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**HERNDON TOWN COUNCIL
Work Session
Tuesday, January 4, 2022**

At a regular meeting of the Town Council of the Town of Herndon, Virginia, held in the Herndon Police Department Community Room, 397 Herndon Parkway, Herndon, Virginia, on Tuesday, January 4, at 7:00 p.m., there were present:

- Mayor Sheila A. Olem, presiding;
- Councilmember Pradip Dhakal;
- Councilmember Signe Friedrichs; and
- Councilmember Sean M. Regan; and
- Councilmember Jasbinder Singh.
- Vice Mayor Cesar del Aguila and Councilmember Naila Alam and were absent.

Staff present during the meeting: William H. Ashton II, Town Manager; Lesa Yeatts, Town Attorney; Chief of Police Maggie DeBoard; Robert Tang, Director of Finance; Elizabeth Gilleran, Director of Community Development; Page Kalapasev, Director of Information Technology; Cindy Roeder, Director of Parks and Recreation; Scott Robinson, Director of Public Works; Tammy Chastain, Deputy Director of Public Works; David Stromberg, Zoning Administrator; Maria Lee, Budget Manager; and Margie Tacci, Deputy Town Clerk.

CALL TO ORDER

1. Roll Call & Determination of Quorum

Mayor Olem called the public hearing to order at 7:00 p.m. and asked the Deputy Town Clerk to call the roll for attendance. She asked each member of Council to indicate they were present. Following the roll call for attendance, Mayor Olem

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confirmed there was a quorum present, with Vice Mayor del Aguila and Councilmember Alam being absent.

Mayor Olem asked Council to observe meeting decorum by showing their hand to be recognized by the chair for comments. She reminded those participating to follow the town's Meeting Guidelines that were used for all government meetings to maintain good order, which included: refraining from participation unless and until recognized by the chair; being respectful in comments; refraining from threatening or intimidating language; profane, vulgar, obscene, or threatening remarks were not permitted; and attacks on the character, motive, or other harmful remarks against individual members of Council, town staff, or the public would not be tolerated.

ANNOUNCEMENTS

Mayor Olem stated that the Town Clerk was going to send out information about the Virginia Municipal League's (VML) Legislative Day, scheduled for Thursday, February 3. In the meantime, she suggested the Council should mark the date on their calendars.

Mayor Olem stated that the Clerk's office distributed the Statement of Economic Interests to Council for calendar year 2021, which must be completed and delivered to the Town Clerk by February 1. She asked Council to please read it carefully and make sure they complete the required information and signatures.

Mayor Olem expressed kudos to the Department of Public Works (DPW), for their work during recent winter storms. She also received a nice note from a citizen thanking the DPW crews for helping them with their trash pick-up last week. As always, Mayor Olem stated she was grateful for the exceptional DPW staff.

TOWN MANAGER UPDATES

2. Comments from the Town Manager

The Town Manager discussed the status of the pandemic and shared that 15 staff members were currently out of the office due to COVID. Because of the state requirements and exposures at the Herndon Municipal Center, no in-person meetings would be allowed there for a period of time. He thanked everyone for observing the protocols.

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COMMENTS & DISCLOSURES

Mayor Olem asked the Deputy Town Clerk if there were any comments or disclosures for the record that evening. The Deputy Clerk stated that the Clerk did not receive comments for the record or disclosures from Council on any item listed on the agenda that evening.

PUBLIC HEARINGS

3. **Ordinance 21-O-23, to approve and authorize the Mayor to sign a Sixth Lease Amendment with T-Mobile Northeast LLC, successor-in-interest to Omnipoint Communications CAP Operations, LLC, to revise the premises description, approved equipment list, drawings, and monthly rent at the Town's 3rd Street Water Tower.**

Mayor Olem recognized the Deputy Director of Public Works for the staff report.

