MIDDLEBURG TOWN COUNCIL
Regular Monthly Meeting Minutes
Thursday, March 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
Rhonda S. North, MMC, Town Clerk
William M. Moore, Deputy Town Manager
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, March 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

Punkin Lee, 2 West Federal Street, thanked the Council for holding its strategic planning retreat last weekend and opined that it resulted in a lot of good ideas to help the Town plan for the next couple of years. She noted the proposal to add an additional officer to the Police Department and advised that she supported this for business and resident safety. Ms. Lee noted the recent shootings that have occurred around the country and advised that Middleburg was close to some of the areas where this was occurring.

Staff Reports

February 2026

Town Clerk North noted that the 2nd Annual Middleburg Citizens Academy was held on March 11th. She congratulated Donna Strama, Sue Sierra, Ann McCarty, Carolyn Hersh and Earlene Coleman on graduating and noted that the Town now had fifteen graduates from the Academy. Ms. North advised Council that the participants were highly complementary, with one noting that the day went fast because everything was so interesting and another saying that it was better than one she had attended in Portsmouth. She further advised that they asked many good questions. Ms. North thanked the Council for their support and for participating in the Academy and noted that the participants liked their presentation.

In response to an inquiry from the Council, Town Clerk North explained that Boland Trane manufactured the HVAC equipment for the Town Hall Project. She further explained that the installer was a sub-contractor for the general contractor. Ms. North explained that the sub-contractor did not install all of the parts that were sent with the equipment so the Town had to contract with Boland Trane to provide and install the missing parts so the system would operate correctly.

In response to an inquiry from the Council, Town Clerk North advised that one of the graduates of the Citizens Academy already served on the Planning Commission. She opined that at least one other was interested in volunteering for the town, either in the form of serving on a committee or during a special event.

Business Development & Community Partnerships Director MacIntyre reminded Council of the Middleburg Americas 250 Celebration that would be held on March 24th at 5:30 p.m. at Greenhill Winery. She advised that it would celebrate Women's History Month, with the speakers being three local women – Jan Neuharth, Bundles Murdock, and Barbara Riggs - and the moderator being Beth Erickson, of Visit Loudoun.

Finance Director Fletcher reported that she amended her expenditure report, as requested by Council during their last meeting. She noted that this closed the gap between the budgeted and actual figures, with the largest portion being debt service. Ms. Fletcher reported that the report was up to date through February.

Chief Jones reported that Officer Hinegardner received a call for a reckless driver and advised that she was an eighty-year-old women who suffered from dementia. He advised that after much work, Officer Hinegardner was finally able to locate a former co-worker from Prince George's County, who drove to Middleburg and picked her up. Chief Jones commended Lieutenant Putnam and Officers Hinegardner and McCord for achieving a successful outcome to this event.

Chief Jones reported that on March 1st, the Middleburg Police Department went live with its new records management system. He noted that the previous system did not allow the Town's system to communicate with Loudoun County's and advised that the new system did, which made it easier for the officers.

Chief Jones announced some upcoming events including a Senior Lunch on March 17th at the Community Center and the first Stroll with the Patrol on March 18th.

In response to inquiries from the Council, Deputy Town Manager Moore advised that he would take the items the Council discussed during its strategic planning retreat to the Planning Commission; however, he noted the need to first have a conversation with the Town Attorney. He reminded Council that they assigned Councilmembers Hersh and Pearson to that strategic initiative and reiterated that conversations would be held with both the Planning Commission and HDRC. Mr. Moore advised that either the Council or the Commission could initiate a zoning text amendment. He suggested the discussion begin with the Planning Commission.

Town Manager Davis advised Council that the staff's intention was to bring a work program back to them. He reminded them that one of the other items they discussed during the retreat was community engagement and noted the need to determine where that would fall in the process. Mr. Davis advised that the staff would work together to develop that and then bring it back to the Council for their review.

In response to inquiries from the Council, Town Attorney Crim reported that the auxiliary dwelling unit bill passed the House, with a delayed effective date of July 1, 2027. He advised that if it was signed by the Governor, it would come to the Town next year. He confirmed there was no re-enactment clause. Mr. Crim reported that in regard to the churches bill, that it was in conference committee. He advised that in the case of the ADU bill, the General Assembly could always revisit it during their next session.

Asbury Church Project Report

Town Clerk North reported that to date, cash donations totaled $18,300 for the restoration project. She further reported that there had been almost 2,500 views of the oral histories videos combined. Ms. North advised that she met with the Director of Editorial & Content Marketing for the African American Cultural Heritage Action Fund, which was a division of the National Trust for Historic Preservation, to discuss their promotion of the Asbury Church Restoration Project and the Oral Histories Project videos. She noted that there were two opportunities for promotion – their quarterly *Preservation Magazine* and their social media. Ms. North advised that the individual she met with was going to meet with the editor of their magazine to see how soon an article could appear and, depending on the response, she would formulate a plan for promoting this project. She noted that the individual committed to getting back to her by March 23rd with a plan.

Town Clerk North reported that the Asbury Church Project Committee would meet later this week with Glave & Holmes for the third design meeting. She noted that they would need to make some decisions related to materials and would hear a high-level report from the architect on what restoration items needed to be done immediately and what items could be bid alternates that could be accepted if the Town raised enough money to cover their cost.

Town Clerk North reported that she was in the process of drafting a Request for Proposals for a fundraising firm to assist the Town and expressed hope to issue it next week. She noted that at the Mayor's suggestion, the staff developed some tokens of appreciation to give to the higher amount donors. Ms. North displayed an Asbury Church notecard that had been developed and produced. She noted that production was also underway for an Asbury Church Christmas ornament and an Asbury Church coffee mug. Ms. North advised that due to the number that had to be ordered of each, the Town would also sell these items as fundraisers. She reported that she was also in the process of developing a candy dish and ceremonial key to the church for those who donated large amounts.

In response to inquiries from the Council, Town Clerk North confirmed the ornament etching would be based on the same sketch as was used for the notecards. She advised that once she received all the items, she would develop a plan for marketing and selling them. Ms. North suggested a page be developed on the website and that they be marketed on the Town's social media. She noted that she and Ms. MacIntyre have also discussed having them available for sale during some of the Town's special events.

Vice Mayor Bernard suggested the staff reach out to the Middleburg Museum to see if they would make them available for sale to visitors.

In response to an inquiry from the Council about selling bricks or benches as a fundraiser, Town Clerk North noted that the Middleburg Beautification Committee had already committed to handling the garden area, including the provision of benches. She advised that there was no opportunity to have engraved bricks as a part of the project.

Consent Agenda

A. Council Approval – February 12, 2026 Regular Meeting Minutes; February 26, 2026 Regular Meeting Minutes
B. Council Approval – Arbor Day Proclamation

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.)

Action Items

Council Approval – Memorandum of Understanding – Loudoun County Sheriff's Department

Chief Jones reiterated that the Police Department recently went live with its new records management system and advised that the Loudoun County Sheriff's Department proposed an update to the Memorandum of Understanding between the Town and County to include the use of their system. He noted that they created a separate system for Middleburg and have now added it as a separate agency.

Councilmember Daly moved that a Memorandum of Understanding with the Loudoun County Sheriff's Department be approved.

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.)

Council Approval – Application for Byrne Grant – Police Evidence & Equipment

Chief Jones advised that he was seeking permission to apply for a Byrne grant in the amount of $18,400, with the Town's in-kind match being 25% or $4,638. He reported that the in-kind match would be in the form of officers' salaries. Chief Jones advised that the grant would be used to purchase ballistic shields, breaching equipment, docking stations for the patrol vehicles and offices, and updated hearing protection for use at the firearms range.

Councilmember Daly moved, seconded by Councilmember Kirk, that Council authorize the Chief of Police to apply for a Byrne Justice Assistance Grant in the amount of $18,400, with the Town's local match coming from police officer's salaries and time training with and utilizing the associated equipment.

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)

Council Approval – Unit Pricing Contract – Sidewalk Repairs

Deputy Town Manager Moore reminded Council that one of their ongoing strategic initiatives was to focus on the condition of the Town's sidewalks and advised that the staff regularly inventoried and documented their conditions. He noted that small spot repairs were completed as necessary and a few larger repair jobs were completed recently. Mr. Moore reminded Council that the larger repairs involved the use of a flexible, porous pavement material. He advised that in those cases, the Town used Capitol Flexi-Pave for both the flexi-pave work, as well as the brick work repairs, as they were skilled in both areas. Mr. Moore reported that the staff prioritized four sites that were in need of repairs and noted that there was currently $90,000 available in capital funding in the current fiscal year. He advised that because the four projects would be grouped together, they would exceed the amount the Town could execute with an individual contractor; therefore, the staff was requesting approval of a contract, under the terms of a contract with the City of Fairfax that had been competitively procured. Mr. Moore noted, however, that the associated brick and curb work had not been competitively bid; therefore, the staff was asking that Council waive the competitive procurement for those additional items, as it would be more efficient to have one contractor perform all the work. He reiterated that this was a known contractor to the Town that could effectively execute the work. Mr. Moore recommended the Council approve a rider contract. He suggested that if any money was left over after the four site repairs, the Town could address an additional site. In response to a comment from the Council, Mr. Moore confirmed the flexi-pave was installed using a technique as a part of the excavation that gave the roots more room to grow. He explained that the flexi-pave material was then placed over the excavation area and was flexible, so it was not as apt to heave when the roots grew. Mr. Moore noted that it also allowed for the infiltration of air and water so the roots would not go searching for either. He reported that in the case of the tree in front of 18 East Washington Street, the health of the tree improved after this product was installed.

Councilmember Daly noted that in addition to being more walkable, this product was rollable for those in wheelchairs.

In response to an inquiry from the Council, Deputy Town Manager Moore advised that the staff had been looking at this product; however, the connection with the contractor came out of the Streetscape Committee.

Vice Mayor Bernard moved, seconded by Councilmember Daly, that the Town Council authorize the use of cooperative procurement to contract with Capitol Flexi-Pave for unit pricing for the installation of flexible pavement utilizing City of Fairfax Contract # CTR030653. Vice Mayor Bernard further moved, seconded by Councilmember Daly, that in accordance with Town Code Section 20-1.6, the Council authorize contracting with Capitol Flexi-Pave for unit pricing for brick and curb work through means other than full competitive bidding due to the ongoing relationship with the vendor and due to operational efficiency in using one vendor. Vice Mayor Bernard further moved, seconded by Councilmember Daly, that authorization was granted for up to $90,000 total in FY '26 and in future years for amounts appropriated by Council in the approved budget, subject to the referenced City of Fairfax contract remaining valid.

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)

Council Approval – Resolution of Support – Community Project Funding – Well 3 PFAs & Water Main Replacements

Town Manager Davis reminded Council that Middleburg was requesting funding through its congressman to support its water projects, one of which was mandated by new federal regulations. He advised that his office was requesting the Town provide any community support for this, including a resolution from the Council. In response to an inquiry, Mr. Davis reported that the Town was seeking $2 million and would put in just over $700,000 in Town funding.

