



**MIDDLEBURG TOWN COUNCIL**  
**Budget Work Session Meeting Minutes**  
**Monday, March 9, 2020**



PRESENT: Mayor Trowbridge M. Littleton  
Vice Mayor Darlene Kirk  
Councilmember Chris W. Bernard  
Councilmember J. Kevin Daly  
Councilmember Morris "Bud" Jacobs  
Councilmember Peter Leonard-Morgan  
Councilmember Philip M. Miller  
Councilmember Cindy C. Pearson

STAFF: Danny Davis, Town Administrator  
Rhonda S. North, MMC, Town Clerk  
William M. Moore, Deputy Town Administrator  
A.J. Panebianco, Chief of Police  
Jamie Gaucher, Business & Economic Development Director

The Town Council of the Town of Middleburg, Virginia held a budget work session on Monday, March 9, 2020 in the Town Hall Council Chambers located at 10 W. Marshall Street. Mayor Littleton called the meeting to order at 6:00 p.m.

**FY '21 Proposed Budget**

Town Administrator Davis advised Council that he was not going to change the draft budget as they went along, but rather planned to track the changes on a cover sheet. He further advised that he would incorporate all the changes at the end of the budget process. Mr. Davis reviewed the changes that have been proposed since the draft budget was first introduced to the Council. He advised that they included an increase in the proposed revenue line item for sponsorships as the Town expected to sell more of them. Mr. Davis noted the proposed \$45,000 decrease to the salaries line item and noted that this was a global number that included all the departments, as well as the FICA and other related costs. He explained that this reduction was due to the finalization of some salaries and a minor over calculation of the Police Department's overtime costs. Mr. Davis advised that the expenditure of the fire grant money was being reduced to \$10,000 as the Fire Department now had a use for the money; therefore, the banked grant money would be expended during the current fiscal year. He noted that he was asking for a reduction in expenditures for the Pink Box and advised that he was currently in discussions with the Middleburg Museum Foundation over assuming those operations. Mr. Davis reminded Council of the Pink Box reserves that the Town had been using over the years and reported that there were not enough left to cover the operating costs for the coming year. He noted that if additional funding was needed, he would return to the Council with a proposal. Mr. Davis expressed hope to return with a contract with the Foundation soon. He reported that the total changes to date resulted in an expenditure reduction of \$95,000.

**General Fund - Revenue Projections**

Town Administrator Davis reminded Council that the real estate tax revenues were based upon a \$.153 tax rate. He noted that this would result in an increase in revenues of \$10,000, including the cost for the Tax Relief for the Elderly Program and a buffer in the event anyone appealed their re-assessment. Mr. Davis noted that the cost of collecting the real estate and personal property taxes by the County was shown as an expenditure in the budget.

In response to an inquiry from the Council, Town Administrator Davis explained that the Tax Relief for the Elderly Program was available to those who were at least sixty-five years of age and who met the household income and net worth thresholds. He noted that this program was administered by the County and advised that if the individual qualified for participation in the County's program, they automatically qualified for participation in the Town's.

Town Administrator Davis reported that the personal property tax revenues were proposed to be reduced from the current year and explained that the projection was based on a combination of the current year's revenues and the assessed values. He noted that some of the equipment was decreasing in value and was not being refreshed quickly.

Town Administrator Davis reported that the Town's portion of the State sales tax was based on the percentage of the school aged population in Middleburg. He noted that the 2020 Census may impact this. Mr. Davis advised that he left the number as it has been for now.

Town Administrator Davis reported that the revenues for the utility tax were proposed to remain static. He advised that the projected revenues from the meals tax were based on the current year's revenues with a 4% growth factor.

Town Administrator Davis advised that he did not yet have an accounting of the business license revenues for the current fiscal year; however, he believed they would be higher than budgeted. He explained that he was hesitant to tweak the projected revenues as the Town received a majority of them from a couple of key businesses, which could be impacted by the economy. Mr. Davis noted that he was projecting a 12% increase and opined that revenues could exceed projections by 33% this year. He reported that what he proposed in the FY '21 budget was based upon the actuals for FY '19.

Town Administrator Davis reported that the increase in the cigarette tax revenues was small. He noted the recently approved legislation that gave counties the same taxing authority for cigarettes as towns enjoyed.

Town Administrator Davis opined, based on the reports to date, that the bank franchise tax revenues would be more than budgeted for the current fiscal year. He reminded Council that they were not received until June 1. Mr. Davis reviewed the history of these revenues. In response to an inquiry from the Council, he confirmed that credit unions did not pay the bank franchise tax.

Town Administrator Davis reminded Council that the staff was trying to be more realistic in its projections of the transient occupancy tax (lodging tax) revenues. He reported that he projected a 5% increase over the revenues for FY '20. Mr. Davis noted the current global economy and travel concerns and advised that this was one that he would keep a close eye on.

Town Administrator Davis reported that the planning/zoning revenues and fine & fee revenues were projected to remain the same.

It was noted that the revenues from the Farmers Market had jumped up to \$14,565. The Council questioned why this occurred. Town Administrator Davis advised that he would check on this.

Town Administrator Davis noted that the Miscellaneous line item was for items such as the reimbursement for police overtime for special events.

Town Administrator Davis advised that the Miscellaneous Interest line item was projected to be \$75,000. He opined that this was reasonable given the global market. Council asked that, in the future, the principal amount of the investment be noted in the budget so the members could calculate the proposed rate of return.

Town Administrator Davis reminded Council that the Strategic Finance Committee would be discussing the investment opportunities that were available to the Town. He noted that the Town was currently earning 1.75%. Mr. Davis further noted that about half of the Town's funds were in its checking account. He reminded Council that last year, they put \$1 million in cash aside for the Town Hall Project; however, not all that money would be spent in the current fiscal year. Mr. Davis reminded them that Davenport anticipated the use of both debt and cash for the capital projects; therefore, \$350,000 was included in the draft budget in revenue from the cash reserves.

Town Administrator Davis noted that the Town typically received grants, such as the law enforcement and fire grants. He noted that he was unsure whether it would receive any grants from the County in the coming year.

Town Administrator Davis reported that the total revenues for the coming fiscal year were down by \$1 million when compared to the current one and explained that this was due to the reserves that were included in the current budget for the Town Hall Project. He opined that overall, the revenues were moving in a positive direction.

## **General Fund - Proposed Expenditures**

### **Administration Budget**

Town Administrator Davis reported that the Salaries line items for all departments were based on the employees' current salaries plus a 3% cost-of-living adjustment. He further reported that the Other Wages & Compensation line item was for merit increases, performance bonuses and for the payout of leave balances in the event an employee left the Town's employ. Mr. Davis noted that the expenditures in this line item were higher this year and explained that this was because of the cost for the temporary employee. He reminded Council that the expenditures in this line item could change depending on the number of employees who earned a merit increase. Council asked that the amount be returned to the same amount as was provided in FY '19.

Council requested a breakout of the cost for base salaries, merit increases, bonuses, etc. so they would all be in a separate line item. It was noted that if the Town were to enter into a bad economy cycle, this would allow the Council to know what must be covered versus what was discretionary. Town Administrator Davis advised that he would work on how to present the data in that manner.

Town Administrator Davis reported that the health insurance costs were all shown in one line item in order to avoid having the departments' operating budgets appear to fluctuate due to changes in this benefit. He noted that the cost may also change based on an employee's election of a plan. Mr. Davis reminded Council that the Town was very generous in what it paid toward health insurance costs. He advised that this was an important recruitment tool; however, if the Town needed to tighten its belt in the future, this would be an area to consider.

Town Administrator Davis advised Council that the Town's costs for the Virginia Retirement System were going down in the coming fiscal year. He reminded them that the Town offered a deferred comp plan match of \$20/pay period and reported that five employees were taking advantage of it.

Town Administrator Davis reported that the Council Expense line item was proposed to increase based on the recent successful Council retreat and their desire to take advantage of training opportunities that may be available to them. He noted that this would also cover the Council's travel costs to meetings such as the VML meetings that were held in Richmond.

Town Administrator Davis reported that a new line item had been introduced for Citizen Engagement, which would be used to cover the costs for the Citizens Academy, COLT and the Volunteer Appreciation Reception.

Town Administrator Davis reported that the Town Attorney's costs were increasing by 3% in the coming year. He advised that additional funding was included in the proposed budget for professional development training. Mr. Davis noted the line item to cover the County's costs for collecting real estate and personal property taxes on behalf of the Town. He advised that the Fire/Rescue line item was simply the \$10,000 pass through grant that was received from the State. Mr. Davis advised that the Office Supplies line item was not segregated by department. He reminded Council that the Equipment/Software Maintenance line item covered the expenses associated with Granicus, Civic Plus and the CP Connect system, Swagit, Laserfiche and Southern Software. Mr. Davis noted that he was dropping the Town's old software, as it was no longer needed.

Town Administrator Davis reported that the expenditures for the Crime & Fraud Insurance line item were proposed to increase this year. He explained that the coverage amounts were currently low and advised that in order to protect the Town, he planned to increase them to an appropriate level of coverage.

Town Administrator Davis reported that the Charitable Contributions line item was for the support that was being provided to the Health Center Fund. He noted that the creation of the Middleburg Foundation was currently underway. Mr. Davis questioned whether the Council wished to continue to support the foundation and advised that the same amount of money was proposed in the budget as was included in the current one. He noted that the total expenditures to date were high and explained that this was due to the contributions that were made to the Middleburg Community Center, the Middleburg Charter School and the American Legion. Mr. Davis reported that he was working with the Town Attorney and the Town's auditor to identify what was needed to establish the foundation as a 501(C)(3) entity, particularly regarding issues of control. He explained that if the Town retained too much control, the foundation could not operate without following the same restrictions as are imposed on the Town.

Town Administrator Davis reported that the Town Committee Support line item provided financial support for the various committees, except for the Middleburg Arts Council, which had its own line item to support their special events.

Town Administrator Davis reported that the Non-Departmental line item covered the Town's debt service. He noted that these expenditures depended on the amount of money that was financed and the interest rate. Mr. Davis reported that he included a placeholder based upon Davenport's projections for the Town Hall Project; however, it would likely be less. He reminded Council that the goal was to begin transferring cash to support the Town's CIP projects into a CIP Fund.

### Police

Chief Panebianco noted the proposal to increase the Overtime line item by \$6,160 and explained that this was due to the increased costs of manning the special events in town. He reviewed the breakdown of those events/costs. In response to an inquiry from the Council, Chief Panebianco reported that the police staffing levels were currently fine, as he recently brought on an additional part-time officer to help man the events. He acknowledged the Council's concerns of officer burnout and advised that he was looking at other options, including contracting with the County. Council acknowledged the benefit of using Town officers to cover events; however, they advised that they did not want to do so at the expense of the officers. In response to an inquiry from the Council regarding the loss of an officer, Chief Panebianco reported that he was actively seeking applications from veteran officers. He expressed hope to make an offer to someone within thirty days of the deadline.

Chief Panebianco reported that as to the Other Wages line item, he was proposing to increase the number of days for the part-time officers from twelve to eighteen per year. He noted that this line item also covered the expenses associated with hiring part-time officers to man the Christmas in Middleburg event.

Chief Panebianco reported that the Town Attorney line item expenditures should go down in the coming year and noted that they experienced a strange occurrence this year that increased them. He advised that the Advertising line item expenditures varied from year to year and explained that this mostly covered the advertisements that were required for found property. Chief Panebianco noted the reduction in the Professional Development line item and explained that this was because the officers were able to receive free training through the Police Academy.

Town Administrator Davis noted that the Equipment/Supplies line item was reduced as the cost of purchasing traffic cones was moved to another location. He advised that the Town's cones often disappeared; therefore, to avoid this, the staff would label the new cones.

In the interest of time, Mayor Littleton asked that the staff only review line items whose expenditures exceeded \$5,000.

Chief Panebianco reported that the Police Department's operating budget was lower this year than last. In response to an inquiry from the Council, he advised that there was nothing that he wanted to bring to their attention that he was not currently doing and noted that their services were all based on need. He advised that, from a long-term perspective, the vehicle replacement program was the item that needed to be watched.

Councilmember Daly, the Council's liaison for public safety, advised Council that his concern was officer burnout. He noted that the Chief would also be retiring in a few years and suggested the need to be thinking of that.

In response to an inquiry from the Council, Chief Panebianco advised that whether officers needed to be added depended on the number of special events that were added to the calendar. He reported that the current level of staff coverage was good. Chief Panebianco opined that an expansion of the department would not occur during his remaining time with the Town.

Town Administrator Davis noted that he was looking to make sure the police officers' salaries were competitive so the Town could continue to recruit and retain good officers. Chief Panebianco reminded Council that the Town needed to recruit certified officers as it was not in a position to train new ones.

In response to an inquiry from the Council, Chief Panebianco reminded them that all of the police vehicles were lost in one day during a hailstorm. Town Administrator Davis noted that the cost to replace a police vehicle was approximately \$40,000. He reported that \$40,000 was being included in the Police budget annually and advised that this money would be used as vehicles needed to be replaced. Council expressed a desire to err on the side of caution when replacing the vehicles.

### Buildings & Grounds

Town Administrator Davis reported that the one major change in this budget was the inclusion of funding to replace the existing benches on Washington Street.

Deputy Town Administrator Moore noted that this was a priority of the Streetscape Committee. He explained that the Town would cover \$7,500 of the cost, with the Middleburg Beautification Committee covering the balance to replace twelve benches.

Deputy Town Administrator Moore opined that the car charging station was on hold. It was noted that the Town had no idea whether it would occur in FY '21. It was further noted that what was proposed in the budget was just the ancillary costs for the installation. It was suggested that the Town may go back to ChargePoint to see if it was possible to work with them on a new charging station as Electrify America's station may not work on all Town properties. It was suggested that one station be installed in FY '21 and another be installed as a part of the new Town Hall Project.

In response to an inquiry from the Council, it was noted that the expenditures for the Town Hall would eventually be removed from this budget.

## Maintenance

Deputy Town Administrator Moore reported that the proposed budget included an escalator for the refuse collection contract costs. He opined that whether the Town agreed to a renewal of its existing contract would be dependent on the RFP that was currently on the street.

