

NORTHERN VIRGINIA REGIONAL COMMISSION

Minutes of the Commission Meeting Held Thursday, April 23, 2009

COMMISSIONERS

(The names of those members present are highlighted.)

Hon. Sharon Bulova	County of Fairfax
Hon. Joan Cross	City of Fairfax
Hon. Steve DeBenedittis	Town of Herndon
Hon. Barbara A. Favola	County of Arlington
Hon. John Foust	County of Fairfax
Hon. Penelope A. Gross	County of Fairfax
Hon. Pat Herrity	County of Fairfax
Hon. Catherine Hudgins	County of Fairfax
Hon. Robert W. Lazaro, Jr.	Town of Purcellville
Hon. Harold Lippman	City of Falls Church
Hon. Michael C. May	County of Prince William
Hon. Stevens Miller	County of Loudoun
Hon. Suhas Naddoni	City of Manassas Park
Hon. Martin E. Nohe, NVRC Vice Chairman	County of Prince William
Hon. Harry J. Parrish II, NVRC Chairman	City of Manassas
Hon. Redella S. Pepper, NVRC Treasurer	City of Alexandria
Hon. Frank J. Principi	County of Prince William
Hon. M. Jane Seeman	Town of Vienna
Hon. Paul C. Smedberg	City of Alexandria
Hon. Linda Smyth	County of Fairfax
Hon. J. Walter Tejada	County of Arlington
Hon. Kristen C. Umstatt	Town of Leesburg
Hon. Clyde N. Washington, Jr.	Town of Dumfries
Hon. Scott K. York	County of Loudoun
vacancy	County of Fairfax

STAFF PRESENT

G. Mark Gibb	Executive Director
Linda M. Tenney	Deputy Director
Linda Summerall	Executive Secretary
Ken Billingsley	Director, Information & Demographic Services
Paul Maltagliati	loaned staff, Fairfax County
David Schwengel	Director, Regional Emergency Preparedness Planning
Heather Shackley	Website Administrator
Michelle Simmons	Director, Human Services
Aimee Vosper	Director, Environmental & Planning Services

GUESTS

Steven Davidson	Consultant to A.J. Dwoskin and Associates
Al Dwoskin	CEO, A.J. Dwoskin and Associates
Hon. Dana Kaufman	Special Assistant to the President for Community Outreach, NVCC
Dick Murphy	Director, Prince William Public Library System

CALL TO ORDER Chairman Parrish called the meeting to order at 7:40 p.m.

PLEDGE OF ALLEGIANCE The Pledge of Allegiance was recited by all present.

ROLL CALL The roll was called and all members present or absent were noted for the record.

APPROVAL OF
MINUTES

Commissioner York moved approval of the minutes of the March 26, 2009, meeting of the Commission. The motion was seconded and unanimously carried.

PRESENTATIONS

WHAT THE CREDIT CRISIS MEANS FOR NORTHERN VIRGINIA

Chairman Parrish introduced the speakers: Al Dwoskin, CEO, A.J. Dwoskin & Associates, Inc., a local real estate development and management firm; Dana Kaufman, Special Assistant to the President for Community Outreach, Northern Virginia Community College, and former member of the Fairfax County Board of Supervisors; and Steven Davidson, economist with A.J. Dwoskin & Associates, Inc., formerly with the bond association.

Work on this study began in September 2008, before the immediate implosion of Freddie and Fannie Mac. Mr. Kaufman said this is an undistilled, unfiltered report and it does not contain prescriptive solutions; it should prompt hard questions for elected officials in preparing for FY 2011. He noted that in preparing their FY 2010 budgets, boards and councils have merged many internal functions; now the question is "can we do the same thing regionally?"

Mr. Davidson began with a broad, global overview, stating that the market system is going through a de-leveraging process. Profits and employment are decreasing world-wide. Credit has been easing over the past two decades with a buildup of debt. Now all assets are being reduced in value. When this process is over, Mr. Davidson said it is unlikely we will see a world such as there was in 2006.

