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City of Fairfax City Council Special Meeting, Tuesday, May 6, 2025

Date Tuesday, May 6, 2025
Place City Hall, City of Fairfax, Virginia
Length 4h 10m (video)

- Official meeting video (city, Granicus): https://fairfax.granicus.com/MediaPlayer.php?view_id=13&clip_id=4191
- Agenda: https://fairfax.granicus.com/AgendaViewer.php?view_id=13&clip_id=4191
- Minutes: https://fairfax.granicus.com/MinutesViewer.php?view_id=13&clip_id=4191&doc_id=7ba66ed7-2b67-11f0-856f-005056a89546

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Speech-to-text: whisper.cpp, model large-v3-turbo. Produced 2026-10-13. Each paragraph starts with its time [HH:MM:SS] in the meeting video.

[00:00:00] good evening. I would like to call the special meeting of May 6, 2025 to order. Because this is a special meeting, we are only including the action items. This is different from our regularly scheduled council meeting, so you can follow along if you've got an agenda. There's not going to be a general public comment. There will be public hearings attached to specific motions, just so that you're aware. I would also like to acknowledge that this week from May 4 to 10 is public service week and while truly I'm looking out into this room and and the people on this dais are all part

[00:00:37] of public service providing public service having signed up for public service I want to acknowledge our public works department because the people who come and make us happy every week picking up our curbside trash and removing everything and anything we ever ask them to they work rain shine they work all the time and I would just like to acknowledge the public service week from May 4 to 10 and and have our public works staff and all of our staff understand how much we appreciate everything that is done for the residents the businesses and the visitors to fairfax city all right and with

[00:01:14] that a consideration for remote participation by council member amos pursuant to code of virginia section 2.2-37.0.2 is there a motion to approve the remote participation by council member amos council member hardy chandler thank you mayor in accordance with city council adopted policy and as

permitted by virginia code section 2.2-3708.2 i move to approve council member amos's request properly properly submitted in writing prior to tonight's meeting for remote participation subject to compliance with the requirements outlined in the city council adopted policy

[00:01:52] and applicable law in all or portions of the city council special meeting of may 6 2025 is there a second a motion has been made by councilmember Hardy Chandler and seconded by councilmember Peterson a roll call vote councilmember McQuillan aye councilmember Bates aye councilmember Peterson aye councilmember Hardy Chandler aye councilmember Hall aye motion passed unanimously all right just from everybody help me remember that councilmember Amos is out there

[00:02:24] even though we can't see him welcome councilmember Amos we have one public hearing item for tonight it's a public hearing on appropriation resolutions for the General, Capital, Wastewater, Transit, Stormwater, Cable, Old Town, Transportation Tax, Debt Service, and ARPA funds for the FY26 budget year.

[00:02:49] I'll recognize JC Martinez, Chief Financial Officer, to provide the staff presentation. Thank you. Mayor, Council, as stated, the appropriation resolutions are needed for the General, Capital, Wastewater, Transit, Stormwater Utility, Cable, Old Town, Transportation Tax, Debt Service, and the American Rescue Plan Act, also known as the ARPA fund.

[00:03:09] in order to implement the FY 2026 budget the amounts contained are in the attached resolutions are pending approval of the final FY 2026 adoption council action will be taken during the budget adoption portion or agenda item 3e at the end of towards the end of this meeting happy to answer any questions are there any questions of mr. Martinez from the dais okay um i will open the the public hearing. Ms. Shinneberry, has this public hearing been advertised? Yes, it has. No one has signed up prior to the meeting. Is there anybody that would like to speak on the appropriation

[00:03:47] resolutions for FY26 budget year? They can come forward. Please state your name and street address. Thank you. Hi, my name is Sabrina DeWald and I live at 3705 Hill Street. Hello, council members and mayor. Good evening. I'm here to share my thoughts on the budget in regards to the real estate tax rate, wastewater tax rate, and stormwater tax rate. The real estate tax rate for Fairfax City keeps rising and rising with very little return for me as a homeowner. The infrastructure for homeowners in the form of roads and electricity does not improve with increased taxes. It actually

[00:04:26] becomes worse because there are more people, which equals more cars on the road, but no new additions of lanes or additional roads to account for that. In addition, the new homes and developments get to have underground electricity versus older homes and developments with above electricity poles that lose power for days multiple times a year there seems to be so much money wasted in every direction whether it be the landscaping of city hall to the tune of over half a million dollars paying for new trash cans for city residents when most if all not all city residents already have trash cans i saw someone mention that this should have been elective and for those who wanted to

[00:05:03] pay for it, not millions of dollars to something that most already have. The repaving of perfectly good sidewalks of Warwick Avenue, which I might add has caused road safety issues, along with the existing money pit of Q buses that cause daily safety issues on the same streets. Additionally, the lack of accountability of the Department of Public Works in the lack of response and or resolution to certain matters regarding streets and traffic light sensors. In regards to the wastewater tax rate, another increase when you really look at that quarterly water bill from Fairfax Water. Half of the bill is money collected from Fairfax City, and yet we want another tax

[00:05:41] rate increase. The stormwater tax is yet another tax to suck more money from residents. We were promised it would be fair to all residents, yet to this day I pay for a shed, and my neighbor's shed, which is three times the size, does not get charged in his billing units. I don't care if this is great because churches and non-profits and other tax-exempt entities pay some sort of tax? It is not right. The stormwater tax is run by Annie, who takes six to eight months to respond to email and does not fix or address any issues with giving you credit hours to the stormwater tax. Again, Annie is under the Department of Public Works, yet there is no accountability for this. Very

[00:06:17] interesting that all the Department of Public Works who spearheaded the stormwater tax do not live in Fairfax City and do not pay for it. That says a lot. I've been listening and watching these discussions in regard to the taxes. One particular council member commented, what's another one to three cents more in taxes? Really stuck with me. Additionally, I urge my fellow residents to remember that two of six council members do not directly pay real estate taxes, yet they are here lobbying for them to be raised. In reality, it's not one to three cents only because that is just one tax that Fairfax City is increasing. It's way more when you remember that monthly and mortgage is affected by tax, quarterly by water, biannual and real estate and stormwater tax, and yearly and

[00:06:56] personal property tax. I urge you, Council Mayor and fellows residents and homeowners to really take a look at these expenditures and raise your voice because the Council says every voice counts. But as I know, not everyone is comfortable speaking out, and I'm happy to raise my voice for all those who cannot and who are not willing to. Thank you very much for your time. Have a great evening. Is there anybody else in the room that would like to speak on the appropriation resolutions for FY26? All right, I will close the public hearing. Council action will be incorporated into agenda item 3e go to items not requiring a public hearing first item is the consideration

[00:07:35] of an ordinance amending and readopting chapter 90 article 2 division 1 section 90-33 of the code of the city of fairfax virginia pertaining to classification and taxation of certain real property in the city of fairfax used for zoned for commercial and industrial purposes and to establish a separate tax rate on such real property effective as of january 1st 2025 revenue from which would be used exclusively for transportation purposes that benefit the city of fairfax i'll recognize jc martinez chief financial officer to provide a staff presentation thank you

[00:08:11] mayor council section 58 decimal 1 dash 3 2 2 1 decimal 3 of the code of the virginia was adopted as part of the transportation bill enacted during the 20 2007 session of the general assembly the The enacted legislation granted local authority to the city and other eligible jurisdictions to impose a separate real estate tax rate on commercial and industrial property revenue from which shall be used exclusively for transportation purposes for the benefit of the city.

[00:08:40] City Council can adopt a rate between zero cents all the way up to twelve and a half cents. However, no formal action on this item would result a rate reverting back to zero cents. The attached ordinance would set the action on this item for 2025's tax rate at, I'm sorry, yeah, 2025 tax rate at twelve and a half cents per \$100 of assessed valuation.

[00:09:04] This is no change from 2024 tax year and would be applicable to all affected real property as of January 1, 2025, the proposed 2025 rate of 12.5 cents per \$100 of assessed value is the maximum rate allowable by the Code of Virginia, approximately \$200,000 per 1 cent of tax rate imposed, or about \$2.5 million at the proposed tax rate of 12.5 cents per \$100 of assessed valuation.

[00:09:35] Happy to answer any questions. Are there any questions for Mr. Martinez from the dais? Council Member McQuillan. I'm not sure if this is a question more for Mr. Martinez or for Mr. Lubkerman. If I'm curious or I would like to know our options in relation to potentially delaying the vote on this due to the new information that came out this morning from the Board of Supervisors with the county in their budget, is there an ability to do that?

[00:10:13] It's certainly council's prerogative to delay any of the actions this evening. I think Mr. Martinez or Mr. Foster might have a position or be able to explain a little more about why this isn't being recommended and why it doesn't really change the city's position in terms of its budget.

[00:10:30] But, I mean, certainly if the council desires, they can delay any vote before them this evening. Okay. Yes, because this morning the Board of Supervisors made some statements regarding their budget and the plans that they have for their budget, which does impact our budget as well, especially in relation to what we understand with their meals tax and what their real estate tax that they are adopting.

[00:10:59] So I would like to discuss this with council to understand if there is, I had written a statement that says I would respectfully ask that council consider the possibility of delaying the budget adoption. In the past we heard from Mr. Sebelia that it would be possible to pass to push it back for one week I think I need some more clarification maybe some more information about that And then in light of the new budget information that came out this morning I believe it would be prudent for us to have the opportunity to fully review and understand the potential implications of our budget

[00:11:33] in relation to the numbers that the Board of Supervisors have been discussing with their budget so What is being presented specifically is for the CNI tax does not directly relate to the personal property tax, the real estate tax or the meals tax.

[00:11:56] This is a very specific area that is separated and segregated specifically for this. Additionally, in the CNI tax, it has to be restricted for transportation. In addition, we use this funding to help supplement and maximize NVTa 30% funding and also revenue share funding as well.

[00:12:17] So I don't know how Fairfax County's actions today directly relate to this one specific item. I understand. I think I'm just trying to get ahead before we get to that part because I just didn't know when the timing was to bring that up and I didn't want to make it any more confusing.

[00:12:38] Mayor, Mayor. Yes, Mr. Lukman. So if I can make a suggestion, if you want to talk about delaying adoption of the budget and if there's a desire to do that, perhaps we wait until you get to that point on the agenda for the budget. As the CFO said, these items are not, they're directly related, but they're not items that are affected at all by the county budget process.

[00:12:58] Okay, good. Sorry, I apologize. I didn't mean to interrupt. So we wouldn't need to pull anything out separately. We can just, when would I? No, it sounds like the question you may have is whether to just simply delay consideration of adopting the city's budget.

[00:13:15] There'll be a series of motions starting under item E. So you're on A right now. Once you get to E, if there's a desire, certainly somebody could make a motion to delay consideration of the city budget to a date certain of X.

[00:13:33] And I'm guessing there may be some discussion on that and some discussion from staff on that as well. Thank you. That's what I was looking for, some clarification. Thank you so much. Councilmember

Peterson. Can I just ask for a little more clarification? Procedurally, when we get to that stage, does that motion for delay, if that's the form that this takes, take place before or after a second?

[00:14:03] How do we procedurally do that? Well, again, we can get into the sort of the parliamentary rules for this. My suggestion would be is if there's a desire to delay consideration of the budget, then when item 4E comes up, perhaps the mayor could recognize somebody who would like to make a motion to delay, and we can see where that motion goes before you get into the meet.

[00:14:25] But that's entirely up to the mayor and to you all as council. All right. So are we ready to proceed? Okay. Is there a motion? Council Member Hardy-Chandler? I move to enact an ordinance readopting Chapter 90, Article 2, Division 1, Section 90-33.

[00:14:47] the code of the city of Fairfax Virginia pertaining to classification and taxation of certain real property in the city of Fairfax used for or zoned for commercial and industrial purposes such ordinance shall include a tax rate for such real property for calendar year 2025 of 0.125 per \$100 of assessed value revenues from which to be used exclusively for transportation purposes that benefit the city of Fairfax. Is there a second? Second. Motion's been made by Councilmember

[00:15:23] Hardy-Chandler and seconded by Councilmember Peterson. Is there any discussion on the motion? Seeing none, a roll call vote. Councilmember Amos? Aye. Councilmember Hall? Aye. Councilmember Hardy-Chandler? Aye. Councilmember Peterson? Aye. Councilmember Bates? Aye. Councilmember McQuillan? Aye. Motion passed unanimously. The next item is a consideration of an ordinance AMENDING CHAPTER 102, ARTICLE 2, SECTIONS 102-31 AND PARENTS B OF THE CODE OF THE CITY OF FAIRFACS, VIRGINIA, TO INCREASE THE WASTEWATER UTILITY RATE BY 6.0 PERCENT FOR FY26.

[00:16:02] I'LL RECOGNIZE J.C. MARTINEZ, CHIEF FINANCIAL OFFICER, TO PROVIDE A STAFF PRESENTATION. THANK YOU. MAYOR, COUNCIL, IN CONJUNCTION WITH THE CITY'S FINANCIAL ADVISORS AND CONSULTING ENGINEERS, A WASTEWATER UTILITY MULTIYEAR FINANCIAL AND CAPITAL PLANNING ANALYSIS WAS DEVELOPED. The primary goal of the analysis is to create a comprehensive cash flow planning model, taking into account existing and projected operating and capital needs, while minimizing rate increases for existing customers.

[00:16:31] Based on the analysis, staff recommends a user rate increase of 6% in the city's wastewater utility. The city raised rates 10% in 2014 through 2020, 8% in 2021, and 6% from 22 through 25.

[00:16:48] Increased residential and commercial wastewater user rates are required to fund the city's increasing costs associated with its aging infrastructure within the city and the coverage share of expenditures associated with the operation of and the capital improvements of the Nomen and Coal wastewater treatment plant.

[00:17:04] The city contracted for 6.27% capacity in the plant, which is owned and operated by Fairfax County. Major plant upgrades are necessitated by stringent federal regulations designed to improve wastewater treatment and quality. The critical plant construction and renovation projects needed to replace the improving aging infrastructure.

[00:17:24] The proposed 6% rate increases would impact users as listed in the staff report there. The increased user fees are expected to increase wastewater utility revenues by about almost \$600,000. The

quarterly financial impact to resident customers consuming a typical volume of about 14,000 gallons per quarter is about \$10.53 for the wastewater fee.

[00:17:49] Happy to answer any questions. Are there any questions of Mr. Martinez, Councilmember Peterson? I frame this as a question, but it involves a comment also. First, I know there is a lot of sensitivity on the part of residents to fees of all kinds and taxes, and this is no exception, but I did just maybe want to confirm my understanding that the use of funds generated here would be an important part of preventing future breakage

[00:18:29] and future expenses for what has become an aging infrastructure. And as I understand it, we're playing a little bit of catch-up in terms of the need for that. So for prudence sake, it sounded to me as if this is something that would be a money saver and avoid some real difficulties in the program.

[00:18:50] But Director Summers, maybe if you could just clarify the need for the funding here, it would be helpful. Sure. Well, as you know, a large portion of our cost is for the treatment at the wastewater plant. Probably 75% of what is paid is for the treatment of the water.

[00:19:09] What's left is maintenance, and it's critical maintenance, because if we delay maintenance and we can no longer line pipes that need to be lined, and then we start having to dig them up and replace them, the cost is exponentially higher.

[00:19:27] When the utilities department was dissolved and Public Works took over the wastewater, we did a very thorough analysis, and we had some catching up to do. And that's why we had those increases that JC was talking about, the 10%.

[00:19:45] We're catching up, but we still need this increase to make up some lost time and to take care of pipes that need to be lined now so we don't have to spend exponentially more to replace them in the future, and also including the manholes.

[00:20:03] Thank you. Any other questions? All right. Is there a motion, Council Member Hardy-Chandler? I move to enact an ordinance amending and readopting Chapter 102, Article 2, Section 102-31B of the Code of the City of Fairfax, Virginia, to increase the rates for wastewater services by 6%.

[00:20:25] 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 McQuillan? Aye. Council Member Bates?

[00:20:41] Aye. Council Member Peterson? Aye. Council Member Hardy-Chandler? Aye. Councilmember Hall. Aye. Councilmember Amos. Aye. Motion passed unanimously. Next item is a consideration of an ordinance amending Chapter 102, Article 5, Section 102-203, in parens B, of the Code of the City of Fairfax, Virginia, to set the rate for stormwater utility service furnished by the city at \$34.30 per BU, in parens billing unit, a 6.0% increase.

[00:21:16] I'll recognize J.C. Martinez, Chief Financial Officer, to provide the staff presentation. Thank you, Mayor, Council. The City Stormwater Utility Fund initial rate was at \$28.80 per fill-in unit and was said at the time that the Stormwater Utility was created on December 14, 2021.

[00:21:35] This action is to set the rate at \$34.30 per fill-in unit, a 6% increase for calendar year beginning January 1, 2025. User fees are expected to generate stormwater utility revenue of approximately \$3.2 million or an increase of \$183,279.

[00:21:55] Of note, annual stormwater credits given back to the residents are equal about \$130,000 per year. Happy to answer any questions. Are there any questions for Mr. Martin? Councilmember Hall. On average, what would be the increase per resident, per household?

