



MACHINE TRANSCRIPT • CORAGGIO CONSULTING

City of Fairfax City Council Meeting, Tuesday, April 28, 2026

Date Tuesday, April 28, 2026
Place City Hall, City of Fairfax, Virginia
Length 5h 14m (video)

- Official meeting video (city, Granicus): https://fairfax.granicus.com/MediaPlayer.php?view_id=13&clip_id=4535
- Agenda: https://fairfax.granicus.com/AgendaViewer.php?view_id=13&clip_id=4535
- Minutes: https://fairfax.granicus.com/MinutesViewer.php?view_id=13&clip_id=4535&doc_id=1d3bddb8-43d5-11f1-bb28-005056a89546

Machine transcript (speech-to-text) produced by Coraggio Consulting. Not an official county record. Names and numbers may be misspelled; check the video at the timestamp before quoting.

Speech-to-text: whisper.cpp, model large-v3-turbo. Produced 2026-10-12. Each paragraph starts with its time [HH:MM:SS] in the meeting video.

[00:00:00] I would like to call the regular meeting of April 28, 2026, to order. And before we begin our meeting, I would like to take a few moments to talk about Mr. Herberth Alfaro Flores, an employee with our city's public works department.

[00:00:19] He was on our asphalt crew for five years. And like many of you, I probably drove past or walked past Mr. Alfaro Flores many times in the years that he worked here. He very tragically died recently, and so I would like to begin our meeting with a moment of silence, keeping in mind Mr. Alfaro Flores' family, his wife, his children, and his extended family as they mourn his very unexpected loss.

[00:00:48] If you are able and so choose, please rise as we follow up with the Pledge of Allegiance.

[00:01:07] I pledge allegiance to the flag of the United States of America and to the Republic for which it stands, one nation, under God, indivisible, with liberty and justice for all. And now the fun begins with our proclamations, one of the most uplifting parts of my day.

[00:01:31] I'm going to start by asking Chloe Ritter, our multimodal transportation planner, to come down for the proclamation, acknowledging May as bike month.

[00:01:59] The green light is on. It's on. All right. All right. All right, then. Whereas, bicycling is an effective way to encourage health and fitness, reduce traffic congestion, and support the city's sustainability goals, such as air quality improvements and energy conservation.

[00:02:27] And whereas, the city is investing in bicycling infrastructure to expand transportation option and improve connections between neighborhoods, activity centers, transit, and the region. And whereas, the National Capital Region Transportation Planning Board, through its Commuter Connections program promotes bicycling as a sustainable commuting option and is celebrating Bike to Work Day on Friday, May 15th with events throughout the region.

[00:02:54] And whereas the month of May is National Bike Month established to increase awareness of bicycle safety and the benefits of bicycling, and whereas the city is proud to support the Old Town Fairfax Bike to Work Day pit stop and other Fairfax City Bike Month activities.

[00:03:10] Now, therefore, I, Catherine S. Reed, Mayor of the City of Fairfax, do hereby proclaim May 2026 as Bike Month in the City of Fairfax and encourage the community to enjoy the benefits of bicycling and to practice bicycle safety.

[00:03:27] And without further ado, Ms. Chloe Ritter. Thank you, Mayor Reed, and thank you, Council, also, for supporting Bike to Work Day. Bike to Work Day and Bike Month are a great opportunity for people to practice bicycle safety and explore the city's bicycle network and just celebrate bicycling in the city.

[00:03:45] So, as mentioned, we will be celebrating our annual Bike to Work Day pit stop in Old Town Square on May 15th, and we hope that people will sign up and come. We'll have the free T-shirts. This year's color is purple, so if you need a purple T-shirt. And then we'll also have fun activities and snacks and prizes sponsored by local businesses and organizations, including the Environmental Sustainability Committee, Trek Bicycles, Innova, Highside, Orner Brewing, Bonds Escape Room, Sunbury Bowls, and South Block.

[00:04:16] So I just want to first take a moment and thank all of our sponsors for their support for Bike to Work Day. There's other fun activities posted on the city's website for Bike Month. We have a few different themed, self-guided bike rides. This year, in partnership with urban forestry staff, we developed a bike route to go see special trees in the city.

[00:04:38] So if you go online, you can find a map to follow that route and check out some of the cool trees. And there's some other maps and some other activities on the city website as well. So we hope everybody will celebrate bike month. And again, thank you, Mayor, Council, and enjoy bike month.

[00:04:54] And with that, a photo.

[00:05:05] So I'm going to ask our Village in the City board and also our senior sitter staff and everybody else here involved with our proclamation regarding Older Americans Month.

[00:05:44] In fact, anybody who considers themselves an older American, please come on down. Let's just celebrate us, old people.

[00:06:00] I'm all about it. Yeah, old people. I got a driver's license. I can establish. I can establish my Bonafideys. All right.

[00:06:18] All right. What a good-looking crew. All right. Whereas, May is Older Americans Month, a time for us to recognize and honor the city of Fairfax's older adults and their immense influence on every facet

of American society.

[00:06:35] And whereas, through their wealth of life experience and wisdom, Older adults guide our younger generations and carry forward abundant cultural and historical knowledge. And whereas older Americans improve our communities through intergenerational relationships, community service, civic engagement, and many other activities.

[00:06:56] And whereas communities benefit when people of all ages, abilities, and backgrounds have the opportunity to participate and live independently. And whereas the city of Fairfax ensures that older Americans have the resources and support needed to stay involved in their communities, reflecting our commitment to inclusivity and connectedness.

[00:07:18] And whereas the Fairfax City Young at Heart Senior Center at the Green Acres Center offers numerous and varied activities such as pickleball, book club, bingo, knit and crochet, day trips, and other programs for all active older adults.

[00:07:35] And whereas the Fairfax Village in the city supports the city of Fairfax older adults and adults with disabilities who wish to stay independent while remaining at home with sharing useful information, strengthening personal connections between neighbors and providing opportunities for social interactions.

[00:07:54] And whereas this year's theme, Champion Your Health, focuses on prevention, wellness, and personal responsibility to encourage older adults to take an active role in managing their physical and mental well-being, accessing care, and fostering independence.

[00:08:11] Now, therefore, I, Catherine S. Reed, Mayor of the City of Fairfax, do hereby proclaim May 2026 is Older Americans Month in the City of Fairfax, and I call upon the community to join me in recognizing the contributions of our older residents in promoting programs and activities that foster connection, inclusion, and support for older adults.

[00:08:37] here here who's somebody speaking hello on behalf of the fairfax city young at heart senior center advisory council i want to thank the council the city council the mayor stacy summerfield the parks and rec department and especially ann chase and her staff at green acres for providing us seniors an opportunity to participate in fun and exciting activities and allowing us to champion our health from mahjong to canasta to cornhole to bocce to lunch and learn to senior trips to pickleball our senior center has activities for everyone i welcome those who are 55 and older to stop by this friday may 1st between 10 a.m and 2 p.m for our older

[00:09:17] americans month open house we'll be conducting intros and demos on bocce cornhole and pickleball bring your id and you can join on the spot come by and get a tour of our facility and meet some great seniors again thank you for recognizing older americans month fantastic all right are we

[00:09:31] ready for a photo okay all right I see that I already have Leslie Abashian up

[00:10:33] here from Human Services I'm looking for our CRT team and dr. Robin Mellenbeck because now we are going to proclaim about mental health awareness month something we should all be focused on because mental health is part of our basic health. Whereas Mental Health Awareness Month, observed every year during the month of May, is an opportune time to fight stigma, provide support, increase

awareness, and remind individuals the services and resources that exist to support the millions of people impacted by mental health

[00:11:11] issues. And whereas good mental health is essential to a child's healthy development, and Children's Mental Health Day provides the opportunity to focus on the important matter, this important matter, while celebrating the accomplishments of children and families affected by mental health concerns. And whereas, according to the National Alliance on Mental Health, NAMI, nearly one in five people experience a mental health concern each year, the health and safety of all our children and families is important to the happiness, prosperity, and well-being of our community. And it is important to recognize that mental health is a critical component of learning

[00:11:49] and well-being for the approximately 250,000 children living in Fairfax County and city. And whereas ongoing research has helped in developing therapies, protocols, and pharmaceutical interventions to aid in the treatment of mental illness, with a greater understanding of how trauma and brain chemistry impact mental health. Research has also shown early identification and appropriate treatment of mental health disorders among children and adolescents provides them with better opportunities to lead full and productive lives. And whereas there has been a national

[00:12:25] movement to destigmatize issues of mental illness and to support the concept of mental wellness in our schools, homes, workplaces, and communities, recognizing that mental health disorders can strike people at any age, background, race, ethnicity, or socioeconomic background. And And whereas trauma caused by war, poverty, childhood abuse, domestic violence, crime, incarceration, homelessness, and substance abuse disorder can all contribute to mental illness, sometimes resulting in harm to self or harm to others.

[00:13:02] And whereas the community of the City of Fairfax, along with agencies and organizations interested in meeting the mental health needs of children, are encouraged to unite to bring awareness to the fundamental necessity of a system of care for children and youth with mental health needs and their families.

[00:13:19] And whereas an individual's mental health struggles may not be evident to others, we must cultivate a culture of compassion in our businesses, schools, government agencies, among health care providers, in our civic organizations, neighborhoods, and in our community.

[00:13:36] It is incumbent upon us to advocate for a greater understanding and more resources for mental health awareness, prevention efforts, and treatment. Now, therefore, I, Catherine S. Reed, Mayor of the City of Fairfax, do hereby proclaim May 2026 as Mental Health Awareness Month in the City of Fairfax.

[00:13:56] And I call upon each of us to advocate appropriate and accessible mental health care services for people of all ages in our community. Mental health is an essential pillar of everyone's overall health and well-being.

[00:14:11] And with that, I will turn it over to Ms. Leslie. All right. Hi, I'm Leslie Abash, and I'm the Director of Human Services for the City of Fairfax. And I know today, you know, we're talking about mental health awareness a month in May, but mental health is every day, right?

[00:14:29] And mental health conditions can hit anybody, either impact you or impact somebody you love. So it's really important that we're paying attention to one another, and when we need help that we

reach out and ask for help, either through 988 or reaching out to providers in the community.

[00:14:44] One of the things with the city of Fairfax, I can do this job by myself, right? So I have a lot of partners in the community that help us support people when they're having a mental health condition, impact them. Sometimes they're having the worst day they've ever had, right?

[00:15:01] And so we rely on private practitioners. We have mental health organizations. We work really closely with the Fairfax Falls Church Community Service Board. And the city itself has a community response team that's made out of a community paramedic, a licensed clinician, and a police officer that is available to respond to behavioral health crisis.

[00:15:27] So with all that to say is that the help is here. If you need help, I mean, you need help, you know somebody needs help, reach out to us, call 988, call the CSB. You know, don't hesitate because a lot of times if we know that somebody's struggling now, we may help them where they don't continue to really struggle and maybe need hospitalization or a higher level of care.

[00:15:55] And we're very blessed in the city with all the supports we have. And I didn't know, Dr. I hate speaking. Okay, Dr. Mellon, would you like to say something? George Mason is one of our really important partners, and I would like for her to talk a little bit about what she does. Yes, please. I'll be super quick, but thank you for having me here too, to the council and to Mayor Reed and everybody. I'm Dr. Robin Mellenbeck. I'm the director for the George Mason Center for Community Mental Health. We're about a mile down the road.

[00:16:30] We're not on campus because we serve the community. We're the main training clinic for doctoral students in clinical psychology here at George Mason but we train social work students counseling students undergrads and behavioral health but most importantly we provide services on a very low sliding scale to the community we see kids as young as age five all the way through the lifespan we have free services for our veterans we have a step care program we run two emotional support

[00:17:04] guidelines that we are absolutely happy to make sure everybody, your CRT team now has those resources. And we also do three very low cost virtual coping skills sessions. And I actually am very excited. I don't think I've even shared yet with Mayor Reed, but Healthy Minds Fairfax just provided some support to provide those three virtual coping skills sessions to any Fairfax County resident for free ages 16 on up okay so this is a little bit the older adolescents through

[00:17:39] adults so again the services are available there's no wait list if you know someone struggling please

[00:17:46] reach out thank you thank you for that we will have a photo ask Dr. Sasha Reed and Director Lynn

[00:18:41] Jorgensen and all of our esteemed guests from the Mason Life Program to join us here in the well So excited to have everyone come out for this particular proclamation. Wonderful. Good to see you all.

[00:19:04] Good to see you. Good to see you. Okay, you're good. Whereas the Commonwealth of Virginia and the City of Fairfax recognizes the importance of supporting inclusive post-secondary education options that create access and opportunity to higher education for Virginians with intellectual disability.

[00:19:26] And whereas inclusive post-secondary education programs improve access to and success in college for students with intellectual disability and lead to greater rates of competitive, integrated employment, independence, and self-determination.

[00:19:43] And whereas of nearly 6,000 post-secondary institutions nationwide, only a little over 300 have inclusive post-secondary education programs. The Commonwealth of Virginia is proud to be home to some of these recognized programs and aims to advance college choice for students with intellectual disability.

[00:20:04] And whereas the city of Fairfax is honored to be home to George Mason University and the Mason Life Program, the only four-year comprehensive transition program in the Commonwealth. And whereas Inclusive Post-Secondary Education Day provides an opportunity to recognize the contributions of students, educators, advocates, policymakers, and community partners who support the success and inclusion of students with disabilities in higher education.

[00:20:34] And whereas George Mason University's Mason Life program is joining the National Coordinating Center, Think College, designating May 1st, 2026 as a day to raise awareness and celebrate these vital programs here in Virginia.

[00:20:50] Now, therefore, I, Catherine S. Reed, Mayor of the City of Fairfax, do hereby proclaim May 1st, 2026 as Inclusive Post-Secondary Education Day in the City of Fairfax and encourage all students, families, educators, and communities to join in celebrating this day.

[00:21:10] And with that, I will turn it over to you. Thank you. Sure. Thank you, Mayor Reed. Thank you, Council. it is lovely to be honored and thank you in celebrating alongside us for inclusive post secondary education day mason life just recently celebrated its 20th year and one of the first in the nation and we continue to serve as a model program for programs across all 50 states and this really wouldn't happen without crucial partnerships on campus and off campus working directly with faculty and community members and employer partners to provide rich academic and

[00:21:48] employment and independent living opportunities for a population who is eager and ready and thriving in these learning environments. And I really would be remiss to take any more time on the microphone, but I would invite some current Mason Life students to share one word that they associate with inclusive post-secondary education. So anyone that wants to, when you think of Mason Life in college, one word that comes up, comes to mind. I want to worry about the Mason Life

[00:22:23] program is incredible one word that i would describe the mason life program is inclusive mason life has been wonderful and i think for the world the admins did a lot of fun with mason is really wonderful thank you so one word i really like about the mason life program is being independent.

[00:23:04] One word that I really like about the Mason Life program is leadership because it really is about leadership and just kind of becoming like a better leader.

[00:23:23] One word I think about it is being independent. Just for the record, they didn't know I was going to suggest.

[00:23:43] Pressure, so much pressure. Go ahead. One thing I like about Mason Life, It's where I met my best friends. That's the perfect way to end. Now we're going to take a picture. We are going to take a picture. Everybody's going to squeeze in behind it.

[00:24:02] So the things you learn when you come to a city council meeting.

[00:25:08] We've had a 20-year program at George Mason University that probably very few people knew about, and it's so important. All right then. We can move to the adoption of the agenda. Is there a motion to approve the agenda?

[00:25:24] I move. Council member already can. I move to adopt the agenda as presented. Second. The motion has been made and seconded. A roll call vote. Council Member Amos. Aye. Council Member Hall. Aye. Council Member Hardy-Chandler. Aye. Council Member Peterson. Aye.

[00:25:39] Council Member Bates. Aye. Council Member McQuillan. Aye. Motion passed unanimously. We will now go to initial general public comment. I had 14 speakers sign up by 5 o'clock p.m. today. There will be another opportunity in the room if there's anybody that would like to speak. It will be under agenda item number eight, the second general public comment.

[00:25:58] So I'm going to go ahead and call the first speaker up, which is Barbara Smith. Thank you so much for the opportunity to address the mayor and the city council.

[00:26:15] My name is Barbara Smith, and I represent the City of Fairfax Young at Heart Senior Center Advisory Council. Since February 28th, someone from the Advisory Council has provided public comment on the second and fourth Tuesdays in support of the proposed Willard Sherwood Health and Community Center project. We have all expressed our appreciation for the program and support received from the Parks and Rec Department and especially from Ann Chase and her staff at Green Acres.

[00:26:38] To summarize, I spoke about the aging conditions of Green Acres in both the parking and public transportation issues we encounter. Chuck provided the extravagant cost it would take to renovate or replace the current Green Acres facility. Tony mentioned that the most required repairs to Green Acres have been delayed in anticipation of completion of the Willard Sherwood project.

[00:26:56] Deborah laid out the ADA inadequacies and also provided the petition signed by almost 200 seniors. Susan spoke of the seniors' quality of life and linked the Willard-Sherwood project to the city's slogan of Live Life Connected. And Kevin pointed out that Green Acres is not green and that the Willard-Sherwood project would reduce our carbon footprint in the future.

[00:27:15] I'm not here to rehash what we've already talked about. I want to paint you a picture of who we are. Our members include the greatest generation, the baby boomers, and much to my chagrin, it looks like Generation X snuck in when we weren't looking. We fought for our country as far back as World War II up through Afghanistan.

[00:27:31] The other day in the pickleball line, a quick survey revealed that we spoke Korean, Chinese, Arabic, American English, British English, Russian, Ukrainian, Malayalam, Hindi, Vietnamese, Spanish, Portuguese, and Japanese. We've held careers as embryologists, piano teachers, judges, accountants, federal employees, pharmacists, architects, government contractors, software quality engineers, special ed teachers, homeland security agents, domestic engineers, insurance brokers, financial services, human resources, military personnel, postal employees, telecom contract managers, nurses, doctors,

[00:28:08] law enforcement, city and county employees, retail salesmen, and electrical engineers. Newer members recently took the fork in the road from the federal government, and some joined while on

temporary furlough from DHS. We volunteer a lot. We're poll workers at local elections. We mentor children and adults. We're officers in our HOAs and civic associations.

[00:28:26] We belong to the VFW, the American Legion, and many military and civic organizations. We donate blood. We work food banks and collect food and items for the needy. If you're familiar with Blue Zones, which are pockets in the world where there's a large population of those who live to 100, it's not about chasing the newest diet, supplement, or workout.

[00:28:42] Instead, these people live in environments that support long, healthy lives. They move throughout the day. They stay connected to friends and family. And they wake up each morning with a sense of purpose. All we are asking is for more years feeling strong, connected, and useful to the people around us. The Willard Sherwood Project gives us hope to connect with people and children of all ages in a modern and safe environment.

[00:29:01] I urge you to vote yes for the Willard Sherwood Project, and I thank you for allowing me to share my thoughts. Our next speaker is Mike Fabio. Still a little choked up from that last presentation we had there.

[00:29:23] Mike Fabio, Chainbridge Road, Mayor Reed and City Council. April 7th was noteworthy for the Willard Sherwood project. First, you had a joint meeting with the Fairfax County Board of Supervisors, during which you learned that they eagerly support the project, that they want your approval right away to save money on construction costs, that they anticipate that the new health center will be the premier jewel of the county health locations.

[00:29:48] And it will not only continue to provide us with services, but will draw people from the entire county. And they were quick to point out that this would be a boon for business in Old Town. Then that same night, you had an update on city services and support for older adults.

[00:30:04] You were told that 34% of city residents are 50 or older and that that figure is expected to grow. That concerns for the availability of services for seniors rank high in the community survey. That older adults need a place to gather and socialize to participate in activities and remain engaged in the community.

[00:30:26] and that loneliness and social isolation are public health concerns both physically and mentally, and that the demand for these services will increase in the coming years. The exercise and activities provided at Willard Sherwood will address these needs and contribute to better health and stem the rising cost of health care, not only for individuals but also for the community.

[00:30:52] And tonight you observe Older Americans Month and Mental Health Awareness Month. What better way to celebrate this than by voting for Willard Sherwood? Willard Sherwood will also provide meeting spaces for the community. Our Smarter Growth group used to meet at the library, but booking ahead became impossible.

[00:31:11] Now we have our meeting at Green Acres, but it would be nice to be back in the center of town with nice indoor parking, especially during inclement weather. And also navigating parking, entryway, and stairs at Green Acres is very challenging for our disabled members.

[00:31:27] But Willard Sherwood is not just for seniors and children. All ages will be allowed to participate in basketball, volleyball, pickleball, and run on indoor tracks. I grew up in a blue-collar town, but we had a

community center. As a recent college grad, I relished the nights where I could go there for young adult activities.

[00:31:46] It was a great way to blow off steam, meet people, and make contacts. So will it be with Willard Sherwood. Please don't put money into the sinking Green Acres ship. We are a small town, but that does not mean that we must be small-minded.

[00:32:03] Vote yes to approve Willard Sherwood. Thank you. Our next speaker is Taylor Geegan. Thank you. I'm Taylor Geegan. I live on Park Road.

[00:32:20] I went back and forth on what I was going to say today, but I've heard that honey attracts more than vinegar, so I'm going to keep this on a positive note. But I am here to speak on my support for the Willard Sherwood Center.

[00:32:37] I think it's really important that not just for the seniors in our community, but across the entire continuum of care in our community. And it shows that from childhood up until your senior years that we have a place for the whole community to gather.

[00:32:54] It's been spoken a lot from several different people about the issues with green acres. I just want to reiterate that my husband and I have been there several times. It's really just not in great shape. It's not a place where people want to go and want to hang out, especially when you think about just the parking, as well as there's also been talk about a lot of ADA issues as well.

[00:33:19] For the current Willer Sherwood Center, there has been a lot of parking issues just from the get-go. It's a continuing issue year after year that people don't have adequate parking to come to events at the Willer Sherwood Center. Like, we want to be there, we want to enjoy these things, but we either have to park over at Van Dyke or we have to park across the street at the church and then play hooky with all the cars that are racing by.

[00:33:47] So that's just not ideal either. And then I just think that it's really important that we think about not just the current moment, but the legacy that the council wants to leave for our residents. There has been a lot of turmoil from the outside looking in, and I think this would be a great way to put a bow on your legacy to show that you actually do care about the residents and the future of those residents. Thank you so much for your time. Our next speaker, Stephen Kim.

[00:34:40] Mayor Reed and members of council, my name is Stephen Kim, and my address is 4031 Colonel Mendez Way. Today I'm here to ask the Fairfax Council to vote no to fund the new Willard Shortwood Health and Community Center project. I believe this is not a right time for this project based on the current financial condition of Fairfax City. According to the most recent Fairfax City annual financial report for the fiscal year end June 30, 2025, Fairfax City has a pension liability

[00:35:19] of \$10.5 million from the city general plan and another pension liability of \$22.5 million from the public safety pension plan. Both pension plans show a total net pension liability of \$33 million. According to the Merriam-Webster dictionary, liability means something for which

[00:35:51] one is liable, especially monetary obligation. Simply put, it is a debt. I'm not sure whether Fairfax City has some kind of magic wand to meet the unfunded pension liability of \$33 million without issuing another bond or raising property taxes. In 2024, the city passed \$220 million school bond referendum, and the city also has faced several other financial obligations.

[00:36:26] Is it a good time to have a brand new community center that has an initial price tag of \$54 million? And we do not know how much more it will cost at the end. I understand that it's been more than 10 years since the concept of new Willard Shored Health and Community Center project.

