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City of Fairfax City Council Meeting, Tuesday, January 28, 2025

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[00:00:02] Good evening. I would like to call the regular meeting of January 28, 2025 to order. Thank you for all the guests who are here in the chamber and those joining us from home. If you are able and so choose, please rise for a moment of silence followed by the Pledge of Allegiance.

[00:00:38] I would now like to ask Reverend Jeffrey O. Johnson Sr., pastor of Mount Calvary Baptist Church, to come down for the Black History Month proclamation along with any of his guests or any guests in the chamber who would like to join us.

[00:00:59] This is really tall.

[00:01:26] Whereas, Dr. Carter B. Woodson, a distinguished African-American author, editor, publisher, and historian, founded Black History Month based on the belief that African-Americans and all Americans should know their past in order to participate in the affairs of this country.

[00:01:44] And whereas we celebrate the diversity of black people in the city of Fairfax, the Commonwealth of Virginia, and our nation, whether they self-identify as African, African-American, Afro-Latino, Afro-Caribbean, or Black. And whereas we acknowledge that we have never fully lived up to the founding ideals of this country, that all people are created equal.

[00:02:08] And we have often failed to acknowledge the contributions of those Black Americans whose courage, sacrifices, and relentless efforts helped to build this country from the arrival of the first enslaved Africans in Virginia in 1619. And whereas we acknowledge systemic racism has resulted in black Americans being more likely to die at an earlier age from all causes, with persons of color more greatly impacted by health inequities, disproportionately overrepresented in our prison system and among our homeless populations, causing trauma over multiple generations within the black community.

[00:02:44] And whereas we recognize that all people have inherent value and worth and are deserving of respect, dignity, and basic human rights that have often been denied to black Americans through institutionalized racism that persists to this day.

[00:03:01] And whereas we celebrate this year's Black History Month theme of African Americans and labor, focusing on the various and profound ways that work and working of all kinds has shaped this country, from the forced labor and the domestic work of this country's early days, to the labor of builders, engineers, educators, artists, musicians, business owners, ministers, military leaders, and thought leaders, From Frederick Douglass and Ida B. Wells, Nanny Helen Burroughs and Rosa Parks, to the Reverend Dr. Martin Luther King Jr. and President Barack Obama.

[00:03:38] The labors of African Americans continue to profoundly impact the richness of our country's history and culture. And whereas this year marks the 100th anniversary of the creation of the Brotherhood of Sleeping Car Porters and Maids, by labor organizer and civil rights activist A. Philip Randolph, This union was the first black union to receive a charter in the American Federation of Labor.

[00:04:02] Barriers to the full employment of African Americans have historically included exclusion from higher education, segregation of the federal workforce and the military, disenfranchisement at the ballot box, and racism in hiring in many industries over hundreds of years.

[00:04:20] The care of the very young and the elderly in this country has been the provenance of generations of black women and remain so to this day. And whereas the theme, African Americans in Labor, is a reminder of the investment generations of black Americans have made to the greatness of the American experience, we recognize those contributions go beyond our own borders to impact some of the great accomplishments in science, literature, diplomacy, the arts, and athletics around the world.

[00:04:52] Now, therefore, I, Catherine S. Reed, Mayor of the City of Fairfax, do hereby proclaim February 2025, Black History Month in the city of Fairfax, and encourage our residents to seek out the many stories of the African-American experience in our country through books, theater, movies, documentaries, lectures, and other events.

[00:05:13] Black history is American history every month of the year, and it is incumbent on all of us to know our country's full history and the importance of centuries of African-American labor that built this nation.

[00:05:29] done this 28th day of January 2025. On behalf of various generations of parishioners of the Mount Calvary Baptist Church established May 1870 and the citizens of this great city, I thank you for this proclamation. I thank you for the regard and respect for African-American history, and I

[00:06:04] also thank you that here in this administration our voices are welcome and our thoughts are considered. Mayor Reed, thank you so very much. Thank you, sir. We can move to the adoption of

[00:06:43] the agenda. Is there a motion to approve the agenda? Councilmember Hardy-Chandler. I move to adopt the agenda as presented. Second. The motion has been made and seconded. A roll call vote. Councilmember Amos. Councilmember Hall. Aye. Councilmember Hardy-Chandler. Aye. Councilmember Peterson. Aye. Councilmember Bates. Aye. Councilmember McQuillan. Aye. The motion passed unanimously next item is a initial general public comment we had nobody sign up prior to 5 p.m today

[00:07:20] so we will move on to the consent agenda is there a motion to approve the consent agenda councilmember hardy chandler i move adoption of a consent agenda for item number 7a consideration of the january 7 2025 special meeting minutes agenda item 7b consideration of the january 14 2025 regular meeting minutes agenda item number 7c consideration of the january 21st 2025 the

[00:07:54] special meeting minutes agenda item number 7d consideration of the board and commission appointments agenda item number 7e consideration of an award of construction contract in the estimated amount of three million one hundred and thirty one thousand one hundred dollars to ardent company LLC for the government center Parkway extension agenda item number seven F consideration of the 2025 the city of Fairfax special event to request pursuant to city council road race and road closure policy I move to approve the consent agenda items number seven a

[00:08:33] through F and the motion accompanying the consent agenda item as printed is there a second a motion has been made by councilmember Hardy Chandler and seconded by councilmember Peterson are there any items council would like pulled for additional discussion all right seeing none a roll call vote councilmember McQuillan councilmember Bates aye councilmember Peterson councilmember Hardy Chandler hi councilmember Hall hi councilmember Amos Aye. Motion passed unanimously. So we'll go on to the second general public comment. I did have

[00:09:12] one person sign up to speak. If James Gillespie is in the room, please step forward. Good evening, Mayor Reed and members of council. My name is Jim Gillespie and I live at 3604 Colony Road.

[00:09:45] I am here to request the city council support the transition from gas powered to electric leaf blowers on behalf of the environment and our health and safety. There are two areas in which the city can make a difference. First, we can amend the noise ordinance. A recent Virginia Attorney General opinion said that the city of Alexandria can ban or restrict leaf blowers.

[00:10:08] While the AG's opinion is specific to Alexandria, it may apply to Fairfax City as well. The second is for the city to transition its own fleet of leaf blowers to battery electric. Fairfax County and FCPS are doing that right now. The exhaust and sound emitted by gas-powered leaf blowers threaten the health of operators, especially landscaping workers who must use them every day for hours at a time. And the dangerous level of sound produced by multiple blowers operating at the same time create a health hazard for our entire community. The low frequency high decibel

[00:10:45] noise from gas powered blowers damages hearing, raises blood pressure, interferes with children's learning, and even impacts mental health. The noise travels long distances and easily enters our homes, making it impossible to escape. Their inefficient two-stroke engines fail to combust 30% of the fuel, dumping carcinogens into the air. They emit particulates which lodge deep in our lungs, causing or increasing asthma and other respiratory problems. The carbon pollution from just an hour's use of a gas-powered blower is equal to that of a car driving from Washington

[00:11:23] to Miami. Gas-powered leaf blowers blow away not only leaves, but the mulch and organic matter needed for healthy soil while stirring up lawn chemicals, feces, and mold that we then breathe in. Their 160-mile-an-hour blasts harm insects that benefit our gardens and forests.

[00:11:43] Gas-powered leaf blowers are not necessary. Electric leaf blowers are just as effective with less noise, and they cost the same or less to use. Steel Corporation, based in Virginia, promotes the advantages of electric leaf blowers to commercial users. Supporting the transition to electric blowers benefits over 2,300 Virginians who work for steel. I respectfully ask that you support revising the noise ordinance to ban or regulate gas-powered leaf blowers and promote the city's transition to battery electric. Thank you. Is there anybody that would like to speak

[00:12:22] under this item? You may step forward. Well, this is the only time for general public comment. This would be the time. The second general public comment? Yeah, you can come forward.

[00:12:43] I'm going to speak about what I sort of spoke about last time, which is this project out here we now all see with the orange plastic fences.

[00:13:04] I don't think that the prep work was good, because I know Judy Frazier and I came to a BAR, a Board of Architectural Review, meeting at the beginning of March, and when she said, you know, these stairs out here, steps, lead to a door that's locked.

[00:13:21] You would think the people sitting up there, the seven gentlemen, didn't know that, and Neither did the civil engineer. Their mouths kind of went, who knew? So why, and how many people use that?

[00:13:37] I sent Mr. Masoud an email, but it was this morning, as I answered, how many people come up those stairs? And why do they need to be replaced? Maybe you could fix the little spots that need to be fixed. The iron railings, the one at the top right, is a little wiggly, fix it.

[00:13:56] The one at the bottom right, as you're coming up, is a little wiggly, but not that wiggly. How about we fix things? How much concrete do we need to send needlessly to the landfill? Now, and who's going to park down there to walk all the way up, to walk all the way around?

[00:14:16] Makes no sense. So I'm guessing not a lot, but we could probably check our cameras. They must have a camera. So anyway, that's one problem. So that was one of my points is the money we're going to spend, they're going to spend to have a company jackhammer that out of there.

[00:14:40] It's ridiculous. And I think things are repairable. I mean, there's a place where there's like a little layer of concrete. Can you put something over it? Like more concrete? So the other thing is I think the Board of Architectural Review, when Judy and I showed up, she mentioned some architectural things.

[00:15:03] I don't know that. I mentioned some plant things. And I asked them if they knew anything about plants. They did not. And I'm sure they didn't look at the 2,398 plants that were on that plant plan, including 150 yucca, which you just don't do.

[00:15:27] And so I talked to the landscape architect afterwards. They changed it. And the board still didn't know anything. And they passed it when there was nobody there yapping at them. And then council passed it. Did anybody check? There is way too many plants there.

[00:15:43] Because they jacked it up to 2,700. Then I talked to Mr. Massoud, and out came 866, and then I checked two more areas, and there's still too many plants. And who else is checking? No one, just me, for

free. Nobody did their homework.

[00:16:01] That's not good. Is there anybody else that would like to come and speak under this item for general public comment? Okay. We'll move right along to items not requiring a public hearing. The only item tonight is for consideration of revisions to the City Council procedural and operational resolution.

[00:16:21] Brian Lubkerman, City Attorney, will provide the staff report. Good evening, Mayor and Council. I'm still getting used to these longer microphones, but I'll try not to yell. As previously discussed with you on January 7th in work session, the city council traditionally adopts a series of resolutions governing, as the staff report notes, rules and procedures for the city council, rules governing public participation at regular meetings of the city council, as well as procedures regarding mayor and council benefits, equipment, and reimbursement.

[00:16:51] We've added one this time, separately the council has adopted a remote participation policy that developed primarily out of the COVID era. There have been some changes to enabling authority by the General Assembly, and ordinarily that has been a separate policy.

[00:17:10] We decided to adopt them by resolution as part of this meeting. So when we discussed this on January the 7th, we asked if there were any questions or requests for information. We received one inquiry from Councilmember Peterson about the interaction with City staff.

[00:17:27] So the rules of procedure provide that any request from the Mayor or Council to staff should go through the City Manager. I think the comment that the new City Manager and I would have is that while these are rules of procedure, they're also -- may not reflect sort of the reality.

[00:17:44] If somebody's calling to report a pothole, if somebody's calling to -- for a very quick request, obviously those inquiries can go to staff. What we're trying to do is make sure that everybody gets the same information and that the items, request for information, request for research are properly briefed. And also in the case of larger ticket items in terms of research or projects, that there's a consensus of counsel to look at items before we proceed.

[00:18:08] So that was the only inquiry we got on the rules of procedure. A couple of notes. We We have been pondering the idea of instead of doing these every two years when there's a new council, and of course they continue whether you all adopt new rules of procedure or not, the body is continuing, so the rules of procedure remain in effect until and if they're changed.

[00:18:29] Some jurisdictions have actually embodied these into their city or town codes, and so we will be bringing forward at a work session a discussion to see if there's any desire by the council for us to embody these into city code, in which case they just simply remain until they're changed. That'll be a discussion for a future day.

[00:18:45] A separate item that we've talked about from time to time, and we'll bring it forward at an appropriate time with the Council, is the idea of a code of conduct or code of ethics for elected and appointed boards in the city. We do not have those currently. We'll bring those forward in a work session for discussion again to see if the Council would like us to proceed.

[00:19:02] And we have plenty of examples from other jurisdictions, and we have some ideas ourselves. So with that, I'm happy to answer any questions. Otherwise, I would just commend these to you and note

that, according to the staff report, there will be a single motion approving all four of these. So, again, with that, I'm happy to answer any questions.

[00:19:19] Do we have questions? Council Member Amos. And because we're going to discuss this later, to your initial point, how frequently has this been amended? Do we have the history of that? I mean, if it's something that really has never been changed, I think that just makes that discussion a lot easier.

[00:19:36] So, these have gone through a number of iterations over the years. I would say the last couple of councils, there have been very few changes. Most of the changes we did this time were primarily stylistic, grammatical, organizational, those type of issues.

[00:19:51] They really do not change often. As you can imagine, rules of procedure are fairly standard across bodies. We have a couple of exceptions, not much of anything of note. So from my perspective, from a legal perspective, it just seems that it should be something embodied in the city code.

[00:20:09] But, again, there's no reason not to. The other option is just simply to enact these and have them just remain in effect until and if they need to be changed. I mean, we traditionally bring them forward, but there's no absolute requirement to do that. We just want to give you a, lack of a better term, a bite at the apple. Other questions from the dais on this?

[00:20:28] All right. Seeing none, is there a motion? Council Member Hardy-Chandler. I move that the City Council approve the following resolutions as the same are presented in the materials for tonight's City Council meeting. City Council Rules of Procedure, Remote Participation Policy, Citizen Participation at City Council Meetings, and Mayor and City Council Health Insurance Benefits, Provided Equipment, and Reimbursements.

[00:20:55] Is there a second? Second. A motion has been made by Council Member Hardy-Chandler and seconded by Council Member Peterson. Is there any discussion on the motion? Seeing none, a roll call vote. Council Member Amos? Council Member Hall? Aye. Council Member Hardy-Chandler?

[00:21:11] Aye. Council Member Peterson? Aye. Council Member Bates? Aye. Council Member McQuillan? Aye. Motion passed unanimously. Okay. I will now recess the regular meeting to go into a work session. We will take a five-minute recess to go into the work session

[00:21:25] room. Okay. Welcome back to the work session. Our first item is a discussion on a request of the

[00:29:10] Hill at Davies Family LLC for the redevelopment of 4131 Chambridge Road. I'll recognize Albert Frederick, city planner, to provide the staff presentation. Good evening, everyone. This is a post submission work session for the hill a davies llc the subject property is located at 4131 chambers road applicant and owner submitted an updated land use application and revised plans

[00:29:48] on september 6th the plans that are under consideration for tonight's discussion were submitted on december 3rd 2024 staff has provided a written staff report part of your packet there have been several concepts for the subject site since 2016 again the owner and as the applicant submitted plans and September of this year of 24 for apartments and retail and office space on the subject site so the current

[00:30:26] application for your consideration tonight for the work session discussion um has has been uh in the process for approximately a little more than four months or so four or five months and so we're this

is a first work session with the owner and applicant with this submission the applicant has submitted a zoning map amendment from residential medium to commercial urban district while retaining the transition overlay district and an approval of the general

[00:31:04] development plan with proffers for an upper story mixed-use building that consists of 276 apartments and two buildings approximately 6300 square feet of retail approximately 40 200 square feet of office and structured parking on 2.69 acres the applicant has requested a number of special exceptions and a major certificate of appropriateness for architecture and landscaping so the existing conditions for the site the subject property is located at 4131 chambers road the existing use on the site is a 1916 colonial revival style single

[00:31:43] family home with a detached garage constructed around 1920 and a one-story concrete block shed is on the on the subject property the property is commonly known as a day as davies property and is located on the eastern side of chambers road at the intersection of judicial drive and spans the block with frontage on the west side of university drive and across from breckenridge lane south of sager avenue and north of armstrong street so the subject property is located in

[00:32:17] the activity center place type it's also in the old town small area plan which was adopted in june 2020. the small area plan provides guidance on a neighborhood level for development in the the activity center place type. The current zoning is residential medium. The proposed zoning is commercial urban. The slide before you shows a comparison of the previous submission and the current submission. The current plan shows a reduction in number of units, an increase in

[00:32:53] retail and office, and a reduction in density. And this application provides a greater setback along University Drive and you'll also see that the reduction in height from the previous plan now the both buildings are approximately 58 feet in height. While it's difficult to predict the future of the small area plan provides some benchmarks for the near-term horizon for the next 15 years and so what this slide provides is the number of residential units recommended

[00:33:32] for the Old Town small area plan on the 15 year horizon so you're looking at an increase of 1250 units the applicant is providing 276 the Old Town area smaller your plan calls for approximately 25,000 gross square feet of new office space the applicants providing an approximately 4200 square feet retail the applicant is providing 6119 as you see there is an increase in the total number of the total gross floor area for

[00:34:07] retail and also retaining some of that vacant retail space that's currently in old town the applicant is not proposing a hotel or institutional and arts uses at this at this time to get into the general development plan again the applicant is proposing 276 units with amenities approximately 6400 square feet of retail which fronts on chambers road what's in building building a the office space also within building a on the ground floor fronting on chambered road the

[00:34:45] applicants provided three levels of structured parking with approximately 424 spaces a private east west drive from university drive to chambered road a north south pedestrian path and 17 affordable dwelling units so the small area plan calls for a greenway which runs primarily through the middle

[00:35:17] of a site and it extends from sager avenue up to or from sager avenue to to the truest bank site from sager the truest bank site all the way down to city hall and so the applicant as part of their plan has

proposed a 43 foot wide greenway provided in a public access easement and the applicant has provided a six foot path that meanders with landscaping and connections into building a

[00:35:55] and building b so they've set the stage as the first applicant within the small area plan and they provided that alignment consistent with the small area plan in terms of vehicular access the The applicant proposes to construct a new private street from Chambers Road in east-west direction from University Drive to Chambers along the northern property line.

[00:36:22] The proposed east-west road has a ride-in and ride-out only. The proposed private street width is 26 feet. The new east-west road provides access to the parking garage in Building B with one entrance to the upper-story residential mixed-use building.

[00:36:39] The three-level parking garage spans both building A and building B. The applicant's providing loading zones in both building A and building B. In terms of meeting the multimodal plan, the applicant is required to provide 10-foot sidewalks on Chambridge Road and University Drive.

[00:36:56] The applicant's providing sidewalks in those locations and a sidewalk on the south side of the east-west private street. The proposed pedestrian path and the middle order site provides a connection to the north and south. The applicant has proposed cross-access easements to the north and south.

[00:37:15] The small area plan does contemplate a streetscape, including the private street. The applicant is requesting to deviate from the streetscape. And the applicant is proposing plantings on University Drive, Chambers Road, and the proposed greenway.

[00:37:32] It should be noted that the east-west street would be designated as a fire lane. In terms of the traffic impact study, the traffic impact study was submitted to staff yesterday and staff is currently reviewing the traffic impact study.

[00:37:58] The Board of Architecture review has held preliminary work sessions with the applicant and has provided some renderings in your packet. So on those rendings that you see are also on the screen looking at Chambers Road with the retail frontage with with residential on top so along Chambers Road you're looking at five stories and on University Drive you're looking at four stories with a setback additional renderings this is

[00:38:36] along this is on University side so the applicant has submitted has requested a number of special exceptions I won't go through all of them but just to quickly address a few of the items special exceptions they're seeking a reduction in the 75% ground floor non-residential use in a mixed-use building 24 do out they're looking for a increase in the dwelling units per acre 24 is the

[00:39:11] maximum and the CU district the applicant is providing is requesting 102 units an acre height the applicant is looking to exceed the 40 48 max height in the transition overlay district and the applicant is providing the vehicular access to the non-residential lots to the north and south so that what they provide is a stub out through an access easement so the so the applicant is looking to eliminate that requirement and one other item that should

[00:39:48] bring to your attention is the on the south side the applicant's providing a sidewalk on the south side of the proposed access drive where on the north side they would be seeking relief from that requirement in terms of the technical deficiencies with the application the applicant has been made aware of the sanitary sewer capacity study and the study shows that flows would increase

[00:40:21] with the development for this project and the applicant would be required to provide an upgrade to the sewer mains that the site discharges to or show through calculations that those upgrades are sufficient to support the development i've already mentioned the tis so staff is reviewing that that part of the application the utility plan the applicant is required to underground all utilities on site and so one of the comments for the applicant is that

[00:40:59] there's inconsistencies associated with the removal of utility poles between a demolition and utility sheets and there's more work to be demonstrated on how the utilities would be undergrounded through the plan set there's discussion during the work session regarding the loading the truck the trash truck loading area so the applicant I believe has already addressed that and what you'll see that during their presentation of how the truck loading area would be handled in terms of streetscape as mentioned that the

[00:41:39] applicant would need to provide streetscape and putting the plantings along the right-of-way and not behind the sidewalk on Chambers Road or or excuse me, on University Drive.