[00:22:13] i want to say it was less than ten dollars i'm looking at our budget director see if she can confirm i should have that but correct it was ten dollars ten dollars yes per per property okay and

[00:22:46] can you uh also advise what if we were not to do a six percent increase what sort of impact could that potentially have in the coming fiscal year my recommendation would be to defer neighborhood drainage projects. So the one coming up for FY26 is the drainage improvement project at Norman Avenue in Cobb Drive. I would recommend deferring that until FY27. The residents impacted by that project would need to wait another year. As an alternative, if council would fund design, it would minimize the wait for these residents to receive drainage improvements. We could complete

[00:23:26] design in FY26 and then proceed to construction if funded in FY27. Can you explain, I guess, further what, I recognize that the Norman and Cobb, it's actually my neighborhood, I didn't realize that, but delaying projects like this, what, are people's houses flooding? I mean, what's kind of the impact that we're seeing that is needed to be dealt with? These particular projects are drainage improvements to resolve issues where an individual homeowner cannot address or a group

[00:24:03] of homes have a drainage improvement project that makes it eligible for public funding to pursue a project to resolve the drainage issue. For this particular location, it is roadway water that's coming off of Norman Avenue, Cobb Drive, that intersection, and it floods a driveway. So no property damage but it does cause erosion does cause issues for these residents on cop okay and then specifically for this project if we were to potentially approve the sidewalks that are being discussed for Norman Avenue would this work be something that was negated by the sidewalk or

[00:24:42] would the addition of the sidewalk generate any additional concerns that would need to be addressed when that time came? It would be entirely separate. The Norman Avenue sidewalk project would not be impacted by the drainage improvement and vice versa. Okay, and we wouldn't have to worry that what was potentially done at that intersection would then negatively or positively impact the Cobb Road address without doing this work? No, I don't expect that they would conflict.

[00:25:10] okay thank you yes council member peterson uh just out of curiosity we had a nice bus tour the other evening of facilities and sites across the city and two of them stood out as areas that are affected pretty significantly by runoff in different ways one is ashby pond and we're dredging it and the last time was 10 years and it looks like it's on something like a 10-year schedule because of siltation that occurs through runoff going in there that i don't know what the

[00:25:50] cost of that operation is but it's not insignificant we also had a wonderful tour of the property yard and that was educational because it turns out that much of and perhaps most of the flooding that occurs in the property yard is not from the creek rising it's water that comes off the hill from the golf course behind the property yard.

[00:26:12] And I guess my question becomes, with the use of funds that are collected here in the stormwater utility, what is the opportunity for targeting them to reduce runoff in these areas where the cost associated with runoff is pretty significant and where we may actually be investing in cost avoidance and we might, as a consequence, have an opportunity to take a second look at how we're targeting funds.

Can you just elaborate a little bit? And those two areas, I'm sure, are not the only ones that are affected by this kind of runoff, but they did

[00:26:47] stand out as ones where the price tag associated with the runoff is pretty high. For the property yard, that flood mitigation and drainage considerations are being handled through the feasibility study for the yard itself. I think there may have been a misunderstanding. The flooding that comes from the golf course impacts the sign and signal shop specifically but it is the Accutane Creek that impacts the majority of the yard. Well maybe hold that point I think I heard a little bit different than that but I understood is there was pretty significant runoff

[00:27:23] events that occurred watershed based from the hill behind. In any event I guess the big question here is maybe this is a city-wide question. To what extent are we targeting the use of these stormwater utility funds for hot spots or areas that are most in need in terms of avoided cost of runoff? Right now these programs are driven by resident requests. We will meet with them, determine what the issues are and if it's eligible for public funding. We are working

[00:27:59] on a stormwater model citywide that will consider not just flooding from streams and creeks but also localized flooding. When that model is developed we'll be able to target specific areas and evaluate them for drainage issues that we may not be aware of. And the timing associated with that model? I would expect within five years. And in the interim anything that can be done beyond norm in terms of that kind of targeting the flood mitigation and flood resiliency portion of the cip and the

[00:28:36] stormwater utility addresses some localized flooding one is the mosby woods condominium community we're also recommending in the fy26 budget a flood study of the accutink corridor from fairfax boulevard to pickett road that impacts the area adjacent to the small area plan Those types of projects are targeted specifically at areas where we know that there are flood issues.

[00:29:01] And just one last question, just to maybe understand proportionately the effect of the increase, correct me if I'm not understanding. It sounds like the increase in the fee would enable new projects to be implemented but not affect things that are not new, projects that are already in the pipe, if you will, or underway.

[00:29:30] Is that a fair characterization? They would impact projects that have been in the queue by deferring a project. These, on average, the neighborhood drainage improvement projects, those take about five years to implement. So this would result in a delay of the new projects if the increase didn't happen.

[00:29:53] Any other questions? I did have a question. I wasn't sure if I just do the hand-raising thing. Cool, go. And I completely understand the necessity for this increase based on what you shared, and we're seeing more storm events, which could lead to even more need in the future.

[00:30:17] One of the concerns that I recall came up when this was first implemented was that this would just be an ever-increasing tax moving forward without really a cap. Could you speak more on that? this ever expected to taper off or is this just going to be something that's really an annual increase or is there opportunity for this to be a five-year increase what are we looking at i know that's a little unpredictable considering storm events but i i wanted to get your feedback on that sure so council member um similar to the wastewater where we have had sort of ongoing

[00:30:54] increases my recommendation is i think at some point this would sort of level off now you have ongoing operational costs you have ongoing inflationary costs um at some point it should level off and we

should start seeing a reduction we were able to utilize some arpa funding specifically i think in the tune of about three million dollars for stormwater projects that actually offset any additional increases above the six percent that was previously recommended in the last couple of years and then this year as well that actually made a dent in some of the

[00:31:30] the infrastructure replacement and maintenance that was sort of required but as long as there's infrastructure that sort of needs to be maintained i think at some point and throughout the future we will have some small increases the thought and the hope is always to try to decrease these increases as much as possible based on operational and capital needs yeah i mean just part of the reason why to council council member mcquillan's point earlier is that uh while the county is increasing wastewater uh they are keeping storm water flat this year now i know ours is relatively

[00:32:08] new i'm not entirely sure when the county implemented theirs uh but you know just wanted to see what the opportunity for keeping it flat in the future or possible reductions but it sounds like it's going to really be on a need basis and we just have to evaluate at that time yes council murray so this is about the third year it was established at the end of 2021 with the six-month deferral so it actually didn't start until july 2022 um we're about three years into it so it's

[00:32:41] still a relatively new enterprise fund that is still trying to get its funding and its projects in line for future needs as well okay that's it for me all right additional questions council member hardy chandler so not a question just to reiterate you were talking about this project and other projects that are selected in the queue being impacted both by need and specifically resident requests, correct?

[00:33:13] That is correct. Okay. And so part of it is really responding to the residents in terms of their experiences with these challenges. Yes, that's correct. Thank you. Any additional questions from the dais? Yes, Mr. Martinez.

[00:33:29] Just wanted to clarify. So the amount of increase is \$9.70 per year based on five billable units, which is what the average is per resident. Thank you for that clarification. I was actually considering making a motion to do a different rate and not that \$10 is not significant in certain areas, but maybe not worthwhile in the long run. So thank you.

[00:33:59] any additional questions from the dais is there a motion council member hardy chandler i move to enact an ordinance amending and readopting chapter 102 article 5 section 102-203b setting the rate per building unit to be used in the calculating the stormwater utility fee for the calendar year beginning january 1 2025 at 34.30 is there a second second my motion's been made by councilmember Hardy Chandler and seconded by councilmember Peterson is

[00:34:36] there any discussion on the motion councilmember Peterson I neglected to ask earlier but perhaps somebody could help one of our speakers noted that there might be some inconsistencies and the measurements that are used in terms of how this tax is applied and I know this is an area that homeowners raise and I'm just wondering what the response is that and is to that and whether there's anything that we can do that we're not already doing to ensure that we have the kind of consistency that people really

[00:35:15] want and need here there is an appeals process in city code for property owners to take if they feel that they calculations are in error and that has been looked at for this particular property And other

than appeals, is there anything proactive that the city is doing to avoid the need for repeats by checking the way the measurements are applied to be able to improve them?

[00:35:48] Yes. The impervious data, the layer, the GIS data layer that's used to calculate the fees is updated every other year. We just completed an update this year. Every year that we, every time that it is updated, it does get more accurate.

[00:36:06] Appeals are carried forward so that those are, not have to be reapplied for. The number of appeals has reduced drastically since we first implemented the program. So we have just a handful from the previous year because of improved data.

[00:36:28] Okay, thank you. Oh, Mr. Amos, Council Member Amos. Oh, thank you. Yeah, this is more of a general public question. The funding for stormwater that comes from Northern Virginia soil and water conservation, are city residents able to apply for those types of programs?

[00:36:46] Because they also do lots more so rather than larger scale projects like this. They can do specific properties. Are city residents allowed to access that funding? Yes, city residents are able to access the Virginia Conservation Assistance Program through the Northern Virginia Soil and Water Conservation District.

[00:37:06] it is a we are included with fairfax county in that program okay you good yep all right any additional discussion on this motion councilmember hall i just have one more question um i i think when i applied for our strong water credits a couple years ago um the requirements that you had to plant five trees is there a reason why five was selected as opposed to three is it based upon any sort of like square footage or area in which a yard is i think the comments that i've heard from some residents is that their regard might not be big enough to accommodate five in that and

[00:37:44] they were hopeful that there was another way that they could get around that yes we did receive those comments as well and i believe it was in 2023 that city council adopted a revision to the credit program and the number of trees to be considered a set is now three my apologies for not knowing that thank you very much any further discussion on the motion seeing none a roll call vote councilmember amos aye councilmember hall aye councilmember hardy chandler aye councilmember

[00:38:21] peterson aye councilmember bates aye councilmember mcquillan aye motion passed unanimously we'll go to the next item it's a consideration of no action on amending chapter 90 in prince taxation article 6 imprints tax on meals section 90-262 of the code of the city of fairfax pertaining to the levy and the amount of tax on meals i'll recognize jc martinez the chief financial officer for the staff presentation thank you mayor council an additional two percent to the current four

[00:38:55] percent meals tax rate was proposed in the city manager's fyi 2026 budget the last change the Meals tax occurred in 2004 when the rate was increased from 2% to 4% 21 years ago. An increase to the meals tax is often seen as a way to reduce the financial burden on residents, as it is also paid by visitors and non-residents, helping to offset the need for higher real estate taxes.

[00:39:18] The proposed 2% increase was estimated to generate approximately \$4.4 million in additional revenue. After thorough discussion and deliberation, City Council expressed no appetite for changing the current meals tax rate.

[00:39:34] The recommended motion formally affirms the decision to maintain the existing rate. Happy to answer any questions. All right. Are there any questions for Mr. Martinez from the dais on Councilmember Hall?

[00:39:53] Oh, Councilmember Peterson, looking here and saying there. Well, maybe to just check some numbers here, if you don't know off the top. Just to put it in perspective, I know there's been a lot of sensitivity on the real estate side for the fact that assessments are growing and the base then that we apply a tax to is a base that has grown.

[00:40:19] If I'm not mistaken with meals, it's an even more extreme situation because the rate of increase in out-of-home meals purchases is running about 50 percent higher and forecasted to run about 50 percent higher than inflation itself. So we've already got built into the cost basis here for the meals tax a, you know, higher than normal inflationary rate, and that translates out to effectively about a 6 percent rate that we're applying effectively as a consequence of the above norm inflation that's taking place.

[00:40:59] I just wanted to raise that because I know there's been a lot of sensitivity around um the meals tax and the cost of it and and i think there have been a lot of statements associated with it along the lines that people really wouldn't see and know that a meals tax has happened we hear a very different story from the restaurateurs for instance who are experiencing this and i think part of it that i just wanted to raise so it could be acknowledged is we're dealing with um a cost structure here that is growing faster than inflation and makes this a particularly sensitive area of taxation any other questions or comments from mr.

[00:41:36] Martinez yes councilmember amos so quickly add on that and kind of a question that may not need to be answered here because it's more of a legislative matter I wonder and this is for next year FY 28 it is there the capability of excluding restaurants from the 1% sales tax if we were to receive I don't know if we can do that or if that's even a good idea if we wanted to know if we had that capability or if that would have to be something else that's additionally approved from the state.

[00:42:11] Mr. Lubkeman. The quick answer is no, there's not that ability currently. You would need enabling authority from the General Assembly. If I heard your question correctly. Yes, so that would be. You said excluding restaurants? Correct. So the reasoning for that is since they already pay a meals tax, part of what was raised during this process was the inequities that restaurants pay taxes while other businesses don't um and so i just wanted to know if that was even a possibility but it sounds like that would need to be in addition to getting the percent uh power that's granted to us as well

[00:42:44] we understand your question council member amos but uh again it would require a legislative fix but we can get more information more data for a future year sounds good all right any other questions? Councilmember Peterson. If I understand correctly, part of the today's news that we've

[00:43:19] gotten is the probability that Fairfax County will establish a four cent meals tax. So what that would mean would be for the first time if we also have a four cent sales tax we've equalized.

[00:43:36] We've had a very long period of time where we've had just the opposite of zero versus four. Now we're going to have four and four at the same time. So to wear my economist hat, it's a perfect opportunity to study the effect of this and see what effect equalization has on food purchases and income, et cetera.

[00:43:53] I hope there could be a plan to actually take a look at this so that we have a base of information here to guide us in the future in terms of the impacts of these meals and the disparities that happen

between jurisdictions and their effects on income for cities and also the effects on purchases so I don't know in the past whether studies like that have been done and if they have been done whether they've been done by the city or whether there's a different venue for that but I would think that would be actually a pretty essential kind of analysis that we'd want to have

[00:44:29] before us in a year or so to understand what has transpired I second that I think that putting on my economist hat I would agree with you 100% and I was actually looking forward to and intrigued with the same idea as well my only concern all things constant is if that the economy starts potentially pulling back that might skew some of the data at that point but again all things constant I think I would love to have an analysis to now have an

[00:45:05] equalized amounts to try to figure out what the impact would be for the city as well great idea sir any other discussion on this okay do we have a motion council member hardy chandler i move to take no action on an ordinance amending chapter 90 taxation article 6 tax on meals section 90-262 of the code of the city of fairfax virginia pertaining to the levy and amount of tax on meals

[00:45:45] 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 mcquillan aye council member bates aye council member peterson aye council member hardy chandler aye council member hall aye council member amos aye motion passed unanimously our last item is the cons or yep it's the last item is consideration of appropriation of the fy 2026 budget imprints including all sub budgets contained therein together within with the

[00:46:22] fy 2026 schedule of rates and levies the fy 2026 through 2030 capital improvement program and the establishment of the corresponding real estate tax rate and the personal property tax rate i will recognize jc martinez chief financial officer to provide the staff presentation mayor council the attached package includes the staff's recommended recommended procedure for one adoption of the fy26 budget including the fy26 schedule of rates and levies the fy 2026 through 2030 capital improvement program two the establishment of the corresponding

[00:46:59] real estate and personal property tax rates and three the appropriation of all fy 2026 budgeted funds happy to answer any questions all right are there questions for mr martinez about this Councilmember Peterson I I have really for not only my benefit but for the benefit of those who are watching and in response to many emails that I've received and conversations that I've had with residents here in the city the

[00:47:36] need and the desire for a little bit of clarification big picture on on what we're doing here and just so I understand it and others do as well in a nutshell my understanding of where we are this evening is last time we were together we did a markup of a budget and we and that arrived at two and a half cent level in terms of its translation to real estate tax subsequent to that meeting that markup was marked up I believe by acting city manager and that has come back to us but there has actually been since that time some review

[00:48:12] and feedback from members of the council regarding the markup that has taken place so in effect this evening one of the things that we will need to do is go then back through the markups that were made that synced up at two and a half cents but go back through them to verify our desire to move forward with them and that started of course with a scenario that we worked our way up from but is that a correct

understanding of chronologically what we're doing this evening yeah mr. Peterson that that is correct just as a reminder or um at the last meeting when you did the markup

[00:48:51] one of the items that was in there was that was proposed one of the reductions was a million and 52 000 from the police department budget that was a part of the um five they did a five percent exercise and council was not really unanimous um in that and i was asked to meet with the police chief in the police department to reevaluate that which I did on the following day to determine whether it was the million was the right number and in talking with them with chief Hinesley and several of her command staff the

[00:49:29] number that we came up with was instead of a reduction of a million and 56 was a reduction of 652 in which we sent that out um and she explained where those changes were and that was what we sent that out to you in a memo um on that following friday um and so yes we did so then we had a gap of 404 000 from that change and so we then had to find offsets for that which

[00:50:04] um the cfo and his team along with the department heads um collaborated on those most of which were in the uh the 10 exercise that you had already seen so that's where they came from but you're correct you actually have not had a discussion on those and so if there's a desire to change some of those offsets you certainly can do that um uh this evening um although i would say

[00:50:38] alternatively um you are ultimately um adopting uh and appropriating um in the aggregate you're not appropriating uh or adopted by line item so if uh if you're keeping the tax rate the same as what you had in your markup the two and a half cents um and you wish to do something different with the 400 reduction that we show on that list you could still adopt that this evening and we would note which things you wanted to change and we could hold those in abeyance

[00:51:14] until you had if you needed more time to discuss or have an option for those other items because ultimately the fiscal year doesn't start till july 1 and so the reduction technically doesn't have to occur till the end of the fiscal year so we would just so for example if there was a certain item and say it was ten thousand dollars like I don't know if I want to do that we just wouldn't we wouldn't take any action on that until you provided further guidance but I don't want you to feel like you have to if there are different things that you want to do that you have to come up with that this evening we can you can certainly still take action on

[00:51:51] what's been presented and we can if there are specific items that you would rather us substitute out we can do that at a later date and council can just easily make an amendment to that effect and it would have no impact I mean the the net impact would be the same and you could still stay on schedule and and adopt everything this evening does that answer your question yes but maybe again to put this in perspective and draw it back to what I think I

[00:52:28] understand to be councilmember McQuillan's question and that is whether we can have more time to go through that process given that we have new information since we last got back together in terms of the markup that took place but if I understand it correctly there's been county information released today that it is some significance and may affect what we're doing here if I might just ask is that councilmember McQuillan your thought on the need for potentially having additional time here yes exactly and then

[00:53:05] if I don't I mean I'm not presuming to know how others feel about this but just so I know what I'm doing then procedurally mr. lump lumpen and when would we make a decision about whether or not to do that well again I think if there's desire to do that there would be appropriately a motion probably in a couple of minutes here to delay consideration and adoption of the budget to a date certain of X however I think I'm not putting words in their mouth but either mr. Martinez and mr. Foster may have an explanation for why they don't believe that the county's action has any impact on the budget to be

[00:53:44] proposed again I may be putting words in their mouth but perhaps one of them might explain why well I mean I guess part one of the certain things that would be helpful was understanding what what you what you believe the impact of the county budget is on the action that you're going to take this evening because I'm not really clear because we're independent of the county I know probably the the assumption would be is maybe you're you're thinking about what the appropriation is for the school system and while the schools

[00:54:24] that does impact us but as a reminder we have a contract that is based on actual expenses it's not based on what is budgeted the county budget appropriates to the school system and a lump sum so then the schools have the ability to put that money wherever they would like as far as in the operational budget so if there were certain things they wanted to do they didn't get funding for and they need to move money around they have that ability they are not restricted in that

[00:54:55] It's also my understanding that historically there is reserves or fund balance that the school system has that's often reappropriated. So the expectation is that as far as the cost that the city would have would not change because of the action that the county has taken.

