

## March 15 2025 work session PART 1

[Speaker 8] (0:13 - 1:36)

All right, good morning, everyone, and welcome to the budget session for 2025-26. So today, just remember when we go through, we have a lot of departments that are going to be presenting to us, and I think it's great that it's their time to really kind of, I look at it as it's their time to also show off all the good things that they're doing for the town, and of course, it's also time for council to ask questions and, you know, make suggestions and things like that. So I don't want to rush anybody today.

Everybody has time to ask their questions, certainly. Try to stay on topic because, of course, you can see that we have a lot to cover. So, and of course, it says here there's times on the sides here, but just be mindful that we could get off track, and that's okay.

You know, I think we have until 5, not to say we really are going to go until 5, but, you know, I think it's more important that we really have good discussions than try and rush, but again, having said that, let's try and stay on topic. Okay. So the first, I know that the town manager wants to speak to council first, and then we'll hop over to Stephen.

[Speaker 9] (1:37 - 1:38)

Yes.

[Speaker 2] (1:44 - 2:43)

Okay. That's all right. Yes, good morning, Madam Mayor, members of town council.

Stephen Barlow is going to give the budget overview real quickly. Just wanted to say that we're pleased with the balanced budget. This is an opportunity for the council to hear from directors about the departments, and then for council members to ask any questions they may have about any part of their budget.

The department directors are going to only speak about what's in their budget that is within the contained balanced budget and those new initiatives that the council has ranked highly that is within the balanced budget. That's all they're going to present today. And then at this point, I'll turn to Stephen Barlow.

He's going to give a budget overview and also kind of talk to you all briefly right now about the budget process itself and just your observation of it. Stephen.

[Speaker 1] (2:44 - 4:46)

All right. Good morning, everyone. Just want to thank everyone for being here early on a Saturday morning.

We provided breakfast and coffee, so if at any point you need to get up and stretch, please do so. This is the first budget work session for the fiscal year 2026 budget. The second will be held on Monday night, March 17th.

These work sessions were developed to give council and the public an early look into the proposed budget prior to the public hearings and adoption, and to work through and discuss any items that are proposed. They were also developed to give council and the public complete transparency as to how the budget is designed, presented, and proposed, and to give department heads and directors the opportunity to present the critical services they provide, their accomplishments, initiatives, and any changes to the budget or headcount. In this proposed budget, you'll find every detail and service that is provided in the town and the budget line items that are associated for each of those services.

So on the screen, I've provided the operating budget timeline just to give a quick glimpse as to where we are in the process. As you can see, today is the first budget work session. Our second is on March 17th, Monday night, and then we'll have public hearings on April 7th for the budget and the water and sewer rates, and then we have a public hearing on April 28th for the proposed tax rate.

And lastly, on May 19th is when it will go up for council vote for adoption. The plan for today is to stick as closely to the review schedule as possible to allow enough time for each department to present their budgets and for council to ask any questions. The schedule for the work session, which is now on the screen as well, is in the front of your binder book.

At the conclusion of the work session Monday night, town staff is going to ask council, how is the overall process working for you? And we're also looking for some feedback on the process as well. So with that, I'll hand it back over to Mercury to present the budget overview and top 10 budget assumptions.

[Speaker 2] (4:48 - 9:28)

Okay, thank you. Thank you, Stephen. And I'll just go real quickly here so that the council has some extra time to get ahead of schedule.

So as far as the town manager office overview, much of what I do is integrated with all the different departments. And so what I'm going to highlight here as far as accomplishments is just a few things that I've kind of led with my teammates here on the leadership team. I guess one I'll mention here is the hiring of a new finance director and economic development director, Stephen Barlow and Nicole Toulouse, who have been hired in this current fiscal year.

So I would say those are two very important accomplishments to make sure that we have highly competent individuals in those positions. I would also mention that accomplishments would be the Maud Robertson Sidewalk Trust, which was led by Brad Baer and his team in public works. I think it was a very good accomplishment, working in tandem with the finance director, Stephen

Barlow and his team, and then the mayor, town council, Lori Cole, Steve Berolia, to make sure that that all has gone very well.

And then I will mention that as far as accomplishments, just highlights, completing the long range plans for the annex property on Center Street. And so, you know, now we're just at a point in which just a decision point for the council, which will come around August at the earliest for making a decision what to do with that property. And then also we have completed the implementation of the resident access to town's new online payment portal for real estate taxes, those taxes and business license renewals, and water sewer utility bills.

You also may mention as you come into town hall, there's a new kiosk downstairs. That's been new as well. So there's some accomplishments there.

Many others and 99% of them have been the heavy lifting of a lot of good department work with different departments. So I really appreciate all the good work of all the directors. Initiatives coming up.

I just briefly mentioned that we're going to continue to look at the town hall renovations to ensure staff has adequate space is utilized properly. So that's an ongoing project that Brad Bear is leading us with. We're also looking at reviewing the capital budget plans as we do every year coming up probably starting in June and getting ready for that to be presented to you all in September with you all normally get that information ahead in advance about a month in advance.

And then lastly, I mentioned that we're looking at this next year completing the automated automation of business licensing partnering with economic development, IT, planning and zoning and finance. The goal is to provide businesses with an organized and efficient way to file for a new business license. So that's an overview.

And I'll just say briefly since I'm so far ahead of schedule that one thing we'd like to look at with our budget is a 12 to 24 month window fiscally. So what you have here is something that we believe can be sustained over the next year plus one of our major goals is to make sure that whatever we do, we're not looking at this immediate moment. So that's important to us.

I'll mention here we have the 10 budget factors or assumptions we're calling them. I'll go over those real quickly. They should be in front of you.

And these are not new to the council members individually, but this is the first time I've talked about them openly and with all council members. And the reason why we do talk about them first individually with council members is because anything that we do present here within this balanced budget, we want to make sure that there are no surprises for any of the seven council members. We want to make sure that the council members are comfortable with these factors.

The council has a responsibility and is able to change any of these factors that we're talking about. That's what these budget work session moments are for. At the same time, I would not

want to ever propose something in a balanced budget that the council would be uncomfortable with talking about openly, publicly.

So I'm going to go through these real quickly.

[Speaker 8] (9:29 - 9:31)

And before you go through those, I think Ray had a question.

[Speaker 2] (9:32 - 9:33)

Oh, sure. Yes. Yes.

[Speaker 10] (9:37 - 9:53)

Number 10, I know you're going to it, meals to house rate increase. What would be helpful there would be localities and the increase because some of them are unbelievable. And we sometimes think that we're at the top of the heap in terms of increase.

We're at the bottom.

[Speaker 2] (9:54 - 9:59)

That sort of thing. Say it again, the mills tax and.

[Speaker 10] (10:00 - 10:01)

In other words, there's four localities.

[Speaker 8] (10:01 - 10:01)

Right here.

[Speaker 10] (10:03 - 10:06)

I think those four tell a story. They do. By name.

[Speaker 8] (10:07 - 10:09)

Right. Steve, do you have that information?

[Speaker 1] (10:10 - 10:44)

Yes, that's correct. I have that information. We can send that around afterwards as well.

I mean, as part of the discussion now, it's I mean, town of Herndon is going up. Yeah, town of Herndon is going up 3.75 to 4%. County of Fairfax is proposing a 3 to 4% meals tax as well.

City of Fairfax is going from 4% to 6%. And then the other one, I'd have to pull that one up real

quickly. Herndon is 3.75 to 4%. I think the last one is Alexandria. I just need to pull it up here briefly.

[Speaker 8] (10:48 - 10:49)

Go ahead, Howard.

[Speaker 6] (10:49 - 11:00)

It's nice. I think we should just for the public. I know you told verbally tell them, you know, update this report to show that.

[Speaker 2] (11:01 - 11:52)

Just to be useful. So as I look forward here on the page here, the tax rate is stable. It is unchanged.

And the reason why we're recommending that we don't change the tax rate is because there is a bit of uncertainty with regard to what the fiscal climate is going to be like for the next 12 to 24 months. And since 2011, we have not raised the tax rate. And every time that we have raised the tax rate, I mean, anytime we lower the tax rate, we not had to raise it back up.

So we want to make sure that we sustain our tax rate. And then when we have an opportunity to lower it, we lower it. And then we can sustain that lowered rate.

Yes.

[Speaker 6] (11:54 - 12:05)

Can I move things along? I think as I know we had our one-on-ones, but it's pretty telling. If we want to reduce the tax rate by one cent, we have to reduce the budget by almost \$750,000.

[Speaker 2] (12:05 - 12:15)

Well, it would be more than I think. Stephen Barlow has that number. You just have here one cent of taxes.

Yeah, go ahead. Yeah, \$740,000, yeah.

[Speaker 1] (12:15 - 12:22)

Yeah, that's the correction. So if we were to reduce taxes by one cent, it would be an impact of \$750,000 to the general fund.

[Speaker 6] (12:23 - 12:24)

And that's interesting. Thank you.

[Speaker 5] (12:26 - 13:50)

Now, you've provided us with tax rates for other counties, cities and towns. Are they pretty much the same? Are they also taxed like ours?

Because our residents here are taxed double, ones from the town and from the county. Do they face similar taxing structures? That's one.

And the other one is that have you guys, I know the town manager just specified that you're looking at two years ahead because the economic uncertainty. Are you guys doing a planning for a recession? And what things can be cut now?

And that would be nice to provide to council. What things will be cut if there's something impacting and impacting our constituents? Because I know the county is raising the tax rates and they are raising it via the meals or property or both.

So I know our residents are going to be impacted somehow. I think we should look into making sure that we plan ahead in a recessionary period if there's going to be one.

[Speaker 1] (13:50 - 15:39)

Right. Yes. For the first part, the taxing.

So for the taxing structures, for example, town of Herndon faces a similar tax structure as Vienna. So we're both towns within Fairfax County. So the double taxation applies.

It also applies to any locality within Fairfax County. Arlington County is its own county. Alexandria is its own county.

So I think the only other time that applies would be Herndon. City of Falls Church doesn't have double taxation. Their city.

So it really only applies to towns that are in the Northern Virginia region. Yeah. As far as planning for the future and the economic impacts, we are considering that in our forecasts moving forward.

We try to provide very conservative forecasts. Our actuals might be doing better than what is expected right now. But we might guide back our proposed budget in the future just to account for these different risks that are happening.

In addition to that, the town does have a million dollars in a revenue stabilization fund to prepare for any economic events, any situations that so we could pull from those funds in times of uncertainty. A lot of localities are just building that reserve for the first time. They haven't had that before.

They're building it now. We've had that in place for a few years now. We also have 18% of next

year's budget in a fund balance reserve, which is right now about five to six million dollars as well.

So we have funds available in times of economic uncertainty if our revenues decrease and we're facing a deficit, we could pull from these reserves.

[Speaker 5] (15:41 - 15:49)

Thank you for sharing that. I'm pretty sure our residents would like to hear that, that we are looking ahead and that we have a good system in place. Thank you very much.

[Speaker 2] (15:51 - 19:12)

So I'll continue here. And so our tax rate has remained the same. The residential assessments and commercial assessments have increased residential 6.4% and commercial 2.5%. So it does, even at this current date, look like we're in a stable position here with regard to revenue intake. So we do expect that this current fiscal year and the one that we're about to enter to on July 1, we should be in a stable position. So we're anticipating that. And the combined assessment increases 5.8% as you see there. And as Council Member Springsteen alluded to, one cent on the tax rate up or down is a \$748,000 hit to the general fund one way or the other. The average resident will see an increase in their taxes on an annual basis of \$155. So some will see more, some will see less.

And then there are some jurisdictions that are proposing some of them have not voted yet. So that can also change. But we have identified four localities that are looking at increasing their residential tax rate.

We're looking at keeping our stable. And then we're looking at one jurisdiction that's looking at reducing their tax rate. And that's Loudoun County.

And Loudoun County has a very robust and strong fiscal outlook in large part because of the data centers. And the revenue that they have that has provided them. And then six localities are looking at a flat tax rate.

The water and sewer rates increased. I know that some of you all, when we had our one-on-one conversations, we were talking about as much as 10% increase on water and sewer. Steven and his team has worked very diligently with the numbers.

And we were able to make that increase 7.25% and not the 10% that we were anticipating. So that's a good news story there. And then the service charge increasing is 5% from \$40 a quarter to \$42 a quarter.

I think that one point was \$45 a quarter. So now it's \$42 a quarter. So we're just trying to always see if we can sharpen the pencil a little bit more.

Sometimes we do that and then it goes up. But this time, Steven's work, make sure that those

went down. And then you see the average residential consumption number there of 12,000 gallons.

And there's a \$19 increase over the quarter, \$75 increase annually, unless you're living in a house like mine and we have the highest threshold of water use because we have nine people in our house. And so then the reasons for the increase, you see there is the wholesale water contract for 9% increase to Fairfax water. And then there's a PFAS passed through.

I think the council has been briefed on the PFAS issue. And then a D.C. WASA sewer contract at 10% increase there. Compensation is looking like it's going to be in step with the region.

We wanted to, oh, yes.

[Speaker 6] (19:14 - 19:26)

Sorry, you missed something on your, here, utility assistance with community helping others and local nonprofit. I think you were talking about, you were trying to come up with a way to people that want tax relief. You could help them with the water bill.

[Speaker 2] (19:27 - 19:29)

Yes, absolutely. Thank you for bringing that up.

[Speaker 6] (19:29 - 19:31)

I think that's in theory, a good idea. We just got to see the numbers.

[Speaker 2] (19:32 - 20:02)

Yes, we've talked with the contact with the community for helping others over the last couple of months. And they have indicated that if anyone needs assistance with paying their water bill, things like that, that's what they're there for. And they will directly help anyone who needs help with water bill assistance or anything like that.

So we're going to continue to be in contact with them and anyone who expresses that they need help with that kind of payment, community helping others will do that.

[Speaker 6] (20:03 - 20:19)

So, but I thought we were going to go further. If they couldn't, we were going to see if we could fund, if we had 180 people on tax relief, we could potentially fund part of their, you know, they would be eligible for paying a subsidy of the water bill. Stephen, we- You were going to run the numbers, I thought, yeah.

[Speaker 1] (20:19 - 20:48)

We've run the numbers. It's something obviously we can consider. There are 179 folks in town



that qualify for tax relief, for real estate tax relief.

So, you know, based on an average water bill throughout the year, I mean, you're looking at a potential 100 to \$120,000 cost to provide relief to folks that qualify for real estate tax relief on their water bills. So that's the current costs. We haven't really taken it any further than that.

[Speaker 6] (20:50 - 21:08)

That's where it is. I guess my only question is, a third of the water system's out of town. So we would have to provide that opportunity for the out-of-town customers too.

Did you factor that \$130,000 in that or no? It's factored in.

[Speaker 1] (21:08 - 21:14)

They would still pay their sewer to the town, but we probably wouldn't provide relief.

[Speaker 6] (21:14 - 21:36)

I mean, this is a council decision. Well, I think, you know, since they pay for the whole system, the out-of-town residents, I think just from a fairness perspective, we should at least, I don't know how many of the out-of-town residents get property relief, but if we even consider that, I think we need to include them because otherwise we'll be accused of subsidizing the system. And I think it might not, but I think it's a good step.

At least we're looking at that.

[Speaker 1] (21:36 - 21:43)

Yeah, looking at it. And for the out-of-town residents that do pay Vienna Water, we do collect that, but we also remit it to the county.

[Speaker 6] (21:44 - 21:57)

You remit the sewer, not the water. That's correct. So I'm saying if we're gonna do any subsidy, if they're, I don't think there's probably very many out-of-town that have tax relief, but at least it was worth saying we looked at.

We'll do.

[Speaker 8] (21:58 - 22:11)

But I think, I thought what this is saying here is that the town has been in contact with community for helping others and that they provide assistance. I'm not sure that means that we are providing assistance.

[Speaker 6] (22:12 - 22:16)

By one point, there was some discussion. Maybe we're gonna look at it. Yeah.

[Speaker 8] (22:16 - 22:18)

I think there was, but I think.

[Speaker 6] (22:18 - 22:27)

I don't think, yeah. I don't think CHL can provide 130,000. They can do individual.

Yeah, so that's, we should just have the budget number if we wanna do that.

[Speaker 5] (22:28 - 24:01)

Okay. All right, Sandra. Just to follow up on that.

Some of our residents have come up and asked for assistance and they're spending \$20 and they're being charged 35. Now they're gonna be charged more. Those are the people that wanna pay their bills.

They wanna continue paying, but they don't wanna be charged at that level that somebody in a multimillion dollar home spending a lot are being charged \$35 at the same as somebody with fixed income and the inability for them to pay for their bill. They're using less water. They're being more conservative.

They're helping in all the ways. And they are being charged equally as a multimillion dollar home. So that is my concern.

If they come to you, I wanna make sure that there's something in a line item. I know I spoke about this. We are doing a lot of assistance for nonprofits.

We're doing all sorts of things for 4K, 12K, \$12,000 for nonprofits. I think we can do something to assist the senior citizens with fixed income, those that need the assistance and they're doing everything in their part not to consume much water and they should not be charged equally as a multimillion dollar home. So if you can take that in consideration, I appreciate it, thank you.

[Speaker 1] (24:01 - 24:03)

Yeah, and just as a follow-up.

[Speaker 5] (24:04 - 24:04)

Please, yeah.

[Speaker 1] (24:05 - 24:41)

So as far as the water sewer rate structure currently, there's a fixed component, the quarterly service charge. And then there's also the volumetric component that is based on your actual

usage. So yes, everyone in town does pay the same fixed quarterly charge.

That's the current structure we have in place. But I would like to do another rate study in the future that could address the structure that the town currently has and maybe find improvements or solutions. So that would be in a future rate study.

And then the second part of your question was, sorry, I missed the second part.

[Speaker 5] (24:43 - 25:33)

I just wanna make sure that we are helping those directly in our town and not we're passing the bag to nonprofit organizations. I hope also if they're taking help and the rate study that you're gonna do is gonna be in the future. It's not gonna help them now with this economic uncertainty and also cost of living going up.

So I just wanna make sure we are looking ahead and making sure that somebody that comes for help here now would get the assistance. So if you can coordinate with nonprofits of some sort to make sure to alleviate the burden of our residents, our specialized senior residents that are coming and asking for assistance, we don't want them to not drink water or cut off something that they need. Thank you.

