



TOWN COUNCIL SPECIAL MEETING

21 Main Street

Thursday, May 29, 2025 at 9:00 AM

AGENDA

Possible additions to the agenda and related materials are not set forth herein.

Times set forth are approximate and may be adjusted as necessary.

I. WORKSESSION - 9:00 AM

- A. Fiscal Year 2025-2026 Budget Work Session: Updates to General Fund Budget Scenario

B. ADJOURNMENT.



Office of the Town Manager
Frank Cassidy

Warrenton Town Council

Carter Nevill, Mayor
Roy Francis, Ward 1
William Semple, Ward 2
Larry Kovalik, Ward 3
Michele O'Halloran, Ward 4
Eric Gagnon, Ward 5
Paul Mooney, At Large
David McGuire, At Large

Item A.

STAFF REPORT

| | |
|----------------------------------|---|
| Council Meeting Date: | May 29, 2025 |
| Agenda Title: | Updates to General Fund Budget Scenario |
| Requested Action: | Information only |
| Department / Agency Lead: | Finance |
| Staff Lead: | Brooke Campbell, Budget Manager |

EXECUTIVE SUMMARY

At the May 13th meeting the Town Council adopted a real estate tax rate of 5.5 cents per \$100 of assessed value for the calendar year 2025.

This tax rate represents a 1.49 cent increase over the calendar year 2024 rate of 4.01 cents per \$100 of assessed value. For the average homeowner in Town, this would result in a total annual increase of \$63.03 on their real estate bill.

The 5.5 cent adopted rate is 1.0 cent less than the proposed rate of 6.5 cents. This results in required cuts to balance the operating budget of \$220,981.

Cuts above \$220,981 will produce an operating surplus which can be used for the cash funding of General Fund capital projects.

BACKGROUND

The following items have been discussed as areas to reduce without affecting our customer service levels.

Flat funding outside agencies

The proposed budget includes the full amount requested for FY 2026 by each outside agency. Reducing funding levels to be equal with FY 2025 results in savings of **\$112,611**. Council member O'Halloran has identified further cuts to outside agencies. These cuts would result in savings of **\$140,115**. See "Attachment 2 – FY 2026 Outside Agencies" for detail.

Legal fees

Based on year-to-date billings we are projected to spend \$402,707 on fees for the Town Attorney this fiscal year. The proposed budget includes \$466,000. Reducing the FY26 amount to \$420,000 results in total savings of \$46,000, **\$34,500** of which is in the General Fund. See "Attachment 3 – Legal Fees" for detail.

Insurance renewal

We recently received our insurance renewal from the Virginia Risk Sharing Association (VRSA). Several of the FY 2026 rates are less than anticipated in the proposed budget. This results in savings of **\$12,417** in the General Fund.

Professional services

The town manager has evaluated line items in the professional services category for each department. These items represent funding for services rendered to the town by third party consultants or outside professionals for reviews, studies, analyses, etc. These adjustments will not affect the services delivered to citizens but may present issues or delays as the year progresses if we find we need additional services that go beyond the funded amount. If this does occur, we will have to come before Council for a budget request. These items (plus the removal of the council retreat line item) result in savings of **\$114,336** in the General Fund.

STAFF RECOMMENDATION

Staff will provide a presentation of the budget scenarios.

Service Level/Policy Impact

The proposed budget provides a roadmap for the capital improvements and continued service delivery that the Town provides for fiscal year 2026.

Fiscal Impact

The total proposed budget for FY26 is \$52.9 million, excluding interfund transfers, to fund governmental, stormwater, and water & sewer operations, and investment in the town’s capital infrastructure.

Legal Impact

- Code of Virginia Section 15.2-2503 requires that the local governing body approve the budget no later than the date on which the fiscal year begins.

ATTACHMENTS

- Attachment 1 - Budget Scenarios
- Attachment 2 - FY 2026 Outside Agencies
- Attachment 3 – Legal Fees

Scenario 6 – 5.5 cent real estate tax rate

TOTAL APPROPRIATIONS

| Expenditures/Uses | FY 2025 Adopted | FY 2026 Proposed | Variance (\$) | Variance (%) |
|---------------------------|---------------------|---------------------|------------------|-----------------|
| General Government | \$4,386,751 | \$4,651,390 | \$264,639 | 6% |
| Public Safety | 3,600,885 | 3,739,865 | 138,980 | 4% |
| Public Works | 5,351,953 | 5,621,282 | 269,329 | 5% |
| Parks & Recreation | 2,686,305 | 2,725,410 | 39,105 | 1% |
| Community Development | 1,328,781 | 1,403,712 | 74,931 | 6% |
| Contributions | 58,954 | 93,765 | 34,811 | 59% |
| Nondepartmental | 443,290 | 531,468 | 88,178 | 20% |
| Debt Service | 822,972 | 830,169 | 7,197 | 1% |
| GENERAL FUND TOTAL | \$18,679,891 | \$19,597,061 | \$917,170 | 5% |

| | | | | |
|---------------------------|-------------|-------------|-------------|------|
| Capital Projects | \$1,584,002 | \$3,419,497 | \$1,835,495 | 116% |
| General Asset Replacement | 1,765,000 | 2,869,500 | 1,104,500 | 63% |