[00:41:58] And then the last item was offsite trees. The applicant will need to coordinate with the adjacent property owners and getting signatures and permission to remove offsite trees and also go through the process with staff in order to provide a replacement for those trees that are proposed to be removed from offsite.

[00:42:24] A lot of those items were discussed during the Planning Commission comments. won't go through all those there is a fair amount of discussion regarding the private street width and parking and uber and where the fire access would actually occur and then there's some discussion on the ground floor commercial on university drive whether that's an appropriate location for commercial development and overall the planning commission said there's been improvement since the last submission that the last submission that was brought before them and

[00:42:59] work session back in 2023 and next steps the applicant will be required to resubmit and provide support documentation and updated plans there could be potential work sessions going forward if it's necessary if not we would move to the public hearing phase once all those aspects have been um have all the requirements have been met and i'll stand by for any questions you may have

[00:43:28] the applicant is here with uh with their presentation good evening my name is micheline

[00:44:06] caston smith i'm with paradigm development company and i thank you for your time we appreciate the opportunity to walk through the project and to hear your comments and thoughts here with the team we understand we're limited on time so we're going to move pretty quick but stop us if you have any questions or if you need me to repeat anything but again i am with paradigm and we are working with the owner as the applicant and developer.

[00:44:29] With us, we do have Gail and Bankhead Davies, the owners of the property, who will give a brief statement, again, so we're pressed for time. We have our architect of record with Lessard. We have our engineering team and our landscape architect with Urban Engineering.

[00:44:45] We have Felice here with Growth Slate for Transportation, and we have David Houston representing it with Beankin and Korman with our zoning attorney. Okay, so I'll give a brief conversation from the owner, and then we'll transition to the architect to walk through the plan.

[00:45:01] Thank you. To have this work session. Give you just a little brief background. The property's been in the family since 1920. My parents and my sisters moved into the house in 1954, so for over 70 years, we've seen a lot of change in the neighborhood.

[00:45:25] It was the town of Fairfax at the time. And most of that development has been commercial around the house. In 2015, after my parents passed away, my sisters and I started the effort to redevelop the property and bring it into something that I think is more keeping for that block and this neighborhood.

[00:45:50] So, in any event, again, thank you for the opportunity to be here and appreciate it. So, Micheline? My name is Mises Montezuelca with Lassar Design. We're architects for the development.

[00:46:08] We've been through a series of reviews with the city, multiple feedback sessions and refinement. I just want to start very quick with the big picture of the challenges of this development.

[00:46:24] One of the main ones is topography. The Cambridge Road on the west side is about 24, 25 feet above University Drive. So that is very important. It's one of the main design challenges that we had.

[00:46:45] We're following as much as we can to the letter, the small, all-town small area plan and transition overlay district guidelines. with regards how the buildings should be set the the greenway the location and the width of the greenway as well as all the other restrictions as far as height and how the building should step and with the good session with architectural board of architecture we also emphasize the scale this this product is is meant

[00:47:23] to fit in and respect the current urban fabric that Fairfax has. We're trying to make this a historic character that also feels modern in using materials that we see in the surrounding area. We follow, again, the guidelines where it comes to grouping windows, to playing with cornice lines, the materiality, and how we are treating the ground floor, just to emphasize the streetscape. Along Cambridge Road, the character you will see is a little bit, we have, we're surrounded by office buildings and then

[00:48:03] we're transitioning towards the commercial townhomes on the back, but after that it's a little bit more residential. So that's the transition we're proposing, very similar in terms of scale to what's existing today. There are ins and outs for true architectural character differences, So the building's facade is very dynamic.

[00:48:27] It also maintains a residential character. And on the back, or on the other side, on University Drive, the character is very different. There's a lot more open space on the surrounding properties.

[00:48:44] We're surrounded by residential communities and some parking lots on the north. So in this case, we try to do a different type of architecture that fits more with residential character and less of urban mixed use.

[00:49:00] So there are two entrances of the building. I'm going to go back. This is a typical floor. So the building facing chamber, which is the building you see on the left side, that building has 114 units and the larger building facing University Drive.

[00:49:26] It's a larger footprint, but it's actually almost the same. It's 162 units. That building has a step, and it's four stories facing University Drive. That's the elevation I showed you earlier that has more of a residential character.

[00:49:44] We're also maintaining courtyards open towards the north, and this is very consistent with the small area plan. The earlier maps that we saw on staff's presentation, this is consistent. All the mechanical equipment is meant to be located on the center of the building roof.

[00:50:06] So from any point, from a pedestrian perspective, it won't be visible. Again, we've gone through several rounds of reviews with your teams, and it's been a great transition, great improvement from all parties.

[00:50:24] This is a section of what I was explaining earlier, how on the left side is Cambridge Road, on the right side is University Drive. So the building's stepping, stepping down just due to topography, but also there's one less floor along University Drive.

[00:50:44] These are exhibits that we prepared to demonstrate the visual field of view from pedestrian level to the roof equipment. It won't be visible and the elevations one emphasis that guidelines have is to maintain scale to make sure the building is not too too big that there's no contiguous materiality after certain dimensions and we're carefully aware of that and this is not just painting the building a different color this has

[00:51:21] different materials. It also has ins and outs, so the facade is not contiguous. Every site from any point has some interest. It has that playfulness in terms of materials, cortices, and we believe that's what makes this pedestrian scale. These are the long elevations. The top one It's the south elevation looking north.

[00:51:52] The bottom elevation, it's basically the elevation along the private driveway. So we have the Cambridge Road, a smaller building on the right side, and the step towards University Drive on the left side.

[00:52:14] We have more elevations with more additional details. We're calling out every material and every window as part of the review process. We have also provided with enlarged elevations to demonstrate how we're treating the storefront.

[00:52:31] There's very strict regulations that we are to follow. And in summary, we're proposing three different architecture characters, depending on where the building context is facing.

[00:52:48] The one on the left is the one that is very similar to the existing Fairfax texture. It's red brick with beige stone, architectural stone, or beige brick accents. The one next to it is what we consider the transition.

[00:53:06] It's a little bit more industrial, but it also has a residential texture. Windows are different. And the third one is the residential character facing University Drive. And the other two palettes are the transitions between all these three characters.

[00:53:26] We've presented our material sample board to architecture board and also staff reviews. And that concludes the architecture presentation. Happy to answer any questions. Okay.

[00:53:43] Hi, I'm John Lionel, the landscape architect for the project for Urban. I'll quickly go through the open space design. I'm sorry. That better so quickly go over the open space the streetscape the greenway and the courtyards the Over on the left you see chain bridge. We do have the ten-foot sidewalk and then the tree panel likewise on university ten-foot sidewalk and then tree panel sidewalks next to the road

[00:54:22] because of two main reasons Because of the grade on chain bridge with we were to flip it, which is what is recommended by a small area plan We because of those are public entrances to retail We have to have 88 compliant walkways to get in there and in order to do that We need we need room to ramp you can't do it with the sidewalk right next to the building so We also have a line-of-sight issue if you put the trees right next to the curb

[00:54:54] People leaving, driving out of this site have difficulty seeing down the road. So that's why we've flipped the sidewalk and the tree panel from the recommendation. I'll go to the next one.

[00:55:14] This kind of demonstrates that grade a little bit better for both Cambridge and University, especially University. The Greenway. So we are providing a linear path through the greenway that's pedestrian oriented, but it's 15 feet in order to have any maintenance or service vehicles down there.

[00:55:40] It's not meant to have emergency vehicles go down that 15 foot width. We have conferred with the fire marshal. They do not need to get down there. They advise us if they need emergency to get to any pedestrians, they would park on the main access drive and go down there with a stretcher or however they need to.

[00:56:19] The greenway is lined with trees and it was originally the area where we were getting most of our canopy but we have redesigned the courtyards to let's see yeah this one's probably better as you can see this this is a little bit different than what staff presented as far as the courtyards we did this in response to BAR and Planning Commission to try to get more canopy we weren't meeting canopy canopy requirements 10% we were only getting 5.64% mainly in the

[00:56:58] greenway so what we did was work with the architect to to get plant enough soil volume and raised planters in the courtyards to plant more trees so we are actually meeting canopy now with this design we are at 10% so that we were happy to to achieve that the last few slides are just a palette of the site furnishings and the landscaping plants that are that we're contemplating

[00:57:34] So happy to answer any of the questions, but that's all I have for the landscape architecture part of it

[00:57:51] Okay, thank you. Thank you for your presentation. This has been very thorough I will look at the dives to see if there are questions for either the applicant or our staff councilmember McQuillan could you expand a little further or go into more detail on that 15-foot roadway that you were just explaining for emergency personnel something yes, so the the greenway has let me go to this section from building to building it's 43 feet but in the

[00:58:29] middle we have a 15-foot clear zone that's also pedestrian so you can see on the right side and let me see if you can yeah so we'll have a hardscape brick path on one side and then we're we are going to have sub a submersed if you will grass pave structures it's going to look like grass it is grass but it's gonna be grass paved so you can drive over it so the total width with the six

[00:59:05] foot walk and the rest being grass paved is 15 feet on and in on both sides are raised planters we need to do that because all of this is over top of the parking garage underneath and that's where we'll get more tree canopy for larger trees so that that is meant to have cars on it that 15 only for service for okay got it yeah okay i have another question there there's a building on this property is that correct

[00:59:39] is there still okay um and has that been surveyed for any historical um significance or anything like that by chance? Just curious. Sure. David Houston, Bean, Kenyon, Corman. The property has been studied at various times by the city. Most recently, I'm not sure, 2008 maybe. There is a

[01:00:13] recommendation in the small area plan to try to continue to look at the house and to try to make record of the property and the architecture but the the house itself is typical of the era it's not necessarily historic but we have proffered in our proffers that you will see at the hearings to conduct archaeological study

[01:00:49] and an architectural historian study after the application is approved, and we will do that before construction commences. So if additional work needs to be done, then there's time to do it.

[01:01:07] So I wanted to add that the city is proactively studying this with a few other sites. There was a recommendation that came out of the National Register study that we did a few years ago, Part B, which was a windshield survey that recommended further study along with a recommendation out of the 2004 citywide inventory and just to kind of close the loop on that the 2008 citywide archaeological assessment for civil war sites recommended a phase two more in-depth study of the archaeology of the site so

[01:01:41] the city has proactively contracted with a qualified firm to evaluate the property it's a initial phase is not an intensive survey it is not something that would rise to the level of a preliminary information form that would be submitted to department of historic resources resources in the state for a concurring opinion it's the base level survey we will take that data when the drafts are completed to determine what next steps should be done staff from historic resources has asked that the applicant conduct both those studies ahead of any

[01:02:18] action this council may take so that they can provide an informed decision the city is proactively looking at the building we don't have permission to do archaeological assessment and the house is currently vacant not in the best of condition councilmember Hardy Chandler okay my question is for staff on slide 19 I don't know if there if eight except special variances or special exceptions

[01:02:52] is high for a project of this size and for exception number two could you go over the number of units that are particularly expected for a lot this size and the number of units in this project I'm sorry slide 19 is the one with the special exceptions on it.

[01:03:21] So, slot 19, it relates to density. Yeah, I'm particularly, well, the first question is, is this a significant number of special exceptions? And then number two, 24 dwellings versus this project.

[01:03:41] Could you repeat that piece? Okay, so for projects that we've been getting within the small area plan not just the old town but also North facts and other smaller your plans you'll see more special exceptions because our zoning orders hasn't caught up with the small area plan so staff is working on on that so in one aspect it's it may seem like there's a lot of exceptions especially when you're looking at rezoning to commercial urban but I would say in

[01:04:16] order to achieve what the small area plan requires or recommends until staff is able to get the zoning ordinance to be more in line with the small area plan you're going to see a number of exceptions and so one of the exceptions that we typically have is for density so when you look at the small area plan it it talks about basically building mass and size it doesn't have a density related to it so but when you look at commercial urban which has a max density of 24

[01:04:50] dwelling units an acre this site is no different than the other products that we've reviewed in a smaller plan in your packet on page 19 you'll see a list of products that have been approved and you'll see that the densities are approaching this type of level of density they're 442 dwelling units an acre the site is less than three acres and they will have 276 units that they're proposing so I would say that it's in keeping with the small area plan and when you

[01:05:25] look at the building height and the size of the building what's being proposed if you look at the plan in terms of smaller your plan I would say it's fairly consistent thank you thank you council member council member Amos then council member Hall all right bear with me just have a few questions. So first, good job on hitting the 10%. That was going to be one of my first questions, so right on. Appreciate it. We're happy to. Yeah, good job. So first question about the Greenway connection. So does that go to anything, or are we just putting this, like, sidewalk in the middle

[01:06:03] for people to maybe just jog up and down? We'll let the staff answer, and then we can do our slides. So, the small area plan shows a greenway that goes from Sager Avenue down to Armstrong.

[01:06:24] I couldn't think of the name of the street. From Sager to Armstrong. So, it was a connection. So, you'll see as projects come in, they should start lining up with this application. This is the first one in. And so, they're in keeping with the small area plan.

[01:06:41] The small area plan has a range for the greenway. And right now this range shows it's 43 feet between the buildings. So that's within the minimum that's called out in a small area plan. So is there any concern with that private street?

[01:06:59] Will there be a crosswalk there? Is that the anticipated? Are we going to? Yeah, cool. That's good to know. Second, echo some of the concerns I was raised in the planning commission meeting regarding stormwater and 100-year flood impacts. So I was reading a bit about the BMPs you were looking at, but could you go over more about how the stormwater system would operate?

[01:07:24] We're going to have an underground stormwater management vault that's going to control the 1, 2, and 10-year storm event. Anything over the 10-year storm is overland relief analysis. So we'll do a detailed analysis during the site plan to confirm that the overland relief is adequately controlled or conveyed away from the site.

[01:07:43] As far as the 1, 2, and 10-year storm event, our proposed system as it is right now detains a little bit more than the pre-development flows for the storm events. So it's a betterment from the existing condition flows leaving the site today. So capacity won't be an issue?

[01:08:00] Capacity of downstream storm pipes for the 1, 2, and 10-year storm events should not be an issue based on the analysis we've done today. But during the site plan, we'll do more detailed analysis with staff reviewing it. When it comes to transportation, do we have data or numbers showing the impact on the Breckenridge University light?

[01:08:21] Yes, so the transportation study that was just submitted, it looks at a number of intersections surrounding the site, and we do look at the impacts of that. Lovely, and then last question, sorry. What does the community outreach plan look like from here on forward, and what have you done up until now?

[01:08:39] We've been trying to communicate with the neighbors, and so to date, we have met with the Breckenridge group. We've met with the Fairfax City for Smarter Growth.

[01:08:56] Is that the right name? We have met with... Is it close enough? My apologies. Citizens for Smarter Growth. My apologies. Don't have an aneurysm, y'all. We love you. My apologies. We met with a subset, some members of a... It's not the Chancery, although we've communicated with them.

[01:09:16] They are trying to organize their board members, and they told us they'll get back with us. But a member of that community then reached out with a smaller group who we met with, so they don't really have a name or a community name, but we met with them and walked through it.

[01:09:33] We have a meeting scheduled with the Inza Court this week, which is on the south side, And we're trying to make contact with the bank now that it's vacant. It's a little difficult to find who the owners are in a local Representative excellent. Thank you Councilmember Hall, thank you. I'm gonna be honest and thank you all for coming out I know that you've been here many many times it sounds like and to the family I know that this has been a long process for you to the homeowners that are here to the Breckenridge community I want you to know that we're not experts in this right now Now, you probably know a whole lot more about this whole project than we do.

[01:10:13] We're trying to get up to speed. I recognize that that's frustrating for all of the stakeholders here. So I'm going to try to ask my questions and hope that we can come up with some sort of solution that makes everybody happy or at least happy enough, right? So thank you to the HOA for sending some questions so we can kind of start to pull together some of the things that we're concerned about.

[01:10:34] So one of my questions is regarding the lack of sidewalk. That was going to be, you eliminate the requirement for the sidewalk on the northern side. Can you, I know north and south and east and west, but it's a little bit hard to see sometimes when you're dealing with photos.

[01:10:50] Can you kind of explain where that is and why that would be eliminated? And I'm sorry, I'm not sure who my questions are for staff or you guys. So you're talking about the sidewalk that follows the access drive, the connection.

[01:11:09] I'm looking at the exceptions, just try to understand where we are, what we're looking for. that's okay so along the street did you want yeah so on the north side of the access drive so access drive goes east to west from Cambridge to University the requirement is states that it should have a sidewalk on both sides of the street the applicant is requesting a exception to have the northern side not have sidewalks so they have sidewalks adjacent to the building on the north

[01:11:44] side which is the driveway is right up on the property line and I they can correct me if I'm wrong but there's a change in elevation there and I think that's why that's one of the reasons why they are seeking that exception but you guys could and there is a sidewalk on the southern side of the access drive we think the northern side it abuts office building bank right now and when they redevelop whenever they do we would think it would be fair for them to put in a

[01:12:19] sidewalk at that time but there is a sidewalk on the other side of the access drive abutting our buildings okay so there's one sidewalk the city thinks we should have to and and we look at this as an alley not necessarily a street well so that was my question so what is the purpose exactly of this access road is Is it for vehicles to be going in and out?

[01:12:50] That's where their primary entrance to the garage? - Yes. - Yes. - Okay, and that's the primary entrance then for Uber drivers, pizza deliveries, all of those things? - For the loading, that's trash pickup, that's correct. - Okay, and then if people wanted to take that middle-- - The green way? - Yes, thank you.

[01:13:07] There would be a safe place for them to cross that is not impeded by all of the-- - That's correct. - Okay. Okay, and I think there was a concern presented potentially about how to turn in and out of things that everything is kind of a right angle, that there might be some limit visibility?

[01:13:24] - Well, right now, we can turn it over to Felice, but we do have a right in, right out, and she'll walk through that. - Thank you. - Sure, yes, and as Michelle mentioned, there's a right in, right out on both ends of the access drive, providing access. So you can see it there on the chain bridge side, and then also a right in, right out on the university side.

[01:13:45] So that does provide access. So because there's a right in, right out on both sides of the access drive, people can still, it doesn't impact circulation, still get to the north or the south on either chain bridge or university and arrive from either direction okay so people could go out either way they want to come and then if they want to come in either way they can but when they go out they have to turn right correct there won't be any left turns right so then if they wanted to go i'm sorry that way doesn't mean a whole lot here but if they wanted to go out to the left and go up and around they would just go up and they would make a light up there to the right on chain bridge to go north okay yes thank you i'm sorry i'm not no i'm learning to be better visually um and i appreciate your question about

[01:14:23] the units per acre um the 102 here versus the 24 that i recognize that it's been previously zoned for is there another example of where we're using 102 acres per i'm sorry 100 units 102 units per acre or is that a newer higher threshold compared to other plans that are in the works so recently i think the most recent um language approval that we had in an activity center was the willow wood

[01:14:53] project on Eaton Place, and that was 260 units, and they were at 87 dwelling units in acre. So this site, smaller site, close in a number of units, but just doing the math, it's 102.

[01:15:17] So I would say that it's not out of the ordinary. Okay, but the Willow was kind of the first of that type to get that threshold? - In the north facts, not density in the north facts.

[01:15:36] That's the first one. - Okay. - There are many projects that have been approved above 24, you know, Scout on the Circle. - So Scout on the Circle, you're looking at above the 24.

[01:15:53] They were at 46 and some of these, I think there are a couple of projects that were done before 2020. So I think Capstone is probably around that time.