In response to an inquiry from the Council, Town Clerk North reported that the Regional RFP was written to provide that the new contracts would be entered into by each town upon the expiration of their current contract. She advised that in the case of Middleburg, this was stated to be July 1, 2020. Ms. North explained, however, that the RFP was written in such a way that it was clear that Council approval was needed to enter into the contracts.

Town Administrator Davis reported that the Supplies line item was being proposed to increase in order to purchase additional traffic cones. He noted that the sidewalk maintenance costs were also proposed to increase.

Deputy Town Administrator Moore reminded Council that the snow removal costs were based on the historical trends. He opined that the cost for the part-time contract labor may be able to be reduced as the staff was trying to better identify what should be placed in which line items.

Deputy Town Administrator Moore noted that the expenditures for Landscape Maintenance were currently low; however, he advised that these were costs that were typically not incurred until the Spring. He explained that this line item covered streetscape related landscaping improvements, as well as general mowing costs.

Deputy Town Administrator Moore reported that funding was included in the budget for Dangerous Structures and advised that the Town may need to use it in the near future. He noted that he would bring that to the Council's attention if it occurred. In response to an inquiry from the Council, Town Administrator Davis explained that these funds lapsed if they were not used in a fiscal year.

## Planning & Zoning

Deputy Town Administrator Moore reported that the proposed funding included in the Town Attorney line item was a placeholder and noted the need to expend funds due to the Residences at Salamander plat review. He advised, however, that a good portion of that would be refundable. Mr. Moore noted that the engineering/consultant costs would be handled in a similar manner.

Deputy Town Administrator Moore advised that funding was also included in the proposed budget for the hiring of consultants for the Historic District Guidelines update and the Council's two strategic initiatives. He suggested that additional funding may be needed in the engineering line item as a result of one of them.

Deputy Town Administrator Moore advised that additional funding was included in the budget for Professional Development as more members were taking advantage of the Planning Commissioner's Training opportunities.

In response to an inquiry from the Council, Deputy Town Administrator Moore confirmed there was nothing important that was not already included in his budget, nor were there any long-term items that needed to be considered.

## Economic Development

Business & Economic Development Director Gaucher reported that \$125,000 was being proposed in the budget for marketing and an additional \$30,000 was being proposed to implement the brand. He noted that the \$125,000 consisted of the \$60,000 County grant and the Town's \$60,000 match.

Town Administrator Davis advised that the implementation of the brand included everything from social, print and digital media to securing analytics of the visitors. He explained that these funds would be used to push Middleburg as a tourist destination and to bring people to town to support the businesses.

In response to an inquiry from the Council, Business & Economic Development Director Gaucher confirmed there was not a breakdown of how the \$155,000 would be spent. He suggested the \$125,000 expenditure be based on the grant application.

Council questioned whether the \$30,000 proposed for implementing the brand could fall under the Marketing line item. They further questioned whether all of the money would be spent this year. Town Administrator Davis confirmed the money would not be spent this year. He explained that the \$125,000 grant must be related to marketing specifically to encourage overnight stays.

Council questioned whether that just applied to the County's \$60,000 or whether it also applied to the Town's match. Town Administrator Davis confirmed the funds must be used to target overnight stays; however, not all of the money may be handcuffed in that manner. He cited the Fourth of July funding as an example of money that would be used for events and marketing.

Council questioned whether the grant money could be used for something like hiring an ice cream truck for the Fourth of July Celebration. Town Administrator Davis opined that it could as it was included in the grant application. In response to an inquiry from Council, he confirmed it could not be used to cover the Town's contribution to Visit Loudoun. Council asked that the staff look to see whether the money could be spread into other areas.

Business & Economic Development Director Gaucher reported that \$50,000 was included in the proposed budget for the Town's economic development partners – Visit Loudoun (\$35,000) and the MBPA (\$15,000). He advised that the staff discussed making the MBPA donation a competitive award, similar to what was done for Visit Loudoun.

Business & Economic Development Director Gaucher reported that funding was included in the proposed budget for a Façade Grant Program. He explained that these funds would be used to leverage private investments in fixed assets. Mr. Gaucher advised that it would be provided as a matching grant and would be awarded on a first-come-first-serve basis. In response to an inquiry from the Council, Mr. Gaucher explained that the applications would be judged based on the match amount, whether jobs would be created and whether it was for investments in an existing facility. He confirmed that anyone would be able to apply.

Council expressed concerns about allowing larger organizations apply for such grants. They suggested this idea was not mature enough to be ready for funding. The Council suggested that deadlines needed to be used so the Town could evaluate which applications merited an award, as opposed to considering them a first-come-first-serve basis. Town Administrator Davis advised that Camoin provided a draft report on developing a program; however, he had not read it.

In response to an inquiry as to where such a program had been successfully implemented, it was reported that Virginia, West Virginia and Vermont had frameworks for one. Business & Economic Development Director Gaucher noted that Purcellville had such a program. The Council noted that Purcellville's program was for façade improvements only. Town Administrator Davis advised Council that the successful applicants would have to reach certain benchmarks before they could receive the grant funding.

The Council agreed more thought needed to go into this item before it could be approved for funding. They suggested the \$40,000 be moved into the contingency reserve until the members could see how the program would work and approve it.

Business & Economic Development Director Gaucher reported that \$60,000 was included in the proposed budget to hire an events manager. He advised that the amount of funding was based upon four events, using the cost of the Oktoberfest event as a basis.

In response to an inquiry from the Council, Town Administrator Davis explained that the line item for Town Events covered the cost for events the Town itself ran, such as Oktoberfest, the Millie Miglia and a possible future CCEC initiated event. He noted that these were the events the event manager would handle. Mr. Davis advised that the Town Sponsorships line item covered events such as Christmas in Middleburg, the Middleburg Film Festival, the Fourth of July Celebration and any sponsorships approved by the CCEC.

Councilmember Pearson reminded Council of their strategic initiative related to grants and advised that this could influence the budget. She suggested the amounts be left as proposed for now.

Council noted that the budget proposed the expenditure of \$200,000 for events, with \$30,000 being raised through the sale of sponsorships, for a total net cost of \$170,000.

Business & Economic Development Director Gaucher advised that the line item for the VCA grant included the \$4,500 match from the State, as well as the Town's \$4,500 match. He reminded Council that the National Sporting Library & Museum received the entire \$9,000 last year for their concert series; however, the funding may be split in the coming year, as he anticipated an application from the Middleburg Concert Series.

The Council held some discussion on the amount of money proposed for special events. It was noted that two of the major events – Oktoberfest and Millie Miglia – cost the Town \$15,000 each and were well worth it.

Business & Economic Development Director Gaucher advised that the staff was working diligently to organize the Farmers Market in the same location and noted that he appeared to have a vendor who was willing to help manage it. He reported that \$10,000 was included in the proposed budget and would be used for marketing the Farmers Market and to cover the costs to have a dedicated on-site manager. Mr. Gaucher confirmed the cooperative that the Town was in discussions with withdrew, as they wanted the market relocated to Madison Street.

In response to an inquiry from the Council, Business & Economic Development Director Gaucher reported that the biggest long-term item that needed to be strategically considered was marketing.

Town Administrator Davis advised that the biggest unknown in the Economic Development budget was the cost of implementing the top three long-term economic development strategies from the plan. He reported that this item would be discussed by EDAC during their meeting this month, which would inform future budget discussions.

Some members expressed discomfort with approving the expenditure of the grant funding from Loudoun County prior to having a plan for how it would be spent. It was noted that generally how marketing worked was that the budget was set and then the plan was developed for how to best invest the money. It was noted that for now, the basis would be the grant application.

#### Pink Box

Town Administrator Davis advised Council that he would come to them with questions as the discussions with the Middleburg Museum Foundation progressed. He noted that in the past, there were reserves that were used to fund the Pink Box/Visitor's Center operations; however, those reserves would be exhausted before the end of FY '21.

#### CIP Fund

Town Administrator Davis noted that the Town Hall Project was the largest part of this budget. He advised that the total cost for all the projects was shown; however, it may take multiple years before the expenditures occurred. Mr. Davis reported that in FY '21, the capital projects that were proposed to be completed included road improvements, the construction of a maintenance facility and vehicle replacements. He reminded Council that the Town Hall Project would be funded through debt. Mr. Davis noted that Davenport anticipated the Town would make a \$300,000 investment in capital over the next couple of years, excluding the Town Hall costs. He advised that the budget did not take into consideration any grants that may be received.



Town Administrator Davis advised that the proposed cost for the wayfinding signage may not be enough to cover all the signs.

### **Utility Fund – Revenue Projections**

Town Administrator Davis reported that the proposed budget continued the 3% water/sewer rate increases to cover the operating costs. He noted that the revenues were down in the current fiscal year due to reduced consumption, which was something the staff was watching. Mr. Davis advised that some of the reduction was due to leak repairs at the Salamander Resort.

Town Administrator Davis reported that the current lease revenue was continued in the proposed budget. He noted that the leases had an escalator clause, which would be captured. Mr. Davis reported that no General Fund revenues were proposed to be transferred to the Utility Fund.

### **Utility Fund – Expenditures**

#### **Administration**

Town Administrator Davis reported that the proposed budget included a 2% escalator in the cost for the IES contract. He reminded Council that a portion of his, the Treasurer and the Accounting Assistant's salaries were covered under the Utility Fund. Mr. Davis reported that the debt service for the line of credit was included; however, the amount may change depending on the interest rates that were obtained.

#### **Operations & Maintenance**

Town Administrator Davis noted that the staff was looking to make sure these expenditures were coded correctly. He reported that funding was included in the proposed budget to replace equipment, provide redundant equipment or invest in equipment that would allow the life of the pumps to be extended. Mr. Davis advised that some line item expenditures have been reduced and others increased. He expressed hope that the cost of chemicals would be less in the future. Mr. Davis reported that IES was comfortable with the budget as proposed. He noted that it also included funding for capital items.

In response to an inquiry from the Council, Town Administrator Davis opined that the only item that could fail in the near term for which there was no contingency plan was the Stonewall pressure tank. He noted, however, that there was an alternative way to go around it. Mr. Davis opined that IES did a good job of identifying any possible points of failure so they could be addressed and advised that there were limited single points of failure. He noted that Middleburg also had great relationships with other towns, who were willing to assist in the event of an issue.

In response to an inquiry from the Council regarding possible membrane failures, Town Administrator Davis advised that they would lose efficiency over time; however, they would not suddenly stop working. He reminded Council that the Town received weekly reports from Suez on the system's efficiency, which allowed IES to adjust the system. Mr. Davis advised that the Town was preparing to purchase replacement membranes; however, he hoped to get another two years out of the existing ones.

Council asked that the staff not lose sight of the need to conduct a well recharge area study.

In response to an inquiry from Council regarding the pumps that provided water to the Salamander Resort, Town Administrator Davis confirmed there was redundancy built into the system.

Town Clerk North reminded Council that the schedule called for them to hold a public hearing on the real estate tax rate on March 12<sup>th</sup> and to hold a public hearing on the budget itself on March 26<sup>th</sup>. She noted that the real estate tax rate would be set at the same time. Ms. North advised that the Council could adopt the budget as early as its first meeting in April.

There being no further business, Mayor Littleton declared the meeting adjourned at 8:18 p.m.

APPROVED:

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Trowbridge M. Littleton, MAYOR

ATTEST:

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Rhonda S. North, MMC, Town Clerk

## March 9, 2020 Middleburg Town Council Meeting

(Note: This is a transcript prepared by a Town contractor based on the video of the meeting. It may not be entirely accurate. For greater accuracy, we encourage you to review the video of the meeting that is on the Town's website – [www.middleburgva.gov](http://www.middleburgva.gov))

**Bridge Littleton:** All right. We will call a special meeting to order. First item is the Roll Call.

**Chris Bernard:** Chris Bernard.

**Bud Jacobs:** Bud Jacobs.

**Philip Miller:** Philip Miller.

**Darlene Kirk:** Darlene Kirk.

**Bridge Littleton:** Bridge Littleton.

**Peter Leonard-Morgan:** Peter Leonard-Morgan.

**Cindy Pearson:** Cindy Pearson.

**Kevin Daly:** John Kevin Daly.

**Rhonda North:** Rhonda North, town clerk.

**Danny Davis:** Danny Davis, town administrator.

**Bridge Littleton:** Okay, Mr. Davis.

**Danny Davis:** Thank you, Mr. Mayor and council members. We're glad to be able to bring the budget to you tonight for discussion. What I'd like to do very briefly is go over the cover sheet document that I've provided for you, and then we will begin going department by department. Briefly, what we wanted to do, as I described to you previously, is not change the budget document itself as we go through work sessions or as we go through conversations or potential amendments, as we see amendments needed. But to keep a running tally of the changes that we do make and then those will all be incorporated in at the end as appropriate. And so being able to very briefly walk you through each of these items, if I may. The first one, revenue for event sponsorships we'll talk about when we get to economic development. But essentially, we have increased that line item is the miscellaneous revenue line item by thirty thousand dollars anticipating sponsorships for the events that we are supporting. Again, we'll talk more specifics in economic development. On the revised salaries line item. That's a global number. I consolidated all the department salaries into one, including FICA and VRS, essentially with finalization of certain salaries across the organization, as well as a minor snafu I had made in my calculations in the police department. Thankfully, Council Member Pearson brought that to my attention. I had over calculated certain aspects of the salary line item and so that brought overall salaries down by forty five thousand dollars, give or take. And again. Yeah, yeah. Well it is not salaries down, it's it's the budget amount down. We will talk in landscape in the maintenance side buildings and grounds on each of these, but you can see they're minor amendments to each of the line items. The fire grant is one we've talked about before. The state gives us money ten thousand dollars every year, but it is for Loudon County Fire and Rescue and they have to request the funds from us. So we've been essentially banking funds from them over the past four or five years. They finally approached me and said they have a use for those dollars. And so they're going, yeah. So they're going to spend those dollars and we will reimburse the amount that we're holding because we need funds appropriated in the year we're going to spend them. I've been increasing that line item by ten thousand

year after year, even though our it's really just a wash. It's money we're holding in the bank. Essentially though, since they are asking for those funds in current year, I've reduced the next year's line item budget to ten thousand dollars and then pink box is one. I think that will continue a dialog on. I don't think we're ready for a final decision there, but essentially at the end of this fiscal year we'll have a little bit of funds left, but there won't be sufficient for next year to completely pay for all the maintenance and end operations that we have been paying for the prior three, four years. I'm in some conversations with Suzanne as it is already. And so I think if nothing else, these line items end up kind of being again between revenues and expenditures a wash. But if it turns out that we need additional revenues, we'll need to bring that up to your attention.