[00:55:20] But again, that's how that contract works. But if there's some other action that the county has taken that you think would impact us, we're certainly not aware of what that is. So if there's some specificity you could provide, we'd be happy to clarify that.

[00:55:40] Sure. So I hear from my constituents quite often a comparison between us and the county. And so they compare the services that they receive here in the city with what they would get if they were to move out of the city and into the county.

[00:55:57] And they're looking at the tax rates and what they would pay if they were to move out of the city into the county. So I do think that this information, especially coupled with the fact that this is a very, very large area in northern Virginia, and they do set a lot of or understand the trends that we are experiencing or constituents are experiencing, I think it's prudent that we take the time to thoroughly understand the information and the perspective of our constituents in relation to that information that was disclosed this morning.

[00:56:32] Mayor. Mr. Loplin. So just one comment, and again, the city tax rate and the county tax rate have never historically moved in lockstep, so there's always differences. As Mr. Foster noted, as we all noted, the city is an independent jurisdiction.

[00:56:48] We have contractual relationships with the county, but much as I understand the county surrounds the city, very little what the county does in terms of its budget has a direct physical impact on on the city or most importantly on the contracts that make up a large portion of the city's budget so that's the only comment I think we'll made would make from a staff standpoint so and I don't mean this to sound the way it's going to sound but I mean delay for delay's sake I don't we don't know what that accomplishes

because we have the information that is needed for you all to properly evaluate the budget staff's opinion council member Hardy Chandler

[00:57:28] I think the staff has provided ample information to multiple questions over a significant period of time to move forward. I have not heard anything that would support a delay of this process for us.

[00:57:44] And in fact, there was a lot of work to get to where we are and whether it's delayed a week or more. I don't think that that would overcome what you're proposing, Councilmember McQuellen. but I do think that what you're talking about is something that can be integrated into future conversations. But as for the proposed budget, I cannot support delaying this or prolonging the hard work that went into this. I was the one to request that the police offering be re-examined for long-term implications. I, and I'm sure we've had an opportunity to review for the \$400,000

[00:58:23] dollars that was adjusted to maintain what we collectively arrived at was a 2.5 percent increase with no meals tax increase so just to reiterate I'm not hearing factors that would persuade me to limit this process or delay this process any further I also think that the public has been a part of this process we owe it to them to move forward we've done the work we've gotten the information extensive information it's time to move on

[00:59:00] councilmember Hall I saw the information come out from the county that they were underfunding the school budget by about a hundred and forty nine million dollars I did not see a lot more detail but do we have any idea what the impact is on health and human services recognizing that we then pay our portion of that based upon population percentage was any of that information released my My observation on that, not as an expert, is that impacts are going to be felt by federal budget cuts, so much more so than what the county does with their budget or, for that matter, what we do with ours.

[00:59:38] A lot of the money that comes into the county for human services are federal grants, and our partnership with the county for human services, again, there's contracts and MOUs and service agreements, but there are going to be impacts.

[00:59:56] I don't think anyone can predict it because the cuts come every day as to what is not going to be funded. So to that end, I'm not sure that we can make a better decision based on information that is wholly unknown to us.

[01:00:13] And I would agree with you on that. I just didn't know if the information that came out said we are cutting or we are raising health and human services by X million or reducing it by Y million because of a known decrease in federal funding. So for me, if there's a multi-million dollar swing and waiting a day or a week would allow us to know that information, I think that would be helpful if that information is available.

[01:00:38] That's all I'm asking. I'm not asking you to yay or nay me on this. I'm just wondering if anyone has seen that information, if we have that information. I don't have that information, but I would ask again, if we had the information, how would that change what we are going to do with our budget?

[01:00:53] Because I think then we would know that we need to spend X million more or less in a certain area of our budget, and then we would have to potentially reassess other areas that we've committed to, just like I would think that if you found out that your car insurance was going up \$2,000 a year, you might have to say, okay, now I can't do this vacation or I need to cut back on this other expenditure.

[01:01:18] I think that's how my budget works. But the question is, would you raise the tax rate beyond 2.5%? Would you consider raising the tax rate based on any additional information? I do not know the answer to that because I would then like to reconsider where our funds are being allocated to be able to spend them as wisely as possible.

[01:01:36] I think trying to get to a tax rate has largely been what this exercise is about and what the capacity is for people to accept whatever the tax rate is going to be set by the dais. What I think Mr. Foster is saying is if you have decided you're not going to raise the tax rate beyond 2.5 percent that funds a certain budget there is leeway we've already identified the things that we've chosen to fund just like the county has like they're gonna they have said they're restoring certain programs because of what they have decided to do with their tax rates

[01:02:13] meals tax tot and their real estate tax you know for us we have funds that we could reallocate i believe i'm hearing mr foster correctly there are funds that we could reallocate within this budget by council action so in the future if there was something to occur and we said we are not we have made a decision about reallocating based on priorities mr foster is that correct yes by by council action if we fund a budget and we settle on a tax rate and then at some point in

[01:02:52] future six months from now something happens that says there is a different priority by council action can we rework yeah the answer is yes council can always amend the budget and so yeah so the end the short answer is yes just give me one second so so while they're conferring so that's what I'm saying is that we there are a lot of unknowns but there has to be a tax rate in that tax rate represents a certain budget amount that is projected and then the by

[01:03:29] council action into the future you can amend the budget yes and I appreciate you confirming that and my part of my concern though is that there are certain things that will be purchased let's say on day one of a new budget there are a \$500,000 pay study implementation that I did not support that is included in this. So we will now be increasing salaries by \$500,000. And I think the city and employees and staff and council would be hard pressed to then go back to those employees and say, you know what,

[01:04:06] sorry about that. We just found out some new information and we got to take your raises back. So that to me is a specific area of the budget where it is very hard to maneuver and pull back, whereas there are other areas of the budget that are extremely easy for me to be able to Make a choice or make a decision should it need to come back. So again, just trying to make sure I have all of the information So thank you councilmember Hardy Chandler So just to reiterate there can be supplemental amendments for that and the easier ones can be pursued, correct?

[01:04:37] That is correct. And again council has the option to amend the budget anytime You also have created what we refer to as the budget stabilization fund. So if there are unexpected expenses and as you were if you recall from the presentation the third quarter presentation that Gwen Riddle did at your last meeting which we've shared even the meeting or the quarter prior to that is that we're expecting because of the change in the current year of the school tuition contract that we're going to end up using about 1.4 million of that budget stabilization fund to to to

[01:05:17] balance out for this year so they're still there there is ample opportunity if councils desirous of amending the budget and I just wanted to apologize for the delay I just wanted to confirm no we have in regards to the human services that the council member Hall was asking we we don't have it we have not received an exact number as far as what the county is budgeting but much like the school tuition contract

that's like that's contracted and so the way that gets funded um is is pretty much predetermined and so um the level of funding that the county

[01:05:53] provides should not materially impact what we ultimately pay based on the uh contracted formulas council member amos did i see your hand and there's anything you want to add or ask or anything uh no i think i'm good okay just checking in with you uh any any other does council member hall I mean Peterson I didn't study the results from Fairfax County this morning so I'll need help from

[01:06:29] somebody to understand what actually transpired with the real estate tax rate because it's my understanding that the decision at least for the time being on the tax rate is perhaps unexpectedly lower in terms of the rate that is proposed for adoption than was originally anticipated which would indicate both a high sensitivity to taxes but perhaps that the county has identified reductions to support that but can somebody clarify for me what actually did

[01:07:03] happen on the county side in terms of the real estate tax rate so it's my understanding council member that fairfax county is proposing a quarter cent reduction to its current tax rate i think leaving it at \$1.11 and some change, which is still significantly more than what we're proposing on the city side.

[01:07:29] In addition, the county executive's proposed budget did not include the actual revenue from the proposed meals tax. He suggested that that be an option, but he did not include the revenue because they were not sure if that would be passed or not.

[01:07:47] So part of the offset that they have is from the meals tax that they are moving forward to implement. Thank you. That's helpful. I guess my other question maybe is not Fairfax County, but just us.

[01:08:04] And maybe it goes back to the beginning of this, which is this evening we're picking up work that we agreed upon last time but has been augmented not by us, but there's been back and forth to get ready for this evening. And there's a period of time that I think we anticipate going through this evening to double check all of those adjustments and then do that in the context of changes that have occurred elsewhere that may bear on our judgments in terms of where those ought to land.

[01:08:34] And so I think the question aside from Fairfax County is whether there's value here in being able to ensure we have enough time to be comfortable with that process and that we've done all that we feel we can to identify the reduction opportunities to establish a real estate tax rate at the level that is best for the city.

[01:09:00] So I know that takes some time. We've taken a lot of time in the past. I also know this has been a compressed time frame for this budget process, significantly compressed, so that's one of the things that I'm surmising is possibly happening here is some reaction to the fact that we've had this real compression.

[01:09:19] I'm certainly interested in thoughts on others than that, but that seems to be an important part of what's being considered here. Councilmember Hardy-Chandler? From my recollection, though, the only adjustments from what we all agreed to when we met last time is \$404,000 of a nearly \$300 million budget, right?

[01:09:46] So these items, since it is not a line-by-line approval of the budget, and those items were submitted to us ahead of time, I am in, again, I do not believe that delay is equal to the benefit of the delay.

[01:10:06] I think the delay would be, in fact, detrimental. So I, again, would be supportive of moving forward with the budget and taking advantage of the tools and mechanisms that we have to make

adjustments should those be needed after the budget is approved.

[01:10:28] Council Member Amos. Yeah. I mean, I was going to the county report this morning because I was waiting for the budget markup. And just so you know, traditionally, especially with the board, they don't stray from it. And so what it sounds like is implementing a 4% meals tax. In addition, there's an initial discount of 3%. And then you also have a decrease in the real estate tax by about, I think it was a quarter cent, 0.25. To follow up on earlier's point, you didn't factor in the meals tax. And

[01:11:06] the meals tax in the city per cent, we get 2.2. What the county's doing before, they get 67 million. In terms of cuts and reductions, the county actually didn't even get to a cent when it comes to cuts and reductions. They ended about, I believe they terminated 168 positions according to the report, but it only netted about \$51 million, and a cent for them is about 70 in the 70 range. I'm trying to, I guess, understand, one, it's not line by line. Two, I'm not completely

[01:11:46] sure what it would do if we did hold off a bit. If I had more justification there, I could potentially see it, but right now I'm not completely understanding. I also know that the county they actually set aside an additional 200 million uh for economic impacts from the federal government which was interesting um so i wanted to flag that one as well but i mean i was going but um they're actually going to work very closely with schools and also with their different programs for cost recovery including the after school programs so i'd be curious on we've talked a lot about cost recovery and obviously that doesn't need to be settled tonight but moving

[01:12:23] forward we should look at those models because even the county is going to do it and i'd be curious on how that affects city residents using county services too but those are things that don't need to be resolved tonight um so again if my colleagues wanted to give me something more clear on why we would defer decision if it's not line by line then i'd i'd be curious about that councilmember mcquillen um to that note i would like to ask what is the worst that would happen

[01:12:55] or could happen if we were to to delay this vote and how long before we deal with different consequences of that I think the main issue is we need to set a tax rate in order for tax bills to go out and so yes I know that we had a conversation with the treasurer and he respond although he's not in the in in the audience this evening as my recollection I said that he I think he said he probably could deal

[01:13:33] with a one-week delay and didn't think it would it would be close to 30 days but maybe not exactly 30 days of notice that is historically what the citizens have received is a 30-day their tax bill 30 days or maybe even a few days more in advance of the due date they're due the next installment is due next month in June and so that so from that's that's the biggest thing that's driving is to get that done so what would happen what normally happens is you when you adopt

[01:14:12] the budget and you adopt the tax rate start tomorrow literally they they go in and they plot they they have to put it in the system they have to make sure everything balances get everything that all the calculations are correct that every ties back to the land book all of those things and then they have they send the file to the third-party printer who then can print the tax bills and mail them.

[01:14:35] By law, you're only legally required to mail a tax bill 15 days in advance. So you could delay and you would be in accordance with the law. However, as you note as far as the citizens and their expectations, I would suspect if you sent a tax bill and they only had two weeks in which to pay, there would be an extreme number of complaints.

[01:15:01] Those complaints, my experience tells me, will not necessarily come to you on the dais. It will come to the staff, and that will be the treasurer's staff, who are the ones who are actually doing the collections. They will get the brunt of the complaints from the citizens if we vary from what typically happens.

[01:15:20] So that is certainly, from a practical standpoint, that is what's driving, That's what's always driven our schedule is we have to get a budget adopted and a tax rate set in order to get tax bills out on time.

[01:15:36] So this would be delaying it a week or delaying some amount of time, whether it doesn't necessarily have to be a week, I suppose you could set a different date, but whatever that is a delay is not been our normal practice. And so you're going to condense the work that needs to get done in order to try and get 30 days, still have a 30-day advance for the bill.

[01:16:03] That's, again, I'm paraphrasing what the, and I'll look to the CFO, but we've had that conversation with the treasurer, and that's, you know, and his staff. So do you have anything to add on that? I don't, and you covered it very well.

[01:16:19] So I think the question becomes, what is going to happen if we, what is going to happen in the intervening week that's going to bring us to a different conclusion on May 13th well I would like to get the answers to some of the questions that I had sent our acting city manager Brian Foster about some of these questions that we had sent in regarding the efficiency audit the printing

[01:16:53] budget things that were changed I understand that we can review this once the tax rate but this is a lot of information that i'm still gathering and i i think it's important to understand what the region is doing and understanding how our our constituents are viewing that information especially since we are surrounded so closely by the county i mean we're surrounded by the county so it makes a lot of sense to understand why they've made the decisions they have and what

[01:17:30] they're doing. I listened to Chair McKay's speech, and I thought there was a lot of really good information about what's going on right now in our region in relation to inflation, employment loss, things of that nature. And I think that those are very critical for us to pay attention to. And really, I would like to discuss it, honestly, with the rest of council to understand if they have also had a chance to absorb that information um it's a lot so i just want to make

[01:18:10] sure i'm doing my due diligence especially since i did have constituents reaching out about they're not raising their real estate tax rate things of that nature i want to make sure that i fully understand what we're doing before i just vote on that so um council member hardy channel thank you mayor so i i think ongoing understanding can still happen if we are going to set a precedent of analysis of another jurisdiction's budget before we decide on ours.

[01:18:37] I think that's a dangerous precedent to set. I think we can have those questions, and still it's not an or. I think we can do both. I think we can continue that understanding, use the mechanisms that we have as part of our budget process, approve the budget, and do both.

[01:18:56] I don't think one prevents the other. I also think we have trouble following up with our promises. We promised our community that we would finalize this budget today. I think that there are things that we need to follow through on when we put it out there for weeks and weeks and weeks that we're going to do.

[01:19:15] Again, I'm still not hearing anything that is a bar to approving the budget today and moving forward. I hear things that still can be done, still can be honored, and approval of this budget. Councilmember Hall.

[01:19:32] I personally don't see the harm in delaying, and I think that there could be some benefits associated with it. That being said, I do think that maybe moving forward, it would be very important for us to set our budget adoption to be after the county. I understand that we are an entirely different jurisdiction, but also 50% of our budget roughly is contingent upon county contracts.

[01:19:52] So that, to me, is a pretty large number. I understand it might be a rounding error when it comes to the county's budget, but this is what our budget is. And I think the more information we have, the better. And especially when times are tough and we're concerned about federal funding and state funding, to me, one more week is not going to make or break things.

[01:20:11] Would you like to make a motion to defer? I would. I would like to. Council Member McQuillan, make a motion. Thank you. I'd like to move to delay the vote by one week or what's allowable. Do I have to specify a specific date?

[01:20:29] So, and I don't mean to reword your motion, but it sounds like you're making a motion to defer consideration of and action on the budget, the tax rates, and the appropriations to a date certain of May 13th?

[01:20:46] That works. Yes. Thank you very much. If that's your motion. I'm sorry. I was putting words in your mouth. No, I appreciate that. You say it beautifully. Is there a second? Second. Is there discussion on the motion? Well, first, Council Member Amos.

