City of Manassas, Virginia
City Council Meeting

AGENDA

City Council Regular Meeting
Council Chambers
Monday, December 12, 2016

Call to Order

Roll Call

Invocation and Pledge of Allegiance
Presentation of Colors by the Manassas City Fire Department Honor Guard

Staff and Community Presentations

Fire and Rescue Department - Promotion Ceremony
-Fire Marshal James Hartnett
-Battalion Chief Jerry Smith
-Captain David Halman
-Lieutenant Robert Bettis

Presentation of the 71st Annual Greater Manassas Christmas Parade Awards

Reports and Updates

City Attorney Report
City Manager Report
Chief of Police Report
Council Time
Mayor Time

1. Consent Agenda

All matters listed under the consent agenda are considered to be routine by the City Council and will be enacted by one motion. There will be no separate discussion of these items.
discussion is desired, that item will be removed from the consent agenda and considered separately.

SUGGESTED MOTION: "I move that the Consent Agenda be approved and the readings of the ordinances be dispensed."

SUGGESTED MOTION #2: "I move that Items # and # be removed from the Consent Agenda and be added as Items # and #, respectively, and that the remaining Consent Agenda items be approved as it now appears and the readings of the ordinances be dispensed."

1.1 City Council Minutes: November 14, November 21, November 28, December 5 (Legislative Meeting), December 5 (Work Session), and December 6, 2016 (Staff: Andrea P. Madden, Assistant to the City Manager/City Clerk)
   Agenda Statement - Minutes
   Minutes - November 14, 2016
   Minutes - November 21, 2016
   Minutes - November 28, 2016
   Minutes - December 5, 2016 (Legislative Meeting)
   Minutes - December 5, 2016 (Work Session)
   Minutes - December 6, 2016

1.2 Performance & Erosion Bonds Release: Krispy Kreme (Staff: Vanessa Watson, Development Services Coordinator)
   Agenda Statement - Krispy Kreme
   Certificate of Compliance - Krispy Kreme
   Exhibit: Krispy Kreme Aerial

1.3 Appointment of Virginia Municipal Electric Association (VMEA) Voting Delegate for 2017 (Staff: Tony Dawood, Utilities Director)
   Agenda Statement - 2017 VMEA Voting Delegate

1.4 By-Laws: City of Manassas Department of Social Services Advisory Board (Staff: Ron King, Social Services Director)
   Agenda Statement - By-Laws - Advisory Board of Social Services
   By-Laws - Advisory Board of Social Services

1.5 Resolution #R-2017-20: Honoring Vice-Mayor Jonathan L. Way (Staff: Andrea P. Madden, Assistant to the City Manager/City Clerk)
   Agenda Statement - Resolution #R-2017-20
   Resolution #R-2017-20

1.6 Resolution #R-2017-22: Honoring Captain Q.F. Lawler (Staff: Doug Keen, Chief of Police)
   Agenda Statement - Resolution #R-2017-22
   Resolution #R-2017-22
1.7 Ordinance #O-2017-05: Hastings Marketplace Proffer Amendment (Second Reading) (Staff: Kelly Davis, Senior Planner)
Agenda Statement - Ordinance #O-2017-05 Hastings Marketplace Proffer Amendment

1.8 Ordinance #O-2017-06: Euclid Business Center Rezoning (Second Reading) (Staff: Matthew Arcieri, Planning and Zoning Manager)
Agenda Statement - Ordinance #O-2017-06 Euclid Business Center Rezoning

1.9 Ordinance #O-2017-07: Date and Time of Regular Meetings (Second Reading) (Staff: Andrea P. Madden, Assistant to the City Manager/City Clerk)
Agenda Statement - Ordinance #O-2017-07

2. Ordinances and Resolutions

2.1 Ordinance #O-2017-10: Tax Relief for the Elderly and Handicapped Program - Income Eligibility (Staff: W. Patrick Pate, City Manager)
Agenda Statement - Ordinance #O-2017-10
Ordinance #O-2017-10

3. Unfinished Business

3.1 City of Manassas' 2017 Legislative Priorities
Agenda Statement - 2017 Legislative Priorities
Proposed 2017 Legislative Priorities

4. New Business

4.1 Presentation: Comprehensive Annual Finance Report (CAFR) (Staff: Paul E. York, Finance and Administration Director)
Agenda Statement - CAFR Presentation
Memo from P. York to City Manager
Final ACL Letter
Auditor's Report on Comments and Suggestions

4.2 Temporary Reduction of Hangar/Office Rent for the (EAA) Experimental Aircraft Association (Staff: Juan E. Rivera, Airport Director)
Agenda Statement - EAA Rent Reduction
Airport Commission Minutes - October 20, 2016
Airport Director Letter to Commission

4.3 Annual Report: Prince William County/Manassas (CVB) Convention and Visitors Bureau (Staff: Patrick J. Small, Economic Development Director)
5. **Citizens' Time (Time Certain - 7:30 p.m.)**

The citizens' time portion of the agenda is set aside for those citizens who wish to address the Council for less than three minutes each. Citizens need not give prior notice to the City to speak during the citizens' time portion of the agenda. Citizens may address the Council for longer than three minutes if they ask the City Manager for a place on the agenda at least four working days before the meeting.

6. **Authorize a Closed Meeting (If Needed)**

7. **Certify the Closed Meeting**

**Adjournment**
Meeting Date: December 12, 2016

Time Estimate: Consent

Agenda Title: City Council Minutes: November 14, November 21, November 28, December 5 (Legislative Meeting), December 5 (Work Session), and December 6, 2016

Recommendation: Approve

Motion:

If approved as part of the Consent Agenda:
I move that the Consent Agenda be approved and the readings of the ordinances dispensed.

If removed from the Consent Agenda:
I move that the Minutes of November 14, November 21, November 28, December 5 (Legislative Meeting), December 5 (Work Session), and December 6, 2016 be approved.

Date Last Considered by City Council: N/A

Summary and/or Comments: N/A

Board – Committee – or Commission Reviewed: N/A

Fiscal Impact: N/A

Staff Contact: Andrea P. Madden, Assistant to the City Manager / City Clerk amadden@manassasva.gov (703) 257-8280
A Regular Meeting of the Council of the City of Manassas, Virginia was held in Council Chambers, City Hall, on the above date with the following present on roll call: Mayor Harry J. Parrish II, Vice-Mayor Jonathan L. Way, Council Members Marc T. Aveni, Sheryl L. Bass, Ken D. Elston, and Ian T. Lovejoy; City Manager W. Patrick Pate, Deputy City Manager Bryan Foster, City Attorney Martin R. Crim, Assistant to the City Manager/City Clerk Andrea P. Madden, Police Chief Douglas W. Keen, Finance and Administration Director Paul York, Communications Manager Patty Prince, Fire and Rescue Chief Rob Clemons, Deputy Fire and Rescue Chief Todd Lupton, and City Treasurer Robin Perkins.

Council Member Mark D. Wolfe arrived and joined the meeting at 5:41 p.m.

Mayor Parrish called the meeting to order at 5:30 p.m. and delivered the invocation.

The Manassas City Fire Department Honor Guard presented Colors as the Mayor led those present in the Pledge of Allegiance. The singing of the National Anthem by Emma Zinc followed.

Fire and Rescue Chief Rob Clemons introduced the following recruits who were then sworn-in by Mayor Parrish as members of the Fire and Rescue Department:

- Firefighter / EMT Recruit Spencer Askin
- Firefighter / EMT Recruit Ian Burke
- Firefighter / EMT Recruit Jared Lawrence
- Firefighter / EMT Recruit Michael Salazar
- Firefighter / EMT Recruit Ryan Thodal
- Firefighter / Medic Recruit Bryan Stone
- Firefighter / Medic Recruit Lindsey Blasius

Ms. Patricia Richie-Folks was sworn-in as Treasurer of the City of Manassas by Robert Fitzsimmonds, Chief Deputy Clerk for the Prince William County Circuit Court.

Mayor Parrish called for a recess at 6:02 p.m.

Mayor Parrish reconvened the meeting at 6:16 p.m.

City Attorney Report

Mr. Crim reported on a lawsuit filed against the General Registrar for withholding requested documents due to a conflict in federal law regarding what information can and cannot be released.

City Manager Report

Mr. Pate announced that the Treasurer's Office would be closed to the public on Friday, November 18, 2016 for a turnover audit because Robin Perkins is leaving the office and Patricia Richie-Folks is assuming the responsibility of City Treasurer. Along with this closure, the City's Utility Customer Service Department will be closed at 11:00 a.m. so the audit can be completed. Mr. Pate thanked the citizens for their patience.

Mr. Pate stated that a reception will be held for retiring City Treasurer, Robin Perkins, on Friday, November 18 at the Center for the Arts at the Candy Factory from 4:00 p.m. to 6:00 p.m. All Council Members, staff, and the public are invited and welcome to attend and wish Ms. Perkins well. Mr. Pate also announced that the Greater Manassas Christmas Parade Committee selected Robin Perkins as the 'Woman of the Year' in recognition of her more than thirty-five years of service to the community.

Mr. Pate stated that the plaza in front of City Hall is under construction and all who visit will need to use the side entrance until the work is completed. If a citizen needs assistance gaining access to the building, he or she may call 703-257-8200.
Mr. Pate encouraged the community to support the Boys and Girls Club at its ‘Project Recycled Runway’ event on November 15, 2016 at 6:00 p.m. Monica Boehrigpinger, the City’s Recycling Coordinator, has been working with 9 to 13 year-old girls from the Boys and Girls Club to put on a fashion show using recycled clothing from Savers.

Mr. Pate commented that the RecycleFest event earlier in the month was the largest ever, with 452 car loads of household hazardous waste, e-waste and gently used clothes being dropped off in just four hours.

Chief of Police Report

Chief Keen reported on a successful trip to Charleston, South Carolina with members of the Manassas City Police Department to receive the CALEA report. Chief Keen stated that the results were better than he expected with the City’s department receiving the ‘Gold Standard with Excellence’ designation, which is the top tier level. The noted areas for improvement include retention, staffing, and space needs. Chief Keen commended all those at the Police Department who work hard to make the City a safe and desirable place to live and work.

Council Time

Council Member Aveni congratulated Mayor Parrish, Ian Lovejoy, Mark Wolfe, and Pam Sebesky on their election to the City Council and Patricia Richie-Folks on her election to the position of Treasurer.

Council Member Lovejoy echoed the comments of Council Member Aveni and stated that he look forward to working with his colleagues.

Council Member Bass commented on many activities and events in the City of Manassas. Council Member Bass thanked veterans for their service to the country and commented on the successful Veterans Day Parade held in Historic Downtown Manassas on November 12, 2016. Council Member Bass announced that the Economic Development Authority would meet on Tuesday, November 15, 2016 in the second floor conference room.

Council Member Elston congratulated the new members of the Fire and Rescue Department, thanked Robin Perkins for her service to the community, and congratulated Patricia Richie-Folks on her successful campaign.

Mayor Time

Mayor Parrish discussed recent developments involving the Northern Virginia Transportation Authority (NVTA), transportation funding from the Commonwealth, and the proposed toll lanes on I-66.

1. Consent Agenda

1.1 Minutes: October 24, 2016 Regular City Council Meeting

COUNCIL MEMBER BASS MOVED that the Minutes of the Regular Meeting of October 24, 2016 be approved. Seconded by Council Member Aveni. Roll call vote: AYES – Aveni, Bass, Elston, Lovejoy, Way, and Wolfe. MOTION CARRIED.

1.2. Resolution #R-2017-16: Honoring Robin R. Perkins, City Treasurer

1.3. Ordinance #O-2017-04: Blasting Insurance


MOTION CARRIED.

2. Ordinances and Resolutions

2.1. Resolution #R-2017-15: Authorizing Elected Officials and City Staff to Deposit and Withdraw City Funds

Mr. Elston stated that he asked for this item to be removed from the Consent Agenda because it is important to have transparency in government operations. Mr. Elston noted that this resolution demonstrates some of the checks and balances that exist in the City of Manassas.

Mr. Pate stated that with the election of Patricia Richie-Folks, a new resolution must be approved to identify individuals who have the authority to deposit and withdraw funds from financial institutions.


MOTION CARRIED.

2.2 Ordinance #O-2017-03: Tourism Zones

Patrick Small, Economic Development Director, reviewed the purpose of the ordinance and details associated with implementing the program.


MOTION CARRIED.

3. Unfinished Business

There was no unfinished business to consider.

4. New Business

There was no new business to consider.

5. Awards, Acknowledgements and Presentations

There were no awards, acknowledgements or presentations scheduled.

6. Citizens’ Time

Maury Gerson, a resident of the City of Manassas, spoke in regard to the parking situation on Liberia Avenue and stated that the creation of parking districts has resulted in a lack of parking for some townhome residents. Mr. Gerson asked the City Council to consider a solution for all residents in the area.

Lee Carter, a resident of the City of Manassas, asked the City Council to work with the trustee of the East End Mobile Home Park to extend the relocation date for residents.

Allen Muchnick, a resident of the City of Manassas, spoke in regard to road safety and the Virginia Coalition for Safe Driving.
Juan Howard, a resident of the City of Manassas, asked the City Council to consider parking solutions along Liberia Avenue for those living in the townhouses adjacent to the Zone 1 parking district.

Mark Olsen and members of the Greater Manassas Christmas Parade Committee announced the parade on December 3, 2016 and invited members of the Council to participate in the festivities.

7. Authorize a Closed Meeting

7.1. Authorization of a Closed Meeting

COUNCIL MEMBER AVENI MOVED that the City Council convene in a closed meeting to discuss a prospective business or industry or the expansion of an existing business or industry, since no previous announcement has been made of the business’ or industry’s interest in locating or expanding its facilities in the City, and to consult with legal counsel employed or retained by a public body regarding specific legal matters requiring the provision of legal advice by such counsel, specifically the East End Mobile Home Park, as permitted by Virginia Code § 2.2-3711 Paragraphs A (5), (7) and (2) for which the Virginia Freedom of Information Act permits discussion in a closed meeting. Seconded by Council Member Bass. Roll call vote: AYES – Aveni, Bass, Elston, Lovejoy, Way, and Wolfe. MOTION CARRIED.

Mayor Parrish announced that the Mayor and City Council, Council Member-Elect Sebesky, the City Manager, the Deputy City Manager, the City Attorney, and the Economic Development Director would be included in the closed meeting discussions.

City Council retired to the closed meeting at 6:50 p.m.

Council Member Elston was excused from the meeting at 7:20 p.m. prior to the certification of the closed meeting.

8. Certify the Closed Meeting

8.1 Certification of the Closed Meeting

COUNCIL MEMBER AVENI MOVED that the City Council certify that, in the closed meeting just concluded, nothing was discussed except the matters specifically identified in the motion to convene in closed meeting and lawfully permitted to be discussed under the provisions of the Virginia Freedom of Information Act cited in the motion. Seconded by Council Member Bass. Roll call vote: AYES – Aveni, Bass, Lovejoy, Way, and Wolfe. ABSENT – Elston. MOTION CARRIED.

City Council returned from the closed meeting at 7:33 p.m.

A motion was duly made, seconded and CARRIED UNANIMOUSLY to adjourn the meeting.

Mayor Parrish declared the meeting adjourned at 7:50 p.m.
A Work Session and Public Hearings of the City Council of Manassas, Virginia was held in the Second Floor Conference Room and in Council Chambers, City Hall, on the above date with the following present on roll call: Mayor Harry J. Parrish II, Vice-Mayor Jonathan L. Way, Council Members Marc T. Aveni, Sheryl L. Bass, Ken D. Elston, and Ian T. Lovejoy; City Manager W. Patrick Pate, Commissioner of the Revenue Douglas Waldron, Deputy City Manager Bryan Foster, Assistant to the City Manager/City Clerk Andrea P. Madden, Communications Manager Patty Prince, Community Development Director Elizabeth Via-Gossman, Planning and Zoning Manager Matthew Arcieri, and Senior Planner Kelly Davis.

Absent from the meeting was Council Member Mark D. Wolfe.

Mayor Parrish called the meeting to order at 5:30 p.m.

The City Clerk reported that the news media had been notified of the work session and public hearings in accordance with the Freedom of Information Act.

The City Clerk read the Notice of work session and public hearings acknowledged by all Council Members stating that the work session and public hearings was called for the following purposes:

1. As per the attached agenda dated November 21, 2016;
2. Other pertinent business for the operation of the City.

1. Work Sessions

1.1. Parks, Recreation, and Culture Needs Assessment and Facilities Plan

Elizabeth S. Via-Gossman, Community Development Director, reviewed the Needs Assessment and Facilities Plan developed with the assistance of a Citizens Advisory Committee, staff, and a team of consultants that included GreenPlay, LLC, Rhodeside & Harwell, and RRC Associates. The overview was concise and the general discussion was limited to high-level concepts. No formal action was taken by the City Council.

1.2. Tax Relief for the Elderly and Handicapped Program

W. Patrick Pate, City Manager, discussed staff’s recommendations for the Tax Relief for the Elderly and Handicapped Program in the coming fiscal years, including a review of income levels and eligibility. The City Council directed staff to bring back alternatives to the existing program with detailed impacts.

1.3. 2017 City Council Calendar

Andrea P. Madden, Assistant to the City Manager/City Clerk, discussed the proposed 2017 City Council Calendar and requested direction regarding a minor change to the scheduling of meetings that will reduce the number of monthly meetings and more accurately reflect existing procedures. Ms. Madden explained that Regular meetings will continue to be held on the second and fourth Monday of each month with work sessions (if needed) occurring on the third Monday of the month, rather than the first Monday. Public hearings will now be held in conjunction with Regular meetings, typically on the second Monday of the month. The City Council agreed to bring forward the proposed 2017 Calendar and asked staff to prepare an ordinance to amend the Code of Ordinances to reflect the change.

