MIDDLEBURG TOWN COUNCIL
Regular Monthly Meeting Minutes
Thursday, February 12, 2026

PENDING APPROVAL

PRESENT: Mayor Trowbridge M. Littleton
Vice Mayor Chris W. Bernard
Councilmember Pamela Curran
Councilmember J. Kevin Daly
Councilmember Deborah Scott Gallagher
Councilmember Chris Hersh
Councilmember C. Darlene Kirk
Councilmember Cindy C. Pearson

STAFF: Danny Davis, Town Manager
Martin Crim, Town Attorney (attended remotely)
Rhonda S. North, MMC, Town Clerk
Ali MacIntyre, Director of Business Development & Community Partnerships
Angela Fletcher, Finance Director/Town Treasurer
Shaun Jones, Chief of Police

The Town Council of the Town of Middleburg, Virginia held their regular monthly meeting on Thursday, February 12, 2026 in the Town Hall Council Chambers, located at 10 West Marshall Street. Mayor Littleton led Council and those attending in the Pledge of Allegiance to the flag. The roll was called at 6:00 p.m.

Public Comment

Megan Gallagher, 214 E. Marshall Street, thanked the Town for the extraordinary Americas 250 event held on February 11th, as well as the quality of the architectural design for the Asbury Church Restoration Project. She opined that the Mayor's comments during the February Americas 250 Celebration were on point and noted that the first two celebrations were great. Ms. Gallagher recognized Councilmember Pearson, former Councilmember Jacobs, former Mayor Davis, and Town Manager Davis for their work on the Asbury Church Project Committee. She also recognized Town Clerk North, the Project Lead on the project. Ms. Gallagher noted the public engagement that had occurred. She opined that the restoration design was thoughtful and honored both the heritage of the building and its quality. Ms. Gallagher further opined that the February Americas 250 Celebration was a triumph. She announced that the Board of Supervisors would honor baseball legend Asbury Lloyd, who was featured in one of the Town's oral histories videos, on February 18th. Ms. Gallagher advised that Middleburg cared and was investing in honoring, documenting, and engaging the local African American community. She opined that the Town's oral histories videos were extremely high quality.

Punkin Lee, 2 West Federal Street, advised that the February Americas 250 Celebration event was amazing and very sobering. She commended those who participated in the Oral Histories Project and noted that they told it like it was, which was great. Ms. Lee thanked Town Clerk North for leading the project. She advised that she was so excited about the event that she called a friend and told him that he could watch the videos on the Town's website. Ms. Lee thanked everyone who participated in the project and advised that it was lovely to see the older people and their families. She opined that it was a wonderful evening.

Ms. Gallagher thanked Town Manager Davis, who worked late into the night to get the videos online.

Staff Reports

January 2026

Town Clerk North reminded Council that she was updating the Council's biographical information on the Town website and asked the members to share any updates they would like to include. She further reminded the members that they were required to take FOIA (Freedom of Information Act) training this year and noted that Joe Underwood, of the Virginia FOIA Council, would be in Middleburg on Monday, August 31st to provide it. She noted that she was recently out for two weeks on family medical leave. Ms. North expressed appreciation to the members of Council for their outreach during this period and advised that it meant a lot to her.

Business Development & Community Partnerships Director MacIntyre announced that she would host a Grants & Sponsorships Workshop on February 25th related to the Town's grant opportunities for nonprofits and schools and sponsorship opportunities for the business community. She advised that the Town had hosted two great events to celebrate America's 250th anniversary and announced that a lot more were planned, including a Women's History Month celebration. Ms. MacIntyre noted that it would feature some of Middleburg's most influential female leaders. She advised that there would be a Middleburg Trivia event in April at the Lost Barrel Brewery. Ms. MacIntyre noted that there would be other events throughout the year and advised that she was getting good feedback. She opined that Town Clerk North "knocked it out of the park" with last night's event. Ms. MacIntyre encouraged anyone who had not viewed the Oral Histories Project videos to watch them and noted that they were phenomenal. She reported that EDAC met last month to discuss their goals for the year and advised that they planned to focus on the workforce, including how to support businesses in attracting employees. Ms. MacIntyre noted that this would be done in collaboration with the Middleburg Business & Professional Association (MBPA). She reported that EDAC also suggested the development of a business recruitment brochure in order to help fill the vacant storefronts. Ms. MacIntyre explained that the brochure would include data points, testimonials from existing businesses, and the value of the community. She advised that EDAC also discussed updating the Town's shopping/dining brochure and maps to make it easier for visitors to digest and to make sure they were up to date. In response to inquiries from the Council, Ms. MacIntyre confirmed the shopping/dining map was available online; however, it needed to be updated. She confirmed the online version was the same as the print version.

Councilmember Curran noted that a member of EDAC proposed that a QR code be posted in town that could be used to identify where businesses were located that could always be up to date.

Town Manager Davis explained that the idea was to click on a QR code at each street corner to see what businesses were located within the block. He advised that the staff would begin work on some of the ideas coming from EDAC.

Mayor Littleton noted that Colonial Williamsburg had a live interactive app. He questioned whether this should be developed by the Town or the MBPA. Mr. Littleton suggested that rather than posting QR codes on lampposts, they be posted on the businesses. He noted that the difficulty with a paper map was that it was out of date as soon as a business changed.

Business Development & Community Partnerships Director MacIntyre noted that the businesses frequently asked for paper copies of the brochure.

Finance Director Fletcher announced that the 2026 business and professional occupancy license (BPOL) applications were sent to three hundred sixteen businesses.

In response to an inquiry from the Council, Town Manager Davis reported that there had not been a significant amount of expenses coded to the miscellaneous contingency item since July. He explained they had not been made yet due to the monthly reconciliations. Mr. Davis opined that items like debt service payments and health insurance costs may not be fully recorded.

Town Treasurer Fletcher advised that most of those items were recorded only through the month of October.

Mayor Littleton suggested the report not indicate they were the expenses through January if they had only been recorded through October.

Town Manager Davis opined that what was shown covered 80% of the Town's expenses. He noted that the items that were paid through ACH went through a separate reconciliation process; therefore, there were items that had not yet made it into the report for the last few months, as the staff was prioritizing other projects. Mr. Davis confirmed the report did not include all expenses in full.

Mayor Littleton noted that it appeared the Town was running under its projected expenses by almost a third, which was not accurate. He advised that it was fine if the payments were only reconciled through October; however, the report should indicate this was the case, rather than saying these were all the expenses as of today. Mr. Littleton suggested it be corrected in whatever manner the staff felt was appropriate.

Chief Jones noted the hard work performed by his staff during the recent snowstorm and advised that officers came in on their days off to help with the snow removal. He expressed appreciation for their hard work and dedication to the Town. Chief Jones reported that January was a busy month and advised that the department assisted the Loudoun County Sheriff's Department a few times outside of town because they were shorthanded. He noted that Officer Hinegardner responded to an incident in which a female was taken into custody on an emergency custody order and advised that when dealing with someone who had a mental health issue, normally it was a two-person response. Chief Jones reported that the Sheriff's Department did not have anyone available to assist and advised that the Fire Department responded. He noted that at the same time, there was a potential incident in which the bookstore had to be evacuated, and advised that there was not an officer in town, as he had taken the lady into custody, which caused him to be away from town for six to seven hours. Chief Jones noted that Officer Hinegardner also responded to a case of a drunk in public while snow removal was occurring and advised that he was able to de-escalate the situation and get the subject back into his residence without any issues. He reported that he continued to work with Business Development & Community Partnerships Director MacIntyre to plan for future events throughout the year.

Councilmember Daly announced that Chief Jones earned his Certified Law Enforcement Chief Executive Officer Certification from the Virginia Association of Chiefs of Police last week while attending their conference. He explained that this certification program promoted excellence in leadership by setting high standards for executive level law enforcement professionals throughout Virginia. Mr. Daly noted that the program was voluntary and opined that those who pursued the certification showed their commitment to exceeding standard professional expectations and in continuing their leadership development. He opined that Chief Jones' achievement reflected his dedication to integrity, professionalism, and public service and advised that he was proud to recognize him.

On behalf of Deputy Town Manager Moore, Town Manager Davis reported that the Historic District Review Committee (HDRC) granted conditional approval for exterior alterations and a rear addition to the former Fun Shop property, which would allow the owners to move toward the next steps of a site plan and building plan. He noted that he and Mr. Moore would meet with the property owner's design team next week to discuss what they needed to submit for the renovation and new construction. Mr. Davis recognized Chief Jones and Officer First Class Hinegardner, who spent the weekend in Middleburg during the snow event and reminded Council that the Town Hall was constructed to accommodate things like that. He also thanked Tim Cole for his great work during the snow event. Mr. Davis noted that Mr. Cole worked with the Town's contractors to remove snow from the parking spaces along Route 50. He advised that at the suggestion of Chief Jones, the road was closed a block at a time, with traffic detoured around the block, so the snow could be removed safely. Mr. Davis opined that this was a great solution. He noted that Chief Jones and Mr. Cole spent twelve hours each day planning for the snow removal and guiding the process. Mr. Davis thanked the entire Town staff for their hard work.

In response to an inquiry from the Council, Town Manager Davis advised that it had been six or seven years since the town received as large a snow event and explained that later in the meeting, he would discuss the development of a process for snow removal that would depend on the amount of snow that fell. He noted that the contractors have changed since the last large snow event and advised that people were not doing the same removal work that they used to do. Mr. Davis noted the need to find the right team of people. He opined that this would provide for a good starting point in developing a set of standard operating procedures for the future.

Councilmember Kirk noted that this event was more about ice than snow.

Town Attorney Crim reported that he continued to track the House and Senate Bills in the General Assembly and noted that there were a lot of them now. In response to inquiries from the Council, he advised that Senate Bill 388 passed in the Senate and opined that it would also pass in the House. He opined that the cannabis bill would sail through with a substitute bill. Mr. Crim advised that there were bills that dealt with by-right multi-family dwellings and opined that something would come through the session. He advised that the accessory dwelling unit bills appeared to be more questionable; however, some were being amended and some were being held up in committee. Mr. Crim opined that they would not all pass. He advised that the bill he was most concerned about that was likely to pass was HB 816 related to by-right multi-family units in commercial districts, which passed the House and was now in the Senate Local Government Committee. Mr. Crim confirmed it did not have an exception for commercial properties in a historic district.

Town Manager Davis advised that the companion bill, SB 454, was amended fairly substantially and would not apply to Middleburg. He noted, however, that there was still a question about one of the clauses in it. Mr. Davis opined that the House version would be amended in the same way when it came to the Senate.

Town Attorney Crim advised that the Senate Bill passed 21 to 19 and opined that it was a bit less likely to pass.

Town Manager Davis advised that Senate Bill 531 related to accessory dwelling units passed the Senate. He noted that while the patron tried to claim it was much less demanding than prior bills, it was still very prescriptive and would require accessory dwelling units by-right in any single-family zoned property and in some townhome zoned properties. Mr. Davis noted that these were concerning. In response to an inquiry from the Council, he opined that Senator Perry voted in favor of the ADU bill, as well as the multi-family bill.

Asbury Church Project Report

Town Clerk North noted that as had already been mentioned, the Americas 250 Celebration held on February 11th was quite phenomenal and advised that it was a full house. She thanked the Council for advancing the Oral Histories Project and opined that the results of the videos spoke for themselves, as they were very powerful. Ms. North announced that thanks to Town Manager Davis, who worked late the night of the viewing to do so, the oral histories videos were now available for viewing on the Town's website. She advised that she sent the link to the individuals who participated in the project, as well as some of their family members. Ms. North read a response from one family member who said he "was fighting back tears of joy because of the history and amazing family ties to the community". She noted that she had received reactions like this the entire day. Ms. North opined that this was a project of a lifetime and expressed appreciation for having been given the opportunity to lead it. She reminded Council that they agreed to accept donations toward the Asbury Church Restoration Project and announced that the Town had begun to receive cash donations. Ms. North noted that the Middleburg Beautification Committee had committed to doing the garden area and Jim Roberts committed to donating a clock that previously hung in the Asbury Church. She opined that a lot of incredible things happened during the February Americas 250 event.

Mayor Littleton agreed it was a wonderful event and noted that everyone had a fun time and shared lots of memories. He advised that it was great to see people congregating afterwards to tell more stories. Mr. Littleton thanked Town Clerk North and the Asbury Church Project Committee and noted that they did a phenomenal job.

Town Clerk North noted that it was a team effort.

Consent Agenda

A. Council Approval – January 8, 2026 Regular Meeting Minutes; January 22, 2026 Regular Meeting Minutes
B. Council Approval – Purchase of Replacement HVAC System – Well 4 Treatment Plant

Vice Mayor Bernard moved, seconded by Councilmember Daly, that Council approve the consent agenda as proposed.

Vote: Yes – Councilmembers Bernard, Curran, Daly, Gallagher, Hersh, Kirk, and Pearson
No – N/A
Abstain: N/A
Absent: N/A
(Mayor Littleton only votes in the case of a tie.) (by roll call vote)

Action Items

Council Approval – Middleburg Community Farmers' Market

Business Development & Community Partnerships Director MacIntyre reported that she received a proposal from a well-known farmer's market organization in Northern Virginia who proposed to take over Middleburg's farmer's market for the 2026 season for $65,000. She noted that they later reduced the cost to $55,000 to provide a turnkey operation. Ms. MacIntyre advised that the vendors fees would increase to $100 per week and noted that they were currently $150 for the entire season. She further noted that the organizer would use a part of the consulting fee to lower the cost of entry for the first season, as this cost would present a barrier for the current vendors. Ms. MacIntyre reported that the organizer's model was designed to significantly increase foot traffic and sales to transform the market into a high revenue destination. She advised that based on the previous input from the Council and because she only had one proposal, the staff was recommending not proceeding with the farmer's market for the 2026 season. Ms. MacIntyre suggested that if the Council wished, the staff could begin negotiations with this organizer and return with a revised proposal at the next meeting. She noted, however, that the staff did not believe the cost would be reduced any more than it already had based on the requirements proscribed by the proposer. In response to inquiries from the Council, Ms. MacIntyre advised that the organization operated a farmer's market formerly at One Loudoun and now at Brambleton, which attracted 4,000 people every weekend. She noted that they had an extensive wait list to be a part of their markets, with people coming from all over Northern Virginia. Ms. MacIntyre advised that they were experts in their field and had been looking to come to Middleburg for some time.

Town Manager Davis noted that in their proposal, they stated that their goal was to have a minimum of forty vendors in Middleburg's market, which they felt would make it successful. He advised that they had a vendor wait list in general.

