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**HERNDON TOWN COUNCIL
Work Session
Tuesday, October 22, 2019**

At a regular meeting of the Town Council of the Town of Herndon, Virginia, held in the Herndon Council Chambers Building, at 765 Lynn Street, Herndon, Virginia, on Tuesday, October 22, 2019, at 7:00 p.m., there were present:

- Mayor Lisa C. Merkel, presiding;
- Vice Mayor Sheila A. Olem;
- Councilmember Jennifer K. Baker;
- Councilmember Cesar del Aguila;
- Councilmember Pradip Dhakal; and
- Councilmember Signe Friedrichs.

Councilmember Bill McKenna was absent.

Staff present during the meeting: William H. Ashton II, Town Manager; Lesa Yeatts, Town Attorney; Chief Maggie DeBoard, Herndon Police; Elizabeth Gilleran, Director of Community Development; Jennie Tripoli, Director of Finance; Tanya Kendrick, Director of Human Resources; Cindy Roeder, Director of Parks and Recreation; Bryce Perry, Deputy Director of Community Development; Tammy Chastain and John Irish, Deputy Directors of Public Works; Karen Gagliano, Budget Manager; David Stromberg, Zoning Administrator; and Margie C. Tacci, Deputy Town Clerk.

ANNOUNCEMENT

Mayor Merkel stated that Councilmember McKenna would not be present at tonight's work session.

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PRESENTATION

1. Proclamation, to recognize Veterans Day, November 11, 2019.

There were no comments on the presentation, which was scheduled for the October 29, 2019 public hearing.

PUBLIC HEARINGS

2. Resolution, to consider the Herndon Pedestrian Plan. This plan provides a report on existing pedestrian infrastructure and policy, recommends measures and solutions for improvements, includes a framework for short term actions and long-term strategies for pedestrian safety and mobility, and serves as an educational tool and guidebook for creating a walkable community. If adopted, it would be used as a long-range planning document focused on improving pedestrian service levels within the Town.

The Deputy Director of Community Development presented the staff report and PowerPoint dated October 22, 2019, which are on file in the Town Clerk's office. He reviewed how the history of the plan, which started in 2014. The Pedestrian & Bicycle Advisory Committee (PBAC) did a lot of the work and provided much of the data and information in the plan. The plan would outline ways to make walking in Herndon more convenient, safe, and reliable, for as many people as possible. It would be a guide for town staff and decision makers for applying practices to enhance walkability town-wide. The plan would identify deficiencies in existing pedestrian infrastructure; recommend policy and solutions; and provide the framework for pedestrian safety strategies, both immediate and long-term. PBAC would review and evaluate the plan on an annual basis. This plan would also demonstrate the town's commitment to multi-modal transportation and it would assist with funding applications and regional recognition.

The Deputy Director of Community Development reviewed the Herndon Pedestrian Plan, which had four sections. The first section was the introduction; the second was a walkability profile; the third outlined measures and approaches for improving walkability; and the fourth section was an action plan. He discussed the sections and focused on several images included in the PowerPoint. The images addressed safety, ADA compliance, and walkability, along with sidewalk and crosswalk locations.

The Planning Commission reviewed the plan and they, along with staff, recommend adoption of the proposed resolution, as presented. If approved, the resolution would allow for administrative tweaks to the plan. The proposed

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resolution recommends that the Planning Commission add a reference to the pedestrian plan in the Comprehensive Plan, in coordination with its ongoing five-year review.

There was brief discussion amongst Council and staff on this item.

There was a brief question and answer period between Councilmember Friedrichs and the Deputy Director of Community Development.

There was a brief question and answer period between Vice Mayor Olem and the Deputy Director of Community Development.

There was a brief question and answer period between Councilmember Dhakal and the Deputy Director of Community Development.

In response to queries from Councilmember Dhakal about the plan's processes, the Deputy Director of Community Development stated that staff expects to conduct a walking audit of the town with PBAC on a regular basis.

There was a brief question and answer period between Councilmember del Aguila and the Deputy Director of Community Development.

In response to queries from Councilmember del Aguila about the priority of the W&OD trail crossing by the Herndon Post Office, the Deputy Director of Community Development stated that it was listed in the plan, but he was not sure of its priority relative to other projects.

Mayor Merkel expressed support for the plan and stated that she would send staff an email with her comments and questions.

3. Ordinance, to grant a fourth franchise amendment to Program Executive Office Enterprise Information Systems Project Manager Defense Communications and Army Transmission Systems Technology Applications Office, formerly the United States Army Corps of Engineers, for the addition of a new route.

Mayor Merkel stated that at next week's meeting, Council would follow the franchise process and this item would require a roll call vote. Bids were not required for amended franchises like this one. She recognized the Deputy Director of Public Works for the staff report.