The Deputy Director of Public Works presented the staff report dated January 4, 2022. The proposed ordinance would approve and authorize a sixth lease amendment between the town and T-Mobile Northeast, LLC. The proposed ordinance would revise the premises description, approved equipment list, drawings, monthly rent, and contact information at the town's 3rd Street Water Tower. The amendment would increase the rent by \$400 should the generator installation be approved. The applicant would be required to complete several steps after approval, including: administrative review and approval of a site plan; submitting the design of the generator enclosure and any other enclosures for design review through the Architectural Review Board (ARB); and applying for a building permit through Public Works, for which Community Development would conduct a final zoning and ARB compliance review. Building inspections would be monitoring the site. Staff recommends approval of the proposed ordinance, as presented.

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

Councilmember Singh was concerned about the level of noise at the 3rd Street Water Tower following a recent incident, and the Deputy Director of Public Works explained that they could not restrict the hours that T-Mobile could access the site. However, the lessee had to contact the town to get to the site. She stated that staff visits the site daily, but the incident Councilmember Singh referred to happened at night.

The Deputy Director of Public Works indicated that staff could look at adding information on who to call if there were issues at the water towers to the town

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calendar. Typically, phone calls on this topic come from the Herndon Police Department (HPD). Councilmember Singh added that he thought that lease should address equipment breaking down.

Responding to queries from Councilmember Regan, the Deputy Director of Public Works stated that the generator used diesel fuel. Councilmember Regan thought it would be reasonable to have the owner check the equipment regularly and he suggested setting the times during which they could also assess the generators. Councilmember Singh agreed.

In response to queries from Mayor Olem, the Deputy Director of Public Works stated the tenant has to comply with the town's noise ordinance.

In response to queries from Councilmember Regan, who suggested limiting the generator's hours, the Town Manager stated that the town's noise ordinance went until 10:00 p.m.

The Town Attorney indicated that the applicant had already signed the lease. She suggested that if there was consensus to include the changes being discussed, staff would need to talk to the representatives from T-Mobile before next week's meeting to see if they would agree to what was being proposed. Then, they would have to draft a new document and have T-Mobile sign it prior to the public hearing, where it would be presented as an alternative.

Councilmember Friedrichs supported the Town Attorney's suggestion and provided comments about generator noise.

Councilmember Singh thought it would be helpful for the applicant to have a schedule of when they could access the site for maintenance. He thought the applicant should be required in the lease to check and maintain the site. The Town Attorney stated that she could check with T-Mobile to see if there was a maintenance schedule.

Responding to Councilmember Singh, the Deputy Director of Public Works assured him that the tenant visits the site because they want their equipment to work properly.

Following further discussion, Mayor Olem asked if there was consensus for the Town Attorney to revise the lease regarding the hours and schedule. The Town Attorney stated she would review the lease to see if there were any current provisions that would address Councilmember Singh's concerns.

Councilmember Friedrichs thought it sounded like the bigger issue was enforcement. She understood that staff was going to look into their questions.

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Mayor Olem agreed with Councilmember Friedrichs that staff was going to respond to Council on their questions. The Town Attorney confirmed she would be sending the Council a copy of the proposed amendment.

4. **Ordinance 21-O-24, to amend and reenact Chapter 42 (MOTOR VEHICLES AND TRAFFIC), of the Code of Herndon, Article IV (Stopping, Standing, Parking), Division 4 (Residential Permit Parking), Section 42-223 (Designated Residential Parking Zones), to designate a new residential parking zone to be known as the "Madison Street Zone."**

Mayor Olem recognized the Town Manager to present the staff report.

The Town Manager presented the staff report and PowerPoint dated January 4, 2022, which are on file in the Town Clerk's office. He outlined the parking history; parking issues on Madison Street; residential parking permit petition received on November 15; code requirements and study findings; and the proposed Madison Street Zone. The study indicated that the request for a residential parking permit program is consistent with the code requirements.

The Town Manager outlined the location of the zone; the hours, which were from 12:00 am. to 7:00 a.m. daily; and stated that staff would continue to monitor the area and expand the zone as needed, pursuant to the Town Manager's authority under Chapter 42 of the code. Staff recommends approval of the proposed ordinance as presented.

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

Responding to queries from Councilmember Friedrichs, the Town Manager stated this item had to be adopted at a public hearing. Dawn Ruffin, the petitioner, would be at next week's meeting with her neighbors. He thought that a few of the regulations previously presented to Council could have helped address some of the parking issues, like blocking driveways.

