



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

# **STAFF REPORT**

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

## **EXECUTIVE SUMMARY**

At the May 13<sup>th</sup> 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**

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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**

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