



TOWN OF WARRENTON, VIRGINIA
Fiscal Year 2026 Proposed Budget

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TOWN COUNCIL
Carter Nevill, Mayor
Paul Mooney
David McGuire
Roy Francis
William Semple II, Vice Mayor
Larry Kovalik
Michele O'Halloran
Eric Gagnon

March 31, 2025

Honorable Mayor and Members of Town Council,

As required by Virginia Code §15.2-2503, I am pleased to present the proposed fiscal year 2026 (FY26) budget. This budget is the result of discussions with the Town Council over the past several months regarding important budgetary decisions. The agreed upon direction used to formulate the budget included:

- continue providing services to citizens at current levels
- maintain human capital measures taken in recent years to ensure the town remains a competitive employer
- maintain focus on needs and infrastructure
- no interest in the implementation of a Solid Waste fee to cover the cost of refuse and recycling services

Capital needs continue to be the primary focus of this budget, with the water and sewer utility infrastructure being the top priority. The budget also includes several capital asset replacements that were deferred in recent years.

From an operational perspective, the inflationary pressures of the past few years have continued to impact the town. In developing the proposed budget, General Fund operating revenues were not projected to cover the increases in operating expenditure. To balance the budget, a real estate tax rate increase of \$0.0249 per \$100 of assessed value is proposed. This provides the Council the flexibility to implement an increase at that level or lower. The Town Code requires that the calendar year property tax rates are adopted by May 14th. A public hearing will be held on the proposed budget and on the proposed tax rate increase at the May meeting.

The table below shows the proposed change in the real estate tax rate and the impact on the average annual residential bill in town. Each \$0.01 increase of the real estate tax rate generates approximately \$220,981 in additional revenue.

Tax Rate Change	Tax Year 2024	Tax Year 2025	Change
Real Estate Tax Rate	\$ 0.0401	\$ 0.065	\$ 0.025
Average Annual Residential Bill	\$ 169.63	\$ 274.95	\$ 105.33

Average Home Value \$423,006

The total proposed budget for FY26 is \$52.9 million, excluding interfund transfers, to fund governmental, stormwater, and water and sewer operations, and investment in the town’s capital infrastructure. This is an increase of \$9.0 million, or 21%, over the adopted FY 2025 budget. As previously noted, the bulk of the increase is driven by the capital program.

An overview of the proposed budget by fund is presented in the following paragraphs.

General Fund Operating Revenues

FY26 General Fund operating revenue is projected to increase by \$876,032, or 5%, compared to FY25. The largest changes are in the categories of real estate tax, other local taxes, and permits and fees.

- *Real Estate Tax* – This estimate has increased by \$612,110, or 74%, based on the proposed tax rate increase coupled with the anticipated increase in values of the general reassessment that will be effective January 1, 2026.
- *Other Local Taxes* – This category projects an increase of \$210,724, or 2%, over FY25 based on historical trends. The specific areas of increase are business license tax, consumer utility tax, local sales tax, lodging tax, and bank franchise tax. The largest source of revenue for the general fund, meals tax, is projected to remain level.
- *Permits & Fees* - Revenue in this category is estimated to increase by \$59,118, or 32%, due to the anticipated construction of new developments in town.

General Fund Operating Expenditures

FY26 General Fund operating expenditures are proposed to increase by \$917,170, or 5%, compared to FY25. The largest functional categories of increase are general government administration, public works, and contributions to outside agencies.

- *General government administration* - The primary drivers of the \$264,639, or 6%, increase are professional and contractual services.
- *Public works* - The driver of the \$269,329, or 5%, increase is personnel costs. Personnel costs are discussed in more detail later in this letter and are also detailed in the Personnel and Compensation Summary on page 12.
- *Contributions requested by outside agencies* - This category increased by \$122,989. The full amount of these requests has been included in the proposed budget so that Council may make the decision regarding funding levels.

General Fund Capital

General fund capital expenditures will be funded by debt. Capital expenditures are broken down into capital projects and capital asset replacements.

- *Capital projects* - The total programmed for projects is \$3,419,497. Projects included in FY26 include the salt storage and public works rehabilitation, Eva Walker Park improvements, improvements to Main Street, and annual paving operations.
- *Capital asset replacements* - The budget for asset replacements for FY26 is \$2,869,500. Among other items, the plan includes the public safety facility HVAC replacements, public safety radio replacements, Enterprise Resource Planning (ERP) software replacement, the waterplay structure replacement at the WARF, elevator replacement in town hall, and the purchase of replacements for public works equipment.

More details on these and other projects and replacements may be found in the 2026-2031 Capital Improvement Plan (CIP).

Stormwater Management Operating

Stormwater management is funded by a stormwater fee that is billed twice a year on the town's real estate tax bill. Stormwater management operating expenses are projected to increase by \$97,261 primarily related to the purchase of stormwater management credits to ensure compliance with mandated program requirements.

Stormwater Management Capital

Stormwater Management Capital is proposed to decrease by \$60,500 compared to FY25. Capital projects related to stormwater enable the Town to meet state-mandated

requirements. The Master Drainage Plan Update is planned for \$300,000 and there is a project for Best Management Practices (BMP) Facilities for \$200,000. For further details on stormwater capital projects, please refer to the 2026-2031 CIP.

Water & Sewer Operating Revenues

An update to the water and sewer rate study was completed in 2023 to ensure adequate funding for the necessary modernizations to our aging infrastructure. The study recommended a phased approach to increasing user rates coupled with the strategic issuance of debt to fund the capital needs. The recommended rate increase for FY26 is 23%. **An average monthly In-Town residential bill (based on 3,000 gallons of consumption) will increase from \$54.87 to \$67.57.**

The rate study model assumes the issuance of debt to support the system's capital needs.

Water & Sewer Operating Expenses

The operating budget has increased by \$328,564 (excluding transfers to capital) due to inflation costs related to chemicals, fuel, and utilities. The proposed FY26 budget plans a transfer to partially cash fund the capital program, which is in line with the recommendations of the rate study.

Water & Sewer Capital Expenses

The proposed FY26 budget for water and sewer capital expenses has increased by \$5.0 million. This represents the continuation of the 6-year modernization and infrastructure resiliency plans that were factored into the rate study finalized in 2023.

- Major capital projects for FY26 include:
 - Warrenton reservoir dam - \$3,000,000
 - Mountain tank line power - \$945,000
 - High-rate filter, sediment & flocculation basin - \$8,950,893
 - Dewatered sludge storage - \$750,000
- Major asset replacements planned for FY26 include:
 - Camera truck - \$460,000
 - Facilities physical security - \$150,000
 - Dump truck - \$115,000

More details on these and other projects and asset replacements may be found in the 2026-2031 CIP.

Personnel

More than 50% of the Town's budget is related to personnel costs, so changes in this area impact all funds. Below are highlights of budgeted personnel items.

- *No requests for additional positions* - We have continued to realign staff when the opportunity arises to realize greater efficiency and cost savings. Since FY24, the full-time equivalent (FTE) count has dropped by 9.5 FTEs.
- *Cost of Living Adjustment (COLA) and Merit Increase* - The proposed FY26 budget includes a COLA of 3% effective July 1 and a proposed merit range of 0-3% that will be effective January 1. The COLA impact is \$331,446 across all funds and the merit impact is \$136,989 across all funds.
- *Health Insurance* - The renewal received from the Town's medical, dental, and vision insurance provider reflected an increase of 8.8% in premiums for FY26.

Town staff continue to focus on citizen engagement through our communications outreach and education about our processes. The first **Your Town Academy** was a success, with many of the participants recommending the program to friends and family. We plan to conduct Fall sessions of the Academy going forward and continue to look for other opportunities to engage with our citizens.

Our Budget Manager will provide an overview of the budget at your April 8th work session. The public hearings for the budget and to set the calendar year tax rates will take place at the May meeting. During recent discussions, Council members have identified several expenditure categories to review during future budget work sessions.

We look forward to collaborating with the Council to achieve a budget that meets the needs of our community in a fiscally prudent manner.

Sincerely,



Frank Cassidy
Town Manager

COMBINED BUDGET SUMMARY

The following provides a summary of the proposed budget for fiscal year 2026 across all appropriated funds compared to the adopted budget for fiscal year 2025. Greater detail is provided for the General Fund, followed by summary totals for the other funds in the next section. Further detail is provided throughout the document.

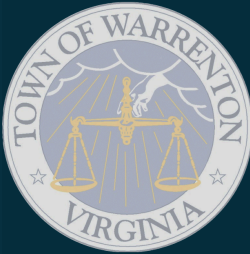
TOTAL ESTIMATED REVENUE | ALL FUNDS

	FY 2025 Adopted	FY 2026 Projected	Variance (\$)	Variance (%)
GENERAL FUND				
General Property Taxes	\$1,597,683	\$2,231,376	\$633,693	40%
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%)
Use of Fund Balance	2,857,864	-	(2,857,864)	(100%)
Non-Revenue Receipts	-	5,176,436	5,176,436	-
GENERAL FUND TOTAL	\$22,028,893	\$25,223,497	\$3,194,604	15%
OTHER FUNDS				
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%
Water & Sewer Operating	9,530,463	10,590,319	1,059,856	11%
Water & Sewer Capital	12,529,550	17,486,489	4,956,939	40%
Stormwater Management	1,291,232	1,327,993	36,761	3%
ARPA Fund	164,467	-	(164,467)	(100%)
OTHER FUNDS TOTAL	\$26,864,714	\$35,693,798	\$8,829,084	33%
TOTAL ALL FUNDS	\$48,893,607	\$60,917,295	\$12,023,688	25%
LESS TRANSFERS	(\$5,027,621)	(\$8,000,065)	(\$2,972,444)	59%
TOTAL ESTIMATED REVENUES	\$43,865,986	\$52,917,230	\$9,051,244	21%

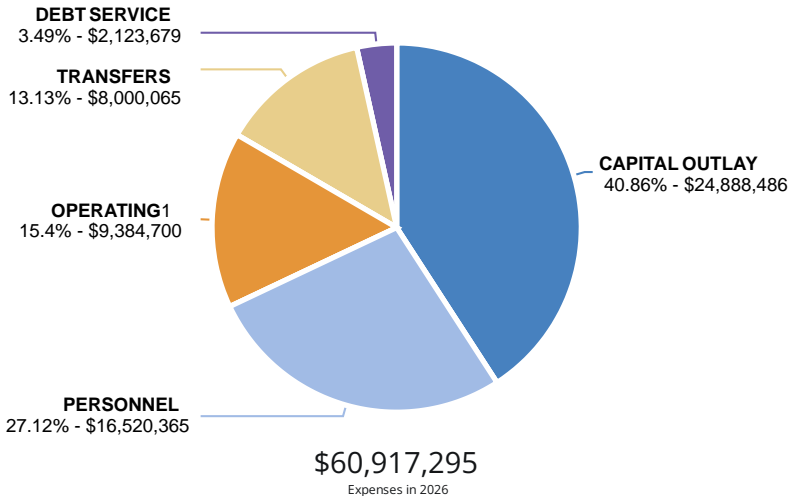
TOTAL APPROPRIATIONS | ALL FUNDS

	Expenditures/Uses	FY 2025 Adopted	FY 2026 Proposed	Variance (\$)	Variance (%)
GENERAL FUND	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%
	Transfers to capital	3,349,002	5,626,436	2,277,434	68%
	GENERAL FUND TOTAL	\$22,028,893	\$25,223,497	\$3,194,604	15%
OTHER FUNDS	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%
	Water & Sewer Operating	9,530,463	10,590,319	1,059,856	11%
	Water & Sewer Capital	12,529,550	17,486,489	4,956,939	40%
	Stormwater Management	1,291,232	1,327,993	36,761	3%
	ARPA Fund	164,467	-	(164,467)	(100%)
	OTHER FUNDS TOTAL	\$26,864,714	\$35,693,798	\$8,829,084	33%
TOTAL ALL FUNDS	\$48,893,607	\$60,917,295	\$12,023,688	25%	
LESS TRANSFERS	(\$5,027,621)	(\$8,000,065)	(\$2,972,444)	59%	
TOTAL ESTIMATED APPROPRIATIONS	\$43,865,986	\$52,917,230	\$9,051,244	21%	

PERSONNEL & COMPENSATION SUMMARY



The Town views its workforce as the most valuable asset in creating a vibrant community and delivering quality services to taxpayers. The chart below shows the total expenditures across all funds by category. In the FY 2026 proposed budget, personnel is the second largest category behind capital outlay.



HIGHLIGHTS OF EXPENSES RELATED TO PERSONNEL

The FY 2026 proposed budget includes a 3% cost of living increase for all employees.

A merit increase of up to an additional 3% has been budgeted for employees with at least one (1) year of service. The percentage an employee actually receives will be based on the results of their performance evaluation. Previously, part-time employees at the Warrenton Aquatic and Recreation Facility (WARF) were not eligible for the merit program. The FY 2026 proposed budget includes an automatic 1% merit increase for these employees that have at least one (1) year of service and no disciplinary actions. The part-time WARF employees will not be required to complete a performance evaluation.

Health insurance is always a concern for both employees and employers. The Town is fully insured with The Local Choice (TLC), a pooled program of local governments administered by the Virginia Department of Human Resource Management. The Town's renewal for FY 2026 resulted in an 8.8% increase on total premiums. The Town has elected to absorb the employee portion of the premium increase, resulting in increases of 9.0%-11.7% across plans for the Town. The FY 2026 cost for health insurance coverage is \$1,845,781 across all funds.

Full-time employees accrue annual and sick leave on a monthly basis. Annual leave is capped at a maximum number of hours based on years of service. Employees are eligible for a leave payout when they leave Town employment in good standing and provide at least two (2) weeks notice. The expense associated with leave payouts is typically absorbed by salary and benefit savings while recruiting for a replacement.

The Town is a member of the Virginia Retirement System (VRS), which provides retirement benefits, group life insurance, and disability coverage. All full-time employees are covered by the retirement plan and are required to contribute 5% of their salary to the plan. The rates at which the Town must contribute to the retirement plans are set on a biennial basis, based on an actuarial report commissioned by VRS. The Town's retirement contribution rates for FY 2026 are 11.64% for employees covered under the Hybrid VRS plan and 9.64% for employees covered under VRS plan 1 or 2. Total VRS retirement expense is budgeted at \$1,167,255. Group life insurance premiums are paid in full by the Town. The current rate of 1.18% results in budgeted expenses of \$144,905. The Town is also required to pay for short and long-term disability coverage for employees who are covered under the Hybrid VRS plan. This coverage is budgeted at \$36,816 for FY 2026.

The Federal Insurance Contributions Act (FICA) requires the Town to pay a share of Social Security and Medicare taxes for employees. The current rate for Social Security is 6.20% of wages; for Medicare, the rate is 1.45%. For FY 2026, FICA is estimated to cost the Town \$908,884.

POSITION CHANGES

The following tables show changes in positions that are included in the FY 2026 Proposed Budget:

UPGRADED POSITIONS

Positions upgraded during FY 2025.

FUND	POSITION	DEPARTMENT	NOTES
General Fund	Superintendent, Public Works	Public Works	Upgraded from Senior Crew Supervisor. ^[2]
Water & Sewer Fund	Operator	Water Treatment Plant	Upgraded from part-time to full-time. ^{[2][3]}

DOWNGRADED POSITIONS

Positions downgraded during FY 2025.

FUND	POSITION	DEPARTMENT	NOTES
General Fund	Police Officer x3	Police Department	Downgraded from Corporal. ^[1]

POSITIONS ELIMINATED

Positions eliminated during FY 2025.

FUND	POSITION	DEPARTMENT	NOTES
General Fund/ Water & Sewer Fund	Emergency Services/Risk Manager	Emergency Services/Risk Management	Position eliminated. ^[2]
General Fund	Traffic Signals/Sign Maintenance (PT)	Facilities	Position eliminated.
Water & Sewer Fund	Extra Help (PT)	Wastewater Treatment Plant	Position eliminated.

^[1] The police department has a total of 28 sworn positions made up of 13 Officers, 6 Corporals, 5 Sergeants, 2 Lieutenants, 1 Deputy Chief, and 1 Chief. With this change, the department is currently operating within the total sworn positions of 28, and has also realigned so that it is operating within the counts at the individual position level. Current headcount for each position is recorded in the "Headcount by Department" table.

^[2] During FY 2025, the emergency services/risk manager position became vacant. At that time, the Town Manager evaluated the position and determined there was an opportunity to distribute the duties of the position among existing staff. The human capital generalist and fleet & facilities manager absorbed the risk and emergency services duties, respectively. Both the generalist and manager received a 5% raise for absorbing the extra duties. Included in the FY 2026 budget is a 5% raise for both equipment mechanics in fleet and the facilities maintenance mechanic in facilities to compensate them for the extra duties they will be absorbing as the fleet and facilities manager now has a portion of his time dedicated to emergency services.

The emergency services/risk manager position was previously allocated 50% to the General Fund and 50% to the Water & Sewer Fund. The savings from the elimination of this position were used to offset (1) the raises described above related to the distribution of the former position's duties, (2) the upgrade of the senior crew supervisor to superintendent, (3) the upgrade of the water treatment plant operator to full time, (4) a budgeted raise for the logistics coordinator related to a reorganization in the transmission & distribution following the retirement of the superintendent.

This resulted in a savings from both an FTE and dollar perspective.

^[3] The upgrade of the part-time water treatment plant operator to full-time is to ensure the water treatment facility has proper coverage across all shifts. Before this upgrade, the facility was one operator short for certain shifts. This upgrade alleviated that deficit. This upgrade was done within the savings from the elimination of the emergency services/risk manager position, resulting in a budgeted savings from both an FTE and dollar perspective.

HEADCOUNT BY DEPARTMENT

The following document shows all full-time and part-time positions for every Town department. Allocations and full-time equivalents (FTEs) are shown in the subsequent tables:

PERSONNEL	FY24 Budget	FY25 Budget	FY26 Budget	Change
LEGISLATIVE				
Town Clerk	1	1	1	-
TOTAL FULL-TIME PERSONNEL	1	1	1	-
TOWN MANAGER				
Town Manager	1	1	1	-
Executive Assistant	1	-	-	-
Project Coordinator	1	1	1	-
TOTAL FULL-TIME PERSONNEL	3	2	2	-
HUMAN CAPITAL				
Director of Human Capital	-	1	1	-
Human Capital Manager	1	-	-	-
Human Capital Generalist	1	1	1	-
TOTAL FULL-TIME PERSONNEL	2	2	2	-
COMMUNICATIONS				
Communications Manager	1	1	1	-
Marketing Coordinator	1	1	1	-
TOTAL FULL-TIME PERSONNEL	2	2	2	-
EMERGENCY SERVICES/ RISK MANAGEMENT				
Emergency Services/Risk Manager	1	1	-	(1)
TOTAL FULL-TIME PERSONNEL	1	1	-	(1)
FINANCE & PROCUREMENT				
Director of Finance	1	1	1	-
Senior Revenue & Collections Manager	-	1	1	-
Revenue & Collections Manager	1	-	-	-
Tax Administrator	1	1	1	-
Payroll Coordinator	1	1	1	-
Accounts Payable Coordinator	1	1	1	-
Budget Manager	1	1	1	-
Accounting Manager	1	-	-	-
Accountant I	-	1	1	-
Procurement Coordinator	1	1	1	-
Customer Service Representative	2	2	2	-
Financial Coordinator	1	-	-	-
TOTAL FULL-TIME PERSONNEL	11	10	10	-
PART-TIME PERSONNEL				
Customer Service Representative	1	1	1	-
TOTAL PART-TIME PERSONNEL	1	1	1	-

PERSONNEL	FY24 Budget	FY25 Budget	FY26 Budget	Change
PUBLIC SAFETY				
Chief of Police	1	1	1	-
Deputy Chief	1	1	1	-
Police Lieutenant	2	2	2	-
Police Sergeant	4	5	5	-
Police Corporal	8	9	6	(3)
Police Officer	13	10	13	3
Sr. Administrative Assistant	1	1	1	-
Records Clerk	1	1	1	-
TOTAL FULL-TIME PERSONNEL	31	30	30	-
PART-TIME PERSONNEL				
Accreditation Manager	2	1	1	-
Parking Enforcement Officer	1	1	1	-
TOTAL PART-TIME PERSONNEL	3	2	2	-
PUBLIC WORKS ADMINISTRATION				
Director of Public Works & Utilities	1	-	-	-
Director of Public Works	-	1	1	-
Assistant Director, Public Works	1	-	-	-
Superintendent, Public Works	-	-	1	1
Fleet & Facilities Manager	1	1	1	-
Senior Administrative Assistant	2	2	2	-
TOTAL FULL-TIME PERSONNEL	5	4	5	1
PUBLIC WORKS STREETS MAINTENANCE				
Senior Crew Supervisor	2	2	1	(1)
Maintenance Worker	8	8	8	-
Motor Equipment Operator	8	8	8	-
TOTAL FULL-TIME PERSONNEL	18	18	17	(1)
PART-TIME PERSONNEL				
Maintenance Worker	2	1	1	-
TOTAL PART-TIME PERSONNEL	2	1	1	-
PUBLIC WORKS SANITATION				
Crew Supervisor	2	2	2	-
Motor Equipment Operator	2	2	2	-
Maintenance Worker	2	2	2	-
TOTAL FULL-TIME PERSONNEL	6	6	6	-
PUBLIC WORKS FLEET				
Equipment Mechanic	2	2	2	-
TOTAL FULL-TIME PERSONNEL	2	2	2	-

PERSONNEL	FY24 Budget	FY25 Budget	FY26 Budget	Change
PUBLIC WORKS FACILITIES MAINTENANCE				
Maintenance Mechanic	1	1	1	-
Building Engineer	1	-	-	-
Cemetery Caretaker	1	-	-	-
Maintenance Worker	2	1	1	-
TOTAL FULL-TIME PERSONNEL	5	2	2	-
PART-TIME PERSONNEL				
Traffic Signals/Sign Maintenance	1	1	-	(1)
TOTAL PART-TIME PERSONNEL	1	1	-	(1)
PUBLIC WORKS CEMETERY				
Cemetery Caretaker	-	1	1	-
Maintenance Worker	-	1	1	-
TOTAL FULL-TIME PERSONNEL	-	2	2	-
INFORMATION TECHNOLOGY				
Director of Information Technology	1	1	1	-
System Administrator	1	1	1	-
Help Desk Administrator	2	2	2	-
Network Engineer	1	1	1	-
IT Administrative Assistant	1	1	1	-
TOTAL FULL-TIME PERSONNEL	6	6	6	-
PARKS & RECREATION ADMINISTRATION				
Director of Parks & Recreation	1	1	1	-
Assistant Director of Parks & Recreation	1	-	-	-
Operations and Contracts Technician	1	1	1	-
Facility Operations Manager	-	1	1	-
Facility Services Coordinator	1	-	-	-
Special Events & Recreation Programmer	1	1	1	-
TOTAL FULL-TIME PERSONNEL	5	4	4	-
PARKS & RECREATION PARKS MAINTENANCE				
PART-TIME PERSONNEL				
Maintenance Worker	-	1	1	-
TOTAL PART-TIME PERSONNEL	-	1	1	-
PARKS & RECREATION AQUATICS CENTER				
Aquatics Coordinator	1	1	1	-
Aquatics Supervisor	1	1	1	-
Fitness Supervisor	1	1	1	-
Recreation Building Engineer	-	1	1	-
TOTAL FULL-TIME PERSONNEL	3	4	4	-
PART-TIME PERSONNEL*				
Manager on Duty	1	1	1	-
Headguard	-	3	3	-
Lifeguard	11	9	9	-
Fitness Instructor	4	2	2	-
Customer Services Specialist	5	4	4	-
Water Safety Instructor	1	1	1	-
Aquatics Instructor	1	-	-	-
TOTAL PART-TIME PERSONNEL	23	20	20	-

PERSONNEL	FY24 Budget	FY25 Budget	FY26 Budget	Change
COMMUNITY DEVELOPMENT PLANNING				
Director of Planning & Community Development	1	1	1	-
Planning Manager	1	1	1	-
Planner	1	1	1	-
TOTAL FULL-TIME PERSONNEL	3	3	3	-
COMMUNITY DEVELOPMENT DEVELOPMENT SERVICES				
Zoning Administrator	1	1	1	-
Zoning Official	1	1	1	-
Code Enforcement Officer	2	2	2	-
Permit Technician	2	2	2	-
Building Official	1	1	1	-
TOTAL FULL-TIME PERSONNEL	7	7	7	-
PART-TIME PERSONNEL				
Visitor's Center Attendant	2	2	2	-
TOTAL PART-TIME PERSONNEL	2	2	2	-
WATER & SEWER METER READING				
Meter Supervisor	1	1	1	-
TOTAL FULL-TIME PERSONNEL	1	1	1	-
WATER & SEWER WATER TREATMENT PLANT				
Superintendent, WTP	1	1	1	-
Water Treatment Plant Chief Operator	1	1	1	-
Water Treatment Plant Operator	5	5	6	1
TOTAL FULL-TIME PERSONNEL	7	7	8	1
PART-TIME PERSONNEL				
Water Treatment Plant Operator	1	1	-	(1)
TOTAL PART-TIME PERSONNEL	1	1	-	(1)
WATER & SEWER TRANSMISSION & DISTRIBUTION				
Superintendent, Public Utilities	1	1	1	-
Utility Locator	1	1	1	-
Utility Maintenance Worker	5	5	5	-
Logistics Coordinator	1	1	1	-
TOTAL FULL-TIME PERSONNEL	8	8	8	-
WATER & SEWER WASTEWATER TREATMENT PLANT				
Superintendent, WWTP	1	1	1	-
Chief Utility Plant Mechanic	1	1	1	-
Utility Plant Mechanic	1	1	1	-
Wastewater Treatment Plant Chief Operator	1	1	1	-
Wastewater Treatment Plant Operator	7	7	7	-
TOTAL FULL-TIME PERSONNEL	11	11	11	-
PART-TIME PERSONNEL				
Wastewater Treatment Plant Operator	1	1	1	-
Extra Help	1	1	-	(1)
TOTAL PART-TIME PERSONNEL	2	2	1	(1)

PERSONNEL	FY24 Budget	FY25 Budget	FY26 Budget	Change
WATER & SEWER ADMINISTRATION				
Director of Public Utilities	-	1	1	-
Assistant Director, Utilities	1	-	-	-
Senior Administrative Assistant	1	1	1	-
Utility Billing Coordinator	1	1	1	-
Engineer	1	1	1	-
TOTAL FULL-TIME PERSONNEL	4	4	4	-
STORMWATER MANAGEMENT				
Stormwater Administrator	1	1	1	-
Stormwater Inspector	1	1	1	-
GIS Technician	1	1	1	-
TOTAL FULL-TIME PERSONNEL	3	3	3	-
TOTAL HEADCOUNT	180	171	168	(3)

*Please note that headcount is not the primary measure for WARF PT positions. The focus is how many hours at each position are required to run the facility, not how many people are working those hours. For example, we have requested 1.875 FTE (equivalent to 3,900 hours) of fitness instructor hours to run the fitness classes provided at the WARF. During the year, our focus will be that fitness instructors stay within those hours. This approach is more similar to how other positions are monitored. For example, if Council has approved 1 full time position for a mechanic, the hiring department must stay within the FTE approved (1) as well as the budgeted salary for that position. For the WARF PT positions, the main difference is that the headcount making up the FTE may vary. We could have four (4) fitness instructors work 975 hours each or we could have 20 instructors all working various hours. As long as the total hours worked and total budget salary are within the budget, either option is considered proper.

POSITION ALLOCATION

The following document shows the funding allocation for all full-time and part-time positions for every Town department:

PERSONNEL	General Fund	Water & Sewer Fund	Stormwater Fund
LEGISLATIVE			
Town Clerk	100%		
TOWN MANAGER			
Town Manager	80%	20%	
Project Coordinator	50%	50%	
HUMAN CAPITAL			
Director of Human Capital	75%	25%	
Human Capital Generalist	75%	25%	
COMMUNICATIONS			
Communications Manager	100%		
Marketing Coordinator	100%		
FINANCE & PROCUREMENT			
Director of Finance	70%	30%	
Senior Revenue & Collections Manager	70%	30%	
Tax Administrator	75%		25%
Payroll Coordinator	60%	40%	
Accounts Payable Coordinator	70%	30%	
Budget Manager	50%	50%	
Accountant I	50%	50%	
Procurement Coordinator	50%	50%	
Customer Service Representative	70%	30%	
Customer Service Representative (PT)	70%	30%	
POLICE DEPARTMENT			
Chief of Police	100%		
Deputy Chief	100%		
Police Lieutenant	100%		
Police Corporal	100%		
Police Sergeant	100%		
Police Officer	100%		
Sr. Administrative Assistant	100%		
Records Clerk	100%		
Accreditation Manager (PT)	100%		
Parking Enforcement Officer (PT)	100%		
PUBLIC WORKS ADMINISTRATION			
Director of Public Works	100%		
Fleet & Facilities Manager	100%		
Senior Administrative Assistant	100%		
Senior Administrative Assistant	50%	50%	

PERSONNEL	General Fund	Water & Sewer Fund	Stormwater Fund
PUBLIC WORKS STREETS MAINTENANCE			
Senior Crew Supervisor	100%		
Maintenance Worker	100%		
Motor Equipment Operator	100%		
Maintenance Worker (PT)	100%		
PUBLIC WORKS SANITATION			
Crew Supervisor	100%		
Motor Equipment Operator	100%		
Maintenance Worker	100%		
PUBLIC WORKS FLEET			
Equipment Mechanic	100%		
PUBLIC WORKS FACILITIES MAINTENANCE			
Maintenance Mechanic	100%		
Maintenance Worker	100%		
PUBLIC WORKS CEMETERY			
Cemetery Caretaker	100%		
Maintenance Worker	100%		
INFORMATION TECHNOLOGY			
Director of Information Technology	100%		
System Administrator	100%		
Help Desk Administrator	100%		
Network Engineer	100%		
IT Administrative Assistant	100%		
PARKS & RECREATION ADMINISTRATION			
Director of Parks & Recreation	100%		
Operations and Contracts Technician	100%		
Facility Operations Manager	100%		
Special Events & Recreation Programmer	100%		
PARKS & RECREATION PARKS MAINTENANCE			
Maintenance Worker (PT)	100%		
PARKS & RECREATION AQUATICS CENTER			
Aquatics Coordinator	100%		
Aquatics Supervisor	100%		
Fitness Supervisor	100%		
Recreation Building Engineer	100%		
Manager on Duty (PT)	100%		
Headguard (PT)	100%		
Lifeguard (PT)	100%		
Fitness Instructor (PT)	100%		
Customer Services Specialist (PT)	100%		
Water Safety Instructor (PT)	100%		

PERSONNEL	General Fund	Water & Sewer Fund	Stormwater Fund
COMMUNITY DEVELOPMENT PLANNING			
Director of Planning & Community Development	100%		
Planning Manager	100%		
Planner	100%		
COMMUNITY DEVELOPMENT DEVELOPMENT SERVICES			
Zoning Administrator	100%		
Zoning Official	75%		25%
Code Enforcement Officer	100%		
Permit Technician	75%		25%
Building Official	100%		
Visitor's Center Attendant (PT)	100%		
WATER & SEWER METER READING			
Meter Supervisor		100%	
WATER & SEWER WATER TREATMENT PLANT			
Superintendent, WTP		100%	
Water Treatment Plant Chief Operator		100%	
Water Treatment Plant Operator		100%	
WATER & SEWER TRANSMISSION & DISTRIBUTION			
Superintendent, Public Utilities		100%	
Utility Locator		100%	
Utility Maintenance Worker		100%	
Logistics Coordinator		100%	
WATER & SEWER WASTEWATER TREATMENT PLANT			
Superintendent, WWTP		100%	
Chief Utility Plant Mechanic		100%	
Utility Plant Mechanic		100%	
Wastewater Treatment Plant Chief Operator		100%	
Wastewater Treatment Plant Operator		100%	
Wastewater Treatment Plant Operator (PT)		100%	
WATER & SEWER ADMINISTRATION			
Director of Public Utilities		80%	20%
Senior Administrative Assistant		100%	
Utility Billing Coordinator		100%	
Engineer	20%	50%	30%
STORMWATER MANAGEMENT			
Stormwater Administrator			100%
Stormwater Inspector			100%
GIS Technician	10%	10%	80%

SUMMARY OF FULL-TIME EQUIVALENTS

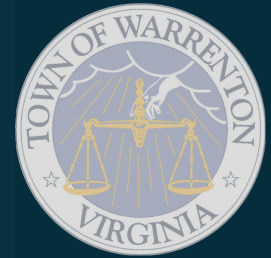
The following staffing summary shows full-time equivalent staffing by department from FY 2024 to FY 2026. Part-time staff who work for the Town are limited to working no more than 29 hours per week, so the equivalent maximum amount of a part-time employee is 0.725 FTE, rounded throughout this document to 0.73.

Changes in FTEs for a department are driven by both of the factors considered in the previous two tables, headcount and allocation.