1.4. Potomac and Rappahannock Transportation Commission (PRTC) Budget and Strategic Plan

A brief conversation regarding the Potomac and Rappahannock Transportation Commission's Budget and Strategic Plan occurred. City Council Members provided Vice-Mayor Way and Mr. Pate with their thoughts on the various issues.
2. **Authorization of a Closed Meeting**

2.1. **Authorization of a Closed Meeting**

COUNCIL MEMBER AVENI MOVED that the City Council convene in a closed meeting to discuss salaries for Constitutional and appointed officers, as permitted by Virginia Code § 2.2-3711 Paragraph A (2) for which the Virginia Freedom of Information Act permits discussion in a closed meeting. Seconded by Council Member Bass. Roll call vote: AYES – Aveni, Bass, Elston, Lovejoy, and Way. Absent – Wolfe. **MOTION CARRIED.**

Mayor Parrish announced that the Mayor and City Council would be included in the closed meeting.

City Council retired to the closed meeting at 6:55 p.m.

3. **Certification of the Closed Meeting**

COUNCIL MEMBER AVENI MOVED that the City Council certify that, in the closed meeting just concluded, nothing was discussed except the matters specifically identified in the motion to convene in closed meeting and lawfully permitted to be discussed under the provisions of the Virginia Freedom of Information Act cited in the motion. Seconded by Council Member Bass. Roll call vote: AYES – Aveni, Bass, Elston, Lovejoy and Way. Absent – Wolfe. **MOTION CARRIED.**

City Council returned from the closed meeting at 7:20 p.m.

Mayor Parrish called for a recess at 7:20 p.m.

Mayor Parrish reconvened the meeting in Council Chambers at 7:30 p.m.

4. **Public Hearings**

Mayor Parrish read an affidavit of publication that was before him signed by an authorized agent of the Prince William Times newspaper certifying that the public hearings listed on the evening’s agenda were published in conformance with Virginia law and City ordinances.

4.1 **Public Hearing: REZ #2016-05, Hastings Marketplace Proffer Amendment**

Kelly Davis, Senior Planner, presented an overview of the project to the City Council. The applicant is requesting a proffer amendment for approximately 1.6 acres of land within the Hastings Marketplace Development. The amendment would revise the proffer language to permit two-bedroom residential loft units in place of the 26 approved one-bedroom residential loft units. No changes are proposed to the approved generalized development plan, elevations, or site plan. Ms. Davis noted that City staff and the Planning Commission recommend approval of Rezoning #2016-05, Hastings Marketplace Proffer Amendment.

Gifford Hampshire, representing the applicant, Golden Eagle Development, briefly discussed the proposal and stated that two-bedroom units are more desirable than one-bedroom units in the marketplace.

Mayor Parrish opened the public hearing and invited anyone wishing to speak in favor of or in opposition to the rezoning to come forward and address the City Council.

Jim Rogers, a resident of the City of Manassas, spoke in support of the proffer amendment, stating that two-bedroom units will enhance the value and marketability of the units. Mr. Rogers explained that he and his neighbors have always been in favor of the commercial/retail development associated with the project.

There were no speakers in opposition to the rezoning.
Ms. Davis requested that the public hearing be closed and action scheduled for November 28, 2016.

COUNCIL MEMBER AVENI MOVED that the public hearing on REZ #2016-05, Hastings Marketplace Proffer Amendment be closed and action scheduled for November 28, 2016. Seconded by Council Member Bass and CARRIED UNANIMOUSLY.

The public hearing was closed at 7:43 p.m.

4.2 Public Hearing SUP #2016-07, Wellington Road Indoor/Outdoor Sports Facility

Ms. Davis presented an overview of the project to the City Council. The applicant is requesting a special use permit for a place of assembly (50+ persons) for use as an indoor athletic recreation facility and outdoor field. The site is located along the north side of Wellington Road between Route 28 and Ashton Avenue. The proposed facilities, which will include fields and courts for a variety of sports, will be available for rental by sports leagues and subcontract professionals for events and activities. Ms. Davis noted that City staff and the Planning Commission recommend approval of SUP #2016-07, Wellington Road Indoor/Outdoor Sports Facility as conditioned.

Mayor Parrish opened the public hearing and invited anyone wishing to speak in favor of or in opposition to the special use permit to come forward and address the City Council.

There were no speakers in favor of or in opposition of the special use permit.

Ms. Davis requested that the public hearing be closed and action scheduled for November 28, 2016.

COUNCIL MEMBER AVENI MOVED that the public hearing on SUP #2016-07, Wellington Road Indoor/Outdoor Sports Facility be closed and action scheduled for November 28, 2016. Seconded by Council Member Bass and CARRIED UNANIMOUSLY.

The public hearing was closed at 7:50 p.m.

4.3 Public Hearing: REZ #2017-01, Euclid Business Center

Matthew Arcieri, Planning and Zoning Manager, presented an overview of the project to City Council. The rezoning of property located at 9021 Euclid Avenue is a City initiated request to rezone approximately 12 acres of land from I-2, Heavy Industrial, to I-1, Light Industrial. The property is already developed as a flex/warehouse development with five single-story buildings totaling 144,888 square feet. The proposed map amendment will not affect existing levels of service. Staff contends that the I-1 zoning district as revised through the Comprehensive Zoning Update is a more appropriate zoning district for the existing flex/warehouse development. Mr. Arcieri stated that the proposed zoning will eliminate legally nonconforming uses and is consistent with the Comprehensive Plan and compatible with existing, adjacent land uses and patterns of development. Mr. Arcieri noted that City staff and the Planning Commission recommend approval of REZ #2017-01, Euclid Business Center.

Mayor Parrish opened the public hearing and invited anyone wishing to speak in favor of or in opposition to the rezoning to come forward and address the City Council.

There were no speakers in favor of or in opposition to the rezoning.

Mr. Arcieri requested that the public hearing be closed and action scheduled for November 28, 2016.
COUNCIL MEMBER AVENI MOVED that the public hearing on REZ #2017-01, Euclid Business Center be closed and action scheduled for November 28, 2016. Seconded by Council Member Bass and CARRIED UNANIMOUSLY.

The public hearing was closed at 7:54 p.m.

4.4 Public Hearing: CPA #2017-01, Comprehensive Plan Revitalization Areas

Mr. Arcieri presented an overview of the project to City Council and explained that City staff is proposing a Comprehensive Plan Amendment to designate the Downtown (Old Town Sector) and the Mathis Corridor (Mathis Avenue Sector) as “revitalization areas” in order to clarify that those designated areas meet the exemption requirements of the Code of Virginia § 15.2-2303.4 (E)(i), the new conditional zoning proffer law. Mr. Arcieri noted that City staff and the Planning Commission recommend approval of the comprehensive plan amendment.

Mayor Parrish opened the public hearing and invited anyone wishing to speak in favor of or in opposition to the comprehensive plan amendment come forward and address the City Council.

There were no speakers in favor of or in opposition to the comprehensive plan amendment.

Mr. Arcieri requested that the public hearing be closed and action scheduled for November 28, 2016.

COUNCIL MEMBER AVENI MOVED that the public hearing on CPA #2017-01, Comprehensive Plan Revitalization Areas be closed and action scheduled for November 28, 2016. Seconded by Council Member Bass and CARRIED UNANIMOUSLY.

The public hearing was closed at 7:57 p.m.

Mayor Parrish declared the meeting adjourned at 7:58 p.m.

_________________________________________  ___________________________________________
MAYOR  CITY CLERK

_________________________________________
DATE APPROVED
A Regular Meeting of the Council of the City of Manassas, Virginia was held in Council Chambers, City Hall, on the above date with the following present on roll call: Mayor Harry J. Parrish II, Council Members Marc T. Aveni, Sheryl L. Bass, Ken D. Elston, Ian T. Lovejoy and Mark D. Wolfe; City Manager W. Patrick Pate, Deputy City Manager Bryan Foster, City Attorney Martin R. Crim, Deputy City Attorney Michael R. Vanderpool, Assistant to the City Manager/City Clerk Andrea P. Madden, Police Chief Douglas W. Keen, Finance and Administration Director Paul York, Communications Manager Patty Prince, Community Development Director Elizabeth S. Via-Gossman, Planning and Zoning Manager Matthew Arcieri, Director of Public Works Steve Burke, Utilities Director Tony Dawood, Assistant Public Works Director Patrick Moore, Senior Planner Kelly Davis, Economic Development Director Patrick Small, and Captain Tina Laguna and Lieutenant Brian Larkin of the Manassas City Police Department.

Absent from the meeting was Vice-Mayor Jonathan L. Way

Mayor Parrish called the meeting to order at 5:30 p.m. and delivered the invocation.

City Attorney Report

Mr. Crim had no update or report.

City Manager Report

Mr. Pate introduced to the City Council and community Steve Burke, the City’s new Public Works Director. Mr. Burke comes to the City from Front Royal, where he served as the Town Manager, and has many years of valuable local government experience.

Mr. Pate thanked member of staff and the community who took the time and made the effort to share food, time, and energy with folks in need over the Thanksgiving holiday.

Mr. Pate reported there was a two-alarm townhouse fire on China Grove Court that destroyed one home and damaged two others. The Red Cross was on site and provided assistance to five residents.

Mr. Pate commented on the upcoming events in Historic Downtown, including the lighting of the tree on the Museum lawn, the arrival of Santa on the VRE train, and the Greater Manassas Christmas Parade.

Mr. Pate welcomed Rangoli Indian restaurant to the City; the restaurant is located on Nokesville Road next to Vertical Rock.

Chief of Police Report

Chief Keen reported on the recent homicide in the City and assured the Council and the public that officers were working diligently to solve the case.

Council Time

Council Member Bass wished the community a Happy Thanksgiving and encouraged everyone to shop locally and support small businesses. Council Member Bass congratulated John Gregory on being named the Grand Marshal of the Greater Manassas Christmas Parade and stated she hopes to walk with her colleagues in the parade. Finally, Council Member Bass announced tours of the new Baldwin Elementary/Intermediate School will occur on the evening of December 19, 2016.

Mayor Time

Mayor Parrish encouraged the community to attend the events in Downtown Manassas over the weekend and enjoy all the City has to offer.
1. Consent Agenda

1.1 By-Laws: City of Manassas Beautification Committee

COUNCIL MEMBER BASS MOVED that the By-Laws of the Manassas Beautification Committee be approved. Seconded by Council Member Aveni. Roll call vote: AYES – Aveni, Bass, Elston, Lovejoy, and Wolfe. Absent – Way. MOTION CARRIED.

1.2. By-Laws: Cemetery Advisory Committee


1.3. By-Laws: Economic Development Authority (EDA)


1.4. Resolution 2017-05-R: Budgeting and Appropriating Funds – (A) $257,208 of State Grant Revenue the Repaving on Route 28; (B) $8,000 to Immediately Replace a Damaged High Service Pump; and (C) $81,476 from the State/Local Drug Seizure Funds for Police Department Purchases

COUNCIL MEMBER BASS MOVED that Resolution 2017-05-R: Budgeting and Appropriating Funds – (A) $257,208 of State Grant Revenue the Repaving on Route 28; (B) $8,000 to immediately replace a damaged high service pump; and (C) $81,476 from the State/Local Drug Seizure Funds for Police Department Purchases be approved. Seconded by Council Member Aveni. Roll call vote: AYES – Aveni, Bass, Elston, Lovejoy, and Wolfe. Absent – Way. MOTION CARRIED.

1.5. City Council 2017 Meeting Calendar

COUNCIL MEMBER BASS MOVED that the City Council 2017 Meeting Calendar be approved. Seconded by Council Member Aveni. Roll call vote: AYES – Aveni, Bass, Elston, Lovejoy, and Wolfe. Absent – Way. MOTION CARRIED.

1.6. Ordinance #O-201-7-07: Date and Time of Regular Meetings (First Reading)

COUNCIL MEMBER BASS MOVED that Ordinance #O-2017-07: Amending and Reenacting the Code of Ordinances, City of Manassas, Virginia (2002), as Amended, by Amending a Portion of Section 2-51 (a) and (b) in Article II, Division 2 of Chapter 2 of Said Code, Generally Relating to the Date and Time of Regular Meetings be approved on first reading. Seconded by Council Member Aveni. Roll call vote: AYES – Aveni, Bass, Elston, Lovejoy, and Wolfe. Absent – Way. MOTION CARRIED.

1.7. Ordinance #O-2017-03: Tourism Zones (Second Reading)

The Clerk read for the second time Ordinance #O-2017-03: Amending and Reenacting the Code of Ordinances, City of Manassas, Virginia (2002), as amended, by adding in Chapter 110, a new Article XII, relating to Tourism Zones.

The second reading of the Ordinance as just read by the City Clerk was exactly the same as the first.

COUNCIL MEMBER BASS MOVED that Ordinance #O-2017-03: Amending and Reenacting the Code of Ordinances, City of Manassas, Virginia (2002), as amended, by adding in Chapter 110, a new Article XII, relating to Tourism Zones, be approved on second
1.8. Ordinance #O-2017-04: Blasting Permit (Second Reading)

The Clerk read for the second time Ordinance #O-2017-04: Amending and Reenacting the Code of Ordinances, City of Manassas, Virginia (2002), as amended, by amending a portion of Section 60-42, in Article V of Chapter 60 of said Code, relating to the Bond or Insurance required for a Blasting Permit.

The second reading of the Ordinance as just read by the City Clerk was exactly the same as the first.


2. Ordinances and Resolutions

2.1. Resolution #R-2017-19: Virginia Department of Transportation’s Revenue Sharing Application

Patrick Moore, Assistant Public Works Director, explained that an application for an allocation of funds up to $1,496,600 through the Virginia Department of Transportation Fiscal Year 2017-2018 Revenue Sharing Program was prepared and included the following projects: 1. Prince William Street – Infrastructure Improvements, 2. Dean Drive – Extension and Improvements, 3. Quarry Road – Sidewalk Installation, 4. Quarry Street – Sidewalk Installation, 5. Portner Avenue – Sidewalk Installation, and Route 28 – Supplemental Paving. The Virginia Department of Transportation requires that a resolution of City Council support accompany the applications, which are due before December 1, 2016.


2.2. Resolution #R-2017-17: Wellington Road Indoor/Outdoor Sports Facility Special Use Permit

Kelly Davis, Senior Planner, stated that a public hearing on the special use permit was held on November 21, 2016 with no speakers in favor of or in opposition to the application. City staff and the Planning Commission recommend approval as conditioned.


2.3. Resolution #R-2017-18: Comprehensive Plan Revitalization Areas

Matthew Arcieri, Planning and Zoning Manager, stated that a public hearing on the comprehensive plan amendment was held on November 21, 2016 with no speakers in favor of or in opposition to the application. City staff and Planning Commission recommend approval of the amendment.

COUNCIL MEMBER WOLFE MOVED that Resolution #R-2017-18: Comprehensive Plan Amendment #2017-01: Comprehensive Plan Revitalization Areas be approved. Seconded by

2.5. Ordinance #O-2017-06: Euclid Business Center Rezoning

Mr. Arcieri stated that a public hearing on the Euclid Business Center rezoning was held on November 21, 2016 with no speakers in favor of or in opposition to the rezoning. City staff and Planning Commission recommend approval of the amendment.


3. Unfinished Business
There was no unfinished business to consider.

4. New Business

4.1. Performance Agreement: Agriculture and Forestry Industries Development (AFID) Grant for KO Distilling

Patrick Small, Economic Development Director, stated that earlier in the year, the City of Manassas made application to the Commonwealth of Virginia for a grant to support the expansion of KO Distilling. The City was awarded $25,000 from the Agriculture and Forestry Industries Development (AFID) Fund, which must be matched with $25,000 from the City’s Economic Opportunity Fund. The Performance Agreement between the City of Manassas, its Economic Development Authority, and KO Distilling details the terms and conditions of the award. Staff is asking the City Council to approve the agreement and authorize the Mayor to execute the agreement.

COUNCIL MEMBER WOLFE MOVED that the Agriculture and Forestry Industries Development (AFID) Grant for KO Distilling and the Performance Agreement between the City of Manassas, its Economic Development Authority, and KO Distilling be approved and the Mayor be given the authorization to execute the Agreement. Seconded by Council Member Aveni. Roll call vote: AYES – Aveni, Bass, Elston, Lovejoy, and Wolfe. Absent – Way. MOTION CARRIED.

4.2 Resolution 2017-06-R: $25,000 State Grant for Expansion of KO Distilling

Mr. Small explained that Resolution 2017-06-R budgets and appropriates the funds to be distributed to KO Distilling for its expansion.

4.3 Legislative Priorities

Mr. Pate stated that the City Council’s Ad-Hoc Legislative Committee had not had the opportunity to meet and discuss in detail the draft priorities; however, the committee plans to meet immediately after the November 28, 2016 meeting is adjourned. The priorities would be presented at the December 5, 2016 legislative meeting and formally adopted at the December 12, 2016 Regular City Council meeting.