Councilmember Kirk moved, seconded by Councilmember Hersh, that Council adopt a resolution supporting the Town of Middleburg's request for Community Project Funding for a critical water project.

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

Proposed FY '27 Budget

Town Manager Davis presented his proposed budget for the fiscal year ending June 30, 2027. He reviewed the highlights from the current fiscal year, which included making significant investment in the Asbury Church Project, which led to the highly acclaimed oral histories videos and progress on the restoration design plans; the Town's continued investment in sidewalk improvements to improve safety and help drive pedestrian traffic to the side streets to support the business community; and, engaging the community in events geared toward the residents, such as Middleburg Day and the Middleburg Americas 250 events, which have been well received. Mr. Davis noted that the Council had gained two new members and the Town was fully staffed in all departments. He further noted the success of the Town's new IT firm, which was instrumental in integrating significant cybersecurity upgrades to keep the Town's assets and information secure. Mr. Davis advised that the Town identified key issues through inspections and routine maintenance of the utility systems and invested money to ensure their continued operation. He reported that the staff continued work on major component

replacements that would be discussed later in the presentation and, most importantly, continued to watch the Town's water levels very carefully to ensure they could maintain the capacity necessary to serve the community. Mr. Davis noted that the Council updated the water conservation ordinance in the event the Town continued to see decreases in its water levels due to drought or other factors.

Town Manager Davis noted that the Council recently met to discuss its strategic goals for the coming two years and emphasized many of the ongoing projects, as well as added new ones that focused on community issues. He reviewed the strategic initiatives for 2026-2027.

Town Manager Davis reviewed the proposed General Fund revenues for FY '27. He reported that the staff anticipated the revenues would continue to increase and noted that they had been revised slightly since he first presented them a month ago. Mr. Davis advised that he anticipated the revenues would increase by 3.4% over FY '26. He reminded Council that the concerns over the economy resulted in the FY '26 revenue projections being decreased; however, he expected a 3-4% surplus over what was projected. Mr. Davis advised that he expected to see continued growth in FY '27. He reported that a maximum real property tax rate of $0.1180 per $100 of assessed value had been advertised for public hearing, which represented a decrease in the current tax rate. Mr. Davis advised that this equated to the equalized rate plus a 3% increase for inflation. He noted the continued increase in home values and reported that the Town's total assessed values continued to increase, primarily due to new construction of high dollar homes in the Salamander Residences area.

Mayor Littleton questioned whether the staff had enough data to segregate out the value of the Salamander homes in order to determine the overall increase.

Town Manager Davis confirmed he did and advised that he would provide it year-by-year. He reviewed the real property tax rates for the past and noted that the Council had continuously decreased them since FY '22. Mr. Davis reiterated that the rate was proposed to decrease from $0.12 to $0.1180 in FY '27. He reviewed the growth in the real property values since 2019 and noted that they now exceeded $586 million. Mr. Davis reviewed an example of a real estate tax bill based on the proposed rate for an average home. He noted that townhomes decreased in value, while other types of dwellings increased. Mr. Davis advised that it was important to note that many residential properties would still see an increase in their tax bills, as the commercial values did not increase as much as the residential values. Mr. Davis reviewed the history of the General Fund's projected and actual revenues since FY '23. He reiterated that they were lower for FY '26 because the staff was cautious due to changes in the economy and administration. Mr. Davis further reiterated that the Town continued to see modest growth in the revenues, which he expected to continue into FY '27. He noted, however, that he was projecting a slight decrease in business license revenues (BPOL) based on changes at one large business and because of the recent stock market volatility.

Town Manager Davis reported that on the expenditure side, he proposed a 4.9% increase over FY '26, which would include a sizable contingency reserve/unallocated revenues. He reminded Council that the budget was their opportunity to look at funding and how it would implement the goals they recently discussed at their retreat. Mr. Davis reported that the proposed budget included continuing efforts for citizen centric events, as well as infrastructure and sidewalk improvements. He advised that it also included funding for an additional police officer and financial contributions toward a strategic affordable housing pilot program. Mr. Davis reiterated that the budget contained the funding for an additional police officer's salary and benefits and noted that a new vehicle would be funded through the use of unassigned fund balance. He reviewed the police officer coverage in town and reported that the proposal before Council would provide for two officers to be on duty for two-thirds of the time. Mr. Davis noted that this was in response to changes in the community, including the growth of events, increased traffic, and risks in the current societal climate, as well as to enhance officer safety. He advised that this proposal would decrease the amount of time the Town was without coverage when an officer needed to leave due to an arrest or emergency custody or to cover for the Sheriff's Department. Mr. Davis further advised that the additional officer, when combined with organizational structural changes, would enhance the department's response to community requests and needs. He reported that he was also proposing a step and salary increase for the Police Department, which totaled 5%, and a cost-of-living adjustment for the general employees in the amount of 2.5%. Mr. Davis noted that the general employees would also qualify for merit increases based on performance reviews at an average of 2%, which could be higher or lower depending on their review. He opined that these increases were in line with other Loudoun towns, Loudoun County government, and other nearby comparator jurisdictions. Mr. Davis reminded Council that they recently increased public

safety pay quite significantly; therefore, he did not believe it was necessary to match other jurisdictions' increases in FY '27. He advised that expenditures in FY '27 were proposed to be just over $5 million, with the majority of the increase being in Administration and Police. Mr. Davis reported that the unallocated revenues would remain at over $200,000 in the proposed budget, which would provide flexibility in the event revenues were lower than expected or if there were unexpected projects that the Council wished to pursue. He reminded Council that the contingency reserve was separate from the Town's fiscal reserve, which was fully funded, and the unassigned fund balance, which could be used for one-time purposes.

Mayor Littleton noted that the FY '26 budget contained $269,000 in contingency reserves. He questioned what the staff anticipated this would look like at the end of the fiscal year.

Town Manager Davis estimated it would come in more; however, he noted that he did not have full insight into what it could be. He suggested he put something together for the Council's review during the next meeting. Mr. Davis estimated it would be in the $500,000 range based on an increase in revenues and not fully spending all the approved expenditures.

Town Manager Davis reviewed the breakdown by percentage of the Town's money, both in terms of revenues and expenditures.

Town Manager Davis reviewed the FY '27 Utilities Fund budget. He reminded Council that the Town had determined that FY '24 was an outlier in terms of water consumption patterns and noted that they have since trended downward to a more normalized level. Mr. Davis reported that he proposed a 3% user fee increase; however, he noted that the FY '26 revenues were coming in lower than projected. He reminded Council that the Town continued to invest in major equipment and cash funded projects, with significant repairs being funded mostly through user fees. Mr. Davis reported that the staff was proposing the implementation of a tiered rate structure for water and sewer. He noted that the current structure was a flat one and advised that after a year of discussion and review, the staff was proposing a tiered structure that would provide for a lower rate than currently existed for users who used less than 10,000 gallons of water and a higher rate for those who used more than 10,000 gallons. Mr. Davis reiterated that all users who used less than 25,000 gallons in a two-month period would see a decrease in their utility bill and reviewed examples of bills based on consumption. He advised that this proposal would put Middleburg in the middle of all Loudoun towns in terms of the per 1,000-gallon rate for the user who used 6,000 gallons every two months. Mr. Davis reviewed a chart which depicted the current bills, the bills under the proposed tiered structure and the difference. He reminded Council that currently, 28% of the Town's customers received a minimum bill, as they used 2,000 gallons or less every two months. Mr. Davis reported that an average customer used 6,000 gallons of water and would see a reduction of 23% in their bi-monthly bill under the proposed tiered rate structure. He advised Council that 86% of the Town's customers used 10,000 gallons of water or less and would see a decrease of 22% in their bills. Mr. Davis reported that high volume users would see an increase of between 2-15%. He advised that the average restaurant used 35,000-50,000 gallons of water and reported that a user who used 45,000 gallons would see a 6.7% increase in their bill. Mr. Davis reminded Council that the point of the tiered rate structure was not to generate more or less revenue, but rather was to change the distribution of how that revenue was generated across the customer base. He advised that the projected revenues for FY '27 were slightly higher than FY '26.

Town Manager Davis reported that he projected increases in the regular costs due to inflation and contractual increases and noted that the Town would continue to invest in equipment to ensure reliable utility service to its customers. He reviewed photographs that depicted some of the utility projects that had been undertaken or lines that were still in need of repair. Mr. Davis reminded Council that he was proposing a part-time utility billing specialist, whose focus would be on the entirety of the billing process. He noted that these duties were currently handled by the Finance Director and himself, which pulled them away from more strategic level work. Mr. Davis reported that expenditures were expected to remain modest in the Utilities Fund. He noted the large spike in FY '25 and explained that these were due to one-time expenditures due to capital needs and major equipment failures. Mr. Davis advised that the Town also paid down a portion of its debt.

Town Manager Davis reviewed the Capital Improvement Plan (CIP). He reported that in FY '27, the Asbury Church Project was shown based on its full needs. Mr. Davis advised that this would not come all from Town dollars and noted that the staff recognized the importance of securing grants, donations, fundraising, and other government funding to support the project. He reported that $750,000 was included in the CIP as a placeholder for the South Madison Street Improvements

Project and noted that the staff continued to wait to hear whether the County would allocate funding to support it. Mr. Davis recommended the Town not proceed to design until it had clarity on whether the County was willing to provide funding and suggested it may need to be delayed another year. He reported that funding was proposed in the CIP for the continuation of the brick sidewalk repairs and to fill in some missing gaps. Mr. Davis advised that $1 million in funding was proposed to be set aside from the unassigned fund balance so the Town could partner with the Windy Hill Foundation to seek funds from the Loudoun County Department of Housing & Community Development for the construction of new affordable housing units in Middleburg. He explained that this money would be placed in a Town restricted fund and serve like an escrow account, with the Town contributing around $52,000 annually to pay the debt service on the loan in the form of a contribution to the Windy Hill Foundation. Mr. Davis noted that the loan application must be reviewed by the County staff and approved by the Board of Supervisors. He opined that this could serve as a model for future small scale affordable housing projects in Western Loudoun. Mr. Davis reported that funding was included in the CIP for utilities-related projects, such as the Well 3 treatment, sewer line repairs, and water main replacements in the Ridgeview area. He advised that if grant funding did not materialize, the Town would identify other potential funding sources, including potential debt.

Town Manager Davis reviewed the budget schedule. He noted that the public hearing on the real property tax rate was scheduled for March 26th and advised that it must be set no later than April 1st. Mr. Davis noted that the initial budget discussions would also be held during this same meeting. He advised that he anticipated several discussions related to the Utilities Fund, which would be held in April. Mr. Davis noted that the public hearing on the budget and utility rates would be held on May 14th, with the adoption of the budget scheduled for May 28th. He advised that Council would have the month of June if additional time was needed. Mr. Davis reminded Council that the budget must be adopted by June 30th under the State Code provisions. He announced that any member of the public who was interested in providing input could do so by calling the Town Office, speaking during any meeting of the Council or at the public hearing, or by submitting their comments online through the Town website. Mr. Davis advised that he was happy to answer any questions the Council may have at this time or bring additional information back to them at the next meeting.