[01:16:11] They're at 44. City Center West, which is right on Main Street, is at 44 units an acre. Scott on the Circle, 46. And Capstone, which is basically on the other side of downtown, is at 44.

[01:16:30] Okay. Thank you. Just trying to get an idea of where we are, where we're headed, where we've been. I believe that you all may have had an agenda item two weeks ago with the planning staff and a consulting team working to sort of update your zoning ordinance to be more consistent with the small area plans, and this would benefit from that study.

[01:16:57] The city currently doesn't have really an urban zoning category that you can ask for with urban type of densities. So hopefully at the end of that study there will be some zoning amendments and we wouldn't need to ask for eight special exceptions anymore.

[01:17:19] The only urban zoning district is the commercial urban but it has a requirement that you need to have 75% of the ground floor to be retail or non-commercial uses or non-residential uses And that's sometimes a very hard threshold to meet.

[01:17:44] The Old Town South area in the small area plan doesn't call for retail on this site or even close to this site. But because we can only seek the commercial urban zoning district, we have to try to comply with the 75%.

[01:18:05] And we have 6,000 square feet of retail and 4,000 square feet of office, but even that's not at 75%. And then the building that faces on University Drive, we just don't think there's any appetite for retail on University Drive.

[01:18:25] But I will say the planning commission members disagreed with that assessment. I don't think Breckenridge would like commercial across the street from them. I think most people don't want things in our backyard, and I think that's, I'm with them in that we're all struggling to change things and move forward, but we don't always know where that is at this point.

[01:18:48] And kind of as a joke, but thank you for putting in all of your billable hourly rates here to be here, learning at our expense. I recognize that, but I'm not up to speed, and I'm just trying to get there. So I was very happy to hear about the 10% canopy coverage. I would suggest maybe if we could go even higher than that, I would certainly not be opposed.

[01:19:07] I recognize that there are thresholds, and... And the 10% will remove one of the eight special exceptions, so... Yes. We're down to seven. Down to seven. Bat and strong here. So, sorry, so we talked about the Uber and the spaces.

[01:19:30] It seemed like there was some concern that maybe five dedicated short-term spaces was not sufficient for deliveries, pizzas, things like that, for the number of units that are here. Are there other thoughts or plans for that? Yes, we actually heard that from the Planning Commission, and so we do have a new plan to show some off-street parking off of the access drive, if we could highlight those spaces there.

[01:19:58] We did run this by with staff as well as the fire marshal and the depth and the number of spaces, as long as we kept that access drive clear. They were fine with these spaces. So the concern was would the Uber drivers or Dash or DoorDash, whatever it is, park within the garage, and that's where we had designated initially.

[01:20:22] Our hope would be that it would, but we understand that's not practical. So we were able to carve out some spaces. So currently there are six on the chain bridge side that we have for short-term parking as well as for the retail, and then we propose there are two on the university side.

[01:20:43] So when I say the side, I'm referring to the building. If we can just use the cursor. There we go. Right there, as well as show me the chain bridge, please. There you go. And those are spots people can just pull directly into? That's correct. How do they get out of them? Do they back out onto chain bridge road?

[01:20:59] That's correct. Okay. Well, they back out into the access. Oh, excuse me. Drive. Into the access drive. Then they would drive either direction, either back onto university or chain bridge. Okay. So a little less traffic, a little more accessible. Yes, ma'am. Okay. I think my last question – I'm sorry.

[01:21:16] I know this is a lot. I'm sorry. My last question really is about the trash. I think we all love the city trash. We all think they offer great things. That's a lot of people generating trash. I know mine only comes once a week, but I'm single-family home, so I don't know how frequently that comes, if there's concerns.

[01:21:33] We have enough space. We'll also show you the trash pickup, But with our apartment communities, we have a daily pickup of trash. So it's every day. We have a trash chute within each of the buildings. We have a separate trash room. It's private.

[01:21:49] The trash pickup is private. It's private. We don't use the city's dollars. It is private. The architect will show you where the trash pickup will be taking place. Okay, thank you. Sorry, I have one more statement, I guess more than a comment. But I recognize you've spoken with the HOA.

[01:22:06] It sounds like there's obviously still come some concerns. I don't know if I'm addressing all of them or doing it well enough, but I do think that the people that live in the area, you know, we want to make sure that we keep the small town charm, recognizing that we need to move forward and bring in some additional opportunities.

[01:22:23] But I just want to make sure that we are being very aware of our neighbors, those people that we're going to be impacting on a daily basis with incoming cars and traffic and vehicles and all those things. So please do keep an open communication going with them and to the residents we're here this is what you signed us up for up here so please do reach out and let us know if there's something that we're not addressing or we misunderstood and we're not asking properly so thank you very much that's all for me would you like to see where the trash pickup is or oh that might be good yeah why not so each building is going to have a trash room on

[01:22:59] every floor with the chute that goes down to a central trash room for each building and they're both are linked to a loading area so that the truck is going to be internal it's going to pick up trash and leave this is to avoid having trucks maneuvering on the street on chain bridge or on university drive so we're putting all the services fed through the internal driveway um and again this is a private service that will be picking this up originally we were hoping to have the trash bins rolled out through the greenway and part of our sessions with your teams it was

[01:23:39] discussed to have everything internal and that's the latest change we did okay and are there one more question uh i've occurred a residence i'm working with that there's a pickup of like 3 a.m deliveries and trash and things like that are going on that are super bothersome to the neighborhood these things have guidelines for communities and apartments it's like eight o'clock nine o'clock 10 o'clock has went on when they pick these up.

[01:24:02] It's never at 3 a.m. unless there's some emergency or something, but we've never we don't contract it for that time. Thank you. And I appreciate the statement and we will continue to communicate with the neighbors. Thank you. So for one point of clarification some of the items that they addressed related to Planning Commission's comments those are concepts that we haven't had a formal submission but it's good that they've actually made some effort and try to make those you know those changes but again it's just concept at this point and we will review those concepts when once we get

[01:24:42] another formal advocate or an updated plan set so at this point is concept so I just want to make sure everybody's understanding that those changes are having been formally submitted and it's just concept at this point but they're on everyone's radar so that's good at least we're working for them thank you Councilmember Hardy Chandler so one of the issues that is a challenge for our city is accessible housing and I noticed that there were 17 units I think in this concept that were designated for affordable housing can you talk a little bit about the rationale behind that particular number or the thinking

[01:25:21] conceptually and I guess from because we are trying to get up to speed from a broader perspective how does that fit in with some of the other projects and making housing accessible so the applicant is required to have minimum six percent and that's where that number comes from so six percent based on a total number of units being proposed that's where 17 comes that's where that number comes from so the ordinance requires six percent and again because

[01:25:59] we're trying to get up to speak can you talk a little bit from a city perspective if that's been that's been the norm as far as i um most developers have uh basically met the um try to meet that that minimum threshold of the six percent requirement um and then if you have a project that is under 30 units they don't have a requirement but the projects that are larger than 30 which this falls into um has a has that six percent requirement and isn't that fairly recent, what year did we enact the ordinance for the 6% set aside?

[01:26:38] 2020. 2020, that's what I thought. So it's less than five years old. Councilmember Peterson and then Councilmember Amos. Thank you, and thank all of you for providing all of this great information. Just to pick up on a couple of questions and comments.

[01:26:56] First, in terms of the Planning Commission comments, what is the expected timing for their further clarification and response so in terms of timing we will be sending out a comment letter at the end of the week addressing comments that are heard from BAR Planning Commission tonight's comments and also staff comments on the most recent submission and then once we provide them with comments it's in their

[01:27:34] court in order to get us to turn around it's it's totally up to the applicant at that point and will that include another round of some kind of public comments community level review and comment for the updated application well they would they would do a resubmission and if depending on the nature of the outstanding comments we may we may not require another work session but if

[01:28:09] they've answered all of the comments and are to the point where plans are ready for as we say about primetime ready for a spotlight for a public hearing we would go to a public hearing but it's not necessarily that they would come back for public input to add to what mr. Frederick said we will be holding a minimum there will be three public hearings one with the Board of Architecture review one with Planning Commission one with City Council and per City Council's adopted policy the applicant is encouraged to continue

[01:28:48] outreach meetings with the surrounding communities of that up until the public hearing time there are there plans for those outreach meetings prior to them we We haven't scheduled them yet, but yes, we are happy to meet with the community again. And then you mentioned comments and response to Planning Commission, comments, et cetera.

[01:29:11] There's a submission by the Citizens for Smarter Growth that has a series of questions. Will there be some responses formulated to them? And if so, what's the timing of that? The letter was sent to the city as well as to us, and so we will respond.

[01:29:30] I think we wanted to hear all the comments from Bar, from Planning Commission, from City Council, and then we can compile again and get the staff letters and then determine how we can address all the questions. Some of these things, as he said, we were trying to take a stab at them in case you were asking, such as the Uber.

[01:29:47] We wanted to make sure you, A, you knew we were hearing it, you were listening, and see what we could quickly do, because literally it was two weeks ago, I think it was Planning Commission, so we're trying to jump on as many things as we can, particularly also we did that with Bar. we adjusted the exterior of the facade on Chain Bridge.

[01:30:04] So until we see the list, we will go through them, see what we can do, and to address them. Again, we will be happy to meet with the community and review them with our revisions. And the hope would be that we could come back either to straight public hearing unless there is a work session that's needed.

[01:30:21] - Okay, and in that letter, one of the first issues that was raised is the question of consolidation. And I'm catching up here like everybody else, but I'm curious to what degree there's been any consideration of consolidation. I'm sure you've heard the history that we've been at this, or at least the Davies have been at this along with Paradigm since 2015.

[01:30:47] Back then at that time, I know that when we had informally talked to a couple for consolidation purposes, and it was not in anybody's plans to redevelop together or consistent with what the Davies wanted to do.

[01:31:07] Back in 2015, we heard a lot of revisions, then we were asked informally to go to townhomes from apartments, informally we were asked to go to senior housing from townhomes, and then of course this project was picked up by the Perseus Group, then coming back with apartments.

[01:31:23] So we were then piggybacking, took on, I know it's long, and that's where we're going. It's been 10 years. And so I'm not sure if the Perseus from this application, if they reached out for consolidation for the neighbors. But back in 2015 and 2016, when we tried this, it didn't go well.

[01:31:45] So we have not continued that venture. But also we waited for the small area plan and looked at what this site was proposed or that it was offered to be developed, and so we've proceeded with that application.

[01:32:03] It's a long history. Right, well, you've been busy for a long time. Much appreciate that. And this, I don't know whether this is for planning staff or y'all, but is the development proposal here linked to or contingent upon future actions expected on any of the neighboring properties?

[01:32:31] And if so, what are those assumptions? Was that for me or for staff? Whomever. Fred, can you put up the slide that shows the small area plan for the Old Town South?

[01:32:49] If you look at the small area plan, see up there right now. Oh, go back one, Fred. Yeah. You see where our site is? It says site.

[01:33:06] That's the small area plan. There's nothing that we're doing that would prevent the ends of court to look like what it shows for them on the small area plan or the other properties on either side of us.

[01:33:22] We're actually coordinating with them on the greenway. So consolidation, I mean, you know, we have first-class developers who are ready to proceed.

[01:33:38] I'm not sure what consolidation gets you that doesn't look like what's up on the screen, which is part of the small area plan. Fair enough. It would be great if you could look through the letter from Citizens for Smarter Growth and the issues they raise around consolidation and perhaps developer response.

[01:33:59] Sure. Again, we were just waiting for all the comments, and then we can address. Yeah, and just one last question to build on. We have two Stacys over here, so I have to be sure I'm getting the right one. Stacey Hardy Chandler raised the issue of affordability and price-appropriate housing, et cetera.

[01:34:19] Also in this letter is the question mark of whomever the ultimate owner and manager is, whether they'll be using RealPage. Is that something you all can respond to also? I can also defer this to the Davies.

[01:34:35] But as a management company, should we be the manager of the property, we are currently not using RealPage and have no plans to use RealPage. Thank you.

[01:34:52] Okay, Council Member Amos. Not to drag this out. So back to the road quickly, the private driveway. What is the width of the right turn off of chain bridge just because I know that can people aren't supposed to drive fast But sometimes they do our proposed road is 26 feet Yeah, let me rephrase the question. So how would that for example?

[01:35:18] I can visually see the Davies property now and how narrow that turn is onto the property What is the difference in width for that entrance compared to what you're proposing? For the existing one versus the new one. Yeah, I think the existing one is like 13 or 14 oh so you're like doubling it yeah it's okay it's quite a bit larger than the existing one councilmember McQuillan you had mentioned before regarding the commercial space that you feel you can get away with less commercial space on that first floor or that you were thinking it doesn't need on the

[01:35:52] university side could you explain that a little bit more part of the small area plan is also a strategy to try to revitalize the retail in Old Town Fairfax and the focus in the small area plan is the central core of Old Town not the Old Town South area which were part of there is a graphic in the small area plan that they've chosen retail frontages like which buildings would be appropriate for retail and there's a little red line there and maybe we have

[01:36:31] that. But that red line is not on this property at all. So the planners that developed the small area plan didn't feel that this portion of the city was conducive to trying to attract retail.

[01:36:53] They wanted the focus to be on fixing the vacancies in the old central part of Old Town. You don't have that slide do you Fred no I can show it to you right here councilmember Bates thank you just one thing first off point out the Lamb Center project which I believe you worked on which one the Lamb Center project no I did not you

[01:37:32] didn't okay sorry well anyway the Lamb Center project was 132 units per acre if you can look that up to verify that but that's what I'm seeing on the plans for it. So just another one to compare to. As far as the tree canopy on the site, I'm glad to hear that it's up above the 10% threshold. I would like to see it closer to 20% because

[01:38:07] that is what's required right now by right without the rezoning. So I'd like to see something a bit closer to that including um possibly uh tree plantings on the roof you know if possible um and uh also uh you know we've had concerns about uh stormwater management and site access and parking um short-term parking and it sounds like you all are kind of starting to address some of that um so just as long as as that's addressed um i would uh definitely like to see

[01:38:44] the results and recommendations from the city's historic resources valuations that, you know, the studies that were mentioned by our staff earlier on before we make a decision on this. And as far as not using RealPage or any kind of rent-setting software, I'm not sure if that's something that can be put in the proffers, but if we can do that, and if that's possible, and I'd like to hear from our city staff about that as well,

[01:39:23] but I'd like to see something to that effect. And, yeah, so the greenway, we're also still seeing a retaining wall on the south side, which would presumably necessitate switchbacks or stairs or something if the ins of court were to redevelop and build their segment of the greenway.

[01:39:50] So I understand it's a tricky site in terms of the grade, but I'd like to see if there's some way that we can maybe sort of prepare for that proactively on this site. And, yeah, I believe that's it for now.

[01:40:09] Thank you. We've actually anticipated that, the Inzacort redevelopment. So our retaining walls are set up for permanent retaining walls for our site adjacent to the building. The one adjacent to Inzacort is kind of a temporary wall until they redevelop.

[01:40:24] when they redevelop the grade would need to adjust to match our grade on our site on their site so we could we grant an easement for a future removal of the retaining wall on our property so that the greenway can flow straight through our site we just can't grade on their site at this time because we haven't gotten permission to but if we could we would lower lower the grade to match theirs any additional questions because i think okay council member peterson just one very quick one back on the storm water issue the two the one two

[01:41:03] and ten year event we're seeing those happening more than every one two and ten years now have we crosswalked this to the city's assessments on the frequency of storm water events and the severity of them so that we're following a trajectory that's a little bit more current in terms of how this is

[01:41:24] actually working these days. I'm actually looking at Sumritch for some help on that one. So the you know what he was saying is correct as far as the stormwater facility containing the 1, 2, 5, and 10.

[01:41:54] What's the real critical thing for us in the stormwater group is the overland relief which we will look at but anything that exceeds the capacity of the stormwater facility cannot damage the buildings or property there has to be an overland relief to get that water away from the property so that's really the critical stormwater we will evaluate once we get the plans any other questions so i think what they're looking what everyone is looking for from us is are they

[01:42:30] addressing the concerns that have been raised here they this is this is it since 2015 they have been trying to redevelop this property this is the you know this is what has been presented again there'll be a resubmission if they're moving forward there'll be a resubmission to address these things i think what they are looking at from us is are our concerns at this point being addressed is there anything anyone wants to say regarding the plans that have been presented here

[01:43:06] councilmember mcquillen so looking over all of this and understanding our community and listening to feedback and watching um this presentation as well as past presentations my feeling is that this is still too dense too many units there needs to be more commercial i understand what the small area plan says but you're right across from city hall there's a lot of employees in this area they're going to want to shop you're right on the edge and and the way in which it looks now and people are using this area they want to shop in these spaces so i would like

[01:43:44] like to see more commercial um and more tree canopy i would also be interested in following up with um council member bates and his point on the rental fixing software um and maybe somehow speaking with staff about what we can do in regards to that um but that's my overall feeling on the plans right now i think council member bates was very clear about what he's looking for anyone else want to add council member amos i mean just from what i've seen of the plan before i think

[01:44:19] it's heading in the right direction um i echo uh council member mckillen sentiments about commercial considering that judicial complex is also about to be redeveloped we're going to have a lot more housing and i imagine a lot more pedestrian walkability and interest in uh diverse retail and commercial opportunities um i also agree with uh council member bates about trying to increase that tree canopy percentage number I know that puts a lot of pressure on y'all so I do want to ask staff as well are there opportunities for flexibility on how they can go about increasing tree canopies maybe even off-site so I would

[01:44:56] like to see how we can provide that opportunity because we can tell you to get to 20% but that can be a that can be a tall order and I understand that so wanted to throw that out there other thoughts councilmember Hall do the kids here feed into Providence or do they feed into Daniels run we're sure that's Daniel's wrong okay because I know there's not a lot of kids in that area right now I do have to agree with Councilmember McCullin I do think it's a lot of units I think the density is still more dense than the city should be

[01:45:35] taking on at this point I know there are differing thoughts on that but that's my own personal is that it's a lot of units in a very small space I appreciate you bringing up with the lamb Center I think you're talking about beacon beacon place speaking landing yeah i think that's a totally different type of development for the city so i don't know that we should be looking at that high acre per unit or unit unit per acre so i think this is still really on the higher end recognizing that maybe our zoning does need to change but this is this is pushing it for me council member hardy chandler any final thoughts okay councilman

[01:46:15] peterson any final thoughts just that i would agree with what others have said here and say that I think it will be very helpful and important to see the responses that we've raised here today and see the results of some of the additional work that's happening, including the transportation work. All right, then.

[01:46:32] Thank you all so much, and we look forward to seeing you again at some future point. Thank you. We appreciate everybody's time. Good night. Our next item is a discussion, overview, and update of the city's key financial programs and strategies presented by the city's financial advisors, Davenport & Company, LLC.

[01:46:54] I'm going to recognize first J.C. Martinez, Chief Financial Officer, to provide the staff report.

[01:47:34] Good evening, Council, Mayor.

[01:48:00] Pleasure to be here again. I'd like to go ahead and introduce Kyle Lux from Davenport along with Austin Sachs. The city's had an amazing long-term relationship with Davenport, I want to say over 20 years, if I'm not mistaken. They've helped us tremendously over those timeframes, get them get us from where we previously were to where we are now specifically with the rating agencies and our double triple a with moody's and s p along with some guidance on how to structure sort of our capital improvement program and the financing that's involved in there and again

[01:48:34] they're here tonight to provide an update to council a couple of different things the rating agencies which we just got some news and that was shared with you all so they'll touch base on that our fund balance policies and what we could do there our current debt structure and debt limits as well and then some other things but i'll go ahead and turn it over to kyle and uh mayor members of council nice to see you this evening appreciate the introduction from your excellent cfo in terms of jc martinez so again kyle locks with davenport the senior vice

[01:49:11] president i've actually had the good fortune to work with your fine city for i think about 22 years or thereabouts part of a team that's worked with the city over that that time period so we have a presentation tonight I think JC will kind of hit the button up there to move it along and certainly happy to answer questions as we go through again all informational knowing there's a number of new faces here certainly some we recognize from the school board so nice to see you on sort of this side of the equation also say hello to your interim city manager Brian Foster who we know from other jurisdictions as well so

[01:49:50] again we appreciate all of that but maybe if you go to the next page JC so just a little bit of background so what do we do in terms of Davenport as your financial advisor and what don't we do so there'll be a bunch of information in here more specifically to Fairfax but before we even get into that we'll talk about what it is we do so we really work for you as a city council working with your senior staff working with your CFO on a day-in day-out basis and what we've helped you think about along with many of your peers across the region we have

[01:50:24] probably I think about 600 clients now nationally we're out of Richmond long-standing Virginia firm but we do a lot a lot of this work across northern Virginia across the whole state across Maryland so forth and so on so in many of our clients like you we've had the good fortune of working with for many years so it's good and then we get to see kind of the cycles of things and so what we do in all of that is we help you as a city I say city globally think about and strategize around how do you take care of the needs that you as a

[01:50:59] city identify a lot of what we do is on the capital funding side of thing that will be a decent portion of called the back end of the presentation tonight we We do a lot of help with the multi-year financial planning, financial policies, rating agencies, which we've got some very good news tonight to share with that.