**Bridge Littleton:** And don't forget to mention there's the existing contract.

**Danny Davis:** Yes. My understanding is we'll work through what that contract is in terms of our obligations, their obligations and our benefits on that side.

**Cindy Pearson:** On the first one, revenue for event sponsorships, should we change that to grants now that we're working on our grant program instead of sponsorships?

**Danny Davis:** This would actually be outside entities that are sponsoring our events. So Oktoberfest, if we have someone paying us \$100,000. So with that, that's just a brief overview. Any questions on this first cover memo? Yes, sir.

**Bud Jacobs:** [Off mic].

**Danny Davis:** This is a revenue line item. Yeah. And I was a little bit of a hard time. How best to show this to you. Yeah. So mixing revenues and expenditures in the same chart, which is why I did try to highlight the two revenue line items because the formula operates backwards. Absolutely. Absolutely. So the positive news is the amendments to date have actually resulted in a decrease in expenditures on local tax funding side by about ninety five thousand dollars. Again. We'll see where it all plays out at the end as we talk through each department. So with that, Mr. Mayor, if you'd like, we may jump right into the first department. Unless there's anything else to cover. I was intending to start with up with expenditures and operations, unless you want to go through revenues line item by line item.

**Bridge Littleton:** I think it's better actually to go with revenue first. The longer discussions are going to be on expenditures.

**Danny Davis:** Absolutely. So it should be page five of your budget, which may be different page on your [inaudible] will be the revenues. So we'll walk quickly through each of these. Real property taxes based upon leaving. As we've talked about leaving the tax rate at 15.3 cents per hundred dollars of assessed value assessments have gone up slightly along with new construction and growth. So that does result in just over ten thousand dollars more in additional revenue in that line item. We do still assume this accounts for assumptions of tax relief for elderly and permanently disabled, as well as the potential of some property owners that may appeal their tax assessments. So we have buffer in there in case someone does appeal. And just so you know, this is the full value of the real property tax rate. The cost of collections by the county is shown as an expenditure line item. And so that's in the administration budget. Yes.

**Kevin Daly:** Just out of curiosity, what's defined as elderly?

**Danny Davis:** There's an entire program with commissioner of revenue managers, I believe it is 65 and older. Right. And but there are certain thresholds of both income and net worth. Last I recall was four hundred thirty thousand or five hundred thousand.

**Danny Davis:** But that's net worth value. So but I think typically excluding your primary residence. So, Commissioner of the revenue has a pretty good program and they have a whole page about it, if you're interested.

We can definitely send that to you and to the community. They would typically apply through the county. And then if they qualify for it at the county, it automatically qualifies them here in the town as well.

**Cindy Pearson:** Used to be a flyer out there.

**Danny Davis:** And for any of your neighbors as well that might have an interest or not know about the program. They try to spread the word out as best as possible. In terms of personal property, you'll see the anticipated revenue has dropped a little bit. That's based on current year's revenues and the assessments made by the commissioner of the revenue's office. As you know, their depreciation schedules. So as equipment ages, it's valued at less than less each year. We may not see as much refresher as quick a refresh as others might on that line item. Under local tax, as you know, sales tax is remitted to the state and then back to the county and the county remits it to us based on the percentage of our school age population. I know I've shared with a few folks and potentially we may see a little bit of impact based on this census. As the county's school age population figures have grown, ours have probably remained relatively static. And so it's possible that our percentage that we receive back from the county could decrease, even though sales tax revenues in general have increased. So I've left it generally where it's been, even though trends have bumped it probably higher than fifty thousand. I want to make sure that we don't we see what happens in this first year after after the census.

**Philip Miller:** How quickly do you anticipate that would actually take effect?

**Danny Davis:** I have not communicated with him to ask that question. My guess would be they would not do it in an immediate mid fiscal year. They would probably wait and do it during the next budget cycle. I think they should generally. But you never know. But I will say the county generally is good at giving towns a heads up about changes like this, especially if it's going to be a negative impact. Working down the line. Utility taxes generally fairly static and we kind of track that as they come in. It's mostly out of our control. Meals tax we have talked about. What we've factored in is looking at where we currently are in fiscal twenty six months in adding a factor on top of that and continuing to see essentially expecting about a 4 percent growth, knowing that those numbers can change. But it's continuing to show positive signs in current fiscal year. Business licenses. I do not have an accounting yet. They were due last Monday, but I will say from the business licenses that we did see come in very positive across the board. My guess is will be a little bit higher than budgeted, which is always positive. But again, I'm hesitant to to tweak that figure too much because we have a couple of key players in that discussion that are large percentages of that revenue source and that could vary year by year or so I want to be conservative in that, want to be cautious, not to assume that that's going to continue to grow at the same rate.

**Chris Bernard:** [Off mic].

**Danny Davis:** So part of that is. Yes. Part of that is because we if you look at fiscal 19, we budget at 350,000, which was blown out of the water by 33 percent or more last year, not knowing if that would continue. I'm not even sure we had the full value of those revenues. Four hundred twenty five thousand is what we've budgeted, which was still a quite a jump last year. So my thought process was to budget fiscal 21 at the essentially what the actuals were from fiscal nineteen. Cigarette tax continues, I mean, to waffle a little bit, there's a little bit of an increase. I will say that counties, if you're not aware there's legislation that passed that gives counties much of the same taxing authority that towns and cities currently have. One of those also being cigarette taxes to a certain level. There's some communication going back and forth about what that looks like and regional boards and other things. We currently have the Northern Virginia Cigarette Tax Board. I'm not saying there's gonna be any change in all this, but as other jurisdictions may jump into that conversation, just once you'd be aware this potentially fluid. Motor vehicle license tax again collected by the county for us. Bank franchise tax. We've received preliminary information this year. That's going to be very positive. It will be much more than what is budgeted in fiscal year 20. We don't receive those revenues until June 1st. And so we'll probably have already adopted the budget before we actually know what the total receipts will be. But based on what I've seen come in so far, I think we'll be definitely over two hundred thousand dollars, probably 10 or 50 or more.

**Peter Leonard-Morgan:** You mentioned this the other day to me when we met, but can you just expand again on why you think the bank franchise tax will be so much higher? Is it just deposits, estimates of deposits?

**Danny Davis:** It is. It's based on deposits that are based in the branch here in the town. Part of the uncertainty that we had a few years ago was around the Middleburg Bank merger with Access, where they pay a higher amount to us when their headquarter when their Virginia headquarters is here in the town of Middleburg. So we did see a drop at that point. And also we saw people move their money, some within town. So we didn't see necessarily a net loss.

**Peter Leonard-Morgan:** But this doesn't apply to the credit union, does it?

**Danny Davis:** Correct. They do not pay the bank franchise tax. So it's possible that that figure, that revenue source could go up a little bit. But again, little uncertain right now what that looks like at the end of the day. And then as we've talked about occupancy tax, we've tried to become more realistic in our projections on that. But clearly, we even last year, we under shot at a bit. So we are factoring in a relatively about a 5 percent increase over where we think we'll end up in fiscal year 20. However, as much as everything in fiscal year 20 was looking very strong and positive, we know that the global economy right now, especially with travel concerns and there's a double, double side to this coin. The negative side is a lot of corporate has stopped travel. The positive side is that their regional corporate and they don't want to airplane travel. They can still drive here. And so it's a lot of that positive. So people can still drive out here. They still want to get away from the city. Our corporate can still have retreats just in this kind of location. So we will continue to keep a close eye on that work with our partners on the occupancy side. Planning and zoning, we continue just our revenue streams as generally expected. Now, those can fluctuate based on number of subdivision applications and other plans that may come in for processing fines and fees. Again, pretty much the same across the board. Yeah. Any questions?

**Bridge Littleton:** Farmer's market.

**Danny Davis:** Farmer's market.

**Bridge Littleton:** \$14,565 year to date. What's that from?

**Danny Davis:** That's a good question.

**Bridge Littleton:** So it's under farmer's market fee. We have adopted for 2020 \$1,200 and it now says we're at \$14,000.

**Danny Davis:** Yeah. I'll have to go back and look through that. I'm actually.

**Bridge Littleton:** And then we're at \$1,200 again for the next year.

**Danny Davis:** Right. Right. I'll find that out and I'll let you know.

**Bridge Littleton:** Jamie, you know what that is?

**Jamie Gaucher:** I don't.

**Bridge Littleton:** It's fees we're getting.

**Danny Davis:** It is possible. I'm just playing it out real quickly that we didn't have a good place to put sponsorship dollars last year for Oktoberfest. And that was the most logical connection because it's an economic development. But that's that's a wild guess. I guess that's that's what I'm saying. I'm going to go look and see. I'll let you know.

**Bridge Littleton:** It's okay to say I don't know.

**Danny Davis:** Miscellaneous. I will say, this is where currently in our budget, we are showing the \$4,000 for fiscal year 21. This is where reimbursements for police overtime is being shown as a revenue source. So if AJ's asked to cover for a 5K race or firm some other special event, they pay the town for that overtime cost. And he's estimated I think it's ninety two hours, give or take of reimbursable over time over the course of a year. And so it's approximately \$4,000. This is also the same same line item where I've proposed the Oktoberfest or other event sponsorship dollars being shown. So again, in the revised budget, that would be \$34,000 instead of \$4,000. It's kind of a catch all reimbursement line item, if you will. Miscellaneous interest. You see, we still have budgeted \$75,000. We are still strongly on track with that. But again, given global market concerns, I think \$74,000 is still a reasonable number that will exceed that for current fiscal year. But see what happens next year with savings and interest rates.

**Bridge Littleton:** So going forward, if you can put in that miscellaneous interest number how much we have gaining interest. What's the principal amount? That would be helpful. Just put in a note, put it somewhere, because that way I can take back out what you're budgeting by what are amount is and sort of dirty math go how much are you expecting in return? What kind of return you're expecting? Because if I remember correctly, it's like, what, three million dollars?

**Danny Davis:** We have 3.75 in the VIP program and we have another four million in the bank. Yes. And four million total in the bank between.

**Bridge Littleton:** Literally. That's earning less than a percent. 7 million.

**Danny Davis:** When you balance them out because of and that's part of what we're gonna be working on is. And we've talked with the Finance Committee about how much is in our cash flow checking account. How much is in a short slash long term investment account. Agreed.

**Bridge Littleton:** What is VIP earning right now?

**Danny Davis:** The latest I saw for the month of February was 1.75, which it got up to I would say 2.6 maybe. And but it didn't last very long there. But considering treasuries were under 40 basis points, 10 year treasuries.

**Chris Bernard:** [Off mic].

**Danny Davis:** Pretty much makes those 2.5% CDs look pretty good right now. The transfers from reserves, if you recall, last year. You ask that we put a million dollars towards the town office project and that's just cash towards that project. We won't likely spend all of that money in this current fiscal year, but we'll continue in that project as part of Davenport's review of our financial model for the Town Office Project and Future Capital Needs. They anticipated both debt that would be paid through debt service and also ongoing cash investment in capital projects that might be sidewalk improvements might be small other the maintenance shed that we're talking about, a couple of those road issues that we need to get cleaned up. So all that being said, we do have budgeted in here the \$350,000 as a revenue source coming in from reserves. And then on the intergovernmental side, these are typical grants. Law enforcement as we talked about, the fire grant. And then anything that might come in from the county. We don't know for certain if will receive any, but we will apply for county grants again. That is total general fund revenues. Obviously, when you look at the aggregate number, it goes down year over year. That's a factor of that million dollars transferred from reserves into the budget. So that throws things off a bit. It's a pretty significant number, but all in all, it's very positive direction in our revenues. All right, I'm going to jump a few pages. If that's all right, and go straight to the administration budget. As we talked about and you'll see this in each of the departments line item wise, the salary line items are based on essentially current salaries, plus the proposed 3 percent cost of living increase for employees. It's essentially to remain competitive with with market and competitors, but also continuing to assess as essentially cost of living increases occur. And other wages and compensation in the administration budget is in case anyone does leave employment and there's pay out of annual leave. It comes out from that line item for merit increases that are given on top of the cost of living increases or any other performance bonuses, spot bonuses come out of that line item. You will see that in current year it is fairly large. That's because our temporary

support temporary help position is being paid out of that other wages line item currently instead of a salary line item because typically you wouldn't do a contract under a personnel line item.

**Chris Bernard:** [Off mic].

**Danny Davis:** It very well could. Some of that's dependent upon you know, we budget an amount for merit increases, but also understand that that's based on performance reviews. And so not everyone necessarily would get a merit on top of the cost of living increase. So the amount budgeted could potentially be dropped down if we did kind of a factor of making assumptions of numbers of employees that may or may not receive the merit on top of the cost of living. If that makes sense.

**Chris Bernard:** [Off mic].

**Danny Davis:** Probably closer to that, right. Yeah. But remains to be seen.

**Chris Bernard:** [Off mic].

**Bridge Littleton:** That's a good point because it's almost like double counting because your first line item is assuming full staffing, right?

**Danny Davis:** It is. We don't factor in vacancy savings. Correct.

**Bridge Littleton:** The other thing is and it's just never going forward. I think it would be helpful if we broke out from staff salaries. What we budget every year for merit and or bonus increases because I'd like to understand with that separate pool is aside from the baseline salary that everybody's at right now.