[00:36:49] And the city sees a lot of need for the new community center. However, I'm wondering whether the city can afford it now without issuing another bond. and raising property taxes. But I do know for sure the right time will come later for all city citizens may agree for the new community center project with a dedicated surplus city fund. But right time is not now. That's why I'm asking you to be more financially prudent and vote

[00:37:26] no today. Thank you. Our next speaker is Judy Fisher. Good evening. Having lived in the city for over 50 years, I have witnessed many decisions by many city councils. As a small city geographically located at the center of Fairfax County, we have benefited from partnerships with the county.

[00:38:05] The most visible evidence of this cooperation is the best library in the area, which is located in our center the willard sherwood community center would be another star in our midst fairfax county provides many services to the city which we could not match without this partnership willard sherwood community center is an investment in the continued in this continued cooperation which the city council which the city could not duplicate to renege on the plans agreed to and

[00:38:39] in progress sends a negative message and may have repercussions beyond the loss of this important facility i urge you to approve this project and to authorize the bonds necessary to complete the project please vote yes on both questions to move forward to build the willard sherwood community

[00:39:01] center thank you our next speaker is tom ross good evening mayor and council and thank you for the opportunity to provide comments on two items on your agenda tonight. Item 9A is consideration of an award of construction contract to Fort Myer Construction Corporation to undertake the Blenheim

[00:39:36] Boulevard multimodal improvement project. Item 9B is consideration of a resolution to proceed with the Willard Sherwood Health and Community Center. I strongly urge you to support both items. As you know, the Blenheim Boulevard Multimodal Improvement Project has been supported by previous city councils and by the community over the years and has undergone extensive planning and public input.

[00:40:04] It will substantially upgrade a key transportation corridor that has served this community for years, increasing public safety and promoting alternatives to automobile use. In addition, the corridor will be an attractive asset to the city, serving residents for years to come. It is an investment that will pay significant dividends to our residents in the region.

[00:40:28] When completed, it will serve much more than just a simple roadway transportation project, but as a gathering place for people and residents in the community and in the city. In a similar fashion, the Willard Cherwood Health and Community Center will address a long-term need that is strongly supported by this community, serving all ages and backgrounds with excellent health and leisure services.

[00:40:57] As the chair of the subcommittee on parks, recreation, and cultural activities of the 2020 Commission, which recommended this almost 40 years ago, we are now on the verge of meeting the community's desire for such a facility. These two projects represent an investment in the future as a community and in future generations.

[00:41:18] I strongly believe that even in times of fiscal challenges, we cannot ignore the need for these kind of investments. When I moved to the city of Fairfax 46 years ago, we struggled to maintain our services and infrastructure. In short, we were a second-rate community, with poor schools, a lackluster community, limited economic growth, and a lack of community vitality. Today, we see a very different city, proud of its past, but excited about a vibrant future, full of opportunity for

[00:41:53] the future. Your votes tonight in support of these items will help make that a reality. I will leave you with a quote from the great poet and writer Maya Angelou about your role as leaders. Quote, your life is every life you've touched. You as our elected leaders have that opportunity tonight to touch the lives of everyone in this community in the present and in the future. Thank you.

[00:42:23] Our next speaker is Megan James. Good evening, Mayor. Members of City Council, my name is Megan James. The clerk has my address. I'm here tonight to urge you to move forward with the Willard Sherwood Health and Community Center. This project is not just a building, it's an investment in how Fairfax City supports people at every stage of life. For our children, this means access to expanded child care, early intervention services, and safe enriching spaces to learn and

[00:43:03] grow. Right now, families are already struggling to find affordable child care. This project doesn't just maintain what we have, it expands it in a meaningful way. For our seniors, it means a modern, accessible space to stay active. The current Green Acres facility cannot continue to meet those needs. It's outdated, difficult to navigate, and increasingly expensive to keep operational. Continuing to pass it is not a long-term solution. It's another delay. For the broader community, this center creates a one-stop hub bringing together the services, recreation, and community programming under one roof. Without it, residents will continue to travel across the

[00:43:43] county for basic services. That's not only not efficient, it's not equitable, especially for those who rely on that public transportation. The inclusion of a gym and wellness space isn't a luxury. It's about preventative care. It's about giving our residents the tools to stay healthy, reducing long-term strain on our health care system. And more importantly, this is a walkable center located in the facility that aligns with the city's vision for smart growth. It strengthens our community fabric by making services accessible without relying on a car. The Willard Sherwood Health and Community Center also represents a critical partnership with Fairfax County. Walking

[00:44:22] away now doesn't just halt construction, it risks long-term damage to the relationship and undermines future opportunities to collaborate on projects that benefit our residents. Financially, we've already invested significant time and resources into planning. If we stop now, we lose that investment and are left with fewer services and aging infrastructure, and that's the worst of all worlds. Finally, there's an opportunity to lead. A green, high-performance building designed to meet a net zero and lead standards positions Fairfax as a forward-thinking, responsible, and committed to sustainability. Tonight, the choice isn't whether

[00:44:59] to build a center, it's whether or not to move forward or to fall behind. I urge you to support this project for our children, for our seniors, and for the future of Fairfax City. Thank you. Our next speaker is John Russell. Madam Mayor, members of the City Council, my name is Cappy Russell. I live in the Daniels Run Woods neighborhood. The clerk has my exact address.

[00:45:36] I came tonight to reiterate my support for the Willard Sherwood Center and encourage you all to vote in favor of its funding and construction. If I'm being honest, it's a little confusing and a little

disheartening that a project with so many obvious benefits and so many years of support from city residents and officials would feel so tenuous, but this council's equivocations have given me the opportunity to reflect on why I chose to move to Fairfax City 11 years ago and what I'd like to see in the years going forward.

[00:46:06] So I chose Fairfax City in rough priority order because I found a house the right size and place and price, because of the excellent schools which I wanted for my children, because I grew up in a city and I liked a place that felt walkable and neighbors who'd be knowable, because the commute to work for my wife and I would be manageable and public transportation options were available, and because the city's parks and restaurants and shops and library and all the other amenities that made Fairfax seem less like a subdivision and more like a community.

[00:46:38] At no point in my deliberations did I stop to consider the relative property tax rates between the city and surrounding jurisdictions. And in fact, it wasn't until the budget presentation a few weeks ago that I became aware of how low our rates are compared to some of our neighbors.

[00:46:56] But even if I had known of the city's lower tax burden, I'm not sure that would have been a major factor in my decision to move here, especially if I thought that keeping taxes down could only be had by missing out on opportunities for enhanced services and smart growth. So I take seriously the issue of affordability, but I'm also a big believer in the principle that you get what you pay for.

[00:47:18] The proposed Willard-Sherwood Center gets us a whole lot. Health care, daycare, meeting spaces, a gym, all wrapped in an environmentally sustainable package. And because the project is shared with the county, we gain all those benefits at a much reduced cost. It's true that funding, construction, and paying for upkeep of the center lays additional costs on the city and its residents, but a no vote tonight is to be penny-wise and pound-foolish.

[00:47:45] It would be less saving money and more wasting opportunity. it would elevate the cost of living today over and above a building, building a city that people would want to live in in the future. So I hope you'll take a moment to reflect, and I hope you'll vote yes. Thank you. Our next speaker is Leslie Cullen. Okay, our next speaker is Maureen Barsotti.

[00:48:15] Good evening, members of council. My name is Maureen Barsotti. The clerk has my address. I have been a proud member, I'm sorry, proud resident of the city of Fairfax for over 20 years.

[00:48:31] I am here tonight to express my wholehearted support for the Willard Sherwood Project. This is more than an investment in a building, it's an investment in the people of our city and the future of our community. This project is essential community infrastructure.

[00:48:51] It will serve as a multi-generational hub for all residents, children receiving therapy, parents attending programs, for seniors participating in a friendly game of pickleball. This center will serve the diverse needs of our city, creating a welcoming and accessible space for everyone, both now and for decades to come.

[00:49:14] On a personal note, this project truly hits home for me. I grew up in Falls Church and received speech therapy at the Willard Health Center. I am forever grateful to the city and county leaders who back in 1954 made the decision to invest in a facility that would help so many.

[00:49:42] Their vision made a real difference in my life, and I believe we have an opportunity to ensure this facility continues to change lives for generations. There is a quote often attributed to Abraham Lincoln. The best way to predict the future is to create it. This council has a unique opportunity to create a clear, long-term vision for the city of Fairfax. By investing in this much-needed infrastructure, your vote in support of this project will provide a lasting, meaningful

[00:50:22] legacy for every resident in the city. I respectfully urge you to vote yes. Thank you for your time. Our next speaker is Lauren Hillman. Hello, my name is Lauren Hillman.

[00:50:47] The clerk has my address. A few months ago, Mayor Reed spoke with my son's Boy Scout troop about local issues. And when she mentioned the Willard Sherwood Center, it's a mouthful, isn't it? The scouts all perked up and they wanted to know all about it. They're very excited to have something like that here in the city that they can walk to, that they can bike to, a gym, a running track.

[00:51:07] They were just really excited about it. Those kids, those scouts, those future leaders are the future of Fairfax City. Those kids will be damaged if this center does not get funded. Those kids and countless members of our community who rely on public services.

[00:51:24] Canceling this project would be an appalling decision. This city council has already cost our citizens almost \$4 million in a canceled project. This is a council who has run on platforms of charm and small-town feel. But what does that small-town feel except taking care of our own?

[00:51:41] Council members say they want educational resources and facilities for every child. This center will provide those resources for many underserved kids. Council members proclaim to be highly responsive to community vision and citizen needs, but they've ignored the overwhelming citizen support for one major project and are considering denying our citizens of those various services that will meet their needs and ignoring all of the overwhelming support for this project as well.

[00:52:05] Is that what you want as your legacy? To be the city council that made Fairfax a laughingstock? to be the council that ruined our decades or century-long partnership and collaboration with the largest county in the state. Fairfax County will build this center, whether the city council funds it or not. If the city council backs out of this project, what kind of backlash will our citizens suffer? We still need health services. We still need family support. Where will we get it?

[00:52:32] The closest public health center is a 40-minute bus ride away. Building this center in Fairfax City will provide care for lower-income residents and all of our residents. Canceling the center would be yet another tax on people who already struggle to make ends meet. Growth is an opportunity, not a threat. Staying stagnant is not an option. Any delays will increase the cost of this project.

[00:52:54] Real dollars bled from our budget as construction costs increase. Real harm to the city, to the people who live here by continuing to reduce access to needed services. Real damage to our city's reputation, because who wants to open a business or work in a city where the government reneges on its word and wastes money and costs them time and money? It's time to stop making excuses for why we can't change and start creating a city that works for all of us. Thank you.

[00:53:20] Our next speaker is Judy Frazier. Hi, good evening, Mayor and City Council. I'm here tonight because I understand that VDOT has required us to repay \$3.5 million on the GST.

[00:53:45] and i would request respectfully that we have greater transparency in how that came about we know there was a lot of room for negotiation on that amount and the terms of repayment but there has been no transparency to the public on how that was determined and my basic question is did the city try to lower that repayment amount maybe it was a half and hearty attempt that vdot just closed the door on? We don't know. And I think it is incumbent upon the mayor of the city to lead

[00:54:20] that work to get to a better outcome on that amount. I know you did not agree with the outcome, but it is still your duty to represent the best interests of the city, especially to counter VDOT's heavy-handed position. And frankly, it's a benefit to you because otherwise you are vulnerable to accusations of accepting a poor outcome to score political points and that isn't good for anyone so is it also too obvious to state that fairfax county would not accept this outcome lying down

[00:54:56] so why are we secondly on the community center i think it's a great idea i think this community really does need a nice recreation center we have a couple that the county we use the county Elkmont and Providence which are great and this will be an excellent facility that the county is building in our city. I just think it's a terrible deal for the city. I don't know why we are paying for a county facility. We if they built it we would be able to use it just like any other of their facilities because we have that good relationship but I don't know why we are spending

[00:55:34] \$54 million to help them build their building, which we will rent from them. I think it's a great location for a recreation center, but nobody has explained to me to understand why we are spending all that money for them to build a building that we will then rent space in. This makes no sense whatsoever to me. Again, it kind of goes back to that transparency in government that we seem to be lacking. As my good friend Susan Kyler said, often says, follow your conscience, vote your conscience.

[00:56:11] Don't cave to political pressures. Ask the hard questions. Be willing to take the stand. It serves the community well. And you expect no less of us when we go to vote in November. You expect us to vote our conscience when electing the leaders who will serve us for the next two years. Thank you.

[00:56:32] Our next speaker is William Penny. Thank you, Mayor and Council. I wanted to address the proposed Willard-Hulman Community Center, which I do support, but wanted to address it from a financial risk standpoint. The city of Fairfax right now is funding multiple projects, the proposed community center among them, but you have to ask, what is the estimated cost here about, we already discussed that, about \$56 million.

[00:57:13] For perspective, how much has the city spent on existing municipal buildings and improvements? About \$77 million. This project would dramatically increase the city's buildings and improvements like this summer is between 50% to 70%, which raises the question, can the city fund this project with existing revenue?

[00:57:32] Current city property tax revenue is about \$100 million in the city. And the answer to the question, of course, is no, because there is little or no revenue left over after total expenses. Historically, over the last five years, the city has increased property taxes by about 25% because expenses have also increased by about that same amount.

[00:57:51] Therefore, the city plans to largely finance this project with debt and issuance of new bonds. Today, the city has about \$50 million in general obligation bonds. This \$56 million project more than

doubles that. With this debt, there's now going to be interest to pay, about \$32 million worth over the life of the loans.

[00:58:12] This means a cash payout for this project is actually about \$88 million, including the interest. And that adds about \$3.5 million a year to the city's cash payout to cover this. We are also looking at staffing costs being significantly higher to run the community center.

[00:58:30] But, of course, this might be offset by some of the fees that are generated. The question remains what percentage of the public is actually going to use the facility and help us generate that cash. So the risk of this project, to me, is looking at the general economy. We are at great risk in this country for a recession coming up and inflation.

[00:58:46] Currently, the national debt is sitting at \$39 trillion. The federal government will not be in a position to be able to bail us out and invent expensive projects that we can't afford. If there is a recession with associated job layoffs, city revenue will go down. More people will not be able to pay their property taxes.

[00:59:04] People will eat out less at restaurants, so on, in the city where sales taxes are high. With inflation, there could be significant cost overruns of the \$66 million project. The city might also have to pay higher interest rates on our current AAA-rated bonds, which was estimated by the city finance officer at about 4%.

[00:59:22] And what about emergencies, say, funding, water, infrastructure, emergencies, road emergencies, and so on? So as I see it right now, the city is maxed out in its spending using debt to pay for this project. Why are we putting the city's finances at potential risk? So I think it has to be, unfortunately, a no vote.

[00:59:40] Thank you. Our last speaker on this agenda item is Katie Johnson. I'm Katie Johnson, Spring Lake Terrace. I'm here to thank Councilmembers Hall, Peterson, and McQuillan for asking the tough questions.

[01:00:00] And I ask you to please continue to ask those tough questions until you are absolutely sure that we have the best possible outcome for the citizens of the City of Fairfax financially and in the fairness of the percentage.

[01:00:17] I have concerns, especially with regard to our annual operating budget. Relying on rentals is a gamble. It's not a guarantee. So we need to carefully, carefully consider that. Thank you for carefully crunching the numbers on the residents' behalf.

[01:00:36] A few thoughts are 60% of the seniors in our senior center are county residents. Construction of high-tech medical offices with separate air systems are much higher than a basketball court and a rooftop pickleball court. This year, our city managers asked us not to hire any full-time employees, and the Wood Sherwood Health Center will add at least two managers and many, many more employees.

[01:01:01] There may be a desire, but I agree with the previous speaker. Our pension liability is scary. I love listening to our residents here. They're experts on everything, and I always learn. The general public comments are my favorite out of the meetings, no offense. But that's really, our risk is high, and I have to agree with that some of this is, the debt is just entirely too much.

[01:01:25] We talk about our children. We want to leave them with a financially healthy city as well. So I'll have to agree with the previous speaker that now is not the right time. Yes, a worthy, awesome project, but it's a nice to have, not a need to have, and it's incredibly expensive.

[01:01:42] And the burden will be on the citizens and the businesses, and we need to keep that in mind. Thank you. We can move on to the consent agenda. Are there any questions on any of the items on the consent agenda?

[01:02:01] Are there any items council would like pulled from the consent agenda? Is there a motion to approve the consent agenda, Council Member Hardy-Chandler? I move to approve the consent agenda item 6A through C as presented and the accompanying motions in the staff reports.

[01:02:27] 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?

[01:02:42] Aye. Councilmember Amos? Aye. Motion passed unanimously. We will now go to public hearings. We have a lot of budget public hearings tonight. So our first one is going to be a public hearing on the real estate tax rate of \$1.095 per \$100 of assessed value based upon an assessment ratio of 100% of fair market value and a personal property and machinery and tool tax rate of \$4.13 per \$100 of assessed value based upon an assessment ratio of 100% trade-in value.

[01:03:17] And Parenza, this is no council action, and the tax rate will be set on May 5, 2026. I'm going to recognize J.C. Martinez, our assistant city manager slash chief financial officer, to provide a staff presentation. Thank you, Mayor, Council. The city manager's proposed budget recommends a real estate tax rate of \$1.08 per hundred of assessed value.

[01:03:40] That's a two-and-a-half-cent rate increase effective January 1, 2026. On March 10, 2026, the city council advertised a real estate tax rate of \$1.09.50 per hundred of assessed value, which is an additional one and a half cents more than the city manager's fiscal year 2027 proposed budget real estate tax rate.

[01:04:07] The real estate tax rate necessary to provide combined, this is residential and commercial properties, equalization whereby the average property owner would pay no more in taxes than in the prior year equates to \$1.0221.

[01:04:24] As noted, the personal property and machinery and tools tax rate is recommended at \$4.13 per 100 of assessed valuation based on the assessment ratio of 100% of fair market value. The recommended personal property tax rate for qualifying members of the Volunteer Fire Department or Volunteer Rescue Quad is \$0.01 per 100 of assessed valuation.

[01:04:50] The proposed personal property tax rate of 413 remains unchanged from the current year's rate. The City of Fairfax City Council adopted a personal property assessment ratio for vehicles of 100% for fiscal year 2024, and the proposed budget maintains that level.

[01:05:08] Of note, one cent on the real estate tax rate is equivalent to \$883,928 of revenue. And as stated, no council action tonight, and the tax rate will be set on May 5, 2026.

[01:05:25] Happy to answer any questions. Are there any questions for Mr. Martinez at this time? All right. I will open the public hearing. Ms. Shinaberry, has this public hearing been advertised?

[01:05:42] Yes, it has. No one has signed up prior to the meeting to speak. So is there anybody in the room that would like to speak on this agenda item? I will now close the public hearing. No council action will be taken tonight, and the tax rate will be set on May 5, 2026.

[01:06:00] Our next public hearing is a public hearing on 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 or zoned for commercial and industrial purposes and to establish a separate tax rate on such real property effective as January 1st, 2026, revenue from which would be used exclusively for transportation purposes that benefit the city of Fairfax.

[01:06:36] In print, there's no council action, and the tax rate will be set on May 5th, 2026. I will recognize JC Martinez, Assistant City Manager and Chief Financial Officer, to provide the staff presentation. Thank you. Mayor and Council, Section 558.1-3221.3 of the Code of Virginia was adopted as part of the transportation bill enacted during the 2007 session of the General Assembly.

[01:07:05] 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 that benefit the city.

[01:07:21] City Council can adopt a rate between zero to twelve and a half cents. However, no formal action on the item would result in the rate reverting to zero. The attached ordinance on the staff report would set the 2026 tax year's rate at \$0.12.5 per \$100 of assessed valuation.

[01:07:43] This is no change from the 2025 tax year and would be applicable to all affected real property as of January 1, 2026. The proposed 2026 rate of \$0.12.5 per \$100 of assessed value is the maximum rate allowed by the Code of Virginia.

[01:08:00] Similarly, as before, there will be no action tonight, and the rate will be set on May 5th, 2026. Happy to answer any questions. Are there any questions for Mr. Martinez at this time? Seeing none, I will open the public hearing.

[01:08:19] Ms. Shinaberry, has this public hearing been advertised? Yes, it has. No one has signed up prior to the meeting. Is there anybody in the room that would like to speak on this agenda item? I will close the public hearing. No council action will be taken tonight. Council consideration will be on May 5, 2026.

[01:08:38] Our next public hearing is on an ordinance amending Chapter 102, Article 2, Section 102-31, and Prince B of the Code of the City of Fairfax, Virginia, to increase the rates for wastewater service furnished by the city by 6%.

[01:08:55] There is no council action, and council will take consideration on May 5, 2026. I'll recognize J.C. Martinez, our Assistant City Manager and Chief Financial Officer, to provide the staff presentation thank you mayor council in conjunction with the city's financial advisors and consulting engineers a wastewater utility multi-year financial and capital planning analysis had been developed and was presented to council during a previous work session primary goal of the analysis was to create a comprehensive cash flow planning model taking into account existing and projected operating and capital needs while minimizing

[01:09:32] rate increasing for existing cost customers. Based on the analysis, staff recommends a user rate increase of 6% in the city's wastewater utility. The city's raised rates from 10% in 2014 through 2020, 8% in FY21, 6% in FY22 through 26. Increased residential and commercial wastewater user rates are required to fund the city's increasing costs associated with the aging infrastructure within the city and to cover its share of expenditures associated with the operation

[01:10:10] of the capital improvements at the Nolan Coal Wastewater Treatment Plant. The city has contracted 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 and critical plant construction and renovation projects needed to replace and improve aging infrastructure. Again, as stated, no council action tonight. The formal rate will be set on May 5,

[01:10:49] 2026. Happy to answer any questions. Are there any questions for Mr. Martinez at this time? Seeing none, I will open 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 in the room would like to speak on this agenda item seeing none i will close the public hearing no council action will be taken tonight council consideration will be on may 5th 2026 our next public hearings

[01:11:21] on an ordinance amending chapter 102 article 5 section 102-203 imprints b of the code of the city of fairfax virginia to set the rate for the stormwater utility service furnished by the city at 36.02 per bu and parents billing unit a five percent increase there is no council action council will take consideration on may 5th 2026 i'll recognize jc martinez our assistant city manager and chief financial officer to provide the staff presentation mayor council again the city stormwater

[01:11:56] utility funds additional rate of 28.80 per billable unit was set at a time than when stormwater was created on December 14, 2021. Since its establishment, the annual rate increased has averaged about 6%.

[01:12:12] However, the proposed adjustment for calendar year 2026 reflects a modest increase of 5%. This action is to set the rate at \$36.02 per billable unit for the calendar year beginning January 1, 2026. User fees are expected to generate stormwater utility revenue of approximately 3.4 million dollars and the anticipated increase for fy 26 is a hundred and sixty one thousand eight hundred and ninety seven dollars happy to answer any questions are there any questions for

[01:12:46] mr martinez at this time seeing none i will open the public hearing miss shinaberry has this public hearing been advertised yes it has no one has signed up prior to the meeting is there anybody in the room that would like to speak on this agenda item seeing none i will close the public hearing no council action will be taken tonight council consideration will be on may 5th 2026.

[01:13:09] our next public hearing items and on an ordinance amending chapter 90 imprints taxation article 6 imprints tax on meals section 90-26262 of the code of the city of fairfax virginia pertain to a proposed increase in the levy in the amount of tax on meals no council action will be taken tonight and council consideration will be on may 5th 2026 i'll recognize jc martinez our assistant city manager and chief financial officer to provide the staff presentation thank you mayor

[01:13:41] council section 90-262 of the city code currently provides for a four percent meals tax the proposed ordinance would increase the amount of the meals tax to four and one half percent 4.5 asset fourth than the city manager's recommended FY27 budget.

[01:14:02] The effective date of this change would be July 1, 2026. The previous meals tax change was from 2% to 4% in 2004, roughly 22 years ago. An increase to the meals tax reduces the financial burden on residents as the meals tax can offset the need for higher real estate taxes due to visitors and non-residents paying the tax.