[01:21:03] yeah i just had a question regarding the public hearing so would that be doing the public hearing again because i know they changed their advertising environments uh so would that just be repeating that i'm sorry council member amos can you repeat that are you asking if we have an additional public hearing requirement because of deferring if you all choose to do that no uh what i mean is deferring does that require just doing the public hearing again no there would be no additional public uh the only thing that you would be so it would be deferring consideration and action okay and again that um well yep you have the information okay council member hardy chandler what would

[01:21:43] prevent us from deferring it again on the 13th there's nothing that would prevent council from continuing to defer until it was satisfied that it had the information it needed to vote so i'm concerned that we don't have sufficient specificity that something is going to be accomplished in this week that is going to be of benefit that wouldn't be another sort of imprecise reason for further

[01:22:15] delay. Councilmember McCollum. With all due respect I have to disagree with my experience on the city school board the way our budget timing worked we were always after the county and it was very frustrating you're making a guess based off of an estimate basically so we have the ability now

[01:22:37] We have that information out there. I'd like the opportunity to absorb that information, understand it before voting on our budget since we are so close. It was just released this morning. Had I really understood that when we were in the midst of all the discussion and the scheduling, I definitely would have pushed for it to be a little bit later so that I would have had time to go over and really assess this information.

[01:23:06] I think it really is important to understand what, like I said, what the county is doing, especially because we do have those contracts involved. And we're dealing with an unprecedented situation right now. Our economy, like I said, the unemployment, the federal cuts.

[01:23:25] So I just want to make sure and have the due diligence, like I said, to look over that information, absorb it, and really ensure that I can confidently vote on this tax rate. Like I said, I have questions that I've emailed and I haven't received the answers to yet.

[01:23:43] So I do, I am still collecting and trying to understand. And so for me, it would be a great benefit. Thank you. Councilmember Amos? Yeah, I am still a little confused.

[01:23:59] So, I mean, my thing is a lot of the concerns, especially with like, for example, what do schools come back with? What might the health and human service impact be? the federal impacts, a lot of that probably won't be answered before our budget, not only before we adopt a budget, but even when the fiscal year starts, which is often why, like, for example, the county, they do the third quarter carryover review, and we do something similar to kind of reassess where we are in the fall. So, I mean, we have more budget opportunities to review this.

[01:24:33] I'm just not seeing where we get to between now or May 13th or if we did it sooner. I mean, also trying to compare us to Fairfax County is a little difficult like for example we already had a four percent meals tax for two decades they're just putting theirs in and that's the whole reason why they can even decrease the real estate tax was the meals tax um they're increasing the transient tax we all discuss doing the same once we do a charter amendment to be able to increase it uh they have office budgets that they can take from we don't they took about three almost 300k from

[01:25:09] from their office budgets it's just i'm not seeing where we get to a sufficient place that would justify deferring this decision and potentially uh scaring residents council member Peterson um a couple thoughts first i i don't support delay for its own sake just to be clear but i also do support delay if there's no harm and possibly there is benefit which seems to me to be the case, but a couple things. First, in terms of limiting the amount of time that might

[01:25:47] be spent on delay, Mr. Sebelia is not here, but my understanding from the prior conversation is that he essentially said one week is okay, but more than that is not. So I would certainly honor his perspective on that and not want to be stretching any consideration beyond that one week period. The second thing is, you know, the line item issue that's come up. While it's true that a budget and a rate that is set, and this goes for all the rates, ultimately is not a line item statement per se.

[01:26:22] It is built off of line items, and this goes back to the fundamentals of budgeting that we began in this process. I raised this issue at the end of January, requesting agency recommendations, requesting line items so that we could go through that process.

[01:26:39] It was April, well into April, before we were in a position to actually begin going through line items. Normally that would begin quite a bit in advance of that. Constituents look through the lens of line items when they send me email. I presume it's the same for others.

[01:26:55] They have very specific questions about very specific elements of the budget. They will send me budget tables, several of them, that are markups on a line item basis. they really do think in terms of light items and they really do expect us to be able to engage this issue at that level of detail and we've known this for a while that is a lot of work there's no question but that is really the bottom-up process here

and I'm sympathetic to those who feel like it might be beneficial to have a bit more time to be able to do that the final thing to council member Hall's question and comment about what is I think effectively an appropriations issue

[01:27:34] if i understand it correctly what we do here is a little bit different than the process some of you may be familiar with in the federal congress where we budget but we don't appropriate at the same time we budget first then we circle back and we appropriate later and those are two very different animals i can tell you having been on the hill appropriations day is the day when people flood the hill budget day is not so here we're putting these together and we're making an appropriations motion now that actually does as council member hall suggest launch a thousand ships we actually

[01:28:09] begin the process of commitments here and while they are not irreversible they become less and less reversible as we go forward which would be all the more reason if we feel the need to double check that before we go forward again I don't support delay for delay's sake but I think for prudence sake if there's no harm it may be worth considering any other discussion mr. Foster just a point of clarification from a schedule standpoint in regards to the county and the school budget the schools will have

[01:28:44] to make budget adjustments to their budget once Fairfax County takes action so with Fairfax County takes action on the 13th the schools will not have taken action you will not know what the Fairfax County School budget has been changed to you won't know that until they act later in the month so that that's just procedurally that's just how it works so if you're thinking that by next Tuesday you will know how the Fairfax County school system adjusts their budget you will not you will not know that until Fairfax County adopts

[01:29:23] and appropriates the funds to the schools and then the schools will have to adjust their budget accordingly. Councilmember Bates. Thank you. Actually, first off to that point, I certainly understand the desire to want to see the information that has come out and consider that further, but, you know, there's always going to be new information coming out, and I believe the city manager previously has also said some effect of, you know, there's really no amount of information necessarily that would make us completely comfortable passing whatever budget

[01:29:58] we wind up at. The other thing is that we are, you know, we have residents and staff who are presumably kind of biting their nails to see what we're going to do, and I don't know that it's necessarily healthy to just delay that another week when they were expecting us to make a decision tonight um additionally we uh you know we've sort of arrived at this date um my understanding is on

[01:30:33] our own kind of schedule and it's consistent with uh what has been done before but if we were to the night of say we want to push this back and see what the county's going to do then in a way that's kind of like us saying we want to see your cards first um kind of the last minute and you Granted, certainly our contractual obligations are a very small portion of the budget that the county is looking at, but just the principle of it, if we set that precedent, I just don't

[01:31:10] agree with the principle of that, the position that we're putting ourselves in with the county. I think that if we wanted to do that, we at least should have let the county know ahead of time, and I actually wasn't even aware that there was the intention to possibly delay this before tonight there were questions asked but that wasn't worth the intent and additionally i just want to second all of councilmember hardy chandler's earlier comments i think that she kind of wrapped it up quite nicely thank you councilmember hardy chandler thank you and just

[01:31:47] to add to councilmember bay's comments i'm not sure that harm can be avoided at this point especially because this is being brought up in the moment this night when the decision was supposed to be made so I don't think this is a harmless action. Are we ready to take a roll call vote? Ms. Shinneberry? Councilmember McQuillan? Aye. Councilmember Bates?

[01:32:18] Just to clarify this is the vote on the delay. Yeah no. Councilmember Peterson? Aye. Councilmember Hardy-Chandler? No. Councilmember Hall? Aye. Councilmember Amos? Nay. And the mayor votes nay. Motion failed three to four. Okay there are a series of motions the City Council will walk through to consider the budget funds the rates and levies employee benefits and salary adjustments and set

[01:32:56] the real estate tax rate the personal property tax rates is there a motion to begin the budget adoption actions councilmember Hardy Chandler I move to adopt the general fund the capital capital fund wastewater fund stormwater utility fund cable grant fund old town service district fund transit fund transportation tax fund debt service fund and ARPA fund FY 26 budgets as as presented by the city manager, together with proposed FY 2026 schedule of rates and levies,

[01:33:29] the FY 2026-2030 capital improvement program, the FY 26 health benefit contribution rates, a 2.0% merit increase effective January 1, 2026 for eligible general-scale employees, and the programmed annual step increase for public safety employees who were moved to the step system.

[01:33:52] Is there a second? I actually have a clarifying question. I don't know whether it's appropriate now or whether we need a second prior to that. Let's have a second, if somebody would like to second this motion, then we can have discussion on the motion.

[01:34:09] Second. Council Member Bates. Second. A motion's been made by Council Member Hardy Chandler and seconded by Council Member Bates. Okay. Before I ask for a roll call vote on the main motion, are there any changes? There's no vote on the main motion until a fair amount later on in the evening.

[01:34:27] Okay. so what we need to ask now council member peterson your question you may have answered my question so thanks for thinking ahead but this was a motion to adopt but we're not adopting unless and until we proceed through a series of subsequent motions and unless and until we've gotten through all them we will not move to that is correct one of the last items you're going to take this evening is actually voting on this motion with the amendments that will be considered with there's a number of steps as you see in the in the flow there are several motions coming up and

[01:35:03] then you'll have your discussion on the individual items at that point so for example the motion number two the budget change document would put the budget change document on the floor which includes the items the \$400,000 in items and then there's opportunities after that for council members to add or subtract or examine any or all of those items that it chooses to examine so there are many steps before you take a vote or a number of steps before you take a vote on motion number one. So motion number two is to put it on the table. Motion number three, well, excuse me, motion number two is to put it on the table. Then you go through discussion.

[01:35:40] I'm sorry. Motion number one is to put it on the table. Motion number two puts the budget change document as part of that on the table. And you have your discussions on that. Then you vote on any changes you want as part of motion number two. And then you get to the corresponding tax rate, et cetera.

And once you have the tax rates, then you vote on the budget, which includes the tax rate that you've set to implement the budget.

[01:36:02] So as I've said before, and it's a trite expression, there's a method to the madness. Well, and thank you, and I hope everybody back home who's watching this will be able to explain this to me later, too. And to be fair, this is a long, tried, and practiced procedure that the city has employed for many years in adopting its budget.

[01:36:23] And I know other jurisdictions do it the same way, and others do it differently, but this is a process that's worked very well for the city in the past. and then just so again i'm clear um uh the motion we just motion number one is by reference incorporating for further discussion and markup the budget change document and that is literally as i recall table number one is that how that is identified for reference so the next motion that will immediately need to be made would do exactly that it would it would add the budget change

[01:36:58] document to the discussion that's attachment one right so i say that again that is attachment one and that is the table that includes everything up to and including the the last 400 000 that the manager and staff included and then you have the opportunity to deal with those items as you see fit okay well thank you so much for the clarification and again uh sorry to be um asking so many questions but i must say i've gotten an awful lot from folks who've been you know calling and in writing and saying gee how does this exactly work so thanks for the clarifications I'm no expert either trust me this is just as confusing for

[01:37:35] me as anyone up here okay motion number two councilmember Hardy Chandler I move to amend the main motion to incorporate all changes included in the budget change document attachment one emotions been made by councilmember Hardy Chandler is there a second second and seconded by councilmember Peterson on is there any discussion on the motion so anticipating this would be the opportunity for council members to make individual motions to add or subtract

[01:38:13] items that are included in the budget the budget change document if I might just to be sure so this would be the point at which we would turn to attachment one correct go through that brick by brick - well to the extent that you would like to you've used the term brick by brick but yes you can go as much or as little into the detail that as you would like great I'll need a

[01:38:43] moment actually to pull it up I'm not don't have it right in front of me councilmember Hall just a statement I guess if you will I just want to make sure that everyone understands that the budget of the EDO is just that it is the budget of the EDO the city transfers 1.298 million to them and as an independent board they decide how to best spend their funds on their mission

[01:39:17] to include travel. The EDA oversees the economic development funds, and their budget is adopted by the commissioners. A side note, I'm looking forward to further conversations with the commissioners in the coming weeks to hear how and why the EDA has functioned independent of the city, and I've had some recent conversations with a few of the commissioners, and I think it's a really great opportunity to have them here in the city to support businesses and economic development as a whole so thank you for all that you do for us and i look forward to continuing to support your

[01:39:49] mission councilmember hardy chandler i'd like to recommend focus of the discussion since there was a great deal of previous discussion about the budget as a whole focus on the 400 000 that really is

the only difference from our many prior discussions and tonight that may be helpful in

[01:40:20] the interest of time and focus. Councilmember Peterson? I hate to do this, but I would like to go back to something that we raised earlier just by way of clarification, which was and is the efficiency audit at \$200,000. So that is staying, as I understand it. But I am curious regarding

[01:40:55] its scope and whether that includes any sort of, you know, in terms of efficiency, whether it any sort of financial efficiency as a part of that or whether if the city is interested in financial efficiency issues that would be undertaken through some separate exercise and separate funding in the future mr. Foster so this is was an additional item that council wanted it is currently undefined we would expect the council to determine what it is you'd like to study what the scope is that dollar amount was just an estimate depending on the level and

[01:41:33] complexity it could be more it could be less but that's that's what we have that's what's currently in the budget proposal and you would discuss those details at a future date oh well you wouldn't be able to do anything until post July 1 when the budgets adopted but if you wanted to start having discussions about what that would look like procuring a third party etc you could start that discussion whenever that's it's helpful to know that we would then be able to essentially uh be involved in the establishment of the scope of work is what

[01:42:11] you're saying i mean yeah this is what this is your uh or council has asked for this so if they're typically um you can do it it's really defined scope most of the time what i've seen is they've usually been into they tend to be in functional areas like you want to look at a a specific department or a specific area you can certainly look city-wide the more you look at and the more detail you want is going to impact the cost that's i mean that's a this is sort of a direct correlation um so it's whatever uh when the time comes i would not necessarily want to discuss

[01:42:48] those details tonight because i'm not sure that's relevant to the budget discussion at hand but happy to have those conversations and absolutely as we go through that process council can decide specifically if there's areas of specific interest or specific things you want to get at we can do that at that time well and then just to build on that so this is a line item that we specifically added but what's embedded in the budget are a lot of studies that are of interest to everybody including the council and at various stages of development including studies that are

[01:43:27] just being scoped and I as a practical matter it would seem to me that the council would have opportunities also to look at scopes of work for studies of significance that are occurring because even though they haven't been added by us as a line item they may still be of interest to us in terms of how they're structured I don't know how that operates but I would certainly hope that we would have that opportunity going forward I don't know if there's a specific mechanism for that but I'd be curious to know I would suggest we can talk about that at a

[01:44:01] future work session uh if there's specific ones that you have in mind uh or that you're that you wanted to have further discussion on um we could do that at a future date well we can set that aside for further although it would be great to have a list that we could look at to see what's actually included in the budget in terms of studies we spent a lot of money on consulting firms for instance it'd be great to know kind of what that list is as we go forward okay um Councilmember Hardy Chandler so by way of a little bit of context I think the part where we had and this is summarizing what you said a little bit

[01:44:40] earlier city manager where we had some question was on the 1 million plus that was put forth by the police department my concern was that we remain competitive and we not make decisions based on simply 10% but on what might be the longer-term consequences of that, came back, and that was reduced to \$600,000, whatever.

[01:45:11] \$652,000. Right, so everything outside of the 404 we have already discussed, reviewed, came to a collaborative decision on. So I'm wondering if our CFO can kind of quickly point toward that the content of the \$404,000 that is really the only change from our previous deliberations to now i can and if you're looking at attachment one very first sheet about three quarters of the way down starting with reducing

[01:45:45] print printing budget for three thousand dollars basically from that line item or that row all the way down to the very last line on that same sheet that is what makes up that amount right there that that bridge that we've been talking about regarding the 400 000 so any specific questions relating that i know there there's been some discussion via email last week on a couple of these items happy to expand on any of that happy to try to answer any questions regarding those

[01:46:21] items or any other items on the attachment are there questions council member peterson it's So it's something very small in terms of scale, but I think as many of these things are otherwise significant.

[01:46:41] And I perhaps will turn this to Director Summers, but the employee luncheon, and I realize this is not a big ticket item, but this, I understand, is a pretty important thing. And one of the things that's involved in this is door prizes.

[01:46:57] And not that it makes a huge difference, but I'm just wondering whether already, and if not, whether you might have an opportunity to bring in sponsors or donations or something to help with the door prizes on this? Well, this is organized by parks and, you know, the HR department.

[01:47:16] I just feel that it's very important for the property yard folks' morale that they get this one free lunch a year. So I'm hoping that we can figure out a way to get instituted. But as far as the funding or the coordination, I usually am not involved.

[01:47:36] I'll let my request stand to whomever is involved in this. Council Member Hull? Yeah, I think there was consensus from Council to move forward with adding back the luncheon, for sure.

[01:47:52] I was surprised to see that on here as a reduction. That certainly was done anything that individual Council members came up with on their own. I can assure you of that. Council Member Amos? I was just going to say I appreciate my colleagues bringing that up. I know I sent an email around earlier, so I was also surprised to see it.

[01:48:10] But, yeah, thank you to everyone for supporting that. Again, just to reiterate what I had said earlier, we can, if that's one you want to leave in, that's not a problem.

[01:48:27] We can, we will, we'll just need to identify an alternative reduction, which we can do. And, again, we don't necessarily have to do that this evening. You can adopt a budget, and that'll be one that we will note that is still to remain in the budget.

[01:48:43] then we can have a further conversation of how we will make up that difference and that does not necessarily have to happen tonight all right any other questions about any other specific items councilmember McQuillan if I want to amend or propose an amendment or is this the time to do that now

so if I understand your question I just want to make sure I understand it assuming you want to add something back in or you want to delete something that's on this

[01:49:19] document then this this is the time for you all to make any motions to add or subtract okay but I would have to specify what things yes I moved to restore X or I moved to delete X okay thank you I just needed that clarification okay are there any motions at this time to increase or decrease any revenue expenditures on this motion councilmember McQuillan I do move to

[01:49:52] decrease expenditures but I am looking that over right now as far as the specifics that I have to give you specifics that have been included in here absolutely need to have specifics at this stage okay thank you just so we keep the record cleaner you're just withdrawing your motion at the moment and seeing how it goes okay apologies thank you okay at this point at this point I call for a roll call vote to approve the budget change document no I just want to be clear by doing that and by there that closes discussion on the additions and

[01:50:31] subtractions if everyone's comfortable well or you wait and respectfully you wait and see if anybody has any additional additions or subtractions but yes once this part is done your next venue will be voting to approve or not approve the budget change document with or without any change additional changes that you all may want to make and then you're moving on to the essentially setting the corresponding tax rate for the budget. Okay, so we're waiting to see at this juncture if there are from the dais any substitute motions to increase or decrease. Councilmember Peterson.