PERSONNEL	FY24 Budget	FY25 Budget	FY26 Budget	Change
GENERAL GOVERNMENT				
Legislative	1.00	1.00	1.00	-
Town Manager	1.60	1.05	1.05	-
Human Capital	1.75	1.50	1.50	-
Communications	2.00	1.75	1.75	-
Emergency Services	0.50	0.50	0.30	(0.20)
Finance and Procurement	7.86	6.86	6.86	-
Information Technology	4.98	6.00	6.00	-
General Government Subtotal	19.69	18.66	18.46	(0.20)
PUBLIC SAFETY				
Police Department	33.18	31.45	31.45	-
Public Safety Subtotal	33.18	31.45	31.45	-
PARKS & RECREATION				
Aquatic Center*	26.00	23.79	23.79	-
Parks Maintenance	-	0.73	0.73	-
Administration	5.00	4.30	4.30	-
Parks & Recreation Subtotal	31.00	28.82	28.82	-
COMMUNITY DEVELOPMENT				
Planning	2.50	2.50	2.50	-
Development Services	6.75	6.75	6.75	-
Visitor Center	1.45	1.45	1.45	-
Community Development Subtotal	10.70	10.70	10.70	-
STORMWATER MANAGEMENT				
Stormwater Management	4.42	4.30	4.30	-
Stormwater Management Subtotal	4.42	4.30	4.30	-
PUBLIC WORKS				
Administration	3.80	3.80	3.30	(0.50)
Streets Maintenance	18.45	18.73	18.73	-
Sanitation	6.00	6.00	6.00	-
Facilities	6.08	2.08	2.30	0.22
Fleet	2.45	2.50	2.40	(0.10)
Cemetery	-	2.00	2.00	-
Public Works Subtotal	36.78	35.11	34.73	(0.38)
WATER & SEWER				
Meter Department	1.00	1.00	1.00	-
Water Treatment Plant	7.73	7.73	8.00	0.28
Transmission and Distribution	8.00	8.00	8.00	-
Wastewater Treatment Plant	11.83	11.83	11.73	(0.09)
Water & Sewer Administration	11.12	9.22	8.72	(0.50)
Water & Sewer Subtotal	39.67	37.77	37.45	(0.32)
TOTAL FULL-TIME EQUIVALENTS	175.44	166.80	165.91	(0.90)

*Part-time employees at the WARF were previously estimated as the current headcount adjusted by a modifier (in FY24, .2). For FY25 and FY26, we have calculated the actual FTEs to run the facility based on factors such as operating hours and number of fitness classes.

WORKFORCE TRENDS & DEMOGRAPHICS



CALENDAR YEAR 2024 TURNOVER

In Calendar Year (CY) 2024, overall employee turnover increased as compared to CY 2023 with a total of 76 employees. This increase is due to the part-time category, which is largely made up of employees at the Warrenton Aquatic and Recreation Facility. Employment at the facility is seasonal in nature and heavily relies on school-aged individuals.

Full-time turnovers totaled 25, representing a decrease of 28.6% over CY 2023.

CY 24 Employee Turnover Totals

	Full-Time	Part-Time	Overall
Voluntary Termination	14	50	64
Involuntary Termination	6	1	7
Retirement	5	0	5
Total Turnover CY 2024	25	51	76
Total Turnover CY 2023	35	38	73
Total Turnover CY 2022	30	54	84

SALARY DISTRIBUTION & AVERAGES

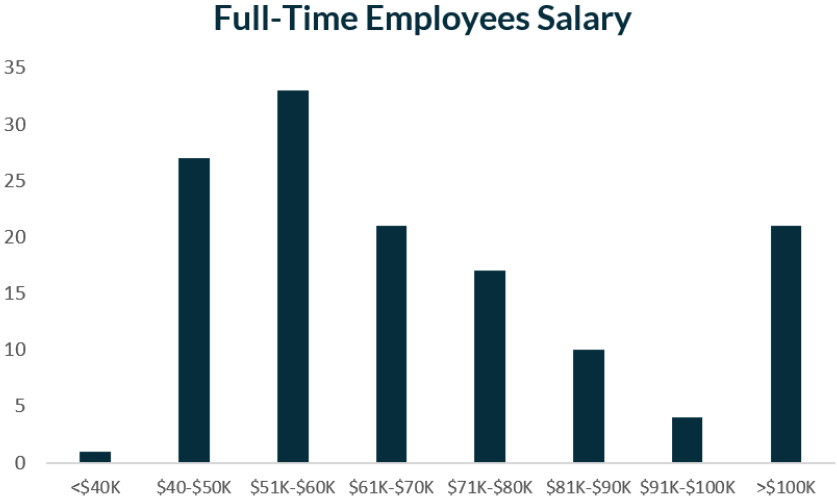
The following table shows the average annual pay for Town full-time and part-time employees:

Average Annual Pay

	CY 2022	CY 2023	CY 2024	Variance CY 2023-2024
Full-Time	\$61,356.85	\$69,679.52	\$73,489.97	5.47%
Part-Time*	\$18.02	\$18.66	\$18.32	-1.82%

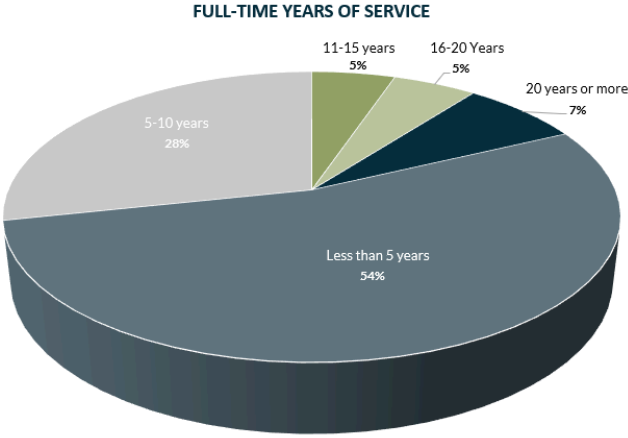
*Due to the nature of part-time work, average annual pay is calculated on an hourly basis rather than an annual basis.

The following graph illustrates that the majority of full-time employees (60%) earn between \$40,000 and \$70,000 annually. 33.6% of full-time employees earn more than the average salary of \$73,489.97. It should be noted that these figures do not include the impact of overtime.



FULL-TIME YEARS OF SERVICE

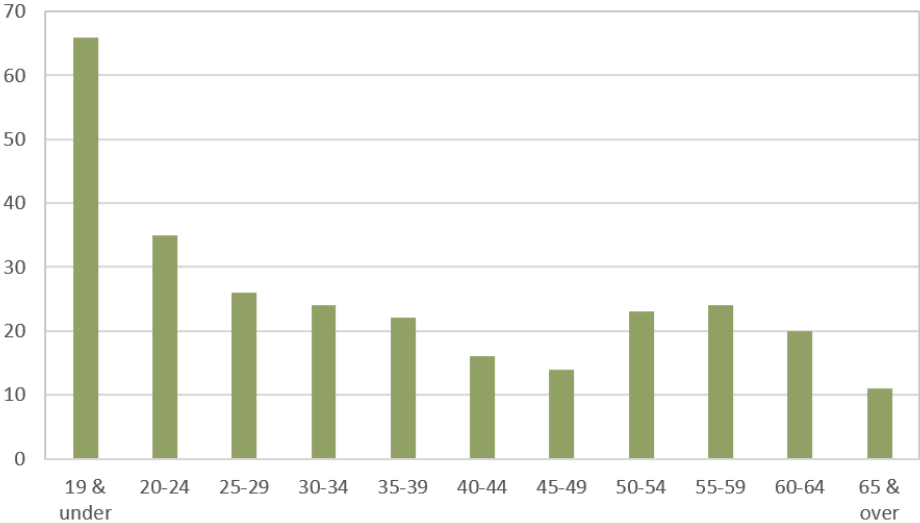
More than three quarters of the current full-time workforce (82%) has been employed with the Town for 10 years or less; 7% have worked for the Town for 20 years or more. Over half (54%) have been with the Town less than five (5) years.



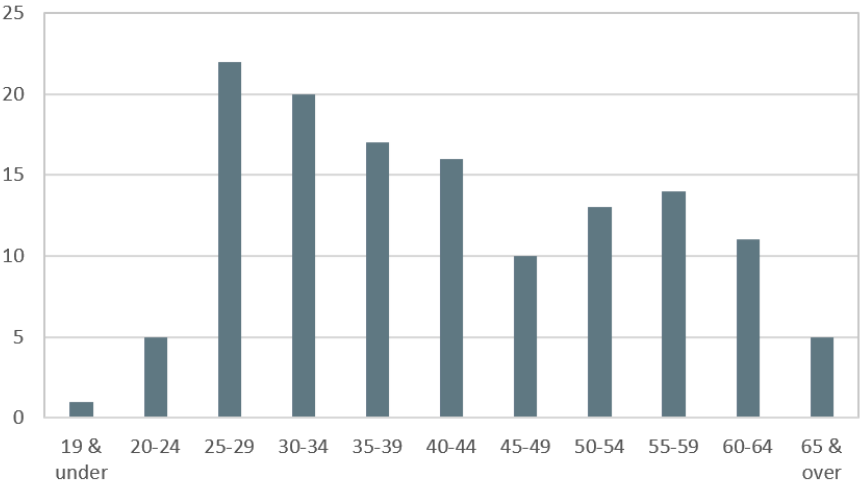
EMPLOYEE DEMOGRAPHICS

As illustrated by the following graph, about 73% of the Town’s workforce falls under the age of 30 and over the age of 50. As noted earlier, staffing at the Warrenton Aquatic and Recreation Facility is a younger demographic, typically school-aged and part-time. The first graph below shows the demographics for all employees. The second graph focuses only on full-time employees.

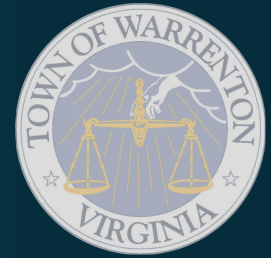
All Employees By Age Distribution



Full-Time Employees By Age Distribution



BUDGET PROCESS



BUDGET PROCESS

The Town prepares an annual budget spanning the fiscal year (July 1 - June 30) that is prepared on a basis consistent with generally accepted accounting principles. To begin the budget process, each department submits a budget request to the Budget Manager. The Town Manager reviews the requests and supporting data with the Budget Manager and Director of Finance to create the proposed budget which is presented to the Town Council under the following guidelines and procedures:

1. Budget preparation begins in September with departments assessing their needs and formulating their budget requests based on guidance from the Town Manager. During this time, requests for budget submissions are also sent to outside agencies. Town department budget requests are due in November and outside agency requests are due by December 31st.
2. The Budget Manager, Director of Finance, and Town Manager work to develop revenue estimates based on current and projected economic indicators, current and proposed federal and state legislation, knowledge of future events in the Town, and a review of historic trends.
3. If there are additions to the capital improvement plan, the Planning Commission may hold a work session and public hearing on the draft capital improvement plan to ensure consistency with the Comprehensive Plan and to receive citizen feedback.
4. Public input is gathered on the priorities of the budget and budget process via "Town Talks," surveys, or other means, as appropriate.
5. On or prior to April 1 of each year, the Town Manager submits to the Town Council a proposed operating and capital budget for the next fiscal year commencing the following July 1. The operating and capital budget includes proposed expenditures and the means of financing them.
6. Town Council reviews the proposed budget. Additional work sessions and special meetings may be scheduled and held as needed.
7. Town Council holds a public hearing on the proposed budget during which citizens can engage and provide input.
8. Tax rates must be adopted by May 14, per Town Code.
8. By law, local government budgets must be balanced; i.e., expenditures may not exceed revenues.
9. After careful deliberation, the proposed budget, as modified for additions and deletions, the real estate tax rate and all other rates and levies are enacted by Town Council as the adopted budget. Legal adoption by Town Council must occur on or before June 30.
10. The adopted budget takes effect July 1, the beginning of the fiscal year.
11. All appropriations lapse at the end of the fiscal year. Unfinished projects are subject to review and re-appropriation by the Town Council.

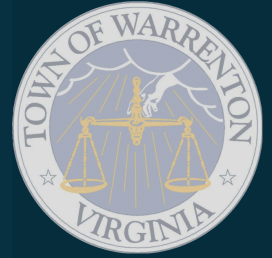
AMENDING THE BUDGET

During the fiscal year, conditions may arise that necessitate changes to the adopted budget. This may take the form of a transfer or a supplemental appropriation. The Town Manager is delegated authority to approve supplemental appropriations for recoveries less than \$50,000 and for grants requiring no local match less than \$50,000. All other supplements must be approved by the Town Council. Code of Virginia §15.2-2507 requires that the Town Council hold a public hearing when a supplemental appropriation exceeds 1% of the total budget. All transfers within a fund are to be reviewed by the Finance Department and approved by the Town Manager. Transfers between funds increase or decrease the total appropriation at the fund level, and as such, require Town Council approval.

BUDGET CALENDAR

FISCAL YEAR 2026 BUDGET CALENDAR	
DATE	EVENT
September 2024	Budget requests made available to Town Departments and Outside Agencies.
November 2024	Town Department budget requests due to the Finance Department.
December 2024	Outside Organization funding requests due to the Finance Department.
January 2025	Finance Director and Budget Manager meet with Town Manager to provide an overview of the compiled budget requests.
January - March 2025	Town Manager meets with each Town Department to review budget requests. The Town Manager works with the Finance Director and Budget Manager to draft the proposed budget.
February 2025	Planning Commission work session to review the draft capital improvement plan for consistency with the Comprehensive Plan. <i>As needed if new projects are added. Not applicable for FY 2026.</i>
March 2025	Planning Commission public hearing on the draft capital improvement plan. <i>As needed if new projects are added. Not applicable</i>
April 1, 2025	Delivery of the Town Manager's proposed budget to the Town Council.
April-May, 2025	Work sessions and special meetings held by the Town Council to review the proposed budget
May 13, 2025	The Town Council will hold a public hearing on the proposed budget and adopt tax rates for the tax year beginning January 1,
June 10, 2025	Adoption of the Fiscal Year 2026 Budget by Town Council
July 1, 2025	Beginning of Fiscal Year 2026

MISSION STATEMENT; VISION & VALUE STATEMENT



On August 9, 2016, the Town Council adopted the following Mission Statement and Vision & Value Statement to serve as a guide for operations of the Town and the allocation of resources.

MISSION STATEMENT

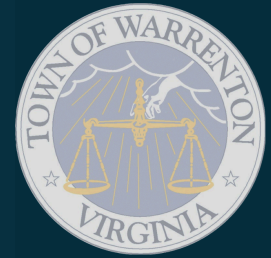
In cooperation with and for our Citizens, the Mayor, Town Council and the Staff of Warrenton are dedicated to providing public safety, economic opportunity, and quality public services in an attractive, well-planned community with historic character for the benefit, enjoyment and accessibility of all.

VISION & VALUE STATEMENT

To achieve our Mission, we strive to provide high level services in a cost-effective manner; display honesty, respectfulness, and fairness in all relationships; support the health and economic well-being of our citizens and businesses; preserve our historic small-town character; encourage opportunities, services and infrastructure that allow people of all means to live, work and visit here; and address public concerns and opportunities promptly and effectively.

We recognize our Mission can be achieved only by the exchange of information and that through teamwork we can maintain an environment in which we can maximize our potential.

STRATEGIC GOALS



PLAN WARRENTON 2040

The Town's comprehensive plan, "Plan Warrenton 2040," was adopted April 13, 2021 and provides a holistic, aspirational vision to guide the future decisions of the Town of Warrenton. Using feedback from the Town Council Fiscal Retreat held on January 26, 2024 and analysis of the Town's most pressing needs, from Plan Warrenton 2040 we have selected several strategic goals to focus on during the FY 2026 budget year. The entire comprehensive plan can viewed [here](#).

STRATEGIC GOAL 1: ENSURE HEALTHY, SAFE, ADEQUATE WATER AND WASTEWATER SERVICES.

We plan to achieve this via the following policies and strategies in line with Plan Warrenton 2040:

1. Ensure that the water and sewer fee/rate structure is consistent with capital works expenditure to ensure financial operating capacity of the public utilities department. – The FY 2026 water & sewer rates are proposed based on recommendations in the Water & Sewer Rate Study conducted by NewGen.
2. Maintain a sufficient quantity and quality of public water supply - The proposed Capital Improvement Program includes \$9.0 million for a flocculation and sedimentation basin and a high speed filter. This project helps to ensure long-term sustainability of plant operations by adding resiliency to the water treatment process.

STRATEGIC GOAL 2: 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.

We plan to achieve this via the following policies and strategies in line with Plan Warrenton 2040:

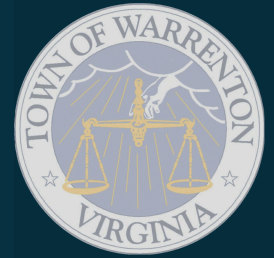
1. Implement robust maintenance schedules for community facilities – We will continue to implement schedules created during the budget process for sidewalks, roads, parking lots, and waterlines throughout the Town in order to anticipate and provide community resources where needed.

STRATEGIC GOAL 3: PUBLIC SAFETY SERVICES AND POLICIES ARE VIEWED AS AMONGST THE BEST IN SIMILAR VIRGINIA TOWNS FOR RESPONSIVENESS, COMMUNITY TRUST, AND EFFECTIVENESS.

We plan to achieve this via the following policies and strategies in line with Plan Warrenton 2040:

1. Incorporate security measures at community facilities - The proposed Capital Asset Replacement Plan includes \$150,000 in the Water & Sewer Fund focused on the wastewater plant, pumping stations, and additional Warrenton reservoir security measures.

COMMUNITY



BACKGROUND

The Town of Warrenton is located in the north central Piedmont region of Virginia, approximately 45 miles southwest of Washington, D.C. The Town encompasses 4.5 square miles and is the county seat for Fauquier County. The estimate from the U.S. Census Bureau for Warrenton's population for the year 2022 was 10,197 residents.

HISTORY

Warrenton had its origin at the junction of the Falmouth-Winchester and Alexandria-Culpeper roads, where a trading post known as the Red Store was established. At the time of the Revolution, a settlement had begun. By 1790 the first courthouse and a jail were built, and an academy named for General Joseph Warren, a Revolutionary War hero, was founded. Richard Henry Lee donated 71 acres of land for the county seat, which was incorporated as the Town of Warrenton in 1810.

By the 1850's a railroad reached the Town, which boasted several churches, thriving mercantile establishments, a weekly newspaper, and one (1) or two (2) schools; however, for well over a century the Town grew slowly, being chiefly the trading center for a rural area and a place of residence for merchants, county officials and professionals. Early on, it achieved a reputation for its salubrious climate and pleasant social life.

During the Civil War, the Town was near the scene of battles and skirmishes during which the churches and schools were used as hospitals, frequently occupied by Federal troops. Warrenton was the object of raids by Colonel John S. Mosby, known as the "Gray Ghost," who later made his home here and practiced law in the California Building across Court Street. A monument to Mosby stands beside the Old Courthouse. He is buried in the Warrenton Cemetery. Duvall Goldsmith, inventor of the coffee percolator, was a local citizen, as was William "Extra Billy" Smith, who was twice Governor of Virginia.

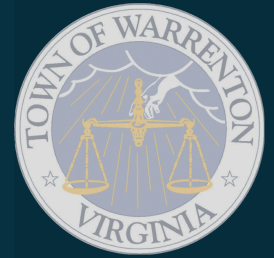
There have been seven (7) courthouses in Warrenton, the Fauquier County seat. Since 1795, four (4) have stood on the same site on Main Street where the existing Old Courthouse built in 1890 stands. Fire destroyed some of the earlier structures. The present Circuit Courthouse, usually called the "new" courthouse by local residents, opened in 1974 as a legal-office complex. It is located on Culpeper Street, adjacent to the Warren Green Hotel. The Warren Green Hotel is used as office space by Fauquier County Government. The old courthouse still houses the General District Court.

TOWN GOVERNMENT

The Town of Warrenton is organized under a Council-Manager form of government. The Town Council ("Council") is comprised of a Mayor, one (1) member from each of the Town's five (5) Wards, and two (2) at-large members. The Mayor does not vote, except in the case of a tie. The Council appoints a Town Manager, who serves at the pleasure of Council and is charged with managing the day-to-day operations of the Town. Also appointed are the positions of Town Attorney and the Town Clerk.

Towns in Virginia have overlapping tax districts with the Counties in which they are located. Town residents pay property taxes to both the County and the Town. Town residents enjoy the services provided by Fauquier County and receive additional services from the Town, such as refuse collection, police protection, street and sidewalk maintenance, planning and zoning, and parks and recreation facilities.

PRINCIPAL OFFICIALS



ELECTED OFFICIALS: TOWN COUNCIL

Carter Nevill
Mayor

Paul Mooney
At Large

David McGuire
At Large

Roy Francis
Ward 1

William T. Semple II
Ward 2

Larry Kovalik
Ward 3

Michele O'Halloran
Ward 4

Eric F. Gagnon
Ward 5

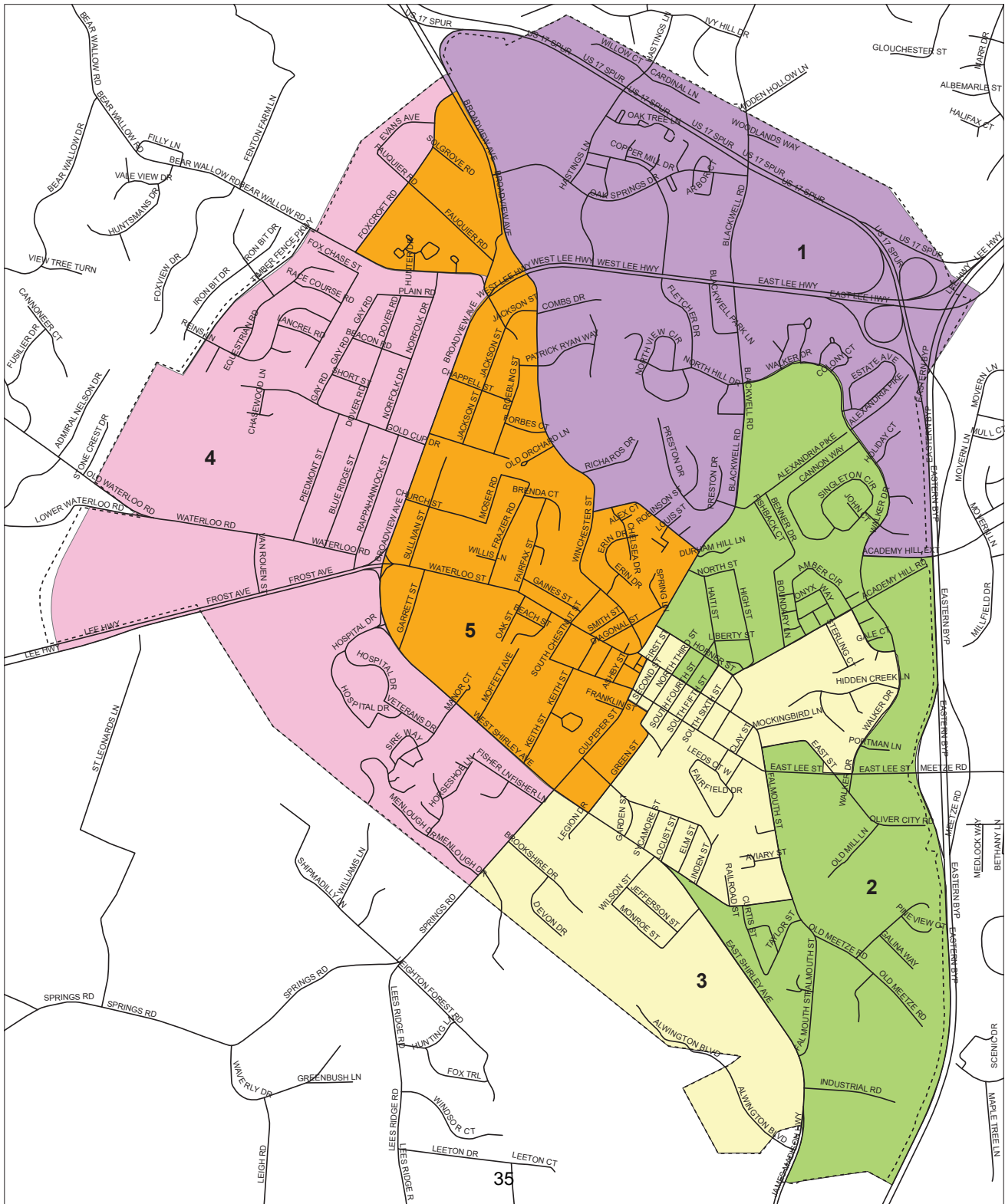
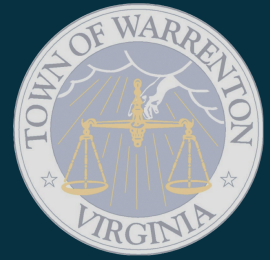
APPOINTED OFFICIALS

Frank Cassidy
Town Manager

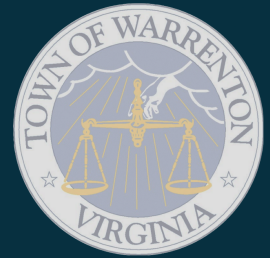
J. Chapman Petersen
Chap Petersen & Associates, PLC
Town Attorney

Stephen Clough
Town Clerk

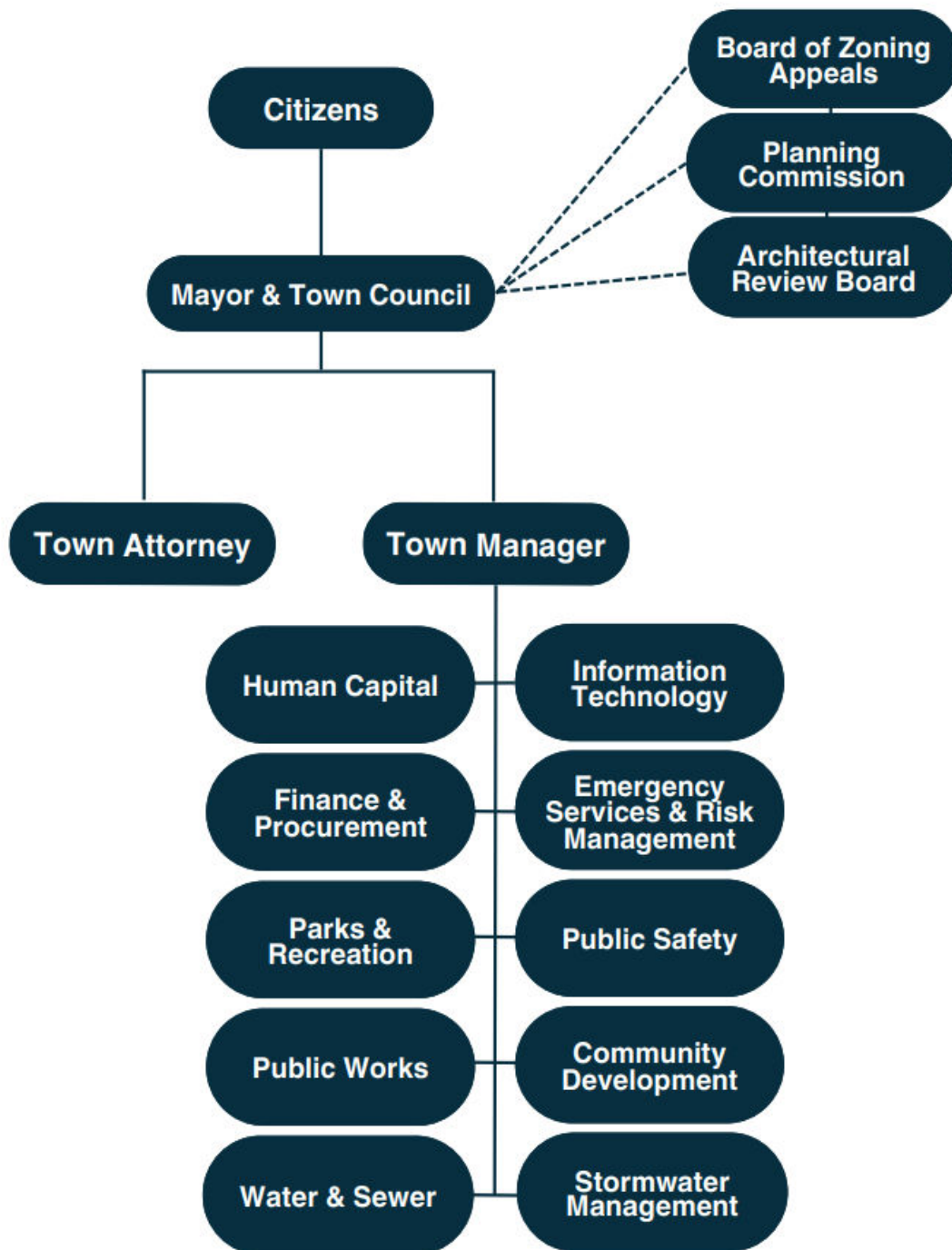
WARD MAP



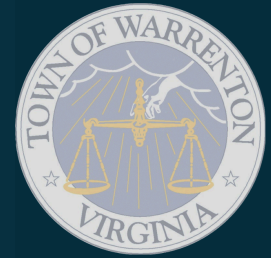
ORGANIZATIONAL CHART



Departmental organization charts are provided in each budget section.



FUND STRUCTURE AND USES



The Commonwealth of Virginia requires that the Town's budget be based on fund accounting, which is a system of accounting that matches the sources of revenue (such as taxes or service fees) with the uses (program costs) of that revenue. Therefore, the Town budgets and accounts for its revenues and expenditures in various funds. Each fund is considered a separate accounting entity, with operations accounted for in a separate set of self-balancing accounts. These funds can be broken down into two (2) major types: governmental and proprietary funds. The Town Council adopts an annual appropriations resolution that establishes the funding level for each fund.

The legal level of budgetary control is at the fund level, and as a result, the Town Manager is delegated the authority to approve transfers between departments as long as appropriations or estimated revenues are not altered at the fund level. Changes to appropriations at the fund level must be approved by the Town Council.

GOVERNMENTAL FUNDS

Governmental funds focus on current financial resources and use the modified accrual basis of accounting & budgeting. Revenue is recognized when determined to be collectible within the period, and liabilities are recorded when incurred. The Town of Warrenton has four (4) governmental funds, described in more detail below.

GENERAL FUND

This is the Town's primary operating fund. This fund accounts for all tax revenues and expenditures related to the general government, public safety, public works, parks & recreation, and community development functions of the Town.

GENERAL CAPITAL PROJECT FUND

This fund accounts for capital outlay and large capital projects approved as part of the Capital Improvement Plan (CIP). The CIP process is described in more detail in the program description for the General Capital Project Fund.

GENERAL ASSET REPLACEMENT FUND

This fund was established in FY 2021. It serves as a sinking fund for the replacement of existing assets that the Town utilizes to provide services to residents. Such assets include vehicles, network servers, and other large repair and replacement projects.

AMERICAN RESCUE PLAN ACT OF 2021 (ARPA) FUND

This is a special revenue fund that was created to account for the American Rescue Plan Act of 2021 Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) program. The Town of Warrenton was awarded \$10.4 million to be used for COVID-19 expenditures or negative economic impacts related to the pandemic.

PROPRIETARY FUNDS

Proprietary funds use the accrual basis of accounting, similar to private sector businesses for accounting and budgeting. Revenue is recognized when earned, and expenses are recognized when incurred. In addition, capital purchases are budgeted while depreciation expenses are not budgeted. All of the Town's proprietary funds are also enterprise funds. Enterprise funds account for the delivery of goods and services to the public. These funds are described below.

WATER & SEWER OPERATING FUND

This fund accounts for all revenues and expenses related to meter reading, water treatment, transmission, distribution, and sewage treatment.

WATER & SEWER CAPITAL FUND

This fund accounts for all capital outlay and improvements for the water and sewer utility function.

STORMWATER MANAGEMENT FUND

This fund accounts for all revenues and expenses related to the State-mandated Stormwater Management program, including capital expenses. This fund became active for fiscal year 2022.

**Town Fund Structure
Funds by Fund Type**

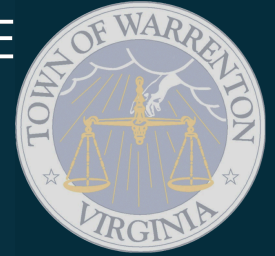
Fund Name	Major Governmental Funds	Enterprise Funds
General Fund (includes General Capital Project Fund, General Asset Replacement Fund, and ARPA Fund)	✓	
Water & Sewer Operating Fund		✓
Water & Sewer Capital Fund		✓
Stormwater Management Fund		✓

Note: As promulgated by the Government Accounting Standards Board in Statement No. 34, the Town's basic financial statements include separate fund-based presentations and two (2) basic government-wide financial statements. These two (2) government-wide statements are the statement of net assets and the statement of activities. The General Capital Project Fund, the General Asset Replacement Fund, and the ARPA Fund are combined with the General Fund for purposes of financial reporting in the Annual Comprehensive Financial Report (ACFR). The ACFR also reports on the Town's Perpetual Care Fund, which is a permanent fund established for the maintenance of the Warrenton Cemetery. There is no legally adopted budget for the Perpetual Care Fund and as such it is not considered in this document.

