



# TOWN COUNCIL SPECIAL MEETING

21 Main Street

Thursday, May 29, 2025 at 9:00 AM

## MINUTES

### AN OPEN MEETING OF THE TOWN COUNCIL OF THE TOWN OF WARRENTON, VIRGINIA, WAS HELD ON MAY 29<sup>th</sup>, 2025, AT 9:00 AM

#### Work Session

#### PRESENT

Mr. Roy Francis; Mr. William Semple; Mr. Larry Kovalik; Ms. Michele O'Halloran; Mr. Eric Gagnon; Mr. Paul Mooney; Mr. David McGuire; Mr. Frank Cassidy, Town Manager; Mr. Stephen Clough, Town Clerk; Mr. Chap Petersen Town Attorney.

#### ABSENT

Mayor Carter Nevill

### I. WORKSESSION - 9:00 AM

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

The special meeting was called to order by Vice Mayor Semple, acting as chair. He noted that as a special meeting, discussion would be limited to the budget, and no votes would be taken as the public hearing was still open.

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

Mr. Frank Cassidy, Town Manager, opened the discussion and stated that setting the budget is an important part of Council's work. He noted that the meeting was not being livestreamed because the Town did not have staff available and the third-party provider was unavailable, but that the meeting was being recorded and would be made available. Mr. Cassidy introduced Ms. Brooke Campbell, Budget Manager, and stated that department heads were available to answer questions. He stated that staff had prepared budget scenarios based on the previously adopted 5.5-cent real estate tax rate and had identified additional cuts in areas that would not immediately affect customer service levels, although some cuts could have downstream effects and may require staff to return to Council later in the year if additional funding were needed.

Councilman McGuire stated that while Council could consider staff recommendations, Council itself was responsible for making budget cuts and developing the final plan. He stated that Council should go line by line through the budget to determine what should be removed, retained, or adjusted.

Ms. Campbell stated that at the May 13 Council meeting, Town Council adopted a real estate tax rate of 5.5 cents per \$100 of assessed value for calendar year 2025. She explained that the rate represented a 1.49-cent increase over the calendar year 2024 rate of 4.01 cents per \$100 of assessed value and would result in an estimated annual increase of \$63.03 for the average homeowner. She stated that the adopted 5.5-cent rate was one cent lower than the proposed 6.5-cent rate, requiring \$220,981 in cuts to balance the General Fund operating budget.

Ms. Campbell reviewed a proposed budget scenario 7 and scenario 8. She stated that both scenarios produced a structurally balanced budget and satisfied the Town's fund balance policy. Scenario 7 included flat funding for outside agencies, revised legal fee projections, adjusted insurance expenditures based on the Town's renewal from VRSA, and adjustments to professional services. She stated that Scenario 7 produced an operating surplus of \$52,883 and left the fund balance at 50.50%. She stated that Scenario 8 was similar, but included additional adjustments to outside agency funding as suggested by Councilwoman O'Halloran. She stated that Scenario 8 increased the outside agency adjustment to \$140,000, produced an operating surplus of approximately \$80,000, and left the fund balance at 50.70%.

Councilman McGuire stated that he appreciated staff's work but believed Council could find additional savings. He stated that Council had a fiduciary responsibility to the Town and that Council members were the decision-makers.

Councilman Gagnon agreed and stated that Council members should bring forward their proposed budget cuts for discussion. He stated that the scenarios should be treated as a starting point and that any additional operating surplus would help the Town in the following fiscal year, which he expected to be more challenging.

Vice Mayor Semple stated that one reason staff had proposed this budget posture was that, for the first time, capital expenses would be covered through borrowing. He stated that every dollar of operating surplus could be used to reduce the amount borrowed for capital expenses while maintaining the Town's required 50% unassigned fund balance.

Ms. Campbell confirmed that the General Fund capital program was approximately \$5.1 million and that any operating surplus would reduce the amount needed to be borrowed.

Council discussed how to proceed with the work session. Councilman McGuire suggested that Council go line by line through the budget. Vice Mayor Semple stated that because the meeting was a work session, discussion could be more open than during a regular meeting. Council generally agreed to begin with outside agency contributions.