[01:14:28] The half percent proposed increase would generate approximately an additional \$1.3 million in meal tax revenues. This change would result in a tax increase of approximately a quarter, a quarter of a dollar, to a \$50 meal.

[01:14:45] Happy to answer any questions. Are there any questions for Mr. Martinez from the Dice? Seeing none, I will open the public hearing. Ms. Shinaberry, has this public hearing been advertised? Yes, it has. No one has signed up prior to the meeting.

[01:15:00] Is there anybody in the room that would like to speak on this agenda? item seeing none i will close the public hearing no council action will be taken tonight council consideration will be on may 5th 2026 our next public hearing items on an ordinance to amend chapter 90 imprints taxation article 7 imprints transient occupancy tax section 90-302 of the code of the city of fairfax virginia pertaining to a proposed increase in the levy and rate of the transient occupancy tax there is no council action tonight and council will take consideration

[01:15:35] on may 5th 2026 i'll recognize jc martinez our assistant city manager and chief financial officer to provide the staff presentation thank you again mayor council section 90-302 of the city code currently establishes a transit occupancy tax also known as the tot rate of four percent the proposed ordinance would increase the tot rate to 12 percent effective july 1 2026 an increase in the tot shifts a portion of the tax burden from the residents to visitors and other non-residents

[01:16:11] thereby helping to mitigate the need for higher real estate taxes the eight percent proposed increase would generate approximately an additional one million dollars in tot revenues each one percent increase equals 125 000 as the clerk noted no action by council tonight council will take consideration of this item and set the rate on may 5th 2026 happy to answer any questions are there questions councilmember peterson just a quick clarifying question says subject to

[01:16:46] enactment of enabling legislation by the commonwealth scheduled for april 13 can you clarify that i can and that might have been left over we did receive confirmation from the legislation down in richmond that they did pass our request that was submitted earlier in earlier this month so that that we receive confirmation on that any other questions for mr martinez from the dais saying none i will open 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 in the room okay

[01:17:25] we have a speaker many of you already know me but for anyone that doesn't my name is kristen and i am the general manager at the residence inn here in fairfax city and while i do serve as a commissioner on the city's economic development authority i want to be clear that i am speaking tonight in a personal capacity and not on behalf of the EDA. I want to share my concerns about the proposed increase to the city's hotel tax and explain why both the size and structure of that increase matter not just to hotels but to the long-term economic health of Fairfax City. Today

[01:18:03] the city's hotel tax rate in aggregate in total is seven percent. So I know that the TOT tax is one portion of that and the other there's a portion of what we charge to the guest that does go toward

transportation and other amenities that you guys have once it reaches you. But today, the city's hotel tax rate is 7%. Earlier this year, I publicly supported a modest 2% increase that brings the city more in line with Fairfax County, provided that those additional dollars were invested in tourism and destination marketing through FXVA, which is Fairfax County's destination marketing

[01:18:38] organization. FXVA, for anyone that doesn't know, promotes region. The region attracts visitors, helps fill hotel rooms. And that approach, it still makes sense. County hotels pay a similar tax rate, but they also receive organized marketing support that directly drives demand.

[01:18:56] And city hotels do not receive this. I do support a balanced budget, and I understand that the city is facing a budget deficit. However, increasing the hotel tax from 7% to a potential 15% goes far beyond alignment. And when combined with the required 6% state tax, the total effective tax rate on every hotel stay would be 21%. Like all other businesses in Fairfax City, hotels also pay BPOL taxes on gross receipts. And to my knowledge, there is no other business in the city

[01:19:30] that pays 21% tax on every customer transaction and also pays BPOL. This places a unique and heavy burden on just our one industry and hospitality. Hotels outside the city limits, sometimes even less than a quarter of a mile away, would immediately become far more competitive simply because their total price is lower. Guests do not make decisions on where to stay based on city or county boundaries. They compare final prices. When taxes rise sharply, hotels cannot simply pass that cost along. To stay competitive, I would be forced to lower my room rates to absorb

[01:20:07] the tax increase and operate with less revenue. And that leads to fewer bookings, reduced hours for my employees, less reinvestment in the property, and ultimately less taxed revenue returned to the city. And in some cases, this level of pressure could threaten a hotel's ability to remain in business. I do support a balanced budget, but a balanced budget means shared responsibility. And if Fairfax City expects hotels to contribute more, there must be a clear and dedicated commitment to destination marketing. A measured increase paired with reinvestment protects competitive competitiveness supports workers and strengthens city revenues over the

[01:20:44] long term thank you is there anybody else in the room that would like to speak on this agenda item okay seeing none i will close i'll close the public hearing no council action will be taken tonight council consideration will be on may 5th 2026 all right our last public hearing items on ordinance amending chapter 14 imprints businesses article 2 imprints licenses division 2 imprints classification of certain businesses of the code of the city of fairfax virginia pertaining to a

[01:21:19] proposed increase to the levy of annual license taxes on certain business classifications there's no council action on this item and council consideration will be on may 5th 2026 i'll recognize jc martinez our assistant city manager and chief financial officer to provide the staff presentation. Thank you, Mayor Counsel. Section 14-73 of the City Code currently provides for a rate of 0.4040 cents per hundred of gross receipts related to annual license taxes for every person

[01:21:54] engaged in financial services, real estate services, or professional services. The proposed ordinance would increase the amount of the annual license tax to 0.48 or 48 cents per 100 of gross receipts matching the average of northern virginia localities the state maximum allowed rate is 0.58 or 58 cents per 100 dollars of gross receipts section 14-74 of the city code currently provides for a rate of 0.27 or 27 cents per 100 dollars of gross receipts related to annual

[01:22:33] license taxes for every person engaged in repair service personal service business service or any other business, trade, profession, occupation, or calling not specifically listed or exerted from license taxation according to the provision of this article.

[01:22:51] The proposed ordinance would increase the amount of the annual license tax to .30 or 30 cents per hundred of the gross receipts, matching the average Northern Virginia localities. The state maximum allowed rate is .36 or 36 cents per 100 of gross receipts.

[01:23:09] The effective date of this change would be January 1, 2027. The city's businesses and professional licensed BPOL tax rates have remained unchanged for more than 30 years. The proposed BPOL rate increases are projected to generate approximately \$1,078,908 in additional annual revenue.

[01:23:34] The \$0.08 increase to the professional real estate and financial rate would generate about \$719,000, approximately \$89,900 per 1 cent, and the \$0.03 increase to the services, business, personal, repair rate, would generate about \$360,000, or approximately \$120,000 per 1 cent.

[01:24:01] as noted by the clerk no council action tonight council would take consideration of this rate during budget adoption on may 5th 2026 happy to answer any questions are there any questions for mr martinez from the dais seeing none i will open the public hearing ms shinaberry has this public hearing been advertised yes it has no one has signed up prior to the meeting is there anybody in the room that would like to speak on this agenda item seeing none i will close the public hearing no council action will be taken tonight council will can will council consideration will

[01:24:39] be on may 5th 2026 okay we can move on to the second general public comment period so there's anybody in the room that would like to speak that did not get to speak during the initial general public comment period may come forward all right we will go to items not requiring a public hearing so we will go to 9a which is a consideration of an award of construction contract to fort Meyer Construction Corporation in the amount of \$21,770,570 for the Blenheim Boulevard Multimodal Improvement Project.

[01:25:19] I'll recognize Patty Innocenti, our Procurement Director, to provide the staff report. Thank you. We're here tonight to request council approval of a contract for the Blenheim Boulevard Multimodal Improvements. The contract will be awarded to Fort Meyer Construction Company in the amount of \$21.7 million.

[01:25:38] The contract award is conditional on final improvement by the Virginia Department of Transportation. And the Transportation Director, Wendy Sanford-Block, is here to provide information about the project. Thank you.

[01:25:56] Good evening, Mayor, members of the City Council. I am pleased to be up here this evening to kick off the construction phase of this project. As you know, the City has been working on this version of the project since 2014. But this project dates back to the early 2000s. So this project has been a long time in the making.

[01:26:15] Once the award is approved this evening, hopefully, we will begin working with the contractor in earnest. Starting tomorrow, we will begin coordination with the contractor to set up the pre-construction meetings. I'd like to introduce Sonny Sarna, who is here this evening.

[01:26:30] He will be the city's project manager. He is our transportation capital project manager, and he will be managing this project going forward. He will be the point of contact in the field. We will also have a

construction manager that will be identified after we get the ball rolling. And as soon as we have more information, we will be sharing that information far and wide.

[01:26:50] We plan to hold a community meeting. As soon as we know more information about the phasing, the schedule, the timing of the project, we will reach out to all parties on the corridor and invite them to this meeting. The meeting will inform residents about the planned projects, not only this project, But other projects that will be occurring on Blenheim Boulevard during that two-year period of Blenheim improvements themselves manage expectations and share how they can stay connected.

[01:27:19] We have already begun internal coordination about this project and about the construction phase. We know there is going to be a lot going on. We have been working with the city's communications director, Matthew Kaiser. We've already created a text-to-subscribe option for the multimodal improvements in GovDelivery, and that option is now available on the project page.

[01:27:38] We plan to use this list to communicate updates about this project and others occurring throughout the corridor. There are already almost 4,500 subscribers to that list. We also plan to explain that there is that text-to-subscribe option in the June city scene, and there will be tremendous communication throughout.

[01:27:59] And again, I just don't have that information yet because we will just be kicking off tonight, hopefully. And again, as soon as we have more information, we will be sharing that. So I'm happy to answer any questions that you may have. Are there questions for Councilmember Peterson?

[01:28:16] Well, thank you. And I think you may have answered one of the questions that I had, which was about the continued involvement of the community as you go through construction. It sounds like not only is a lot going to be going on, but it's already started.

[01:28:32] So I think folks are just starting to get used to the fact that this is going to be a work in progress now for a couple of years. And so I appreciate very much you identifying some mechanisms that have been put in place for people to stay tuned in to what's going on.

[01:28:49] I'm just wondering whether you might also consider as a part of that some more personal interactive touch bases. And maybe play this by ear, I don't know, but whether there's a chance to have periodic meetings with the community. And then in addition to that, for some people it makes a big difference if they know they can call somebody if they have a very special question.

[01:29:11] Can you say anything about arrangements that might be made for those more personal communications? Sure. As soon as we have our construction manager who will be in the field and that person is known and we have that first community meeting, we will have phone numbers, points of contact for people who have questions, and they will have somebody to reach out to.

[01:29:31] Very much appreciated because, again, I think the personal touch side of this will, as always, be important. Two other quick questions. Since we've last talked, we're now 11 seconds to midnight here in terms of project startup. Have there been any new developments that affect this in any material way at this stage?

[01:29:51] No. Okay. I say that because I'm thinking, am I missing something? No. Okay. And so there are no barriers to the startup of this as far as we know right now. We're ready to roll. Correct. We are waiting for VDOT's final sign-off on this.

[01:30:09] We think that is any day now. but yes we are ready to roll great thank you very much other questions councilmember Amos yeah I just wanted to say thank you for your work on this it's nice to see a project come below the estimate from the engineer so happy to see that looking forward to this project going underway thank you for especially emphasizing the community piece especially when it gets to road projects it can get dicey especially something as impactful as Blundin Boulevard so thank you for staying on top of it and look forward to see what's next. Councilmember Hall. Just a quick question I

[01:30:46] probably should have emailed this in advance so you could have been prepared but at the end of the fiscal impact there it indicates that there are remaining funds in the city's fiscal year 2026 concrete budget that can be used to cover qualifying project expenses if necessary. Do you know roughly what that remaining balance is that could be pulled from if needed? I will look to our public works director for that number. Thank you. Because of this project, there'll be some funds in the concrete account that will be available if necessarily. We're estimating at a maximum of

[01:31:23] maybe \$200,000 of available concrete funds. Are there other questions for staff? Okay. Then I'll ask, is there a motion, Councilmember Hardy-Chandler? I move to authorize the purchasing agent to award construction contract in the amount of \$21,770,570 to the Fort Meyer Construction Corporation for construction of the Blenheim Boulevard

[01:31:59] multimodal improvements project. Second. The motion has been made by Councilmember Hardy Chandler and seconded by Councilmember Peterson. Is there any discussion on the motion? Seeing none, a roll call vote. Councilmember McQuillan? Aye.

[01:32:17] Council Member Bates? Aye. Council Member Peterson? Aye. Council Member Hardy-Chandler? Aye. Council Member Hall? Aye. Council Member Amos? Aye. Motion passed unanimously. We will go to the next agenda item, which is a consideration of a resolution to proceed with the Willard Sherwood Health and Community Center project, including an addition or improvements to the existing Sherwood Community Center and any amendments to the joint development agreement that may be necessary.

[01:32:43] I'm going to recognize Brooke Hardin, our community development and planning director, to provide the staff presentation.

[01:32:58] Good evening, Mayor. Members of the council, pleased to be before you this evening on the Willard Sherwood Health and Community Center project. As noted on the agenda, for council's consideration this evening is a resolution to proceed with the project.

[01:33:16] With me tonight and available for questions are members of the project team, including Stacy Summerfield, Parks and Recreation, David Summers with Public Works, Dr. Jabari with the County Health Department, the city's project management consultants with Blue Heron, Fairfax County project managers, and representatives from the design and construction team, including Grimm and Parker Architects and the Christman Company general contractor.

[01:33:47] This is a joint development project between the city and Fairfax County located at 3750 Blenheim Boulevard. Willard Health Center will be demolished and replaced with a new approximately 100,000 square foot facility connected to the existing Sherwood Center.

[01:34:07] The facility will house the existing county-operated programs and services that have been provided at the Willard Health Center, and the city-operated programs at the Green Acres Center will

move to this location. Stakeholder events were held throughout project development, first at the pre-design phase to solicit input before concepts were prepared, and then at each stage of design, allowing feedback to be incorporated as the project progressed.

[01:34:38] The project team reached out to the community through e-newsletters, e-mails, social media, and other digital means, but also through flyers posted on buses and at locations around the city using English and Spanish versions.

[01:34:54] Open houses and community meetings were held, both virtually and in person, and there were online opportunities for input in between meetings. In terms of its status, special use permits and special exceptions for the project were approved last fall.

[01:35:13] Building permits and the site plan are currently under review and are being finalized. Negotiations on the guaranteed maximum price have been completed, and that price is included in the total project cost that we will cover on an upcoming slide.

[01:35:28] In terms of the schedule, we anticipate beginning construction this summer and continuing for approximately three years through the summer of 2029. With respect to programming for the new facility, as noted previously, the county's current programming and health and human services shown here on the left of the slide will continue with the addition of a child care facility. The city operated recreation and senior programs at Green Acres shown on the right will move to the new facility, expanding opportunities with coordinated operations, providing spaces not currently

[01:36:08] available, such as a rooftop terrace and a full-size gym. Current programming at Green Acres will continue through construction of Willard Sherwood. Those would not be paused. All programs within the facility will serve city and county residents, providing needed services and affordable programs that are accessible to those of all ages in the community. Project costs have been finalized and are reflected of the negotiated guaranteed maximum price with the contractor. Costs between the city and the county are split based on the

[01:36:44] pro rata share of the building, which is 42% city, 58% county, and the usage requirements for parking, which is 36% city and 64% county. An additional \$3 million contribution by the city to the underground parking is included in the costs. A detailed breakdown of the project costs are shown in the revised final budget attached to the amendment to the joint agreement that's in your agenda packet. City share of the total project

[01:37:16] cost at \$53.7 million is \$2.2 million under the adopted CIP. With respect to project costs, effort has been made throughout to control costs and reduce them wherever possible while maintaining the desired physical components of the project. These costs have fluctuated through the design as more detailed estimates could be prepared. But since this city council's first work session on the project a year ago, and with this council's guidance, the city's share of the total project

[01:37:55] cost is down \$1.1 million, and the city's share has been reduced over \$2.1 million from the highest estimate calculated during the design process. These savings have been found through value engineering, the competitive bidding process for subcontractors, and negotiating the guaranteed maximum price with the construction manager at risk. Similar attention has been paid to the operating costs associated with the project after it's occupied in 2029. Operating costs have been

[01:38:30] refined and reduced by closely evaluating staffing needs and reconciling facility maintenance costs. At the February work session, cost recovery options were presented that would generate revenues covering the anticipated operating costs for the facility, netting out the annual maintenance and staffing costs. Operating costs will be shared between the city and the county and memorialized in an operations and maintenance agreement between the jurisdictions. In addition to the underlying costs associated with basic facility operations, such as custodial services,

[01:39:08] utilities, and maintenance, the city and county will partner on staffing costs for front desks and security. Managing costs is also applied to the financing, with debt for the project anticipated to be issued in three tranches, the first being the next item on the agenda tonight for council's consideration. The next two tranches would occur on an annual basis, time to align with construction expenditures. This approach spreads the debt issuance over a three-year period, allowing the city to gradually absorb those impacts as opposed to doing that all

[01:39:47] up front. As shown on the bottom of the slide, costs for a potential addition to the existing Sherwood Center to provide backstage spaces and renovations to the existing performance area have been finalized as well this design occurred in parallel with Willard Sherwood the total project cost for for that option is held steady at four million dollars this cost though has not been included in the city CIP nor a

[01:40:21] staff recommending to include it and proceed but of note not proceeding at this time does not preclude the option completely it has been fully designed So, should City Council desire to allocate funds in the future, that option is available.

[01:40:40] Nothing in the Willard-Sherwood project would preclude the option from being implemented in the future. The resolution included in the agenda packet would reaffirm the City's commitment to the Phase 2 design and construction agreement that the City and County have been operating under since December of 2022 and authorize advancing the project to construction.

[01:41:05] The agreement would continue through construction, but as the project moves from closing out design and permitting and moving into construction, some amendments to the agreement are necessary, as shown in the first amendment to the joint agreement in tonight's package.

[01:41:23] which includes referencing the final design. As noted previously, the construction drawings are complete. Permitting is wrapping up. As outlined on the last slide, project costs have been finalized, which include the negotiated guaranteed maximum price.

[01:41:43] So the final revised budget has been included as part of that amendment. The amendment would signify the city's concurrence to award the construction contract to the Chrisman Company, which is the construction manager at risk that has been working with the team on the project. The construction schedule would be updated as indicated earlier. Construction is now projected to begin this summer and proceed for approximately three years to summer 2029.

[01:42:11] Finally, the amendment would include reference to the quarterly construction payment schedule. Fairfax County is acting as a procurement agent for the project. The city would make payments to the county, and the county would pay the contractor as the construction proceeds.

[01:42:30] The resolution also directs the city manager to finalize and execute documents necessary to implement the project, first proceeding through construction and then through occupancy. Finally, the resolution states that the city elects not to proceed and the city council does not authorize the optional

renovation in addition to the performing arts space at the existing Sherwood Community Center. In accordance with a Phase II agreement, the county

[01:43:04] provided notice to the city on April 21st of its intent to award the construction contract to the construction manager at risk. There's a letter from the county in the packet to that effect. Action on the resolution before council tonight would provide response to Fairfax County regarding the city's determination on advancing the project. On May 5th, the Board of Supervisors would consider the same amendment to the development agreement, along with consideration of the county's FY27 budget. The construction contract award anticipated in June is an administrative item

[01:43:44] that would be handled by county staff, again, which are acting as the project's procurement agent. Looking out beyond the award of the construction contract, the contractor would mobilize on site and early July and initial phases of construction that would begin over the following six months are shown under the final bullet on the slide that concludes presentation this evening happy to take any questions okay are there questions of staff let me start with council member Hardy

[01:44:17] Chandler thank you for your presentation uh certainly input from the community over the course of this time that's a priority for the council I believe that in a prior meeting you talked about actual integration of community input into the design and planning could you highlight a couple of those and then my second question is about the commitment from the county to contribute to operations some of the

[01:44:50] operations sure there was considerable public input in the project on a wide range of topics um some of those that come to mind were things like natural light that the building be be light filled and airy and open and so things like the wall of windows that's located along the rooftop terrace the large windows that are in the gymnasium and the fitness rooms were incorporated to respond to those comments areas for meeting spaces both informal throughout

[01:45:26] the building and then more formal spaces and classrooms or something that we're touched upon that the project provides separate space for seniors so there's a third floor in the facility and a rooftop space that would be dedicated for the senior activities and the senior center and we heard about public art and opportunities for public art to be incorporated at various locations throughout the building, kind of expanding the reach of the existing Sherwood Center.

[01:46:00] So those are some of the comments that we heard. In terms of the county's commitment, the county has agreed to, as I noted, participate in staffing the front desk and any security personnel that would be at the facility.

[01:46:24] while the the facilities jointly being used so during operating hours of both the city and the county I believe that comes to perhaps a total of up to 180 000 annually looking at the CFO for confirmation on that and that would be moving forward after the the the property is occupied Councilmember Amos?

[01:46:55] Thank you. No questions at this time. I just wanted to say thanks to staff for the extensive research. I also wanted to thank the public for those in support and those who have concerns about the financial side of things. I think it's really a reflection of some of the conversations that we've been having.

[01:47:11] Obviously, I used to live next to this project over at Layton Hall, and I've said many a joke about the basketball court, but you try playing basketball in the wind and tell me how much you enjoy that. And

a number of the kids who live at Layton would be right next to that facility and could access those services versus playing at Van Dyke Park.

[01:47:28] And then you're essentially dependent on the weather, whether you want to hang out with your friends or not. So I think that's critically important, but also fiscal stewardship and how we've gone about this. To your point, I can't believe it's been a year already. What a jump. But we've talked about the operations side of things.

[01:47:45] How can we make that more manageable? And so we came together and asked staff to come up with a cost recovery plan and a special thank you to Director Summerfield hiding in the back over there. You did an excellent job. And not only getting that to net zero, but even potential revenue generating. And so I think we're in a lot more comfortable place now.

[01:48:03] And I'm just grateful for all the work that's come from not just our own city staff, but on the county side as well. Obviously, we just found out about the operation side of things not too long ago. So appreciate that this is an evolving process. I look forward to supporting this project.

[01:48:18] I do think it's a reflection of everything we want to accomplish in the city, from services, affordable child care, and also net zero environmental capability being accessible in a centralized location that's on bus access.

[01:48:35] I think that it really encapsulates what the vision for this city should be. Councilmember Peterson. Follow-up question that I think is probably going to be directed either to our chief financial officer, our city manager, or both.

[01:48:54] Just to go back to the cost side of this, we've heard a pretty good recap of the total dollar bills that are involved in the project. But what I'd also like to just kind of confirm is my understanding of the tax implications of this, just to use some of what I call neighborhood math.