**Danny Davis:** Help me understand.

**Bridge Littleton:** So if this if the net the salaries for the entire staff is a million bucks and we're you're gonna estimate that there's a 3 percent cost of living and an average 1.5 Percent on top of that four spot bonuses or whatever. That should all be in a separate line item broken out from salary. So that we can see, you know, what is the salary we have to cover every year and then what do we budgeting on any given year for merit and or performance increases? And the reason I say that is because, I mean, things are fine right now. But if it's good to have it broken out, because if you're going into a really bad economic cycle, you need to know the nut you have to cover. And then the other part is what you have flexibility on. What are those two numbers? Because right now, I don't know what those two numbers are.

**Danny Davis:** OK. From an actual dollar figures.

**Bridge Littleton:** So, I would say if you like admin base salaries. Sure. Right. Right. And then budgeted COLA and merit increase pool. So that's, you know. So that way we could see what our discretion is. Our discretion is in the merit pool. Our discretion isn't really in the salary pool unless you want to keep it together and you want us to take discretion.

**Danny Davis:** Right. And I hear you. I'll work with you on the best way to present that to you.

**Bridge Littleton:** Just a separate line.

**Danny Davis:** Yes. OK, FICA's calculation, straightforward based on that, the health costs. If you recall last year we rolled all departments, health care costs into administration. Just so individual departments didn't see wild swings back and forth. It is a 4.8 percent increase year over year. However, the total increase may go up based on, again, employees or elections. You know, whether they got married and added a spouse, whether they had a kid or came in with a family and the prior person didn't take health care. I mean, there are so many different variables in that



number. But currently this is one of those where we are very generous in our health benefits. And it's a very good selling point for employment and for recruitment. And it's a very important thing. It's one we can always look at it again, in the same kind of situation. Mr. Mayor, if we need to look at things to tighten up in the future, we can always investigate this. But at this point, it provides us a very strong and positive recruitment tool and retention tool. The VRS costs, as I mentioned in my presentation to you, did drop. So you will see across the board the VRS dropping, you know, anywhere from eight to 12 or more percent. So our contributions from the town to individual employees retirement has decreased. So that's a net for us on our side. Vehicle allowance is a holdover from prior employee and we'll go away after next year. It's just shown for historic purposes. And then last year, you all provided deferred comp matches to employees, \$20 per pay period. Now we have, I think, five employees taking advantage of that. We're trying to encourage more because we like to call it free money, but it's a benefit and we appreciate that from the employees up on the council expenditure side, compensation remains the same. We did discuss after this past year with the retreat and the success of that increase in the council expenditures budget to take advantage of the ability to. That covers costs for going to VML or other conferences, potential trainings for council members that you might be interested in if you sit on a VML committee and you need to spend the night at a hotel because it's an all-day meeting, those all those are covered. And then in this case, also retreat facilitation expenditures in that way. We broke out a new line item called citizen engagement that had just been shown under other in the past or just general council expenses. And we wanted to make this clear because you're putting effort into citizen engagement. So this is the citizen academy that we are looking to start this coming fiscal year. This is support of COLT and the COLT activities. And then this is also the volunteer reception and the costs around the volunteer reception. So it's thanking those citizens who are supporting the town through their engagement and involvement and then general council expense. That's a rolled up line item. Administrative, the attorney let us know that their costs are up 3 percent, just health care costs and general costs. So we've increased the line items for the attorney generally in the same amount. You'll see the remaining items relatively the same. We have increased professional development a little bit to support our training on the administrative side and in additional funds. I can help other departments that there's a specific training that we might try to out for. The county collection there is the dollars that we pay the county again for collecting real and personal property tax on our behalf.

**Bridge Littleton:** County's not collecting [inaudible], are they?

**Danny Davis:** They're not.

**Peter Leonard-Morgan:** One question. The fire and rescue forty thousand dollars. Can you remind me again, because we don't, we're still paying them?

**Danny Davis:** Yes. So that's that pass through from the state. And that's the one that we're actually we'll be dropping down to ten thousand dollars. So we received ten thousand from the state and will expend the funds when the county spends the funds. Going to the next page under administrative expenses, continuing to look at our spending, make sure it's on track and online. I will say office supplies. I think we've potentially not segregated out by line item by department as well this year just in our transition period. So we might see that one department doesn't have much expense while others or administration catches at all. We can balance that out as needed. The equipment. I'm sorry, the equipment software maintenance takes into account Laserfiche and CP Connect. Again, this line item captures essentially all of the ongoing services that we use in truly helping our efficiency and our the way that we serve our customers. So this is our Website, Granicus, Swagit, CP Connect, Laserfiche, Southern Software. I am dropping our old software system. We don't need that any longer. So that is a slight drop there. Office equipment rental is our Xerox and postage machines and all that good stuff. I did receive a question of the under the insurance crime and fraud insurance that the actual dollar figure itself is not very big, but it shows that two hundred and thirty three percent increase. We did look at our coverages under VRSA and certain things like crime and or fraud and wire fraud, if you will. It was had very low limits and very limited coverage. And for a few extra dollars and mother protection of the town and the town assets, it's worth having the appropriate level of coverage for the town. And we don't expect issues, but of course, we want to be protected in case something were to occur. So we did make a few election changes in our coverages last year, and so we wanted to capture that in our budgeted amounts. The charitable contributions line item I left as budgeted for that as it was for last year, which was to support the Health Center Fund. But again, I know there are conversations already right now about the grant process on multiple levels

and obviously working through the charitable foundation discussion whether the council would still be interested in continuing to provide some support either directly to the charitable foundation or setting up having another lump sum to be able to give during a process. So I know that Rhonda met with Council Member Pearson and Jacobs earlier this evening and a continuing discussion as part of your strategic initiatives.

**Danny Davis:** And the year to date is higher because of our donation to the school. Charter school and community center. So a portion of this health center funds, charter school, community center and Legion.

**Kevin Daly:** Refresh our minds on where we are on the establishment of the 501(c)3.

**Danny Davis:** Yes, we are working with our attorney and our auditor on that. I'm hopeful to have you an update in your packet tomorrow. And at the council meeting, it may end up being a verbal update. Essentially, we are working through control discussions. If the town retains too much control, then it's essentially seen as simply just an arm of the government. And we are bound by some of the same restrictions. If we segregate enough control or authority, then the 501(c)3 can operate essentially out of its own policies without some of the restrictions that are on the town in terms of either investments or disbursements. So we're trying to figure that out to have the right options for your consideration. The town committee support, again, knowing that there's interest in the committees in their activities to continue benefiting the town through their activities, the Arts Council has its own line item under economic development. But this would be for some of the other committees, whether it's their meeting expenses, annual activities, wellness day, things like that for Go Green and other committees that might have activities throughout the year. And then non departmental is where I put in the expenditures for debt service. This is simply a place holder and an assumption. This all depends on interest rates. It all depends on how much the town ends up needing to finance. And hopefully we'll have a better idea of this in the coming months, but likely after adoption of the budget. But this is the number that was a place holder that Davenport put in and our financial assumptions. My guess is this debt service number will be less than what we have planned at this point, but that is an expenditure. And then also the transferred to the CIP. You see there is transfer over for cash for use in cash projects in the CIP. And that is, as we talked about, a new aspect of this budget where we have an actual capital program, where we move cash from either the utility fund or the operating out of the general fund into each respective capital improvement program for their ongoing expenditures. So that is administration. Any other questions on this at this time? So as we get into our departments. Mr. Mayor, we've talked about being able to have the department head will come up and talk through this, and then the council liaison for each of the departments will be to to support or provide other input. I do appreciate each of you and your input, your support and your guidance during the development of the budget. I think it's helped make it a very solid and good budget. But as we go through this dialog together, I'm happy to answer questions, but really rely on the department heads for each of their own particular areas. Now, that being said, I will say that salaries are outside of the scope of department heads that is that is managed by us on the administrative side. So we plug those figures in. So if there is a question when it comes to either a salary line, VRS or FICA, that is a specific thing that we handle and can answer. But everything else the department head can.

**Philip Miller:** And is other wages listed out the same way as it was in the administration?

**Danny Davis:** Other wages here is, it relates to two specific things, I think. It's not the same as administration. So Chief can answer that.

**AJ Panebianco:** So not sure how you want me to do it. So I'm going to.

**Bridge Littleton:** Just walk on through it. How you developed it. Your priorities.

**AJ Panebianco:** I'll start with the pages that I have here. In the overtime, you're going to see us increase of sixty one hundred and sixty dollars as the request. I'm sorry. Yes. Sixty one hundred sixty dollars. A fair majority of that is reimbursed or 92 hours of that is reimbursed. The rest of it is to do the projects are the the events for every week when we closed roads we have to have police officers there and I can go over each of the ones that I have planned, although I know one of them may have already changed and we need more, but we're budging one hundred twenty six hours per court. That's all the officers going to court through the year that includes general District, Family Court

and Circuit Court. Town events that we do. There's a hundred thirty six hours, which is twelve hours on Halloween, which is two officers time, six hours each. July 4th takes three officers at eight hours. Each national night out is 24 hours. That's four officers, three hours each. And there's a setup from Corporal Putnam, which generally takes about twelve hours. Christmas in Middleburg is five officers at basically twelve hours or more. So we figure sixty hours. Sixty hours for that day. The drug take back is two officers times four hours, which is eight hours. Then we have nonscheduled events that pop up. I scheduled 16 hours for those, but we already kind of we've got we've kind of had Art in the Burg worked out where it really didn't take a lot cause I came and did it usually myself where I don't get paid overtime. But it's my understanding they're wanting to change our concept this year. And if they do, then that's going to add probably two officers to that mix for however long that is. And then we have new town sponsored events. We have eighty hours between Oktoberfest and Mille Miglia, if they fall in the same way they did last year, we ended up having about fifty six hours in Mille Miglia and 24 hours and Oktoberfest, you know, both were very successful though.

**Danny Davis:** Notice how well he pronounces it now.

**AJ Panebianco:** Yeah. Yeah. And I'm Italian and I've been saying my [inaudible] but Danny Danny taught me how to say and which is really cool. Yeah. Yeah, exactly, exactly. Non-town events that we get reimbursed for, but we, we have to work the 5k, we have the Boy Scout 5k, the gravel grinder, the MDA bike race, an Old Ox Dickens village which is proposed but not necessarily. And I'm going on the proposal that she presented that's going to take 48 hours for two days and eight hours for the preview day. We believe it. That's how she's gonna go. Or that's how they're going to go with it all total this ninety two hours. But we expect to be reimbursed for those.

**Philip Miller:** All total for events. Sorry not to cut you off. But I'm seeing real big and disturbing pattern. Lot of events. Lot of over time. Do we need to innovate strategy for attacking these events.

**AJ Panebianco:** We are looking at the events as they come as a currently sit, we're fine. We do have additional part time help now that we can pull from that is less than overtime. And actually for the. I can't remember which events coming up in April that are all part of Art in the Burg I'm sorry, part of Art in the Burg I've already rescheduled one of the part-timers because that's a less rate.

**Philip Miller:** I'm also concerned about, you know.

**AJ Panebianco:** Officer burnout?

**Philip Miller:** Yeah.

**AJ Panebianco:** Yeah, yeah. We are too. And that's why we're looking at different ways to be able to do this. If it came to it where we had to then contract with the county because officers are just being hit with too many events. And, you know, it's great to make overtime if you can't get a day off, spend it. It's not as cool as it is.

**Philip Miller:** There's a great deal of value that comes to having your officers for community events. No question about it. That's much, much preferable to bringing in.

**AJ Panebianco:** And that's what. And they're all bought in to try and do that. But if we end up engaging in an event every weekend, we would have to look at something different. But currently, we're able to meet the needs.

**Philip Miller:** You guys should probably think about drawing a red line in the sand, about when you have to make change before we get to an officer burnout situation.

**AJ Panebianco:** Danny and I've already kind of float. Not floated a red line, but we've discussed this. So it's not it's on our radar. I'll say that. Meetings we've cut back on meetings. I'm able to do 12 hours for overtime, for the meetings, for the officers that are off, because we're now combining the range with some of the meeting as well. Taking care of two meetings at once. Required training. We're mandated to qualify her for the range. And that's what

I'm talking about there. And what we do is two officers times, four hours times, two dates is 16 hours. So the budget is 16 hours. We'll also conduct a meeting during that time frame in hopefully the meeting and all of that is done in that timeframe. We're fortunate. We don't have 50 people. We have to qualify. So qualifying is pretty pretty quick and then arrests and other emergencies. It varies. But if I budget one hour per month per officer, that 48 hours is what I've got is one officer time four hours. Or four officers times twelve months is 48. So some officers may not use it at all. And then, you know, it's not uncommon for someone like Jason who ends up getting a DUI that when I started in business, you got DUI. You could be out in an hour. Now, if you're out before the end of your shift, you're in pretty good shape. It's just that long process now. So if they get it at the end of the shift. It's several hours of overtime. So all total five hundred eighteen hours of overtime, which is a lot of overtime. Now, that's for every officer. And that's if every event takes place. And that's if they all have to use their court time. I've cut their court time to where it's not quite as often. The judges haven't said anything, so I'm not going to increase it. We were successful this year and it seemed to work out. And again, 92 hours of that is reimbursable one and the two new town events. That's another 80 hours.

**Bridge Littleton:** So you're saying the potential over time in your estimation, the total potential overtime is 590 hours?

**AJ Panebianco:** 518. Yeah, 500 hours. Yes, sir.

**Chris Bernard:** [Off mic].

**Bridge Littleton:** That's everything all in. Everything all in, all the events. All that stuff.

**AJ Panebianco:** That we currently have. Yeah.

**Kevin Daly:** On that topic. Any hiccups in the past couple of weeks we've been having put officers on additional duty because of loss of one officer. And now we have the expense of advertising and searching and recruiting for a new officer. Has that caused a bump or a hiccup in the plans.

**AJ Panebianco:** It has not caused a bump or hiccup in our plans. We were actually down two officers for a while because we had one out on health issues. We're pleased to say that that seems to be doing very well. And I believe he has rounded the curve and I think he's gonna be a long term employee now. So which is good. We are actively seeking applications. I believe the cutoff date, if I'm not mistaken, is the 19th. We will begin the process of vetting them as they come in to reduce the time at the end and hopefully, hopefully within about 30 days after the close, we can at least have made an offer, if not have somebody working on coming over.