5. Awards, Acknowledgements and Presentations
There were no awards, acknowledgements or presentations scheduled.

6. Citizens’ Time

The following individuals requested that the owner of the East End Mobile Home Park extend leases to residents:

- Helen Zurita – City of Manassas
- Selfo Sosa – City of Manassas
- Alejandro Tovar – City of Manassas
- Melissa Watson – City of Manassas
- Crescenico Torrez – City of Manassas
- Father Juan Puigbo - All Saints Catholic Church
- Nancy Lyall – Woodbridge, VA
- John Steinbach – Prince William County
- Lee Carter – City of Manassas
- Keyri Jaimes – City of Manassas
- Guadaupe Vliazquel – City of Manassas
- Dawn Kestner – City of Manassas
- Oren Rose – City of Manassas
- Kelly McGinn – Prince William County
- Yorceli Reyes – City of Manassas
- Dana Jordan – Bealeton, VA
- James Van De Voorde – City of Manassas
- Evelin Zavala – City of Manassas

7. Authorize a Closed Meeting

7.1. Authorization of a Closed Meeting

COUNCIL MEMBER AVENI MOVED that the City Council convene in a closed meeting to discuss appointments to Boards, Committees and Commissions and salaries for Constitutional and appointed officers and to consult with legal counsel employed or retained by a public body regarding specific legal matters requiring the provision of legal advice by such counsel, specifically the East End Mobile Home Park, as permitted by Virginia Code § 2.2-3711 Paragraphs A (2) and (7) (Part 2), for which the Virginia Freedom of Information Act permits discussion in a closed meeting. Seconded by Council Member Bass. Roll call vote: AYES – Aveni, Bass, Elston, Lovejoy, and Wolfe. Absent – Way. MOTION CARRIED.

Mayor Parrish announced that the Mayor and City Council would be included in the closed meeting regarding appointments to Boards, Committees and Commissions and salaries for Constitutional and appointed officers.

Mayor Parrish announced that the Mayor, City Council, Deputy City Manager, City Attorney, Deputy City Attorney and Economic Development Director would be included in the closed meeting regarding the East End Mobile Home Park.

City Council retired to the closed meeting at 6:00 p.m.
8. **Certify the Closed Meeting**

8.1 **Certification of a Closed Meeting**

COUNCIL MEMBER AVENI MOVED that the City Council certify that, in the closed meeting just concluded, nothing was discussed except the matters specifically identified in the motion to convene in closed meeting and lawfully permitted to be discussed under the provisions of the Virginia Freedom of Information Act cited in the motion. Seconded by Council Member Bass. Roll call vote: AYES – Aveni, Bass, Elston, Lovejoy, and Wolfe. Absent – Way. **MOTION CARRIED.**

City Council returned from the closed meeting at 7:35 p.m.

9. **Appointments to Boards, Committees, and Commissions and the Annual Salary of the Commissioner of Revenue**

COUNCIL MEMBER LOVEJOY MOVED that the following appointments be approved:

Stephanie Tipple, to the Advisory Board for Social Services, to fill an unexpired term ending November 27, 2018;

Kenneth Nixon, to the Regional Jail Board as a City Representative, for a four-year term ending June 30, 2020;

Robert Keller, to the Manassas Historic Resources Board, for a four-year term ending June 30, 2020; and

that the salary of the Commissioner of Revenue be increased to $117,208.00, effective January 1, 2017.


A motion was duly made, seconded and **CARRIED UNANIMOUSLY** to adjourn the meeting.

Mayor Parrish declared the meeting adjourned at 8:35 p.m.
A Special Meeting of the Council of the City of Manassas, Virginia was held at Malones of Manassas, 9329 Main Street, on the above date with the following present: Mayor Harry J. Parrish II, Council Members Marc T. Aveni, Sheryl L. Bass, Ken D. Elston, Ian T. Lovejoy and Mark D. Wolfe; City Manager W. Patrick Pate, Deputy City Manager Bryan Foster, City Attorney Martin R. Crim, Assistant to the City Manager & City Clerk Andrea P. Madden, Chief of Police Douglas W. Keen, Fire and Rescue Chief Rob L. Clemons, and Planning and Zoning Services Manager Matt Arcieri.

Absent from the meeting was Vice-Mayor Jonathan L. Way.

Senator Jeremy McPike and Delegate Jackson Miller were present.

Members of the School Board and the Superintendent of Schools, Dr. Catherine Magouyrk, were also present.

Mayor Parrish called the meeting to order at 9:16 a.m.

The City Clerk reported that the news media had been notified of the special meeting in accordance with the Freedom of Information Act.

The City Clerk read the Notice of special meeting acknowledged by all Council Members stating that the special meeting was called for the following purposes:
1. As per the attached agenda dated December 5, 2016;
2. Other pertinent business for the operation of the City.

1. **2017 Legislative Priorities**

Council Member Sheryl Bass presented the City Council’s 2017 Legislative Priorities.

School Board Member Pam Sebesky presented the School Board’s 2017 Legislative Priorities.

Senator McPike and Delegate Miller both discussed their thoughts on upcoming legislation and the potential impacts of decisions made at the state level. The City Council and School Board were encouraged to maintain lines of communication with both legislators and reach out when supporting or opposing specific legislation.

A motion was duly made, seconded and **CARRIED UNANIMOUSLY** to adjourn the meeting.

Mayor Parrish declared the meeting adjourned at 10:30 a.m.

______________________________  ______________________________
MAYOR                              CITY CLERK

DATE APPROVED
A Work Session of the Council of the City of Manassas, Virginia was held in the Second Floor Conference Room at City Hall, on the above date with the following present: Mayor Harry J. Parrish II, Vice-Mayor Jonathan L. Way, Council Members Marc T. Aveni, Sheryl L. Bass, Ken D. Elston, Ian T. Lovejoy and Mark D. Wolfe; City Manager W. Patrick Pate, Deputy City Manager Bryan Foster, Commissioner of Revenue Douglas Waldron, Assistant to the City Manager/City Clerk Andrea P. Madden, Community Development Director Elizabeth S. Via-Gossman, City Engineer Michelle Brickner, and Stormwater Program Manager Jacob Renaud.

Council Member Elston arrived and joined the meeting at 5:44 p.m.

Mayor Parrish called the meeting to order at 5:30 p.m.

The City Clerk reported that the news media had been notified of the special meeting in accordance with the Freedom of Information Act.

The City Clerk read the Notice of special meeting acknowledged by all Council Members stating that the special meeting was called for the following purposes:
1. As per the attached agenda dated December 5, 2016;
2. Other pertinent business for the operation of the City.

1. Work Sessions

1.1 Tax Relief for the Elderly and Handicapped Program

W. Patrick Pate, City Manager, presented the City Council with two alternative scenarios regarding the tax relief program. City Council provided Mr. Pate with direction and asked that an ordinance be prepared and presented at the next regular meeting of the City Council.

1.2 2016 City of Manassas – Community Survey

Jason Morado with the ETC Institute presented the results of the 2016 Community Survey to the City Council.

No formal action was taken.

1.3 Update: Flat Branch Regional Stormwater Pond

Jacob Renaud, Stormwater Program Manager, provided an update to City Council on the Flat Branch Regional Stormwater Pond project and answered questions regarding the schedule.

2. Authorization of a Closed Meeting

2.1 Authorization of a Closed Meeting

COUNCIL MEMBER AVENI MOVED that Council convene in a closed meeting to discuss the annual performance and salary of appointed officials, specifically the City Manager, as permitted by Virginia Code Sec. 2.2-3711 Paragraph A (1), for which the Virginia Freedom of Information Act permits discussion in a closed meeting. Seconded by Council Member Bass. Roll call vote: AYES – Aveni, Bass, Elston, Lovejoy, Way, and Wolfe. MOTION CARRIED.

Mayor Parrish announced that the Mayor and Council, Council Member-Elect Sebesky, and the City Manager, when necessary, would be included in the closed meeting discussion.

City Council retired to the closed meeting at 7:36 p.m.
3. Certification of the Closed Meeting

3.1 Certification of the Closed Meeting

COUNCIL MEMBER AVENI MOVED that the City Council certify that, in the closed meeting just concluded, nothing was discussed except the matters specifically identified in the motion to convene in closed meeting and lawfully permitted to be discussed under the provisions of the Virginia Freedom of Information Act cited in the motion. Seconded by Council Member Bass. Roll call vote: AYES – Aveni, Bass, Elston, Lovejoy, Way, and Wolfe. MOTION CARRIED.

City Council returned from the closed session at 8:10 p.m.

The City Council discussed in generalities the condition of Annaburg Manor and Novant's potential plans for the facility. Vice-Mayor Way excused himself from the conversation as he is a member of Novant's Board of Trustees.

A motion was duly made, seconded and CARRIED UNANIMOUSLY to adjourn the meeting.

Mayor Parrish declared the meeting adjourned at 8:30 p.m.

MAYOR

CITY CLERK

DATE APPROVED
A Special Meeting of the Manassas City Council, for the purpose of conducting a City Council Orientation, was held in the Second Floor Conference Room at City Hall, on the above date with the following present: Mayor Harry J. Parrish II, Council Members Sheryl L. Bass, Ian T. Lovejoy and Mark D. Wolfe; City Manager W. Patrick Pate, Deputy City Manager Bryan Foster, Commissioner of Revenue Douglas Waldron, Assistant to the City Manager/City Clerk Andrea P. Madden, and Communications Manager Patty Prince.

Council Member Sheryl L. Bass arrived and joined the meeting at 9:10 a.m., establishing a quorum of the City Council.

Council Member-Elect Pamela J. Sebesky was present on roll call.

Absent from the meeting were Council Members Marc T. Aveni and Ken D. Elston.

Mayor Parrish called the meeting to order at 9:05 a.m.

The City Clerk reported that the news media had been notified of the special meeting in accordance with the Freedom of Information Act.

The City Clerk read the Notice of special meeting acknowledged by all Council Members stating that the special meeting was called for the following purposes:
1. As per the attached agenda dated December 6, 2016;
2. Other pertinent business for the operation of the City.

1. **Introduction**

1.1 Welcome to Elected Office

W. Patrick Pate, City Manager, welcomed the newly elected and re-elected members of the City Council and stated that he looks forward to working with them to serve the citizens of the community.

2. **City Overview**

2.1 City Council Distribution List
2.2 Organizational Chart – City of Manassas
2.3 Organizations and Memberships
2.4 City of Manassas – Strategic Plan
2.5 Council-Manager Form of Government
2.6 The Dillon Rule
2.7 Link to the City Charter and Municipal Code

Presentations on all the above-listed topics were made by W. Patrick Pate, City Manager, and Andrea P. Madden, Assistant to the City Manager/City Clerk.

3. **Governing Body**

3.1 City Council Code of Conduct
   Employee Code of Ethics
3.2 2017 City Council Meeting Calendar
3.3 Rules of Procedure and Order of Business
3.4 Effective Public Meetings
3.5 Virginia Statement of Economic Interests and Conflict of Interest Act
3.6 Communications: Media Relations, Messaging, and the Website
3.7 Freedom of Information Act (FOIA)
3.8 2017 Legislative Information
3.9 Manassas City Public Schools
3.10 Other Resources
Presentations on all the above-listed topics were made by Mr. Pate, Ms. Madden, and Patty Prince, Communications Manager.

Mayor Parrish called for a recess at 10:40 a.m.
Council Member Wolfe was excused from the meeting at 10:40 a.m.
Mayor Parrish reconvened the meeting at 10:55 a.m.

A quorum of the Council no longer existed, however, the body agreed to continue meeting with the stipulation that no decisions regarding City business would be in order.

4. **Boards, Committees, and Commissions**

   4.1 **Policy #P-2016-03: Appointments to Boards, Committees, and Commissions**

   Ms. Madden discussed the process for application and appointment to a City Board, Committee, or Commission.

5. **City Staff**

   5.1 **Senior Leadership Team**

   Departmental Budget Information

   Mr. Pate discussed the City’s Senior Leadership Team, the organizational structure within departments, and budget information.

6. **Planning and Zoning**

   6.1 **City of Manassas – Planning and Zoning 101**

   Elizabeth S. Via-Gossman, Community Development Director, briefly reviewed the basics of Land Use and discussed new proffer legislation.

   Mayor Parrish called for a recess at 12:05 p.m.

   Mayor Parrish reconvened the meeting at 12:15 p.m.

   Mayor Parrish excused himself from the meeting at 12:15 p.m.

   Council Member Ian T. Lovejoy was asked to preside over the meeting.

   Council Member Mark D. Wolfe returned to the meeting at 12:25 p.m. and, as the Senior Council Member, assumed the responsibility of presiding over the meeting.

7. **Lunch and Legal**

   Martin R. Crim, City Attorney, reviewed various aspects of the City’s contract with Vanderpool, Frostick & Nishanian and provided general guidance on conduct and behavior.

   A motion was duly made, seconded and **CARRIED UNANIMOUSLY** to adjourn the meeting.

   Council Member Wolfe declared the meeting adjourned at 12:41 p.m.
**City of Manassas**  
**Manassas City Council**  
**9027 Center Street**  
**Manassas, VA 20110**

<table>
<thead>
<tr>
<th>Meeting Date:</th>
<th>December 12, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time Estimate:</td>
<td>Consent Agenda</td>
</tr>
<tr>
<td>Agenda Title:</td>
<td>Performance &amp; Erosion Bond Release: Krispy Kreme</td>
</tr>
<tr>
<td>Recommendation:</td>
<td>Approve</td>
</tr>
</tbody>
</table>
| Motion:                | If approved as part of the Consent Agenda:  
I move that the Consent Agenda be approved and the readings of the ordinances dispensed.  

If removed from the Consent Agenda:  
I move that the Performance & Erosion Bonds for Krispy Kreme be released in accordance with the Certificate of Compliance |
| Date Last Considered by City Council: | N/A                              |
| Summary and/or Comments: | Request authority to release the Performance and Erosion & Sediment Bonds for the following project – Krispy Kreme – SP#16-00000008 |
| Board - Committee – or Commission Reviewed: | N/A                              |
| Fiscal Impact:         | N/A                               |
| Staff Contact:         | Vanessa A. Watson, Development Services Coordinator  
vwatson@manassasva.gov  
(703) 257-8204 |
CERTIFICATE OF COMPLIANCE

I hereby certify that the work has been completed to justify the release of the bond(s) of the site plans or subdivision listed below, they have been inspected and approved, and I recommend that they be released as follows:

1. Krispy Kreme, SP#14-00000008, release the Performance Bond agreement (Cash) in the amount of $7,360.00 and the Erosion & Sediment Bond Agreement (Cash) in the amount of $15,668.00.

Jamie Collins  
Development Services Manager  

Date  
11-29-16
Krispy Kreme

SP#16-00000008

9870 Liberia Ave.
Meeting Date: December 12, 2016

Time Estimate: Consent Agenda

Agenda Title: Appointment of Virginia Municipal Electric Association (VMEA) Voting Delegate for 2017

Recommendation: Appoint Glenn Simpson, Utilities Finance Manager, as Virginia Municipal Electric Association (VMEA) Voting Delegate for 2017

Motion: If approved as part of the Consent Agenda:
I move that the Consent Agenda be approved and the readings of the ordinances dispensed.

If removed from the Consent Agenda:
I move that Glenn Simpson be appointed the Voting Delegate to the Virginia Municipal Electric Association for calendar year 2017.

Date Last Considered by City Council: January 11, 2015

Summary and/or Comments: Annual appointment required by the Virginia Municipal Electric Association (VMEA)

Board – Committee – or Commission Reviewed: Utility Commission – December 8, 2016 (Recommended Approval 7/0)

Fiscal Impact: N/A

Staff Contact: Tony Dawood, Director of Utilities
tdawood@manassasva.gov
(703) 257-8382
Meeting Date: December 12, 2016

Time Estimate: Consent Agenda

Agenda Title: By-Laws: City of Manassas Advisory Board of Social Services

Recommendation: Approve

Motion:

If approved as part of the Consent Agenda:
I move that the Consent Agenda be approved and the readings of the ordinance dispensed.

If removed from the Consent Agenda:
I move that the By-Laws of the City of Manassas Advisory Board of Social Services be approved.

Date Last Considered by City Council: N/A

Summary and/or Comments:
The City of Manassas Advisory Board of Social Services has adopted new by-laws that have been approved by the Personnel Committee and reviewed by the City Attorney. The Personnel Committee is requesting that the by-laws be approved by Council.

Board – Committee – or Commission Reviewed:
Personnel Committee – May 19, 2016 (Recommended Approval 3/0)

Fiscal Impact: None

Staff Contact:
Ronald King, Director of Social Services
Ronald.king@dss.virginia.gov
(703) 257-2329
MEMBERSHIP:

1. The Advisory Board of Social Services (hereinafter referred to as the Board) shall be comprised of seven members appointed by the City Council.

2. Members must be city residents throughout their terms of office.

3. Membership shall be staggered for terms of four years to ensure continuity and members may be re-appointed by the City Council for additional four year terms, not to exceed two consecutive terms each.

4. Appointments to fill vacancies shall be for the unexpired terms.

OFFICERS:

1. The elected officers of the Board shall be Chair and Vice-Chair.

2. The Chair and Vice-Chair will be elected at the last meeting of the fiscal year for a one-year term of office commencing July 1.

3. The Vice-Chair will automatically succeed the Chair at the expiration of the Chair’s term.

4. The Director of the Social Services Department or his/her designee will serve as Secretary of the Board.

MEETINGS:

1. Regular meetings will be held at least six (6) times per year.

2. The Board may have a special or emergency meeting with notice as provided by the Virginia Freedom of Information Act upon the call of the Chair or on the petition, communicated to the Secretary, of at least one half of the members.

3. The Chair and Secretary shall prepare a written agenda and distribute it to the members of the Board in advance of each regular meeting. One meeting per year will be devoted to orientation and in-service training of Board members.