[01:51:19] And so it's those types of things sitting, although we're maybe on the other side of the room tonight, but on the same side of the table as you on a year-in-year-out basis. So at the bottom of the page, what we don't do is we're not here to lend you any money. We don't sell you anything in terms of investments or anything of that variety.

[01:51:38] We don't tell you what projects need to be done. That's entirely on obviously your side of the dais. So we are really reacting on a day-to-day, year-to-year basis to the needs and priorities that you as a city determine are those that are the focal points by virtue of your budget and your CIP.

[01:51:57] So just want to give you a little bit of that perspective in terms of how we interact with you as a city. So if you go to the next page, again, we've had the good fortune to work with you, meaning as a city as a whole and roughly 25 years but point being we've got a lot of institutional knowledge we appreciate that and hopefully can bring some of that knowing there's some new faces here and there's certainly challenges to be dealt with as there are in any local government the city's last borrowing so one of the things that we do is when there is a need to borrow dollars

[01:52:32] to fund capital projects we help with your excellent senior staff kind of walk through that process figure out how we do that communicate that to the markets work with the rating agencies which again we've kind of worked through a part of that process and we'll brief you on that and so um last highlight i will have for you on this page is a very bottom which is you as a city enjoy two aaa credit ratings those are the highest possible credit ratings you can have you've had those for about 15 years pleased to report this evening that those were just reaffirmed

[01:53:10] And so just late last calendar year, went through a process to give a full briefing to two of the major credit rating agencies. We'll talk about what they've said and what that means, but those were reaffirmed formally and officially literally just last week. So kind of hot off the presses, both your AAA credit ratings were very much affirmed.

[01:53:30] So congratulations as a city. I know a number of you have new faces in this role. We'll talk about what that means, how those rating agencies come up with those ratings, Especially knowing that it's budget season, how you maybe think about that as you go into your budget and capital planning going forward.

[01:53:50] So in terms of goals and objectives tonight, again, we're going to break it down into three different areas. We'll talk about the credit ratings, number one. Number two, we'll do a little bit of history in terms of historical financials. Again, we're not your auditors. That's a separate firm and separate sort of subject area.

[01:54:08] It'll give a little perspective in terms of the city's overall finances. You're in very good shape financially, but we'll explain why we think that is, and certainly the rating agencies to underscore that. And the last thing we'll talk about, again, is that multi-year capital planning. It's one of the things the city has done a very good job of historically is multi-year planning on the financial side of the house.

[01:54:31] You've identified, I say you as a city have identified a number of major capital projects. Schools is obviously a component of that. We've got some of that information here tonight and some perspective about how to think about that over the next several years. Obviously, those decisions going forward are at your hands in terms of city council. Okay, so going to page number six. So important page, credit ratings.

[01:55:00] Again, said it once, I'll say it again. You as a city enjoy the highest possible credit ratings that you can have. So two AAA credit ratings. They're both, again, 15 years in tenure, and they were affirmed just last week, officially informed. I think in the back of the book, We've got the actual reports, and so you can see the full detail in there.

[01:55:23] We'll give you some kind of summary tonight, but both of those are affirmed and pleased to report that. So these credit ratings are important. We'll talk a lot about them. They really are a barometer for the overall financial and economic health of a local government.

[01:55:39] It's with both. We've got a slide in here in a couple pages that will show you what goes into the credit rating when these rating agencies are coming up with those AAA credit ratings. It's not just the finances, it's not just the debt levels, it's a variety of different factors that all play together and kind of boil up into ultimately what that credit rating is.

[01:56:00] You are in rarefied air with those AAA credit ratings, and so that's useful to you in a variety of ways. One of those is when you as a city need to go borrow money to fund capital projects, whatever it is, if it's general government, if it's schools, so forth and so on.

[01:56:18] They function just like maybe your personal credit rating, in terms of the better that credit rating, the lower the interest rate on your ultimate borrowing. And so with AAA credit ratings, you're able to borrow, when that need arises, at the lowest possible interest rates available in the marketplace.

[01:56:35] So it's a real money saver to the city, to the taxpayer, to maintain these at the very highest level. In Northern Virginia, you obviously are in an economically vibrant area. You are in a wealthier area, relatively speaking, relative to many areas of the country.

[01:56:51] We'll talk about why that matters. And so many of your peers also enjoy very high credit ratings. The county's got AAA credit ratings. The Alexandrians of the world have AAA credit ratings. We don't want to take that for granted because it is very rarefied error to be at that AAA level.

[01:57:14] So let's go to page seven. Again, these credit ratings are really telling us from a financial, economic, demographic, and management side of the house. So I think most people, when you think about credit ratings, you're probably thinking about the finances. You're thinking about the debt side of the equation. Management's really, really important in terms of how the rating agencies assess how you run as a city.

[01:57:36] We'll talk about a couple of those specifics. You get very high scores there as a city in terms of the management side. And then the demographic side, we'll call it maybe economic demographic. We'll flip the page here. It's very important to the rating agencies. It's the aspect of all this that's the least within your day-to-day control, so things like median household income, unemployment rate, the size of your tax base, your tax base per capita, all those things play into it.

[01:58:02] Less within you as a city's day-to-day control relative to your budgets and things like that is still very important. That's where economic development comes in. Bottom of the page, we'll hit on this a little bit later, part of the management side they're looking at is your policies.

[01:58:21] So you as a city have a number of financial policies. What the rating agencies care about, and we just looked at this a couple weeks ago, is what are those policies? Are you following those policies? And are you projected to continue to be able to follow those policies?

[01:58:37] And so we'll show you what those look like. And here, we've highlighted the unassigned fund balance and the two debt policies. We'll talk some more detail in the next couple pages. Okay, as we flip the page to page number eight, We call this our rating agency criteria page.

[01:58:58] There's kind of a lot going on here, but think about it as just a pie or a pizza, whatever you want. So basically, this is showing the four major categories, if you will, the components of the rating criteria.

[01:59:14] It's not just the finances, not just the debt, so forth and so on. So starting at the top left, the economic base. You can see in the little green box there is we have a Moody's rating, an S&P rating. You can see the weighting that Moody's and S&P, meaning Standard and Poor's, I'm kind of shortening that to S&P, put on that economic sort of portion of that box there.

[01:59:37] For Moody's, it's about 30% of the credit rating. So about a third, rounding up a little bit of the credit rating, is really based upon things like your demographics, your tax base, your unemployment rate, things of that variety that, again, not within your day-to-day control, but very important to the underlying wherewithal of a local government. Then you take your eye to the top right-hand side of the page, and this

is where you get to the financial performance and flexibility. And so what they're really looking at here is how are you doing on your financial side of the equation?

[02:00:12] They're looking at audits, they're looking at budgets, and making an assessment of are your revenues exceeding your expenditures? Are your fund balances in line with what would be expected for someone with a AAA credit rating. They're looking at, are you doing multi-year planning on the financial side of the house?

[02:00:31] And so that financial side, meaning that top right quadrant there, that's about another 30% of the rating itself, at least for Moody's, and actually 40% for Standard & Poor's or S&P, as we've kind of shortened it here. So again, sort of interlocking concepts.

[02:00:50] The bottom right slice of the pie, if you will, is the management piece of what they're looking at. So this is arguably the hardest for them to measure. It's not a number you can pick out of an order or something like that. But what they're looking at is, are you as a city doing the practices that would be expected of someone that is at the top tier in terms of credit ratings?

[02:01:12] So that's things like, do you have very detailed budgets? Are you following those budgets? Are you doing multi-year financial planning? What is the level of detail within that financial planning? And so that for Moody's, about 10%. For Standard & Poor's, about 20%.

[02:01:29] And you as a city get the highest possible marks in those regards in terms of the management side of the house. So then last quadrant here, last but not least, is the debt side of the equation.

[02:01:47] When we say debt here, what the rating agencies are really looking at is more than just the debt that we have outstanding that we'll talk about at the back of the book. They're looking at our debt long-term liability. So if we as a city go out and borrow for a capital project, whether that's city hall or a fire station or a school, that's sort of the portion of that equation that most people think about.

[02:02:09] They're also factoring in things like our pension obligations, some of our OPEB, which is called other post-employment benefits, health care kinds of things. They're factoring all of that in when looking at that bottom left quadrant. And so we'll show you what they say in terms of the debt and long-term liabilities.

[02:02:29] I'll use that term too, long-term liabilities. But again, the city scores very, very well there. So we show you this page, a lot of information here, but I think the takeaway is that maintaining those AAA credit ratings into the future is not just focusing on one of these particular categories.

[02:02:48] It's really a balancing act of focusing on all these different categories. And there's ways to kind of counterbalance things. For instance, if you as a city are about to embark on some generational capital projects with the schools, other projects, so forth and so on, there's strategies to think about to make sure that we can continue to present the highest possible financial posture to the city, even if we're needing to take on substantial borrowing to take care of generational capital projects.

[02:03:17] So all these things interlinked. So as you go to page nine, again, you as a city, you have two credit ratings, Moody's Investor Service, Standard & Poor's, or S&P.

[02:03:35] There's a third that maybe you see with some of the neighbors and peers. Fitch ratings, you haven't needed that historically. Moody's and Standard & Poor's tend to be kind of the big two, the longest

standing of those. So we'll focus on Moody's for the moment. I won't read this word for word. The actual report is at the back of the book.

[02:03:52] But we tried to pull out just a couple summaries for you in terms of what they're looking at and what they're saying. Again, this is their words, not ours, not staff's. We'll kind of highlight it in the middle here, the summary, the city's financial position, while below AAA medians is very stable with fund balance increasing to nearly 35% of revenue supported by proactive management and formalized policies.

[02:04:16] So you start to kind of get a little picture there of what they're looking at in terms of the city's profile and the words that they use. Bottom of the page, they talk about credit strengths, diverse economy, wealthy tax base, a stable financial position, and low long-term liabilities and fixed costs.

[02:04:37] So that terminology, long-term liabilities and fixed costs, that's our debt, but it's also our pensions, and that's our OPEB, all kind of mixed together. Moody sees that as being on the low side right now. And we shared with them all the CIP in the schools as well when we talked with them just a couple weeks ago.

[02:04:55] They say credit challenges, fund balance, and liquidity below AAA median. So this is something that over the last 15 years, the city's done a very good job of building on in terms of that fund balance. We're going to do a whole section in here. It won't be too long on the importance of it. If you go back 15 years ago, we were AAA, but really arguably too low in terms of the fund balance side of things.

[02:05:15] So the city's done a very good job over the last, call it, decade plus of building that fund balance to be much more in line with what would be expected for a AAA local government. We'll show you some peer comps. You'll see where you stack up next to others. And again, you're AAA, so you're at the top.

[02:05:34] They say factors that could lead to a downgrade, trend of structural imbalance leading to reserves and liquidity below 25%. What they really mean there is if we found ourselves in a position where our revenues were no longer matching, our recurring revenues, were no longer matching our recurring expenditures, and we saw the fund balance go the opposite direction of where it's been going, That could be cause for concern for them.

[02:05:58] They also say increase in long-term liabilities nearing 350% of revenue. As we do the financial projections at the back of the book, we'll be able to monitor that year over year if you kind of work your way through multi-year with the CIP. So again, gives us a good sense of where we are now and where they see us going.

[02:06:16] Okay, page 10. So standard and poor is their S&P. Again, the full report is at the back of your book here. I'll give you a couple of highlights. They talk about conservative, well-embedded management practices, supportive maintenance of a strong reserve position, and positive revenue trends.

[02:06:34] So, again, they're going to care a lot about fund balance, a lot of what we've been historically in terms of trends, so forth and so on. Rating reflects the expanding economic base. So, again, that economy is a very big portion of what they're looking at. They talk about robust, well-established, and well-embedded financial policies.

[02:06:55] So again, sticking to those policies, making sure we can sort of telegraph where we're going to the future, and making sure we have some off-ramps where they're needed. They talk about positive

financial results in 2024, and manageable debt and liability profile with low fixed costs, limited pressure from pension and OPEB.

[02:07:18] And they do say, however, the city maintains elevated debt per capita metrics when compared with similarly rated peers. And so we, and I say we, you, as a city, you're about 24,000 people. So as you look at other AAAs, there certainly are other AAAs that are your size.

[02:07:35] There's also other AAAs that are much, much larger. And so we look at a variety of different metrics and measurements, not just one, to make sure that those are falling in line with what would be expected for AAA. So we'll keep moving.

[02:07:56] And again, congratulations on the affirmation of those AAAs. So page 12, a little bit of history in financial performance. We won't go into great detail, but I want to just give you a sense of the trend, at least from your audits, as we see it, as the agencies saw it.

[02:08:13] This is very simply taking your general fund, your primary operating fund, looking at revenues and expenditures over the last five years. You look at that graph, the kind of yellow gold line, that's our revenues. The blue bars, we say they're operating expenditures.

[02:08:33] Those are really our recurring annual operating expenses. Each year, especially the last several years, by virtue of COVID and all the various stimulus programs, there's been a lot of ins and outs of special dollars, whether it's ARPA or CARES or other things that have been unique in one time.

[02:08:51] And so we've seen a lot of our term noise in the financials the last several years. We've tried to kind of isolate that out a little bit with the light blue there. But what you really see is a very positive trend in revenue growth. You've seen operating revenues growing on average about 6% a year, 6.3%.

[02:09:11] That's a compound average growth rate, that acronym on the right. Your operating expenditure has been growing by 5%, and so that's a good healthy balance. Your revenues have been growing faster than your expenditures, and you see that just visually on the page there. In FY22 and 23, you notice this blue bar is a little bit above the lines.

[02:09:30] That's because you're able to send out a fair amount of dollars for cash-funded capital. We'll talk about the capital program at the end. You want to have a balance in that between paying for things with cash and borrowing for them, and so you've been able to do that historically, and that'll go into the plan going forward. Page 13, just a little bit further breakout in revenues. I won't go line by line here, but a couple takeaways. Property taxes have been growing on average about 5% a year. That's been very healthy. That other local taxes line item that kind of wraps a bunch of stuff up. This is all from your audit. But I think what most local

[02:10:09] governments, including yours, have seen is very healthy growth in meals tax, very healthy growth in sales tax, and a variety of others that are sort of all wrapped up in that other local taxes line item. So you've seen that grow faster than your property tax revenues the last several years.

[02:10:26] You've seen that, many of your peers have seen that across the state. The other line item we'll point out is revenue from use of money and property. That's really interest earnings. And so we talked about the fund balance. We'll keep talking about it, why that's so important. The rating agencies care a lot about it.

[02:10:42] Another reason it's important is in this interest rate environment, that fund balance is kicking off interest earnings for you as a city. And you can see how much that has changed. 2020, it was about \$1.2 million. 2021, it was \$300,000.

[02:11:00] And now you're up at about \$6.2 million in interest earnings. That is dollars that are available to you as a city. um, to use for, you know, your general operating expenditures. And so, um, tie that back to the fund balance, having a really healthy fund balance, investing it responsibly, which is the purview of the treasurer, um, spins off revenue. And you've seen a nice benefit from that the last several years. Um, and that certainly is a help to you and a help to the taxpayer. Um, page 14, in terms of

[02:11:35] expenditures, um, again, revenues and expenditures are growing. That's sort of the nature of, of the beast, so to speak. I think we've all seen and lived through this inflationary environment of the last five or so years. Local governments have certainly felt that as much as we all have maybe in our personal lives. And so you see some of that captured in your history. Again, these numbers start in 2020, which is a very odd COVID year. 21, you start to build out of that. And then 23 and 24, you do start to see some growth in those expenditures. And that is likely going to be the

[02:12:10] challenge as you work your way through the FY26 budget, making sure those two components, the revenues and the expenditures, remain in a good, healthy, and steady balance, which they have historically. Page 15, so I've mentioned it a couple times. This page here is the fund balance.

[02:12:39] There's a variety of different fund balances in your audit as the auditors classify it, so we'll kind of talk about the most critical here, the dark blue bar at the bottom is the unassigned fund balance. And so that is kind of the foundation of the fund balance. It's arguably the most important component of it. And it is the area of the fund balance that you have a policy related to as to most of you, basically all of your peers around what that needs to be on an annual basis.

[02:13:14] Importantly, and I mentioned this at the outset, this is something that the city, if you went back 10 or 15 years, had a much, much lower fund balance. It was much thinner, and you kind of worked your way through that. It was arguably too low for AAA, and we'll see where you compare to other AAAs for the next couple pages.

[02:13:37] And so we think, again, as your advisor, the ability to grow this, and probably continue to grow it and maintain it, is going to be very important to be able to continue to demonstrate to the rating agencies, again, that will maintain that AAA posture.

[02:13:55] So we want to focus on that. We'll keep talking about it going forward. But this is arguably for a credit rating analyst, a bank, anybody else that maybe is going to lend us money. This is probably one of the first things they're going to go look and say, okay, what is the unassigned fund balance and how does that unassigned fund balance compare to the size of a local government's budget?

[02:14:19] So to that end, you flip the page. This unassigned fund balance policy takes those dollars in the fund balance and basically compares it to the size of the budget. So your budget is your size.

[02:14:35] Fairfax County's budget is much, much larger, so forth and so on. And so we need to have a good apples-to-apples comparison of what do the dollars in our fund balance mean to a city of your size and relative revenue base. So you as a city historically had an unassigned fund balance policy to have that level of fund balance be no less than 12% of your budget as measured at the end of the fiscal year in your audit.

[02:15:05] And again, if you went back further than this, you were down to like the 10%, 9%, even below that. So you've been able to grow that. You've been in compliance with that policy. For a while now, and as you as a city have moved forward, especially with some of the capital projects and investments that you're making, the recommendation has been to move that up to make sure we can continue to demonstrate, you know, that we are in line with AAAs with regard to that fund balance policy.

[02:15:38] So to that end, that unassigned fund balance minimum is now at 15%. So that's that kind of red line on the far right. It's got the two little bars there. We basically want to make sure the dark blue bars are at or above those red lines at 15%.

[02:15:54] And that is the core, again, of the fund balance, the basis. In addition to that, you see a light blue bar there. And your CFO, Mr. Martinez, has probably briefed you on this. The city also has a policy to have a budget stabilization fund.

[02:16:11] And so what that budget stabilization fund does for you is it serves as a first line of defense to make sure that we can basically have that unassigned fund balance be protected, be in some regards sacrosanct in terms of its stability year over year.

[02:16:30] And so this budget stabilization fund, which is in the light blue bar there, The city's policy is to build that to basically 3% of your revenues, 3% of your budget. Again, with the idea being that's your first line of defense against a surprise during the budget year.

[02:16:47] Surprises come up constantly. It's the nature of any organization. You set your budget at the beginning of the year, you've got to make it through 12 months. And so that budget stabilization fund is designed to be a first level of defense to the extent there's a real surprise in unbudgeted expenditures, so forth and so on.

[02:17:05] And the city's done a very good job of building to that level and having those reserves available. So we'll flip the page. We've talked a lot about, A, how important the fund balance is, and B, how you're doing relative to your policy.

[02:17:23] And I've kind of alluded to this a little bit in terms of how you stack up relative to your peers and neighbors. So we want to make sure we share that with you. This is something the rating agencies look at. So when they're assessing their credit rating, they're not only just looking at you, they're saying, hey, how do you stack up relative to other local governments?