[Speaker 2] (25:34 - 27:20)

Yes, Madam Mayor, members of the town council, just to follow up on that point. So the service charge, the fixed service charge \$42 a quarter we're talking about, that is amount that it should be the same for everyone because as far as the basic service to all residents, all users is the same. We don't give more service to someone who's in a multimillion dollar home and less service to someone who is on a fixed income.

So the basic service, when they come in to talk to a customer service representative, to connection and all those types of things, we give the same good service to everyone, no matter who the user is and their socioeconomic strata. And so what Council Member Allen is talking about as far as those who are in maybe a different demographic, they are maybe a higher water users. And so if someone's in a high, that's why we have a tiered system.

So those individuals have a higher bill than those who may not have the means. So I think the service charge, the purpose of the service charge is customer service, is the cost to the town to provide that to every individual in a blind way, not looking at how much money someone makes and say, we're gonna charge them more for service when we're gonna give everyone the same fair service. So I think the service charge should be the same for all residents, but we should have a tiered system that we have now so that if someone uses a high amount of water, then they would be charged more.

And if someone uses less water and on a fixed income, then they have a lower bill.

[Speaker 8] (27:20 - 27:24)

And they have a lower, but it's also their rate.

[Speaker 2] (27:24 - 27:25)

It's the rate, right.

[Speaker 8] (27:25 - 27:29)

It's not just the fact that they're using more water at the same rate, it's a higher rate.

[Speaker 2] (27:29 - 27:30)

Right, it's a higher rate.

[Speaker 8] (27:30 - 27:36)

Higher rate at higher usage. So they're also getting a lower rate at lower usage.

[Speaker 5] (27:36 - 29:03)

Right. Just to follow up, I'm sorry, Council Member Baldwin, I am perplexed that you're as a town manager and have heard from a town residents, senior citizens that are asking, I am paying more for the service charge, \$35 and I'm spending \$20. And then I'm putting this on my credit card because I can't afford it at a 22% rate.

And you're saying that this has nothing to do with the service. They're asking, okay, lower that rate. I don't want you to zero it out.

I just want you to lower it. So it is applicable to me. They should be able to stay here and live a productive life.

If they're still willing to pay, they're still working. When you're telling me that a person like that with fixed income is no longer working at \$35 dollars, it's a lot of money for them. So to me, if we are aware about our citizens and the economic position that they're in, we should have something in place.

I know that they're not that too many. I spoke with some people that have their multimillion dollar homes and they're surprised that they're charged \$35 as somebody with less income. So I'm pretty sure they wouldn't mind maybe raising the rates for somebody with multimillion dollar home.

Thank you.

[Speaker 2] (29:03 - 30:01)

Sure, yes. Madam Mayor, members of the council. So to give you an example, Council Member

Allen gave a really good example there.

Someone has a \$20 bill for the water consumption use, but they pay the \$42 for the service charge to pay \$62. I use myself as an example. My water bill is \$700.

And I'm not even in one of those homes you're talking about. So it seems to me that someone who has a consumption of \$20, it is right for them to have a \$62 bill and it's right for me to have a \$700 bill. I mean, I think it shows that the process is working.

We're not going to charge \$700 to someone who's on a fixed income and spread it around that way evenly. We're going to charge them based on the consumption and the tiers process. So someone on a fixed income paying \$62 versus someone like me who's paying \$700, \$800.

I think that shows the fairness.

[Speaker 8] (30:02 - 30:07)

Okay, all right. And if there aren't any more comments on that, Council Member Roy.

[Speaker 9] (30:08 - 30:34)

Just to sort of sum this up for me, do I understand that if somebody, the town resident does make it known to the town administration that they are having trouble paying their water bill, that the town will then let nonprofits such as Community for Helping Others know and that they will attempt to help?

[Speaker 2] (30:35 - 31:29)

With one caveat, we will let the individual know. So we're not going to do that without their consent. But we would say, okay, you're having trouble with this \$62 bill.

As Council Member Allen just used in that example. Then at that point, we'll say, okay, Joe or Jane resident, there's an organization called Community for Helping Others. They may be able to help you with the \$62 bill.

We'll connect them with them. CHO has said that committed that they would pay those bills. So that's the first step.

I think that's a good approach. And then we're also, we're still researching the other avenue as well, as far as what the town could do aside from that. But currently right now, someone comes in on Monday, they say that they have a problem with their \$62 bill.

We would directly, we'll let them know, we're going to connect you with Community for Helping Others. And then they have committed to say that they would help pay for those bills.

[Speaker 9] (31:29 - 31:33)

Okay, so if somebody calls me, can I refer them to the town?

[Speaker 2] (31:34 - 31:34)

Yes.

[Speaker 1] (31:34 - 31:58)

Yeah, I think that's appropriate to refer them to our Water and Sewer Customer Service or even to CHO, either way. We also in finance offer interest-free payment plans to assist in any situation. We're very flexible with that and very understanding.

So right now our policy is to only offer leak adjustments and pool adjustments, but we are open to other policies in the future. Okay, thanks.

[Speaker 8] (31:58 - 32:14)

All right. Thank you. And I know there, I was going to mention about the working out of payment plan.

I know that people have come to me, residents have come to me and you all have done a great job at that. So thank you. All right, continue, Tomantor.

[Speaker 2] (32:14 - 35:43)

Sure, yes. Compensation, like I was mentioning, I'm happy that we're able to compensate our employees at a rate that is in line with the region. Of course, I would like to have us to have compensation at a higher rate than what we have here, but this is what the budget will bear.

It's a 3% increase, 2% market rate adjustment, 1% merit. That means that most of our employees will see a 3% increase. Some won't, and there'll be certain circumstances where that be the case, but we'll have a 3% increase for our employees.

And then also we do have a bonus program that we are still maintaining. And so there is a one-time cash amount for the higher achievers in our organization. And that is paid out in July in most cases.

And then we also have for the police, we have a 2% market rate adjustment and 2.5% step increase for our law enforcement to compensate them properly. Most of the jurisdictions around us are doing a 2% to 5% compensation increase. And we also have a reduction in our full-time equivalent headcount, our employee headcount by half of a position.

So we're always looking to see how we can be more efficient. In this case, we were able to lower our headcount this year. Insurance costs, you see there a 6.5% increase for employees. Over the last two years, it was a 0% increase and a 0% increase the last two fiscal years, which is unheard of in my career. I've seen increases of 10%, 15%. I've actually seen increases of north

of 20% increases for health insurance.

So that's a credit to Michelle Crabtree, just making sure that the insurance companies are holding the line. And so 6.5% is a good increase, considering that in many cases, sometimes this 15 or even 20% or higher. So good work there, Michelle Crabtree.

And then also new budget initiatives. Those three that you see listed there, landscape services, annual fitness reserve, and the parade event fencing are the three that the town council has ranked as the top items that you want in this year's budget. So those are within the balanced budget.

And then lastly, on the back page there, all other costs contained in the budget are taken into consideration of the inflationary pressures that we feel. There are no new programs other than the new initiatives that the town council has approved and suggested. And then we have vehicle prices that are affected into the general fund, finance over a four to six year period.

So you see that there on the second page there, parks and recreation operations continue to increase revenues as normal. And then our mills tax increase is planned for a 5.8% increase from the year to year. Although our mills tax increase has actually been much stronger than that over the last 12 months.

So we're really pleased about that. And as council member Springsteen mentioned, the mills tax rate increase for those jurisdictions around us is something that jurisdictions are considering. And that is my report.

I'm one minute over, but I did my town manager stuff out of order. So I actually were ahead of schedule.

[Speaker 8] (35:45 - 35:46)

All right.

[Speaker 2] (35:46 - 35:55)

And I will look to, anyone has any questions for me, I certainly can answer those questions right now. I know we've got parks and recreation.

[Speaker 6] (35:55 - 36:02)

There was some questions on these barriers. May when parks and recreation comes in, can we see some pictures of the barriers? And look at that.

[Speaker 8] (36:03 - 36:10)

I think they are. Oh, you didn't know you were coming Monday, Sunday.

[Speaker 6] (36:11 - 36:15)

Okay. I find pictures are good. Sure.

Thank you.

[Speaker 2] (36:15 - 36:22)

Okay. All right. There are no questions.

Then we'll go straight to Michelle Crabtree. She'll talk about compensation and other.

[Speaker 3] (36:23 - 36:39)

Good morning. Good morning. Michelle Crabtree, director of human resources.

As mentioned before in our local jurisdiction. And sorry, what could you tell us what page? We don't have a page.

Okay. You can go right to Mercury's top 10. The information is right there.

[Speaker 8] (36:39 - 36:40)

It hasn't changed much.

[Speaker 3] (36:40 - 36:42)

Yes. Yes, please.

[Speaker 12] (36:46 - 36:46)

Yes.

[Speaker 8] (36:58 - 37:00)

Ray, I thought of you yesterday when I was going through the budget.

[Speaker 7] (37:01 - 37:02)

I thought Ray is going to say that.

[Speaker 8] (37:06 - 37:13)

Yes. Well, it's a, it's a ring binder. We could change him now.

[Speaker 2] (37:14 - 37:25)

But anyway. We can, we can, I think we can hold a draft budget for this day. I think we can probably, it's fine someday when you get new tabs.

Okay.



[Speaker 1] (37:26 - 37:39)

Yeah. Yeah. It's one of those things where we have it in the order that it is, but.

Some folks need to go early in the day or later. It's kind of a scheduling conflict. So unfortunately we do have to jump around a bit today.

Just based on scheduling.

[Speaker 3] (37:42 - 41:07)

So compensation. If you go back to Mercury's top 10 budget assumptions. He talked about the civilian or a regular workforce having a 2% market increase.

And then 1% merit. And what that means is anybody that's been in the town, who's not a police officer. They've been here for more than one year.

They will get the full amount. Anybody that has not been here a whole year on July one, they will get the. The market rate adjustment.

And then when they hit their anniversary date, they'll get their, their merit. But for any employee that has been here more than a year, they'll get the full amount on July 1st. For the police.

Very similar. They are going to do a 2% market rate adjustment and then a two and a half percent step. That is our normal step systems that they wanted a couple of years ago.

And they're very happy with. And if the police officer has been here for more than a year, they'll get the full amount otherwise. And July one, they'll get the 2% market adjustment.

And then when they hit their anniversary, they'll get the 2.5 step increase there. Any questions on that? So for the local jurisdictions, it's a very fluid situation.

Each time I talk to the HR directors or someone in finance, they're doing the same thing that we're doing. We're kind of figuring out what everybody is doing. So some numbers that I have have changed a little bit.

So when I get a final listing, I can share that with you. But right now it's very fluid as people are hearing what other jurisdictions are doing. See how much money they have in their budget.

But from what I have, and again, this is all fluid. The town of Leesburg is doing a 2% cost of living adjustment for everybody. And then they will give up to 4% for merit.

So if you compare that to ours, we're doing a 2% market rate adjustment. And then we're doing 1% merit. So they're going to be an average of about 3.5%, 3.25% for their employees. The city of Fairfax is going to do a three and a half percent merit. And they're going to increase their pay scales by 2%. We are going to increase our pay scales either 2% or 3%.

We're trying to figure that out as well. Manassas hadn't decided. Last I heard, Manassas and Manassas Park.

Herndon, their average is going to be 4.5%. And I need to get more information to see what of that is market and what of that is merit. But they were very up in the air. Falls Church, they're looking at a 5% merit.

And then the town of Warrington is going to do a 2% COLA in July. And then in January, they'll do up to a 3% merit. In January of 2026.

So once I get some final information, I'll share that with you. But again, it's very fluid. Everybody's doing the same thing we're doing right now.

And it's a little bit up and a little bit down. From the larger jurisdictions, I do have some of those figures. Fairfax County, they're going to do a 2% COLA.

And then their increase is going to go from 0% to 3%, depending upon where they are there. Loudoun County is going to do a 4% increase. And they've got some steps for their law enforcement.

Prince William County is looking at a 3% for their general population. And then 3% for their public safety. City of Alexandria is going to do their steps, which is about a 1%.

Some of their labor and trades are going to get 2.75, 2% for their fire and their police. Arlington County is looking at a 3.5% merit increase. And some of them are going to get 4% as well.

It's a little bit all over the place. As we get closer to things being finalized, I will send out the most current information that I get. But we're looking at 3% for our employees and 4.5% for the police overall.

[Speaker 8] (41:09 - 41:11)

All right. Thank you. Yes.

[Speaker 6] (41:13 - 41:19)

I know in the past, are we still making sure we're funding if you want to get the tuition reimbursement program?

[Speaker 3] (41:20 - 41:21)

Absolutely. I have some information on that.

[Speaker 6] (41:21 - 41:23)

Do we have enough? Do we need to increase that?

[Speaker 3] (41:23 - 41:25)

We move money around.

[Speaker 6] (41:26 - 41:27)

Sometimes it's a little bit. People are using that.

[Speaker 3] (41:28 - 41:29)

People are using it. And I can give you some figures on that.

[Speaker 6] (41:30 - 41:32)

No, no, Scott. I just want to, because I think that's another.

[Speaker 3] (41:32 - 41:50)

We have two different programs. We have tuition reimbursement. If people are going to classes and we, our bar is set at the, whatever a course costs at George Mason.

And then we also have the loan repayment. So you can do one or the other. So if people have student loans from previous years, we'll pay for them for up to seven years, a certain dollar.

[Speaker 6] (41:50 - 41:51)

How much will you pay per year?

[Speaker 3] (41:52 - 41:53)

I want to say \$1,500.

[Speaker 6] (41:53 - 41:54)

Well, that's not bad.

[Speaker 3] (41:54 - 41:55)

I think so for up to seven years.

[Speaker 6] (41:55 - 42:10)

One other question. I don't know. The county does it.

If you're not a full-time employee, but it helped retention. If you're a three quarters time, they will, they will give you some limited help benefits. You have some people that just are retired.

They want to come back and they work three quarters time. They get limited help. Do we have that?

[Speaker 3] (42:10 - 42:19)

We do. Part-timers pay a different rate than full-timers for health insurance. It's a little bit higher because they're not here as much.

But yes, we do have that. And we have a different plan for the retirees as well.

[Speaker 6] (42:19 - 42:20)

Thank you.

[Speaker 5] (42:20 - 42:21)

Sandra.

[Speaker 3] (42:22 - 42:26)

Are you going to go over your budget presentation here or? No, that's later.

[Speaker 5] (42:27 - 42:28)

Oh, that's later. Okay.

[Speaker 3] (42:28 - 42:31)

This is just compensation. I'll be after economic development.

[Speaker 5] (42:31 - 42:39)

Okay. I guess, yeah, I was going to ask you some differences here in the various departments.

[Speaker 3] (42:39 - 43:10)

Yeah, we can hit that when we do the budget part. Right now, we're just trying to focus on compensation and we can talk a little bit about the insurance cost as well. I know that Herndon had a 12.5% increase for this year, where ours was 6.5%, which is a lot for us because we've been flat for the last two years. We've gone to the insurance company for the last two years and asked them for reports, the last three years actually, asked them for reports because we have been shopping around. We have been looking. And so they know we're looking.

So they're keeping the cost down for us, which is good. And it's just keeping them on their toes.

[Speaker 5] (43:10 - 43:24)

Yeah, next time, or if you can just provide us a summary in writing about what you're speaking about, the different entities, the different cities and towns, it's of much help for a future budget presentation.

[Speaker 3] (43:24 - 43:55)

Well, I don't want to give you figures right now that are going to change because I know these are all projected. And if you guys today decide we're going to take compensation up or down, I don't want to give you out-of-date information because this is all very fluid. And then this is said, everybody's doing the same thing.

The HR director can't make the decision. Their councils will. This is what we're proposing.

Whatever you all decide, we'll go back and we'll change it. And they're just giving me their best estimates from their finance department and from their HR department. So some of these are still very fluid.

Yeah, that'll be okay, though, for us to look at those numbers.

[Speaker 5] (43:55 - 43:56)

I appreciate it. Thank you.

[Speaker 8] (44:00 - 44:01)

Roy?

[Speaker 9] (44:02 - 44:27)

Michelle, I just hope you will take an opportunity to let every town employee know how much they are valued and that we're doing what we can for them and that we hope they will all be happy and productive because we know how others are suffering.

[Speaker 3] (44:27 - 45:36)

Yes, and having come from working in another sector where we did get impacted by economic swings and hours were cut and things happened and just a lot of things just stopped happening. When Mercury and I go around each quarter to the different departments, we'll talk to them about what's going on and then we'll have it open for open questions. And we've had some employees ask and say, well, what can we do?

And I said, you guys, we have it really good. And I hope you realize that your 40 hours is your 40 hours. And we don't come around and say, oh, you need to work 35 hours this week and you need to work 32 hours this week and we're going to cut your overtime.

We're going to cut this because we have a very stable budget. We have a very stable work. We're not impacted by fluctuations of things that are happening and not happening.

The trash is still going to get picked up. The water is going to happen. The leaves are going to get picked up.

Things are going to happen because we have a very stable budget, whereas other industries is different, very different. And they appreciate that, especially the ones that have come from other industries to say, yeah, I do remember my hours getting cut or yeah, I do remember not being allowed to work overtime even though I had to get the job done.

[Speaker 8] (45:36 - 45:49)

Thank you. That's great. Anyone else?

Okay. You can keep going. All right.

So back to Steven.

[Speaker 1] (45:49 - 49:10)

All right. So now we're going to do a brief and high level overview of the general fund revenues. For this, I'd like us to jump to page E2 to E4.

Yep. It's in the revenue and expenditures by fund tab. And it's page E2 to E4.

Page numbers are at the bottom. So what you see on page E2 to E4 is every revenue source in the general fund. It's broken out.

The first column is fiscal year 2024 actuals. The next two columns are the fiscal year 2025 adopted budget and revised budget. That's the current fiscal year we're in.

And then the second to last column is the proposed budget for the fiscal year 2026 budget. So when it comes to the general fund revenues, the town is proposing an increase of \$1.6 million or 5.1% increased over last year's adopted budget. This proposed budget is based on forecasts to consider current year actuals, past year results and current economic factors that are impacting the region.

The biggest revenue drivers for the general funds are at the top in the property tax section. Property real estate taxes are proposed to increase \$847,000 or 6% due to a 6.3 residential average assessment increase and a 2.5% commercial assessment increase. This is the biggest revenue driver for the general fund is real estate taxes account for 43% of the general funds revenue.

In addition to strong assessments for existing properties, the town is seeing an increase in a residential redevelopment from the prior year from 65 redevelopments to 80 this year, which has a very strong and positive impact on the town's revenue. Lastly, and I'm gonna make you guys jump to page A13. It's in the front of the book.