4. Members of the Board shall attend a minimum of 50% of the meetings held during the year. The Board will follow Robert’s Rules of Order, current edition. Members will be afforded the opportunity to debate main and secondary motions prior to any vote.
a. A quorum is defined as 50% of the current appointed members
b. A quorum must be present in order to take a vote and a majority of those present carry the motion.
c. A majority of the Board may agree to a cancellation or deferral of a meeting by communication with the Secretary.
d. The Chair may postpone a meeting in case of inclement weather.

POWERS AND DUTIES OF THE BOARD:

1. To interest itself in all matters pertaining to the social welfare of the people of the city served by it.

2. To monitor the formulation and implementation of social welfare programs in the city.

3. To meet with the Director of Social Services for the purpose of making recommendations on policy matters concerning the department or division.

4. To make an annual report to the Manassas City Council, concurrent with the budget presentation of the Social Services Department.

5. To submit to Manassas City Council, other reports that the Advisory Board feels are appropriate.

6. To participate in Adoption Day for Foster Children and/or other activities related to the Administration of the Department as requested by the Director of the Department of Social Services.

7. To work cooperatively with other local boards of Social Services to achieve mutual objectives.

COMPENSATION:

Board members shall be reimbursed according to local policy for all expenses incurred in travel meetings/activities outside the city.

Updated November 17, 2016

At the regular meeting of the City of Manassas Department of Social Services Advisory Board on November 17, 2016, motion to approve Bylaws with corrections indicated by L. Orlich, second J. Gavin. Motion passed without opposition
**Meeting Date:** December 12, 2016

**Time Estimate:** Consent Agenda

**Agenda Title:** Resolution #R-2017-20: Honoring Vice-Mayor Jonathan L. Way upon His Departure from the Manassas City Council

**Recommendation:** Approve

**Motion:**

*If approved as part of the Consent Agenda:*

I move that the Consent Agenda be approved and the readings of the ordinance dispensed.

*If removed from the Consent Agenda:*

I move that Resolution #R-2017-20 be approved.

**Date Last Considered by City Council:** N/A

**Summary and/or Comments:** Vice-Mayor Jonathan L. Way’s term of office on City Council is expiring on December 31, 2016. Resolution #R-2017-20 honors his accomplishments during his term of office.

**Board – Committee – or Commission Reviewed:** N/A

**Fiscal Impact:** None

**Staff Contact:** W. Patrick Pate, City Manager

ppate@manassasva.gov

(703) 257-8212
MOTION: December 12, 2016
Regular Meeting
Res No. R-2017-20

SECOND: 

RE: HONORING VICE-MAYOR JONATHAN L. WAY UPON HIS DEPARTURE FROM THE MANASSAS CITY COUNCIL

WHEREAS, Vice-Mayor Jonathan L. Way and his wife, Shirley, moved to Manassas in 1999 from Miami after his retirement as he and his wife desired to move to a town that had a small-city atmosphere with changing weather seasons; and

WHEREAS, Vice-Mayor Way stated that he first decided to enter politics in Manassas when he saw an advertisement in the newspaper for an opening on the Planning Commission; and

WHEREAS, Vice-Mayor Way applied for the opening, interviewed with the Personnel Committee and was ultimately appointed to the Planning Commission in 2001, where he served as a member and as Chairman for two years until his appointment to City Council in 2007; and

WHEREAS, in January 2007, Vice-Mayor Way was appointed to the City Council filling the seat left vacant when former Council Member, Del. Jackson H. Miller, was elected to the Virginia House of Delegates the previous November; and

WHEREAS, in 2008 and 2012, Vice-Mayor Way was reelected to serve on City Council and in 2015 was selected unanimously by his fellow Council Members to serve as Vice-Mayor, ready to fill in for Mayor Parrish when needed; and

WHEREAS, Vice-Mayor Way has worked side-by-side with former Mayor Douglas S. Waldron and current Mayor, Harry J. Parrish II, to fulfill the needs of the City in working on a multitude of important issues including education, transportation, public safety and the quality of life for all Manassas City citizens; and

WHEREAS, since his appointment and re-election to City Council, Vice-Mayor Way has served the City on various Boards and Committees, including the Budget and Finance Committee, the Economic/Community Development and Land Use Committee, where he served as Chairman for many years, the Virginia Railway Express and Potomac and Rappahannock Transportation Committees, the Metropolitan Washington Council of Governments, and the Virginia Municipal League, where he served two years as Chairman, among many others; and
WHEREAS, Vice-Mayor Way has always prided himself on the fact that he has had an almost 100% record in attending Council meetings, a commitment he has always felt important to him and the citizens of Manassas; and

WHEREAS, prior to his appointment in 2007, Vice-Mayor Way served thirty-seven years in project management and operations management for various Exxon international affiliates in various assignments world-wide and believes that his past experience was valuable to his work on Council; and

WHEREAS, over his past nine plus years of service on Council, Vice-Mayor Way has witnessed many positive changes in the City, including revitalization of the downtown area and the many new housing developments that have seen their birth during this period; and

WHEREAS, not only has Vice-Mayor Way served the City in a variety of capacities, but he has also been an active member in various local endeavors including holding various officer positions in the Rotary Club of Manassas, where he was chosen twice as Rotarian of the Year, volunteering as a tax-aide counselor for AARP, volunteering as a VITA tax counselor, assisting as a small business counselor for SCORE for more than ten years, and supporting his wife, Shirley, with the Manassas Therapy Dog program for local schools, hospitals and nursing and assisted living facilities; and

WHEREAS, Vice-Mayor Way has always believed and lived by the rule that when you make a commitment, you have an obligation to carry it through as best as you can and truly his time on Council has reflected that belief.

NOW, THEREFORE, BE IT RESOLVED that I, Harry J. Parrish II, Mayor of the City of Manassas and on behalf of the Manassas City Council, hereby publicly commend, recognize, and thank

Vice-Mayor Jonathan L. Way

for his superb service to the City of Manassas and its citizens. Further, the Manassas City Council wishes Vice-Mayor Way good health and happiness in all his future endeavors.
December 12, 2016  
Regular Meeting  
Res. No. R-2017-20  
Page Three

__________________________________
Harry J. Parrish II                        Mayor

ATTEST:

_________________________________
Andrea P. Madden                  City Clerk

Votes:
Ayes:
Nays:
Absent from Vote:
Absent from Meeting:
Meeting Date: December 12, 2016

Time Estimate: Consent Agenda

Agenda Title: Resolution #R-2017-22: Honoring Captain Q.F. Lawler (Staff: Doug Keen, Chief of Police)

Recommendation: Approve

Motion: If approved as part of the Consent Agenda:
I move that the Consent Agenda be approved and the readings of the ordinance dispensed.

If removed from the Consent Agenda:
I move that Resolution #R-2017-22 be approved.

Date Last Considered by City Council: N/A

Summary and/or Comments: Captain Q.F. Lawler will be retiring on January 1, 2017 after 28 years of service with the Manassas City Police Department

Board – Committee – or Commission Reviewed: N/A

Fiscal Impact: None

Staff Contact: Douglas W. Keen, Chief of Police
dkeen@manassasva.gov
(703) 257-8212
MOTION:  

SECOND:  

RE:  HONORING CAPTAIN QUENTIN F. LAWLER FOR HIS TWENTY EIGHT YEARS OF SERVICE TO THE CITY OF MANASSAS

WHEREAS, Captain Lawler began his career with the City of Manassas Police Department as an officer in 1988, rising through the ranks to become of great service to the community; and

WHEREAS, Captain Lawler was promoted from Officer to Sergeant in 1999, to Lieutenant in 2000; and has served as a Captain for the City of Manassas Police Department since April 25, 2011; and

WHEREAS, in 2005, Captain Lawler graduated from the FBI National Academy Session #220 and over the years he has accumulated twenty eight (28) years of experience in all facets and levels of police work; and

WHEREAS, Captain Lawler has earned numerous commendations for his actions, was selected as “Officer of the Month” numerous times, and has received many letters of noteworthy performance; and

WHEREAS, Captain Lawler has been a member of many units, including the Crisis Negotiations Team (CNT), and the Manassas/Prince William Vice and Narcotics Task Force; and

WHEREAS, during his time with the Manassas City Police Department, Captain Lawler has also been a canine handler, a commander of the Emergency Services Unit (ESU) and a Community Policing Officer in the Georgetown South Community; and

WHEREAS, Captain Lawler has created a departmental culture that instills education, training, community service and excellence in all aspects of the law enforcement mission; and

WHEREAS, Captain Lawler has helped make the City of Manassas a safer and more enjoyable place to live while demonstrating an unwavering commitment to the Police Department’s reputation, professional standing and to the citizens of the City of Manassas.
NOW, THEREFORE, BE IT RESOLVED that I, Harry J. Parrish II, Mayor of the City of Manassas and on behalf of the Manassas City Council, hereby publicly commend, recognize, and thank

Captain Quentin F. Lawler

for his exceptional dedication and professionalism with which he has executed his duties during his twenty-eight years of service to the City of Manassas and its citizens as a member of the Police Department. Further, the Manassas City Council wishes Captain Lawler good health, happiness and fulfillment that he so richly has earned in his upcoming retirement.

Harry J. Parrish II                      Mayor
                                          On behalf of the City Council
                                          Of Manassas, Virginia

ATTEST:

Andrea P. Madden                      City Clerk

Votes:
Ayes:
Nays:
Absent from Vote:
Absent from Meeting:
Meeting Date: December 12, 2016

Time Estimate: Consent

Agenda Title: Ordinance #O-2017-05: Hastings Marketplace Proffer Amendment (Second Reading)

Recommendation: Approve Ordinance #O-2017-05 on Second Reading

Motion: 
- If approved as part of the Consent Agenda:
  I move that the Consent Agenda be approved and the readings of the ordinances dispensed.

- If removed from the Consent Agenda:
  I move the Ordinance #O-2017-05 be approved on Second Reading.

Date Last Considered by City Council: November 28, 2016

Summary and/or Comments:
Approval of a proffer amendment to approximately 1.6 acres of land within the Hastings Marketplace development. The amendment would revise the proffer language to permit two-bedroom residential loft units in place of the 26 approved one-bedroom residential loft units. No changes are proposed to the approved generalized development plan or elevations. Consideration of this proffer amendment is not subject to the new proffer legislation.

Board – Committee – or Commission Reviewed: Planning Commission – October 5, 2016 (Recommended Approval 4/1)

Fiscal Impact: N/A

Staff Contact: Kelly Davis, AICP, Senior Planner
kdavis@manassasva.gov
(703) 257-8225
City of Manassas
Manassas City Council
9027 Center Street
Manassas, VA 20110

Meeting Date: December 12, 2016
Time Estimate: Consent
Agenda Title: Ordinance #O-2017-06: Euclid Business Center Rezoning (Second Reading)
Recommendation: Approve Ordinance #O-2017-06 on Second Reading
Motion: If approved as part of the Consent Agenda:
I move that the Consent Agenda be approved and the readings of the ordinances dispensed.
If removed from the Consent Agenda:
I move the Ordinance #O-2017-06 be approved on Second Reading.
Date Last Considered by City Council: November 28, 2016
Summary and/or Comments: Approval of a City initiated request from the Euclid Business Center to rezone ±12.28 acres of land from I-2, Heavy Industrial to I-1, Light Industrial.
Board - Committee - or Commission Reviewed: Planning Commission – October 5, 2016 (Recommended Approval 5/0)
Fiscal Impact: N/A
Staff Contact: Matthew D. Arcieri, AICP, Planning & Zoning Manager
marcieri@manassasva.gov
(703) 257-8232
City of Manassas
Manassas City Council
9027 Center Street
Manassas, VA 20110

Meeting Date: December 12 2016

Time Estimate: Consent

Agenda Title: Ordinance #O-2017-07: Date and Time of Regular Meetings (Second Reading)

Recommendation: Approve Ordinance #O-2017-07 on Second Reading

Motion: If approved as part of the Consent Agenda:
I move that the Consent Agenda be approved and the readings of the ordinances dispensed.

If removed from the Consent Agenda:
I move that Ordinance #O-2017-07 regarding the date and time of Regular Meetings be approved on second reading.

Date Last Considered by City Council: November 28, 2016 (First Reading)

Summary and/or Comments: Staff proposed a minor change to the scheduling of meetings, which will reduce the number of monthly meetings and more accurately reflect existing procedures.

Upon adoption of Ordinance #O-2017-07, Regular Meetings will continue to be held on the second and fourth Monday of each month with work sessions (if needed) occurring on the third Monday of the month, rather than the first Monday. Public Hearings will typically be held on the second Monday of the month in conjunction with the Regular Meeting.

Board – Committee – or Commission Reviewed: N/A

Fiscal Impact: N/A

Staff Contact: Andrea P. Madden, Assistant to the City Manager – City Clerk
amadden@manassasva.gov
(703) 257-8280
Meeting Date: December 12, 2016

Time Estimate: 10 Minutes

Agenda Title: Ordinance #O-2017-10: Tax Relief for the Elderly and Handicapped Program – Income Eligibility (First Reading)

Recommendation: Approve Ordinance #O-2017-10 on First Reading

Motion: I move that Ordinance #O-2017-10 regarding the tax relief program for elderly and handicapped program relating to income eligibility be approved on first reading.

Date Last Considered by City Council: January 2013

Summary and/or Comments: At the December 5, 2016 City Council Work Session, the Council directed staff to move forward with amending income eligibility guidelines for the tax relief for the elderly and handicapped program as detailed in Ordinance #O-2017-10.

Board – Committee – or Commission Reviewed: Finance Committee – October 12, 2016 (Reviewed Only)

Fiscal Impact: The program recommended would have provided $1,017,899 in tax relief for the elderly and handicapped in 2017.

Staff Contact: W. Patrick Pate, City Manager
ppate@manassasva.gov
(703) 257-8212
AN ORDINANCE TO AMEND AND REENACT THE CODE OF ORDINANCES, CITY OF MANASSAS, VIRGINIA (2002), AS AMENDED, BY AMENDING PORTIONS OF SECTION 110-52 RELATING TO REAL ESTATE TAX RELIEF FOR THE ELDERLY AND HANDICAPPED

WHEREAS, The City offers a real estate and personal property tax relief program for elderly and disabled taxpayers in accordance with state statues; and

WHEREAS, City Council desires to continue to provide real estate and personal property tax relief to the most vulnerable of the elderly and disabled taxpayers by adopting income guidelines that will be effective for the program in Fiscal Year (FY) 2018; and

WHEREAS, Virginia Code 58.1-3210 permits the City to establish its own income figures for eligibility under its real estate tax relief program for the elderly and handicapped.

NOW, THEREFORE, BE IT ORDAINED by the Council of the City of Manassas, Virginia, meeting in regular session this _________ day of ___________________, 2017:

1. That the Code of Ordinances of the City of Manassas, Virginia (2002) is hereby amended and reenacted by amending Section 110-52 as follows:

Sec. 110-52. Definitions.

The following words, terms and phrases, when used in this division, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

Base shall be the extremely low income family income limit based upon a family of two, annually published by the U.S. Department of Housing and Urban Development for qualifying for the "Section 8 Housing Assistance Program." The total combined income for all sources during the preceding calendar year by owners of the dwelling who use it as their principal residence and owners’ relatives who live in the dwelling are within the following limits:
REAL PROPERTY:

<table>
<thead>
<tr>
<th>Household Income</th>
<th>Net Financial Worth</th>
<th>Exemption</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to base</td>
<td>$340,000.00</td>
<td>100%</td>
</tr>
<tr>
<td>Base to $56,150</td>
<td>$340,000.00</td>
<td>100% Up to $3,400</td>
</tr>
<tr>
<td>$56,151 to $64,573</td>
<td>$340,000.00</td>
<td>25% Up to $850</td>
</tr>
<tr>
<td>$64,573 to $72,995</td>
<td>$340,000.00</td>
<td>15% Up to $510</td>
</tr>
<tr>
<td>$72,996 to $81,418</td>
<td>$340,000.00</td>
<td>10% Up to $340</td>
</tr>
<tr>
<td>Over $81,419</td>
<td>$340,000.00</td>
<td>0%</td>
</tr>
</tbody>
</table>

PERSONAL PROPERTY:

<table>
<thead>
<tr>
<th>Household Income</th>
<th>Net Financial Worth</th>
<th>Exemption</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to base</td>
<td>$340,000.00</td>
<td>100%</td>
</tr>
<tr>
<td>Base to $56,150</td>
<td>$340,000.00</td>
<td>100%</td>
</tr>
<tr>
<td>$56,151 to $64,573</td>
<td>$340,000.00</td>
<td>25%</td>
</tr>
<tr>
<td>$64,573 to $72,995</td>
<td>$340,000.00</td>
<td>15%</td>
</tr>
<tr>
<td>$72,996 to $81,418</td>
<td>$340,000.00</td>
<td>10%</td>
</tr>
<tr>
<td>Over $81,419</td>
<td>$340,000.00</td>
<td>0%</td>
</tr>
</tbody>
</table>

2. That the household income categories receiving a 10% exemption be eliminated from the tax relief program in Fiscal Year (FY) 2019, the household income categories receiving a 15% exemption be eliminated from the tax relief program in Fiscal Year (FY) 2020, and the household income categories receiving a 25% exemption be eliminated from the tax relief program in Fiscal Year (FY) 2021.

3. That the City Council will annually receive a report on the real estate and personal property tax relief program from the Commissioner of Revenue to determine if the program base amount or exemption limits need to be revised.