Operating Surplus (\$220,981)

FY25 Ending Unassigned \$9,704,942
 Move FY26 Budgeted Capital to Assigned (\$5,626,436)
 Bond Proceeds \$5,176,436
 FY26 Budgeted Operating Revenue \$19,826,080
 FY26 Budgeted Operating Expenditure (\$19,597,061)
FY26 Ending Unassigned \$9,483,961
 48.4%

TOTAL ESTIMATED REVENUE

| Revenue/Sources | FY 2025 Adopted | FY 2026 Projected | Variance (\$) | Variance (%) |
|---------------------------|---------------------|----------------------|------------------|-----------------|
| General Property Taxes | \$1,597,683 | \$2,010,395 | \$412,712 | 26% |
| Other Local Taxes | 11,402,606 | 11,613,330 | 210,724 | 2% |
| Permits & Fees | 185,132 | 244,250 | 59,118 | 32% |
| Fines & Forfeitures | 77,500 | 77,500 | - | - |
| Use of Money/Property | 800,000 | 800,000 | - | - |
| Charges for Services | 1,085,018 | 1,075,500 | (9,518) | (1%) |
| Miscellaneous Revenue | 186,845 | 192,445 | 5,600 | 3% |
| State Revenue | 3,421,983 | 3,434,680 | 12,697 | 0% |
| Transfers In | 414,262 | 377,980 | (36,282) | (9%) |
| GENERAL FUND TOTAL | \$19,171,029 | \$19,826,080 | \$655,051 | 3% |

| | | | | |
|---------------------------|-------------|-------------|-------------|------|
| Capital Projects | \$1,584,002 | \$3,419,497 | \$1,835,495 | 116% |
| General Asset Replacement | 1,765,000 | 2,869,500 | 1,104,500 | 63% |

Scenario 7 – 5.5 cent real estate tax rate. Flat funding of outside agencies, adjustment to legal fees, insurance, and professional services.

TOTAL APPROPRIATIONS

| Expenditures/Uses | FY 2025 Adopted | FY 2026 Proposed | Variance (\$) | Variance (%) |
|---------------------------|---------------------|---------------------|------------------|-----------------|
| General Government | \$4,386,751 | \$4,608,078 | \$221,327 | 5% |
| Public Safety | 3,600,885 | 3,727,738 | 126,853 | 4% |
| Public Works | 5,351,953 | 5,567,925 | 215,972 | 4% |
| Parks & Recreation | 2,686,305 | 2,726,400 | 40,095 | 1% |
| Community Development | 1,328,781 | 1,350,265 | 21,484 | 2% |
| Contributions | 58,954 | 51,154 | (7,800) | (13%) |
| Nondepartmental | 443,290 | 461,468 | 18,178 | 4% |
| Debt Service | 822,972 | 830,169 | 7,197 | 1% |
| GENERAL FUND TOTAL | \$18,679,891 | \$19,323,197 | \$643,306 | 3% |

| | | | | |
|---------------------------|-------------|-------------|-------------|------|
| Capital Projects | \$1,584,002 | \$3,419,497 | \$1,835,495 | 116% |
| General Asset Replacement | 1,765,000 | 2,869,500 | 1,104,500 | 63% |

Operating Surplus \$52,883

FY25 Ending Unassigned \$9,704,942
 Move FY26 Budgeted Capital to Assigned (\$5,626,436)
 Bond Proceeds \$5,176,436
 FY26 Budgeted Operating Revenue \$19,826,080
 FY26 Budgeted Operating Expenditure (\$19,323,197)
FY26 Ending Unassigned \$9,757,825
 50.5%