Councilwoman O'Halloran reviewed her proposed reductions to outside agency funding. She stated that she had spoken with the Warrenton Volunteer Fire Company and that they were agreeable to reducing the Town contribution from \$210,000 to \$130,000. She stated that although some Council members were not in favor of funding outside agencies, many of the organizations contributed to the health and well-being of Town citizens.

Councilman Mooney clarified that the concern was not necessarily opposition to funding the organizations, but concern about Town taxpayers funding the same services twice through both County and Town taxes.

Councilman Kovalik stated that he had spoken with members of the Warrenton Volunteer Fire Company and still had questions about the funding request. He noted that two vehicle payments totaled approximately \$128,000 and that a warehouse item was not clearly explained in the request. He also raised questions about fleet maintenance and whether the Town was funding items that should be funded by the County. He stated that he wanted to better understand the relationship among the Town, the County, and the Warrenton Volunteer Fire Company to ensure that Town funding was used for Town needs and not County obligations.

Councilman McGuire agreed that additional accountability was needed and suggested that funding could be conditioned on the Fire Company or other agencies returning with explanations of how the funds would be used.

Councilman Gagnon stated that the Town had no contractual or formal financial obligation to support the Fire Company and that the County had taken over funding for the two full-time employees previously funded by the Town. He stated that there may be goodwill and historical reasons for continued Town support, but that Town residents were effectively being taxed by both the County and the Town for fire services. He suggested that the Police and Fire Committee or Council should seek a full accounting from the County regarding fire funding and whether County funding was proportional to call volume. He stated that Chief Ross had indicated that the Fire Company responded to approximately 2,000 calls in Town and 4,000 calls in the County. Councilman Gagnon stated that any Town funding should be contingent on receipt of sufficient financial information.

Councilwoman O'Halloran noted that mutual aid is part of fire and rescue operations and that if Warrenton units are dispatched outside of Town, other units may respond into Town. She stated that the Town benefits from the regional fire and rescue system.

Vice Mayor Semple stated that he had reviewed the Fire Company's IRS Form 990 filings and believed there were questions about the organization's surplus and asset purchases. He stated that he supported some contribution to the Fire Company in recognition of the Town's historical relationship and the benefit of having the Fire Company located in Town, but that Council needed to determine the appropriate amount.

Councilman McGuire stated that the issue was part of a larger concern about Town and County financial relationships, citing County offices in the Town building and County charges for recycling services as examples of areas where the Town should evaluate whether it was paying twice or not receiving appropriate value.

Councilman Kovalik asked questions regarding vehicle replacements, the County CIP, and whether proffers from the Arrington project could be used to support public safety needs such as a tanker replacement.

Mr. Cassidy stated that the proffers had already been set and could only be changed through an applicant-initiated rezoning. He stated that the proffers were being folded into the County CIP and were earmarked for the purposes designated in the proffers, which included public safety. He stated that the Town could ask questions about the funding but could not simply take the proffer money. He also noted that proffers are typically received at the end of construction, which could be several years away.

Council discussed whether the Fire Company contribution should be \$128,605, matching the identified vehicle payments, or rounded to \$130,000.

Councilwoman O'Halloran stated that she rounded the number to \$130,000 for simplicity. Councilman Kovalik stated that he preferred tying the contribution to specific identified needs. Councilman Francis stated that he preferred \$100,000. A majority of Council expressed support for a \$130,000 placeholder, with the understanding that additional financial and accounting information should be provided before funds were disbursed.

Councilwoman O'Halloran then reviewed her proposed outside agency funding adjustments. She stated that Virginia Regional Transit/Circuit Rider funding should remain at \$185,927 because it was federally matched. She proposed \$60,000 for the Main Street program, stating that Experience Old Town Warrenton brings revenue to the Town through hotels and restaurants. She proposed maintaining the Virginia Commission for the Arts at \$9,000, noting that the Town receives a state match. Councilman Mooney asked why the budget showed a \$9,000 expense if the Town's responsibility was only half.

Ms. Campbell explained that accounting rules require the Town to show the full \$9,000 expenditure and to record the \$4,500 state match separately as revenue.

