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[00:00:02] Water and sewer currently, with these additional two people, would have 42 FTEs, 42, and then electric has 38. 42 and 38.

[00:00:20] Yeah. So it would be safe to say that almost everyone who works in the utility department, their salaries and benefits come out of the utility.

[00:00:41] Oh, yes. No, it's very safe to say. That's a fact. Yes. Sorry. I'm sorry. I know every year I learn more, and sometimes I have to go back and be reminded. So my apologies to others who do this, and I didn't. Oh, and I'm sorry, let me correct myself.

[00:00:59] I was leaving out Anna and her group. They are, the other piece of that is the utility services. So we're talking the electric director and all the electric employees, the water and sewer director and all their employees.

[00:01:15] Then there's Anna, the services, and all the finance, the metering, the billing. And the customer service is an additional 16 employees. And those are also covered by all of the utility rates. Okay. Because I think that's important for future discussions here for folks, myself included, to understand what the utility fund is expected to do every year.

[00:01:41] So out of these new positions now, sorry, the next thought is, Which of these positions, beyond what you've marked, like the airport operations officers, you said, funded by Adports, which ones, so it's

safe to say the water, the two water ones are coming out of enterprise funds, but everything else except the Adport funds would be funded out of the general fund. Is that correct?

[00:02:15] Well, no, the fire positions and the emergency planner will come out of the fire living. And how many, sorry, how many positions are funded out of the fire levy?

[00:02:32] Mm-hmm. Hold on. Sorry. Fire levy has 76 positions.

[00:02:57] Again, this is indicating the history of no other general questions about personnel to move on to social services.

[00:03:24] It should also be available on your iPad.

[00:03:42] I can have them drop off. Okay. One of the larger increases in our general fund expenses this year associated with social services a poor part of that was making up for a reduction in federal funding to the tune of about 750 \$760,000 and then the

[00:04:20] additional CSA requirement which is about a million dollars so basically we've talked about that before I don't know if there are any more specific questions that you might have about social services and the increases it should yes sir now we did include a substantial contingency in the proposed

[00:04:55] budget specifically for the unknowns associated with federal and state funding to schools and social services and then potential other impacts but primarily this is the big unknown right now is to going forward if there will be any other impacts to the federal funding and unfortunately we're not we're not made aware of any children who may require out-of-state services until it

[00:05:31] happens so fortunately the only way that we can think is just to maintain a contingency of unallocated that there is contingency funds in your in the budget that was presented to you yes sir and specifically because I can't sit here today and tell you tomorrow that we won't encounter another child we won't

[00:06:05] encounter another kind of funding either to schools or to social services so the best that we can do is simply say we'd like to leave some money unallocated in the budget so that work we are able to respond quickly should an issue arise

[00:06:29] And yes, and unfortunately, we have to just deal with the hand we're dealt, and if things come forward, we will definitely let you all know as soon as we know.

[00:06:53] Yes, sir. A question about a million dollar a week, the General Assembly, to try to bring up the funding with that.

[00:07:10] What they had asked was for us to contact them after this session so that they can start crafting legislation for when they come back at the next assembly. They indicated they weren't able to introduce anything this session, but they are interested in talking about that for next session.

[00:07:36] If I remember correctly, the participating gap in federal funds was to narrow that. Well, we were able to identify some of the funding that between what we were presented and what we thought we would be able to realize from both the state and the feds were able to work through that number and get to a point that we're comfortable that the \$700,000 is the \$750,000.

[00:08:13] It was the delta that we need to make up. Could it be more eventually? Yes, sir. And again, that's why we're trying to include that contingency. The federal cuts are set to a certain percentage as mandated

by our one.

[00:08:41] Or executive action.

[00:08:56] Any other, as Mr. Smith indicated, Ms. Kervin's here, if there's any specific questions about their operations, I think we are in a much better position to enter the next fiscal year to be able to continue service to our residents.

[00:09:22] Just a moment here. Some self-included. Is this presentation, this PowerPoint on our iPads in some fashion where we might look at it at our leisure? One second. You may have to refresh it because it was published after the original agenda was pushed out.

[00:09:45] Is it attached to the meeting agenda? Yeah, it should be under the first discussion. Give me one second to confirm. You can also go on the budget web page, the work session info, and pull it up from there. Yeah, discussion item number one should have the fiscal year 2027 budget.

[00:10:04] If it's not showing, let me know we may need to refresh your iPad. Just one second to republish it. If you have access to the internet on your iPads, go to the city's website,

[00:10:41] then type in proposed 2027 budget in the search.

[00:10:49] So we'll be moving on to fire and rescue.

[00:12:09] As we discussed previously, there are some additional positions that we're looking at. Again, funding two firefighter positions, the emergency management position, and some of the associated services that had been previously grant-funded.

[00:12:28] We're also looking to what we are having to pick up the cost for them. We did include about a quarter of a million dollars in additional overtime, recognizing that we've not been able to get to a point where we're self-sustaining as far as the number of firefighters that we have combined with the amount of training and other items that they need to do.

[00:12:55] So we've increased the overtime budget for the firefighters. There's also some increase in apparatus maintenance and then funding providing for the purchase probably in the next two to three years for two new pieces of equipment to the tune of over \$2.7 million.

[00:13:20] any any questions about the additions that we're looking at within the fire that's the amount of the increase yes sir i think we're up to in overtime they're bending this will get them a budgeted overtime amount of \$750,000 and just in overtime.

[00:13:48] I feel that we have so much mandatory overtime, qualified training and for our search.

[00:14:08] Now they're making us go back and rescind 70 staff.

[00:14:41] Start looking at being able to make equipment to change.

[00:15:07] We're making them go back through all of them.

[00:15:37] Well, the general fund doesn't provide funding for any of our fire and rescue services. The fire levy generates all of the funds for that.

[00:15:53] So my question is, because it hasn't changed, that takes place, then that is, they increase because the overall increase,

[00:16:04] even though the rate is never changed, they increase on the amount of spending, but I do worry, we do have a new home.

[00:16:44] We're looking at what he said. Well, yes, ma'am. The fire level is remaining flat, but we are looking at about a 7% increase in the total budget for fire and rescue due to the increase in property values.

[00:17:05] That does translate to all of these additional firefighters increase in the apparatus maintenance and planning for the vehicle replacement. In addition to that, Chief Mills is going to be working with Chief Keen over this year to propose any additional needs that we need to put forward in future budgets.

[00:17:29] So this should get us through what we think are the near-term concerns. The Chief is looking forward, and we hope to come back to you with a five-year plan during this next fiscal year about where we believe that we need to be taking our firefighters, Just, again, to keep the pay competitive with the neighboring areas, looking at some of the new requirements, as the chief indicated, some of the training that historically was just incremental.

[00:18:01] They're having to do a full renewal of it. So we are trying to look forward and come back to you all with a plan to make sure that our fire and rescue staff are current now, but we're also making sure that they will be ready for that.

[00:18:22] better I'm just thinking to do that it might be a need right now it might be good trying to look at

[00:18:55] the you know five-year plans and even if we do a reduction of the rate these uh the rate has to raise but without affecting overall pay of the resident and that's really what I was you know trying to make sure that we that we do you know bring you know the money there because the money is from the same fund but I just want to make sure that we and then I believe you salad just wanted to overstay you know my concern is it will be a point where we have to

[00:19:30] even if i'm still trying to reduce the overall appeal for the rest yes and i believe that's why the city did establish the fire levy independent of the general fund so that the city can ensure that our fire services protection is always there and and the city has the ability to adjust whatever that levy would be independent of the general fund real estate property personal property tax so yes ma'am there's there there it currently has the ability the city has that ability to have independent rates so that we can ensure now and in the

[00:20:07] future adequate fire coverage and that is one of the items that we're going to talk about and again just a breakdown of of our fire and rescue budget and I apologize the page numbers that we've got on the handout that they translate to where you can look in the proposed budget.

[00:20:31] We tried to make it as simple as possible so that if you had questions, you can refer back to your budget books. And again, as we just discussed, having the independent fire levy assists us in tracking that funding so that we can pursue grants and other things, and it also allows us to ensure that if there is a need for specific fundings for the fire department, that that levy is intended to cover it all.

[00:21:04] It effectively works like one of our enterprise funds. It should be self-sufficient, and it allows us to focus in on the needs of that department and have a generalized discussion with council specific to the fire needs that equates to whatever that fire levy would need to be.

[00:21:22] And I know council had a question about whether we should continue with the fire levy. Staff does request that we push forward with the independent fire levy rather than folding that into General Fund specifically because it does allow us better control as far as accounting and it allows us to better communicate

[00:21:48] with our residents about the services that our fire are providing okay there's no other questions about the fire and rescue I'm looking at Matt to take lead on capital so just tell me when you want to slide all right so I think the first

[00:22:28] series of tables the city manager has are the five-year program so just I'll give you some high-level stuff then when we get through the slides you're gonna see what's actually funded in the proposed budget but just to give you a high level this is remember the CIP is a five-year capital improvement program so you have stuff under construction which is typically going to be funded in your prior years mostly and then you have stuff that we're going to talk about in a moment for the current fiscal year and then you have stuff out the future new projects this year big picture are very few so there's only three new projects actually in the full five-year plan there's two in the water fund we can

[00:23:06] cover those and then there's one of the stormwater fund to dredge the Wakeman pond next to the landing at Cannon Branch so those are not this year projects I don't believe but I have to double-check some of them some of the I'll come back to that. So I don't know how much we want to pause. Yeah, thank you. Jump ahead. So this is what's in the proposed for funding in FY27, starting with ongoing improvements at public works and general utilities. So this year it's continuing to make improvements to the yard, covered storage. The big one, and I'll pause on this one, the funding is in here out of your capital reserves for the downtown parking garage. So that's the \$11 million. And you see that when

[00:23:44] You see that big spike in the overall budget for the year. A lot of that is that transfer, that \$11 million that we're using out of capital reserves for the garage construction. So that's fully funded. Obviously, we're moving forward slowly with the MLG proposal. In that scenario, we would be reimbursing a public-private partnership for construction of the garage.

[00:24:05] But the money is also there. If something happens, council would have the ability to move forward separately as a traditional capital project. So the big message here is the money will be in place with the adoption of this budget that we can move forward with the City Hall parking deck. Big picture on the City Hall parking deck.

[00:24:20] There is a lot of parking downtown, but there's an absolute imbalance, as you can all see from the construction of the temporary parking in the Old Town Insight. A lot of folks are looking for parking on the north side. That's been in our capital plan for years to correct that imbalance by having a north side parking deck.