Town Fund/Function/Department Structure

Fund Name	Function/Department(s)
Governmental Funds	
General Fund	General Government -Legislative Administration -Executive Administration -Legal Services -Human Capital -Information Technology -Finance & Procurement -Other Organizations -Electoral Board & Officials -Emergency Services -Insurance -Communications Public Safety -Police Department Public Works -General Administration -Street Maintenance -Arterial Street Maintenance -Collector Street Maintenance -Refuse Collection -Recycling Program -Fleet -Facilities -Cemetery Parks & Recreation -Aquatic & Recreational Facility -Parks -Administration Community Development -Development Services -Planning -Visitor's Center -Planning Commission -Board of Zoning Appeals -Architectural Review Board Contributions to Outside Agencies Nondepartmental Debt Service
General Capital Project Fund	General Fund Departments
General Asset Replacement Fund	General Fund Departments
ARPA Fund	Town Departments
Enterprise Funds	
Water & Sewer Operating Fund	Water & Sewer Utilities -Meter Reading -Water Treatment Plant -Transmission & Distribution -Wastewater Plant Operation -Water & Sewer Administration -Debt Service
Water & Sewer Capital Fund	Water & Sewer Fund Departments
Stormwater Management Fund	Stormwater Management -Stormwater Management Operations -Stormwater Management Capital

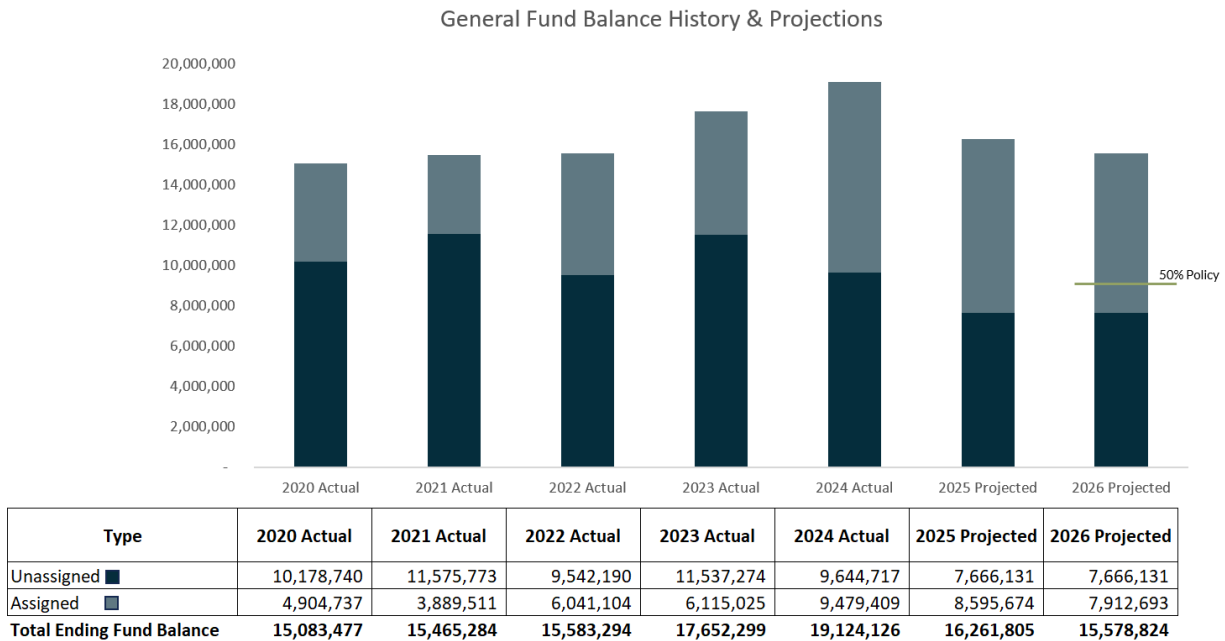
GENERAL FUND ESTIMATED FUND BALANCE



The Town’s main operating fund is the General Fund. The fund balance of the General Fund may be likened to a savings account. In any given year, if revenues are greater than expenditures (sometimes referred to as a surplus) this amount is added to the fund balance of the General Fund. Similarly, if expenditures exceed revenues, then the Town’s obligations are met by utilizing a portion of this fund balance. Fund balance is divided into several categories that represent what is committed to other uses and what is available to spend.

UNASSIGNED FUND BALANCE

Unassigned Fund Balance represents the amount that is available for spending and can be used as a measure of the overall fiscal health of the Town. The Town maintains adherence to an adopted fund balance policy that maintains the unassigned portion of fund balance at a level equal to 50% of the current General Fund operating budget. The following chart provides a recent history of the Town’s General Fund total fund balance and the portion that is unassigned.



Since 2020, the Town has maintained a total fund balance in the range of \$15.0M to \$19.1M. The projected total ending fund balance for FY 2026 is \$15.6M. Historically, a significant portion of that figure has been classified as unassigned and available for spending. With increased capital commitments in the General Fund in recent years, more funds are being classified as assigned.

The decrease projected in unassigned fund balance for FY 2025 is based on the adopted transfer to capital, partially offset by a projected operating surplus for the year. FY 2026 unassigned fund balance is projected to remain equal with the FY 2025 as proposed operating revenues are equal to proposed operating expenditures (i.e. there is no budgeted operating surplus) and bond proceeds are budgeted to fund General Fund capital.

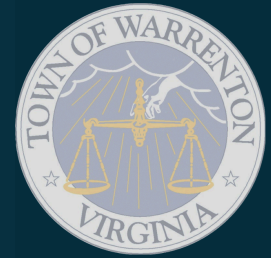
The decrease in projected assigned fund balance for FY 2025 and for FY 2026 is based on projected capital spending for each year.

The Town follows an adopted policy that maintains 50% of General Fund operating expenditures in unassigned fund balance. The 50% policy reserve amount for the FY 2026 proposed budget is \$9.8M. This budget projects the unassigned fund balance will fall below that threshold at \$7.7M, or 39%, of General Fund operating expenditures in reserve by June 30, 2026.

FY 2026 Proposed	
General Fund operating expenditures	19,597,061
50% policy unassigned balance	9,798,531
Projected unassigned balance	7,666,131

The Town's adopted fund balance policy states that should the minimum fund balance fall below the 50% requirements for the General Fund, the Town Council shall approve and adopt a plan to restore the balance to the target level within the next three (3) fiscal year's budget. The full adopted fund balance policy is available in the "Other Information" section of the proposed budget document,

GENERAL FUND SUMMARY



The Town's General Fund serves as the chief operating account for the Town government. All tax revenues and revenues not required to be reported in another fund are accounted for here. Functional expenditures accounted for in the General Fund include general government administration, public safety, public works, recreation, and community development.

GENERAL FUND REVENUE

Revenue/Sources	FY 2023 Actual	FY 2024 Actual	FY 2025 Adopted	FY 2026 Proposed	Variance (\$)	Variance (%)
General Property Taxes	\$1,739,907	\$1,692,738	\$1,597,683	\$2,231,376	\$633,693	40%
Other Local Taxes	11,581,881	11,756,635	11,402,606	11,613,330	210,724	2%
Permits & Fees	219,987	254,188	185,132	244,250	59,118	32%
Fines & Forfeitures	72,505	76,662	77,500	77,500	-	-
Use of Money/Property	458,736	863,388	800,000	800,000	-	-
Charges for Services	1,019,342	1,019,479	1,085,018	1,075,500	(9,518)	(1%)
Miscellaneous Revenue	251,539	401,154	186,845	192,445	5,600	3%
State Revenue	3,258,781	3,397,657	3,421,983	3,434,680	12,697	0%
Federal Revenue	6,683	35,463	-	-	-	-
Transfers In	-	539,913	414,262	377,980	(36,282)	(9%)
Use of Fund Balance	-	-	2,857,864	-	(2,857,864)	(100%)
Non-Revenue Receipts	-	-	-	5,176,436	5,176,436	-
GENERAL FUND TOTAL	\$18,609,359	\$20,037,276	\$22,028,893	\$25,223,497	\$3,194,604	15%

GENERAL FUND EXPENDITURES

Expenditures/Uses	FY 2023 Actual	FY 2024 Actual	FY 2025 Adopted	FY 2026 Proposed	Variance (\$)	Variance (%)
General Government	\$3,499,697	\$3,593,275	\$4,386,751	\$4,651,390	\$264,639	6%
Public Safety	3,956,642	3,329,123	3,600,885	3,739,865	138,980	4%
Public Works	4,972,031	5,222,536	5,351,953	5,621,282	269,329	5%
Parks & Recreation	2,357,180	2,557,354	2,686,305	2,725,410	39,105	1%
Community Development	1,222,432	1,191,197	1,328,781	1,403,712	74,931	6%
Contributions	68,354	58,954	58,954	93,765	-	-
Nondepartmental	352,645	434,947	443,290	531,468	88,178	20%
Debt Service	859,119	824,238	822,972	830,169	7,197	1%
Transfers to Capital	-	1,152,418	3,349,002	5,626,436	2,277,434	68%
GENERAL FUND TOTAL	\$17,288,100	\$18,364,042	\$22,028,893	\$25,223,497	\$3,194,604	15%

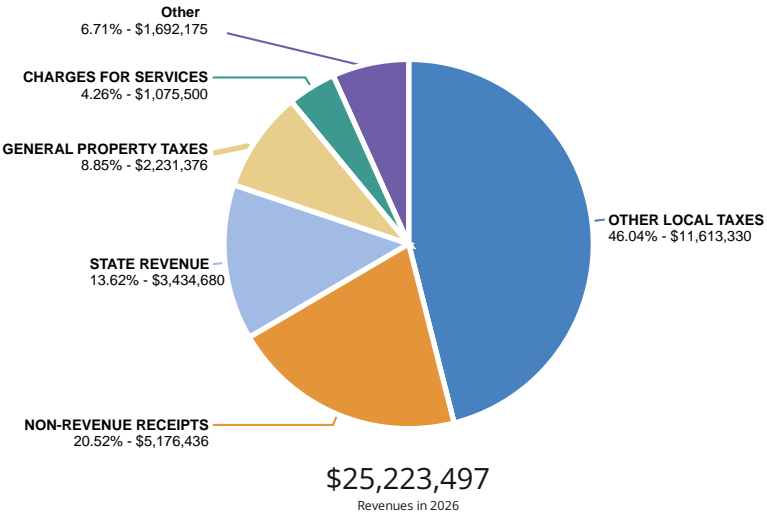
GENERAL FUND REVENUE

The FY 2026 General Fund budget reflects an increase in revenue when compared to the FY 2025 budget. The increase is driven by bond proceeds to fund FY 2026 capital expenditures (captured in the non-revenue receipts category below) and a proposed real estate tax increase of \$0.0249 per \$100 of assessed value (captured in the general property taxes category below).

Based on our unassigned fund balance policy, there is not expected to be fund balance available to fund FY 2026 General Fund capital projects. As such, there is no use of fund balance in the FY 2026 budget and capital is funded via debt as discussed above.

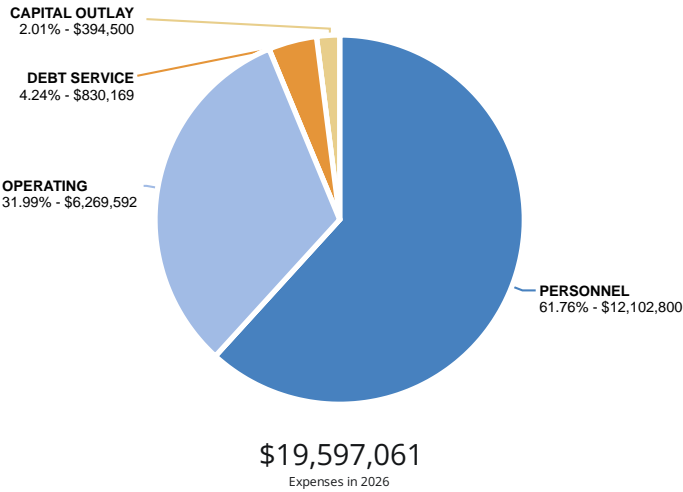
Excluding funding for capital projects (use of fund balance in FY2025 and bond proceeds in FY 2026). General Fund revenues are projected to increase over FY 2025. The largest increase is in the General Property Taxes category. This increase is driven by the proposed tax rate of \$0.07 per \$100 of assessed value, an increase of \$.0299. Other Local Taxes remains the largest source of revenue for the General Fund. This category includes Meals Tax; Sales Tax; Business, Professional and Occupational License (BPOL) Tax; Lodging Tax; Cigarette Tax; Bank Franchise Tax; Motor Vehicle License Fee; and Consumer Utility Tax.

The following chart shows the percentage of General Fund revenue by source:

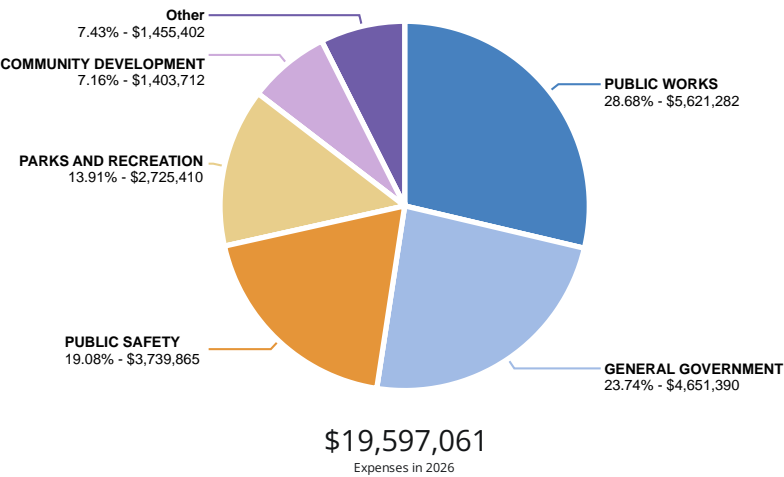


GENERAL FUND EXPENDITURES

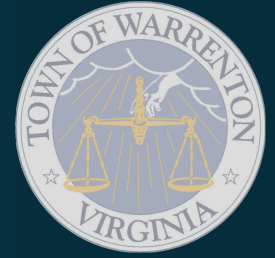
The following chart illustrates General Fund expenditures by category, excluding transfers. The largest category of expenditures for the General Fund is personnel.



The chart below provides an overview of General Fund expenditures by functional area, excluding transfers. In the budget detail for the General Fund that follows, departmental expenditures are grouped by functional area (general government, public safety, etc.). A leading page summarizing the function is followed by detail for the departments within that function.



GENERAL FUND REVENUE



The following table provides a multi-year comparison of General Fund Revenues by Source:

	ACTUAL		ADOPTED	PROPOSED	Variance (\$)	Variance (%)
	FY2023	FY2024	FY2025	FY2026		
REVENUES						
GENERAL PROPERTY TAXES	\$1,739,907	\$1,692,738	\$1,597,683	\$2,231,376	\$633,693	40%
OTHER LOCAL TAXES	\$11,581,881	\$11,756,635	\$11,402,606	\$11,613,330	\$210,724	2%
PERMITS & FEES	\$219,987	\$254,188	\$185,132	\$244,250	\$59,118	32%
FINES & FORFEITURES	\$72,505	\$76,662	\$77,500	\$77,500	\$0	0%
USE OF MONEY/PROPERTY	\$458,736	\$863,388	\$800,000	\$800,000	\$0	0%
CHARGES FOR SERVICES	\$1,019,342	\$1,019,479	\$1,085,018	\$1,075,500	(\$9,518)	(1%)
MISCELLANEOUS REVENUE	\$251,539	\$401,154	\$186,845	\$192,445	\$5,600	3%
STATE REVENUE	\$3,258,781	\$3,397,657	\$3,421,983	\$3,434,680	\$12,697	0%
FEDERAL REVENUE	\$6,683	\$35,463	\$0	\$0	\$0	-
NON-REVENUE RECEIPTS	\$0	\$0	\$0	\$5,176,436	\$5,176,436	-
TRANSFERS IN	\$0	\$539,913	\$414,262	\$377,980	(\$36,282)	(9%)
USE OF FUND BALANCE	\$0	\$0	\$2,857,864	\$0	(\$2,857,864)	(100%)
REVENUES TOTAL	\$18,609,359	\$20,037,276	\$22,028,893	\$25,223,497	\$3,194,604	14%

GENERAL PROPERTY TAXES

The Fauquier County Commissioner of the Revenue serves as the assessor for both real estate and personal property located in the Town.

The FY 2026 proposed budget includes a real estate tax rate of \$0.065 per \$100 of assessed value. The proposed rate is \$0.0249 higher than the rate of \$0.0401 per \$100 of assessed value included in the FY 2025 adopted budget.

General property taxes are estimated to be \$2,231,376 and account for 8.9% of General Fund revenue in FY 2026. The County has historically conducted a general real estate reassessment every four (4) years. After the next reassessment (effective January 1, 2026), reassessments will occur every two (2) years. The values for the most recent reassessment were effective January 1, 2022. The total value of the Town’s parcels increased 22% due to the reassessment, and Town Council chose to equalize the real estate tax rate to \$0.0401 (from \$0.05). Town real estate taxes are billed in two (2) installments each year – the first half is due June 15th and the second half is due December 15th.

In projecting personal property tax revenues, the Town relies on estimates provided by the Commissioner of the Revenue. Since tax year 2007, the Town has received a fixed lump sum payment from the Commonwealth of \$718,492 in accordance with the Personal Property Tax Relief Act. This enables the Town to continue to provide 100% personal property tax relief to the owners of qualified vehicles.

	ACTUAL		ADOPTED	PROPOSED	Variance (\$)	Variance (%)
	FY2023	FY2024	FY2025	FY2026		
REVENUES						
REAL ESTATE TAXES	\$837,872	\$821,790	\$824,266	\$1,436,376	\$612,110	74%
PERSONAL PROPERTY TAXES	\$842,818	\$812,981	\$730,000	\$750,000	\$20,000	3%
PUBLIC SERVICE TAXES	\$17,380	\$14,918	\$8,417	\$15,000	\$6,583	78%
PENALTIES AND INTEREST	\$41,836	\$43,049	\$35,000	\$30,000	(\$5,000)	(14%)
REVENUES TOTAL	\$1,739,907	\$1,692,738	\$1,597,683	\$2,231,376	\$633,693	40%

FY 2026 PROPOSED TAX RATES

Property Category	FY 2025 Adopted Tax Rate PER \$100 ASSESSED VALUE	FY 2026 Proposed Tax Rate PER \$100 ASSESSED VALUE	Variance	Assessment Ratio
Real Estate	\$0.0401	\$0.065	\$0.0249	100%
Mobile Homes	\$0.00	\$0.00	-	100%
Tangible Personal Property - General	\$1.00	\$1.00	-	100%
Tangible Personal Property - Handicapped	\$0.00	\$0.00	-	100%
Motor Homes, Campers and Boats	\$0.00	\$0.00	-	100%
Machinery and Tools	\$1.00	\$1.00	-	100%
Business Personal Property & Computers	\$1.00	\$1.00	-	100%

OTHER LOCAL TAXES

This category represents the largest source of revenue for the General Fund. It is comprised of nine (9) different local taxes, shown in the chart below and described in detail in the subsequent paragraphs.

	ACTUAL		ADOPTED	PROPOSED	Variance (\$)	Variance (%)
	FY2023	FY2024	FY2025	FY2026		
REVENUES						
MEALS TAX	\$5,346,726	\$5,594,342	\$5,500,000	\$5,500,000	\$0	0%
CIGARETTE TAX	\$314,990	\$302,404	\$319,000	\$300,000	(\$19,000)	(6%)
BANK FRANCHISE TAX	\$1,248,013	\$1,284,121	\$1,200,000	\$1,240,000	\$40,000	3%
MOTOR VEHICLE LICENSE	\$224,882	\$225,927	\$220,000	\$220,000	\$0	0%
BUSINESS LICENSE TAXES	\$2,511,960	\$2,433,166	\$2,300,000	\$2,400,000	\$100,000	4%
UTILITY CONSUMPTION TAXES	\$67,515	\$57,974	\$53,276	\$53,000	(\$276)	(1%)
LODGING TAX	\$270,943	\$299,420	\$280,000	\$300,000	\$20,000	7%
CONSUMER UTILITY TAXES	\$578,030	\$534,889	\$480,330	\$520,330	\$40,000	8%
LOCAL SALES AND USE TAXES	\$1,018,823	\$1,024,393	\$1,050,000	\$1,080,000	\$30,000	3%
REVENUES TOTAL	\$11,581,881	\$11,756,635	\$11,402,606	\$11,613,330	\$210,724	2%

MEALS TAX

The Town currently levies a 6% local tax on meals as defined by the model meals tax ordinance adopted in 2000. It is a significant source of revenue for the General Fund budget, and is dependent on the regional travel and tourism economy in addition to residents. We have kept the FY 2026 projection flat with the current year projection based on actual meals tax collections during the current year, which are in line with the budgeted figure.

CIGARETTE TAX

As a member of the Northern Virginia Cigarette Tax Board, the Town levies a local tax on all cigarettes sold within the corporate limits. The tax rate is 40¢ per pack. First levied in FY 1992, this revenue stream has reflected decreases in recent years, most likely for health reasons. As such, we continue to reduce the projected amount in the budget based on historical trends.

BANK FRANCHISE TAXES

The Town levies a tax on the net capital of all banks located within the corporate limits at the rate of 80% of the State's franchise tax rate. The rate is 80¢ per \$100 of net capital. We are not expecting any major shifts in this category. As such we have kept projections in line with prior years based on actual receipts.

MOTOR VEHICLE LICENSES

The Town historically required a motor vehicle decal to be purchased annually and placed on all motor vehicles garaged in the Town as proof of payment of personal property taxes. The Town Council voted to eliminate the annual decal requirement as part of the FY 2017 budget process and implement an annual vehicle license fee instead. The vehicle license fee is included on personal property tax bills, due December 15th. The FY 2026 projection is based on the latest collections data.

BUSINESS, PROFESSIONAL, & OCCUPATION LICENSE (BPOL) TAX

The Town requires every business located within the corporate limits to pay an annual license tax based upon their prior calendar year gross receipts. Businesses are taxed at varying rates based on classifications developed by the State. In FY 2019, the Town lowered the rates for the two highest categories by ten percent – Professional Services and Business Services. This is the second largest local revenue source for the General Fund. The FY 2026 figure is based on FY 2025 licensing year to date. As such, we have conservatively increased the projection in line with actual collection trends.

Business Category	Rate/\$100 Gross Receipts	Maximum Allowed
Business, Personal & Repair Services	16.83¢	36.00¢
Contractors	8.50¢	16.00¢
Professional, Financial & Real Estate Services	26.78¢	58.00¢
Retail	10.00¢	20.00¢
Wholesale	4.25¢	5.00¢

UTILITY CONSUMPTION TAXES

Effective January 1, 2001, the Commonwealth of Virginia mandated that in addition to consumer utility taxes, purchasers of electric utility services are also subject to a consumption tax. This tax must be charged monthly to consumers by the electric service providers. The tax includes two (2) state components and one (1) local component. Revenue in this category has been fairly level through the years and FY 2026 projections are based on actual collections in FY 2025. The local tax rate structure is shown in the table to the right.

Usage (kWh)	Local Tax Rate
Up to 2,500	\$0.00038 / kWh
Over 2,500 up to 50,000	\$0.00024 / kWh
Over 50,000	\$0.00018 / kWh

LODGING TAX

Also known as the Transient Occupancy Tax, the Town levies a 4% tax on hotel and motel room rentals within the Town. Prior to the pandemic, lodging tax collections had shown modest but steady increases. The Town is hopeful that a revitalization of Old Town and focus on improving tourism in the area will result in increased revenues in this category. The Town is projecting increased collections for FY 2025.

CONSUMER UTILITY TAXES

The Town levies a consumer utility tax on residential and commercial electric and natural gas utilities. The revenue estimate is based on revenue in prior years. Tax rates are shown in the following tables:

ELECTRIC CONSUMER UTILITY TAX	
Class	Rate
Residential	20% of the minimum monthly charge imposed plus \$0.0158865 for each kilowatt-hour delivered. Maximum monthly tax is \$3.00.
Commercial / Industrial	20% of the minimum monthly charge imposed plus \$0.015009 for each kilowatt-hour delivered. Maximum monthly tax is \$20.00.

NATURAL GAS UTILITY TAX	
Class	Rate
Residential	20% of the minimum monthly charge imposed plus \$0.186 for each CCF delivered. Maximum monthly tax is \$3.00.
Commercial / Industrial	20% of the minimum monthly charge imposed plus \$0.15566 for each CCF delivered. Maximum monthly tax is \$20.00.

LOCAL SALES TAXES

The Town of Warrenton and Fauquier County levy a 1% local sales tax as allowed by State law. This revenue item is collected by the Commonwealth in conjunction with the State sales and use tax and is returned to the County for distribution. Fauquier County receives 50% of local sales tax collection with the remaining 50% split between the County and Incorporated Towns based on the number of school aged children in each locality. Revenue estimates are based on receipts in prior years and historical trends. The Town is projecting an increase in local sales tax revenue based on recent trends.

PERMITS & FEES

This revenue source consists primarily of user and permit fees for building or planning related items. Total revenues in this category have been adjusted according to estimates of zoning and building activity. Fees associated with the Town’s Municipal Cemetery are also included in this revenue category.

FINES & FORFEITURES

This category represents a small component of the General Fund budget. Court Fines & Forfeitures are traffic, civil and criminal fines received from the Juvenile & Domestic Relations, General District and Circuit Courts. Court fine collection has remained low, partly due to a 2021 law that reduces traffic stops. Parking Fines are those assessed by the Town Police Department and collected by the Town. In 2015, the Town Council passed a resolution authorizing the addition of the E-summons fee to tickets written in the Town. This \$5.00 charge is added to tickets written within the Town limits and is remitted to the Town monthly. Actual collections in this category for the current year have been in line with the FY 2025 budget, as such the Town has projected the same figure for FY 2026.

USE OF MONEY & PROPERTY

Interest and investment revenue fluctuate with the general economy and the level of the Town’s cash balances. In the fall of 2016, the Town Council amended the Town’s Investment Policy to authorize the investment of Town funds in the Virginia Investment Pool. This has resulted in higher earnings in subsequent years. Interest rates remain elevated, so the estimate in this category has stayed in line with actual receipts in the current year.

CHARGES FOR SERVICES

Revenue in this category includes rentals of pavilions and fields at various parks, and the fees related to the Warrenton Aquatic and Recreation Facility (WARF) such as memberships, swim lane rentals and revenue from fitness classes and recreation programs. The Parks & Recreation department is anticipating a slight decrease across these categories based on the actual fees collected year to date during FY 2025.

MISCELLANEOUS REVENUE

The primary sources of revenue in this category are a contribution from the PATH Foundation in support of a third route for the Circuit Rider, and an annual contribution for the support of the Warrenton Fauquier Visitor’s Center from Fauquier County. Additionally, this revenue category includes the sale of surplus property, recycling income, and recovered costs. Proffers for traffic control, recreation, fire, and rescue are also accounted for in this category. Revenue estimates are based on historical data.

STATE REVENUE

NON-CATEGORICAL AID

Receipts from the Commonwealth not earmarked for a particular program are included in this category. A 5% tax on short-term vehicle rentals is collected by the Virginia Department of Motor Vehicles, and then returned to the locality in which the rental took place. Rolling Stock tax is levied by the Commonwealth on railroad lines and motor carriers located within the corporate limits. The Communications Sales Tax is collected by providers and remitted to the state on a monthly basis.

	ACTUAL		ADOPTED	PROPOSED	Variance (\$)	Variance (%)
	FY2023	FY2024	FY2025	FY2026		
REVENUES						
MOTOR VEHICLE RENTAL TAX	\$146,813	\$149,610	\$130,000	\$130,000	\$0	0%
ROLLING STOCK TAX	\$69	\$157	\$77	\$85	\$8	10%
COMMUNICATIONS SALES TAX	\$373,776	\$351,252	\$400,000	\$350,000	(\$50,000)	(12%)
REVENUES TOTAL	\$520,658	\$501,019	\$530,077	\$480,085	(\$49,992)	(9%)

CATEGORICAL AID

This revenue category reflects grants and reimbursements from the Commonwealth that are to be expended by the locality for specific programs. Dollar amounts in this category vary from year to year based upon program availability and established reimbursement rates. Estimates in all categories are based on preliminary estimates from the Commonwealth except for street and highway maintenance, which is based on an actual per mile reimbursement rate for Town maintained arterial and collector streets. This amount is estimated to increase based on the actual reimbursements received by the Town in the current year.

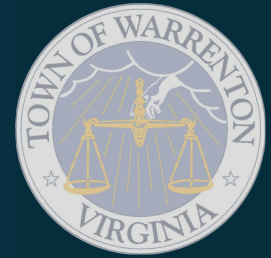
	ACTUAL		ADOPTED	PROPOSED		
	FY2023	FY2024	FY2025	FY2026	Variance (\$)	Variance (%)
REVENUES						
DCJS FUNDS (NOT GRANT)	\$0	\$0	\$0	\$0	\$0	-
STATE GRANT PD (NOT DCJS)	\$1,557	\$2,404	\$0	\$0	\$0	-
LOCAL LAW BLOCK GRANT	\$1,042	\$0	\$0	\$0	\$0	-
STATE GRANT	\$241,507	\$254,013	\$254,012	\$263,108	\$9,096	4%
VDOT STREET & HWY MAINT	\$1,708,977	\$1,860,662	\$1,859,564	\$1,910,954	\$51,390	3%
LITTER CONTROL	\$10,248	\$7,517	\$6,589	\$0	(\$6,589)	(100%)
STATE ASSET FORFEITURE PROCEEDS	\$15,952	\$8,270	\$3,468	\$6,000	\$2,532	73%
PPTRA REVENUE	\$718,492	\$718,492	\$718,492	\$718,492	\$0	0%
VDFP AID TO LOCALITIES	\$40,350	\$45,281	\$45,281	\$51,541	\$6,260	14%
VCA GRANT	\$0	\$0	\$4,500	\$4,500	\$0	0%
REVENUES TOTAL	\$2,738,124	\$2,896,638	\$2,891,906	\$2,954,595	\$62,689	2%

NON-REVENUE RECEIPTS & TRANSFERS IN

Non-revenue receipts represents the amount of debt necessary to balance the FY 2026 budget for the General Fund by covering the transfer to the Capital Improvement Program Fund and the General Asset Replacement Fund ("the Capital Funds"). The transfer to the Capital Funds was covered by Use of Fund Balance in FY 2025. Due to increased expenses in the Capital Funds in FY 2026, the required debt is an increase over the budgeted use of fund balance in FY 2025.

Transfers from the Stormwater and Water & Sewer Funds are expected to decrease in FY 2026. These transfers are made for the usage of the services of the fleet and IT departments by the funds. The transfer amount is calculated using a percentage of IT and fleet expenditures based on actual usage in the current year. This amount is net of the estimated cost of water & sewer services provided to facilities in the General Fund.

GENERAL GOVERNMENT ADMINISTRATION



FUNCTION OVERVIEW

This functional area accounts for the general administration of the Town government. Departments accounted for in this grouping include legislative (Town Council), executive (Office of the Town Manager), legal services (Town Attorney), information technology, finance and procurement, emergency services, human capital, communications, and elections.

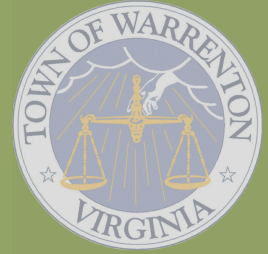
Please note that insurance costs have been broken out as a separate function in the below chart. Previously, these costs were included within the emergency services & risk management ("emergency services") budget. Management of the Town's various insurance policies remains under the purview of human capital.

BUDGET SUMMARY

Detail regarding the expenditures for each department is included in the following sections.

Expenditures/Uses	FY 2023 Actual	FY 2024 Actual	FY 2025 Adopted	FY 2026 Proposed	Variance (\$)	Variance (%)
Legislative Administration	\$342,072	\$238,563	\$250,554	\$246,375	(\$4,179)	(2%)
Executive Administration	435,637	235,551	239,651	233,782	(5,869)	(2%)
Legal Services	220,022	369,970	350,000	385,000	35,000	10%
Human Capital	139,181	244,083	256,464	307,097	50,633	20%
Information Technology	1,311,874	1,424,197	1,954,891	2,067,482	112,591	6%
Finance and Procurement	854,790	797,953	917,615	986,113	68,498	7%
Other Organizations	10,009	9,313	9,472	8,600	(872)	(9%)
Electoral Board & Officials	11,213	2,316	15,000	-	(15,000)	(100%)
Emergency Services	80,776	63,022	75,151	58,051	(17,100)	(23%)
Insurance	83,693	115,895	128,434	145,984	17,550	-
Communications	10,435	92,413	189,519	212,906	23,387	12%
GENERAL FUND TOTAL	\$3,499,702	\$3,593,276	\$4,386,752	\$4,651,390	\$264,638	6%

LEGISLATIVE

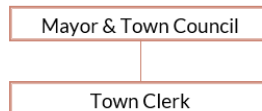


DEPARTMENT DESCRIPTION

The Council of the Town of Warrenton consists of seven (7) Council members and an independently elected Mayor, each of whom serve four-year overlapping terms. All legislative powers of the Town are vested in the Town Council. The Mayor presides over the meetings of Council but does not vote in the Council meetings except in the case of a tie. The Council, under the laws of the Commonwealth of Virginia and the Town Charter, determines the needs of the citizenry and the best way to respond to these needs, by establishing ordinances, policies, and adopting budgets which underwrite the kind, manner, and cost of the types of services to be delivered.

CURRENT STAFFING

The Legislative function consists of a seven-member elected Town Council, an elected Mayor, and a Town Clerk, who is appointed by the Town Manager.



BUDGET SUMMARY

	ACTUAL		ADOPTED	PROPOSED	Variance (\$)	Variance (%)
	FY2023	FY2024	FY2025	FY2026		
EXPENSES						
PERSONNEL	\$168,370	\$183,689	\$196,804	\$196,024	(\$780)	0%
OPERATING	\$173,702	\$53,450	\$53,750	\$50,351	(\$3,399)	(6%)
CAPITAL OUTLAY	\$0	\$0	\$0	\$0	\$0	-
EXPENSES TOTAL	\$342,072	\$237,138	\$250,554	\$246,375	(\$4,179)	(2%)

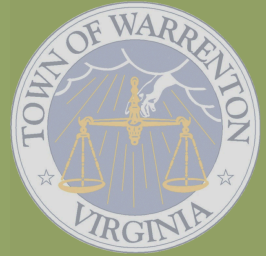
STAFFING SUMMARY

	FY2023	FY2024	FY2025	FY2026
FTE Amount				
FTE Amount	1	1	1	1
FTE AMOUNT	1	1	1	1

BUDGET ANALYSIS

The Council budget includes funds for the Mayor and Council members' stipends and fringe benefits, the Town Clerk, advertising costs for Council-related public hearings, travel expenses for elected officials to attend conferences and other typical operating expenses to support Mayoral and Council activities. The total budget for Town Council decreased from the prior fiscal year's budget. This savings is largely due the reduction of the council retreat from \$10,000 to \$5,000, based on prior year actuals.

EXECUTIVE



DEPARTMENT DESCRIPTION

The Executive Department accounts for the operation of the Town Manager's office. According to the Town Charter, the Town Manager is the chief executive officer of the Town and is responsible to the Council for the proper administration of the Town government. The duties and powers of the Town Manager are:

- To see that all laws and ordinances are enforced.
- To exercise supervision and control over all administrative departments and divisions.
- To attend all regular meetings of the Council, with the right to take part in the discussion, but having no vote.
- To recommend to the Council for adoption such measures as he or she may deem necessary or desirable.
- To execute all contracts on behalf of the Town.
- To prepare and submit to the Council the annual budget.
- To keep the Council advised as to the present and future needs of the Town and as to all operations of its government.
- To perform all such other duties as may be prescribed by the charter, or be required of the Town Manager by the Council.