Councilmember Friedrichs pointed out another neighborhood that was facing this issue. The Town Manager discussed how parking zones have helped other neighborhoods. He also talked about his ability to expand the parking zone if non-resident cars continued parking on nearby streets.

Mayor Olem shared that she spoke with a resident living near Bond Street and Crestview Drive, where they were having issues with trucks. She thought the Council needed to adopt legislation that addressed parking as a whole.

In response to queries from Councilmember Dhakal, the Town Manager explained that this was the third parking zone in town. He briefly outlined the parking zone process. He explained that the police could not "run" the license

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plates of cars without a reason, so staff relied on the neighbors to attest that the cars parked there were not residents. He indicated that staff would look at the areas near the Metro prior to its opening to try and be proactive about parking zones. He agreed that staff would monitor the zone and emphasized that if the parking problems moved, the Town Manager could expand the zone.

There was a brief question and answer session between Councilmember Singh and the Town Manager.

Councilmember Singh thought this was a "planning problem," and that there were too many houses with not enough parking. The Town Manager said that many of the townhouses in Herndon were approved in the 1970's, and things have changed over time. Councilmember Singh said he did not agree with the Town Manager, and he thought there were other areas of the county that had enough parking.

Councilmember Regan discussed how parking zones were a tool for the Council to help manage parking issues. Councilmember Singh agreed with his statement.

Councilmember Dhakal shared a personal anecdote about the townhouses and parking, and he emphasized that there was limited visitor parking in townhouse developments. He thought that a comprehensive parking study would be a good idea.

Responding to Councilmember Dhakal, the Town Manager discussed what was needed to establish a parking zone and touched on the importance of meeting the warrants for non-resident vehicles.

Mayor Olem thought they were at the end of the item. It was her opinion that they needed town-wide solutions since the problem was persistent throughout Herndon.

CONSENT

5. **Resolution 21-G-94, to ratify an Extension of License pursuant to Ordinance 20-O-23 Continuity of Governmental Operations, as amended, between Vivacity Networks, LLC and the Town of Herndon, Virginia in order to extend the expiration date to June 30, 2022; and**
6. **Resolution 21-G-95, to award Contract #B-22-05, Herndon Parkway Water Main Replacement Project.**

Councilmember Friedrichs asked if there was a cost to the license, and the Town Attorney said there was not. However, Vivacity may need to go through the RFP process to continue the service.

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The Town Attorney said this item was a ratification of a document the Town Manager signed pursuant to COG power, which as stated before ended on January 1. She stated they needed to keep the equipment where it was on town property.

When Mayor Olem started to call the discussion items, and Councilmember Friedrichs asked if they were going to discuss the water main replacement item. Mayor Olem indicated she had asked if there were additional comments on the Consent agenda, and that this would be the appropriate time to ask questions on them.

Councilmember Friedrichs asked about the range in bids for the water main replacement project. The Deputy Director of Public Works discussed some reasons for the discrepancy, such as logistics and cost, but they did not have a complete breakdown of the bid. She stated that the company that was selected had done work for the town, and she was not concerned about the quality of their work.

DISCUSSION

7. **Revenue Update; and**
8. **Budget Guidance.**

Mayor Olem recognized the Director of Finance to present the revenue update and budget guidance discussion items. The Director of Finance presented a concurrent PowerPoint presentation on these items dated January 4, 2022, which is on file in the Town Clerk's office. He began by discussing considerations for the FY 2023 budget, highlighting personnel.

In response to queries from Councilmember Singh, the Director of Finance stated he got the data for his presentation from the Wall Street Journal and other finance websites. The consumer price index came from the Department of Labor. Councilmember Singh was surprised at how high the numbers were in the presentation.

The Director of Finance continued his presentation and analysis of personnel costs. He then discussed expenditures, revenues, and compared previous revenues and expenditures. He reviewed budgetary, real property, and other local tax trends that affect revenue.

Councilmember Friedrichs stated she could not clearly see the charts in the PowerPoint, and the Director of Finance said he could get her a copy of the presentation. Councilmember Friedrichs also asked staff to spell out the acronyms being used so citizens could understand.