[00:24:36] So City Hall is funded to move forward with that. The balance of our parking is really on the south side. can see there's a lot of empty spaces but folks don't like to cross the tracks the other big one so this is the other big one that we're starting to move forward with because fire station 21 if you all recall is sitting in fy 29 for construction with that bond issue that we discussed at the retreat we need to start planning now for this building and for the site for what this building looks like and start doing the preliminary space layout for station one so you start doing your planning three years in advance so that by the time we get to construction we're good to go

[00:25:13] so there's about little there's some money in here um hvac is important because we're going to shrink the footprint of this building so the hvac system which is also very old is way over built so we'll save quite a bit of operating uh and we'll replace the hvac on this building but really we're getting the big picture here is the footprint for station one needs to be determined that determines which parts of the building need to be demolished and so we're backing into that space planning so as we go through the space planning we'll bring updates to council as we start to actually lay out the pieces we have that concept that we've talked about but now it's time to actually start working with the fire department and figure out how this site's going to work so there'll be a lot of questions and a lot of updates as we move forward over the

[00:25:51] next three years with the planning for station one before we actually get construction and then transportation so we are actually moving forward with dean drive so a piece of dean drive behind the data centers has been in our in our budget for many many years to if you go down there right now very narrow road it's the secondary access door animal shelter to rose hill cemetery That is fully, that's federal funded, and that's moving forward with construction over the next two to three years.

[00:26:20] Basically, data centers have been required and have built the one side of the road. That's a requirement when you do a site plan. This would be building out the other side of the road, so the smaller lots on the other side. Some other improvements. In theory, one thing you have out there, long-term development, those narrow parcels would not be a data center.

[00:26:40] It's too narrow, but that will unlock some of the economic development potential on those small industrial lots for warehousing and other smaller industrial things. Thank you. The other big projects that we're moving forward with, this is going to be one of your larger construction projects.

[00:26:59] We're moving forward with design of the Liberia third lane project from Centerville to Euclid. This obviously is one of your key priorities in your comprehensive plan to move traffic forward. So this is the third lane all the way out to Euclid. It also has intersection improvements included at Centerville and Liberia.

[00:27:17] So if you think about it, especially in the afternoon, You'll see that Centerville backs up because it's very hard to get to the right turn lane and to get onto Liberia Avenue. So this will actually reduce, if you recall, we did the one direction during COVID, added the double lefts, extended those. This will address the outbound section, allow more right turn traffic to flow, and that will actually improve level of service at this intersection quite a bit from someone who drives through there every day.

[00:27:42] It really does back up in the afternoon right now. We're continuing to move forward with trail. Thank you, Chief. We're going to move forward with our bike and pedestrian plan. This is a really exciting project. The public works site actually straddles the Point of Woods neighborhood, Liberia, Point of Woods East neighborhood.

[00:28:04] There's enough city property in there that we can do a trail connection that will allow you to get from Stonewall Park all the way to Liberia and add some access from the Point of Woods neighborhoods over to Liberia Park. So this has been in our capital plan for a very long time, and it's another federally funded project with the state funding that we're able to move forward with.

[00:28:21] That'll all be around the Public Works ponds and the sites back there. So we're moving to design on that project as well. We're moving forward with right-of-way on the Mathis Avenue

reconstruction to complement the shopping center project. So that is adding the landscaping, the medians, and improving the appearance of that corridor.

[00:28:40] Very similar to what we did with Grand minus the road diet. It's still going to have the same number of lanes. And we are moving forward on your number one priority in your comprehensive plan for pedestrian safety is subtly road lax sidewalk as you all know one side of the road all the way from grant avenue down to corner this will be the piece of sidewalk on that side of the road it's a very busy street not having a sidewalk is a huge safety problem so this is another one that's funded and moving forward and we are um also on that man yes the design for that sidewalk is it going to be up

[00:29:16] tight against the street the street or is this offset like we did it's offset so we're moving forward with the planning commission recommended design when we did the community input is to have obviously the five foot sidewalk but we're going to try to maximize the buffer between the road and the sidewalk you really need that buffer for comfort among other things but also for safety so then we'll have some opportunities for landscaping we also need to put utilities in the ground there if you recall along subtly road a lot of the you may not know but a lot of the utilities are rear the electric and there is actually rear access there and it's a huge problem for our electric utility to get to those to maintain so we're going to actually be able to

[00:29:54] address some of our electrical liability as part of that project so you'll have road with power in it some landscaping then a five foot sidewalk so we're going to go back to free landscape we're going to take out an awful lot of old growth trees there's going to be on these projects and i think i've mentioned this before as we get into these infill projects they get exceedingly more complicated we have to negotiate with every property owner along there to replace and then we've done a number of these every time we take out a tree your point we have to replace it you're typically the homeowner's going to ask it to be replaced or we're going to replace it just because it needs to be put back in so there's going to be a lot this we're in right away this is going to

[00:30:31] take us a year to negotiate all those individual parcels every one of those comes with and it's not just it's mailboxes it's driveways there's a quite a bit of negotiation when you get into these projects obviously it's important for safety but they don't move quickly because of the scope of what you need to negotiate we're also recommending so we have to traffic we're starting to move forward as we run out of large road projects so you know we've done suddenly third lane we're We're working in Liberia.

[00:31:02] We're really moving into a lot of this neighborhood quality of life. Where can we make improvements in traffic coming? Later this year, I actually want to bring back the council and update your traffic coming policy. It's about 25 years old, so it's due for an update. I'm going to work on that and bring it to you probably in the fall. And to go along with that, we're starting to recommend using some of our NVTa funding to create a standalone project in the future where a neighborhood identifies a problem.

[00:31:27] We've piloted this a little bit on Main Street. where a neighborhood comes to council to the city and says you know we really need to do something about this intersection or slow down traffic we'll be able to apply the new traffic calming guidance and have some funding available where public works can actually go in and fairly quickly do a quick fix first with paint try to narrow it down and slow down traffic and then what's really fun is then when you get into street paving if it works they can come back in the future and build it out in concrete so this is really it's only 50,000 a year we're recommending it's really just

But it's that kind of quick action when we can get into a neighborhood and make some improvements to address neighborhoods.

[00:32:04] That's MBTA at 30% point. It's not your local portion of it. But it's really something where we're obviously working on that Main Street project. We're doing a pilot at Princeton Station along the main corridor in there. So based on that and an updated policy, we'll be able to really get into some of the neighborhoods and make fast changes to try to address these quality of life issues without full-blown CIP, which you know takes three to five years to bring in.

[00:32:32] Well, I got some questions. Want me to go through utilities? I don't know. Or Hannah? I can do utilities. West Site Meter Station S-29, that is a project to be able to track our city sewer on a metered basis to UOSA.

[00:32:54] That is important to us based on charges from UOSA. So if we decrease the flow or get a handle on how much the flow is, accuracy is going to improve in that. The interconnected meter vaults, what we're looking to do there is be able to take existing vaults and maybe install new vaults so we can do bi-directional water with rinse oil.

[00:33:18] Our conventional filter underdrain replacement project is there to upgrade our filter media in order to improve the amount of water that we can push through the point. So that's part of our plan to upgrade from 14 to 18. That's one of the steps.

[00:33:39] of 14 to 18 what? A million gallons per day. Right now it's 14. Right now it's 14 million gallons. That's the ultimate plan to upgrade in. On our electric side, placing overhead lines underground, that is an ongoing project that we fund year over year, trying to get all of our overheads as much as we can underground for reliability.

[00:34:07] public works facility I'm turning that back over so we have so on the stormwater side big picture is there's I think we've talked about this before there are state and federal requirements for the Chesapeake Bay that we need to meet FY 24 then in FY 28 permit cycles these are the last projects that will get us the credits we need for FY 28 compliance with our Chesapeake Bay requirements so we are still looking where we can upgrade city facilities so Annenberg is

[00:34:47] one we're looking at the Annenberg parking law we can add some stormwater control and get credits out of it a fairly simple project to pull off and then we are going to be and you will see community meetings as we do with all these projects we move forward in the next couple of months the Oakenshaw ponds are due for maintenance and upgrades and we get a lot of these things when you take a look at them they've been silted up lack of maintenance over 30 plus years they need to be some sediment removed and then brought up to current standards and the Point of Woods Pond is actually second pond behind Public Works it's a little hard to see it's in between the two

[00:35:24] sections of Point of Woods East but it's another city facility what else do I have in there along with stream restoration of that area we've already started coordinating with Point of Woods East yes The one that runs across from Mets? That's the one in Oak and Shaw Park, yes. We moved some dirt around.

[00:35:45] We did not reg it. We did some maintenance, but we didn't bring it up to current state. We need to do better. That's a good way of putting it. We did some band-aids through public works, but this is a full retrofit to bring it up to standards, and you need to do that also to get your credits, plus your phosphorus, your nitrogen.

[00:36:05] We've had a lot of conversations on that one just to get ahead of it with council. So when we go into the community meeting, we will be prepared to address things like mosquitoes you know it'll be wetter than it used to be because it doesn't function currently so there will be some improvements in the concerns in the neighborhood that we're anticipating about what happened when you retrofit in terms of kids getting it will not become a full weapon to get that out there too if you talk to folks in the community so it'll still have some water in it like it does today but we're not proposing to

[00:36:35] turn into a full-blown weapon um cockerel branch is over by our library so that's the piece of stream. We go down Dumfries Road from where the library down to Hastings Drive. That's another area we can pick up some credits. That'll be a rehab of that stream. Big Kahuna, Wakeman Track Pond, so this is a pond up against Adam Branch. We have identified that we can get all the additional credits we need for 28 and beyond by doing this project. So it's obviously a large pond

[00:37:11] already. It takes a lot of water from industrial areas, from some of the county. We believe this project we'll go to design but we believe with the upgrades here we will be able to pick up significant credits we don't know what comes beyond 2028 so what we want to do here honestly is bank credits in the future the state of the feds come back with additional requirements we're hoping we'll be able to hit them with the improvements to wakeman tracks we'll also finish the floodplain work that we started to make sure that our property the kind of branch property all those commercial parcels are fully developed and we're working with all that and we've talked to the neighborhood a little bit but again this is part of our commitment in addition

[00:37:48] to our stormwater credits, we want to make sure that post-Buchanan, our property is good to go on the commercial side for future development. So we'll be able to make some tweaks as part of that project as well. And I'm not doing the airport, sir, unless you want me to sit down.