4. This ordinance shall take effect January 1, 2017.
BY ORDER OF THE COUNCIL

_________________________
Harry J. Parrish, II, Mayor
On Behalf of the City Council of
Manassas, Virginia

ATTEST:

_________________________
City Clerk

MOTION:
SECOND:
RE:
ACTION:

Votes:
Ayes:
Nays:
Absent from Vote:
Absent from Meeting:
Meeting Date: December 12, 2016

Time Estimate: 5 Minutes

Agenda Title: City of Manassas’ 2017 Legislative Priorities

Recommendation: Approve

Motion: I move that the 2017 Legislative Priorities be approved as presented.

Date Last Considered by City Council: December 14, 2015

Summary and/or Comments: Following discussion with staff and elected officials, the 2017 Legislative Priorities have been developed and will be shared with the community and state legislators. The priorities have been discussed at various levels and accurately reflect a consensus of the City Council.

Board – Committee – or Commission Reviewed:

- November 28, 2016 – Ad-Hoc Legislative Committee Meeting
- December 5, 2016 – Legislative Meeting with Legislators
- December 5, 2016 – Work Session

Fiscal Impact: N/A

Staff Contact: W. Patrick Pate, City Manager
ppate@manassasva.gov
(703) 257-8212
Legislative Priorities - 2017

Priorities:
- We strongly support legislative efforts to maintain local revenues such as the Machinery and Tools Tax and the Business and Professional Occupational License Fee and to not balance the State budget by passing costs to local governments. These revenue sources represent $4.9 million and $3.3 million respectively (9% of City general tax revenue), of which 62% is budgeted to support the Manassas City Public Schools. Local sources of revenue should not be reduced or eliminated unless a sustainable alternative revenue source is provided by the state.
- We strongly support the establishment of a protective price floor for the 2.1% regional gas tax which supports regional transportation like VRE and OmniLink bus services and has fallen by 59% over the past several years.
- We strongly support the maintenance of state funding for K-12 education including the restoration of full funding for the cost of competing adjustment, full-funding for state passed mandates and programs and funding for career and technical education.
- We strongly support improvements to VA-28 corridor in the VDOT Six-Year Improvement Program including consideration of the VA-28 Manassas Bypass.

Legislative Issues:

Public Safety
- We support Legislative Guidelines for Body Worn Cameras as proposed by the Department of Criminal Justice Services that will establish administrative guidelines for the use of Body Worn Cameras.
- We support the restoration of full state administration and funding of the Line of Duty Act.
- We support License Plate Reader regulation. Currently, there is no State Code that regulates storage and use of license plate readers. Virginia Association of Chiefs of Police (VACP) is in support of regulation as long as it allows us to retain the data for a minimum of 90 days.
- We support efforts to increase statewide mental health support to avoid unnecessary incarceration by funding Mental Health Court Dockets.

Land Use
- We support Chapter 22 of Virginia code 15.2, Planning, Subdivision of Land and Zoning, and oppose any legislation that further reduces local authority for planning, zoning, and mitigating the impacts of new development on our residents, schools and other infrastructure.
- We support the expanded use of development impact fees or other tools for mitigating the impact of development on local infrastructure (notably schools) and revitalizing our communities. The City opposes any effort to establish state-mandated caps on development or impact fees and proffers.

Utilities
- We support legislation to provide utility systems with tools to ensure private utility systems are sufficiently maintained.
- We oppose the implementation of renewable energy resources with a mandatory Renewable Portfolio Standard (RPS) because of the increased cost impact to customers.
- We oppose regulation of local municipal electric utilities by the Virginia State Corporation Commission. Local regulation of municipal electric utilities should be provided by local officials who are accountable to the utility customer.
- We oppose any reallocation of existing State Water Control Board (SWCB) approved nutrient allocations from an existing public treatment facility.

Partner Initiatives
- We support the VML Legislative Positions.
Meeting Date: December 12, 2016

Time Estimate: 15 Minutes

Agenda Title: Presentation of the Comprehensive Annual Financial Report (CAFR) and Auditor's Findings for the Fiscal Year Ended June 30, 2016

Recommendation: Information Only

Motion:

Date Last Considered by City Council: N/A

Summary and/or Comments: The City's Auditors, Brown Edwards and Company, L.L.P. will present their report and findings related to the financial audit of the City for fiscal ended June 30, 2016, and required communication to the Council from the auditors regarding audit findings and internal control matters.

Board – Committee – or Commission Reviewed:

Fiscal Impact: N/A

Staff Contact: Paul E. York, Finance and Administration Director
pyork@manassasva.gov
(703) 257-8234

Matthew S. Heatwole, CPA Senior Manager, Brown Edwards & Co., LLP
(540) 434-6736
TO: Mayor and City Council

FROM: Paul E. York, Finance & Administration Director

THROUGH: W. Patrick Pate, City Manager

SUBJECT: Comprehensive Annual Financial Report and Required Communication to the Council from the Auditors for the Fiscal Year Ended June 30, 2016

It is my pleasure to submit to you an electronic copy of the City of Manassas comprehensive annual financial report (CAFR) for the Fiscal Year Ended June 30, 2016. The CAFR has been posted to the City’s website and can be accessed from the following link www.manassascity.org/CAFR. This CAFR also includes the report on the Manassas City Public Schools and the separate Single Audit of the federal grant activity of the City under programs of the federal government. The City’s auditors, Brown Edwards & Company, LLP, Certified Public Accountants, have issued an unmodified audit report.

Also enclosed, from the auditors, are the Communication with Those Charged with Governance letter and a copy of their Management Letter comments.

The auditors will present their audit report and findings to the City Council at the December 12, 2016, regular Council meeting.

If you desire a hard copy of the CAFR, please contact me or Sheila Oakes at (703) 257-8305 or soakes@manassasva.gov and a copy will be provided.

Thank you.

Attachment
REQUIRED COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

Honorable Members of City Council
and School Board
City of Manassas, Virginia

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Manassas, Virginia, collectively hereafter referred to as the “City”, for the year ended June 30, 2016. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, Government Auditing Standards, and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated May 31, 2016. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note 1 to the financial statements. No new significant accounting policies were adopted and the application of existing policies were not changed during 2016. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management’s knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

- The useful lives of capital assets are based on management’s knowledge and judgment, which is based on history.
- The other post-employment benefits liability is based on an actuarial study provided by the City’s external actuarial firm.
- The allowance for doubtful accounts is based on historical records and an analysis of the collectability of accounts.
- The net pension liability is based on an actuarial study provided by actuaries engaged by the Virginia Retirement System.
Significant Audit Findings (Continued)

- The City’s agreement with Prince William Manassas Regional Adult Detention Center (PWMRADC) requires periodic true-ups based on actual costs incurred for the City’s prisoner day percentage, shared overhead costs and shared repairs. Recorded amounts are subject to change for the most recent year based on verification by PWMRADC and the results of PWMRADC’s annual audit.

  We evaluated the key factors and assumptions used to develop these estimates in determining that the estimates are reasonable in relation to the financial statements taken as a whole.

  Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements include those related to capital assets, long-term debt, commitments and contingencies, other post-employment liabilities, risk management, and defined benefit pension plan. The financial statement disclosures are neutral, consistent and clear.

Difficulties Encountered in Performing the Audit

- We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

- Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management.

  The following audit adjustment we proposed, which was recorded by the City, indicates a matter that had a significant effect on the City’s financial reporting process. All amounts are rounded to the nearest thousand.

Corrected Misstatement:

City

- Approximately $7,197,000 increase to capital assets, a $4,075,000 increase to accumulated depreciation, a $223,000 increase to current depreciation expense, and a $3,345,000 increase to beginning net position for items related to the Adult Detention Center and Judicial Center improvements in the government wide statements. The City had originally removed the assets from their records this year; however, after further discussion and research determined such assets should remain recorded.
Significant Audit Findings (Continued)

Management has determined that the effects of the following uncorrected misstatements are immaterial to the financial statements, both individually and in aggregate, to the financial statements taken as a whole. All amounts are rounded to the nearest thousand.

Uncorrected Misstatements:

Schools

- The current year effect of a prior year uncorrected misstatement which would result in a $535,000 decrease to beginning fund balance with a corresponding decrease to capital outlay expenditures at the fund level for a potential misstatement to record construction costs for the period June 20, 2015 through June 30, 2015.

- Approximately $234,000 increase to current year pension expense with a corresponding increase to beginning net position for the under-accrual in the prior year of deferred outflows of resources for pension contributions subsequent to the measurement date.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor’s report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated November 29, 2016, a copy of which is attached.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the governmental unit’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.
Other Matters

We applied certain limited procedures to management’s discussion and analysis and other required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the combining and individual non-major fund financial statements, discretely presented component unit fund financial statements, and the schedule of expenditures of federal awards, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the introductory and statistical sections, which accompany the financial statements but are not RSI. We did not audit or perform other procedures on this other information and we do not express an opinion or provide any assurance on it.

This information is intended solely for the use of the City Council, School Board, and management and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Harrisonburg, Virginia
November 29, 2016

Attachment
November 29, 2016

Brown Edwards & Company, L.L.P.
124 Newman Avenue
Harrisonburg, Virginia 22801

This representation letter is provided in connection with your audit of the financial statements of the City of Manassas, Virginia, which comprise the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows for the years then ended, and the related notes to the financial statements, for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of November 29, 2016, the following representations made to you during your audit.

Financial Statements

1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated May 31, 2016, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for preparation of the supplementary information in accordance with the applicable criteria.

2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.

3) We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.

5) Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.

6) Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with U.S. GAAP.
7) Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements or in the schedule of findings and questioned costs.

8) We have reviewed the proposed adjusting journal entries and understand the nature and impact these entries have on our financial statements.

9) We believe the effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole for each opinion unit. Those misstatements are as follows:

   a) MCPS:
      i) The current year effect of a prior year uncorrected misstatement which would result in a $535,000 decrease to beginning fund balance with a corresponding decrease to capital outlay expenditures at the fund level for a potential misstatement to record construction costs for the period June 20, 2015 through June 30, 2015.
      ii) Approximately $234,000 increase to current year pension expense with a corresponding increase to beginning net position for the under-accrual in the prior year of deferred outflows of resources for pension contributions subsequent to the measurement date.

10) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.

11) Guarantees, whether written or oral, under which the entity is contingently liable, if any, have been properly recorded or disclosed.

12) We have provided the planning communication letter to all members of those charged with governance as requested.

Information Provided

13) We have provided you with:

   a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters [and all audit or relevant monitoring reports, if any, received from funding sources].

   b) Additional information that you have requested from us for the purpose of the audit.

   c) Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.

   d) Minutes of the meetings or summaries of actions of recent meetings for which minutes have not yet been prepared.

14) All material transactions have been recorded in the accounting records and are reflected in the financial statements and the schedule of expenditures of federal awards.

15) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

16) We have no knowledge of any fraud or suspected fraud that affects the entity and involves:

   • Management,
   • Employees who have significant roles in internal control,
   • Service organizations used by the entity, or
• Others where the fraud could have a material effect on the financial statements.

17) We have no knowledge of any allegations of fraud or suspected fraud affecting the entity's financial statements communicated by employees, former employees, regulators, or others.

18) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.

19) We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.

20) We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.

Government—specific

21) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.

22) We have a process to track the status of audit findings and recommendations.

23) We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.

24) We have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.

25) The entity has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.

26) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts; and legal and contractual provisions for reporting specific activities in separate funds.

27) We have identified and disclosed to you all instances, which have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that we believe have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.

28) We have identified and disclosed to you all instances, which have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that we believe have a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.

29) We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.

30) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.

31) As part of your audit, you assisted with preparation of the financial statements and related notes as well as the schedule of expenditures of federal awards. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses
suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and related notes and schedule of expenditures of federal awards.

32) The entity has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.

33) The entity has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

34) The financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.

35) The financial statements properly classify all funds and activities, in accordance with GASB Statement No. 34.

36) All funds that meet the quantitative criteria in GASBS Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.

37) Components of net position (net investment in capital assets; restricted; and unrestricted), and components of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.

38) Investments, derivative instruments, and land and other real estate held by endowments are properly valued.

39) Provisions for uncollectible receivables have been properly identified and recorded.

40) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.

41) Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.

42) Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.

43) Special and extraordinary items are appropriately classified and reported, if applicable.

44) Deposits and investment securities and derivative instruments are properly classified as to risk and are properly disclosed.

45) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated.

46) Capital assets have been evaluated for impairment as a result of significant and unexpected decline in service utility. Impairment loss and insurance recoveries have been properly recorded.

47) We believe that the actuarial assumptions and methods used to measure pension and OPEB liabilities and costs for financial accounting purposes are appropriate in the circumstances.

48) We have not completed the process of evaluating the impact that will result from adopting new Governmental Accounting Standards Board (GASBS) Statements that are not yet effective, as discussed in the notes to financial statements. The entity is therefore unable to disclose the impact that adopting these Statements will have on its financial position and the results of its operations when the Statements are adopted.
49) We agree with the findings of specialists in evaluating the pension and OPEB liabilities and have adequately considered the qualifications of the specialist in determining the amounts and disclosures used in the financial statements and underlying accounting records. We did not give or cause any instructions to be given to specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an impact on the independence or objectivity of the specialists.

50) We have appropriately disclosed the entity’s policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.

51) We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.

52) We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.

53) With respect to the supplementary information on which an in-relation-to opinion is issued.

   a) We acknowledge our responsibility for presenting the supplementary information in accordance with accounting principles generally accepted in the United States of America, and we believe the supplementary information, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation of the supplementary information have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.

   b) If the supplementary information is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditor’s report thereon.

54) With respect to federal award programs:

   a) We are responsible for understanding and complying with and have complied with the requirements of 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), including requirements relating to preparation of the schedule of expenditures of federal awards.

   b) We acknowledge our responsibility for presenting the schedule of expenditures of federal awards (SEFA) in accordance with the requirements of the Uniform Guidance, and we believe the SEFA, including its form and content, is fairly presented in accordance with the Uniform Guidance. The methods of measurement or presentation of the SEFA have not changed from those used in the prior period and we have disclosed to you any significant assumptions and interpretations underlying the measurement or presentation of the SEFA.

   c) If the SEFA is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the SEFA no later than the date we issue the SEFA and the auditor’s report thereon.
d) We have identified and disclosed to you all of our government programs and related activities subject to the Uniform Guidance compliance audit, and have included in the SEFA expenditures made during the audit period for all awards provided by federal agencies in the form of federal awards, federal cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other direct assistance.

e) We are responsible for understanding and complying with, and have complied with, the requirements of federal statutes, regulations, and the terms and conditions of federal awards related to each of our federal programs and have identified and disclosed to you the requirements of federal statutes, regulations, and the terms and conditions of federal awards that are considered to have a direct and material effect on each major program.

f) We are responsible for establishing and maintaining, and have established and maintained, effective internal control over compliance for federal programs that provides reasonable assurance that we are managing our federal awards in compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a material effect on our federal programs. We believe the internal control system is adequate and is functioning as intended.

g) We have made available to you all federal awards (including amendments, if any) and any other correspondence with federal agencies or pass-through entities relevant to federal programs and related activities.

h) We have received no requests from a federal agency to audit one or more specific programs as a major program.

i) We have complied with the direct and material compliance requirements (except for noncompliance disclosed to you), including when applicable, those set forth in the OMB Compliance Supplement, relating to federal awards and have identified and disclosed to you all amounts questioned and all known noncompliance with the direct and material compliance requirements of federal awards.

j) We have disclosed any communications from federal awarding agencies and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditor’s report.

k) We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor’s report.

l) Amounts claimed or used for matching were determined in accordance with relevant guidelines in OMB’s Uniform Guidance (2 CFR part 200, subpart E) and OMB Circular A-87, Cost Principles for State, Local, and Indian Tribal Governments.

m) We have disclosed to you our interpretation of compliance requirements that may have varying interpretations.

n) We have made available to you all documentation related to compliance with the direct and material compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.
o) We have disclosed to you the nature of any subsequent events that provide additional evidence about conditions that existed at the end of the reporting period affecting noncompliance during the reporting period.

p) There are no such known instances of noncompliance with direct and material compliance requirements that occurred subsequent to the period covered by the auditor's report.

q) No changes have been made in internal control over compliance or other factors that might significantly affect internal control, including any corrective action we have taken regarding significant deficiencies or material weaknesses in internal control over compliance, subsequent to the period covered by the auditor's report.

r) Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the financial statements have been prepared.

s) The copies of federal program financial reports provided you are true copies of the reports submitted, or electronically transmitted, to the respective federal agency or pass-through entity, as applicable.

t) We have monitored subrecipients, as necessary, to determine that they have expended subawards in compliance with laws and federal statutes, regulations, and the terms and conditions of the subaward and have met the requirements of the Uniform Guidance, if applicable.

u) We have issued management decisions for audit findings that relate to federal awards made to subrecipients and such management decisions have been issued within six months of acceptance of the audit report by the Federal Audit Clearinghouse. Additionally, we have followed-up ensuring that the subrecipient has taken timely and appropriate action on all deficiencies detected through audits, on-site reviews, and other means that pertain to the federal award provided to the subrecipient, if applicable.

v) We have considered the results of subrecipient audits and have made any necessary adjustments to our books and records, if applicable.

w) We have charged costs to federal awards in accordance with applicable cost principles. We are responsible for and have accurately prepared the summary schedule of prior audit findings to include all findings required to be included by the Uniform Guidance and we have provided you with all information on the status of the follow-up on prior audit findings by federal awarding agencies and pass-through entities, including all management decisions.

x) We are responsible for and have ensured the reporting package does not contain protected personally identifiable information.

y) We are responsible for and have accurately prepared the auditee section of the Data Collection Form as required by the Uniform Guidance.

z) We are responsible for taking corrective action on each audit finding of the compliance audit and have developed a corrective action plan that meets the requirements of the Uniform Guidance.

aa) We have disclosed to you all contracts or other agreements with service organizations, and we have disclosed to you all communications from the service organizations relating to noncompliance at the service organizations, if applicable.