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The Director of Finance continued his presentation. He stated that Fairfax County recently passed a new ordinance raising the income for elderly tax relief. He projected that the town would need to cover approximately \$200,000 to \$201,000 in elderly tax relief.

Regarding the real estate tax, the Director of Finance stated that residential assessed values were projected at 8.68 percent in FY 2023, while commercial values were projected to decrease at 0.55 percent. Hotels were recovering slowly, and office buildings were expected to continue to experience declines due to work patterns and COVID related issues. He stated that town was expecting the actual numbers from the county later that month, which would give staff a better idea of the impact on revenues.

Moving onto the budget guidance portion of the presentation, the Director of Finance stated he was looking to obtain the Council's input to draft the budget guidance resolution. Topics he thought they should consider included: economic indicators in Fairfax County; maintaining town services; protecting workforce and COVID related concerns; recruitment, retention, and workforce challenges; personnel costs; inflation and supply impacts on O&M; managing revenues; and how pending legislation could impact the town.

Going forward, the Director of Finance stated that the Council should keep in mind several big-ticket items like downtown development; impact of Metro and CIP projects on O&M; and balancing water and sewer service revenues with operating costs. He mentioned the expanded use of technology and the importance of strong financial oversight and fiscal planning were also factors to keep in mind.

The Director of Finance highlighted the slide with the current tax rates and other services. He then presented two options for Council's consideration, the first of which would direct staff to formulate the balanced budget at current revenue and tax levels; and the second would direct staff to formulate a balanced budget with tax rate increases as determined by the Council. Rate increases would be used for maintaining a competitive workforce, town-wide services and/or capital project funding, without reducing labor or services. Both options included a market-driven compensation analysis, retention forecast, and cost containment and redirection measures analysis.

Adding to the presentation, the Town Manager stated that last year, Human Resources processed 62 new employees, yet the town's operating strength did not go up by one person. He stated staff was also seeing pressure points at various points in the organization, including at DPW, HPD, and other areas. Staff would like to examine the town's pay across the board and see how it is positioned in the market. The Town Manager stated that the large developments that would occur

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with Metro were years down the road, and the town needed to survive until that point. Finding those solutions would be part of the cost containment and redirection strategies.

There was brief discussion amongst Council and staff on the discussion items.

In response to queries from Mayor Olem, the Town Manager stated that staff turnover was due to several factors, including retirements, moving to other employment, and employees leaving professions.

The Director of Finance pointed to a statistic in the PowerPoint that showed approximately 7500 local government employees in Fairfax County left their jobs. Mayor Olem understood, stating that this was a nationwide trend.

In response to queries from Councilmember Friedrichs, the Director of Finance stated staff was asking the Council's guidance to draft a resolution for the next work session. Per the state code, the town has to have a balanced budget by the start of the fiscal year and the budget guidance started the process. Staff had proposed two options for Council to consider, but he stated that Council could also go in a different direction.

The Director of Finance confirmed with Councilmember Friedrichs that the first option was a budget at the existing tax rates, while understanding that expenditures were increasing. Based on the budget calendar, he stated there was some time after the first draft when staff could make major changes.

The Town Manager stated that staff should be close to the final budget numbers by the March 1 work session. He reviewed the process from prior years, where Council would review the general fund at the first work session in March and discuss the enterprise funds at the second March work session. The Council would receive the proposed budget on April 1. He stated that in February, Councilmembers would meet individually with the Town Manager to discuss the budget.

In response to queries from Councilmember Friedrichs, the Director of Finance stated that in some localities, staff would present a proposed budget tax rate at a half-penny higher than the current rate. Staff could present something like that, depending on what the Council wanted to see.

Responding to the discussion, the Town Manager stated he did not know what Fairfax County was going to propose in their budget, but he would hopefully know soon. Since the town was part of the county, the county's actions would be an important consideration for the town's tax rates.

There was a brief question and answer session between Councilmember Dhakal, the Director of Finance, and the Town Manager.

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Councilmember Dhakal asked for a better visualization tool instead of the budget charts that were part of the presentation.

The Director of Finance stated that new this year, staff was using budgeting software, which would provide a clear picture of the data once it was all uploaded.