**Kevin Daly:** One additional question. Police salaries. Are these just the uniformed officers or does this include uniform officers and office manager?

**AJ Panebianco:** That's including Colleen. Yes. The next line item that I would like to make a note on would be the other wages as part of the creative way to help cover some of what we've been covering here with our short person. We'd like to increase those hours from 12 to 12 days a year to 18 days total. Those are twelve hour shifts.

**Danny Davis:** That's the part time.

**AJ Panebianco:** Part time people. Yes. And we've actually added an officer this year with the short coming temporary fill in, which is actually working out really well, doesn't cost us anything really outside of the insurance that was on him through VML. And he's doing a great job He's made himself very available, which has really been helping. And he's a former deputy in a county. I don't know if any of y'all know Bill Nugent. But we'll bring him in here eventually and get him introduced to council as well.

**Philip Miller:** So that's the only thing under that line item.

**AJ Panebianco:** No, the other cost for that is Christmas in Middleburg. And with the expansion of what we believe is going to happen on Madison Street on that day. And what kind of happened this year on Madison Street. We've always budgeted ten officers. I've always used eleven because, you know, you schedule them and then one doesn't show up. So I've always hired eleven of the additional officers. And we believe that 12 is going to be a number we need with the food court and the Madison Street. Now, in total, that we have our five officers because midnight shift, we do send them home but they do help set up for it. But we have our six officers our five officers are three part time officers and then they're included in those 12 officers. So really be nine additional officers that are brought in from the outside. But that funding is included as that's where I budget that money. So but between the two of them, it's 9000. It's a 1500 dollar increase for the four extra days for the officers to cover extra. And it's so worth it. Auto insurance, I really don't have any control over that. I put a place holder in, police professional insurance. I did the same thing. The attorney I put that it should go down from 3,400 because we had a strange occurrence last year that kind of jacked it up. And so I requested that to go down. I'm not sure where that's gonna fall based on this year.

**Danny Davis:** Yeah. And that's again, one of those where we're budgeting. Typically, what would be expanded or around the range. But knowing that some years may have a bump based on a particular issue that might arise.

**Philip Miller:** What's the office rental line item consist of?

**AJ Panebianco:** That's what we pay for our rental. Police department is rented.

**Bridge Littleton:** So any other questions for AJ?

**AJ Panebianco:** I've got more. But I can be done. Yeah, approved. Most of it is pretty straightforward advertising. It varies from year to year, but it's not for advertising positions. This is a requirement. If we have found property or we have to do some stuff, we're required to advertise. So I budget 500. We've really not used it in the last three years. But the time we don't budget it, we'll need it. So I keep a place holder of five hundred in there plus professional development. You'll notice we requested it go down from last year of the increase to ten thousand five hundred. We're looking really at eighty five hundred. Some of the classes that are offered through our academy are better than if we were to pay to send somebody. So I don't want to pay somebody to go to a class at some of the academy classes. Just being responsible, I think if they offer something that's good, we should take advantage of that.

**Danny Davis:** And the academy is free. So that's the reason for the decrease.

**AJ Panebianco:** Free is great. Equipment and supplies. The biggest thing we're looking at, we actually we took that out. So that's not in there. It's in my old budget, but it's not in yours.

**Danny Davis:** We've moved. You'll see in the maintenance side purchase of more traffic cones just to help with when we need to deploy those. They seem to run away. So we're now labeling them.

**AJ Panebianco:** And I know where four of them are at.

**Bridge Littleton:** So, I mean, if everybody here is comfortable with this because we're already at an hour and we're halfway through one department. If it's under \$5000, unless somebody wants to cover it specifically, skip right past it.

**AJ Panebianco:** All right. Equipment, maintenance, software, they're listed out, southern software. All of those are just contracts we have. That is a hundred eighty dollar increase, but it's fourteen thousand five hundred. Are you looking for the increase of five thousand?

**Bridge Littleton:** I mean, if there's something really specific, but like literally, I mean, and AJ, it's not.

**AJ Panebianco:** Yeah, no. I understand.

**Bridge Littleton:** [Off mic].

**AJ Panebianco:** Our operating really we operate very low. We don't have a lot of actually we're down this year from last year.

**Bridge Littleton:** And that was from your salary reduction.

**AJ Panebianco:** Yeah. Right. Yeah. No we've just seen overall we've been fiscally responsible.

**Bridge Littleton:** AJ. Two quick questions and I'm going to ask these quickly to everybody. Is there anything in here that you want to call specific attention to that we need to be thinking about for next year that we're not doing right now.

**AJ Panebianco:** No. Everything in the budget I presented is what we believe is our need.

**Bridge Littleton:** OK.

**AJ Panebianco:** And I wouldn't ask for it if it wasn't.

**Bridge Littleton:** OK. And the second question is long term planning over the next three or four years. Are there things that you see that we need to start maybe not something we budget now, but we need to start thinking about it.

**AJ Panebianco:** We are, but it's in a different line item and that's going to be vehicle replacement schedule. We're starting to have some major issues with some of the vehicles.

**Bridge Littleton:** Okay. And the last questions for Kevin as your partner in crime. Any any input or any thoughts or.

**Kevin Daly:** [Off mic].

**Bridge Littleton:** You didn't see the charter amendment. Retirements are revoked. We don't have to worry about it anymore.

**Darlene Kirk:** [Off mic].

**AJ Panebianco:** I won't say no, but I'm not going to say yes. It depends on how many events we end up having and how the economy or how the town changes. Currently staffing as far as coverage were good. It's filling those extra duties that we're at 25 percent of a person already. And that if that continues to increase, we get closer to 50 percent. It might be looking to say we need and they still wouldn't do away with overtime because you got to have more than one person, but it might be some down the road. I don't believe that's going to happen in what time I have left.

**Darlene Kirk:** [Off mic].

**Danny Davis:** But it is definitely a topic of conversation that we've had and. I will say at the same time, we are also, as we're going through the recruitment currently of the new officer. We are continuing to look and make sure salaries are competitive as well. We've talked about the county having gone through their class and comp study and their salaries and wanting to make sure that we are able to continue to recruit and retain.

**AJ Panebianco:** And our limit there is that we have to have certified people because we don't really have the supervision or the call volume to make a police officer from scratch.

**Bud Jacobs:** Just back of the envelope estimate on vehicle replacement. We're talking this fiscal year?

**AJ Panebianco:** We're trying to make them last as long as possible. Danny has money budgeted every year. And I'll give you a quick history. We lost all our vehicles in one day from a hailstorm. And so. So there. Yeah. So. So there were we had a schedule where they alternated in theory they could all need to be replaced the same day we were trying to avoid that.

**Danny Davis:** Ballpark figure, approximately \$40,000 when you factor in the vehicle, equipping it out, getting everything on it. And so we have essentially \$40,000 planned every year of the CIP for a vehicle. If we don't need it yet, we'll set it aside for when the time comes and try to stretch that out. But also knowing that at some point it's more cost effective, likely to replace than continue to repair.

**Bud Jacobs:** Just at some point it becomes a safety issue both for the officers as well as his or her ability to respond to calls. So.

**AJ Panebianco:** We're monitoring that closely.

**Bud Jacobs:** Error on the side of spending money.

**AJ Panebianco:** Thank you. Danny I'm ordering one more.

**Darlene Kirk:** That also includes because we also have to work through Tim's vehicle in there, too.

**Danny Davis:** That is correct. We have his in about three years from now. That's correct.

**AJ Panebianco:** Thank you. Do you need me to stay? I'll have Jake come by. Thank you.

**Bridge Littleton:** Buildings and grounds.

**Danny Davis:** Buildings and grounds. Will and I kind of tag team. But this is more his bailiwick than mine, so I'm happy to walk through it.

**Will Moore:** Go ahead if you want.

**Danny Davis:** In short, a major change, you'll see. I mean, there is pretty much just one of them and that is in the repairs and maintenance line item. And this is just related to sidewalk improvements and how when we see the need in mind that I'm in the wrong line.

**Will Moore:** That's in maintenance budget.

**Danny Davis:** Is this the benches? See, I got it mixed up. I tried.

**Bridge Littleton:** Will, why don't you try?

**Will Moore:** So a priority for the streetscape committee. This is where this is arising from. Is to make a contribution towards new benches for the streets. This is likely the we would budget for part of this and then beautification the nonprofit will also make a contribution toward this. So we're looking at roughly seventy five hundred dollars for the towns, a portion to provide some new fresh benches for pedestrians.

**Danny Davis:** Is it 20 or so across the town?

**Will Moore:** No, I think we're looking at maybe a dozen total or so.

**Bridge Littleton:** So my quick question, telephone, Internet, that's for here in the building.

**Danny Davis:** Yes. That would be my understanding. It's all various locations that are not utilities. So all Comcast expenditures.

**Will Moore:** You want to touch on go green charging station?

**Danny Davis:** Correct. We did leave the go green charging station dollars in for next year. We're still kind of in a holding pattern with this one.

**Bridge Littleton:** So, I mean, that's totally fine. I'm just curious, do you guys think that will likely happen in fiscal year 21?

**Peter Leonard-Morgan:** I have no idea. I mean, Electrify America. Yeah. We'd like to think so. But I don't know if it's going to happen. And then then if that happens, I don't know if we're gonna have. I mean, that's how it is really to accommodate whatever investment we make in Electrify America. I mean, Electrify America will be them paying for everything. This is just ancillary work.

**Danny Davis:** It could be that or if that does fall through and we decide to go back with the charge point idea, they've come out with some new technology since the last time we presented it to council. That may satisfy some of those needs, may not be still as great as other options, but there could be an opportunity. The latest from Electrify America is I'm not sure it will work on any of the town's current town property. I'll put it that way. And so if we want to pursue one alternative in fiscal twenty one and then look at a second alternative as the town hall building is being built, we could consider that and maybe have two locations. So I think it's a conversation to continue forward with.

**Peter Leonard-Morgan:** I think in answer to your question one way or the other, I'm hopeful that in 2021 we will have something so. There will be an expenditure.

**Bridge Littleton:** Well, the only question I had was town administration building 238 is that 200 the purchase price?

**Danny Davis:** That's correct.

**Bridge Littleton:** OK, got it. Spent that much on Jeff so far.

**Darlene Kirk:** [Off mic]

**Danny Davis:** We've moved that to the CIP budget so we can cover that as we get there. That's yeah. Eventually we really will move this off. So it's no longer here in this line item.

**Bridge Littleton:** Any other questions on buildings and grounds? All right. Maintenance.

**Will Moore:** Maintenance, so first big line under operations is refuse disposal. This builds in an escalator from the current amount that we're paying. I think depending on how the RFP process plays out will depend on whether we will exercise a renewal option. Our last and final renewal option that we have, that would be with Bates now. Please don't let the low year to date figure for you. There have been a few accounting issues with the transfer from waste management to Bates where we're waiting for proper invoices to account to get caught up on our year to date payments.

**Danny Davis:** In fact, we got a refund check.

**Will Moore:** Yes. Yes.

**Danny Davis:** We'll just make sure that we pay twelve months' worth.



**Will Moore:** Right.

**Bridge Littleton:** On the refuse disposal, so my understanding of what you guys are saying correctly, depending on how it turns out, with whatever bids we get in, we might just stick with our last year option, right?

**Will Moore:** Right. We have a one two year renewal option that would begin with this coming fiscal year. We have a two year renewal option.

**Bridge Littleton:** 2020 fiscal year. Was it May? Isn't it May when it renews?

**Will Moore:** No, it renews July 1.

**Bridge Littleton:** July 1. OK, so fiscal year 2021, that would be our time renew. So what happens at the end of that two years? Can we opt in?

**Rhonda North:** That's not how we've advertised the regional RFP. So I don't know.

**Bridge Littleton:** How have we advertised it?

**Rhonda North:** We advertised that we would start on July 1st.

**Will Moore:** Well, this is an option. So.

**Danny Davis:** Well, we always have an out. So, I mean, we have a current contract. Right.

**Bridge Littleton:** Yeah. But we made a public commitment in an RFP.

**Danny Davis:** But let's assume no one responds to the RFP.

**Bridge Littleton:** Well, let's not assume the best case. Let's assume the worst case. Someone does and that offer for every other locality is contingent on us accepting as well.

**Danny Davis:** But that's the conversation that we would bring back to council, especially if it is especially if it is a unviable option. So there are considerations to be had absolutely when we get the results of the RFP. I want to make clear we're not assuming it's going to fail, but we have options on the table in front of us. Also recognizing that at the end of the day, the results of the RFP do affect more than just the town of Middleburg. They affect other towns. And there are the intent, however, is that each jurisdiction would have a contract individually based on the RFP.

**Bridge Littleton:** But I'm going to assume that what we asked for in the RFP. I know we're now going down a rabbit hole, but I'm assuming we asked when the RFP was a quote based on that full capacity.

**Rhonda North:** We gave them all of the expirations of the current town's contracts, and we advertised it with the expectation that when everybody's contract expired that they would then go into a contract with this whatever whoever the selected vendor is for the seven towns. Now, we did note to them that we could not guarantee because the councils have to accept. So they know there's a little bit of risk.

**Bridge Littleton:** Ok, but that's that's that's the key point. They are proposing knowing that they might not get all seven. No, I understand that. Yes.

**Rhonda North:** Yes. Okay. But they're moving forward as if they're going to.

**Bridge Littleton:** I got you. Yeah. Understood. Okay. Yeah, that's it. Thanks, Will. And Rhonda.

**Danny Davis:** The supplies line item is the traffic cones that we briefly mentioned during the police conversation there. So that's the increase and then the repairs maintenance line item on what's in your packet still shows twelve thousand five hundred. This is the increase of five thousand that's on your cover memo. And this would be to capture the additional work on sidewalks that we've talked about around town. So we are working to do regular inspections of our brick sidewalks and also repairs as appropriate for either bricks that are out of place, tree roots. Other things like that.