[01:49:16] people are concerned about what does this mean annually to them in terms of an effect on their tax rate and what does it mean when you translate that into literally the the cash payment they make every year so the first time we heard about this project and had a financial review that I think was February of 2025 and then the last time we heard an update about it was February 2026 so there was a year and the snapshot in that year the difference between the two is I think what I'd like to just confirm my understanding is that when we first

[01:49:50] heard and a year ago plus the tax impact of this the combined tax impact which included the construction and then the maintenance and operations was 9.7 cents and the most recent number has fallen to 4.33 cents that's a 55 percent reduction do I have those numbers correct absolutely correct okay so you translate that into a homeowner impact so we started at seven hundred and ten dollars a year and that has dropped now to three hundred and sixteen dollars a

[01:50:27] year that's almost a four hundred three hundred ninety four dollar drop again absolutely correct okay well I appreciate that I I do have some comments I want to offer here just in reflection of this because I think these cost numbers are important a lot of the project has changed and there has been understandable confusion about where this started and and where it is today as we've just noted as you've just told us a year ago the project carried a projected impact of nine point seven cents on the tax rate and about seven hundred and ten dollars

[01:51:03] per year for the average homeowner that's a significant number and we and it raised real concerns in the community early last year I expressed concerns about these concerns about these costs excuse me along with other council members last October three of us myself councilmember Hall and councilmember McQuillan voted against the land-used application and made clear public statements about those costs that vote didn't stop the project but it sent a clear signal we needed to do better on affordability and to the credit of the

[01:51:40] staff they redoubled their focus on cost controls and what followed was not a redesign of the building but a redesign of the financial approach staff worked through numbers in detail, refined operating assumptions, improved cost recovery, and tightened financing. And the result is a very different project. Today, the tax impact again has dropped from 9.7 cents to 4.33 cents. It's a 55% drop over half. The average homeowner cost has dropped

[01:52:13] from \$710 to \$316 per year, nearly 400 in annual savings per household, and again, about a 55% overall reduction. Just as importantly, operating costs are now projected to break even, and that's based on conservative assumptions. So to be clear, this is not about cutting corners. It's about doing the work to make the project stronger and financially responsible. And I want to be clear, these improvements didn't happen by accident. They happened because concerns were raised,

[01:52:47] questions were asked, and expectations were set. And residents should understand this clearly. The project before you today is not the same project that was originally presented. It is more affordable, more efficient, and less burdensome on taxpayers while still maintaining quality. So yes, there were legitimate concerns about cost, and yes, those concerns led to meaningful improvements. For those reasons, I will be voting in favor of this project tonight, with the clear understanding that this

[01:53:23] outcome reflects the importance of listening to residents exercising strong council leadership and insisting on good governance that delivers better results and this experience points to something even broader as a council we are looking at more than one billion dollars in capital investments over the next decade including over 520 million dollars in the next five years alone

[01:53:49] We cannot approach that passively. We must review projects proactively, responsibly, and objectively to determine which should move forward, which need improvement, and which may not make sense any longer.

[01:54:06] Because ultimately, we do not simply inherit the decisions before us. We have a responsibility to shape them, to refine them, and when necessary, rethink them in a way that reflects the priorities and needs of our community. And that's how we ensure that our investments reflect the needs, priorities, and values of our community, both today and in years ahead.

[01:54:28] That's how we ensure that we are making the right investments, not just for today, but for the future. Thank you again. Any additional questions of the staff? Councilmember Hall. Thank you.

[01:54:45] I just want to circle back on parking for a minute. I know we talked about this previously, but I put up an email that was sent on April 14th. It said that service parking was not considered as an option because on a roughly 2.4-acre site, accommodating the required 241 parking spaces at grade would have consumed nearly the entire parcel once circulation setbacks and access were accounted for.

[01:55:09] That is true. What is roughly the cost of the parking structure? I understand we have an extra \$3 million to pay, but what is the total cost to essentially protect what would have otherwise been

potentially 2.4 acres of parking at Van Dyke Park?

[01:55:27] The total cost of the parking structure is \$19,141,539. Okay, so \$19 million for 2.4 acres. Okay, that's a very helpful figure. Thank you very much. I do have a statement I would like to read.

[01:55:47] Over the past year, I've spent a great deal of time evaluating this project, asking questions, and pushing for a more responsible financial plan. When this first came before this council in April, I'm sorry, in 2025, the numbers were difficult to support. We were looking at nearly 4.8 million in annual operating and staffing costs, plus an additional 3.3 million in debt service with only about \$600,000 in projected revenue.

[01:56:13] That translated to a significant potential tax impact. And at that time, I could not support moving forward without a clearer path to sustainability. My concerns were never about the value of a community health center. They were about ensuring we could deliver it in a way that was financially responsible for our residents.

[01:56:33] Since then, Councilmembers McQuillan, Peterson, and I have worked closely with our great staff to bring those costs down and create a more sustainable model, and I'm encouraged by the progress that's been made. We now have a cost recovery approach that significantly reduces the projected shortfall and even has the potential for positive revenue under a market rate scenario.

[01:56:56] Just as importantly, we received confirmation this week that the county is willing to share in key operating costs like front desk staffing and security when programs overlap. That partnership, combined with the cost reductions and ongoing focus on efficiency, gives me confidence that this project is now on a much stronger financial footing.

[01:57:16] Because of that work, I am now able to support moving forward, and I am excited that this long-awaited community health center can become a reality for our residents. As a resident said to me earlier today, we're still getting our project and now it's more affordable. What a great outcome. Thank you. Council Member McQuillan. I do feel that I need to make a statement now to provide some transparency and some clarity regarding my past votes. I want to start by acknowledging the residents who took the time to engage on this process, especially

[01:57:52] around affordability. Those concerns were real, consistent, and they mattered. When this project previously came before us, I did not take a blanket position. I evaluated each of the land use exceptions individually. Ultimately, I voted against three of the four requests and supported one. That was intentional. I supported the exception that I believed was necessary to allow the project to move forward from a design and land use standpoint. I've consistently supported the vision of the project and the services it will provide to our community, but I could not support the others at that time because we did not yet have sufficient clarity

[01:58:30] and long-term operating costs or a defined financial strategy to sustain them. We were looking at an estimated additional \$1.2 million in annual operating costs with a clear cost recovery model or detailed options without clear cost recovery model or detailed options to offset that burden. For me, that raised a very real concern about long-term sustainability, not just whether we would build this project, but whether we could afford to operate it responsibly over time.

[01:59:01] My vote was meant to signal that concern clearly. It was not about stopping the project. It was about making sure we fully understood the financial commitment we were making on behalf of our

residents before moving forward. I also want to recognize my colleagues, including Councilmembers Holland-Peterson. It's the tough questions that were raised by this council and by our residents that led to a stronger financial outcome. That's exactly how this process should work. What we have before us now reflects that work. The financial structure has been improved, the burden on residents has been reduced, and we have a clearer understanding of how this project will operate

[01:59:39] over time. Importantly, that was not achieved by reducing the services this facility will provide. This project still supports families, provides space for child care and community programming, and ensures that residents of all ages have access to safe, modern facilities.

[01:59:57] As someone who has served on the City School Board, I look at every major decision through the lens of how it supports families and the long-term health of our community. But this is also how we make decisions going forward. We need earlier financial clarity, clear funding strategies, and a stronger understanding of long-term operating costs from the beginning. We should also be bringing our economic development team into these conversations earlier to help evaluate return on investment and long-term risk so we're making the strongest decisions possible for our city. Asking questions early is not an

[02:00:32] obstacle. It's how we identify risk, improve outcomes, and make sure we are being responsible with taxpayer dollars. I could not support this project when those questions were unresolved. I can support it now because those concerns have been addressed, and the outcome is more responsible, and it's responsible for our residents.

[02:00:54] That's the standard we should continue to apply, invest in our community, but do it in a way that our families can afford and sustain over time. Thank you. Any other questions of staff? Council Member Bates?

[02:01:10] I just want to thank staff for their hard work on this project. I know it's been a long time in the making. I remember when those of us who were elected in 2022 were invited to a meeting at a retreat pertaining to this project in December, just before taking office.

[02:01:28] And so it's really thrilling to see this come to fruition. I want to thank our staff, again, for taking resident feedback into consideration and going above and beyond in defining cost efficiencies and thoroughly considering the construction operating cost impact as they always have.

[02:01:48] Thank you. Any other questions? Is there a motion? Councilmember Hardy Chandler. I move that the City Council adopt a resolution authorizing the Willard Sherwood Health and Community Center project to proceed to construction, with the exception of the optional renovation and addition to the performing arts space at the existing Stacey C. Sherwood Community Center, which would not proceed at this time, and adopting amendments to the joint development agreement with the Fairfax County for the redevelopment of the Sherwood Community Center and Willard Health and Community Center.

[02:02:27] Center complex Second motion has been made by council member Hardy Chandler and seconded by council member Peterson. Is there any discussion on the motion? Seeing none a roll call vote council member Amos aye council member Hall aye council member Hardy Chandler aye council member Peterson aye council member Bates Council member McClellan aye motion passed unanimously We will now go on to our next item which is a consideration of a resolution request in the city of Fairfax economic development authority to issue revenue bonds and the maximum aggregate principal amount

[02:03:05] of 22 million dollars for the benefit of the city of Fairfax Virginia to finance costs for general government capital projects and prints including without limitation Willard Sherwood I'm going to recognize JC Martinez our assistant city manager and chief financial officer for the staff report thank you Mayor Council as presented during the March 24th 2026 city council work session review of the city's capital funding plan confirmed the necessity to finance a portion of its capital improvement projects by issuing bonds. City staff in collaboration with Davenport

[02:03:40] and Company LLC in its capacity as the city's financial advisor proposes that the city requests the EDA issue the 2026 bonds via a sell in the public markets. Issuance of these types of bonds requires the city's economic development authority serve as the conduit issuer. This option was determined to be the most efficient, cost effective, and provides flexibility regarding the use of bond proceeds, allowing the city to utilize funds as necessary for various city capital improvement

[02:04:15] projects. Anticipated capital expenditures include the following without limitations. Parks and recreation with cultural and cultural Willard Sherwood Community Center. This proposed financing was incorporated in the manager's proposed FY 27 budget. Given the city's very strong credit ratings, the 2026 bonds are not expected to require any collateral, and the revenues of the city's general operation subject to annual appropriation shall be pledged as backing for the proposed revenue bond issuer. In the audience, and if need be, I have bond counsel

[02:04:55] Chris Culp, and then also Kyle from Davenport to answer any questions that Council may have. Are there questions for staff at this time from the dais? Okay. Is there a motion, Council Member Hardy-Chandler?

[02:05:18] I move the City Council adopt the resolution in the form presented requesting the City of Fairfax Economic Development Authority to issue revenue bonds for the benefit of the City of Fairfax, Virginia in the maximum aggregate principal amount of \$22 million to finance general government capital project costs. Second. The motion has been made by Councilmember Hardy Chandler and seconded by Councilmember Peterson. Is there any discussion on the motion? Seeing none, a roll call vote. Councilmember McQuillan? Aye. Councilmember Bates? Aye. Councilmember Peterson? Aye. Councilmember

[02:05:56] Hardy Chandler? Aye. Councilmember Hall? Aye. Councilmember Amos? Aye. Motion passed unanimously go to the next item which is sorry consideration of a bond resolution providing for the issuance of the general obligation school bonds in the maximum aggregate principal amount of 22 million dollars which were previously authorized by action of the council and approved at a voter referendum to finance capital projects for school purposes including without limitation renovations of two elementary schools and replacement of the roof at the high school I'm going to recognize JC Martinez our assistant city manager and chief financial

[02:06:36] officer to provide the staff report thank you Mayor Council again as presented during the March 24th 2026 city council work session review of the city's capital funding plan confirmed the necessity to finance capital projects for school's purposes by including general obligation bonds or I'm sorry by issuing general obligation bonds city staff in collaboration with Davenport and Company LLC in its capacity as the city's financial advisor proposes that the city issue the general obligation

[02:07:09] school bonds series 2026 either via a call in a competitive call or negotiated call or a combination thereof anticipated capital expenditures include without limitation renovations of the two

elementary schools and replacement of the roof at the high school this This proposed financing was incorporated in the manager's proposed FY 2027 budget.

[02:07:34] Again, given the city's very strong credit ratings and the type of bonds, the city's general obligation school bonds series 2026 will not require any additional collateral other than a pledge of the city's full faith and credit and general taxing power.

[02:07:51] The revenues of the city's general fund operations will be the source of repayment for the proposed bond issuance. Again, I have bond council for the city along with Davenport here to answer any questions if council has any.

[02:08:08] Are there any questions for staff at this time? Okay. Is there a motion? Council Member Hardy-Chandler. I move the city council adopt the resolution in the form presented requesting the issuance, sale, and award by the city of Fairfax, Virginia of general obligation school bonds in one or more series in the maximum aggregate project.

[02:08:33] principal amount of \$22 million to finance capital projects for school purposes. 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.

[02:08:49] 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. Okay, I will now recess the regular meeting to go into a work session.

[02:09:04] we will take a five-minute recess to go into the work session room thank you so much for joining us

[02:21:21] here at our work session Ms. Shinneberry our first item is the FY 2026 third quarter financial review I'm going to recognize Gwen Riddle our budget director for the staff presentation good evening mayor and council I'm here to give the third quarter financial review as part of our finances we give a quarterly update to council for the first three quarters of the year where we stand in preparation for the next year's budget and before we start looking at

[02:21:51] our actual results. The next slide. So as this slide shows, we've already done the first quarter financial review. We presented the FY25 ACFR. We had no fall supplemental appropriation, so we didn't need to come back to you at that time. And then we did the Q2 FY26 financial review on January 27th, about a month before we presented the FY27 proposed budget. Today's the 28th, we're at the Q3, and we should have budget adoption next week. We'll be coming back to you

[02:22:31] on June 9th with our FY26 spring supplemental, which are mainly going to be made up of grants that we've received or restricted monies we've used throughout the year. And then the new fiscal year begins July 1. So I'm just going to highlight what's changed. So on Q3, on the revenues, we are looking at about a \$0.2 million increase for school rental fees.

[02:22:54] We received an updated forecast from Fairfax County schools, and they project the revenue that we received from that rental fee to be about \$200,000 higher than we budgeted. On the expense side, that same forecast, we unfortunately have a \$1.2 million increase in contract expenses for schools.

[02:23:21] that was not projected. That's increasing, decreasing our variance from one point or 2.6 in Q2 down to 1.7 in Q3. Next slide. And as we have a few slides showing real estate, this is mortgage rates over

the past year. And from what we had pulled in March, the rates are actually coming down slightly. So even though there's a downward trend, they start going back up, they are going back down. And again, it's unpredictable at this time,

[02:23:59] but we're just keeping a straight eye on how the rates, because the rates will affect sales and refinances. Next slide. This is a slide just showing total sales. Again, this was pulled before the spring surge. So this is also seasonal. And again, it's just showing on the average where we are projecting or seeing sales and where that the number increases we'll see we'll continue to see

[02:24:33] this increase with the spring sales we've talking with our real estate director there's already been a big surge in properties that have come online after this data was pulled we're showing here just on the average assessed value between each of the different market or types of properties that we're assessing and this last slide is we're showing on the different types of commercial properties where those stands if we're looking at the retail even though the vacancy rates as

[02:25:13] it's going up is still fairly low for the region on office our vacancy rates are still decreasing they're on the lower side of the region and there's also low rent that's that the owners are suggesting for those properties. And the multifamily is being consistent, and the industrial is still strong compared to the other region. So compared to the second quarter, the use of property,

[02:25:48] money and property line, the 233, that's the school rental, and that's changed. So we are showing a \$4.3 million adjustment on our revenues between assessed values being the largest and school, state school aid coming in. Next slide. And on the expenses, tuition contract, we're showing the 1.25. That's our revised estimate from the county. That's bringing down our, that brought up

[02:26:21] our adjustment to 2.6 now compared to second quarter. Next slide. And then overall, again, we're about \$1 million lower than we projected in the second quarter. So we're about 1.7 million.

[02:26:38] Some of the drivers for these projections is the real estate appreciation. We're still on track. We've still actually met, based on our projections, the \$3 million position vacancy target that we had for FY26, but we're continuing to track that to ensure that we're going to hit that, if not beat that goal.

[02:27:03] And then, again, the mid-year update for school tuition is about a million-dollar hit to our financials. This is one of two forecasts that we're going to provide. The first forecast is taking out, it's different than what you, if you have compared this to what's in our proposed budget book.

[02:27:25] We are assuming no tax rate increases for real estate. We've assumed no meals increase, not knowing how that was going, you know, what will happen. And we are also not increasing for any of the expenses for the bond issuances in this model.

[02:27:46] So we are showing a \$2.9 million projected HIP for FY27 and the negative.

[02:28:11] But, again, the additional tax revenue will account as the adjustments that have been made will account for that. For the full year to FY30, we're looking at about a \$9.8 million need. And if you go to the next slide.

[02:28:28] This slide shows projections with the VDOT repayment that's been received, as well as the school debt service and general debt service assumptions, assuming those get fully approved and come in as projected.

[02:28:46] We're looking, again, at \$4.4 million for \$27, but then up to \$13 million in \$28, \$29, and \$30. So something to think about as we're looking at. This is looking at basic assessment increases, nothing major, no major changes on the revenue side either.

[02:29:13] Next slide. So, again, this is just looking at an unassigned fund balance. We're currently sitting at 17.7% at \$33 million. We are looking at a \$3.5 million commitment to we're moving from unassigned to committed fund balance, which is about 1.9%.

[02:29:33] And then we're looking at about \$15.8 or \$29 million estimated fund balance at the end of the fiscal year. This will obviously change as we refine our actuals and review our expenses and revenues at the end of the fiscal year.

[02:29:54] We are doing, as I've mentioned before, a quarterly CIP summary. This date is as of 4-6, so it's about a few weeks old, but we're just looking at what the available balances are in already appropriated projects.

[02:30:10] So this does not include any new funding for 27 or future. In total, for general fund, we have about \$113 million available. There's about \$600,000 that's not been committed for schools that was authorized last year, and about \$126 million with other fundings that the city receives from other organizations or other types of taxes that are not general fund.

[02:30:39] So our recommendations as we continue our FY27 budget deliberations, We'll continue to use the current year trends and update projections to inform your financial decisions on rates, spending priorities, and long-term structural balance.

[02:30:55] We'll maintain conservative fiscal management. We'll continue to close monitoring of all revenues and expenditures, given current geopolitical events and anticipated debt issuances, and allocate surplus strategically. Commit the projected 26 positive variance to one-time use, prioritizing increases to assign fund balance and other reserves to enhance financial resiliency.

[02:31:22] Any questions? Oh, no. Back to the future staff, sorry. So what you have seen. Any questions? All right. The question slide. Do we have questions for staff? Council Member Hall. No specific questions, but I just want to thank you for putting together this five-year projection.

[02:31:42] I think it's a really, really helpful approach. I love that we are going to hopefully be able to continue it and coincide it with our quarterly updates. I think it really gives, again, I understand its limitations and what we are not assuming, but I think to have that kind of picture just to look ahead is really, really helpful, especially in the context of projected tax rate increases or other things that we just need to be mindful of, especially as we have ongoing expenses with schools and these other random bills that we seem to get that we think we're doing okay with, and then we get hit with them.

[02:32:14] So thank you for taking the time to do this. I know in the midst of everything else that's going on with budget and trying to get year-end stuff done, it's very, very much appreciated. Thank you. Other questions on this item? Okay, well, look what a great job you did explaining all that.

[02:32:30] Thank you so much, Ms. Riddle. Our last work session item is a discussion on the proposed FY 2027 budget and draft changes presented slash deliberated. I will recognize Daniel Alexander, our city manager, for the staff discussion.

[02:32:46] Thank you, Mayor and Council, for the opportunity to get into what is commonly called a markup. As far as our budget is concerned, we will have a presentation for you. Initially, in the first few slides, I'll have JC walk through our proposed or elements of our proposed budget.

[02:33:04] For context, I think you remember from the outset we called this stability budget to the best that we could, right, in terms of how we frame this what we're seeing in the area is very common in terms of recognition of the pressures affordability pressures that exist and we did our best to operate within that context when we put this budget together you're not seeing a lot of increases in terms of what we traditionally call enhancements throughout the region most most communities are trying to remain in essence as levels they can be and and have budgets that are what amounts

[02:33:42] is very conservative in terms of the way they're approaching things we tried to do the same as we approached this budget with no significant enhancements no additional head count included and so that frames i think the discussion as we went into budget and hopefully frames our discussion later on so we'll go through what was proposed we'll go through a number of scenarios that really focus very simply on revenues and expenditures and what options are available for Council this I hope is intended to be a dialogue and that you know there's a lot of give-and-take

[02:34:19] there's a lot of obviously tension between the two and frankly it's complicated we expect questions there are no bad questions the only unasked questions right and so we look forward to that dialogue in terms of how we lay this out with the goal ultimately going into next week with a clear picture of where we want to be on adoption for the fifth so with that preamble i'll turn it over to jc to walk through the first few slides and then i'll pick it up in the scenario piece sure thank you mayor council as a manager noted we'll go through the first couple of slides

[02:34:57] you've probably seen these before at least this slide most definitely was presented twice once when the manager proposed his budget at the end of february and then more recently at a budget ENGAGEMENT SORT OF A COUPLE OF WEEKS AGO AS WELL THAT WAS THIS SLIDE WAS PRESENTED ON THE SCREEN ARE THE PRIMARY DRIVERS OF WHAT THE FY 27 PROPOSED BUDGET IS MADE UP OF LOOKING AT A 5 MILLION DOLLAR INCREASE THIS IS ON THE SCHOOLS TUITION CONTRACT BETWEEN THE ADOPTED FY 26 NUMBER WHICH WE ARE NOW HEARING IS ABOUT A MILLION DOLLARS MORE AND THE

[02:35:34] FY 27 projected number when we had our discussions with FCPS they did reiterate that the FY 27 projected number of 76.4 million which is currently proposed budget that was still a good number did not need any tweaking additionally another planned or another driver is three million dollars in two planned debt issuances both of these items were just approved by council in an earlier action one was for the Wheeler Sherwood project of about 1.6 and then the school referendum at 1.7

[02:36:13] so collectively about 3.3 million dollars there an additional 1.3 million dollars in workforce investment this is salary increases for both general employee and public safety and the associate fringe we'll go into the specifics on the next slide and as the manager noted this is

[02:36:31] A STABILITY BUDGET. THE ONLY REQUESTS WERE FOR TWO STUDIES, SPECIFICALLY \$300,000 FOR A CITYWIDE CLASSIFICATION AND COMPENSATION STUDY, AND THEN AN ADDITIONAL STUDY OF \$200,000 ASSOCIATED WITH A SOLID WASTE FUND TO SORT OF SEE WHAT OPTIONS THE CITY MAY HAVE BASED OFF OF THE RESULTS OF THAT STUDY.

[02:36:54] And then lastly, we had a negative or a budget savings of \$1.3 million and it operated in maintenance reductions. This was in the conversion of available balances in the CIP fund that were transferred over to the general fund.

[02:37:14] Again, these were maintenance and operating expenses, not CIP. WHEN THE BUDGET TEAM, SPECIFICALLY DIRECTOR RIDDLE AND JESSICA IMES, WHEN THEY REVIEWED THE BALANCES, THERE WERE SOME FAVORABLE BALANCES THERE IN DISCUSSIONS WITH DEPARTMENT HEADS, WE WERE ABLE TO NOT HAVE TO FUND SOME REQUESTS IN FY27.

[02:37:35] GOING INTO A LITTLE MORE GRANULAR DETAIL, AGAIN, THE FY27 PROPOSED BUDGET, SO IT DID INCLUDE, THE MANAGER DID INCLUDE A RATE INCREASE OF TWO AND A HALF CENTS, SO GOING UP FROM OUR CURRENT RATE OF A DOLLAR, zero five and a half to a dollar zero eight it also did include a meals tax increase as was previously discussed earlier tonight going from four percent to four and a half percent again that half a percent increase equates to approximately a quarter or 25 cents on a \$50 meal on a meal and then on the

[02:38:14] expenses again fully fund the contract expense for the school tuition contract from FY26 to FY27, about \$5 million. The two planned debt issuances again. And then for workforce investments specifically, a 1% cost of living adjustment for all employees, both general employee and public safety, effective at the beginning of the fiscal year, so July 1, 2026.

[02:38:39] And then a step increase, a planned step increase for public safety employees, which happens on January 1, 2027. Additionally, a 3% salary adjustment for general employees also coinciding with the beginning of the year, the calendar year, January 1, 2027.

[02:38:58] Fund the two studies that were previously mentioned, class and compensation study and the solid waste study. And then we had additional expenses that were identified from 100% of tax relief for disabled vets. This is an unfunded state mandate that each locality is required to do.