Do you mind jumping up there? So this is A13 is the town's assessments by band. It's at the back of the town manager's budget highlights.

And we included this because we wanted to kind of show council and the public where Vienna property values are at a whole. You would think that everyone's a 2 million plus, but in reality, looking at the assessed value bands, the majority of properties are assessed between 700,000 and a million dollars at 44.2%. While properties exceeding 1 million are 43.6% up from 36.4% the prior year. So there is an increase with the increased assessed values.

Homes are starting to assess over a million, but almost half of the homes in town are still within the 700,000 to a million dollar assessed value band. So I just wanted to point that out. Any questions on this?

[Speaker 12] (49:10 - 49:11)

Yeah.

[Speaker 6] (49:11 - 49:36)

I just appreciate keeping things going. The hard reality is what's driving the cost is the cost of land and we can't, you know, in my neighborhood, Vienna Hills, if it was 500,000 or less, they would do a teardown. Now if it's 800,000, 850 or less, they do a teardown.

So I just, we can't control the land prices, but it's just somewhat telling.

[Speaker 8] (49:41 - 49:41)

And Roy?

[Speaker 9] (49:45 - 50:10)

On page E2, down near the bottom of the page, item 31525, water tank, cell phone rental. You're proposing an amount which is \$5,000 less. Why is that?

[Speaker 1] (50:11 - 50:27)

So based on last year's actuals, the far left column, we're coming in a little under budget on the revenue side. So just to right-size the budget, get it closer to where we're actually getting these revenues, we proposed a \$5,000 decrease.

[Speaker 9] (50:28 - 50:47)

I guess it's an extremely small amount, but I'm just wondering the basis for these rentals. Don't we have like leases that say that a phone company will pay so much to us for the rental? Of that water tower?

[Speaker 1] (50:47 - 51:06)

That's correct. And it's something I can look into and follow up with council as well. Dive into the details of what's really driving that revenue source.

But based on last year's actuals in the past couple of years, we've really been around that \$115,000. So I just wanted to right-size the budget and get it closer to what we're actually receiving.

[Speaker 9] (51:07 - 51:54)

Okay, one other question on page E3. Again, down near the bottom. Item 34140, bond proceeds.

I have to, first of all, apologize. And this is the last time I'm going to play the, I'm just a rookie card, but I am for bond proceeds. It was my understanding that the bond proceeds or the bonding is done every two years.

So I understand why there's nothing in the, or why there was nothing in the fiscal year of 24, 25 for bond proceeds. But it would seem to me that there would be bond proceeds in fiscal year 25, 26.

[Speaker 1] (51:55 - 52:42)

So for that item there, the actuals in fiscal year 24, we didn't go through the normal process for the CIP. It was 100% water and sewer for vehicles, water and sewer debt. And then there was also vehicle debt.

So that portion there was a portion that was a part of that bond offering. And it's why we're seeing it there. We do have the capital lease proceeds, the next line proposed, which would be next year's VRP, vehicle replacement plan proceeds.

But any other bond proceeds that we'll see in 2026 will show up in the debt service fund. So it won't show up in fund 100, it'll show up in the debt service fund and we'll cover that later today.

[Speaker 9] (52:43 - 53:10)

Okay. If I may be given one final question. Line on that same page, line 32207 near the center of the page, the rolling stock tax.

When I think of rolling stock, I think of like freight trains moving out West. What are we talking about here?

[Speaker 1] (53:11 - 53:25)

That is exactly what it is. It is the train tax. On the WOD, there used to be a train there and we still receive 300 to \$400 a year based on those taxes.

[Speaker 2] (53:30 - 54:09)

Yes, Madam Mayor, members of town council. I do know a little bit about this because my parents had a ground transportation service. They would take people to the airport in vans.



And so they had to pay rolling stock taxes because when they would transport people from Quantico Marine Base, FBI Academy to the airport, every year they'd always have to pay that rolling stock tax. So the rolling stock applies to that as well. So if we have, I guess, Ubers or taxis or whatever, they're probably paying, Washington Flyer probably paying a rolling stock tax to Vienna because they come through Vienna.

All right, thank you. I just know that.

[Speaker 7] (54:10 - 54:53)

All very interesting. Okay, Jessica. Thank you.

I had a question about the residential assessments and how they increased for the page A13, the distribution, as you noted. And I see there's the column for the 2026 tax increase, but just percentage-wise or the distribution, did assessments shift more from year to year for homes in a certain range more than others? Or was it more evenly distributed?

And it would just be helpful to know, I think, as a follow-up item too, if not today, just to have a sense of the impact of the shift in assessments.

[Speaker 1] (54:55 - 55:33)

Yeah, and that's a very good question. So that's kind of why we broke it out this way. But as far as the actual detail, is it impacting a certain location in town?

Is it impacting just a certain price range of homes? That's something we could follow up on. But just on an average standpoint and based on the overall, where you fall with your assessment, these would be the impacts as with a flat tax rate and the increased assessments that we're seeing throughout the town.

I know some folks might have a 2% increase this year. Others might get hit with a 10%. So that's something we could follow up on and provide that information to council.

[Speaker 8] (55:37 - 55:37)

Howard.

[Speaker 6] (55:40 - 57:02)

Two comments. One to Council Member Ramirez. Ramirez, make this comment.

I hear her question. I'll just use my personal example. I live in Vienna Hills.

My tax rate has jumped by 10%. I was going to appeal. But then I looked at the six properties in the area that sold last year, 1.2, 1.4, 1.6, 1.8. And then I want to use my neighbors that sold for \$8.50, but I couldn't use a 2025 sale. I hit 2024. And so I don't think I appeal. I hear what you're saying, but it really was driving around.

So the other thing was, I hate to be a broken record, but I'm not as prolific on Facebook as the mayor is. But when I tend to take out my baseball bat and slap people down when they start complaining about new banks in town. And I said, well, listen, if you don't know banks, let us know.

We'll stop that. We'll increase the real estate 10%. But it brings in \$1,150,000 in fees.

And so you take that away, we're pumping your tax bill up 10%. And suddenly I don't hear from him again. So I think that's, you know, and it's interesting, you know, that we do raise a lot of money by revenue, a lot of revenue from the real estate, but there's all these other things.

Only about 55, 60% is real estate. The rest is all these other fees, et cetera. Right.

That's all I have. Thank you. Good point.

Good point.

[Speaker 7] (57:02 - 57:44)

Yes, Jessica. Thank you. And thank you for your response to my question.

And just in following up, Howard, to what you're mentioning, I appreciate and understand and agree that assessments are increasing in the ways that you describe. I think it would be helpful for us to understand in a way that's informed by data of where those, how that is trending in different ways for different valuations of homes. If it's people who've lived in town for a longer period of time that are in, you know, one of, it gives us more information about our community in a way that is driven by data.

And I think that would be really helpful to see. So thank you for the follow-up.

[Speaker 8] (57:47 - 57:49)

Linda. Yes, Sandra.

[Speaker 5] (57:50 - 58:12)

Thank you. There's a lot of questions I have, but just to clarify it here, the donations, I know we received donations for sidewalks. That's 31840.

And I'm wondering where does that, is that where the donations for the sidewalks comes to? Is that where you locate that? Or where does that donation, where did that donation go to?

[Speaker 1] (58:13 - 58:22)

So for the sidewalks, for example, that was a very, very large and generous donation that would show up in Fund 300, the Capital Improvement Fund.

[Speaker 5] (58:24 - 58:28)

Is that as part of the donations in Capital Fund?

[Speaker 1] (58:29 - 58:59)

Yes. So because those funds were, it wasn't necessarily a donation in the way that it's accounted for here. It was a reimbursable grant.

So the town was building the sidewalks and then every quarter or so, we would meet with Lori Cole and then we would provide her a listing of the projects that were completed and she would write the town a check to reimburse the town. Okay.

[Speaker 5] (58:59 - 59:12)

If I might proceed in the other one, the street cut inspection fee, can you elaborate on that for me? That is 31622.

[Speaker 1] (59:14 - 59:36)

31622. For that one, I might ask to pull in one of the other directors maybe later today. It has to do with, I think, planning and zoning and public works.

I don't want to give you wrong information, but the proposed budget is decreased and I would like to bring them in to provide some further clarification.

[Speaker 5] (59:36 - 1:00:09)

Yeah, I would think if it's a revenue and we're trying to plus up, we would be increasing things that help in that area, not decrease it. Now, can you tell me, can you break down the miscellaneous receipts is 35K31899. What is that miscellaneous receipts that just give me some examples of what they are?

31899, same page E-3.

[Speaker 1] (1:00:11 - 1:00:12)

Miscellaneous receipts?

[Speaker 5] (1:00:13 - 1:00:13)

Yes.

[Speaker 1] (1:00:14 - 1:00:28)

Those could be anything that very difficult to budget for. It's a lot of one-time sources. It could be things that the town doesn't expect year to year and it doesn't really have anywhere that it lives within the budget.

[Speaker 5] (1:00:30 - 1:00:34)

Can you give me just one example of what miscellaneous receipt would look like?

[Speaker 1] (1:00:34 - 1:00:55)

It could be a one-time refund for a service charge on a purchase. Usually what we like to do is if we don't know where it goes, it's going there and then we try to reclass it to the appropriate place. Last year it was a bit higher.

I can provide the detail. We can run a report and provide that after this meeting.

[Speaker 5] (1:00:55 - 1:01:13)

Yeah, I was just curious, are we based on the allocations and the commitments that you had, are we doing the disbursements on time? Are we meeting our commitments on time?

[Speaker 1] (1:01:13 - 1:01:36)

Yes, and that's part of the annual audit process as well. Every year we go through an audit and the external auditors, they test our internal controls for timely payment of invoices. Usually it's within a 30 to 45 days is how long we have to pay an invoice.

They test for that. It's never been a control deficiency, but it is something they're looking for and we're passing currently.

[Speaker 5] (1:01:36 - 1:01:37)

All right, thank you.

[Speaker 1] (1:01:38 - 1:02:50)

I just want to, if I may real quick, I still have other summaries for this area and it might answer some of your additional questions. I know I also want to be mindful of time. The other largest driver in the general fund is the business license taxes.

You'll see them up top on page E2 under 31203. We're proposing a \$300,000 increase. And the reason for that is that over the last two to three fiscal years, the businesses in town have been thriving.

It's showing up in our meals taxes through the restaurants and coffee shops that the town offers. And it's also showing up just through just other businesses that are here in town. You might think that that's a pretty big increase compared to where we are in the regional how things are happening in the region and things like that.

But you can see in the far left column, our fiscal year 24 actuals were almost 3 million. That's two fiscal years ago. Our budget for last year was right at that and we're already far exceeding

that.

So it's actually a really, despite being what appears to be a large increase over last year, it's right in line with where we expect to fall in 2026.

[Speaker 7] (1:02:54 - 1:03:10)

Thank you for highlighting that. Can you explain a little bit more about what that, is that like a projection based on the taxes, the tax rate being steady and what you anticipate will be generated by it if it is kept the same or does that reflect an increase for businesses?

[Speaker 1] (1:03:11 - 1:03:46)

Yeah, so business license taxes are separate from meals taxes. Meals taxes fund 400. Business license taxes are separate tax that businesses pay based on their gross receipts.

So they self-report the filing period was just passed a week or two ago where businesses have to renew their business licenses. They report their gross receipts to the town and they pay a tax based on those gross receipts. The tax rates for businesses are not changing based on this.

This is based on where we are currently in the year over a 12 month period and forecasting forward.

[Speaker 7] (1:03:47 - 1:04:08)

Okay, so just to try and recap, it's the tax rate would be the same. This reflects that our businesses are doing well. And so that that tax rate we would anticipate, project that the tax rate staying steady would generate more revenue for the town, but this is not a tax increase for businesses.

[Speaker 6] (1:04:09 - 1:04:09)

Correct.

[Speaker 7] (1:04:09 - 1:04:10)

Okay, thank you.

[Speaker 6] (1:04:11 - 1:04:18)

I think I know the answer to the question, but if I'm a business in town, I pay the town business tax. I don't pay a county.

[Speaker 1] (1:04:19 - 1:04:22)

That's correct. Okay. And same for meals tax.

[Speaker 6] (1:04:22 - 1:04:43)

And the reason I want to have better things to do, the town had a workshop budget session with meals tax. Someone wanted to know, well, are we going to tax Vienna Herndon double tax the meals tax? And I was like, that was a stupid question, because if you had no law, they can't tax us.

So I just want to, I just confirmed that. Okay.

[Speaker 1] (1:04:44 - 1:06:14)

And Howard, you touched on this one earlier that the other big drivers bank franchise taxes with a proposed increase of \$110,000. That's line 31206. So we're proposing an increase here due to one, the increased interest rate environment.

And just due to overall uncertainty in the stock market and other things, folks have been holding more cash than ever in banks and savings accounts. When they're holding cash at the bank in the town of Vienna, any deposits that are held at those banks, we charge the bank franchise tax, which is allowable by state code. And it's been doing very well with us.

We have over 10 banks within town limits. We have a brand new one that just opened up where noodle and company used to be. So our bank franchise taxes have been doing very well here in town.

I also wanted to touch on state sales tax 31201 proposed \$115,000 increase. And this corresponds with the strength in business licenses and meals tax revenues. Sales taxes have been very strong.

So every time an individual purchases an item within town limits, they're subject to a 6% sales tax. And that sales tax is remitted to the state. And then the state sends it to the county.

And then the county sends it to us. So we're also projecting an increase there.

[Speaker 10] (1:06:16 - 1:06:24)

Ray. You're using the word proposed. It's not, you're not proposing it.

You're not changing the tax rate. You just expect it to be more.

[Speaker 1] (1:06:25 - 1:07:35)

Right. This is our proposed, or in other words, forecasted revenue for fiscal year 26. And then the last item I wanted to touch on in the general fund was the inter fund transfers.

You can see them at the bottom of page E3 and the top of page E4. We are seeing an increase to inter fund transfers. And the biggest driver of that is the inter fund transfer from the water and sewer fund at the bottom of page E3.

So many of the town's employees, directors, staff, every invoice that goes out, purchase orders,

our payroll functions, it's all paid out of the general fund. But there are costs that are associated with the water sewer fund. It's an indirect cost.

So this line item here accounts for the indirect costs that are paid out of the general fund, but support the water sewer fund. This number, we had support for this number with an external consultant during an indirect cost study in 2023. The plan is in the future to do another indirect cost study just to continue to support that transfer.

[Speaker 5] (1:07:36 - 1:07:53)

Good question for that, if you don't mind. Go ahead, Sandra. Under E5, you do have the item number 34510, is the transfer water insurance fund.

Is that the same? That word, no.

[Speaker 1] (1:07:53 - 1:08:37)

So on that page there, that's the debt service fund and that transfer, so it's a revenue from the water sewer fund. So this transfer is transferring money from the water and sewer fund to the debt service fund. So when we go out for bonds, it's all housed in the debt service fund and paid out of the debt service fund.

But sometimes portions of these bonds are attributed to the water and sewer fund. This is reimbursing the debt service fund for those payments out of that fund. I know the transfers get a little tricky, but this is a transfer from the water and sewer fund to the debt service fund to pay for bonds and CIP projects that are water sewer projects.

[Speaker 5] (1:08:40 - 1:08:58)

Yeah, can you just put that in writing so I can see it and understand it and look at it? Because I've seen a lot of those repetitive line items in one department and the same thing in another department and I wanna just make sure that I am completely understanding what they are.

[Speaker 1] (1:08:58 - 1:09:27)

So one thing we're doing as well this year is we're trying to reduce the transfers because they do get confusing from a transparency standpoint. So like for example, one thing we're doing this year is we're going to direct charge water sewer interest payments to the water sewer fund. Previously interest payments were paid out of the debt service fund and then we did a year end transfer.

Now we're trying to direct charge specific debt principal or interest to the correct fund. So we don't have to do these confusing transfers.

[Speaker 5] (1:09:27 - 1:09:47)

Yeah, because along the line you're losing the accountability part of it. Maybe we should have like a separate presentation on what those transfers are and make sure that our residents are understanding how we're allocating them. I appreciate that, thank you.

[Speaker 7] (1:09:50 - 1:10:09)

Jessica, may I ask as a follow-up, could you, I don't know that I see it in the book, but several of these tables have acronyms that are not spelled out. Would it be possible to have a key of the acronyms that are used that are not defined to your point about the transparency? I think that would be helpful.

[Speaker 1] (1:10:09 - 1:10:25)

Yes, we can do that. And I do believe in the adopted budget as well. We have a glossary in the back so that'll be available in the adopted budget.

But we will also be very mindful to spell out any acronyms in next year's proposed as well. Or we might be able to do in this, but it will be in the adopted.

[Speaker 7] (1:10:26 - 1:10:38)

Yeah, if you have from last year's adopted or something, if you have, maybe I could look it up, but the glossary I think would be helpful for this step in the process too. Thank you. Good idea, yeah, that's great.

[Speaker 1] (1:10:38 - 1:10:45)

That's all I had for general fund revenues. If there's no further questions, I'll hand it over to Mercury Payton to discuss council initiatives.

[Speaker 8] (1:10:46 - 1:10:59)

Merck, before I go to you, I just want to go back. Jessica had asked a question about different costs of houses and did they increase more or less? I think that was your question.

Is that right?

[Speaker 3] (1:10:59 - 1:11:00)

Yeah.

[Speaker 8] (1:11:00 - 1:11:02)

The way you were saying it, their tax assessment.

[Speaker 7] (1:11:02 - 1:11:11)

If the assessments increased and at the same rate for homes at each of the valuations or if



there was some variation.

[Speaker 8] (1:11:12 - 1:11:33)

So I did a little quick math and it looks like the ones that I tested out in each group are all 6.2, 6.36 percent. I mean, it was amazing how exact they were if I'm doing that right, right? So I'm doing the tax increase divided by the original 2025 tax bill.

[Speaker 6] (1:11:36 - 1:11:41)

The issue is if you're in a situation like my neighborhood, we had a lot more higher sales.

[Speaker 8] (1:11:42 - 1:11:46)

But what I'm saying is the math works out to about 6 percent.

[Speaker 6] (1:11:46 - 1:11:48)

Individual neighborhoods won't work out to that.

[Speaker 8] (1:11:50 - 1:11:51)

That could be true. I'm not sure about that.

[Speaker 6] (1:11:52 - 1:11:55)

Yeah. And so what I'll say with this as well is we do receive.

