



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>	July 8, 2025
<b>Agenda Title:</b>	Financial Advisor Presentation
<b>Requested Action:</b>	Consider adoption of the Resolution of the Town Council of the Town of Warrenton, Virginia Declaring Its Intention to Reimburse Itself from the Proceeds of One or More Tax-exempt Financings for Certain Expenditures Made and/or to be Made in Connections with Town Capital Projects
<b>Department / Agency Lead:</b>	Finance & Procurement
<b>Staff Lead:</b>	Stephanie Miller, Director of Finance & Procurement

## EXECUTIVE SUMMARY

The Fiscal Year 2026 Adopted Budget includes projected debt funding for General Fund and Water and Sewer capital projects and General Fund capital asset replacements. The Town has almost fully drawn down the 2022 bond that was issued for Water and Sewer capital projects. It is anticipated that the Town will need to issue debt in Fall 2025 to provide adequate funding for the planned projects.

## BACKGROUND

Davenport & Company, LLC serves as the Town's municipal financial advisor. Staff has provided Davenport with the Town's Adopted 2026 – 2031 Capital Improvement Program. This document outlines the six-year plan for our capital needs, including General and Water and Sewer capital projects and capital asset replacements.

Kyle Laux, Senior Vice President, will provide an overview of a proposed Plan of Finance, which includes a dual-track process for issuing debt in Fall 2025. This will consist of a solicitation for bank loans and an application to the Virginia Resources Authority (VRA) pooled financing program. The solicitation will be structured to allow for different financing options that provide varying terms in alignment with the underlying assets.

Mr. Laux will also discuss the potential benefits of obtaining a credit rating so that the Council may determine if they wish to proceed with that process at this time.

In anticipation of a debt issuance later this year, bond counsel has drafted a proposed reimbursement resolution. This allows the Town to reimburse itself from future bond proceeds for capital expenditures incurred 60 days prior to the debt issuance.

## **STAFF RECOMMENDATION**

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Staff recommends approval of the reimbursement resolution to offer flexibility in claiming reimbursement from future bond proceeds for capital expenditures incurred 60 days prior to the date of issuance.

### **Service Level/Collaborative Impact**

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The adoption of the reimbursement resolution enables the Town to fund ongoing capital projects from a future debt issuance.

### **Policy Direction/Warrenton Plan 2040**

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Some of the many goals of Warrenton Plan 2040 that are supported by the Town's 2026-2031 CIP include:

- CF-4: Ensure healthy, safe, adequate water and wastewater services.
- CF-5: To provide a fiscally responsible infrastructure that maintains a high quality of life for residents, supports current businesses, and attracts new employers with a stable tax structure.
- P-2: The Town of Warrenton's Parks, Open Space and Environment serve as key elements to the Town's public health infrastructure.
- T-1: Improve multi-modal capacity and safety that encourages trips by walking, bicycling, and transit.
- T-2: Enhance the traveling experience by creating great streets.
- T-3: Promote livability in the Town by creating great places where residents and visitors feel welcome and safe.
- T-4: Provide an equitable and connected Multi-Modal Network.

### **Fiscal Impact**

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The adoption of the reimbursement resolution will provide the Town with flexibility to reimburse capital expenditures incurred prior to the date of debt issuance.

### **Legal Impact**

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The adoption of the reimbursement resolution does not obligate the Town to issue debt. It provides flexibility to reimburse Town funds from future debt proceeds, if subsequently issued.

## **ATTACHMENTS**

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1. Resolution of the Town Council of the Town of Warrenton, Virginia Declaring Its Intention to Reimburse Itself from the Proceeds of One or More Tax-Exempt Financings for Certain Expenditures Made And/Or to Be Made in Connection with Town Capital Projects