Councilwoman O'Halloran proposed no funding for new requests, including the African American Historical Association, Habitat for Humanity, and The Arc of Northern Virginia. She proposed reductions to several existing agencies, including Aging Together, Fauquier Community Action Committee, Fauquier Community Child Care, Fauquier Food Bank, Fauquier Family Shelter, Fauquier Free Clinic, Fauquier Historical Society, Hospice Support of Fauquier County, Laurel Ridge Community College, Literacy Volunteers, and Piedmont Dispute Resolution Center/Piedmont Peace Center.

Councilman Kovalik asked whether organizations generally remain in the funding cycle once they begin receiving Town funding.

Ms. Campbell confirmed that funded organizations are notified each year when the application becomes available, but that the application is also publicly available on the Town website. She stated that many organizations budget for the Town contribution once they begin receiving it.

Councilman Kovalik asked whether Council could review the process through the Finance Committee for the next budget cycle.

Ms. Campbell stated that applications are typically made available in late September or early October and are due in December, which would allow time for committee review and process changes.

Council discussed the proposed \$4,000 allocation for Aging Together. Councilman McGuire and Councilman Gagnon supported reducing the allocation to zero.

Councilman Francis and Councilwoman O'Halloran supported keeping the allocation, noting the organization's positive impact on elderly residents in the community. Council generally supported maintaining the amount at \$4,000.

Vice Mayor Semple stated that because Council was late in the budget process, the outside agency reductions could be treated as reductions for the current year while the Finance Committee conducts a more thorough review for the next cycle.

Councilman McGuire stated that organizations should be expected to show where the money is going and how it is being used.

Mr. Cassidy noted that applications include Form 990 materials and that staff review applications for minimum requirements before incorporating them into the budget.

Councilman Francis stated that he viewed many of the outside agency contributions as private or charitable matters that should be funded through foundations, businesses, private donations, or churches. He stated that he supported funding for the Fauquier Free Clinic and the Fauquier Historical Society, and that he was not opposed to funding the Fire Company but preferred a lower amount.

Councilman Gagnon stated that while the organizations were worthy, he questioned whether it was a proper function of Town government to redistribute taxpayer dollars to charitable organizations. He stated that he supported funding safety-net organizations such as the Free Clinic and Food Bank and also recognized the economic benefit of the Historical Society through tourism.

Councilman Mooney stated that he agreed with the general concerns but also believed that the middle of the budget process was not the best time to zero out longstanding contributions. He stated that Council could accept Councilwoman O'Halloran's reductions for the current year and have the Finance Committee review the broader policy for future years. Council generally reviewed the outside agency list and provided guidance consistent with Councilwoman O'Halloran's proposed reductions, including no funding for new requests, reduced funding for existing outside agencies, and \$130,000 for the Warrenton Volunteer Fire Company subject to additional financial information.

Council then moved to the expense variance list and departmental expenses. Councilman Kovalik asked whether the \$1.49 million contingency for water and sewer capital projects, representing 10% of the Capital Improvement Plan, could be reduced to 5%.

Mr. Michael Wharton, Senior Project Manager, responded that a 10% contingency is standard industry practice after the engineering phase to handle change orders and unexpected conditions. He stated that reducing the contingency could cause project delays by requiring Council approval for every overrun.

Council discussed information technology maintenance contracts. Councilman Mooney noted that IT maintenance costs were approximately \$75,000 per month.

Mr. Jonathan Stewart, IT Director, responded that vendor costs had increased by approximately 23% that year. He also stated that the Town was historically approximately 15 years behind on IT infrastructure spending and was currently catching up to standard operational levels.

Councilman Gagnon asked why IT professional services had increased from approximately \$21,926 to an estimated \$81,000.

Mr. Stewart stated that the funds were for a short-term specialized vendor to restructure the network, a project that had been delayed in prior years. He stated that completing the project would reduce long-term professional service dependencies.

Council discussed Police Department salaries and rank structure.

Councilman McGuire asked why some officers hold the rank of Corporal if they do not supervise personnel on a daily basis.

Timothy Carter, Chief of Police, responded that Corporal is often used as a specialty rank, such as for detectives or the training officer, and that those positions serve as force multipliers and backup supervisors during critical shortages.