[Speaker 8] (1:11:55 - 1:11:59)

You're saying you live in a better neighborhood, Howard? I'm just kidding. No, I'm just kidding.

Howard, I'm kidding. I'm kidding.

[Speaker 6] (1:11:59 - 1:12:04)

No, but I'm just saying the 6 percent is the average, but there's some neighborhoods that go a little higher, but it's reflected.

[Speaker 8] (1:12:04 - 1:12:08)

Right. And that could be true. But just the numbers here, I just kind of did a quick math.

[Speaker 7] (1:12:08 - 1:12:13)

I just didn't know if that was an average or that was actually reflecting the distribution.

[Speaker 1] (1:12:14 - 1:12:39)

This this is an average. So the actual distribution will work with the county. The county does the assessments.

We receive a file from them that has every individual parcel in town, the land value, the property value. So this this is more presentationally as an average and kind of what the resident should expect. But this is not the actual assessment increase.

[Speaker 5] (1:12:41 - 1:12:41)

OK. All right.

[Speaker 8] (1:12:42 - 1:12:45)

We'll take a break right after Mercury, everybody.

[Speaker 5] (1:12:45 - 1:12:46)

We'll take a break.

[Speaker 8] (1:12:46 - 1:12:47)

Go ahead, Sandra.

[Speaker 5] (1:12:48 - 1:13:36)

With the current administration, their goal currently is to have affordable homes for for the residents. And the presumption is that they're going to be lowering somehow the assessment value of properties. Are you perceiving anything like that?

Are you hearing anything confirming that is happening? If so, are we taking measures to make sure that we're going to continue having a balanced budget? I know because here in Fairfax County, there there are increasing taxes in the possibility of decreasing property value impact us as well, because then we won't have that increase in in our budget.

Thank you.

[Speaker 1] (1:13:37 - 1:14:27)

So for that and for our proposed or forecasted revenues for for real estate, those are based on it on a year to year. So we whatever the assessments come in at, that's exactly what we're budgeting for in that next fiscal year. So if we receive from the county that, hey, residential is going up six point three percent, that's exactly what we're going to budget for in the next year's budget.

So it doesn't factor in. We're not budgeting 10 percent thinking we're going to be better. We're not budgeting in five percent thinking it's going to be worse.

We're budgeting exactly what where we think we're going to land with real estate taxes. Now, as far as, you know, property values can drop at any point. We have those revenue reserves available in that event to pull from if we need to, you know, provide support to the general fund.

[Speaker 5] (1:14:27 - 1:14:41)

But you haven't heard anything based on your stakeholders or meetings that you have with other entities that that might be the possibility is. Is that something that has come up in your conversations?

[Speaker 1] (1:14:42 - 1:15:05)

So everything I've heard, people are aware of it. They're concerned. Like I said, other localities are starting to do that.

Create a revenue reserve for the first time. That's kind of how they're preparing. We're in a situation where it's already funded and available.

So we're in a very good spot regarding that. But everyone's just at this point kind of staying still and just trying to assess how things are going to fall out.

[Speaker 5] (1:15:05 - 1:15:09)

Thank you. I appreciate that. Now, Mitchell.

[Speaker 2] (1:15:10 - 1:16:47)

Yes, Madam Mayor, members of town council. If everyone could turn to W1. It's the next to the last tab, I think, in the back of the draft book here.

And you'll see the new initiatives. W1 is the major initiatives. It's the next to the last tab in the back of the book is W1.

And so you'll see that the town council has ranked. And so because the town council has ranked it as such, this is included in the balanced budget. It's a landscape services of \$90,000.

Annual fitness reserve of \$200,000. And the parade event fencing of \$25,000. Those were one, two, and three collectively from the town council.

And you will also see below the green there, and I guess that is a peach color. The next up initiatives ranked four through 10. And so typically, if this stands as it is, then typically what happens is when we get to the carry forward process in September or so, we normally will go to number four, five and six on down the list.

And the council will discuss the merits of including those next up items if you want to or not, or things have changed. But as of right now, those three are the ones that are baked into the

balanced budget that's before you right now. And so that's the report on the council initiatives.

[Speaker 8] (1:16:47 - 1:16:48)

Yes, Jessica.

[Speaker 7] (1:16:48 - 1:17:50)

Thank you. And I appreciate, of course, this is what's included in a balanced budget. I think as we proceed with discussions by department, I would like to have the opportunity to understand which new initiatives from recent years have become part of the regular operating budget that's now in the base, which maybe could open up some opportunities for repurposing funds from projects that had previously been new initiatives.

If those could be potentially sunsetted, if there are any opportunities there from years past to incorporate more of what feel like current needs in the town that could be reflected by some of the possible initiatives that are not the top three. There are a few there that I support and think are important and connected to current needs in our community. So I just ask that as we proceed, that we try and think about ways to identify more resources that could be repurposed to support more of those current needs.

[Speaker 6] (1:17:51 - 1:17:51)

Absolutely.

[Speaker 8] (1:17:54 - 1:17:55)

And Howard.

[Speaker 6] (1:17:56 - 1:20:22)

All right. I'll cut to the chase. Don't be as diplomatic.

I think one of the things I'm concerned about is the tree planting, which is low hanging fruit. Some of these things are expensive and the composting, which we've talked about. That is a lot of support.

It's not that much. The other issue is just following on Councilman Ramirez's comment is about what I said this a couple of weeks ago is, you know, the budget. It's like we stow cover foot and stow some more.

We didn't have two feet. You know, the budget keeps on increasing over the year. Are there some initiatives we can relook at and don't laugh?

And I went through, I save stuff. And this morning I get up, I went through my files on the mulching at Beulah Road and I could have found it, but now I don't want to have a long discussion. But the end of the day is when we decided, you know, we're not going to do away

with leaves.

It's politically unacceptable. People want the leaves picked up. But so we, they come to, I'll pick up like the mayor's neighborhood.

They take my neighborhood and they take the leaves to Beulah and then they ship them out in big trucks. We can't go direct from the street to the Loudoun County. It's just frightfully expensive.

But my understanding is by doing this, by not doing the mulching, it added two or \$300,000 a year cost by doing this direct trucking. And if that's the case, do we want to revisit that? Because the end of the day is if we have acquired machines, we mulch the leaves there, we can recycle it.

But we had to spend, I thought it was a two or \$300 figure. We kind of made a decision. And this is a prime example that we've increased the public works direct budget by a certain amount.

But is that something we're going to revisit? Because that would free up \$200,000. And I couldn't, we had all these consultant reports, all these studies.

We had the neighborhoods. I just, the pile was this thick. So I think going forward, are there some initiatives that we did previous years that we can revisit?

And the leaf mulching, if in fact, and maybe I got the numbers wrong, but if in fact it's costing us more to pick the leaves of my house, take them to Beulah, you can't go from my house out to Loudoun County. It's crazy. It's too expensive.

But to go from here to Beulah to reload it, would it make sense to mulch some of those up and maybe sell a little more? But we're spending, my understanding, we're spending a bit more doing this trucking. And here's a prime example is we made a decision that this pumps up the budget every year.

Are there other initiatives out there that we did that we might want to revisit? Thanks.

[Speaker 8] (1:20:25 - 1:21:57)

Well, I don't know if I should mention this. The tree planting, just wanted to mention that Dominion, yeah, well, we don't have anything formal yet with them about what they're going to do with the tree loss that happened on the W&OD trail going through Vienna. So nothing is final on that.

And town manager and director Parks and Rec and I have been going to meetings on that. But that 50,000, this is just my idea. I don't know if it'd work, but, you know, working with Nova Parks to plant trees on the trail that were, you know, acceptable by Dominion is one idea I had if we do end up with some money for trees.

I don't even know if it would work, but it's an idea, something to think about. And something else that I'll be talking to you all about. There's a proclamation that Fairfax County, that Nova Parks, they are all signing off on.

And I will be talking to you all about that later. And it's a proclamation about what is going on on our W&OD trail with the tree loss from Dominion. So keep that in mind.

And I'll talk to you all about that later. We might want to change it a little to add a little more about Vienna in the proclamation, in my mind. But we can talk about that later.

Okay, that's it. Go ahead, Howard.

[Speaker 6] (1:21:57 - 1:22:13)

Just follow up what you're saying. I think that's a great idea. And I think there is a possibility that we might be getting some more income for some trees.

That if that happens, we should show that as an income that we could use that money to plant some new trees. Just let it go. I know what we're talking about.

Thank you.

[Speaker 7] (1:22:13 - 1:22:31)

Right, thank you. Okay, Jessica. Sure, thank you.

One clarifying question. For discussion about these particular initiatives, is it best to do that during each department's part of the presentation? That's what I would imagine not to flag things now, but do it.

Okay, yes, thank you.

[Speaker 8] (1:22:32 - 1:22:35)

Right, good idea. Thank you. Okay, Town Manager.

[Speaker 2] (1:22:36 - 1:23:13)

Yes, so Madam Mayor, members of the Town Council, if there are no further questions about the Council initiatives, I've already given my Town Manager update at the beginning. I'm not sure why I did that, but I did it. So are there any questions about the Town Manager's budget?

And if not, then I think Council Member Brill might be asking for a five-minute break to stand. And we can do that while we transition to economic development. So we're 30 minutes ahead of schedule.

[Speaker 5] (1:23:14 - 1:23:30)

One quick question if I may. With these initiatives that six of our Council members proposed, the preventive building maintenance, what is that? It's in the orange.

[Speaker 8] (1:23:30 - 1:23:32)

I think we're going to talk about that, Sandra.

[Speaker 5] (1:23:32 - 1:23:59)

We just said we'd talk about that when we get to that department. I thought, but you guys decide. You decide.

Did we vote on that or somebody just came up? We have no say as Council members. No, no, no.

You just asked me to ask if we had any questions and I'm asking Town Manager a question based on this. Right, but then Jessica said, should we ask? I'm sorry, Jessica, for that she has more authority on what is said or not said.

[Speaker 2] (1:24:00 - 1:24:06)

Yes, Madam Mayor, members of the Town Council, if Council Member Allen can just ask the question again, I just want to make sure I understand the topic of the question.

[Speaker 5] (1:24:07 - 1:24:13)

I just want to know what this preventive building maintenance is. It's at \$200,000.

[Speaker 2] (1:24:14 - 1:24:22)

Okay, and then it will.

[Speaker 11] (1:24:24 - 1:25:39)

Good morning, Madam Mayor, members of Town Council, Brad Bear, Director of Public Works. The new initiative for preventive building maintenance is for an extra, I have two new initiatives there in the list for two new positions. The one for preventative building and maintenance is for extra staffing in our general maintenance division.

When the police, when the new police, things like the new police station came online, Public Works took over additional responsibilities, more complex systems, you know, building systems, HVAC, direct digital controls. And, you know, in summary, we took on extra responsibility, but it didn't come along with more people to help maintain. You know, we are still doing, you know, inspections and preventative maintenance of building, but we're also doing work orders for, you know, corrective building maintenance and repairs and maintenance of things in the right away with the same group.

So that that division is, they're stretched thin and I share the assessment, you know, with some of my previous directors in Public Works that that division is understaffed. So I'm going to, you know, continue asking for one more maintenance worker in that section.

[Speaker 2] (1:25:42 - 1:26:14)

And I'll, and I'll, and I'll add to that. I'm glad the question is asked because I think this was like number one with the budget committee ranking because even though the public may not see this as much internally, it is a big stress on staff. And so at some point we're going to, we're going to need attention to that.

But, you know, obviously the town council has ranked what it has. It's a top three, but certainly it is a pressure point. I'll just leave it.

[Speaker 5] (1:26:14 - 1:26:19)

I appreciate it. Thank you. And thank you for speaking on this.

Thank you, Mayor.

[Speaker 7] (1:26:22 - 1:27:23)

So in light of what you just said, Sandra, I do feel like I need to respond. I asked a procedural question about if members of council have questions about these initiatives, should we wait? Because I have questions that I would like to discuss too, but we have an agenda and my understanding, my question was, if we should wait to ask specific questions until we get to the department, the comment that you made directed toward me was inappropriate.

I'm asking a process question so that we can all equally participate and stay on schedule. So I understand that you may or may not understand how you just communicated in a way that was that way. But I'm clarifying for you that what I was asking was a process question and that if other members of council, myself included, have questions about some of these new initiatives, that we will ask them as the meeting proceeds on time.

[Speaker 5] (1:27:24 - 1:28:52)

All right. Thank you. Council Member Ramirez.

Ramirez, the town mayor specifically stated that we are going to ask questions based on your comment or your procedural comment during the department time when I wanted to address this now. So it is to me that we didn't vote on that. I don't think she asked for a vote on a consensus on this procedure.

So I was very upset that I have been continuously trying to speak on certain things. I tend to just drop off things and not speak on them because I know that it's a losing battle. But when the mayor said that to me, it frustrated me.



I am sorry that I said that. But however, by me asking a simple clarification should not be a battle in a budget session that is a work session. It is not a council session.

We should be able to ask those questions freely. So I'm not certain why that the mayor decided to say that we're going to do that during this, that department's position or department's presentation. Town man.

So sorry that. Thank you for clarifying. I certainly do understand what you're saying, but the mayor made a decision on that.

[Speaker 2] (1:28:53 - 1:29:57)

Yes, Madam Mayor, members of town council, just to clarify, staff certainly stands ready to answer questions whenever asked. From a process standpoint, going through the new initiative rankings, when for further explanation on any of them, when the department director is presenting their budget is most appropriate because then you will get more full answer. Let me give an example.

So let's say someone has a question about the tree planting or landscape services, parks and recreation, where they're not here today because they are presenting on Monday night. So if you want a more full answer to that question from a process standpoint, if we get into those discussions about specific new initiatives when the department director's here, then you will get a more full answer. That's the reason why the process is set out so that if you have questions about the new initiatives, when the department director is presenting their budget, you can ask that question at that time.

[Speaker 8] (1:29:58 - 1:30:39)

Thank you, town manager. And I will say these, you know, I don't think I've ever tried to silence a council member. I think work sessions are wonderful because we can all ask questions.

As chair, I am the chair. And so we have to go, we have to use our time wisely and efficiently. And so that decision is a good decision.

And as the town manager discussed, there is reason behind it. It's not just random. And so that's the way we'll be doing it.

So I'm trying to keep everybody on track and I will be doing that, you know, with everybody just so that everybody feels like they're able to ask questions, but at the right time. OK, let's thank you.

[Speaker 5] (1:30:39 - 1:30:40)

I appreciate it.

[Speaker 8] (1:30:40 - 1:31:09)

OK, let's get started again. Start up again. OK, we are now at everybody.

We're at the eleven o'clock, eleven to twelve. So we have economic development by Director Nicole Twiggs.

[Speaker 4] (1:31:12 - 1:32:18)

Good morning. Thank you. All right.

Hopefully you can hear me. OK, you will be in basically towards the back in the economic development tab. And it will say R1 on the bottom.

Great. All right. So I am going to hopefully go through this quickly since we just had a conversation just a few weeks ago about what economic development is and what our mission is and our operations.

If you want me to dig in, just let me know. But the purpose of economic development is to. Oh, go ahead.

My too loud. OK, can you hear me? OK.

Are we good? All right. OK.

Good morning. So the mission of our department is. Are you good?

[Speaker 7] (1:32:21 - 1:32:24)

Yes. I was just noticing that there was another mic on.

[Speaker 4] (1:32:24 - 1:33:33)

I don't know if that. Oh, maybe that's why there's too much. OK, thank you.

The purpose of economic development is to create a vibrant community and economic tax base and diversity of our tax system. And to create a vibrant tax base and make it a great place to live, play and work. And keep going.

We have a small but mighty team of two. We have the myself, the director and our marketing and business engagement specialist. To be honest with you, that takes up the majority of our budget.

Our programming budget is fairly small. And so the core of our functions is really me and Ashley doing the work of our department, essentially. And so if you keep going towards.

Our strategic plan. Oh, yep. So this is an overview of our budget.

As you can see, as I said, a majority of our our budget is towards personnel and benefits. And then our program budget is. Below that.

And keep going.

[Speaker 6] (1:33:38 - 1:33:53)

Question. Under the R3 program and services, a doctor was 18,000 proposed was 55,000. And that changes 37.

That's more than 10 percent.

[Speaker 4] (1:33:56 - 1:33:57)

So the budget.

[Speaker 6] (1:34:00 - 1:34:01)

R3.

[Speaker 4] (1:34:01 - 1:34:56)

Can we go towards the back? Um. Which is our 19.

You go towards our 19. This is kind of the budget that I have been working with. And I can explain that a little bit easier.

OK, so if you look at the FY 25 through 26 under the proposed and I can just jump right into this. The the major change here is that that special events line has increased. And the reason for that is that a lot of the events that we had done like restaurant week in the past were funded by ARPA.

So it was restaurant week, small business Saturday and some of economic economic development week were funded through ARPA. And so this change is reflected in that special events line.

[Speaker 6] (1:34:56 - 1:35:10)

No, I don't doubt that, but it's more than a 10 percent change. We should put the percent fix the percentage, right? If you go.

That change, you see? Yeah, yeah. Percent of total.

[Speaker 8] (1:35:11 - 1:35:12)

Not percent change.

[Speaker 6] (1:35:12 - 1:35:13)

Yeah, yeah.

[Speaker 1] (1:35:13 - 1:35:15)

We can look into that and adjust if necessary.

[Speaker 6] (1:35:15 - 1:35:25)

We'll review that. That's just jumped out of me because I'm not criticizing the increase. We're just saying we should show the correct percent change.

[Speaker 2] (1:35:26 - 1:35:44)

OK. Yes, Madam Mayor, members of town council. If you buy, for example, if you look at the top line personnel services and the net change is fifty one thousand, the next line over is percent of the total budget, as I understand it.

And so that's fifty one.

[Speaker 6] (1:35:45 - 1:35:49)

OK, maybe maybe that's it. OK, I'm sorry. I'm sorry.

OK, I'm sorry. Thank you.

[Speaker 4] (1:35:53 - 1:36:04)

Thank you. Town manager. OK, let's go back to our five.

Is that OK? Keep going.

[Speaker 12] (1:36:06 - 1:36:06)

Yes.

[Speaker 4] (1:36:10 - 1:38:39)

OK. So as as we kind of talked through a lot of our operations, our administrative core functions, which involve business attraction, retention, expansion, marketing, and then special events and projects and involvement in real estate, both working with our planning department, but also working with brokers and development community folks and workforce development as it relates to the culinary careers collaborative. And then are also also are our institutional partners of Nova and George Mason University.