In response to inquiries from the Council, Business Development & Community Partnerships Director MacIntyre advised that the contract between the Town and this organization would be for $55,000. She noted that there would be additional expenses for the vendors in the form of a fee. Ms. MacIntyre advised that the Town's financial commitment would not cover the fee for the vendors completely and advised that they ran $3,500 per season. She explained that in the first year, the organization would lower the fee for the Town's existing vendors; however, it would still be pretty high. Ms. MacIntyre advised that the organizer proposed to extend the market to thirty-five weeks and noted that the Town's season was typically twenty-seven.

Town Manager Davis advised that the Town would not anticipate any costs beyond whatever it paid them as a contractor, which was proposed to be $55,000.

In response to inquiries from the Council, Business Development & Community Partnerships Director MacIntyre advised that this would be a one-year contract. She further advised that the Town budgeted $40,000 for the market this past year; however, it only spent $28,000. Ms. MacIntyre confirmed the organizer dropped their fee from their initial proposal of $65,000 to $55,000; however, she did not believe additional negotiations would get it any lower.

Vice Mayor Bernard advised that what concerned him was the proposal to have forty vendors. He advised that if the market was as successful as the organizer was proposing, it would bring a huge amount of traffic to Middleburg. Mr. Bernard questioned whether the organizer was optimistic it could drive that amount of traffic. He further questioned whether there was a location in town that could support that, including the parking.

Town Manager Davis reported that the staff had not hashed out the details related to the logistics of parking, as it wanted to have an initial conversation with the Council because of the cost. He advised that the staff identified at least two potential locations in town that may have the space to hold a market of this size. In response to a comment and inquiries from the Council, he advised that the staff had not had any conversations with the property owners. He advised that one potential location was the office building on The Plains Road. Mr. Davis reminded Council that two years ago, this organizer did not want to participate in Middleburg's market. He opined that the difference now could be that the Town would pay them $55,000, which would cover most of their expenses.

Vice Mayor Bernard expressed surprise that they thought it would be a slam dunk to double the size and still make it viable. He questioned whether the Council wanted the farmer's market to be that large.

In response to inquiries from the Council, Business Development & Community Partnerships Director MacIntyre advised that the number of vendors the organizer had varied by location. She noted that for Middleburg, they said a minimum of forty vendors.

Councilmember Hersh noted the impacts of an event of that size on police coverage and traffic.

Mayor Littleton noted that this would require additional police overtime costs.

Councilmember Daly noted that all it would take would be one accident to tie up an officer for hours.

In response to inquiries from the Council, Business Development & Community Partnerships Director MacIntyre advised that the Town would receive nothing directly from the farmer's market in terms of revenue. She confirmed it would drive additional foot traffic into the town.

Councilmember Pearson reminded Council that Middleburg only had a certain number of roads leading into it. She advised that she did not believe it could support forty vendors.

Vice Mayor Bernard opined that the Council had lots of questions. He questioned whether the members wanted the organizer to appear before them to discuss their proposal. Mr. Bernard further questioned whether the Council felt this was too much.

Mayor Littleton questioned whether the Town wanted to spend $55,000 on a farmer's market. He reminded Council that this would drive sales from people who did not live in town. Mr. Littleton further reminded them that the goal of the farmer's market was to have something for the community. He opined that this was currently a money question.

Councilmember Kirk opined that forty vendors would bring people into town, which would help the businesses and restaurants.

Town Manager Davis advised that they wanted to keep the same hours – 9:00 a.m. to 1:00 p.m. on Saturdays. He reminded Council that one of their strategic initiatives over the past two years was, recognizing that the weekends were overpacked and challenging, to drive traffic to the midweek for significant tourism efforts. Mr. Davis questioned where people would park and eat if there were an extra thousand people every Saturday. He advised that while he agreed there would be a residual benefit to businesses, Council's direction to the staff had been to not overpack the weekends.

Councilmember Curran opined that the proposal checked the box with regard to increasing vendor capacity; however, it did not check the one related to the farmer's market being a smaller one that would be supported by local residents. She noted that it would also be more expensive. Ms. Curran agreed it would not be supported by local residents. She opined that this would not be what success looked like based on the Council's definition.

Councilmember Daly suggested the farmer's market be cancelled and opined that increasing it would not be a benefit to the community.

Mayor Littleton noted that it was hard on the Town to operate the market and if someone else did, they wanted a substantial financial commitment to cover their costs. He advised that they were not wrong for doing so, as they would not want to lose money. Mr. Littleton noted that the Town had a lot of things it needed to commit money toward, such as the Asbury Church Project, and opined that the money could be better allocated to community-based projects.

Town Manager Davis noted that while the Council did not ask EDAC for their input, they discussed this during their last meeting. He advised that even at the cost of $40,000, their general consensus was that the return on investment was not worth the amount of investment that would be required.

Councilmember Hersh noted that their recommendation influenced his thoughts. He agreed that having a farmer's market was something that was cool; however, from a business perspective, it was not worth it.

Vice Mayor Bernard noted that this was a difficult decision; however, he agreed it was too much for this year.

Vice Mayor Bernard moved, seconded by Councilmember Daly, that Council direct the staff to not proceed with the previously scheduled 2026 Middleburg Farmer's Market.

Vote: Yes – Councilmembers Bernard, Curran, Daly, Gallagher, Hersh, and Pearson
No – Councilmember Kirk
Abstain: N/A
Absent: N/A
(Mayor Littleton only votes in the case of a tie.)

Mayor Littleton noted that the staff worked hard to figure out how to make the farmer's market economical, while still being community based. He suggested the Town not stop looking for people who could operate it for a lessor cost.

Vice Chair Bernard opined that the Council's decision did not mean the market would not happen in the future.

Business Development & Community Partnerships Director MacIntyre thanked Kim Shelly for running the farmer's market.

Council Approval – Acceptance of Loudoun Courthouse Print – Mark & Betsy Davis

In response to an inquiry from the Council as to where the print would be placed, Town Manager Davis advised that the staff intended to put it in the Administration hallway. He opined that it fit in that location.

Mayor Littleton noted that there was no reason the prints could not be cycled around the building.

Councilmember Pearson moved, seconded by Councilmember Hersh, that Council accept the donation from Betsy & Mark Davis of William E. Ten Eyck print #118 depicting the Loudoun Courthouse in Leesburg, Virginia.

Vote: Yes – Councilmembers Bernard, Curran, Daly, Gallagher, Hersh, Kirk, and Pearson
No – N/A
Abstain: N/A
Absent: N/A
(Mayor Littleton only votes in the case of a tie.)

Discussion Items

Overview of Town Revenues & Assessments

Town Manager Davis explained that he wanted to provide the Council with a review of the initial forecast of revenues for the upcoming FY '27 year, as well as talk about real property values. He noted that he provided this report to the Finance Committee. Mr. Davis advised Council that they would receive the full budget following their retreat in March. (Councilmember Kirk left the meeting at 7:05 p.m. She returned at 7:16 p.m.)

Town Manager Davis reminded Council that Loudoun County was responsible for conducting the property assessments and noted that they were updated annually, with the values being effective July 1st. He reported that the properties located within the town of Middleburg have experienced sizable increases in value since 2021. Mr. Davis advised that for the calendar year 2026, the projection was that the property values would increase by just over 7% for all taxable properties located within the town, including new construction. He reminded Council that if a property existed on January 1, 2025, the Town looked at the equalized value, which was the percentage of the increase between January 1, 2025 and January 1, 2026. In response to inquiries from the Council, he confirmed that for an existing single-family detached property, the value increased by 9.2%. He reiterated that the total value change included new homes that were built during this period. Mr. Davis explained the difference between the total value change and the equalized value. He noted that most of the new construction had occurred in the Residences at Salamander.

Mayor Littleton noted that those new homes moved the value of the entire base by 5%. He further noted that this was because they were so expensive and advised that the average cost was between $3-6 million, which was approximately four times the value of a regular single-family home in Middleburg in general.

Town Manager Davis noted that the value of the new construction was $11 million and advised that when compared to the total portfolio of $550 million, this equated to 2% of the total portfolio of the entire town.

Mayor Littleton questioned whether this number was correct and opined that this was a 50% change.

Town Manager Davis reported that in 2025, the total assessed value of single-family detached homes was $213 million. He advised that the value of the new construction of eleven homes was almost $20 million. Mr. Davis confirmed the value of the new construction was worth half the existing stock's change in value. He reported that the total new assessment was $244 million and the total change from 2025 to 2026 was $31 million; therefore, the new construction was a third and the revaluation was two-thirds. In response to an inquiry from the Council, he confirmed that five new homes were built in 2025.

Mayor Littleton noted that this was significant and advised that the increase in single-family homes of 2% drove the assessed value to change by 50%.

Town Manager Davis noted that the value of townhouses decreased slightly. He reviewed the changes in total property values by category over the past seven years and reiterated that there were significant increases. Mr. Davis noted that a lot of this was due to new construction; however, some was due to the demand pressures post-COVID and the limited housing stock.

Town Manager Davis advised Council that this fed into the Town's revenues. He reminded the members that in the past, they had taken the approach to equalize the tax rate, which meant to lower the rate to generate the same amount of revenue excluding new construction, and add a 3% factor to account for inflation. Mr. Davis noted that this allowed the revenues to not be stagnant, while lowering the rate a bit to reduce the impact on the property owners. He advised that if the tax rate was kept the same, it would increase the tax bills by 5%, with it being much higher for some. Mr. Davis reported that he was building the FY '27 budget on lowering the tax rate to the equalized rate plus 3% for inflation. He advised that this, along with the revenues from new construction, would result in $41,000 in additional real property tax revenues for the General Fund.

Town Manager Davis noted that the Town's next major revenue sources were the meals tax and the Transient Occupancy Tax (TOT), also known as the hotel tax. He displayed a graph that depicted these revenues over the past four years. Mr. Davis reported that revenues were strong in the first quarter of the current fiscal year; however, they were flat for the second quarter. He reported that to date, the meals tax revenues were up by almost 5% year over year. Mr. Davis advised that the staff were watching this closely and noted that this tax could fluctuate based on government shutdowns. He reminded Council that these revenues lagged behind by three weeks and noted that the January tax numbers would be received no later than February 20th. Mr. Davis reiterated that the meals tax revenues continued on a positive trajectory, with modest growth. He reminded Council that it was anticipated that a new restaurant would open in the next few months and advised that he built in some revenues from that.

Town Manager Davis reviewed the TOT revenues and noted that these were driven primarily by the Salamander Resort. He reported that the Town saw just over a 2% growth factor year-over-year for the first two quarters of FY '26. Mr. Davis reminded Council that this revenue was slow in the third quarter. He noted that these revenues were now paid monthly, as opposed to quarterly, and advised that the staff could project out how the remainder of the year would be based on past experience. Mr. Davis advised that the resort anticipated a lot of midweek group sales and noted that a group or two could cause the numbers to change significantly. He reported that he spoke with Salamander's Managing Director and told him that he anticipated a 2-2.5% growth factor year-over-year in TOT revenues, to which he concurred. Mr. Davis suggested the need to take a measured approach to this.

Town Manager Davis reviewed the history for the other revenue sources for the General Fund. He noted that because of the new administration, the Town took a more measured approach to revenues when it developed the FY '26 budget. Mr. Davis reminded Council of the impact of the federal government shutdown. He reported that the Town's revenues have rebounded and opined that they would come in above budget. Mr. Davis advised that he was projecting the revenues for FY '27 to be slightly higher. He noted that the Town was in the process of receiving its business license renewals and would use those to determine whether the projected BPOL revenues should be adjusted. Mr. Davis advised that this was a high-level overview of the revenues and suggested the Council could discuss them now or in a few weeks when it reviewed the draft budget. (No questions were raised.)

Initial Discussion of Utility Rate Review

Town Manager Davis advised that he wanted to discuss the projected utility revenues and hold an initial discussion on the Town's utility rates. He reminded the members that they discussed the latter last year and decided to spend more time reviewing this with the Town's rate consultant. Mr. Davis reported that this was brought back to the Finance Committee in November and again in January to discuss the idea of adjusting the current rate structure. He reviewed the breakdown of the water customers based on consumption in a two-month period. Mr. Davis reported that 87.7% of the Town's water customers used between 0 and 10,000 gallons of water every two months, which was a significant portion of the customer base. He reminded Council that Middleburg's residents were older in demographics than the rest of Loudoun County and were less affluent, with a lot of the residents being on fixed incomes. Mr. Davis noted that a high number used very little water. He reported that 8% of the Town's water customers used 10% of the water or between 10,000 and 21,000 gallons every two months. Mr. Davis noted that under the proposed rate restructuring, any user who used less than 21,000 gallons would see either no change or a decrease in their bill, while users who used more than 21,000 gallons would see an increase in their bill. He reported that twenty-two users used 62% of the Town's water. Mr. Davis further reported that the Salamander Resort was responsible for using approximately half of the Town's water in any given billing cycle.

Town Manager Davis reiterated that there has been a discussion of potentially creating a tiered rate structure that would allow the users at the lower end of the tier to pay less per gallon, with the rates increasing as more water was used. He suggested there could be between two and four different tiers. Mr. Davis noted that when this was reviewed with the Finance Committee last year, concerns were expressed about the impact on multifamily housing, specifically on non-profits like the Windy Hill Foundation. He reported that the rate consultant put together a plan that would allow for a separate category for multifamily buildings that would not trigger a new tier until it reached a higher usage amount. Mr. Davis opined that it would be appropriate to have a different category in order to avoid having a negative impact on non-profit multifamily buildings.

Town Manager Davis reviewed the existing rates, as well as the proposed ones. He noted that the minimum bill (2,000 gallons) was currently $83. Mr. Davis reported that the average residential bill was for 6,000 gallons of water, which cost $250 every two months. He reviewed what the rate would be if a 3% increase were imposed, with no change in the rate structure. Mr. Davis reminded Council that they have increased rates by 3% per year in the past in order to stay on top of inflation and fund necessary infrastructure and capital needs. He reviewed the proposed rate structure and advised that the minimum bill would decrease from $83 to $43. Mr. Davis advised that the average residential user would see their bill decrease by 28%; and a 12,000-gallon user would see their bill decrease by 16%. He further advised that a 25,000-gallon user would see their bill increase by 4%, which was almost the same amount it would increase under the 3% rate increases. Mr. Davis reported that users who used more than 25,000 gallons of water would pay more unless they changed their consumption. He noted that if they did, this could affect the Town's overall revenue stream; although, the rate consultant's experience was that commercial users did not typically change their habits even if rates increased, but rather they simply passed the cost on to the customer. Mr. Davis advised that the Finance Committee raised concern that the restaurants were already facing the pressures of increasing food, labor and electricity costs and suggested that if the Town increased the rates so significantly that it changed the cost to eat out, there could be a negative impact on meals tax revenues. He noted that this was something the staff would continue to review and discuss with the Council and Finance Committee.