The Deputy Director of Public Works presented the staff report dated October 22, 2019, which is on file in the Town Clerk's office. The fourth amendment to the franchise would allow for a proposed route expansion along Van Buren Street. The franchisee would acquire town-owned conduit along Van Buren Street from

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just north of Herndon Parkway to Spring Street. This conduit was previously abandoned by the franchisee on February 26, 2019; however, it was determined that the conduit was viable and would not conflict with the Van Buren complete streets project. Staff recommends approval of the proposed ordinance, as presented.

There was brief discussion amongst Council and staff on this item.

GENERAL

4. **Resolution, to initiate consideration of a zoning ordinance text amendment, ZOTA # 19-02, to Chapter 78 (ZONING) to multiple sections in order to revise standards for communications towers and develop standards for utility distribution or transmission poles in order to comply with the Code of Virginia regarding small cell facilities and to establish a maximum \$500 fee for administrative review eligible projects pursuant to Virginia Code 15.2-2286(A)(6).**

Mayor Merkel stated that this was an initiating resolution. If approved, the draft ordinance would be reviewed by the Planning Commission, who would make a recommendation to the Council. She recognized the Zoning Administrator for the staff report.

The Zoning Administrator presented the staff report dated October 22, 2019, which is on file in the Town Clerk's office. He stated that the proposed small cell amendment would authorize staff to work with the Planning Commission to develop new standards and change some existing standards that would bring the zoning ordinance in compliance with the Code of Virginia.

In 2018, the Virginia General Assembly passed legislation to facilitate the implementation of 5G wireless in the Commonwealth. The Zoning Administrator stated that the new provisions addressed small cell towers, which were usually mounted between 18 and 35 feet. These antennae were often on utility poles located in the right-of-way. There were also a surprising amount of Dominion Virginia Power poles located on private property.

The new language in the Code of Virginia would not allow the town to require a special exception for the small cell towers. The state allows the town to have administrative review and to set standards for these towers. If the towers are in the Heritage District, the town could require a certificate of appropriateness. Staff recommends approval of the proposed resolution, as presented.

There was a brief discussion amongst Council and staff on this item.

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Following brief discussion and with the concurrence of Council, staff was asked to add this item to the Consent agenda for next week's meeting.

CONSENT AGENDA

5. Proclamation, to recognize the Herndon High School Pride of Herndon Marching Band 75th Anniversary of D-Day.

On behalf of the Council, Mayor Merkel stated that Councilmember Baker would formally present this proclamation at the band's fall concert on Wednesday, November 6, 7:00 p.m., at Herndon High School.

There were no comments on the Consent agenda.

DISCUSSION

6. Forecasting and budget constraints

The Town Manager provided brief comments. Tonight's presentation would review the anticipated budget and operating and capital expenses for the next three years. Staff would review the town's bonding capacity, which could take up operating capacity in future years to service that debt. Some of the emerging projects, from stormwater management to security projects, would be accounted for in the PowerPoint. He thanked Management Team for their efforts in putting this overview together. He recognized the Director of Finance and Budget Manager to continue the presentation.

The Town Manager stated that staff would add the PowerPoint presentation on this item to Granicus on the town's website.

The Director of Finance presented a PowerPoint titled "General Fund Forecasts & Budget Constraints FY 20 through FY 23," which is on file in the Town Clerk's office. Staff and the auditors were finishing up the FY 19 audit; executing the FY 20 budget; and planning for FY 21. She reviewed the General Fund revenues and expenditures for FY 19 (actual, unaudited); FY 20 adopted/FY 20 estimated; and FY 21 through FY 23, projected. The town changed some of its fiscal policies for FY 19, which affected the Revenue Stabilization Fund, Capital Reserve Fund, and Contingency Fund. The town also adopts a budget amendment every year at the start of the fiscal year that impacts the unassigned fund balance. She discussed the town's projected revenues, which were estimated conservatively and have been historically flat. Expenditures were expected to increase FY 20 through FY 23, while revenues would stay flat. The Director of Finance reviewed debt service estimates, which would include items like the arts center and downtown parking garage. She outlined in detail several

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graphs showing the projected data in the PowerPoint. The Director of Finance recognized the Budget Manager to continue the presentation.

The Budget Manager continued the PowerPoint presentation. She reviewed the major additional expenses, including the areas of: personnel (\$608,855); operations and maintenance (\$2.179 million); and major capital expenditures (\$1.475 million). She had a change to the staff report, which would be to add \$92,000 to enhance the vehicle maintenance portion of the budget. Details of the expenditure amounts were provided in staff's PowerPoint.