[01:51:10] A clarifying question for something that I think we discussed earlier. It's not here, but just so I know, and this is the implementation of the pay study for employees, I think in this particular case at the dbw in the property yard my clarifications are number one the amount of that which i believe was 595 000 or something knocking the door at 600 000 is that but it's

[01:51:41] it was slightly under 500 000 okay all right or maybe slightly over 504 505 000 with rich And the plan for its implementation is to enact the recommended changes in terms of bringing salaries across the board up and to do that all at once, not to address the salaries that are over, which I think score out at about \$95,000.

[01:52:20] Is that my understanding of how that is intended to be implemented? Yes, the pay study would be implemented all at once for those identified individuals who had negative variances compared to some of their peers, given their experience doing the same work.

[01:52:36] That would be effective July 1 for those specific individuals. It is not everyone at the property yard. I think you noted that. It was just certain individuals, and anyone who is at or above a current rate would not be negatively impacted, meaning they wouldn't be reduced down.

[01:52:53] And that would include an adjustment, but then at the same time as the adjustment, what is not correctly called a merit increase, but essentially a cost of living increase at the same time of some percent. Is that right?

[01:53:10] Yes. So at six months afterwards on January 1, if they would be eligible, which I would think they would be because they would have been here prior to July 1, then that would incorporate an additional 2% as well. Thank you. I'll have another question in a minute.

[01:53:26] to start at Hardy Chandler and to that point I just wanted to reiterate that that variance was basically a fairness issue because it was for people who are being paid below what they should have been paired paid for the market and for the work that they're doing right I would say fairness and equity correct councilmember Peterson is there a plan to concurrently study the compensation

[01:54:06] system and perhaps not limited just to this set of employees to be sure we are comfortable with it. And I say this because this didn't happen overnight. This is a long time coming. And it actually is built upon a prior change that occurred, I think, 216, 217, something like that, somewhere in that neighborhood. And then there's been maybe a little bit of confusion because it's been described, and I think this has been pointed out as a merit-based system, which

[01:54:42] in fact is not. This is not performance-based. This is just strictly based on some rendition of experience in it. I mean, that leaves us with a compensation system, which is what it is, but certainly is open to further consideration in terms of what is most productive for employees in the city. And I'm just, and given that this is happening, it's just kind of an all-at-once adjustment here it will be locked in for the future i'm just very curious what plans we have to study the system to be sure this is the right lock-in for us to use going forward

[01:55:20] are there any plans at all or is this being done without any uh intention to study the system find if i understand your question i mean you can clarify if i'm not understanding your question i I think there's there's two different things here at play so we've done this is actually the last it's not like we did this in a vacuum and we just looked at those people and didn't look at anybody else we've actually made adjustments for other employee groups that have had pay studies including public safety from two or three years ago where they were actually we created a

[01:55:56] separate public safety scale so this is the last group to have had a study that has not been implemented in terms of trying to correct as mr. Martinez said some inequities and inefficiencies if you are speaking as to how we should structure our compensation system and should we look at doing something different we can certainly do that that is not currently in our work plan I don't think we have any plans to do that but if council is desirous of undertaking such an analysis we can certainly do that but that is not

[01:56:30] current so so there's pay for law so you're correct we we don't have a pay for performance merit-based system that it's not even though yes we use the term merit I agree it's a misnomer but we it's more it's more akin to cost of living or step in and then in the public safety case they're in a step system just like most school systems for teachers and folks do a step system so if you want to have a discussion on how we how the system is structured and want to do something different we can certainly do that but that's a

[01:57:05] different conversation and at the moment we don't have any plans to look at any type of alternative compensation system but if council wishes for us to do that we we certainly can we always continue to look at mark how we compare to the market for certain positions but as far as a analysis of the type of pay system that's not currently contemplated and and just for sake of conversation while I know it's not planned, is that something that likely would be done in-house, or would

[01:57:44] this require a third party? I would say we could certainly, I would say we could do it either way. I mean, I think we have the capability to do an analysis in-house as far as if you're wanting to change the philosophy and what that would look like.

[01:58:02] There are plenty of firms that do that type of work, and we could easily contract with somebody to provide assistance or it could be a hybrid we could do you know we could do some work and have third-party validation I mean there's there's different ways to to look at that it's whatever is desirous part of the reason I ask is just in terms of the fiscal space what would we anticipate if this is needing for something like that if we wanted to do it because it does seem to me we're at the 50,000 mile tune-up stage for the benefit of everybody in the city and the

[01:58:38] employees and we would this um adjustment that's being made now i appreciate that this is happening after several others have been made but it really does kind of call the question here are we really comfortable with the long-term trajectory here of what we're doing because we're you know again 50,000 mile tune-up plus some changes in the macro environment i'm just wondering we talked about the flexibility of coming back and making adjustments to budget and appropriations is that something that would be in the cards in terms of an area where we have sufficient flexibility to do that? Or is there some action we would need to take now to create that opportunity?

[01:59:14] I would say you don't necessarily need to take action now. I mean, if you want to and if you're wanting to set aside funds and you want to just like you are in essence setting aside funds for an efficiency study, if you want to put some funding aside, you could certainly do that this evening but again you have the ability to amend your budget at any time so as the year progresses if this is something you want to add and we are not able to absorb that into the to the adopted budget through cost savings or other you know increased unexpected revenues or something something of some other nature

[01:59:53] you always have the ability to use the budget stabilization unassigned fund balance there's different different methods um if you want to uh adjust the budget you can always you always have that option i'm a bit torn because i i think it would be advisable to be proactive at this stage and um be sure we have the flexibility to do this in a way that's budget

[02:00:30] neutral and i don't know as a consequence whether we need to try to create that space now or wait till later i think what you're suggesting is wait till later but i would certainly in my own view hope that we could as a council agree that that is something important to do as a part of this compensation adjustment that we're making so i'm not sure whether that means we do need to do a motion to ensure that that will be considered in the future whether there's just some affirmation of the council behind that but i think this is a critical area for us to make some commitment to

[02:01:07] I would just I would just I think I've indicated this to council before just reiterate hopefully before this evening's over you will have adopted a budget for next year and and finish the these all these motions but the work on the budget doesn't stop just because once you adopt it it's not like okay we don't look at it we don't pay any attention to it until we get to this point next year we're always evaluating just like the finance team is you know giving you quarterly reports on actuals and how revenues and expenses are trending we continue to do that so if there are if things come up are there

[02:01:46] things that you wish to do you always have that ability so again I don't think you need to make those decisions this evening you've got ample time to do any of these things that you are bringing up this evening if that's something that council wants to do so essentially you know the tax rate has to support the amount of the budget so what we need to get to tonight is what tax rate you know 2.5 is kind of what everybody agreed on at our last meeting was everyone could live with 2.5 if something's going

[02:02:23] to be added it's going to be more than that if you want to reduce the tax rate then you reduce the things that are in the budget but sort of this part of the budget adoption system is that we have a tax rate we have an amount of the budget and for the most part the budget allocations have been made, both specifically and somewhat more generally, like the \$500,000 pay equity, right?

[02:02:52] Like that is a chunk of money, and it's going to be then divided very specifically. So I think at this juncture, if I'm understanding it, what we're deciding is, do you want to add something to the budget? Do you want to take something from the budget? Because we can't get to the tax rate until we know the amount of the budget. Those two things are irrevocably tied together. So if this juncture we're making a substitute a motion or adding or taking things out then we're looking at is that going to change the consensus of a 2.5 percent tax rate increase I think that's just kind of

[02:03:29] summarize it's just a simple summary of where I think we are right now and where do you want to go with this do you want to start messing with the tax rate with things added and deleted or do you want to get to the tax rate and know that we have between now and certainly the end of this fiscal year to make adjustments before the next fiscal year starts July 1 if there are adjustments would that be correct mr. Martinez yes councilmember Hardy Chandler because there was not prior consideration to an HR compensation I

[02:04:08] would recommend not making it that's the kind of thing that requires more time so I would recommend not making that as part of the change document tonight but considering that as a future discussion. That would be my recommendation. So are we at the point where we have a substitute motion or we want to proceed with this motion?

[02:04:35] So, Mayor, I just, only because terminology is important. All right, all right. Okay, you have a motion on the floor. What you're asking for, again, is are there any motions to add or subtract from the budget as presented as already modified by the budget change document right that's what we're doing he said it better do we have council member hall i would like to make a motion to go back to the 1.75 cent that i initially proposed which would include a reduction of roughly 500 000 for the pay study implementation

[02:05:12] 188 000 for the merit increase and roughly 100 000 in reduction of non-profit funding Is there a second? Second. Okay. Now we have a substitute motion. No, you have a requested amendment. A requested amendment on this motion. Correct. Roll call vote, simple majority. Roll call vote, Ms. Shenderberry. Council Member McQuillan? Aye. Council Member Bates? No. Council Member Peterson? Aye. Council Member Hardy-Chandler? No. Council Member Hall? Aye. Council Member Amos?

[02:05:53] nay and the mayor votes no it it fails regardless but yes okay because three three yeah so now we're back to the original motion i won't tell you how the motion on the floor no no no no no the question i guess is are there any additional requested amendments are there any additional requested amendments councilmember hall i would like to propose that we delay the sherwood community center expansion of nine million dollars by another year to give us additional time i think

[02:06:30] it's a very large expense and i think it needs to be considered a little bit more in detail is there a second go ahead just so we understand the motion i and i may be stating this incorrectly as i understand your motion you're looking to reduce the transfer to the cip by or maybe mr Martinez can clarify what this is. It's not the transfer from this general fund to the CIP.

[02:07:01] From what I'm understanding, Councilmember Hall, is in the FY 26 through 30 CIP budget, we had listed \$9,025,000 for the Sherwood Community Center expansion. That would be the last appropriation you would like to defer that by one year to potentially FY 2027. Correct. And

[02:07:32] maybe following on to that is that does that have any impact on this year's budget no is there a second okay we have an amended motion made by council member hall seconded by council member mcquillan a roll call vote i just ask a procedural question before we do that mr lepkman when these

[02:08:08] this is a motion that we will vote on then we will return to the underlying motion correct so what you are doing now is a series of amendments that council may have to either increase or decrease revenues and or expenditures in the proposed budget and then once all those amendments are done then you're back to the motion on the floor which would be approving these bundle of shades it's budget change document number two with any changes that are approved as part of that

[02:08:43] then you go on to adopting the tax rate then you approve the budget after that because you'll have tax rate that corresponds to it thank you and you'll let us i'm sorry i keep explaining it and it's just uh i know it's a it seems like a difficult concept but but where you are right now is just simply do you want to increase or decrease revenues and or expenditures from what is proposed and what has been set forth in budget memo in the budget change document so we have

[02:09:12] a motion we have a second a roll call vote council member mcquillan aye council member bates no Councilmember Peterson? Aye. Councilmember Hardy Chandler? No. Councilmember Hall? Aye. Councilmember Amos?

[02:09:32] I was actually put up the hand to ask a quick question for clarification because I know I emailed it before. I'm wondering the timeline from either the city manager or I know Director Harden's there or JC. Does this decision need to be made tonight? Because I know some deferral was something I had considered personally, but there's also ramifications.

[02:09:57] with that that I don't think we're fully aware of, such as businesses that are waiting for this project. And also, we haven't explored the potential options for cost recovery as we directed Director Summerfield at our last work session on this matter to talk about. So, does this need to be made tonight, or are we okay with holding off for now?

[02:10:23] Mr. Harden is going to enlighten us, but I would say that there's a motion on the floor that has to be voted on but mr. Harden is going to speak thank you mayor and just just to be clear that the allocation of funds in the CIP does not signify release of those funds for construction the city is operating under development agreement with Fairfax County at the time that final construction documents have been completed and a price has been set for the project that would come to the

[02:11:02] council and at that point the council would approve release of those funds for construction so the the nine point zero to five million would not be released for construction until council has taken an additional action and certainly if there are items that the council desires staff to take a look at in the intervening time we were here two weeks ago and gave a presentation on the project and tried to respond to questions at that point I understand there are some additional questions regarding cost recovery and revenue

[02:11:36] generation that that likely require some additional discussion among the council certainly happy to have those discussions and those could occur prior to release of these funds. Mayor if I may.

Councilmember Hull. I think my biggest concern right now in addition to the 4.8 million dollars in operating costs is the consideration of the roughly 50 million dollars that is supposed to be potentially going out to issue bonds for in the coming weeks months later on this year. My understanding it was supposed to be done in

[02:12:16] November of 2024, then it was delayed. And now the timeframe was going to be about May. So I don't know that the full tax ramifications of this have been explored. And so if I'm doing rough in my head, \$50 million at, let's call it 4% for 20 years, I think we're looking at probably about \$4.5 or \$5 million worth of debt annually. So \$5 million there plus another \$4.8 million And in operating, we're looking at \$10 million in debt, which I think I'd done other numbers before.

[02:12:52] I think we're looking at like an 11-cent tax increase just for that one building. And so that's my concern, and that's why I was wondering if delaying the \$9 million from the CIP would then further delay the ability to issue the bond, which would then potentially give us the opportunity to explore really what an 11 cent tax increase might look like in the face of two and a half cents now, potentially plus schools, plus, plus, plus.

[02:13:24] So if you can answer to that, that would be helpful. I can start and perhaps the CFO will chime in. So in terms of the operational costs, understand that that's something that we're continuing to refine. and have given the council to date some kind of ballpark figures based upon national standards, and that's what you've seen.

[02:13:48] We're taking a closer look at that based upon square footage costs associated with the facility. We do believe that those numbers will come down, and that's something that we would like to spend more time taking a look at and coming back to the council with.

[02:14:06] Regarding the debt service piece, and again, I'll let the CFO speak to this, but the agreement between the city and the county on the project does provide latitude to both jurisdictions as to when that debt may be released.

[02:14:26] it's something that our CFO and the debt manager at Fairfax County will be meeting on to discuss I believe it's on the 16th of this month so we'll have a better sense at that point so I don't want to put any any words in the county's mouth but certainly what our conversations have been to date is the county um will will work with us on that and intends to be as flexible as they can be moving forward but again something that that we need some more some more conversation on but

[02:15:05] certainly that is an issue that we understand will be before the council and you'll want some understanding on that sooner and later and we are working on that and just to reiterate and slightly clarify so yes uh november of 2024 we started the process of engaging with the rating agencies to get reaffirmed uh trying to get everything in line in preparation almost specifically for the willard shoreward project because it was uh 50 plus million dollars of potential debt issuance that we would need to do and we were reaffirmed by both rating agencies in

[02:15:43] late January the plan at the time was to try to issue debt in February of 2025 we delayed that issuance based on discussions that were we've been having for the last few months all mean on tonight to see where we were going to be with the tax rate and what our potential debt capacity would be on dedicated revenue structure and to your point councilmember Hall plus plus plus you're absolutely right

in the sense that there are other projects that are coming online as well the fire station 3 the potential property yard school bond referendum that passed so taking all those into consideration trying to

[02:16:22] figure things out a 25 year debt issuance is what we would typically do for a CIP of that magnitude at about 5% which is sort of our estimating rate is about four and a half million dollars of principal and interest payments for the next 25 years if we were to issue that debt and then accordingly four million dollars plus or minus a few hundred thousand on ongoing operating add those together it is about 11 12 cents on the current value of a penny so yes Matt and

[02:16:57] just a final comment on that we would certainly encourage if if the council is desirous of moving in a different direction or considering a change it's one that the council sits down with the Board of Supervisors and discusses there There have been numerous agreements that have been made to advance this project to where it is, and quite frankly, the elected officials that have worked very closely together to get us to this stage.

[02:17:29] We'd certainly encourage the council to have that conversation with the Board of Supervisors if indeed that's a consideration. Councilmember Amos? Yeah, if I could add just quickly, I would like us to have a full work session first before proceeding. As I recall, our first work session really discussing this, we kind of had to wrap it up very quickly because we had four or five others the same day. So I would like a full work session, and I would be more than open to having city council sit down with the board of supervisors to discuss this project. I think that'd be very helpful, including options for

[02:18:08] cost recovery and seeing how to make the project pencil if we can. I'd like all options on the table before we take away a project honestly we will probably never get again so therefore your vote is nay okay then uh count uh mr foster just so there is the the joint meeting with the board of supervisors that you have on a on a semi-regular basis it has been scheduled or is currently being scheduled for later this month i believe it's on may the 29th and this would be the willer sherwood

[02:18:44] center is planned to be an agenda topic so you can talk with your counterparts on the board of

[02:18:49] supervisors. Ms. Shinneberry. I was just saying it was on the calendar. Okay, right. So we've got the roll call vote? Yep. So it failed 3-3. Okay. So are there any other motions? Question? Yes. I have a parallel question. I believe Mr. Harden raised the fire station. What is, with respect to, maybe you did, what is the debt issuance schedule and implication of that? And part of the reason I ask is, so we're budgeting for

[02:19:32] FY26. And at the same time, we're taking actions that either directly or indirectly affect FY27 and beyond. So we're looking at the future here as we're looking at the present. And, you know, the Willard Sherwood Center is one example, but the fire station is another one. Can you clarify where we are on that with respect to the debt issuance? So we have not issued any debt specifically tied to as a placeholder for a fire station three. We did appropriate \$11.6 million dollars in FY25, our current fiscal year. On FY26, there is \$18 million that is listed as an

[02:20:11] appropriation, same for 27, and then \$5 million in 28. So the next three years, about \$41 million. As we get closer to construction and award, that's when we would start having those discussions with our financial advisors on the timing of the debt issuance. It's my understanding that we are, I'm going to look at Director Summers, about maybe 10%, 30% in the design phase of Fire Station 3, so still relatively very young in that aspect.