In response to an inquiry from the Council, Town Manager Davis advised that the Town had divergent restaurants. He noted that some of the smaller ones used 10,000 gallons of water, while a couple were high producing restaurants used in the 30,000 to 50,000-gallon range. Mr. Davis advised that those restaurants would may see a 5%-8% increase, with those using 40,000 to 50,000 gallons seeing an 8%-10% increase on their total bill. He noted that he could run some scenarios for the Council. Mr. Davis reminded the members that they have been having conversations about this and noted that the goal was not to bring in more money, but rather to disperse the cost differently. He reminded Council that the Town had a lower income population on the residential side versus high dollar people who visited the town. Mr. Davis opined that the Town could help the lower income residents by passing the cost on to those in the leisure market who had more discretionary money. He advised that the Finance Committee was not ready to make a recommendation yet and wanted more time to discuss it. Mr. Davis noted that he wanted to make sure the Council had time to think about it and ask questions.

Vice Mayor Bernard opined that the Finance Committee felt this was an interesting proposal; however, it was a political decision. He suggested this was part of the reason they were not comfortable making a recommendation. Mr. Bernard advised that they were looking to hear some discussion from the Council as to their thoughts and questions. He noted that the new rates did not have to be adopted until June 30th and acknowledged the need to hold a public hearing on it.

Town Manager Davis advised that the public hearing would be held in May.

Councilmember Curran opined that the proposal felt right. She noted that there were older people living in Middleburg who were below the median income level of other Loudoun residents. Ms. Curran advised that there was also something built into the proposal to take care of the residents at Windy Hill. She reiterated her feelings that this was headed in the right direction.

Vice Mayor Bernard noted that the Finance Committee discussed the decrease in water usage from conservation measures and how the change in the rates would change the utility revenues. He advised that they also discussed expenditures, including increases in expenditures in terms of the wells.

Town Manager Davis noted that the Finance Committee discussed conservation measures. He advised that the staff now realized that FY '24 was an anomaly when it came to revenues, as this was when the Salamander homes were first starting to be built and the lawns were watered constantly. Mr. Davis suggested that while this would occur from time to time, that usage had tempered out. He advised that he was more comfortable with the current consumption assumptions and did not anticipate much revenue from irrigation and outdoor watering. Mr. Davis noted that if the Town went into water conservation, the question was how much of a decrease would it see in revenues and opined that it would not see a significant drop.

In response to an inquiry from the Council as to whether the consultant ran the tiered system in retrospect, Town Manager Davis confirmed he did not. He noted that this was an interesting idea and would determine what the revenues would have been.

Mayor Littleton suggested the tiered rates be run retrospectively for 2023, 2024 and 2025. He further suggested this should be a factor on the spreadsheet.

Town Manager Davis noted that the consultant had the consumption numbers to build out the model. He advised that as to the question related to expected increased expenditures, he did not foresee any significant increases in the operating expenses. Mr. Davis explained that where he saw pressure was in the capital needs and the system's long-term capacity. He noted the need to identify potential new water sources and advised that the staff was working with the engineer to get two projects costed out – the first being the treatment of water at Well 3, which would cost just over $1 million, and the second being to replace water lines in Ridgeview, which tended to break, and would cost approximately $1.7 million. Mr. Davis advised that there were also ongoing regular capital needs. He noted that IES also developed an asset replacement spreadsheet for key high-dollar items and reported that the Town would need $4-4.5 million over the next five years. Mr. Davis reminded Council that the Utilities Fund did not have $4 million of debt capacity, which meant the staff would need to look for grants or other applications. He stressed that this did not mean the rates would need to increase significantly and advised that it just meant the need to find creative ways to fund them or to determine what could be deferred, delayed, or addressed through another mechanism.

In response to an inquiry from the Council as to how Middleburg's rates compared to other towns in Loudoun County, Town Manager Davis opined that Middleburg had the highest rates in the Commonwealth of Virginia. He noted, however, that there were dozens of ways to build a rate structure.

Mayor Littleton opined that this question was an important strategic element and suggested this discussion was not just about rates. He advised that it was about how the Town controlled its future. Mr. Littleton noted that most towns had out-of-town users and advised that 85% of Round Hill's customers were out-of-town ones that paid significantly more than in-town customers. He opined that it was not fair to say that Middleburg had the highest rates in the Commonwealth and noted that out-of-town users paid way more. Mr. Littleton noted that Middleburg made the strategic decision to not have out-of-town users because that would promote sprawl in the form of housing developments. He advised that when people raise the water rate issue, he explains that the community made the strategic choice that it wanted to own its destiny and control not only the development that occurred in town, but also near the town. Mr. Littleton opined that people understood that Middleburg was not expanding its user base. He reiterated that this was a strategic choice to preserve the community. Mr. Littleton noted the need to look at the total picture. He advised that one town's rates were about to be higher than Middleburg's.

Town Manager Davis noted that Hamilton just adopted higher fixed charge rates that would be slightly higher than Middleburg's minimum. He advised that they increased their rates by 37% because they had not kept up with the cost of doing business over the years, whereas Middleburg did. Mr. Davis noted that Middleburg was able to do some significant projects. He acknowledged that these projects added up and that the Town did not have the user base to spread the cost across. In response to a comment from the Council, he acknowledged that the water quality restrictions only became more, not less. He reported that there was a bill under consideration that dealt with PFAS in sewage.

Town Manager Davis reported that currently, the utility revenues from user fees were projected to increase by 3%, regardless of whether that was through a new rate structure or the existing one. He advised that for now, he would assume a 3% increase in rates. Mr. Davis reported that he over projected revenues in FY '26, based on a bad assumption in FY '25, and advised that there would be a bit of a shortfall this year. He explained that as a result of the dip in consumption, the revenues would not equal a direct 3% increase. Mr. Davis reminded Council that when new connections were made to the system, with the exception of for Salamander who pre-paid their residential fees, the revenues from the availability and connection fees were not budgeted but rather were used to offset one-time capital costs.

Town Manager Davis reminded Council that they would discuss this again during the strategic planning retreat and the budget presentation. He noted that this was an overview of the revenue projections.

Councilmember Pearson advised that previous Councils helped tremendously by increasing the rates 3% per year and noted that other jurisdictions, such as Hamilton, have had to increase theirs by much more. She advised that she liked sticking with the 3% annual increases; however, she wanted to see what the new schedule might bring.

Mayor Littleton noted that the 3% increases were a conscious decision and advised that the cost (of operating the system) would not be any cheaper than the year before. He reminded Council of the need for the utility system to be self-sustaining. Mr. Littleton opined that the worst thing a town could do was to hit its residents with 30% increases for which they had not planned. He suggested that predictability was much better.

Councilmember Pearson expressed concern about increasing the rates for the businesses, as opposed to implementing a 3% across the board increase. She noted that the businesses struggled from time to time. Ms. Pearson opined that this was a lot to think about.

Windy Hill Affordable Housing Project

Mayor Littleton advised that this item would be discussed during the strategic planning retreat. He reported that Windy Hill had a plan for the Robinson property; however, there were more details that still needed to be worked out. Mr. Littleton advised that he would rather discuss this when the Town had everything.

January 2026 Snow Event & Snow Removal Activities

Town Manager Davis opined that the Council would not object to him and Deputy Town Manager Moore developing a general set of expectations related to snow removal depending on the amount of snow received. He reminded Council that the Town was not responsible for maintaining the streets. Mr. Davis advised that because businesses were dependent on having a place for their patrons to park, the Town supported them by making sure those areas were accessible. He reported that the Town ended up removing snow from the parking spaces on Washington Street from The Plains Road to the Exxon station and advised that if the Council agreed, they would continue to do so in the future. Mr. Davis reported that it also cleared snow from the parking spaces on South Madison Street and half of North Madison Street, after hearing comments from the community. He noted that they did not clear those on Pendleton, Liberty, Marshall, or Federal Streets. Mr. Davis suggested the Council may want to think about how much money they wished to put into snow removal. He reminded the members that in 2009-2010, there were four snowstorms that could have easily resulted in $100,000 in costs in one year if the Town had removed the snow in this way. Mr. Davis noted the need to not overcommit the Town; however, he acknowledged the need to make sure people could park on the street. He advised that the staff would put together a framework for discussion in the future and asked that if anyone had any input that they share it with him.

Town Manager Davis reminded Council that the Town Code required property owners in the commercial zoned districts to clear their sidewalks by noon the day after a snowstorm and noted that this covered the core downtown area. He advised that it did not cover West Washington Street, East Marshall Street or Stonewall Avenue. Mr. Davis noted that there have been conversations in the past about requiring the property owners to clear the sidewalks; however, there was concern about putting this burden on senior citizens. He advised that there was also concern about requiring them to shovel it only to have VDOT bury it again with chunks of ice. Mr. Davis noted that the staff were not proposing an amendment to the Town Code; however, he suggested it was worthy of a conversation. He advised that an alternative would be to look at the cost of having the Town clear the sidewalk in specific areas to create pedestrian connections to get across town. Mr. Davis noted that he did not know how expensive that would be and advised that it was a question of taking on a burden that was not technically the Town's responsibility. He opined that it was important based on the number of complaints received about the sidewalks not being passable.

Mayor Littleton noted that the Council would discuss this when the staff returned with some information.

Closed Session

Vice Mayor Bernard moved, seconded by Councilmember Daly, that Council go into closed session as authorized under Section 2.2-3711 of the Code of Virginia, for (1) the lease of real property for public parking, as allowed under Subsection (A)(3); (2) and, a project bonus for a Town employee, as allowed under Subsection (A)(1). Vice Mayor Bernard further moved, seconded by Councilmember Daly, that Council thereafter reconvene in open session for action as appropriate.

Vote: Yes – Councilmembers Bernard, Curran, Daly, Gallagher, Hersh, Kirk, and Pearson
No – N/A
Abstain: N/A
Absent: N/A
(Mayor Littleton only votes in the case of a tie.)

Mayor Littleton asked that Council certify that, in the closed session just concluded, to the best of each member's knowledge nothing was discussed except the matter or matters (1) specifically identified in the motion to convene in closed session and (2) lawfully permitted to be discussed in a closed session under the provisions of the Virginia Freedom of Information Act as cited in the motion, which each member so did. He reminded those present for the closed session that any discussion that occurred within it should be treated as confidential.

There being no further business, Mayor Littleton declared the meeting adjourned at 8:12 p.m.

APPROVED:

_____
Trowbridge M. Littleton, MAYOR

ATTEST:

_____
Rhonda S. North, MMC, Town Clerk

February 12, 2026 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)

Bridge Littleton: All right. Thanks, everybody, for the pause. We will call the meeting to order. First item is Pledge of Allegiance.

All: I pledge allegiance to the flag of the United States of America. And to the Republic for which it stands. One nation under God, indivisible, with liberty and justice for all.

Bridge Littleton: Next item is roll call.

Deborah Gallagher: I'm sorry. Deborah Gallagher.

Chris Hersh: Chris Hersh.

Darlene Kirk: Darlene Kirk.

Bridge Littleton: Bridge Littleton.

Chris Bernard: Chris Bernard.

Cindy Pearson: Cindy Pearson.

J. Kevin Daly: John Kevin Daly.

Pam Curran: Pam Curran.

Rhonda North: Rhonda North, Town Clerk.

Danny Davis: Danny Davis, Town Manager.

Martin Crim: Martin Crim, Town Attorney.

Bridge Littleton: Okay. Next item is public comment. If anybody would like to address the Town Council on any item, they may do so with three minutes, and we have somebody signed up.

Rhonda North: Yes, Mr. Mayor. Megan Gallagher.

Bridge Littleton: Denied.

Megan Gallagher: Hi, I'm Megan Gallagher. I live at 214 East Marshall Street, and I came here to thank many, many people for last night, an extraordinary event and for the quality of the architectural design that we saw at the Council meeting. Was it two weeks ago? I can't remember, but not much that was extraordinary quality. And so, a shout out Bridge your comments were really spot on beginning and end. And I think this 250th were two months of great events for it. And last night was particularly great. But also, Cindy Pearson and Bud Jacobs from the Council. Betsy Allen Davis and Danny Davis on the Project Committee, because every time we saw a video, we saw the names of all the Project Committee people. But the person I really, really wanted to shout out to is Rhonda North, because that Project Manager. [applause] I mean, and it was only September 2022. I'd been I just moved in that summer when you all decided we're

keeping the building, and in three years there's been lots of public engagement. But to see the work evolve and now to see our restoration design, that's thoughtful and it honors both the heritage of the building and its quality. And it makes it gives you a reason to care about it before you get to the amazing people. So, I just thought last night was a triumph and it was packed and people seemed to love it, and there was all sorts of networking and things going on. And if last night was particularly amazing, I get the email today I think Bridge got this, that the last video you saw, the baseball legend, Asbury Lloyd, will the Board of Supervisors will honor him with a resolution on February 18th. Thank God, at a 5:30 business meeting down at the Loudoun Government Center. And they just as part well, because he's an extraordinary individual and as part of Black Heritage Month or for many reasons. So, I just think what struck me most was that we heard from those who remember an extraordinary community that to a degree is lost. I lived in the middle of it and it's not there anymore, but the community that is in Middleburg cares and is investing in honoring and documenting and engaging that lost community, that there is a degree of hope that people who could not stay if they wanted to improve themselves economically still have a reason to be here and to be proud, and to have neighbors who care even if they weren't raised in the same community. I think that's just amazing. We don't have to mention Purcellville and other towns where this kind of collaboration is going together, but it's extremely high quality, led by a genius. Thank you. I'm glad to run out on that.

Bridge Littleton: Thank you. Would anybody else like to address Council? Miss Punkin Lee.

Punkin Lee: The buttons. I'm good to go? I guess. Punkin Lee, Two West Federal Street. Well, Megan stole my thunder, but because I was here to say much the same that I thought last evening was very amazing. I mean, it was like goosebumps, warm and fuzzy. Very sobering, those comments. I think we have quite a community, and I commend those ladies that did the oral history because they were shooting from the hip and telling it like it was. It was great. And thank you, Rhonda, for being the driving the bus on that. It was it was quite an evening. I get so excited to call a friend of mine in North Carolina because I knew he would appreciate this whole thing. And I said, you can get it on the website and sit there and watch what the burg is doing. So, I thank everyone who participated. I just thought it was and it was lovely to see the older people there and the families that came with them to, you know, support grandma. And it was just wonderful for me, you know, and Cindy, we grew up with a lot of them. So, it was it was a wonderful evening. So, thank you.

Bridge Littleton: Thanks. Sorry, Megan, you used three minutes.

Megan Gallagher: [off mic] get the videos online last night so you could look at them again.

Bridge Littleton: Okay. [multiple speakers] Anybody else? Yeah.

Danny Davis: Is our internet speed here was so slow I had to do it at home.

Bridge Littleton: Yeah. Anyone else? Okay. We will close public comment. And first item we actually have is monthly reports. Rhonda, Town Clerk.