CURRENT STAFFING

The Town Manager is allocated 80% to this department (with the other 20% allocated to Water & Sewer Fund). The Communications Manager is allocated 25% (with the other 75% allocated to the communications department). All department directors report to the Town Manager.

GOALS

- Evaluate and adjust the organizational structure for improved service.
- Maintain fiscal vigilance as the Town continues to address needs-based budgeting geared towards infrastructure and human capital.
- Work with the Council to complete and execute the Town's strategic plan and vision, ensuring Plan Warrenton 2040 remains in focus.
- Plan and implement capital improvements in the best interest of the Town's health, safety, and welfare.
- Continue to improve the use of technology throughout the organization.

FY 2025 HIGHLIGHTS

- Established the groundwork for continuous improvement throughout operations.
- Worked with human capital to ensure policies continue to encourage retention and succession planning.
- Worked with finance to refine the budget process and ensure a holistic approach.
- Initiated key communications initiatives to include weekly activity reports, pre-agenda announcements, and open lines of communication.
- Created the Town's first Your Town Academy and conducted the first session with 25 participants.
- Continued to empower all staff and establish the identity of "Subject Matter Experts" throughout departments.
- Worked with Department Heads to establish guiding principles and define our culture.

KEY PROJECTS IN FY 2026

- Continue needed infrastructure improvements to include wastewater and water plant repairs and modernizations.
- Broadview Avenue and Main Street projects.
- Continue to implement the six-year CIP, road maintenance program, sidewalk, and walkability improvements, as well as other needed projects.
- Ensure budgeting and operations are need-based.
- Continue to work with human capital to ensure succession planning, in-house training initiatives, retention, and internal opportunities for advancement.
- Conduct the second Your Town Academy in the Fall of 2025.

BUDGET SUMMARY

	ACTUAL		ADOPTED	PROPOSED	Variance (\$)	Variance (%)
	FY2023	FY2024	FY2025	FY2026		
EXPENSES						
PERSONNEL	\$380,119	\$208,884	\$209,301	\$210,432	\$1,131	1%
OPERATING	\$55,518	\$26,667	\$30,350	\$23,350	(\$7,000)	(23%)
EXPENSES TOTAL	\$435,637	\$235,551	\$239,651	\$233,782	(\$5,869)	(2%)

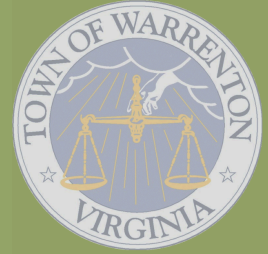
STAFFING SUMMARY

Department	FY2023	FY2024	FY2025	FY2026
FTE Amount				
Executive	1.61	1.6	1.05	1.05
FTE AMOUNT	1.61	1.6	1.05	1.05

BUDGET ANALYSIS

The FY 2026 proposed budget reflects a decrease compared to the current budget. The operating category includes items for office equipment leases, memberships and dues, travel and training, subscriptions, and office supplies. The decrease in operating is primarily due to the reduction of the professional services line item based on prior year actuals.

LEGAL SERVICES



DEPARTMENT DESCRIPTION

The line of authority for the Town Attorney and other related legal assistance for the Town of Warrenton is outlined in the Town Code. The attorney is a contracted employee of the Council, serving at Council’s discretion.

The Town Attorney advises Council and the Town staff on a wide range of legal issues that arise in the conduct of Town business. The Town Attorney handles police matters, including representing the Town in municipal court twice a month. The Town Attorney also works with the Planning Commission, Architectural Review Board and Board of Zoning Appeals as needed.

CURRENT STAFFING

The Town Attorney is engaged on a contractual basis through Fairfax based law firm Chap Petersen & Associates, PLC.

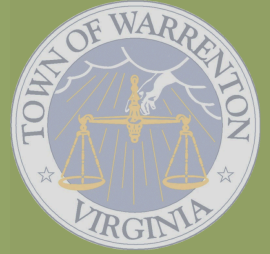
BUDGET SUMMARY

	ACTUAL		ADOPTED	PROPOSED	Variance (\$)	Variance (%)
	FY2023	FY2024	FY2025	FY2026		
EXPENSES						
PERSONNEL	\$0	\$0	\$0	\$0	\$0	-
OPERATING	\$220,022	\$369,970	\$350,000	\$385,000	\$35,000	10%
EXPENSES TOTAL	\$220,022	\$369,970	\$350,000	\$385,000	\$35,000	10%

BUDGET ANALYSIS

Contractual professional legal fees are split 75% and 25% between the General Fund and the Water and Sewer Operating Fund. The proposed budget for FY 2026 reflects an increase over the FY 2025 budget. This increase has been projected based on actual billed hours in the current year.

HUMAN CAPITAL

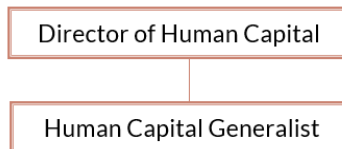


DEPARTMENT DESCRIPTION

This department’s mission is to deliver thought and servant leadership that meets the needs of employees (current and prospective), Town residents, the Town Manager, and the Town Council. To achieve maximum efficiency and success, the human capital department is broken into four (4) pillars: Recruitment, Benefits, Cultivation, and Governance.

CURRENT STAFFING

This function is currently staffed by the Director of Human Capital and a Human Capital Generalist, who are both split 75/25 between the General Fund and the Water & Sewer Fund.



FY 2025 HIGHLIGHTS

1. Implemented new hire onboarding program in Q2.
2. Updated performance management program to better align to operational needs.
3. Introduced human capital (HC) Open House where employees can learn more about all the great HC programs that are available to them.
4. Implemented HC Newsletter where employees can get all the information they need on what happened and what is happening in HC.
5. Kick-Off of the wellness center in May 2024 and continued to support program initiative through the addition of department of transportation (DOT) testing and police department new hire physical allowances.
6. Initiated risk management (RM) training programs, such as Confined Spaces, Fit Testing, OSHA 10, CPR/First Aid/AED.

KEY PROJECTS IN FY 2026

1. Update personnel policies manual as well as identify applicable standard operating procedures and administrative regulations, as applicable.
2. Continue to build on department organizational restructuring and efficiencies through alignment to Town Manager and Town Council strategic initiatives.
3. Work with Safety Officers to ensure all RM safety objectives are identified and communicated.
4. Continue to build out Wellness Programs - Health & Financial - that assist with employee professional and personal growth.
5. Continue reviewing Town policies in accordance with Government/State/Local regulations.
6. Continue enhancement of the Towns training program by identifying trainings to meet the needs of each department/position, implement professional development structures, assess position goals/objectives in relation to performance.
7. Continue to partner with the County on HC and RM collaborative efforts.

BUDGET SUMMARY

	ACTUAL		ADOPTED	PROPOSED	Variance (\$)	Variance (%)
	FY2023	FY2024	FY2025	FY2026		
EXPENSES						
PERSONNEL	\$93,445	\$194,026	\$223,414	\$238,147	\$14,733	7%
OPERATING	\$45,737	\$50,057	\$33,050	\$68,950	\$35,900	109%
EXPENSES TOTAL	\$139,182	\$244,083	\$256,464	\$307,097	\$50,633	20%

STAFFING SUMMARY

Department	FY2023	FY2024	FY2025	FY2026
FTE Amount				
Human Capital	0.5	1.75	1.5	1.5
FTE AMOUNT	0.5	1.75	1.5	1.5

BUDGET ANALYSIS

The FY 2026 proposed budget shows an increase over FY 2025. The increase in personnel costs is due to the raise given to the Human Capital Generalist during FY 2025 for the assumption of duties related to risk management, budgeted COLA, and budgeted merit raises. For FY 2026 there is an operating increase as the costs associated with OneDigital benefits consulting (\$30,000) and Flores FSA/HRA administration (\$6,000) are budgeted in the human capital department for easier administration and tracking. These costs were previously allocated across departments.

Goals, Objectives, and Performance Metrics

Mission: Human Capital (HC) department delivers innovative HC programs and services that are designed to support the Town's most valuable asset, our employees, as well as the Town Council's objectives and initiatives. We administer comprehensive HC programs that are consistent with Federal, State, and local statutes that aim to attract, motivate, and retain a diverse and skilled employee workforce. Additionally, in alignment with our Town policies and objectives, HC's purpose is to deliver thought and servant leadership that meets the needs of our employees (current and prospective).

The following goals, objectives, measures have been identified by the human capital department:

GOAL: Promoting and recruiting the best qualified workforce through strategic, tactical, and community (internal/external) engagement and outreach initiatives.

Objectives:

- Implement targeted recruitment efforts
- Build strong and lasting relationships to promote the Town as the best place to work.
- Engage the community through social media, events, and sponsorships

Outcome Measures	FY 2023 Actual	FY 2024 Actual	FY 2025 Projected	FY 2026 Projected
Recruitment events attended	1	5	5	7
Employee events hosted	4	5	8	8
Public outreach/education efforts	N/A	N/A	Yes	Yes

GOAL: Develop, execute, and maintain an agile compensation strategy that incorporates a competitive salary and benefits package though continuous market trends analyses of similar local governments.

Objectives:

- Develop and maintain a competitive compensation structure
- Implement modernized strategies to enrich our employees through professional development, work/life balance, and rewards and recognition programs.

Outcome Measures	FY 2023 Actual	FY 2024 Actual	FY 2025 Projected	FY 2026 Projected
Annual benefits survey	N/A	Yes	Yes	Yes

GOAL: Create, establish, and communicate effective and practical policies and procedures that promote equity and integrity while adhering to Town code of conduct as well as regulatory compliance.

Objectives:

- Execute and maintain comprehensive compliance program that provides employee education and continuous monitoring.
- Ensure the Town is agile in policy reform and policy and procedure accountability

Outcome Measures	FY 2023 Actual	FY 2024 Actual	FY 2025 Projected	FY 2026 Projected
Review of personnel policies manual	Yes	Yes	Yes	Yes
Legal counsel check-ins held to ensure compliance	4	4	4	4

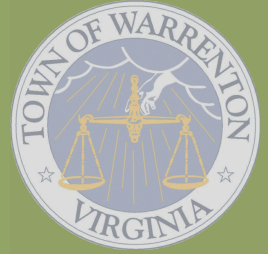
GOAL: Empowering employees by providing them with the necessary tools and training to perform their daily duties.

Objectives:

- Continuous improvement of retention programs
- Encourage training and development opportunities.
- Develop, execute, and maintain a robust performance management program
- Motivate employees through a supportive rewards and recognition program
- Work with risk management to promote a safe work environment for all employees

OUTCOME MEASURES	FY 2023 Actual	FY 2024 Actual	FY 2025 Projected	FY 2026 Projected
Administer annual employee performance management/evaluation program	Yes	Yes	Yes	Yes

INFORMATION TECHNOLOGY



DEPARTMENT DESCRIPTION

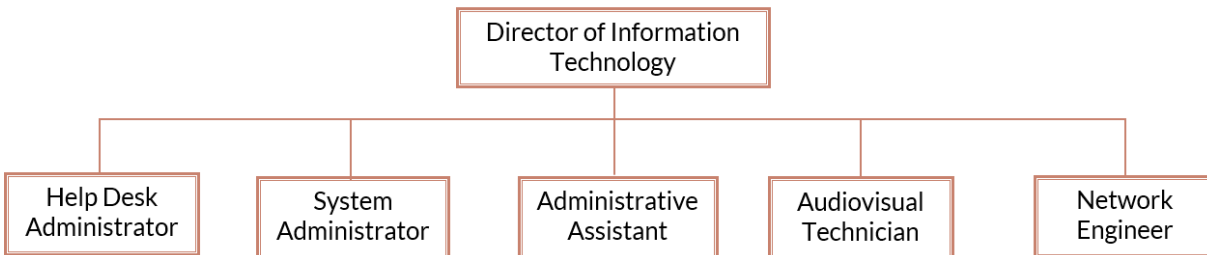
Prior to FY 2024, information technology was an Internal Service Fund that included all information technology costs. These costs were allocated to departments based upon the number of network users in that department.

Beginning with FY 2024, information technology is a General Fund department. All information technology costs are captured in this department, and there is no longer an allocation to the other departments in the General Fund. The Water & Sewer Fund and the Stormwater Management Fund will transfer funds to the General Fund to account for the services provided to their respective functions.

The Information Technology (IT) department plays a crucial role in the seamless operation of our Town, serving as a foundational support system that enhances the use and integration of technology across all departments. The department ensures that technology is both readily available and effectively utilized, enabling more efficient processes, enhancing communication across departments, and fostering stronger collaboration among teams to drive productivity.

CURRENT STAFFING

The department consists of the Director of Information Technology and five (5) full-time employees as shown in the chart below. These employees are allocated 100% to the General Fund. The Water & Sewer and Stormwater fund portion of staffing costs is included in their transfer to the General Fund.



FY 2025 HIGHLIGHTS

- Started the ERP implementation.
- Implemented IT work tracking system.
- Implemented mobile device management and phone upgrades.
- Developed network plan, including optimization of wireless access in Town buildings.
- Replaced aging network equipment.
- Completed the setup of multi-factor authentication for email security.
- Completed physical network equipment and rewire at public works and WARF buildings.
- Standardized hardware and software deployments.
- Started implementation of SMS archiving.
- Assisted with fleet upgrades to traffic management systems.
- Continued publishing IT Newsletter (Training Tips).

FY 2026 KEY PROJECTS

- Phased implementation of ERP software.
- Public safety systems migration.
- Rollout out of IT management software for problem alerting and inventory control.
- Review and implementation of Microsoft email security and protocols related to Office 365.
- Upgrade police department phone system.
- Review of internal information technology documentation and guidelines.
- Wireless network stability project.
- Continue phased replacement of end of life hardware.

BUDGET SUMMARY

	ACTUAL		ADOPTED	PROPOSED		
	FY2023	FY2024	FY2025	FY2026	Variance (\$)	Variance (%)
EXPENSES						
PERSONNEL	\$509,482	\$496,275	\$715,508	\$751,131	\$35,623	5%
OPERATING	\$772,717	\$891,009	\$1,187,383	\$1,281,351	\$93,968	8%
CAPITAL OUTLAY	\$58,949	\$41,665	\$52,000	\$35,000	(\$17,000)	(33%)
EXPENSES TOTAL	\$1,341,147	\$1,428,949	\$1,954,891	\$2,067,482	\$112,591	6%

STAFFING SUMMARY

Department	FY2023	FY2024	FY2025	FY2026
FTE Amount				
Information Technology	5	4.98	6	6
FTE AMOUNT	5	4.98	6	6

BUDGET ANALYSIS

The increase in the proposed FY 2026 budget for the IT department is due to budgeted COLA and merit raises in the personnel category and annual cost increases associated with software licensing and maintenance fees for software used across town departments in the operating category. These increases are partially offset by a decrease in the budgeted amount for computer equipment in the capital outlay category.

Goals, Objectives, and Performance Metrics

Mission: Empowering a better future with innovative, secure technology and unwavering support.

The following goals, objectives, measures have been identified by the information technology department:

GOAL: Provide a stable, reliable, and secure network to support the town's information technology needs.

Objectives:

- Provide reliable and stable technology.
- Provide cybersecurity platforms and initiatives.

Outcome Measures	FY 2023 Actual	FY 2024 Actual	FY 2025 Projected	FY 2026 Projected
Virus threats & suspicious connection attempts blocked (in millions)	N/A	N/A	76.6	76.6
User phishing risk score (industry average - 17.1%)	N/A	N/A	10.20%	10.00%

GOAL: Provide excellent customer service to all internal and external information technology customers

Objectives:

- Process Help Desk tickets in a timely manner.
- Equipment uptime and availability

Outcome Measures	FY 2023 Actual	FY 2024 Actual	FY 2025 Projected	FY 2026 Projected
Service ticket satisfaction ratings average	N/A	N/A	99.80%	100%
Uptime for Town Hall servers	N/A	N/A	99.99%	99.99%

GOAL: Deploy technologies that support a mobile telework workforce, especially for continuity during events like the COVID-19 pandemic.

Objectives:

- Provide staff with laptops and mobile devices consistent with their job descriptions

Outcome Measures	FY 2023 Actual	FY 2024 Actual	FY 2025 Projected	FY 2026 Projected
Staff with necessary devices, per IT standards	N/A	83.00%	85.00%	89.00%

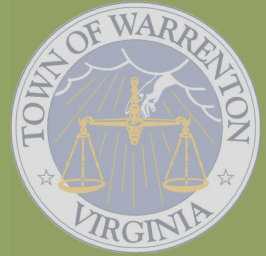
GOAL: Provide excellent viewing opportunity for Citizens for Town Council and Planning Commission Meetings.

Objectives:

- Provide efficient and clear Audio/Visual for all meetings

OUTCOME MEASURES	FY 2023 Actual	FY 2024 Actual	FY 2025 Projected	FY 2026 Projected
Views per meeting (live and archived)	N/A	N/A	17,071	17,100

FINANCE & PROCUREMENT



DEPARTMENT DESCRIPTION

The mission of the finance & procurement department is to promote excellence and transparency in the delivery of effective and efficient financial management services to our internal and external customers and stakeholders. This is accomplished by adhering to sound financial management practices, demonstrating integrity in all that we do, and working as a team to support the Town's mission, vision, and values.

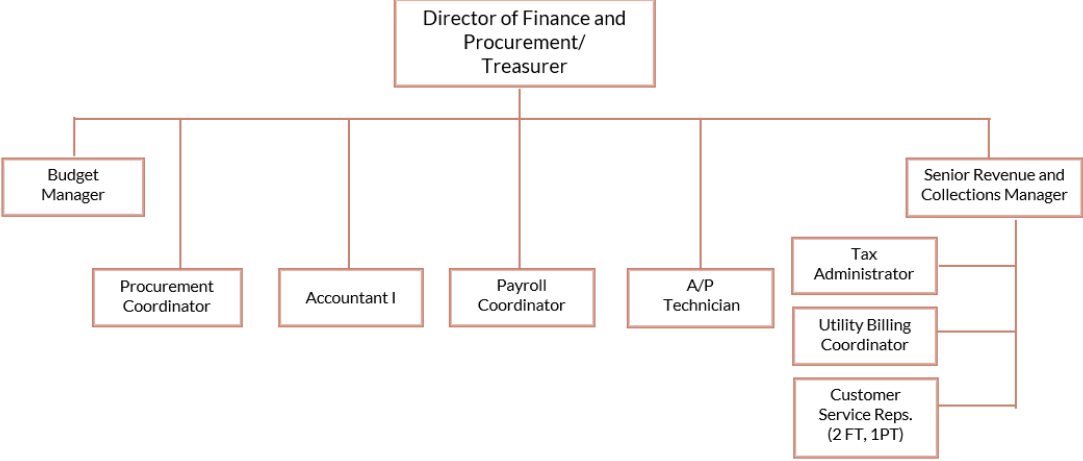
The department manages the Town's budgeting, accounting, financial reporting, treasury, procurement, taxation, and billing operations. Staff work closely with the Town's financial advisors to map out the Town's long-term financial plan to ensure adequate funding is available to maintain service levels and to finance approved capital projects. The Town's Annual Comprehensive Annual Financial Report has been awarded the Certificate of Achievement for Excellence in Financial Reporting for the last 30 years. The program was established by the Government Finance Officers Association (GFOA) in 1945 to assist state and local governments to go beyond the minimum requirements of generally accepted accounting principles to prepare financial reports that evidence the spirit of transparency and full disclosure. Reports submitted to the program are reviewed by selected members of the GFOA professional staff and the GFOA Special Review Committee, which includes individuals with expertise in public sector financial reporting.

The Budget Manager works closely with Town departments and the Town Manager to produce the annual budget and the capital improvement plan. The Town's budget document has been awarded the GFOA Distinguished Budget Presentation Award for the past two years. The department prepared the first Popular Annual Financial Report (PAFR) based on the FY2024 ACFR. This document provides the public with a condensed and easy to read summary of the Town's financial report. The FY2024 PAFR has been submitted to the GFOA's PAFR award program. As prescribed by the Code of Virginia, the Town Manager's proposed budget is delivered to Council prior to April 1st each year, and the results of the annual external audit are presented to Council in a public session during the month of December.

Financial information is provided to the Town Council on a quarterly basis. This includes financial statements, revenue trend analysis, and details regarding collection activities. More detailed analysis regarding projections is provided as needed.

CURRENT STAFFING

The finance & procurement department consists of a director, nine (9) full-time employees, and one (1) part-time employee. The staff's wages are allocated between this department, the Water & Sewer Fund, and the Stormwater Management Fund based on the estimated level of support provided to each fund. Total FTEs for the department decreased by one (1) based on the combination of the Financial Coordinator and Budget Manager roles.



FY 2025 HIGHLIGHTS

- Implemented a Purchasing Card program to streamline procurement for departments.
- Began implementation of the Enterprise ERP software conversion project.
- Continued to reduce delinquent balances by outsourcing collections and facilitating understanding of taxes through outreach.
- Continued to ensure compliance for ARPA and other grant spending, including timely and accurate reporting.

KEY PROJECTS FOR FY 2026

- Continue to document all processes for contingency planning and in support of the Enterprise ERP project implementation.
- Strengthen internal controls by reviewing processes and identifying opportunities for enhancement.
- Enhance financial forecasting in conjunction with the ERP project.
- Focus on citizen engagement through outreach and providing condensed and easier to read formats.

BUDGET SUMMARY

	ACTUAL		ADOPTED	PROPOSED		Variance (\$)	Variance (%)
	FY2023	FY2024	FY2025	FY2026			
EXPENSES							
PERSONNEL	\$579,317	\$658,952	\$763,705	\$787,103	\$23,398	3%	
OPERATING	\$275,472	\$138,746	\$153,910	\$199,010	\$45,100	29%	
CAPITAL OUTLAY	\$0	\$0	\$0	\$0	\$0	-	
EXPENSES TOTAL	\$854,790	\$797,699	\$917,615	\$986,113	\$68,498	7%	

STAFFING SUMMARY

Department	FY2023	FY2024	FY2025	FY2026
FTE Amount				
Finance and Procurement	6.59	7.858	6.86	6.86
FTE AMOUNT	6.59	7.858	6.86	6.86

BUDGET ANALYSIS

The increase in the proposed FY 2026 budget for the finance department is due to budgeted COLA and merit raises in the personnel category and increased costs related to the Town's financial advisors and external auditors in the operating category. Postage costs and Northern Virginia Cigarette Tax Board (NVCTB) expenses are also projected to increase slightly. The NVCTB provides administration and enforcement of the cigarette tax. Each month, the Town receives a distribution of the tax collected, net of NVCTB's administrative expenses. To truly show the cost of administering the tax, the full amount of revenue is recognized and offset by the reporting of the expense here. The result of budgeting for the recognition of this expense produces no net impact to the General Fund (revenue offset by expense).

Goals, Objectives, and Performance Metrics

Mission: To accurately and efficiently administer the treasury, budgeting, procurement, accounting and financial reporting functions of the Town.

The following goals, objectives, measures have been identified by the finance & procurement department:

GOAL: Encourage citizen engagement in the budgeting process.

Objectives:

- Conduct budget information sessions to familiarize citizens with the budget process and their role in it.
- Create a budget document that meets the criteria for a GFOA Distinguished Budget Presentation Award.

Outcome Measures	FY 2023 Actual	FY 2024 Actual	FY 2025 Projected	FY 2026 Projected
Number of community sessions on budget process	0	1	1	1
GFOA Distinguished Budget Presentation Award applied for and received	N/A	Yes	Yes	Yes

GOAL: Excellence in budgeting, accounting, and financial reporting for both internal and external stakeholders.

Objectives:

- Continue to meet all audit requirements and to ensure the accuracy and timeliness of financial information.
- Continue to enhance the budget document and to adhere to nationally recognized standards.
- Continue to provide budgeting information and financial results to citizens in an easy-to-read format.

Outcome Measures	FY 2023 Actual	FY 2024 Actual	FY 2025 Projected	FY 2026 Projected
Unmodified audit opinion and GFOA Certificate of Achievement for Excellence in Financial Reporting received	Yes	Yes	Yes	Yes
Create a Budget in Brief document that provides a high-level summary of the budget	No	No	Yes	Yes
Prepare a Popular Annual Financial Report (PAFR) to provided a high level summary of the Annual Comprehensive Financial Report (ACFR)	No	Yes	Yes	Yes

GOAL: Improve collections.

Objectives:

- Reduce the number of delinquent accounts.

Outcome Measures	FY 2023 Actual	FY 2024 Actual	FY 2025 Projected	FY 2026 Projected
Comparison of current and prior year delinquent accounts - Real Estate total owed	\$65,31	\$47,431	\$35,610	\$35,000

GOAL: Improve and streamline processes.

Objectives:

- Implement a P-Card program.

OUTCOME MEASURES	FY 2023 Actual	FY 2024 Actual	FY 2025 Projected	FY 2026 Projected
Successful implementation of program	N/A	N/A	Yes	Yes

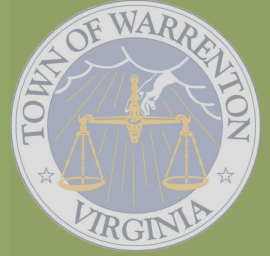
GOAL: Education and engagement of Town departments in the area of budget and finance.

Objectives:

- Provide various training programs for non-Finance personnel on our processes and procedures.

OUTCOME MEASURES	FY 2023 Actual	FY 2024 Actual	FY 2025 Projected	FY 2026 Projected
Training sessions on finance and procurement knowledge conducted	0	2	1	2

OTHER ORGANIZATIONS



DEPARTMENT DESCRIPTION

This department contains costs relating to Town-wide memberships and dues in professional organizations providing resources to local governments. Group memberships include the Virginia Municipal League and the Institute of Government at the University of Virginia.

The Town is provided direct technical, lobbying, and legislative assistance through its participation in the Virginia Municipal League. The Virginia Institute of Governments keeps local governments apprised of technological changes and product improvements.

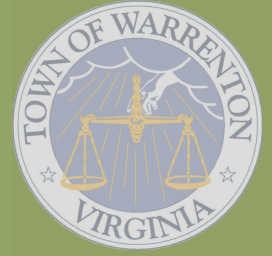
BUDGET SUMMARY

	ACTUAL		ADOPTED	PROPOSED		Variance (%)
	FY2023	FY2024	FY2025	FY2026	Variance (\$)	
EXPENSES						
VIRGINIA MUNICIPAL LEAGUE	\$7,284	\$7,473	\$7,847	\$8,100	\$253	3%
VA INSTITUTE OF GOVERNMENT	\$500	\$500	\$500	\$500	\$0	0%
FAUQUIER CHAMBER OF COMMERCE	\$1,125	\$1,238	\$1,125	\$0	(\$1,125)	(100%)
NATIONAL LEAGUE OF CITIES	\$1,100	\$102	\$0	\$0	\$0	-
EXPENSES TOTAL	\$10,009	\$9,313	\$9,472	\$8,600	(\$872)	(9%)

BUDGET ANALYSIS

The total proposed budget for other organizations in FY 2026 reflects a decrease as the cost of a membership to the Fauquier Chamber of Commerce is no longer included in the budget. This decrease is slightly offset by an anticipated increase for the cost of membership with Virginia Municipal League.

ELECTIONS



PROGRAM DESCRIPTION

The Code of Virginia requires municipal elections and makes localities responsible for the costs associated with them. This department accounts for all costs incurred to hold Town Council elections. Elections for Town Council seats are held every two (2) years. As such, there are no elections in FY 2026.

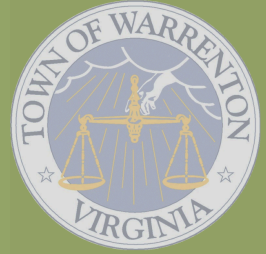
BUDGET SUMMARY

	ACTUAL		ADOPTED	PROPOSED		Variance (%)
	FY2023	FY2024	FY2025	FY2026	Variance (\$)	
EXPENSES						
PERSONNEL	\$5,516	\$1,083	\$0	\$0	\$0	-
OPERATING	\$5,697	\$1,233	\$15,000	\$0	(\$15,000)	(100%)
EXPENSES TOTAL	\$11,213	\$2,316	\$15,000	\$0	(\$15,000)	(100%)

BUDGET ANALYSIS

In FY 2025, there were five (5) elections held, one for each of the Council Ward seats. Expenses have been reduced to \$0 for FY 2026 as there are no elections anticipated for the year.

EMERGENCY SERVICES



DEPARTMENT DESCRIPTION

The emergency services (formerly emergency services and risk management) department is dedicated to safeguarding our community by preparing for, responding to, and recovering from emergencies. We work tirelessly to mitigate risks, coordinate resources, and ensure the well-being of our residents during times of crisis. Our mission is to build a resilient community through effective emergency planning, preparedness, response, and recovery efforts. We achieve this by: developing and maintaining comprehensive emergency plans, conducting regular training exercises and drills, establishing strong partnerships with local, state, and federal agencies, providing timely and accurate information to the public, and promoting individual and community preparedness. We are committed to serving our community and will continue working diligently to make Warrenton safer for all.

Costs related to the Town's insurance policies are captured in the insurance department with the human capital department being responsible for the management of said policies.

CURRENT STAFFING

During FY 2025, the emergency services/risk manager position previously allocated 50% to this department became vacant. At that time, the Town Manager evaluated the position and determined there was an opportunity to distribute the duties of the position among existing staff. The fleet and facilities manager has absorbed the duties related to emergency services and is allocated 30% to this department, accordingly. As such, there is a decrease in the full-time equivalents associated with this department in the below staffing summary.

FY 2025 HIGHLIGHTS

- Successfully responded to and mitigated a large scale natural gas emergency in Warrenton.
- Performed a full update of the Continuity of Operations Plan (COOP).
- Continued working with the Virginia Department of Emergency Management (VDEM) to recognize the Warrenton Office of Emergency Management as an Emergency Management Agency.
- Updated the Community Water Supply Emergency response Plan.
- Continue to focus on National Incident Management/Incident Command System (NIM/ICS) implementation.

KEY PROJECTS IN FY 2026

- Identify critical infrastructure needs for Town-owned properties.
- Utilize Threat and Hazard Identification and Risk Assessment (THIRA) assessments to identify and evaluate Town risk.
- Continue to focus on NIMS/ICS training and implementation.
- Conduct a Local Capability Assessment for Readiness (LCAR).

BUDGET SUMMARY

Please note FY 2023 and FY 2024 figures have been restated to include only expenses associated with the emergency services & risk management ("emergency services") department. Insurance costs previously included within the emergency services department budget have been broken out as a separate function for budgeting purposes in FY 2025 and FY 2026 and are reported in the next section. Management of the Town's various insurance policies remains under the purview of the human capital department.

	ACTUAL		ADOPTED	PROPOSED	Variance (\$)	Variance (%)
	FY 2023	FY 2024	FY 2025	FY 2026		
Expenses						
Personnel	\$47,511	\$59,191	\$57,911	\$47,801	(\$10,110)	-17%
Operating	\$23,264	\$3,831	\$17,240	\$10,250	(\$6,990)	-41%
Capital Outlay	\$10,000	\$0	\$0	\$0	\$0	-
Expenses Total	\$80,776	\$63,022	\$75,151	\$58,051	(\$17,100)	-23%

Staffing Summary

Department	FY2023	FY2024	FY2025	FY2026
FTE Amount				
Emergency Services	0.5	0.5	0.5	0.3
FTE AMOUNT	0.5	0.5	0.5	0.3

BUDGET ANALYSIS

The FY 2026 proposed budget for emergency services represents a decrease over the adopted FY 2025 budget primarily due to the elimination of the emergency services/risk manager position. Expenses related to travel, training, and memberships & dues are also budgeted to decrease in FY 2026. These decreases are partially offset by a 30% allocation of the fleet and facilities manager to the department.

Goals, Objectives, and Performance Metrics

Mission: To build a resilient community through effective emergency planning, preparedness, response, and recovery efforts. Oversee efforts to prevent, prepare, and respond to Town emergencies to lessen the impact of these events. Our highest priority is to provide a safe and secure environment for Town staff, citizens, and visitors.

The following goals, objectives, measures have been identified by the emergency services department:

GOAL: Preparedness.

Objectives:

- Enhance community awareness and preparedness for potential hazard.
- Strengthen the capabilities of emergency responders through regular training and exercises.
- Improve the Town's emergency planning documents and procedure.

Outcome Measures	FY 2023 Actual	FY 2024 Actual	FY 2025 Projected	FY 2026 Projected
Number of community emergency preparedness events participated in	N/A	N/A	2	4
Public awareness campaigns on specific local hazards conducted	N/A	N/A	2	6
Multi-agency functional exercises simulating potential local emergencies conducted	N/A	N/A	2	2
Emergency response training course completion rate	N/A	N/A	75%	90%

GOAL: Response.

Objectives:

- Ensure timely and effective activation of the Emergency Operations Center (EOC) during emergencies.
- Facilitate effective communication and coordination among responding agencies and stakeholders during emergencies.
- Provide timely and accurate information to the public during emergencies.

Outcome Measures	FY 2023 Actual	FY 2024 Actual	FY 2025 Projected	FY 2026 Projected
Achieve EOC partial activation within 1 hour of notification of a significant emergency	N/A	N/A	90%	100%
Achieve EOC full activation within 2 hours of notification of a major emergency	N/A	N/A	90%	100%
Up-to-date and accessible emergency information website or social media presence during activations maintained	N/A	N/A	75%	90%

GOAL: Recovery.

Objectives:

- Facilitate the efficient and equitable recovery of the community after an emergency.
- Support the restoration of essential services and infrastructure following an emergency.
- Conduct after-action reviews and implement lessons learned from emergency events/exercises within 90 days

Outcome Measures	FY 2023 Actual	FY 2024 Actual	FY 2025 Projected	FY 2026 Projected
Post-disaster damage assessment within 24-48 hours of event conclusion	N/A	N/A	Yes	Yes
Conduct after action reviews for significant emergency events & major exercises	N/A	N/A	Yes	Yes

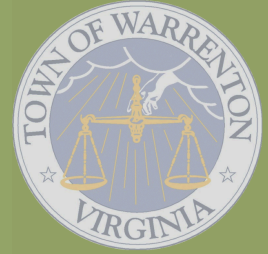
GOAL: Mitigation.