[00:38:06] No, that's okay. Basically, we've got a number of projects that are included, the first being improvement of the fuel supply area that's on the east side of the airport as you're going into it. It's the last one.

[00:38:27] And so basically we're just looking to increase capacity in anticipation of the needs for the commercial service as well as doing some improvements, safety improvements, containment, things of that nature. Rehabilitation of runway 1611-34R, and I apologize, I don't do the nomenclature as well as Juan does.

[00:38:49] He's got all of the jargon down to a science. But basically we're going to be repaving the long runway that we have out there. taxiway and widening. This one is associated, again, primarily to meet the needs of commercial.

[00:39:05] Right now we've got a 40-foot taxiway out there. Optimally, it'll be a 50-foot so that we can accommodate the larger aircraft. Again, the bridge improvements were to the point now that we don't necessarily need to immediately replace the bridge in order to have commercial service out there, but we want to look at long-term what the design is so that when the bridge is replaced, what we how we need to replace it, so we're going to start doing that design work.

[00:39:36] Also, part of the improvements that we need to do out at the airport is design and construction of a new facility for our maintenance equipment, primarily the increased equipment we need for snow

removal. Part of the FAA requirement for commercial service is that we have to have the runway ready for aircraft within about half hour, 45 minutes.

[00:40:01] so WANT has been increasing the amount of equipment that we have to meet that need, and now we just need a facility to store it. That is our capital improvement plan. Again, the page numbers are identified so that you can use this as a guide, and if you need more detail, you can go to your book, and I guess I will look at Mr. Ocina since he indicated he had some questions.

[00:42:31] Yes, sir. Mr. Morgan is working with his crews. After every season, we do sit down and talk through what could we do better, what do we need to plan for, so I know that those conversations will be occurring.

[00:43:09] Specific to sidewalks, that will have to be something that we look at because, yes, sir, with the snow event that we had followed by the decrease, the majority of the sidewalks within the city were not traversable safely. And we need to figure out at what point does the city need to step up and make sure that they're available.

[00:43:32] Part of that will also be a discussion with Matt and his crew, specific to the trails. We get into more of a proactive, get out there and push a lot of the trails open as quickly as possible. So, yes, sir, those conversations will be had.

[00:43:49] What you may see in the future is the majority of the equipment that we have is large truck and blade to push snow out of the way. We do have a handful of small snowblowers and snow brushes.

[00:44:07] But there is equipment that is more specifically designed for sidewalk/trail removal. They're compact, and we may just have to start investing in some of that, recognizing that, yes, sir, the frequency of these events is increasing.

[00:44:26] So that is a conversation we will definitely have.

[00:45:32] Sir, at that end, it's those members of the crew that came in before the storm had to work a 12-hour shift and then go home and clear their driveways out. So, there is an awful lot that we need to be thankful for when it comes to our snow removal.

[00:45:57] I'll leave the idea of nine seconds. All right. I say we all go home. That's the case, Mayor. Thank you, Councilman Smith. So, I'll go back a little bit here.

[00:46:13] I should have asked some of this earlier here. But first of all, let's talk about the parking garage. So you got it down for \$12 million. Is there, where are we in terms of having any of that cost shared by any other entity?

[00:46:37] The limiting discussion with MLG, and we are in the middle of discussing that agreement, is that the city is going to hold to the number that you're seeing in there, and then anything above that would be the development. If we go through with the public-private parking, that's in some of the public documents, But that's the general idea, is that the city's not going to put in more than what you're seeing there.

[00:46:58] So if you need, you know, the current proposal includes multifamily. They need parking. They were going to have skin in the game. You also get some pretty big savings, honestly, from a private developer building deck on behalf of the city. They're able to do saving.

[00:47:14] Again, we are fully prepared to move forward, and that should be enough to cover. You wouldn't necessarily want five stories. We're looking at a five-story deck at this point, but that's because you have a hotel parking and a carbon parking built in.

[00:47:33] So, you know, we would have to come back to you and tell you what you could buy with what's in the budget if we don't go forward with the partnership. Diane, the source of the \$12 million is? The capital reserve funds. Doing a one-time transfer. Is that correct?

[00:47:51] Correct. One-time funds. All right. Set aside for one-time projects. So, on the fire levy, does the fire levy cover all of its capital expenditures, such as Station 1?

[00:48:11] It's intended to, yes, sir. We maintain a reserve within the fire fund, and the expectation is that any savings, any remaining funds from the fire levy goes into that reserve.

[00:48:28] So, that is the expectation. The debt service on the current fire station, 21, is funded out of the fire levy. They do not have capacity for the debt service of the second fire station in 2029 bond issue.

[00:48:51] So that would be funded out of the general fund's debt service, would need to be unless there was a change in that levy rate. The general fund, however, the debt service, is included in the current tax rate.

[00:49:07] So the debt service, so we just have a general plan for debt service from the general fund to cover general fund type projects, is funded in the existing tax rate.

[00:49:26] So the time we can afford debt again is in 2029. One of the projects we've identified that we need to do at that time is the fire station, so that would be funded out of General Fund Debt Service rather than funded out of the fire levy, which is where the current fire station was funded.

[00:49:47] And the reason for not putting it in the fire levy, therefore raising the rate of the fire levy, is what? Why one project, 21, but not one?

[00:50:04] We could, when we get to that, we would have to swap the rate to cover that. It just depends on how we do it when it comes to that time. Bond issuance is typically associated with the ability to repay the whole fund if necessary.

[00:50:29] and because our fire levy is only 13 cents 19 cents the the amount that you can bond on a 19 cent amount is fairly fixed and and we're still paying off the other facility with that that bond amount right the the city's general fund because it is significantly larger we have a greater ability to to obtain bond based on that larger amount so that the the we can look at what the fire levy

[00:51:06] would have to be in order for a to to be able to achieve a bond out of the fire levy we haven't focused on that because primarily we have the debt service the the ability to incur debt in general funding but we can look at that we can and i think the original intent now that i'm thinking back to it was that the debt service when it rolls off for the fire station 21 would then pick up the new station and it seems like the timeline is is not working out that way it's the funding

[00:51:45] we can alter that if that's the way we go to it and when we plan for debt service when we set up the debt service plan originally for the general fund we didn't know exactly what projects were gonna but come out of that but as we get closer to the date that can definitely be altered if it helps if you have a child that's going to to get a car the amount of income they have is relatively minimal so the parent typically has

to sign as a second to get the loan for that vehicle so effectively you can think of the fire libby the the fire fund as as the child because it doesn't

[00:52:24] generate that much money and the general fund is having to to be the co-signer if you will for the the bond debt so why did we and i know just for a moment that it get that so that's the case why didn't we do 21 out of the general fund we had the debt capacity at the time in the with the fire living to be honest with you i i don't know what happened is does this believe that has

[00:53:02] I think we're looking at a \$20 or \$25 million amount for the 20.

[00:54:05] okay so if so you'd be two million dollars so it'd be three and a half no third three three three cent increase I think yeah using 850 and per penny so

[00:54:27] between two and three yes sir I'm not sure well I have looked ahead so I don't think this is being covered so I want to sort of bring this this up looking at page okay oh here's a number so i take it there's a debt service plan for the fire station right to

[00:55:05] repay i mean just like we yeah some idea yep participating like a 20-year kind of that would it would be yes okay and that's what 21 is 20 years yeah so look at page 53 for a moment i hate to jump off of this but trying to figure out the right place to bring this up so i'm looking at this fund overview here and i'm looking at the last one where it says non-departmental and the proposal of the 27 budget of almost 40 million dollars here what what is non-departmental

[00:55:44] does it include any transfers from from anything and you know what would be the list of items and is it possible to get a breakdown yeah it's actually on page 186 of your book it breaks

[00:56:01] out non-departmental. These are all non-departmental expenditures. So school support, social services

[00:56:27] fund, housing fund, CIT, PICO, gas tax supplement, all of that. Correct. So it says non-departmental So 39,959, and if I'm looking at page 186, I see a budget amount of 29, so there's a difference there.

[00:56:55] Well, the total at the bottom of page 186 is actually 107? Yes. And then on page 53, those two numbers, school transfer, we wanted to show school transfer separately in the chart. So you add those two numbers together to get it should equal to 107.

[00:57:16] Do you see at the bottom of page 53, it says school transfer for operating 67 and then non-departmental 39? 67 and 39 will get me to the 107.

[00:57:32] To the 107. I got you. Okay, and my last question, going back to CIP, tying it back to the CIP, talked about electric line undergrounding.

[00:57:57] The plan is for the money being requested on Prince William departure. So we're talking about Main Street, what would be Main Street? Main Street, but from Prince William down to Barca, what you're talking about underground, correct?

[00:58:15] Anything that's, if you go down Main Street, anything that's on the right-hand side, you're going to do it. Okay. And if I, you know, every year we say we're doing electric undergrounding, but realistically, the electric undergrounding we're doing generally projects where we're already digging something up,

And so we do it, as opposed to actually going in a place and saying, you know, nothing's been done here, and therefore we're doing that.

[00:58:51] We follow transportation. If there's a project that transportation is doing, and we have a project in that same area, we're coordinating. So we only have to dig up the areas rather than multiple times.

[00:59:07] So we will go in with transportation. However, we also identify on our end if there's a feeder cable that has linked a couple of times. We identify, we go in, Eric's got this whole matrix.

[00:59:23] So we go in and we underground where needed for reliability as well. What we've been focused on is feeder cables and for repairs. Those are not your main trunks, but they're going more into the residential areas because those have been 30-plus years old, right?

[00:59:48] So we get a lot of repairs done for less because they're not the bigger cables. We're getting ready to go back to the big feeder cables this coming year to do more repairs.

[01:00:03] But all of those projects are reliability-driven and transportation-driven. Councilman, if you go into any key projects, transportation projects, you'll see the electric money either now or in the future, That is typically going to be undergrounding.

[01:00:21] The state vets will typically pay for relocation, so electric fund would actually have to pick up. So we use state and federal transportation dollars to move things around, but to underground, that's where you're going to see that electric fund. Basically, you have the transportation projects undergrounding, and then you have the separate E33 projects that's doing independent underground projects.

[01:00:43] So there's an adage that says, you know, people respect those things you inspect. So, I take it there is a map slash list areas that have not been undergrounded, but we know, regardless of whatever else is going, but if a utilities knows these are places we have an underground, so you're aware of this, and there is, is there a map?

[01:01:17] Do you know how that list is maintained? Tarek maintains it, and I believe he does have it mapped out. I yield back my time to whoever else wants to go at it.