Rhonda North: Thank you, Mr. Mayor. Just as a reminder we are updating the Council Bios on the town's website. So, if you have some information that you would like to share if you could please send that to me and we'll get the bios updated. As a reminder this year is the year the Council is mandated to take FOIA training. Last year was COIA, this year is FOIA. So, have arranged for Joe Underwood of the state FOIA Counsel to be here in Middleburg on Monday, August the 31st, at 6 p.m. to give that training. So, you should have received a meeting invite for that. And lastly as you all know I was out for a couple of weeks on family medical leave. My mother had knee surgery, and although I did work some in the afternoons remotely, but I received a lot of emails, texts, you know, just outreach from the members of Council. I know Kevin put her on the prayer chain, and I just wanted to express my appreciation for that. It meant a lot.

Bridge Littleton: Thank you. Any questions for Rhonda? All right. Ali.

Ali MacIntyre: All right, so just a few updates. You guys have my report. First, just wanted to remind the business community and just share with you guys that we do have a grants and sponsorships workshop on Wednesday, February 25th from 10 a.m. to 11:30. So, our grants are available for nonprofits and schools, and then our sponsorships are available to the Middleburg Business Community. So, it is open to everyone. We have a few RSVP's so far. But and just

encourage everybody to come out because we do have some great things that we can do here in town. Next up, as Megan mentioned, we have had two great months of events here celebrating America's 250th. We have a lot more planned for the year next month. We are putting the final details together for Women's History Month, but we will be celebrating that. I met with Greenhill today. We will be hosting it there. And our plan is to invite the public to join us for an inspiring panel featuring some of Middleburg most influential female leaders. So, we will have, our plan is to have we still have the asks out to have four women and then a moderator. And then just to talk about their stories, their involvement in Middleburg and then just sharing some inspiring words to future of the community. And then, of course, you know, the country. So, more to come on that we hope to have that finalized by next week would be ideal. But we do have a couple of the women committed. So, we're just finishing that up. And then in April, we do have Middleburg Trivia, which will be super fun, that's going to be at Lost Barrel Brewing. So, coordinating with them on that and then a lot of other events planned throughout the year. So, I know I'm working with a lot of you on the various events, and we've been getting good feedback on them so far. So, yeah, last night I just I keep hearing how wonderful it was and I know, I'm just a broken record, but Rhonda really just knocked it out of the park. And she's been talking about, you know, the Asbury project for forever. And then she's like, oh, I can definitely come. And I was like, Holy moly, it was so good. Anyway, if you haven't seen the videos, I encourage you to do so. It was phenomenal. So, excellent job, Rhonda. And then last but not least, the Town of Middleburg's EDAC Committee met last month and discussed their goals for the year. The first topic was focused on workforce and how to support businesses and attracting workforce. So, we will be working with the community to do that, MBPA sent out I don't know if Punkin's still here, sent out a survey. And the town will be collaborating with them, as we always do to make sure, we are addressing those needs. Next, the committee suggested we create a business recruitment brochure. So, we are exploring that to help fill our vacant storefronts. This brochure would include data points, testimonials from existing businesses, and most importantly, as we all know, the value of community we would include that in there. The final topic was updating our town brochure and maps to make it easier to digest for our visitors. We have had some turnover here in town and are looking to update the map to you know, just make sure it's staying up to date, especially for this year. So, that's all I have right now for my report. Any questions?

Bridge Littleton: Any questions for Ali? The map, do we have it digitally?

Ali MacIntyre: We do have it digitally online, yes. But it is we need to update it. So, it's there. Yeah.

Bridge Littleton: So, do we always keep that one up to date no matter what? Or do we always keep it to what the print map is?

Ali MacIntyre: What the print map is.

Bridge Littleton: Okay.

Ali MacIntyre: Yeah.

Bridge Littleton: Any other questions? Yeah, Pam.

Pam Curran: I went I was at EDAC and somebody proposed something that was on the light post that was a QR code that was digital, that could always be updated to just, you know, you could go on the app with the QR code, and it shows you exactly which shops and businesses are where, so it's never outdated. I can't remember who had that, that everybody liked at which town.

Danny Davis: Yeah. Tray Adams mentioned it from a town up in or down in North Carolina. The idea is that if you're on a street corner, if you click that QR code, it'll tell you the businesses within that block so that, you know, oh, there's a bookstore, this block or a pet store that block. And then if you go to the next block, it'll tell you what's kind of each quadrant of that block. So, it's a way to get kind of proximity, if you will, of what's nearby. So, we have a lot of different ideas coming from EDAC that we'll start working on creative plans for that.

Bridge Littleton: Yeah. I mean, the one that I always have always been so impressed with was Colonial Williamsburg. It's a live interactive app. You walk around, shows you where you are, shows you know, all the dropdown stuff or

whatever. I don't know if that's a town thing an MBPA thing. You know, QR codes. I don't know if they'll be on the lampposts, but they could be on the businesses. You know, all the businesses have them in our wayfinding and all that kind of stuff. So, that's the hard thing when you print the map the moment you print it. And one thing changes, you know, that's the tough part. But I mean, a lot of people like paper, but you know, anyway.

Ali MacIntyre: We always have our businesses asking, can you drop these off? Can you drop these off?

Bridge Littleton: So, yeah. Okay. Any other questions for Ali? All right. Thank you.

Ali MacIntyre: Thank you.

Bridge Littleton: Angela.

Angela Fletcher: Thank you, Mr. Mayor and Council, you have my report before you. The only thing I really wanted to add we don't really talk about on there is BPOL. The 2026. BPOL renewals have been mailed and distributed via email. About 316 of those went out, including in town and out of town, but I'm happy to field any questions you might have on the report or otherwise.

Bridge Littleton: Any questions? My question what is driving the underrun and expenses? It's significant. I'm looking at the graph on the last page.

Angela Fletcher: There's nothing specific that I can point to at this moment.

Danny Davis: There may be a couple of items. One is, if you look at the miscellaneous contingency chart just above it, we have not had any significant expenses coded there since July. I believe we've had some of those dollars go out but just may not have made it into this report yet due to monthly reconciliations. So, debt service payments, things like that may not be fully here yet and then also things like health insurance, I don't know if those are covered yet for the month of January.

Angela Fletcher: Yeah, most of those should be through the month of October.

Bridge Littleton: So, then this line shouldn't be saying it's expenses through January. This line says expenses through January. So, this should only then be through October.

Danny Davis: Right. So, there's a couple different aspects of this. So, this probably covers 80% of our expenses if that's right. The items that are paid through ACH have to go through a second, a separate reconciliation process. So, you're correct. There are some expenses in there that have not yet made it into the bank reconciliation process for the last few months, as we're prioritizing other projects at this time. So, yes, you are correct. This doesn't have all expenses to the full degree.

Bridge Littleton: Okay. Because, I mean, it makes it look like we're like under running our projected expenses by almost a third. Right. Which is not accurate. So, then let's. You know, the chart needs to be accurate or not there. So, if it's only all reconciled payments to October, that's fine. Then the Dot should only go through October, right? Because, you know, if you're a layperson in the community looking at this. Oh, wow the town's, you know, really under running expenses. And then what's going to happen is we get to the end of the year and everything's going to catch up.

Angela Fletcher: Sure.

Bridge Littleton: It's going to be a hockey stick. Because you can't go back and audit that. You can't go back and change what you previously posted.

Danny Davis: Well, we can in this because this is a this is a report where we are today. We can go back. And as long as we note it for you, we can edit this chart.

Bridge Littleton: No, I know we can, but we shouldn't because what we are. Excuse me. What we are. What it's saying is this is all expenses as of today. So, however you guys want to fix it. But that's the.

Angela Fletcher: Sure.

Chris Bernard: Even a notation on the chart that just said expenses are accurate up through the two months before or something.

Angela Fletcher: Yeah, sure. Just a little disclaimer. Okay.

Bridge Littleton: Okay. That was my only question. Okay. Thanks.

Angela Fletcher: Anything else?

Bridge Littleton: Anybody else? All right, Chief, up to you.

Shaun Jones: Good evening, everyone. Before I get started, you have my report before you, but I just want to give a huge shout out to our staff, our police department, for their hard work during the snowstorm. Officers came in on their days off to also help with the snow removal as well. So, they put in a lot of hard work, and they were truly dedicated and committed to the town. So, I really appreciate all that. And I just thought it should be noted before the Town Council. Busy month last month was kind of busy. We had multiple different incidents throughout the town, and we also assisted the sheriff's office a few times outside of town at the request of them due to the fact that they were shorthanded. One of the situations I do want to highlight is the fact that Officer Hinegardner had to respond to incident where we had to take a female into custody for an emergency custody order. With that being said, usually when you deal with somebody with mental health crisis there's usually a two person respond response. Loudoun didn't have anyone available. So, thankfully we had the fire department there to assist due to some of the stuff that the lady was going on. I do note that when he had to take the individual into custody for a mental health evaluation, we had another incident going on with that potential incident at the bookstore where that had to be evacuated. We didn't have an officer in town due to the fact that he took her into custody. He was away from town almost 6 to 7 hours. So, but he was able to get that resolved. I also want to give him another shout out too during the fact that when we were doing the snow removal, we had a subject that we almost had to take into custody for being drunk in public. But he was able to deescalate the situation and get the subject into a residence. And where he stayed, we didn't have any more issues. Other than that, that's basically it. We're working with Ms. MacIntyre to prepare for future events throughout the year. Just trying to get our plans in place as well. Any questions?

Bridge Littleton: Any questions for Chief? Kevin.

J. Kevin Daly: Sir. Chief, I'm very disappointed you do not have a complete report. Chief Jones earned his Virginia Association of Chiefs of Police certified Law Enforcement Chief executive officer certification last week, while attending the Virginia Association of Chiefs of Police Joint Conference. The VACP Law Enforcement Executive Certification Program promotes excellence in leadership by setting high standards for executive level law enforcement professionals throughout Virginia. Because the program is voluntary, those who pursue certification do so to show their commitment to exceeding standard professional expectations and continuing their leadership development. His achievement reflects dedication to integrity, professionalism, and public service, and we are proud to recognize leaders who continually strive to grow. Well done Chief.

Shaun Jones: Thank you, sir. I appreciate it. Thank you. Thank you. [applause] Any other questions?

Bridge Littleton: Any other questions for Chief?

Shaun Jones: All right. Thank you, guys. Appreciate it.

Bridge Littleton: Deputy Town Manager who's covering for Will while he's shushing on the slopes.

Danny Davis: Thank you, Mr. Mayor, and thank you, Council. Just a couple of items to note from Mr. Moore's report. As noted under the HDRC review they did give conditional approval for the exterior alterations and rear addition at the Fun Shop property. So, there are a few additional items that have to come back to the HDRC. But the general plan was conditionally approved, which allows them to move towards the next steps of site plan and building plan. So, that is progressing forward. And we do have a meeting with their team next week to go through a discussion of process and all the components that they will need to submit for that renovation and new construction. Also want to just bring your attention, in addition to thanking Chief Jones and his team for response during the snow and just for those who don't know, Chief and lieutenant and first Officer First Class Hinegardner spent the weekend here. So, that's part of the reason we built this facility to accommodate things like that. But also, it takes the right people to do that kind of work. Also want to thank Tim Cole for his great work. On the two days that we were closed. He was here first thing Monday morning working with Jesus and his crew. And then we got Cortez landscaping out quickly to start doing the traffic, the snow removal on Route 50. What we found this time around. And thanks to the great input from Chief Jones, it was safer and more efficient to close down Route 50. Block by block and direct people around the grid, pattern the side streets and cross streets than to try to tackle one lane at a time and have to do traffic control and worry about a skid steer backing into somebody. It really was a great solution. So, I just want to thank Chief for that. And Tim, who Tim and Chief I think, stood outside for 12 hours straight. 1 or 2 of those days, just helping guide the process. So, we'll talk a little bit more later in the meeting about long term strategy and plan for snow removal. But again, just want to thank all the staff for their hard work. Happy to answer any questions you might have about Mr. Moore's report. Thank you.

Bridge Littleton: Any questions? Excuse me. Any questions? Oh, sorry.

Darlene Kirk: That's okay you can ignore me. My question is, don't we have? We should have some information on snow removal because this isn't the first time we've done it. I mean, we should have, like, a big file on that.

Danny Davis: We do? We've done this before. It has been probably 6 or 7 years since we've had a snow this large to remove. What I'm going to be discussing later in the meeting is essentially a step process of depending on how much falls the various activities that the town will take in response to that because it's different if it's a four-inch snow versus a 12 inch versus a six-inch snow or something like that. So, it varies. We also have had a change in contractors. People aren't doing the same removal that they did six, eight, 12 years ago. So, finding the right people to do that you know, we were able to find a good team. And I think that gives us a starting point for a better SOP Standard Operating Procedures into the future.

Darlene Kirk: Just one more thing I was going to say. Don't just think about snowfall, think about the ice, because that was the big thing this time. It just wiped everything out.

Bridge Littleton: Anybody else question on Will's report? Okay. Martin, over to you.

Martin Crim: Thank you, Mayor. You have my report. I've been tracking all those bills. There certainly are a lot of them. I'm happy to answer any questions about any of those bills or anything else on my report?

Bridge Littleton: Which ones do you think will pass?

Martin Crim: Well, the Yes, in God's Backyard bill passed the Senate yesterday SB 388. So, I think that will probably pass the House as well. The cannabis bill looks like it's sailing through with a substitute bill. So, there's it's been a bit of a moving target. And then the bills with dealing with by right multifamily, something like that is probably going to come through. The accessory dwelling units I don't know that seems to be a little bit more iffy, but some of these bills are being amended as some of them are being held up in committee. So, I don't think all of them are going to pass.

Bridge Littleton: If there's any one that's most concerning to you that is likely headed for pass which passing? Which is it?

Martin Crim: By right multifamily the HB 816, which passed the house and is now in Senate Local Government.

Bridge Littleton: Wow. Would that even count for a Historic District?

Martin Crim: It does not have an exception for Historic District, I don't think. I'll double check that but.

Bridge Littleton: Because, I mean, our commercial business district is in the Historic District.

Martin Crim: Right? The all right, switch to this tab. All right. It has. Let's see. And. Sorry. Okay. It's in committee. The third version that passed The house. I'm looking for Historic not found. It doesn't have any exception for Historic Districts.

Danny Davis: What I will note is its companion bill in the Senate was SB 454, and in the Senate, it was amended fairly substantially to. We believe, for the most part, it would not apply to Middleburg. There's still a little question about one of the clauses in there.

Martin Crim: But that's right.

Danny Davis: That's the Senate version. So, you could either assume the House is the House version when it comes to the Senate will get amended the same way or it might not. So, it's, you know, a version has passed both the House and the Senate.

Martin Crim: And the Senate bill passed 21 to 19. So, I don't know what the holdup was, but that does make it a little bit less likely to pass.

Bridge Littleton: Okay.