[02:17:40] that are similar, even across the country, the region, so forth, and so on. And so what we've broken out for you are other AAA-rated local governments across the Commonwealth, across state. The top section of that graph are the folks that are outside of Northern Virginia. So you've got your Williamsburg, Suffolk, Charlottesville, the Virginia beaches of the world, so forth and so on.

[02:18:05] The middle part of that is the more northern Virginia-centric cities and towns. And so you see Percival, Herndon, Leesburg, Vienna Falls Church, Alexandria, Manassas. So a number of your peer local governments that are of a similar size, relatively speaking, enjoy those very high credit ratings, and you can see what those look like.

[02:18:26] So you compare the peer medians, both in northern Virginia and around the state. Bottom of the page there, we looked at where you were five years ago, roughly 12.5%. Today, you're at roughly 18%.

[02:18:41] And you can see the median for Northern Virginia is about 21% in that range. And so we are very much approaching that median and are able to demonstrate that to the agencies, again, that we are in line with where our peers are in terms of AAA.

[02:18:59] And you also see the median across the rest of the state is about 18% for other cities. There's some outliers in there, you know, the Virginia Beach is much much larger And so they don't tend to have as high a percentage More analogous to like a Fairfax County up there. Their percentage isn't gonna be as high just because the budget's so large And so that that does factor into it So I'll pause there maybe before we go to the next section see if there's any questions anything I can clarify Before we talk about some capital planning. Yes, Councilmember Hall just curious what Purcellville is doing

[02:19:38] why are they at 75 percent? Percival is interesting so that's a client of ours they're smaller than you're about 9,000 people thereabouts Percival has on the general fund side of the house a very very strong fund balance on the utility side of their house they have some challenges and so that's kind of a balancing act of looking at their enterprise funds which for them is water and sewer for you here it's just really sewer and so a balancing act of helping to at some level protect against maybe a

[02:20:16] problem on the water and sewer side of the house again there about 9,000 people that grew very very quickly in the early 2000s and so they kind of built some infrastructure out so they're a little bit of a unique example to that end and it brings up an important point whereby what we're talking about here is really focused on the general fund. You have a variety of enterprise funds underlying all of what the rating agency is looking at is making sure those enterprise funds run as businesses. The term enterprise fund basically means it runs as a business. It pays for itself. So our sewer funds,

[02:20:54] stormwater, so forth and so on. The idea there is those fund themselves with revenues from inside the fund that insulates and protects the general fund in terms of when the rating agencies are looking at those. It's a little bit of a tangent, but hopefully it's helpful. One other question on slide. On mine, it's 12. I think it might be two pages earlier or back on yours because of the letters. We didn't have the letters in those printed out one. The health and welfare line under expenditures went up 12 and a half percent. I'm just curious what's included in health and

[02:21:28] welfare specifically. I may have to defer to JC on that. If not, we could dig that up in terms of the individual components in there broad is fine i've just the other ones seem a little more um right so i'll i will have to get back to you and the rest of the council to ensure that i give you an accurate uh response back but it is listed in our act for and i can pull that out okay thank you

[02:21:59] any other questions at this juncture all right yeah oh yes council member bates um so to follow on uh as far as the um difference in the nsi and fund balance between the smaller and larger jurisdictions uh would you say that this might be somewhat subjective um but would you say that that might have to do with the um the overhead involved in running local government um you know and kind of the economies of scale you know compared to the economies of scale for the larger

[02:22:34] jurisdictions yeah that's that's right i mean the the larger jurisdictions just the sheer amount of dollars um if you were to have 20 25 percent in in a place as big as maybe the county or virginia beach um that tends to be the case um in terms of uh the reason you would see a bigger percentage for a place the size of a fairfax or a false church or a percival versus if you looked at one of the larger counties there's an economy as a scale aspect to it yeah thanks anything else

[02:23:12] all right i think we're ready to go on okay all right so we'll keep moving um and we'll do uh a section or two here on the capital planning so if that's a little bit history a little bit of table setting, in terms of your finances, which are in very good shape, AAA is the highest you can be. So now we'll talk about some of the going forward planning. We'll start with the existing tax-supported debt service. So what we mean by tax-supported is the debt that is supported by basically the general funds. It's our general government projects, our schools, those kind of things. Again, to the comment from a moment or two ago, sewers separate,

[02:23:51] but Stormwater is separate because it's funded within its own sort of business, so to speak. So outstanding right now, you have about \$118 million. This is all fixed rate. It's all paid very much like a mortgage, meaning a fixed rate mortgage. You're making annual principal payments, and so the principal balance of that declines each and every year as you make payments on that.

[02:24:15] None of this is fixed rate. Excuse me, none of this is variable rate. And we watch this also for refinancing opportunities. And so during the 2020-21 time period, even before that, when rates were very, very low, they're still very favorable, but at the all-time low, the city was able to take advantage of a bunch of refinancings and basically reduce the interest cost on that outstanding debt, lock those rates in.

[02:24:41] We continue to watch that, be able to do that previously during the all-time low periods of 2020 and 2021, so forth and so on. One other item I'll note here, the city has a 10-year payout ratio of roughly 73%.

[02:24:58] So what that means is that the principal portion of this, about 73% is paid over the next decade. That's a very high, meaning rapid, principal payout. That means you're not shifting things out into future generations. You think about maybe your typical 30-year residential mortgage.

[02:25:16] You pay probably 20% or 25% of the principal balance over the first 10 years. you as a city are paying 73% of the principal balance over the next 10 years. And so we'll talk in the next couple pages on the CIP. You're going to be layering on top of that, but you start from a very strong position in terms of the existing debt profile.

[02:25:44] So as we flip the page, we'll talk about the capital really in two different components. So the first is captured on this page. This, again, is from your adopted CIP, your capital improvement program.

[02:26:00] something use a council will be working on updating with your staff over the upcoming budget cycle but we've basically taken the information from that capital program and developed a multi-year strategy and i purposely use that term multi-year because the reality with most general government capital projects is it takes a while to design them bid them get all the permits so forth and then construct them and so this is purposely laid out in an incremental annual way and so as the projects come up as the actual expenditures are known we can kind of take multiple bites of the apple and course correct and make changes as as

[02:26:36] they arise and maybe as policy decisions change over time so the capital program again this is not school's referendum yet in total it's about 240 million dollars you can see that kind of a yellow bar at the bottom that's over a five-year time period that's when the dollars are appropriated something we work a lot with your management team is not just when the dollars need to be appropriated when they're actually spent. Those two things don't always align. And so in reality, a lot of this may take longer than five years to get done. And so we think about that when we time the various

[02:27:16] borrowings, the timing of it's very important. The components are how is that \$240 million funded? Top line under there, you see that line, general fund cash. So I mentioned on the outset, We're to make sure we have a balance. We're not borrowing for everything.

[02:27:32] We're putting a healthy amount of cash-funded capital into the CIP annual. You've historically done about \$10 million a year of that. And so that's what that line item is. It's \$9 million for a couple of years and then \$10 million. That'll certainly be a component of what you do in your budget and CIP.

[02:27:51] But maintaining that healthy balance in terms of cash funding, a healthy amount of it-- You're at about \$48, rounded up about \$50 million over that next five-year time period. Next line item is just one of those unique. We're still in kind of the working our way through the final aspects of ARPA.

[02:28:13] For those new to Council, one of the major, major federal stimulus programs, every local government's working their way through those dollars. It has to be spent by the end of calendar year 2026 as per the federal government rules. And so what you as a city did, which is different than some of the local governments, is you put those dollars primarily towards capital.

[02:28:36] Other cities, other clients of ours that weren't as fortunate in their situation had to put those towards operating, which put them in a hole when the ARPA dollars go away. You are not in that situation. You're able to fund your recurring operations from your recurring revenues, take those dollars, use them towards ARPA.

[02:28:55] It's a much more strategic way to do it than ending up with a budget hole when the ARPA dollars roll out. The third line on there is labeled their financing requirements. Those are really the dollars that are planned to be borrowed over the next five years.

[02:29:11] So it's about \$172 million over that time period. Again, not all at once, taken in increments, lined up with the projects, where the spending needs are, where the priorities for the various projects are indeed. You see a little green box down there.

[02:29:28] We're trying to just kind of break that out into methodical annual pieces. So the next piece or portion of borrowing would be \$53 million. That's planned in the relatively near term. A lot of that table setting has been done with that rating agency process we just did.

[02:29:44] And then current planning has us doing about \$40 million a year on an annual basis from a planning perspective. And again, all of that can be adjusted depending upon where the needs are, where the priorities are, the timing of the projects, so forth and so on.

[02:30:01] So we purposely take this kind of a bite at the apple of the time, allowing time to course correct, and also understanding that many of these projects, again, take a while to design, build, so forth and so on. So that's where we start with the general government side of the CIP.

[02:30:18] You flip the page, and the arguably really generational aspect of what the voters approved in the fall was the school referendum. And so this was all shared with the rating agencies, and so they know this and saw this coming.

[02:30:40] So roughly \$220 million, we know that's in the planning stages right now. and so that'll be a process that is you as a council working with the school board work your way through that a lot of this can be refined but for the moment we've got a kind of a baseline plan built into there you see the projects you know that probably better than we do in terms of the the major components of it but I think importantly

that 220 million and we'll talk about this on the next page that doesn't get borrowed all at once it gets taken in increments as the design happens

[02:31:15] as the bidding happens, and so that's very important. It's not just the aggregate of the dollars, but how does that get layered in year over year, and how does it get paid for? So page 22 takes that school referendum, and these are the spending estimates of that roughly \$220 million, \$220 million, rounding up a little bit for planning.

[02:31:44] How does that actually get spent out? And this is information that's given to us from the schools, from their architects, on how the actual spending of the dollars would occur. And I think what you notice there is that if we are right now sitting just past the halfway point in 2025, that's that first bar there.

[02:32:06] You know, maybe there's 9, 10 million. JC, meaning Mr. Martinez, can fill me in if I'm incorrect there. But that's really the planning and design phase of this. It's not for several years that you really get into the meat of having to fund the construction of the actual schools and once you start those we're not architects and engineers but funding those can take a couple years and so we look at this as a multi-year plan there's a living plan right now it can change and be amended there's certainly some initial funding strategies built

[02:32:44] into this, but it's not set in stone. And as we talk in the next page, the repayment of it will obviously be critical. It's a big generational investment, but there are some things going through the General Assembly right now that we think could help with that, obviously subject to General Assembly action, council, so forth and so on. There's a lot of different variables we think will play out over a number of years in terms of how this ultimately gets paid for and funded. Okay, a couple key assumptions. I won't go in great detail here, but we basically try to

[02:33:23] err on the more conservative side when we do the planning for all of this. So a couple notes here. Third bullet point down, we assume all issuances are borrowed, meaning those future issuances are borrowed at a 5% interest rate. Look back historically, 5% is favorable if you go back long enough current market rates probably four and really even probably below four but we really try and narrow the more conservative side so if things play out better than they're planned in terms of interest rates here all these numbers look just that much better over time again you're making

[02:34:02] generational investments whether it's the general fund side or the the school side and so those are paid for over time that's important there's a concept we talk about called generational equity whereby if you as a city are going to be making investments in schools and facilities that will be around for multiple decades, having the ability via your AAA credit rating to help spread the cost of that investment over the decades whereby your taxpayers and users will benefit from it helps to

[02:34:34] spread the cost efficiently over that time period. And so you see there 20 to 25 years is pretty typical in terms of how long you would go borrow each of those individual components. Bottom of the page, before we flip the page here, when we run all these numbers, we look at both the debt capacity and the debt affordability, two different concepts. So debt capacity is the ability to go borrow for projects, as you as a city have identified, and maintain compliance with your own financial policies.

[02:35:13] That's debt capacity. That's one concept. The other concept is debt affordability. That's really how we're going to pay for the debt service payments when indeed you go out and borrow the dollars. We

do something, we call it an equivalent tax impact.

[02:35:30] Basically, you think about your revenue sources as a city, your primary revenue source is your real estate tax rate. And so that is the revenue source that, while you can pull lots of levers in the budget, That's the one that most people tend to kind of hone in on.

[02:35:46] So what you'll see on the next page is we have run this debt affordability and equated the dollars that would be needed to pay for that to your real estate tax rate. Importantly, that is not your only revenue source. You've got a variety of different revenue sources.

[02:36:03] That's one that, just as we boil it down, that's the one that, again, tends to be the easiest to get your head around. But as we talked about in the prior pages, when you think about your meals tax, your sales tax, you've got a variety of different levers as a city to pull in terms of revenues.

[02:36:20] So I just want to make sure we give that sort of caveat before we flip the page here. Okay, so page 24, again, this is, for planning purposes, the debt affordability side of that CIP, meaning both the general fund and the schools.

[02:36:52] And so the roughly \$170 million or thereabouts that we talked about on the general fund side And the impact to the budget, that is that column A right now. So that is the general fund projects, whether it's Willard Sherwood, whether it's Fire Station, whether it's some of the parks projects, that's really represented in that column A.

[02:37:15] So the equivalent there is, again, in the aggregate, about 11 pennies. Doesn't mean that's the only place. We've just simplified this as though that was your only revenue source. And it's purposely staggered out over multiple years, knowing that as your budget grows and evolves, as both the revenue and expenditure side of that evolve, there's going to be a number of different changes.

[02:37:39] But if the only revenue source you had was the real estate tax rate, that's really what this analysis is showing. An oversimplification, but just a good way to kind of encapsulate it. So again, you see that in 2026, roughly a nickel, so to speak, take a year off, another five pennies, take a year off, another penny.

[02:38:03] Historically, the city's got a track record whereby when we do this planning, results coming in better than is projected during the planning time period.

[02:38:18] So if you went way, way back to the early 2000s, last big school bond referendum and a number of other capital projects, that was supposed to cost 10 plus pennies. in terms of when we ran this analysis, you know, sort of back 20 plus years ago. The reality is, as your economy evolved in that time period, as your revenues grew, you didn't actually have to raise all those pennies all at once. And so again, to that point, all of this will sort of work its way through the continuum. This is purposely designed to be conservative and focus in on just

[02:38:55] run one revenue source. So that's what you're looking at in column A. Column B is the school side of the equation. So again, a generational investment there. You equate the debt service on that \$220 million to the real estate tax rate. In the aggregate, it's about 20 pennies.

[02:39:17] But again, it's purposely broken out over time, whereby it's a bite at the apple, take a year off, a bite at the apple, take a year off, so forth and so on, knowing it'll take a number of years to design, to bid, and then ultimately construct. And so what we've tried to do with this is build a funding program that

allows the revenues to grow over time. One other very important caveat as we look at column B there, and we've got a little note there in the blue box at the bottom, there is a concept that has been out there in Virginia for a while, and many of you may already

[02:39:55] be aware of this, so I'll repeat it, smiling, nodding, so I suspect you probably know where I'm going, but there are about 10, 11 local governments across the state that has previously gotten permission, basically, from the General Assembly to, subject to voter referendum, levy an additional 1% sales tax for school construction.

[02:40:19] That's been in place for a number of years. The local governments that have done that have primarily been kind of on the south side of the state all passed via referendum and it's very specific the revenues from that one percent sales tax can only go towards school construction that could be cash funding of school capital or it can be paying debt service and that concept was brought up in the General Assembly last year didn't go through we understand it's working its way through the General Assembly again this year and

[02:40:52] And while we don't have any control over that, understand there is some hopefulness that it works its way through both bodies and makes it to the governor again. And so as you look at that, again, subject to the General Assembly, subject to council and voters, so forth and so on, the dollars that that 1% would generate for the city of Fairfax basically takes care of all of Column B.

[02:41:18] And so while there's still certainly a number of steps that would need to happen in order for that to come to fruition, we've run those numbers, we ran 'em last year, we shared 'em with council mayor last year and we've kind of been through that process a little bit. We'll keep watching it, we don't have any control over that per se, I think it's important perspective as you think about the number of years of the planning that will go into the school side of the equation and just the perspective of that 1% sales tax basically takes care of all of column b and the pennies in there for all intents and purposes a

[02:41:52] lot of details to work out would basically go away so again make sure that that important note is made as you think about the budget in the future and some of those actions okay last couple pages and then certainly happy to answer any questions we'll try not to go on too much longer so our our debt ratios we talked about the debt affordability that prior section This section here is what we'll call the debt capacity, our self-imposed ratios.

[02:42:26] So what you see on the page, debt service to expenditure, is the left-hand side. That's basically a measurement of how many pennies out of every dollar in the budget are going to make a debt service payment. On the right-hand side is the total amount of outstanding debt relative to our total assessed value or our total tax base.

[02:42:42] Two very common policies, many, most of your peers have something very similar. We'll start on the left-hand side, the debt service to expenditures. You as a city have a policy to have no more than 9% of your budget go to make a debt service payment.

[02:42:58] That's a policy that dates back, I think, probably about 20 years. We can go back and look, but it's been in place for a long time. It is for a city of your size and one that needs to take on generational capital projects. It's really on the low side of the equation, has been for a long time.

[02:43:17] And so what you see when you look at that graph is, again, the dark green bar is the existing debt service. The light green bar is the general fund component of the CIP.

[02:43:33] And then the blue bar is the schools in terms of that \$220 million in terms of the referendum. So if this all played out exactly as it's laid out here, we think there are conservative assumptions. It probably comes out a little bit better, hopefully, but no guarantees.

[02:43:50] That ratio goes from about 9% up to about 18%. So it basically doubles over the next five to seven years. We've got a page, I think it's the next page here, to show you that historically speaking, when the city did its last school referendum, when it did this project, when it did some of the downtown projects, that debt service to expenditures ratio was around that level even back then.

[02:44:19] So it's not without precedent for the city, especially one your size. It's taking on generational capital projects. And also, as you look around the region, a number of, especially in North Carolina, a lot of fast-growing places in North Carolina have a debt service to expenditures level that's in that range.

[02:44:37] But it certainly is higher. It's double the level we are right now. And so if this were all to go forward, this is all shown to the rating agencies, no surprises. What we would really want to make sure we focus on is, back at the beginning of the book, we talked about the four different quadrants of what goes into a rating.

[02:44:57] And so one of the most critical ways that you can think about sort of counterbalancing the fact that we'll probably be on the higher side of the debt service to expenditures is to make sure we've got a really strong fund balance, is to make sure we've got good structurally balanced budgets. Doing all of those other things and those other three quadrants helps to balance out the fact that we're likely going forward, obviously subject to council's approval, with a number of these large capital projects.

[02:45:26] And so we just want to give you that perspective. Don't need to make any decisions tonight per se. Just want to let you kind of, I think, marinate on this a little bit during the budget process. But hopefully that's a little bit of a helpful perspective. On the right-hand side of the page, similar in terms of debt to assessed value.

[02:45:43] Again, making large capital projects, excuse me, investments in that, you tend to see some of these swings in terms of those particular ratios. And so I think as we go forward, we'll want to talk about, working closely with the manager and CFO here, how we amend these, how we think about these during a budget process and CIP process, depending upon where the priorities are.

[02:46:09] But again, no surprises. This is all shared with the rating agencies. And so good transparency there. So again, last couple pages to give you a little bit of history. This basically shows, going back to the 2004 referendum, where you were in terms of debt to assessed value and how that trended when the referendum was passed, you know, literally 20 years ago, that debt to assessed value is about 1%.

[02:46:41] It ended up being at about 3.5%, a little bit below there, and has since crested back down. So you're kind of in this cycle where you've made the big investments in the 0, 4, 5, 6, 10 time period, kind of worked your way back through that, and so you're sort of in that cycle again, which is not necessarily a surprise.

[02:47:02] You flip the page, debt service to expenditures, you look at that historically, again, you crested out at about 15%, and we're there for the 2008 to 2011, 2012 time period, and And so there is some precedent, so to speak, of being at those levels.

[02:47:22] And so, again, a lot of perspective here, a lot of information. I think maybe I'll just pause there before we go to the next steps and see if Mayor, Council, any questions, comments, anything I can address? Any questions at this juncture? Burning issues?