Related to the arts center listed as a potential \$800,000 additional expense under the Department of Parks and Recreation in the operations and maintenance category, the Director of Finance stated that was an estimated amount that she took from an average of two sources.

The Director of Finance stated that the capital expenditures listed in the PowerPoint were moved to the General Fund because they would be used replace or repair life-cycle items.

The Town Manager stated that staff would closely consider what has to happen, could be delayed, and should be considered differently, as the town moved forward with the budget process.

In response to queries from Councilmember Friedrichs, the Town Manager stated that it was not necessarily true to say that none of these items would be part of next year's budget. Determining that would be part of the budget process.

The Director of Finance stated that because staff's projections only went to FY 23, staff had not included what might happen once Metro arrives and an expected population increase. She stated that it was hard to project beyond the next few years. She continued the PowerPoint and discussed debt service and bonding capacity, along with debt financing for downtown and transportation projects. Two projects were not included in the debt service projections that were predicted to have budget shortfalls, which were the Van Buren Complete Streets project and the multimodal access to Herndon Metrorail.

The Town Manager stated that in the next few months, Council would provide budget guidance to staff for next year. He discussed security projects that were still outstanding, possible personnel changes, and budgetary challenges. The personnel numbers would not include new hires. He stated that tonight's presentation did not take into account the elasticity needed if the town faces an economic downturn. Staff would work on the budgetary contingencies in the coming weeks and advise how the town would handle a downturn. At the recent

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International City/County Management Association (ICMA) Annual Conference, he stated that many of the attendees were concerned about an economic downturn.

There was brief discussion amongst Council and staff.

In response to queries from Councilmember Dhakal, the Director of Finance explained why staff uses conservative revenue estimates. Revenues are vulnerable to change and can be difficult to predict, while expenditures are somewhat easier to group together and predict. Staff was working to improve the process of making and reviewing financial forecasts.

The Town Manager stated this was the first time the town had estimated budget numbers three years out. He echoed the Director of Finance's comments about using conservative estimates and provided additional comments. He stated that it was hard to account for all variables when forecasting the budget.

The Director of Finance stated that as well as the town was doing, the economy was one of the main drivers for the credit rating. It would be important for the town to keep a strong buffer to try and mitigate against a downturn.

The Town Manager echoed the Director of Finance's comments and discussed the fund sources that could help get the town through a downturn.

The Director of Finance stated that the town's Revenue Stabilization Fund was fully funded at \$1.8 million and the contingency fund was fully funded at \$900,000. She stated that the Capital Reserve does not have a ceiling, but that would be the town's reserve for future debt service. The Capital Reserve would also be an option for a one-time use to account for lost Business, Professional and Occupational License (BPOL) revenue.

There was further discussion amongst Council and staff.

Councilmember del Aguila thanked staff. He stated that staff should plan for a possible recession. He asked staff to provide the additional expenditures or losses that were not part of the presentation, to give the Council a complete picture of the budget.

The Town Manager stated that he thought it would be valuable for Council to see what he sees with the budget on a daily basis.

Mayor Merkel appreciated the budget review. She stated that items like overtime for the Department of Public Works employees who work special events should be included and accounted for in the budget. She stated that some of these

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concerns were "growing pains" from being a small town. She thought it would be good for the public to see this presentation.

Responding to Mayor Merkel, the Town Manager stated it was his direction to staff to provide the presentation and information tonight.

Mayor Merkel stated that the Council has not raised the real estate tax rate in almost a decade. She stated if it looks like the Council would consider a tax increase, the public should know why the Council was talking about it, and what items would be funded.

The Town Manager stated that in the past few years, staff was able to meet many requests because they found money in the budget. Since then, staff had tried to clean up and clarify the budget. Next year's budget would be the leanest budget in several years.

Vice Mayor Olem provided comments and stated that she appreciated staff adding vehicles to a maintenance program over the past several years.

The Town Manager stated that he generally sees approximately \$2.0 million in requests from departments for the budget. Through the budget process, staff is able to prioritize to meet some of the requests.

Vice Mayor Olem stated that she thought the town was run very well. Council has raised the meals tax once, but has not raised not the real estate tax in many years. She thanked Herndon Police for leading the way on body-worn cameras. She did not want the town to go back on its level of services.

Councilmember Friedrichs thanked staff and stated that every year she was on Council, they faced something unexpected. She appreciated the transparency of the town's policy.

Councilmember Baker echoed her colleagues' kudos to staff. She asked if there would be a follow up discussion about tightening up some of the projected losses. She asked when staff would share the information presented tonight with the public.

The Town Manager stated that the PowerPoint would be uploaded to Granicus tomorrow morning.