Danny Davis: And then the other one is the accessory dwelling units, which SB 531 did pass the Senate. And while the patron tried to claim that it was much more or less demanding than prior bills, it still is very prescriptive that says any single-family zoned property and in fact, even some townhome zoned properties accessory dwelling units are by right. It is not a question of maybe by right it says they are by right. And so those are concerning as we've talked about in prior years as well.

Bridge Littleton: Do we know how our representatives voted on these?

Danny Davis: I believe Senator Perry voted in favor of the ADU bill, and I think as well, the multifamily bill.

Bridge Littleton: Okay. Let's do a letter. All right. Cool. Anybody got any other questions for Martin? All right. Thank you, Martin.

Martin Crim: Sir.

Bridge Littleton: Back to Mr. North.

Rhonda North: Thank you, Mr. Mayor. As a few people have alluded to this evening, the America's 250 celebration last night, I think was quite phenomenal. We had 160 chairs and almost all of them were full. So, we had a full house. I do want to thank the Town Council for advancing the oral histories project. As you know, originally that was supposed to be after the restoration of the Asbury Church. The committee approached the Council about advancing that ahead of because we were starting to lose some of those stories and the Council agreed to advance that. And I think the results of all of those videos just spoke for themselves. They're very powerful videos. So, I do want to thank the Council for advancing that. And as Megan indicated Danny was up late last night putting those videos on our website. So, this morning when I came in, he had already launched the page, and it was ready to go. So, I sent the link out to a number of folks this morning who participated and their family members. And I just wanted to share one of the emails that I've got emails, people in phone calls all day today about last night. But the son of one of the ladies thanked me for sharing it, and he said, fighting back the tears of joy because of the history and amazing family ties to the community in Asbury. So, those are the

reactions that we are getting from the community for this project. And I mean, it's as I told them in December when we did the private viewing. This project was a project of a lifetime, and I really appreciate the opportunity to have led that. So, we during the last meeting, the Council agreed to allow the town to accept donations towards the project. And I'm happy to say we are starting to get cash donations in. We're starting to get pledges in. Punkin bless her heart, committed the Beautification Committee to doing the garden portion of it. And she even took it a step further and said, "We'll raise money for benches." Something we hadn't even thought of at this point. So, we really appreciate her willingness to take that piece on. And Mr. Roberts approached me last night. He happened to have the clock from Asbury. Said it wasn't working when he took it, but he took it to a clock-smith and had it repaired. And he, once we had the building restored, wants to donate that back to the town so it can once again hang in the Asbury Church. So, you know, just lots of incredible things happened last night.

Bridge Littleton: It was an absolutely wonderful event, and I think everybody had a lot of fun and shared a lot of memories. And then it was great seeing everybody afterward sort of congregate and tell more stories. Almost, wanted to video that. So, again, everybody has said it, you know, 15 times. But really, hats off to Rhonda and the project team who brought everything together. You guys did a phenomenal job.

Rhonda North: Yeah, it was a team effort. It was a team effort. Yeah.

Bridge Littleton: Anybody have any questions for Rhonda on Asbury Church? Okay, next up is the, I believe, the consent agenda. If someone would like to make a motion or. Well, would anyone like anything removed from the consent agenda? All right.

Chris Bernard: I move that we adopt the consent agenda as proposed.

J. Kevin Daly: Second.

Bridge Littleton: Any discussions?

Danny Davis: We will need to ask for a roll call vote, please. Thank you. Yeah. There was an item added for purchase.

Bridge Littleton: Okay. Then it can't be on consent agenda, right?

Rhonda North: It can.

Bridge Littleton: Okay. [multiple speakers] Go ahead, go ahead. Rhonda.

Rhonda North: Vice Mayor Bernard.

Chris Bernard: Aye.

Rhonda North: Council Member Curran.

Pam Curran: Aye.

Rhonda North: Council Member Daly.

J. Kevin Daly: Aye.

Rhonda North: Council Member Gallagher.

Deborah Gallagher: Aye.

Rhonda North: Council Member Hersh.

Chris Hersh: Aye.

Rhonda North: Council Member Kirk. [off mic] Yes.

Darlene Kirk: Aye.

Rhonda North: Council Member Pearson.

Cindy Pearson: Aye.

Bridge Littleton: Okay. Thank you. Next up is action item Middleburg Farmer's Market. And Ali is back.

Ali MacIntyre: Shaun you're so tall. Okay. I will be reading. We received a proposal from a well-known Farmer's Market organization. We talked about this in the previous meeting about reaching out to two people. One did respond. One Farmer's Market organization, Northern Virginia to take over for our 2026 market season. After further conversation they did agree to reduce the management fee contrary to my memo, which had a $65,000 quote, they did reduce that to $55,000 providing a turnkey operation that includes expert marketing and high-level logistics. While this transition ensures a premier experience, it is important to note that vendor fees will increase our current vendor fees for the seasonal rate is only $150. Their rates for their markets around Northern Virginia run about $100 weekly. Which is obviously much higher than ours. But as part of that consulting fee, they would use a portion of those funds to lower the cost of entry for the first season. While this may present a barrier for some of our current vendors, this organization's model is designed to significantly increase foot traffic and sales. Transforming the market into a high revenue original destination. As per the memo, based on input from Town Council received previously and only having one proposal in hand from a formal Farmer's Market operations firm, town staff recommends not proceeding with the market for the 2026 season. Alternatively, if Town Council would like staff to begin negotiations with this Farmer's Market organization, then we continue, we can continue working on that. And bring a specific proposal to Council at the next meeting. However, staff believes that the cost of the town would not be reduced significantly any more than what has already been reduced to from the initial proposal based on staffing, marketing and other requirements described by the proposer and the what I sent you. That's what I have. Any questions? Discussion?

Bridge Littleton: Yeah. Chris.

Chris Hersh: The company that was that you approached, what is their success? Like is there an anticipated increase, success rate, that kind of thing?

Ali MacIntyre: Yes. So, they run I don't remember off the top of my head exactly how many markets, but they did have a market in particular in one Loudoun and they had about 4000 people every weekend. That location has since moved over to I think it's the Brambleton area. Christian Fellowship Church area, and they have an extensive wait list to get on to just be a part of their markets. And they have people from all over the Northern Virginia area. So, they are an expert in their field. And they have been looking to come to Middleburg for some time.

Danny Davis: And, Mr. Hersh, I think one thing to add is that their statement to us has been that their goal would be minimum 40 vendors. They feel that to make a market successful, they need that density of vendors to draw then enough people to make it worthwhile to host something like this. So, significantly more vendors than what we have currently. They do have apparently a wait list. But then.

Bridge Littleton: A wait list for what?

Danny Davis: Vendors. A wait list.

Bridge Littleton: For Middleburg?

Danny Davis: Just in general.

Ali MacIntyre: Just to get into any of their markets.

Deborah Gallagher: I'm sorry, I didn't quite understand your very final comments regarding expenses. Did I understand there could be expenses beyond the $55,000?

Ali MacIntyre: So, the town would the so the contract between the town and this organization would be $55,000 that's their proposed consulting fee. I guess organizational fee. But the additional expenses would be from the vendors. So, the participation fee from the vendors. So, our commitment and our financial commitment wouldn't cover the fee completely for those vendors, but based on their, so one of their markets or some of their markets, they run 3$,500 a season as an example. There's a range on different kind of vendor passes. I won't get too granular, but that would be for the first season they would like to lower their rates just so they can hopefully still attract our existing vendors. Just because we have had some really loyal folks here the past few years since we brought it back up. Not saying that that would necessarily bring our vendors back because the fee is pretty. It's a yeah, it's a lot different $150 a season versus a hundred a week or whatever the fee would be.

Chris Hersh: Over how many weeks?

Ali MacIntyre: So, their proposed was 35 weeks. [multiple speakers] Our typical market season is yeah, our typical season is 27 weeks May to October.

Danny Davis: And just to 100% clarify, Miss Gallagher, that the town would not anticipate any additional costs beyond whatever we pay them as a contractor.

Bridge Littleton: $55,000? Correct.

Danny Davis: Yeah.

Deborah Gallagher: And it's a one-year contract?

Ali MacIntyre: Yes.

Bridge Littleton: And what did we spend in total last year?

Ali MacIntyre: So, the budget was for $40,000.

Bridge Littleton: What did we spend?

Ali MacIntyre: I think we spent 25, 20 between 25 and 28.

Bridge Littleton: Okay. Sorry. Chris go ahead.

Chris Bernard: First, I think your last comment that you were asking about was you guys don't see a lot of room in that $55,000 that they're going to come down. Is that what you were saying?

Ali MacIntyre: Yes. Their initial proposal was. [multiple speakers]

Chris Bernard: We can continue to negotiate with them, but it's probably not going to get much better than that.

Ali MacIntyre: Right? Yeah. The initial proposal is 65 and they dropped it down to 55.

Chris Bernard: Second thing, I don't want to get too hung up on what it cost the vendors to do it. The vendors are going to, I mean, if it's worth it, they'll pay for it. What concerns me, maybe concerns is the wrong word is the minimum of 40 vendors. I mean, if they're going to have 40 vendors here and they're all going to be successful, that's a huge traffic number to carry that load. And so, one did they, were they optimistic about thinking they could drive that here when you met with them. And then two is there a location in town or can we support that level of parking and everything in town? Because that would mean 40 vendors and all the customers that need to keep that alive is significant.

Bridge Littleton: Have you considered that?

Danny Davis: We have not sat down with them to specifically hash out details about logistics of parking, vendor parking and visitor parking. We wanted to have the initial conversation with Council because of the cost, so it can be a conversation and a discussion point. They have identified at least two different potential locations in the town where they think that they may have the space to hold this at the size that they would like to hold this. And so, again, those details have not been fleshed out because, you know, there's.

Bridge Littleton: What are they thinking?

Danny Davis: Either here or potentially again, this just hasn't talked to the property owner yet that I know of. But [inaudible] building on the Plains Road the Potomac Bank location up top in the parking lot down below.

Chris Bernard: Really quick though, just to loop back their level of optimism when they were when y'all were talking about this did they feel like, yeah, we can make this thing happen or were they like, hey, we'll try and who knows? Yeah.

Ali MacIntyre: Yeah. They were optimistic. Yes. And.

Danny Davis: But real quick I'll temper that with two years ago they didn't want to participate. So, I just have to remind you that we did try to work with them previously. Now, part of it may have been that, you know, we had not expressed a willingness to invest any dollars into it. So, that could be a differential in this case if we pay them $55,000. I mean, that's we're paying for most of their expenses.

Chris Bernard: Yeah. I guess I'm just surprised that, you know, given what we've had over the past few years, that they would think it's such a slam dunk to double the size of it and still make it viable.

Bridge Littleton: But I mean, who knows, they may have a model that there's other small towns and they've got it. They've got it down.

Chris Bernard: But then do we want it that big?

Bridge Littleton: Well, no, I mean that's a different question. Yeah, Darlene.

Darlene Kirk: My question they said 40 vendors for the Brambleton area. Did they say 40 for us? [off mic]

Ali MacIntyre: No, 40 for us. Okay. They have yeah. It varies based on the location. But for Middleburg specifically, they said the minimum 40.

Chris Hersh: Wouldn't there also be impacts in terms of like police coverage with an event that size and the traffic aspect?

Bridge Littleton: Yeah, I mean knowing the traffic count is going to drive cost too, because you might have to have, you know, I mean, it's not a big number, but, you know, a couple thousand bucks for overtime and stuff. Sure. Kevin.

J. Kevin Daly: Well, going back to the police and what the Chief mentioned, all it takes is one accident or one arrest. And you just lost an officer for about 3 to 4 hours. That's significant, particularly if we're dependent then on someone else from

the county mounties coming in and supporting. The other question I have, we're paying $55,000 that's outgoing. What comes into the town? Nada?

Cindy Pearson: Nada.

Ali MacIntyre: Nothing would be coming in directly to us from the Farmer's Market. Yeah. So, they would because they would receive, they would charge for their vendor fees, and they would receive those payments.

Chris Bernard: So, that would be a community benefit plus potentially some increased.

Ali MacIntyre: Foot traffic.

Chris Bernard: Meals tax sales tax and sales tax in town.

Cindy Pearson: And they, I mean, everyone does realize that where their Farmer's Market is, the amount of people is I can't tell you how many times over what we have here, and we only have so many roads that come into this town. And to realistically believe they can support 40 vendors here in this town. I'm sorry, I don't see it.

Chris Bernard: I guess we could probably kick this around. It sounds like we have a lot of questions, so. And I know that you guys want a decision from us. And I didn't really see it going this way, but I don't know. I mean, do we want them to come and talk to us and tell us what they think and what they think they can do? And maybe no, it may be like, look, this is too much. We don't want to deal with it, but I think anyone it seems like what would be ready to move forward without.

Bridge Littleton: Let's ask the question this way, and this may be the easier one. Let's say it's perfect. Do we want to spend 55 or $60,000 on a Farmer's Market? That's the question. Let's say let's say how they organize it is perfect. 40 vendors, exact right number of people. No issues, no problems. It's wonderful. Do we want to double what we spend on the Farmer's Market? And remember they are only going to drive sales from people who don't live in town.

Deborah Gallagher: Why is that?

Bridge Littleton: Well, because it's only 700 people, and if they want to have 40 vendors be successful, they're going to have to drive a lot of outside visitors coming in to make it work.

Deborah Gallagher: Okay.

Bridge Littleton: And our goal around the Farmer's Market was always around having a thing for the community in town. [inaudible] Yeah. So, anyway, that's the question, right? It's the money question.

Darlene Kirk: My question, though, isn't that if they do bring in 40 vendors and they bring in people from out of town, that's going to help our businesses and our restaurants in town in the long run.

Bridge Littleton: Yeah, but remember the Farmer's Markets, like in the morning.

Danny Davis: Well.

Bridge Littleton: Go ahead Danny.

Darlene Kirk: But we can change that.

Danny Davis: So, well they did want to keep the same hours 9 to 1 on Saturday. But I think and again Council can always go in a different direction. But one of Council's strategic goals and purposeful initiatives over the last 2 to 3 years was recognizing that our weekends are already packed and almost overpacked, if I can put it that way. Weekends are challenging. [off mic] Weekends. [off mic] Right? Yeah, yeah, yeah. That's right, that's right. And so, with the idea of we

were trying to drive traffic to midweek for significant tourism efforts. Right. So, if this is going to bring in an extra thousand people every Saturday, it does beg the question, where do they park and where do they eat? And does it make that line on the sidewalk to get ice cream just that much longer? You know, all the things that we. That's right. So, I while yes, I do think there would be residual benefit to businesses, you know, on some scale Council's general direction has been let's not overpack our weekends.

Bridge Littleton: I mean, that's a good point. I haven't thought about that. [off mic] Yeah. Yeah.