Councilmember Curran noted that during the retreat, the Council discussed the cost of increasing the Police budget and the demand from the retailers and resort on the department. She inquired as to where the Town stood with regard to the hotel tax.

Town Manager Davis reported that the Town's current TOT (transient occupancy tax) rate was 5%. He noted that an additional 3% was collected and remitted to the Northern Virginia Transportation Authority, for a total of an 8% TOT tax rate. Mr. Davis reported that TOT rates across the Commonwealth varied from as little as 2% to as much as 15%, with the average being 5.6%. He noted that the Council had the flexibility to increase other rates beyond the real property tax, such as the meals and TOT rates. Mr. Davis advised that he would provide information to the Council on what a 1% difference would be for each. In response to a comment from the Council, he noted that the Town did not collect a personal property tax on residential vehicles. He agreed the BPOL tax rates could be reviewed; although, he opined that this would be more challenging because of the many different categories.

Vice Mayor Bernard requested information on how much revenue would be raised through a 1% increase in the meals and TOT taxes.

Councilmember Pearson expressed concern about the proposed water rates. She questioned whether it was possible to identify what the user would pay if a 3% increase was imposed based on the existing rate structure versus the tiered approach. Ms. Pearson questioned whether the proposed tier system would provide enough revenue to fund everything that was needed in the Utilities Fund.

Town Manager Davis advised that the rate consultant ensured the tiered rate structure would provide the same amount of revenue. He noted that under the current flat rate system, those who paid $10,000 or less were responsible for 25% of the revenues; however, under the new rate structure, they would only be responsible for 20% because the Town would be putting more of the burden on the top users who would pay more.

Mayor Littleton noted that the Town would receive the same amount of revenue, it would just be divided differently.

Councilmember Pearson expressed concern about making the restaurants pay a larger amount.

Mayor Littleton noted that 17% of the Town's population were lower income and advised that they could see a $100-150 decrease on their bill under this proposal. He advised that this could result in $600 in annual savings, which was meaningful. Mr. Littleton opined that this system would encourage people who used more water to use less.

In response to an inquiry from the Council was to whether this would affect the Town's revenues, Vice Mayor Bernard noted that the rate consultant said that he had not seen that happen in other jurisdictions where this was done.

Town Manager Davis confirmed that their experience was that the higher end users, in particular commercial users, did not change their consumption patterns. He noted that the Town would continually evaluate where it stood based on the rates; however, the consultant forecast different scenarios and found that if the top users decreased their consumption by 10%, the Town would still end up with the same financial results.

Vice Mayor Bernard reminded Council that commercial users also had the opportunity to pass the cost on to their customers, whereas residential users could only save money by using less water. He noted that they had to use a certain amount.

In response to an inquiry from the Council, Mayor Littleton noted that the Town would continue to increase its rates by 3% annually, even with the tiered rate system.

Town Manager Davis confirmed the Town would still impose a 3% rate increase. He noted that if the current rate structure remained, the minimum bill would increase from $83.06 to $85.54. Mr. Davis explained that the tiered rate structure would provide the same amount of revenue as the flat rates plus 3%.

Mayor Littleton reiterated that the Town would continue its philosophy of having a 3% annual rate increase.

In response to an inquiry from the Council, Town Manager Davis advised that the consultant did not look at splitting commercial and residential rates; however, he did split out multi-family units to make sure they were not negatively impacted, in particular the low-income affordable housing units. He noted that the Town could create separate rates for commercial users; however, it would be complicated.

Vice Mayor Bernard noted that he did not want to make it too complicated; however, if there was a way to split them differently, he would like to consider it.

Town Manager Davis advised that he would ask the rate consultant about this; however, he assumed he would say the results would be pretty much the same.

Mayor Littleton noted that the commercial businesses had the ability to pass the increase on to their customers and had the ability to use less water. He advised that it drove him insane to go into a restaurant and see the water running when they were not washing anything. Mr. Littleton opined that the businesses could control a lot of what they used.

Councilmember Curran opined that an unintended consequence was that the proposed rate structure would incentivize water conservation.

Town Manager Davis noted that since FY '24, the Town saw that the new homes that were establishing their lawns have stopped irrigating as much. He advised that the Town was seeing the consumption levels normalize and noted that this was what it was hoping for, as a lot of water was being used just to water lawns.

Town Manager Davis asked that the members of Council email or call him if they had any other questions they would like him to address.

2026 General Assembly Legislative Session

Town Attorney Crim noted that he touched on the land use bills that were of the greatest concern during his monthly report.

Mayor Littleton advised that the ADU bill was the one that was of the greatest concern. He questioned whether there was any likelihood the Governor would veto it.

Town Attorney Crim advised that he had heard no indication to that effect. He noted that it was a popular bill with the majority of the General Assembly. Mr. Crim opined that there were places where it would create problems and other places where it would not even be noticed.

Mayor Littleton questioned whether there were measures the Town could put into place to impose some level of control in the event the bill passed.

Town Attorney Crim reported that fire separation would be the main issue with regard to accessory dwelling units. He advised that unless people upgraded their properties to use fire resistant materials, they would have to have twenty feet of separation between the accessory dwelling units and any other units if they were external. Mr. Crim noted that if the unit was internal, there would also be a fire separation issue because the property owner would be creating two units out of what was formerly one and that was designed under the fire and building codes for one family's occupancy. He described an incident in which a home was illegally subdivided into upper and lower levels and when a fire broke out, the people on the upper level did not tell the people living downstairs. Mr. Crim advised that in that instance, it was not a fatal fire; however, there have been instances of fatal fires as a result of illegal home subdivisions. He confirmed this was a fire safety issue.

Town Manager Davis noted that the legislation included a clause that stated that a locality could enact an ordinance in substantial compliance with the legislation before the enactment date; however, it prohibited localities from doing an end run around it. He advised that the Town would be limited in doing anything beyond what was allowed. Mr. Davis suggested the staff analyze the bill once it was final in order to understand what authority it had and how it could implement that in a regulation or the zoning ordinance.

Vice Mayor Bernard questioned whether there had been any analysis done on what this change would do to property values. He opined that if people were allowed to put a second unit on their property, there would be a cascading effect of significantly increasing property values.

Town Manager Davis advised that he did not have time to listen to all the hearings and noted that the one related to multifamily dwellings and commercial districts was killed. He advised that the primary driver of that legislation was supply. Mr. Davis opined that there was no consideration given as to the impact on home values and the residual effects to the rest of the community. He advised that it appeared to be all about flooding the supply so homes would become less expensive, which did not make sense.

Mayor Littleton noted that the biggest driver of the cost of housing was the size of the houses. He further noted that developers were not incentivized or regulated in any way to make homes more affordable by making them smaller and advised that they were actually incentivized to do the opposite. Mr. Littleton opined that they were only concerned about making the most return on their investment and opined that until there were regulations, such as FARs, the problem would not change. He noted that the developers were creating supply for people who had a household income of $200,000 or more, which did not solve the problem.

Councilmember Pearson noted that they also did not consider things such as this would bring more cars and require more water. She advised that there would be a need for more resources for which there were already not enough.

Vice Mayor Bernard noted that people were going to start asking for a lot more money for their property if they had the ability to build a second unit. He advised that the disparity would only continue to grow.

Mayor Littleton agreed and noted that it would now be a by-right item. He noted that people would not even have to build the second unit and would just increase the cost because they had the right to construct one.

Relocation of Cell Antennas – Stonewall Water Tower

Deputy Town Manager Moore reminded Council of the plan to repaint the Stonewall Water Tower this year. He noted that two existing cell phone companies – AT&T and Verizon - had equipment on the handrails of the tower that would need to be relocated to a temporary tower during the repainting and explained that the goal was to improve the safety of the tower by having them reinstall their equipment on a corral on top of the tank. Mr. Moore reiterated that this would improve safety for those who had to perform maintenance or inspections on the tower by eliminating the equipment that protruded into the walking area or obscured access to the handrail. He noted that there used to be a corral on top of the tank. Mr. Moore advised that the proposed one would be larger in diameter so it could accommodate the antenna for both companies. He explained that while a special use permit was no longer needed due to changes in legislation, because the Town was the owner of the tower, the Council had to consent to any changes to it. Mr. Moore questioned whether the Council was okay with this modification.

The Council agreed this should be done for safety reasons.

In response to an inquiry from the Council, Deputy Town Manager Moore advised that any wiring would come up the legs of the tower and around the tank to reach the corral. He confirmed there would be no wires on the walking surface.

In response to an inquiry from the Council, Town Manager Davis confirmed the Town received $54,000 from AT&T and $47,000 from Verizon in rent per year. He noted that T-Mobile also paid rent for having equipment on the small water tower by the Charter School.

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 consultation with legal counsel pertaining to actual litigation involving Salamander Farms, LLC vs. the Town of Middleburg, as allowed under Subsection (A)(7). 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 8:06 p.m.

APPROVED:

_____
Trowbridge M. Littleton, MAYOR

ATTEST:

_____
Rhonda S. North, MMC, Town Clerk

March 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. We'll call the meeting to order. The first item is Pledge of Allegiance.

All: And to the Republic for which it stands. One nation under God, indivisible, with liberty and justice for all.

Bridge Littleton: Okay, now go to the roll call.

Deborah Gallagher: 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. The next item is public comment. If any member of the public would like to address Town Council, they may do so at this time. Public comments closed. [laughter]

Punkin Lee: Looks like it won't take long. Punkin Lee West Federal Street. I just want to thank you all for doing the retreat last weekend from what I've heard, lots of good ideas and comments to plan us through the next couple of years. There is one item that just my own opinion is the possibility of adding to the police force talking for the business safety and the residents especially in light of what happened yet again today with the college and the synagogue getting hit by a car. All of that. Yes. We live in Mayberry in a bubble, but we're awfully close. And I think also where we are, we're kind of in a gray area between people coming from Leesburg to help us or Fauquier. And if one of the officers has to go to Leesburg to deal with somebody, then we have nobody and I don't know. I think in this day and age we might be just primed for the picking and we're good to be ready. That's just my thought on it. But thank you all for considering it. And thank you all for being on Council.

Bridge Littleton: Thank you. [off mic] Anybody else? Yeah. Okay. We'll close the public comment. And I guess there's no public presentations or public hearings. So, the first item is staff reports. Up first is Rhonda North.

Rhonda North: Thank you, Mr. Mayor. A great deal of my time is committed to the Asbury Church project these days. I'll give that report here shortly. In the meantime, we did have our second Annual Citizen's Academy yesterday, and I'd like to congratulate Donna Strama, [inaudible] McCarty, Carolyn Hersh and Earlene Coleman, all of whom graduated yesterday that brings us to 15 graduates of our academies. The ladies were highly complementary of the Academy. Yesterday I received an email from one today who said the day went by fast because everything was so interesting. Spoke with another today Councilmember Hersh's wife, she attended a Citizen Academy in Portsmouth, and she said ours was better than Portsmouth. So that was exciting to hear. So. So even though this year we had only about half the number of attendees I think they asked twice as many questions. And really quizzed Mark Inboden quite a bit on water and sewer operations. The one thing we did do ask at the end of each session is, you know, is there anything that you would have liked us to have gone over that we may have missed? And they could think of nothing. So, I think that speaks very highly to our level of presentations this year. But I'd like to thank the Council for your support for that program and for participating because they also spoke about the, the Mayor and Council's presentation yesterday morning. Everyone enjoyed it.