55) We reaffirm the representations made to you in our letter dated December 30, 2015 regarding your audit for the fiscal year ended June 30, 2015.
Signature:

Title: City Manager

Signature:

Title: Finance and Administration Director

Signature:

Title: Accounting Manager
Signature: [Signature]
Title: Superintendent - MCPS

Signature: [Signature]
Title: Executive Director of Financial Services - MCPS

Signature: [Signature]
Title: Supervisor of Accounting and Grant Management - MCPS
CITY OF MANASSAS, VIRGINIA AND
MANASSAS CITY PUBLIC SCHOOLS

COMMENTS ON INTERNAL CONTROL AND
OTHER SUGGESTIONS FOR YOUR
CONSIDERATION

June 30, 2016
INDEPENDENT AUDITOR’S REPORT ON COMMENTS AND SUGGESTIONS

Members of City Council
and School Board
City of Manassas, Virginia

In planning and performing our audit of the financial statements of the City of Manassas, Virginia and the Manassas City Public Schools as of and for the year ended June 30, 2016, in accordance with auditing standards generally accepted in the United States of America, we considered its internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in circumstances for the purpose of expressing our opinion on the financial statements and to comply with any other applicable standards, such as Government Auditing Standards and the regulations set forth in the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. Accordingly, we do not express an opinion on the effectiveness of the entity’s internal control.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls. As discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

If material weaknesses or significant deficiencies were identified during our procedures they are appropriately designated as such in this report. Additional information on material weaknesses or significant deficiencies and compliance and other matters is included in the Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards which should be read in conjunction with this report.
Additionally, during our audit, we may have become aware of certain other matters that provide opportunities for improving your financial reporting system and/or operating efficiency. Such comments and suggestions regarding these matters, if any, are also included in the attached report, but are not designated as a material weakness or significant deficiency. Since our audit is not designed to include a detail review of all systems and procedures, these comments should not be considered as being all-inclusive of areas where improvements might be achieved. We also have included information on accounting and other matters that we believe is important enough to merit consideration by management and those charged with governance. It is our hope that our suggestions will be taken in the constructive light in which they are offered.

We have already discussed these comments and suggestions with management, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations. A review of the status of prior year comments and suggestions is included starting on page 7.

This communication is intended solely for the information and use of City Council, the School Board, management, and state and federal regulatory agencies and is not intended to be, and should not be, used by anyone other than those specified parties.

Harrisonburg, Virginia
November 29, 2016
USE OF PURCHASE CARDS - CITY AND SCHOOLS

Because controls over purchases made with purchase cards are generally less formal, and because often these transactions are conducted with vendors who may also sell consumer items, it can be difficult to detect unauthorized purchases. For this reason, the use of purchase cards tends to attract fraud and abuse. At most local governments, the controls over these purchases consist primarily of the requirement that invoices and receipts be provided for every transaction. This documentation is then reviewed and approved by the supervisor before being forwarded to the finance department for final approval for payment. Properly implemented, these are effective controls – however, their effectiveness is highly dependent upon the attention to detail, knowledge, and skepticism of those who are approving the payments. We suggest that management consider the following questions:

- How rigorous is the review of purchase card receipts and applicable store account invoices when they are submitted for approval – are they inspected closely for items that could be personal in nature?
- Does the person reviewing these documents maintain a skeptical attitude?
- Is such documentation being reviewed and approved by appropriate personnel? Such personnel should have sufficient knowledge about the department and its operations to allow them to identify and question unusual purchases.
- Are there appropriate offsetting reviews in cases where supervisors may be responsible for reviewing and approving purchase card and store account purchases, including those transactions conducted by the supervisor himself or herself?
- Are there any such accounts which are unnecessary and which could be closed without hindering operations?

We are bringing these issues to your attention because these areas are susceptible to abuse, and because the quality of controls over these areas can be difficult to measure. In other words, the signature of one supervisor may indicate a thorough review of documentation, while the signature of another may signify only a cursory glance at the materials with no substantive review at all – a finance department will rarely know the difference. Because of these factors, we recommend that management review the questions above with those personnel who are involved in approving these transactions, and reinforce the importance of vigilance and attentiveness.
COMMENTS ON INTERNAL CONTROL AND OTHER SUGGESTIONS
FOR YOUR CONSIDERATION (Continued)

USE OF PURCHASE CARDS (Continued)

Specifically, we suggest consideration of the following controls:

- Restrict some cards for specific uses or vendors. For instance, usage could be limited to travel related expenses, or for vendors where emergency purchases are made. For travel related expenses, set limits for expenditures, such as with a per diem rate, and require employees to pay for any overages.
- Limit the number of cards issued to employees. For instance, issuance of cards could be restricted to department heads or senior staff.
- Perform background or credit checks on employees before issuance, and consider bonding employees with cards issued to them.
- Other purchase cards should remain locked up until needed for use. A sign-out system could then be implemented whereby employees check out the cards when needed. Require prior written authorization before these cards are checked out or before purchase cards are used to make purchases. If a department has to have a card available at all times, have one card available at a centralized, controlled location to be checked out by only those who are on call.
- Limit the individuals authorized to request credit increases or additional cards.
- Have all statements mailed directly to the finance department. Require that employees submit original receipts for purchase card purchases to department heads for approval. Have department heads submit approved, original receipts to the finance department for matching of supporting documentation to statements. Only pay statements that have been supported by approved, original supporting documentation. This function should be segregated from the issuance of purchase cards.
- Ensure that all receipts and other documentation are reviewed and approved by someone other than the individual making the purchases. This person should be knowledgeable about the department’s purchasing needs.
- Set spending limits consistent with needs, such as by day, by card, or by transaction. Monitor cards for spending beyond such limits.
STATUS OF PRIOR YEAR COMMENTS

ACCOUNTS RECEIVABLE – ENTERPRISE FUNDS (Current Year and Prior Year Material Weakness) - CITY

During our review of enterprise accounts receivable detail and the allowance for doubtful accounts, we noted large balances for significantly aged accounts were still present in the general ledger with no corresponding allowance for doubtful account. Management noted that these balances represented uncollectible accounts. After further analysis, a material adjustment was required to eliminate old accounts receivable in several of the enterprise funds. The restatement of previously issued financial statements to reflect the identification and correction of a material misstatement is an indication of a material weakness not detected by the City’s internal controls. We recommend the City record all amounts transferred to the “144” account as write-offs in order to avoid overstatement of accounts receivable. We also recommend the allowance for doubtful accounts, account aging detail and trends be examined periodically as these are important tools in evaluation of the collectability of accounts.

Current Status: The allowance issue described above has been addressed and corrected by the City. A separate situation was discovered during the current year, however, related to the estimate for unbilled receivables in the Electric fund. This figure, due to an error with the system-generated report used to derive the estimate, was understated by a material amount in the prior and current years. In addition to having an employee in the Finance department perform the calculation for this amount, we recommend that a knowledgeable employee in the Utilities department perform a secondary review of the calculation and its source data for reasonableness.

CAPITAL ASSETS (Current Year and Prior Year Material Weakness) - CITY

During FY 2015, the City began a rigorous process to identify and properly capture capital asset activity in both government activities and business-type activities. As a result of the internal review and the current year audit, a number of material adjustments were required to restate beginning net position as well as to reclassify balances capital asset categories. The restatement of previously issued financial statements to reflect the identification and correction of a material misstatement is an indication of a material weakness not detected by the City’s internal controls. We recommend the City continue the procedures they have begun to help identify such issues and proceed with their plan to utilize capital asset tracking functions as part of their forthcoming enterprise resource planning software implementation. As a part of the implementation, we recommend management review the depreciable lives of assets to ensure such amounts match the expected recovery period, specifically on various Electric Fund assets. We also noted the City has not capitalized interest costs incurred as a part of the historical cost of capital assets in the enterprise funds. We recommend the City consider adopting procedures to account for such costs incurred in prior years and going forward.

Current Status: This comment is still applicable due to a material audit adjustment required in the current year. However, it should be noted that significant strides have been made in the current year to improve the accuracy, clarity, consistency, and usability of the capital assets accounting records. Additionally, the City did calculate and record an adjustment to recognize capitalized interest in the current year.
STATUS OF PRIOR YEAR COMMENTS (Continued)

AIRPORT TRANSACTIONS (Prior Year Material Weakness) - CITY

Material adjustments were required for items in the Airport Fund related to debt not previously recorded, recognition of insurance proceeds revenue related to prior years and accounting for revenue from monthly rental of hangars and leases. The restatement of previously issued financial statements to reflect the identification and correction of a material misstatement is an indication of a material weakness not detected by the City’s internal controls. The Airport is also subject to unique requirements as promulgated by the Federal Aviation Administration which may have an impact on the financial reporting process. The City has regular communication with management at the Airport and we recommend the City continue to implement formal processes to ensure that all of the transactions are accurately captured, analyzed and recorded in the financial records on a timely basis.

Current Status: No similar occurrences were noted during the current year’s audit procedures. This comment appears to be mitigated.

ACCOUNTS PAYABLE EXPENDITURES REVIEW - CITY

During our review of a sample of accounts payable disbursements, we noted one expenditure for a travel reimbursement that was not approved by a supervisor or by another individual before being paid. We recommend that another individual review and approve such expenditures for all employees, including senior management.

Current Status: Based on a limited sample of selected items performed in the current year, this comment appears to be mitigated.

PAYROLL MASTER FILE CHANGE LOG REVIEW - CITY

We noted during our review of the payroll process that changes to the payroll master file are not periodically reviewed. This presents a risk of unauthorized changes being made without being prevented or detected and corrected. We recommend that the list of changes to the payroll master file be periodically reviewed for reasonableness.

Current Status: Based on a limited sample of selected items performed in the current year, this comment appears to be mitigated.

MASTER VENDOR LIST REVIEW – CITY AND SCHOOLS

Changes to the master vendor file are not being periodically reviewed, which presents a risk for misappropriation of assets. We recommend the master vendor list be reviewed including any changes made, at least on a quarterly basis, and that review be documented. While performing the review, vendors that have not had activity for an extended period should be deactivated. The City represented during the audit that they hope to implement this procedure as a part of its new software implementation.

Current Status: In the current year, the City reviewed and purged inactive vendors in advance of the upcoming enterprise resource planning software implementation, but no formal procedures have yet been implemented. The City plans to implement the above recommendation when the new software is operational. Based on a limited sample of selected items performed in the current year, this comment appears to be mitigated for the Schools.
CAPITAL ASSETS – EVALUATION OF EXISTENCE AND USEFUL LIFE - SCHOOLS

Currently, listings of capital assets are not periodically routed to the appropriate departmental managers to determine whether or not the assets still physically exist. This increases the risks of capital assets being overstated and the gain or loss on sale of capital assets being improperly recorded. We recommend listings of capital assets be reviewed by the appropriate managers at least annually. We also recommend that, where significant and applicable, asset depreciable lives be considered and adjusted if necessary to reflect changes in the assets’ useful lives. Department managers should consider these matters in their review of the capital asset listings and discuss with the finance department.

Current Status: This comment is still applicable.

SEGREGATION OF DUTIES – CITY

One of the more important aspects of any internal control structure is segregation of duties. In an ideal system of internal controls, no individual would perform more than one duty in connection with any transaction or series of transactions. In particular, no one individual should have access to both physical assets and the related accounting records. Such access may allow errors or irregularities to occur and not be prevented or detected. Specific items related to segregation of duties are discussed below:

- We noted that write-offs of utility billings could be performed by individuals in the City Utilities Division. These individuals also have the ability to prepare billings, collect receipts, post receipts into the utility software. The write-offs of utility billings should be limited to individuals with no access to cash. In addition, all utility billing write-offs should be approved by someone independent of the utility billing process, prior to the write-off occurring. Also, a detailed report should be generated that shows all utility billing write-offs for a specified period of time; this report should be approved on at least a monthly basis by an individual independent of the processes noted above.

- We noted individuals in the City Treasurer’s office have the ability to write off customer accounts receivable amounts. These individuals also have the ability to collect and post receipts to the general ledger, prepare deposits and adjust property tax rolls. Where possible, we recommend the access to perform write offs and collection of cash be segregated. We also recommend a report of write-offs be reviewed by an individual independent of the collection and posting process on a periodic basis.

- We noted individuals in the Accounting Division, Treasurer’s Office and Purchasing Division have access to initiate purchase orders and approve purchase orders and vendor invoices. Some of these individuals also have access to edit the master vendor file and can record vendor invoices into the system. We recommend where possible, access to the vendor master file be limited to individuals not responsible for entering invoices and to individuals without authority to approve invoices. We also recommend individuals with access to the check stock not have permissions to approve vendor invoices.

Current Status: This comment is still applicable. The recommendations above are planned to be applied alongside the upcoming implementation of the new enterprise resource planning software.
STATUS OF PRIOR YEAR COMMENTS (Continued)

INFORMATION TECHNOLOGY – LOGICAL ACCESS – USER ACCESS – CITY AND SCHOOLS

Per discussion with the IT Manager at both the City and Schools, it was determined that both the City and Schools have recently begun performing periodic access permissions for reasonableness, but there are no periodic reviews of the audit trails of users with elevated access permissions. Not reviewing user’s audit trails could increase the risk of improper or unauthorized access. We recommend that the City and Schools implement a program of review of logs of administration activity. The City plans to examine the possibility of such review as a part of its new software implementation.

We noted one individual at the Schools who is responsible for the administration of access to applications also has access to the financial software. This access increases the risk of unauthorized transactions remaining undetected. We recommend such access be limited to only IT personnel. If management is unable to assign these tasks to someone without operational responsibility, then we recommend that the application administrators have two user IDs and passwords. The first would have only the permissions needed to complete their operational functions, and the second would give them administrative access. We also recommend that the administrator ID’s activities be reviewed by an independent member of management on a regular basis.

Current Status: This comment is still applicable.

INFORMATION TECHNOLOGY – DISASTER RECOVERY - CITY

Per our review of documentation and through discussion with the IT Manager at the City, we determined there is no formal disaster recovery plan. Based on our discussions with these individuals, there are a variety of files and documents available for disaster recovery purposes, however, we recommend that the City develop, document, approve, implement and annually test a disaster recovery plan to ensure timely resumption of IT service in the event of an incident. The City has contracted with a new vendor as a part of its planned software implementation and plans to formally address backup and recovery.

Current Status: This comment is still applicable.
In this section, we would like to make you aware of certain confirmed and potential changes that are on the horizon that may affect your financial reporting and audit.

**GASB STATEMENT NO. 74**

GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans other than Pensions* improves the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency.


GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*, establishes new accounting and financial reporting requirements for governments whose employees are provided with OPEB, as well as for certain nonemployer governments that have a legal obligation to provide financial support for OPEB provided to the employees of other entities.

The scope of this Statement includes OPEB plans – defined benefit and defined contribution – administered through trusts that meet the following criteria:

- Contributions from employers and nonemployer contributing entities to the OPEB plan and earnings on those contributions are irrevocable.
- OPEB plan assets are dedicated to providing OPEB to plan members in accordance with the benefit terms.
- OPEB plan assets are legally protected from the creditors of employers, nonemployer contributing entities, and the OPEB plan administrator. If the plan is a defined benefit OPEB plan, plan assets also are legally protected from creditors of the plan members.

This Statement also includes requirements to address financial reporting for assets accumulated for purposes of providing defined benefit OPEB through OPEB plans that are not administered through trusts that meet the specified criteria.

**GASB Statement No. 74** will be effective for the year ending June 30, 2017.
GASB STATEMENT NO. 75

GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits other than Pensions improves accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency.

This Statement replaces the requirements of Statements No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits other than Pensions, as amended, and No. 57, OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans, for OPEB. Statement No. 74, Financial Reporting for Postemployment Benefit Plans other than Pension Plans, establishes new accounting and financial reporting requirements for OPEB plans.

The scope of this Statement addresses accounting and financial reporting for OPEB that is provided to the employees of state and local governmental employers. This Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit OPEB, this Statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Note disclosure and required supplementary information requirements about defined benefit OPEB also are addressed.

In addition, this Statement details the recognition and disclosure requirements for employers with payables to defined benefit OPEB plans that are administered through trusts that meet the specified criteria and for employers whose employees are provided with defined contribution OPEB. This Statement also addresses certain circumstances in which a nonemployer entity provides financial support for OPEB of employees of another entity.

In this Statement, distinctions are made regarding the particular requirements depending upon whether the OPEB plans through which the benefits are provided are administered through trusts that meet the following criteria:

- Contributions from employers and nonemployer contributing entities to the OPEB plan and earnings on those contributions are irrevocable.
- OPEB plan assets are dedicated to providing OPEB to plan members in accordance with the benefit terms.
- OPEB plan assets are legally protected from the creditors of employers, nonemployer contributing entities, the OPEB plan administrator, and the plan members.

GASB Statement No. 75 will be effective for the year ending June 30, 2018.
Financial statements prepared by state and local governments in conformity with generally accepted accounting principles provide citizens and taxpayers, legislative and oversight bodies, municipal bond analysts, and others with information they need to evaluate the financial health of governments, make decisions, and assess accountability. **GASB Statement No. 77, Tax Abatement Disclosures** is intended, among other things, to assist these users of financial statements in assessing (1) whether a government’s current-year revenues were sufficient to pay for current-year services (known as interperiod equity), (2) whether a government complied with finance-related legal and contractual obligations, (3) where a government’s financial resources come from and how it uses them, and (4) a government’s financial position and economic condition and how they have changed over time.