[02:39:18] In doing some analysis, again, with the budget office, we've seen a significant increase of about 33% or about half a million dollars in these type of residents living in the city and qualifying for this tax relief. Again, this is an unfunded state mandate, so we were just incorporating that acceptance in the proposed budget.

[02:39:40] Any questions on those two slides? Apparently not. All right. I'm going to go ahead and transfer it back to the city manager to walk you through the different scenarios. all right so let's go to slide four what i'd recommend for council is for us to run through these scenarios i'll try to frame up many of the components of this at the front and then work through as we go i think after that we're happy to go back and forth understanding that any one of these variables is adjustable and so you know as we go through this there may be elements of this

[02:40:16] that you see that um you have questions on or um can recommend uh revisions on on this uh staff will pay attention for anything i might mischaracterize as we go through a complex scenario environment here but um again as we as we run through this we're going to start looking at revenue on one side expenses on the other um you know for simplicity purposes more for me than anyone else. Red in revenue is bad. Red in expenditures and expenses is good. So it's kind

[02:40:50] of easier for me and others to frame it that way and understand it overall. Understand too that this is in addition to, it's not included in everything, this is in addition to or a revision of what was

proposed by me earlier. So that's what is represented in these scenarios. It's not everything that that obviously is incorporated into the budget so under scenario one in essence is what we advertise to the public and so as a real estate rate we advertised uh 1.095 as we

[02:41:23] talked about earlier uh both both in the meeting and um you know now we're at that 1095 scenario number. What that anticipates above what was proposed at 108 is \$1.3 million in additional real estate revenue. Under the scenario, the assigned fund balance does not change. We reported to council additional revised personal property revenue numbers at the amount of \$400,000. We

[02:41:57] advertised BPOL Professional from .40 to .48, and under that scenario, we end up with \$719,000 additional dollars above what was proposed. And in BPOL Services, we have advertised .27 to .30, and that amounts to \$359,000 additional dollars in revenue. Under this scenario, We are not proposing that change from 9% to 12% on TOT, so that revenue is not reflected there because under the scenario, we're not recommending an increase here.

[02:42:33] In this scenario, we are introducing a transfer from the Old Town Service District, largely to ensure that our partners understand that there is support for ongoing activities, events down in that area. If need be, those dollars are available in this arrangement.

[02:42:54] And then we also want to reflect that we anticipate lost revenue for Old Town Hall opening in October as opposed to July. And so we want to make sure that we recognize the potential for essentially \$10,000 or so a month in lost revenue for that delay.

[02:43:11] Total revenue impact under this scenario in the positive at \$2.8 million. And so we'll shift to the expense side. Under this arrangement, we are anticipating, as was proposed, the full school bond payment.

[02:43:28] We have the VDOT payment at \$1.1 million included in here. We have Beacon Landing tax grant in at \$115,000. I'll say relative to this number here is that that is a year-to-year.

[02:43:45] It's not anticipated every year. So I think, you know, like many of these things, we ought to be looking at these things annually and ensuring we're having a full discussion around these line items. We have communicated previously the increase in health insurance at \$325,000.

[02:44:03] We are not introducing any personnel expense savings. We'll talk about that later in other scenarios and kind of walk through what that means. In this, we are doing what I would characterize as a strategic reallocation of two positions that currently exist it's not an enhancement in terms of additional dollars but as a recognition of council priorities and obviously things that we have seen in our city that that are in need one being an energy programs manager largely focused on sustainability and also green building and potential efficiencies we can achieve there both in the enterprise and ultimately in the

[02:44:43] the community we've heard a lot of talk about it's but it's a I think it's a good investment in terms of priorities and things that we would focus on so that positions included police departments asked for crime analysts we've kind of broadened that in scope to accompany encompass the idea of a community safety analyst looking at the human service piece case management across high utilizers in looking at a much broader approach to how we we do community safety from a data perspective and so those two positions are included in this scenario

[02:45:19] understanding we're an extremely competitive market around public safety there's a one percent cola that's built in for July 1 at the amount of 235,000 we've also you know understanding a good bit of what fire and rescue does is medical and does advanced life support and character have built in an ask from FIRE for \$104,000 for ALS pay.

[02:45:45] So that is included in this scenario. Economic development funding at \$400,000 more than what was proposed, and then funding of the Renaissance Housing Project at \$450,000. Now, relative to Renaissance housing, we've sent you communication on the program and the investments over the years and the return on that investment, we certainly think that as we look forward, regardless of what we do in funding, that there's some opportunity to look at how they're apportioning funds for smaller projects,

[02:46:23] how we're looking at equity across the city, looking at accessibility improvements, aging in place, getting reporting on how we're serving different households, average loan size, geographic distribution. There's a lot I think we can gather on the front end and back end in terms of data that we're currently not getting that would be helpful.

[02:46:44] And I think we would want to restructure how we approach the program while still recognizing the benefit of what it has done and could do across the city in terms of investment. So that's the one caveat I would say there. I also provided you with information from Economic Development.

[02:47:01] We'll credit Colleen Cardez for the work that she's done in a very short period looking at their budget, understanding where they are. You know, she's conveyed that they can operate within the current budget that we have proposed, which does not reflect this \$400,000 increase.

[02:47:20] And so you all know that's late-breaking, but I credit her and the team for looking at how they can do their work in the short term and give us a strategic vision of where we think we need to make investments in economic development. So more to follow on that, but again, it's another part of the scenarios you'll see later.

[02:47:40] I wanted to frame that up early. So I spent a little more time on that. We can go to scenario two just to provide context on each one of these, and hopefully the rest of them will go more quickly for you. So going to scenario two, under this, the real estate rate is what we proposed.

[02:47:55] So that stays the same. Assigned fund balance, likewise, stays the same. All the other numbers, I think, in this scenario remain the same. So you don't have that additional real estate revenue coming in above proposed that you had in scenario one, which means your revenue impact is lower at \$1.5 million.

[02:48:19] Switching to the expense side, the only thing that's changed here is looking at personnel expenses. We are anticipating and attempting to recognize about \$405,000 in personnel expense savings.

[02:48:35] Now, what that largely means is we're going to look at our anticipated vacancies. We're going to look at what reclassifications we can make within the departments, not reducing headcount, not taking any operational pieces away, but essentially about \$200,000 and kind of reclassing down to save money and another \$200,000 or so looking at those vacancy replacements and where we hire people into scale.

[02:49:02] And so with some of those replacements, we're not going to bring them to the top of the scale, obviously. We anticipate getting some savings as a result of the way we look at the personnel side of things. So, again, under that scenario, we would recognize some additional savings. The positions we talked about earlier would be included on the public safety COLA.

[02:49:22] What changes here with the reduced revenue impact is moving that to a January 1 as opposed to July 1 time frame. Under this scenario, the LS pay comes out, and then you see the reduced funding here, both on economic development and renaissance as a result of the decreased revenue.

[02:49:44] Overall and I didn't mention it on the other slide and I should have earlier on scenario one We're looking at a difference of fifteen thousand nine hundred and eight In terms of positive on that I will go back really quickly to say on scenario one your difference is 135,000 802 net positive on scenario one So I want to make sure that we cover that. Thank you JC. All right, so let's go to scenario three Again, you're going to see, because this is a cent below 107 on the real estate,

[02:50:24] you're going to see reductions both in real estate revenue and assigned fund balance. As a result of that, the revised personal property revenue stays the same. B-Pole doesn't change in this scenario. Neither does the 9% to 12% increase on TOT.

[02:50:42] We have the Old Town transfer in here and also the lost revenue on Old Town Hall. So your total revenue impact as a result of this is \$213,000 in the positive. And so as you compare from a revenue perspective, the scenario, because it's below what we proposed, is pretty significant in terms of revenue impact.

[02:51:07] Now, on the expense side, we've talked to you before a little bit about the school bond and school bond payment. Under your previous scenarios, you have the general fund supporting the full bond amount at about 1.6 or so million dollars.

[02:51:22] As we've talked to you before, we have proposed an option whereby we would pay close to \$600,000, a little less than \$600,000 for this year. The overall project timeline would remain the same.

[02:51:37] We would move forward with renovations as we have planned. We would, in essence, under the scenario, be paying the interest on that payment. And then in future years, we pick up principal and interest. So one of the things, frankly, that we don't know about from Richmond is what help we're going to get or not around schools and what options we may have to present to the public as it relates to the 1%.

[02:52:04] Not assuming that would happen because it's ultimately up to council and our residents, But it is something that sits out there right now that is an unknown. Many things are kind of an unknown right now with Richmond. So that's part of the context of this option.

[02:52:21] It gives us a little bit of time to understand what that potential revenue picture will look like later. Under this scenario, as presented, the energy programs manager stays in. The community safety analyst comes out, so that becomes a positive expense piece.

[02:52:40] The COLA is still in at 1% for public safety on January 1. You see the reductions overall, both in economic development funding and in the renaissance housing funding. So that is scenario two with a \$71 net positive difference in that scenario.

[02:53:02] In scenario four, we introduce a rate of 1.065. You see the reductions both in real estate revenue and assigned fund balance. In this scenario, what changes is we have the full 9% to 12% TOT to make up for the lost revenue in real estate.

[02:53:24] Everything else remains the same. The total revenue impact in this scenario was a negative \$74,000. As you look at the expense side, our approach to school bond payment is the same as scenario three, BDOT's in.

[02:53:41] In this scenario, Beacon Landing is out. The increase to health care is there. There are no additional reallocation of those positions in this. The 1% for public safety stays in. We have significant reductions to both economic development and renaissance under this.

[02:54:03] And the total expense impact is in the negative 88,457 with a net difference of 13,524. Our last scenario in scenario five has the current real estate rate, everything else remaining the same, I think, from the previous scenario to include the reintroduction of TOT in there for a total revenue impact of about \$1.4 million in the negative compared to what was proposed to you.

[02:54:40] Everything on the other side stays the same, with the exception of all of the positions, COLA, Economic Development, and Renaissance Housing removed from that, with a total expense impact of \$3 million, total difference between revenue expenses of over \$1 million in this scenario.

[02:55:03] So we covered a lot very quickly. I know in discussions that we've had with you that we've looked at some variations. We've heard concerns and have listened to concerns around some of the revenue impacts and potential expense impacts from these various scenarios, but are certainly happy to go through some of them.

[02:55:26] I will tell you generally, not speaking for anyone in particular, that I think our middle scenarios seem to resonate more so than the extremes, just generally. And so I appreciate your feedback, appreciate all the work of staff that's gone into trying to both engage public and engage council around building this for you.

[02:55:52] So happy to answer any questions, happy to make any revisions. And I think knowing JC, he's probably got a couple of other scenarios that might be helpful as we have discussions. Council Member Hardy Chandler. No more scenarios.

[02:56:08] So there is the quantitative of the budget numbers, and then it always goes back to what we prioritize and what we value. I think that for me, the starting point is actually scenario two.

[02:56:26] And if you could go back to that for just a second, I'll tell you why. Number one, for me, the investment in the COLAs to be competitive in our region for public safety is very important.

[02:56:44] As I understand it, the energy programs manager and the community safety analyst were repurposed positions, correct? So the maintenance of those positions, again, for long-term, in terms of long-term impact, I think are also very important.

[02:57:05] For Renaissance housing, I think some of the conversations we've had about the guardrails that are needed for that to have more return on that investment is valuable. That would be sort of the contingency.

[02:57:22] But, again, going back to the people and the fact that we are not adding a significant number of positions or whatever, I do think that as we think about those things regionally and maintaining the people that we have, we have to prioritize those.

[02:57:42] If you go to Scenario 3, let's see here, the one concerning part for Scenario 3, which puts two ahead for me, Could you speak to only paying the interest for the school bond, right?

[02:58:05] And that's the concerning part in terms of scenario three for me. So maybe you can speak to that. I kind of spoke to it a little bit earlier. I'm not going to ever be able to make a great case for paying only interest on something that you owe. You know, whether it's your credit card debt or other debt.

[02:58:21] So there's certainly some potential argument against that. I think the different situation that we're in is that there is some uncertainty about what might be available to us in the future around, you know, the 1%. And so that's the only thing that I think makes us a different discussion as it relates to what our options might be.

[02:58:41] So we wouldn't bring you something that we're not comfortable with, you know, around that. But this is a little, we're in definitely a much different, you know, scenario around what's happening in Richmond and, you know, hoping that we have options to present to not only the council but to the community on how we're going to manage that significant, you know, nut that's ahead of us, right, to crack as it relates to that project.

[02:59:09] So I'm assuming probably over \$200 million or so, you know, dollars in capital that we hope we have some options in the future. So that's why it's presented the way it is, and there are pluses and minuses to both scenarios. Well, I would see scenario two as a starting point.

[02:59:27] The other thing that I just want to highlight is really starting that COLA as soon as possible. So, you know, the January 1st start date. Those are my comments. Okay. Council Member Hall and then Council Member Peterson.

[02:59:45] Thank you. So scenario three is my starting point. And I will tell you why and ask a couple questions as well. So when we met, I had asked if we could consider an option for the B poll instead of going from 0.4 to 0.48, if we could go in the middle and consider 0.44.

[03:00:07] I believe that was about a \$350,000 change or so, which would reduce the revenue there. But then we had said that we could increase the TOT from 9% to 12%, which would adjust roughly \$350,000 in the other direction. make up for that so that's something that I'm interested in having for consideration I also recall when we met that the community safety analysts position of 152,000 you had said could likely be made up in other finances available through some contracting and some other things that the police had

[03:00:41] available to them so that 152 could be included in the 1.07 scenario is that still correct? That's correct. I think as we again I'll credit the departments both fire and police have both talked about you know some of the potential cost savings that won't impact operations that they can undertake to get to where we would like to be on on that personnel expense for that position specifically to your question on community safety analysts looking at existing existing contract dollars there's certainly a potential to reallocate some of that without, again, not impacting the bottom line

[03:01:19] of personnel expenses and make that position happen. Okay, I would definitely like to see that. I would be also perfectly okay with taking the economic development, 100,000, and moving it to the Renaissance program. I'm having trouble finding the email, but I believe there was information, maybe, Ms. Riddle, you can confirm this, but we have invested roughly \$4.8 million into the Renaissance program and in increased taxes that have been received by the city, we're anticipating about \$7.1 million.

[03:01:52] Is that correct, or \$7.8, \$4.1, something? Yeah, roughly, yeah. That's huge. It's from 2003. Yeah, if someone said to me, okay, take \$4 million, and in 23 years you'll have \$7.1 million, whatever, \$7.8, I mean, think about your 401K, right?

[03:02:09] Like that's a really great return on investment. As far as parameters go for discussion purposes for the Renaissance, some of the more recent ways the program has been utilized it sounded like was for

gutters and roofing and things like that i'm actually really surprised that those things fell under the renaissance criteria simply because it's not in keeping up with the intention of the the the renaissance program itself i mean it's supposed to be bringing value and adding value i do wonder if maybe there is a way that we could somehow work with main street bank or another

[03:02:48] local bank to maybe work with our homeowners on options for things like roof and gutter. And maybe there could be like a mechanics lien or something taken out in the event of non-payment that wouldn't put the city at risk, but would also maybe provide favorable options for people to be able to do what I would really consider more operating and maintenance items on their house as opposed to a true investment in improvements.

[03:03:17] I would like to see the program continue, and I know we did talk about some of the other neighborhoods, and Mayor Reed, to your point, you had asked about Ardmore. There actually is a house that has been under consideration for about 18 months at this point. They were having some trouble with getting things to the final steps, but the hope is that that will be resolved and that that will be a completed project in Ardmore.

[03:03:44] But I do think there is some opportunity for improvement in the program itself. But I also recognize that that's not directly managed by the city, but we could certainly have conversations about that. So again, taking ED money away simply based upon what the new EDA director has mentioned and putting it to the Renaissance program.

[03:04:05] With regard to the school bond payment, I understand that we'd be essentially running a risk or a chance on that 1.1. But on the other side, we're also really running a chance that we will or will not get that 1% sales tax and that's going to be a much bigger hit either way or nay than 1.1 million dollars in the grand scheme of things for all of our school renovations that are going to need to be done which are not just the elementary schools right now but as Councilmember Peterson alluded to earlier also the middle school and the high school that will be in the next five or ten years

[03:04:44] so I do think it's well worth waiting to see where Richmond shakes out on that and for those that watching at home i would highly encourage you to reach out to your new governor and strongly suggest that they pass this um addition to the budget for the 1.1 million i'm sorry the 1.1 percent sales tax too many 1.1s in my head um yeah so i think those are kind of my things on the budget so thank you okay council member peterson well i'm also uh centered on scenario three and let me just ask a couple clarifying questions and then offer a thought or two

[03:05:25] First, thank you for confirming that the community safety analyst would functionally be retained by finding capacity within the program. I think it's the best description I understand for that.

[03:05:42] So that's very good to know. It's very good to know also that the energy programs manager will stay. I think that speaks to what I would call a hidden savings issue in the agenda here, in the budget here.

[03:05:57] We haven't scored out the financial savings to the city that potentially result from the energy programs manager, to my knowledge. And is that correct? It would be arguably premature to do that.

[03:06:13] On the other hand, if I'm understanding correctly, the scope of work for that person is going to be very much focused on energy cost reduction, not only for the city operations itself, but for the citizens. And so there is some potential there for a payoff being reduced energy expenses for the city.

[03:06:32] That has certainly been the experience of these positions in other places, but it's too early to count on it. Nonetheless, that would be good news as it materializes. I actually think there's potential for the crime safety analyst to have a productive effect in terms of efficiency as well.

[03:06:48] I'm not sure that translates back into cost savings because I'm going to guess that the efficiencies from that will find their way into some boost in capacity that's needed within the department. But just to note that that's a helpful thing. But I also want to point out that we have not yet conducted the finance and efficiency audit, which I am hoping will happen sooner rather than later.

[03:07:15] And there is, I think, a fair expectation that that is going to identify efficiency, financial efficiency opportunities in the course of this year that we could tap into. It is, again, too early to count on that. We haven't begun that process, but that was an entire point of it.

[03:07:31] And the benchmarking around those kinds of activities under these kinds of circumstances would indicate reasonable optimism that we're going to find some efficiency and savings out of that. So I would just note that's not here, but we'll get into that, and it may well have a payoff that isn't showing up here.

[03:07:51] A couple things on the economic development budget. Yes, I saw the memo that is completely consistent also with the conversation that I had with our new director, and my clear understanding from that was that the request this year is a zero number.

[03:08:10] The request next year will be a larger number, but that's going to be based on a fair amount of planning and analysis that's underway as we speak. So that would mean that that's a number that could go to zero, and that could free up reinvestment in Renaissance housing, for instance, which I would be supportive of, but I am also in agreement, if I understand your comments correctly, that within that program, there are opportunities for it to become more targeted, and as a consequence of it being more targeted, that

[03:08:44] if we were to peg that number at \$200,000, that is likely to be a high-impact number with targeting um so i would be entirely comfortable if that's where that goes and if we zero out economic development on the school budget i am not going to attempt to crystal ball things except to say my understanding is that the one percent proposal is tied up in the budget and i think i won't say a whole lot you know please everybody be in touch with the governor be in touch with our representatives to get a favorable resolution of the budget but

[03:09:24] I think the incentives and the pressure pressure towards a budget a favorable budget resolution are very high And so, you know too early to say but I think that is more likely than not that that happens So I understand what you're doing here is a prudent and sober approach But it's not a pessimistic approach and I think that's the right posture to have here appreciate Beacon landing being retained in here So that's a critical thing that is protected in here.

[03:09:54] And then maybe by way of clarification, my understanding is that the stabilization approach we're taking here, which, as you say, is consistent with our neighbors throughout the region, is we're holding staff steady. We're taking care of staff in terms of the increases, but we're not expanding staff, with the exception of two super critical positions here, an energy programs manager and then a crime safety analyst.

[03:10:22] And those, from my standpoint, are super critical and are justified, and I appreciate you finding a way to make the community safety analyst happen within this context. But am I correct in the understanding that this scenario three does, in fact, take care of our existing level of staff?

[03:10:43] Yeah, it does, in terms of numbers, does not add headcount or different allocation there. I think it's important to go back within the context of this conversation to the fact that we're looking at what amounts to salary increases at 3% in terms of scale for all of our employees, right, and the 1% COLA adjustment that is going to occur as part of the manager's proposed budget.

[03:11:08] So to that extent, there's a recognition, you know, we didn't do it last year. This year, we're making that investment, pretty considerable investment in our staff. So from that standpoint, I know it doesn't directly address your question, but it does speak to the fact that we're making investments in staff.

[03:11:25] We're not reducing, well, we're not increasing headcount as it relates to FTEs and the budget. These positions that are included here are reallocations of existing positions that we currently have that are vacant. So if I understand that correctly, we're not cutting staff.

[03:11:44] We're not cutting. We will be reducing existing FTE or reallocating existing FTEs. Reallocating, but in terms of the total pool, it's not a cut for that total pool, and we're not cutting salary increases. We are awarding them under this scenario, so we're taking care of staff through this scenario in that manner.

[03:12:05] I think that I want to be fair and accurate in how we're characterizing it, but under the current scenario, we're not adding to our current FTE count. But we are simply reallocating existing positions, reclassifying them into other positions.

[03:12:24] Okay. And then in terms of the salary increase? Salary increase is a separate allocation in terms of the personnel costs associated with that. That's already baked into the proposed budget. All right. And then cost of living?

[03:12:40] The cost of living adjustment at 1% and then the salary increase at 3% for all employees. Okay. And that, I'm guessing, based on your initial remarks, is kind of... I'm going to let Melanie correct me if I'm wrong on that. Yeah, the steps are for public safety, and those are allocated a little bit differently.

[03:13:02] But for general employees, it'll be the 3% and 1%. The actual increases for steps are a little bit different in public safety than they are for general employees. Okay, and then I would expect, based on your initial comments, that this is pretty much the same as our neighbors are doing too in terms of an approach to managing somewhat and I think um you know frankly we we've held on to and understandably a low real estate rate for for some time and that's um you know we we are lower than most of our our neighbors

[03:13:40] and uh understandably so but um yeah I think in terms of overall approach we're doing what's consistent with what we're seeing in the region and I was specifically referring to how The budgeting for staff is being handled. Yeah, in some cases you're seeing, you know, reductions in FTE count overall in other areas.

[03:14:00] Again, a recognition that times are tough. Okay, and then big picture, if I understand this scenario correctly, in terms of basic services that the city provides, there is no discontinuation or reduction in them that is caused by this scenario.

[03:14:21] No, this assumes we continue to provide the, frankly, great service we provide, you know, day in and day out. I think these strategic reallocations represent investments. And so, you know, I think in that respect, we're looking to improve, you know, not only in terms of efficiency but outcome.

[03:14:41] Frankly, without the energy programs manager, we're not doing the sustainability plan the way we should. We're not doing green building the way we should, frankly. And so that investment means that we're not only maybe achieving efficiencies but moving these important programs forward.

[03:14:56] And it's same with the investment in the community safety analyst in terms of dealing with repeat calls, creating efficiencies in terms of how we allocate resources using a data-driven approach to the way we do community safety. Okay. So, no cuts.

[03:15:13] The other area, just to be clear and confirm with this scenario, we're maintaining our investment in critical infrastructure. Yeah, and I think that that's largely seen through our approach to all of our projects, many of which are public works related.

[03:15:31] Some of the increases, strategic increases that you've seen in stormwater and wastewater that are all, again, data informed. And so we're going to continue, you know, making those investments as we should. It's a great point in that we don't talk about it a lot. But, yeah, we're going to continue to work on those projects for all of its infrastructure.

[03:15:50] Okay. Well, very helpful. I would say again, this is the scenario that I am really seeing as the best way forward for us. Thank you. Council Member Amos, and then Council Member Hardy-Chandler.