Bridge Littleton: Great. Any questions for Rhonda? Darlene.

Darlene Kirk: I had a question. Thank you. Okay. Okay. I had a question about one of the things in yours about Boland Trane.

Bridge Littleton: Boland Trane.

Darlene Kirk: Yeah. How can they put in something of their own wrong? And it makes everything better.

Rhonda North: They did not install it incorrectly. They manufactured it. The installer was a subcontractor for our contractor.

Darlene Kirk: Okay.

Rhonda North: And they did not install all of the parts that were sent with it.

Darlene Kirk: Okay.

Rhonda North: So, Boland Trane had to acquire the replacement parts from the manufacturer and then install them to make the system operate correctly.

Darlene Kirk: Okay. Thank you. I didn't understand the subcontractor.

Rhonda North: Yes, it was the sub that didn't install it correctly.

Bridge Littleton: Pam.

Pam Curran: Back to the academy. So, do you think any of them will get on committees or go further with civic engagement?

Rhonda North: So, one member is already on our Planning commission. So, and, yes, I think you know, at least one of the others did express an interest in volunteering for the town. Now, whether she'll do that in the form of a committee or volunteering at Ali's special events. But I know at least one member was very interested in doing some volunteer work with the town.

J. Kevin Daly: That's great Rhonda.

Rhonda North: Yeah.

Bridge Littleton: All right Rhonda, thanks. Next up is Ali MacIntyre.

Ali MacIntyre: All right. Good evening, everybody. In light of my 30-minute presentation last time, I will just open the floor for questions with the exception of the reminder that it is Women's History Month. And for the America's 250th celebration, we are hosting our March celebration at Green Hill on March 24th from 5:30 to 7:30. And that event is a panel of three women kind of in and around Middleburg. It's going to be moderated by Beth Erickson. The women it's, posted on our Middleburg Facebook page. But it's Jan Neuharth, Bundles Murdock, and Barbara Riggs. So, they have we have a fun night planned. So, we encourage everybody to come out. It is a complimentary event. So yeah, just come out and enjoy. Other than that, any questions?

Bridge Littleton: Any questions for Ali?

Pam Curran: What time is that event?

Ali MacIntyre: 5:30 to 7:30.

Bridge Littleton: Anybody else? Ali, thank you so much. All right. Next up is Angela. [off mic]

Angela Fletcher: Thank you. Mayor and Council. Just wanted to let you know that I did update the expenditure chart, brought it to current from beginning of fiscal year based on a question from last meeting. And so was able to definitely close that gap between budgeted and actual. The largest portion of that was debt service. So, we're up to date and posted through the month of February. Happy to answer any questions you might have.

Bridge Littleton: Do folks have a question any questions for Angela? Thanks for updating the chart.

Angela Fletcher: Thank you.

Bridge Littleton: I really appreciate it. Yeah. Okay. Next is Shaun.

Shaun Jones: Good evening. You have my report before you. I just want to give you a few updates before any questions? Last yesterday evening our patrol officers got a call of a reckless driver in the Town of Middleburg. The BLL to be on the lookout for a reckless driver. The vehicle was swerving in and out of traffic, going over double lanes even making illegal U-turns. When Daniel Officer Hinegardner finally got her stopped the driver of the vehicle was an 80-year-old female who just started suffering from dementia. She was from PG County, Maryland. Had no idea she was even in Virginia. Our units stayed with her. It took a long time to really get information from her. She didn't have a cell phone or anything like that. They finally got in contact with her son, who was at work he didn't have her driver's license and didn't have anyone to come get her. They continued to talk with her, speak with her. As they were speaking with her, they were able to find out where she previously worked. PG County Transportation, made a phone call there and was able to get in contact with some of her former coworkers who made arrangements to drive all the way down from PG County, Maryland to pick her up. We got her checked by fire and rescue. She was a feisty one. You know, she was happy to get a Butterfinger and an orange soda, so. [laughter] But you know, that's just a. I just want to commend Lieutenant Putnam. He was out here, Officer Hinegardner, and also Officer McCord as well. They put in some good work and put a lot of, utilized patience and communications skills to have a successful outcome. Another thing key factor early this month, March the 1st we went live with our new records management system. We previously had a CAD system where we utilized Loudoun County Sheriff's office dispatch CAD system that does not communicate with our computers here. And our records management system didn't communicate. So as of March 1st, we've been prior to we've been working with the sheriff's office. They built a system specifically for the Middleburg Police department and now our records. I'm sorry. Our CAD system, their CAD system, and our records management system. Everything communicates with one another to make things more sufficient and easier for our officers. Couple events coming up. Next March the 17th is our senior lunch for Saint Patrick's Day at the Middleburg Community Center at noon. And March 18th, we start our first stroll with the patrol for this season, this year. And we're going to be here at Town Hall on the 18th. Any questions?

Bridge Littleton: Any questions for Chief? Okay. Shaun, thank you very much. Thank you. All right. Next up we have Mr. Moore.

Will Moore: Thank you, Mr. Mayor. You have my report. I have nothing to add. With the exception of that, we were happy that we did not have to initiate our snow removal team today. We were worried about that for a while, but yeah, everything was good. So happy to answer any questions.

Bridge Littleton: Any questions for Will? Will, I had one quick one.

Will Moore: Yes.

Bridge Littleton: At the retreat, the item we talked about in terms of Zoning and Planning is that something that's going to go to the, should go to the Planning Commission first?

Will Moore: First before, I mean, it's definitely something we will bring up to Planning Commission. I do want to have a conversation with the Town Attorney first before we get too far down that road.

Will Moore: Oh right. Yep.

Will Moore: But we would plan on and the two Councilmembers who were assigned to that are your Planning Commission rep and your HDRC rep. So, we would have conversations with both of those bodies along the way.

Bridge Littleton: To figure out how to do it. Is it something that we would have to ask them to initiate, or is it something that they would initiate on their own?

Will Moore: We can have that conversation with the Commission. Either the Council can initiate an amendment to the text amendment or an amendment to the ordinance or the Planning Commission. Either body can initiate it.

Bridge Littleton: Okay.

Will Moore: We would start with the commission and.

Bridge Littleton: No, I forgot you got to talk to Margaret no Martin and make sure what the rules are.

Will Moore: Right.

Bridge Littleton: Okay.

Danny Davis: And Mr. Mayor, I think our intention would be to bring back to you to the Council, a bit of an action kind of work program on it. One of the items we talked about also at the retreat was community engagement and where that falls in the process. So, we would want to work together internally first to develop that out, review it with Martin and with our Council liaisons, and then bring that to Council to just check that box and be okay with that.

Bridge Littleton: Yep. Okay. Perfect. Thanks. All right. Next up is Town Attorney.

Martin Crim: Thank you. Mayor. You have my report. I'm happy to answer any questions you may have. [off mic]

Bridge Littleton: Have any questions for Martin. And Martin, I forgot to look at yours. So, of the four really bad bills.

Martin Crim: Yeah.

Bridge Littleton: Two died. Right?

Martin Crim: Dead, dead, yes.

Bridge Littleton: Yes. And the ADU one is still pending.

Martin Crim: The Accessory dwelling unit is passed the House with a delayed effective date of 7/21/27. And so, if that gets signed, then that'll coming to us next year.

Bridge Littleton: So, but it was not required to be signed twice or reenacted.

Martin Crim: No, there's no reenactment clause on it.

Bridge Littleton: Okay. And the other one was churches.

Martin Crim: Yes. So that that is in Conference Committee is the short answer.

Bridge Littleton: Okay. All right. So, the ADU one passed both the House and the Senate. So, the only chance there then is the governor to veto it.

Martin Crim: Right or next year, the next General Assembly could always revisit it.

Bridge Littleton: Oh, true. Okay. What's that? Okay. All right. Thanks, Martin. Any other questions for Martin? Okay. Thanks, Martin. Yes, sir. Okay, next up, we've got Asbury Church, Rhonda North.

Rhonda North: Thank you, Mr. Mayor. So as of this morning we have received $18,300 in donations towards the Asbury Church project.

Bridge Littleton: What was the number?

Rhonda North: $18,300.

Bridge Littleton: $18,000.

Rhonda North: Oral histories videos, views. We've got almost 2,500 views. As of this morning, I met this afternoon with the Director of Editorial and Content Marketing for the African American Cultural Heritage Action Fund, which is a division of the National Trust for Historic Preservation. Spoke with them about our two projects and our desire to get the word out, you know, as wide as possible. She is going to meet with the editor of Preservation Magazine next week to see about getting a feature article and that magazine comes out quarterly goes out nationwide. And depending on what that answer is, because apparently, they have a lot in the queue. So, it could be winter 2026 or spring 2027. Before they could do that, they could also do some social media marketing for us on our oral histories projects to get those out as well. So, she's committed to getting back to me on the 23rd of this month with a plan for how we can proceed. But they were very excited about our project and want to help us get the word out to folks. Tomorrow afternoon the committee will have design meeting number three with Glavé and Holmes. We'll need to make some decisions on some of the materials. We'll also be talking about from a big picture standpoint what things would be restoration items that we would definitely secure bids on and what items would be more nice to have that we could set up as bid alternates depending on how much funding we're able to raise. Have started drafting the RFP for fundraising firm thanks to Council Member Curran. She provided me with a sample RFP I had also researched a few samples. So, I've begun to draft that and hopefully by next week I'll have that ready to be issued. And finally, the Mayor had a suggestion that we give some thank you gifts to folks who are some of our larger contributors. Just a token gift. So, we've developed a list of things that we'll give depending on how much folks donate. And they range from note cards to ornaments to coffee mugs and then crystal candy dish and ceremonial key for the larger. We have received the note cards. We have the ornaments and the coffee mugs in production, those we had to order such quantities that we're also going to make those available for sale to raise funds as well. So, you know, folks can buy like a packet of note cards for $10 and then the profits from those would go towards our project as well so.

Darlene Kirk: Does the ornament look like the front of the note cards too?

Rhonda North: So yes. Yes, they are. The ornament will have a sketch of the, you know, an engraving of the church. Yeah.

Bridge Littleton: Chris.

Chris Bernard: Just a quick question. What's the plan before you said you're going to sell some of these things? How are we going to do that?

Rhonda North: Well, first I need to get them all in. And the mugs in particular had a long lead item on them a couple of months. But probably once I can get everything packaged and prices identified, we'll put something up on the website to show folks what we have available. We'll have them here for sale. I'll get Ali to do a little marketing, you know, social media marketing.

Chris Bernard: And maybe, well, I don't know what, you know, the logistics and everything, but maybe worth reaching out to the museum and seeing if they can have them there, maybe for sale.

Rhonda North: Yeah.

Chris Bernard: Just so that visitors will. Because no one comes into Town Hall.

Rhonda North: Sure. And Ali and I talked about having them available during some of the town events things like that as well.