Objectives:

- Identify and assess potential hazards and vulnerabilities within the Town.
- Implement mitigation strategies to reduce the impact of identified hazards.
- Promote community participation in mitigation efforts.

OUTCOME MEASURES	FY 2023 Actual	FY 2024 Actual	FY 2025 Projected	FY 2026 Projected
Update the Town's Hazard Mitigation Plan according to the established schedule	N/A	N/A	Yes	Yes
Conduct vulnerability assessments for a specific high-risk area or infrastructure	N/A	N/A	1	2
Number of community outreach events focused on hazard mitigation	N/A	N/A	2	4

INSURANCE



DEPARTMENT DESCRIPTION

The Town's various insurance policies (including automobile liability, general liability, public officials liability, and property) are held through the Virginia Risk Sharing Association (VRSA). VRSA is a member-owned and governed self-insurance risk pool through which a group of local political subdivisions (i.e. members) contribute to a shared fund that in turn pays claims and provides risk management services to the participating members. The VRSA Members' Supervisory Board (MSB) is comprised of elected or appointed officials from member jurisdictions, as well as the executive director of the Virginia Municipal League (VML). The human capital department is responsible for the management of these policies including reporting incidents, tracking claims, and assessing coverage options.

BUDGET SUMMARY

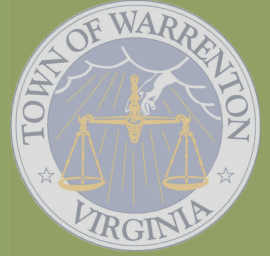
Please note FY 2023 and FY 2024 figures have been restated to include expenses related to the Town's coverage with VRSA. These costs were previously included in the emergency services department budget and have been broken out as a separate function for budgeting purposes in FY 2025 and FY 2026. Management of the Town's various insurance policies remains under the purview of the human capital department.

	ACTUAL		ADOPTED	PROPOSED	Variance (\$)	Variance (%)
	FY 2023	FY 2024	FY 2025	FY 2026		
Expenses						
Operating	\$83,693	\$115,895	\$128,434	\$145,984	\$17,550	14%
Expenses Total	\$83,693	\$115,895	\$128,434	\$145,984	\$17,550	14%

BUDGET ANALYSIS

The FY 2026 budget for insurance represents an increase over the FY 2025 adopted budget due to a projected increase in premiums in FY2026.

COMMUNICATIONS

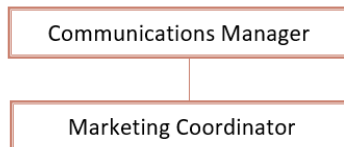


DEPARTMENT DESCRIPTION

The mission of the communications department is to ensure the communications across the Town are well-coordinated, effectively managed, and responsive to the diverse information needs of the public. The department strives to ensure that residents are aware and informed on Town policies, programs, projects, and initiatives. The department's centralized responsibility is for items such as media relations, press releases, website administration, community outreach and engagement, marketing and other social media strategies, newsletters such as the Town Crier, and other informational and promotional materials for all Town departments.

CURRENT STAFFING

The department is staffed by the Communications Manager and the Marketing Coordinator. The Communications Manager is allocated 75/25 between communications and the Town Manager department.



FY 2025 HIGHLIGHTS

- Increased community outreach and education with the creation of the Your Town Academy, a seven (7) week course for citizens to hear and learn from all Town departments on operations, procedures, and more.
- Continued Town Talks and other outreach meeting.
- Assisted departments with their outreach and helped develop ways departments could increase their outreach efforts.
- Completed a website re-design to enhance the navigation and the look of the website.
- Administered website training and guidelines to users from each department to ensure information on the website is staying up to date and correct.
- Increased outreach with the media to ensure timely communications on Town projects, programs, initiatives, and decisions.
- Created a Communications Center in Town Hall where residents can grab informational packets or brochures on different Town services and programs.
- Assisted the Emergency Management Office with the creation of the Town Citizen's Preparedness Guide which helps citizens be prepared for any type of emergency.

BUDGET SUMMARY

	ACTUAL		ADOPTED	PROPOSED	Variance (\$)	Variance (%)
	FY2023	FY2024	FY2025	FY2026		
EXPENSES						
PERSONNEL	\$35	\$92,413	\$158,619	\$169,306	\$10,687	7%
OPERATING	\$10,400	\$0	\$30,900	\$43,600	\$12,700	41%
EXPENSES TOTAL	\$10,435	\$92,413	\$189,519	\$212,906	\$23,387	12%

STAFFING SUMMARY

Department	FY2023	FY2024	FY2025	FY2026
FTE Amount				
Communications	0	2	1.75	1.75
FTE AMOUNT	0	2	1.75	1.75

BUDGET ANALYSIS

The increase in the proposed FY 2026 budget for the communications department is due to budgeted COLA and merit raises in the personnel category and projected increased costs for the printing and mailing of the Town Crier and other communications materials in the operating category. Additionally, public relations expenses previously captured in the town manager's budget are now captured within the communications operating budget.

Goals, Objectives, and Performance Metrics

Mission: The mission of the communications department is to ensure the communications across the Town are well coordinated, effectively managed, and responsive to the diverse information needs of the public. Thereby keeping residents aware and informed on the Town's policies, programs, projects, and initiatives.

The following goals, objectives, measures have been identified by the communications department:

GOAL: Increase education through community outreach.

Objectives:

- Continue facilitating Town Talks or Public Engagement Meetings as an open forum where members of the community can meet staff, discuss important issues, ask questions, and share their thoughts and concerns.
- Continue with the Your Town Academy annually and maintain or increase participation.
- Continue with annual Year-In-Review newsletter to inform the residents what the Town completed over each fiscal year.

Outcome Measures	FY 2023 Actual	FY 2024 Actual	FY 2025 Projected	FY 2026 Projected
Total number of public engagement meetings held	N/A	7	4	6
Total number of participants for the annual Your Town Academy	N/A	N/A	25	30
Year-In-Review created and mailed to residents	No	Yes	Yes	Yes

GOAL: Ensure the website is being used as the main source for information on the Town's services, projects, programs, and events.

Objectives:

- Increase the number of subscribers to the Town's News and Announcements section.
- Increase the number of subscribers to the Town's alert and notification system.
- Increase number of visits to the Town's website.

Outcome Measures	FY 2023 Actual	FY 2024 Actual	FY 2025 Projected	FY 2026 Projected
Number of subscribers to Town News and Announcement section	197	286	379	479
Number of subscribers to Town alerts	194	338	475	620
Number of total visits to the Town's website	200,023	243,912	265,779	287,779

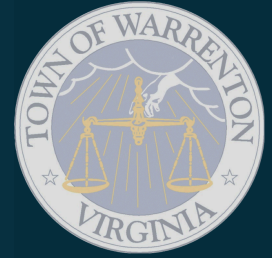
GOAL: Maintain social media presence and engagement.

Objectives:

- Increase followers and reach of Main Town Government Social Media pages.

Outcome Measures	FY 2023 Actual	FY 2024 Actual	FY 2025 Projected	FY 2026 Projected
Total followers on Facebook	6573	7537	8510	9500
Percent growth in followers on Facebook	N/A	14.70%	12.90%	11.60%
Followers and non-followers reached on Facebook (in thousands)	92.1	124.0	156.0	200.0
Total followers on Instagram	N/A	N/A	1,700	2,000
Percent growth in followers on Instagram	N/A	N/A	N/A	17.60%
Followers and non-followers reached on Instagram (in thousands)	1.6	2.1	2.6	3.1

PUBLIC SAFETY



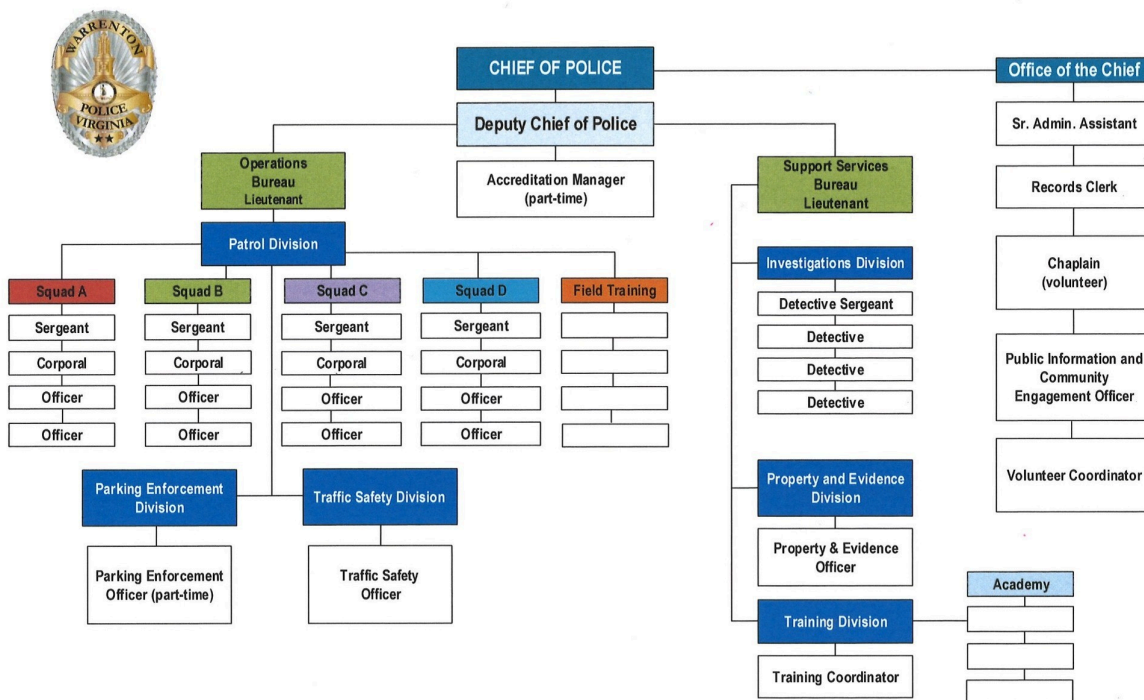
DEPARTMENT DESCRIPTION

The Police Department provides law enforcement, public safety services, and crime prevention. Working closely with Town businesses and citizens, the Department’s objective is to prevent and/or reduce crimes through a community-oriented policing concept. The Department delivers services to businesses and citizens through interaction and community involvement.

The mission of the police department is to work in partnership with the residents and businesses of the community to provide a safe and secure environment. With community service as the foundation, the Police Department is driven to enhance the quality of life by providing effective law enforcement services through transparent and impartial policing.

CURRENT STAFFING

Warrenton Police Department – Organizational Chart



BUDGET SUMMARY

	ACTUAL		ADOPTED	PROPOSED		
	FY2023	FY2024	FY2025	FY2026	Variance (\$)	Variance (%)
EXPENSES						
PERSONNEL	\$3,055,499	\$3,146,879	\$3,365,473	\$3,479,022	\$113,549	3%
OPERATING	\$899,998	\$179,794	\$235,412	\$259,843	\$24,431	10%
CAPITAL OUTLAY	\$1,145	\$2,450	\$0	\$1,000	\$1,000	-
EXPENSES TOTAL	\$3,956,642	\$3,329,123	\$3,600,885	\$3,739,865	\$138,980	4%

	ACTUAL		ADOPTED	PROPOSED	Variance (\$)	Variance (%)
	FY2023	FY2024	FY2025	FY2026		
REVENUES						
COURT FINES & FORFEITURES	\$37,587	\$46,020	\$40,000	\$40,000	\$0	0%
PARKING FINES	\$31,530	\$27,233	\$35,000	\$35,000	\$0	0%
E-SUMMONS FEE	\$3,388	\$3,410	\$2,500	\$2,500	\$0	0%
STATE GRANT	\$241,507	\$254,013	\$254,012	\$263,108	\$9,096	4%
STATE ASSET FORFEITURE PROCEEDS	\$15,952	\$8,270	\$3,468	\$6,000	\$2,532	73%
REVENUES TOTAL	\$329,964	\$338,945	\$334,980	\$346,608	\$11,628	3%

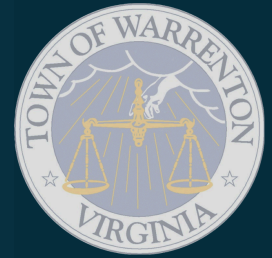
STAFFING SUMMARY

Department	FY2023	FY2024	FY2025	FY2026
FTE Amount				
Police Department	32.16	33.175	31.45	31.45
FTE AMOUNT	32.16	33.175	31.45	31.45

BUDGET ANALYSIS

The increase in the FY 2026 proposed budget compared to the FY 2025 adopted budget for the police department is driven by budgeted COLA and merit raises in the personnel category. In the operating category, expenses related to the department's share of support for the Rappahannock Regional Criminal Justice Academy in addition to expenses related to other seminars not offered by our academy such as interviewing and interrogation, domestic and child abuse, and forensic science have increased. The FY 2026 operating budget also includes funding for policies supplies such as range ammunition, a radar unit, and two (2) ballistic shields.

PUBLIC WORKS



FUNCTION OVERVIEW

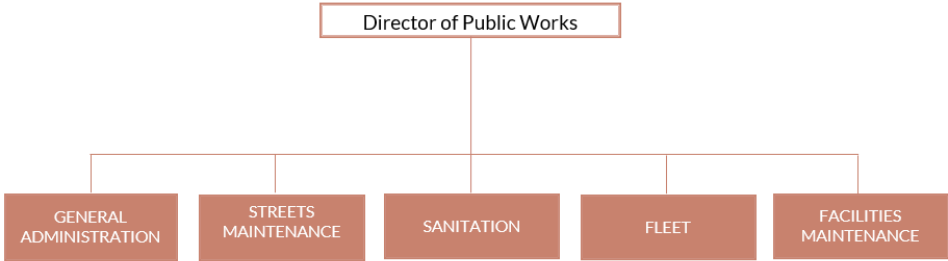
The public works function is responsible for maintaining 91.87 lane miles of roadway and right of way, a significant number of public sidewalks, an 18-acre public cemetery, ten (10) traffic signals, 40 miles of storm sewers, maintenance of the Town's vehicle and equipment fleets, all parks properties, and various public buildings. The department provides curbside refuse collection twice weekly to households and limited commercial pickup as well as curbside recycling collection once a week for newsprint, cardboard, plastics, and metals. Also provided is a brush collection on a periodic as-needed basis for the Town's citizens, seasonal leaf collections, and Christmas tree pickup. The department provides fall and spring cleanups, which allow citizens to clean up and clean out their properties with staff collecting and transporting the items to the landfill or to be recycled if possible. The arterial streets, collector streets, and a portion of the streets maintenance budget are funded through annual road maintenance payments from the Virginia Department of Transportation (VDOT). Funding for the numerous budgets within the public works department has enabled the Town to maintain the public street surfaces at a level of quality at or above VDOT standards. The paving schedule is moderate, based on the current roadway conditions, and is adequate to maintain the streets to the high standards expected by the citizens and motoring public. The department does its best to ensure Warrenton's citizens receive the highest level of service possible within the budgetary limits set.

CURRENT STAFFING

The public works function has five (5) main departments:

1. General Administration
2. Streets Maintenance
3. Sanitation
4. Fleet
5. Facilities Maintenance

These departments will be discussed in more detail on the following pages.



BUDGET SUMMARY

The total public works budget has increased in the proposed FY 2026 budget, primarily driven by anticipated cost increases in the streets departments. Included in operating expenses across the following departments are reimbursements to certain employees for safety equipment required to perform the duties of their jobs. For FY 2026, the reimbursement for safety boots is set at \$150 per employee. Further detail on each department is provided in the pages that follow.

	ACTUAL		ADOPTED	PROPOSED		
	FY2023	FY2024	FY2025	FY2026	Variance (\$)	Variance (%)
EXPENSES						
GENERAL ADMINISTRATION	\$495,085	\$425,724	\$523,853	\$463,521	(\$60,332)	(12%)
STREET MAINTENANCE	\$1,376,023	\$1,133,267	\$1,568,021	\$1,764,817	\$196,796	13%
ARTERIAL STREET MAINTENANCE	\$391,623	\$587,541	\$430,300	\$457,400	\$27,100	6%
COLLECTOR STREET MAINTENANCE	\$1,013,939	\$753,204	\$366,900	\$390,300	\$23,400	6%
REFUSE COLLECTION	\$529,078	\$513,880	\$491,304	\$507,715	\$16,411	3%
RECYCLING PROGRAM	\$106,886	\$68,620	\$116,187	\$118,004	\$1,817	2%
FLEET	\$0	\$806,681	\$831,288	\$844,135	\$12,847	2%
FACILITIES	\$1,059,142	\$933,620	\$865,274	\$906,413	\$41,139	5%
CEMETERY	\$256	\$0	\$158,826	\$168,977	\$10,151	6%
EXPENSES TOTAL	\$4,972,031	\$5,222,536	\$5,351,953	\$5,621,282	\$269,329	5%

	ACTUAL		ADOPTED	PROPOSED		
	FY2023	FY2024	FY2025	FY2026	Variance (\$)	Variance (%)
REVENUES						
VDOT STREET & HWY MAINT	\$1,708,977	\$1,860,662	\$1,859,564	\$1,910,954	\$51,390	3%
REVENUES TOTAL	\$1,708,977	\$1,860,662	\$1,859,564	\$1,910,954	\$51,390	3%

Goals, Objectives, and Performance Metrics

Mission: To deliver exceptional government service; to uphold standards established to protect the public health, safety, and welfare of all residents, business owners, and visitors; To provide an environment where people enjoy living, working, playing, and investing, while providing responsible management of public resources to meet the challenges of today and tomorrow

The following goals and objectives have been identified by public works:

GOAL: Provide and efficient and effective refuse and recycling services to town residents

Objectives:

- Provide twice a week refuse collection
- Provide once a week recycling collection
- Provide annual community clean ups where public works picks up large items from residents

Outcome Measures	FY 2023 Actual	FY 2024 Actual	FY 2025 Projected	FY 2026 Projected
Refuse collected (in tons)	3,653	3,602	3,798	3,800
Recycling collected (in tons)	610	257	644	650
Number of annual community clean ups	2	2	2	2

GOAL: Maintain the Town's 93.47 lane miles of public roads and 40 miles of storm sewer.

Objectives:

- Ensure the Town's streets are maintained to the level expected by the Town's citizens.
- Complete routine maintenance, repair work, and small construction projects as needed

Outcome Measures	FY 2023 Actual	FY 2024 Actual	FY 2025 Projected	FY 2026 Projected
Review and revise annual paving schedule as needed	Yes	Yes	Yes	Yes

GOAL: Fleet management.

Objectives:

- Maintain a safe and reliable fleet of vehicles and equipment.
- Implement a vehicle and equipment replacement plan that aligns with lifecycle costs and operational needs.

Outcome Measures	FY 2023 Actual	FY 2024 Actual	FY 2025 Projected	FY 2026 Projected
Maintain a fleet availability rate of 95% for mission-critical vehicles and equipment	N/A	N/A	95%	95%
Conduct preventative maintenance on 100% of scheduled vehicles and equipment	N/A	N/A	100%	100%
Implement a vehicle and equipment replacement plan that aligns with lifecycle costs and operational needs	Yes	Yes	Yes	Yes

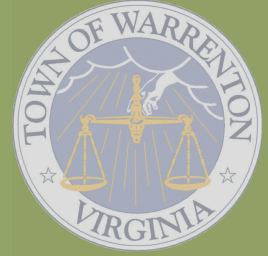
GOAL: Facilities management.

Objectives:

- Maintain safe, functional, and aesthetically pleasing Town facilities.
- Improve the energy efficiency and sustainability of Town facilities.
- Plan and execute capital improvement projects for Town facilities effectively and within budget.

Outcome Measures	FY 2023 Actual	FY 2024 Actual	FY 2025 Projected	FY 2026 Projected
Maintain a facility condition assessment score of 85 out of 100 across all Town facilities	N/A	N/A	85	85
Explore and implement at least 1 renewable energy project for Town facilities	N/A	N/A	1	1

PUBLIC WORKS ADMINISTRATION



DEPARTMENT DESCRIPTION

The public works administration department is responsible for all public works functions and services, the development and management of the operational budget, departmental personnel management, development of short and long-range maintenance and Capital Improvement plans, management of the vehicle and equipment maintenance and replacement programs, maintenance of streets, streetlights and traffic signals, and for the review and approval of site development plans.

The budget supports all costs associated with day-to-day operation and management of the public works department and its varied functions. Expenses within the budget support a wide range of public works functions such as daily citizen contacts, project development and oversight, personnel and financial administration and departmental planning that are needed to maintain the current high level of service for FY 2026.

CURRENT STAFFING

The public works administration department is staffed by the Director of Public Works and two (2) Administrative Assistants. One (1) of the Administrative Assistants is split 50/50 with the Water & Sewer Fund. The other staff partially allocated to this department include the Engineer (20%), Project Coordinator (50%), and GIS Technician (10%). The Fleet & Facilities Manager was previously allocated 50% to this department, but is now allocated between fleet, facilities, and emergency services. As such, there is a .5 FTE reduction in the staffing summary below.

BUDGET SUMMARY

	ACTUAL		ADOPTED		PROPOSED	
	FY2023	FY2024	FY2025	FY2026	Variance (\$)	Variance (%)
EXPENSES						
PERSONNEL	\$409,094	\$399,039	\$483,558	\$427,891	(\$55,667)	(12%)
OPERATING	\$85,992	\$26,685	\$40,295	\$35,630	(\$4,665)	(12%)
CAPITAL OUTLAY	\$0	\$0	\$0	\$0	\$0	-
EXPENSES TOTAL	\$495,085	\$425,724	\$523,853	\$463,521	(\$60,332)	(12%)

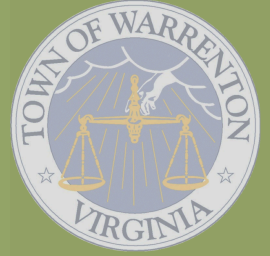
STAFFING SUMMARY

Department	FY2023	FY2024	FY2025	FY2026
FTE Amount				
Public Works Administration	4.6	3.8	3.8	3.3
FTE AMOUNT	4.6	3.8	3.8	3.3

BUDGET ANALYSIS

The FY 2026 proposed budget reflects an overall decrease when compared to the FY 2025 adopted budget. The decrease in the personnel category is due to the removal of the fleet and facility manager's allocation to this department. The decrease in the operating category is related to reductions in expenses related to the Town's Department of Transportation (DOT) clearing house requirements and maintenance contracts based on actual spending in prior years.

STREET MAINTENANCE



DEPARTMENT DESCRIPTION

The street maintenance department is responsible for all maintenance and repair activities associated with the approximately 93.47 lane miles of public roads and 40 miles of storm sewer within the corporate limits. This section of the public works budget appropriates funds used for snow removal, street cleaning, litter control, routine maintenance, repair work, and small construction projects along the Town's public roadways and right-of-way. The streets department also assists the sanitation department by completing fall and spring clean ups.

The Virginia Department of Transportation (VDOT) provides reimbursement, which is accounted for in the categorical aid revenue section of this budget, for the maintenance of both arterial and collector streets.

CURRENT STAFFING

This division is staffed with maintenance crews who are responsible for ensuring that the appearance of the Town's streets are maintained to the level expected by the Town's citizens. Personnel funds in this budget supplement the arterial and collector budgets when work is specifically performed to those classifications of roadways.

BUDGET SUMMARY

	ACTUAL		ADOPTED	PROPOSED		
	FY2023	FY2024	FY2025	FY2026	Variance (\$)	Variance (%)
EXPENSES						
PERSONNEL	\$995,277	\$1,040,569	\$1,445,581	\$1,640,317	\$194,736	13%
OPERATING	\$354,191	\$72,192	\$97,440	\$99,500	\$2,060	2%
CAPITAL OUTLAY	\$26,555	\$20,506	\$25,000	\$25,000	\$0	0%
EXPENSES TOTAL	\$1,376,023	\$1,133,267	\$1,568,021	\$1,764,817	\$196,796	13%

STAFFING SUMMARY

Department	FY2023	FY2024	FY2025	FY2026
FTE Amount				
Streets	16.66	18.45	17.73	18.73
FTE AMOUNT	16.66	18.45	17.73	18.73

BUDGET ANALYSIS

The proposed FY 2026 street maintenance budget reflects an increase from the FY 2025 adopted budget. In the personnel category, one (1) maintenance worker that was previously improperly classified under the facilities department has now been properly budgeted in the streets department. Since the costs of the maintenance worker were subtracted from the facilities department, this change has no impact on the budget as a whole. Budgeted merit and COLA raises, increased health insurance costs, increased workers compensation costs, as well as the upgrade of the senior crew supervisor to superintendent are also reflected in the personnel category. The slight increase in the operating category is due to increased costs for uniforms and anticipated cost increases in materials and supplies purchased during the year. Capital outlay for equipment has remained flat year over year.

ARTERIAL STREET MAINTENANCE

DEPARTMENT DESCRIPTION

The costs associated with the maintenance activities of the 30.39 major street and highway lane miles within the corporate limits are grouped under this budget. Arterial streets are the most significant roads in the area, serving the major centers of activity, constitute the highest traffic volume corridor and carry the major portion of through traffic in urban areas. The roads that are designated as arterial streets under the Federal Highway System are U.S. 17, U.S. 29 Business, U.S. 211, and U.S. 15 Business.

CURRENT STAFFING

Personnel costs are charged to this department when work related to arterial streets is performed.

BUDGET SUMMARY

	ACTUAL		ADOPTED	PROPOSED	Variance (\$)	Variance (%)
	FY2023	FY2024	FY2025	FY2026		
EXPENSES						
PERSONNEL	\$54,657	\$177,898	\$14,700	\$16,300	\$1,600	11%
OPERATING	\$178,452	\$111,476	\$306,600	\$306,600	\$0	0%
CAPITAL OUTLAY	\$158,514	\$298,167	\$109,000	\$134,500	\$25,500	23%
EXPENSES TOTAL	\$391,623	\$587,541	\$430,300	\$457,400	\$27,100	6%

BUDGET ANALYSIS

The arterial streets maintenance budget has increased as compared to the adopted FY 2025 budget. The personnel charges for arterial and collector street budgets are allocated from the street maintenance department budget. The \$16,300 budgeted in the personnel category only reflects amounts budgeted for compensation related to snow removal and overtime hours worked on arterial streets. The operating portion of the arterial streets budget has remained flat year over year. The majority of the increase in the budget comes from a projected increase in expenses related to annual sidewalk, curb, and gutter work under the capital outlay category.

COLLECTOR STREET MAINTENANCE

DEPARTMENT DESCRIPTION

The collector street maintenance budget provides funding for maintenance of the less-traveled streets of the Town, as defined by the Virginia Department of Transportation. The Town has 63.08 lane miles of collector streets. Collector streets provide land access service and traffic circulation within residential, commercial and industrial areas. The collector streets system facilitates traffic flows within the Town and provides access to the arterial streets system, which are the main highway streets through and serving the Town.

CURRENT STAFFING

Personnel costs are charged to this department when work related to collector streets is performed.

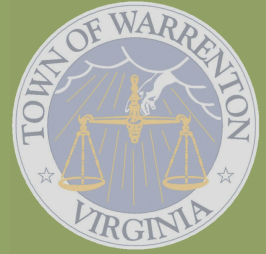
BUDGET SUMMARY

	ACTUAL		ADOPTED	PROPOSED	Variance (\$)	Variance (%)
	FY2023	FY2024	FY2025	FY2026		
EXPENSES						
PERSONNEL	\$16,999	\$89,770	\$10,900	\$12,000	\$1,100	10%
OPERATING	\$156,206	\$169,709	\$273,500	\$280,300	\$6,800	2%
CAPITAL OUTLAY	\$840,734	\$493,725	\$82,500	\$98,000	\$15,500	19%
EXPENSES TOTAL	\$1,013,939	\$753,204	\$366,900	\$390,300	\$23,400	6%

BUDGET ANALYSIS

The collector streets maintenance budget has increased compared to FY 2025. The personnel charges for arterial and collector street budgets are allocated from the street maintenance department budget. The \$12,000 budgeted in personnel category only reflects amounts budgeted for compensation related to snow removal and overtime performed on collector streets. The operating portion of the collector streets budget has increased due to an anticipated increase of the electricity bill for streetlights. The majority of the increase in the budget comes from a projected increase in expenses related to annual sidewalk, curb, and gutter work under the capital outlay category.

SANITATION



DEPARTMENT DESCRIPTION

The sanitation department accounts for the expenditures related to refuse collection and the Town's recycling program. The sanitation department is staffed by two (2) teams, each made up of three (3) staff, who report directly to the Director of Public Works.

The refuse collection budget covers all costs of collection and disposal of solid waste by Town crews. This includes twice a week refuse collection and disposal of junk and materials during the Town's twice annual community cleanups. Refuse collection is provided to all homes in the community and to a portion of the qualifying businesses in the Town without additional fees or charges being assessed. Service is provided to businesses whose trash can be accommodated by bags or containers, which can be manually handled by the crews.

The recycling operation accounts for all costs associated with the coordination and management of the recycling collection program for the Town. The collection activity of co-mingled household and business materials, metal, and plastics has been a program with the Town for over 27 years. Newspapers and corrugated cardboard are collected one (1) day a week by the Town's refuse crews.

The Town's goal relating to the recycling program is to meet the mandated rates for the community, as established by the Commonwealth of Virginia, and to provide a service to the public that protects the environment and reduces tonnage of waste going to the Fauquier County Landfill, while working within the requirements of Town Code and the landfill's operational requirements.

CURRENT STAFFING

The sanitation duties of refuse and recycling collection are handled by six (6) full-time employees. They are each allocated 80% to refuse collection and 20% to the recycling program. As needed, staff from other public works departments are utilized to ensure all routes are completely in a timely manner.

BUDGET SUMMARY

	ACTUAL		ADOPTED	PROPOSED	Variance (\$)	Variance (%)
	FY2023	FY2024	FY2025	FY2026		
EXPENSES						
PERSONNEL	\$468,136	\$565,842	\$553,661	\$571,389	\$17,728	3%
OPERATING	\$167,827	\$16,657	\$53,830	\$54,330	\$500	1%
EXPENSES TOTAL	\$635,963	\$582,499	\$607,491	\$625,719	\$18,228	3%

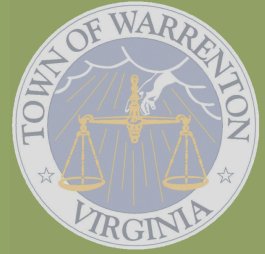
STAFFING SUMMARY

Department	FY2023	FY2024	FY2025	FY2026
FTE Amount				
Recycling	1.2	1.2	1.2	1.2
Refuse	4.8	4.8	4.8	4.8
FTE AMOUNT	6	6	6	6

BUDGET ANALYSIS

The proposed FY 2026 budget reflects a slight increase when compared to the FY 2025 adopted budget. The personnel category reflects an increase related to budgeted COLA and merit raises for department staff. Operating expenses have remained essentially flat year over year. The budget does not include tipping fees to the Fauquier County Landfill for household trash; the budget includes \$40,000 for landfill operations to cover other fees not associated with household refuse, which have been increasing due to the Fauquier County Landfill operating as a transfer station.

FLEET



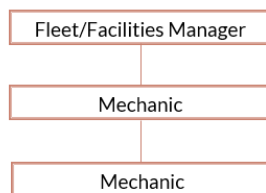
DEPARTMENT DESCRIPTION

The fleet department strives to provide an efficient and complete fleet management program, which responsibly fulfills the vehicle and equipment needs of the various Town departments through cost-effective practices and dedicated personal service. The fleet staff has responsibility for the maintenance and repair of all Town vehicles and pieces of equipment (ranging from police cars to refuse trucks, and other equipment such as backhoes, chain saws and weed eaters).

Prior to FY 2024, fleet was known as motor pool and was an Internal Service Fund that captured vehicle-related costs across the Town. These costs were then allocated to departments based upon the actual work performed on the vehicles, plus an overhead charge. Beginning with FY 2024, fleet is a General Fund department. All vehicle-related costs are captured in this department, and there is no longer be an allocation to the other departments in the General Fund. The Water & Sewer Fund and the Stormwater Management Fund provide transfers to the General Fund to account for the services provided to their respective functions.

CURRENT STAFFING

The fleet department is staffed by two (2) mechanics who are allocated 100% to the department as well as the fleet and facilities manager. The fleet and facilities manager was previously allocated 50/50 between fleet and public works administration. In FY 2026, the allocation of the fleet and facilities manager is 40% fleet, 30% facilities, and 30% emergency services.



FY 2025 HIGHLIGHTS

- Demonstrating a commitment to sustainability and professional development, the entire team enrolled in bio-based certification programs.
- Fleet asset replacements
- Traffic Task Force actively engaged the community on traffic concerns, utilizing various monitoring tools.

KEY PROJECTS FOR FY 2026

- Continue to implement the capital asset replacement plan with improved efficiencies in mind.
- Continue implementing internal and external maintenance practices and contracts as allowed by staffing and budgetary limitations.
- Continue to support all fleet functions at Town-owned properties.