[03:16:07] Thank you. So between scenario two and scenario three, I see the total revenues, total expenditures, and the net difference. One was \$15,000. This one's \$71. I mean, in terms of our capacity when you're comparing the two, frankly, is it concerning to have it this close?

[03:16:25] mean sub \$100 not not really and the and then when you're comparing both scenarios with our presentation that we just had regarding five-year forecast is that a concerning thing if we were to go at this rate I know you assumed 1.055 for the third quarter but I'm assuming that when we're building capacity forecasting you favor one over the other gonna make Gwen answer that question Let me pick that up first.

[03:16:53] That's a great question, Councilmember. And a higher tax rate will always help us prepare for better for the future to be able to build up our reserves as we continue to see those big variances in the out years.

[03:17:10] And does that also include, for example, like when we're trying to rebuild our unassigned fund balance, things like that? Correct. Regarding Renaissance housing, again, while I have some hesitation towards the program, and I think that we received communications that the minimum they said they would need to operate is \$200,000.

[03:17:29] Is that correct? Was it roughly \$200,000? I've heard that number. Their ask was \$450,000. The last I heard was \$200,000 was what they consider a sustainable amount. I would only be willing to support that program with \$200,000 if they make the necessary changes.

[03:17:45] I don't see this moving forward on MOU. they they can't operate as they they currently exist so if they're amenable to that and focusing more on equitable distribution then that might be up for consideration so as long as that's been clear with them at least for from my perspective I'm not going to support a program that only benefits 10 people but if we get that distribution like we highlighted in

Ardmore and we see it improve over time then I think we're getting bang for our buck and we're benefiting all strata all categories of residents one of the things I wanted to flag between scenario two and scenario three and granted I both scenarios have

[03:18:24] some pros and cons there's two things I wanted to highlight one the ALS pay that's gone from scenario three and scenario two is there a reason why just it just kind of just didn't work out yeah I think it's just looking at overall capacities diminished you know quite a bit between you know one cent yeah that's a lot of capacity gotta make you have to make it up somewhere yeah and so that's largely what you're seeing in terms of trade-offs and I know that we heard testimony tonight regarding the TOT and the change from nine percent to twelve percent it's it's nice to see that in scenario three the increases in

[03:19:00] proposed I want to look at those in context between B poll and TOT I still think that B poll numbers a little high considering that the county is already lower than we currently are and then going from 0.40 to 0.48, I would prefer to see that reduced and I'd rather it not be offset by TOT to do it. I personally would lean more towards probably splitting scenario two and scenario three to accomplish that goal to just provide a little bit more distribution. Yeah, I mean, there are scenarios that we certainly could look at on the

[03:19:35] revenue side that do just that it may frankly be instead of a full 9 to 12 you know 9 to 10 you know type of arrangement you know which would essentially you know give us about \$125,000 more in terms of revenue you know have some other offsets on the expense side and then be able to just be pulled down we can we can probably pull up a scenario jc i think you had like it would amounts to a 3a if you all

[03:20:10] are interested in looking at at that option so under under this option and you know these are things that we're working as we go so jc will correct me if i get get anything wrong under this scenario at a 1070 real estate rate we have b pole coming down to 0.44 as opposed to going up to 0.48. You see the revenue reflected there, which is reduced. Then you see the 1% increase,

[03:20:46] in essence, to give us \$125,000 on TOT, so we're not going up to the full 12%. Under this scenario, on the expense side, we do introduce the ALS, but we do so in a January 1 type of framework, which would be consistent with adding the January 1 COLA for public safety. So you would essentially be applying both at the same time under that the the 200,000 for renaissance could could be built in there and then we're at a point I think under this scenario we're still

[03:21:19] at about a \$286,000 deficit that we would have to look at from a contingency standpoint to see you know what's available in the current budget for contingency yeah I was going to ask on what would make up for that difference and I understand that that probably requires an additional review I would personally lean more towards this because it also reduces the burden on BPOL, TOT, and we get the ALS pay.

[03:21:45] But I do understand that we need to make sure the numbers work. Yeah, there are two things that are at play with this scenario. One would be getting money out of fire and having, again, we've talked to the chief about this, and to be able to fund that position, doing the same for the community safety analyst, right, going back to that contract expense.

[03:22:06] So that's one potential chunk of revenue, and there's always contingency built into our budget that we've maintained that we certainly could apply to this to ultimately get to that number in a balanced revenue expense equation.

[03:22:22] So that is a viable scenario. It doesn't, you know, ultimately put us in as healthy a revenue, you know, situation. But under the scenario, the B poll impact is reduced and professional, which is where I think we had more of a concern overall.

[03:22:42] And it has just a marginal, I know it's not, it's, I'll say increase, a 1% increase in TOT in this. I mean, it still needs some adjustments because you're right, we can't go into the red. So I do appreciate you showing this. I haven't seen this yet. Yeah. Council Member Hardy-Chandler.

[03:23:03] So I think we have to address the elephant in the room, and that's the VDOT payment. And I think it's important to talk about why that none of – it's not changing on any of the scenarios that we're talking about. But I want to give you an opportunity to talk about why that \$3.5 million that we are going to have to pay, why you've selected to divide it out in the way that you have.

[03:23:30] So it's essentially almost a third and two-thirds on July 1 of 2027. So that would extend that into another fiscal year in terms of payment. I think philosophically, it's certainly, you know, credit to VDOT. They're not charging interest on that money.

[03:23:49] So it's certainly, there's an argument to be made for paying a portion, essentially holding on to the remainder of that debt, in essence, and that expense until we get to the July 1 and finish paying it.

[03:24:06] You're paying a little bit, showing good faith, putting some revenue back into, you know, BTA on the same token Not paying it all up front recognize the benefit of holding on to that revenue and completing the payment in the next fiscal year as an approach so That's that's the rationale behind it. That's the the approach that we've taken Certainly subject to change, but that's that's how we approach this council member Hall

[03:24:43] Thank you for addressing that and I did just want to correlate what I asked earlier about the parking garage at Willard Sherwood So we are paying \$19 million for a parking garage, underground parking garage, to save 2.4 acres of land that would otherwise have to be parking, surface parking at Van Dyke Park in order to make Willard sure what happened.

[03:25:05] \$19 million. We are paying \$3.5 million back to VDOT to save 100 acres. So again, \$3.5 million for 100 acres, \$19 million for 2.4 acres.

[03:25:23] If you were looking to buy a forest or to buy some trees, I think you'd be hard-pressed to decide that \$19 million for 2.4 acres would be a better deal. Thank you. Well, I will address that because it is not just 2.4 acres and there's no function to a parking garage.

[03:25:42] That two-level parking garage is going to provide parking for the Sherwood Center next door, especially when the community center is not being used in the evening and we have evening events. So it's not just a land versus land, land versus trees. There's functionality to a \$19 million parking garage that serves the function of an existing community center that has inadequate parking.

[03:26:03] So I think we're talking about apples and oranges here, in my opinion. Councilmember Amos. Just to shift back to this real quick. So I'm wondering, because I'm trying to do some mental math on how to make up for that difference. i'm curious and this might be a look at jc because i want to make sure that the numbers i'm calculating are correct offhand if we did 1.0725 and did b poll change to 0.45 would that cover that difference let's let's look at a at least a 1075 scenario so jc if you could pull up

[03:26:42] what i believe to be 2.5 sorry councilman she said no more scenarios so yes so i think you know under under this scenario you know as you look at it the difference um takes us into you know into positive territory overall you're looking at a little bit of difference that half cent makes in terms of revenue under this scenario we still introduce that 1% overall in the TOT change am I correct on that okay so it doesn't show on here but it is another

[03:27:22] 1% there you still have that reduction from 4/8 to 4/4 in the B poll under under this scenario everything else I think on the right remains the same under this scenario you have the 1% for public safety taking effect on July one, you have the ALS pay built into this, and then you have \$250 built in for Renaissance housing.

[03:27:48] So, you know, this gives you a little bit more capacity under this. It elevates the Renaissance number, gets your ALS a full year. That's not on there, but that's a full year for that payment, and really represents, you know, a compromise between the 107, 108 scenarios that we presented. So food for thought. Councilmember Hull. Thank you. I will comment only on budget

[03:28:20] at this point. I am curious what scenario 2.5 looks like. If you move the 1% COLA to January 1st, 2027, I think that would free up another 118,000 or so. And then if you take out the Renaissance and I'm sorry, reduce the Renaissance to 200, I think that still keeps us pretty close 1.07 I'm gonna let Gwen and JC do math they do much better than I give or take maybe a hundred thousand that we could I would trust you to find somewhere just remember for every one cent you're eight hundred and eighty thousand dollars so

[03:28:58] you're about four hundred thousand for half a cent right so I'm asking you to potentially find 100 to 150 I think yeah so take out the 235 I'm sorry not to not take it out move the july 1st 26 date to one one 27 got that drop renaissance to 200 got that and then where are we now now we're favorable 172 because we haven't touched the no you've got to

[03:29:35] touch we got to touch the real estate to 1.07 again back up to 107 okay back down to 1.07 okay give me a second then not math in today sorry all right 107 leave that all the same

[03:30:03] I think that, that, so delete the ALS or leave that in the full, the full hundred. You want to do a half year on that or? Can we see what half year looks like on the one, the public safety COLA as opposed to touching the ALS?

[03:30:25] Sure. Yeah. I will remind you that you offered to do this. So thank you. I know it's a little work. No, no, no. I'm just, but you, to get it down to 107, I have to take out the community safety analyst and I'm still at 388 variance.

[03:30:48] Because at 107, we're already unfavorable, like revenue to expenses. So can you bring up 3A again? It might be easier. Maybe an easier point of reference.

[03:31:05] So all this revenue stays the same on this one is what you're saying.

[03:31:21] But then on the expense side, you want to put the safety analyst back in? Well, and this one, it's not in 3A. But it was going to be made up in contracts.

[03:31:38] so it so that's fine okay i'm just yeah i'm just trying to be okay half here 104 and then 250 you're at 388 negative i think you need to take out the 152 entirely it is okay what we're seeing is right so you're negative here 286 so then wouldn't i be coming you're more positive now

[03:32:11] then i'd be taking 286 minus 152 or negative 286 plus 152 right so now we're looking for about 130,000? I don't see, I'm sorry, I'm just getting confused. I don't see the 152. The community safety analyst?

[03:32:30] It's already out of this number, so it's already out of what I'm working on. Yeah, on this scenario, it's already out. Okay, gotcha. Yeah. Okay. So, it's made it more unfavorable, because there's no change on the revenue side. Okay, and then if we increase the TOT to 12%, then we would make up, with the exception of like \$30,000, give or take.

[03:33:01] Right, because we'd be adding other... \$138,000. We're short between revenue and expenses. Even if we went up... To 12. To 12%, okay. Yes. And that's keeping B-Pol at 48 cents for the professional.

[03:33:19] No, 44 cents. 44 cents, yeah. Okay. So we're short 138. Yes. Okay. I feel like that's a challenge you can accept. Council Member Amos. Council Member Amos. So, I'm sorry, I hate to do this to you.

[03:33:38] So what would it look like at 1.0725? And then if we did BPOL at 0.45? Against three, what? Starting with what scenario? So that way I know all your puts and takes.

[03:33:55] Well, let's look at, I guess, the other one, because the other one was higher, I believe. Like, for example, the ALS pay was fuller. It wasn't 52K. So I guess scenario 2 point something, 2 and a half? 2 and a half. Well, because it was 0.5. Yeah. Yeah, so you're dropping. That was cute.

[03:34:10] I like that. That's it. So if we took this and shifted it to 1.0725 and BPOL to 0.45 without the TOT change. Okay, so 0.725, you're saying make that at five?

[03:34:41] Yeah, BPOL to 0.45, and then we keep TOT at nine, not 12. And keep the expenses the same that's listed up there? Yes. We are short \$340,000. \$340,000? Yeah.

[03:34:56] okay and that is the community safety analyst is still included so I could back that out but we would still be like around 150 ish yeah yeah well a little under 188 188 yeah yeah a council member Hardy Chandler I think council members just quickly to add to that scenario and you reduce

[03:35:28] renaissance housing 50,000 200,000 reduce it down to 200,000 yeah so it's 138 if you take it down 200,000 mm-hmm yeah and okay and so if we did TOT change to 10% that would put us right almost like 10,000 which I can buy 10,000 councilmember Peterson what's the sensitivity on the people like what do we get for each point

[03:36:02] because if I'm the question is what if it goes to 46 4.6 not about 90,000 for each percent each cent is about 90 90 000 right okay well i yeah so there's a degree of freedom or two there just to keep it in mind and by the way i just in case it so it doesn't get lost the scenario i think we were just playing with uh would remove the community safety analyst

[03:36:37] and replace it with a capacity find that would functionally enable the position uh to be formed but with a reduction in 152 thousand dollars so if i'm understanding correctly that's that was when in the scenario we just discussed and then i certainly would support renaissance housing going down to 200 and can you remind me again in this scenario what we do with public safety

[03:37:08] uh cola with the uh january one we have it right now as that actually could we have it right now is july 1 for the full year for the full 1% in this scenario but if that goes were you was there a scenario excuse me i interrupted you no no please uh i believe was there a scenario in which both of them would go to a january 127 and if you do that what in fact does that have here

[03:37:38] it's very hard to do math when everybody's watching you so we appreciate that that gets you right on that's a it's about 190,000 yeah you're about 9800 favorable okay and that is for 1.0725 10725 right taking the um b pull to 0.45 cents for professional keeping tot at nine

[03:38:15] nine percent yep um and then on and no other changes on the revenue and then on the expense side. Crime analyst comes out. Taking out the crime analyst, public safety, 1% COLA on January 1.

[03:38:34] Yeah. And additional ALS starting on January 1. And then \$200,000 for Renaissance. Right. And that gets us \$9,800? Yes. Which is in the noise, right? Yes. That's helpful. Thank you. Absolutely.

[03:38:56] council member pates thank you um i'm uh still partial to uh the 107.5 rate personally just with the understanding of course um you know certainly want to reduce the uh the burden on homeowners but you know this is also about um building in debt capacity for the future and i think that um going forward we're going to be looking at um wanting to try to you know do that Gradually and not sort of kick that down the road quite as much

[03:39:36] So, you know with that in mind, there's really a lot that we can do with that The you know starting from here we Looking at the rent house housing funding Personally, you know, I think that it's important to consider that yes, you know while that is adding to the real estate tax base that money is still coming from the same pot that's still coming from the homeowners and So, you know at the end of the day on the other hand

[03:40:16] the additional You know what the public safety increase does for recruitment fully staffing our police and fire departments, that's something that You know, you really can't put a price tag on having that service available, you know without You know being short-staffed and thinking about What we can do with taking the crime community safety analyst out

[03:40:55] and then we could perhaps look at Reducing the you know the t ot change this time around a little bit So that we can kind of phase that in And you know keeping the energy programs manager personally understand the argument in favor of cost savings over the long term, but we want to

[03:41:25] make sure that we're taking care of our current staff as well. And lastly, something else to consider. If we were to do, just putting this out there, the 2% COLA PS increase, but in January, I think that's roughly, you know, in the ballpark of the 1% in July, but sort of builds in you know that momentum going into the next budget cycle and yeah so

[03:42:02] at the end of the day really would be partial 107 5 but you know I'd be amenable to going on one to seven to five and yeah but I think they were heading in the right direction on this okay so I'm just gonna talk about the Renaissance housing program so if a budget is a reflection of cities core values then we can look at the things that we're funding and the things we're

[03:42:37] choosing not to fund and ask ourselves, does this look proportional? So the Renaissance Housing Program has been around for 25 years since 2000. I think that's correct. And I think that we have done interest-free loans for 290 homes or projects in that 25 years. And while they may be investments that result in paying an increased real estate property tax, it also adds value to the house that is realized to the owner entirely and solely when it's sold.

[03:43:14] So my residential property tax dollars are paying for an addition or a bathroom remodel for one of my neighbors. But when you consider there's over 4,000, I believe, single-family homes in the city,

75% of which are over 50 years old, exactly who's getting the loans.

[03:43:35] Because I don't believe we have data on exactly the age or anything else of the properties who are getting these loans. I don't believe that we have age information. I could be wrong on that. I could be wrong if we have information on the projects that get these loans.

[03:43:53] But the fact of the matter is, we talk about over-reliance on real estate property tax revenue to fund the government, and then we decide we're going to invest in however many, 20 projects, 10 projects, I don't know, to create more residential real estate property taxes instead of putting it in economic development where we are going to use the money to recruit and retain and support businesses and commercial enterprises, which is what I have heard this dais say we need to do more of in order to reduce our reliance on real estate property taxes.

[03:44:28] So I'm not sure, just looking at this, how this makes sense, that we are protecting what is essentially a pet program of this city that is supported by a staff member. I mean, it is not – Renaissance Housing is its own separate entity, and yet I believe it is supported – by someone on the city staff.

[03:44:47] And I don't think that those staff hours are coming out of any allocation for Renaissance housing. So to me, this does not make sense. When you talk about \$200,000 or \$250,000, how that investment in helping a few homeowners remodel a bathroom, add an addition, is really going to help us more than investing it in COLAs or economic development or some of these other programs.

[03:45:14] I'm just not understanding it. I'm not seeing it. As far as my tax dollars, I don't think that they are well invested in a handful of projects to remodel somebody's house so that we can get increased tax revenue and they can walk away with a very nice piece of equity when their home is sold.

[03:45:34] So that's just my feedback on that. This council will make the decision on what gets funded. Council Member McQuillan. Thank you. I do want to point out that the Renaissance Housing Program does service residents that don't often have the ability to get certain programs here.

[03:45:57] That might be the case if they're – one of the things, the reasons that I like the Renaissance Housing Program is because one of the things I'm noticing in my 1950s neighborhood is people coming in, purchasing several homes, either building giant, massive warehouse-style houses on these little tiny lots, changing the entire character of the neighborhood, or they're buying a ton of homes and then renting them out to college students, and they're not keeping them up, and they're using it

[03:46:30] as an investment vehicle. And so this is one of the programs that I feel really helps those in my neighborhood that are living in their 1950s Cape Cod style houses that do need to do some repairs or some updates that do actually help enhance the community, the neighborhood. It provides them the ability to stay in their home. We talk about preventing programs that prevent homelessness, that prevent these issues. These are the type of programs that give those people just a little bit of, especially right now in this economy and all the things. So that's one

[03:47:06] of the things I do I hear you but I see the other side of it as well and I'm not saying it's the perfect solution but that's something that appeals to me and that's another side of it that I've seen or heard from residents thank you councilmember Bates sort of along those same lines um I do want to point out that while you know we have heard feedback that some people um you know the renaissance housing program factoring their decision to remodel their homes or upgrade their homes, we don't know for sure how many of those people would have ended up upgrading

[03:47:42] their homes anyway, eventually, you know, finding their own way to make up that difference. But I also want to, again, reemphasize that, you know, it's still, that additional tax revenue is still coming from the same pot, still coming from the homeowners, and also that while we're looking at funding that program, well, you know, I certainly, you know, don't love the idea of completely zeroing it out. You know, we're funding that program while we're still not

[03:48:19] where I'd like to be in terms of the salaries of our city staff. And so really, I personally, if it were up to me, I'd want to take care of that first before looking at bringing that program back but again open to compromise open to you know some give-and-take there but you know that's kind of where I am on that councilmember Peterson well I would say generally speaking there is an argument I think that all of our

[03:48:57] housing programs need to be better targeted or we need to take a look at how to target everything we do in housing and we need to be sure we're on top of the analytics of that I think anytime you approach housing in particular but any other segment through what I call a supply side or what is known as a supply strike strategy which is just putting putting extra supply in where one way or the other and then crossing your fingers that it will end up in a targeted solution that does not work and I'm not sure where we are in terms of having thought through and studied through how the housing programs

[03:49:35] that we have together can be updated to be much more targeted but I this certainly should be a part of that and the question that this is asking you know what is the objective of this program what is the best way to achieve that objective is it to continue this program and its current and conventional format or does it need a redesign and rethinking and what have you I would think that under any circumstance even if we proceed with this at some level we We need to be taking a hard look at this program and the context of all of them and how these get targeted to specific objectives.

[03:50:13] Otherwise, you can end up wasting a heck of a lot of money on housing and causing a lot of damage in the process. So, you know, I don't know enough at this stage to know whether it's absolutely critical that this be continued concurrent with that kind of review.

[03:50:30] I just think that kind of review has to happen under any circumstance. And if I'm not mistaken, I think there was an intention that we understood a ways back from the city manager about trying to have a look into this whole issue of how you integrate and target these programs so they're more efficient at accomplishing our objectives.

[03:50:50] If you have any thoughts on that, it might be helpful. Absolutely. I think there are things that we need to look at at application point that we need to be understanding in terms of how they're evaluating, what criteria they're using to evaluate. And as we mentioned before, we need to certainly understand the households being served, the average loan amounts, geographic distribution.

[03:51:14] You know, there's certainly some appetite to be doing some smaller loans for, you know, certain income levels, right? And so I think it's all part of a, as you say, a data-informed approach to this program. I would say that, frankly, and I'll use this opportunity to say that there are a number of relationships that we have, whether it be third-party events that we support, whether it be these other programs that we have staff spending time and money on, whether it is revenue or what amounts to, you know, costs on operations,

[03:51:52] where we have to frame these up in terms of agreements, understandings, data. And there's a lot of opportunity. I'll say there's a lot of opportunity in our operations to be doing that. And so, you know,

again, it's whether we're giving money to an organization or a nonprofit, whether we're essentially providing direct service that has a cost associated with it, there should be some understanding, frankly, written understanding for these programs.

[03:52:19] And in many cases, that's not true. And so, you know, I would apply it in this circumstance, and I certainly would say that in-kind costs, anything that we're doing that relates to a relationship with another entity can be better defined with data on the front end and outputs and outcomes clearly understood on the back end.

[03:52:42] I would just appreciate that. A thought that I would add is thinking through where the highest level of cost exposure is for homeowners. And there are different classes, different segments, and different types.

[03:52:59] But kind of understanding what their exposure to cost is and then what we do to be helpful. And one form of exposure is remodeling. but remodeling for what purpose or improvement for what purpose. Certainly there are programs that have decided to target either all or most of these funds specifically towards energy efficiency improvements because it is one of the highest household expenses, one of the best ways to enable people to stay in their homes.

[03:53:28] It is disproportionately the case that lower-income people have the biggest need. They have the least efficient homes. have the biggest barriers to getting assistance. It's what kills them with their monthly bills. So there's a scenario here where you might take a second look at energy and environmental improvements as a way forward to helping people financially, but also providing community benefit.

[03:53:51] That certainly would tie back to the energy programs manager as a for instance. And I think that's a configuration that has been popularized by many jurisdictions. So that would be an alternative, perhaps that we could get into the mix in terms of how we might think about this issue area a couple other low-hanging pieces of that would be accessibility certainly you know in terms of people having accessibility where they are and aging in place as we look at the demographics you know what what improvements impact both of those elements along with energy and energy sustainability so there are certain criteria we can certainly bake into this that would tell us that we're getting better inputs outputs and outcomes

[03:54:31] councilmember Hardy Chandler and then councilmember Amos so I think there's agreement around what else might be needed and yet May 5th is looming. So I'm just curious what the recommendation might be in terms of making a budget decision keeping these factors in mind because I think there is some agreement around different guardrails or exploring you know criteria and equity and those kinds of things but that will not happen by May 5th. So is there

[03:55:06] a recommendation on kind of how to come closer for that particular decision? In other words, is there some mechanism to follow up with supplemental appropriations or some other administrative mechanism that we might have at our disposal for something that might require a little bit more deliberation?

[03:55:28] It's a good question. I think what we laid out to you in the budget memo gives somewhat of a framework of some of the things that we think we ought to look at. Conceptually, I would say that we certainly could budget and appropriate, but not move forward with any allocation until the agreement, the framework is in place, right?