[01:01:34] To that point, Madam Mayor, our electric facilities specifically, we have a very good mapping. The GIS for them is very thorough. Part of that is what allows the city to have a good handle on when an outage occurs in the location that caused it.

[01:01:59] It's all associated with that mapping, and that will allow the folks that are at the station to recognize whether it's an overhead or underground line in that facility again to direct our crews on what equipment they might need if it's an overhead there's a long hole that you wind up having to use to reset it wouldn't do you any good for the underground so again that that allows them to be in a better more aware of what equipment is necessary for the response

[01:03:34] But if we had to look and reduce or make a change in order to come to a lower, an example, like we have the downtown parking and we do know that we have the need, we've been having the need to add social services, there are the opportunities that we can say, we can delay this.

[01:04:11] I believe it's that I just want to be able to understand it on my own. And it's limited, it's so limited because we already have agreed to many other things. So I understand, you know, like it's not going to be like a spring project because we already have made it.

[01:04:31] But it may not be the answer today, but I'm looking at those places where we can do, like the parking garage. We really didn't need it to, you know, do it now. But I just want to make sure that our residents, you know, if I was trying to reduce it.

[01:05:15] Well, if you are looking, and I assume we are talking about a reduction of the real estate tax rate, then, yes, ma'am, we would have to look at just the projects that are associated with the general fund. So that would limit it basically to the transportation projects.

[01:05:33] So, oh, okay. The city has built into the tax rate what we call pay-go, pay-as-you-go. So that's part of the tax rate. About 1.560, no, not about, exactly 1.560,000, \$1.5 million, \$60,000 transferring to that.

[01:05:55] So, Matt can talk about some of those projects that are funded out of our PAYGO. So, a couple things. So, get to PAYGO last. So, other sources is page 259. If you ever get a question, what is in other sources? One weird thing about other sources is NVTa, 70% money is considered other sources.

[01:06:13] We see a big number there. It's actually state and federal. Our transportation budget, we get this question a lot. The money we use on our local matches is NVTa money that is 30% dedicated for transportation. You cannot, there's no general fund money, very little at times going into transportation.

[01:06:30] So if you've eliminated MBTA 30%, it wouldn't have an impact on the general fund. And a lot of those things, so stormwater is another one when we get a state grant, we're matching it with the stormwater utility. General fund is \$1.56 million, as Diane said, typically going into the arc projects and into things like public works, that public works project I identified, just ongoing maintaining our facilities, that's a big chunk of it, and the other big chunk is honestly the park future. So, you have your playground projects, you have your historic site projects, you have your park maintenance. So, Winterset Park, that came out of

[01:07:07] PAYGO. Historic sites, that comes out of PAYGO. That's what we need to do at Marstellar, that's coming out of PAYGO. That's the full commit this year. And now I often believe we have a voter registrar this year there, right? Correct, yep. We're starting, instead of trying to piece mail. Last year we had in the budget \$60,000 annually to replace the equipment to meet the mandates. And what's happening is it's not every year that it's \$60,000. It's maybe every

[01:07:43] two years that it's \$120,000. So we're setting up a capital project to capture that. The funding is already was included in last year's budget to do that. We're just capturing it differently so that it builds up and doesn't lapse every year um so that she has the funding ready to go every x amount of years when required because it's not exactly 60 grand every year sometimes it's zero and then the next year it's 120. again i'm not Diane but i was able to do lower councilmember 263 is the general fund pago listed at top so it's exactly 225 into public works and about 890

[01:08:22] into this building and then on page 265 you can see the two maintenance projects are cemetery improvements um electric equipment replacement and then about 860 in the parks those are your playgrounds schools this year and um historic sites which is the Jenny Dean cottage try to hold that 1.5 million that's that has been this consistent amount that we've been contributing pay go to capital for years now and the reason it went up \$60,000 is just moving that money from

[01:09:01] one place to the capital projects the public parks rubens you've seen the park system explanation

[01:09:23] next item just for general discussion there have been a request to i'm sorry i'm sorry i i thought we were gonna maybe we'll back to that one sorry no forward now council member i forgot to mention I forgot to cover the one question one-time funds would not impact this

[01:10:01] year's rate is capital reserve so removing the parking deck will not lower you would not lower your grades so we thanks to our capital reserve funds so you can't that's one problem i forgot about that piece thank you if someone would explain the housing reserve amount unless i missed that one oh i will thanks diane let me stuff i know um so if you'll recall um a few years back out of the arpa funds council reserved two million dollars for

[01:10:39] housing initiatives um that has just been in the general fund waiting for council to use it what we're doing with the two million dollars um is moving it to set up a new fund which can be found on page 62 called the housing investment fund so that two million dollars is going to set up the new fund and then the housing investment project which that part matt will actually talk more about um all the discussions you've been having on the good housing um need three million dollars from

[01:11:12] capital reserves so that you'll also see going into this housing investment fund for the project that if matt wants to talk more about you'll see the three million from the land sale you'll see three million from capital reserves going in there plus the two million council to set aside heard the conversations we've had we didn't want to drain the two million in federal funds right away on this project so council wanted to establish a fund that had sustainability beyond the project so that's how we got to use and sell money capital reserves to build this fund up a little further um so the money you see going out is essentially the money for the loan again you

[01:11:50] have to do the purchase and sale agreement first you have discussions about the loans that agreement essentially sets up your to discuss financing but then um see going you'll see about a million and a half dollars left in the fund housing project goes through fyi estimated fyi 28 you'll see income coming back into the fund principle and interest on a loan. It won't be negotiated in terms of the loan details. I'll be back with you probably next month on the draft loan, but start

[01:12:24] seeing income actually coming into the fund in the 28 budget. And we tried on the bottom, on page 62, to capture everything that we're saying in the narrative below. So in 2028, like Matt just said you the intent is for this fund to keep and and and reserve the annual principal and interest payments estimated at 185 beginning in 28 you'll hear from your housing advisory board this fall with recommendations again how you might want other housing ideas to set up without having to go to the general

[01:13:01] time occurring sort of being 185 000 a year a year remember we had the place holding the staff

[01:14:16] as a placeholder to maintain be there the housing advisory board has set up temporary status to kind of look at the big picture for housing and make recommendations on how to spend money council choose not to renew the board and then it would become a staff function essentially myself and aldrin but the housing advisory you know i suspect you'll get a recommendation to keep the housing advisory board active to look at future initiatives you'll have the opportunity to pull grants out of

[01:14:55] here they'll they're you know with recurring revenue that's kind of the idea again i would defer and let our housing advisory board get you that final report but yeah the money wouldn't go away if you put it into this if you put it the way the budget set up you put it into a housing investment fund council yes i

i understand that but i'm just trying to look for the full name it was the housing authority because it's not about the board but it's about the back on the day

[01:15:28] four years ago where the actual trust fund yes the city does have a trust fund on paper um whether it um the council's kept we've kept it alive um with date and staff have the caretaker essentially of that we've worked with the city attorney's office to determine whether we need it we don't think we need it but we still the housing advisory board was established in the 90s the trust fund i'm sorry in the 90s since then the state authorities for the council localities to do these things has vastly increased so the housing trust fund was doing loans for employees we have

[01:16:04] we've subsequently got legislative authority from the state to do that so you can do a lot of these things through the government without the trust fund we are keeping it live essentially on paper in case we need it but the majority of what we want to do what we think we want to do It can be done through your council appropriations, council authorities, but the state is great.

[01:16:31] That's trying to bring it home, because even though it's different functions and different places,

[01:16:38] the state and federal level, how the locality is set up to administer.

[01:17:27] Is it not just a man standing over my shoulders and a board looking at me? So it does help usually when you're speaking.

[01:18:10] There's been a request.

[01:18:34] Well, unfunded stuff. Yes, ma'am. There are a number of positions and initiatives that were requested, but we did not include in the recommended budget. A number of them came from economic development. At this time, it is hard for us to justify additional positions in that department.

[01:18:55] The branding campaign, I believe that the brand that we have is still functioning very well for the city, so I don't know that there's necessarily a need to drive that yet. The small business initiatives we can discuss. I think we are trying to work with the EDA to transfer some of the grant initiatives that we currently work through with HMI.

[01:19:21] So we are hoping to, again, evolve that program. And then once we get that transition to the EDA from the development department, It might be a better time in our next budget to talk through what other initiatives that we would like to have internal to promote local businesses through our economic development department.

[01:19:42] My question is, just to understand, because it is a small amount of money, but it can't. So the whole business that are related to the over a million costs are now different than what we already have.

[01:20:04] And at least for me, maybe I have to read.

[01:20:37] We do have some other programs that we currently fund. I think this was something above and beyond, but the problem is that I just don't think we are at the point of being able to define where the best use of that fund would be.

[01:20:55] That's what I'm hoping Council will allow us to evolve the facade grant, transition that to the EDA. Plus, as we previously discussed, Matt is updating the downtown guidelines for outdoor dining, and we are looking to implement a transition of the program this year to help those businesses that are

impacted by our new guidelines to help them buy whatever equipment or other improvements are necessary to make those compliance with the guidelines work.

[01:21:29] And then I agree with you. It would be good if we can put together a fine program that would help more businesses. And I think that's where we want to be with the FY28 budget. It's probably good for us to have discussions as we go forward about where council believes that there are opportunities for the city to step up.

[01:21:52] I may piggyback on Vestas Luna's comments. This caught my eye, and while I appreciate everything the city manager is saying, but for our consideration here, FY28 means a year from now, it may be relatively, too strong a word, but tone-deaf for us not to be doing, since this is out there, we'll be looking at it.

[01:22:32] Now is the time for home business to come this, sooner rather than later.

[01:23:05] Next year is next year.

[01:23:24] Businesses were very helpful. They had to have skin in the game. I'm just not looking at anything strictly a handout. They had to cooperate. The idea is that the business is a little bit different in terms of what they're needing.

[01:23:44] Advertising something needs something. And that's not to say that the Nats Department is not sensitive to it. But, you know, just look around at what you're paying all the time. A business trying to operate.

[01:24:01] Us who own our own business, who all work for businesses. We'll go away and see what our bottom line is like. So, I dare say that the business community, and I'm talking just Old Town.

[01:24:18] talking to businesses of a certain size, you know, there are a lot of different things that ought to be, you know, to me this ought to be expedited rather than decide until next year.

[01:24:35] That means you city manager, you know, working with appropriate staff to kind of develop and reaching out to various stakeholders to put something together, but I think at the end of the day this is something I would like to see. We'd be able to come out of this budget session saying we're working on this, this is one of the benefits of something for the rest of you.