Pam Curran: So, it sounds like overtime, even in EDAC I mean success looks like increasing your capacity, having somebody else do it so you don't have to. So, I think it checks that box, but then the rest of it is a smaller market supported by locals. And it doesn't check either one of those boxes. It's more expensive. It's not going to be supported by locals. And it's all those other things that we talked about. So, if that's what success looks like, this isn't it? It isn't it?

Bridge Littleton: Yeah. Yeah, Kevin.

J. Kevin Daly: I'd go so far to say cancel it. I don't think that the look and the size and the increase is not going to be of greater benefit to the town. I actually think it will be of less benefit.

Bridge Littleton: It's tough. And, I mean, I think the, you know, I think the challenge is you know, it's hard on us to do it. And if somebody else is going to do it, they want a substantial financial commitment to cover their downside, and they're going to look to us for that. And that's and I understand I mean; I'm not saying that they're wrong in asking, but they're not going to do it to lose money.

J. Kevin Daly: And I don't see us getting that.

Bridge Littleton: Yeah, exactly. And, you know, we've got a lot of things we're committing funds to Asbury Church. You know, do those funds get better allocated by the other community-based projects we've taken on, like Asbury Church? Right. That's going to be expensive. So, anyway. Yeah Darlene. Oh, sorry. Oh, oh. Go ahead. I'm sorry.

Darlene Kirk: Oh. This is kind of out of the normal loop, but, I mean, Punkin's here from MBPA. Maybe she has an idea that is good or bad, and maybe that's sort of from the business side so that we could say, you know, she says it sucks Darlene or whatever, that we.

Bridge Littleton: No, I'm not going to do that. I'm not. [multiple speakers] I'm not. No, hold on, I'm not. I'm just not going to put her on the spot like that. That's not fair.

Danny Davis: Mr. Mayor.

Bridge Littleton: Yeah.

Danny Davis: If I may, though. And again, the Council didn't ask specifically for EDAC to give input, but it did come up in the EDAC meeting and there were five of the Members, 5 or 6 of the members there, and briefly just talked about the cost, and this was at the cost of $40,000. It wasn't at 55 or 60. And we talked about the number of visitors that had come over the past year, and just a few of the details that we've been discussing as Council. And the general consensus, though there wasn't a vote per se, was that they did not feel that it was worth the money, the ROI, the return did not seem worth it for that amount of investment into it. I'm just sharing with you the discussion.

Bridge Littleton: No, that's helpful. So, we do have a business community perspective.

Danny Davis: From those that were at that meeting.

Bridge Littleton: Chris.

Chris Hersh: Well, and as I was reading through the report before the meeting, that actually influenced me in terms of kind of how I was leaning in terms of the decision, because part of it, like the village feel of Middleburg a Farmer's Market, is kind of a cool thing to have present. But then when you look at it from the business side and some of the logistics from a town side, especially with EDAC feeling that it's not worth it, it kind of leans me in the other direction.

Bridge Littleton: Does everybody feel comfortable making a decision tonight? Because I mean, they if you know, they need help, not help, but I mean, they need to know which way to go and which way to plan. So, yeah.

Chris Bernard: Yeah, it's a tough one because I think there is there could be a path where this sort of process could be successful, but I think we're too close to it right now. And so maybe it's something we can kick around down the road. But I tend to agree that I think right now it's too much for this year. So, I'm on board and I think I was the last one.

Bridge Littleton: Danny, did you need direction or did you need a vote? Or let's do this, push it to a vote. If some the motion, I think would be. No, no no or. Yeah, but let's make sure we do it, say it the right way and then that can be voted on the right way. Okay. To not have the Farmer's Market and your vote would be if you agree with that, it's a yes. If you don't agree with that, it's a no.

Darlene Kirk: It's a double no.

Bridge Littleton: Okay. What's the right way to do it?

Darlene Kirk: I don't know.

Chris Bernard: I'm happy to make it.

Bridge Littleton: Okay. Go ahead. I'm just trying to figure it out like a double negative.

Chris Bernard: I move that the Middleburg Town Council directs staff not to proceed with the previously scheduled 2026 Middleburg Farmer's Market.

J. Kevin Daly: Second.

Bridge Littleton: Any discussion? All those in favor say aye.

Bridge Littleton: Aye.

Chris Bernard: Aye.

Chris Hersh: Aye.

Cindy Pearson: Aye.

Deborah Gallagher: Aye.

Pam Curran: Aye.

Bridge Littleton: Opposed.

Darlene Kirk: Aye.

Bridge Littleton: Abstentions? Okay, Ali thanks a lot. And really thank you for tracking those folks down. Going to ground on it.

Chris Bernard: Not for lack of trying.

Bridge Littleton: No no, no absolutely not. I mean, you guys worked your tail off trying to figure out, you know, how to make it economic and still community based, but and look, it's also we should never stop looking at people who could come around, you know, in, you know, this summer there may be somebody who comes along and says, hey, I'd like to do a Farmer's Market. If you give me ten grand, I can, a totally different conversation, right? So, but.

Chris Bernard: Doesn't mean that [off mic] thing doesn't happen in the future.

Bridge Littleton: Right.

Chris Bernard: [off mic] Right now, it's too soon.

Bridge Littleton: Yeah. Well, with the 250 and all that. So, Ali thanks a lot.

Ali MacIntyre: Thank you. And thank you, Kim, for running the market.

Bridge Littleton: Yep.

Kim Shelly: That [off mic]. I would want something out there.

Chris Bernard: Yeah, it's a little much. It's a lot to digest and make a decision on.

Ali MacIntyre: Thank you, guys.

Bridge Littleton: Okay. Next up is Council approval. The acceptance of the Loudoun Courthouse print from Mark and Betsy Davis. It's right there. It's gorgeous. [inaudible] Yes. A little louder. Is there any concerns about accepting it as a donation? I love it, I think it's gorgeous.

Darlene Kirk: I just had a question on where we're going to put it because it needs to be viewed. [off mic]

Danny Davis: So, for the time being, we are intending to put it in the administration hallway. I think it fits back there. While we look at what we're going to do for the primary hallways, but I think it fits back kind of where we are.

Bridge Littleton: And there's no reason things can't change cycle things around. Okay. Would someone like to make a motion?

Cindy Pearson: I will.

Bridge Littleton: Okay, go ahead Cindy.

Cindy Pearson: I move that Council accept the donation from Betsy and Mark Davis of William E Ten Eyck print number 118, depicting the Loudoun County Courthouse in Leesburg, Virginia.

Chris Hersh: Second.

Bridge Littleton: Any discussion? All those in favor say aye.

All of Council: Aye.

Bridge Littleton: Opposed? Abstentions? Okay. And then let's send them a thank you note, too. Perfect. Thanks. All right, next up, discussion item overview of town revenue and assessments.

Danny Davis: All right. Thank you, Mr. Mayor and Council Members. Oh, boy. This might get exciting running three screens at once. So, I wanted to give Council a review of our initial forecast of revenues for the upcoming fiscal year, as well as talk about real property values. We provided this report to the Finance committee a couple of weeks ago and reviewed it with them. So, as we start discussing our budget process and go into the strategic retreat in early March wanted to give you initial information about revenues, and then we'll save the full budget discussion for after the retreat. But each year for and this hopefully is benefit for all of Council, but also specifically for the two new Members of Council. Loudoun County is the entity that conducts property assessments within the Town of Middleburg, and they update those every year effective on the values of July 1st. And so, we have seen and we'll go over this in a minute in the report increases since essentially 2021, pretty sizable increases in our property values throughout the Town of Middleburg. Some of that is revaluation and some of that is new construction. So, for calendar year 26, the proposal is or the projection is that values will increase by just over 7% for all properties here in the Town of Middleburg. That's all taxable properties. Now that value includes new construction. There's another term that we use for when we look at property values. And that's the term equalized value. And that means if your property was already in existence on January 1, 2025, what percentage did that increase then for over the past year to January 1, 2026? So, equalized value only applies to properties existing as of January 1, 2025.

Bridge Littleton: So, let me stop you right there just to for clarity's sake. So, as of January 1st, 2025, if you took all the housing stock in Middleburg, let's just look at the first line. Single family detached went up by 9.2%.

Danny Davis: That's correct.

Bridge Littleton: [multiple speakers] %.

Danny Davis: Yes.

Bridge Littleton: Okay. Total value change is as of.

Danny Davis: Well, it's all as of January 1st, 2026. The total value change includes any new homes built during.

Bridge Littleton: During the prior.

Danny Davis: During calendar year 2025. That's correct.

Bridge Littleton: So, by that account, does it remove, does it change the denominator at all?

Danny Davis: It depends on what you're trying to calculate.

Bridge Littleton: So, if you have 100 homes right. And then the new construction is three homes. The change in value is still based on is now based on the 103 homes not the three.

Danny Davis: The equalized change would be based on the hundred homes. The total change would be based on the 103.

Bridge Littleton: Right.

Danny Davis: Okay.

Bridge Littleton: Yes. So, here's where I'm going with this. How many new homes? It's not a question. It's a statement. How many new homes have we had built in Middleburg in 2025? You know, whatever it is, it's not more than a dozen.

Danny Davis: Oh, it's 4 or 5.

Bridge Littleton: Right? Most of them, or if not all of them are Salamander.

Danny Davis: That is correct.

Bridge Littleton: And they moved the value 5%. So, just those few homes moved the entire base. The denominator of 200 single-family homes that we have or whatever it is by 5%. That is astronomical or for only a few homes to move it by 50%, because going from 10% to 15% is 15%, is a 50% increase in value. That's and it's because they're expensive, right? Their average is not a million. Their average is 3 to 6 million.

Danny Davis: Yeah.

Bridge Littleton: So, their average is 3 or 4 times what a regular single-family home is.

Danny Davis: That is correct. I think we just we can make those numbers.

Bridge Littleton: I know I'm being very hand wavy. I'm being very general.

Danny Davis: Equal some kind of percentage. I mean, if you look at the.

Bridge Littleton: No, I'm not asking you.

Danny Davis: But if you look at the $11 million of new construction and our total portfolio was 550 million, give or take, it was 2% of our total portfolio of the entire town. Okay. That's a different number. Again, there are different [multiple speakers] calculations. But for this.

Bridge Littleton: Yes, you have to have an incredible amount of value creation to move it.

Danny Davis: Sure.

Bridge Littleton: To move the equalized change to the total value change by 50%, that's a 50% change. I'm wondering, is that number right? If we only had five homes built and each one of those homes was, let's say, $5 million, that's $25 million. But you said that the existing value was 200 million or whatever it was. And I know I'm only looking at single family because that's the one that's driving me to ask this question, because everything else is the same. There was no new construction for anything else. I want to make sure that number is the same. It just doesn't. Or that number is correct? It just doesn't seem right.

Cindy Pearson: I don't think the number is correct because we had some in Ridgeview and then we had the new ones in Salamander. So, I'd say it's going to be more like.

Bridge Littleton: Well, there's been no new ones in Ridgeview since in 2025.

Cindy Pearson: [inaudible] Howards and the.

Bridge Littleton: It was built in 2024.

Cindy Pearson: Was it finished though?

Bridge Littleton: We changed the R2 zoning in October 2024 so he couldn't. Well, they moved in, but it was built.

Chris Bernard: [off mic] It was the zoning on the [off mic] site plan on the site.

Bridge Littleton: Okay. I mean.

Chris Bernard: It wasn't [off mic]

Bridge Littleton: No, but that's still a $2 million home. That's still an expensive one that's going to drive it. [off mic].

Chris Bernard: [off mic] So, that's what we're talking.

Bridge Littleton: That's what we're talking about. That's what we're talking about. So, anyway Danny.

Danny Davis: Yeah.

Bridge Littleton: You know.

Danny Davis: If you'll real quick, I'll throw this up on the screen. Oh. So, you'll see here the 2025 assessment for. [off mic] It didn't come through.

Bridge Littleton: It's not coming through from Rhonda on these screens.

Danny Davis: All right. You can just send it somewhere else and then send it back to the dais. That's fine. So, 2025, single family detached total assessed values was 213 million. New construction of 11 revaluation that's the increase in existing values of almost 20 million. So, yes, the new construction was worth half of the existing stocks change in value. That is correct. So, for a total new assessment of 244. So, of the total change from 2025 to 2026 which is 31 million.

Chris Bernard: New Construction is a third.

Danny Davis: The third, new construction is a third and revaluation is two thirds, which in your mind that is 50% of revaluation. But that's because you have 11 million. I mean, these are.

Bridge Littleton: I know, no, I get it.

Danny Davis: Five new parcels. Right. So, you know.

Bridge Littleton: Okay. No, I just it was a huge jump for how many new homes?

Danny Davis: Five.

Bridge Littleton: Five new homes.

Chris Bernard: Yeah. So, what's interesting is that what, like less than 2% of new homes [off mic].

Bridge Littleton: That's significant. That's exactly it. Increase in single family homes of 2% drove the assessed value to go up by 50% or the percentage of change. Yeah, that was the.

Chris Bernard: Disproportionate.

Bridge Littleton: Yes. [off mic]

Chris Bernard: On housing stock.

Bridge Littleton: That is very correct.

Danny Davis: Yes. No. Absolutely.

Bridge Littleton: Sorry go ahead.

Danny Davis: Definitely a change. So, anyway, no, I mean it's important to talk about and grasp that. So, this all feeds into one line item in our revenue stream. Also, of note townhouses actually went down just slightly. But again, for those who are in townhouses they've been going up at 16 to 17% a year for a couple of years in a row. So, no surprise that it might just waver slightly there. I'll show you, you have this again in your packet. But yeah, this chart here again, just reminding you of the changes that we have seen in total value change. This is total change is around 70% over the past seven years of our real property values, that's a significant increase. Again, a lot of that is due to new construction, but a lot of that is due to the pressures, supply and demand the pressures post Covid of people looking to move outside the city and us having an ideal place to live and a limited housing stock. So, that then feeds into as we look at revenues for fiscal 27 our kind of key revenue streams. Again, since we just talked about real property tax the Town Council has generally taken the approach. So, again we use a term called the equalized rate. That would be what is a lowered tax rate that would generate the same revenues excluding new construction. So, for homes that were here on January 1st, 2025, their average value or total value of properties in town went up 5%. So, essentially, an equalized rate would be to lower the tax rate 5%. And then you get the additional value of any new construction on top of that. Over the past 3 or 4 years, the Council has generally taken the approach of going to the equalized rate but then adding a 3% factor on top of that to account for inflation and regular costs of business as we deal with always, things are going up in price, whether it's our regular supplies, contracts or things like that. So, it allows us not to be stagnant in our revenues, but also to lower that rate a bit so that the impact on property owners is less. If you kept the tax rate where it was today than on average, they would see a 5% increase in their tax bill. Some people single family would see a much higher increase than that. So, in general, I have built revenue projections around this idea of lowering the tax rate to this equalized plus a 3% inflationary factor that would then result in both the 3% as well as the new construction would result in $41,000 in additional revenue for our general fund. Our next major revenue stream is our meals tax. This meals and hotel tax or Transient Occupancy Tax are our two largest revenue streams. This graph allows you to see kind of the growth in the meals tax over the past four years. Obviously, the gold bar is current fiscal year. So, we're halfway through our fiscal year. The first quarter was very strong. Second quarter was pretty much flat, just slightly the same. Maybe a dollar or two down. But in essence, we are almost 5% up year over year for meals tax. We continue to watch this very closely month by month. This tax can fluctuate based on whether it can fluctuate based on shut down in the government. October, I think the second quarter numbers would have been higher if we had not seen the government shutdown. And you've heard that from even some of our businesses in town.