Bridge Littleton: Any other questions for Rhonda? Yeah, Pam.

Pam Curran: I have one. And maybe the Capital Campaign Consultant would help, but are we able to sell bricks or benches is what I started to say or is that not allowed on the space? So.

Rhonda North: So, I spoke with Ms. Lee of the Beautification Committee and asked if they would be willing to handle the garden area. And she committed to doing that and she even volunteered that they would provide the benches.

Pam Curran: So, because sometimes donors will do that, you know, a bench kind of thing.

Bridge Littleton: Yeah. I think what Pam's talking about is selling bricks that you would have your name engraved on it.

Rhonda North: Yeah, I did that.

Bridge Littleton: Like the [multiple speakers]

Rhonda North: Yeah, I did that. The brick selling program with the Downtown Business Association. I'm not sure we're going to have any bricks, so I'm not sure there would be anything to etch.

Bridge Littleton: Okay. Solves that problem. All right. Anybody else questions for Rhonda? [off mic] Okay. Thank you, Rhonda. Next up is any reports of town committees. If you so dare. All right. Next up, we will go to the consent agenda. Would anyone like anything removed from the consent agenda? All right. Is there a motion.

Chris Bernard: [off mic] To read the Arbor Day proclamation?

Bridge Littleton: I will on Arbor Day.

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

J. Kevin Daly: Second.

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

All: aye.

Bridge Littleton: Opposed? Abstentions? Okay. Next up is the action item for the Council approval of Memorandum of understanding with Loudoun County Sheriff's Office.

Shaun Jones: Good evening once again, as I stated once before March the 1st we went live with Motorola P1, which is the new records management system. Loudoun County Sheriff's Office updated our memorandum of understanding to include the use of the police one records management system. They added the fact that they created and added us as a separate agency, similar to the way the Purcellville police department works. Everything else remains the same.

Bridge Littleton: Does anyone have any questions for the Chief about updating the MOU? Okay. Would someone like to make a motion?

J. Kevin Daly: I move that the MOU with the Loudoun County Sheriff's Office be approved.

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

All: Aye.

Bridge Littleton: Opposed? Abstentions? Okay, Chief, thank you very much.

Shaun Jones: Yes, sir. I believe the next one's mine.

Bridge Littleton: Byrne Gallery or Byrne Grant. Yep. Sorry. Go ahead.

Shaun Jones: Yes, sir. Requesting permission to apply for the upcoming Byrne Grant. It's going to be running from June until September. The grant is available up to $25,000. We are requesting $18,400. Our match for that is 25%. I just got off the phone with [inaudible] just working with the numbers our actual match in total for the grant is $18,412 and our in-kind match is $4,638. What it means by in-kind match is basically I would take the salary of an officer first officer one we'll use 60 hours of his salary. Second officer 60 hours of his salary to cover our in-kind match for the grant. It's not going to cost the town anything. The items that we are requesting are ballistic shields, breaching equipment. We are also just in case we have to get into buildings and so forth. We're requesting docking stations for our patrol vehicles, docking stations with our computers for inside the office and updated hearing protection for when we're at the firearms range. Any questions?

Bridge Littleton: Does anyone have any questions about the grant request? Kevin.

J. Kevin Daly: Can you repeat the part that it won't cost the town anything again, please? [laughter]

Bridge Littleton: Don't need to. Any question? [off mic] Yeah, well, let's see if anybody has any questions. Anybody? Okay.

J. Kevin Daly: I move that the Town Council authorize the Chief of Police to apply for a Byrne Justice Assistance Grant in the amount of $18,400, with the town's local match coming from the police officer's salaries and time training with and utilizing the associated equipment.

Darlene Kirk: Second.

Bridge Littleton: Any discussion? Rhonda, do you have to call the roll on this one? [off mic]

Rhonda North: Okay. 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.

Darlene Kirk: Aye.

Rhonda North: Council Member Pearson.

Cindy Pearson: Aye.

Bridge Littleton: Okay. Thanks, Chief.

Shaun Jones: Thank you. I've been paying attention. I have my bullet points ready to go from last week. [laughter]

Bridge Littleton: Good.

Shaun Jones: Thank you.

Bridge Littleton: Someone read the memo. All right. Next up is Council approval of the unit pricing contract for sidewalk repairs. Mr. Moore.

Will Moore: Thank you, Mr. Mayor. I'd like to point out that my memorandum is actually bullet pointed, not just my notes so.

Bridge Littleton: It's been noted. [laughter]

Will Moore: You have the memo and accompanying materials. Just a quick summation. In recent years, it's been an ongoing strategic initiative of Council to focus on the condition of our sidewalks. We regularly inventory and document our sidewalk conditions. We make small spot repairs as necessary, but we've done a few larger repair jobs recently. We note those in the memo. It includes the initial installation of the flexible, porous pavement flexi-pave to pave a couple of years ago in front of Lulu two. We did a brick removal and resetting in front of the Red Fox Inn, and then we did a series of interim improvements on South Madison Street. In all those cases we used the company Capitol Flexi-Pave, based out of Hamilton, Virginia, both for the flexible payment and as well as the brick work. They're skilled in both of those areas.

So, we have four priority sites identified for our next round of repairs. We have capital dollars budgeted for this current fiscal year in the amount of $90,000. We would like to group those together and collectively they exceed the amount that we can just execute with an individual contractor. So, what we're requesting is an approval of a contract. We noted here that the unit pricing that is the per square foot of the flexible, porous pavement has actually been competitively procured through the City of Fairfax. So, we would be writing a contract for those for that item. The other items, the brickwork and curb work that would need to accompany that those items have not been competitively procured. But we're suggesting since the flexible payment is a component of all four of our priority sites, that you would waive competitive procurement of the additional items. Just for the efficiency of having one contractor perform all the work. And it's a known contractor to us and it's known that they can effectively execute that work to brick and curb work. So, our suggestion is to approve the contract that we would be able to continue to ride on a unit basis. So, if we have dollars left over this current fiscal year after these four sites, we could continue to use that unit pricing to attack maybe an additional site this current fiscal year. And we could use it in upcoming years as long as we have dollars that have been appropriated by Council for that purpose. So that's the request. Happy to answer any questions.

Bridge Littleton: Any questions for Will on the Flexi-Pave? I mean, I know that stuff, especially around the roots, really makes a difference.

Will Moore: Yeah, it's been great. They use a technique when they actually excavate to give the roots more room to grow. But the pavement itself that's placed over it. It's flexible so it's not as apt to heave with the root growth, but also because it allows infiltration of air and water the roots don't go searching so much for the air and water that they're deprived of so that helps as well. And in particular the initial installation the tree at Lulu two, we objectively documented that the health of that tree has improved. It was in decline and it has stabilized and actually is improving in health since that installation. So, it's a really good product.

Bridge Littleton: That's great. All right. Yeah.

J. Kevin Daly: And I also want to make one additional point regarding that material. It's not only more walkable but rollable for those in wheelchairs and in having to use Rollators.

Bridge Littleton: Yeah Pam.

Pam Curran: Did that suggestion come out of one of the committees? Did that suggestion for the material come out of the Sustainability Committee?

Will Moore: So, staff had been looking at that product, but the actual connection with this particular contractor came out of not sustainability, but streetscape.

Pam Curran: Yeah.

Will Moore: Yeah.

Bridge Littleton: All right. Would someone like to make a motion?

Chris Bernard: I move that Town Council authorized the use of cooperative procurement to contract with Capitol Flexi-Pave for unit pricing for the installation of flexible pavement utilizing City of Fairfax. Contract number CTR 030653. I further move in accordance with Town Code section 20.1-6 that the Council authorize contracting with Capitol Flexi-Pave for the unit pricing for brick and curb work through means other than full competitive bidding due to the ongoing relationship with the vendor and due to operational efficiency in using one vendor. Authorization is granted for up to $90,000 total in fiscal year 26 and in future years for amounts appropriated by Council in the approved budget, subject to the referenced City of Fairfax contract remaining valid.

J. Kevin Daly: Second.

Bridge Littleton: Any other discussion? Rhonda, can you call the roll?

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.

Darlene Kirk: Aye.

Rhonda North: Council Member Pearson.

Cindy Pearson: Aye.

Bridge Littleton: Okay. Next up is the very brief and quick FY 27.

Danny Davis: Actually, we added a quick item. The resolution for the community project funding.

Bridge Littleton: Oh, okay.

Danny Davis: It got thrown into the agenda just this afternoon.

Bridge Littleton: Yeah, if you got it, go ahead.

Danny Davis: So, if I can intro.

Bridge Littleton: You don't have to read the whole resolution.

Danny Davis: Just very briefly, we're requesting funding from our congressman to support us on water projects. One of which is mandated by new federal regulations. So, we think there's a great connection there. And they requested last minute that we provide any community support that we have for this. So, one being a resolution of the Town Council. So, apologies for the last-minute notice on this resolution, but would appreciate your consideration and approval.

Bridge Littleton: Hey Danny, just a quick question. How much are we going to ask for?

Danny Davis: So, we're asking for 2 million.

Bridge Littleton: That's right.

Danny Davis: And we're putting in just over $700,000 of our own funding.

Bridge Littleton: Perfect. Okay. So, this is just like the sort of community grant we did before with the town hall that our former congressman was able to get for us. So, does anybody have any objections or concerns about the resolution? Okay. Darlene, you want to read it?

Darlene Kirk: I move that Council adopt a resolution supporting the Town of Middleburg request for community project funding for a critical water project.

Chris Hersh: Second.

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

All: Aye.

Bridge Littleton: Opposed? Abstentions? Okay. Now we're going to the incredibly brief. [off mic]

Darlene Kirk: Did you say?

Danny Davis: I can guarantee you, Mr. Mayor, it will not take me 45 minutes.

Bridge Littleton: Yeah.