[01:25:07] Madam Mayor, if I could, when we get to the enhancements portion, that is definitely something that council can put forward, identifying \$50,000, \$100,000 for a program to be identified in the upcoming.

[01:25:23] So that definitely is something that council can consider as one of the enhancements to the budget. Is there a discussion about a possible farmer's market?

[01:25:46] We're starting to, so, we're looking at HMI at a future date. So, we're taking an initial look at the HMI MOU, as we discussed at work retreat.

[01:26:07] We need to come back and have a discussion about, out of your \$400,000, obviously, your Main Street, Farmer's Market, Visitor's Center, and events. That'll be a conversation with HMI about, no, there needs to be a conversation as you look at the MOU of what actually that \$400,000 is paying for, and council's going to need to, But we need to work through the nuts and bolts of the MOU first before we bring you a draft back and talk to HMI about it.

[01:26:31] But we do – it's in the works. We've kind of done some internal work. We need to have some conversations with HMI to be able to give the council better information on what you're paying for out of the four. So how much does the farmer's market cost in one of those conferences?

[01:26:47] We've not been five years.

[01:27:24] We went through their reaccreditation process with the state strategic plan. So this is the right time to bring you an updated MOU with all the – I think all the questions that council members have been having about what's in it, where our agent might as well be goals, how do they set some of these costs by taking on down pieces of it.

[01:27:46] There's a larger conversation, a bigger process.

[01:28:08] All the small business, you know, come and go.

[01:28:54] The problems are the issues that we have in the other nonprofit who provide the money and they are supported.

[01:29:16] The way I see it is that July 1st this year, all like, you know, we're going to have to hold the grant.

[01:29:52] We are the ones behind. July 1 day, we could update the MOU before July 1 of next year.

[01:30:21] So if we had to re-adopt, even if it technically went into a rolled over a year, and we had to do it by the end of the summer or early fall, we don't have to wait a full year or more months. But we are working with the overview.

[01:30:50] We are working towards that, yes, ma'am.

[01:32:12] There's a list on their website, City of Manassas Grants.

[01:32:32] So there is money available.

[01:32:43] That's how I can develop in channeling people through that. There are a number of opportunities for businesses, yes, ma'am, and they will work to identify opportunities, yes, ma'am. And that funding coming from Mason, or where is that money coming from?

[01:33:04] Small business development, and SBDC is independent of GMU, but they have individuals that are assigned to different locations, and so the SBDC representative is working through GMU. So the funding would be more from a federal grant, small business associate.

[01:33:27] I think they used to go to Centerfuse. I think they used to have hours at Centerfuse to meet up with people. of those. So what is the city of Manassas funding right now for grants or opportunities for this?

[01:33:43] What we have included is funding for downtown businesses that need the modified facade grant initially there's funding for those businesses that are impacted by the new guidelines that need to either upgrade their equipment or things like that. We included the full funding that we previously done for the facade grant so the expectation is that we will start receiving applications for the equipment and then if we still have funds

[01:34:20] remaining what we might open is in January reopen the facade grant with the remaining funds just so that we can get that program going so the the expectation is that we will be able to fully fund any of

the necessary improvements downtown for the outside dining and then we can reopen the facade grant with the remaining funds with this year.

[01:34:41] So that's it? The only City of Manassas funded grant facade? I think the economic development budget has some minor things built into it. I'm not 100% positive, but I'd have to check on that.

[01:34:59] You're also funding the economic development budget, the graduate program, elevate program. Those are two, sorry, workforce initiatives are in the budget. So for the unfunded requests, I think we really defined descriptions of what we do better.

[01:35:35] I think a lot of people in the community think tourism events is HMI. So if you're trying to go to the public and say, this is what we need, they think we have it already. And I know that's not what their job is. We certainly field a lot of questions as a visitor center.

[01:35:56] you know they are involved in it but this uh coordinator exactly you know what that and the workforce development coordinator as well i know our schools have the cte program they have a cta coordinator schools you know there's just so much you know i'm glad to see up there as requests but really do need to understand job description and the branding campaign you know i think we have good brand but what are we trying to rebrand like what is the point of this you know and those

[01:36:35] those are the reasons that we weren't we weren't we did that but in moving forward you know we really need to get a lot of details when yes ma'am if we ever bring them forward we will definitely have those answers that is the effectively we have a temporary site where when our water and sewer crews have a water break and they have to excavate dirt to get down to a pipe it's a temporary

[01:37:14] facility for them to fall that dirt to. Our crews, when we are collecting leaves through the vacuum machine, it's the temporary site where we put the leaves until we're able to transport it off-site. So it's a temporary holding ground. However, historically we didn't remove some of the temporary stuff in a timely fashion, so it kind of built up. So over the years we are trying to restore it to a truly temporary site this was specifically from the general

[01:37:54] fund we already have funding from water and sewer because they are the primary user of this site they are they have been cleaning it up and we have been making very good efforts to restore the site so it's not that we're not doing anything it's just that at this time we weren't able to advance funding through the solid waste fund itself but there are funds going towards the part-time full-time refuse and recycle administrator currently there's both

[01:38:30] full-time or time this would be an additional but this would be simply upgrading the part-time position to a full-time job and if that was approved that would be funded out of this solid waste fund yes and the problem that we encountered with both of these requests, that would drive a solid waste rate increase. We weren't at the point of recommending that increase. It may come in a

[01:39:08] future budget, but at this time we weren't ready to come forward with these two positions and efforts as an item they're included.

[01:39:27] So then I'm clear, as far as the city is concerned, who handles tourism for us? It is a combination of HMI through the visitor center, the city through our museum, through MADS Group, and then Patrick also has efforts because we have a component on the city's website for tourism that is a contractor that does some of the posts from economic development.

[01:40:04] So it's a combination right now. And that was, again, because we have contracted services through the Economic Development Department or part of the tourism effort, that is one of the reasons why we're not comfortable yet talking about the two positions that they have indicated will be necessary at some point.

[01:40:31] Do we earmark any of our meals tax and or lodging tax for purposes of tourism? Well, it contributes to the economic development budget, but there's no specific line item that says this much goes to here specifically for that.

[01:40:53] It's all put into a pot. Correct. Where would I find how much the meals tax and line of tax produces? \$39? \$39?

[01:41:14] And did you say sales tax, Jim? No, not. Oh, meals is \$39. \$39? Yeah. So if... About 6.9, just under \$7 million, meals tax, produces.

[01:41:40] Right. And then lodging is on page 41.

[01:42:13] Could we take another 15-minute break? I think so.

[01:42:30] Eric will tell me, yeah, it looks like. Is she the only time they have to push that button for Eric? No. But she does get dibs on lunch, so she's there. I have no idea. So you know who to yell at if something goes wrong with this. It says it's recording. Yes, ma'am.

[01:42:48] Speaking of lunch, Eric has it ordered. It should be arriving at 11.30, 11.45, so as we reestablish the discussion, just be aware that lunch is pending. Other things, Chief Keene had been approached by ICMA.

[01:43:07] There's an ICMA fellows program that tries to pair members of the service with localities to give them some exposure to what we do, how we do it. We have Ricardo Wood, who is the fellow that has been working, will be working with the city over the next six months or so.

[01:43:28] And Mr. Wood just wanted to introduce him to you all, and he's going to give you a little bit of his background. My name is Ricardo Wood. I will be retiring 1 August from the military for 20 years, seven months of service.

[01:43:46] And my dream has always been to work in this opportunity, get a little bit of exposure and experience with the city of Manassas. So far, what I've done, I've seen.

[01:44:06] This place has been really, really great. Manassas is moving in the right direction. Lots of greenery, very clean. So that's first impression. So even all the other localities in its surrounding area, Manassas is right up there.

[01:44:24] So again, I just want to say thank you so much for welcoming me. Thank you amongst all the employees that everyone has been super motivated and very passionate about it.

[01:44:44] Next item on our agenda is the discussion of the forecast for our general fund, the graph that's... Sorry.

[01:44:55] With this one, that's why I didn't want to get deep into it.

[01:45:25] Will we talk about that later on this point? Yes, ma'am, there's a tax rates discussion towards the end of our agenda. Yes, ma'am. Okay.

[01:45:41] Any other questions? Basically, we've been requested to do a forecast, a five-year forecast of where we anticipate our expenses versus revenues, based on the \$0.02 recommended real estate tax reduction.

[01:45:59] And as you can see by the graph before you, the revenues that we anticipate based on the \$0.02 real estate tax reduction marry closely with our anticipated increased revenue over the next five years.

[01:46:19] I do need to caution that a lot of the anticipated revenue increase is expected in the next two to three years. Again, due to the additional real estate revenue associated with completion of the Dean Drive and airport data centers.

[01:46:38] So what we also did was an anticipated revenue projection peak and revenue that could happen lower. And what we wanted to express to council is that while we're very confident that the revenues coming in can be sustained with the two cent reduction in your real estate tax rate adjustment a little more, there's a less margin of anticipated revenues being greater than being lesser.

[01:47:17] So, as council considers further reduction of any of the revenue opportunities, either through real estate tax or other tax revenue, we lose the comfort in being able to say that we would be able to sustain whatever tax rate was established long term.

[01:47:39] So I just don't know if there's any questions about that, but Diane did a pretty good analysis of anticipated revenues versus the expenses, and I do think that the two cents is definitely sustainable over the short and near long term.

[01:48:02] You've got straight lines. You are correct.

[01:48:22] Primarily, it's intended to show the five-year period. The real number of you're actively buying the revenue category.

[01:48:44] Here's, not this, I mean, data on an Excel spreadsheet.

[01:49:20] Well, not necessarily FY9, that glide slope looks like still, theoretically, another batch of revenue comes in.

[01:50:08] Work on, so, counsel, the intent that we had put forward was trying to show you where we anticipated to be in that five-year, and, yes, it is definitely not a linear path.

[01:50:25] It's a hump. Yes, sir. So what I was looking for are the assumptions that go into this funding forecast of the way.

[01:50:50] We forecast that Dean Drive data centers coming online. This kind of, same time, same thing with expenses.

[01:51:11] Well, on one hand, a year ago this time, looking through last year's budget book recently, we weren't talking anything about tariffs. Tariffs are, you know, having a big impact. along the way. I'm not saying should or should have forecast that. Now that that's in the mix along the way, what are the assumptions being made about expenses, larger expenses, that we

[01:51:48] would have some knowledge about? Insurance being that, if that's one of our big drivers, and it is, insurance rate increases between \$1,000, that's a third of them at \$1,000 there. So what I was looking for and what are the assumptions of recognizing that the further out, as Diane has always taught us, the

further out I go, less likely. Sort of like what Matt does when we talk about population. He can tell me probably pretty accurately next year's city population.