If you go down. And that's kind of visualized here with that graphic to kind of. Showcase those items.

Keep going. Within business attraction, we host a number of kind of meet and greets with potential retailers. We also go to events where those retailers are seeking new locations.

So for example, I think we talked about ICSC, for example, as a place to attract new businesses to the town. Keep going. Business retention and expansion is like 70% of economic development is making sure that the folks that are here are happy and thriving, especially in a post COVID world.

That's extremely important. So we do business retention visits on a weekly basis. Ashley is constantly in the field.

I'll usually take some more strategic meetings with folks that have upcoming leases or that might have an issue going on that needs to be addressed. So we do those kind of as a with the purpose of maintaining their presence within the town. And then the expansion portion of that is the programming that helps them succeed.

Like Restaurant Week, for example, which is a concerted marketing effort to drive sales to our restaurant community. GroKon and the Thrive Awards will actually be putting into one economic development week event this year, which will essentially highlight the services of the town and the region that our businesses can access for free. And then also kind of give economic development highlights.

Yes, Council Member McGrill.

[Speaker 10] (1:38:40 - 1:38:42)

GroKon. Is it a week or is it a month?

[Speaker 4] (1:38:43 - 1:38:51)

So Economic Development Week is set by the international association called IADC. The GroKon is just one event during that week that we'll host.

[Speaker 10] (1:38:53 - 1:38:59)

It would be helpful if you indicated the week so we were aware of it so that we can be part of your help.

[Speaker 4] (1:38:59 - 1:40:42)

We will. And I will send you it'll be in May. I believe that it will be around the 19th or so of May.

But we'll host that event and send you a calendar of invite. We actually just talked to the TBLC about this last Thursday and we set the date for that. So I will be sending out invites to that shortly.

Another way that we engage with the business community is through the TBLC, the Town Business Liaison Committee, who are like I've described, eyes and ears on the ground and provide us real time feedback as to what they see is major obstacles or what's going well. You

know, they'll give us feedback on parking, but then we'll implement things such as the online system for business licenses. And we've gotten really positive feedback on that from our TBLC members.

So when we are implementing different programs, they kind of give us that real time feedback. And then next is marketing, PR and tourism. Again, this is mostly to drive people into our commercial corridors and shop and dine.

All of that is kind of related to tourism. Part of the reason why we do have that separate brand, Explore Vienna, is to drive people to the town in kind of a fun way. And so we've been really diligent about getting that website updated, especially as we do other website updates for the town, making sure that ours is up to date and has all the information that's for businesses, but also people coming to visit.

[Speaker 8] (1:40:45 - 1:40:54)

Yep. So you said it. Are you saying that Vienna Restaurant Week supported more than 50 businesses?

[Speaker 4] (1:40:54 - 1:41:10)

Last year it did. We had about, we had 48 this year, but last year I think it was over 50. And the reason that it was slightly down was that last year they allowed for non-town of Vienna businesses to participate.

And so this year we limited it to those just within the boundaries.

[Speaker 8] (1:41:11 - 1:41:18)

So I mean, it doesn't seem like there were 48 on the website.

[Speaker 4] (1:41:24 - 1:41:31)

I can double check that and get back to you on the exact number if that wasn't accurate.

[Speaker 6] (1:41:32 - 1:41:39)

Good question. I like the ice cream place. I started counting too.

There were some businesses that they weren't full restaurants, so to speak.

[Speaker 8] (1:41:40 - 1:41:44)

OK, I guess I just counted about 45. OK, sorry, Howard. Go ahead.

[Speaker 6] (1:41:44 - 1:42:22)

Oh, the other question is, I think it was very successful. I used it twice this past week. We're

doing it twice a year.

Should we do it three times or four times a year? That's the prerogative of council. I think the restaurant seemed to, I was at, we'll see, New Bay's offices, Emily Rose.

And the owner there was like, he goes, listen, we were there on Thursday night. We got there at 5.15. 6.30, it was packed. And a lot of people, oh, oh, restaurant are we?

Oh, yeah, they were really pushing it. So I don't know if it, does it cost us that much? Do we get, how much does it cost?

[Speaker 8] (1:42:22 - 1:42:23)

I think it does cost quite a bit.

[Speaker 4] (1:42:24 - 1:42:42)

It's about like a \$30,000 contract. But if we were to do, so I'll give you an example. When I was with Fairfax City, we did the two.

But because if you contract with the same person, that eliminates some of the overhead for the two. So it was at 50 for the two. When we did it at Fairfax City.

[Speaker 6] (1:42:42 - 1:42:44)

We spent \$30,000 per?

[Speaker 4] (1:42:45 - 1:42:48)

Per, it's a marketing campaign, basically.

[Speaker 6] (1:42:48 - 1:42:51)

Ah, okay. So you guys can do that in-house?

[Speaker 4] (1:42:54 - 1:42:58)

We are, if you look at our overtime budget, you will see that we are stretched thin.

[Speaker 6] (1:42:58 - 1:43:05)

I didn't realize we were paying a marketing person to push this out. Yes. Okay.

[Speaker 8] (1:43:05 - 1:43:09)

Yeah, I would like to have a council discussion if we decide to do more than.

[Speaker 6] (1:43:09 - 1:43:10)

No, that's fine.

[Speaker 8] (1:43:10 - 1:43:14)

I mean, I do think that's, I love it. But, you know, I think that's.

[Speaker 6] (1:43:14 - 1:43:17)

I didn't realize it was. Okay, thank you.

[Speaker 7] (1:43:19 - 1:44:38)

Jessica. Thank you. I had a question or comment related to when you mentioned the TBLC.

And I know when we spoke a few weeks ago, you shared about the perspectives of the TBLC and how they're, I think you mentioned again, the eyes and ears on the ground. I would love to see just in moving forward in periodic updates, if there are initiatives that you and the department are undertaking, how they are informed by TBLC input, or when there are things that are raised as challenges, like what's the follow-up? And then what's the successful response to that feedback?

I do see it and believe that it is happening. I think though, being clear about the follow-up, like we heard this idea and this is what we did. And this is how we responded to businesses in the community is a good way to close the loop and to highlight the value that that has for the department and for the town.

That could maybe be communicated in different ways with social or with just relationships in the town. But just having that additional way of being explicit about how that feedback is then acted upon and generates like a new idea or improving a process or something like that. I think it would be great for more follow-up like that.

[Speaker 4] (1:44:38 - 1:45:16)

Absolutely. And I know that I sent the meeting summary on Fridays to Melanie and Melanie will send that out to you all. And so that will include some things that they've asked us to look into.

Like, for example, this last time, they wanted us to look into the private owners of certain parking lots on church that are underutilized and are there ways to engage in parking sharing sort of arrangement. So that's the kind of thing that we'll do something. In your perspective, how should we communicate that to you?

Or do you want that communicated to you? Or should that just be in the summary notes?

[Speaker 7] (1:45:16 - 1:46:09)

I think I appreciate the question. And I think it could be further considered. So it could be in what you share with council on your notes.



But I'm also thinking about something oriented toward the community or businesses of like where you say on the social channel of saying, like, we heard this idea and this is how we responded, like doing more to tell the story about how the town is being responsive to businesses in a way that is brief, crisp, engaging. Some of the things that are being asked for aren't necessarily, I mean, they're practical, I'll say. There are things that are real needs.

And so it might not seem like something that's for Facebook or Instagram or something. But there could be a way to tell that story that just shows that importance of that relationship and being responsive. So that's sort of what I'm thinking too is the public-facing, community-facing part.

[Speaker 8] (1:46:10 - 1:46:11)

Okay, thank you.

[Speaker 7] (1:46:11 - 1:46:11)

Thanks.

[Speaker 8] (1:46:13 - 1:46:20)

I know you have Town Business Matters. Yes. It's a great, I don't know if you see that.

Yeah, so that could be another way.

[Speaker 4] (1:46:20 - 1:46:21)

That's a great idea. You can put that in there. Yes.

[Speaker 8] (1:46:22 - 1:46:25)

I love that publication.

[Speaker 4] (1:46:25 - 1:51:44)

It's great. Okay. I will try to start, zoom in a little quicker, sorry.

Keep going. Some special projects from this past year that will be ending include the Culinary Careers Collaborative, which was a project with Fairfax City to train folks in management, back of the house, and drink serving for our restaurants. I would describe it as kind of an average project.

I wouldn't recommend to do it again, but I think it served its purpose for the time that we needed it. And so we had, I want to say, about 25 folks go through that program. And yeah, so we won't be moving forward with it again.

And that was funded by ARPA. Same thing with the, well, not same thing, but the VMN Bloom

was also funded by ARPA, which was very nice for the community. And then if you keep going, the Business Licensing and Permitting Project was spearheaded by our department.

And it's still ongoing as we continue to onboard Granicus for planning and zoning, and then the business licensing moving online. Once those systems are implemented, our teams are going to join back up together and make sure that we're still moving forward in a streamlined way to make sure that the public, when they come to the town, sees a cohesive kind of look. And then obviously I came in as the new director this January and Kelly O'Brien from zoning, planning and zoning rather, was the interim in that time.

Okay, we can keep going. We helped kick off the parking study that you all just reviewed. And in the next few months, we will also be doing a Maple Avenue study to showcase what is possible under current zoning on Maple Avenue and get some feedback from owners and real estate attorneys about what is possible with your current zoning as you gear up for the comp plan conversation.

I don't know why it says summer and winter, but it should just say the restaurant week was previously funded by ARPA. So this is a new initiative technically by way of our budget and that it's now funded through our operations. We'll continue to work with Nova Parks on wayfinding in kind of a short-term sense to make sure that people are driven to our shops from the W&OD Trail.

There's, I think they said 30 million people that come through per year on the W&OD Trail in Vienna, which is 30 million. That might be trips. So there might be the same people, but still an impressive number.

And we really should be able to capture that traffic better and divert people to shop when they slow down hopefully here in town. In that same sense, partnering with Visit Fairfax, like we talked about during the presentation, doing some direct business advertising, doing business surveys, again, wayfinding, that's gonna be kind of planning for a longer term project on that, but more on the staff side, just planning for a long-term CIP and expanding and establishing our relationships with George Mason University and Northern Virginia Community College, especially given the federal climate, people are looking for resources and upskilling their job skills. Keep going. I think that we had talked about wanting to have some data on the vacancy rates and the rental rates and things of that nature.

So I won't go through each of them. In depth, but you can find the vacancy rates and you should, okay. Okay, let's do it.

So overall, you can see that we do have the lowest vacancy rate in the region. And I did a comparative analysis to our regional partners. This includes all types of real estate, inclusive of office, medical, retail, industrial, and all other uses.

That is extremely beneficial to our commercial real estate values. When those vacancy rates are

higher, the assessments go down. And when the vacancy rates are lower, the assessments go up, inverse relationship.

Yep.

[Speaker 6] (1:51:44 - 1:52:00)

Again, I've broken record over the past couple of years. We initially told our vacancy rate was significantly higher because we had much data, access much data reporting systems. This is very, very powerful.

Okay, that's very good to know. I didn't have the background.

[Speaker 4] (1:52:00 - 1:52:01)

So that's great.

[Speaker 6] (1:52:01 - 1:52:25)

We were told that 13 or 14 printing years ago, which is because we couldn't get access to the data. In fact, we have this data and people complain that, oh, stores are empty on Maple Avenue. That's not true.

We have problems, but compared to everyone else, we're at 4.7%. And so, again, give me a good complaint. This is not a valid complaint.

[Speaker 5] (1:52:27 - 1:53:25)

Good, Sandra. Thank you. This is very informative.

Would you say that Vienna, are we comparing apples to apples? The population compared to Fairfax County, maybe Fairfax City would be one comparison. They're also developing things and they're building.

So consequently, their vacancy rate is a little bit high. It's higher than ours, but we're not doing anything of that. We're not developing.

We're not having high-rise buildings. So in your assessment, based on your experience, would you say based on what you observed from the time you've been here, that we are not having a demand of businesses coming to the town of Vienna? Or are we having a demand?

Are they wanting to come and build something and something is obstructing them from building here or having a business here?

[Speaker 4] (1:53:25 - 1:54:50)

So I think there are two parts to your question. And the first of which is our comparison to our

regional partners on the vacancy rate. It's not inherently apples to apples because every jurisdiction is different and they have different ratios of office versus retail.

We have much more retail-centered commercial buildings than other jurisdictions, which are more heavily office-oriented. I think that part of the reason why Council Member Springsteen just said was happening was if you type in Vienna into CoStar, the service I was talking about, it includes parts of Tyson's. And so in Tyson's, you have a lot of office space that has a lot of vacancy.

And so if you don't include those, you actually don't have a lot of office here. And I gotta tell you, there's not a lot of people that are building office anywhere. What people are building, to speak to your second question, is more of a mixed use of residential.

If it were up to a developer, they'd just do from bottom to top residential. Most jurisdictions require that that first floor has an engaging retail commercial aspect to it. And so that's where, when you're asking about, are people coming to us asking to build?

I think this is what we will try to highlight to you in that commercial study that we're doing for Maple Avenue that we'll present in a few weeks.

[Speaker 8] (1:54:51 - 1:54:53)

Thank you. Thank you. Town Manager.

[Speaker 2] (1:54:54 - 1:55:59)

Yes, Madam Mayor, members of the Council. Just to follow up with Council Member Allen's question about the comparison apples to apples or such. We do think in terms of Fairfax County, because we're in Fairfax County and the town of Vienna.

However, the research that Nicole is displaying does take into account Herndon. It takes into account Fairfax City, Leesburg, Haymarket, Lubbockville. There are a number of different types of jurisdictions all across the region.

And so when she says that we're the lowest in the region, that considers what the market is in Herndon, what the market is in Fairfax City, what the market is in Falls Church. It considers Haymarket and Occoquan and Dumfries and all the different, and they're all different in different ways. But it's not just a comparison of Vienna and Fairfax County, which is huge.

It's a comparison to us in Leesburg and other jurisdictions that maybe are similar in size to us as well.

[Speaker 8] (1:56:00 - 1:56:02)

Thank you, Town Manager. Howard.

[Speaker 6] (1:56:02 - 1:56:08)

I want to clarify the 4.7% is just the town of Vienna. Is that right?

[Speaker 4] (1:56:08 - 1:56:09)

That's correct.

[Speaker 6] (1:56:09 - 1:56:44)

Okay. The reason I think that's critical, because we get people calling up and complaining, why aren't you planning my streets? We don't, they're not in the town of Vienna.

We had someone complaining the other day about a hotel thing in Tyson's. If you know the streets of Vienna, it's not even in Vienna. So one, it's not our issue.

Two, we can just say, thank you, but it's not in the town of Vienna. And three, we just, people say I live in Vienna, and they complain about something. When I hear it's not the town of Vienna, I don't want to talk to them.

It's just, we have to focus on town stuff. So this is good. This shows Vienna.

It doesn't commingle Tyson's or Merrifield. So that's great.

[Speaker 4] (1:56:45 - 1:58:27)

Thank you, Howard. We go to the next page on the office medical. You can see that this is extremely low at 2%.

This is very abnormal, I've got to say. There is no other jurisdiction with a 2% office medical vacancy rate. I'm not quite sure what caused that very sudden dip.

It seems like there might've been a major lease signed, but I could not, I tried my best to figure out what that could have been, and I could not figure it out. So I apologize for not having information on that. But it did seem to be pretty consistently at about six and a half, between six and 7% until that dip.

So although I am very excited to say that it is currently sitting at 2%, that might be abnormal. So that is our office medical. You can also see that we are lowest there.

We're kind of middle of the road in terms of what the rent costs for office medical space. We don't have much office medical space, but it's not too high or low. When it's too low, that also decreases your assessment values because your operating revenue goes down.

But when it's too high, sometimes that puts bigger pressure on tenants moving in, and so you have more vacancies. So you wanna have a good balance of both affordability and also the amount of rent that you can charge in terms of your perspective on revenue. That might be a

different perspective for businesses, but- Nicole, is that veterinarians too?

[Speaker 8] (1:58:27 - 1:58:28)

Is that- Yes.

[Speaker 4] (1:58:28 - 1:58:32)

Yes, it is. Exactly. Okay.

[Speaker 8] (1:58:32 - 1:58:34)

Yeah. Maybe we just have good doctors in Vienna.

[Speaker 4] (1:58:35 - 1:58:37)

I think we do, it's specialized.

[Speaker 8] (1:58:37 - 1:58:41)

All right, good. Anyone else, any questions on these? Ray?

[Speaker 10] (1:58:44 - 1:58:45)

Yep.

[Speaker 8] (1:58:48 - 1:58:48)

Yep.

[Speaker 10] (1:58:55 - 2:01:01)

Yes. Yes. Mm-hmm.

Mm-hmm. Mm-hmm. Mm-hmm.

Mm-hmm. Mm-hmm. Mm-hmm.

[Speaker 12] (2:01:04 - 2:01:05)

Mm-hmm.

[Speaker 4] (2:01:10 - 2:02:22)

Thank you. Thank you. And we can talk through the retail.

As you can, I think you pointed to this vacancy rate on the retail page. Similarly to the office, how there was a sudden change, similarly spiked here. It was a little bit closer to that 4%, which is where that would be kind of middle of the road for other folks.

But there was a sudden spike recently in that. And I similarly wasn't able to figure out what ended up happening there. I would imagine it might've been Cedar Park Shopping Center, which has been re-tenanted.

So I'm hopeful that that blip will be reduced because that was a massive square footage that has been re-tenanted. And as you referenced, we're kind of middle of the pack here for retail costs. Generally, retail is more expensive than office space.

And that's just across the board for every jurisdiction. All right.

[Speaker 8] (2:02:23 - 2:02:37)

Nicole, going back to Restaurant Week for a minute. Mm-hmm. It's getting a lot of attention.

You do have in 2526 initiative, funding both the summer and winter Restaurant Week. Is that worked into the budget? I thought- No, I- I didn't think so.

Okay.

[Speaker 4] (2:02:38 - 2:02:43)

I did not catch that on my revisions. It should not have said.

[Speaker 8] (2:02:43 - 2:02:48)

Okay. Okay. Go ahead, Howard.

[Speaker 6] (2:02:48 - 2:03:12)

I keep moving, but I do. I think the restaurant's rate is good, but I think we had the council's had discussed to when I spent another 30,000. You know, I was hoping we could do something at this social media ourselves or something.

But the question is, do we generate enough income for the restaurants to pay for that 30,000? We might not. I'm not taking- I think we need to have a- not tonight, today, but we need to have a discussion at some point, you know, peel back some of the numbers.