[02:47:41] Apparently not. I will say this, though, about that 1% tax. It was passed with strong bipartisan support in both chambers. It was vetoed by the governor. So I think if it passes again, since the governor has not necessarily changed, it would be difficult to hang our hats on the prospect of seeing it signed into law.

[02:48:03] But I did want to make a point that both chambers strongly supported that 1% tax referendum last year, and I'm sure they will again. I just don't think we can hang our hat on getting a different result when we have kind of the same players.

[02:48:19] And Mayor, to your point, I think it's a very reasonable and good way to be thinking about things in this environment. Yeah, and I mean, that 1% sales tax is in many places we work.

[02:48:35] And so we work in northern Virginia, we work in far southwest Virginia, and south side, and Hampton Roads, all different and across the country. It was really a Virginia-specific issue. That 1% sales tax is material for effectively everybody. And so anybody that has schools, if you're a city, if you're a county, if you're in Tazewell County, or David, you know, my partner, David, David's in Tazewell, you know, very different local government, but it is very material to the folks in Tazewell.

[02:49:04] It's very material to the folks in Hampton Roads. It's very material to the folks up here. So we don't have a say in that per se, but it seems like at some point that'll... I have faith that it will. I mean, I think it will. Just am not convinced it'll be this year but as long as it eventually happens and I do think it will then we need to be we can't budget around something that may or may not happen but we need to know there's a strong possibility in the next two to three years we might see that and getting

[02:49:40] the one percent passed means we still put it on a referendum here in the city anyway right we just gives us permission as a locality to ask the voters for permission to levy this one percent sales tax. But I do think it's been effective, you know, and it has been in rural, very rural counties, I believe. And I don't know at what point those were approved as far as who approved them. I just don't think we're in that space right now. But I think Virginia in the main has underfunded education since the mortgage crisis in 2008, probably, you know, the percentage of

[02:50:16] funding that the state provides for education is flat or it's reduced actually and we just have to think differently about it and I just again don't think this is necessarily the political environment in which that's going to happen this year but I am hopeful. Council Member Peterson. Thank you and quick question on slide 25 although it appears again later but on the left side and it may

[02:50:48] Maybe that this gets into our next presentation, but to what extent does, on the debt service versus expenditures, does this include all of our forecasted expenditures based on where we think the program requests are going to go for budget?

[02:51:06] I can try to answer that so council member see if I can go back a couple of slides so listed here it incorporates what was approved by council via the budget for appropriated fy25 and placeholders all the way through fy29 fy26 27 2029 have not been appropriated those get appropriated on an annual basis but we have a five-year program or five-year plan that incorporates some of these

[02:51:42] expenditures. What has already been proposed for FY26 for the CIP to the Planning Commission, and I think in a couple of weeks the Planning Commission will come to the City Council and work session, that is up to year FY30. What is not included in these calculations right now are the property yard, which is upwards to \$60 million, the police garage, which is about \$8 million and then also the purchase of the uh west drive property of about four million dollars so

[02:52:18] there's 70 plus 75 million dollars that is not accounted for because they were not on any previous cips and the placeholders otherwise are they consistent they they are but the longer we defer them or by the if we push them out potentially more expensive that they get based on inflation and other costs that sort of rise okay so there are a couple missing items but otherwise we have

[02:52:51] placeholders that are relatively reflective of where we would expect to go yeah yes sir other questions at this time okay i think we're good for now very much nice to see you all this evening always good to see you our last item is a discussion of the fy 2025 second quarter financial review jc martinez chief financial officer will provide the staff presentation

[02:53:27] sorry mayor councils happy to be here again if i'm not mistaken i am actually your closing act which is where i like to be so before we get started i'd like to acknowledge that jeff plattenberg the superintendent of the schools of city of fairfax is in the audience or was

[02:54:08] i take that he might have stepped out but i'm here tonight to present the city's second quarter financial review for fiscal year 2025. the quarterly review process is designed to update and inform city council on the city's financial position and to identify and recommend funding priorities for councils consideration budget reviews are presented to city council on a quarterly basis the following presentation provides an overview and update to the FY25 forecast based on information available as of January 14th 2025 I will say I think SNP actually noted and we're

[02:54:46] very happy with our quarterly review processes as a highlight and a good management practice going forward. On this first slide quickly shows and reviews some of the financial steps throughout the fiscal year. As you can see the first three have already been completed with the first quarter review done on October 22nd, the presentation of the FY 2024 financial results on December 10th, and then the approval of the FY 2025 fall supplemental appropriations also on December 10th. After tonight we will present the third

[02:55:21] quarter financial results towards the end of april along with any spring supplemental requests and then ask council to finalize the fy 2026 budget on may 6. at this time there is a projected negative variance for fy 2025 of about 1.4 million dollars total revenues are about 3.2 percent or about almost 6 million dollars more favorable of the budget the main drivers are increases in the real estate assessments accounting for 2.6 million dollars an additional 1.3 million

[02:56:01] forecasted for state school aid approximately 700 000 and additional investment earnings and about 500 000 for personal property tax the primary driver for the four percent negative variance in our expenses is an anticipated 7.2 million dollar increase in expense specifically tied to the school tuition payment with Fairfax County Public Schools.

[02:56:28] This shortfall can and will hopefully be covered by the FY 2025 or in FY 2025 by utilizing funds in the Budget Stabilization Fund, which we'll discuss more further along the presentation. So the makeup of the real estate property in the city is about 67% residential, about 33% commercial.

[02:56:54] These percentages have sort of been pretty consistent over the past few years. for calendar year 2024 there was about a seven percent increase in the residential market there was a small increase of about 0.3 percent in the prior quarter of 2024 the primary driver for the increase is the median prices for homes being sold as you can see down here sort of shows the comparables where the prior year december 2023 was about 160 or 680 thousand dollars was the

[02:57:31] sell price when currently we're at \$760,000, almost a 12% increase over that 12-month period. Please also remember that each year has a different makeup of the types of properties being sold, which also drives the changes. When compared to the residential side, the commercial side saw a much smaller increase in 2024, about 2%. Overall, commercial vacancy numbers continue to be very favorable, meaning low percentages within the city, with retail being about 97.2% filled

[02:58:08] and office being almost 92% occupied. This chart provides greater detail on the revenue numbers that I spoke about earlier. One thing to note is that we are forecasting where the state personal property tax relief will be recognized and not budgeted. This is approximately about \$3.1 million.

[02:58:31] This is a change based on our auditor's request. Also in collaboration with schools and the superintendent, we have refined and updated the state school aid, which is made up of both state sales tax and basic school aid.

[02:58:50] As stated earlier, the main driver of the increase to expense is the projected increase to the school tuition contract with Fairfax County Public Schools. After last year's unprecedented increase in the bill of about 13.71%, we have increased from FY 2024 payment about another 8.25%, which is actually 12% higher than the budgeted amount of \$55.8 million.

[02:59:19] The highest increase since 2010 was 7.4% in FY13. City staff, along with city school staff, will be reaching out to Fairfax County and FCPS to address this abnormality and to determine how to best limit city exposure in the future.

[02:59:41] The small increase in transfers is also due to increase in assessed value, providing additional tax revenue for the prospective funds. When you add them together as a summary, these are your total revenues, projected and budgeted, and then also your total expenditures, projected and budgeted, and again, sort of shows that 1.4 negative variance for FY25.

[03:00:06] This slide provides the primary drivers influencing the FY2026 projections on the preceding slide. Similar to FY2025, the single largest factor is the projected \$12.6 million in the school's tuition contract. The projections assume no changes in the real estate tax rate, personal property tax, or the meals tax rate. As you will see on the next slide, the projected variance is about \$11.2 million and is equivalent to about 13

[03:00:43] and a half cents on the current real estate tax rate. When we look at the five-year projection, there are a few items to note. First, the city will not plan to use any fund balance in the budget in any out year. Fund balance will be reserved to be used during a year to pay for unexpected expense, which will be brought to council via supplemental appropriations. Again, there are no anticipated changes to rates or levies or any increases to revenue is purely due to forecasted appreciation. Revenues are

[03:01:21] conservatively projected at about 2% yearly increase. The school's tuition contract is projected with a 3% increase beginning in FY 2027 and a moderate inflation increases in other areas. will continue to monitor and adjust as needed of note and this is still very developing given very recent federal orders on

passing federal funding or pausing on federal funding please note that we received less than two hundred thousand dollars in federal funds per year that's right there in

[03:01:58] federal funds per year the action may have more impact on the city's current request for a couple of community block grants specifically 1.3 million dollars for enhancement to the police station specifically the garage there, and \$850,000 for the Blenheim Boulevard multimodal improvements.

[03:02:20] If they do pause and we don't get those grants, we have not been awarded those grants, nor have they been appropriated by Congress, so we will hopefully know something by the middle of March. To review, we ended FY 2024 with an 18% or \$32.3 million of unassigned fund balance.

[03:02:43] We are currently estimating a slight reduction in fund balance of \$600,000 due to the approval of the fall supplemental request, bringing the balance down to 17.7%, or about \$32 million. This is still \$2.7 million, or about \$5 million, I'm sorry, \$2.7%, or about \$5 million over the policy of 15%.

[03:03:07] The funding of the Budget Stabilization Fund during FY 2024 gives the city availability to cover unexpected overages in certain areas. One allowed area is the tuition payment. Tentatively, the \$1.4 million overage projected for FY 2025 will be covered by the BSF.

[03:03:29] This will reduce the BSF from 2.6% to 1.7% and make the balance just shy of \$3 million. Listed here as well, and I think you heard Davenport just speak, we do have an aspirational target of a 22% unassigned fund balance.

[03:03:49] That's what the equivalent would be there. There is also an internal strategic organization goal of trying to increase our fund balance by 1% per year. For the next five years, we're actually in year four. We started out at 16.8. We went up to 18%, and we're trying to grow that by four more percents in the next four years.

[03:04:11] staff will continue to monitor and track revenue and expenditures throughout the fiscal year and work to ensure the city stays fiscally sound the fy 2026 proposed budget will be presented to city council on february 25th throughout march and april there will be a number of work sessions for council to work through the budget and public hearings for residents to provide comments we will will be back on April 22nd to provide an update on the third quarter FY25 budget and again the

[03:04:50] chart sort of provides the dates and the fiscal reviews and actions for the remainder of the fiscal year. Happy to answer any questions. Do we have questions for Mr. Martinez? Councilmember Peterson. On the federal funds, switching over to state funds which are much much larger, how much of the state funds originate as federal funding that goes first to the state and then comes to us or goes first to a regional entity and comes to us? Any idea? I do not have the answer to that

[03:05:29] question. We would have to do some research, but there are other funds that come in to other localities within the region as well. I'm thinking of Fairfax County that we have social service contracts with that they get federal funds as well. They may be impacted as well, but I can try to figure out how much of the original state funds that the city gets originate via the federal side of things. That would be helpful. Sure. I have just one other question. Maybe it's a comment, but

[03:06:06] going back to the prior presentation, one of the things that I think was noted a couple of times is that the city is in very strong financial condition. And JC, I'm guessing there's nothing more to say about that but i just want to be clear that the perspective we have right now is that the city is in very strong

condition we have some changes and conditions expected in the future and we'll need to plan for them accordingly but where we're starting from right now is a very strong position is that a fair statement i think that's more than fair and very

[03:06:44] accurate to to your point we have and we are in a very strong financial position there are always things that evolve that where we need to adapt there are things that we can control as was sort of mentioned by Davenport there are other things that we don't control sort of the school tuition contract is one of those items that are sort of just a mandate and that we are trying to get a handle on and have a better collaboration with the county and also FCPS other questions council

[03:07:18] member Hardy Chandler thank you and appreciate all the work you have done to get us in that strong place which again was repeated multiple times part of that seems to be and I heard Davenport say this that the budget stabilization fund is part of our first line of defense for variations I'm thinking of you know emergency savings that we might have in our personal budgets I'm curious because

[03:07:53] I'm not as familiar with the contract with the schools we're going to be monitoring that, it sounds like we can cover the Q2 elevation and the tuition that we saw. Can you provide a little bit more background about how that goes or how that has historically gone and how we might be able to plan for that, for those variations moving forward for at least the upcoming quarters for the year? Sure. So the listed variance,

[03:08:31] the \$1.4 million listed variance, is for the entire year. There you go. So the 1.4 for FY25, almost exclusively tied to the tuition contract expectation. So at the beginning of the fiscal year, FCPS provides the city a estimated contract or tuition bill saying, this is what we're anticipating based on last year and a true open voice.

[03:09:01] This is what we're anticipating your next year's obligation to be. That invoice is paid on a quarterly basis. And then what happens is at the end of the fiscal year, they provide what is called or referred to as a true-up invoice, saying, okay, those were your estimates that we used to make those quarterly payments.

[03:09:23] Now we're sort of truing up where we are. Sometimes it's a benefit for us, meaning that we've paid, overpaid, and we get an escrow refund is the best way I could describe it. Or sometimes your escrow payment of what's being deducted on a quarterly basement isn't enough, and now you sort of have to pay more.

[03:09:43] I'm trying to relate it to where others can kind of make sense of this. It's usually, unfortunately, on the other side where we have to end up having to pay more on a true open voice. What I did do and what staff did, specifically the budget department, Gwen Riddle, she went back to FY 2011 and actually showed as a percentage that on average between FY11 to FY23, the average increase year over year was about 3.01%,

[03:10:19] which is, in my mind, a manageable expectation, sort of keeps up with inflation as well. The big change happened in FY24 to FY23. We had a 13.71% increase in our Truett bill. That was unprecedented.

[03:10:37] And then, in addition, in further communication with current city staff on the school side, specifically the superintendent, the school board chair, and then also FCPF staff, their CFO, their budget director, they're projecting about an 8.25% increase on top of that for FY25 and 26 as well.

[03:11:04] Thank you. Council Member Amos. This is more a comment and then a question. I know in one of our first meetings, I think our very first meeting, we were discussing maybe doing a work session on the contracts we have with the county, which includes the school contract.

[03:11:21] So I wanted to circle back around on that, and hopefully we can get that on the books. The question I have is, I echo the mayor's points about the 1% sales tax and the kind of political climate around it.

[03:11:38] What are other trends and opportunities out there that we could take advantage of, even in a Dillon rule state? I think we are sort of limited because of the Dillon rule state it was not mentioned but I'll mention it here a 1% increase on the sales tax exclusively tied to school capital is equivalent to about 13 and a half to 14 million dollars on an annual basis again that would have to be restricted to school capital to the mayor's point it does have to go to the local residents in Fairfax in the bond referendum or in a referendum not a bond referendum to see if they would even be

[03:12:17] willing to do that besides that sort of what Davenport was alluding to as well is there are other potential revenue sources whether that's personal property tax whether that's meals tax whether that's other things that we have not imagined of yet that we could try to figure that out but the 1% would I hate to say kind of solve all our problems at least on the capital side for the schools and my other question as a follow-up more so on the county side is

[03:12:55] since we've seen these jumps the 13% 8% do we anticipate that ever really going back to 3% or do you think it's going to fluctuate around this higher higher percentage I can hope councilmember as noted for the past 10 plus years prior to FY 24 it was about 3% I mean the highest prior to that again was FY 2013 at 7.35 and then we had a significant decrease down and it's sort of been trending at that area it was completely unexpected this last fiscal year a lot

[03:13:33] of it has to do with operating costs carryover costs from FCPS there is a 1978 contract between the city the county the school boards as well so it's a four-way contract I won't comment on the contract but I mean how do we know if those are recurring costs or were a lot of those just one-time money or I mean if it's recurring then I imagine we're never going to get back to three percent I am hesitant to speak for FCPS I will comment that they did do their

[03:14:09] budget presentation last Thursday FCPS did and they're asking for an additional 230 or 240 million dollars from the county and their overall operating budget is now close to or at four billion dollars so not really seeing a decrease in the operating side of things yeah yes we would please join us superintendent yeah thank you very much and I apologize for the interruption but they are recurring costs in fact for FY 26 some of the costs that in our conversations with their budget presentation is that the collective

[03:14:49] bargaining is really kind of crimped them most of them were their operating funds. The majority of their operating fund expenses had been tied to salary increases. They gave 6% and then prior year 4% and then 2% in January. They do have what they call required adjustments, which have been predominantly student needs based upon increased enrollment of special needs and meeting some of the contractual requirements associated with that and some of the retirement rate changes that they've had. But the largest one was about \$240 million that they've put historically in their budget it had been 80 to 90 million dollar ad each year then it

[03:15:28] went up to 150 then it went to 200 million now the average is 300 million and what mr martine has mentioned is a historical unprecedented increase some of the ongoing needs that they have are the substitute incentives test fees online campus cyber security the middle school late buses legal fees and planning for major maintenance and summer school and safety and security enhancements as well and then they have what they call their multi-year expenditures or investments as they call them which is their HR infrastructure technology they're putting a new

[03:16:06] ERP program in some of the certified athletic trainers the fine arts and inclusive preschool so expansion of their preschool program all of those impacts are considerable but the largest one is the HR component and that's the 240 million. The other ones are 46.2 million and 48.0 million and 4 million for the last grouping that I mentioned. So they and they are recurring once they provide those salary increases. The rate change increase for health care costs are a

[03:16:40] constant that we face as well. I mean in terms of from an equity standpoint that just I can't imagine that the trickle down from that for the benefits that we get from the city for what we pay is equitable. I mean I just don't see it but I could be wrong. If I may feel free to jump in but what we end up paying is roughly 2.3 2.6 somewhere between two and three percent because that's what our student membership is in comparison to the county membership. While I understand that we also don't have the budget that the county has so my concern is that we are just an afterthought and

[03:17:19] and that they continue with these skyrocketing increases. Granted, a lot of that is from frustration with the state as well for underfunding our educational system. But as it keeps jumping, if we are not at the forefront, which in my opinion we have not been, we're going to keep getting the short end of the stick, and we have to keep dipping into our budget stabilization fund for expenses that are not ours, and that's frustrating.

[03:17:47] If I might add, you're both correct. I mean, it's about 1.7%, 1.6% of their total general operating fund each year. Any significant increase is a huge hit to us. The value add, the benefits that we get, the cost of us ramping up and initiating, if we were to even consider providing our own, would be incredibly cost prohibitive.

[03:18:11] The fact of the matter is, by not having a more stabilized, I hate to overuse that approach, but stabilized approach to this rather than a 1962 contractual agreement ratified in 1978 with a formulaic approach that's pretty complex, and I can articulate it, but it doesn't make any sense to anyone anymore because, as Chair Pitches says, that most of the people that were involved in that, well, in fact, all are dead now.