BUDGET SUMMARY

	ACTUAL		ADOPTED	PROPOSED	Variance (\$)	Variance (%)
	FY2023	FY2024	FY2025	FY2026		
EXPENSES						
PERSONNEL	\$227,411	\$267,974	\$289,438	\$302,285	\$12,847	4%
OPERATING	\$343,933	\$514,517	\$534,850	\$534,850	\$0	0%
CAPITAL OUTLAY	\$0	\$24,190	\$7,000	\$7,000	\$0	0%
EXPENSES TOTAL	\$571,344	\$806,681	\$831,288	\$844,135	\$12,847	2%

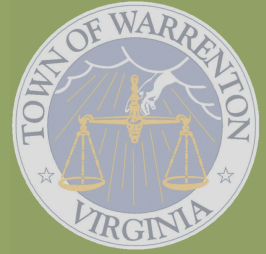
BUDGET ANALYSIS

The FY 2026 proposed budget shows a slight increase over the adopted FY 2025 budget. In the personnel category, both mechanics are budgeted to receive 5% raises to compensate them for extra duties they will be absorbing as the fleet and facilities manager now has a portion of his time dedicated to emergency services. This increase, along with budgeted merit and COLA raises, is partially offset by the decrease of the fleet and facilities manager's allocation to this department. The intention behind this structural change is to provide a career path for the mechanics and increase retention while working within budgetary constraints. Both operating and capital expenses are budgeted to remain flat when compared to FY 2025

STAFFING SUMMARY

Department	FY2023	FY2024	FY2025	FY2026
FTE Amount				
Fleet	2.45	2.45	2.5	2.4
FTE AMOUNT	2.45	2.45	2.5	2.4

FACILITIES MAINTENANCE

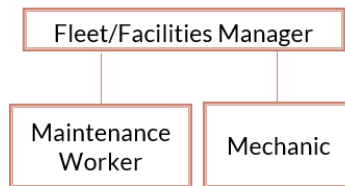


DEPARTMENT DESCRIPTION

Facilities maintenance is responsible for the maintenance, repair, and custodial functions of over 20 Town-owned or occupied buildings and grounds. Facilities included are Town Hall, the Public Works Facility, all Town parks, Town parking lots, the building at 18 Court Street, and all other Town-owned properties. The grounds include parking lots, public green space, traffic lights, all Town-owned signs, trails, and the gateway signage to Warrenton. This budget does not include the Warrenton Aquatic and Recreation Facility, which is covered in the parks and recreation department budget, or the two houses at the water treatment plant. Facilities staff are dedicated to providing cost-effective and reliable services to ensure that the town's infrastructure is safe and well-maintained.

CURRENT STAFFING

The facilities maintenance department is staffed by a mechanic and a maintenance workers who are allocated 100% to the department. The fleet and facilities manager is allocated 30% to facilities.



FY 2025 HIGHLIGHTS

- Traffic Light Updates – The Advanced Traffic Management System (ATMS) project was launched during FY25.
- Town Hall waterproofing/1st Street – The First street project launched and was completed with great success. The project revealed that the town hall foundation was in much better shape than expected.

KEY PROJECTS FOR FY 2026

- Continue implementing internal and external maintenance practices and contracts as allowed by staffing and budgetary limitations.
- Continue to support all facility functions at Town-owned properties.

BUDGET SUMMARY

	ACTUAL		ADOPTED	PROPOSED	Variance (\$)	Variance (%)
	FY2023	FY2024	FY2025	FY2026		
EXPENSES						
PERSONNEL	\$379,803	\$424,088	\$392,875	\$396,798	\$3,923	1%
OPERATING	\$673,095	\$483,751	\$558,225	\$612,092	\$53,867	10%
CAPITAL OUTLAY	\$6,500	\$25,781	\$73,000	\$66,500	(\$6,500)	(9%)
EXPENSES TOTAL	\$1,059,398	\$933,620	\$1,024,100	\$1,075,390	\$51,290	5%

STAFFING SUMMARY

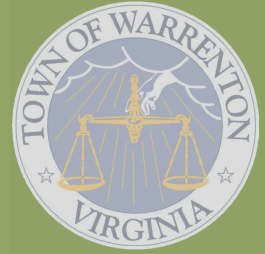
Department	FY2023	FY2024	FY2025	FY2026
FTE Amount				
General Properties	6.73	6.084	3.08	2.3
FTE AMOUNT	6.73	6.084	3.08	2.3

BUDGET ANALYSIS

The proposed FY 2026 facilities maintenance budget shows an overall increase as compared to the adopted FY 2025 budget. In the personnel category, the mechanic is budgeted to receive a 5% raise to compensate for extra duties that will be absorbed as the fleet and facilities manager now has a portion of his time dedicated to emergency services. The intention behind this structural change is to provide a career path for the mechanics and increase retention while working within budgetary constraints. This increase, along with budgeted merit and COLA raises and the fleet and facilities manager now being partially allocated to this department, is partially offset by one (1) maintenance worker that was previously improperly classified under this department now being properly budgeted in the streets department and the elimination of the part-time traffic signals/sign maintenance position.

The increase in the operating category is due to projected increases in costs for contractual repairs, janitorial service contracts, and electricity for various facilities. The capital category is budgeted to decrease when compared to FY 2025.

CEMETERY



DEPARTMENT DESCRIPTION

The Warrenton Cemetery covers approximately 18 acres and includes over 8,000 burials. This department is responsible for interments, maintenance of the cemetery grounds, and maintenance of the cemetery building with restroom. The department also performs a pre-spring cleaning by removing any arrangements, decorations or flowers that are dead, dried up, faded or falling apart.

CURRENT STAFFING

The cemetery department is staffed by the Cemetery Caretaker and a Maintenance Worker who are both allocated 100% to the department.

BUDGET SUMMARY

	ACTUAL		ADOPTED	PROPOSED	Variance (\$)	Variance (%)
	FY2023	FY2024	FY2025	FY2026		
EXPENSES						
PERSONNEL	\$256	\$0	\$135,990	\$146,141	\$10,151	7%
OPERATING	\$0	\$0	\$12,836	\$12,836	\$0	0%
CAPITAL OUTLAY	\$0	\$0	\$10,000	\$10,000	\$0	0%
EXPENSES TOTAL	\$256	\$0	\$158,826	\$168,977	\$10,151	6%

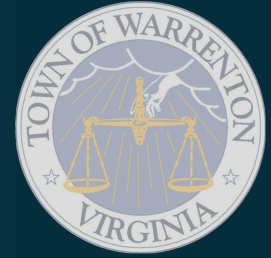
STAFFING SUMMARY

Department	FY2023	FY2024	FY2025	FY2026
FTE Amount				
Cemetery	0	0	2	2
FTE AMOUNT	0	0	2	2

BUDGET ANALYSIS

The proposed FY 2026 cemetery budget shows an overall increase as compared to the adopted FY 2025 budget. The increase in the personnel category is due to budgeted merit and COLA raises, projected increase in overtime expenses, and a portion of workers compensation now being charged to the department. Expenses in the operating and capital categories are budgeted to remain flat. Prior to FY 2025, all expenses for the cemetery were reported in the facilities department budget.

PARKS & RECREATION



FUNCTION OVERVIEW

The Town parks and recreation department operates Academy Hill Park, Depot Park, Eva Walker Park, Sam Tarr Park, Rady Park, the Skateboard Park, the Fun for All Playground, the Dog Park and the Warrenton Aquatic and Recreation Facility. In addition, the department oversees health and wellness programs, aquatic and recreation programs, as well as special events throughout the year.

BUDGET SUMMARY

Detailed descriptions of the budgets for each of the departments listed below are provided in the following pages.

PARKS & RECREATION EXPENSES

	ACTUAL		ADOPTED	PROPOSED		
	FY2023	FY2024	FY2025	FY2026	Variance (\$)	Variance (%)
EXPENSES						
AQUATIC CENTER	\$1,770,268	\$1,913,485	\$1,938,633	\$1,959,137	\$20,504	1%
MAINTENANCE - PARKS	\$179,421	\$174,961	\$264,014	\$261,235	(\$2,779)	(1%)
P&R ADMINISTRATION	\$407,492	\$468,908	\$483,658	\$505,038	\$21,380	4%
EXPENSES TOTAL	\$2,357,180	\$2,557,354	\$2,686,305	\$2,725,410	\$39,105	1%

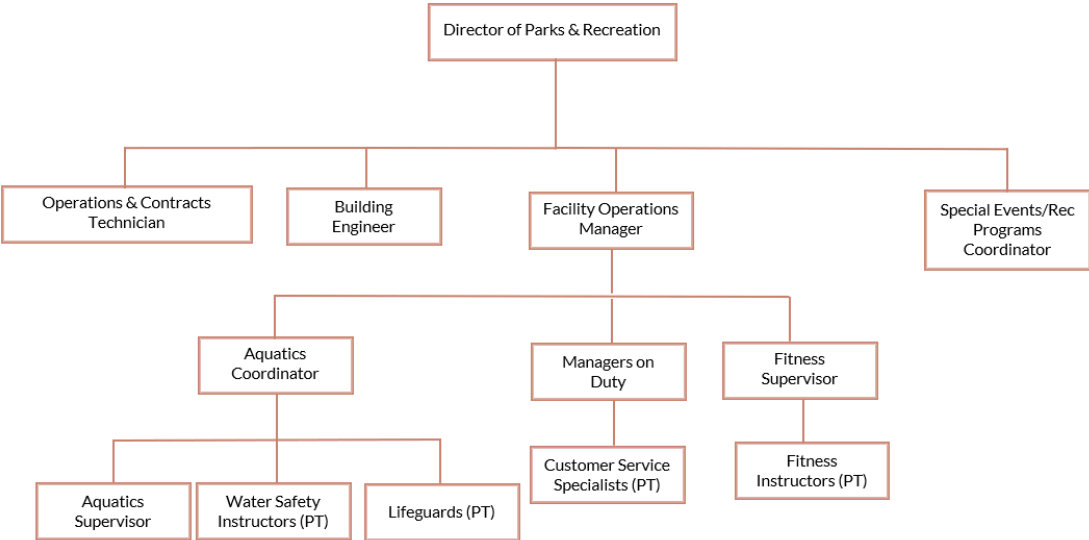
PARKS & RECREATION CHARGES FOR SERVICES REVENUE

	ACTUAL		ADOPTED	PROPOSED		
	FY2023	FY2024	FY2025	FY2026	Variance (\$)	Variance (%)
REVENUES						
CHARGES FOR SERVICES- WARF	\$1,019,342	\$1,019,479	\$1,085,018	\$1,075,500	(\$9,518)	(1%)
REVENUES TOTAL	\$1,019,342	\$1,019,479	\$1,085,018	\$1,075,500	(\$9,518)	(1%)

PARKS & RECREATION MISCELLANEOUS REVENUE

	ACTUAL		ADOPTED	PROPOSED		
	FY2023	FY2024	FY2025	FY2026	Variance (\$)	Variance (%)
REVENUES						
WARF SPONSORSHIPS	\$0	\$15,450	\$15,000	\$15,000	\$0	0%
REVENUES TOTAL	\$0	\$15,450	\$15,000	\$15,000	\$0	0%

CURRENT STAFFING



Goals, Objectives, and Performance Metrics

Mission: The mission of the parks and recreation department is to provide leisure and wellness services that will continue to result in personal accomplishment, self-satisfaction, and community and family unity for all citizens. The department serves all citizens in an equitable fashion regardless of background, ability level, or age and provides programs, facilities, and services that will enhance the quality of life in our community, and further perpetuates the Town as an exceptional place to live, work, and play.

The following goals and objectives have been identified by the parks and recreation department:

GOAL: Increase the number of programming amenities offered by the department.

Objectives:

- Increase program participants by a minimum of 2% annually.

Outcome Measures	FY 2023 Actual	FY 2024 Actual	FY 2025 Projected	FY 2026 Projected
Number of participants enrolled in recreation programs	20,880	32,936	33,802	35,000
Annual increase in participants	N/A	58%	3%	4%
Number of programs held	3,110	3,128	2,924	2,950
Satisfaction rate of participants	N/A	N/A	N/A	90%

GOAL: Enhance department marketing efforts.

Objectives:

- Increase public engagement by 5% annually.

Outcome Measures	FY 2023 Actual	FY 2024 Actual	FY 2025 Projected	FY 2026 Projected
Number of social media followers	8,246	9,019	9,600	10,150
Percent growth in followers and subscribers	N/A	9%	6%	6%

GOAL: Establish a viable cost recovery methodology.

Objectives:

- Provide a wide variety of safe and healthy recreational opportunities to achieve target expenditure recovery.

Outcome Measures	FY 2023 Actual	FY 2024 Actual	FY 2025 Projected	FY 2026 Projected
Number of facility rental/reservations	8,310	9,016	9,025	9,040
Percentage of expenses recovered through revenue for the parks and recreation function	43%	40%	41%	40%
Total number of annual memberships purchased	731	884	900	1,050
Renewal rate of annual memberships	N/A	N/A	60%	70%
Total number of daily visits to the WARF	97,017	107,609	105,000	108,000

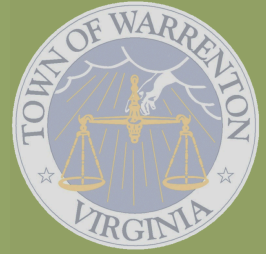
GOAL: Increase park use.

Objectives:

- Increase park rentals by 1% annually by properly maintaining facilities while developing innovative methods to maintain service levels.

Outcome Measures	FY 2023 Actual	FY 2024 Actual	FY 2025 Projected	FY 2026 Projected
Number of pavilion rentals	89	96	100	115
Number of field rentals	1	8	2	10

AQUATIC & RECREATIONAL FACILITY



DEPARTMENT DESCRIPTION

This budget supports all personnel, program activities, building maintenance, and operational functions including repairs/replacements, janitorial, utilities, chemicals, and support services for the operation and maintenance of the Warrenton Aquatic and Recreation Facility (WARF). The objective of this facility is to provide land and aquatic-based recreational and fitness programming and activities for youth and adults of the Town as well as visitors.

FY 2025 HIGHLIGHTS

- Natatorium light replacement
- Front walkway repairs and accessibility improvements,
- Fitness equipment replacement
- Chiller replacement

KEY PROJECTS IN FY 2026

- Water Structure Replacement

CURRENT STAFFING

The WARF currently has four (4) full-time employees. The recreation building engineer, aquatic supervisor, and aquatic coordinator are allocated 100% to the department. The fitness supervisor is split 70/30 between the WARF and parks and recreation administration department. The facility is comprised primarily of part-time staff, to include the positions of managers on duty, customer service specialists, head lifeguards, lifeguards, water safety instructors, and fitness instructors.

Previously, a lack of position control created a challenge in tracking full-time equivalents (FTEs) at the WARF. As such, funding for the part-time positions at the facility were based on a dollar-value basis, rather than an FTE basis and the budget for part-time positions was calculated based on current headcount. As requested by Town Council, in the FY 2025 adopted budget and FY 2026 proposed budget the department has calculated the estimated FTEs to run the facility based on factors such as operating hours and number of fitness classes.

As a result of this calculation, we now have an FTE budget as well as a dollar-value budget (FTE budget multiplied by current weighted average rate), which the facility will need to operate within.

The FTEs that are worked by part-time staff in the proposed FY 2026 budget are consistent with those in the adopted FY 2025 budget and are based on the below chart:

Position	Weekly Estimated Hours	FTE
Water Safety Instructor	30	0.75
<i>Group Swim Lessons</i>	20	0.50
<i>Private Swim Lessons</i>	10	0.25
Fitness Instructor	75	1.88
<i>Group Fitness Classes</i>	60	1.50
<i>Personal Training</i>	15	0.38
Front Desk	221	5.53
<i>Customer Service Specialist</i>	57	1.43
<i>Customer Service Specialist</i>	105	2.61
<i>Manager on Duty</i>	60	1.49
Guards	478	11.94
<i>Headguard</i>	105	2.61
<i>Lifeguard</i>	105	2.61
<i>Lifeguard</i>	105	2.61
<i>Lifeguard</i>	82	2.05
<i>Lifeguard</i>	82	2.05
Total Estimated FTEs		20.09

The calculated FTEs are then multiplied by the current weighted average salary for each position, producing the cost associated with each part-time position:

Position	FTE	Weighted Average Rate	FY 2026 Proposed Base Wages*
Water Safety Instructor	0.75	\$ 19.44	\$ 30,333
Fitness Instructor	1.88	25.09	97,841
Customer Service Specialist	4.04	14.83	124,516
Manager on Duty	1.49	18.69	57,825
Headguard	2.61	16.58	90,107
Lifeguard	9.33	14.62	283,666
Total	20.09		\$ 684,288

*Base wages do not include the impact of FY 2026 COLA or merit raises.

BUDGET SUMMARY

	ACTUAL		ADOPTED	PROPOSED		
	FY2023	FY2024	FY2025	FY2026	Variance (\$)	Variance (%)
EXPENSES						
PERSONNEL	\$827,524	\$1,042,355	\$1,140,530	\$1,078,630	(\$61,900)	(5%)
OPERATING	\$908,392	\$819,935	\$778,103	\$860,507	\$82,404	11%
CAPITAL OUTLAY	\$34,352	\$51,195	\$20,000	\$20,000	\$0	0%
EXPENSES TOTAL	\$1,770,268	\$1,913,485	\$1,938,633	\$1,959,137	\$20,504	1%

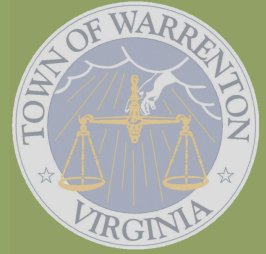
STAFFING SUMMARY

Department	FY2023	FY2024	FY2025	FY2026
FTE Amount				
Aquatic Center	15.37	26	23.79	23.79
FTE AMOUNT	15.37	26	23.79	23.79

BUDGET ANALYSIS

The proposed FY 2026 budget for the WARF represents a slight increase over the adopted FY 2025 budget. The reduction in the personnel category is driven by a decrease in the weighted average rates of part-time staff and a decrease in the projected workers compensation allocation to the department partially offset by budgeted merit and COLA raises. The operating category is projected to increase due to costs for maintenance contracts, electricity for the facility, and chemical supplies. Equipment replacements previously captured in the General Asset Replacement Fund have also now been moved to this department, as new equipment will be covered under a lease agreement. Capital outlay is flat with FY 2025.

PARKS



DEPARTMENT DESCRIPTION

The goal of the parks department is to maintain the Town's park facilities to provide high quality outdoor park facilities, open space, cultural programs and services for Town residents as well as visitors. The Town maintains Eva Walker Park, Rady Park, Sam Tarr Park, Academy Hill Park, Depot Park, Fun for All Playground, Skateboard Park, the Dog Park, and the lake, grounds, and trails at the Warrenton Sports Complex.

CURRENT STAFFING

The parks department is staffed by one (1) part-time maintenance worker. The public works department provides additional staffing for the maintenance and upkeep of our park facilities as needed.

FY 2025 HIGHLIGHTS

- Volleyball court relocation
- Rady Park playground expansion
- Fun For All playground repairs and improvements

KEY PROJECTS IN FY 2026

- Eva Walker Park master plan improvements

BUDGET SUMMARY

	ACTUAL		ADOPTED	PROPOSED	Variance (\$)	Variance (%)
	FY2023	FY2024	FY2025	FY2026		
EXPENSES						
PERSONNEL	\$1,494	\$15,524	\$41,154	\$32,635	(\$8,519)	(21%)
OPERATING	\$177,927	\$159,437	\$215,360	\$221,100	\$5,740	3%
CAPITAL OUTLAY	\$0	\$0	\$7,500	\$7,500	\$0	0%
EXPENSES TOTAL	\$179,421	\$174,961	\$264,014	\$261,235	(\$2,779)	(1%)

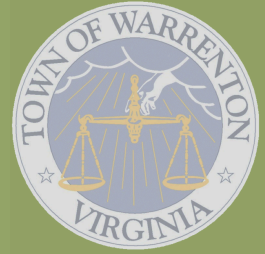
STAFFING SUMMARY

Department	FY2023	FY2024	FY2025	FY2026
FTE Amount				
Parks	0.36	0	0.73	0.73
FTE AMOUNT	0.36	0	0.73	0.73

BUDGET ANALYSIS

The proposed FY 2026 parks budget reflects a slight decrease over the FY 2025 adopted budget. In FY 2025, the part-time maintenance worker position was vacant, as such, the personnel budget was based on the mid-point salary for a maintenance worker. The FY 2026 personnel category reflects the actual costs associated with the filled position. The increase in the operating category is due to a projected increase in the cost of electricity at park facilities. Capital outlay for playground equipment has remained flat year over year.

PARKS AND RECREATION ADMINISTRATION



DEPARTMENT DESCRIPTION

This budget supports parks and recreation's various programs to ensure they perform and function effectively and efficiently. This administrative effort provides leadership, direction, oversight, management, technical assistance, contract management, and staff training assistance. The department's workload includes management of the WARF, seven (7) parks, and the lake feature. The administration coordinates with other Town departments, Town Council and the Town Manager. Policies and procedures are developed, reviewed, revised, and implemented.

CURRENT STAFFING

The department consists of a director, operations and contracts technician, a facility operations manager, and a special events & recreation program coordinator. The fitness supervisor is allocated 70% to this department.

BUDGET SUMMARY

	ACTUAL		ADOPTED	PROPOSED	Variance (\$)	Variance (%)
	FY2023	FY2024	FY2025	FY2026		
EXPENSES						
PERSONNEL	\$347,267	\$460,810	\$470,558	\$491,328	\$20,770	4%
OPERATING	\$60,224	\$8,098	\$13,100	\$13,710	\$610	5%
EXPENSES TOTAL	\$407,492	\$468,908	\$483,658	\$505,038	\$21,380	4%

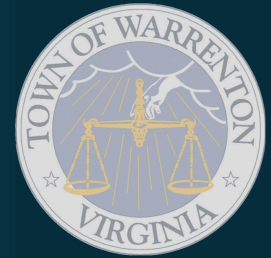
STAFFING SUMMARY

Department	FY2023	FY2024	FY2025	FY2026
FTE Amount				
Parks Administration	5.75	5	4.3	4.3
FTE AMOUNT	5.75	5	4.3	4.3

BUDGET ANALYSIS

The proposed FY 2026 parks and recreation administration budget reflects an increase over the adopted FY 2025 budget. The increase in personnel expenses is due to budgeted merit and COLA raises as well as an increase in workers compensation. Operating expenses are related to training for staff and general purchasing for the department, and the department's share of the postage machine lease.

COMMUNITY DEVELOPMENT



FUNCTION OVERVIEW

Community Development oversees the Town's built and physical environments. This function is responsible for current planning, long-range planning, building and zoning permits, and inspections. The Department enforces the Zoning and Subdivision Ordinance, Building Code, Fire Code, portions of the Town Code, and Historic District Guidelines. The Department provides research, data, and staff support for the Town Council, Planning Commission, Board of Zoning Appeals, Architectural Review Board, and acts as a liaison to multiple outside organizations such as Rappahannock-Rapidan Planning District Commission (PD9), Warrenton Arts Commission (WAC), and Fauquier County Committees. All land use applications and plans for new construction are reviewed and approved through Community Development along with updates to the Town's Comprehensive Plan, development review ordinances (Zoning, Subdivision, and Historic District Guidelines) and the Capital Improvement Plan.

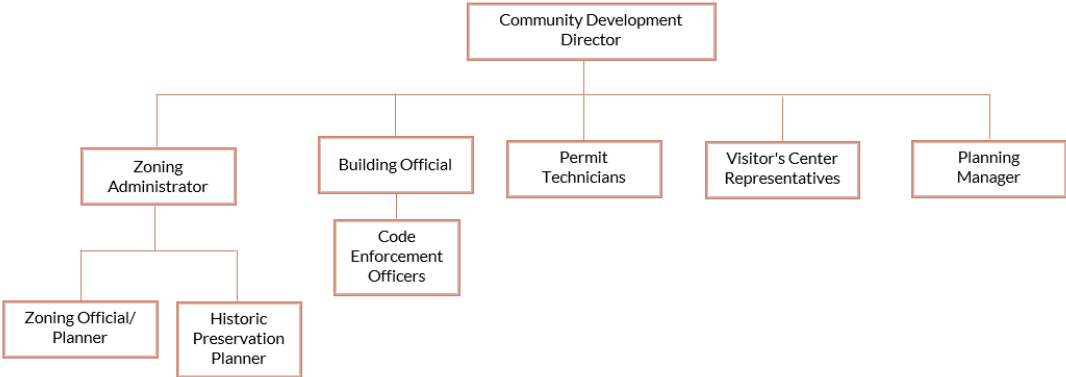
FY 2025 HIGHLIGHTS

The Town is undertaking a rewrite of the Town's Zoning Ordinance. This is a multi-year project in working with Clarion and Associates and the Town Council appointed steering committee. Community Development continues to be involved in the Septic Remediation Committee as we near the construction phase of the project.

KEY PROJECTS IN FY 2026

- Continue moving forward with the Zoning Ordinance Update
- Continue the fire safety inspections
- Property maintenance enforcement
- Administer the Septic Remediation grant

CURRENT STAFFING



BUDGET SUMMARY

The total budget for this function has increased compared to FY 2025. Detail for each of the departments listed above is provided in the following pages.

	ACTUAL		ADOPTED	PROPOSED	Variance (\$)	Variance (%)
	FY2023	FY2024	FY2025	FY2026		
EXPENSES						
DEVELOPMENT SERVICES	\$616,234	\$699,954	\$741,044	\$802,963	\$61,919	8%
PLANNING	\$488,160	\$435,239	\$484,946	\$497,384	\$12,438	3%
VISITOR CENTER	\$31,364	\$26,642	\$73,319	\$73,894	\$575	1%
PLANNING COMMISSION	\$25,775	\$20,979	\$20,126	\$20,126	\$0	0%
BOARD OF ZONING APPEALS	\$7,129	\$2,913	\$2,750	\$2,750	\$0	0%
ARCHITECTURAL REVIEW BOARD	\$2,396	\$5,470	\$6,595	\$6,595	\$0	0%
ECONOMIC DEVELOPMENT	\$51,374	\$0	\$0	\$0	\$0	-
EXPENSES TOTAL	\$1,222,432	\$1,191,197	\$1,328,780	\$1,403,712	\$74,932	6%

COMMUNITY DEVELOPMENT PERMITS & FEES REVENUES

	ACTUAL		ADOPTED	PROPOSED	Variance (\$)	Variance (%)
	FY2023	FY2024	FY2025	FY2026		
REVENUES						
PERMITS & OTHER LICENSES	\$219,987	\$254,188	\$185,132	\$244,250	\$59,118	32%
REVENUES TOTAL	\$219,987	\$254,188	\$185,132	\$244,250	\$59,118	32%

COMMUNITY DEVELOPMENT MISCELLANEOUS REVENUE

	ACTUAL		ADOPTED	PROPOSED	Variance (\$)	Variance (%)
	FY2023	FY2024	FY2025	FY2026		
REVENUES						
COUNTY OF FAUQUIER (VISITOR CENTER)	\$42,600	\$42,600	\$42,600	\$42,600	\$0	0%
REVENUES TOTAL	\$42,600	\$42,600	\$42,600	\$42,600	\$0	0%

Goals, Objectives, and Performance Metrics

Mission: To provide outstanding customer service and enhance the quality of life for all residents and businesses within the Town.

The following goals and objectives have been identified by community development:

GOAL: Provide day-to-day assistance to citizens, applicants, and business owners.

Objectives:

- Continue assisting Boards and Commissions with monthly meetings.
- Provide opportunities for pre-application meetings and follow-up comment discussions on plan comments.
- Provide timely permit reviews, inspections, and handle complaints in a timely fashion.

Outcome Measures	FY 2023 Actual	FY 2024 Actual	FY 2025 Projected	FY 2026 Projected
Continue assisting Boards and Commissions with monthly meetings	N/A	N/A	30	35
Provide opportunities for pre-application meetings and follow-up comment discussions on plan comments	N/A	N/A	25	30
Provide timely permit reviews, inspections, and handle complaints in a timely fashion	N/A	N/A	300	400

GOAL: Annual non-residential fire safety inspections.

Objectives: The building staff has started a fire safety inspection program for all non-residential buildings. The goal is to inspect each structure on a yearly basis.

Outcome Measures	FY 2023 Actual	FY 2024 Actual	FY 2025 Projected	FY 2026 Projected
Number of fire safety inspections	N/A	N/A	185	300

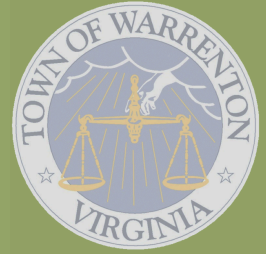
GOAL: Septic Remediation to remove drain fields within Town

Objectives:

- Utilize state grant to help homeowners connect to public sewer system.

Outcome Measures	FY 2023 Actual	FY 2024 Actual	FY 2025 Projected	FY 2026 Projected
Project is proceeding with selection process. Future measure indicates drain fields remediated.	N/A	N/A	N/A	13

DEVELOPMENT SERVICES



DEPARTMENT DESCRIPTION

The development services department provides support in the areas of zoning, planning, building, inspections, and administration. The department enforces the regulations of the Zoning and Subdivision Ordinance, Building Code and portions of the Town Code. The department also provides research and support for the Town Council, Board of Zoning Appeals, Planning Commission, and Architectural Review Board. All plans for new construction, rehabilitation of existing structures and development of properties in the Town are reviewed and approved by the community development department. Additionally, the department is responsible for updating local ordinances, rendering zoning verifications and determinations, addressing, all inspections for the Town to ensure compliance with Federal, State and Local ordinances for the protection of public health and safety with respect to the occupancy and sufficiency of property use and development. Inspection activities include building and fire code compliance, site development, utilities and zoning consistency. The department also enforces the Building Maintenance and Fire Prevention Codes, provides technical advice to citizens, contractors and business owners, aids in the Town execution of public projects, and assists other Town staff members.

The department delivers a high level of service to the public and ensures a minimum standard of compliance with Town ordinances based upon both the mission and value statements adopted by the Town Council. The department strives to keep citizens, contractors, businesses and other staff members up to date on any Zoning Ordinance and Building Code changes.

Building inspections are supported by the fees charged for the plan review and field work scheduled as part of the application process. The Town building fees continue to be reviewed to ensure that they sustain the services provided by the Town and reflect the appropriate cost of the permit and inspection process. Community Development monitors nearby and similar communities and the cost of Town services to update fees as appropriate. The use of outside expertise and professional services to accommodate the inspection load without arbitrarily increasing staff as a part of the budget has been an effective tool in assuring reasonable responses to the building community at the most cost-effective means.

CURRENT STAFFING

The development services department is staffed by two (2) code enforcement officers, a zoning administrator, and the building official, who are allocated 100% to the department. The director of community development is split 50/50 between this department and the planning department. Two (2) permit technicians and a zoning official are split 75/25 with Stormwater Management Fund.

BUDGET SUMMARY

	ACTUAL		ADOPTED	PROPOSED	Variance (\$)	Variance (%)
	FY2023	FY2024	FY2025	FY2026		
EXPENSES						
PERSONNEL	\$511,009	\$695,263	\$724,044	\$786,463	\$62,419	9%
OPERATING	\$105,225	\$4,691	\$17,000	\$16,500	(\$500)	(3%)
EXPENSES TOTAL	\$616,234	\$699,954	\$741,044	\$802,963	\$61,919	8%

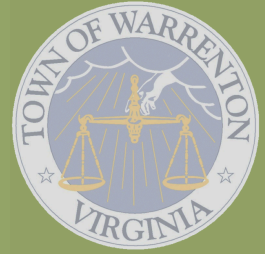
STAFFING SUMMARY

Department	FY2023	FY2024	FY2025	FY2026
FTE Amount				
Development Services	4.97	6.75	6.75	6.75
FTE AMOUNT	4.97	6.75	6.75	6.75

BUDGET ANALYSIS

The proposed budget for FY 2026 reflects an overall increase over the adopted FY 2025 budget. The increase in personnel is related to COLA and merit raises for staff as well as increased health insurance and workers compensation costs. Operating expenditures are comprised of training, postage, purchasing, and professional services for the department and have been decreased in line with actual spending in prior years.

PLANNING



DEPARTMENT DESCRIPTION

The planning department provides support in the areas of current land use, legislative cases, transportation, long-range planning, community development and administration. The department provides research and support for the Town Council, Planning Commission, and Architectural Review Board. Additionally, the department is responsible for development and review of the Historic District Design Guidelines.

CURRENT STAFFING

The planning department consists of a planning manager and a historic preservation planner. The director of community development is split 50/50 between the planning department and development services department.

BUDGET SUMMARY

	ACTUAL		ADOPTED	PROPOSED	Variance (\$)	Variance (%)
	FY2023	FY2024	FY2025	FY2026		
EXPENSES						
PERSONNEL	\$329,061	\$353,357	\$364,545	\$381,483	\$16,938	5%
OPERATING	\$159,099	\$81,882	\$120,401	\$115,901	(\$4,500)	(4%)
CAPITAL OUTLAY	\$0	\$0	\$0	\$0	\$0	-
EXPENSES TOTAL	\$488,160	\$435,239	\$484,946	\$497,384	\$12,438	3%

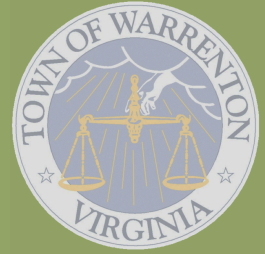
STAFFING SUMMARY

Department	FY2023	FY2024	FY2025	FY2026
FTE Amount				
Planning	4.39	2.5	2.5	2.5
FTE AMOUNT	4.39	2.5	2.5	2.5

BUDGET ANALYSIS

The proposed budget for FY 2026 an overall increase when compared to the adopted FY 2025 budget. The increase in personnel expenses is due to COLA and merit raises for staff. The decrease in operating expenses is related to reductions in projected expenses related to travel and training. There was also previously a budget for advertising in this department that has been removed as all required ads are charged to the Town Council or relevant board. There is no requested capital outlay in the FY 2026 budget.

VISITOR'S CENTER



DEPARTMENT DESCRIPTION

The Warrenton-Fauquier Visitor's Center is open five (5) days a week to provide tourism and information services to the public about the Town and surrounding area. The Visitor's Center is located at 21 Main Street.

CURRENT STAFFING

The Visitor's Center is staffed by two (2) part-time positions.

