that were not as favorable. The next step that we would like to suggest taking is that staff would now prepare for your consideration, what we will call 'policy briefs' around the major theme areas that we called out of the work that you have done. You see the single page document really does take everything that came out of the Council work session, not necessarily everything that was identified as survey responses, although that information is not lost, that is all compiled in the larger document. But we have taken the things that came out of the work session that you had and taken a stab at grouping them into major theme areas that then would become, if you agree with this approach, the topic areas for the staff policy papers."

"Overall themes" as discussed by Mr. Gerhart at the work session were:

- Vienna as a safe community: includes traffic safety, pedestrian safety, cyber safety, police station, a lot of things.
- Vienna as an economically viable community: involves giving the residential tax

base a little bit of relief, getting appropriate local entrepreneurs, retailers, and vendors located in the Town; doing some work to make Vienna attractive to folks wanting to stop and spend some money here, and spend some time here; and being supportive of what I will call an entrepreneurial business community.

- Vienna as a Sustainable community: environmentally and keeping up with infrastructure maintenance.*
- Vienna as an efficiently mobile community: largely about traffic and pedestrian safety and cycling, and a little bit about parking; addresses issue of a successful community in moving people around inside Vienna, and at some level, moving people through Vienna.*
- Vienna as an engaged community: involves getting information out to the community, providing it both as information and education, getting folks more engaged in conversation and discussion on the website, and public communication and involvement.*

A list of theme/issue areas compiled by Mr. Gerhart is viewable as an attachment to these minutes. From that list of bullet points, it was agreed that consideration of four-year Council terms and moving elections to November would be crossed off. Conversation and an exchange of opinions was also generated by a bullet point for "define interest in a new community pool." Some Council Members opined that it was pointless to list consideration of a pool because it was not a feasible option. Other Council Members opined that new residents often inquire about having a pool and if we don't say anything about a pool, people will keep wondering why it isn't here. It was further remarked that part of the strategic planning process is to look at a future vision of the Town and keep the big ideas on the paper. The Mayor noted that it should be understood that there was not consensus around some of these items. She further noted that the idea of the pool had been discussed, cost analyses were done, and the town had made a strategic decision at that time.

The Mayor and the Town Manager asked some clarifying questions about the strategic plan process. Mr. Gerhart said that the topic areas become the topic for a staff policy paper, and the bullets are simply to give staff a flavor of what was discussed. Mr. Gerhart said staff would spend time developing kind of where things are today with respect to looking at the topics; i.e. what tools and mechanisms exist currently; what are we hearing from the community about it; what are the points of pain for the community; what services maybe are people looking for that we are not providing; what would it take to provide those and ultimately, what tools might we want to consider to put in place internal to the Town organization that would help enhance that. Additionally, if we are going to try to elevate our efforts in an area, do we have the right staff capabilities, tools, and the right technology. Also, how will progress be measured.

As for the timing, Mr. Gerhart said the policy briefs should be done and provided to Council by the end of May, then Council would come together twice in June. One time would be to do a work session with staff where staff would actually present those policy briefs, and then a second meeting would be to write fifty areas that you care most passionately about as a Council, with goals for some of the areas. Ultimately the Council will write goal statements. After the Council develops goals, it goes back to staff to develop strategies to attain the goals.

Mayor and Council decided to schedule strategic plan work sessions on Tuesday, May 29, 2018 at 7:30 p.m. and Monday, June 12 at 7:00 p.m.

2. Meeting Adjournment

The Town Council Work Session of March 5, 2018 adjourned at 10:11 p.m.

Mayor Laurie A. DiRocco

Signed / Dated: _____

Attest: _____
Deputy Town Clerk

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.