[Speaker 4] (2:03:13 - 2:03:21)

During my update, where I give you the report on Restaurant Week, will include some revenue numbers in that report as well.

[Speaker 12] (2:03:21 - 2:03:22)

Thank you.

[Speaker 4] (2:03:22 - 2:04:14)

Yeah. Okay. Um, the tax revenue changes- keep going.

Um, the tax revenue changes, you have already gone through with, Stephen, in your budget review. So this is not new to you, but these are those areas of influence that I had reviewed in the quarterly report and kind of how that has changed throughout the years. And then for programs, we've kind of already gone through all these.

So, and I think we're taking a little bit long. So maybe let's go down, through the- after the programs to the budget changes. Yep.

Okay. So- Can I ask a question about that? Please.

[Speaker 9] (2:04:16 - 2:04:57)

The, uh, the reference on page R16 to new users going to [www.exploreviennava.com](http://www.exploreviennava.com) reminds me to tell you that still, when somebody goes to the Town of Vienna website, they can't find [exploreviennava.com](http://exploreviennava.com) from that homepage. I just tried it and here we are in Town Hall and I can't get to your webpage. Instinctively, easily from the Town homepage.

It would seem to me that would cost us zero, right?

[Speaker 4] (2:04:57 - 2:05:20)

We are doing a website update and you will be speaking with Karen RPIO a little bit later. So maybe reinforcing that, we'll chat with her internally and see if we can do that. I know that that's been talked about with other council members.

Just a window, just a link, something like floats around the webpage saying, here's [exploreviennava.com](http://exploreviennava.com). Okay.

[Speaker 9] (2:05:21 - 2:05:22)

It's a great website. Thank you.

[Speaker 4] (2:05:24 - 2:06:33)

Yeah, it's, I loved whoever, I was not involved in it, but it is a very impressive site. Okay. So the budget changes, as we kind of talked about earlier, our marketing and program specialists works a lot.

And so there was a significant increase in unexpected overtime. Related to our ongoing programs and kind of a small staff. So that is of note.

There are that transfer that we talked about from ARPA to operating budget for restaurant week. We will be doing some projects related to the W&OG trail and like visioning what the art of the possible might be able to be there. So that was also built into our consulting services budget that you saw might've seen a slight increase in.



And that real estate study that we had talked through and then our fall intern that was previously funded by ARPA as well. Yeah.

[Speaker 10] (2:06:36 - 2:06:37)

Oh yes, Jessica.

[Speaker 4] (2:06:38 - 2:06:38)

Thank you.

[Speaker 7] (2:06:38 - 2:07:29)

So I was going to ask about the, in the table, the increase for the consulting services. So you mentioned, and that's on the next page on R19, that could you say again what the consulting services was for? This is something that I've just asked.

I know Steven, we were emailing about this prior to today. Just some questions I've had about consulting services across different departments in the town and how, again, to what we were talking about earlier about possible ways of identifying resources for different things or how those decisions are made. Those are just questions that I've had about consulting services.

So can you say more about what the consulting services increase of 15,000 would be for?

[Speaker 4] (2:07:30 - 2:08:29)

Yep. So the baseline is that we, I have, we have an on-call marketing service of, I believe, last fiscal year \$10,000 that was to support materials that we produce in print. And then also some one-off efforts for things like Economic Development Week and things like that.

And then we had this past fiscal year someone helping us with our website. So we have a website, a webmaster sort of service. And then the program that I am talking about for the consulting on the Maple Ave will be partially in this fiscal year, partially in next fiscal year as well.

So we'll have kind of a phase one and then phase two, depending on how the comp plan basically turns out.

[Speaker 7] (2:08:30 - 2:10:43)

Okay. That's helpful. If I may follow up.

Yes, please. I think a few kind of broader concepts that come to mind for me when we think about this. One is the dollar amount and thinking about this dollar amount in relation to other new initiatives that were on the new initiatives list.

So this is an increase, a proposed increase. And I understand the value of the work that you're

talking about. I'm just identifying like this is a place where there is an increase included in the budget that has not been having resources available for something else on the new initiatives list if we proceed with this increase.

The other thing that comes to mind for me is our conversations about communication and how to have like one strategy across departments for the town. So that I think something like that to me seems helpful so that with all the information that is coming to all of us all the time, if there's consistent branding or messaging, it's something that is more likely to be seen, absorbed. And I think, I mean, the materials, I think that the department does, I think are really good.

And so I appreciate that. This isn't feedback about those or the quality of them. Rather, it's trying to say, if we're looking across departments and trying to have consistency in, and we've talked about the town's overall website, if we're spending money on this website, that is for redesign when we have some issues with our department website.

I just would ask that as we're considering this, that we try and apply that cross department lens of where there are efficiencies or where we could have like one core strategy that is across departments. So I'm just noting that for this \$15,000 increase and ask that if we do have similar resources set aside for consulting services, that seems like one way to think about places to identify a possibility to be more, have a cohesive strategy. And it also is something we should, I think, see as a direct trade-off with some other things that are on the new initiatives list.

[Speaker 8] (2:10:46 - 2:10:47)

Thank you, Jessica. Howard.

[Speaker 6] (2:10:48 - 2:11:13)

This might not be the appropriate place. Maybe Michelle is, I hate to be the bureaucrat, but you have a VHRA hybrid 401A match. If you're an employee here, if you want to set aside money, we match up to a certain amount.

I don't see why everyone doesn't do it. It's kind of a no brainer. But do we have, have we funded that enough?

Am I talking, I'm talking about?

[Speaker 3] (2:11:15 - 2:11:15)

Okay.

[Speaker 6] (2:11:19 - 2:11:29)

That's voluntary, but yeah, but I'm assuming most employees would do this because it's, it's a pretty good deal. You know, if you, what is the limit, 5,000?

[Speaker 3] (2:11:30 - 2:12:02)

There's those, we've got four different plans. There's all different kinds of plans. And we, and we, we've been having the insurance company, I'm sorry, the retirement companies come in and talk to the employees.

We're trying to do it twice a year. We have VRS and it used to be Mission Square, but now it's Boya. And so we're having both of them come in to do some sessions.

When we have new employees, we bring them in. We have once a quarter, we have someone from VRS come in and talk to them about it and talked about the town plan, this plan, that plan. And some of the plans they can change, but they can only change it quarterly.

And some of the plans they can, once they make the decision, that is a done decision.

[Speaker 6] (2:12:03 - 2:12:07)

So what is the plan? It's not, it's just town specific to encourage.

[Speaker 3] (2:12:08 - 2:12:21)

So not the police department, but everybody else has the new employees are on the hybrid plan. So they're on the hybrid plan. They've got a town plan.

Then there's the VRS plan. And then there's a Mission Square plan. And then there's a Boya plan.

So there's like four different accounts.

[Speaker 6] (2:12:21 - 2:12:25)

What plan is it? I want to set aside 3,000, you'll match that.

[Speaker 3] (2:12:26 - 2:12:27)

That's the 457.

[Speaker 6] (2:12:28 - 2:12:28)

Okay.

[Speaker 3] (2:12:28 - 2:12:30)

The 401A is the town plan.

[Speaker 6] (2:12:30 - 2:12:33)

Okay. So, but do we do, you do have funding for the 457?

[Speaker 3] (2:12:33 - 2:12:45)

We do, we do. But again, some of the younger people aren't putting money in. They don't think about the long-term.

And we try to say, this is, don't think about the money in the paycheck now. Think about money and paychecks down the road. But we're working on educating people.

[Speaker 6] (2:12:45 - 2:12:46)

Because the town matches that.

[Speaker 3] (2:12:47 - 2:12:51)

It's like 2.5%. They can put in, I think 2% they can match.

[Speaker 6] (2:12:51 - 2:12:55)

Sorry, I just happen to see that. I just think, you know, that's another recruitment tool.

[Speaker 8] (2:12:59 - 2:13:06)

Thank you. Anyone else? Oh, yes.

[Speaker 10] (2:13:09 - 2:13:43)

You're doing some very good work. You and Ashley. Thank you.

You have limited resources, limited hours. The focus on the things that give us the greatest return. It might be nice to have 20 items, but there are some that are more effective than others.

And when you have something going on, on restaurant week, is there anything in the community center, signs that you have there for people who come in, who said, well, I hadn't heard about it. You know, that should have. I mean, do you cross fertilize?

[Speaker 4] (2:13:44 - 2:13:51)

We do. We have printouts for restaurant week that we leave in different places, like restaurants or community centers and stuff like that, I think.

[Speaker 10] (2:13:51 - 2:13:54)

When you walk into the community center, they have little signs there.

[Speaker 4] (2:13:55 - 2:13:59)

Yeah, no, we haven't advertised. That sign could be used repeatedly.

[Speaker 10] (2:14:01 - 2:14:06)

Just getting the word out is what you're doing. The impressions, media impressions, critical.

[Speaker 4] (2:14:06 - 2:14:06)

Yeah.

[Speaker 10] (2:14:07 - 2:14:14)

And if you're doing something, you get 10,000 media impressions versus millions. Forget the 10,000.

[Speaker 6] (2:14:14 - 2:14:18)

Right. I mean, he saturated the town with that.

[Speaker 4] (2:14:21 - 2:14:33)

Now, did you mail those? We actually hand deliver them to save some money. So Ashley, Ashley goes around to businesses to hand them out.

I mean, like we put them in a lot of places.

[Speaker 10] (2:14:35 - 2:14:37)

Your Ashley delivered them personally.

[Speaker 4] (2:14:39 - 2:14:43)

Yeah, we don't, because we don't have budget for it. Like we try to save money where we can.

[Speaker 8] (2:14:44 - 2:14:48)

Have you seen this? I have. Okay.

Okay. I just want to make sure because I think it's yeah.

[Speaker 4] (2:14:48 - 2:14:49)

There are some people.

[Speaker 10] (2:14:49 - 2:15:04)

Sure. I think it's very nice. But again, as you, the community center is used amazingly.

Yeah. And you come in with families, whatever, all sorts of things. Just want those signs.

You walk over there and you'll see that there are signs. Pre-advertisement.

[Speaker 4] (2:15:04 - 2:15:33)

Yeah. And we can talk about, you know, some, some, like, for example, the band. I mean, we're in the grand scheme of things.

This is like chump change, but like the banner that we put over. Maple Avenue, it gets, you know, what is it? 30,000 people a day drive down Maple Ave. So that one gets really good traffic count. The community center is another one that we'll look into, but those are, those cost money. You know, it's every time that we produce that banner, it does cost.

[Speaker 8] (2:15:33 - 2:15:38)

And Vienna voice, the Vienna voice went to every single resident and that was on the front page.

[Speaker 10] (2:15:38 - 2:15:44)

It was, we got good real estate there. How much is that little flyer? Very nice flyer.

How much does it cost?

[Speaker 4] (2:15:45 - 2:15:48)

I don't have that off the top of my head. I need to check with our, our consultant.

[Speaker 10] (2:15:48 - 2:16:00)

In other words, it might be a cost. It sort of one time people look at it and throw it away. You want something that hangs around a little bit, but anyway, you make those choices.

Thank you.

[Speaker 8] (2:16:00 - 2:16:14)

Well, and I always wonder, is that something we can put in and maybe it went into Vienna happenings? I don't know if it did. Is that going to be in a happening?

Thank you. There you are. Okay.

Thank you. Perfect. Okay.

All right. Sandra.

[Speaker 5] (2:16:14 - 2:17:46)

I just want to thank you and welcome. I saw the presentation that you had one of the work sessions and I heard it. I look forward to having changes happened.

It's very impressive. I can't say, I can't begin to tell you what to do because you're very professional. You have things that you've presented to council and please go with it.

Show showcase your professionalism and your experience. It's enormous and I look forward to changes happening, especially in Maple. And I have nothing, I have no marketing skills or anything like that.

So I am not going to talk about that. And if you need funding, I'll be advocating for that because we do based on the numbers that you presented and our finance director presented. Our businesses are doing well.

Imagine if we had more and imagine if we had all the restaurants that are closing, staying, we'll even do better. So let's look at that and not just be satisfied. Oh, we 4% we're doing better, but I know you can do it based on what I've heard and look forward to working with you in anything.

I have also my finances to look at. So I don't go out to eat as much as I used to. So thank you and keep it up.

Thank you, Council Member Allen.

[Speaker 8] (2:17:47 - 2:17:51)

Anyone else? Anyone else have any questions? Yeah, go ahead, Murphy.

[Speaker 2] (2:17:52 - 2:17:56)

It's not a mere members of the council. Are you completed with?

[Speaker 8] (2:17:56 - 2:17:56)

I am.

[Speaker 2] (2:17:56 - 2:19:21)

Okay. So with that, I'm going to try to do this with Council Member Mekas' request here. So I went back the last five budget booklets to see the new initiatives and I'm going to introduce at the end of each department directors presentation.

So in 2022-23, economic development, they had snowflakes on Maple Avenue was approved by the council and that amount was, I think, \$60,000. Economic development also had advertising. That was \$18,000.

Printing services, \$30,000. And economic development had conventions, \$28,000. That was in fiscal year 2022-23.

And in fiscal year 2021-22, economic development had town branded giveaway items. I think that's them. I don't know if that's, I think that sounds like economic development.

And that was \$6,000. Outside of those two fiscal years, the last five years, economic development did not have any other new initiatives that were funded by the council. So those were the only two years that they had something.

[Speaker 6] (2:19:22 - 2:19:32)

Can we get going the other four? All right. Again, we can say, we got to get moving, guys.

Every time you talk in three or four minutes, just keep on the message.

[Speaker 8] (2:19:32 - 2:19:34)

Nicole, did you have anything else to add?

[Speaker 6] (2:19:34 - 2:19:34)

Nope.

[Speaker 8] (2:19:35 - 2:19:43)

Okay. Thank you for all you have done. You haven't been here that long and you've already done a lot of great things.

Thank you very much. All right.

[Speaker 3] (2:19:43 - 2:20:34)

We're moving on to human resources. Yes. And we can jump in here.

I know we take care of our 200 full-time employees and we have a lot more part-time and seasonal and things like that. I'm going to jump ahead to page H4. H4.

Bingo. Bingo. Yes.

I want to bring up, so thank you for last year. We had the new family paid leave and the new child leave. And I want to report back that since I started on July 1, we've had six people use the paid family leave and we've had three people with one coming up using the new child leave.

So thank you very much for that. That's been very successful. Some other things that we've done, we hired and onboarded 30 full-time employees.

[Speaker 6] (2:20:34 - 2:20:35)

How many?

[Speaker 3] (2:20:35 - 2:22:34)

30 full-time employees in the last year. We also processed 55 part-time seasonal internship and



temporary employees. That's a total of 85.

Whether they're part-time or full-time or temporary, we still have a lot of paperwork to fill out for them. They've got to fill out their I-9s, their tax forms, all kinds of paperwork. So we've been very busy.

With that, we had 1,466 applications that came through to hire those 85 people. So there was a lot of paper to go through and a lot of screening, and the departments helped a lot with that as well. We did increase our usage for the employee assistance program and their eligible family members up to 7%.

It was in the 4% range, which is about average for most companies. We're continuing to push that. We worked with Fairfax County.

We had a free intern that Fairfax County paid for, and we wound up hiring them. Young people with disabilities, and that worked out really nicely. And then we've been working with Fairfax County in a program called Think Big, and we've been doing presentations to middle schools.

And we also participated just recently in a big career fair, and it had five school districts there. We had Prince William County, Loudoun County, City of Alexandria, Arlington, and Fairfax County there. And they had over 2,000 students come by.

It was a very busy day. Some of our initiatives. We're going to continue to update our ARs.

We're going to try to standardize our job descriptions. Yes? Because the program, they want to get kids thinking earlier.

These are schools that had kids at risk, and they were specifically targeted schools, and they wanted us to go in and talk about all the many different types of jobs that are available if you don't go to college, if you do want to do a trade, if you want to do different things. And it was really great to be able to talk about that, as well as one path could be you do trades. One path, you could be I go to college or I go to junior college.

And they want it. It's a program that it's a Think Big program. I can send you some information on it, but it's their program that we were asked to help do presentations to the schools.

[Speaker 10] (2:22:35 - 2:22:41)

You're expanding to junior high, high school because they're going to be making decisions sooner.

[Speaker 3] (2:22:41 - 2:23:08)

Right. The part of the other Fairfax County program and through the Think Big program, we did we did participate in a job fair for juniors and seniors in high school and had over 2000 students come by from five different school districts. So that was just a few weeks ago.

I didn't have time to put that in there. But we are working with them as well. We do work with a lot of the high schools, and we do do presentations.

The law department, sorry, law enforcement comes with me, and they go and do some on their own as well.

[Speaker 5] (2:23:10 - 2:24:19)

Sandra? Yeah, just because you say you're doing that. And I am very concerned about child labor laws and child businesses malpractice or not paying them for their job that they've done or therefore they're having them do things that they shouldn't be.

And I want to make sure that you, as well as the police department, are teaching if you're going at such an early age that they know their rights and they know where to report it. And if they've ever come to you, I would hope that you would go and report it and that make sure that a business either is fine or putting in some sort of red light that is not doing their job. Because I know here in Vienna, there were some businesses that were not practicing well with the young people that are starting early.

And most often, young people don't speak up. So when you're doing those presentations, I do hope you do emphasize and work ethics and businesses that should follow some procedures.

[Speaker 3] (2:24:20 - 2:24:35)

We focus on what benefits we have here with the town. We have a nice little sheet that we pass out that talks about the different types of jobs and then the benefits and the good things of working for local government. Oh, okay.

That's what we can approach. That's our approach to try to attract them to come work for us and be treated.

[Speaker 5] (2:24:35 - 2:24:38)

I thought it was other things. Okay, sounds good. Thank you.

I appreciate it.

[Speaker 2] (2:24:39 - 2:25:20)

Madam Mayor, members of the town council, just about Council Member Brill's question. I went to a regional event where there were a number of jurisdictions and educators. I think there was those school systems there.

And one of the things they talked about was along with exposure to middle to high schools, they wanted the middle school students to be thinking ahead. And so I connected Michelle Conowtree, Human Resources Director, with those folks. And so I think there's an approach of

both high school and middle school to get them thinking ahead about local government and all kinds of different job fields.

Great. That's wonderful.

[Speaker 3] (2:25:21 - 2:27:56)

It's a think big program. It's a national program, and they've targeted this from certain schools in the area. Okay, back to initiatives.