Bridge Littleton: Wait a minute, were you kidding? That's why it was what it was, because they were all off.

Danny Davis: And then we'll continue watching this as we go through the budget process. We do revenues lag by three weeks. So, we will receive January's meals, tax numbers no later, ideally no later than February 20th. So, that's a look at meals tax. The good news, I guess, here to say is that it continues on a positive trajectory at least is holding steady in modest growth. I would also note that we do have a new restaurant that we anticipate opening in the next few months at the former Market Salamander building. And so there is I have built in some anticipated revenues coming from that restaurant, again, not knowing what that will be, but knowing that any additional restaurant will add to that revenue stream. The next chart graph for you is the TOT or Transient Occupancy Tax. So, if we throw around TOT a lot, it's the hotel tax primarily driven by the resort, but we also have Red Fox and then we do have limited Airbnb's in town and that's primarily it. We are seeing about just over a 2% growth factor year over year for the first two quarters. And again, you'll see that in the golden bars there. But the good news is we continue to be above where we were for both fiscal 23 and fiscal 24. The third quarter, January through March quarter, is always slow. It's important we've been watching these revenues by quarter. In fact, now we get TOT monthly. It used to only be quarterly so we can watch it a little more granular. But getting a quarter review of this, we can project out how we think the remainder of the year is going to be based on past experience. Again, not perfect. And specifically, the resort has a lot of work in group activity and group sales that are midweek groups that come in, maybe corporate or other things like that. And just 1 or 2 groups can cause these numbers to jump pretty significantly or to be kind of level compared to the year before. And just for what it's worth, I did speak with the Managing Director of the Salamander Middleburg and told him kind of our anticipated, you know, 2 to 2.5% kind of growth factor year over year. And he concurred that that was an appropriate growth factor to consider for the next year. Obviously, we'd always love to see 5%. But, you know, we want to take a measured approach on that. And then just a few other comments about other revenue streams and other revenue sources. So, putting all that together initially this may change. But initially you'll see where our fiscal 25 revenues came in, where our fiscal 26 projected revenues are projected because we weren't sure in a year ago, we were right at the new administration. We were at the introduction of

tariffs. We were at everything kind of went to a grinding halt in February and March of 25. So, we took a more measured approach in our revenue and expectations. But we have rebounded from that pretty quickly. So, 26, I think we will come in above budget, and then you'll see how fiscal 27 is proposed to be slightly above that. I will say we are in the process of receiving our business license renewals, as Miss Fletcher mentioned. So, we will use that as well if we need to potentially revise the business license revenue line up or down for any reason. We'll include that in our budget conversations. So, that's a real kind of quick shot of our revenues and a fairly high-level overview. But I've also attached at the back of this at least an initial draft page of total revenues. You can see them broken down into more detail, but we can go through that now, or when we actually go through the budget in a few weeks. So, I'm happy to answer any questions that Council might have.

Bridge Littleton: Any questions for Danny on the overview? You already answered mine, so.

Danny Davis: I don't know if that's good or bad. [laughter]

Bridge Littleton: Going once, going twice. Okay Danny. Thanks, appreciate it. Next item up is I think the utility.

Danny Davis: Utilities. Yeah. So, similarly we wanted to discuss with you both projected utility revenues as well as an initial discussion on how we look at our utility rates. We've discussed this a little bit last year with the Town Council during the budget. We had talked about it with the Finance Committee and at that time decided that we wanted to take some more time reviewing it with our Rate Consultant. And so, we brought it back to Finance Committee in November, and then again, a couple of weeks ago, to discuss the idea of maybe adjusting our current rate structure. So, I'll get to that in just a second. But a little bit of information just about our current customer breakdown. If you see the first two lines in this chart here, that is those who use between 0 and 10,000 gallons of water in a two-month period of time, we bill bimonthly. That's 87.7 of our customers use less than 10,000 gallons over a two-week period of time. And so, it's a significant portion of our customer base and mostly is focused on our residents. As we all know, our demographics here are a little different than the rest of Loudoun County. We are more of an aged population, older in demographics than the rest of Loudoun County, but also less affluent than the rest of Loudoun County. We have a much lower median household income than Loudoun County. We have a number of folks that are on fixed incomes, whether it's retirements from government work or Social Security or things like that. So, we do know that we have a very high number of customers that are using very, essentially very little bit of water. Then you'll see the top, the next two tiers, 10,000 to 21,000 gallons. That's 8% of our customers and almost 10% of our water used. And I use the 21,000 gallons because under the proposal that's being just considered at this time, any user under 21,000 gallons would see either no change in their bill or actually a decrease in their bill, while anyone at 21,000 gallons or above in a two-month period would see an increase in their bill. And as the more you use, the more your percentage would increase. Of course, then you see the last 22 users using 62% of our water. We all know that one of our users, and that's the resort is responsible for somewhere roughly on the magnitude of about half of our water in any given billing cycle, that fluctuates depending on if it's summertime or not summertime, but they are a very, very high user of our water system and no surprise there. And so that's a breakdown, I think, just important to kind of start as a baseline. So, the discussion was the idea of potentially creating a tiered rate structure where those at the lower end of the tier using less water over a period of time would pay less per gallon per thousand gallons. And then the more you use, the rates would go up. And we would have 2 or 3 different or 3 or 4 potentially different tiers. And so those rates increase the more water that you use. We reviewed that last year with Finance Committee, some of the concerns were impacts on our multifamily housing, specifically nonprofit multifamily like Windy Hill Foundation. And so, our rate analyst put together a plan where we would have a separate breakdown of multifamily would not trigger a new tier until a higher usage amount. And I think that would be it's both appropriate by having a different category, a different classification of property as well as it would not have a negative impact on our nonprofit multifamily buildings. Primarily we have Llewellyn Village, which is 16 units, and Levis Hill, which is 20 units. And so, you have those using a significant amount of water. And we did not want to create a negative impact on them. Looking at the next chart here, this kind of shows you how that potentially could change the bimonthly billing for users of our system.

Danny Davis: So, the top line is what it would be today. So, if a minimum bill is the 2000 gallons, that's $83. Kind of average residential is using around 6000 gallons. So, their average bill is about $250 every two months. And then you see as it goes higher and higher. Current plus 3% is if we didn't change our structure, we just kept our rates the way they are and added a 3% factor. Again, Council has generally increased water and sewer rates 3% a year just to stay on top of price

increases, contracts, inflation, as well as making sure we have the funds necessary for infrastructure and capital replacement. The alt one-tiers, that's our alternative, adding tiers into this, you now see that the minimum bill would go from $83 down to $43. These are rough there's some change in here, but we're talking rough order of magnitude. So, essentially cutting their bill in half compared to what it would be under the keeping the rates as they are. As you move up, you still see that those using the average residential user would see 28% decrease in their bill, and a 12,000-gallon user would see a 16% decrease. Even at 25,000 gallons, you're only seeing a 4% change in your bill, and that's compared to a 3% change if we just had a 3% rate change. So, really, it's almost effectively no change in the amount for the 25,000-gallon user. Where you start to see this really coming into play is those who use 25,000 gallons and above. You're talking restaurants, commercial buildings, of course, the resort Red Fox and other places where there might just be high amounts of usage. And then in the summer times, you might capture some of those homes that have irrigation systems or choose to do more watering than maybe a standard house would do. The challenge with this is then you're putting more eggs in your basket at the top end of the spectrum, so the highest users are paying more, and if they reduce their consumption or if they have any change in their general activities, then their reduction in use could affect our overall revenue streams a bit more. What I will say is that our rate consultant has been through this dozens and dozens of times and localities across the region and the country, their experiences that commercial users do not typically change their habits even if rates increase. Now they might pass that on to the customer. But that you don't, see.

Bridge Littleton: It's not might, it's will.

Danny Davis: Well, they will and you won't see the change as you might see, if it were on a residence or someone at a different you know, anyway, different type of property. The one concern I will say that the or one of the concerns the finance committee raised, and I think it's something that we will continue to review and discuss with Council and the Finance Committee again, is that specifically with restaurants they're facing pressures of increasing costs related to food and increasing costs related to labor and electricity. And if we change our rate structure so significantly that then it's changing the cost to buy food and to go out to eat. And then does that negatively potentially impact our overall town with meals tax and other things as well? There could be unintended consequences if the cost of doing business for a business continues to increase.

Bridge Littleton: What's the average restaurant use per month or per billing cycle?

Danny Davis: I'm not trying to ignore your question. We have very divergent restaurants. I could give you a breakdown. It's anywhere from 10,000 gallons for a small restaurant to we're probably talking average or average restaurant is 30 to 50. 25 to 40.

Bridge Littleton: Okay.

Danny Davis: 25 to 45. We have a couple in the top tier that are high producing restaurants. You know what those are.

Bridge Littleton: Sure.

Danny Davis: That are over that. But you're probably in the range of, yeah, I might better say 30 to 50.

Bridge Littleton: Okay. So, if they're a 30,000 gallon whatever, right.

Danny Davis: They might see a 5 to 8% increase.

Bridge Littleton: Okay.

Danny Davis: 40,000 to 50,000 gallons. They might see an 8 to 10% increase. I could run some numbers.

Bridge Littleton: On that water.

Danny Davis: On that water.

Bridge Littleton: Not all of it.

Danny Davis: Well, that's their total bill.

Bridge Littleton: Yeah. No, I got you.

Danny Davis: Yeah. That's their total bill. Yeah. And I could run some scenarios for you if you'd like.

Bridge Littleton: No. I'm just curious, you know, we got this high end, right? And how many users are in your high-end category and so like if every restaurant is 30,000 gallons, well, the first 25 it's 4%. Right. So, after that it's 10,000 gallons at a higher rate, which is only another 2% of the total bill. What we're really talking about is 6%.

Danny Davis: Yeah, but this, excuse me, this.

Bridge Littleton: [multiple speakers] you know, I get the two biggest ones is a totally different picture.

Danny Davis: Right. But this 4% averages, the 2% increase on the low end and it already. Yeah, and the 6% on the high end for one particular restaurant I looked they're bill would go up. Well let me give you some scenarios.

Bridge Littleton: Yeah. You don't have to. Okay. [inaudible]

Danny Davis: So, this is the conversations we've been having. And again, reminder that the goal here is we're not trying to bring in more money annually. This is to try to disperse it differently. We have a lower income population on the residential side. We have high dollar people that visit our town and spend a lot of dollars eating out and visiting our lodging properties. And so is there a way that we can help our lower income residents and pass it on to those who are coming in on a leisure market and with more discretionary dollars. Finance Committee wasn't ready to make a formal recommendation yet. And I think they want some more time to talk through it. And I think what we want to make sure is to have you begin thinking about it as well, that we don't just hit you with this in late March and then expect you to make a decision within a couple of months, but that we have time to kind of think through this and process, ask questions. If we need to get more details from the consultant, we can as well. So, that's kind of that's really where we are today.

Bridge Littleton: Any questions? Chris.

Chris Bernard: Yeah. To kind of piggyback on what Danny was just saying about the Finance Committee, I think, and correct me if I'm wrong, you two, it's the feeling in the room. Was it, I mean, it's a very interesting proposal, right? And there's a lot of good, but it is a bit of a political decision, right? How we want to disperse, the way we collect our utility fees. And so, I think that was kind of part of the reason they weren't comfortable making a recommendation is, hey, look, you know, we put the facts together. We've analyzed the models and talked about how it could work, but I think they were looking maybe to hear some discussion from us about, you know, what our thoughts were and what questions we may have for them to go back and look at before because we have some time. This doesn't go in until [inaudible] what date do we have to adopt this?

Danny Davis: So, by June 30th. But we do have to have a public hearing on this.

Chris Bernard: Right.

Danny Davis: So, we would anticipate a public hearing.

Chris Bernard: There is months.

Danny Davis: In early May. So, we have three months before the public hearing.

Bridge Littleton: Pam.

Pam Curran: I just have a comment that I think Danny, the way he's presented, it feels like it's right. If we have older people and we're below the income level of Loudoun, plus we've got something built in to take care of the families of Windy Hill. I mean, that feels like it's right. And whatever happens fairly with the commercial district. I mean, you know, it just feels like we're headed in the right direction, I think.

Bridge Littleton: Chris.

Chris Hersh: So, at one of the finance committee meetings, it was discussed about with the decrease in water usage from the conservation measures and looking at the change in model, how would that change the revenue? That's one, and then two is the expense expenditures for the water system, any anticipated increases that are needed in terms of looking at different wells and that type of thing.

Danny Davis: Thank you. I had to write that down, so I don't forget. I usually forget as I start talking. Yeah. So, we did talk a little bit about the conservation measures. What I think we have seen. I'll answer two sides of that. One is that and this is covered a little bit in my narrative at the end of this memo. Fiscal 25, we realized, was an anomaly when it came to revenues. And Sorry Fiscal 24. My apologies. Yeah. Was an outlier and that's when the first homes were being built in Salamander and they just watered constantly. And while we might still see that from time to time with some of the new homes, I think we're seeing that really temper out. And so, we have a better baseline of where we are today. So, I'm more comfortable in our current consumption assumptions for the coming period of calendar 2026 and Fiscal 27, and don't anticipate seeing as much or counting on as much revenue from irrigation and outdoor watering. If we do have more outdoor watering, that's just kind of a bonus on top, if you will. And that's revenues that maybe were not anticipated. If we go into water conservation, then the question is how much of a decrease might we see? If we're not banking on heavy irrigation to bring in revenues, then I don't think we'll see a significant drop in our revenue streams.

Danny Davis: The only potential major impact would be at the resort, really, in some of their usage, that might be have to be cut off due to the mandatory water. Even then, I think we saw maybe a 10% drop. And that when we did the mandatory water restrictions, it was in effect for 2 or 2 and a half months. And so, it might have a bit of a dip but then come right back. So, the consultant felt that there was enough leeway and buffer in the revenue projections as he put out for proposal that we could weather you know, a slight dip or potential decrease due to water conservation. I would also note that our rate consultant, while he's looking at one year, he's really looking at a ten year. He's seeing what these revenues will do from now, you know, and they kind of vary over time. A couple years we might actually run a slight deficit, but then as we go, we might run a slight surplus. So, really seeing this as a long game and not just taking it to individual year by year.