Danny Davis: So, thank you, Mr. Mayor and Council Members, for the opportunity to present to you and the Middleburg Citizens, the proposed Fiscal Plan for fiscal year 2027. As part of this presentation, I'd like to briefly review our current year highlights. Look forward to Council's goals in the next fiscal year and then highlight revenue and expenditures in the General fund, utility fund, and capital projects. And at the end, I'll go over next steps and some important dates on the calendar. This current fiscal year, the Town Council continued implementing many of its strategic initiatives. This includes significant investment in the Asbury Church project, which led to the highly acclaimed oral histories videos and is progressing through the design and engineering phase. The town has and continues to invest in sidewalk improvements to not only improve safety and reduce tripping hazards, but also to help drive traffic to our side streets in support of our business community. And the town has continued to thrive fiscally, with the economy remaining strong despite some headwinds in early 2025. The town engages the community in great events, including those specifically geared towards residents. Middleburg Day, despite a tornado warning, was once again a community success and the initial America 250th events have been very well received. In terms of the organization, in addition to our two new Council members, we also have new staff, and we are fully staffed up in all departments. I would also like to point out the success of our new IT firm, which has been instrumental in integrating significant cybersecurity upgrades, including endpoint detection such as Sentinel One, to keep our assets and information secure. Our infrastructure work has also been a focus, especially in our utility department. We have identified key issues through inspections and routine maintenance, and we have invested dollars to ensure the continuity of our operations. We continue working on major component replacements born out in our CIP funding that we will be discussing later. And most of all, we continue to watch our water levels very carefully, ensuring that we maintain capacity to serve our community. The Town Council's efforts to update the water conservation ordinance will serve the town if we see a continued decrease in our water levels due to drought or other factors. Not even a week ago, the Town Council met to discuss its strategic goals for the next two years. Many of them emphasize ongoing projects, while new ones are added to focus on community issues. Asbury Church and other infrastructure, such as South Madison Street and utility infrastructure are key efforts for this year. The Planning Commission is continuing to review the Comprehensive Plan and has just discussed a zoning ordinance review related to rooftop bars and dining areas will be under consideration in the coming months. As will also be discussed in a moment, the Council has initiated a review of our utility rates. Finally, we will continue to enhance our communications and to serve the community with ongoing events celebrating America's 250. So, moving on to the general fund in terms of revenues, we have already reviewed the draft revenue, excuse me, revenues with you at prior meetings, but I will go over these again. We continue to anticipate

our revenues increasing with slight revisions from what I presented to you a month ago. In total, we expect revenues to increase 3.4% over the fiscal 26 budget. It is important to point out, as noted on the slide here, that we did decrease our expectations in fiscal 26 due to the concerns of the economy at the time, but we are seeing growth and do expect a 3 to 4% surplus over what was projected in current fiscal year at this time. We have seen about a 4 to 5% increase in our meals tax in TOT in this current year. And we expect to see continued modest growth in fiscal 27. I had advertised a maximum tax rate of 11.80 cents per hundred dollars of assessed value, which is a decrease from the current tax rate and represents the equalized tax rate plus a 3% inflationary factor. We've talked a lot about home values in this slide here you'll see the continuing increase of home values. This is the average home value across all types of homes single family detached townhome and condo which continues to increase. But the average continues to increase primarily due to the new construction of high dollar homes in the Salamander residential area. The line, as you see here, decreasing.

Bridge Littleton: Danny.

Danny Davis: Yes.

Bridge Littleton: Can I ask you a question?

Danny Davis: Yeah.

Bridge Littleton: Do we have visibility into the data enough that we could take the Salamander homes out and see what that increase is?

Danny Davis: Generally, yes.

Bridge Littleton: Okay, cool.

Danny Davis: Yes. I could at least give it year by year. We could probably also get granular. Yeah. The line here on this slide shows the tax rate that the Town Council sets. You'll see the Town Council has decreased that continuously since fiscal year 2022. And again, with the proposed rate dropping from $0.12 to 11.8 cents. You've also seen this slide already in my prior presentation. But for the public's sake, this is the growth and the entire real taxable, real property portfolio of Middleburg since 2019. And our total values here in town exceed $586 million. In the past, Council has asked to see an example of what the proposed tax rate would do to an average, and I use that term loosely but an average home in Middleburg here. This was broken out again by type of home. On the left you'll see SFD Single Family Detached townhome and condo. The current average tax bill is in the gray column at the current tax rate. The average tax bill at the proposed rate is in the green column, with the annual change shown as well. And that variation in the change is due again to the difference in average assessed value changes. Townhomes actually decreased in value while other types went up in value. The far-right columns would be the average tax bill if the Council reduced the tax rate all the way down to the equalized tax rate. It's important to note that many residential properties would still see an increase in their tax bills, because commercial values did not increase as much as residential values increased. This chart shows the growth in the general fund revenues since fiscal year 23. You will see that fiscal 26 is lower than 25. Again, that was part of our budget process last year where we were cautious early on in the process of this new administration, tariffs, and the economic changes. I have not shown the projected revenues for the current year fiscal 26. But as we've reported to you, we continue to see modest growth from 25 to 26. And again, we expect that modest growth from 26 to 27. I would note one revision in our projections from what I showed you a month ago, is that we have proposed a decrease in our anticipated business license revenues for fiscal year 27, based on recent changes at one large taxpayer, and also recent impacts of stock market volatility. Now, moving on to the expenditure side, I am proposing an overall increase of 4.9% over the fiscal 26 budget, while still holding a sizable contingency, or what we sometimes call unallocated revenue in the fiscal 27 budget. As a reminder, the budget really is your strategic plan. So, this is your opportunity to look at funding and how it will implement the goals that we recently discussed at your retreat. The proposal includes continuing efforts such as citizen centric events, infrastructure, and also sidewalk improvements. The budget proposal also includes the proposal for one additional police officer and the funding of contributions towards a strategic affordable housing pilot program. We have briefed you all previously and discussed at the retreat the proposal for one additional officer. This position is fully funded in the fiscal 27 proposed budget, including salary, all benefits and equipment. The vehicle would be funded through the use of unassigned

fund balance. For the benefit of the public and just very briefly, as we discussed in last year's budget presentation, the town's police department has only one officer on duty for 76% of the week. The proposal in front of you would, by schedule, have two officers on duty for two thirds of the time. This is in response to changes in the community around us, including growth in events, increased traffic in and through the town, risks of policing in our current societal climate, and to enhance officer safety. This proposal also reduces the amount of time the town is without coverage when an officer has to leave due to an arrest and emergency custody, or to cover for the Sheriff s office. An additional patrol officer with the associated organizational structural changes will also enhance the department's response to community requests and needs related to areas of enforcement, such as speeding and pedestrian safety, and to increase presence as part of our overall mission of community policing. Now, as part of the base budget in the General Fund, I am proposing a step and salary scale increase for the police department, which totals 5% and a proposed cost of living or market adjustment for the general employees of 2.5%. Those employees also qualify for merit increases, whereas the police sworn police officers are just on a step program. The merit increases are based on performance reviews and an average of 2%, but which could be higher or lower depending on review. These increases are generally in line with our other Loudoun towns, with the county government and other nearby comparator jurisdictions for both public safety and general employees. The Town Council recently increased public safety pay quite significantly, so we do not believe it's necessary to match other jurisdictions dollar for dollar, especially those who have proposed double digit salary increases for fiscal year 27. In total, you will see that expenditures for fiscal 27 are proposed at just over $5 million, with the majority of increases being in administration and police. The top very little blue segment on the far-right column is the unallocated revenue, which remains at over $200,000 for the proposed fiscal year. This provides flexibility if revenues come in lower than expected, and also if there are unexpected programs or projects that the Council wishes to pursue during the fiscal year. As a reminder, these contingency funds are wholly separate from the town's fiscal reserve, which is fully funded, and the unassigned fund balance, which is set aside from prior year surplus and can be used for one-time purposes such as capital projects.

Bridge Littleton: Another question. So, in the fiscal 26, which I get is adopted. We don't have actual because we're not through the year yet. We had budgeted $269,000 for the contingency. What does that look like it's going to come in at this year more or less?

Danny Davis: It will come in more. I don't have full insight into what that could be. I could put that together for you for the next meeting.

Bridge Littleton: Okay. Yeah. Just curious how we're tracking.

Danny Davis: I would guess.

Bridge Littleton: I know it's a guess.

Danny Davis: We're tracking in that probably 4 to $500,000 range.

Bridge Littleton: Okay, all right thanks. Then don't worry about it.

Danny Davis: And again, that's based on increase in revenues and not spending all of our approved expenditures. Okay. Next. Yeah. This slide here, I know many in the public like these graphical displays, sometimes better than charts. And everybody receives information differently. So, as an example of our expenditures, every dollar that is paid into our tax coffers is spent a certain way. And so, you'll see the breakdown by dollar of percentage of where we spend our money here in the town. And that's also in the budget document that you have for you. And we prepare that for both the revenue side, how dollars come in and the expenditure side, how dollars go out. So now we're going to change gears and move to the utility fund. In the utility fund, as discussed previously, we've now recognized that fiscal 24 was an outlier in terms of water consumption patterns affecting our revenues. Since then, water consumption has trended downward back to a more normalized level. And we're seeing that play out in our current year fiscal 26. Overall, I'm proposing a 3% user fee increase compared to fiscal 26 projections, which again, the projections for current year are coming in lower than what we had budgeted. It's important to note that the town continues to make investment in our major equipment, cash-funded projects and providing flexibility when we have significant repairs, all being funded through mostly user fees we'll talk

about in a second. This year, we're also proposing implementation of a tiered rate structure for water and sewer. Our current rate structure is flat, meaning users pay the same cost per thousand gallons no matter how much water they use. After more than a year of discussion and review with our rate consultant and with the Strategic Finance Committee, staff are proposing a tiered structure. In this case, all use under 10,000 gallons would be billed at a lower rate than current rate, and all use over 10,000 gallons would be billed at a higher rate. The projections at this rate show that all users consuming under 25,000 gallons in a two-month period would see a decrease in their bill. The less water they use, the more of a decrease they will recognize. However, the more a user consumes over 25,000 gallons during a billing cycle, the more their bill will increase compared to current rates. I should note that my prior analysis that we discussed at the retreat inadvertently double counted the overall 3% increase in rates, so the impacts on the higher end users will be slightly higher than what we discussed last Saturday. And I'll go over some examples of that in a moment. The proposed rates are shown here. Seeing the minimum bill drop to $64 every two months, as well as a decrease in the rate in the tier from 2,000 to 10,000 gallons. The proposal would put Middleburg absolutely right in the middle of all Loudoun towns in terms of rate per 1,000 gallons for the average user. Again, average user is somewhere around 6,000 gallons every two months. So, this slide here shows you some example bills. On the left-hand side is the consumption amount. And then it shows you our current flat rate, the tiered rate proposed structure, and the difference. Again, this is every two months we bill bimonthly. While consumption patterns do vary month by month it's important to note that 145 of our customers, that's 28%, recurrently receive a minimum bill. That means they use 2000 gallons or less in a two-month period, and you see how their bill would decrease based on these rates. An average user consuming around 6,000 gallons, you would see, sees a reduction of just over 23% in their bimonthly bill. Interestingly, 86% of our customers use 10,000 gallons or less, so a vast majority of our customers will see decreases of at least 22%. For those of higher volume, they'll see increases of anywhere from 2 to 15%. Again, this is based on the January billing cycle, so things would change cyclically throughout the year. As discussed at the recent retreat, an average restaurant may use somewhere around 35 to 50,000 gallons every two months. So, in an average of 45,000 gallons, they would see an approximate 6.7% increase compared to our current rate structure. Overall, it's important to note that the point of the tiered rate structure is not to generate more or less revenue. It's just to change the distribution of that revenue across our customers. You will see here that fiscal 27 revenues come in slightly higher than the fiscal 26 budget. Again, since we've seen consumption normalizing after the last couple of years. For expenditures, we continue to plan for increases in our regular costs due to inflation and contractual increases. And we continue to invest in our equipment to ensure reliable service to all customers. We just talked about the grants through our congressmen, which would assist in our Well 3 treatment, as well as repairs and replacement of water mains in the Ridgeview subdivision that have a history of breaks. The photos on this slide are of interesting note. These come from the sewer video inspections that we just conducted, and you'll see examples here of the ones that have cracks in them either needing full point repair in that location, digging out and replacing that section, or in some cases simply just relining, which we can do from a manhole. As also discussed with you at the retreat, I'm proposing a part time utility billing specialist whose focus will be on the entirety of the billing process, which takes up pretty much the entire two month billing cycle and includes meter reads, account setups, leak issues, billing and following up on delinquencies to ensure we receive payment from our customers. These tasks are currently handled by the finance director and by me, and it pulls us away from our more strategic level work. Expenditures are expected to remain modest in the utility fund. I'm going to go ahead and point out, because I'm sure you noticed, that fiscal 25 has a large spike. That is primarily due to a significant amount of expenditures, one-time expenditures that year due to capital needs, as we had major projects completed. We also had major equipment failures. We paid down a portion of our debt and then we had other one-time expenditures. So now moving on to the capital improvement plan, we've talked a lot about Asbury Church. We're showing the full needs for the Asbury Church project currently in fiscal year 27 at this time. However, this is not all town dollars. This recognizes the importance of going for grants, donations, strategic fundraising, and possible other government funding to support the project. For South Madison Street, we have proposed $750,000 as a placeholder. However, we continue to wait on input from the county about whether they would be allocating funds to support the construction of that project. My recommendation is that we do not proceed to design on that project until we get more clarity from the county on whether funding might be coming our way. If necessary, we might suggest delaying another year until if they're willing to allocate those funds in fiscal 28. As discussed with the recent previous item that Mr. Moore covered, we have also set aside additional funds to continue the brick sidewalk repairs and fill in some missing gaps, and the motion approved by Council would authorize us to continue using that contract with any funds that are appropriated in this budget. One of the Town Council's most strategic and creative opportunities is to partner with the Windy Hill Foundation and seeking funds from the Loudoun County Department of Housing and Community Development to construct new affordable housing units in Middleburg. As part of their Windy Hill application, the town proposed to set aside $1 million from our