As I said, we are working on job descriptions, getting them updated. We've got some old files that we still need to get into Laserfish. We're slowly working on that.

And then one of our big projects is we want to look at how all of our different benefits compare, whether it be number of holidays, number of sick days, the retirement plan. We're going to compare them with the other local jurisdictions and then be able to see where we stack up with them, apples to apples at other jurisdictions. We did a little bit of that when we were talking about the holidays and Christmas Eve and things like that, but there's other ones out there.

One of the things I think we don't have come up a lot here, but the military leave. If people need to take military leave, there are different amounts of days available for them, and I think we probably need to update that. So we're going to look at soup to nuts, all the different benefits we offer, tuition reimbursement, things like that, just to see where we stack up with all the other jurisdictions.

So that's a project for the summer we're going to work on. And then we'll talk to BCOM and see what we need to do. Any questions on that before we talk about turnover?

Okay, we'll go over to H5, which is turnover. And here's our little pie chart there. For the year, we had a turnover of 11.6%. And with that, we had eight of them were retirements. And then we also had people that did not make it while on probation. And those were some good terminations, unfortunately. If you don't make it during the probationary period, you want to take care of that immediately.

If you turn to the next page, H6, you can see the trend over the last few years. And some of those were really swung by the number of retirements. We had a lot of retirements in 21 and in 23.

Not so many in 22, and not as many in 24 so far there. So you can see our turnover, for our industry, it's actually very good. I'm sure those of you that have businesses would love a 10% or 11% turnover rate.

On the next page, we have just three of us in HR, myself, Katie, and Dawn. And we're here to take care of everything. And there are no significant changes to our budget.

If you go to H8, we did have a consulting services for our class and comp study. And then we've

reduced that down substantially. There's some money in there.

I think there might be a couple, the way they billed us, some of it crossed over into the other year, this year. But I think those are the major changes. We don't have any besides just new contracts for Munis and Tyler and all the systems that we use.

Yes.

[Speaker 6] (2:27:57 - 2:28:01)

Just real quickly, keep things moving along. Are we doing another paying comp study this year or?

[Speaker 3] (2:28:01 - 2:28:03)

No, we do it every three to five years.

[Speaker 6] (2:28:03 - 2:28:03)

So we've done that.

[Speaker 3] (2:28:04 - 2:28:13)

So we'll wait a while and see what we do. If we're done with HR, we can jump into risk. Hold on for a second.

Yes.

[Speaker 5] (2:28:14 - 2:28:17)

I just wanted to know, relocation expenses.

[Speaker 3] (2:28:19 - 2:29:02)

Do other people, other departments have the same? No, this is for us. It's mostly been used for recruitment.

We do nationwide searches. And when we bring somebody in from out of state, which we've done for both, some of our director recruitments, I don't want to say which ones, but we did bring people in from other states. We do pay for their expenses to come up, whether it be their airfare or mileage and a hotel.

And so we've had a couple out of state candidates that have applied for our direct positions. And that's just the reimbursement for that. We do have the relocation line there.

We haven't had to use it in my time here. But if we do have to relocate somebody, usually at the director level, we would give them some type of a stipend. But that money right there is used for the recruitment purposes of people coming in from out of state.

[Speaker 5] (2:29:03 - 2:29:30)

Thank you. Also wanted to just say thank you for how I hear that you're hiring some of our high school students that graduated. And I applaud you for that.

I think it's essential to help those young people that are transitioning, going to college. And I appreciate that very much. Do you also are you also implementing telework still?

Or are you having increasing anyway?

[Speaker 3] (2:29:30 - 2:30:06)

Each department works on that based on their needs and their how much customer service they need to do. So that's a department decision level, not anything in HR. We have a policy.

Tony and I work on it together. He signs off on the form and I sign off on the form. But that's something that each department would consider.

It's still a part of it's definitely part of the options. Yes, we have people that do it. Okay, telework.

And Howard, you talked about tuition reimbursement in our line item. There is both the I think both the tuition reimbursement and the loan repayment is lumped in there together under the tuition reimbursement line. But it's pretty healthy at \$30,000.

[Speaker 8] (2:30:10 - 2:30:12)

Right, Roy, sorry.

[Speaker 9] (2:30:13 - 2:30:39)

Remember race, the handsome one. It's easy. On line 42018 employer contributions.

I see the town's contribution. Well, first of all, can you tell me what this is? This 13,700.

Is that the town's contribution to employee 401k?

[Speaker 3] (2:30:40 - 2:30:45)

Yes, yes. It seems that that's for our department. Each department has that line.

[Speaker 9] (2:30:46 - 2:30:51)

So that's not for the whole town. No, that's just for your department. Okay, got it.

Just seemed like really low.

[Speaker 3] (2:30:51 - 2:31:06)

As I mentioned, we have many different 401ks and 401a. So we've got you got the VRS hybrid, you got the 401a match, you got the employer contribution. And there should be one other one someplace unless it's lumped in there.

It's probably probably lumped in together with the hybrid.

[Speaker 9] (2:31:07 - 2:31:08)

And there's a 401a.

[Speaker 3] (2:31:08 - 2:31:18)

There's a 401a. We can't have a 401k. We have to have a 401a.

It's just the same exact same thing. Exact same thing. Jessica.

[Speaker 7] (2:31:19 - 2:31:40)

Thank you. This is all really great information. And thank you for all of your your work and how you do it for the town.

I appreciate it. I just had a question about line 43-101, the consulting services. Just the amounts proposed \$7,000.

So it's a reduction. I was just wondering what types of services are included in that.

[Speaker 3] (2:31:40 - 2:35:03)

It was from our class and comp study. And we were going to possibly work with them on another small project of it to help with the jobs descriptions. I don't know if that's going to happen or not.

But there might be one more bill. Just how they billed us for the program as well, because it kind of overlaps from one fiscal year to another. But that's the only thing we used it for.

Thank you. We'll jump into risk. On page H9, there are some great accomplishments here.

So we are responsible for workers comp for the town. And we're also responsible for if any town truck or vehicle has an accident or if a town tree in good health that is on town property falls on your fence, we're responsible for all those type of things. There's quite a few that we take care of every year.

But we work with Versa, Virginia Risk Sharing Association. That's our insurance company, if you will. And they give us a grant every year.

And we use it every year. And last year it was used for a lot of safety supplies and different things. We also use Versa to help facilitate OSHA 30 training.

And we had 13 of our staff go through that. We actually had one of our employees become active in that and is helping to train with it, which is really good. And he's been doing a great job with that.

Fire extinguisher training at all buildings, looked at all the playgrounds. We did get a \$30,000 rebate for taking Versa training, whether that be in person or online. The more classes we take, the more money we get back.

It's a win-win. So we're going to try to work on making that number increase every year. And then we had two employees that were trained to be National Safety Council Defensive Driving Instructors.

And they're going to start being able to do that so we don't have to pay for that outside. They'll be able to do it on property right here so people can do it without having to travel. And then we're working with Commonwealth Health on a back-end health safety program.

And that's a free program through our insurance as well. So we really enjoy that. Some of the initiatives, the safety team is working on updating our safety manual.

And then they're going to use the safety grant for it. I actually just went out. There was a National Safety Council employee survey that went out a couple weeks ago.

And the employees are working on that. So that's what they're using the grant for. And then we're going to start having the internal classes for the defensive driving.

And we're going to try to do quarterly wellness presentations using Commonwealth Health because, again, it's a free service. And we're going to try to take care of that. And we'd like to set up a compliance training for our employees in the learn system.

Right now, we use it for onboarding. And Tony and I have been working on some classes for cybersecurity and things like that so that everybody has to do it quarterly. And there'll be different classes based on what your job is and how much you work on the computer and what you do and different things.

So and also do some diversity training in there and some harassment training to just keep everybody annually in the right mindset. If you go down to H10 towards the bottom of the page, you can see our workers' comp. We had only one workers' comp injury in 24 with lost time.

So that's good. Whenever we can bring somebody back on light duty, we've got lots of projects for them. We keep them busy.

And I know many departments will have a stack of things for them to do. But having just one is quite good. I don't know why we estimated three.

But we hope it's going to be a low number because you can see we did have 14 claims for

workers' comp. And along with that, 15 claims for property and injury and things like that. And the auto claims.

And that's town-wide for all town vehicles.

[Speaker 8] (2:35:04 - 2:35:06)

Town manager, I think, wants to jump in.

[Speaker 2] (2:35:08 - 2:35:16)

Yes, Madam Mayor, members of town council. Michelle, talk a little bit about the police official liability being zero. What is that?

[Speaker 3] (2:35:16 - 2:35:17)

That's public official.

[Speaker 2] (2:35:17 - 2:35:17)

Oh, public.

[Speaker 3] (2:35:17 - 2:35:20)

That's for you guys. That is for all of you.

[Speaker 2] (2:35:20 - 2:35:27)

I thought I said something good. I wanted to give you guys a high five over there. Okay, we're still good.

Okay, all right. That is something good.

[Speaker 3] (2:35:29 - 2:37:11)

As Roy probably would agree with, this is for you. This is for the town council. So that if you, as a public official, have any claims against you, we'll be there to support you.

And we like that zero number there. Budget changes. We did have one big change in our budget.

The way workers' compensation goes back three years. And it looks at your experience over the last three years. When we're doing our estimate, we go in and try to estimate how many hours we think people are going to work.

And we, between us, what we estimated and what Versa came up with, it was a big difference. And so that's why there was, we had to increase our workers' comp up \$30,000. Sometimes it goes the other way.



So again, it's based on your experiences and things like that. If you look back over the last few years, workers' comp, it went from 18 to 17 to 14. So it's up and down.

And estimating the hours, we had a lot of vacancies in the past. And we've hired a lot of people. So I think with having a lot of vacancies, and now we filled some of those positions, our hours worked is up where it wasn't in the past.

So that's why they had been estimating low, low, low. And then we had more employees working. And that number went up.

So if you flip over to the next page, that's our biggest changes on the workers' compensation line. And we get trues up every year. It will come in higher or lower based on, and it's also based on how many police officers we have.

It's based on the level of work and how dangerous their job is. So the more people that are, law enforcement that are out there working. And how many openings do we have right now, Chief?

One. So our police openings have been pretty low. So we've had more people working in the police department, which is more hours worked.

So those are the major changes there. Mercury.

[Speaker 2] (2:37:13 - 2:37:59)

Yes, Madam Mayor, members of town council. And just the new initiatives over the last five years. In 2021-22 fiscal year, human resources had COVID filled monitors of \$5,000.

In fiscal year 24-25, the year we're in now, human resources had the new child paid leave and family care paid leave. That was no cost to the town, but it was a new initiative. And in the 2022-23 fiscal year, human resources had the classification compensation study that Council Member Springsteen mentioned that was \$50,000.

And that's what they've had over the last five years.

[Speaker 3] (2:38:00 - 2:38:03)

Thank you. Thanks.

[Speaker 6] (2:38:06 - 2:38:12)

I think the fact that we agreed to do the maternity leave and the other leave, I think that hopefully is a major recruitment benefit.

[Speaker 3] (2:38:13 - 2:38:30)

It came about in recruiting in public works a couple years ago. And we did the research. We weren't able to get it in time for Christine Horner.

But we were working on it. And it's been a good benefit. And we're out there advertising and talking about the benefits that are available.

We are close to a lot of the private employers.

[Speaker 6] (2:38:30 - 2:38:31)

No, I think it's good. All right.

[Speaker 5] (2:38:34 - 2:39:06)

Thank you. I just want to know, we've been receiving lately a lot of messages saying that they're looking for a position that opened up. And I kept thinking, oh, my God, what's going on there?

Are people leaving the town for some reason or the other? Can you tell just a brief summary of one or two of the reasons why would somebody move or leave voluntary? Why are people leaving such a great town?

[Speaker 3] (2:39:06 - 2:40:17)

We have one person that's in urban forestry that's having to go back home to take care of a sick family member. OK. Amazing employee.

We're going to keep him remotely for a little while until we're able to find a replacement and help train the replacement. But a lot of times it's commuting, family needs, or sometimes it's just not a good fit. Our sanitation workers are expected to, if they have a CDL, to drive the truck or be on the back of the truck.

And a lot of people that have CDLs say, I don't want to be in the back of the truck. And we tell them when we interview them, you're going to be on the front of the truck and the back of the truck. You need to be able to do both.

And right now, unemployment is low in this area. It has been very low. I will say that over the last few recruitments, we've had a few people from the government applying for our jobs because their job is uncertain.

And we've had a lot more candidates that have a lot of government experience from the federal level applying for jobs. We've had so many applications come in. And the reason that people are leaving, a lot of times it's just the location or family needs, or they want to do something at the next level in their career.

And they're ready to move on.

[Speaker 5] (2:40:17 - 2:40:32)

May I follow up? Yeah, yes. So would you say that if the town of Vienna would help their employees with housing, somehow the retention would be better?

[Speaker 3] (2:40:33 - 2:41:17)

I don't know about that. I know that other jurisdictions do it a lot of times for teachers and law enforcement. But I don't know that I think a lot of our law enforcement lives out of town, because they have a crazy schedule.

They work so many days on and so many days off. And they have long commutes. And I think they want to have a bigger yard.

And they want to have a different environment. But if you have money in the budget to put towards that, I know the city of Alexandria is doing that for their employees. I don't have any other jurisdictions right off the top of my head.

But I know that some of them are doing it for specific trades, police officers, teachers. Things like that. But I don't know if people would be able to afford housing here in Vienna.

It's just very expensive. I know. Thank you.

I appreciate it.

[Speaker 5] (2:41:18 - 2:41:19)

Gregory?

[Speaker 2] (2:41:19 - 2:42:36)

Yes, Madam Mayor, members of Town Council. In responding to Council Member Allen's question, we have actually explored this from time to time over the last few years. I do know of one employee over my time here who relocated.

Well, was a long-time employee here and then got a job closer to home that I can think of. So I think if we had a high rate of employees who were expressing that, we would be looking at it more diligently. We have looked at the issue, though, to see if we could do something.

And so it is kind of complicated to do that. To give you an example, when we do see an issue, I think at one point CDL drivers was an issue, a lack of that. We tried to address that.

And we've had a bonus program for CDL drivers. So if it becomes an issue where employees are saying, we are an employer of choice, they want to work here, but they can't live here, want to live closer, then I think we would at least explore that a little bit more diligently. But we have looked at it in the past, though.

That is something we thought about.

[Speaker 8] (2:42:41 - 2:42:45)

Okay. Excellent. That's great.

Okay. So we are, thank you, Michelle.

[Speaker 3] (2:42:49 - 2:42:50)

Okay.

[Speaker 8] (2:42:53 - 2:43:25)

So we could either, council, we could either take a break now and have lunch or go bring it back. We'll have a working lunch. Or we can wait until right before the police.

Your choice. Does anybody want to break now or should we keep going? Okay.

All right. Let's keep going and we'll break when we're supposed to break. All right.

Well, actually, let's break before, yeah, Chief Morris. How about that? Right before.

So right now we're on Stephen. Okay.

[Speaker 1] (2:43:25 - 2:43:51)

All right. Can we cover this in a few minutes? Yep.

I'll go as fast as I can go and be as clear as possible. So let's jump to page K4 to K9. Just briefly go over the finance department.

The services we provide. I'll let you get there. Okay.

So the purpose of the finance department is to manage the town's financial resources, provide financial services, financial management, and overall direction for the town.

[Speaker 8] (2:43:52 - 2:43:54)

What page? I'm sorry, Stephen.

[Speaker 1] (2:43:54 - 2:43:56)

K4. K4. K4.

[Speaker 9] (2:43:58 - 2:43:59)

K, K, K. Yeah, yeah.

[Speaker 1] (2:44:04 - 2:47:15)

All right. So the services that we provide and our priorities is one, the operating and capital budget process and forecasts, maintaining a AAA bond rating through financial prudence and receiving a clean audit opinion every year, managing all cash and treasury and investment functions, overseeing the capital financing, spending, debt management, and grant

management processes here in town, directing town-wide business licensing, meals taxes, real estate taxes, and animal licensing collections. We manage the payroll functions, accounts payable services, purchasing and procurement enforcement to ensure we're following the Virginia Public Procurement Act and being competitive with our contracting sources. Jumping into accomplishments for the past fiscal year, we had a clean 2024 audit opinion, which is always important.

We received the GFOA award for excellence in financial reporting and budgeting and for the PAFR. We managed ARPA and the Maud Robinson Trust Grant Awards in coordination with Public Works. And we also implemented a new online payment portal for business license renewals that could be now done online.

You could pay with a credit card. We're receiving very good feedback from the public with that implementation. For significant initiatives moving into next year, our focus really is to bring this budget package online.

We have an ARPA-funded project in place that would make this budget book more interactive to the public, to staff, to the council, where they could go online. Instead of having a PDF available to them, it would be more interactive charts. They could click through more details.

But we're in the process of working with a vendor right now to get that implemented for next year. And then another initiative would be the business license application streamlining process that we talked about with economic development and planning and zoning. As far as significant budget changes for our department, the only line item that you'll see an increase to that's significant would be our line 4-3302 financial system maintenance.

That is the town's accounting software. It also houses our utility billing, payroll, accounts payable, procurement. It's really the financial backbone for the town.

And that contract is seeing a normal increase of 3 to 5 percent. As far as headcount changes, there's none. But in this past fiscal year, we do have a new director, new deputy director, new budget manager, new cashier, and soon to be a new payroll person.

Cynthia is retiring next week. So a lot of changes there. Any questions for finance?

[Speaker 7] (2:47:16 - 2:47:48)

Jessica? I appreciate what you shared about wanting to be able to create more interactive ways of looking at the budget information. There's so much helpful information here.

It's such a thoughtful process. And I think when we hear questions from residents about how the town is making decisions about resources, we can answer those and provide more information. It's a matter of how to do that effectively.

So I just wanted to express support for that. And I look forward to seeing more about how that

is developed. Thank you.

[Speaker 8] (2:47:49 - 2:47:50)

Sandra?

[Speaker 5] (2:47:52 - 2:48:53)

As I look through the many pages here, and I'm trying to get acquainted. Anyway, thank you. I think you're doing great.

Young guy with young family, very focused and futuristic to do changes like that. And I support what you're doing. But I wanted to know, one of the line items here is local plan pensions, pension plans 42004.

Why are certain departments not having pension plans? I know the police have two. And I looked throughout the other ones.

Public works doesn't. And I'm wondering, shouldn't it be an incentive to have that pension fund for those employees at a lower status level? And if you can elaborate.