[02:20:41] It would take about another year, year and a half before we get to full design and concurrence with council. Is that correct? Yeah, so far we've dispersed about \$140,000 to the consultant for the feasibility study and the preliminary concept development only.

[02:21:00] That's all we have done. Did I understand correctly you said there's \$18 million in the FY26 budget for the fire station? Correct, in the CIP. In the CIP. So I guess it goes back to the question Mr. Lubkerman that raised earlier.

[02:21:22] Just hypothetically, if that was delayed or did not continue or even if it was modified in some way, does that have any effect on FY26? It does not. But it, well, setting aside the fact that in future years it would, at what point does that become an obligation for debt service?

[02:21:45] You may have answered this, but let me just ask again. Because, again, we've got a clock ticking in terms of debt issuance, which is a concern here, right? Correct. So specifically related to debt issuance, the closer we get to full design and actual construction award, at that point we would need to have all funds available or at least appropriated at that time those would be the discussion that we would have i would assume in the next year maybe a year and a

[02:22:16] half on the timing specifically related to the fire station three okay thank you all right so we are back here asking again if there is a substitute motion for any amendments for additions or subtractions at this time I'm not seeing councilmember Hall I will try one more time I would like to propose that we implement 50% of the pay study

[02:22:53] implementation now and 50% of it in one year is there a second second mr.

[02:23:09] Martinez did you have thoughts just a financial reference half would be about 252,000 or so in FY 26 as a reduction. Councilmember Peterson. Well I don't know whether this is friendly amendment or just a clarification of whether should we do this and I presume the answer is yes based on what I had earlier we could

[02:23:43] devote some time to studying the system as we're also waiting to do the second half of it. I'm guessing there's no reason we couldn't do that based on the prior conversation but it just seems to me it would be prudent if we're going through this to do that concurrently am I correct that there's nothing that would prohibit us from doing that mr. again I think the short answer is no there would not be anything to preclude us from doing that if that's what if that's how council votes to to proceed again I think we're we're still talking

[02:24:21] about two different things you don't have a pay philosophy pay system this is actual compensation and so part of the compensation the way it is it's relative to the market and relative so regardless of the regardless of the system you want moving forward the these adjustments are really to correct inequities and what these folks should be earning today so if you want to change the philosophy moving forward certainly council can do that but this adjustment isn't tied to

[02:24:55] the pay philosophy of the compensation system we have, it's the actual compensation for these positions based on inequities and what they should be relative to the market. I guess my, and this is one that I know is complex and that the HR group has spent a fair amount of time on, but I guess my understanding is part of the determination of adjustment here is based on a system that incorporates years of experience both with and then not

[02:25:33] with the city, and essentially without limitation, which would become an issue in a compensation system about whether that's how you really want to be structured going forward. Well, the limitation, every position has a cap. There is a top end to each position, so unless you adjust the pay band or adjust the scale upward then yes and we do have employees a long tenured employees who are at the top of the scale and would not get an increase unless we adjust to the scales so this is so again it's not it's not in perpetuity you can keep getting

[02:26:12] increase increase increase that's not how it works it doesn't work for any position that way whether it's in the general employees or on the public safety step scale councilmember Amos is this something that we've done before with PRIOR PAY STUDIES um could you repeat your question mr amos i didn't quite hear the end of it sorry uh is this something that we've done before with prior pay studies like with the public safety yes it is yes when we did what i mean is have split it before like that half and half no we

[02:26:52] haven't uh we haven't split no so when public safety was implemented um uh there were significant depending on the employee and where they were ended up being placed on the step scale based on experience and so forth some of them there were some significant changes in compensation and again that was a comparison the reason you reference the prior study back in 2016 2017 there was no step scale that was done since then because the we where we compete for talent all the other jurisdictions have step scales and so in order for us to be competitive we have to compensate in a

[02:27:30] like fashion and so even though we don't have that for general general employees that was a decision that was made for public safety and and it was all implemented it as I understand I was not here but as I'm looking to see if it was all implemented at one time councilmember Hardy Chandler I don't understand how we're struggling to pay some of the lowest paid people in our city fairly and no combination of that is going to change my position that when it comes to people being paid fairly for the services that they do for our city

[02:28:07] it not only benefits them but it benefits our residents so I cannot support any configuration of this that does that that does not include implementation of a study that has taken not just you know where they are now but what the job entails and supports them being paid what they're worth roll call vote councilmember McQuillan oh councilmember Amos did you

[02:28:39] have a further thought? Yeah, I guess my only concern really, because I don't hate the idea, my main concern is there's no guarantee that we would do this next year, and next year is going to be a tougher budget year, which is part of the justification for the merit as well, was the economic outlook for the city is going to be rougher moving forward. So I'm not sure splitting it would be very feasible either. Okay, thank you. Thank you for that. Roll call vote. Did we start

[02:29:16] that i'm sorry may i council member hall um i just want to point out i pulled up the study from july 21st i'm sorry july 1st 2016 when this was implemented it was 80 people with adjustments of any kind and it was a total of 152 694 dollars we're now talking somewhere between i think 30 and 40 employees and we're talking 500 000 if i recall correctly there are a few employees who have minimal increases, and then there are several employees that are close to about \$30,000.

[02:29:52] And I'm not saying that it's not the right thing to do, but I am also just questioning the value of what we have right now and the cost of things, and that's why I'm suggesting it. So I would prefer not to take a blanket approach to some of this.

[02:30:11] And I also have zero expectation to go back and do anything, but there are also about \$95,000 worth of salaries that are technically overpaid according to what the expected salary is versus what the current salary is. So it seems to go both ways, and I think part of it has been dependent upon when people were hired and a variety of different things that go into market adjustments and things like that. So I will say again, which is I value our staff. I do not want to come across

[02:30:45] in any other way than that, but I also do feel like if we are being realistic, we need to look at what is going on outside of our city limits here, what's going on in the national government, the state government, private companies all over. People are not getting merit increases, they're not getting cost of living adjustments, and I just think that we are continuing to set an expectation, to me, that slaps some of our neighbors in the face who don't have a job right now. So I will leave it at this. I think I've said it strongly enough, but I just need to make my

[02:31:22] point heard. Thank you. And the point I would like to make is this is a pay study that was done before we had an economic downturn and a president who is imploding our economy. And I don't think there's a justification for continuing to exploit workers and asking them to work when they are not being paid equitably. I would also suggest that our human resources staff are professionals, as is all the people who work for the city. They are paid professionals themselves running our city government. And while we on the dais have a governing oversight responsibility, I don't

[02:31:58] believe that our job is to second guess or micromanage the decisions that our staff has made. What we're being asked to do is do we want to fund this or not fund this. But deciding who gets it and who doesn't get it, I do not believe that that is our role on the dais. I think we have paid professional staff. So unless there's further ado, we will proceed with a roll call vote.

[02:32:20] Councilmember McQuillan. Thank you, Mayor Reed. I just want to reiterate that from my constituents, what I'm hearing is that we are looking like we're tone deaf because they are not receiving raises right now. I'm not arguing about paying people fairly. I want to do that, absolutely. But when we don't get the discussion, when we don't get to get into those details to discuss it openly, this is where we're at this is where we come to and I'm just I'm here to represent my constituents and I'm hearing from them that they're frustrated because they're not getting raises and we are

[02:32:58] looking at doing a blanket two percent is that is that correct it's a blanket it's a two percent for eligible employees correct okay okay so I need to take the perspective of my constituents seriously and I have to be sensitive to the fact that they are losing their jobs they are concerned about their jobs they do have they're not getting raises inflation is increasing and I am concerned about looking tone deaf like I'm not paying attention to to their concerns so I just wanted

[02:33:36] to reiterate that part and back up council member Hall's statement on that because it's something that I'm getting feedback from my constituents about so it's a real issue thank you council member amos yeah i mean again i uh i don't necessarily disagree with the idea i guess my my question is the intent uh when we get to next year and this is a budget item in a worse budget year are we just going to nix it uh that that's really my main concern and if if my colleagues

[02:34:14] wanted to chime in on that uh because i want to make sure it gets done and uh the fact that we're a tougher economic outlook next year makes me feel like it likely would be on the chopping block versus if we did it this year and don't have to worry about it next year. Council Member Hall.

[02:34:34] I would be happy to formally commit to 50% now and 50% next year, recognizing that we have no idea what our economic conditions are going to look like. But if I say I'm going to do it, then I will do it and I will agree to vote for it next year. That being said, if things are going to be as tough as we all think they are then there's going to be a lot of other things on the budget that we're going to be reconsidering and having discussions about and so I recognize that we have no um ability to change what goes on to the federal level but again we can do what we can here in this 6.2 miles and that to me is what's the most important thing right now so thank you

[02:35:11] if I could if I could chime in and just ask a question to Mr. Lubkoman or someone my understanding that there is the possibility of doing votes that have contingent conditions is that correct not for the budget so you're voting to add or subtract items with staff takes what council says seriously in the discussions about the individual items but uh the time to take action on or putting conditions on certain items would be it would be at a later date councilmember

[02:35:51] Bates? So, um, making a commitment to fund this one item is one thing, but, um, you know, that does not make any kind of commitment to where that money is coming from. Does that mean that, uh, we are going to further increase the real estate tax rate, you know, by a fraction of a cent, whatever that would be around, you know, a quarter of a cent or so, um, to fund that? Or does that mean that we would be, for example, scrapping the rest of the nonprofit grant program to fund

[02:36:25] that that's my concern that even if we did have a commitment there's no real way to commit to where that money would be coming from to so definitely agree with councilmember Amos all right any further discussion before we take the roll call vote a roll call vote councilmember McQuillan aye councilmember Bates no councilmember Peterson aye councilmember Hardy Chandler no

[02:37:02] Council member Hall? Aye. Council member Amos? Nay. Motion failed three to three. So here we are back again. At our starting point, looking up and down the dais to see if there's any other substitute motions to add or subtract. Seeing none, Brian, Mr. Lubkerman, I call for a roll call vote to approve the budget change document as incorporating all the changes, but we didn't make any changes, right? And making it part of the budget. Do I have a motion?

[02:37:47] No, you already have a motion. This is the vote. This is the vote. So the roll call vote. Council Member Amos? Excuse me. Aye. Council Member Patterson. I know what you're going to ask. So we've concluded the consideration of adjustments.

[02:38:04] Correct. And now we're voting on the overall. No, now you're voting on the budget change document to incorporate it in with any changes that had occurred. Since there were no changes, you're just incorporating it in. But you're not voting on the main budget yet because your next step is voting on the tax rate that corresponds to the budget.

[02:38:23] and then you will approve. Okay. If I might, before we do that, this conversation began with a concern that was registered by Council Member McQuillan about the need for more time and the resolution of possibly some unanswered questions.

[02:38:51] And I'm wondering, I know the request right now is to identify additional markups, but I think it's a little bit of a difficult question in the case of somebody who's not at this stage able to identify specifics because they still need to know more in order to do that. And I guess I'm interested in Councilmember McQuillan's perspective on whether you still feel that a delay is needed here to be able to reach that level.

[02:39:18] I do. Did we want to revisit that motion for a second time? So you had a motion already to delay consideration, which failed. The motion on the floor currently is to approve the budget change document as presented with any changes that occurred this evening that's the motion on the floor if it's always appropriate if somebody wants to try to make another motion to defer that's fine but not quite sure where you're where you want to go with this well I think

[02:39:58] one practical question is if there is sufficient discomfort not to proceed with a budget because of the lack of time hypothetically it could proceed with a split vote but a tax rate would not. And I don't recommend that, but I'm raising that because I'm hoping that we could avoid that and there would be some reasonable accommodation to the need for additional time so that we wouldn't be in that kind of a situation. And that's why I'm trying to understand the perspective of the council members here to see whether we need to do anything else to do a

[02:40:36] reasonable accommodation on that. Councilmember Hardy-Chandler. I think this is a real-life example why we shouldn't delay because I think we get on this treadmill or hamster wheel of revisiting things that have already been voted on and so i think this is sort of real life experience of why a request for delay failed or why i couldn't support it um i would like for us to continue with the motion that is on the floor and and you know continue the process without

[02:41:09] revisiting something that has already been voted on this very night mr foster just if i may mayor again like we said so when you all came to some collective agreement at your last meeting you were going to fund the budget um with a two and a half cent real estate tax increase and that was the only tax increase change and and that and you would and you would uh collectively agreed on

[02:41:43] what all the reductions were needed in order to meet that you also included you actually added back some additional expense funding the grant the grant funded position we lost as well as the efficiency study so you actually made some additions as well we then at your direction because you asked us to go back and look at police we did we came with an alternative number so we had to come up with an additional 400 000 those are the remaining things that mr martinez pointed out on the sheet the only one that i've heard this evening that that you that council

[02:42:20] seems to make sure that you do not want to have as a reduction, meaning you want it left in the budget, is the employee luncheon, which we can take care of that. What I would encourage you to do is, unless you are wanting to change the tax rate from two and a half cents, which is certainly council's prerogative, but if you're not going to change the tax rate any other changes that you that you can adopt this budget change sheet and if and we can you can continue to have conversations and if there are

[02:42:58] specific things you want to not include or further reduction you can always amend the budget at a later time again as I stated earlier you do not need to come up with all of these specifics this evening I understand you you maybe have additional questions we have tried our best to answer every question that's been presented to us as best we can and in a timely fashion I understand we councilmember Quillen asked us some questions I think on on Saturday so we weren't at work so we didn't we just had yesterday and today and we have not had

[02:43:34] a chance to get all the answers which is why we haven't sent them to you most of those some several of the questions really aren't related to what's on this budget change sheet but certainly if you wanted to include them on the budget change sheet you certainly could but I would respectfully suggest that you can adopt this as it's presented and you still have the option to make changes later and it's very

clear to us that if you adopt it as presented we will still have the employee luncheon that that will not be eliminated that's the unless

[02:44:10] there are other things that you want to discuss that was the only thing that's on this list that I heard counsel discuss so that is easily taken care of and again we can continue as I've mentioned before we can continue to have discussions on the budget evaluating costs evaluating programs deciding if you wish to change the direction as far as the level or the types of services we provide because that's what drives our budget is the things that we do so if want to change the things that we do we can certainly do that and that will impact the budget

[02:44:44] but i i can you know i can sense the frustration for some of you i can see it in your body language and we can continue to have whatever discussion you'd like but um you can i'm you can adopt this as presented and you can still make changes afterwards they are not mutually exclusive you still have that ability so i've totally lost the train of thought here roll call are we actually

[02:45:22] at a roll call vote that is amazing all right roll call vote mrs shanaberry amos aye council member hall no council member hardy chandler aye council member peterson no council member bates aye council member mcquillan no mayor reed aye okay motion passed four to three all right do i have a motion to set the tax rates for personal property in real estate tax council member hardy

[02:46:01] chandler i move to set the real estate tax rate effective as of january 1 2025 at 1.0550 per 100 of assessed value set the personal property and machinery and tools tax rate effective as of january 1st 2025 at 4.13 per 100 assessed valuation based on based upon the assessment ratio of 100% of fair market value and set the personal property tax rate effective as of January

[02:46:34] 1, 2025 at one cent per \$100 assessed valuation for those members of the volunteer fire departments or volunteer rescue squads qualifying under the city code. Is there a second? Second. Motion's been made by Council Member Hardy Chandler and seconded by Council Member Bates. Is there any discussion on the motion discussion on the motion all right i call for a roll call vote to adopt the

[02:47:09] real estate tax rate and the personal property tax rates council member amos aye council member hall no council member hardy chandler aye council member peterson no council member bates aye council member mcquillan no failed three to three so this has happened a couple times in the past and essentially where we are is you've approved the budget and now you're not approving the tax rates that correspond with that budget you need to set a tax rate i would encourage you to decide

[02:47:47] how you want to proceed but ordinarily in the past what's happened is everybody acknowledges that there's been a give and take as part of the process not everybody got what they wanted or felt was appropriate but the you know the intellectually honest thing to do is to approve the tax rate that corresponds to the budget that was approved by your colleagues so we'll leave it at that but we'll need another motion on the floor well intellectual honesty is a very interesting concept When we met on the 22nd, we worked toward the tax rate of 2.5% and left the room with an outline of a budget and a tax rate.

[02:48:23] And now half this council has decided they don't want to make the commitment to that. I find it interesting that there's half the dais up here who wants to do everybody's job in this city except the job of council person to which they were elected. So we will make another motion, Council Member Hardy Chandler, is there a motion for this tax rate?

[02:48:46] Repeat the motion. Yes. I move to set the real estate tax rate effective as of January 2025 at \$1.0550 per \$100 of assessed value, set the personal property and machinery rate and tools tax rate effective as of January 1st, 2025 at \$4.13 per \$100 assessed valuation based upon the assessment ratio of 100% of fair market value, and set the personal property tax rate effective as of January 1, 2025 at \$0.01 for \$100 assessed valuation for those members of the volunteer

[02:49:26] fire departments or volunteers rescue squads qualifying under the city code. Motion has been made by Council Member Hardy Chandler. Is there a second? Second. And seconded by Council Member Bates. Is there discussion on this motion?