[01:52:28] Two years out, it gets a little wobbly. I asked him five years out. Well, now he's going, well, these are the things that I expect. So I think, to Mark's point, not so much the graph part, but what are you folks, the assumptions on the big, big items that affect, so that to help us make wise decisions for this year, you know, looking ahead, don't want to be told, hey, you know, it's going to be great next year, don't worry, you know, whatever.

[01:53:07] I want to know, here's what we think it's going to be, what it's going to be, so you can, next year we have to, what's happening, seeable future, see, and I'm not looking necessarily all the way out to 31 and nobody knows two weeks ago we didn't know we were going to war

[01:53:46] as an example okay i get that those are not on anyone's bingo card those things that we you know we normally see as drivers revenue as well expenses bond debt all of us that's that's what i would like to see part of these discussions before we

[01:54:33] It is, but, again, there's a little bit of parity with it. So the intent was we're confident that near-term we'll be able to meet expenses.

[01:54:50] Long-term, it gets more questionable, and that was the general intent of what we wanted to let you all know, that, again, any consideration that would affect revenues in this upcoming budget, There's greater concern going forward whether we could sustain additional revenue loss.

[01:55:23] Tim's frantic, yes. We are in a situation right now that we have never been in before. And trying to forecast what's going to happen in fiscal year 30, we weren't able to forecast. Luckily, you didn't forecast any money coming out of personal property for the data center at the brickyard.

[01:55:49] There are data centers that are going in that are built. Are they going to have their personal property and be energized January 1, 27? Assuming they are, and we all know what assuming does, that's a big if.

[01:56:10] Just for next year and how much personal property they're going to have in there is a big question mark on its own. Trying to do that in fiscal year 30 is a crapshoot. We have never had this sort of change going on in this city, ever.

[01:56:31] We may go through the roof in 30. Who knows what these people are going to do? Or they may decide they don't need all of these, and we may go through the bottom. I would be very careful to hold anybody or any numbers accountable for that because it's just not going to happen.

[01:56:53] We can go through this and guesstimate a crapshoot for 29 and 30, and it's going to be wrong. I promise you, it's going to be wrong, because we don't know what's going to happen. We didn't know what was going to happen in the brickyard. We don't know what's going to happen in these stuff going on now, and those are such large numbers in a percentage of the overall city that it could go up or down drastically.

[01:57:19] And we have to be aware of that. So whatever we do, okay, lunch. Whatever we do, we have to be aware of that. Take all of this with not a grain of salt, but with a whole salt lake, because it's going to be different.

[01:57:36] You can ask these folks and us to come up with guesstimates, and they can do that, but that's all it is. We have to be careful to say where we're going to be in 2030-31. We have no idea what these folks are

going to do to us.

[01:57:54] And so I would just be very, very careful about these forecasts out more than a year. Everything can change. The commissioner of the revenue.

[01:58:11] Oh, okay. Oh, okay. What's up, folks? Well, back to both.

[01:58:31] The church decided to put up all of their information.

[01:59:11] They would be exempted as well. No, non-profits. Not on that. You've got to exempt them. Yeah. Well, Madam Mayor, this does not include any computer tax revenue. Because, like Tim was indicating, we really don't want to bank on any of that.

[01:59:31] So this is purely real estate, just the historic, the things that we have experience with, and we can be fairly confident in our predictions. But Tim is absolutely correct. Where the computer tax comes in, that's, in my mind, is icing on the cake when we finally realize it.

[01:59:54] But until we have a true track record, we don't want to come forward and say, yes, we're going to have \$10,000. Yes, we're going to have \$10 million. We just don't have the history, don't have the confidence in presenting that as a stable revenue source for y'all.

[02:00:13] I feel the same way about the real estate, too, to tell you the truth. We're at war right now. What's going to happen? Don't know. Are we going to have a downturn? The data centers are going to stay there, but is our housing market going to drop through the bottom and make a difference?

[02:00:30] You have to be so aware of the volatility. We've been so steady now for, what, going on 20 years probably, or 15 years. It can all go away overnight. So, and I agree, we think we should have forecasts.

[02:00:49] I'm with that 100%, but you've got to realize what they are. They're not an estimate to me. They're a guesstimate. Well, and to Tim's point, that is why the bottom revenue line is as low as it is, because there is so much variability in what could happen with real estate tax, with personal property tax.

[02:01:07] So that's why there is that much more greater probability that the revenues may not come in where we think they are. I'm comfortable with where we're at now, but like Tim was saying, a year from now, two years from now, four years from now, there's so much that could happen that it is hard to say with confidence that's where we will be.

[02:01:42] I also want to break for lunch and then come back. Are you ready, Eric? Are you ready?

[02:02:02] Yep, we're good. Okay. I can tell. There's pizza, Chick-fil-A nuggets, Chick-fil-A sandwiches, salad, chips, and a short amount of sauce. And there's still coffee in the morning.

[02:02:54] We've identified as just the different rates that we currently have, but that an ordinance amendment would be necessary to establish the separate vehicle tax rate that would allow a data center, computer equipment, and peripheral tax to be increased to match Prince William County's current rate or advertised rate of 415.

[02:03:26] So we are working on development of that code amendment that would specify the specific vehicle tax rate and allow y'all to consider an increase in the data center computer tax rate. Are there any other questions about any of the other personal property taxes? I thought I saw in a news article earlier this week that Prince William County changed their data center rate to 450 now. They may have at this

[02:04:02] point and so yes we can definitely match their rate. What is the deadline for us determining these these rates it has to be adopted as part of your budget so if and there's there's no specific advertising seven days seven days to advertise the increase the rest of the budget yeah the rest of the budget ad will include changes in this and that's a seven-day ad the only one that that has a longer deadline that we're talking about today is the real estate the real

[02:04:40] estate rate. Which has to be, we're hoping to get it. The advertised rate for that. Just the advertised. But it would be no higher than. No higher than, correct. Today. Secondly, all these different categories here on page 35, it does spell out. I see that. Okay, does it? I was just going to say, does it spell out what the machinery and tool produced, you know, for last year or the year where

[02:05:22] in yeah each of the amounts can on page um one second um 35. down at the bottom here oh in the graph breaks it down by classification from the commissioner okay i see so machinery and tools

[02:05:55] um generated 6 million and 25. that's that green piece of that bar yes okay i got you and very good all right thank you oh and wait a minute machinery and tools used in semiconductor manufacture why is there a team that you all came up with with python we'll go up four percent over what it was last

[02:06:47] yeah these will be in that seven day advertisement but part of the budget well he'll have them by then thank you that brings us to discussion about the enhancements staff would would request councils consideration towards offsetting the increase in health

[02:07:24] insurance as one of the options for the unidentified or anyway the additional funding that we did not allocate budget if there is a decision to also include a business incentive program this could also be part of that So staffs are available to answer any questions y'all might have as far as where we could go, what impact would be.

[02:08:00] Well, what we had heard was that there was a desire that council might have an intern program that was specific to working with council and the clerk over the summer.

[02:08:24] So that's basically, we have internships in various departments. This would just be one that would be specifically assigned to the clerk and council. That would be any resulting discussion or conversion of HMI, MOU.

[02:08:53] Community center, bro. Oh, I'm sorry, community center. That would be the ability to staff up the community center earlier than we would based on, you know, eventually this building.

[02:09:08] We'll be able to add Wednesdays and Sundays, so that would just allow you to do the staffing, what's projected.

[02:09:31] It would allow you, with your available enhanced cell rate, staffing and all that.

[02:09:57] I don't have the numbers. I think I mentioned that it has a wait list already.

[02:10:05] Back up.

[02:10:41] Effectively, we didn't know how y'all wanted to proceed with it.

[02:12:10] It was just a number so that we could establish the program and y'all couldn't define how many interns you would want to have.

[02:13:04] Effectively, the budget that was developed did not know what the health insurance rates to the city were going to be at the time of preparation.

[02:13:39] We were able to include a 7% increase amount in the budget that was presented. The rates came in at 11.3% increase, which equates to a little under \$300,000. The general fund, the enterprise funds, we should be able to pick up since there's less than.

[02:14:01] The majority of our employees are in the general fund. So the increase in the enterprise funds, we should be able to pick up without significantly impacting those budgets. So the additional funds would allow the city to absorb the full increase of health insurance.

[02:14:26] I know we looked at what the potential increase to employees would be, and I believe it was in the neighborhood of \$20 to \$30 per month. Yes. For those with Anthem.

[02:14:44] Yeah, for those with Anthem, employee-only, I mean, there's several plans, So I'm just picking one generic one, employee only, the highest level plan. I believe it was \$20 a month increase.

[02:15:02] But let me just double check that number for a second. The request is that if we, the city, do match the additional health insurance, then all of our employees would realize the true effect of the COLA.

[02:15:35] So that we're not offering them a 2% COLA, then it's offset by the increasing so yeah for it's roughly twenty dollars for that particular plan that particular um level just employee only and it scales all around based on the other the

[02:15:52] other plans it could be either we have need a living that i have to kick out to make it be

[02:17:01] modified within the budget and you should have more between the salaries or the other amounts And I know we have gone different before in prior years when it comes to the other money that is allocated.

[02:17:17] I just, you know, I'm sorry for feeling like, you know, you shouldn't have brought those people. But it pissed me. Again, there effectively are three options for council for the additional health insurance.

[02:17:37] Either council could elect to pull from the enhancement money that was included in the budget. They could suggest that we pull it from the contingency funding that was included in the budget. Or you can opt to say, well, we don't want to include funding for it, and we'll have the employees pick that up.

[02:17:59] So I understand what you're saying, that when we put in salaries, there's years where there is some overage. We're just not in a position to predict that because sometimes when we hire new employees We hire them at a salary that was above the individual that had previously been there So it's one of those that we would prefer a defined budget item for that significant increase just so that It's not one of these items that we think there'll be savings in

[02:18:36] in salaries, and then if we don't realize that, then we have to come back to you at the end of the year saying, well, we need to move money from here or there to account for the benefits.

[02:19:34] And unfortunately, we did not anticipate the extent of the health insurance. Yes, ma'am. So it's significantly more than what we've experienced in recent budgets. So effectively, yes, we just need to find a funding source.