unassigned fund balance as a guarantee for an interest free loan from the county. This would be placed in a town restricted fund and served like an escrow account. The town would then offer to contribute around $52,000 per year to pay the debt service for that loan, considering it as a contribution to Windy Hill while paying the loan back to Loudoun County. It's noted that this application must go through the county staff review process and ultimately be approved by the Board of Supervisors. However, we believe this is a Creative partnership, where we all contribute to bring additional affordable housing units to Western Loudoun and into a town, and this can serve as a model for future small-scale projects. Additional capital projects include the Well 3 treatment that we previously discussed, sewer line repairs, and water main replacements in Ridgeview. If the grant funding we're seeking does not materialize, then the town will identify other potential funding sources to include potential additional debt as we are able. So that's the budget that captures the revenues, expenditures, and capital plan for the benefit of the Town Council and the public. I'd like to review the upcoming schedule of meetings on the budget. At your next meeting, you will hold a public hearing on the real property tax rate, again advertised at 11.8 cents. This rate must be adopted by April 1st due to the county collecting this tax on our behalf, so action at the next meeting will be requested. We will also begin our initial budget discussions next week, and we can review revenues and begin getting into departmental expenditures in detail. We anticipate specific discussions related to the utility fund, including the utility rate structure, to begin in April. We will then have a public hearing on the budget and utility rates on May 14th, and we would suggest adoption of the budget on May 28th. However, you have the month of June as well if you need additional time for discussion and consideration. It's just important to note that the budget must be adopted by June 30th per state code. For any member of the public interested in providing input, you can contact the town at our phone number here. You can speak during any Council meeting or at the defined public hearings, or you can submit comments online at MiddleburgVA.gov/budget and we will ensure that the full Council get your comments. With that, Mr. Mayor and Council Members, thank you for your time. I'm happy to answer any questions or if you have questions that you'd like us to take back and bring to your next meeting, you can let us know now and we'll prepare those responses for you, or you can contact me, email me and we'll develop those responses prior to your next meeting.

Bridge Littleton: First let me say well done.

Danny Davis: Thanks.

Bridge Littleton: Great job.

J. Kevin Daly: Bravo.

Bridge Littleton: Anybody have any questions, inputs, thoughts? Pam.

Pam Curran: At the retreat we talked about the cost of increasing the budget for the police department. And so, the question is, we also talked about the demand from the retail and the resort on the department. Where are we in terms of our tax related to the hotel?

Danny Davis: Hotel tax? Sure.

Pam Curran: And just comparatively that type of thing is that is that I just wondered if that was really something that could be looked at.

Danny Davis: Sure. Absolutely. Our current rate town rate is 5% on the TOT, but being part of Northern Virginia, we have a 3% additional TOT that we're required to collect on behalf of the Northern Virginia Transportation Authority. So, it's an 8% tax. Before I got up here, I found the tax spreadsheet from around the Commonwealth. So, I'll provide you some information on kind of what average TOT rates are across the Commonwealth and maybe even around our region. They can range from 2% to some have 15%. Average is around 5.6, but again, that's taking all things just equal. So, I'll provide some examples of what we see in our region. And that is a consideration if Council were interested, you have flexibility as well in raising other rates beyond, you know, general property taxes. There's meals tax, there's TOT, and so I can provide you information on what each 1% difference would be as well.

Bridge Littleton: And when there's BPOL and there's also personal property.

Danny Davis: There is no personal property has already been essentially decided because the county collects that so quickly and we don't collect on vehicles.

Bridge Littleton: [multiple speakers] Right.

Danny Davis: I could, we could look at BPOL rates though that gets into a little more of a challenging dynamic.

Bridge Littleton: It's a lot harder because there's so many categories and all that.

Danny Davis: So many different categories. It really is.

Bridge Littleton: Chris, you had a question.

Chris Bernard: Yeah. Just to kind of piggyback on that or maybe tune it a little bit. It would be interesting to see like TOT meals tax for the yeah, for this upcoming budget. What a one point like one basis point change to those would be in revenue impact.

Danny Davis: Yeah.

Chris Bernard: That's probably pretty easy.

Danny Davis: Yeah, absolutely.

Bridge Littleton: You mean 100 basis points? One percent.

Danny Davis: 1%, right? Yeah.

Bridge Littleton: Yeah Cindy.

Cindy Pearson: So, I still get a little gut something when we look at the water rates and doing that percentage change. And I don't know if I'm asking something doable, but to keep it at just going the 3% tier like we've been doing for years and then doing it how it's been suggested to do it with the different levels. Is there a way to compare those on what you may have already done it? I just don't remember it. What the user would be paying. Does that make sense what I'm asking? I don't know, it's just something with that tier. It looks like we're always giving the people who use the most pay the most and which I understand, you know, how the use goes. But I was just wondering how that breaks down and what the use. I know I'm not saying this right, but in the new tier, how you presented it is that giving us enough money to fund everything that we need to fund in that utility?

Danny Davis: So, to answer that last question, it's a good question. Yes. The rate consultant that we worked with ensured that the rate breakdown and the tiered structure would result in effectively the same amount of revenue. And we're, we're changing the distribution of that. So, what I can show you and I have this, it's not worth going over at the moment it'd be better to put in a chart. At our current flat rate, you know, let's say anyone $10,000 and under is responsible for 25% of our revenues at the new structure that might be that might decrease. They are only responsible for 20% of total revenues, because you're putting more of that on the top users because they'll end up paying more.

Cindy Pearson: Right?

Danny Davis: That's right, cutting it different.

Bridge Littleton: Yeah. [multiple speakers]. The slice, we're going to get the same amount of pie just the slices are a different size.

Cindy Pearson: And that's my thing. It just seems like we're making the restaurants pay for the bigger for their slice I guess is how you say it. It's not a bigger slice, but it's their slice.

Bridge Littleton: Yeah. And I think, you know, the thing that and I know we talked about this one time before. To me, the rate structure, why I think it's a good thing to do. You know, the numbers have, first the numbers have to work, right?

Cindy Pearson: Right.

Bridge Littleton: But, you know, 15, 16, 17% of our population are, you know, on the lower income spectrum. And you know.

Cindy Pearson: Or not so much lower but. [multiple speakers]

Bridge Littleton: You know, up to $10,000, whatever you know, you could see 100 to $150 decrease in your bill. And, you know, times six, that's $400, $500, $600 per year of the savings and that's meaningful, you know. And then the other thing is, I think if the people who use the water the most, you know, we definitely want to encourage them to.

Cindy Pearson: Use less.

Bridge Littleton: So.

Cindy Pearson: So, with them using less, does that mess up what we will? Well, that'll make us get receive less in theory.

Bridge Littleton: It could.

Chris Bernard: I think our consultant said that they haven't seen that happen in the past where they've done this. Am I correct?

Chris Bernard: In other towns.

Danny Davis: That's correct. Yes. Their experience across many other places is that on the higher end users and especially commercial users, you don't see any change in consumption patterns. Now if we do see a decrease again ultimately, our goal is to reduce burdens on our water, and we will continually reevaluate where we stand on those rates. But the consultant also noted that he forecasted out or planned out in a different scenario, if the top users decrease consumption by 10%, not looking year by year, but looking spectrum wide the next 5 to 10 years. We still end up with generally the same financial results because of I'm sorry, I thought I put that on Do not disturb because it spreads out over that period of time.

Chris Bernard: Well, the other important thing is that the commercial users have the opportunity to pass the cost on for customers incrementally, whereas like a residential user, the only way they could save money on their water bill is to use less water. And there's, you know, a certain amount you have to.

Cindy Pearson: But that. And so that 3% we've been raising yearly that's kept us safe with our rates that we haven't had to jack them up. So how is that going to work?

Bridge Littleton: We're still doing it.

Cindy Pearson: With this tiered.

Bridge Littleton: We'll still do.

Cindy Pearson: It still goes up [multiple speakers].

Danny Davis: Can you press the arrow backwards to that slide real quick?

Bridge Littleton: Yes, Cindy we will. You know this is a reworking of the rates and then we'll still do 3% every year.

Danny Davis: Yeah. And it's important to note. Yeah. It's important to note on this slide. Yeah. And I appreciate that. I didn't make that clear that we would still do 3% increases. The flat rate schedule here already assumes a 3% increase from current fiscal year. So, our minimum bill is currently $83.06. And if we just kept our current structure that would at 3% go up to $85.54. So, what we're showing you here is the at the tiered rates, we would still bring in the same revenues as the flat rates plus 3%.

Bridge Littleton: Yes. So, our philosophy of always having a 3%, we're going to keep doing that.

Danny Davis: Yeah.

Chris Bernard: Remind me, did we look at or I don't know if we're even able to. And I'm sure we've talked about this in the 17 meetings I've been in about this, but split out commercial and residential as separate categories?

Danny Davis: So, we didn't look at commercial and residential specifically. What we did split out is multifamily.

Chris Bernard: Yeah.

Danny Davis: For make sure we don't negatively impact the especially low-income affordable housing. We can. My understanding is create separate rates for commercial complicated.

Chris Bernard: I don't want to make it too complicated but there is, you know, in this case, it does put a huge burden, shifts it to the commercial. If there was a way to split them and then reallocate it, I don't know if there'd be a creative way to then split them differently.

Danny Davis: I can ask Mr. Colloquia our Rate Consultant. My assumption is he will tell you the results will pan out pretty much the same.