TOTAL ESTIMATED REVENUE

| Revenue/Sources | FY 2025 Adopted | FY 2026 Projected | Variance (\$) | Variance (%) |
|---------------------------|---------------------|----------------------|------------------|-----------------|
| General Property Taxes | \$1,597,683 | \$2,010,395 | \$412,712 | 26% |
| Other Local Taxes | 11,402,606 | 11,613,330 | 210,724 | 2% |
| Permits & Fees | 185,132 | 244,250 | 59,118 | 32% |
| Fines & Forfeitures | 77,500 | 77,500 | - | - |
| Use of Money/Property | 800,000 | 800,000 | - | - |
| Charges for Services | 1,085,018 | 1,075,500 | (9,518) | (1%) |
| Miscellaneous Revenue | 186,845 | 192,445 | 5,600 | 3% |
| State Revenue | 3,421,983 | 3,434,680 | 12,697 | 0% |
| Transfers In | 414,262 | 377,980 | (36,282) | (9%) |
| GENERAL FUND TOTAL | \$19,171,029 | \$19,826,080 | \$655,051 | 3% |

| | | | | |
|---------------------------|-------------|-------------|-------------|------|
| Capital Projects | \$1,584,002 | \$3,419,497 | \$1,835,495 | 116% |
| General Asset Replacement | 1,765,000 | 2,869,500 | 1,104,500 | 63% |

Scenario 8 – Scenario 7 adjusted for council member O'Halloran's outside agency figures.

TOTAL APPROPRIATIONS

| Expenditures/Uses | FY 2025 Adopted | FY 2026 Proposed | Variance (\$) | Variance (%) |
|---------------------------|---------------------|---------------------|------------------|-----------------|
| General Government | \$4,386,751 | \$4,608,078 | \$221,327 | 5% |
| Public Safety | 3,600,885 | 3,727,738 | 126,853 | 4% |
| Public Works | 5,351,953 | 5,567,925 | 215,972 | 4% |
| Parks & Recreation | 2,686,305 | 2,726,400 | 40,095 | 1% |
| Community Development | 1,328,781 | 1,350,265 | 21,484 | 2% |
| Contributions | 58,954 | 48,650 | (10,304) | (17%) |
| Nondepartmental | 443,290 | 436,468 | (6,822) | (2%) |
| Debt Service | 822,972 | 830,169 | 7,197 | 1% |
| GENERAL FUND TOTAL | \$18,679,891 | \$19,295,693 | \$615,802 | 3% |

| | | | | |
|---------------------------|-------------|-------------|-------------|------|
| Capital Projects | \$1,584,002 | \$3,419,497 | \$1,835,495 | 116% |
| General Asset Replacement | 1,765,000 | 2,869,500 | 1,104,500 | 63% |

Operating Surplus \$80,387

FY25 Ending Unassigned **\$9,704,942**
 Move FY26 Budgeted Capital to Assigned (\$5,626,436)
 Bond Proceeds \$5,176,436
 FY26 Budgeted Operating Revenue \$19,826,080
 FY26 Budgeted Operating Expenditure (\$19,295,693)
FY26 Ending Unassigned **\$9,785,329**
50.7%

TOTAL ESTIMATED REVENUE

| Revenue/Sources | FY 2025 Adopted | FY 2026 Projected | Variance (\$) | Variance (%) |
|---------------------------|---------------------|----------------------|------------------|-----------------|
| General Property Taxes | \$1,597,683 | \$2,010,395 | \$412,712 | 26% |
| Other Local Taxes | 11,402,606 | 11,613,330 | 210,724 | 2% |
| Permits & Fees | 185,132 | 244,250 | 59,118 | 32% |
| Fines & Forfeitures | 77,500 | 77,500 | - | - |
| Use of Money/Property | 800,000 | 800,000 | - | - |
| Charges for Services | 1,085,018 | 1,075,500 | (9,518) | (1%) |
| Miscellaneous Revenue | 186,845 | 192,445 | 5,600 | 3% |
| State Revenue | 3,421,983 | 3,434,680 | 12,697 | 0% |
| Transfers In | 414,262 | 377,980 | (36,282) | (9%) |
| GENERAL FUND TOTAL | \$19,171,029 | \$19,826,080 | \$655,051 | 3% |

| | | | | |
|---------------------------|-------------|-------------|-------------|------|
| Capital Projects | \$1,584,002 | \$3,419,497 | \$1,835,495 | 116% |
| General Asset Replacement | 1,765,000 | 2,869,500 | 1,104,500 | 63% |

Outside Agencies - FY 2026 Proposed & Flat Funding

Nondepartmental (page 122 of FY 2026 proposed budget)

| DESCRIPTION | FY 2025 ADOPTED | FY 2026 REQUESTED | FY 2026 Flat w 25 | CUTS |
|--|--------------------|----------------------|----------------------|-----------------|
| Virginia Regional Transit (Circuit Rider)* | \$174,009 | \$185,927 | \$185,927 | \$0 |
| Main Street Program (Experience Old Town Warrenton) | 65,000 | 75,000 | 65,000 | 10,000 |
| VA Commission for the Arts (VCA)- Creative Community Partnership (CCP) | 9,000 | 9,000 | 9,000 | - |
| Warrenton Volunteer Fire Company | 150,000 | 210,000 | 150,000 | 60,000 |
| VA Department of Fire Programs (VDFP) - Aid to Localities (ATL) | 45,281 | 51,541 | 51,541 | - |
| | \$443,290 | \$531,468 | \$461,468 | \$70,000 |

*Formula-driven funding contribution.