[03:18:42] So the opportunity for us to talk about, and we've been having these conversations, as Mr. Martinez says. In fact, I spoke to the CFO for Fairfax County Public Schools yesterday just to reiterate that they budget and they forecast on a conservative basis because it's revenue to them. It doesn't even look right in their budget. It's an annual increase of 2%, and that's short-sighted because not only does it appear like, you know, when we're budgeting adequately based upon historical trend data, based upon monitoring their fourth quarter year end and their annual operating budget it creates a very very challenging situation so we need to stabilize

[03:19:20] that we need to come up with a better approach it is time for us to have those conversations again and we've already started internally talking about how we're going to approach that excellent points by both of you other questions comments council member hall yeah i'm sure that the school board is

working on this but i think what might be helpful to know for those that are not as intimately involved with it is maybe the number of kids that are qualified special ed and kind of those different costs because i know we pay the same amount per student it doesn't matter if they're special ed it doesn't matter if they're not whereas this special ed cost is significantly

[03:19:58] higher per student correct that is correct and one of the things the cfo mentioned to me she her comment was you know you really have a really good formula even though it's archaic and it's a legacy system if we were to open it up because of the special education costs and the impacts on some of these special programs they've gone through the roof that that would make it probably more challenging for us in terms of our funding and my my counter to that is that the revenue credit that we get for county students that are in our city schools should offset it because that's equally as archaic I agree I do think it's it's it's worth a conversation I think it's worth

[03:20:38] doing our part on our side to see what maybe we would suggest what we could suggest just to get an idea um but i do recognize that it's not as simple as another contract that we have you know it's it's just very very unique not right not wrong but very unique um i had one other comment i can't remember what it is i'm going to pass it to someone councilmember peterson just a point of clarification on the recurring cost issue are we saying that the rate of increase which jumped up

[03:21:14] to 13 is that annual rate we're expecting that rate to continue or are we saying no that we jumped up to a higher level that we expect to continue and not contract i will try to answer the first part and then if the superintendent wants to jump in i would greatly appreciate it so it did increase to about 14 13.71 in fy 24 in discussions two three months ago uh maybe more more a little more recently with senior staff at fcps along with the superintendent we're looking

[03:21:51] at an additional eight and a quarter percent for the next two years so eight and a quarter is what's being projected for us as an expenditure for fy25 and then an additional eight and a quarter percent on top of that number for fy26 as well after that time we haven't had any other discussions and or projections going out internally budget city finance are expecting it to go back down to three percent that may be unrealistic until we have further discussions and dialogue with fcps

[03:22:26] and schools and all i would add to that is that the conversations with the school staff the county staff have been stating that these increases are untenable they cannot continue having that much of a requirement of revenue generation from fairfax county to fund fairfax county public schools so there is there is a challenge and I don't believe that they're going to be able to sustain anything near the 13.1 or the 8.25 but again those forecasts I didn't foresee at all a 13.71 historical increase nor would I have

[03:23:06] felt that the 7% that was negotiated part of the collective bargaining I was told that it was considerably higher, the initial ask, and they were able to negotiate to that point where all parties were satisfied. So I'm deeply concerned about the shift that's happened in the employee negotiation strength or position, if you will. I'm not judging it. I'm just saying the shift and how things have been done historically to garner such increases. The last time I saw huge increases like this were when I was a young budgeteer in Fairfax County Public

[03:23:45] schools and it was uh rate increases that were around cost of living adjustments that had been flat for um because of the economy and then jumped up to like nine ten and thirteen percent and then they leveled out at four other comments or questions at this time council member hall uh two things that i think are important to point out though is that um we at the county level had about

[03:24:15] a 2% drop in student growth, whereas the city had over 7% growth. And so I think that that's really important to point out because as previous councils have continued to say yes and yes and yes to huge increases in apartments and houses and townhouses, all that does is increase our population, which can be great for many reasons but it brings in a lot more students and I think that that is crucial for us each to keep

[03:24:53] in mind as we continue to consider additional development and redevelopment in the city because what will happen is when our school building specifically Providence reaches you know a hundred and some percent we will say to the county you need to take out some of your county students that are coming from Oakton okay and that's about 30 percent of Providence right Now, when that happens, those kids are now being supplemented by our own city students.

[03:25:22] Great, right? It's great to have population, but we're losing then the component where the county pays into us, and in turn, we're also now paying to the county to educate the kids. So it's kind of a double-edged sword of no more revenue and additional expenses.

[03:25:38] So we can continue to build and develop and bring in families, and I know that that's you know, a huge goal of people, but we have to understand the school financial impacts of it before we continue to just say yes to everything. Council Member Bates. Thank you. I just want to point out that there are also other programs that we have access to through the county, thanks to, in addition to the economies of scale in terms of the operating costs,

[03:26:13] We also have district-wide programs such as, you know, the magnet school, the academy programs, and, you know, that are thanks to being part of the county public school system. As far as the impact of development on school costs, I believe that is factored into the fiscal impact analysis that we get for each development project.

[03:26:42] Is that correct? I don't know, but I'm hoping the superintendent might. Yes, it is, and they're taking a look at their formula, what they call student yields out of each of those. And I really do appreciate your comments, Council Member Bates, on the value add that we get by being part of a large organization and the additional programs by no means did I mean to diminish the fact that our students do have, not only do we have the Academy of Fairfax High School where county residents get to attend it, but we get to attend any of the other six, seven academies across Fairfax County.

[03:27:18] And there are so many value-added benefits to vertical articulation of languages, of advanced placement, of the AVID achievement via individual determination for groups that historically might have had challenges. There's so many benefits and attributes, the social-emotional supports, the pedagogy, the training, and the PD and so forth of the teachers and the staff that we have.

[03:27:39] We're very fortunate. It does come at a cost, to your point. So I do appreciate you making that point as well. Yeah, thank you. Other questions or comments? Yes, Council Member Peterson. This is not related to schools per se, but generally, and perhaps for follow-up another time, but the Davenport presentation was very helpful in objectifying the fiscal health of the city through N-index, through metrics.

[03:28:16] As we shift over to the choices we have about dealing with our future conditions, and there are going to be a lot of different things that include but are not limited to schools. We're also talking about revenue mechanisms, taxes that will be additive to what we're doing right now.

[03:28:35] And I think one of the common reactions that people have in the community is what impact will this have on cost of living? Is there any way that we also, in addition to kind of tracking fiscal health of the city, track cost of living for people in the city and help them understand, for instance, how much of that is because of the city and how much of it is completely independent of that because it seems to be a recurrent question that comes up and I would anticipate maybe more as we're looking at some future adjustments.

[03:29:09] I'll try to answer that. So great question, Councilmember. I am not aware of a good metric of how to sort of capture what you're asking. I will try to do some research and also consult some of my counterparts within the region and see what they do.

[03:29:26] um i i am aware of what we can control specifically the tax rate the meals rate personal property tax all those other factors and then try to come up with the baseline i don't know if the manager has any suggestion given some of his experience as well and maybe i can lean on him um thank you um we're we're um been here quite a while i don't want to certainly belabor things but thank you to mr martinez um specifically you usually cost of living you know you've got the the federal

[03:30:02] indices and and you know bureau of labor statistics and all those things that factor into it we can we have access to that um we don't certainly track it at the local level i am not aware of any locality that has that ability um to as far as tracking i think to answer your question like how what is our impact on the total cost of living I do think that these these in the index is usually you know they use some formulas that they you know for like housing costs utility costs and so

[03:30:37] and so I think that sort of taxes and all is a component and it's quite honestly I believe it's it's a relatively small component in the grand scheme of things the big one that you hear people talking about is housing cost um and uh you know rule of thumb is you know you shouldn't be if you're spending more than 30 percent of your income on housing whether that's ownership rental or whatever then you're you're you know you're um negatively they view that as a negative impact that you're you know that you're housing burdened is usually the the the metric that i i know

[03:31:12] localities work with um but mayor if i if i may um i we've been here a long time we've had some great presentations i applaud you for sitting through because you know can it can you start talking a bunch of numbers and and go through all this i know it can it can get a little overwhelming and and uh maybe a little bit of brain overload um i did send out an email to the council uh and uh so i want to go back to the presentation um the slide that we had about the

[03:31:45] the budget for the the budget challenge um and i i had asked for that to be put in so so i could sort of tee this up um we we've got to present a budget to you for your consideration in in a month that's the that's the current calendar and we can do that um but this is the the drive the single driver that is up here is is the school is the tuition contract and so what i had asked um mr martinez to to do and and i appreciate what that he pulled because he this was last minute and this

[03:32:23] was me and i and just let me say this is purely a timing issue i don't want you to think that i'm always going to spring something on you at the last minute this is only day two for me so this is like getting into the uh to the nitty-gritty this is our starting point and so that so when we're starting with the so this is you know all things being equal this is a 13 and a half cent real estate tax impact okay now i'm not i'm not i'm certainly not telling you that we're going to be proposing uh that we're going to rate you know the rate of 13 and a half cents increase

[03:32:59] there's there's lots of things we can do you heard you know you've heard the things mentioned what i post you in the email is you know i basically asked three questions i don't know if you've had if you hopefully saw it i don't have time to to think about it and i'm willing to sit here and we can continue the conversation, but also if you're like, I'm just too tired, I respect that. But what would be helpful for us as we're going through the budget is, as I mentioned to you when we chatted earlier in my interview, it doesn't do any good for us

[03:33:33] to give you a budget proposal that you're not going to support, that on its face you're not going to support. That's a waste of everybody's time. So the questions that I had posed are three things. Are there any specific things that you want to see? Basically new things that maybe we haven't been doing. Are there any non-negotiable things that would cause you to not support the

[03:34:06] And so what do I mean? So, for example, if you said there has to be, you know, \$10 million in the budget for X activity, and if there's not, I'm not voting for it. That's an extreme example, but that's what I'm alluding to.

[03:34:25] It's our curbside trash pickup. That is our non-negotiable. Non-negotiable. There you go. That is 1,000% our non-negotiable curbside trash pickup. That's what I need to know, or we need to know. And certainly me, because I'm new, I'm sure the others know that. And then the third thing is the what are your most important values that we need to keep in mind.

[03:34:47] And so what I mean by that is that's more the philosophical things in terms of where the priorities would be. So that's, you know, is that schools and education? Is that development?

[03:35:03] that public safety whatever those kinds of things so we know because that's what's going to help us try to combine everything as best we can and present to you a budget that hopefully addresses those things and it's and what is it going to take to do that and so if you can share any insights that would be helpful if we need to schedule another time or additional time on the front end. As was mentioned,

[03:35:40] once you get the proposal, there's plenty of time and we could have as many meetings as necessary. There's several already scheduled and it was long with public input with the public hearings and so forth about what's proposed. Quite honestly, if I'd have been here, we would have had this converse we would have started this conversation earlier um the timing the fact that um uh that you don't take office till january 1st is is is all is also challenging but you know here we are this basically february 1st um and so um so that's so that's the hand we're dealt with

[03:36:20] well again um uh mr martinez and his staff and i you know i i know because we've had conversations They have done a lot of work. We are well, as far as where we need to be in ultimately getting a budget, but now it's the, I won't say the tinkering, but now it's sort of knowing, you know, what kinds of things is important so we can put, you know, if there's something that's less important.

[03:36:49] If you said, let everybody pick up their own trash, let's get out of the trash business. I'm not proposing that. But if that's what you said, that would be important, that would be good to know. So, if there are any things that come to mind that would be helpful, I'd love to hear it, because that'll help us, you know, as we put everything together.

[03:37:15] Council Member Hardy Chandler. Thank you for posing these very important questions. I would prefer not to answer them tonight. It's been 12 hours, and they are so important.

[03:37:33] And I appreciate you reaching out to get our opinions on this at this time as early as possible on your second day. Could we respond to these questions by, what would be the sort of response deadline that would be helpful for you to incorporate this into the budget that you're building?

[03:37:54] Well, sooner is obviously preferable. So today, I mean, I would say, you know, end of the week would be, I hope, would be an unreasonable ask. And I'm perfectly fine with doing that. What you need to understand is that if we can do it that way, and some of you have already called or reached out and so forth, but you're not as a group having that conversation, and that's okay.

[03:38:24] You will have that conversation as a group. And, again, it's all a balancing act. I mean, the elephant in the room is the school's contract. I haven't read it. I've asked for a copy.

[03:38:40] I've not met the superintendent. I look forward to meeting him and working. And I know he and Mr. Martinez have a very good, close working relationship. On its face, it strikes me as a little wonky as to how this works.

[03:38:57] And, you know, if you just look at it, you know, that I know it's a contractual obligation, but I've heard many, in the two days I've been here, I can't count the number of times I've heard folks say, we have no control over it.

[03:39:13] And contractually, it's partially a true statement. If there's a contract, what the contract calls for. But that, I personally, I just don't approach, that's not how I like to approach things. I've got to imagine that if it's not, you know, but those percentage increase, that's not sustainable.

[03:39:32] I can tell you that without even looking at the rest of your budget, that increases of that nature, it's just not sustainable. It's not, you know, and so what we want to do, and this is not, we're not going to get where we need to be in a single year either.

[03:39:50] I don't want to give you false hope that, oh, we're going to have this all worked out in this coming, you know, next budget. It's going to be an iterative process and take more than a single year. But what I do hope to do is, like, get us on the right path.

[03:40:11] Davenport, I will tell you, I've worked with them for years. I think, actually, every locality I've worked in used Davenport as their financial advisor. So I've worked with Kyle and David and all the rest of the folks. They're excellent. They've given you an excellent presentation.

[03:40:29] I trust them implicitly as far as their analysis and they're top notch. So the information they gave you and the AAA bond rating, all of that's very helpful. We are in a strong position. I also don't want to think that the sky is falling and, you know, everything's going.

[03:40:49] We won't be in a strong position a year from now. I don't try to be clear. That's not the message I want to send or anything like that. But these are challenges that we need to deal with.

[03:41:06] And to Council Member Hall's point, you know, as far as schools or development impacting schools and so forth, that's the true statement. The counter argument to that is redevelopment increases the tax base and spreads the tax base out.

[03:41:24] I'm not sitting and saying one's better than the other, but it is a very nuanced and it's very multifaceted and it's a complex issue in terms of how you balance all of these things. especially you know it's it we're not i say we we're not doing you any favors new council members but by you've been here just a minute and and you have to make all these very important budget decisions and get this going um when

you're just now getting your feet wet that's really not probably very fair but again that's the that's where we are um and it's not just fairfax it's

[03:42:02] Every locality has that same issue. So not to belabor it, but I'm happy if you would all like to respond to me with your thoughts. That's certainly helpful.

[03:42:19] If you want to schedule additional meetings, I know everybody's busy and we're meeting out, but we'll do what you as a council would like to do. But, again, we're going to – I don't want us to be doing this in a vacuum.

[03:42:38] And so, you know, it's important for you to sort of tell us what you're thinking. And then, again, we'll have plenty of time for a conversation and engagement and for you to hear what your constituents think for all of these things as well.

[03:42:55] And you've got a road – I mean, you've seen the roadmap as far as just the – certainly one piece. What the school bond and that debt and all, what that looks like over time. Don't let that number scare you. I mean, it was over 30 cents over time.

[03:43:13] It's likely not to be that much because it assumes no growth. And so, again, that's them doing their job of being ultra-conservative. So when I say growth, growth and assessments and, you know, increasing the tax base and so forth.

[03:43:30] So, you know, it's not going to be that number, but you've got to have a starting point. And I believe, you know, conservative starting point is better. It gives you, you know, a little more flexibility on how to work things out.

[03:43:45] So thank you for that. And, Mayor, just it's whatever, it's the will, the view, and the council as far as if you want to continue this tonight, I'm happy to just take written response, whatever your pleasure is. I think everybody's tired.

[03:44:01] So I think we're going to opt for, if that's okay, a written response. We can always schedule a meeting because we can schedule meetings whenever we want, right? Yes, we can. I have a question, Mr. Martinez. Have we ever done a historical analysis in the city on projects like Capstone or Scout on the Circle as to what those parcels produced in income for the city before they were redeveloped and what they produce for the city now?

[03:44:32] Because the N29 project is going on a parking lot. I don't know what a parking lot produces, but I'm guessing not a lot. The presentation we heard tonight on the Davies property, what exactly does that family pay for that property in residential property taxes?

[03:44:49] And for 15 years, they've been trying to redevelop that property into something else. And in looking at the analysis, it's not just the income from the redevelopment, but also the expense. There is more law enforcement. There is fire safety. There's kids in the schools.

[03:45:04] There's water and sewer. There are expenses. But have we ever done an analysis in the city on what these parcels, I'm talking about a parcel, you know, before the Moxley was built, wasn't that a used car dealership?

[03:45:21] What did it produce and what is it producing now vis-a-vis what the expenses are for that parcel of land? It just seems to me if we could look at the historical data, we might have a much better idea going forward looking at proposed redevelopment projects.

[03:45:40] What we're looking at as far as the differential of what the Davies property is producing for this city right this minute and what the potential is for both expenses and income to redevelop that. Because you're right. I mean, growth? How do we predict growth?

[03:46:00] That's an excellent point, Mayor. There are certain things that we can do. I will tell you from personal experience. So as you know, I was most recently, before I retired and came over here, I worked in Manassas. And so same questions, these new developments is going to add kids to the school system, and that's a huge expense in other things.

[03:46:25] What we found is that -- and there are ways to measure that. I'm sure the school system has the same tools as far as how you do that. And what we found is that for a couple -- you know, and these were -- one was apartments.

[03:46:43] There are a couple of them were apartments, but they're also in the downtown. And, you know, so the reality is that they have very few, very few school-aged children. Now, I'm not saying that's the norm, but I'm just saying every project's going to be different. And so I know there's always those assumptions that it's going to add this, that, and the other.

[03:47:02] I would say that we could probably do an analysis at least on maybe on a, you know, specific couple of examples that you mentioned as far as we can go back and look at the prior assessment versus what the assessment is now, and certainly generate the tax revenue, it might be a little bit harder for the cost of services because it varies.

[03:47:27] It does, but I don't want to assume it's zero. No, it certainly wouldn't be zero, but we spread the cost for everything over everybody.

[03:47:43] So, for example, I can tell you that, again, I'll use my Manassas experience, Around the corner from where I live is a senior living place. Well, they don't have kids, so there's no kids in the school system. Well, they're one of our highest users of the fire department.

[03:48:00] They get lots of fire departments going over there quite a bit. Okay, I mean. How do you balance it? Yeah, how do you balance that out? You know, we're not a fee for service. You know, we're in the service business.

[03:48:17] Obviously, we're providing services to our citizens. Some things can be, you know, some things are more suited, like water and sewer utility, the fee-for-service model. That's why that's an enterprise fund. But, you know, what it costs you to, say, for example, have a park system.

[03:48:36] What's the value of the park system? What value does that bring versus what does it cost you to have that? Some of that's intangible. Some of that, the fact that you have a nice park system is what's attracting business, is what's doing these other things.

[03:48:52] How do you measure that? I don't know. But if you truly are looking at dollars and cents, it makes no sense for you to have a park system because that's all, virtually all expense and very little revenue. I'm not advocating that you get rid of all parks. I'm just saying that's the part, when we're having these discussions, those are the kinds of things that sometimes we don't think about.

[03:49:16] And they're very difficult to measure. So, again, I talk about the sort of a value proposition, how do you measure that? So part of that is what kind of community do you want to be and what's important to

you? I mean, I've heard lots of talks about open space and what's the tree canopy going to be on this development that came here?

[03:49:39] That apparently is an important topic for you as a council and, by extension, I assume the community. So what kind of taxes does that generate? And I don't mean to be facetious, but I'm just saying when we're talking about these things, that's all the balance in what we're trying to do.

[03:50:01] And sometimes it's very difficult to quantify. And to try and do all of this for this budget that you're going to get in a month, likely not going to happen. No, I'm sure that's not.

[03:50:14] But these are the kinds of conversations that you as a council, that's what you should be having because as far as what is it, what's your goal and your vision for the community and as far as are you wanting to do something different, are we on the right track, that's for us, we're here to help implement that vision and part of that is the budget that you get and how we spend funds.

[03:50:44] So that's the part that's important for us to hear as the staff, so we can then do our best to translate that and make sure it is doing. So, for example, if tree canopy is important, we want to make sure that we're doing those kinds of things in our projects and public works and all of those things to make sure that those kinds of things are happening.

[03:51:04] No, definitely. But with your okay, if the council's interested in doing this sort of analysis, things like Sutton Heights, wasn't that a church before they were townhouses? So the manager is absolutely right.

[03:51:22] I don't think it's possible to encompass it at 100% accuracy. We do have Christine Johnson, who's the real estate assessment director in the audience. She can probably speak to this very briefly, that we do have a model. And we work very closely with CDMP on this analysis, maybe not capturing every single tidbit, but it is constantly being updated and evaluated and collaborated between the partners.

[03:51:49] So, Christine, very briefly, talk about the model that is utilized when trying to project some of these investments and returns, or I'm sorry, assessments and returns. Sure. Yeah, very briefly, so we model each large development, and we look at existing and what the tax rate of time, so what the beginning tax base is, and then, and I'm just going use multifamily for rent units, then we'll model those, again, using that current tax

[03:52:27] base, and then any commercial will add on to that as well. So we do a comparison between the two, but CD&P, Eric Foreman specifically, tracks a lot of statistics. So he provides updates periodically that tell us, okay, well, for an apartment complex, you might have 0.15 child per unit, and townhouses might have 0.6.

[03:52:59] So it just depends on the housing type. So we'll build that into the model, and then from my department, then it will go over to budget, and they'll look at the fire and those kind of expenses as well to look at really what is the net. So we do have a lot of the legwork already done on these projects, but we would have to confirm with the schools and confirm those student numbers per unit, depending on the housing type.

[03:53:31] But is there currently, though, as far as an analysis, as far as the income generated by parcel prior to development versus income by parcel after development? There is right now.