BUDGET SUMMARY

	ACTUAL		ADOPTED	PROPOSED	Variance (\$)	Variance (%)
	FY2023	FY2024	FY2025	FY2026		
EXPENSES						
PERSONNEL	\$18,136	\$26,471	\$69,269	\$69,844	\$575	1%
OPERATING	\$13,228	\$171	\$4,050	\$4,050	\$0	0%
EXPENSES TOTAL	\$31,364	\$26,642	\$73,319	\$73,894	\$575	1%

VISITOR'S CENTER REVENUES

	ACTUAL		ADOPTED	PROPOSED	Variance (\$)	Variance (%)
	FY2023	FY2024	FY2025	FY2026		
REVENUES						
COUNTY OF FAUQUIER (VISITOR CENTER)	\$42,600	\$42,600	\$42,600	\$42,600	\$0	0%
REVENUES TOTAL	\$42,600	\$42,600	\$42,600	\$42,600	\$0	0%

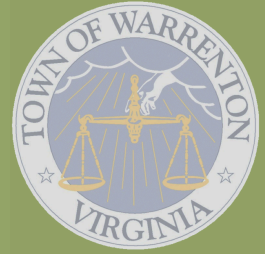
STAFFING SUMMARY

Department	FY2023	FY2024	FY2025	FY2026
FTE Amount				
Visitor Center	1	1.45	1.45	1.45
FTE AMOUNT	1	1.45	1.45	1.45

BUDGET ANALYSIS

The FY 2026 proposed budget reflects a slight increase compared with the adopted FY 2025 budget. The increase in personnel is related to COLA and merit raises for staff. Operating expenditures are projected to remain flat. In order to qualify as a Certified Tourist Information Center in Virginia, the Visitor's Center must be open year-round a minimum of five (5) days per week, two (2) of which should be Saturday and Sunday. As such, the Visitor's Center is staffed five (5) days a week. Funding in the amount of \$42,600 is provided annually by Fauquier County to support the efforts of the Visitor's Center. This results in a net expenditure to the Town for FY 2025 of \$31,294.

PLANNING COMMISSION



DEPARTMENT DESCRIPTION

The Planning Commission is established by Town Code Section 2-161 as enabled by §15.2-2210 of the Code of Virginia. The Code of Virginia specifies in §15.2-2221 that the duties of Planning Commissions include the following tasks. To effectuate this chapter, the local planning commission shall:

1. Exercise general supervision of, and make regulations for, the administration of its affairs.
2. Prescribe rules pertaining to its investigations and hearings.
3. Supervise its fiscal affairs and responsibilities, under rules and regulations as prescribed by the governing body.
4. Keep a complete record of its proceedings; and be responsible for the custody and preservation of its papers and documents.
5. Make recommendations and an annual report to the governing body concerning the operation of the commission and the status of planning within its jurisdiction.
6. Prepare, publish and distribute reports, ordinances and other material relating to its activities.
7. Prepare and submit an annual budget in the manner prescribed by the governing body of the county or municipality.
8. If deemed advisable, establish an advisory committee or committees.

CURRENT STAFFING

The Planning Commission consists of a minimum of five (5) and a maximum of fifteen (15) members. The Planning Manager serves as staff support to the Commission.

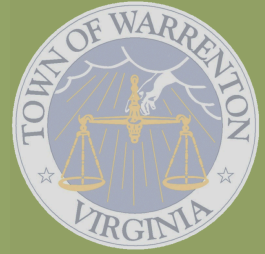
BUDGET SUMMARY

	ACTUAL		ADOPTED	PROPOSED	Variance (\$)	Variance (%)
	FY2023	FY2024	FY2025	FY2026		
EXPENSES						
PERSONNEL	\$12,272	\$11,626	\$11,626	\$11,626	\$0	0%
OPERATING	\$13,503	\$9,353	\$8,500	\$8,500	\$0	0%
EXPENSES TOTAL	\$25,775	\$20,979	\$20,126	\$20,126	\$0	0%

BUDGET ANALYSIS

The proposed budget for the Planning Commission for FY 2026 has remained flat year over year. Personnel expenses are driven by a monthly stipend paid to Planning Commissioners of \$125. Operating expenses consist of advertising, training, professional services, and printing for the Commission.

BOARD OF ZONING APPEALS



DEPARTMENT DESCRIPTION

The Board of Zoning Appeals' (BZA) primary function is to hear appeals of determinations made by the Zoning Administrator as well as requests for variances. A variance is a request to modify regulations within the Zoning Ordinance. The BZA is a five (5) member board that is appointed by the Circuit Court of the County. The BZA is supported by Town staff as needed.

CURRENT STAFFING

The BZA consists of Chairman, Vice-Chairman and three (3) members. The zoning administrator and Town Attorney provide staff support. The BZA strives to provide quality and timely services to those citizens seeking action. The meetings are regularly scheduled on the first Tuesday of each month.

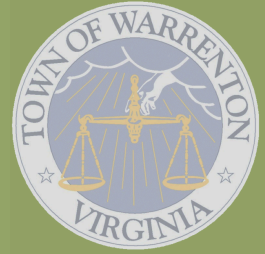
BUDGET SUMMARY

	ACTUAL		ADOPTED	PROPOSED		Variance (%)
	FY2023	FY2024	FY2025	FY2026	Variance (\$)	
EXPENSES						
PERSONNEL	\$4,844	\$0	\$0	\$0	\$0	-
OPERATING	\$2,285	\$2,913	\$2,750	\$2,750	\$0	0%
EXPENSES TOTAL	\$7,129	\$2,913	\$2,750	\$2,750	\$0	0%

BUDGET ANALYSIS

The proposed budget for the Board of Zoning Appeals is flat with the FY 2025 adopted budget. Operating expenditures include costs for advertising, printing, training, and professional services.

ARCHITECTURAL REVIEW BOARD



DEPARTMENT DESCRIPTION

The Architectural Review Board’s (ARB) primary function is to review applications for construction, reconstruction, substantial exterior alteration, demolition, relocation and signage within the Town’s Historic District. In addition, the ARB assists the Town Council, Planning Commission and property owners in matters involving historically significant sites and buildings; advises owners of historic landmarks or contributing structures on preservation efforts; and proposes additions to the Historic District. The ARB is supported by Town staff, which prepares reports for their review, schedules meetings and provides general administrative support.

Specific architectural services are obtained on occasion to advise the ARB on unique structural details as the need arises. The ARB meets monthly on the fourth Thursday and often meets on an as-needed basis to accommodate the needs of Town citizens.

CURRENT STAFFING

The ARB consists of a Chairman, Vice-Chairman and three (3) other members appointed by the Town Council. The planner provides staff support to the Board.

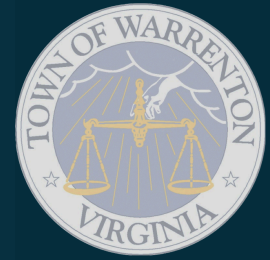
BUDGET SUMMARY

	ACTUAL		ADOPTED	PROPOSED	Variance (\$)	Variance (%)
	FY2023	FY2024	FY2025	FY2026		
EXPENSES						
PERSONNEL	\$0	\$4,521	\$4,845	\$4,845	\$0	0%
OPERATING	\$2,396	\$949	\$1,750	\$1,750	\$0	0%
EXPENSES TOTAL	\$2,396	\$5,470	\$6,595	\$6,595	\$0	0%

BUDGET ANALYSIS

The proposed budget for the Architectural Review Board for FY 2026 remains flat with the FY 2025 adopted budget. Personnel expenses are driven by a monthly stipend paid to members of \$75. Operating expenses are related to professional services and purchasing for the Board.

CONTRIBUTIONS TO OUTSIDE AGENCIES



PROGRAM DESCRIPTION

Contributions to outside agencies support community organizations that provide health and welfare services, education, arts and cultural programs, entertainment, and enrichment to the citizens of the Town. The proposed budget figures represent the amount requested by outside agencies for FY 2026. This represents an increase over the adopted FY 2025 budget for this department of \$34,811. Further information on each agency and their requested contribution amount is provided in the budget analysis section below.

BUDGET SUMMARY

DESCRIPTION	FY 2023 ACTUAL	FY 2024 ACTUAL	FY 2025 ADOPTED	FY2026 REQUESTED	CHANGE
Afro American Historical Association of Fauquier County	-	-	-	\$10,000	\$10,000
Aging Together	4,250	4,250	4,250	5,000	750
Boys & Girls Club of Fauquier	7,650	7,650	7,650	-	(7,650)
Fauquier Community Action Committee	7,650	7,650	7,650	7,500	(150)
Fauquier Community Child Care	3,443	3,443	3,443	7,500	4,057
Fauquier Food Bank	2,869	2,869	2,869	5,000	2,131
Fauquier County Youth Orchestra	1,750	-	-	-	-
Fauquier Family Shelter Services	5,126	5,126	5,126	8,000	2,874
Fauquier Free Clinic	7,650	7,650	7,650	10,000	2,350
Fauquier Habitat for Humanity, Inc.	-	-	-	10,000	10,000
Fauquier Historical Society	15,300	7,650	7,650	11,500	3,850
Hospice Support of Fauquier	4,250	4,250	4,250	5,000	750
Laurel Ridge Community College	5,738	5,738	5,738	6,000	262
Literacy Volunteers	1,913	1,913	1,913	2,500	587
Piedmont Dispute Resolution Center	765	765	765	765	-
The Arc of North Central Virginia	-	-	-	5,000	5,000
TOTAL	\$68,354	\$58,954	\$58,954	\$93,765	\$34,811

BUDGET ANALYSIS

Afro American Historical Association (AAHA) of Fauquier County

AAHA is open to the general public, schools and other organizations interested in local history and tracing their family and community records. AAHA is an organization designed for the purpose of teaching a complete and accurate history of the United States by including the influences of African Americans, Native Americans, and European Americans. This funding request is to support the continued research utilizing online programs for data processing, mapping, and storage. The organization has requested \$10,000.

Aging Together

Aging Together provides programs and services to older adults in Warrenton. The program is a collaborative effort built on an alliance of organizations and individuals who actively participate in one or more County Teams and regional committees and work together across agencies, counties and interest areas. The program exists primarily due to the work of hundreds of volunteers who demonstrate the motivation and passion that make our communities better as we grow older. It has been recognized by state and national organizations as a leader in the field of aging. The organization requested a \$5,000 contribution.

Boys & Girls Club of Fauquier

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.

Fauquier Community Action Committee (Head Start/Bright Stars Program)

The Fauquier Community Action Committee (FCAC) Head Start/Bright Stars program provides a quality comprehensive preschool program to children and families of low income in Fauquier County. The program is offered to 3- and 4-year-olds that meet the federal income poverty guidelines. The organization requested a \$7,500 contribution.

Fauquier Community Child Care

The Fauquier Community Child Care (FCCC) program, which provides affordable childcare in concert with Fauquier County Public Schools, provides an important childcare service to Warrenton residents at Brumfield, Bradley and P.B. Smith Elementary Schools. The organization requested a \$7,500 contribution.

Fauquier Community Food Bank / Thrift Store

The Fauquier Community Food Bank / Thrift Store provides food and household provisions to residents of Fauquier County living below federal poverty guidelines. The organization requested a \$5,000 contribution.

Fauquier Family Shelter Services

Fauquier Family Shelter Services (FFSS) was established in 1988 by concerned individuals and social service agencies to alleviate the pain of poverty and homelessness in Fauquier County. FFSS provides the only emergency shelter in the County and provides an intensive one-year program at nearby Vint Hill to assist families in transitioning from being homeless to maintaining stable and independent living. The organization requested a \$8,000 contribution.

Fauquier Free Clinic

The Clinic provides primary medical care to uninsured residents with a special effort to include all children. Local practitioners who volunteer their time and talent provide all medical and dental care. The Town's donation will be used to purchase medications for uninsured residents of the Town and to support operations. The organization requested funding of \$10,000.

Fauquier Habitat for Humanity

Fauquier Habitat for Humanity is dedicated to providing decent, affordable housing in partnership with families in need. Reaching across religious, cultural, and racial boundaries, we seek to rebuild a sense of community with the common goal of strong neighborhoods and dignity through homeownership. Funding would be used for programmatic purposes with 10% reserved for operational expenses. The organization requested \$10,000.

Fauquier Historical Society

The Fauquier Historical Society operates the Old Jail Museum, which is centrally-located in the Town of Warrenton and open six days a week. The purpose of the organization is to preserve and maintain objects, documents and other memorabilia of historic interest pertaining to the County of Fauquier, the Commonwealth of Virginia, or the United States. Please note FY 2023 consisted of the contribution for both FY 2022 and FY 2023. The organization requested a \$11,500 contribution.

Hospice Support of Fauquier

Hospice Support of Fauquier is a non-profit organization with a mission to provide non-medical supportive care to people with chronic disease or life-threatening illness, and their caregivers. Hospice Support of Fauquier has received contributions from the Town in years past. The organization requested a \$5,000 contribution.

Laurel Ridge Community College Foundation

Since 2017, the Town has provided funding to offer two scholarships for one year for Town of Warrenton residents. The program consists of an academic scholarship and a work force scholarship. LRCC requested funding of \$6,000.

Literacy Volunteers of Fauquier County

The overarching goals of Literacy Volunteers of Fauquier County (LVFC) are to improve the reading, writing, basic communication, study and computer skills of adults in our community and to promote learning as a fundamental goal. LVFC provides these services at their headquarters in Warrenton, the Warrenton Library and at other cooperative sites throughout the County. They also provide one-on-one tutoring in reading, writing, and math skills as well as English as a Second Language (ESL). The organization requested funding in the amount of \$2,500.

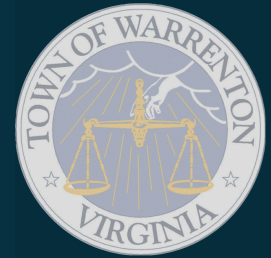
Piedmont Dispute Resolution Center

The staff at the Piedmont Dispute Resolution Center works with the court system and are assigned by the courts to a wide range of mediation responsibilities involving juvenile and domestic abuse, domestic problems, divorce, and juvenile issues. In addition, the Center trains peer mediators for the school system who are often able to resolve issues between students before they escalate into serious problems. The organization requested funding of \$765.

The Arc of North Central Virginia

The Arc of North Central Virginia is dedicated to building awareness, acceptance, and resources, enabling people with intellectual and developmental disabilities (IDD) to live connected and meaningful lives in our community. If The Arc of NCV is awarded this grant, we will use the funds to support all programming and outreach to families in Warrenton that are not covered by other grants or donations. Funds would also support outreach to make more Warrenton families aware of these offerings. The organization requested \$5,000.

NONDEPARTMENTAL



DEPARTMENT DESCRIPTION

This department includes the funding for Transportation Services (Circuit Rider), the Main Street Program (Experience Old Town Warrenton), Virginia Commission for the Arts, and the Warrenton Volunteer Fire Company. The proposed budget figures represent the amount requested by each organization for FY 2026. This represents an increase over the adopted FY 2025 budget of \$81,918.

BUDGET SUMMARY

DESCRIPTION	FY 2023 ACTUAL	FY 2024 ADOPTED	FY 2025 ADOPTED	FY 2026 REQUESTED	Change
Virginia Regional Transit (Circuit Rider)*	\$127,795	\$165,666	\$174,009	\$185,927	\$11,918
Main Street Program	65,000	65,000	65,000	75,000	10,000
VA Commission for the Arts (VCA)- Creative Community Partnership	9,000	9,000	9,000	9,000	-
Warrenton Caboose	850	-	-	-	-
Warrenton Volunteer Fire Company	150,000	150,000	150,000	210,000	60,000
VA Department of Fire Programs (VDFP) - Aid to Localities (ATL)	-	-	45,281	51,541	6,260
TOTAL	\$ 352,645	\$ 389,666	\$ 443,290	\$ 531,468	\$ 88,178
Associated Revenue					
Path Foundation Virginia Regional Transit Cost Share	\$50,727	\$53,429	\$55,000	\$55,000	\$ -
VCA CCP Grant	4,500	4,500	4,500	4,500	-
VDFP ATL Grant	-	-	45,281	51,541	6,260
NET EXPENDITURE	\$ 297,418	\$ 331,737	\$ 338,509	\$ 420,427	\$ 81,918

*Formula-driven funding contribution.

BUDGET ANALYSIS

Transportation Services

Operated by Virginia Regional Transit (VRT), the Circuit Rider provides access to affordable transportation for Town residents. The program is funded by a combination of federal funding covers, funding through the Town, and funding from the state. The Town continues to fund the federally-prescribed local match. For FY 2026 the total required match has increased to \$185,927. The PATH Foundation has committed \$55,000 to offset the Town's cost-share.

Main Street Program

The Main Street Program function is provided by Experience Old Town Warrenton (EOTW), a community non-profit organization committed to building a Main Street District of thriving businesses, history, and social activities. The Program envisions a vibrant, beautified Old Town Warrenton with a focus on a dynamic, organized district of retail and restaurants that preserves and builds upon our historic character. Such vitality fosters opportunities for growth: economically, socially, and culturally. This vision supports and attracts businesses and visitors, and just as importantly, directly enhances the quality of life for the residents of our community. EOTW has requested \$75,000 for FY 2026.

Virginia Commission for the Arts (VCA) Creative Communities Partnership (CCP) Program

This program typically funds a Summer Concert Series in the Town. A grant through VCA provides half of the total funding from the Town.

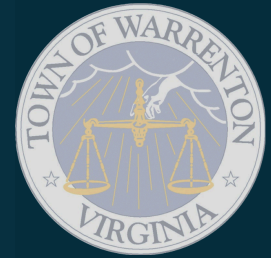
Warrenton Volunteer Fire Company

Until mid-FY 2022, the Town of Warrenton provided support to the Warrenton Volunteer Fire Company in the form of funding for two full-time firefighters and a capital allocation of \$150,000 for the maintenance and upgrade of its apparatus. Although the fire and rescue services personnel have transferred to Fauquier County, the Town has continued to provide the capital support in the amount of \$150,000. The fire company has requested \$210,000.

VA Department of Fire Programs (VDFFP) - Aid to Localities (ATL)

The Town acts as a pass-through to the fire department for the Aid to Localities grant from VDFFP. The grant provides funding for the daily operating expenses of fire departments. There is no net impact on the FY 2026 budget related to this grant as the entire amount is received as revenue and then passed on to the fire department as an expense.

DEBT SERVICE



DEPARTMENT DESCRIPTION

This department includes the funding for principal and interest payments for General Fund lease/purchase agreements and general obligation bonds.

BUDGET SUMMARY

	ACTUAL		ADOPTED	PROPOSED	Variance (\$)	Variance (%)
	FY2023	FY2024	FY2025	FY2026		
EXPENSES						
DEBT SERVICE	\$859,119	\$824,238	\$822,972	\$830,169	\$7,197	1%
EXPENSES TOTAL	\$859,119	\$824,238	\$822,972	\$830,169	\$7,197	1%

BUDGET ANALYSIS

Debt service payments totaling \$830,169 are budgeted for FY 2026. This consists of \$560,000 in principal payments and \$270,169 in interest payments. The chart to the right shows the principal and interest requirements in support of each issuance.

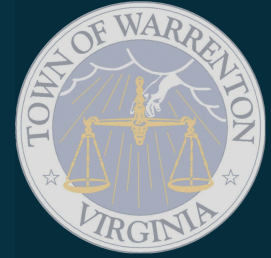
Issued for	Principal	Interest	Total
WARF	\$430,000	\$169,125	\$599,125
Town Hall	130,000	101,044	231,044
Total	\$560,000	\$270,169	\$830,169

ANNUAL DEBT SERVICE REQUIREMENTS

The chart below shows the annual debt service requirements for the current issuances in the General Fund:

Fiscal Year	Governmental Activities		
	Principal	Interest	Total
2026	560,000	270,169	830,169
2027	585,000	240,828	825,828
2028	615,000	210,078	825,078
2029	650,000	177,663	827,663
2030	680,000	143,581	823,581
2031	720,000	107,706	827,706
2032	755,000	69,909	824,909
2033	240,000	46,063	286,063
2034	250,000	37,656	287,656
2035	255,000	31,041	286,041
2036	260,000	25,569	285,569
2037	265,000	20,106	285,106
2038	270,000	14,653	284,653
2039	275,000	8,978	283,978
2040	285,000	3,028	288,028
	\$ 6,665,000	\$ 1,407,028	\$ 8,072,028

TRANSFERS



DEPARTMENT DESCRIPTION

This department accounts for the transfer of funds from the General Fund to other funds as necessary to supplement operations and capital programs.

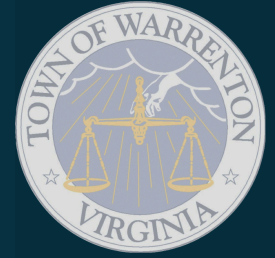
BUDGET SUMMARY

	ACTUAL		ADOPTED	PROPOSED	Variance (\$)	Variance (%)
	FY2023	FY2024	FY2025	FY2026		
EXPENSES						
TRANSFER TO CAPITAL PROJECTS	\$0	\$353,263	\$1,584,002	\$2,756,936	\$1,172,934	74%
TRANSFER TO GEN ASSET RPLMT FUND	\$0	\$799,155	\$1,765,000	\$2,869,500	\$1,104,500	63%
EXPENSES TOTAL	\$0	\$1,152,418	\$3,349,002	\$5,626,436	\$2,277,434	68%

BUDGET ANALYSIS

The proposed FY 2026 transfer to the General Capital Project Fund represents the total estimated cost of projects budgeted in the fund less \$662,561 of funding from VDOT on the Main Street Improvements project (TC-008). The proposed FY 2026 transfer to the General Asset Replacement Fund represents the total estimated cost of the projects budgeted in the fund. Total transfers are budgeted to increase in FY 2026 due to the total increase in General Fund capital expenditures.

AMERICAN RESCUE PLAN ACT (ARPA) FUND



FUND DESCRIPTION

As part of the American Rescue Plan Act of 2021, the Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) delivered \$350 billion to State, Local, and Tribal governments across the country to support their recovery from the COVID-19 public health emergency. The CSLFRF provided for \$19.53 billion to support tens of thousands of Non-Entitlement Units of government (NEUs), which are local governments typically serving a population under 50,000. Allocations for NEUs were sent to states based on population. The Town of Warrenton was awarded \$10,403,180 under this Act. In line with the requirements of the act, all of the Town's ARPA funds were considered obligated as of December 31, 2024. As a result, there is no use of ARPA funding budgeted for FY 2026.

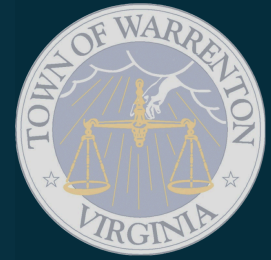
BUDGET SUMMARY

	ACTUAL		ADOPTED	PROPOSED	Variance (\$)	Variance (%)
	FY2023	FY2024	FY2025	FY2026		
EXPENSES						
PERSONNEL	\$284,166	\$95,113	\$14,467	\$0	(\$14,467)	(100%)
OPERATING	\$38,500	\$16,016	\$0	\$0	\$0	-
CAPITAL OUTLAY	\$716,725	\$325,805	\$150,000	\$0	(\$150,000)	(100%)
EXPENSES TOTAL	\$1,039,391	\$436,934	\$164,467	\$0	(\$164,467)	(100%)

BUDGET ANALYSIS

In line with the requirements of the act, all of the Town's ARPA funds were considered obligated as of December 31, 2024. As a result, there is no use of ARPA funding budgeted for FY 2026.

GENERAL CAPITAL PROJECT FUND



FUND DESCRIPTION

Budgeted amounts for the General Capital Project Fund are derived from the first year of the six-year Capital Improvement Plan (CIP) document each year. The CIP is updated annually, at which time the schedule and projects are evaluated, and any new projects may be added. Capital projects should be at least \$100,000 and have an estimated useful life of at least ten (10) years. The process begins in September when departments begin their work on the department recommended CIP. In January, the Town Manager meets with department staff to discuss recommended projects. The Town Manager’s recommended CIP may be presented to the Planning Commission at a work session so the Commission can ensure that all projects are in conformance with the Town’s Comprehensive Plan. During this time, the Town Manager works closely with the finance department to evaluate the feasibility of funding sources and the impact that projects will have on the operating budget. In April, the Town Manager presents the Town Manager’s proposed CIP to the Town Council along with the proposed budget. The first year of the CIP is adopted as part of the budget in June.

Revenue that is specifically related to projects is budgeted within the General Capital Project Fund, with the balance financed by a transfer from the General Fund.

BUDGET SUMMARY

GENERAL CAPITAL PROJECT FUND REVENUES

	ACTUAL		ADOPTED	PROPOSED	Variance (\$)	Variance (%)
	FY2023	FY2024	FY2025	FY2026		
REVENUES						
INTEREST REVENUE	\$5,566	\$6,699	-	\$0	\$0	-
VDOT REVENUE SHARING	\$0	\$0	-	\$662,561	\$662,561	-
TRANSFER FROM GENERAL FUND	\$0	\$353,263	\$1,584,002	\$2,756,936	\$1,172,934	74%
REVENUES TOTAL	\$5,566	\$359,962	\$1,584,002	\$3,419,497	\$1,835,495	116%

GENERAL CAPITAL PROJECT FUND EXPENSES

	ACTUAL		ADOPTED	PROPOSED	Variance (\$)	Variance (%)
	FY2023	FY2024	FY2025	FY2026		
EXPENSES	\$105,626	\$328,994	\$1,584,002	\$3,419,497	\$1,835,495	116%

BUDGET SUMMARY

	FY 2026 PROPOSED
IMPROVEMENTS TO MAIN STREET	\$1,673,866
SALT STORAGE & PW REHAB	\$775,000
ANNUAL PAVING SCHEDULE	\$450,000
CAPITAL PROJECTS CONTINGENCY	\$250,631
EVA WALKER PARK IMPROVEMENTS	\$230,000
COURTHOUSE SQ. TRAFFIC IMPROVE	\$40,000
TOTAL	\$3,419,497

PROJECT DESCRIPTIONS

Improvements to Main Street

On August 10, 2019, Town Council approved a resolution directing staff to apply for a VDOT Revenue Share project on Main Street. Town Staff applied for the project on October 1, 2019. In May 2020, VDOT awarded the Town with the funds for the project. The total project estimate for the construction project is \$1,819,869. VDOT will contribute \$735,563 and the Town portion will be \$1,084,307. The project upgrades will include the following: improve pedestrian safety by bumping out sidewalks at crosswalks, update streetlight electrical, replace all bricks on sidewalk, and upgrade the existing drainage system and asphalt overlay on Main Street. The revised project limits will be from Court Street to Fifth Street. In December 2024, VDOT and Town Staff finalized the agreement. The design will take approximately eight (8) months, and construction is expected to start at the beginning of 2026.

Salt Storage & Public Works Rehabilitation

The first stage of this project involves salt storage for public works. The forty-five year old salt storage barn, built in the 1980's at the public works facility on 360 Falmouth Street, is nearing replacement after over a decade of discussion, with urgency increasing in the last five years due to significant disrepair and non-compliance with current stormwater and pollutant discharge standards identified in DEQ audits. This outdated structure, originally constructed for the facility, is now beyond repair, making its replacement a top priority. The initial phase of the project involves constructing a VDOT-type salt structure at a new location, estimated to cost around \$1,900,000. The project has been planned three separate times with the first at the current site, the second on the previous County landfill site A, and now on a shared use site at the county landfill as a partnership for shared usage between town/county.

The second stage of this project involves the public works facility. The public works facility at 360 Falmouth Street, constructed in the 1950's and lacking significant updates in over three decades, currently houses both the Public Works and Utilities departments and their core operations. While a previous proposal in 2019 and 2020 envisioned a new \$30+ million public works and utilities facility on a newly acquired property, the current reconfigured proposal aims to address the need for a modernized facility while respecting the town's financial capacity. To this end, the initial phase of the renovation project focuses on a comprehensive facility condition survey and assessment to determine the feasibility of upgrading the existing structure, with estimates suggesting that a modernized facility on the current property could be achieved for less than \$5 million.

Annual Paving Schedule

By FY 2029, the Commonwealth Transportation Board will require that 82% of Arterial Streets attain a CCI score greater than 60 and 75% of Collector Streets a CCI score greater than 60. At the end of FY 2024, the Town currently has 64.3% of Arterial Street and 68.3% of Collector Streets meeting the CCI score of 60 or greater. The requested funding is for the Town to meet the CTB requirements by FY 2029. FY 2026 Paving Schedule consists of Beacon Road, Blue Ridge Street, Dover Road, Gay Road, Norfolk Drive, Piedmont Street, and Short Street.

Capital Projects Contingency

For FY 2026, a contingency is built into the budget for all capital projects. The contingency is set at 10% of total Town funding for each project and ensures that the Capital Improvement Plan is budgeted conservatively and takes into account the possibility for project overruns or the identification of additional work needed to complete project goals.

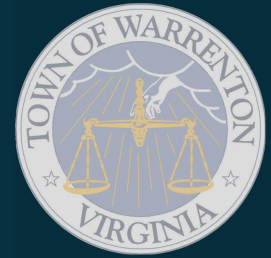
Eva Walker Park Improvements

On February 9, 2021, the Town Council adopted the study completed on the Eva Walker Park master plan. This approved master plan outlines the future of the park. In FY2025, the Town completed a preliminary design of the Eva Walker Park improvements. These improvements will meet the needs requested by the master plan . The future estimates are to implement the Eva Walker Park master plan by phasing construction. FY 2026 funding is to complete final design. Construction of new basketball courts and conversion of existing basketball to a parking lot is planned for FY 2027. In FY 2028, the plan includes updates to trails and improvements for the playground area. FY 2029 and beyond will be further defines following the final design.

Courthouse Square Traffic Improvement

In FY 2025, the Town changed the Courthouse Square intersection to a 3-way stop. The requested funding is to add concrete medians to provide traffic calming, and pedestrian refuge islands. This work will be tied into the proposed design of Main Street. The proposed medians need to be installed by June 2026 for the State of Good Repair (SGR) paving deadline.

GENERAL ASSET REPLACEMENT FUND



FUND DESCRIPTION

The purpose of the General Asset Replacement Fund is to plan for the ongoing replacement of the Town’s existing vehicles, equipment, and major systems. By annually updating a six-year Capital Asset Replacement Plan (CARP), the Town strives to provide cash funding to cover planned replacements.

The Town uses a fleet vehicle and equipment replacement plan, which utilizes metrics regarding vehicle maintenance and repair costs in addition to age and mileage to determine when it is more cost-effective for the Town to replace a vehicle. Another large category of expense is the maintenance and replacement of computers, servers and networks. The information technology plan calls for the replacement of such equipment based on the useful life of the assets.

BUDGET SUMMARY

In the FY 2026 proposed budget, the General Asset Replacement Fund is funded by a transfer from the General Fund.

GENERAL ASSET REPLACEMENT FUND REVENUES

	ACTUAL		ADOPTED	PROPOSED	Variance (\$)	Variance (%)
	FY2023	FY2024	FY2025	FY2026		
REVENUES						
ITEMS SOLD AT AUCTION	\$36,072	\$28,599	\$0	\$0	\$0	-
FEDERAL GRANT REVENUE	\$0	\$55,238	\$0	\$0	\$0	-
TRANSFER FROM GENERAL FUND	\$0	\$799,155	\$1,765,000	\$2,869,500	\$1,104,500	63%
REVENUES TOTAL	\$36,072	\$882,991	\$1,765,000	\$2,869,500	\$1,104,500	63%

GENERAL ASSET REPLACEMENT FUND EXPENSES

	ACTUAL		ADOPTED	PROPOSED	Variance (\$)	Variance (%)
	FY2023	FY2024	FY2025	FY2026		
EXPENSES						
	\$440,393	\$845,973	\$1,765,000	\$2,869,500	\$1,104,500	63%

GENERAL ASSET REPLACEMENT FUND EXPENDITURES

	FY 2026 PROPOSED
FLEET REPLACEMENT PROGRAM	\$1,012,500
ELEVATOR REPLACEMENT	\$425,000
WATERPLAY STRUCTURE REPLACEMENT	\$375,000
ERP SYSTEM	\$300,000
HVAC REPLACEMENT	\$250,000
POLICE DEPARTMENT VEHICLES	\$160,000
P25 RADIO REPLACEMENT	\$112,000
WARF PARKING LOT	\$60,000
GUARDRAIL REPLACEMENT	\$50,000
SIGN REPLACEMENT	\$40,000
IT ASSET REPLACEMENT	\$35,000
RADY PARK BRIDGE REPLACEMENT	\$25,000
ENERGY MANAGEMENT	\$25,000
TOTAL	\$2,869,500

PROJECT DESCRIPTIONS

Fleet Replacement Program

Scheduled fleet replacements per the adopted fleet replacement plan. The FY 2026 replacement program has continued with operating efficiencies and increased utilization in mind. Fleet replacements in the CARP for FY 2026 include two (2) dump trucks with snow equipment, a CAT 926 wheel loader with attachments, a refuse truck, and a mower.

Elevator Replacement

Replacement of the original elevator in the 21 Main Street Building. This unit is over 50 years old and overdue for a retrofit. The replacement unit will feature non-proprietary parts, unlike our current unit, which is manufacturer-specific. The current unit was also out of service for three months while waiting for parts to be fabricated. In FY 2024, a survey was conducted on the elevator at 21 Main Street. The unit, which is original to the building, will need a more extensive overhaul than anticipated. This project will be competitively bid in FY 2026.

Waterplay Structure Replacement

The current play structure is 15 years old and made out of metal. The amount of water that runs through it and around it has caused rusting from the inside out, causing multiple holes. To bring the play structure up to current standards and for safety purposes, we will purchase a fiberglass structure that will last longer.

Enterprise Resource Planning (ERP) System

The Town is currently facing challenges with its legacy financial software, including limited support and a lack of interoperability with other systems. To enhance citizen services, the IT Department recommends the purchase and implementation of an Enterprise Resource Planning (ERP) system. The goal of this all-in-one package is to centralize data management, providing real-time data for improved collaboration and decision-making. Additionally, an ERP would address issues such as a steep learning curve and the absence of modern features in the existing system. The scalability of an ERP allows for a phased rollout across Town departments, ensuring a smooth transition for both staff and citizens. Other anticipated benefits include streamlined processes, a reduction in human errors, and increased employee productivity, all of which contribute to the long-term success of the Town's operations.