[Speaker 1] (2:48:53 - 2:49:20)

I don't want to misspeak. So I might bring in Michelle Crabtree, director of HR. So if you work for a local government in Virginia, you can be a part of the Virginia Retirement System, VRS.

And over the years, there's been different variations of the retirement plans. If you started 30 years ago, you're on plan one. If you started 15 years ago, you're on plan two.

And if you started 10 years ago, you're on plan on the hybrid plan.

[Speaker 3] (2:49:20 - 2:49:50)

There are different plans. I think if you look at a different page, I'm not sure where. Definitely public works has people that are on the old plan.

I know that they're there. They just need to find out what page they're on. So if you're looking at maybe water, or if you're looking at a different department, it may not be there.

It's on a different page. But I know that there are employees that are on the original plan that are on the pension plan that should be showing up there. So every department that has people, depending upon when you started and which retirement plan you're in.

[Speaker 5] (2:49:51 - 2:49:56)

So not everybody is entitled to the pension plan. Is that what you're saying?

[Speaker 3] (2:49:56 - 2:50:33)

No. Well, what it's the change is named over the years. So if you were on the original plan, let's say who's been here a long time.

Chief Jen, Jen, Jen's been on and she's not a law enforcement. So she's on the original plan. So her plan is different from everybody else in this room that wasn't hired.

It was hired after her. So there are different plans that have different payroll deduction codes, and they're different coding in there as well. So everybody that has been here more than six months is eligible to participate in the retirement plan.

Whether you call it the 401A or you call it the 457 or you call it deferred compensation, there's many different names because there are many different plans.

[Speaker 5] (2:50:34 - 2:50:38)

There's a pension plan and there's the 401K also along with it for that.

[Speaker 3] (2:50:38 - 2:50:49)

So I'm not sure how it's coded in finance, but the people that have been here that are on the original retirement plan, that's probably coded under pension because the new people it's called something else.

[Speaker 1] (2:50:49 - 2:51:33)

And Michelle, I'll jump in. As far as finance, we had two individuals in our department that were with the town for over 30 years. So they're getting funds towards this local pension plan.

But for example, folks like Kevin and I that started a few years ago or even a few months ago, we're still getting a pension plan. It's just not called the local pension plan. So we're just on a separate pension plan through VRS.

So over the years, it's changed a bit. What you're seeing in finance here, local pension plan, is those folks that have been with the town for a very long time. But the folks that are now joining are on just a different plan.

But they still receive a pension and they also have these different components like the 401A or the 457.

[Speaker 5] (2:51:33 - 2:51:37)

On top of that, they get the PLASM.

[Speaker 3] (2:51:37 - 2:51:55)

Yeah. So anybody that started, the Virginia state legislator many years ago said that each employee has to put in at least 5% towards the retirement. The people that started a long time

ago, the original plans didn't have that.

But the newer plans have that. So there's been some changes over the years as to what they're called and how much is funded.

[Speaker 2] (2:51:55 - 2:52:04)

And I know that their employees, 30-year employees in public works, they have their own pension plan. Like 30-year employees or more in finance.

[Speaker 3] (2:52:05 - 2:52:06)

Not in economic development.

[Speaker 2] (2:52:06 - 2:52:13)

Not in economic development because they're younger. But every employee has access and is in a pension plan.

[Speaker 3] (2:52:13 - 2:52:14)

If they're full-time.

[Speaker 2] (2:52:14 - 2:52:15)

They're full-time.

[Speaker 3] (2:52:15 - 2:52:19)

And they can start making contributions after six months and sometimes after that.

[Speaker 1] (2:52:24 - 2:53:42)

Okay. If no further questions with finance, I would like to jump to page 02 to 04 for tax relief. And the tab is called tax relief programs.

Okay. We touched on this a little bit earlier. But the purpose of this division is to account for the cost of tax relief for qualifying elderly, disabled veterans, and other residents with disabilities.

Currently there are 125 individuals that qualify for real estate tax relief in the town. With the majority qualifying for 100% tax relief. Relief is based on an individual's net worth, assets, and is managed by the county.

So an individual would apply through the county. And then the county works with us. And we also, if they qualify, then we also apply the same tax relief to them.

And down below, 51 individuals qualify for disabled veteran status, which has been going up over the last few years as well. So ultimately, the cost for tax relief to the town is \$310,000. And



that's proposed to be fully funded in this budget.

[Speaker 6] (2:53:45 - 2:54:37)

Howard? Yeah. Just again, I think you stressed you had to go through the county.

You have to apply every year. I talked to someone individual who didn't realize that. I said, they called you by phone.

They sent you certified letters, et cetera, et cetera. It's not our problem. At some point, you can leave a horse to water.

But I think the county runs it. I actually ran into the person who runs the county system. He aggressively follows up on people.

But you can't force them to fill out the form, et cetera. And you can't get the town one if you don't fill out the county one. It's pretty straightforward.

So there shouldn't be any controversy in this at all. You know, but again, I do get annoyed when people complain. And I said, yeah, it clearly states you have to fill it every year.

It's like, pay your taxes. Don't tell me I didn't really have to pay my taxes. It's pretty clear.

Every year you request it. Every year you get it. You have to request it.

[Speaker 5] (2:54:39 - 2:55:56)

Thank you. Just to follow up on Mr. Council Member Springsteen's comment. Even wealthy people forget to pay their taxes, much less somebody that is in need and having difficulty with the language barriers, understanding the system itself.

So let's not say it's not our problem. It is our problem because we are elected officials. And when we hear something like this, we should always bring it up and try to improve the process, not just ignore it completely.

But thank you for saying this. It is 310k that the town does. It's a good thing that we have that.

And that we should encourage people some way, somehow to improve the process if something is failing. And I appreciate talking to you. I had residents feedback and how pleasant it is to talk to somebody that is willing to listen and help.

And I applaud you for that. And because they come and if they get somebody that is responsive, they're more willing to come and speak more on this issue. And I thank you as the finance director.

I look forward to working with you. And as an elected official, I do want to hear it. So I appreciate it.

Thank you.

[Speaker 1] (2:56:00 - 2:57:18)

All right. Moving on to reserves, page S2 to S7. I apologize.

We are jumping around. S2, S as in Steven. Okay.

So this is the reserve division here. And the first one here on page S2 is the general fund capital lease financing. And this really has to do, you know, it comes up every year to council.

It has to do with the vehicle replacement plan. You know, planned borrowing is anticipated to decrease in next year's budget by \$250,000. We're trying to smooth it out in fiscal year 2026.

We've had some larger borrowings in the past two fiscal years. And, you know, the way that those borrowings are structured is that we pay them off over a four to five year period. And, you know, to really kind of smooth out the debt payments that are due over the next couple of years, we're proposing a decreased amount to borrow.

Just so, you know, it doesn't have a significant impact on the general fund or the water sewer fund. So that's the biggest budget change you'll see in division 19141. Any questions there?

[Speaker 12] (2:57:21 - 2:57:21)

Okay.

[Speaker 1] (2:57:22 - 2:58:36)

Moving into contingency reserve, page S4. This is a reserve division that's held for, you know, kind of one-time things. Last year, we had significant increase in the budget for annual leave liquidations and annual leave cash-ins.

And these had to do with planning for retirements. We had some significant retirements last year for folks that were pretty tenured and their payouts were significant. So we budgeted for those last year, but we're not forecasting that this year.

We're not planning for that. But you'll also see the continued funding for the town's bonus plan of \$75,000, no changes from last year. And then you'll also see a slight increase in attrition, which is turnover.

So we fully fund each division's salaries and benefits with the anticipation that it will be fully staffed. But this is the kind of contra expense that accounts for, you know, when we have some vacancies or turnover. So this is the way of kind of reducing the salaries and expenses for those vacancies.

[Speaker 12] (2:58:39 - 2:58:39)

All right.

[Speaker 1] (2:58:40 - 2:59:23)

And last page there is PEG funding, 19144. So PEG funds are funds that are, or fees that are paid by cable companies to the town. And based on last year's actuals and the last few years, we've been a little under budget.

We've been actually receiving quite a significant amount for PEG funding. So we are proposing \$100,000 increase to right size it to where this funding has been in the past. And these are specifically used for PEG related projects.

And if we need some more information, I think Karen Thayer, our director of public information could provide some more information.

[Speaker 8] (2:59:25 - 2:59:31)

All right. I'm only laughing because PEG is a term that, could you explain what PEG stands for?

[Speaker 12] (2:59:32 - 2:59:32)

Yes.

[Speaker 1] (2:59:33 - 2:59:39)

And let me, yes. So PEG funding is public educational and government funding.

[Speaker 8] (2:59:40 - 2:59:49)

Okay. Thank you. Thank you.

Any questions on PEG funding? Okay.

[Speaker 1] (2:59:49 - 2:59:51)

And then the last, well, actually.

[Speaker 7] (2:59:52 - 3:00:10)

Yes. Can you say a little bit more about what this is? I mean, just briefly.

I don't want to hold us up, but just the short version. Thank you. It'd be helpful to hear more.

[Speaker 8] (3:00:10 - 3:00:55)

Yes. Madam mayor and council members, public access, education and government funding. A PEG station in most jurisdictions, you would have a public access channel or a government channel or an education channel.

But our community is so small. We really don't have the resources to support three different channels, which is why they combine it at one. Falls Church also has a PEG channel.

And the PEG funding, as Stephen said, comes from the franchise fees that we get from the cable companies. And by law, it can be spent on infrastructure type expenses like equipment, cabling, the town hall to broadcast meetings, anything related to hard costs for the cable station. It cannot be used for personnel.

[Speaker 2] (3:00:56 - 3:01:09)

So for example, almost everything in this room that is technology hardware, they've been funded by PEG funds. Yes. Yes.

These mics, all these things.

[Speaker 6] (3:01:09 - 3:01:28)

Thank you. We've been lectured by the town attorney numerous times what we can and cannot do. I'm glad you brought this up because it's a good way to fund some stuff.

But some things, there's no way we can touch. We can't use that for salaries. We can't use that to paint the walls.

It has to be pretty specific.

[Speaker 8] (3:01:29 - 3:01:31)

Related to the cable PEG station.

[Speaker 6] (3:01:32 - 3:01:39)

So I'm glad you brought that up. All right. Moving on to fire and rescue.

[Speaker 1] (3:01:40 - 3:02:32)

Page M2 to M3. M as in Mary. So the Vienna Volunteer Fire Department is a nonprofit organization that is independent from the town of Vienna government and is a partner with Fairfax County.

They receive a contribution from the town each year and they also receive funding from the Commonwealth of Virginia. And the way it works is that so the town writes an annual contribution to the department, but we are also the pass-through entity for the state funding. So the state writes the check, the annual contribution to the town of Vienna, which next year is proposed at \$92,000.

And then we pass those funds on to the town, to the Volunteer Fire Department. So any questions here?

[Speaker 5] (3:02:35 - 3:03:32)

Thank you. Why is there not a representative here from the Volunteer Fire Department as the chief? I didn't know who the chief was.

It would be nice to have them in the budget process since they are being funded and sometimes subsidized by the town of Vienna. And I know Council Member Springsteen does a lot with them. It will be nice to stop showcasing them now because they are talked about and they drive around the town and they do things for the town and they are the town itself.

So I know the pass-through for \$92,000, \$93,000 for the Fairfax County Volunteer Fire Department or Vienna Fire Department should be, do you get any finances, any financial statements on what they do with the funds that they are receiving? And so there's some sort of transparency in how those funds are being allocated.

[Speaker 6] (3:03:33 - 3:03:59)

So I could jump on that because this is basic homework thing. We get the money from the state, the fire department does. We only can spend it on vehicles.

The treasurer of the fire department fills out the paperwork. It has to go to buy new fire trucks only and that's it. We can't, we don't need the chief to come here and explain this.

We get it from the state. We're one of the only volunteer fire departments in the town that gets this. This is how we're able to buy equipment.

[Speaker 8] (3:04:00 - 3:04:02)

And the auxiliary, it's the money.

[Speaker 6] (3:04:02 - 3:04:10)

Yeah, and so that's what it is. We have to keep a special account and then we use that account to help pay down the fire trucks.

[Speaker 5] (3:04:10 - 3:04:49)

I just wanted to know because I did happen to find out that the chief retired and I just wanna make sure our residents know who is in charge or when they listen to this conversation, they know that we're asking questions and we're holding everybody accountable. And by me asking to have the chief here or a representative of some sort because 102K is a lot of money for a fire department. And I am not questioning the budget.

I'm not questioning anything. I just wanna make sure that there's somebody here present.

[Speaker 6] (3:04:50 - 3:05:14)

So I do not see him coming here because it's not, first of all, it's not the town's money, it's the state's money. Two, that we just to do that. And quite frankly, they got better things to do.

He does this as a volunteer and I know you've had communications with the fire department last year because of lack of understanding. I think they're just, they're not gonna come here and sit through a six hour, eight hour budget presentation for a state pass through. It's just not gonna happen.

[Speaker 5] (3:05:15 - 3:05:22)

I understand council member Springsteen. I'm not asking them to sit here. I just wanna have them present here.

That's all.

[Speaker 8] (3:05:23 - 3:05:24)

Yeah, manager.

[Speaker 2] (3:05:25 - 3:06:23)

Yes, Madam Mayor, members of town council. It's in Fairfax County fire. I mean, they're funded through Fairfax County.

So we certainly, if the town council, the majority of town's council wants us to invite them, we can do that. But their direction and their guidance comes from the county executive, the career staff. We do have volunteer firefighters who work alongside and we do like as everything that council member Springsteen mentioned is true.

I just wanna also just add that the direction comes from the county executive's office, Fairfax County. So there's a relationship, but it's the question seems to be similar to say, like the library service, which is funded by Fairfax County. And there's a partnership with us as well there too.

So that's kind of.

[Speaker 8] (3:06:24 - 3:06:33)

That's a great, I like that comparison. That's right. I mean, there's volunteers at the Patrick Henry library as well.

Roy.

[Speaker 9] (3:06:34 - 3:07:22)

I just like to reinforce what Howard said that this \$92,870 figure is not money we're having to pay. I found it in the revenue side on page E3 at line, let's see, line 32,420. So essentially we're just passing it through.

So what that means to me is that we're getting a fully functioning fire department with a grand total of \$10,000. I'm gonna stop criticizing them for running their siren as they go by my house at night. You know, 10,000 seems to me to be a bargain basement price.

[Speaker 5] (3:07:22 - 3:07:57)

I totally agree. I'm sorry. Then we shouldn't have a tab here.

That's my, we're spending some time. Maybe it should be part of incorporating something else because if it's not something that the town concerns itself, then we shouldn't be worried about it. If it's a pass through, it should be in another financial statement or included somewhere else.

But I thought personally that the fire department was part of the town of Vienna and I'm pretty sure other residents think the same way. So thank you though.

[Speaker 6] (3:07:57 - 3:08:34)

Again, you gotta understand the history. The decision was made by a council several years ago, which is much cleaner. So it's a tab for the state funds.

So if you wanna get four councilmen to change that, but that's why we do it. It's for reporting efficiency and going from there. And I'm sorry, most people I know it's a combined system.

The county runs the fire and rescue and that's it. So we can talk about this stuff, but at the end of the day is your decision was made several years ago. I think town manager was good to have a separate tab to keep it because it was getting convoluted and it keeps it much cleaner.

It's specific shows that.

[Speaker 8] (3:08:34 - 3:08:38)

Yep. Okay. All right.

Any other comments? Okay.

[Speaker 1] (3:08:39 - 3:08:47)

Last section for me before we hop into police, debt service fund. Let's go to page or section or page number E5.

[Speaker 12] (3:08:57 - 3:08:59)

I'd rather do this.

[Speaker 1] (3:08:59 - 3:10:18)

Okay. So the purpose of the fund is to issue general obligation debt to pay for capital expenditures and projects that are planned in the capital improvement plan. Debt in this fund is

repaid via meals tax revenue.

And that is the largest revenue generator in the debt service fund. Meals tax revenues are proposed at 3.6 million or a 5.9% increase over the prior year. And the reason for that is, you know, as we talked about earlier meals taxes in the restaurants in town are doing very strong where we are at this current date compared to 12 months ago, we're looking at about a 10% increase in meals tax revenue.

So what I did with this, this forecast and this proposed budget for next year's come somewhere in the middle of where we are now and be a little more conservative, just considering the regional risks we're seeing. Other revenues in the fund specifically surrounding transfers in the water sewer fund and from the general fund are budgeted less than the prior year adopted budget. This is because interest on the general obligation debt is now being direct charged to the water sewer fund as we talked about earlier.

And it's no longer being paid out of the debt service funds requiring a year end transfer. Any questions on debt service revenues?

[Speaker 2] (3:10:18 - 3:10:52)

Uh, Murphy. Yes, Madam Mayor, members of town council. So, uh, Stephen, the director of finance, we are projecting to make sure I understand we're projecting 5.8% that we're projecting for next year's meals tax 5.9% revenue, knowing that the reality is, is that month over month, the last 12 months has been nine to 10% increase. So we're projecting a modest revenue of 5.8% knowing that the reality has been stronger than that.

[Speaker 1] (3:10:52 - 3:11:19)

Correct. And in addition to that, the debt service fund is very strong. We're going to go into great detail on the debt service fund during the capital improvement plan process, which kicks off later this summer and into the fall for adoption.

But we currently have 6 million in cash reserves as well, which had been accruing interest and, you know, really preparing us for that next bond issue.

[Speaker 8] (3:11:24 - 3:11:25)

Um, Mercury.

[Speaker 2] (3:11:26 - 3:12:14)

Yes, Madam Mayor, members of town council. If this is the end of Stephen's presentation, I'll just mention as I've done with the others and fiscal year 2021, 22, the, I think the unfunded or new initiative that was approved by the council was a tax rate reduction of a quarter of a penny. I know we reduced the tax rate in other years too, but for some reason it was enlisted in this section.



And then also in this current year budget, the finance department added a digital budget package of \$30,000 was the new initiative. And other than that, there've been no other new initiatives over the last five years in finance.

[Speaker 8] (3:12:16 - 3:12:24)

All right. Anyone else? Okay.

Okay. Thank you. I think we can break for lunch.

[Speaker 10] (3:12:24 - 3:12:25)

Yep.

[Speaker 8] (3:12:25 - 3:12:31)

We'll do working lunch. Yep. Okay.

And I think it's in the conference room. Lunch is in the conference room. Thank you.

Yep.