Contributions (page 119 of FY 2026 proposed budget)

| DESCRIPTION | FY 2025 ADOPTED | FY 2026 REQUESTED | FY 2026 Flat w 25 | CUTS |
|--|--------------------|----------------------|----------------------|------------------|
| Afro American Historical Association (AAHA) of Fauquier County | - | \$10,000 | \$0 | \$10,000 |
| Aging Together | 4,250 | 5,000 | 4,250 | 750 |
| Boys & Girls Club of Fauquier | 7,650 | - | - | - |
| Fauquier Community Action Committee | 7,650 | 7,500 | 7,500 | - |
| Fauquier Community Child Care | 3,443 | 7,500 | 3,443 | 4,057 |
| Fauquier Food Bank | 2,869 | 5,000 | 2,869 | 2,131 |
| Fauquier County Youth Orchestra | - | - | - | - |
| Fauquier Family Shelter Services | 5,126 | 8,000 | 5,126 | 2,874 |
| Fauquier Free Clinic | 7,650 | 10,000 | 7,650 | 2,350 |
| Fauquier Habitat for Humanity, Inc. | - | 10,000 | - | 10,000 |
| Fauquier Historical Society | 7,650 | 11,500 | 7,650 | 3,850 |
| Hospice Support of Fauquier | 4,250 | 5,000 | 4,250 | 750 |
| Laurel Ridge Community College (LRCC) | 5,738 | 6,000 | 5,738 | 262 |
| Literacy Volunteers | 1,913 | 2,500 | 1,913 | 587 |
| Piedmont Dispute Resolution Center | 765 | 765 | 765 | - |
| The Arc of North Central Virginia | - | 5,000 | - | 5,000 |
| | \$58,954 | \$93,765 | \$51,154 | \$42,611 |
| | | | | \$112,611 |

[1] The Boys & Girls Club of Fauquier has closed as of the end of calendar year 2024. As such, there is no request for funding in the FY 2026 budget.

[2] There are three (3) new requests for funding in FY 2026: AAHA, Habitat for Humanity, and the Arc of North Central Virginia. Under a flat funding scenario, the contribution for these organizations is set to \$0.

[3] This organization requested less than was funded in FY 2025.

| Michele Proposal | Cuts | Note |
|------------------|-----------------|--|
| \$185,927 | \$0 | Federal Matched Funds |
| 60,000 | \$15,000 | |
| 9,000 | - | |
| 130,000 | \$80,000 | |
| 51,541 | - | We Receive This Money and Give It Back |
| \$436,468 | \$95,000 | |

| Michele Proposal | Cuts | Note |
|------------------|------------------|-------------|
| \$0 | \$10,000 | New Request |
| 4,000 | \$1,000 | |
| - | - | Closed 2024 |
| 7,000 | \$500 | |
| 3,000 | \$4,500 | |
| 2,500 | \$2,500 | |
| - | - | |
| 5,000 | \$3,000 | |
| 7,500 | \$2,500 | |
| - | \$10,000 | New Request |
| 7,500 | \$4,000 | |
| 4,000 | \$1,000 | |
| 5,500 | \$500 | |
| 1,900 | \$600 | |
| 750 | \$15 | |
| - | \$5,000 | New Request |
| \$48,650 | \$45,115 | |
| | \$140,115 | |

Legal Expenses

Budget Information

| | FY25 Adopted Budget | FY25 to Date | FY25 Projected | FY26 Proposed | FY26 Revised | Cuts |
|-----------------|---------------------|---------------|----------------|---------------|---------------|--------------|
| Legal Services* | \$ 325,000.00 | \$ 335,589.23 | \$ 402,707.08 | \$ 466,000.00 | \$ 420,000.00 | \$ 46,000.00 |

FY25 projected figure is based on spending year to date.

*Please note the legal services budget is split between the General Fund (75%) and the Water & Sewer Operating Fund (25%). The above figures represent the totals across both funds.