The Director of Finance stated that she was not sure if staff was going to present tonight's information to the public. She emphasized that the numbers provided tonight were estimates. Once the numbers became more solidified, it would be easier to plan. She stated that staff wanted to continue doing this projection exercise.

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Councilmember Friederichs suggested that the Town Manager provide a brief presentation at next week's public hearing to advise the public of this information.

The Town Manager stated that he could present it during "comments from the town manager."

Councilmember del Aguila echoed Councilmember Friederichs' comments. He suggested naming the presentation "draft discussion," to remind everyone that these were preliminary numbers. He stated that there was more discussion Council needed to have about long-term conversations.

There was further discussion amongst Council and staff.

The Town Manager stated that none of these numbers were set in stone and were helping the town prepare for the budget process. He would continue to update the Council on the budget process.

The Director of Finance stated that staff would like to give Council quarterly or twice a year updates on the budget to make this a more regular conversation.

Mayor Merkel agreed with the Director of Finance's suggestions.

ROUNDTABLE

1. **Councilmember Dhakal:** Provided comments on this year's Herndon High School (HHS) Homecoming Parade. He stated that was a true representation of Herndon. He thanked staff for their efforts on the parade.

Mayor Merkel thanked the Departments of Parks and Recreation, Public Works, and the Herndon Police Department, for all their hard work on the parade.

2. **Councilmember Friedrichs:** Councilmember Friedrichs stated that she enjoyed the Nepalese presentation at the HHS Homecoming Parade. She asked Councilmember Dhakal to pass along her congratulations to the group.

Councilmember Friedrichs asked staff to look at changing the word "Heritage" to "Historic" when referring to the town's Heritage District. She stated that it always seemed odd to her and she was concerned because the word heritage has taken on a different meaning.

The Director of Community Development stated that she was not sure what steps were needed to change it to historic. Technically, she stated that there was no difference between heritage and historic.

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Mayor Merkel stated that the sign on the Dulles Toll Road states, "Herndon Historic District." Her anecdotal knowledge was at the time the district was created, heritage was more accepted than historic.

Councilmember del Aguila stated that the word heritage has a negative connotation.

Vice Mayor Olem agreed with the name change.

Mayor Merkel stated that it seemed like an appropriate time to change the name with the update to the guidelines.

The Town Manager stated that staff would look at changing the name to historic and report back to the Council.

Councilmember Friedrichs stated that she also enjoyed meeting Scott Price, who would represent the town to Virginia Dominion Power.

3. **Councilmember del Aguila:** Echoed his colleagues' comments about the HHS Homecoming Parade.

Councilmember del Aguila stated that the special Town Council work session on housing went well. He received great feedback about the meeting and he heard that many people were excited.

4. **Vice Mayor Olem:** Echoed her colleagues' comments about the HHS Homecoming Parade.

Vice Mayor Olem shared an article about e-scooters, which she stated could cost the same as an Uber. She would forward the article to the Council, Town Clerk, and Town Manager.

Mayor Merkel stated that she used e-scooters in California and agreed that it cost the same as an Uber.

Councilmember Olem discussed speed limits for e-scooters.

Councilmember Friedrichs stated that Arlington County would allow e-scooters on their sidewalks with a speed limit of six miles per hour.

Councilmember Baker asked when the Council would be discussing e-scooters.

The Town Manager stated that the Council would discuss it soon.

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The Town Attorney stated that there would be several iterations of e-scooter discussions.

The Town Manager learned at ICMA that some jurisdictions mandate that the e-scooter companies send GPS data of the scooters' locations to the locality.

Councilmember Baker stated that at VML, she learned that the locality cannot ask for personal data, but may be able to ask about the scooter data. She stated that the town had legal assistance from a woman out of Washington, DC, which could be helpful.

Mayor Merkel said the scooter companies have only been in business a few years and were already global.

Councilmember Baker stated that this was something the Council should address soon.

The Town Attorney stated that the town could not prohibit scooters.

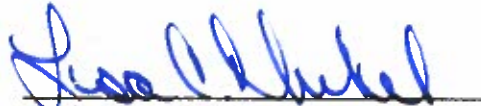
5. **Mayor Merkel:** Stated that she was looking forward to the Town Council Community Roundtable tomorrow night at Trinity Presbyterian Church.

COMMENTS FROM THE TOWN MANAGER

The Town Manager provided comments about his recent ICMA conference, which he enjoyed attending and learned a lot. He went to sessions covering the topics of citizen engagement, crisis management, and scooters.

ADJOURNMENT

There being no further business, the meeting adjourned at 8:27 p.m.



Lisa C. Merkel
Mayor



Amanda M. Kertz
Deputy Town Clerk



Minutes approved by Town Council: November 12, 2019.

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NOTE:

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