Northern Virginia may be the best-positioned region of any in the U.S. and perhaps even in the world. However, the credit crunch and de-leveraging process is and will continue to have a profound impact on Northern Virginia, with the greatest impact on communities farthest from the Washington center. The region's housing market continues to weaken. In the first quarter of 2009, the average reduction in price for housing in Northern Virginia was greater than the reduction in the equalization rates for the property tax assessments, leading Mr. Davidson to conclude that the same type of tax rate increases made for FY10 will be necessary for FY11 if elected officials want the property tax revenue levels to remain at the FY10 levels.

The numbers probably understate the foreclosure trend. Until the end of March, the lenders have had a moratorium on foreclosures; this will now pick up. Lower housing prices and values are leading to homeowners with negative equity. One out of every five mortgaged properties in Virginia has negative equity. The number of these properties has increased by 25 percent over the fourth quarter of 2008. Consequently, credit is difficult to obtain and consumers are spending less, affecting other sectors such as automotive sales, construction, manufacturing, etc., resulting in less sales tax generation.

Local governments have less revenue to spend. Rents on office space are down 30-50 percent depending on the market. Condos are being converted to rental properties, which will affect the assessment. The muni bond market is tight, just beginning to recover. Mr. Dwoskin said he expects a five-to-seven year adjustment process from the August 2007 start of the recession until real estate values start to increase; there is an enormous amount of real estate debt coming due in 2012 and 2013 and most of those assets are not worth their amount of debt. The presenters concluded by asking the Commissioners to think how services could be provided regionally.

Mr. Dwoskin added that the local jurisdictions' finance staff were very cooperative in providing information that went into this study and he praised the staff for their knowledge.

questions & answers Chairman Parrish reported that the City of Manassas has consolidated functions, going from twelve departments to seven; in the process, 40 staff have been let go.

Commissioner Cross asked Mr. Dvoskin's opinion on the impact of the federal assistance money. He said it has saved numerous states in terms of budgeting, but what happens in the next 18 months — will there be another bailout? The decline in private construction for office buildings, apartments and shopping centers won't be offset by renovation and new construction, including Metro to Tyson's Corner, from the recovery program. He added that BRAC is "a ray of bright light" for Northern Virginia.

Commissioner Bulova commented that she championed regionalism when she chaired NVRC in the early 1990s when there was a recession, such as a regional consumer affairs office, but it didn't happen for a number of reasons, including the fact that not all jurisdictions had this service. This is a different time and we have other things in common: statistical analysis, parks and recreation, libraries.

Commissioner Gross reported that MWCOC is discussing joint delivery of services, such as the Northern Virginia Regional Park Authority and the WMATA compact. She wondered about the types of legal underpinning needed to do this, adding that local elected officials may need to advocate with the General Assembly for this authority.

Mr. Dvoskin commented that fire and rescue service is an example of a regional compact that works very well.

Commissioner Pepper asked Mr. Dvoskin's opinion on the effectiveness of the federal response to preventing another Great Depression. He said he thinks Paulson and Bernanke made the correct decision at that moment in time but it will take about four years before we know if it worked.

Clarifying for Commissioner Tejada, Mr. Dvoskin said real estate values and consumer spending are the two factors that can be interpreted most clearly. The impact from the commercial real estate market is coming over the next 36-48 months. By August, we will be two years into the recession. Mr. Dvoskin said he's been through seven of these real estate cycles and this is by far the worst.

Commissioner Seeman expressed concern for small businesses. A.J. Dvoskin & Associates, Inc. views investment in Northern Virginia real estate as a long-term positive. Fourteen of its 17 shopping centers are over 90 percent leased.

Replying to Commissioner Gross, Mr. Dvoskin said his firm's study looked at two indicators: credit market and real estate market; Stephen Fuller looks at other trends.

Chairman Parrish thanked the presenters for their printed material, adding that the Commissioners will share them with their elected colleagues and staff.

Chairman Parrish called for a committee of some of the elected officials and chief administrative officers to look at regional service delivery. Commissioner Bulova said NVRC staff is already doing this, such as the Area Agencies on Aging. Commissioner Gross suggested looking at NARC members for regional initiatives.

REGIONAL LIBRARY SERVICES

Chairman Parrish introduced Dick Murphy, Director of the Prince William Public Library System, adding that Manassas, Manassas Park and Prince William County have a regional library system.

Dick Murphy

Mr. Murphy reported he made this presentation last month to the Chief Administrative Officers (CAOs) Committee. He began by saying that the libraries provide information; everyone who uses them has different information needs. Libraries serve a lot of different

publics in Northern Virginia. While they may not be considered a core service, libraries are core in community expectations.