[03:55:48] And that's certainly something we would want to bring back to Council and ensure that you're comfortable with that framework and how we establish that agreement as we move forward. And certainly allocation at that point would not occur until, at Council's pleasure, agreement is established councilmember Amos yeah that's a great idea I would be amenable to that while I've expressed frustration in the past with Renaissance housing and I still have my reservations for many reasons that you cited mayor at the same time I also see that I think there are avenues to reshape this program to make it more beneficial and have a lot of opportunities similar to

[03:56:27] fig but related to homes and improvements particularly with accessibility I think one thing that I always wanted to think about was what if we could have some type of senior grant for accessibility improvements on homes adding ramps adding different features that can lead to aging in place in place making some type of incentives but if we can be at the forefront and help people make that transition to make their homes more accessible especially with consideration of when we start having a broader discussion even starting May 12th on 80 use how that can work in congruency so I think the way

[03:57:03] the programs currently set up I do not support but I think the potential is there and I think that's worth exploring Councilmember Peterson yeah to add to that a thought in terms of if we do have an allocation for Renaissance what do we do with it one thought is that use it for pilot purposes to explore alternatives that would capture some of these concerns and some of these opportunities in terms of maybe a better way to be deploying the program but have enough support in there that you could pilot some things and test them out and go through some developmental work on them, that could set the stage for something that would scale

[03:57:42] or go in some future direction, but give you enough money to work with to do a little bit of that so that you're paving the way for the future. And so I think that would be a suggestion I would have in terms of how to try to deploy these funds. And there could be a conversation about, you know, how to do that in the alternatives.

[03:57:58] The question would be capacity. How much do you need there in order to support some sort of piloting? And I don't know the answer, but it's going to be less than 100. I'm sure council member Bates. Yeah. Yeah. I just want to reemphasize.

[03:58:15] I completely agree that if we do go forward with the Renaissance housing program, we do need to revamp the selection process, as was mentioned before. Also, really want to emphasize that, you know, first off, the the issues that that program addresses aren't even really a question for a lot of our early career staff because a lot of our early career staff for all intents and purposes can't even afford to live and see early career first responders even and additionally something we haven't discussed yet is that we

[03:58:54] still don't have a dedicated funding source for affordable housing attainable housing etc but you know again give and take. Also I wanted to raise looking at the comparison between the pay schedules the current budget to the proposed budget the numbers in the back of the proposed budget those are including the 1% COLA for the full year but not the you know general pay skill increase and public safety step increases that. Let staff talk about timing because it's a little

[03:59:31] bit different between each element so yeah so on the public safety side it does include the one percent which would move the pay scale that one percent on general employees we included a two percent market rate adjustment for the move the scale that gives employees who are met at the top two percent um the one percent and then additional fund um increase in january when the three percent

comes in where they normally would not have gotten anything at the top of the scale it gives them a little bit at that time as well right so that um so in january we get the three percent and then the

[04:00:08] additional public safety step increase is that right this right there's no change to the pay plan for a step increase it just the employee just moves from say step one to step two uh all right all right okay that makes sense yep um yeah okay that that clears things up for me thanks yep um miss shinaberry i just want to do a time check as we're approaching 11 o'clock thank you for that so it looks like we're making headway here it's a very productive discussion so the last as we move toward hopefully some kind of consensus the last thing i will say about the

[04:00:45] renaissance housing program is it's its own entity and all of our suggestions about how they should retool is not up to us it's up to them and to set aside this amount of money on hold while we negotiate that to me is not the best use of funds when we have zeroed out or reduced other things that will have an impact in this upcoming fiscal year if renaissance housing wants to look at reimagining their mission and maybe they will but the fact of the matter is if you allocate money to sit out there while you negotiate that I don't necessarily believe that that is the best

[04:01:24] and highest use of taxpayers dollars in FY27 just my opinion council member McQuillan I agree with that I do think though that I like the idea of that councilmember Peterson brought forward about maybe a pilot something along that those lines but I do think that we need to put something there in order to show that we're actually trying to move in that direction that's why the pilot idea or

[04:02:00] something like that you know that sounds good but I'm with you I understand what you're saying I hear that that perspective as well so I just wanted to Councilmember Peterson. Well in the interest of time and I'm looking at the city manager wondering what we can give you in terms of direction. I'm hearing a lot of interest around two scenarios somewhere between seven and seven to five. But I'm also hearing it's a little difficult for everybody to actually do the homework and the test the sensitivity testing and all that while we're live here. That's a difficult process to go through. It's a piece of cake for you. Your old hat.

[04:02:40] Yeah, so I think it's a really good point. I think, you know, let me be bold to say that we kind of get where we need to on revenue on those scenarios if we're coalescing around that, which will largely drive what we decide to do with expenses.

[04:03:01] But I think if we start with the revenue piece and get an understanding that, you know, there's consensus around a scenario on real estate and the other things that we've talked about. I think the last scenario I'll suggest that we went through at the 10725, you want to go down that list, Gwen, so everyone fully understands the implications on that revenue scenario.

[04:03:27] Absolutely. So it's real estate at a rate of 10725 cents. The personal property stays as is. The B poll for professional goes to 0.45. B poll for services stays as presented.

[04:03:47] No change to the TOT goes to 9% or projected 9%, staying with the third-party transfer and the delay. And then on the expense side, removing the school bond principal payment, VDOT payment stays in.

[04:04:08] Beacon landing grant stays in. Health insurance increase stays in. Personnel expense savings comes out. The Energy Programs Manager is included.

[04:04:25] The Community Safety Analyst is approved, but using funds that police already has. Additional 1% public safety COLA on January 1st. Additional ALS pay of \$52,000 on W for January half of the year.

[04:04:44] No funding for economic development and \$200,000 for renaissance. And that gets us a favorable variance of \$9,8,000. How much? \$9,8,000. very ten thousand ten thousand yeah all right positive positive yeah so that's one scenario that i think we had we had talked about and have to get some either consensus or we're not on council member mcquillen could you toggle back to scenario two please so i can compare would it be possible to get these scenarios as well so that we can play around with them at home thank you

[04:05:23] Well, I would think that from my standpoint, 725 is a ceiling here. There's plenty to work with there to have something.

[04:05:43] So that scenario that we just went through gives us, I think, plenty of comfort, particularly given that I think there is something squishy here with the Renaissance housing number. But that said, certainly that is a high end from my standpoint.

[04:06:01] I think I'm not ready to throw in the towel on 7. What I think I would like to suggest there is if there's any additional thinking that you might be able to ride based on this conversation that helps us understand how that might work. I wouldn't be comfortable, again, though, going anything over 7.25 here, and I'd be very comfortable if we end up at 7 with adjustments, but I think there's a little bit more homework that needs to be done around that.

[04:06:28] Council Member Hall. Thank you. I would really like to stay at 1.07. I'm not super flexible. in my opinion on that. I think we could manage rather than going to 1.0725. I understand and I hear all of the concerns on the Renaissance program. Again, I don't think it's something that's going to be resolved tomorrow by next week. Personally, I benefited from that program. It was great. And I do think that it encourages people to invest in their homes and to stay here. And I think that a lot of our housing stock is changing over. So I don't think it's something that we

[04:07:07] should do away with, quite frankly, and this probably rub people the wrong way. But we also give a lot of money to other demographics. And we also give money in a lot of other areas. So to me, this is something that people that are paying a lot of real estate taxes on their single family homes or townhouses, in some cases, or duplexes, can take a small advantage of and encourages them to stay here and to want to live here and to continue here. So I think that's how it was originally intended. And I think it's also worked great for 25 years. So I don't know that, you know,

[04:07:45] it's a broken wheel that needs to be dealt with at this point. I also did ask JC, he said that the staff person works about 50 to 60% of their time on this. So while that number is not included in there, it is also not 100% dedicated role. And especially if we've been doing less loans because we didn't fund it last year that person has been involved in cdnp probably for other areas of their time and so that wouldn't be any sort of financial savings as far as salaries go because that person would just be repurposed elsewhere um i am on board i think with the rest of the things on here

[04:08:23] again i would really mayor to your point about economic development i was all in in my one-on-one for a two hundred thousand dollar contribution to this because i've been pushing to try to get them back up to that \$337,000 number that they lost. But when our brand new economic director comes in and says, I don't need this right now. I want to put a pause on it. I don't, you know, I have these ideas. I want to

work through this stuff. That to me speaks volumes over what we may think up here is a priority. I would hope that if our economic director felt like that money was crucial to her

[04:09:01] department doing her role to their doing their roles that she would have said something and you know Mr. Alexander maybe you could comment further on that and just reaffirm or yeah I think the only nuance to that would be that she needs time to get a real firm grasp one way or the other I think you know if you were to ask her she would say give us the money to to make the strategic investments however I think she you know and what I laid out to you she wants to take that time to really better understand, you know, where they are before there's an ask in the future.

[04:09:36] You know, and frankly, you know, we've talked about this. We have to be better data informed about what we're doing overall throughout the enterprise. And I think, you know, as we look at enhancements in the future, as we look at performance management, as we look at efficiency, the expectation is going to be that when you have an ask, it's got to be backed up with data.

[04:09:56] Yeah, and I think if we just went ahead and gave that money right now, it might be in the same scenario in which you presented in which it's just sitting out there waiting for the renaissance program to figure out what they're going to do. But now we're just waiting for the EDA director to figure out what she's going to do with it. So I, again, she's, she's new, but I'm, I'm going to trust her at what she's saying.

[04:10:17] So I would love to see us get to 1.07 with this slide being whatever we can work out with the other variances that we've talked about. So thank you. Councilmember Amos. Yeah, just to chime in real quick.

[04:10:32] I think we're starting to really centralize around something, which is really good. And I think we should be probably in a good place for next week. The only thing I'll say is I would really strongly prefer the 1.0725 over the 1.70, particularly for the ALS, for equalizing the distribution from BPOL and TOT.

[04:10:54] We heard commentary from one of our hotel owners tonight on that instead of changing from the 9% to 12%, which I know isn't factored here in the scenario three. But getting that B poll number down to .45, I think, is very good. And building capacity in general after our last work session item and our five-year forecast.

[04:11:14] But I like the conversation we've had tonight. Councilmember Peterson. Just to go back to the point on the economic development budget and director, this is not the first incoming director who has pretty quickly said, oops, we have a deficit in analytical capacity here, and it causes me to have my hands tied behind my back, and I've got to have that fixed.

[04:11:46] So based on my conversation, I think the capacity to fix that does not require a budget allocation here, but just to underscore, and this is really your venue and not so much ours, except we want to be able to enable it.

[04:12:02] I am concerned when I hear director-level people saying, you know, one of the first things that becomes apparent is we've got to do a better job on our capabilities here in terms of analysis so that we can measure in order to manage. And I'm just, I'm not hearing you say that anything we're contemplating in these scenarios impairs the improvements that we know we need to do in these areas.

[04:12:28] But I want to just say, you know, based on what I'm hearing and seeing those are critical improvements. Yeah, I think, you know, based on what we've heard tonight, we certainly would love to land on a scenario that lays out specifically the revenue specifics and expenses.

[04:12:46] I think what I'm hearing now is some conversation around 1070 and 10725. Not that, you know, we've given you a lot to think about tonight. I think, and I'll turn to the team, you know, if we can essentially address those two scenarios, give you something to think about, you know, moving into the fifth, then, you know, JC wants the firm number, but go ahead and get your feedback.

[04:13:17] Thank you, manager. So the manager's correct. The preference would be from a fiscal standpoint to have a clear direction from council tonight so we can develop the staff reports correctly, have them reviewed by legal, also ensure that we can reconcile correctly and know exactly where we're going to end up on the budget side of things.

[04:13:44] And very similar to last year, we would send out the final semi-approved scenario to council for last consideration and discussion. So when we come to the May 5th meeting, it's more of an administrative function.

[04:14:04] There can definitely still be discussion, but no significant or any variations from what was hopefully agreed upon tonight would be the recommendation. I think to the manager's point, we're hearing a range of \$1.07 to \$1.07 and a quarter.

[04:14:21] If I can really quickly bring up scenario 3A, maybe with some minor modifications, but what I'm hearing here is \$1.07 on the tax rate, which I'm hearing a potential majority or at least half of council willingness to be at.

[04:14:44] Also, a B poll change from .40 to .44, so half. I've heard and I'm making notes here while I was while you all were talking council member hall and council member amos really wanting that amount there so not the full rate and then a potential increase which is a percent more than what has been advertised or what was factored into the budget not the full 12 but a potential an additional one percent to help offset on the expenditure side the manager said that we would work with police and police has identified that

[04:15:23] that they do have funds within contract services to cover that. So that would be covered there. Everything else has sort of already been discussed. The potential downside here would be a half year, sorry, a half year on the 1% additional for COLA on public safety starting January 1 versus July 1.

[04:15:51] But FHIR is still continuing to get an ALS pay as of January 1. So instead of the full year, just half. And Renaissance still getting \$200,000. And again, as the manager stated, it puts us in a deficit.

[04:16:09] But he did have a conversation with the fire chief where they would be able to hopefully cover that \$52,000. So then that reduces it down a bit to about \$234,000 as the negative variance.

[04:16:25] And I think the manager also mentioned a potential dip into our contingency fund to cover that. So that would actually cover all the liabilities, keep us at \$1.07. I think in my mind, from the notes that I wrote, sort of meet where everyone sort of had certain touch points.

[04:16:48] Yeah, and I think, you know, to add some other context on the personnel side, as you know, we are committed to doing a couple things next year that would, in essence, be considered enhancements, but are much needed one is a look at solid waste and and where we are on that largely from efficiency

opportunities and also taking a very hard look at classification compensation and so you know that both you know make sure that makes sure that we're being competitive as it relates to salary make sure that we're data informed when we bring to you the request to to make increases

[04:17:25] to both scale and and um you know step increase so you know those are things that are still on the horizon that will impact some of this as we move forward council member hardy chandler i actually thought we were closer to the version that we did in real time tonight which was not 3a but what you worked up um i thought that was a little bit closer to consensus well it's closer to what I would be very comfortable with.

[04:17:58] I think the piece of it from that in real-time version would be reducing Renaissance housing and having that COLA start July 1st, as well as the ALS starting July 1st.

[04:18:17] But that would be the only variation from the – and it's harder to follow it orally, I think, than to see it visually. But I thought that last rundown was actually a little closer. So what I have on that, Council Member, at the 7.25 is the expenses exactly the same as you see here and only a change on the revenue side.

[04:18:46] So the revenue change would be the professional from 0.44 to 0.45 and then removing the TOT. So those three, four lines would be adjusted.

[04:19:05] And I would say in addition to that, I would change on the expense side for me, renaissance to supporting the COLA more and the ALS more earlier. Okay, Council Member Bates and then Council Member Peterson.

[04:19:24] I do want to second that, you know, and I want to keep in mind that, you know, we're coming down from a very significant tuition cost increase and what was proposed was 108 which is already i think um really uh really tight and uh you know 10725 as council member hardy chandler uh emphasized allows us to do a lot more for our public safety staff and again you know we're putting money into renaissance housing and uh you know i think that we really need to make

[04:20:01] sure that we're taking care of our public safety staff as well if we're going to do that councilman peterson so i also heard 0.45 on people and then i heard a lot of conversation about not 200 but maybe 100 on renaissance but even that's squishy if i read this correctly that's 190 000 with those two adjustments. If it goes to four or five on the people, that's a \$90,000 increase. It's

[04:20:38] 90,000 a point. And you added that 100,000 off Renaissance housing, that frees up 190,000 right there. If I'm reading that right, that's getting us pretty solid at 107. And I don't know whether that actually, and it may be, that's actually got a little bit of a surplus, but I'd be curious to know what that looks like. I'm doing it up right now, sir. Well, I certainly would go down from 200 on Renaissance, and I know there's been a lot of conversation here.

[04:21:15] I don't know where the requisite number is, but I heard a lot of conversation about 100 or less, so I think there's some redeployments. There's some cotton redeployment of that, but if you just take 100 out plus the 4 or 5 increase, it's \$190,000 that you could either just take a straight savings or do a reallocation somehow or another to it. I think we're still into the scenario in the red, but again, those are things that we can look at from a contingency standpoint.

[04:21:44] But how much in the red are we with those two things? If you bought, it's \$190 off of this, it's down to \$200. Is that it in terms of our deficit? So you're saying take Renaissance down to \$100,000? Right, and that add?

[04:22:00] And add in the \$90,000? Right. So we're at deficit of \$96,000. \$96,000, right. So that's \$96,000 is how far away we are from doing a \$107,000. Under that scenario, though, we're not making any adjustment to the 1% on the COLA.

[04:22:19] The adjustment on that, as I understand it, that's being proposed is that we start that in July rather than January. If you added, yeah, if you started it in July, then you're needing an additional, essentially, \$100,000, correct?

[04:22:39] How much if we shifted the COLA to July? Yes, a little bit, yeah. It's essentially \$100,000. Councilmember home. I'm certainly not suggesting that we zero out the Renaissance program, but I don't think a hundred thousand dollars is going to do anything for them I think it was pretty clear that they needed two hundred thousand dollars to continue or that they would just fold the program and it would no longer Continue and I personally don't agree with that. It sounds like that is where a large portion of council is headed

[04:23:15] I mean, it's a numbers game some days, but that's not my choice. But I understand that decision if that's what is being proposed here. But I think that's the only other way that you would find your extra \$90,000. I personally would be fine with the TOT going up to \$11,000 or \$12,000.

[04:23:35] I mean, I feel like we do this to the meals tax. We target a specific thing. We say, oh, it doesn't impact our residents, and then we justify it. I don't know how many of us are frequently staying at hotels here, but to me, this is even more of a direct hit on people that don't technically likely live here and are not our residents.

[04:23:59] So I understand there was one person that came and spoke out against it. I also, quite frankly, think that that was more of a concern about not giving the money to the tourism group. That is what they wanted. I would love to find a way for the economic development to invest in that if that's what they think is beneficial.

[04:24:18] But, again, that's an ED decision. But as far as I'm concerned, we purposely increase the TOT. I mean, might as well work with it. Council Member Amos. The only thing I'll note for TOT, and I do concur that, you know, while we had one speaker who clearly had some type of interest of that money being allocated a particular way, it's still increasing to 9%.

[04:24:43] It's not at 9% currently. So I did want to make sure that we just reiterate that. It's already increasing, but we would be increasing the margin more, which is, you know, a similar conversation for what if we did the 1.080 to 1.95, at least from a hotel perspective, which is why I'm more amenable with trying to offset that impact on a particular industry, which I know is part of the reason why a lot of us get frustrated with the meals tax because it focuses on a particular industry.

[04:25:11] So it's really just trying to mitigate that, which is why I would rather not go beyond 10 percent. For me personally, I do think that if we want to get to 1.070, then the first thing that would go would be renaissance housing. And so if we want renaissance housing, I think 1.0725 would make it work.

[04:25:32] And if we want the 1.070, then probably reallocate renaissance housing and get there. Councilmember Bates. I agree completely. maybe a bit amenable to the TOT going up above, um, uh, 10% to 11 or 12. But, um, again, you know, if we're looking at, um, not doing the full year, uh, public safety cola, not doing the full year AOS pay, then frankly, I don't see doing the Renaissance housing and, uh, you know, the real

[04:26:10] estate tax rate at 107.25 or TOT going up to 11 or 12. I don't, you know, I think that we're kind of in the ballpark. So the 9 to 10%, that's 125, right? That's 1%. Okay, yeah. So we're kind of in the ballpark there. And I do think it's a good point that the TOT is something that mainly would probably apply to out-of-town residents but you know either way I think that at

[04:26:47] the end of the day you know we're putting money into Renaissance housing we need to make sure that we're taking care of our staff as well other thoughts are we getting there Gwen okay we're getting there I mean we're still the fact of matter is we're still taking money out of the assigned fund balance one way or the other correct right so we're taking money out of our savings account basically we're taking money our savings account for things and so we

[04:27:21] really do need to think about what value and what priorities these things have when we're spending money out of our savings account. That's serious to me. I mean, our general fund balance has an enormous impact on our financial health as Wall Street sees it. Can we manage our money? Can we manage our priorities? Can we get to a budget or not? So I'm cognizant that taking money out of our savings account, not optimal, but if we're taking it out of our savings account, what are we spending

[04:27:54] at all yeah i guess the question might be on on real estate specifically is it a value to at least get a straw poll understanding of if we're at 10725 or if we're at 1070 okay let's start there where are we council member amos where are we my preference is 1.0725 uh council member hall preference 1.07 but understanding what's going to need to be cut and i also do not want to take money out of a sign fund balance unless we have to. Council Member Hardy Chandler. 10725 and I'd like

[04:28:29] to work the numbers to get neutral. Council Member Peterson. Prefer 1.07 but open to exploring what would need to be done possibly at 725 but don't want to throw in the towel on 107. Council Member Bates. 10725. Council Member McQuillan. 107 but open to making changes and adjustments because I too don't like

[04:29:02] having to use the assigned fund balance that's good I think that's good all right so let's let's work from there on some of the other things that you're interested in assuming we're at 10725 right um so let's you know let's talk a little bit about um the b-pole and where we want to be with that um what the scenario we had at 10725 before you have it up probably they're thinking ahead for me yeah we have not done a scenario for 10725 but i i have it here but what did we talk

[04:29:40] about for working on it update um at point excuse me he's he he can see what i'm doing so he's doing it right now yeah um so it's at five um 0.45 cents under the under the two five scenario we came up it's at 0.45 yep here's the numbers okay we're missing someone for consensus i don't know if we want to wait for that depending on um 449 547 47 and then no tot and then tot stays at nine percent

[04:30:17] in in what i have been going any folks be interested in seeing it at 10 and reducing all right so are we are we taking b poll to 0.45 is that do we want to talk about that well it's And that's going to shift.

[04:30:57] That's going to shift based on your tax rate. You want to explain that? And that's coming down out of the revenue, so it would stay in. Well, the way these were done is because we get some of it this fiscal year, we're using that, so a half cent, for next year with the rate increase.

[04:31:19] If I can take it down, that would take it down to actually reduce it to 456, 474. So it would take it down to 125. We just moved between line items. Yeah.

[04:31:35] There's new revenues. Yeah, I think we, I want to make sure that we have consensus on that rate too, so. It's 62, 947. Council Member Bates.

[04:31:52] Just another point on the TOT. Certainly understand the concern, but just want to point out that, you know, I certainly don't do a whole lot of traveling. You know, don't have a lot of time for a lot of traveling. at least, you know, for personal reasons.

[04:32:11] But thinking about what you look at when you're picking out a hotel, you know, yes, you do look at the price. Do you necessarily look at the TOT in that locality? You know, you may be looking at the price probably before taxes, I would say, in most cases, but you're not necessarily looking at the total price after taxes.

[04:32:32] You might possibly see large organizations that are getting rooms the employees look at all that um but at least individual uh tenants um uh you know i don't really think that that's something that um i'd necessarily think of looking at if you know if i hadn't just had this conversation here so i you know mayor you want to run on the or take a look at the 0.45 scenario for b poll to to do a poll to see where we're at okay 4.5 for b poll we'll

[04:33:07] 0.45. We'll start with Council Member McQuillan. Are you down for the 0.45? Okay. Council Member Bates, you good with 0.45? Yeah. Council Member Peterson? Yes. Council Member Hardy Chandler? Council Member Hall? Yes. Side note, I would like to talk about the 10,000 exclusion and see if there's room to work there at some point in the future, not with this budget. Okay. Noted. Council Member Amos? Yes. Okay. All right.