[02:19:55] and if council says we'd prefer if you pull that from the contingency, we can definitely make that happen. I hope that it's a given, but I won't commit you all to that.

[02:20:15] I'm a trustee in my farm.

[02:21:15] I'm well aware of the race and what's going on. And it is that, you know, hopefully one day we'll be put that in place. But I don't feel like it should be.

[02:21:44] Well, what I would offer is that over the years, The money that we allocate towards salaries, we are getting, our finance department is getting much better.

[02:22:02] And historically, what we budget, we spend about 99% of that. So I would love to be able to tell you that, yes, there is enough that we could find in the budget as presented to cover that \$300,000.

[02:22:19] I'm just not able to say with great certainty that we would be able to find it. again i would hope that we could work with council to identify a specific funding location if not the enhancements then the contingency staff has the health insurance through the city i do not i believe the majority is with anthemville i mean they are they all getting their

[02:22:55] health insurance through the city some people have like spouse that has health insurance and they don't opt in for health insurance i think again i i believe the majority of our employees are getting insurance through the city that you are correct there might be a few that are getting it through a spouse but i do think the majority of the 560. and also uh what percentage does the employee pay for their premium 50 of the premium or in this city 20 to 25 depending on the the

[02:23:31] program that they participate in the employee pays 20 to 25 percent of the premium five dollars per view on the real estate tax how what is do we have a dollar amount of what that average

[02:24:10] impacts homeowner uh yes apologize for jumping in diane diane did a wonderful job coming up with

[02:24:27] potential impact of one penny versus two for a year and he is about 41 dollars to the real estate

[02:25:05] tax rate um impact on the tax bill it went down 123 then the average residential increase You basically would say \$40 to \$50 to 1% reduction based on it.

[02:25:44] I guess what I'm getting at is that it seems more impactful to a homeowner to do away with a penny than to do away with a... You're correct, but as Mr. Wolf indicated, there's a number of non-property owners that have vehicles as well.

[02:26:03] So, you're correct. There's multiple options on how you can look at who would benefit from any change that you would make. Many of the decals of \$34,000 are \$14,000.

[02:26:25] I haven't made up my mind on all of these areas.

[02:26:57] Moving the mass rate, \$0.02 for \$0.03 reduction.

[02:27:18] Keeping in mind that at some point, go back up here. However, it's eliminated. Gone.

[02:27:30] So consider how the difference was is \$43, you know, with the average tax rate deduction.

[02:28:08] You've never got to come up with an event system. These are all the different expenses here.

[02:28:32] We'll be coming back to this one.

[02:28:55] I was just jumping ahead. I apologize. No, it will be helpful because I'm just, yeah, I'm going to try to understand. Like, you know, my point, obviously, is trying to make the most widespread impact, I guess. The other thing on the scale, it goes in.

[02:29:29] That is what we potentially would be working with HMI to protect it.

[02:30:38] And to Ms. Ellis' question, Diane was able, we have 83% of our employees that are part of ANTA.

[02:31:00] 553 now, 560. going into utility rates, and basically what was presented from staff differs from what our consultant has recommended.

[02:31:33] And what you see here is that rather than doing the consultant for water specifically recommended a 25% increase over the next two years that would taper off. Staff were looking at an increase, a lesser increase over a greater number of years.

[02:31:55] But basically what we're looking at is recently the city's water and sewer enterprise funds have been operating with use of significant reserves for both capital and operational costs.

[02:32:12] Because we've been doing that, our reserves are slowly nearing the point that we have concerns. So we do need to consider rates that will get to a point that we are covering our operational costs as the enterprise should from utility rates but also provide us additional revenue so that we can

[02:32:36] start building up the reserve where it needs to be six eight percent original electric last year

[02:33:10] for 26 was eight nine six and a half so in fy 27 electric we're good at ten and a half percent we're going to get to where we need to be the nine and a half when we put that in we knew that was low but we wanted to make sure that we're not overshooting so when we contacted new gen they actually came back and told us we needed 49 49 is not sustainable that's not working so 25

[02:33:45] over three years is going to start to build our reserves the difference between a nine and a half percent water bill for the average five thousand gallons is a two dollars and 93 and 25 percent

[02:34:13] you're looking at seven seven one slide sir so looking at this on on so got both rates that are

[02:34:29] in the budget 28 sultan one seven is nine and a half is because when we first started very

[02:35:05] conservative with the request knowing that we would have needed but trying to be conservative

[02:35:16] However, when our results came in solidified, got those numbers back, we took it to the Utility Commission and them as well on Tuesday.

[02:35:53] Between 9.5 and 25 is like a \$5 difference. It's not as big of a rate increase per dollar as it would be in the assumption that it is.

[02:36:10] I'm looking at the percentage increase for all water customers, large ones, all the way down to my little house. It is going to be, the rate increase is going to cover fixed costs as well, all rate costs.

[02:36:31] And as City Manager had an overview to start this discussion, what's been going on is in the utility funds, particularly in water, you've been going in reserves to cover operations to balance out at the end of the year.

[02:36:54] operations and CIPS, because we did not update them. - Projecting further, if nothing was done, no rate increase was done, how much longer would the reserves carry us if fences continued the way they are?

[02:37:14] Recognize they can jump up like we saw. How many more years do we have? One year? - Three maybe.

[02:37:23] - Two to three, then there's no more reserves at all.

[02:37:55] - Last year and some change I've been on this council, my least favorite chart that I have seen the one that says our utility rates didn't go up consistent costs of materials labor and everything else that goes with creating good utilities um so for me it's kind of like a rip the band-aid off thing like we gotta we gotta raise this efficiently i don't want manassas to be in a situation where you know i first and we don't have the resources to fix it or you know worse what we've just seen happen in dc water um you know i our our residents our businesses count on these services being

[02:38:33] reliable and that comes at a cost i think another i know everybody in this room knows but i just kind of wanted to say it out loud i think a big misconception in the community is that our real estate taxes can can invest in the utilities and that is just simply not the case i feel like we see that online all the time you know oh they can buy this and do that but they can't invest in utilities well it's just not the same fund and like for this reason we got to get this fund back to where in a case of emergency or even just in the case of day-to-day operations that you know we're keeping up with the

[02:39:11] personally in favor of you know at least 20% for water I don't want to be here we don't have it you know and we need it I think it's really important thank you for this information yeah and I know we're gonna have a section of

[02:39:32] the status of the burn through the reserve fund part of the calculation is

[02:40:20] x amount of ongoing operating revenue. That's where understanding we're creating. The other, I won't say it's nice to have, but

[02:41:13] to us first, we're focused on safety. They belong, and in fact, we also know where they block in the city, you've got a lot of development, right?

[02:42:16] No, that is restricted to general fund. Your enterprise funds are separate. Yes, sir. Yes, sir. But we shouldn't cross-pollinate funds.

[02:42:32] not that I'm aware of seniors may qualify for some utility assistance

[02:43:45] through social services but that all is dependent upon upon it

[02:43:49] We have an allocation for them.

[02:46:00] Same thing with it. Whether it was ARPA funds, one-time money, or any one-time fund that we can use, we cannot transfer. My ask is, in 2018, there was zero on electric.

[02:46:16] Electric, it seems like it's one there. It might be a bigger.

[02:46:21] 2019 it was zero, 2020 was zero percent, 2021 was zero, you know, the city manager, but so, you know, first, you know, I hope that this doesn't occur again and then the future city council members, you know, who have a percentage and they can make decisions and now we don't have to hike on this amount.

[02:47:01] The people might understand how much is the increase, and this might be less than the process to the residents who are very difficult.

[02:47:25] No matter how you put it, if we get 3% increase, and then you're going up all the 5% on water, no matter how much it is, it can be a dollar, but because our percentage change, I really can't.

[02:47:45] I would like to know what will be the average total increase for a single home for a townhome

[02:48:28] and for a condo and apartments we always talk about the average and I know this is based on consumption but if I can speak to the general public of what it might be you know I wouldn't focus on the percentage but in how much it will be because i believe to say that will be one of my requests whenever council's making this um being uh i know like a couple of years ago i think it

[02:49:03] was that we talked a lot about the trash i don't know if that has been negotiated if no rates are going up or if that has changed but i you know we've been in processes that have you know increased not as much as it is right now i know we're going to have to make a big decision i'm just First, asking for the past, you know, holding accountable for the recommendations made.

[02:49:28] You know, if zero is not acceptable because inflation is a percentage and it should have, you know, it's great that it was zero, but now we have to pull up a lot more. So I'm asking for responsibility from whoever was making this.

[02:49:45] And I know it's not even true, but I'm saying we have to want it. We had zero now. We are here, and we have to bear the consequences of these past years. But please, if you say 25-25, it's just, I cannot perceive the idea of approving anything like that.

[02:50:07] If you work with me on trying to get the average what would be for a single home or a townhome or a smaller average deal, it could make it easier. Yes, ma'am. I have always heard from residents about that even though it's huge and it's really bad, It is easier to run like a pass.

[02:50:33] This one is directly that we are making the effects, and we're trying to make it right after, you know, being like me to understand the way to everybody out there.

[02:51:13] Like you're asking for us to make this our decision. You need to help and explain that decision to everybody because it is physically possible. We can definitely provide you financial impact based on a couple of different scenarios when we bring you back for the utility work session.

[02:51:53] We do have separate store, yes.

[02:52:39] They do have a separate rate. It's usually higher. We have a residential rate, yeah, if possible. And into the system.

[02:53:05] How do they, okay, so businesses, non-residential usage. What is their usage, especially our large capacity customers for non-residential?