Financial statement users need information about certain limitations on a government’s ability to raise resources. This includes limitations on revenue raising capacity resulting from government programs that use tax abatements to induce behavior by individuals and entities that is beneficial to the government or its citizens. Tax abatements are widely used by state and local governments, particularly to encourage economic development. For financial reporting purposes, this Statement defines a tax abatement as resulting from an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens.

Although many governments offer tax abatements and provide information to the public about them, they do not always provide the information necessary to assess how tax abatements affect their financial position and results of operations, including their ability to raise resources in the future. This Statement requires disclosure of tax abatement information about (1) a reporting government’s own tax abatement agreements and (2) those that are entered into by other governments and that reduce the reporting government’s tax revenues.

This Statement requires governments that enter into tax abatement agreements to disclose the following information about the agreements:

- Brief descriptive information, such as the tax being abated, the authority under which tax abatements are provided, eligibility criteria, the mechanism by which taxes are abated, provisions for recapturing abated taxes, and the types of commitments made by tax abatement recipients.
- The gross dollar amount of taxes abated during the period.
- Commitments made by a government, other than to abate taxes, as part of a tax abatement agreement.

Governments should organize those disclosures by major tax abatement program and may disclose information for individual tax abatement agreements within those programs. Tax abatement agreements of other governments should be organized by the government that entered into the tax abatement agreement and the specific tax being abated. Governments may disclose information for individual tax abatement agreements of other governments within the specific tax being abated. For those tax abatement agreements, a reporting government should disclose:
ACCOUNTING AND OTHER MATTERS
June 30, 2016

GASB STATEMENT NO. 77 (Continued)

- The names of the governments that entered into the agreements.
- The specific taxes being abated.
- The gross dollar amount of taxes abated during the period.

GASB Statement No. 77 will be effective for the year ending June 30, 2017.

GASB STATEMENT NO. 78

The objective of GASB Statement No. 78, Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans is to address a practice issue regarding the scope and applicability of Statement No. 68, Accounting and Financial Reporting for Pensions. This issue is associated with pensions provided through certain multiple-employer defined benefit pension plans and to state or local governmental employers whose employees are provided with such pensions.

Prior to the issuance of this Statement, the requirements of Statement No. 68 applied to the financial statements of all state and local governmental employers whose employees are provided with pensions through pension plans that are administered through trusts that meet the criteria in paragraph 4 of that Statement.

This Statement amends the scope and applicability of Statement No. 68 to exclude pensions provided to employees of state or local governmental employers through a cost-sharing multiple-employer defined benefit pension plan that (1) is not a state or local governmental pension plan, (2) is used to provide defined benefit pensions both to employees of state or local governmental employers and to employees of employers that are not state or local governmental employers, and (3) has no predominant state or local governmental employer (either individually or collectively with other state or local governmental employers that provide pensions through the pension plan). This Statement establishes requirements for recognition and measurement of pension expense, expenditures, and liabilities; note disclosures; and required supplementary information for pensions that have the characteristics described above.

GASB Statement No. 78 will be effective for the year ending June 30, 2017.

GASB STATEMENT NO. 79

GASB Statement No. 79, Certain External Investment Pools and Pool Participants addresses accounting and financial reporting for certain external investment pools and pool participants. Specifically, it establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. An external investment pool qualifies for that reporting if it meets all of the applicable criteria established in this Statement. The specific criteria address (1) how the external investment pool transacts with participants; (2) requirements for portfolio maturity, quality, diversification, and liquidity; and (3) calculation and requirements of a shadow price. Significant noncompliance prevents the external investment pool from measuring all of its investments at amortized cost for financial reporting purposes. Professional judgment is required to determine if instances of noncompliance with the criteria established by this Statement during the reporting period, individually or in the aggregate, were significant.
ACCOUNTING AND OTHER MATTERS
June 30, 2016

GASB STATEMENT NO. 79 (Continued)

If an external investment pool does not meet the criteria established by this Statement, that pool should apply the provisions in paragraph 16 of Statement No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools, as amended. If an external investment pool meets the criteria in this Statement and measures all of its investments at amortized cost, the pool’s participants also should measure their investments in that external investment pool at amortized cost for financial reporting purposes. If an external investment pool does not meet the criteria in this Statement, the pool’s participants should measure their investments in that pool at fair value, as provided in paragraph 11 of Statement No. 31, as amended.

This Statement establishes additional note disclosure requirements for qualifying external investment pools that measure all of their investments at amortized cost for financial reporting purposes and for governments that participate in those pools. Those disclosures for both the qualifying external investment pools and their participants include information about any limitations or restrictions on participant withdrawals.

GASB Statement No. 79 will be effective for the year ending June 30, 2017.

GASB STATEMENT NO. 80

GASB Statement No. 80, Blending Requirements for Certain Component Units – an amendment of GASB Statement No. 14 will improve financial reporting by clarifying the financial statement presentation requirements for certain component units.

This Statement amends the blending requirements established in paragraph 53 of Statement No. 14, The Financial Reporting Entity, as amended. This Statement amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criterion requires blending of a component unit incorporated as a not-for profit corporation in which the primary government is the sole corporate member. The additional criterion does not apply to component units included in the financial reporting entity pursuant to the provisions of Statement No. 39, Determining whether Certain Organizations are Component Units.

GASB Statement No. 80 will be effective for the year ending June 30, 2018.

GASB STATEMENT NO. 81

GASB Statement No. 81, Irrevocable Split-Interest Agreements will improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement.
GASB STATEMENT NO. 81 (Continued)

Split-interest agreements are a type of giving agreement used by donors to provide resources to two or more beneficiaries, including governments. Split interest agreements can be created through trusts—or other legally enforceable agreements with characteristics that are equivalent to split-interest agreements—in which a donor transfers resources to an intermediary to hold and administer for the benefit of a government and at least one other beneficiary. Examples of these types of agreements include charitable lead trusts, charitable remainder trusts, and life-interests in real estate.

This Statement requires that a government that receives resources pursuant to an irrevocable split-interest agreement recognize assets, liabilities, and deferred inflows of resources at the inception of the agreement. Furthermore, this Statement requires that a government recognize assets representing its beneficial interests in irrevocable split-interest agreements that are administered by a third party, if the government controls the present service capacity of the beneficial interests. This Statement requires that a government recognize revenue when the resources become applicable to the reporting period.

GASB Statement No. 81 will be effective for the year ending June 30, 2017.

GASB STATEMENT NO. 82

The objective of GASB Statement No. 82, Pension Issues – an amendment of GASB Statements No. 67, No. 68, and No. 73 is to address certain issues that have been raised with respect to Statements No. 67, Financial Reporting for Pension Plans, No. 68, Accounting and Financial Reporting for Pensions, and No. 73, Accounting and Financial Reporting for Pensions and Related Assets that are Not within the Scope of GASB Statement No. 68, and Amendments to Certain Provisions of GASB Statements No. 67 and No. 68. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements.

Prior to the issuance of this Statement, Statements No. 67 and No. 68 required presentation of covered-employee payroll, which is the payroll of employees that are provided with pensions through the pension plan, and ratios that use that measure, in schedules of required supplementary information. This Statement amends Statements No. 67 and No. 68 to instead require the presentation of covered payroll, defined as the payroll on which contributions to a pension plan are based, and ratios that use that measure.

This Statement clarifies that a deviation, as the term is used in Actuarial Standards of Practice issued by the Actuarial Standards Board, from the guidance in an Actuarial Standard of Practice is not considered to be in conformity with the requirements of Statement No. 67, Statement No. 68, or Statement No. 73 for the selection of assumptions used in determining the total pension liability and related measures.
This Statement clarifies that payments that are made by an employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements should be classified as plan member contributions for purposes of Statement No. 67 and as employee contributions for purposes of Statement No. 68. It also requires that an employer’s expense and expenditures for those amounts be recognized in the period for which the contribution is assessed and classified in the same manner as the employer classifies similar compensation other than pensions (for example, as salaries and wages or as fringe benefits).

GASB Statement No. 82 will be effective for the year ending June 30, 2017, except for the requirements of this Statement for the selection of assumptions in a circumstance in which an employer’s pension liability is measured as of a date other than the employer’s most recent fiscal year end. In that circumstance, the requirements for the selection of assumptions are effective for that employer in the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017.

CURRENT GASB PROJECTS

GASB currently has a variety of projects in process. Some of these projects are as follows:

- **Asset Retirement Obligations.** The objective of this project would be to improve financial reporting by developing requirements on recognition for asset retirement obligations (ARO), other than landfills. The achievement of this objective would reduce inconsistency in current reporting and, therefore, enhance comparability between governments. The project also will improve the usefulness of information for decisions and analysis of various users of external financial reports of governments by developing disclosure requirements for AROs. An exposure draft document was issued in December 2015 with the comment period for the exposure draft, and the field test both ending on March 31, 2016. A final statement is expected in November 2016.

- **Certain Debt Extinguishments Using Existing Resources.** This project addresses certain issues identified during the pre-agenda research that evaluated the effectiveness of Statements No. 7, Advance Refundings Resulting in Defeasance of Debt, and No. 23, Accounting and Financial Reporting for Refundings of Debt Reported by Proprietary Activities, and relevant sections of Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements. The project will consider improvements to the existing guidance related to debt extinguishments using existing resources. Debt extinguishments connected with troubled debt restructurings and bankruptcy, which are addressed in other pronouncements, are not included. An exposure draft is expected in August 2016, with a final statement in May 2017.

- **Conceptual Framework – Recognition.** The project’s objective is to develop recognition criteria for whether information should be reported in state and local governmental financial statements and when that information should be reported. This project ultimately will lead to a Concepts Statement on recognition of elements of financial statements. Deliberations recommenced in conjunction with the Financial Reporting Model project in October 2015.
CURRENT GASB PROJECTS (Continued)

- **Fiduciary Responsibilities.** The primary objective of this project would be to develop guidance regarding the application of the fiduciary responsibility criterion in deciding whether and how governments should report fiduciary activities in their general purpose external financial reports. Other objectives of this project include assessing whether additional guidance should be developed to (1) clarify the difference between a private-purpose trust fund and an agency fund, (2) clarify whether a business-type activity engaging in fiduciary activities should present fiduciary fund financial statements, and (3) consider requiring a combining statement of changes in assets and liabilities for agency funds. An exposure draft document was issued for public comment in December 2015 with the comment period ending March 31, 2016. A final statement is expected in December 2016.

- **Financial Reporting Model.** The objective of this project is to make improvements to the financial reporting model, including Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*, and other reporting model-related pronouncements (Statements No. 35, *Basic Financial Statements – and Management’s Discussion and Analysis – for Public Colleges and Universities*, No. 37, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments: Omnibus*, No. 41, *Budgetary Comparison Schedules – Perspective Differences*, and No. 46, *Net Assets Restricted by Enabling Legislation, and Interpretation No. 6, Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*). The objective of these improvements would be to enhance the effectiveness of the model in providing information that is essential for decision-making and enhance the ability to assess a government’s accounting and address certain application issues, based upon the results of the pre-agenda research on the financial reporting model. The project is currently in deliberations with an exposure draft expected in December 2019, with a final statement in May 2021.

- **Lease Accounting – Reexamination of NCGA Statement 5 and GASB Statement No. 13.** The objective of this project is to reexamine issues associated with lease accounting, considering improvements to existing guidance. This project will provide a basis for the Board to consider whether current operating leases meet the definitions of assets or liabilities. This project would provide an opportunity for a fresh look at the existing guidance for any improvements not contemplated by the FASB/IASB project given the unique nature of governmental entities and the complexities of their leasing transactions. An exposure draft document was issued for public comment in January 2016 and the comment period ended May 31, 2016. A final statement is expected in December 2016.

- **Revenue and Expense Recognition.** The objective of this project is to develop a comprehensive application model for the recognition of revenues and expenses that arise from nonexchange, exchange, and exchange-like transactions, including guidance for exchange transactions that has not been specifically addressed in the current literature. The purpose for developing a comprehensive model is (1) to improve the information regarding revenues and expenses that users need to make decisions and assess accountability, (2) to provide guidance regarding exchange and exchange-like transactions that have not been specifically addressed, (3) to evaluate revenue and expense recognition in the context of the conceptual framework, and (4) to address application issues identified in practice, based upon the results of the pre-agenda research on revenue for exchange and exchange-like transactions. The project is currently in deliberations, with a final statement expected in June 2022.
STATEMENTS OF ECONOMIC INTERESTS

The Virginia Conflict of Interest and Ethics Advisory council has implemented a $250 late filing penalty for Statement of Economic Interest (SoEI) filers. This late fee will apply to all SoEI’s filed after each filing deadline, June 15 and December 15. The late filing penalty does not apply to financial disclosure filers. Late filing lists should be submitted to the local Commonwealth attorney who will assess and collect the penalty from each individual who is late or does not file.
Meeting Date: December 12, 2016
Time Estimate: 5 Minutes
Agenda Title: Temporary Reduction of Hangar/Office Rent for the Experimental Aircraft Association (EAA)

Recommendation: Approve a monthly reduction of $350.00 in the EAA’s hangar/office rent for a period of twelve months.

Motion: I move that the City Council approve a monthly reduction of $350.00 in the EAA’s hangar/office rent for a period of no more than twelve months.

Date Last Considered by City Council: N/A

Summary and/or Comments: In a letter to the Mayor and City Council dated September 15, 2016, the President of EAA Chapter 186 requested that their requirement to pay rent at the Manassas Regional Airport be waived. The letter was referred to the Airport Commission for review and a recommendation.

The EAA was requesting financial relief since they lost one of their key sources of revenue when the Airport took over managing the hangars on September 1, 2016, the date the T-hangar of Virginia Franchise expired. After considering the merits of the request, the Airport Commission is recommending that the EAA’s rent be temporarily reduced by half (50%). This reduction would be for no more than a twelve month period. The twelve months of reduced rent would allow the EAA chapter to meet its financial obligations and to give it time to consider ways to increase its revenues, and or to cut cost so that they will be in a position to pay the full rent at the end of the twelve month period.

Board – Committee – or Commission Reviewed: The Airport Commission – October 20, 2016 (Recommended Approval 9/0)

Fiscal Impact: -$4,200.00 - Approval of the rent reduction will result in a $4,200.00 loss of revenue in the Airport Fund for a twelve month period. This amount can be absorbed by the Operating Budget of the Airport. There is no impact on the General Fund.
Staff Contact:  
Juan E. Rivera, Airport Director  
jrivera@manassasva.gov  
(703) 361-1882
The Manassas Regional Airport Commission held its regular meeting in the Airport Conference Room on the above date, attended by Chairman Dan Radtke, Vice Chairman Tom Lemmon, Harry Clark, Theresa Coates Ellis, Thomas Flynn, Howard Goodie, Richard H. Seraydarian, James L. Uzzle, and HR Zucker.

Juan Cabrera was unable to attend.

Airport Personnel in Attendance: Juan E. Rivera (Airport Director) and Jolene Berry (Airport Operations).

Others present were Alan McDonald (RS&H)

Chairman Radtke called the meeting to order at 7:04 p.m.

ITEM 1. Consideration of approval of minutes of the regular meeting held on September 15, 2016.

Member Zucker MOVED to approve the minutes of the regular meeting held on September 15, 2016. SECONDED by Member Goodie and CARRIED UNANIMOUSLY.

ITEM 2. Review of expenses.

COMMENTS FROM THE PUBLIC

ITEM 3. The “Comments from the Public” agenda item is for members of the public to address the Airport Commission for less than three (3) minutes each. Please state your full name, your city/county and state of domicile, and your interest in, and/or affiliation with, the Airport prior to speaking. No prior notice is necessary to speak during this portion of the agenda. Members of the public may also address the Airport Commission for longer than three minutes if they ask the Airport Director for a place on the agenda at least five (5) working days before the meeting or if a member of the public is specifically requested by a Commission Member to address the Commission.

Tom Heug, member of Fairfax County and Freedom Museum – Formally thanked airport for allowing the Freedom Museum Hangar Dance where they honored John Gregory, co-founder of the Freedom Museum. Mr. Heug thanked Jolene, Richard and Marie for assisting in the preparation of the dance.

AIRPORT DIRECTOR’S REPORT

ITEM 4. Airport Director’s Report

a. RS&H and Delta Engineering Services Report
Alan McDonald (RS&H) – A new project website has been created and can be located on manassasregionalairportprojects.com. This new site will now contain project schedules and information. The page is also accessible on flyhef.com under construction projects.

The MALS-F Project has FAA and state funding in place and the pre-construction meeting was a success. No localizer interference is expected but it will be shut down during critical construction. Potentially the localizer will be shut down for 1-2 months. The RMF approach system will be used during the shut-down time.

The West Corporate Development EA kick off meeting was last month. RS&H will be sending out an early coordination letter to the state informing that the EA is being prepared.

The West Apron Rehabilitation kick off was also last month. Surveyors will be on site this month. RS&H is aiming for the mid-May 2017 bid opening to secure grant funding.


Account 1616 – The bank has been notified of the franchise default and a lean placed on the account.

Account 2279 – A was lean placed on the account and the business has been locked out of the fuel farm.

c. Review Revenue and Expenditure Reports.

PRESENTATIONS

ITEM 5. Snow Plan (Jolene Berry) – 10 mins

For every one inch if snow, there is an additional 2 hours for clearing. There is now a new system for NOTAMs that will be used for pilots during snow emergencies. A snow meeting was held earlier this year for tenants to inform them that insurance is required and approval for a gate card for snow removal.