**Philip Miller:** Those benches in the triangle that we talked about.

**Danny Davis:** Yes. Yep.

**Will Moore:** Snow removal remains a placeholder based on kind of historical trends. Obviously something we can't 100 percent get a good estimate on. We do have some year to date expenditures now that may be not shown up there. They're relatively small, but I think we need to. Yes, yes, relatively small. Plowing out our facilities, right as snow was falling, even though we knew it would likely melt. But some necessary expenditures year to date, street cleaning remains that that's the street sweeper contract that remains steady. part time contract labor. We may have an opportunity for a little bit of a reduction there. I'll be talking a little bit more with Danny about that. It goes to kind of a one thing Danny and I have talked about not to go too far off on a tangent, but is coming up with a better guide as to what expenditure falls in exactly what line. So there may have been some inconsistency in past years when somebody was hired to come in and do repairs to a sidewalk. We may have put it under repair, slash maintenance. We may have put it under part time contract labor. So we're just going to kind of clean up our SOPs that way. Landscape maintenance. That's one that we're the year to date is good right now, but that will spike here during the springtime and as we approach the end of the fiscal year. So that's kind of the renew commitment to some of the streetscape improvements we've made in terms of landscaping and as well as just the general mowing that Jesus does at all of our different facilities. The dangerous structures repair at \$25000, that remains just a budgeted amount that if we ever have to go through that process, it gives us some money in that fund. There's a possibility we might have to tap into that in the near future in one particular location. So we'll certainly give you more background as we would approach that.

**Bridge Littleton:** Just a quick question on that.

**Will Moore:** Yes.

**Bridge Littleton:** Accounting wise, how does it happen each year? We budget twenty five thousand. So you don't use any of it. We carry it forward and we zero it out and then add it to the budget again. OK.

**Danny Davis:** If it were an actual expenditure purchase like a software system that we could encumber by the end of the fiscal year, then that would roll over like a purchase order. But otherwise.

**Bridge Littleton:** Yeah. Makes sense.

**Will Moore:** So I think that takes care of the larger ticket items on that budget. Everything over five thousand dollars in case. Unless you have any particular.

**Bridge Littleton:** And vehicle maintenance. That's just Tim's truck.

**Will Moore:** Correct. OK.

**Bridge Littleton:** Any questions on any item or questions for Will. Ok. Thank you, sir.

**Will Moore:** I'll Stay here.

**Bridge Littleton:** Oh wait, [inaudible]. Yeah.

**Danny Davis:** And all those items. Again, we moved to the CIP. So that's just later on in the project or in the budget we can talk about. So planning and zoning.

**Bridge Littleton:** Perfect. Sixteen. [off mic]

**Will Moore:** So the attorney's fees that has remained a placeholder for the past few years. I think it stays a good amount for this coming year, though, because we have some anticipated expenses in particular as we get closer to final plat approval for residences at Salamander we'll get all the easement documents that come in related to that. Now, portions of that will be refundable to us, but we still have to project it as well as an expense similar with engineering and consulting. We see that going up with a few particular projects of the the continued engineering review, particularly on residences at Salamander and potentially another subdivision should it move forward. But this also will include dollars on the historic district design guidelines. Update It will include dollars for our two strategic initiatives, one related to the Federal Street Charrette. And then subsequent to that, at least part of next year will be towards the zoning and subdivision ordinance updates. We'll get a start on that. We don't project completion during next fiscal year, but probably a good five to six months' worth of [inaudible] there. We are going to revisit based on the meeting that Council Member Jacobs and Estee and I had earlier today about the strategic initiative. We're gonna do some revised estimating on this number. We may need some additional funds in the engineering consulting line based on that. And in the remaining professional development training, those types of things lower dollar amounts. But I just highlight that we do have commissioners who remain interested in continuing to attend the Certified Planning Commissioner training program. Council Member Jacobs just finished it. We have one number signed up to start the session at the very end of June and then another member who's interested in a session yet again later in the year.

**Kevin Daly:** Important question. Did he pass?

**Will Moore:** So it's a two part training program. So he's just been to the first session. He's in the homework session phase now.

**Kevin Daly:** If he fails, does he pay the town back? [laughter]

**Will Moore:** I don't know if that's in our. [off mic] That's all I have. Unless you have any particular questions on the planning and zoning budget.

**Bridge Littleton:** So Will, I'm assuming that everything, even if it's out of planning and zoning, that's going to be related to the town hall will be in the town hall budget.

**Will Moore:** Correct.

**Danny Davis:** So all the future engineering, architectural current work is all being charged to that capital account.

**Bridge Littleton:** Bud any input or thoughts?

**Bud Jacobs:** No, I think we're good. This is with the caveat that we've already offered on the potential for an [off mic]

**Bridge Littleton:** Well, is there anything on here that you think is important to cover but not covered?

**Will Moore:** I don't think so.

**Bridge Littleton:** OK. And then long term looking out, you know, nothing. Maybe this year, but over the next two, three, four years. Is there something in there? Is there anything that we should be thinking about and put on the radar screen?

**Will Moore:** I don't think so. I think once we get I think maybe the following fiscal year, we're looking at continued work on the zoning and subdivision ordinance updates so that that will be, you know, holding that engineering and consulting line up a little bit. But that's the main thing that we have on the horizon right now.

**Bridge Littleton:** Okay. Any other questions for Will or Bud? Ok. Thank you. Next,.

**Jamie Gaucher:** I'm the last one here. Are you presenting?

**Bridge Littleton:** We forgot we forgot her first day surprise. She's next.

**Rhonda North:** We want her to come back tomorrow.

**Jamie Gaucher:** Ok. In keeping with the larger ticket items, I would move down the page underneath the marketing heading and bring your attention to the hundred and twenty five thousand dollars and the thirty thousand dollars set aside specifically for marketing and collateral. So part of that one hundred twenty five thousand dollars consisted of or consists of a grant that we got from the county for 60 grand. That sixty thousand dollars required a match of sixty thousand dollars. And if and perhaps we'll talk about finding or identifying an agency of record, somebody that's going to help us do some marketing and produce some collateral for us, but that together one hundred and fifty five thousand dollars is what we've set aside for basically marketing and implementing the brand.

**Danny Davis:** Yeah, this strategic initiative, implementing the brand and it's all encompassing everything from social, print, digital, its collateral creation. It is the advertisements that may go in a variety of different avenues. Also analytics as we look at the visitors that actually come to town and what are the things that we can put together to capture better data about those visitors, even if we just have numbers. So we've talked about a number of potential solutions of implementation. And so as we do that, that's why we called it marketing research. It's not just necessarily I mean a lot of it is pushing information out, but then it's also tracking those who come to town. And what kind of data can we get and what little bit of investment does that take on our part? So it's definitely putting all that into one package is a large number, but it's also a commitment to continuing to push the tourist destination and the support of bringing people to town to support our business sector.

**Bridge Littleton:** Any questions?

**Peter Leonard-Morgan:** So the social media contract is no longer because that's wrapped into something else now?

**Danny Davis;** That's correct. The marketing and research. Yes.

**Bridge Littleton:** So, all right. Let me make sure I understand this. So is this actually based on bids or analysis of what we're going to do or is this just a wag?

**Jamie Gaucher:** We haven't put out an RFP, if that's what you're asking.

**Bridge Littleton:** No, it's not even about an RFP, it's about, hey, we really want to make sure we're dropping four ads a month that we really want to understand that we're getting this kind. I mean, the question is, if I actually wanted to see like the 10 things that make this breakdown. Is there actually like, you know, we eat either. You either have historical spend or estimated bids for what you want to do. Does any of that exist for these numbers?

**Jamie Gaucher:** I do have a budget associated with the one hundred and twenty five thousand because I had to put together a budget for that grant application right from last year. So I do have a budget for that. With regard to the 30, I have not broken that out into specific categories.

**Bridge Littleton:** So how do you come up with the 30?

**Danny Davis:** I think it was a collaborative conversation. I'll put it at that, but the number is a. I would say an amount that gives us capability to achieve what we think would be appropriate, but there's no specific bids on that. If that's your question.

**Philip Miller:** That's more implementation of the new branding project.

**Danny Davis:** Correct. So it could be. Yeah. Collateral pieces. It could be giveaways. It could be all kinds of things related to that piece of the branding project.

**Chris Bernard:** [off mic]

**Danny Davis:** Well, so it it's. Yeah. I mean, we want to spend it. We're not gonna spend in current year. I'll tell you that. But we also don't want it to linger, linger, linger, because we will be asking for other grant funds from the county as well.

**Jamie Gaucher:** And we will require an extension.

**Chris Bernard:** [off mic]

**Danny Davis:** And we had to if related specifically to the grant, we just had to be careful that because it's based on marketing for specific heads in beds or overnight stays. Now, a portion of this. Remember, we were using our funds for July 4th and current year as a match and some from MBPA. So, yes, there is the potential of moving some of those dollars.

**Chris Bernard:** [off mic]

**Darlene Kirk:** [off mic]

**Jamie Gaucher:** The original grant that we received from the county was 60. [off mic] Our partners include the Community Center and MBPA. And in order to make our application as competitive as it possibly could be, I think we matched the 60 with 65. All total.

**Bridge Littleton:** Now, what restrictions are on our money?

**Jamie Gaucher:** With regards specifically to the grant?

**Bridge Littleton:** Committed sixty five I totally get it, did we put handcuffs on the money?

**Danny Davis:** Yes, we committed that our funds would as well be targeted at overnight stays. So what that means is as we market using our dollars and so. Well, I need to be careful. I'm not sure so certain that we've specifically handcuffed every single dollar of that. The point is. So, for instance, July 4th, we have people coming to town to celebrate July 4th. We will be marketing July 4th as a destination weekend. Well, the twenty two thousand is to put on the event. So that's part of our matches, the event to occur. But then also dollars to spend to bring people to spend the weekend here. Does that make sense?

**Bridge Littleton:** So are you guys certain that those dollars can be spent on ice cream trucks for the event and don't have to just be spent for marketing for the event.

**Danny Davis:** We in the application that we submitted, we clearly stated what our dollars were for. So I don't have them in front of me. We can go back and look. We clearly defined the use of the dollars and it was received and accepted by the county.

**Peter Leonard-Morgan:** And presuming that can't be used to pay Visit Loudoun for example.

**Danny Davis:** Sure. Right.

**Jamie Gaucher:** Correct. That's correct. It cannot

**Chris Bernard:** [off mic].

**Jamie Gaucher:** The next large ticket item is in the amount of fifty thousand dollars and its associated with the economic development partners, that fifty thousand dollars is currently split fifteen thousand for MBPA and thirty five thousand for Visit Loudoun. . Now we've talked about making the potential award to MBPA competitive, actually having an application process that was more detailed and more stringent. So that is subject to change, but that's where that \$50000 comes from.

**Philip Miller:** Not unlike the scrutiny we've applied to Visit Loudoun.

**Jamie Gaucher:** Not unlike that, correct. Because historically there has not been. Right. And then following that is a facade or a tenant improvement program connected to economic development. In my mind's eye this leverages private investment and it's used specifically for fixed assets. So if somebody as an example that somebody was going to put, I don't know, four thousand dollars into build out for their restaurant or their retail location, this would be potentially, in my mind's eye, a thousand dollars from the town to help offset the costs that they would incur as a new business moving into Middleburg. So that whatever the ratio is, we haven't decided yet. Right. It could be four to one or five to one. It's a matching program.

**Bridge Littleton:** So how do you pick winners and losers?

**Jamie Gaucher:** First come, first serve.

**Chris Bernard:** [off mic]

**Jamie Gaucher:** If you meet the requirements, if you're going to finance fixed assets that are going to stay with the building. Right. We're not talking about a marketing budget necessarily. We're talking about building out shelving or building out a kitchen. That's a good example or a counter. Capital improvements. Yeah. Then you would be eligible and then your eligibility would be judged based on how much of a budget you were going to put forth as a new business owner moving into a building here in Middleburg.

**Bridge Littleton:** So this is only for new business owners.

**Jamie Gaucher:** Or people or people that were creating jobs and or making investments in their existing facilities.

**Bridge Littleton:** So theoretically by this program, Salamander could apply or the Red Fox or the Oyster Bar.

**Jamie Gaucher:** Theoretically, yes.

**Bridge Littleton:** Ok. Well, my question is, is that how you really want to target it? I don't see that. I don't see that. Those are three businesses that need this kind of target. But if it's going to be applicable to them, I would absolutely see them jumping all over.

**Danny Davis:** But if I may, on the flip side, if if the town's investment in a project can help bring in the next oyster bar or the next, you name it, business, that's been a success, then potentially there's value in this. And in continuing to support the robust economy that we have.

**Bridge Littleton:** Not saying there's not value in the project. My question is the details of this thing mature enough that it's ready to fund.

**Chris Bernard:** [off mic] [multiple speakers] [off mic]

**Bridge Littleton:** And I don't think it's actually good to first come, first serve, because July 1st, there will be people who know their needs and they will be there with the first application and they'll be six months later. And other guys who are really well and want to expand, it doesn't have all the capital. Now, he can't take advantage of the program. It's the same [inaudible] dilemma. You guys faced with the events committee, you know, it was a well, when we talked about this two years ago. Right. It was like if you didn't make your funding request in the first two or three months of the fiscal year, you know, your event came in April. You were always too late because all the money was already committed. Or you have a deadline that. Yeah, exactly. It's not first come, first serve it's a deadline and maybe there's two deadlines a year. [off mic] Yeah.

**Danny Davis:** And that's one of the questions that we've asked [Inaudible] in the strategy is, you know, for recommendations on this type of program, is this something that's important to help us in moving this forward.

**Bridge Littleton:** And we got that feedback from them?

**Danny Davis:** We have a draft report, but I haven't had a chance to review it yet.

**Philip Miller:** Do you have an example of where this has worked?

**Jamie Gaucher:** As like other communities?

**Philip Miller:** So we can bounce off how they do it.

**Danny Davis:** Vanish Brewery. I mean, I would say the state has a couple of different programs. Some of them are infrastructure, agricultural forest improvements, something. But it's a grant for rural businesses.

**Philip Miller:** So it's a framework

**Danny Davis:** It's a framework absolutely. And a matching from the state matching potentially from the locality. Now it's again, bigger type program. But yes, there are frameworks at the county level likely and also at the state level.

**Jamie Gaucher:** And I believe that the town of Purcellville had a facade [inaudible] up improvement program as well. I don't know what kind of success they've had. I'm familiar.