[04:33:44] So on services, I'm not going to work. I'm getting consensus that we're okay at the point 3.0 t ot We want to talk really I think between 9 and 10 I'm concerned. I get I'm just going to express. I'm a little bit concerned about that from the standpoint again of the overall impact You know a 12% would effectively be a 7% to 15% jump as was indicated earlier And so I'm just, you know, being candid that I have concerns about the impact of what is here.

[04:34:20] So just food for thought. So what you're saying is that you would have concerns about going over 10 percent. Is that the upper limit you feel? Yeah, I just I'm expressing what a little bit of what you've heard, a little bit of what we're hearing from economic development and their broader conversations about the potential impact on industry.

[04:34:40] It is certainly just food for your thought. okay so council member amos how do you feel about 10 percent yeah my my cap would be 10 percent yeah council member hall i feel like i need to see the numbers shake out before i can totally say that right now okay we can circle back yeah council member hardy chandler council member peterson 10 but i would like some analysis to clarify okay council member bates um i think that the question is would there be more concern over going above 10 for that or more concern over um

[04:35:18] dipping into our unassigned fund balance i mean that's i guess something we don't necessarily have to answer tonight but um that i think is perhaps a defining question but um if we can make it work you know i think that uh i'd uh defer to the judgment of others on on sticking at 10 the computer doesn't work after 11 30. council council member mcquillen yes i'm comfortable at 10 okay so so we've got we've got four who are okay with 10 and two that are okay with 10 but

[04:35:53] would like to be open to further analysis so that that gives us a revenue picture that we have to work from on on the expense side so let's let's at least go down the expense side i think where we're really going to start having the conversation on this list is going to be largely below the the community safety analysts correct i think we're again we've talked about finding what we need to to make that that work and so at this point we're we're talking about our capacity

[04:36:24] to do the colas als um and renaissance in essence so you know i don't know jc i'm sure you're doing some math over there but um they're doing math sorry we've missed no that's fine as long as you have a clear picture you certainly want you to be be solid on the revenue impact so no we're good on the revenue we have that on the expense side what we have right now is exactly what you see up

[04:36:58] on the screen so under under that scenario you'd be in 3a with what we've laid out of the cola on january 1 als on january 1 and then funding for renaissance there right my again our suggestion if we're sticking to the revenue picture would be to be potentially rethinking your allocation on the relative housing and council member hall the assigned fund balance before you

[04:37:33] made adjustments was that 419 and now it's 456 no it was 331 so now it's oh it's a lower reduction it was a lower reduction okay yeah okay so we're we're not dipping into it anymore correct okay thank you red is good for revenue right yeah so there there's there's a scenario on renaissance again whereby we look at

[04:38:07] the structure we we come to an agreement um on on at least in principle bring that back to council and considering consider funding in in a future fiscal year and so um i don't know we've i wasn't here for last year i don't think we funded it did we funded it all last year okay so that isn't i'm Again, that is a scenario that then shifts that capacity elsewhere in your expense categories.

[04:38:35] Well, I think the central question here is because Renaissance Housing is its own separate entity that has its own charter bylaws, it is a program that if you allocate money to that program, that is what we are funding. To say we want to make changes to it is not really up to us.

[04:38:52] If you fund a program, you're funding what it is right now. So if there are reservations about the program the way it exists now, then funding something where we do not have agreement from this entity that they are interested in modifications does not seem to make a whole lot of sense.

[04:39:13] If we want to fund a program that is more in alignment with an overall housing strategy for the city, then they would have to agree to that because they are an entity doing a program. So to fund that in this budget, even if you withheld the funds, I don't see the point of having money allocated to a program we're not certain meets the overall goals of our housing strategy for the city.

[04:39:42] Council Member Amos. You know, assuming part of the concern is that we would be funding something that we don't have an agreement with, which I understand, and this is just spitballing. If we allocated that \$200,000 instead to our trust fund to hold it, then it's not limited to Renaissance Housing

until we can get an MOU as a potential way to suspend it, if you could, without having to dedicate that money right off the gate, right at the gate.

[04:40:09] So you're referring to our unfortunately named Housing Trust Fund, which is just a bucket with money in it? I mean, we do have a bucket with money in it called Housing Trust Fund. I mean, I guess the question would be, is there an issue with us allocating this to Renaissance housing without an MOU?

[04:40:27] That would mean that we're obligated to still provide these funds, even if we don't reach an agreement. I don't think we're obligated to allocate money to a third party until we have an agreement in place, if that's Council's direction. Council Member Hall.

[04:40:46] Thank you. But we are then still tying up taxpayer funds that we may or may not be spending, so we're still having a higher tax rate because of it. I do not support putting the money into the Housing Trust Fund, as an aside. I don't think that has any clear-cut rules on where it's supposed to go or how it's supposed to be used.

[04:41:05] So I would either – I want to fund the Renaissance Housing Program. It sounds like many don't or are okay with not. But, again, if we don't fund it this year, it will likely close. And that's a decision. That's a choice, right?

[04:41:21] I just want you all to be aware of that. I don't think \$100 is going to go anywhere, and I think zero is going to cancel the program. What's the total revenue impact assuming expenses? I'm sorry, what's the total difference between revenue and expenses under the scenario that we've just devised?

[04:41:43] 9,800. Okay, that's accurate. Okay. Appreciate that on the fly. Okay. So I think, again, it's largely whether you want to make any other allocations within the context of that expense arrangement.

[04:41:58] I don't know how much, if we just took Renaissance out and kept everything else the same. It's a fraction. What is that on the? If you take out renaissance, then you actually can move both the COLA and the ALS to July 1 and then \$61,000 favorable.

[04:42:23] Okay. Not quite, I don't think. Okay. Council Member Peterson.

[04:42:39] I don't know if this helps, but short of an MOU, and I'm not involved in the relationship, so I can't say. I don't know whether we get any clarity by having an updated conversation. with Renaissance to see what their flexibility is in terms of exploring alternative approaches.

[04:43:01] It seems unclear to me now whether that conversation has happened and where that would leave us, but, you know, this is the time you would have that, and it might be helpful to know. Yeah, to them, we've not, you know, delved into this, you know, within any meaningful conversation.

[04:43:19] So I think to the point that they may not be amenable to any of the potential framework that we laid out on accessibility, aging in place, resilience. They may not even be interested in that. Is it possible to have a conversation?

[04:43:36] Well, we certainly would anyway, I think. If there's going to be a partnership moving forward, I would just again reiterate that it's important for us to establish a formal understanding agreement in any scenario. It would be good to know whether even at an informal level there's any possibility for a change in scope here that would tell us whether anything formal would be worth pursuing or not.

[04:44:03] So I would suggest an informal would be helpful. Council Member Bates. Also not sure if this helps, but we might want to wait until Council Member Hall comes back before I go.

[04:44:25] Okay, we can do that. So, but I just want to reiterate to make sure I've got this clear. If we take out the \$200,000, then we basically fully fund all the COLAs starting July 1. Is that correct? And we're still in a positive variable.

[04:44:43] So I just, you know, that's, again, I will go back to the fact that a budget is a reflection of our values and priorities. So that's a good framework to think about that \$200,000. Council Member Bates.

[04:45:00] So just want to put this out there if we were to do the Under this scenario the TOT at 10.5 and then do 150 for remissants housing maybe try to See if we can just make up that little bit of difference to then do the colon ALS on in July

[04:45:24] I'm doing that. I'm showing unfavorable by 26,000 which we could make work

[04:46:29] council member hall just a quick comment and i don't mean to state the obvious but cola adjustments are kind of forever right i mean you don't really take them away so adding 100 or 200 000 this year i'm not saying we should or shouldn't but it's it's an ongoing expense that we will need to pick up in every budget moving forward so different from the renaissance program

[04:47:08] where it could be funded or it could not be again not not making an opinion just making a statement okay so i understand where you're coming from and the renaissance housing program except for last year has gotten funding every year but to me essentially it comes down to are we going to spend tax dollars on our public safety or a home improvement program and if the city council wants

[04:47:42] to fund a home improvement program instead of colas for fire and safety that is certainly a choice but again i go back to it's also a reflection of the values that our city holds Councilmember Bates, you know, and again by that same logic as I mentioned earlier We could on the other hand look at doing a two percent in July I mean, I don't know what which would be preferable, but I think that would be around the same amount But just you know food for thought and at any rate, I think that this at least

[04:48:18] Gets us to a point where we have something that's workable here, and I think that You know, I think this is maybe a good framework for moving forward Councilmember Hall, I just don't I understand what you're coming from. I just don't think that's a really fair Characterization we're talking about numbers and we're trying to allocate them and in different ways and we're Theorizing different things so I don't appreciate that characterization as it felt Councilmember Amos, so just reiterating. Sorry. I just I hate seeing the difference being read

[04:48:57] But maybe I can get over it, but you're you're fully confident that you would be able to find that. Okay, sorry just I'm I'm wired to really hate that but I I get it but if we can make that work this is uh this isn't bad yeah we would take it out of the measures well we were taking no this is a negative you don't get pens but we would take it out of the managers contingency for the year yeah to make a balance and no touching the fund balance no this does take out that 125 yeah and not putting it up I could work with this so I guess it's really you know well I don't want

[04:49:33] jump too far ahead because i'm sure you have some additional input but this is a whole scenario that if we could get some consensus on gets us writing staff reports and moves us forward but i know you may have some additional input okay councilmember bays did you have something yeah i'm just

a little um you know i mean i i literally did suggest exactly that earlier on in the night um so as a serious suggestion i'm not sure you know where that came from but just you know moving past it that was a serious suggestion oh okay so do workable do we feel this is workable

[04:50:11] I mean I think the councilmember Peterson just so I understand the colder discussion is the question mark a timing question whether to in accelerate the date we got 7-1 and 1-1 is this the accelerated time schedule so this is it right here so this would essentially be a full year application okay so is there something in addition to that that's being contemplated for COLA? Because it's already accelerated here, right? No. Yeah, this was already at a half. We adjusted it back to a full year.

[04:50:50] Okay, there was a scenario where... It was half. Yeah, so we've already done that. So what then is the conversation about taking money from somewhere like Renaissance and putting into COLA's, what is that? That's off. We have totally reworked. We kind of violated our previous vote and made a little adjustment to the TOT which is fine right point 10.5 is where it came right and then we made adjustments to expenses based on a conversation that we just had yeah I guess I I don't think we really understand enough about what's going on with Renaissance housing to know whether it's whether 150 is a

[04:51:29] viable number and whether we need to go up to a 10.5 on TOT let me ask a a question um you know i think there's a concern about the commitment we're we're making there we certainly could budget that amount and come back to council we can budget that into contingency and come back to council at some point i see heads nodding in the affirmative okay um and then make that commitment at the time and it just stays in the contingency until such time as we feel comfortable that we either apply it there or we apply it somewhere else it's certainly not going

[04:52:06] going to hurt to have additional unassigned balance if that's where it falls to from a bottom line perspective. So we could, in essence, again, not necessarily allocate it within a contingency and not get hung up on essentially where it's going to go, if that makes sense.

[04:52:27] Do we have to go to 10.5 on TOT to do that? And is that too much based on your feeling? I've expressed my concerns about it, and it's concerns that I've heard, but, again, I've heard different perspectives on it.

[04:52:50] Okay, so let's just take the temperature. Let's start with Council Member McQuillan. Does this look like you could live with it?

[04:53:10] Yes, I'm warming up to this, yes. Council Member Bates? Yes. Council Member Peterson? Potentially. Okay. Council Member Hardy-Chandler? Yes. Council Member Hall? Yes. oh council member amos yes wow okay this is wow we are somewhere we have arrived somewhere the bus is pulled up and here we are okay this is so exciting um okay now what do we do so now

[04:53:40] now before before 12 a.m i think i think we have the information that we need um and i'm gonna look to the professionals in the corner. We have the information.

[04:53:56] Yeah, he looked around the other way. I think we have the information we need to construct the staff reports and supporting documents to bring to you for budget adoption next week. Okay, that is so great.

[04:54:13] That is just so great. Good work, team. Give yourselves a round of applause. Excellent. Excellent. Really, really good. Ms. Shinneberry? We are moving to future meeting topics.

[04:54:34] All right. I think that's me. Yes. Yes, I believe it is. May 5th, budget adoption. So there really, in essence, is anything else on here except for the consideration of the ordinances that established the budget for FY 2027.

[04:54:57] So that is essentially May 5th in its entirety. Looking ahead to May 12th of note on here, you will see the public hearing and council action on the solid waste management plan.

[04:55:16] You see our revenue bonds for Sewer system included which we've talked about tonight already. We will bring back and continue the public hearing and we'll see we'll hear more from our city attorney on noise. And where we are on on that we do talk about Accessory dwelling units in the work session and then we'll revisit compensation for mayor council on

[04:55:50] I will also say that Melissa sent you an email yesterday regarding appointments, and what she specifically noted in there was the potential of considering appointments for Commission on the Arts, Continuum of Care Board, Environmental Sustainability, and only those items, and at your pleasure, including those items on the consent agenda.

[04:56:20] So we wanted to get concurrence or not for simply those specific appointments to occur on the May 12th agenda. Or maybe not hearing any objections, we'll put it on the agenda.

[04:56:38] I've already set my support. Council Member Peterson? Yeah, I'm not so sure. I think I'd be in favor of us resolving the ethics and code and conflict of interest issues. Okay.

[04:56:55] Is there any other consensus on what council would want to see? Council member Amos I would prefer to move those forward okay Council member Hall I am okay with moving forward with the others but I personally think we need to like stop the bleeding somewhere on these others we can't just be a well past a year here on holdover so I don't know yeah I think

[04:57:32] that we were very specific on the boards that were included here um and again the idea behind it would be that if we can move forward on those we're not holding up those appointments any longer so just you know not all the ones that we contemplated before some of the ones that were up for appointment we certainly could put it on a different place on the agenda or or not so just want to get consensus for so if we were to move forward on the top of the list on the May 12th

[04:58:07] meeting I think Miss Shinneberry has been a bit reluctant to schedule any more interviews but if a night is set aside to do interviews for more vacancies that would be an opportunity to revisit a discussion within that closed meeting on the two Nova Parks Councilmember Hall just to be really clear I have no desire to hold up any future interviews or filling of boards this is a very

[04:58:42] specific issue related to a very specific board and I don't think it needs to be dragged or drawn out in any other way other than that one board okay so it sounds like everybody is amenable to putting the appointment portion for the appointments made are you amenable to putting it under the consent agenda or just for ease of administrative okay with that and then we will table the other appointment schedule more interviews with potential boards and

[04:59:19] Commission candidates and in that arena more discussion can be had I think that sounds okay to everybody all right that sounds like a plan all right thank you looking ahead to the 26th the consideration of award of construction contract for Providence Park and Van Dyke Park outfall restoration

is on that meeting and the introduction of an ordinance enacting and authorizing a license agreement between the city and the air of air roof committee I apologize

[04:59:55] for butchering that and so we'll obviously get you more information on that as we go so the relationship with the arrow has been ongoing and the city staff has been incredibly supportive of this and I want to say it started I can't remember 2019 many years ago yeah yeah so this this annual revision the staff as I think the staff report will explain exactly what it is but we have just a wonderful relationship with the Jewish community who wants this air roof and so

[05:00:35] this is something we supported for years yes interestingly we have a public hearing on the keeping of up to four chickens for the 26th and then a work session on, I can go right through this late at night, on Wilcoxon Trail Extension briefing and then the discussion on Code of Ethics. Mayor Reed? Council Member Hall. It's not mentioned on here, but I have on my calendar that we have a retreat hold for Saturday, June 27th. Is that

[05:01:09] definitive at this point or we're still potentially holding? I think it's scheduled, so we'll Certainly okay, that's fine. I just want to make sure I it's on my calendar and I know to be here I guess and I know council has been extremely busy. I've provided you all with kind of an outline of how we're suggesting to move forward at least in concept on Efficiency strategic planning and performance management So what I'd like you all to think about two is a sequencing piece because as we get moving into the year And I've talked to some of you up to this point of how we kind of will lay that out

[05:01:48] frankly I think our priority addressing things in the immediate is to look at the efficiency piece certainly can get into to performance management strategic planning I think is the one where you know I want to follow up with you to see how you want to lay out that that process as we move towards the end of the year and looking into the next year so more to follow on that but I think as it relates to the schedule the end of June would be a probably a good time for us to update you on on where we are with with those processes so more to follow on that and more food

[05:02:26] for thought and i think uh unless you know council wants to to dive in any further i'm happy to answer any questions through the remainder of the year and address any other items that you all would like to address are we all good on future topics no council member peterson two things first uh Presuming that we approve through the budget an energy programs manager, at some point we can be discussing green buildings and other related issues.

[05:03:05] I would leave it, I think, to you to determine the viable timing for that and whether and when that shows up. But I think if we do that, then that becomes an option. Yeah, that's a great point. It's something that we are contemplating, even within the context of bringing you back the matrices around sustainability.

[05:03:28] And so there may be an opportunity to work session that all together, just throwing it out as a suggestion, put it all together now that the scenarios change with the budget. So as we look at the matrices around our overall plan, it's largely contingent on capacity.

[05:03:49] And so, you know, if we have some more understanding of where we're going, then it might change our discussion in a positive way around how we're approaching both sustainability plan and green building. So we'll come back to you with some ideas on how to workshop that.

[05:04:06] Well, that would be really helpful. The other thing is that I think the plan with the board and commission handbook and the training sessions, et cetera, was to come back in six months or so with an update.

[05:04:24] and a report back on how that's going and next steps, et cetera, if I'm remembering that correctly. And if I am, then probably that's not too far off. I can work with the city attorney on scheduling that. Thanks. Council Member Amos?

[05:04:40] The only thing I'll add is the October 27th meeting, I will be requesting that city council attend in Halloween costumes. Okay. Thank you. Okay. That could be fun. All right.

[05:04:58] Anything else on future meeting topics? Anything else on that before? Are you good, Mr. Alexander? Special thanks to everyone for their work tonight, to staff, to council, and that's all of my report out this evening. That's all of your report out?

[05:05:14] Okay, so we'll go to the council member comments and report out. Council member McQuillan. I just want to quickly say thank you to everyone who came out and spoke for public comment. I also want to acknowledge our events this past weekend.

[05:05:30] We kicked off Spotlight on the Arts on Friday with a fantastic event. arbor day celebration was on saturday it was the 70th season as well for the fairfax little league kicked that off and then on sunday i attended my first rugby game at the old glory dc rugby i'm sorry match thank you thank you match where i learned that it's referred to as a match not a game so i'm working on that um wanted to also uh remind everyone that this friday our women's club of Fairfax is having its 70th anniversary celebration and this Sunday will be the spotlight on the arts

[05:06:09] community day in Old Town. Thank you. Council Member Bates. I want to acknowledge the ribbon cutting this morning for the new emergency communication center and I want to thank our public works staff who helped make that possible as well as and we did have a proclamation a couple weeks ago but I want to thank our hardworking dispatchers and the officers and leadership who oversee them it's a really impressive operation thank you councilmember peterson the first thing is just

[05:06:46] maybe administratively i'd like to ask to have my comment on the willard sherwood center entered into the record if there's no objection and then to follow that i would like to actually extend And special thanks to everybody on staff who worked on the financing and the cost controls for that project, which were really, really crucial and, frankly, a game changer.

[05:07:20] And so our chief financial officer, our city manager, others were involved in that. I think the community really does appreciate knowing that the city staff has the ability and exercises it to do those kinds of things to make sure we're getting the absolute best.

[05:07:36] value for everything we do and finding every last opportunity for efficiency and in this case it was largely through financing and cost controls and that is something that people don't see it's behind the scenes but they appreciate enormously so I want to thank you guys for doing that and in terms of the rugby match it is the first time in something close to 50 years that I actually fielded a punt because I was on the sidelines and the ball was kicked and I was chatting with some folks

[05:08:14] and I looked up and all of a sudden the ball was coming at me from way up there in the lights and it brought back a lot of memories. I used to return kicks and so I had the pleasure of actually catching

one. I didn't run out on the field with it but if I go back next time I'll be kind of tempted to do that but it was an awful lot of fun and for everybody in the city if you haven't been to one of these games the fact that we have a pro league here in the city at mason in that field is a just an amazing thing and it was not only a beautiful night that is a beautiful field a

[05:08:50] beautiful facility and it's an incredibly entertaining game for everybody so to have a pro sport right here is something i think we should really appreciate and support i think you know some folks have gone out of their way to bring that bring that sport and bring that team here into the city and I think it's a great thing and and we should we should take advantage of it thanks council member Hardy Chandler so I just like to say congratulations to our city and the wonderful Willard Sherwood Center that they will have in the future looking forward to visiting

[05:09:27] that with other neighbors I want to thank the vision of people who years ago thought about that project and who have stayed the course consistently throughout this process. The second thing I want to highlight is Mental Health Month, which we did the proclamation for. That's super important. We also acknowledged older adults, so I want to highlight mental health, particularly for older adults, and doing whatever we can to reduce social isolation and some of the other factors that contribute to mental health issues, particularly for older adults.

[05:10:04] Thank you. Councilmember Hull. I won't bore you all with the things that Councilmember McQuillen already went through that we did this past weekend, but I do just want to thank my colleagues and the community and especially our staff for all the work that went into specifically tonight. I know budget wrap-up is never easy, and I know that all of the work that went into the Willard-Shirwood conversations and working with the county and trying to get all these things wrapped up and tied up in a nice pretty bow so that we could move forward with this project for our community is something that's been very, very exciting.

[05:10:38] And I am looking forward to this being here. I'm happy we were able to make it work and get it done and that, you know, we are all happy with where we are with it. And I do want to thank all of you. I know we really thought we were getting out of here at like 945, 950 tonight. But thank you for sticking with us through the budget.

[05:10:56] I think this certainly makes it an easier lift for next week. And it also, I think, gives the community time to reflect on where we are. So please send us your emails. We expect them. But I was pleasantly surprised by the lack of public hearing people coming out tonight to actually talk about the budget.

[05:11:14] So I'm hopeful that that means you've studied up on it, you've looked into it, you've asked your questions, and you've been able to attend the various things that we've done. But if that's not the case and you still have questions, obviously we are here. staff is here, but thank you for everything along the way. Councilmember Amos. Just wanted to give a special thanks to Christine Vincent for all the work she's put into not just Spotlight in the Arts, but Poetry Night on Monday and, you know, as a part of the Spotlight in the Arts program and as a part of National Poetry Month. It was great turnout. A lot of people performed, including people who told me they weren't going to do anything, but wine makes you do some interesting

[05:11:49] things. So appreciate everyone who came and sang and read poetry. It was a beautiful night. Thank you um i want to thank jennifer rose for putting together the first ever civics b that the city has ever done um it was a great success last night we had 12 contestants and three of the five finalists are going to

williamsburg to compete to represent the state of virginia in the national civics b which will be in the fall in dc so thank you so much jennifer it was a tremendous amount of work but you did it and it was great um the spotlight on the arts reception

[05:12:25] been wonderful last weekend. I'm so glad that Old Glory, D.C., has found a home in Fairfax City. I think they were elated at the turnout. There were a lot of people from the city who were out at the match on Sunday. Coming up, the Rotten Tomatoes is at the high school. I believe this is opening weekend, and that is also part of our Spotlight on the Arts. There's a lot of events going on to support Spotlight on the Arts, and the Art Walk is this Sunday. In the main street of downtown. There's a lot of excitement. I think there's going to be 50 different artists down there. So if you have an opportunity on Sunday, please go down and look at the art on the Art

[05:13:04] Walk. And with that, I am going, oh, and thank you to everyone who helped with the Willard Sherwood project. Congratulations to Fairfax City and also congratulations to Fairfax County. This is, this is, this is a tremendous project. They are a good partner and I hope we are going to be a good partner, too. So with that, I'm now going to adjourn the meeting at 12.13 a.m. on Wednesday.



Coraggio Consulting · aguyonx.com