ITEM 6. T-Hangar Transition (Jolene Berry) – 10 mins

What was in hangars was documented with the sizes of the hangar doors measured and the locks changed. There were 10 vacant hangars with total hangar occupancy of 87%. The hangar inspection with the city Fire Marshall is expected to occur around mid-late November.

OLD BUSINESS

ITEM 7. (Reserved for Old Business Items)

CONSENT AGENDA
All items listed under the consent agenda are considered to be routine and will be enacted by one motion. If separate discussion is desired, that item will be removed from the consent agenda and considered separately.

**ITEM 8.** Approve DOAV grant for Air Service Market Presentation in the amount of $20,000.00

**ITEM 9.** Approve DOAV grant for Airport Location Signs in the amount of $44,492.00

**ITEM 10.** Approve DOAV grant for Business Appreciation Events and Conference Attendance in the amount of $10,000.00

**ITEM 11.** Approve DOAV grant for West Apron Rehabilitation- Phase I (Design) in the amount of $16,582.00

**ITEM 12.** Approve FAA grant for Rehabilitate West Apron – (Phase I - Mid-Field) - Design in the amount of $186,550.00

**ITEM 13.** Approve DOAV grant for Runway 34R Medium Intensity Approach Lighting System with Sequenced Flashers (Construction) in the amount of $633,301.00

Vice Chairman Lemmon MOVED to approve the Consent Agenda Items. SECONDED by Member Goodie and CARRIED UNANIMOUSLY.

**COMMITTEE REPORTS IF AVAILABLE**

**ITEM 14.** Airport Director noted that the selection committee for real estate conflict of interest form is available to arrange a meeting as a group for review.

**NEW BUSINESS**

**ITEM 15.** Review letter from EAA President requesting rent abatement

Airport Director, Juan Rivera presented a letter outlining that the financial impact would be significant while also setting a precedent for other nonprofit groups to seek rent abatement if the EAA were granted such. The relief would cost the Airport $37,394. While the EAA has a positive impact on the airport and community, the Director notes that this is a significant income loss. Grant assurances state that Manassas Airport must be self-sustaining financially; the FAA allows reduction in rent to aviation education programs, civil air patrol and museums. The EAA previously assessed numbers in membership in order to pay rent. Member Seraydarian asked if they would be able to do this again and Danny Miller (EAA) stated that it is an option. The EAA’s plan for next year is to ask the city council to budget for free EAA rent. The EAA raised membership dues last year by $5 (Dues are now $25). At the decision of the Airport Commission Juan Rivera will draft up an approval letter for rent reduction for the Mayor and Chairman to sign. Rent will be reduced 50% for 12 months from the day of City Council approval.

Member Uzzle MOVED to approve that the EAA rent will be reduced by 50% for 12 months from the day of City Council approval. SECONDED by Member Flynn and CARRIED UNANIMOUSLY.
INFORMATION ITEMS

ITEM 16. Airport Groundskeeper (Part-Time Seasonal) Job classification

The Airport has created a new position in order to add a seasonal worker to assist Maintenance in the Spring and Summer at an hourly rate of $12.50.

COMMISSION COMMENTS

ITEM 17. Commission Members may make comments or raise questions on matters of interest to the Commission.

Member Uzzle informed the Commission that the Civil Air Patrol has recently assisted through 3 hurricanes with one pilot flying a total of 22 hours.

Member Flynn stated that the American Airlines has a 2 min 10 sec video about Prince William County that will be playing on their flights. The VRE extension report was released stating that the extension would be high cost with little revenue. 28 South road widening will be kicking off soon and is in close proximity to the Airport.

Airport Director Juan Rivera will be in Orlando, FL the 31st – 4th of October for the NBAA Show.

ADJOURNMENT

Vice Chairman Lemmon MOVED that the meeting adjourn. SECONDED by Member Seraydarian and CARRIED UNANIMOUSLY.

The meeting adjourned at 7:43 P.M.

_________________________________________  ___________________________________
Secretary                                    Chairman

_________________________________________
Date Approved
October 20, 2016

TO: Manassas Regional Airport Commission

FROM: Juan E. Rivera, Director

SUBJECT: EAA Chapter 186; Request for $0.00 Hangar & Office Lease

BACKGROUND

The Airport took over the T-hangar of Virginia Franchise on September 15, 2016 after the Franchise expired. The Experimental Aircraft Association (EAA) Chapter 186 occupied three hangars and one office on the west side of the Airport when they were managed by T-hangars of Virginia.

In a letter dated September 15, 2016, Mr. Daniel A. Miller, Chapter President, requested that the Mayor and Council consider a request from the EAA to have their rent abated. Mr. Miller also met with the Mayor. It is the Airport Director understanding that the Mayor indicated he would consider the request based on a recommendation from the Airport Commission and Airport Director. Mr. Miller submitted his letter to the Airport Director at the Airport Commission’s meeting of September 15, 2016 for consideration (attached).

CONSIDERATIONS

There are several questions that must be considered by the Airport Commission prior to making the decision to abate the rent on any of the facilities owned by the Airport: 1) What is the financial impact on the Airport’s budget 2) What precedence is being set for future requests 3) Will granting the request positively impact the Airport? 4) Does the request comply with FAA grant assurances?

A. Financial Impact: The monthly rent for the EAA’s hangar is $375.00 and the monthly rent for the office space is $325.00. The total monthly combined rent is $700.00. The annual combined rent is $8,400.00. If the Airport abates the rent for the EAA’s hangar and office space the Airport would sustain an annual revenue loss of $8,400.00.

B. Precedence: The EAA’s bases its request for rent abatement on their inability to generate a steady revenue flow due to its loss of revenue generating hangars. Unfortunately, there are many individuals and organizations that cannot afford a hangar, so they settle for a more affordable tie-down that fits within their budget. It would be a costly precedence if the Airport Commission based its budget on one’s ability to pay. If you limited to non-profits, there would still be an impact on the Airport’s budget. For example, the airport has four (4) non-profit organizations that have either a tie-down or hangar. If the Commission were to grant the request for rent abatement for the EAA as well as those organizations, the financial impact to the Airport’s budget would be considerable (see table).
C. Organizations Impact on Airport: It is without question that the EAA has a positive impact on the Airport and the aviation community. As indicated in the letter from Mr. Miller, the EAA contributes greatly to the aviation community with its many programs. The Young Eagles Flights, the exposure of our Nation’s Youth to Aviation, Eagle Flights and Historic Aircraft Tours and Flights. The EAA does impact the community in a positive manner and their present’s on the Airport is of value.

D. The FAA has Grant Assurance that must be considered in the evaluation of this request: 1) Self-sustaining. The Sponsor must maintain a fee and rental structure that in the circumstances of the airport makes the airport as financially self-sustaining as possible. 2) Reduced Rent. A sponsor may charge reduced rental rates to aviation museums and aeronautical secondary and post-secondary education programs conducted by accredited education institutions to the extent that civil aviation receives reasonable tangible or intangible benefits from such use. A sponsor may also charge reduced rental rates to Civil Air Patrol units operating aircraft at the airport.

Although the FAA does not mention the EAA specifically regarding reduced rent, the likelihood of the FAA challenging the Airport on offering reduced rent to the EAA in the opinion of the Airport is minimal.

OPTIONS

The Airport Commission has several options regarding this request: 1) Deny the request based on the precedent it would set and the amount of revenue lost 2) Approve the request for a $0 rent for the office and hangar 3) Approve an reduced amount of rent 4) Table the issue for further consideration

STAFF RECOMMENDATION

The staff does not recommend approving the request for a zero dollar ($0) lease rent.

Juan E. Rivera, Director
Manassas Regional Airport
The Honorable Harry J. Parrish, II, Mayor of Manassas
and Members of the Manassas City Council
Manassas City Hall
9027 Center St.
Manassas, VA 20110

September 15, 2016

Dear Mayor Parrish and Members of the City Council,

On behalf of EAA Chapter 186, I’m formally requesting a waiver of rents on the facilities we occupy at Manassas Regional Airport (HEF) based on the following criteria. We are a 501(c)3 non-profit, all volunteer, 230+ member community of passionate aviation enthusiasts and aircraft builders (over 100 built) promoting and supporting recreational flying and the community since 1963 (at HEF since 2000).

As you know, on September 15, 2016 the city of Manassas will assume ownership and responsibility of the hangars previously owned and operated by T-Hangars of Virginia. When we relocated to HEF in 2000, we purchased four of their hangars. One was expanded and upgraded to office space. The others have been rented to members in order to provide financial support for our mission objectives. The revenue, although small, has allowed us to give back to the community in numerous ways. On September 14, 2016, our revenue stream will go from $11,400/year income to an $8,400/year expense, representing a total loss of $19,800/year, an annual loss that we cannot sustain.

Our Mission is to grow aviation participation by sharing The Spirit of Aviation. We serve the aviation community by inspiring new participants and enriching the participation experience in the following ways:

**Young Eagle Flights** – Founded in 1992, the Young Eagles program has dedicated nearly 25 years to giving youth ages 8–17 their first free ride in a small airplane. It’s the only program of its kind with the sole mission of introducing and inspiring kids to the world of aviation. Today, the Young Eagles program has flown over 2 million kids with the help of EAA’s network of volunteer pilots and ground crews. EAA 186 is the third largest provider of this program in the nation having served at least 100 youth per year. We also had the 1st, 2nd, and 3rd place Virginia pilots who flew the most kids in 2015, as identified by Randall P. Burdette, Director of Aviation for the Virginia Department of Aviation.

**Youth Aviation Exposure** – Working with youth groups EAA 186 brings these groups into our facility exposing them to aircraft maintenance and experimental aircraft construction and assembly techniques. We also organize Air Traffic Control Tower tours and visits to airport businesses with our Wings Over Manassas program, full-day programs designed to expose children to multiple aviation career opportunities.
Eagle Flights – EAA’s Eagle Flights program is a free introductory flight experience and informal mentoring program designed to welcome and encourage adults who want to discover flying, but don’t know how or where to take that first step. It begins with a hands-on introduction where they fly with a local EAA member pilot who will let them follow along at the controls of the airplane to get a feel for what being a pilot is all about. After the flight, the pilot can help them learn more about how to get involved in their local aviation community, including the next steps to take on the path to becoming a pilot.

Historic Aircraft Tours and Flights – EAA 186 coordinates and provides volunteer staff to allow visits of EAA National resources, such as the EAA B-17 Flying Fortress and the 1929 Ford Trimotor. These events are coordinated with local fixed base operators, organizations, and the Commemorative Air Force for broad spectrum exposure for the once-in-a-lifetime chance to fly in an authentic World War II B-17 bomber or 1929 Ford Trimotor.

Regular Fly-Ins, Pancake and Sausage Breakfasts, and BBQ lunches – We participate on a regular basis in these events to bring more exposure to aviation and the airport community.

Community – Direct support during airport held events, e.g., air shows, emergency procedure drills, etc., by providing free breakfast and lunch to the volunteers and participants.

Speakers - Monthly informational aviation speakers and presentations open to the public.

Builder’s Hangar – Available for all Experimental Amateur Built Aircraft in the final assembly stage of their aircraft prior to the first taxi and flight tests with flight and technical advisors to assure safety is paramount.

We help to pull the airport and the community together for a common love of aviation by playing a critical role in making Manassas a vital and healthy airport. With the absence of our ability to generate a steady revenue flow due to the loss of our rental hangars, we ask the city to grant us a zero dollar ($0) lease such that we may continue to make our home at Manassas Regional Airport.

Sincerely,

Daniel A. Miller, President
EAA Chapter 186

Juan Rivera, Director
Manassas Regional Airport

Dan Radtke, Chairman
Manassas Regional Airport Commission
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Facilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hangar Rent</td>
<td>$11,400.00</td>
<td>$(4,819.00)</td>
<td>$2,400.00</td>
<td>$(8,400.00)</td>
<td>2015 expense is condo fees we no longer have. 2017 income assumes Builder's hangar at $300/mo for 8 months (very optimistic).</td>
</tr>
<tr>
<td>Electric/Water</td>
<td>$-</td>
<td>$(1,576.00)</td>
<td>$-</td>
<td>$(1,576.00)</td>
<td>No expected change.</td>
</tr>
<tr>
<td>Gas</td>
<td>$-</td>
<td>$(950.00)</td>
<td>$-</td>
<td>$(950.00)</td>
<td>No expected change.</td>
</tr>
<tr>
<td>Phone/Internet</td>
<td>$-</td>
<td>$(1,020.00)</td>
<td>$-</td>
<td>$(1,020.00)</td>
<td>No expected change.</td>
</tr>
<tr>
<td>Maintenance</td>
<td>$-</td>
<td>$(1,927.00)</td>
<td>$-</td>
<td>$-</td>
<td>Had to buy a new water heater in 2015</td>
</tr>
<tr>
<td>Miscellaneous Expenses</td>
<td>$-</td>
<td>$(1,224.00)</td>
<td>$-</td>
<td>$(1,224.00)</td>
<td>No expected change.</td>
</tr>
<tr>
<td><strong>Administrivia</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Insurance/Administration</td>
<td>$-</td>
<td>$(3,275.00)</td>
<td>$-</td>
<td>$(1,500.00)</td>
<td>Tax prep, insurance, supplies, VA Corporate fees, etc.</td>
</tr>
<tr>
<td>Membership</td>
<td>$-</td>
<td>$(1,330.00)</td>
<td>$-</td>
<td>$(690.00)</td>
<td>Member directory printing and postage</td>
</tr>
<tr>
<td>Communications Program</td>
<td>$-</td>
<td>$(704.00)</td>
<td>$-</td>
<td>$(800.00)</td>
<td>Newsletter printing and postage</td>
</tr>
<tr>
<td>Merchandise Sales</td>
<td>$370.00</td>
<td>$(200.00)</td>
<td>$325.00</td>
<td>$(175.00)</td>
<td>Shirts, mugs, calendars, patches, etc.</td>
</tr>
<tr>
<td><strong>Programs</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fall Fly-In</td>
<td>$1,492.00</td>
<td>$(2,755.00)</td>
<td>$1,800.00</td>
<td>$(2,225.00)</td>
<td>2017 expenses estimated based on 2016 plans.</td>
</tr>
<tr>
<td>Manassas Air Show</td>
<td>$3,055.00</td>
<td>$(2,275.00)</td>
<td>$3,000.00</td>
<td>$(2,275.00)</td>
<td>2017 expenses estimated based on 2016 plans.</td>
</tr>
<tr>
<td>Wings Over Manassas</td>
<td>$-</td>
<td>$(468.00)</td>
<td>$-</td>
<td>$(750.00)</td>
<td>2017 expenses estimated based on 2016 plans.</td>
</tr>
<tr>
<td>Young Eagles</td>
<td>$-</td>
<td>$(573.00)</td>
<td>$-</td>
<td>$(500.00)</td>
<td>2017 expenses estimated based on 2016 plans.</td>
</tr>
<tr>
<td>Air Academy</td>
<td>$-</td>
<td>$(1,940.00)</td>
<td>$-</td>
<td>$(950.00)</td>
<td>2017 expenses estimated based on 2016 plans.</td>
</tr>
<tr>
<td>B-17/Trimotor Hosting</td>
<td>$5,009.00</td>
<td>$(1,326.00)</td>
<td>$3,000.00</td>
<td>$(1,000.00)</td>
<td>2015 was an exceptional due to AoD.</td>
</tr>
<tr>
<td>Arsenal of Democracy Food/Gate</td>
<td>$4,661.00</td>
<td>$(1,981.00)</td>
<td>$-</td>
<td>$-</td>
<td></td>
</tr>
<tr>
<td>Social Programs</td>
<td>$296.00</td>
<td>$(1,150.00)</td>
<td>$300.00</td>
<td>$(1,300.00)</td>
<td>Holiday party, Chili Cook off, Bomber BBQ, etc.</td>
</tr>
<tr>
<td>Memorials for members</td>
<td>$-</td>
<td>$(1,280.00)</td>
<td>$-</td>
<td>$(1,000.00)</td>
<td>EAA HQ memorial wall.</td>
</tr>
<tr>
<td><strong>Miscellaneous Income</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dues</td>
<td>$6,951.00</td>
<td>$-</td>
<td>$6,000.00</td>
<td>$-</td>
<td>$25/member, $30/family</td>
</tr>
<tr>
<td>Investment income</td>
<td>$600.00</td>
<td>$-</td>
<td>$600.00</td>
<td>$-</td>
<td>Typical BB&amp;T account interest.</td>
</tr>
<tr>
<td>Typical Donations</td>
<td>$500.00</td>
<td>$-</td>
<td>$500.00</td>
<td>$-</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>$34,334.00</td>
<td>$(30,773.00)</td>
<td>$17,925.00</td>
<td>$(26,335.00)</td>
<td></td>
</tr>
<tr>
<td><strong>Net gain (loss)</strong></td>
<td><strong>$3,561.00</strong></td>
<td><strong>$8,410.00</strong></td>
<td><strong>$17,925.00</strong></td>
<td><strong>$26,335.00</strong></td>
<td></td>
</tr>
</tbody>
</table>
Meeting Date: December 12, 2016

Time Estimate: 10 Minutes

Agenda Title: Annual Report: Prince William County/Manassas Convention and Visitors Bureau (CVB)

Recommendation: Information Only

Motion: N/A

Date Last Considered by City Council: December 14, 2015

Summary and/or Comments: Ann Marie Maher, President and CEO of the CVB, will present the organization’s annual report.

Board – Committee – or Commission Reviewed: N/A

Fiscal Impact: N/A

Staff Contact: Patrick J. Small, Economic Development Director
psmall@manassasva.gov
(703) 257-8881