Bridge Littleton: I mean, I think the other thing here too is one, they have the ability to pass it on to customers, right? And maybe it's only $0.10 a meal, but you know, two, they have the ability to use less water. I mean, it drives me and I said this before insane. When you go into a restaurant or Starbucks or wherever and they and the dishwasher just had the they're not washing anything and the faucets just runs, you know. I'm literally watching dollars go down the drain. And, you know, they control a lot of what they could do. So anyway. Yeah.

Pam Curran: Well, no, it's not a question. It's just a comment that I think the unintended consequence is it incentivizes water conservation. Right? Yeah. Which is great.

Bridge Littleton: Yeah, exactly. Yeah. Now it's intended. [laughter]

Danny Davis: And to a degree, that is some of the change that we've seen since fiscal 24, 24 exploded in terms of revenues and 25 first half of the year kept that up. So, we thought, oh it's a new normal. And then it's frankly, the new homes that we're establishing their new lawns. And when they stopped irrigating as much or at least minimize the amount of irrigation, we came back to a more normalized consumption level. Which honestly, at the end of the day, we were hoping for because it was a lot of water going out just for watering lawns. So, if there are other questions you think of over the next over the weekend or whatever?

Bridge Littleton: Just any questions?

Danny Davis: Please email them to me. Feel free to call me because we want to be able to put that together in your agenda packet for the next meeting.

Bridge Littleton: Awesome. Danny, thanks a lot.

Danny Davis: Thank you.

Bridge Littleton: Okay. Next up is legislative update from Martin. Other than the ones I asked, was there anything else you had?

Martin Crim: You touched on the ones that I think are the greatest concern; land use issues. Happy to answer any questions about the other matters that I've identified on this.

Bridge Littleton: Anybody have any other questions for Martin on legislation? Okay. Martin, what do you think the likelihood is if they pass? The one that really gets me is the ADU stuff. I mean, the church one, whatever. The Adu one.

Martin Crim: Yeah.

Bridge Littleton: You know, do you think there's any likelihood she would veto it?

Martin Crim: I haven't heard any indication to that effect.

Bridge Littleton: Okay.

Martin Crim: It seems to have a lot of popularity with the majority in the General Assembly. And, you know, I think there are going to be places where it's going to create problems. But there are other places where you're not even going to notice.

Bridge Littleton: Yeah. Okay. All right. I guess here would be my question. If that thing passes it would be good for you and Danny to take a look and Will. Sorry. What are measures we could do to, you know, put some level of control on that where, you know, like user fees for utilities or something like that. Well, you don't have to do it now. I'm just.

Martin Crim: I just want to mention something that hasn't been brought up, but which Danny and I were talking about earlier today, which is that fire separation is going to be the main issue with regard to the Accessory Dwelling Units. So, unless people are going to upgrade to fire resistant materials, they're going to have to have 20ft of separation between their accessory dwelling units and any other units. If they're external, you can have an accessory dwelling unit in your building. But again, there's a fire separation issue there as well, because you're suddenly creating two units out of what was formerly one and was designed under fire and building codes for one family's occupation. I've probably told this story before, but I have a client that had an experience where a house was on fire and the house had been illegally subdivided into upper levels and lower levels. The upper the people upstairs knew about the fire and got out. They didn't bother to tell the people living downstairs. So that was not a fatal fire. But we have had fatal fires as a result of illegal home subdivisions. So yeah, it is a fire safety issue.

Danny Davis: Yeah. And the other concern is in the legislation, it generally has clauses that says a locality may enact ordinances in substantial conformance with this legislation before the enactment date, but essentially, it's prohibiting us from doing an end around. In short, yeah short circuiting. So, you know, if we were to do anything beyond what is more regulatory, we're pretty much limited. But to your point, whether it's water fees, which we might not be able to do if they're tapping off the same line. So again, we can sit down once the final legislation goes through and create a bit of an analysis and understand where we have authority, or at least where we think we have authority. And how we implement that either in a regulation or in the zoning ordinance.

Bridge Littleton: Okay. Yeah, Chris.

Chris Bernard: I hesitate to assume that they've done this, but do we know if they have done an analysis on what that will do to property values?

Martin Crim: I don't believe that. I've not heard any word that that has been done.

Chris Bernard: I mean, you're looking at, you know, you've got properties around the county and all of a sudden, if everyone's allowed to put a second unit on there, I mean, that feels like it'd create a cascading effect.

Danny Davis: Of increasing property values significantly. Right, right.

Chris Bernard: Sure.

Danny Davis: It might. So, I didn't listen to all the hearings, just didn't have time. I listened to the hearing on the multifamily and commercial districts, which ultimately was killed. But the prime driver of that legislation was supply, supply, supply. And so, I don't think there's any consideration or truly care about impact on home values and residual effects to the rest of the community like we've been seeing in Ridgeview. Right? It's all about flood it with supply, and it will become less expensive to live and doesn't seem to make sense.

Bridge Littleton: Well, I mean, you know, I know we all bemoan this, but I mean, the thing that drives me absolutely insane is one of the biggest things that drives the cost of housing is the size of houses. And no developer is incentivized to or regulated to make the homes more affordable by making them smaller. And it's they're actually incentivized to do the exact opposite, get the maximum size I can, make sure you have a market that's always starved, and that way I'm only going to worry about servicing those people who can afford it. And everybody else is left out in the cold. And, you know, it's creating a regulator or like a water flow regulator on a pipe thinking, you know, but only having the outside of it be these massive ones that they get the most return on their investment, you know, until they start actually regulating the, like we did with the FAR, which again, I think is brilliant. It's not going to change the problem, right? They're creating supply for people who have a household income of 200 grand or more. Well, that's not solving the problem.

Cindy Pearson: Yeah. And they're not including that it's going to have more cars. You're going to be using more water. You're going to need all these other resources through our county that we don't have enough of now. Yeah.

Chris Bernard: I mean, you think about real estate, and you think about selling the property. And if you have the ability to build a second unit. I mean, the people are going to start asking way more for it. So, it's just the disparity grows.

Bridge Littleton: And that's true because that's just now it's a perfected right. You don't even have to build it. You now have the right to build it.

Chris Bernard: Double your density almost.

Bridge Littleton: Yeah. Okay. Any other questions on the legislative stuff? Okay. Thanks. Next up is Mr. Moore on the Stonewall Water Tower.

Will Moore: Thank you, Mr. Mayor. You have my memo along with a few images. Just a brief recap. We are doing a planned recoating that is repainting of the Stonewall Water Tower this year, in the coming months. As part of that the two existing carriers have to come off of that tower and go on to a temporary tower. The goal here is when they finish that project and then the carriers go back onto our tower, we have some upgrades that we would like to propose so that we improve the safety situation of the above, the current situation. So right now, we have two carriers AT&T and Verizon, who are located on that particular tower. Their antenna arrays go around the handrail of the catwalk that is on the tower, that presents a number of issues. It reduces the space in many areas where a worker who is up there doing routine maintenance or inspections on our behalf can safely walk around the perimeter of the tank because that equipment protrudes into the walking area. In addition to that, some of their heavy cabling goes over the walkway and it just obviously obscures their ability to access the handrail. So, what we're proposing in consultation with our tank maintenance contractor, is to add a corral to the top of the tank and then to have those antenna arrays located on that corral. We'll note

that there used to be a corral on the top of this tank when Sprint was in existence. That corral set higher on the crown of the dome tank than this one would, but this one would be larger in diameter, so it could accommodate the antenna of both of those carriers. If it were 15 years ago or more, this would have to go through a Special Use Permit process for this kind of modification. However, there was some legislation in 2012 that was passed that preempts local zoning. Well, it preempts local zoning you know, which we don't like. But it puts some measurable criteria for what they consider a substantial modification. This would not meet that and as such, we can't put it in the Special Use Process. However, because you are the owner of the tenant as well, you have to consent to any change. So rather than us just agreeing to that administratively, we at least wanted to touch base with you and get a read on you as the owners of the tank as to whether or not you would be okay with this modification before going forward.

Bridge Littleton: Well, I'm going to make a correction to one thing you said we don't own it. The citizens own it. [laughter]

Darlene Kirk: Yes. Yes.

Bridge Littleton: I don't want to own it.

Will Moore: The Town of Middleburg.

Bridge Littleton: The Town of Middleburg owns it, right?

Chris Bernard: Will it keep the birds from standing up there all day?

Bridge Littleton: Now they got more. They'll have more purchase.

Chris Bernard: Can we electrify it?

Cindy Pearson: Put spikes on it? [laughter]

Bridge Littleton: Does anybody have any questions for Will on the. Yeah.

J. Kevin Daly: No, just a comment. I would strongly endorse this for nothing other than the safety of the folks who have to go up there to perform routine maintenance, and it should be done. I mean, this is a no brainer. Endorse it.

Bridge Littleton: Yeah, Darlene.

Darlene Kirk: So, this means there won't be any wires hanging down on where they walk and.

Will Moore: Correct.

Darlene Kirk: I'll be up inside the corral.

Will Moore: So, wires will still have to come up the legs of the tank and then around the tank to reach it. But there will be none on the walking surface.

Darlene Kirk: Where the people have to walk.

Will Moore: Yes, ma'am. Correct.

Darlene Kirk: Okay. Thanks. Thank you.

Bridge Littleton: Pam.

Pam Curran: Do we receive payment from who was it? T-Mobile or sprint?

Bridge Littleton: Yeah.

Pam Curran: We do?

Bridge Littleton: Monthly rent.

Danny Davis: Yeah. We get approximately $54,000 from AT&T and about 46, $47,000 from Verizon. And T-Mobile also pays for being on the small tower by the charter school.

Cindy Pearson: Could you ask AT&T to step it up a little bit and give us a little more service.

Danny Davis: A little more power?

Cindy Pearson: [off mic] A little more power.

Bridge Littleton: Are there any other questions on this item? Okay. Will, are we good?

Will Moore: Yes.

Bridge Littleton: All right thanks. Next, we have closed session. Who wants to read that motion?

Chris Bernard: I move that Council go into closed session as authorized under section 2.2-3711 of the Code of Virginia for consultation with legal counsel pertaining to actual litigation involving Salamander Farms, LLC versus the Town of Middleburg as allowed under subsection A7. I further move that Council thereafter reconvened in open session for action as appropriate.

J. Kevin Daly: Second.

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

All: Aye.

Bridge Littleton: Opposed? Abstentions? All right. We are in closed session. I ask that Council certify that in the closed session that was concluded, to the best of each member's knowledge, nothing was discussed except the matter or matters. One specifically identified in the motion to convene in closed session, and two lawfully permitted to be discussed in a closed session under the provisions of the Virginia Freedom of Information Act, as cited the motion. I would like to remind those present for the closed session that any discussion that occurred within it should be treated as confidential.

Deborah Gallagher: Yes.

Chris Hersh: Yes.

Darlene Kirk: Yes.

Bridge Littleton: Yes.

Chris Bernard: Yes.

Cindy Pearson: Yes.

J. Kevin Daly: Yes.

Pam Curran: Yes.

Bridge Littleton: Any other items? All right with that meeting adjourned.