[03:53:44] Yes. That might be interesting to know, just to know. Because like I said, we've got churches and parking lots and all kinds of things that are turned into something that I think are generating more revenue than that parcel was originally generating. But if it's significant, I think it's important for us to know in our decision-making process just how significant it is. So at some point, not urgent, but at some point it would be good to kind of have that.

[03:54:13] And very quickly, so on the screen, and Christine, along with budget, develop these projections. And if you can see in FY28, it's more than a 2% increase. It's about a 4.5% increase from FY27 to FY28 because we're utilizing information from that model with projected timing of when certain projects are going to be completed.

[03:54:38] So we're embedding that in there. So we're trying to give you, I'll use air quotes, real-time information as accurate as we know it. So we are trying to, again, show council the most up-to-date information so we can make decisions going forward.

[03:54:57] Excellent. Thank you so much. I appreciate that information. All right. If there's no, oh, Council Member Peterson. Just to go back to your request, which I think is a wonderful one, but not at this hour. But I would find it easier to respond if I had in front of me the recommendations and requests from the different departments so I can understand what the professionals here in the city see as our needs and what they look like in terms of budget and then have a little bit more specific understanding of what the choices are in terms of priorities.

[03:55:39] Councilman Peterson, I respect that line of thought. I would say that that's um that's a that's not typical we can i mean we can certainly we can if council wishes to have that we can certainly provide it but what i would tell you is that um just because the request was made doesn't mean it's it is a need versus a want uh and so

[03:56:12] that's part of what we do is to evaluate those things so for you know so for example I mean this is not an actual ask at least I don't think so because I haven't reviewed all of them but like for example I'll try to give you a good example I'll use the parks I'll try to do parks example again so you know public works might say you know what we we want to have we need these new fancy mowers because they'll do x y and z or we need you know we need we want to put in

[03:56:49] an olympic size swimming pool that's what we you know that or what have you and then we need the staff for that that could be an ask but if parks aren't important to you or are less important to you then we wouldn't even put that forward because it it's conflicting with the values that you have shared with us as far as what is important.

[03:57:19] So I'm reluctant, again, it's not that I don't want to honor your request. I think really what would be more helpful is to know the important things and then we can show you what's needed or, you know, because if you're saying we need to have public safety is the primary you know we primary that that could look like lots of things it may be additional

[03:57:53] excuse me it may be additional personnel it may be a technology it may be a could be a variety of things and so a lot of times things get asked for because it might make life easier or might be you know um they feel it's important but our job my job as the city manager mr martini you know we have to balance that out with what the fiscal realities are because in fairness to the the staff they don't necessarily know maybe their fiscal reality but they don't know the total fiscal

[03:58:32] reality of what the city has or or or so forth so um i would i would not i would not want to present you with the with the list of of requests because a i haven't reviewed them all uh because i've not been here long enough but also some of it could be wish lists or desires and and quite honestly it's not something we would we would present to you for even to even be considered we would say that's just not that's not meeting the goals and objectives that have been set for for us because

[03:59:12] We know the bigger picture of what the financial thing is. And the same thing with the, I mean, I know there's a concern about what the tax rates might be and so forth. So that's the analysis that we're doing and coming up with.

[03:59:27] Say, okay, just like we can tell you, it's \$0.13.5 to cover that school tuition cost. I'm not, again, I'm going to reiterate, I'm not saying that we're going to propose \$0.13.5 because of that.

[03:59:43] We have to look at all of these things together. And so I would respectfully, I think there's too many moving parts, and I would hate for you to get fixated on a specific thing or specific things when we're trying to look at the whole big picture.

[04:00:02] I hope, it was a long-winded answer. Hopefully I somewhat addressed that for you. But if that is something that council wants, we will certainly provide that to you. If I might just follow up, I would like it.

[04:00:19] Actually, I'm comfortable with looking at comprehensive plans and budgets. It's a pretty routine thing. And when agencies submit requests, it does give you cost figures. And what you have to do is understand then what is the benefit associated with that longer story there.

[04:00:36] But it gives you a fairly specific understanding of things. And ultimately, decisions come down to many specifics. And I think they will also, for the community, when the community is faced with the prospect of not having a continuation of things, they are going to have very specific questions about why something is not being continued.

[04:01:00] And I think we have a responsibility to be able to answer those kinds of questions. I can see going overboard, you know, the example that was provided earlier, spending three hours on a \$500 expenditure. That's not where we want to go. But looking structurally at what each of these departments does and what's involved with that and projecting that into a budget, which is the structure of the budget that then turns into all these financial forecasts, et cetera, I think that's just very important information.

[04:01:35] We can, if that's, again, if that's council's desire, we can certainly do that. However, what I might ask is to present to you the proposed, what we suggest is the proposed budget and what that looks like and what that needs to be.

[04:01:56] And in addition, we can provide you with the request so you can see what's not included. Because, again, just purely from the way the form of government, what's in the city code and the charters, the manager presents you a proposed budget for you to contemplate and change and enact.

[04:02:20] So I take that responsibility very seriously, and that's certainly what we will be prepared to do. What you're asking, circumvents that to some degree if you're asking it on the front side, because we haven't presented you with a budget for you to consider.

[04:02:38] So, but again, council ultimately can, if council wants to do that, I'm not going to say, no, I'm not going to provide you that information, but I would respectfully say that that is contravening what is in

city code and city charter as far as how the budget process is supposed to work.

[04:03:02] But I'm more than happy to provide all of that information as part of the proposed budget that we give you. But, again, I will defer to Mayor and Council on that. Council Member Hardy-Chandler. Yeah, it sounds a little chicken and egg.

[04:03:20] And I really appreciate all of the time and energy that the departments have put into their briefings to us. So I'm wondering timing wise at this stage, if we could just consider the briefings we've received that information in terms of staff input and proceed with the process, because I think the order of things and the timing of things is what's interfering with this.

[04:03:45] So the questions, I think, can be answered, at least in part, by considering some of those briefings and what we believe is our, you know, priorities. I think we can, I think we can answer those questions without going too far down the budget path.

[04:04:06] Council Member Hall. I think that's huge because I recognize that with the timing, we're not going to be able to potentially implement a lot of the things that we've heard about along the campaign trail, things that are important to us, things that are important to our residents.

[04:04:25] So I think to reaffirm those on a global perspective would be really helpful. I also would agree that I love that you're reading the charter and working from that. I think that's super important. And I think that you presenting it to us is really how it should be.

[04:04:40] I think what I've been doing and continue to plan to do between now and then and to get back to you by the end of the week is to review the fiscal 2025, or whatever, the 2024-25 budget so that I can see what's in there and try to get a better idea of things that I think are important or not.

[04:04:58] I will say we have not kind of established our values as a current council together. That was a conversation at our first budget retreat, but it was kind of tabled a bit because there were existing goals from the previous council. I think we are expected to continue to work under until we decided to add more or modify or whatever, but we haven't had that conversation totally.

[04:05:21] My last thing, and this is just a shout out to our trash people, is that on average, our budget here is about \$2 million for that. I did the math in a previous meeting, and if we each paid about \$600 or \$700 for household trash, we're looking at about \$7.5 million. So trash, to me, is not something we want to get rid of because it would cost our citizens a whole lot more.

[04:05:42] So just shout out to the trash and recycling people. Council Member McQuillan. I'm going to chime in and say that I too would prefer that you present the information to us, the budget to us. I don't need, I'd like to meet with you, and I already discussed that, to ask any further questions I have or need any more insight.

[04:06:05] But I am completely comfortable with that process. I prefer to conduct according to our charter and what you feel most comfortable with. Thank you. Other feedback? Councilmember Bates, do you have thoughts on this? I mean, I'm willing to just say right now to answer your questions, I, you know, have gone over the previous two budgets I've been involved in, and I am not comfortable really

[04:06:34] with any cuts, particularly my highest priorities are education, public safety, and parks, and you know, parks and rec. And I additionally would really prefer that we see things such as at least working

toward the recommended police staffing increases that the consultant came back to us with, you know, the previous council.

[04:07:14] And that's, you know, just kind of what comes to mind at the moment. But otherwise, I do agree with, you know, the budget process. I, it, you know, to my mind, I totally understand where Council Member Peterson is coming from, and it would be really nice to kind of see options and have kind of a starting point to, you know, to kind of, you know, see what our options are and what we can kind of, you know, add or subtract

[04:07:49] and then what's recommended and all that but you know that also it is not the process that's established and so you know and as council member Hardy Chandler said earlier it is kind of a chicken or an egg problem but you know it is what it is yes I would just say that we can as far as the we can present you options you asked me that said that's one of the things that i think i said

[04:08:26] in my inner interview as far as we're going to give you a proposed budget i mean in an ideal world you'll love it every it meets all the needs and it's not outrageous and everybody i also know that that's not likely and that there'll be lots of discussion and that's perfectly fine but one of the things i did say and one of the things that we can do is we can give you options you know add and subtracts if that's you know if we can be prepared to do that as part of your discussion because I mean I don't envy the you know sometimes the decisions that you all have

[04:09:05] to make and you and you know as times we'll have these tough decisions about if there is a if there are increases that are being suggested that those are tough things to do sometimes and or if we're wanting to take things away i'm i'm i'm i'm not trying to telegraph anything or because we don't have anything ready to present um but the react but but just as i put in the slide you know you it's two options when you have a when there's a number you know that that delta you can raise revenue you can cut expenses you can do a combination of the two i mean that not to

[04:09:45] oversimplify that's what you're what you're taught and it can look and that can take many forms and there's all there's lots of things we can do with timing uh and and other things so that we will you know come up with the best plan um to present to you um so um i appreciate all the feedback and i welcome any more feedback that you have and mr peterson i i trust me i i understand where you're coming from i just would respectfully based on the structure and how things are supposed to work i would prefer not to do that what you've asked as far as getting some of that in advance

[04:10:23] but happy to provide it when we provide the budget talking so so it sounds to me like we've got some faith in the process like this budget process has worked this way for a very long time and while a lot of the people on the dais are new to the budget process the budget process itself has been done this way for a very long time so i would like to ask that we all give the process the benefit of the doubt and work the process the way it was designed this because you'll have another crack at

[04:11:00] this next year don't forget you'll have another crack at this next year but let's work the process the way it was intended to work and let's give the city manager an opportunity and mr. Martinez an opportunity to put things together present them to us knowing that there will be specific feedback and to councilmember Hardy Chandler's point we've had the benefit of all of these orientations with individual departments and some of them are yet to come and so the department heads are telling us about their needs certainly the police department did that and transportation I mean we are hearing from them as far as the resources they

[04:11:39] would like to have to make what they do more efficient so we're hearing that it's not like we are working from a baseline of not knowing we we have heard from them so do we have a general consensus to let the budget process work as it's designed okay I think we have a consensus that we will let the budget process work as it's designed this time all right thank you mr. Martinez I am going to go to the manager comments if the manager has any more comments and then we'll go to council comments just say let me just say thank you for the

[04:12:18] opportunity again I'm really excited to be here is a great team I'm learning and already diving into to to think this in addition to the budget other things as well um one thing and i know it's a late hour but i uh um mr martinez and his team um have accomplished a uh something that i would like for him to share um because it's a it's a it's a great uh thing for the for the city for the for his staff and for the city and for you and the citizens

[04:12:52] as far as again um getting information out and and how we um communicate uh with the public and so I will turn it over to him to share exactly what I'm talking about. Sure. Thank you, Manager. You should have this in your packet.

[04:13:09] What I held up and what will be online is actually called the Popular Annual Financial Report. So I am very thrilled to announce the release of the City of Fairfax's very first Popular Annual Financial Report. This was launched by the Government and Finance Officers Association, also known as GFOA, in 1991.

[04:13:29] The PAFER, as it's known, helps state and local governments communicate complex financial information in an accessible and engaging way. Our inaugural PAFER covers the fiscal year 2024, offering a snapshot of the city's financial activities.

[04:13:46] Inside you'll find key statistics and insights drawn from the city's annual comprehensive financial report, also known as our annual audit or the ACFER, and other sources. This information helps provide a clearer picture of the city's funding sources, expenditures, debt obligations highlighting our commitment to maintaining a safe welcoming and financially sound community sorry if I'm trying to read fast in addition we are submitting the PAFR for GFOA's award consideration hoping to establish a new tradition for the city we aspire to mirror the

[04:14:22] city's remarkable achievements including 43 consecutive years of GFOA recognition for our annual audit, and 31 consecutive years of recognition for our budget. If the PAFR receives recognition, the city will join the esteemed Triple Crown Winner's Circle.

[04:14:42] It hasn't happened yet, so it's been submitted. It'll probably be three or four months before we hear back. A big thank you to all city departments, particularly to the communications, finance, and budget divisions for their hard work in making the first ever PAFR possible.

[04:14:58] An online PDF version of the Paffer will be available on the city's website. It's actually up there now. And we can send you a link. It's under the audit. Starting Wednesday, further promotional and dissemination will follow via the city's e-newsletter, the March City Scene, and social media.

[04:15:14] Thank you. Thank you. Very, very big. All right. I will now reconvene the regular meeting. And is there any additional comments from our city manager? No, ma'am.

[04:15:30] Thank you. All right. So we will start with council comments. Council Member McQuillan. I just wanted to thank everyone who presented this evening. Thank you to our, welcome to our new acting city manager, Brian Foster. We're so happy to have you. And I just wanted to note that the rendition of, by Reverend Johnson, is that correct, was just so moving today. That was wonderful.

[04:15:57] I just had chills standing there. So that was fantastic. And I'm looking forward to this weekend enjoying everyone's favorite food group chocolate yes um so i look forward to seeing everyone out and about at the chocolate lovers festival this weekend thank you council member bates thank you i just want to welcome uh mr foster as our new uh city manager for the time being and um and also i agree with council member mcquillen's uh comments on uh um reverend johnson um definitely

[04:16:34] you know chills is the right word for it council member peterson well thank thank you brian also for uh joining us and um getting a quick baptism into what we're doing here um one thing um that i i will pass on as i do get calls from people in the community uh and they ask what is it that i should be doing right now what i what actions should i take to be involved with the city and and what i've said and you can all tell me if i'm not correct here is that one of the most

[04:17:12] important things they can do right now is to learn to learn more about the city what we're doing and to learn about the budget because that is something that they care a great deal about and it is a wonderful opportunity for people to learn about our city because you learn through the budget and as we heard from our colleagues at vml it is a reflection of our soul so now is the time to learn and I would encourage the city very strongly to support that learning process. Let people see what is in our budget.

[04:17:46] Let them see what is in our operations. Let them see what is in our programs. As they learn more, they will be more able to work with us and for us all to work together. And to that point, I would say that in the last two months or so, all of us have had the opportunity to be able to visit with the different departments and receive briefings, and those are not completed yet.

[04:18:10] But it's been a remarkable process. My impression from that is that this is a sophisticated city. Very strong programs, very strong staff, people who work very hard and do a very good job. The city is not just operationally strong, it's operationally excellent.

[04:18:27] But it takes a little bit of time to appreciate that, and you have to actually spend some time looking into it and learning about it. So, again, I want to encourage the city to make that process as easy as possible and meet people where their needs are.

[04:18:43] And I want to encourage residents not to be shy about telling us what they want to know. One of the things that's come up repeatedly in the briefings with city staff is if we knew what people wanted to know at a clear level, we'd be very happy to be responsive to that and mobilize around that.

[04:19:04] And also, if they want us to know things, to let us know, because we can find ways to receive that. So I think right now is a wonderful time for that process to open up. In fact, I think it's a really critical time because it'll help us come together. But I must say that this last couple of months in getting to know the city and its programs and its staff has just been a tremendous experience.

[04:19:28] Thank you. Councilmember Hardy-Chanler. Thank you. I want to echo the welcome, Brian. It's kind of interesting welcoming you, and we feel so welcomed. So I also want to acknowledge Melanie Zipp and all of the staff that have worked with five new council members to bring us, the clerk's office, to bring us up to speed.

[04:19:54] It's been a tremendous, you know, entry for us all. The other thing I want to acknowledge is everyone who contributed to the Black History Month reception that we had earlier. And along those lines, if you have the opportunity to mark your calendars, Mount Calvary Baptist Church will be having their Black History Month program on February 23rd at 1 o'clock.

[04:20:19] I encourage all of our community members to be there. The other thing I wanted to talk about is I had the opportunity to serve as the city council representative to Village in the city. I attended my first meeting and if you are 55 and older and have a disability or if you know someone who's 55 or older or someone who has a disability those resources are there for you they have their annual report and I believe they are since then up to 50 volunteers who are serving

[04:20:55] over a hundred of our friends and neighbors making sure that they're able to age in place so that's been a tremendous honor for me as a city council member to participate in that and thank you to the staff who support village in the city and I think that's it I just wanted to end with a quote that's really important to me that it's my favorite James Baldwin quote and that is not everything that is faced can be changed but nothing can be changed until it is faced and just going back to what these not just you know ceremonial kinds of things but it's an opportunity to

[04:21:33] face some things that are a part of our history so that we can work together to make our future better thank you thank you councilmember Hall I just want to thank everyone in the audience tonight viewers at home who've bared with us while we learned a little bit about how the zoning process works and the exemptions and the questions and thank you just a couple things I'm looking forward to our upcoming VML conference, not concert, conference in Richmond on Thursday.

[04:22:05] Public service announcement. You're not required to shovel your driveway, or your, sorry, the sidewalk, but it is a really nice thing to do for your neighbors, for your students, for your kids, people that walk their dogs. So please consider doing that if it snows again. We all appreciate that. I'd asked if we could do a meeting with the developer. Can we schedule a Saturday to do that, like a relaxed informal get a meeting on the calendar I don't know who to ask I'm sorry with meeting with Mr City Manager I'm sorry what what developer I'm sorry I guess we can talk offline

[04:22:43] about that okay so there's a specific let me is there a specific development proposed development project you would like to have a conversation with is that what yes okay yeah you can let me know what that is and then we'll see what we need to do okay yeah we did we did just for okay transparency we did discuss it at our retreat so it was publicly discussed it's just we we all want to be on the same page and have the same information coming at one time gotcha um and then my second question is do we have a date for the George Snyder Trail presentation officially I know it was March

[04:23:15] but then there wasn't March we have it on the future list for March 11th okay and can I ask for to be included then what the cost would be to cancel the project that's just an option like what we would ask to include that okay thank you yeah perfect councilmember Amos also wanted to welcome uh Mr Foster as our City Manager so welcome to the fun uh very excited for all of us to learn together um I wanted to shout out to Reverend Johnson as well and the racial unity

[04:23:52] group for representing tonight I learned a lot about the city on the campaign specifically from Reverend Johnson and uh some dark truths and and good things as well you know use uh formally having a 30 African-American community which has dwindled to five percent everything that happened with school street and uh essentially being bought out by developers what I greatly appreciate having learned that

history and then also being with this new council is our emphasis on improving diversity multilingual access community outreach and trying to make sure all voices are at the

[04:24:29] table because frankly it wasn't before so i'm looking forward to seeing that uh on that note wanted to shout out fairfax county public schools they are celebrating black history month at carter g woodson high school on february 5th from 5 30 p.m to 7 30 p.m the event is open to the public and i know it's on our calendar because it's listed as a public meeting so yay um and i also wanted to shout out because they're here all the time not tonight because it's a little late But The Black Communities of Fairfax, a history book.

[04:25:02] There are multiple authors here, all local, and there's some phenomenal and interesting facts, including School Street, all in here. And it's a phenomenal read, so highly recommend every time that I can. And I echo Councilmember McKillen's comments about the Chocolate Lovers Festival.

[04:25:18] And I will challenge Council to go sell a lot of pogs this weekend. I hope to see you there, because I'll be there all weekend, baby. You know it. All right. Thank you. I will conclude this meeting by welcoming Ryan Foster as our city manager for now.

[04:25:36] I appreciate you jumping in 48 hours. You really seem to have a handle on this, and I appreciate that. We did have a wonderful reception. Thank you to the staff. Thank you to Reverend Johnson. I hope people are putting Black History Month events on their calendar because there's a lot in the city and in the region, and learning more about our history is important, figuring out how we move forward together in an inclusive way in our city so with that i am now adjourning this meeting at 11 27 p.m



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