Chris Hersh: To that end, did they run the tier system in retrospect? You said that, right?

Danny Davis: That's interesting. He didn’t, I don't think he looked at what this would have done retrospectively. You mean to past years?

Chris Hersh: Yeah.

Danny Davis: That's an interesting idea to see what it would have done if it would have resulted in a different.

Bridge Littleton: Let's do that.

Danny Davis: Okay.

Bridge Littleton: For 23, 24, 25.

Danny Davis: Sure.

Bridge Littleton: That's a great idea.

Danny Davis: All right. Great.

Bridge Littleton: It should just be a factor on the spreadsheet.

Danny Davis: Yeah. Yeah, yeah. They have the consumption numbers because they use that to build out the model. Your second question was about expected increases or expenditures. We have put together an initial high level. Let me stop. Our operating expenses we don't see any significant increases or changes beyond our current changes right now. So, anything that might be proposed in the fiscal 27 budget would fit within current revenue streams. Where we are seeing pressure is in our capital needs and our long-term capacity. I know you were part of those conversations in Finance Committee about the water sources and needing to identify potential new sources just for continued backup. We have worked with our engineer to get two projects at least preliminarily costed out. One is to deal with, Well 3 and to be able to treat that water at one of our treatment plants. And that's just over $1 million for that project. And then the other is to replace some of the water lines in Ridgeview, which have a tendency to break and need some proactive work. And that's about 1.7 million. So, put those two together you're pushing just shy of three. And then we have ongoing capital, regular needs. Our water operator put together essentially an asset replacement spreadsheet for us that showed key high dollar items, pumps, blowers, mixers, screens that are anywhere from $25,000 or $10,000 to $200,000 and included a life cycle and inflationary factor. And so, over the next five years of our capital plan. We do capital planning in a five-year spectrum. We need essentially around 4 to $4.5 million. We don't have 4 to $4.5 million. In fact, we don't really have $4 million of debt capacity either. So, we will have to be looking at strategic grants or other applications. It doesn't mean we raise rates significantly. It means that we need to look at creative ways to fund those. And also, to figure out, do we need to defer, delay or find other mechanisms for that? So, that's kind of our rough look right now at our capital side on the utility fund.

Bridge Littleton: Thank you. That's over five years.

Danny Davis: That's over five years. That's correct.

Bridge Littleton: Yeah. Pam.

Pam Curran: One question. How do our rates compare to the other towns in Loudoun County?

Danny Davis: So, today I'll say today because things are changing in the towns around us. We have what I believe are probably the highest rates in the Commonwealth. You know, essentially $20 to $21 per thousand gallons. That's a pretty, pretty high number. Now, there are other factors that there are a dozen different ways you can build your rate structure. If you see in the news, Hamilton.

Bridge Littleton: Let me jump in real quick. So, one thing I want to add on that, and this is a very important strategic element of this. It's not just about the rates. It's about how you control your future. So, many towns, most towns have out-of-town users. And if you look at out-of-town rates like Round Hill is 85% of their rate users are out of town. They pay significantly more than we do. So, it's not fair to say that we have the highest rates in the Commonwealth. We have the highest rate in the Commonwealth, maybe for in-town users, but if you're living over at What's the name of that golf course?

Danny Davis: Stoneley.

Bridge Littleton: Stoneley. You're paying way more for Round Hill Water, right? We always made the strategic decision that we did not want to have out-of-town users, because that promotes sprawl, right? Housing development. [off mic] Right? Right. So, it was never so much about the I mean, it was the one and I say this to people frequently when the water rate issue comes up, you know we have made and I think our community has made a strategic choice that we want to own our destiny, and we want to control not only the development that happens in town, but also near town, and that everybody I don't say everybody's willing, but everybody understands what we're getting for not expanding the user base because, right, because the cost would be the same. It just would be more homes to spread it. And so, everybody's rate

would come down, right? We wouldn't have to buy. We only use 50% of our capacity. We don't even use that. So, we could have a thousand homes outside of Middleburg and everybody's rates would go down by 70%. But we don't want that. Right. So, it is an it's not about the I mean, it is about the rates, don't get me wrong, because we got to pay for it and all that kind of stuff. But it's about a strategic choice to preserve our community. So, you know, I think you have to look at the total picture. So, you know, again, so that's why I wanted to stop you because it's the reason why.

Danny Davis: Yeah.

Bridge Littleton: You know, is there.

Danny Davis: Yeah.

Bridge Littleton: And one town's about to go above us.

Danny Davis: Yeah. So, and you know there again some of them are going to be a little different or again how you look at it. But if you look at Hamilton, they just adopted higher rates, a higher fixed charge for their bill, essentially their minimum bill every two months will be around $85. Ours is at 83, so they'll be slightly higher than us at the minimum. Now they're per thousand gallons once you get above that, it's still less than ours. So, you know, we would catch up eventually. But they've had to increase their rates. I think it was 37% because they've not kept up with the cost of doing business. And we've kept up with that over years of time. And we are able to generate money to do significant projects. But over time they continue to add up, and we don't have that user base to spread that across, and that is for sure. So, yeah, that's.

Bridge Littleton: And there's only ever more water quality restrictions, not less.

Danny Davis: Oh yeah.

Bridge Littleton: PFAS, you know, stuff like that.

Danny Davis: Yeah. We continue to see additional regulations. I mean, there's even a bill out there that is dealing with PFAS in sewage. And if you take that and some plants sell the biosolids and let you apply it on agricultural lands and things like that, and you would have to test it and do all these things before you could apply it because of PFAS. Again, continued changes there. So, right now our revenues we're going to project at essentially user fees going up 3%. How that gets broken down by rate tier structure, whether it's we keep the same structure or we split it into different tiers, we'll figure out through the process. But for now, we'll assume a 3% increase on our rates. Now, as noted briefly here, I overshot for current fiscal year. And that was based on a bad assumption for fiscal 25 that that was going to be a trend. When we saw fiscal 25 essentially kind of fall off at the end of that fiscal year realize current fiscal year, we're going to have a bit of a shortfall in our revenues. Not significant, but a little bit. And so, we've recalibrated how we're building our fiscal 27 dollars. So, when you look in the budget on one of those pages, you'll see it actually the sewer and water fees demonstrate just slightly 1.1, sorry a 1% decrease in water and a slightly 1.3% increase in sewer. So, you know, even if rates do increase on average 3%, you know, we're not seeing a direct 3% increase in our revenues because consumption has dipped slightly. Anyway, the final thing I'll note for Council is that when new connections are made to our water and sewer system so if you have a vacant Lot and you build a new house there. They have to connect to our water and sewer. They pay what we call an availability fee and a connection fee, and that is currently $27,500 per connection for residential. So, over the past.

Bridge Littleton: Except at Salamander.

Danny Davis: That's true. Thank you for the reminder. Salamander prepaid theirs 15 plus years ago, which saved the town and was very useful. But also, I mean, the utility fund at that time needed the funding. I'll put it that way. I shouldn't have used that terminology. But the prepayment allowed the utility fund to continue operating, and but, yes, those new homes are not paying availability fees. But in Ridgeview, where we had vacant lots, that new homes were built they were in addition when we see new commercial construction that need new connections, those are using significantly bigger and

bigger water usage and expected water consumption patterns, and their availability fees are significantly higher. So, if revenues come in from new construction, either redevelopment that needs to upgrade the size of their water service because they're going from, say, a toy store to a restaurant or adding an apartment building, then those revenues, essentially, we count as unexpected revenues. We don't budget for those. And then we can use those to help offset capital costs, one time cost, essentially. I know there's a lot of info to cover, but it's good to kind of talk through revenues now and then when we get to the strategic planning retreat and then to budget presentation, we'll see this again. But then we'll be able to get into a little more nitty gritty if needed. But at least you have an overview of where we are looking at our revenue projections. Thank you. Happy to answer any other questions?

Cindy Pearson: I have a question.

Bridge Littleton: Yeah.

Cindy Pearson: Just wanted to say that for previous Councils and us and whoever's come, you know, keeping this 3% a year over the years has helped tremendously. And it has helped things like what I just read in Loudoun Now that how much Hamilton is going to go up. I mean, I know our citizens look at us every year and say, you're increasing it again and again and again. But yes, but only 3% not. [multiple speakers] It's huge difference. So, I think they need to be thankful for the way the Councils have done that and worked with those consultants. And yeah, I look forward to I kind of like sticking with the 3%, but I can see what this new schedule might bring.

Bridge Littleton: You know, I know that we've always done that very consciously because, well, number one, it's never cheaper the year before, right? The utility system has got to be self-sustaining. And the worst thing to do to people is to have an, you know, an unknown cost of 30% that they weren't able to plan for. Yeah. You know, that's the worst thing to somebody who's pinching every penny and making sure, you know, this, that and the other, because, I mean, everybody has to get treated the same. And all of a sudden, oh yeah, you know, we didn't do whatever for five years. Now we're going to hit you with a what is it, 38%, or 36% increase. And someone who's tough on the you know, who's budgets tough. Now I'm making choices. You know it's ramen noodles. And so, you know it's much better to be predictable. And again that's, you know, to your point.

Cindy Pearson: Yeah. And with the whatever the rate the structure is that you're thinking, it's just hard to hear that they would want to raise the businesses, meaning the restaurants water that much more. You know, instead of just being the 3% across the board. Because as you know, as we struggle with businesses from time to time coming and going. So, it's a lot to think about.

Bridge Littleton: Any other questions for Danny on the first discussion? All right Danny, thanks. Next up we're going to cover that in the strategic retreat. Yeah, yeah. No no no no. Windy Hill [off mic] yeah, I prefer to cover it there. We'll have a better sense of where everything is. And we can go into a lot more detail.

Danny Davis: Okay. You and I can talk.

Bridge Littleton: Yeah. Okay.

Darlene Kirk: [off mic]

Bridge Littleton: What's that?

Darlene Kirk: You don't want to give us a heads up?

Bridge Littleton: Nope. Okay. No. It's good. It's they have a they have a plan for the Robinson property. Okay. But there's still some more details that we need, and I'd rather do it when we have everything all at once. And if it's at the next Council meeting, that's fine too or it can be at the strategic retreat. Okay. General assembly, I think we went over that. Yeah. Okay. Next one is snow removal, which I think you touched on earlier.

Danny Davis: We did. But just two kind of overviews. And there will be one question more specifically at the end. I don't think Council is going to object to the idea of Mr. Moore and me putting together kind of a general set of expectations. That's probably the best way to put it is of when we get certain amounts of snow, how we will respond, you know, as the town to these things because just to remind Council, we are not responsible for maintaining our streets here in Middleburg. I could argue that these are all expenses that VDOT should be doing, and that's nice to try to argue, but I also understand they have tens of thousands of lane miles to plow, and some people didn't see a snowplow till Tuesday, and we were clear on Sunday. So, there's a balancing act here. However, we also know we are dependent on our businesses being successful and having places for patrons to park on the street. So, part of our support of our businesses is making sure that we make those areas accessible. I think there's a we ended up going from the Plains Road all the way to the Exxon clearing the parking spaces. If Council generally thinks that that's a great plan, then we'll continue moving in that way. We also did South Madison and half of North Madison, where we did continue to hear from some of the community. The businesses was we didn't clear Pendleton; we didn't clear Liberty. So, there were 3 or 4 spots, Marshall Street, Federal Street, you know, there were a few on street parking spaces, you know, still in town that it took a week or week and a half before people could start parking there because it had built up so high. So, something Council you may want to be thinking about is how much money are we really willing to drop into these? If you recall 2009 and 2010, we had at least three, if not four snowstorms that would have required moving snow in this way, that could easily end up being $100,000 in a year. So, you know, we have to be careful that we don't overcommit ourselves, but also that we clear where it's appropriate to make sure that people can park along the street in our parking areas. So, essentially this is kind of to say we're going to put together a bit of a framework and then bring that to you for full discussion. But if anyone has input, please feel free to let me know. I don't know if we need to really discuss it now. Mr. Mayor, unless you want to. Nope. Okay, the second part is clearing of sidewalks. This seems to come up every about two years. Because our town code requires property owners in the commercially zoned district to clear their sidewalks by noon the day after a snowstorm. Well, essentially, that covers our core downtown. It doesn't cover West Washington Street, and it doesn't cover East Marshall Street or Stonewall. So, there are areas of town where we don't have any ordinance that requires people to clear their sidewalks, nor do we have any enforcement mechanism to require them to. The conversation since before my time has always been kind of twofold. One, we have a more aging population than other parts of Loudoun County. And so, putting a burden on senior citizens or the elderly and disabled to shovel a sidewalk could be a challenge. And second of all, you go shovel your sidewalk, and then VDOT comes and plows the road, and you now have four feet of chunks of ice on it, which again is a challenge. So, we're not necessarily proposing that we amend our town code. But again, I think it's worth having a conversation here. And an alternative similar to the idea of what we're doing in the business district with clearing parking spaces is whether Council would like us to go look at what the cost would be for us to clear sidewalks in specific areas of town to create those connections, specifically West Washington from Windy Hill up to the Community Center, give or take, and then Marshall Street from the Charter School. That's where the commercial district ends, from the charter school east to Jay Street. And that would give at least a continuous pathway, assuming businesses are doing their job. Continuous pathway for pedestrians to get essentially across town that would be an expense. I don't know what that would be. I could make some [multiple speakers]. But if you have a bobcat that's the right size, and you run up the bobcat up the sidewalk you could probably do that in a couple of days and actually get it done. So, it's a question again, that's taking on a burden that's not technically our responsibility. But if that's something that we think is important because we did get a lot of complaints about the sidewalks not being passable this was a unique storm, but if we had 12 or 15in of snow, you'd have the same issue anyway.

Bridge Littleton: We've always had it. Yeah. I mean, in 2016 we had three feet, so any. Well before that. Yes. Any questions on that for Danny about snow stuff? I know we'll talk about it, those guys will come back, but. Okay. Thank you.

Danny Davis: Okay.

Bridge Littleton: Any information items from anybody on anything other than Rhonda did an amazing job last night.

Darlene Kirk: Yeah. [laughter]

Chris Bernard: Everybody knows that already, Bridge.

Darlene Kirk: [off mic] Put that in the paper.

Bridge Littleton: Okay. Cool. If there's no information items, we will go to closed session would someone like to read the memo?

Chris Bernard: I move that Council go into closed session as authorized under section 2.2-3711 of the Code of Virginia. For one, the lease of real property for public parking as allowed under subsection A3. And two, a project bonus for a town employee is allowed under subsection A1. I further move that Council thereafter reconvene in open session for action as appropriate.

J. Kevin Daly: Second.

Bridge Littleton: Any discussion? All those in favor say aye.

All of Council: Aye.

Bridge Littleton: Opposed? Abstentions? All right. Closed session. [off mic]