[02:49:41] Council Member Peterson. I would like to request again that we give reasonable accommodation for some additional time. I think it's a legitimate request and I would be prepared to support the budget and the tax rate were there a reasonable accommodation when we revisit this next week unless and until, or excuse me, unless something happens that would suggest in that intervening period of time that there's an adjustment beyond that.

[02:50:13] But in all fairness to everybody in the city who's been watching this process and attempting to participate and to the council members who put in an enormous amount of time here, the process has been unusually compressed. And this is on top of an unusual year in terms of the degree of change that we're having to deal with here.

[02:50:33] Long story short, again, I believe a reasonable accommodation for some additional time would help to bring a full council together. and I would be supportive of doing that thank you councilmember Hardy Chandler I'd like to ask what happened between last week when we left an agreement after weeks of collaboration to arrive at this rate to change things now especially for the real estate which is the hardest councilmember McQuillan the county came out with their budget this morning that's that's my rationale for that

[02:51:09] part of it and also I don't have all the questions the answers to the questions that I asked so I need more clarification and more time. Fairfax City is an independent city, one of 38 independent cities. We are not in any way attached to what the county does. Our budget is about our priorities.

[02:51:28] Our budget is a reflection of what we have prioritized. And yes, a lot of hours have been put in by these council members sitting up here and also the staff who has spent months answering a lot of questions. And I also don't understand what happened between now and today when we left on the 22nd because the county's going to do what works for the county and county residents.

[02:51:50] They have 1.2 million people. We have 25,000. What they decide to do has no, it really has no impact on what we are doing for 25,000 people here. Councilmember McQuillan. I misspoke. It's my constituents. This morning I received several emails from my constituents who are concerned with our proposed tax rate when compared to Vienna and the county and other locations around us that are not raising or doing anything with their real estate tax rate.

[02:52:22] So on behalf of my constituents, I'm speaking up and I'm asking and requesting more time so I can assess and speak to them clearly and do my due diligence. That's why I'm here. So that's what happened. So our tax rate is 1.055, the proposed tax rate, correct?

[02:52:43] And the county's is going to be, with their quarter-cent decrease, \$1.11 and some change. I think it's \$1.12 even. So we are still \$0.06 lower than the county's with their decrease. I mean, these are real

same dollars between us and the county, same currency, same dollars, same pennies on the tax rate.

[02:53:07] Ours is still lower. Ours is still one of the lowest tax rates in the region with a 2.5% increase. Councilmember McQuillan. Unfortunately, I'm hearing from retirees on very limited income, and they are very concerned with any kind of hike, any kind of increase, because they're feeling the inflation in other ways outside of just what they're looking at tax-wise.

[02:53:32] So I understand, but I need time to be able to communicate effectively to my constituents. I have to fully understand what's going on, why they're looking at us, or why they're frustrated with this proposal and this increase.

[02:53:50] And it would help because then I would understand what they're comparing us to. I'm just speaking up for the people that have been emailing me. And I understand because people get emails, and I understand that. But there's 25,000 people here and 15,000 registered voters.

[02:54:07] So however many people you've been hearing from, the majority of people you have not heard from. they elected us to sit on this dais to make decisions as a body in the best interest of the entire city of all the people who live here council member bates oh council member amos council member amos hello yeah uh just to quickly speak on the budget part of my concern of going too low again and i i've brought it up multiple times it's uh next year's outlook and moving

[02:54:42] forward, a lot of what we're doing this year is one-time money. And as a matter of fact, when you factor in everything, if you consider the police reductions permanent, which I know we may differ on on council, I'm not sure if we feel that 600K is permanent or not. If you assume it's permanent, we've only really gotten to about, in terms of reductions, maybe a cent and some change. If you don't factor in the police reduction as a permanent change, it's not even a full cent.

[02:55:13] So, part of it is, I feel like even with this budget on the table, it's not adequately preparing us for the future, but I'm willing to compromise to get to something that is more manageable, because you're also right, Councilmember McCoy, we have a lot of residents that are struggling right now, but at the same time, we need to be prepared for what's coming and focus a lot more on cost recovery and economic development, and those aren't things that we can resolve this evening.

[02:55:47] or this budget so the only idea that i have which that would be up to y'all it's instead of taking a full week legally we have to have at least three days so we could do this friday morning i i would not want to council member amos actually because you'd just be continuing this action you can do it tomorrow there's no notification requirement for a continuation of a meeting did not realize that so we could do it sooner if we wanted to give people two three days i don't think we need

[02:56:23] a full week it should be decided this week i'd be amenable to doing thursday or friday that way i could also sit down with folks if you all wanted to talk about it more and your reasoning i but i don't think a full week is necessary councilmember hardy chandler so every resident comprises our constituents they don't they're not segmented they belong to all of us i think we need to remember where we started the proposed budget was at 9.5 we talked we made compromises we communicated

[02:57:02] and we arrived at something collaboratively through those conversations so quite frankly right now I feel held hostage that that was not done in good faith and that all of a sudden things can change even when there have been conversations that weighed all of these factors so I'm again I'm very concerned about anything that is pushed off to later I can't trust it because I've seen that actually being very proud of

the compromises that we made collectively together to arrive at where we were modifying the scenario give and take really weighing the factors

[02:57:42] running staff ragged with a bunch of questions and them coming up with all of those answers and having some undiscussed factor now hinging on everything.

[02:57:58] So I really am concerned about the functionality of this council based on what's just happened. Councilmember Bates. Thank you. To follow up on that with regard to reasonable accommodations, a reasonable accommodation would have been to let your colleagues know that you were going to drop this on us tonight.

[02:58:27] If I may. Councilmember Hall, would you like to speak? i would thank you very much um actually i went back and reviewed previous meetings and i believe that you were actually part of a conversation with council member ross a couple budgets ago where you did exactly this and your council was not given advance notice when you tried to raise the tax rate and it did not go well so i did have conversations yes oh wow because this is not unheard of and to be quite honest i've been sitting here and i've been stewing over this and i've been trying to make sense of this i spent literally my entire day not doing any of my regular job

[02:59:06] because i've been responding to emails all day i've been on the phone with different people i've been trying to do things i went back and i watched the school board meeting from last night where um there is this is going to be part of my closing but um there are now 134 townhouses remaining to be built at boulevard the sixth north facts and the overlook and those are anticipated to yield another 29 students additional new developments approved by previous city councils include pocket place park road glebe view n29 willowwood and center city center west this is a combined 368 units of detached homes townhomes apartments and condos and there are

[02:59:46] another 40 students anticipated this is a total of 69 students at a cost of 20 800 per student We're looking at another \$1.4 million in tuition costs once these are occupied. So the things that are weighing heavily on me are tuition bills, are redevelopment, overdevelopment, and my concerns when we have all of these things that have been done by previous councils in the CIP that now we're getting ramrodded with why are you not saying no to this or why are you saying yes to this.

[03:00:22] So I'm asking the questions. I'm asking about Willard Sherwood. I'm asking about the Sherwood redevelopment. I'm asking about all of these things that I have not had a voice previously to be able to get my constituents that I voted in or didn't vote in to be able to listen to me and to be able to recognize that there are concerns and we cannot continue to just say yes.

[03:00:46] Another sentence of my closing here was going to be, true financial stewardship means planning for the full life cycle of every investment and also knowing when to say no. No is a complete sentence. And I recognize, I'm still talking, thank you. I recognize that we did walk out there two weeks ago with a two and a half cent increase. I also personally did not see the email and neither did three other council members that was sent Friday afternoon at 5 30 p.m. alerting us to the fact that there was a change to the police numbers and that there were other things that were included in there. And so I asked if we could consider a cost recovery for some of the things associated

[03:01:24] with maybe the Asian Festival or with the Ride of the Patriots, ways to kind of get some of our staff costs repaid for things that I just think that we need to not just be saying yes to everyone and

everything. And so that is what has changed for me, was seeing these numbers from the school board meeting. And this is just a very, very, very small area of redevelopment in comparison to what is being proposed by this council's previous councils and all of the like so i'm sorry these are not decisions that we're making in a vacuum these are real life grown-up decisions and yes

[03:02:00] we started at a tax rate of nine and a half cents and collectively we got it down to two and a half cents and i'm very proud of that i am and i actually walked in here intending to vote for it i mean i even have a whole thing here saying it's not where i wanted to be but this is where we got. Things change. You know, I'm just, there's just a lot going on. And I recognize that we're trying to do the best we can here, but I don't know. I just, I don't know. And I do not, as I'm sure you guys don't appreciate the fact that I'm changing my mind or having questions, I also don't

[03:02:36] appreciate the integrity of my decisions or what we left there two Tuesdays ago being questioned because I did leave there with good faith and I came here with good faith I truly did I mean I had conversations about what we can do what we can do here what we can do there but I'm trying I really am and this is hard this is hard stuff this is grown-up stuff and I don't want to bite off more than we can chew and I think that's what we're doing here councilmember Bates and then councilmember Hardy Chandler so first off again if that's the case then why did we not hear

[03:03:14] anything about this before tonight that there was the intent to do this secondly um you've made a pretty grave accusation right there um i have no idea what you're talking about can you please elaborate on what i participated in to surprise my colleagues on the dais in the past can i can sorry mayor not to interrupt can i chime in because we are starting to spiral here and i think it's unnecessary yes please here's here's where we're at there were things brought up tonight that we didn't know in advance and that's okay stuff happens we even though we left the meeting a couple weeks ago on a consensus it was clear that people were uncomfortable including myself

[03:03:54] and admittedly with the we're transitioning more to character attacks personal attacks rather than actually focusing on the budget and what I'm suggesting is that we take what we took here tonight make a decision Thursday or Friday if council is amenable I do not think that we are leading down a productive or good conversation that's becoming of a government. And honestly, I'm disappointed in everyone for the rhetoric I'm hearing tonight. We need to be better. And

[03:04:27] we are grownups. So it shouldn't fall on the second youngest guy on council to say that we don't need to bash each other over a budget process that is strenuous. I think we can say everyone here is acting in good faith. They just have different opinions. So what I suggest that we do is we work with a two and a half and uh the add in the language that we had tonight and we get this approved sometime between now and friday well this is certainly unprecedented probably in the

[03:05:04] history of the city that budget adoption night did not result in a budget being adoption adopted and i hope really for those paying attention that you understand what that means so i'm unsure as to what two days, three days is going to make a difference, or where the information is going to come from, or what exactly this means. I also believe that we led the public to believe that we had a system and a process that has always worked in the past, and that all of us were going to show up here and work through the process, and now we're saying we're not doing that.

[03:05:37] To Council Member Hardy Chandler's point, and I will give her a moment to elaborate, this is a break in trust with the public more than anything else it's a failure on our part a failure council member

hardy chandler your thoughts nothing nothing is personal here except for the passion that we bring to this i want to reiterate that nothing is meant to be a personal attack or anything to that effect but i do feel like there were to the mayor's point a direction that we were

[03:06:13] heading and i acknowledge um council members hall concerned that things are going to continuous to have continuously happen but my concern is that as a member of city council they will always continuously happen and we owe it to all of our constituents to not come to a complete stop when they do so i think that those feelings are very very real um but we have an obligation i feel like by putting ourselves out there to serve in this way we promised our city that we will move forward

[03:06:49] we will hear them but continue to move forward and continue to make make progress and that's why I was so inspired quite frankly by the progress that we had made before to find that it feels to me like it's been suddenly reversed and again the the concerns that council member mcquillan has that council member hall has those are legitimate concerns but i think there are things that will continuously come up over the course of our time and service and we have to figure out a way to continue to move forward and integrate those very tough things into how we

[03:07:28] continue to serve council member mcquillan and then council member peterson so this wasn't something that was pre-planned. I spent the morning meeting with a constituent, walking on the CCH trail, connector trail. And so then I spent the rest of my day going through my emails and creating my notes. And I too came here thinking that I would vote. Well, I came here

[03:08:06] thinking I would vote for the tax rate that we had decided upon on the last meeting but as I was doing that I was also responding to emails and as the overwhelming number of emails were coming in and which I try to address in a timely manner and see before our meetings it really pushes the time crunch for me because I'm trying to respond to everybody before I come to the meetings and so I'm doing that while I'm also doing my budget and answering questions looking at the budget i'm sorry and so it was not meant to be something that was to cut

[03:08:41] catch you off guard had i known an hour or two before the meeting i absolutely would have texted you or emailed you and called i spoke to you actually we had a conversation at that time this i didn't even know if i could delay the vote i came in here to ask what the options were to ask what's the harm if we were to do this so um we are all new to this this is our first budget season so i think it's completely appropriate to ask questions and i recognize how frustrating it is to have a member of the council change her her vote or her her decision on something but this

[03:09:18] is my job my job is to be responsive to my constituents and when they email me overwhelmingly with concerns about an increase in the real estate tax rate i need to do my due diligence so that when I vote, I can talk to them and say, this is why I did that. Just like I did with the constituent this morning about my vote on the CCH connector trail. I'm just trying to be as transparent as possible with everyone up here because I recognize the frustration and I too don't like, you know, things thrown out last minute, but I, I honestly did not know I was

[03:09:54] going to do that until I discovered it was even a possibility. Um, and so that's, you see me on my phone I'm I'm texting our attorney a lot of times asking is this the proper way in which we do this how do I ask about this so something is some of this is new to me and I'm learning as well but I just wanted to clarify that it was not something that I just wanted to whip out this isn't fun for me either I would love to be

on the same page with everything but right now what I'm hearing from like I said my constituents and I think it's really important to be responsive

[03:10:30] I want to encourage them to continue to reach out to me and to provide that outreach and feedback and so if I'm not responsive I'm not speaking on the public record to let them know that their voices are heard I'm not doing my job so I as much as it's upsetting to hear that you felt that you were cornered or that you can't trust this council I don't even know how to respond to that because nothing I did tonight was with any kind of agenda or anything like that. It was to ask for more time.

[03:11:06] It was just to ask for more time so that I could go through the information. During our retreat, we met with someone and we discussed our different personalities and how we operate in a business environment. And it was very clear that I take a long time. I like to get all the details and process everything. So when I have emails and I've asked questions and I have not received the answers yet i cannot proceed to the next step that's just not how i operate um so for me it's a very serious vote it's a very serious decision and that's why i requested more time um but i appreciate you guys

[03:11:41] giving me the opportunity to just clarify that thank you councilmember bates just clarify i was referring more so overall to uh reaching a deadlock on the tax rate um i mean that you know you present your proposal to delay and that doesn't have support that's fine but then we reach a deadlock on the tax rate and if if that's gonna happen then you know that's not something that should happen on adoption night without any warning whatsoever before the meeting well it certainly happened the

[03:12:18] last two times so the last two budget adoption nights we started with a one cent increase that everyone showed up that night and then it was adjusted by two council members I think that's what councilmember Hall was referring to is the one cent was was reduced first to a quarter cent and you and Tom councilmember Ross were the two council members who proposed raising it to seven five and then five and ultimately it ended up at five but anyway those were the two previous where we showed up and the tax rate changed on the night but But at least we adopted a tax rate both those two years.

[03:12:59] It was half a cent, but we got it done that night. Apparently, that's not what's going to happen tonight. So again, we had a job to do. This is the council's job to do. We had a schedule. We had a budget. We advertised it. We did all these things. Commitments were made by this body to do this budget and adopt a budget and a tax rate.