**Bridge Littleton:** I remember that one. That was just for their facade. So if you were cleaning up the front of your building for Main Street. Yeah, but you were saying this is like if you need a new kitchen or you need a new garage

**Jamie Gaucher:** Or buildout.

**Bridge Littleton:** Or internal. So like as an office. So if I want to add two to three walls in my office building, I don't need the money, you know. We can afford it. But I theoretically what you're saying is like, apply for that.

**Jamie Gaucher:** If you were creating jobs and if there was an economic impact associated with that work. Right. So usually it's for people that or companies that are creating jobs and or going to improve their business to Chris's point, somehow they're going to increase. They're going to have a restaurant and they're going to build a brick fired oven.

**Danny Davis:** They're again, looking at other examples of whether county or state. It's either a clawback function or it's a contribution over a period of time when you hit certain benchmarks. So if you add your 10th employee, right, then here's \$2000. If you add your 20th employee, here's your \$5000, whatever.

**Bridge Littleton:** So, yes, Cindy I'm sorry.

**Cindy Pearson:** Was this in the budget last year?

**Jamie Gaucher:** We talked about it, but I don't believe it was in the budget last year.

**Cindy Pearson:** [inaudible] on it for last year. And have you done any type of application, anything that these people who want to apply for would fill out?

**Jamie Gaucher:** I have an application. This is similar to a program that I was familiar with when I was in West Virginia and when I was in Vermont. And so I had the draft of an application. I think the criteria and the specifics around how we would manage it here, I don't have.

**Cindy Pearson:** Okay so I would say I think it's a good idea, but I think it needs a lot of thought before we go forth with it. But you got a place holder. I don't know.

**Peter Leonard-Morgan:** I think it's a great idea, too. This reminds me of a tourism zone discussion we had a couple of years ago, but I do think it'd be great if we could all get like a copy of the [inaudible] and how people can apply for it, because I think we can all help with that. Something I got my brain going about potential new businesses that could come in and benefit from a few thousand dollars if they meet the criteria. I'd like to see a list of how it works.

**Bridge Littleton:** Philip you had something you wanted to say.

**Philip Morgan:** I was going to say I think that the idea has merit. I don't think that we should have it in the budget until we see how it works. So add it as a budget amendment later, once we actually see how everything works, how it's all going to be planned, exactly how it's going to roll out and what the deadlines are gonna be and who qualifies and who doesn't and approve the whole thing at once.

**Peter Leonard-Morgan:** You said it was in that last year. So we must have approved it or.

**Bridge Littleton:** This is an idea you had like three years ago. [off mic] Yeah, it says new.

**Danny Davis:** I think it says new because we never assigned a line of actual budget code to it because the program never got off and running.

**Bridge Littleton:** So let me throw this out so everybody feels. I think Cindy's exactly right. It's an idea that's got merit. Right. Especially if you're a new business coming to Middleburg and you're you know, was it 90 percent of new businesses fail because they're undercapitalized? Well, what's the biggest capital cost is the build out in the improvements. Right. So if that's where this is going, then that I think is a good positive idea. I don't think it should be something for, you know, big multi corporate businesses who are doing well. I mean, I don't think it's for Salamander. They don't need it. But you know, as Peter is thinking about the good side, I'm thinking about the people who will abuse it. Right. [off mic] right, exactly. Or maybe it is only for new businesses or expanding or whatever. So. But I think until you actually have a fleshed out ready to execute program, I don't see how we can fund it on a budget line item. So I would say develop the program like Philip said, and then a recommended amount.



And we take it from there. Yeah. And we could put I mean just take the forty thousand out of this and put it back in to contingency. [off mic] Yeah. Put it back in the contingency. Okay.

**Jamie Gaucher:** And now moving down to events. So here in Middleburg we have several categories of events. Town events, town sponsored events. We'll get back to that in a second. The sixty thousand dollars here, which is event agency activation that's associated with hiring an event manager and we've talked about that previously. That would require an RFP. And we believe that would be for approximately four events here in town.

**Philip Miller:** That number is based on roughly what we know it cost us for Oktoberfest multiplied across those four events.

**Jamie Gaucher:** Correct.

**Chris Bernard:** [off mic]

**Jamie Gaucher:** They're going to be incentivized.

**Chris Bernard:** [off mic]

**Darlene Kirk:** [off mic]

**Jamie Gaucher:** I don't have the specific list in front of me.

**Danny Davis:** Town events would be the events that we created and or ran last year. So Oktoberfest, Mille Miglia. Potentially also, if the Cultural and Community Events Committee moves forward with another event, we've talked about the carriage parade or other. [off mic] So the event management is just the people around it, the town events gets into what are the hard dollars. They go into that. So is it the. Is it the signage that we had to print last year? Is it the banners, the actual paying of other performers and stage and things like that? [of mic] Christmas in Middleburg or the.

**Jamie Gaucher:** Film Festival as a good example.

**Danny Davis:** And fireworks.

**Darlene Kirk:** [off mic]

**Cindy Pearson:** With a town sponsored events and the community and cultural event grants. When we get around to that discussion at a later this month meeting, this one coming up the next one. There'll be some discussion around those, too. So we won't go into it now because that's I don't yeah, we're not quite ready for that, but. Yeah. Yes, please.

**Bridge Littleton:** So if I just do some plus add, subtract, we've got two thousand, but we've got thirty thousand coming in from sponsorships, such really netting out to about a hundred and seventy. [off mic] All right, so I guess I get that. OK.

**Jamie Gaucher:** The last part, the nine thousand dollars associated with the VCA grant, the Virginia Commission on the Arts. That's forty five hundred plus forty five hundred.

**Cindy Pearson:** [inaudible]

**Jamie Gaucher:** They did get that last year and I just received their application yesterday for this year. And the Middleburg concert series will also be submitting an application. So we might have a situation like the one we had previously with the Bluemont concert series where we split that money.

**Danny Davis** So it is clearly an investment in the events of the town and think it's clearly a push to support our business sector and the local economy to bring people in to see the town and the intent there would be that they see it and they continue to come back and they continue to support our businesses. So it's a concerted effort and it is definitely aggressive, but it's also something that we hear about of both events to bring more visitors. Also events to support the community and then events that are just generally great for day to day activities and those fun things that occur. So I think it's a multi-faceted approach towards the event ideas.

**Darlene Kirk:** [off mic]

**Danny Davis:** And what probably the biggest expense that wasn't there before truly is the event firm. And this is.

**Darlene Kirk:** [off mic]

**Chris Bernard:** [off mic]

**Darlene Kirk:** [off mic]

**Bridge Littleton:** But hey, so I look at what we actually spent in 2019. We spend a hundred and forty thousand. We net this out. We're gonna spend one hundred and seventy thousand which is thirty thousand more and that's it. That's upping the game with two big major events being Mille Miglia and Oktoberfest. Thousands of dollars each. I think they're totally worth it.

**Philip Miller:** And we know for certain that, you know, Mille Miglia was tied directly to DOT.

**Bridge Littleton:** Oh, yeah. Yeah. Well, we got, what, thirty five hundred four thousand people for Oktoberfest. [Inaudible] alone had his best day. [off mic] Ok. Does anyone have any other questions about events?

**Peter Leonard-Morgan:** Just maybe spend on farmer's market briefly?

**Bridge Littleton:** Well, that's community development. We hadn't gotten there yet. No, no community development. Oh, yeah. Yeah. No, just just for the event side. And Cindy and Darlene. Any feedback or input from you guys or the committee?

**Cindy Pearson:** We'll have later conversations on that part. [inaudible] that part and the grant part, which I think is gonna be helpful.

**Bridge Littleton:** Now, community development.

**Jamie Gaucher:** The farmer's market. We are working diligently. We are doing everything we can to expedite initiation of this year's farmer's market in the same place where we had last year's farmer's market. And right now, it looks as though we're going to have one of the vendors help us manage the market in this coming year. This ten thousand dollars came from what we expect to provide from a marketing and advertising perspective, as well as having a dedicated farmer's market manager here every week to take care of the market and take care of the vendors.

**Peter Leonard-Morgan:** What happened with, after our meeting. [off mic]

**Jamie Gaucher:** Those folks that we were talking to have a specific interest in relocating the market to South Madison Street. And I don't think that we're prepared to do that at this point in time. So it's still very much a work in progress. [off mic] I will know first thing in the morning. I should.

**Danny Davis:** Formally, formally.

**Jamie Gaucher:** Formally, the co-operative has some of the individual members of the co-operative. We're still talking to them. To answer your question.

**Peter Leonard-Morgan:** You know without beating it too much. So what is the rationale? I mean, I personally like the idea of South Madison Street, but I understand the difficulties. Why are they so keen on that?

**Jamie Gaucher:** Just from the perspective of being able to see the market, having it be more prominently located in town that they feel would suit not only the vendors, but suit their business model more appropriately than where it is now.

**Darlene Kirk:** [off mic] [multiple speakers]

**Philip Miller:** We were just talking about where we are on overtime and everything with our officers.

**Bridge Littleton:** Was there anything else? I don't think so. Philip, overall economic development.

**Philip Miller:** It represents more of an investment in our future strategy of being a destination for events and for heads in beds than ever before. So I'm happy to see that. And I look forward to hearing what the plan is for the grants process. But it's also, you know, it's been growing years for years and now it's sort of more streamlined and consolidated, as you can see under the marketing line items. So. I think it's a good thing.

**Bridge Littleton:** Any long term things we need to be thinking about that aren't on here or.

**Jamie Gaucher:** From my perspective, marketing, whatever that budget turns into? Or that's something I think we should strategically start to think about now. In future years. Right now it's at one hundred and fifty five thousand dollars. I don't know what it will be, but we haven't had a number in the short time that I've been here, we haven't had a marketing number of over a hundred fifty thousand dollars before. So that's something we should track. That's something that I think we should lean into a little bit. Otherwise, I don't have anything aside from the facade improvement or build out program that we've talked about previously. That should be on here that is not on here.

**Philip Miller:** But in fiscal 19, we were 163 marketing.

**Jamie Gaucher:** But again, that's a little.

**Philip Miller:** You just didn't use it.

**Jamie Gaucher:** Well, there are a lot of different things that were sort of piled up inside of that line item. [off mic] That's correct.

**Danny Davis:** I would say that the probably the big unknown also right now is we don't know what the top three strategies of the EDAC study are going to be. And so whether those are operational terms of time and energy and focus or whether those are programmatic in terms of potential dollars or other spending, and so we are taking that to EDAC on the 23rd. Thank you. Of this month. So it's the fourth Friday of March. So we look forward to seeing what those recommendations are. And hopefully they will endorse the report or make recommendations based on that. And that may inform future budget discussions even in the coming month. So we'll see what that is again, some of that is likely to be time, effort, energy, some that could be other programs. But we'll see what that is. So to your question of what kind of long term things might not be identified as of yet. Clearly, that's a top strategy and we'll see what it comes back with.

**Bridge Littleton:** Yeah. I mean, I know one other thing I would add in there is that, you know, that but that number is a little artificial in the sense you got sixty thousand of it from Loudoun which, you know, don't assume you'll get it next year. We can't assume we get it next year. And then I guess the other thing is. I just don't, I don't know why, but I just it just feels cloudy. Is that I understand the need to invest in these things, but I still can't put my hand around

what I'm investing in. You know, and ultimately long term is that something governments should be investing in or that's something government should incentivize others to invest in through you know, like with advertising, right? Do you like the county's investing in us with marketing for sixty thousand with a match? You know, I just. And again, I'm not saying right, wrong, indifferent or whatever. It just doesn't. It's not typical, I guess, is what I'm saying. [multiple speakers]

**Danny Davis:** In terms of marketing?

**Bridge Littleton:** Yeah, yeah, I mean, one hundred and fifty five thousand dollars for marketing. That's how much is that relative to the businesses outside of Salamander. I don't know, but.

**Danny Davis:** I think the question is, is that even a relative comparison? I think the real question is the initiative and goal of the council and then, you know, we can then go work with Phillip and Chris altogether to put that plan together so we are ensuring that we are investing the dollars the right way.

**Bridge Littleton:** Well, I guess that's probably the challenge. The challenge usually is you define the plan and then you ask for it to be funded. Here we're funding before we define the plan.

**Danny Davis:** And that may be our that's an uncomfortable that may be our fault. And that we developed, as Jamie mentioned, a hundred twenty thousand dollars, essentially ten thousand a month kind of investment in this program that we provided to the county as part of the grant. And they endorsed it. And so we haven't started it yet because we're nine months behind on branding. But the idea being that, you know, when you look at \$10000 a month goes really fast when you're in marketing it. And so if I hear what you're saying there.

**Bridge Littleton:** I don't know what we're buying for \$10000 a month. Do you?

**Danny Davis:** Well, not immediately today, but we know what it would take in terms of print, digital and other things. We've put general numbers around that. So the question is, does council want to be involved in that discussion or is that a programmatic?

**Bridge Littleton:** I would say this and I know again, we're going down a rabbit hole, that's what you guys are the professionals on. But when you say to me, I don't know what I'm going to spend it on, but give me this much, it's a challenge because the challenge is oh, I've got \$10000 to spend this month so let me go spend it as opposed to saying I worked a program, the program's going to cost fifty three hundred and I'll spend fifty three hundred. And if you come and want to add something. It's going to be an extra \$3000 a month because you want to add. That's great. Right. But I don't.

**Philip Miller:** Those programs are hard costs. That's not really how marketing works. Marketing works with you setting a budget and then saying, OK, what can we accomplish that is the most effective toward these different goals and metrics that we can actually do with this money? OK. Well, for this program, for the farmers market, it makes most sense to invest in Instagram on X, Y and Z, and that'll produce this result. And that's \$5000. If we do it on heads in beds for this event, this event and this event, then we want to use this mechanism. You develop the plan after you have the budget.

**Chris Miller:** [off mic]

**Bridge Littleton:** Oh, I get it. But we have another \$30,000 on the side and to Darlene's point we had it in 2019 with \$163,000 that wasn't held up by branding cause we weren't doing branding.