Ms. Kasey Braun, Human Capital Director, added that a recent restructuring resulted in three Corporals being downgraded to Officer to better align titles with duties.

Council discussed part-time wages in the Police Department, including the part-time accreditation manager.

Councilman McGuire proposed eliminating the part-time accreditation manager and assigning those duties to a full-time officer as an additional responsibility.

The Police Chief responded that accreditation requires a strict 29-hour-per-week commitment. He stated that shifting the work to a full-time supervisor would leave that officer with only approximately 11 hours for patrol or supervision and could risk the Town's accreditation status.

Ms. Braun advised against cutting the position without a formal structural assessment. Council generally agreed to maintain the position and refer the matter to the Police and Fire Committee for further evaluation.

Council discussed landfill tipping fees and refuse collection.

Councilwoman O'Halloran asked why the Town budgets \$40,000 for landfill operations if the County waives the first \$200,000.

Ms. Campbell and Mr. John Ward, Public Works Director, responded that the waiver applies only to household waste and that the Town is charged for commercial trash, limbs, and bulk clean-up items.

Councilman McGuire asked whether reducing residential trash pickup to once a week would save money.

Mr. Cassidy and Mr. Ward responded that the same overall tonnage of trash would still have to be collected and that reducing pickup frequency would not result in immediate savings in equipment or labor hours.

Councilman McGuire proposed eliminating the Police Department's \$1.25-per-hour night shift differential.

The Police Chief and Ms. Braun responded that the shift differential is important for recruiting and retaining officers against competing regional agencies, particularly with the department already having six vacancies.

Council then moved to debt and capital improvement items. Council discussed the salt shed facility.

Councilwoman O'Halloran asked whether the \$775,000 project could be broken down or deferred.

Mr. Johnny Switzer, Fleet and Facilities Manager, responded that the project was already phased over multiple years, but that financial policies require the full purchase order amount to be budgeted up front in order to secure contractors. He stated that replacing the current facility was important for DEQ compliance. Staff further explained that the project would move salt and bulk materials from the existing Public Works facility on Falmouth Street to a material storage facility at the landfill in partnership with the County. Staff stated that the project would improve compliance, reduce industrial loading operations near residential areas, improve safety at the Public Works facility, and avoid the much larger public works facility project that had previously been contemplated.

Council discussed Eva Walker Park improvements.

Councilman Kovalik asked about the long-term project cost and suggested pushing the current \$230,000 allocation out one year to reduce immediate debt issuance. Staff explained that the current funding was for final design and that later phases would implement improvements such as basketball courts, playground expansion, a splash pad, trail improvements, steps, and a pavilion.

Councilman McGuire stated that he supported the project but wanted staff to explore sponsorships and consider whether the splash pad should be located at the WARF instead.

Councilman Kovalik questioned whether the project should be deferred given other budget priorities and the current condition and use of the park.

Vice Mayor Semple stated that Eva Walker Park is in his ward and that he strongly supported the project due to its historical importance and potential as a destination park, but acknowledged that Council had to weigh priorities.

Councilman Francis stated that he supported the project but believed it should be pushed out at least one year due to budget constraints. Council generally agreed to defer the \$230,000 for final design to FY 2027 while leaving the project in the CIP so staff could pursue grants and other outside funding.

Council discussed the WARF water play structure.

Councilman Mooney asked whether the \$375,000 replacement cost could be reduced.

Ms. Kelly Koernig, Director of Parks and Recreation, stated that the current structure had severe rusting and safety concerns. Staff explained that the replacement was for the leisure pool play

structure, not the competition pool, and that the structure was heavily used by families and young children. Council members questioned the estimated cost and asked staff to look for less expensive alternatives.

Councilman Mooney stated that the play structure should not simply be removed, but that Council should consider setting a lower budget and asking staff to identify options.

Councilwoman O'Halloran stated that the area is heavily used by children and families and is an important Town amenity.

Vice Mayor Semple asked whether the structure could safely last another year or whether surplus funds could be used to reduce the debt impact.