The Northern Virginia jurisdictions' library directors (along with Fauquier County) have been meeting to discuss coordination of library services. Currently, the jurisdictions' libraries have discounted book and online resource purchasing, reciprocal borrowing, shared programming, contract riders, and the school children's summer reading program. Each library system uses purchasing analysis to ensure they receive the best prices and services possible.

The Northern Virginia libraries are looking at:

- Single regional library card — will also increase purchasing discounts from vendors.
- Regional contracts for online services.
- Single integrated library vendor for the region.

The public library systems receive state funding as well as funding from monthly telephone service bills (funds Internet service at the library).

Mr. Murphy said the public libraries probably serve more constituents than any other local government service. They are an extremely important asset during economic downturns.

questions & answers Commissioner Gross asked that Mr. Murphy provide the number of staff employed by all the public libraries in Northern Virginia and the number of computers in the libraries. He said the directors are looking at ways to share costs and staff for certain support services.

Mr. Murphy said the directors are looking at how to integrate the liberal and conservative approaches to library contents regionally. The library directors will meet again with the CAOs this summer on this.

Commissioner Smyth asked if regional purchasing would include the public school systems' libraries. Mr. Murphy said it would be very difficult from a selection standpoint (prescribed school reading lists), but they would be happy to try to work with the schools, although it might be too unwieldy.

Commissioner Nohe commented on the numerous public events held in libraries. In Prince William County, the library system oversees the county archives.

Replying to Commissioner Cross, Mr. Murphy said all libraries have the ability for downloading electronic books onto MP3 devices.

CONSENT AGENDA Commissioner York moved approval of the Consent Agenda, consisting of the items outlined below. The motion was seconded and carried unanimously.

- A. Financial Reports for March 2009
- B. Resolution No. P09-22: Authorization to Abolish One Position and to Create One New Position
- C. Resolution No. P09-23: Authorization to Accept a Grant to Update Information of the Northern Virginia Regional Gang Assessment

EXECUTIVE
DIRECTOR'S
REPORT

Mr. Gibb distributed a copy of his report and reviewed updates on:

- Increase of approximately \$662,000 in federal CARE Act Part A dollars for Northern Virginia, the result of re-calculation of the respective percentages of AIDS cases among the District, suburban Maryland and suburban Virginia.
- NVRC initiatives included in Federal budget requests — Rep. Connolly has advanced the Drinking Water Supply Protection Initiative (\$100,000) and the Tyson's Corner Community Energy Plan (\$400,000).
- Community Energy Planning — NVRC continues to meet with senior officials and staff from several jurisdictions regarding a two-day follow-up workshop to last month's energy planning seminar.
- Update on Regionalizing Services — In addition to looking at the Comprehensive Services Act (CSA) as reported last month, the Northern Virginia Human Service Officials (HSOs) are also looking at PACE, the nursing home diversion program for frail, low-income elderly.

Additionally, Commissioner Principi and the Prince William Board will host a commuter ferry summit on May 6.

LEGISLATIVE
REPORT

Staff distributed the final report, incorporating information from the April 8 veto session and studies of interest to the Commission.

Commissioner Gross reported that the proposal to eliminate the Health Systems Agencies (HSAs) from the COPN process was defeated. She added it is highly likely that all five HSAs will close within the next year. This could have serious implications for Northern Virginia.

CHAIRMAN'S
REPORT

Chairman Parrish thanked the members for the opportunity to serve as Chairman. He reminded them that elections will be held in June. Accordingly, he appointed Commissioner Umstatt to chair the Nominating Committee. The committee will report its slate of candidates for FY10 officers at the next Commission meeting on May 28; additional nominations may be made from the floor at that meeting. Elections will be held at the June 25 meeting.

OTHER BUSINESS

Commissioner Bulova suggested the Commission have a presentation on MWCOG's Greater Washington 2050 Initiative, a compact for enhanced regional cooperation, goals and visions.

ADJOURNMENT

There being no further business, Chairman Parrish adjourned the meeting at 10:00 p.m.

Respectfully submitted:

G. Mark Gibb
Executive Director

Approved by:

Harry J. Parrish II
Chairman