The Town Manager stated that about 70 percent of the budget was personnel and Councilmember Dhakal commented on maintaining personnel with costs going up.

Councilmember Dhakal supported a budget based the rates staying the same. He also asked to study the costs of living and labor, relative to the costs of maintaining and attracting employees. He wanted to know the gap between the workforce costs and the budget funded at existing rates. Once the gap was identified, Council could consider how to manage it.

In response to Councilmember Dhakal's queries about business, professional, and occupational license (BPOL) revenue, the Town Manager stated that staff was fairly certain in its estimates included in that night's presentation. The Director of Finance stated that in the past five years, the town has not been below approximately \$4.9 million in BPOL revenue.

The Town Manager stated that for the past several years, staff has underbudgeted BPOL revenues and treated the rest of it like a one-time revenue source. In recent years, he noted the revenue floor has risen, and staff was considering how some of that could be used for O&M, while treating the rest of it like a one-time revenue source. Staff was looking at how to finetune BPOL estimates, and the Town Manager stated that it was still a volatile source.

There was a brief question and answer session between Councilmember Singh, the Director of Finance, and the Town Manager.

Councilmember Singh discussed projections, rising costs, and how property tax payments increased with Fairfax County's assessments. He thought that residents were still feeling pressure because income and costs were uncertain. He provided comments about previous one-on-one budget sessions with the Town Manager.

The Town Manager asked Councilmember Singh what he was looking to discuss at the one-on-one meetings, and Councilmember Singh questioned what he should discuss at those meetings and what he should discuss with the Council. The Town Manager indicated that at the one-on-one meetings with Council, they could talk openly about matters like personnel. He would fully brief the Council and public once staff developed the proposed budget.

The Director of Finance pointed out that citizens would have several opportunities to comment on the budget at the public hearings.

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Responding to queries from Councilmember Singh about midyear budget analysis in September or October, the Town Manager stated the fiscal year started on July 1, not January 1, so the midyear would not be in that timeframe. He stated he would like to have some security in the budget numbers by May 1.

Councilmember Singh thought the system was still too complex.

The Director of Finance stated that many localities go through their budget exercise around November so the staff could start developing the budget earlier.

Councilmember Singh stated he would send his budget comments to staff.

Mayor Olem wanted to see a budget that included the services at their current levels. She had not heard that anyone wanted town services reduced. She emphasized the importance of maintaining current services and employees.

Councilmember Friedrichs stated she would prefer to see a balanced budget without any changes, and after looking at it, she could consider any changes.

Councilmember Singh thought the town should be "operating like a small consulting company." He stated that these companies have limited resources and have the level of expertise to compete with the larger companies. He did not think the town operated in that manner and he suggested a separate budget to hire consultants. It was his view that this would make the town more efficient.

Responding to Councilmember Singh, the Town Manager offered that the situation was more complicated. In some departments, Councilmember Singh's suggestions may be worth a look to see how they could be utilized. The town has 10 separate primary business units, including departments like HPD and DPW, that were vastly different from one another. A "one size fits all" approach might not work, but the Town Manager thought it might apply to some departments.

There was a further brief discussion between Councilmember Singh and the Town Manager about consultants.

The Town Manager stated that it was critical to give staff the latitude to make decisions regarding consultants.

Following discussion, Mayor Olem stated there was concurrence from Council to keep the budget stable while maintaining current levels of services.

The Town Manager indicated that in two weeks, staff would bring back the budget guidance resolution drawing on the discussion that evening.

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ROUNDTABLE

1. **Councilmember Dhakal:** Stated he had worked with the Town Clerk regarding a multicultural board and asked the Town Manager if that could be brought forward as a work session item in January or February.

The Town Manager stated he would talk with the Town Clerk and find out.

Councilmember Dhakal asked the Town Manager if anything was changing at the state level regarding COVID, or if he thought they might go back to virtual meetings.

Responding to Councilmember Dhakal, the Town Manager did not think anything would change at the state level, especially since a new governor was taking office soon. What allowed the Council to meet virtually was the state of emergency and the related continuity of government (COG) ordinance that allowed the town to suspend certain elements of the state code for the health and safety of residents. The state of emergency ended in June and the COG ordinance expired January 1. The Town Attorney agreed with the Town Manager's assessment.