[02:53:24] How does that impact the residential rates? It would be infrastructure, I would assume. So, like, if we have a large capacity usage business, they have to have certain their infrastructure changes affect the residential changes and could

[02:53:44] affect the residential rates trying to explain to the public you know and we have businesses in our

[02:55:35] city that have high usage of utilities and when their rates go up in the relationship to that uh that is that's what i'm trying to process through to be able to we jump into like a higher

[02:55:57] talking about uh i just want to be able to go to the public resident just because this company or this industry is using more of our utilities your bills do you understand consumption

[02:56:26] and use well infrastructure part of it that's the comparison of electric well in your packet there's

[02:58:27] two things we compared and these rates the the city rates are based on what staff had recommended this is a nine and a half percent increase if if you want to know what the 25 percent rate would be the monthly rate would be 1484 and per thousand gallon would be 475 but this is to compare where we're at versus prince william water and fairfax water and then this other slide is where we are with the ten and a half percent increase comparing us to novek and dominion what i have to

[02:59:04] qualify both of these on is this is the best available information that we could identify on their website so I don't believe that any proposed increases for FY 27 are included in competitor so if you're again if you're looking at this this is us with an increase but I can't confirm if there will be an increase on any of the other competitors just to give give you a basis of comparison of where work where

[02:59:40] where we will be versus where everyone else is this is 2027 for the city based on the 10 and a half and nine and a half and for the the other other locality of the other providers it was best

[03:00:16] available most likely it's just 2026 again it was just simply looking what we could find on their websites so it doesn't include it it may not be an accurate comparison because i am assuming that they are all going to be proposing rate increases similar to what the city is yes we will we will

[03:00:45] definitely have that um who have gas service in their home like how is that well we're not in the the gas industry but if you have gas then typically your utility your electric utility in the winter is typically less than it would be in the summer but then

[03:01:24] you're paying more for your gas consumption so

[03:01:40] And kind of asking that is it seems like a lot of the people who reach out saying that their bills are really high have gas. No, typically what you'll hear is residents who have electric heat. Electric heat is, when it gets very cold, is not efficient.

[03:01:58] So wind up, there's, having had a heat pump in the past, there is, heat pumps are effective down to about 30 degrees. When it gets below 30 degrees, there's an emergency heat.

[03:02:15] And effectively, what you're doing is you're running electricity through a straight cable that the electricity running through it, the resistance in that cable causes heat. And so it's really inefficient for this emergency heat, and that's why when we go through periods where it's 25, 20 degrees for an extended period of time, your electric bill will be significantly higher than it would be during the summer for air conditioning.

[03:02:45] And that's because the efficiency of electric heat in cold weather is just not there. So usually when you hear people that complain about a 50-70% increase in their electric bill in the winter, it's typically associated with electric heat.

[03:03:11] Again, that's part of the reason that you see those two non-funded requests that we had for the part-time to full-time position and the MRS funding.

[03:03:29] Yeah, but the reason that we did not include those, the bottom two items for solid waste, we did not include them because they would have triggered a utility rate increase.

[03:03:48] So we will be, and we have the original, the city had negotiated with American a couple years ago for what our rates were, and we have been able to deal with the allowed increase, projected increase in the rates to American within our current rate structure.

[03:04:12] We are nearing the end of the period where we may have to be renegotiating with them. So rather than do a small increase this fiscal year, we may have to be looking at a renegotiation with them next year.

[03:04:28] So there might be a utility rate increase proposed in the FY28 budget. We're not proposing one now.

[03:04:58] And to staff's credit, when we come forward with a renegotiation of specifically solid waste,

[03:05:34] What we typically don't do, we typically build in the anticipated increases that are part of the contract, and we place the rate to accommodate some of those, not all of them, because there is a little bit of reserve.

[03:05:51] So we try and establish what the rate is, not based on what the negotiated cost is at the time of the negotiation, but looking forward a year or two so that we don't have to have great adjustments every year. So we try and build that into it.

[03:06:20] At this point, we would like to discuss with counsel your desired rate for advertisement. Again, the rate that's advertised does not have to be the rate that you adopt, but you cannot adopt a rate higher than what is advertised. At this point, advertise the current rate of \$1.26.

[03:06:52] My slide didn't carry through.

[03:07:46] What you see would be, if this had actually worked, is the budget schedule. And where the red items are, we have three unassigned work sessions. March 11th, April 1st, April 6th, and April 8th.

[03:08:05] And what we'd like is to discuss with y'all, do you have needs? We do have the specific ones on the 18th and the 25th. The 18th would be utilities, 25th would be the joint with the schools, and we have the town hall on the 16th is there any any desire to go ahead and and remove

[03:08:32] any of the the unspecified work sessions from your calendar so

[03:10:06] 130 that's we we don't have anything further on our agenda

[03:11:31] one thing that i was reminded of the final item on the agenda was 2028 pre-planning for the budget first question is council comfortable continuing the single day budget workshop as an opportunity

[03:11:48] once the budget is presented for was this effective for y'all well if there's something

[03:12:55] different from staff's perspective what we wanted to do was at that that previous work session was for council to identify any any areas that you wanted to go deeper into the budget and that's how we arrived at this agenda or if there are areas that you don't feel that we did enough discussion of we can

either include that in a future work session here or for next year's discussion again the hope would be that this is this workshop is for for council so please you know if there's

[03:13:29] There's items that you want included on the agenda that the work session prior to the workshop is what we're hoping to solicit what areas we need to focus on, Adam.

[03:14:05] To have, like, building consultants, that would have, I guess, one difference that I feel like is, like, last year, I feel like we had a presentation with Elise, too, and, like, budget's just good and we didn't need to do that or something.

[03:14:50] Like, I don't know if we're doing less than what we did last year by doing this or if it's just less in question. Yes, ma'am. At last year's budget, we were proposing some increases associated with salaries to be competitive, specifically for law enforcement and fire.

[03:15:12] So that was an item that we wanted to make sure that you had enough information about why the budget included those increases. We're not including anything significant. And so from a staff perspective, what we wanted to provide to you is information about the major changes, if there's anything.

[03:15:34] But if there's small things that there are questions about, we would definitely want to hear from you all about that. Rather than going page by page and boring everybody, what we're hoping to do is to focus in on the areas that council wants more information so that we're giving you the opportunity to not only be able to ask us questions, but also broadcast to our residents the information that really is important to get to them.

[03:16:03] I might add, each year is a little bit different. We will call that last year we weren't in Lincoln, we weren't really this early on what extra of all we have to do than this one economy

[03:16:43] and a lot of different significant money to the schools.

[03:17:02] Any discussion whatsoever on the schools so far, they're a big part of our budget along the way. in fairness you know why i wanted to deserve judgment on what what we know enhancements for and stuff like that simply because you want to hear i want to hear the whole not that the rest

[03:17:30] of you well but we we want to hear the whole picture of last year something has to be acknowledged

[03:18:08] at least as to that's what we're doing that you know remember the senate is a larger amount so dollar amount given you're a small or smaller that our policy that what we want to potentially be doing 1.9 is increased is less than than what the increases that we gave them last year

[03:18:45] well yeah the last year would be middle of three percent is an arbitrary hold on right three percent is just an arbitrary percentage here it is we we say three i'm sorry go ahead i said three percent I said that, but I'm also acknowledging that even at that rate, that's less money, all right?

[03:19:14] And I hear, and last year they had, they came in with an additional request for more than the 3%. They wanted 3% plus 1.5, well, actually 1.7. And we didn't arrive at a consensus of how we were going to allocate the unallocated money.

[03:19:40] So I think it was important for us to hear from the schools and not just say, well, 3%. To me, the percentage is an arbitrary amount. Just like we said to police, let's just grow their budget by 3% every year.

[03:19:57] That's an arbitrary amount. You know, some years. You know, it's more, some years it's less along the way. But we deliberately think about what we're doing, and I think it's the same sort of thing.

[03:20:14] Those can't raise their own money. They count on us to do that sort of thing. While we count on them to be extended along the way, we want to be sure that, you know, that are they getting the resources? Second, what are the metrics that we're looking at to hopefully apply to improve?

[03:20:37] Money, the idea of highly improving the workforce and the program percentage, no.

[03:21:07] Well, not on top of it, but it was built into a terrible difference. It was a \$100 million transfer baseline.

[03:21:26] So, wait, let me be sure. So, you're telling me that in addition to the 3%, they're getting an additional 1.5 this year? No, no, the 1.5 that was provided last year, they're getting 3% with that specific.

[03:21:44] Oh, I agree. He's saying, well, you're not percent. That's why I was just confused. So, Diane, how much new money in the city manager's budget would the schools be getting right now?

[03:22:00] It's 1.9 million. In fiscal year 2026, how much new money did they get in fiscal 26? How much in 25? Whatever the calculated 3% was plus the 1.5 that was added.

[03:22:18] Okay, and then in 25, how much was it? I think you added an additional 1.5 then, too. Well, I'm making the argument that the actual dollar amount, \$1.9 million, that amount, even though it's based on a larger amount, the actual increase is certainly smaller than \$26 million, and I believe, in front of me, is smaller than \$25 million.

[03:22:54] Correct, because, yes. okay but that's that's all along with and if that's what we want to deliberately do give you know have a process where we give them less the increase is less you know majority rules and so forth but i certainly think that at some point we need to have at least a discussion that that's that is we're doing this given how important i think schools are to our city well but i believe

[03:23:28] What happens was that the city and school have identified a 3% increase as the base. And two years prior, the schools identified additional needs. This year, when we had the discussion with the administration and told them 3%, there was no discussion of, oh, there is an additional need that would need to be discussed.

[03:23:53] What we heard was that based on the 3% that we committed to them, And this year they could operate with that as their budget increase and propose the operational and salary increases that they felt was adequate to maintain the schools that pushed them forward.

[03:24:13] I understand that. So on March, why is the school board, why are we having a budget work session on March 25th with the school board if they've indicated to you, it has indicated that it's 3%.

[03:24:34] So, what's the point? To me, then, we should be canceling that meeting then. Well, the intent of that meeting is so that the school board can present to council how they plan to utilize the additional funding, or the total funding that the city has provided to them. It is, I don't want to say that it's perfunctory, but because the city has committed funding, it is the school's opportunity to justify to the council how they are planning to utilize those funds.

[03:25:09] Thank you. I agree with that.

[03:25:12] Challenges. It's like our fire department, our police department, everybody has different challenges and they are working with it.

[03:26:24] I believe we also have made, we have parties, but also their capital. The initial six months that we agreed to, we aren't charging them.

[03:27:17] The employees, I see them as part of the team.

[03:27:38] We are all accountable for really writing all the topics, but we are the ones accountable. I just want to make sure we are making it a favor. I remember that, you know, with the extra money, we even had to do sessions to try to make sure that they could see it.

[03:28:04] My ask, the way I see it, that is also another one-time money that if they give me the connector or they didn't help me,

[03:28:40] then you're able to say, you know, I'm not saying that. I'm just, everybody got to live within their means. And, you know, it's a priority, but if we are doing something that, or if something needs to change up into it,

[03:28:56] But I'm also mindful that, you know, we have to, I believe if there is available, you know, a rent bill, we're not, but it's something that might pertain, especially for those entry levels.

[03:29:37] I'm just saying we are doing a lot more than what is shown in the books. At the end, we're just going to manassas. There's no manassas to schools on the country. We'll be advertising at \$124, and the budget going forward will include the enhancement of the removal of the \$25 vehicle.

[03:30:08] Thank you.



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