Councilman Francis asked staff to look for a lower-cost option, possibly around \$200,000. Council generally directed staff to seek a more cost-effective alternative for the replacement structure.

Council discussed police fleet replacement.

Councilman McGuire proposed eliminating the department's motorcycles to save on maintenance and replacement costs, favoring standard cruisers instead.

Mr. Switzer stated that, following discussions with the Police Chief, staff was reviewing whether the motor fleet could be reduced to one motorcycle while maintaining mission-critical traffic enforcement capabilities.

Council discussed the fleet replacement program for a wastewater treatment plant dump truck. Staff explained that the truck is used to move dewatered solids to drying beds and that the current truck is an old retired vehicle that is unreliable. Staff stated that when the truck fails, staff must shovel solids back onto the truck, creating operational and DEQ concerns. Staff stated that the replacement would be assigned specifically to the wastewater plant.

Council discussed sanitation equipment and trash collection.

Councilman McGuire asked whether reducing trash pickup to once per week could defer the need for a new trash truck or produce savings. Staff responded that the Town would still collect the same amount of tonnage and that immediate savings were not clear without broader equipment and operational changes. Staff stated that the Town had picked up approximately 80 tons of trash the previous week and that the same work would have to be performed even if spread over fewer pickup days. Staff noted that some neighboring jurisdictions charge fees for trash or brush collection and that broader sanitation program changes could be reviewed over the year through committee work. Staff also stated that the Town was seeking to move away from the blue recycling trucks, which had not worked well, and that a replacement trash truck would allow one recycling truck to be surplus. Staff noted that trash trucks are evaluated by hours, stops, and operational wear, not simply mileage, and that new trucks may have long lead times.

Council discussed the hiring freeze.

Mr. Cassidy requested that Council lift the unofficial hiring freeze for mission-critical vacancies, including a wastewater plant mechanic, utility line locator, motor equipment operator, and police officer positions. He stated that the freeze was affecting staff. Staff clarified that the vacant positions were backfills rather than new positions.

Mr. Steven Friend, Director of Public Utilities, explained that the wastewater plant mechanic position was important because one of the two personnel who help maintain and repair the plant was vacant, leaving the work to one person with supplemental help. He also explained that the utility locator position is necessary for Miss Utility/811 responses and that without a dedicated locator, other personnel must be pulled from field work to locate Town water and sewer lines.

Councilman McGuire stated that he supported filling wastewater-related positions but preferred to revisit other positions in June.

Councilwoman O'Halloran disagreed and stated that two police officers were already in the hiring pipeline and that the freeze had stalled those hires. Staff stated that employee morale and retention were being affected by the perception that employees were not valued. Staff cautioned that a hiring freeze could lead to loss of service, disruption, compliance issues, and higher costs if the Town loses employees and has to backfill a large number of positions.

Councilman McGuire stated that Council had a responsibility to taxpayers and needed to review positions carefully before lifting the freeze. Vice Mayor Semple stated that the freeze had been rushed and that the budget already included the positions.

A motion was put forth by Vice Mayor Semple to lift the hiring freeze. Seconded by Mr. Kovalik. The vote was as follows:

Ayes: Mr. William Semple; Mr. Larry Kovalik; Ms. Michele O'Halloran; Mr. Roy Francis.

Nays: Mr. Eric Gagnon; Mr. Paul Mooney; Mr. David McGuire.

The motion passed 4-3, and the hiring freeze was lifted.

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## **Adjournment**

A motion to adjourn was made by Mr. Kovalik and seconded by Councilwoman O'Halloran,

Ayes: Mr. William Semple; Mr. Larry Kovalik; Ms. Michele O'Halloran; Mr. Roy Francis; Mr. Eric Gagnon; Mr. Paul Mooney; Mr. David McGuire

The meeting was adjourned.

## **ADJOURNMENT.**

**With no further business, this meeting was adjourned at 3:00 PM on Thursday, May 29<sup>th</sup>, 2025.**

**I hereby certify that this is a true and exact record of actions taken by the Town Council of the Town of Warrenton on May 29<sup>th</sup>, 2025.**

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Stephen M. Clough  
Town Recorder

Attachments:

- 1) None

Draft