[03:13:18] And if that's not going to happen, again, that's your choice. But it is a failure to do to honor a commitment you made to the city. Councilmember Peterson. Just to note that there actually I think was a reason that a number of council members asked Mr. Sebelia whether one week delay was possible. I don't think I didn't know and I don't think they knew at the time that it would become a reality but I think

[03:13:57] there was a concern that this was going to be difficult and that we might need additional time and I think today has been apparently a big day in terms of incoming there was the Fairfax County announcement but I must say this was a very big day for constituent contact I mean people certainly understood we were coming into a meeting tonight and they've had a lot of heartburn still where we are. All that said, I think it's entirely possible that if we have a couple days here,

[03:14:32] we're done. And that would help to bring us all together and resolve issues. And I'd like to see if we might be able to do that. If we're not able to wrap up this evening, then I would be certainly open to wrapping up in some expedited manner later this week, if that's something that would be helpful to

others. Councilmember Amos? Yeah, before we move on, because it sounds like we're finally getting to, I'm assuming, a deferral until probably Thursday. Again, I want to express my disappointment with tonight is gone. I think especially towards the end, it's been extremely

[03:15:12] unprofessional and upcoming of an elected body. I also want to reiterate that deferring a budget is not usually normal. At least I've never seen one before, but I think we could afford a couple days. But the main reason why I didn't support earlier's motion is because I still don't have a good understanding of why. I'm not entirely sure. I mean, the county's decisions where we were made aware this morning, yes, but there wasn't anything as indicated by staff and even

[03:15:49] from what i've read i think that that impacts our budget so if we want two days to make a decision we'll make a decision in two days but honestly i don't see what the change is going to be and so i i do want to reiterate that i'm sorry it's it's disappointing that we're at this point councilmember bates um so first off uh wanting to delay the budget is very different from uh

[03:16:25] essentially, you know, holding us in a deadlock on vote on the tax rate. Secondly, I do recall what the mayor mentioned now. See, what happened was it's actually quite the opposite of what was alluded to before. We had a recommended tax rate, which I believe was, you know, a once an increase or so. Yeah, once an increase. And I never at any point

[03:16:56] heard anything directly from the others who wanted to um reduce that below that recommended rate um and uh so council member ross yeah you know we had introduced that recommended rate um and that was one of those years when we ended up cutting into the unassigned fund balance to fund that decrease um and uh so that that did not have support which again i i did not hear from directly from those who didn't support it that they did not support the recommended rate um and uh so then

[03:17:36] we tried to kind of at the last minute reach a compromise there um and uh so that didn't have adequate support um and then we went down to you know one cent below the recommended rate and that is so really it was we who were surprised there and I would just ask that we refrain from making accusations based on situations that are based on third-party knowledge thank you well at

[03:18:14] this point we just need to focus on what we're going to do here council member hall are there additional so my apologies on council member Bates I still don't totally see the distinction and how it was different but if that's the case then my apologies and i did not mean to make you feel in any way whatever i'm sorry um again came in here with good faith so that's all i can say um are there councilmember mccullin are there questions that we can try to ask staff at this time that might help to move things forward recognizing that we don't know what the county's

[03:18:54] going to do yes it's 50 of our budget so to me that's slightly concerning but are there other things that we could do or other conversations we could have that people might be willing to move or negotiate a little bit on maybe we could get down to two cents instead of two and a half cents would that be open to discussion i really would like to leave here tonight with the tax rate i truly would i don't really want to come back i don't really want to go through this again but i also recognize that we've tried to honor every other person's request for additional time

[03:19:28] and additional information so council member mcquillan i'd like to request a five minute recess so that i can review and respond to that we are going to recess for five minutes

[03:19:45] council member amos are you still there yes i am oh fantastic okay and and and we're back and when

[03:46:26] we left you for those of you viewing at home we were having discussion on a motion on the floor um about the tax rate um so would we like to start that that discussion again on the tax rate from the dais questions comments uh council member mcquillen observations thoughts i want to thank council for the five minute recess that was very helpful i was able to uh converse with the city manager and get a lot of the answers to the questions and clarification that i um was looking

[03:47:05] for. So I appreciate that. Thank you so much for allowing us that time. Okay. Thoughts on what we want to do with this motion? Councilmember Hall? I am ready to move forward with voting on the motion. Councilmember Peterson, thoughts on where we are with this motion? Well, I mean, as I said before, I'm prepared and was prepared to be supportive of the budget and the tax rate, but

[03:47:37] wanted to honor and respect the desires of other council members to have more time as needed to try to bring us together in whole because I do agree when that is possible it is worth the extra effort which unfortunately is not always so easy right I'm hoping that we are actually at that stage now my sense is that in addition to having some clarification here on the spot one of the

[03:48:09] things that I think has been reiterated is that the budget is a living thing it does not end when we leave this meeting tonight and it's really critical because those are you know great words to say but it means we're we've got hard work to do to continue it's just we're not going to finish everything that has to happen tonight and i think that is recognized pretty strongly here from the discussion and i hope that's evident to everybody who's watching tonight but i do think the council

[03:48:47] is going to have to be disciplined and come back to many issues that we've touched upon and others that will emerge because we've got more work to do here but it is my sense that it's pretty clear that we have a commitment to do that and there's a roadmap by which we could do that.

[03:49:03] I'm open if it takes another two days to do this, but I'm also open if this evening we feel that we've reached a point where we can accept the opportunity we have for disciplined, continued work on the budget to address things that haven't been addressed tonight.

[03:49:21] If we're at that stage, then I would be comfortable with proceeding. Other thoughts? Are we ready for a roll call vote? this motion I'm looking at you councilmember Amos are you are you ready okay mr. luckman so just to reset so we're on the same page the motion on the floor is setting the real estate tax rate 1055 the two and a half cents and the personal property machinery and the personal property tax rate just make sure we're setting everybody's voting on that what they think they're voting on

[03:49:57] okay everybody's set okay I'm looking at everyone okay roll call vote council member Amos council member Hall I council member Hardy Chandler I council member Peterson I council member Bates I council member McQuillan I motion passed unanimously this has been one of the happiest moments of my life okay okay so a motion has okay okay we will now move back to the main motion incorporating all of the budget actions

[03:50:33] up to this point I will call for a roll call vote on the main motion adopting the overall budget including the schedule of rates and levies the fy 2026 to 2030 cip the fy 2026 health benefit contribution rates and a 2.0 percent merit increase effective january 1 2026 for eligible general scale employees and the

program annual step increase for public safety employees who were moved into the step system a roll call vote council member mcquillan aye

[03:51:08] council member bates i council member peterson i council member hardy chandler i council member hall i council member amos i motion passed unanimously the second happiest moment the final action for council consideration is the set of appropriation resolutions for all of the budget funds do i have a motion to this effect council member hardy chandler i move to approve the appropriation resolutions for the general capital wastewater transit stormwater utility cable old

[03:51:42] town transportation tax debt tax and arpa funds for the fiscal year beginning july 1 2025 reflecting all changes approved as part of the fy 2026 budget adoption immediately prior to this action 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 or final comments on the FY 2026

[03:52:13] budget okay okay roll call vote council member Amos aye council member Hall aye council member Hardy Chandler aye council member Peterson aye council member Bates aye council member McQuillan aye motion passed unanimously I can hardly believe we have arrived at this point but This is amazing, and I want to congratulate my colleagues on the dais for having gotten to this point.

[03:52:47] I do feel that we made a commitment to the public, and we've honored it. A lot of hard work. I just want to say a tremendous amount of work. The public has no idea of the amount of hours and the amount of work council members, particularly Hall, Peterson, McQuillan, Council Member Amos.

[03:53:06] I mean, everyone had questions, but people really have spent, I know, inordinate amounts of time drilling down into this. Everyone here is new, including Billy and I. Doing a budget is difficult. It's tough. But I also want to thank our city staff, because our city staff also put in extraordinary amounts of time answering questions.

[03:53:29] The city manager and our CFO and his staff, the budget memos, the responses, it was a tremendous amount of effort. and here we are like we just did this thing and it is amazing so with that i am going to build you all a good night we oh council member hall council comments sure we can have council comments before you do that may i just ask if these have been the happiest moments of your life are you expecting are you expecting us to do this on a regular basis she needs a better life you said it okay let's let's have some final thoughts council member hall so to show you i did have good faith

[03:54:07] so the city council has adopted officially the 26 budget while i originally advocated for a 1.75 cent tax increase we ultimately landed at 2.6 sorry 2.5 cent increase significantly lower than the 9.5 cent proposal initially presented by our interim city manager this outcome represents a hard-fought compromise and while i'm not completely thrilled with the final rate i believe it was the most responsible decision under the circumstances most importantly it allowed us to maintain all staff positions, and keep essential services running. That said, our work is far from over.

[03:54:38] I remain committed to closely scrutinizing our budget and spending with a continued focus on increasing efficiency and reducing costs. I'm especially looking forward to the external efficiency audit and the upcoming community survey, both of which will be invaluable in helping guide our decisions with direct input from residents. As we close this chapter and look ahead, I'll be turning my attention to several major proposed capital improvement program items: the Willard Sherwood Health Center, Fire Station number three, and the property yard. These are significant and costly investments, and as I said before,

they keep me up at night. It's critical that we not only evaluate the upfront construction costs and associated debt service, but also fully

[03:55:15] account for long-term operating and maintenance costs. True financial stewardship means planning for the full life cycle of every investment and also knowing when to say no. In parallel, I'll be focusing on the development opportunities before us. It is essential that we pursue projects that position our community as a premier destination for economic development.

[03:55:33] However, this growth must be guided by a commitment to smart, sustainable development, not just any and all development. We must carefully evaluate how each project impacts traffic, infrastructure, and overall quality of life, ensuring that we balance economic opportunity with the capacity of our roads, public services, and neighborhoods.

[03:55:51] By prioritizing thoughtful planning and strategic investments, we can foster a vibrant local economy while preserving the character and livability of our city. Growth for the sake of growth is not always beneficial. More people does not automatically equate to a stronger budget or a better community.

[03:56:07] We must be intentional, strategic, and community-focused in every decision we make. I already commented on the stuff from Mr. Eric Foreman last night, so hopefully you can watch that if you need to go back. This has been a particularly challenging budget cycle, marked by mostly new council and an interim city manager.

[03:56:23] It's been a time of learning and transition, and I am really, honestly, proud of the way we've worked through it together. Still, I know the months ahead will bring new challenges. That's why I'm asking you, our residents, to stay engaged, stay vocal, and hold us accountable. We serve you, and we must keep our pulse on your needs and concerns.

[03:56:41] I will continue to look to you and to the many experts who live among us for insights, ideas, and guidance as we move forward together on a path of thoughtful, responsible governance. Thank you. Thank you. Councilmember Hardy-Chandler? Two words.

[03:56:56] Thank you. Councilmember Peterson? this has been a spirited evening but it is tame in comparison to stuff that goes on in congress let me tell you so but i really do appreciate everybody not giving up and so that is a big mark of the crew up here i've seen from day one this is a group of people who work hard and they do not give up right so there's a lot to be thankful for that we've got that kind of

[03:57:31] commitment. I think a lot of life is learning, and I think we've learned an enormous amount here in this couple of months going through the budget and working in a hand in glove, not just with each other and the staff who've been great. We really have worked with the community, and when I say people are bored in and looking at line items and all that, there's a degree of attention people have been paying attention to, a degree of detail that people have been paying attention to that is probably a little bit more than normal.

[03:58:02] And it's, you know, there's economic circumstances, but there is an engagement that opened up here around this. And my hope is that that engagement is going to turn into the kind of collaboration that we need as a city to move forward so we can continue to come together on difficult things, which we did.

[03:58:20] But we brought people in and they had something to be brought into. And I think that was just really very important. I do want to say there are some areas that, as I mentioned earlier, that are going to fall in the category of unfinished business. This is a budget cycle. We'll have another one coming up. That one is going to be full of uncertainties. I think a big part of what was happening here is we just don't know. We really don't know what next year looks like. And so, you know, this is one of these points in life where you do your very best right now, and you're going to have to stay nimble going forward.

[03:58:53] We don't know what's going to happen with the one-cent sales tax that would help with schools enormously i'm crossing fingers toes everything i can cross right for that to happen uh we don't know what's happening with inflation and recession and there's so many swing variables here you know what happens with the housing market and we talk frequently with infrastructure projects about the risk of inflation well we've got the opposite going now where we could see a housing market you know contract the forecast right now is that building materials and concrete go down in price in 2025 in anticipation of this i mean this is really uh a pretty remarkable point in

[03:59:29] time in terms of uncertainty um you know the federal funding and policy stuff i i'm not going to say anything about now because you know as much or more than i do i think that fairfax county's decision today well i appreciate that it you know we're independent on the other hand there's a flow of funds that happens at the state and county level and it's a world that's independent of the federal government to a very significant degree. And what we do here in local government going forward is not going to be attempting to recreate the federal government. We are different. So we've

[04:00:05] got our own path that we've got to find going forward. And right now, I think it's a remarkable time in history where localities are having to realize that they have a new path forward they have to find here. And it will be truly a new path. I don't think it's an old one we just step back into. And this council is right at that precipice. I mean, that is what we are doing.

[04:00:26] We're doing the very hard work of democracy that is going to be required for us to progress forward in these difficult times. Justice Brandes used to talk about states and localities being the laboratories of democracy. Well, laboratories aren't always such an orderly thing, but, you know, they end up learning and growing. And I think that's what we are doing. I want to be just very clear in my perspective with the staff here in the city we you know politely talk about

[04:01:01] finding efficiency opportunities you know how we can do more with less when we find them that is not an indictment of the staff that they haven't been doing their jobs and we swooped in and did them for them this has been the result of collaboration and we always have to be working hard to become more efficient and more modern. And it's teamwork. And the fact that we have enabled teamwork for that has produced efficiency. But it wasn't because somebody was asleep at the wheel and we had to swoop in and do that for them. I think that kind of collaboration for

[04:01:39] efficiency and modernization absolutely has to continue. And I think we have the basis for that here, but I just want to say very much that I appreciate both the spirit and the hard work that staff have provided as we've gone through this process, which has only been a couple months.

[04:01:56] I mean, in fact, the budget has only been like three months, you know, when you come down to it. So this is a quarter. We went through pretty quick, pretty hard, and we had a group of people to work with on that. I think when we do this again, it may be a little different. I think our budget process is something we've learned a lot about, and we're going to probably spend a little bit of time talking about

how do we really want a budget process to work next time around um we've had so much conversation around capital improvement projects the cip for those of you who are listening in we you know talk about cip all the time i think that we need to take a pretty long

[04:02:33] hard look at the cip for this city review it look at its structural issues this that and the other a lot of money goes into it, a lot of obligations, a lot of people's hearts go into it, but I talked about 50,000 mile tune-ups before.

[04:02:49] I think we need an engine check for the CIP, and I know we can count on support for doing that among staff. When I talk about compensation systems and performance and what have you, it wasn't an intent to indicate a lack of deservedness by employees, but I've been through lots of compensation systems, and I do think that people should be rewarded for their efforts, and I think there's a way to do that and to be equitable and to also have a safety net at the same time. I mean,

[04:03:29] I think we need a, you know, whatever we do here, it needs to be a modern system that's suited for the future that will be sustainable for the employees involved. And, you know, that's sort of the spirit of my thoughts on that. I would just close by saying that the other really big thing that I think we learned evermore by going through this process is the importance of getting the community involved at a specific level as early as possible on anything we do, particularly the big things, because then they can join us along the way, and we end up being able to do things

[04:04:08] together. If we don't do that, we end up in situations where people are really very resistant to us doing something that's change-related and ambitious. And I think that as we've engaged with the community and gotten early involvement in budget stuff and everything else, it's paid off because it's given us a chance then to be able to find a way forward that actually succeeds and doesn't head off in a dead-end direction.

[04:04:43] So I really appreciate all of the people in the community who have tried to be a part of that process. I know I have received so many emails from people saying, this is great because we feel like now we've got something we can get involved in.

[04:04:59] We just need to know how do we continue doing this and how do we do it better. And I hope that is something we pick up in addition to the budget, the budget process, the CIP, et cetera, et cetera. I really hope we pick up, you know, very seriously on this whole issue of how we enable people to get involved with us early on things and stick with it all the way.

[04:05:19] And I'll just thank everybody who has helped on all of this at all levels. It has been a bit strenuous. I won't know what to do with myself on, you know, nights and weekends. Walk the dog. something like that yeah so anyway thank you so much everybody and you know don't wait till next year we'll be back at it again you know real soon so thank you very much thank you council member bates i just want to thank our staff for sticking it out through all of this thank you council

[04:05:52] member mcquillen while serving on the school board and now as council members council member hall and i have been deeply concerned by the rapid increase in vape shops particularly particularly those opening within close proximity to our schools and daycares. This issue was discussed during our time on the school board and we feel a strong sense of urgency to take action now through the council. The city of Alexandria has implemented a policy that prohibits vape shops from opening within 1,000 feet of schools and daycares. We believe this is a model worth following and

[04:06:27] enacting as soon as possible in our community. Ideally, this restriction would also apply to by-right developments, ensuring comprehensive coverage. With the support of council, I'd like to formally direct staff to begin working on this immediately and to prioritize it ahead of other pending zoning changes.

[04:06:45] Protecting the health and well-being of our students, families, and neighborhoods is a critical priority, and we must act without delay. I'd also like to wish a heartfelt and happy Mother's Day to all the moms out there.

[04:07:04] Whether you're a mom by birth, adoption, step, foster, or simply by being that steady loving presence in someone's life, your strength, compassion, and endless dedication are what hold families and communities together, and we celebrate each and every one of you. I also want to give a special shout out to my own mom.

[04:07:23] She raised four of us while moving around the world, supporting my father's military career, and somehow always kept our family grounded and strong. After all these years of being a rock for us, she became a public school teacher and continued giving back to her community. Her unwavering commitment to service, both to her family and to others, is where I learned the true meaning of dedication and community.

[04:07:47] I'm so proud to be her daughter and grateful every day for her example. I also want to extend best wishes to Superintendent Plattenberg on his retirement. Thank you for your leadership and all you've done for Fairfax City Schools. We're wishing you all the best in your next chapter.

[04:08:03] I also want to send a big thank you to my colleague, Councilmember Hall, for joining me in presenting to the Fairfax Rotary Club this past week. We had a great conversation reflecting on our first 100 days on council with a truly engaged group.

[04:08:20] I also want to congratulate the Fairfax Women's Club for their fantastic success at the GFWC Virginia State Convention. They earned best overall in large division for both civic engagement outreach and the state project in early childhood education.

[04:08:36] And a special congratulations to Janet Jaworski for winning first place in the writing contest. What an inspiring example of service and community pride. And finally, overall, the largest thank you goes to our city staff for all of your assistance and work on the budget.

[04:08:53] I appreciate all the effort you've put into this process, and I am very grateful for the time and attention that you've given me. Thank you. Thank you. Councilmember Amos. Endurance. Oh, yeah.

[04:09:09] There we go. Don't worry. Y'all can still come to the wedding. It's cool. We're all good. I'd like to wish a happy belated to the Honorable Janice Miller. I know they were celebrating her birthday with a surprise party, so shout out to Janice. I'd also like to join my colleagues in thanking staff.

[04:09:27] I'd like to thank my fellow council members, community members, everyone who attended the budget open house. It's been an honor and happy to be a part of these discussions. And I want us to realize that a seven cent change from going from nine and a half to two and a half is nothing to scoff at.

[04:09:44] That's impressive and honestly not very frequent. So just even for us being new, even if we weren't new, that would have been a challenge. I look forward to getting to work on the the budget committee in preparation for next year, which we all suspect will be a challenging budget year as well.

[04:10:02] So even to Councilmember Peterson's point, building on that foundation to involve the community earlier and have clear feedback along the way is going to be important, which is why I'm so excited for the community survey. But thank you all. Good night. Thank you. So thanks for hanging in there with all of us.

[04:10:19] I love when it works and it worked tonight. And my last parting thought, is to wish Chris Bruno a happy birthday today because he could have been anywhere celebrating his birthday, but he was here with us doing this. So happy birthday to you, Chris.

[04:10:35] And with that, we are adjourned.



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