**Darlene Kirk:** [off mic]

**Bridge Littleton:** It's not that I don't trust what you guys are doing. It's just, you know.

**Darlene Kirk:** [off mic] [multiple speakers]

**Bridge Littleton:** Maybe I'm overthinking it. I don't know. [off mic] What was that? But this is government. And I just it just that the hard part is here's a bucket of money. I don't really know what you're going to spend it on. And go spend it.

**Cindy Pearson:** [off mic] I'm well, I'm going to go back a few years when Betsy first started economic development, she wanted to believe if they put this amount of money in this pot that it would bring more visitors to town, help our businesses and help the town grow. So this amount of money was put in. It wasn't always used. Sometimes more was used. So I think that's still where we are today. We're putting this money in this pot. You aren't going to go out and tear it up, burn it and throw it out the window unless you need it. But it's there. It's us. The council investing in our businesses, our restaurants, our, you know, salamander, red fox, different places, trying to get more people in town. So I think that's I think you are overthinking it. I think you've got the right thought. Don't get me wrong. You don't want this money wasted. I mean, we can't. It's our taxpayers money. But we have to believe. I mean, they hired economic development sort of before and then now you have a person. So you're believing that this and their companies are going to do their work. So I think, you know, it's OK.

**Bridge Littleton:** But I guess the one thing I'm saying is, as we get two thirds of the year and you've only spent half your money, the attitude shouldn't be, oh, we got a lot of extra, let's go find something to spend it on. You know, economic driven in marketing or whatever. But that's I guess.

**Peter Leonard-Morgan:** I agree with that. But I do think to the point, you know, having been involved in this all my life, you get you, you apply for budget for your marketing and then you have a plan. So we should have the plan as well as the budget.

**Bud Jacobs:** [off mic]

**Chris Bernard:** [off mic]

**Bridge Littleton:** Any questions? I need to drink. I'm getting the flu. [laughter] Thank you. [off mic] It's not pink because the building. [off mic] Any questions on the pink box?

**Danny Davis:** As we have further conversations with the museum, we'll bring you any questions that we have. Essentially, it's been a mini self-supported fund. There has been a pink box surplus. You see the top line that obviously we've been paying our annual expenses out of that will essentially expire then so, yes, we are going to figure out the best way to work through that and we will do that in an appropriate manner.

**Bridge Littleton:** All right. CIP.

**Danny Davis:** CIP, in short, what we've shown, again, is the large dollar figure is the town administration building, which is near the bottom in total projects. So walking through the sheet real quick, just so you can track along the first dollar figure, you see, we wanted to give you a total project dollar amount so that each project you can get a general idea of what that is. So if you look at Windy Hill, forty thousand that way, if there if it's expended over multiple years, you can get a total amount. This is also helpful because sometimes there expenditures either spent previously that are not part of our current five year proposed plan. And so the total project amount is often, you know, as is important to note in general. So what we have shown in fiscal 21 is some road projects, the maintenance facility, the vehicle. So that would be where the cash is expended. And then the town administration building being paid out of debt. That \$3 billion figure there. The next year in our review from Davenport they, as I mentioned, anticipated in our fund balance figures, approximately three hundred thousand dollars in capital expenditures in the next couple of years. Separate from the town hall project and then two hundred thousand dollars essentially on a rolling basis. And again, that may be for any kind of general town wide project, could be federal street related, sidewalk related, other things that we might identify. This doesn't even take into account where we might get other grants from the county or other sources for capital infrastructure. So the expenditures is in the top section and then

the revenues, how you see that coming in is in the bottom section. And of course, all of the numbers match or they should closely match.

**Peter Leonard-Morgan:** Just a bit confused, I'm sure I'm just missing something. So you saying prior fiscal year for all of these wayfinding and.

**Danny Davis:** Could be current fiscal year like this year could be in their previous fiscal year. In the capital budget generally, you expect that you don't spend all the funds in one year. It might be it's a long lead time, maybe a long planning time. So you might budget all of it in one year, but not spend it all on that one year. So we don't want to show it. We don't want to re budget it for 21 because there'd be a double budget. But we show that it has. We have obligated. That's correct.

**Bridge Littleton:** I really like how you have a 5 year going out projection. That's very helpful.

**Danny Davis:** It does help and it gives you a sense of what's on the horizon. Again, I realized the town wide improvements is a very undefined number, but we will figure that out as we go along and begin to identify future things.

**Bridge Littleton:** Well, we've talked about, you know, the remaining waterlines. [multiple speakers]

**Danny Davis:** And again, some of these numbers, the debt financing may go up and down half a million here. They're depending on interest rates, depending on the cost of the project. But, you know, I think where rates are, we're going to see a very promising financing market at that time. So on the again, on the general fund side, the wayfinding project, I think will be sufficient to get us, I hope, through maybe the first like gateway signs and perhaps those first trailblazer signs. It may not be at a point where we're where it can cover all of the pedestrian effort that we're looking towards. But that could be something we build into a FY 22 or potentially pull from another location. But that kind of weight that that's necessitated on us even understanding what that plan might be and getting our consultant putting that together. So.

**Bridge Littleton:** [off mic]

**Danny Davis:** Utility fund, as we mentioned, we continue to plan 3 percent rate increases to cover regular operational costs increases and other requirements, especially as we're talking looking at system and line maintenance and repair capital projects, paying debt service, things like that. Excuse me. The water and sewer user fees are up again, as I mentioned in my presentation. Current year revenues are down about 6 percent. So we're watching that carefully to see. I got a little intel of why some of that might have occurred and there was some excessive water use at the resort due to a leak that they got repaired. So lucky for us, they gave us a lot of extra money last year. Yeah, the hot tub had somehow had a crack in it. [off mic] But it's amazing how just that difference affects our consumption by a certain amount. So we'll keep a track on that and see if we're continuing on the right pace for 21 as well. We do have again, contingency built in. So there is some leeway in that. Our tower lease revenues, we don't show increases, but I know some of them do have escalators. So we will do our best to make sure that we are capturing that as well. And then we've zeroed out the lines of transferring from the general fund because we ended up not making that transfer after all. In moving to the next page if that's all right. That's revenues real quick. Okay. The next page is administration is soft cost contract services. Our contract with IES has a built in 2 percent escalator and that was pretty straightforward. My costs, of course, are a portion of my salary, a portion of the treasurer and the accounting administrative assistant salaries are included in the administration line items, and that's based on the general time that we give to the utility fund there. Other than that, then on the debt service I have built in at the very bottom UF line of credit. That's our current temporary financing that we will be bringing to you on Thursday night. So that number again may change because of rates being where they are and the style of financing that we end up doing. But that's a placeholder and it fits within our current budget. So, yeah. Any questions on the administration side here on this page? Okay. So the last one is where really the big O and M takes place and that's on the top line or top section is water. As I mentioned during the presentation a couple weeks ago and then Will kind of similar to his discussion tonight, we did try to look at the right way that to make sure that we're coding our

expenditures in the right line items so that then we can plan better in the future. We always know that there will be major issues to deal with, but let's plan the right way. So equipment that needs to be replaced, let's replace it. Equipment that needs to be there for redundancy. We don't want single points of failure or if we have a single point of failure, we want to have a redundancy in hand so that we can address it immediately. Stuart and Mark are very, very good at identifying those and making sure that we're spending long term investments. One simple example being our booster pumps over at the Stonewall water plant. They're hard on, hard off. So it starts in as zoom zero to 100 like that is really hard on those pumps and they burn out a lot quicker. We can invest in some slow starters to allow them to be variable speeds, which will lengthen the life of those pumps. So it's an investment into the future, which is good. So I appreciate their forward thinking in that way. That being said, generally across the board variable cut some of the costs down a little bit, just knowing what our regular maintenance activities and expenses are. A few costs have gone up, electricity being one at least on the water side. And then I mentioned to you as well chemicals. I'm hoping that it won't be as expensive as what I have budgeted right here. And again, I'm also hoping that we get a little back from the company in the form of a credit based on the overages that they charge us for the last 18 to 24 months. So we're still pursuing that. I shall say. All in all, Mark and Stuart feel comfortable with the budget as laid out that it gives them the tools they need to run a successful and a sustainable operation. And then, of course, we have cash transferring into the CIP for capital projects as well.

**Bridge Littleton:** [off mic]

**Danny Davis:** There's I don't believe so, just based on my discussions with them. I've tried to understand that as I've gotten to know the system a little bit better. Where are these potential downfalls? There is one aspect of the Stonewall water plant that's a pressure tank essentially, it takes the water and hydro pneumatic tank. I still don't understand how it all works, but it is literally a tank that creates pressure to help it flow up to Salamander. But it's in a way is kind of a single point of failure. And yet there are alternate ways around it if necessary. Usually we're talking about like a PLC chip and in the brains of the [inaudible] system where I happen at wastewater.

**Peter Leonard-Morgan:** Or well pump.

**Danny Davis:** Yeah, I mean well well pumps. But thankfully the redundancies as we have other wells to make up that difference there. When that computer wastewater stopped working, we were within six inches of being completely full in our bio reactor tanks and thankfully we had a backup. They flipped it out and it the next one worked. It ended up being an IP address conflict. You know, those kind of things. Right. But at the end of the day, it happens. They triaged it and then we were about to go start manually adjusting valves and things. So maybe not a quite full answer, but I feel like there are limited single points of failure. But I want to continue to understand what they are so that we either do have a bypass or something in hand to to be able to replace it on site. And again, they've been willing to tell me now we need this pump, because if this pump goes bad, our entire wastewater aeration system doesn't work. Go pipe the pump it, put it off to the side. It only makes sense.

**Peter Leonard-Morgan:** I totally agree. I think, you know, we got to give a lot of credit to Stuart. He's so passionate about our system. It's amazing. And he found I believe he's right. He found this over spend or overcharged by the company on the [inaudible].

**Danny Davis:** It was. Yeah, yeah. And on that note as well, we have great relationships with other jurisdictions nearby or operations nearby. I mean, one value of IES is that they have a bench strength, but also Purcellville basically has the same exact wastewater system that we have just on a larger scale. And so, you know, not saying it's a perfect match, but if there's something we might need. They're always willing to answer the phone and help us through an issue or potentially have a backup if there's something of ours that goes down. So we try to work together in that way as well.

**Bridge Littleton:** I mean, that's a great plan. I mean, I remember when I worked for IDT we used to manage these old Navy systems, these old NASA systems, and you'd be amazed. You know, some part is not made anymore. You're literally scouring eBay and all these old part depots trying to find them to you know, because to your point.

Right, it's a little circuit card. That circuit card hadn't been made for a year. And then you've got to, you know, so I want to make sure that you're buying whatever you need to buy.

**Danny Davis:** Yeah, we definitely are. Thanks.

**Bridge Littleton:** Any questions for. Danny or Peter, your input on the utility system and Kevin.

**Peter Leonard-Morgan:** [off mic]

**Danny Davis:** Thankfully it's not. It's more of it will lose efficiency over time. Now when it starts to lose efficiency truly and start to falter, it might go quickly. However, we'll have enough lead time. It won't be a sewer plant stopped working. Well that's one of our investments is that we pay Suez to give us weekly reports on various aspects of the wastewater plant. They tell us about the permeability of the filters. They tell us about the efficiency of the process. And so we can actually see trends and they'll even tell us through their analytics this appears to be less efficient. You might need to do a deep clean cycle or filter membrane, clean out or something. And it's amazing when we do that. Then all of a sudden next report, I mean, efficiency is up and permeability is down. It's pretty impressive. So, yes, I do think that getting the membranes ready for purchase is key. And I think, again, kudos IES for having them last this long. If we can get another year. That'd be great. If we could get two years that'd be great. But we don't want to push it too hard.

**Bridge Littleton:** Any other questions on utilities?

**Bud Jacobs:** Just one comment, I don't want us to lose sight of the need for our well recharge study.

**Darlene Kirk:** So you had a question about, you know, when we have to pump up. And you we have one to Salamander, and I remember that. Is there any concern about I mean, those are monitored and watched because I don't want suddenly Salamander has no water. I mean, we've had that happen with other businesses in town.

**Danny Davis:** Right. We have a number of different pumps there. So there is redundancy in the two different pumps we have. We also have the fire flow pumps that are the emergency need, though. They'll really pressurize it. My understanding is that the way it works there is sufficient redundancy in the plant and in the system to give that pressure needed to push it up the hill to the resort. So but that's, again, always one of those where I don't mind when I talk with Mark and Stuart playing dumb because in this area, I don't know very much. And it allows us to better understand where we can invest in something to make sure we don't lose water or pressure.

**Bridge Littleton:** Anybody have any other questions on anything else in the budget, revenue side, expense side or department wise? Kevin.

**Kevin Daly:** Personnel salaries are covered in a separate item. Ok. I mean, but not broken down by individuals.

**Danny Davis:** Correct. I have that in a sheet separate that we keep ourselves. Yeah.

**Bridge Littleton:** Ok. And then I guess just for Will and Rhonda.. Any other inputs or thoughts? [off mic] The service is an honor the pay is extra. Julia, any thoughts?

**Julia Rivard:** I don't have anything to add. I've been listening and taking notes. [off mic]

**Bridge Littleton:** Is the sheet balanced? [laughter]. Okay. Unless there's nothing else. I guess we will put it on the agenda for Thursday for the final and reviewing adoption.

**Danny Davis:** No, we have not held the public hearing yet. We've been waiting just to see.



**Bridge Littleton:** Public hearing I'll be the second meeting in March. [off mic] What was I thinking? We'll approve this year's budget next year.

**Danny Davis:** I'll make sure that everything's good. We have to do the budget public hearing and then we have to do rates and fees.

**Rhonda North:** So you've got the real estate public hearing this meeting. You'll do the budget public hearing the next meeting on the 26th and you'll adopt the real estate tax rates on the 26th. And then the soonest you can adopt the budget itself is your first meeting in April.

**Bridge Littleton:** And that's the plan we're [inaudible]

**Danny Davis:** If that's good with council. Yeah.

**Bud Jacobs:** [off mic]

**Danny Davis:** Yes.

**Bridge Littleton:** OK. Thank you guys very much, great work. Meeting adjourned.