2. **Councilmember Singh:** Asked about the town's recent snow removal process and stated residents had called him asking about it.

The Town Manager stated there were challenges, including having employees out with COVID or that were on leave. He stated that when the snow was falling, they focused on the main roads, and it was hard to get to the secondary roads immediately. Because the most recent storm was first thing in the morning that provided additional challenges.

Councilmember Singh stated he would like to see the explanation the Town Manager just gave posted somewhere. He asked staff to post snow removal information on the website to better communicate with residents.

The Town Manager agreed that staff could post more information on snow removal. He thought that the Deputy Director of Public Works and her staff did a great job managing the event. He also stated that the DPW shop employees stopped taking phone calls during snow emergencies to focus on snow removal operations. He was pleased that the snow was cleared within 24 hours, and he thought that staff also managed the refreeze well.

Councilmember Dhakal agreed with Councilmember Singh's idea to better advise residents about snow removal. He suggested an announcement at the top of the town's website homepage.

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Mayor Olem stated that DPW and HPD had shared information on social media throughout the storm. She suggested that Council could refer residents to those pages.

The Town Manager discussed how the plows move through town and make several passes at each neighborhood. He indicated that staff could post updates during the next snowstorm on the town's website.

3. **Councilmember Friedrichs:** Thanked the Director of Public Works and his staff for the trash and recycling pick up during the winter storm. Regarding posting information about snowstorms, she thought it was a good idea to post on Twitter and Facebook, as the Virginia Department of Transportation did. She also noted that Leesburg sent out an announcement about pipes freezing and thought the town could produce better messages to the public. The Town Manager agreed with Councilmember Friedrichs.

Councilmember Singh thought the town should send out messages regarding the timing of snow removal, like if equipment had broken down. The Town Manager and Director of Public Works would look into it.

4. **Councilmember Regan:** Thanked his colleagues on Council and the town staff for their hard work and for assisting him during his first year on Council.

Councilmember Regan asked about outdoor dining and what needed to happen to have it this year.

The Town Manager stated outdoor dining was not a straightforward answer and there were several categories of outdoor dining. The easiest category was sidewalk dining or, on a certain day of the week, using the right-of-way and closing down a lane of traffic. Staff could look at these scenarios, which was a question of the town's right-of-way. The more difficult category was using parking lots for dining, which had been allowed under the state of emergency. Parking lots bring in zoning because of the downtown parking permit program. He thought that might be too difficult to figure out and that staff would focus on the sidewalk and street outdoor dining. He was also going to look at what other jurisdictions were doing.

Councilmember Regan asked about the ABC laws relative to outdoor dining, and the Town Manager indicated that during the state of emergency, restaurants were allowed to serve alcohol up to 50-feet away, instead of having to be abutting to the restaurant building. The Town Manager thought the 50-foot allowance ended with the state of emergency.

Councilmember Regan asked if staff were planning to pursue outdoor dining, and the Town Manager thought the Council should discuss it before spring. He stated that right now, staff was gathering data.

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5. **Mayor Olem:** Stated she started 2021 with one son getting married and ended the year with her second son getting married.

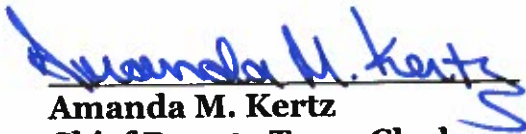
Mayor Olem thanked HPD and DPW for keeping them posted during the winter storm. She relayed that she received calls from citizens who did not go what was going on during the storm, and those individuals are difficult to reach.

ADJOURNMENT

On motion of Councilmember Friedrichs, seconded by Councilmember Singh, and carried by a 5-0 vote, the meeting of the January 4, 2022, work session was adjourned at 9:06 p.m. The vote was: Councilmembers Dhakal, Friedrichs, Regan, Singh, and Mayor Olem voting "Aye." Vice Mayor del Aguila and Councilmember Alam were absent.


Sheila A. Olem
Mayor




Amanda M. Kertz
Chief Deputy Town Clerk

Minutes approved by Town Council: April 12, 2022