HVAC Replacement - Police Department

HVAC studies and subsequent replacement of multiple HVAC systems at the town Police Department. The Public Safety Facility struggles with HVAC issues frequently and current units do not comply with the facility's HVAC demand requirements and are currently contributing to a moisture issue within the building. FY 2026 funding will replace the central units with a comparable unit that is properly designed and sized for the facility.

Police Department Vehicles

Scheduled fleet replacements per the adopted fleet replacement plan. The FY 2026 replacement program has continued with operating efficiencies and increased utilization in mind. Police vehicle replacements in the CARP for FY 2026 include one (1) F-150 police support services unit and two (2) police motorcycles. The Police F-150 will replace a 2008 Crown Victoria with 130,706 miles. Police Motorcycles #1 & 2 are 2007 and 2008 Harley Davidson that have exceeded their useful service life and have been consistently out of service for mechanical and electrical issues. Vehicles are currently transitioned out of police use and rotated through various town departments in lieu of purchasing new vehicles for general town use.

P25 Radio Replacement

This project will replace sixteen P25 radios. These radios are at end of life and cannot be updated to the latest encryption standards. They will be repurposed in the Town's emergency management program for non-law enforcement use.

WARF Parking Lot

Repaving and restriping of the WARF parking lot. Crack seal, seal coat, and restripe the parking lot at the WARF. The previous allocation covered the lower lot. The FY 2026 allocation will be used for the upper lot following the structural repairs of the front walkway at the WARF.

Guardrail Replacement

Continued replacement of guardrails throughout Town.

Sign Replacement

Installation of radar-activated speed monitoring signs with flashing red/blue lights and data analysis software. FY 2026 will also expand on the success of the Traffic Task Force by replacing the current radar signs on primary arterial roads and installing new intelligent signs that provide data for enhanced traffic management efforts. \$40,000 will be allocated to these six (6) signs for installation on the following streets: Alexandria Pike at Moorhead, Culpeper St, and East Shirley Ave.

Information Technology Asset Replacement

Allocating budget funds for asset replacement is vital to maintain the efficiency and reliability of essential equipment. By implementing a structured four-year asset replacement program, our local government can strengthen sustainability and enhance operational effectiveness. This proactive strategy ensures timely upgrades to critical infrastructure, reduces maintenance costs, improves efficiency, and ultimately supports better service delivery to our community. Committing to a planned replacement program reflects fiscal responsibility and a long-term commitment to the well-being of our municipality. The items to be replaced include desktop computers, laptops, mobile devices, network equipment and servers.

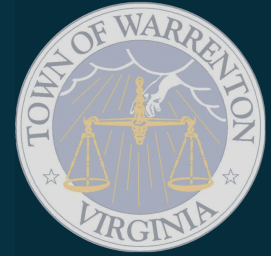
Rady Park Bridge Replacement

Structural analysis to determine the needs of the bridge.

Energy Management

Formation of an energy management program to address excessive energy consumption of aging building's thermal envelopes. The buildings need updates to include, but not limited to, motion lighting, LED lights, energy-efficient windows, efficient water heating, updated insulation, air sealing, etc. FY2026 will work to replace the outdated and failing windows at Town Hall.

WATER & SEWER OPERATING FUND

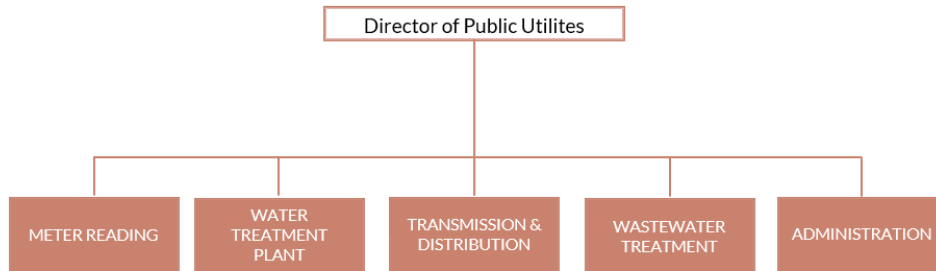


FUND DESCRIPTION

The Town’s Water & Sewer Operating Fund, which includes all revenues and expenses for the production and distribution of drinking water, and collection and disposal of sewage in Warrenton and certain areas surrounding the Town, is an Enterprise Fund. Monies used to support this budget are derived via monthly collections for services used by the Town’s 5,011 residential and business accounts, plus other miscellaneous charges. The Town conducted a rate study in Fiscal Year 2022 and a small update to that study in Fiscal Year 2023. The service rates included in this budget are based on the results of that study.

CURRENT STAFFING

Detail regarding the staffing for each department is described in the following sections.



SUMMARY OF BUDGET

The Town conducted a rate study in Fiscal Year 2022. This budget projects a planned increase in rates effective July 1, 2025 based on the results of the study.

WATER & SEWER OPERATING REVENUES

	ACTUAL		ADOPTED	PROPOSED	Variance (\$)	Variance (%)
	FY2023	FY2024	FY2025	FY2026		
REVENUES						
PERMITS & FEES	\$8,625	\$8,475	\$8,250	\$8,250	\$0	0%
USE OF MONEY/PROPERTY	\$371,805	\$421,990	\$393,240	\$397,077	\$3,837	1%
CHARGES FOR SERVICES	\$5,914,378	\$7,221,144	\$9,081,973	\$10,131,992	\$1,050,019	12%
MISCELLANEOUS REVENUE	\$65,091	\$49,118	\$47,000	\$53,000	\$6,000	13%
REVENUES TOTAL	\$6,359,899	\$7,700,727	\$9,530,463	\$10,590,319	\$1,059,856	11%

REVENUE

Permits & Fees

This category includes fees for establishing new service, late fees and reconnection fees. The estimate is based on historical revenue. For FY 2026, the revenue in this category is estimated to remain flat when compared to the FY 2025 adopted budget based on the actual amount collected year-to-date. The following table shows the current fees:

Fee Type	Fee
New Service	\$25
Security Deposit	\$150 <i>residential & commercial</i>
Late Fee	\$5
Reconnection Fee	\$40

Use of Money & Property

This category is comprised of several elements. Revenue from leasing space on the Town's water tower to telecommunications companies is recorded here. Currently, there are four major carriers renting space.

Interest and investment revenue are also recorded in this line item. This revenue fluctuates with the general economic conditions and the level of utility fund cash balances. The FY 2026 estimate is decreased compared to FY 2025 to reflect the current and projected interest rate environment as well as cash balances. The Town owns two residential properties located on the water plant and reservoir grounds. These properties were previously leased to Town employees at market rates and adjusted annually based on the Consumer Price Index. Revenue from those lease agreements was also recorded in this line item.

Charges for Services

The Town currently provides water and sewer services to approximately 5,011 residential and commercial customers. The estimated revenue for charges for services in the budget is based on the recommendation from the Water and Sewer Rate Study conducted by NewGen to raise rates in FY 2026 by 23%.

The proposed rate schedule is listed below. This schedule would be effective July 1, 2025.

WATER AND SEWER RATES, EFFECTIVE JULY 1, 2025:

Base Charge (for usage <2,000 gallons):						
Meter Size	IN TOWN RATES			OUT OF TOWN RATES		
	Water	Sewer	Total	Water	Sewer	Total
5/8	12.56	22.80	35.36	18.84	34.20	53.04
1	31.41	57.01	88.42	47.12	85.52	132.63
1 1/2	62.81	114.01	176.82	94.22	171.01	265.23
2	100.50	182.41	282.91	150.75	273.62	424.37
3	219.85	399.04	618.89	329.78	598.56	928.34
4	395.73	718.26	1,113.99	593.59	1,077.39	1,670.98

Commodity Rate, per 1,000 gallons:						
Usage	Water	Sewer	Total	Water	Sewer	Total
> 2,000	13.93	18.29	32.22	20.89	28.11	49.00

Bulk Water Rates	Rate
Base charge (<2,000 gallons)	\$47.29
Commodity rate (>2,000 gallons, per 1,000 gallons)	\$20.89

Recreational Vehicle Wastewater Disposal	
Flat Fee	\$10.00

Miscellaneous Revenue (Recoveries & Rebates)

Revenues generated in this category are minor in nature and difficult to estimate on other than a historical trend basis. Included are costs expended or incurred, then recovered. This category also includes charges for the sale of meters and other connection materials charged directly to contractors or homeowners. This figure is based on new connections projected for the coming year.

WATER & SEWER OPERATING EXPENSES

The proposed FY 2026 budget for the Water & Sewer Operating Fund reflects an increase over FY 2025. However, operating expenses account for only 35% of that increase. Due to higher revenue projections based on the proposed rate increases, revenue is budgeted to outpace operating expenses, creating a surplus. This surplus is then able to be transferred to the Water & Sewer Capital Fund to be used to replace and modernize critical infrastructure at the plants. The increase in transfers from the Water & Sewer Operating Fund accounts for 65% of the overall increase in the Fund's expenses.

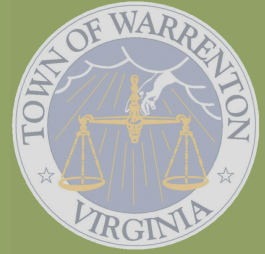
Included in operating expenses across the following departments are reimbursements to certain employees for safety equipment required to perform the duties of their jobs. For FY 2026, the reimbursement for safety boots is set at \$150 per employee.

Detail regarding the expenses for each department is provided in the following sections.

WATER & SEWER OPERATING FUND EXPENSES

	ACTUAL		ADOPTED	PROPOSED	Variance (\$)	Variance (%)
	FY2023	FY2024	FY2025	FY2026		
EXPENSES						
METER READING	\$251,444	\$189,848	\$290,598	\$295,640	\$5,042	2%
WATER TREATMENT PLANT	\$1,150,929	\$1,183,975	\$1,595,441	\$1,717,168	\$121,727	8%
TRANSMISSION AND DISTRIBUTION	\$782,025	\$816,665	\$921,498	\$894,689	(\$26,809)	(3%)
WASTEWATER PLANT OPERATION	\$2,098,194	\$2,135,408	\$2,585,230	\$2,713,188	\$127,958	5%
WATER/SEWER ADMINISTRATION	\$911,951	\$1,165,571	\$1,310,759	\$1,358,996	\$48,237	4%
TRANSFERS	\$5,030,158	\$1,847,956	\$1,630,938	\$2,317,128	\$686,190	42%
DEBT SERVICE	\$485,770	\$385,196	\$1,195,999	\$1,293,510	\$97,511	8%
EXPENSES TOTAL	\$10,710,471	\$7,724,618	\$9,530,463	\$10,590,319	\$1,059,856	11%

METER READING



DEPARTMENT DESCRIPTION

The meter reading department is responsible for the reading of an average of 5,000 water meters and providing the data to the Finance Department for billing and revenue collection. In addition, the section provides routine maintenance to all customer meters, to include the thawing of frozen meters due to extreme cold weather, the inspections required under the State’s cross connection and backflow prevention programs, periodic calibration, and replacement of unserviceable meters. The accuracy of readings is critical and enables the Town to collect the optimum amount of revenue possible with the most reliable meter data. The meter calibration testing frequency depends upon their annual usage, wear and tear and potential for revenue loss or generation. Staff also responds to customer concerns relative to unusually high or low water bills and often assists customers in identifying leaks in their service lines or homes and businesses. Staff also provide “locate” services when needed for construction projects and as requested through 811 calls.

CURRENT STAFFING

The meter reading department is staffed by one (1) full-time employee with supplemental help from the transmission and distribution department.

BUDGET SUMMARY

	ACTUAL		ADOPTED	PROPOSED	Variance (\$)	Variance (%)
	FY2023	FY2024	FY2025	FY2026		
EXPENSES						
PERSONNEL	\$95,168	\$83,776	\$98,448	\$103,650	\$5,202	5%
OPERATING	\$156,276	\$106,072	\$192,150	\$191,990	(\$160)	0%
CAPITAL OUTLAY	\$0	\$0	\$0	\$0	\$0	-
EXPENSES TOTAL	\$251,444	\$189,848	\$290,598	\$295,640	\$5,042	2%

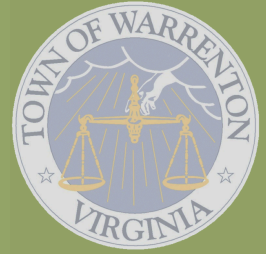
STAFFING SUMMARY

Department	FY2023	FY2024	FY2025	FY2026
FTE Amount				
Meter Department	1	1	1	1
FTE AMOUNT	1	1	1	1

BUDGET ANALYSIS

The proposed FY 2026 budget for the meter reading department reflects an increase over FY 2025. Personnel costs are projected to increase due to budgeted merit and COLA raises as well as increases in health insurance and workers compensation costs. Operating expenses for FY 2026 are expected to remain essentially flat with FY 2025.

WATER TREATMENT



DEPARTMENT DESCRIPTION

The water treatment department is responsible for the safe and efficient operation of the Town's municipal water supply assets, which consist of the Water Treatment Plant (WTP), three (3) ground water wells and two (2) surface reservoirs. The operation strives to provide safe, aesthetically pleasing, and pleasant tasting water to meet the demands of the Town's 5,000+ residential and commercial customers.

The plant is rated at 3.4 million gallons per day (MGD) and is a Class II facility. Treatment begins at the Town's Warrenton Reservoir where water is collected through an intake structure and delivered to the raw water pump station where the desired amount of water to be treated is pumped through the chemical building. The water is then dosed with potassium permanganate, fluoride, sodium hypochlorite, sodium hydroxide, and aluminum sulfate. From the chemical building the water is then pumped through two (2) flocculation and sedimentation basins where particulates in the water have time to settle out and for the sodium hypochlorite to start the disinfection process. Once the water has passed through the sedimentation basin, it passes through two (2) high rate flow granular activated carbon filters. The filters remove all turbidity and harmful contaminants such as cryptosporidium and giardia. Once water passes through the filters, a final dosing of sodium hypochlorite, sodium hydroxide, and sodium hexametaphosphate is applied to ensure the water remains safe and aesthetically pleasant. Water is then directed to the clearwell where it is pumped into the distribution system and two (2) water storage tanks. All chemical residuals and plant operations are monitored by operators every hour. Various outline samples are collected at the facility and throughout the system each week to ensure water quality is maintained.

Included in the budget is the continued long-term maintenance and servicing of the three (3) water storage tanks (a 200,000 gallon backwash tank at the plant, the 500,000 gallon elevated tank and the 1,500,000 gallon ground storage tank).

Energy and chemicals continue to be major cost elements. General maintenance and the replacement of components are on the rise due to age and the rise in costs for parts and instrumentation. To alleviate these increases staff performs more maintenance in-house and only contracts out as needed. The plant continues to operate 12 to 16 hours per day, 365 days a year. There were no permit violations or inspection deficiencies during calendar year 2024. The EPA is constantly evaluating unregulated contaminants through its UCMR (Unregulated Contaminant Monitoring Report) program for consideration to add to the treatment requirements.

CURRENT STAFFING

The water treatment plant is staffed by six (6) full-time operators, the water treatment plant superintendent, and the water treatment plant chief operator, all who are 100% allocated to the water treatment plant department. During FY 2025, one of the operator positions was upgraded from part-time to full-time to ensure the facility has proper personnel coverage across all shifts. Pay and responsibility of the operators is based on the level of licensure they hold. Operator licenses are issued by the Board for Waterworks and Wastewater Works Operators, which is part of the Virginia Department of Professional and Occupational Regulation (DPOR).

FY 2025 HIGHLIGHTS

- Received Gold Water Treatment Plant Performance Award for Excellence in Clarification, Filtration, and Backwash from Virginia Department of Health (VDH) Office of Drinking Water.
- Inspected dams and provided maintenance as required.
- Identified needed upgrades and maintenance and implemented as necessary.
- Replacement of aged and failing filter control valves through the filter control valve CIP project.

KEY PROJECTS IN FY 2026

- Sedimentation & Flocculation Basin CIP project. In FY2026, The Town plans to design an additional basin, start construction of a new basin and perform maintenance on the existing basins.
- Continue with clearwell project. This project will add a larger clearwell to help ensure resiliency and improve water quality all while replacing outdated and end of life equipment.

BUDGET SUMMARY

	ACTUAL		ADOPTED	PROPOSED		
	FY2023	FY2024	FY2025	FY2026	Variance (\$)	Variance (%)
EXPENSES						
PERSONNEL	\$464,520	\$676,917	\$737,494	\$858,371	\$120,877	16%
OPERATING	\$682,371	\$479,942	\$847,947	\$848,797	\$850	0%
CAPITAL OUTLAY	\$4,038	\$27,116	\$10,000	\$10,000	\$0	0%
EXPENSES TOTAL	\$1,150,929	\$1,183,975	\$1,595,441	\$1,717,168	\$121,727	8%

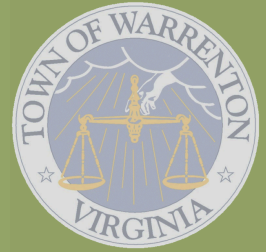
STAFFING SUMMARY

Department	FY2023	FY2024	FY2025	FY2026
FTE Amount				
Water Treatment Plant	6.73	7.725	7.73	8
FTE AMOUNT	6.73	7.725	7.73	8

BUDGET ANALYSIS

The FY 2026 proposed budget reflects an increase when compared to the adopted FY 2025 budget. The FY 2026 water treatment plant personnel budget is based off the assumption that eligible operators will obtain their next level of licensure during the fiscal year. To get a Virginia Waterworks Operator License, an operator must demonstrate that they have gained a specified amount of actual experience working at a public water supply system (such as the Town's) and then they must take and pass the examination. An operator must meet the experience requirements related to the level of licensure before they can take the examination. The FY 2026 personnel budget reflects the upgrade of the part-time operator to full-time, COLA and merit raises, and increased health insurance costs. Operating expenses including the Town's tank maintenance contract and the cost of chemical supplies used in the water treatment process are essentially flat year over year.

TRANSMISSION & DISTRIBUTION



DEPARTMENT DESCRIPTION

The transmission and distribution department is responsible for the daily maintenance, repair, and servicing of 89 miles of waterline and 69 miles of sewer. Activities include repairing main breaks, replacing old and deteriorated water and sewer lines, maintaining water and sewer line easements, clearing obstructions from clogged sewage lines, and collecting data with flow meters to identify high areas of inflow and infiltration in the gravity sewage system. The water system is flushed twice a year to remove sediments and minerals from the main lines. The 751 fire hydrants and valves are serviced annually.

The department continues to focus in the coming year on the maintenance and servicing of the extensive and aging water-sewer system. The program includes flushing of waterlines, adherence to the established schedule for annual and biannual valve and hydrant inspections, and more frequent cleaning of sewer lines to prevent backups. This is a continuing effort of conducting inflow and infiltration rehabilitation work to identify inflow and infiltration sources, and make necessary improvements.

CURRENT STAFFING

The department is staffed by five (5) utility maintenance workers, the utility locator, the logistics coordinator, and the public utilities superintendent who are all 100% allocated to the department.

BUDGET SUMMARY

	ACTUAL		ADOPTED	PROPOSED	Variance (\$)	Variance (%)
	FY2023	FY2024	FY2025	FY2026		
EXPENSES						
PERSONNEL	\$568,964	\$748,698	\$752,994	\$715,999	(\$36,995)	(5%)
OPERATING	\$209,410	\$66,987	\$144,004	\$154,190	\$10,186	7%
CAPITAL OUTLAY	\$3,652	\$980	\$24,500	\$24,500	\$0	0%
EXPENSES TOTAL	\$782,025	\$816,665	\$921,498	\$894,689	(\$26,809)	(3%)

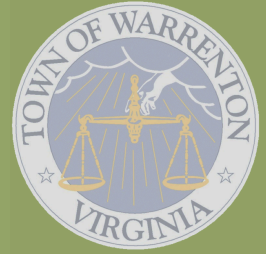
STAFFING SUMMARY

Department	FY2023	FY2024	FY2025	FY2026
FTE Amount				
Transmission and Distribution	8	8	8	8
FTE AMOUNT	8	8	8	8

BUDGET ANALYSIS

The proposed FY 2026 budget reflects a decrease over the adopted FY 2025 budget. The decrease in the personnel category is due to the retirement of the previous superintendent during FY 2025, partially offset by merit and COLA raises and an increase in workers compensation costs. The increase in the operating category is primarily due to projected increases in the cost for materials and supplies used by the department such as water and sewer fittings, clamps, and asphalt. Capital outlay for equipment has remained flat year over year.

WASTEWATER TREATMENT



DEPARTMENT DESCRIPTION

The wastewater treatment department is responsible for processing of the community's sanitary sewage to regulatory standards to protect the downstream environment. Laboratory testing is performed on the wastewater and receiving waters to ensure compliance with receiving stream standards or discharge requirements put in place by the Department of Environmental Quality (DEQ). Testing for Biochemical Oxygen Demand, Total Suspended Solids, Total Residual Chlorine, pH, Dissolved Oxygen, Total Kjeldahl Nitrogen, and Ammonia are performed daily. Annual testing includes the Toxic Monitoring Program, 503 Sludge monitoring, and the annual Pretreatment report submitted by Town staff.

The wastewater treatment plant (WWTP) is rated as a 2.5 million gallons per day (MGD) Class I facility. Treatment begins at the headworks with screening and grit removal, followed by primary sedimentation. The second process involves the new Moving Bed Bio Reactors (MBBR). The third phase employs chemical coagulation and flocculation followed by secondary sedimentation. The final stage of treatment includes nutrient removal via deep bed filtration, disinfection with ultraviolet lamps, and post aeration before discharge into the unnamed tributary to Great Run. Sludge that is generated by the treatment process is anaerobically digested, dewatered by a 2 meter belt press, hauled away by an outside contractor and land applied. In addition to the operation of the wastewater treatment plant, this department is also responsible for the operation and maintenance of eight (8) sanitary sewer pump stations.

Costs for chemicals, energy and general repairs continue to be major portions of the budget. The WWTP continues to require identification and prioritization to replace many of the plant components which are at end of life. A major effort this year is to move forward with the planned CIP to ensure system reliability by addressing the aging infrastructure. The priorities of these projects are based on the age of the equipment, the status of the operation of the equipment, the function within the process, the single point failure concerns, and the objective of meeting the target of operational capacity by the year 2030. This capacity target was established in the 2022 Capacity Study recently completed and is being used as a reference for prioritizations of equipment modernizations.

CURRENT STAFFING

The wastewater treatment plant department is staffed by seven (7) full-time operators, a part-time operator, the wastewater treatment plant chief operator, the chief utility plant mechanic, the plant mechanic, and the wastewater treatment plant superintendent, who are all allocated 100% to the department. Pay and responsibility of the Wastewater Treatment Plant Operators is based on the level of licensure they hold. Operator licenses are issued by the Board for Waterworks and Wastewater Works Operators, which is part of the Virginia Department of Professional and Occupational Regulation (DPOR). Part-time extra help previously allocated to this department has been removed, resulting in the .1 FTE reduction in the staffing summary below.

BUDGET SUMMARY

	ACTUAL		ADOPTED	PROPOSED		
	FY2023	FY2024	FY2025	FY2026	Variance (\$)	Variance (%)
EXPENSES						
PERSONNEL	\$853,882	\$915,929	\$1,148,147	\$1,208,146	\$59,999	5%
OPERATING	\$1,244,311	\$1,197,014	\$1,429,083	\$1,481,042	\$51,959	4%
CAPITAL OUTLAY	\$0	\$22,465	\$8,000	\$24,000	\$16,000	200%
EXPENSES TOTAL	\$2,098,194	\$2,135,408	\$2,585,230	\$2,713,188	\$127,958	5%

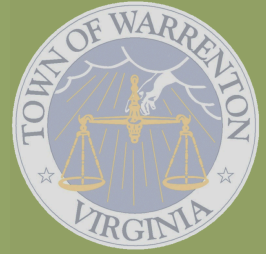
STAFFING SUMMARY

Department	FY2023	FY2024	FY2025	FY2026
FTE Amount				
Wastewater Treatment Plant	10.97	11.83	11.83	11.73
FTE AMOUNT	10.97	11.83	11.83	11.73

BUDGET ANALYSIS

The proposed FY 2026 budget reflects an increase over the adopted FY 2025 budget. The personnel category increased due to COLA and merit raises and increased workers compensation costs. The FY 2026 wastewater treatment plant personnel budget is based off the assumption that eligible operators will obtain their next level of licensure during the fiscal year. To get a Virginia Wastewater Works Operator License, an operator must demonstrate that they have gained a specified amount of actual experience working at a public waste water system (such as the Town's) and then they must take and pass the examination. An operator must meet the experience requirements related to the level of licensure before they can take the examination. Although not a large driver of expenses (at \$6,850 or .2% of the proposed budget amount), it should be noted that the budget includes shift differential to be paid to the employees who work the night shift at the WWTP. The overnight employees work from 4pm to midnight and the aforementioned amount will provide an additional \$1.25 per hour for all hours worked after 7pm. Increase in laboratory testing costs, electricity costs to power the plant, and increases in chemical supplies are what is primarily driving the increase in operating expenses for FY 2026. Capital outlay for equipment has increased to cover the annual cost of UV bulb replacements.

WATER & SEWER ADMINISTRATION



DEPARTMENT DESCRIPTION

The water & sewer administration department is responsible for the oversight of all water and wastewater operations, including production, delivery, processing, and maintenance. The director of public utilities, who is allocated to this department, is responsible for the oversight and operation of the water treatment plant (WTP), the wastewater treatment plant (WWTP), transmission and distribution (T&D), meter reading, stormwater management, and all water, sewer, and stormwater capital projects. This budget also funds the administrative activities at Town Hall associated with the billing for water & sewer services and the accounting for the enterprise fund. It is the mission of the department to ensure safe drinking water and environmentally compliant wastewater treatment to protect public health and to keep the public informed through the annual Consumer Confidence Report.

CURRENT STAFFING

The administration department is staffed by the utility billing coordinator and a senior administrative assistant, who are allocated to the department 100%. The director of public utilities is split 80/20 between this department and the Stormwater Management Fund. The project coordinator is split 50/50 between this department and public works administration. Also included in this budget are the partial allocations of eighteen General Fund position salaries that support the water and sewer operating fund, including the Town Manager, several positions in the finance department, and both positions in the human capital department. The reduction of .5 FTE in the staffing summary below is due to the elimination of the emergency services/risk manager position.

BUDGET SUMMARY

	ACTUAL		ADOPTED	PROPOSED	Variance (\$)	Variance (%)
	FY2023	FY2024	FY2025	FY2026		
EXPENSES						
PERSONNEL	\$620,233	\$1,025,808	\$1,046,037	\$1,043,596	(\$2,441)	0%
OPERATING	\$291,718	\$139,764	\$264,722	\$315,400	\$50,678	19%
CAPITAL OUTLAY	\$0	\$0	\$0	\$0	\$0	-
EXPENSES TOTAL	\$911,951	\$1,165,571	\$1,310,759	\$1,358,996	\$48,237	4%

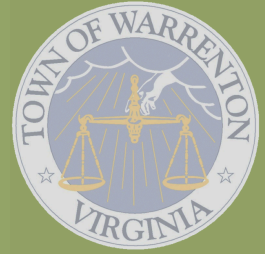
STAFFING SUMMARY

Department	FY2023	FY2024	FY2025	FY2026
FTE Amount				
Public Utilities Administration	10	11.12	9.22	8.72
FTE AMOUNT	10	11.12	9.22	8.72

BUDGET ANALYSIS

The FY 2026 proposed budget is an increase over the adopted FY 2025 budget. The decrease in the personnel category is due to the elimination of the emergency services/risk manager position, offset by merit and COLA raises. The increase in the operating category is primarily due to a projected increase in the cost of legal services (Water & Sewer Fund houses 25% of the total budgeted amount). There is no capital outlay requested in the FY 2026 budget.

WATER & SEWER FUND DEBT SERVICE



DEPARTMENT DESCRIPTION

This category includes principal, interest and related charges associated with the issuance of long-term debt for capital improvements.

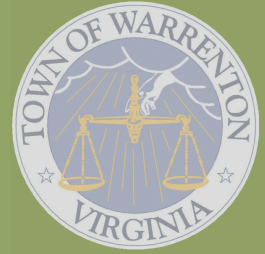
In FY 2026, the total debt service of \$1,293,510 consists of principal payments of \$790,000, interest payments of \$403,510, and anticipated bond issuance costs of \$100,000,

	ACTUAL		ADOPTED		PROPOSED	
	FY2023	FY2024	FY2025	FY2026	Variance (\$)	Variance (%)
EXPENSES	\$485,770	\$385,196	\$1,195,999	\$1,293,510	\$97,511	8%

ANNUAL DEBT SERVICE REQUIREMENTS

Fiscal Year	Water and Sewer		
	Principal	Interest	Total
2026	790,000	403,510	1,193,510
2027	816,000	377,130	1,193,130
2028	845,000	349,773	1,194,773
2029	869,000	321,497	1,190,497
2030	899,000	292,303	1,191,303
2031	927,000	262,033	1,189,033
2032	963,000	230,602	1,193,602
2033	994,000	199,539	1,193,539
2034	1,024,000	169,822	1,193,822
2035	1,052,000	141,308	1,193,308
2036	1,080,000	113,252	1,193,252
2037	1,108,000	84,558	1,192,558
2038	1,137,000	55,225	1,192,225
2039	637,000	24,996	661,996
2040	653,000	8,403	661,403
	13,794,000	3,033,951	16,827,951

WATER & SEWER FUND TRANSFERS



DEPARTMENT DESCRIPTION

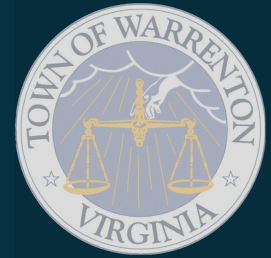
The FY 2026 proposed budget for the Water & Sewer Operating Fund includes a transfer to the General Fund. This transfer represents the total that the Water & Sewer Fund is remitting to the General Fund for the services provided by the information technology and fleet departments, since there is no longer an allocation of these expenses as of FY 2024. This amount is net of the cost of water and sewer services provided to General Fund facilities.

The second transfer in the amount of \$1,995,649 is equal to the surplus of projected revenue over operating expenses in the Water & Sewer Operating Fund for FY 2026. This surplus is transferred to the Water & Sewer Capital Project Fund for the cash funding of critical capital projects at the water and wastewater treatment plants. Such transfers reduce the need for debt funding.

BUDGET SUMMARY

	ACTUAL		ADOPTED	PROPOSED		
	FY2023	FY2024	FY2025	FY2026	Variance (\$)	Variance (%)
EXPENSES						
TRANSFER TO GENERAL FUND	\$0	\$490,830	\$366,581	\$321,479	(\$45,102)	(12%)
TRANSFER TO WS CAPITAL FUND	\$5,030,158	\$1,357,126	\$1,264,357	\$1,995,649	\$731,292	58%
EXPENSES TOTAL	\$5,030,158	\$1,847,956	\$1,630,938	\$2,317,128	\$686,190	42%

WATER & SEWER CAPITAL PROJECT FUND



FUND OVERVIEW

The Town's Water & Sewer Capital Project Fund is an enterprise fund that accounts for revenue earmarked for capital improvements and the costs associated with those improvements. Budgeted amounts for the Water & Sewer Capital Project Fund are derived from the first year of the six-year CIP document each year. The CIP is updated annually, at which time the schedule and projects are evaluated and any new projects may be added. Projects in the Capital Improvement Fund should be at least \$100,000 and have an estimated useful life of at least ten (10) years. The process begins in September when departments begin their work on the department recommended CIP. In January, the Town Manager meets with department staff to discuss recommended projects. The Town Manager's recommended CIP may be presented to the Planning Commission at a work session so the Commission can ensure that all projects are in conformance with the Town's Comprehensive Plan. During this time, the Town Manager works closely with the finance department to evaluate the feasibility of funding sources and the impact that projects will have on the operating budget. In April, the Town Manager presents the Town Manager's proposed CIP to the Town Council along with the proposed budget. The first year of the CIP is adopted as part of the budget in June.

WATER & SEWER CAPITAL PROJECT FUND REVENUES

WATER & SEWER CAPITAL PROJECT FUND REVENUES

	ACTUAL		ADOPTED	PROPOSED	Variance (\$)	Variance (%)
	FY2023	FY2024	FY2025	FY2026		
REVENUES						
INTEREST REVENUE	\$189,873	\$280,991	\$75,000	\$100,000	\$25,000	33%
DEFERRED REVENUE-WTC WATERLINE	\$11,282	\$11,122	\$0	\$0	\$0	-
SEWER CONNECTION FEES	\$162,000	\$194,400	\$432,000	\$972,000	\$540,000	125%
WATER CONNECTION FEES	\$74,250	\$89,100	\$198,000	\$445,500	\$247,500	125%
PROCEEDS FROM INDEBTEDNESS	\$0	\$0	\$4,600,000	\$12,700,893	\$8,100,893	176%
TRANSFER FROM WATER/SEWER FUND	\$5,030,158	\$1,357,126	\$1,264,357	\$1,995,649	\$731,292	58%
TRANSFER FROM RESERVES	\$0	\$0	\$5,960,193	\$1,272,447	(\$4,687,746)	(79%)
REVENUES TOTAL	\$5,467,563	\$1,932,738	\$12,529,550	\$17,486,489	\$4,956,939	40%

Interest Revenue

This category accounts for investment earnings from Water and Sewer funds invested with the Local Government Investment Pool, the Virginia Investment Pool, and the Virginia State Non-Arbitrage Program (SNAP). Estimates in this category have been increased based on the balance of the \$5.15 million bond issued for water & sewer capital projects in Fiscal Year 2023 that is invested in SNAP.

Tap Fees (Water & Sewer Connection Fees)

Water & Sewer one-time availability fees for new and rehabilitated construction are recorded in this line item. Non-revenue receipts are difficult to estimate and are directly related to new development or new construction in the Town and within its service area. This category reflects an increase in projected revenues over FY 2025 based on the estimate of 90 new water and sewer connections.

Proceeds from Indebtedness

This figure represents the total amount of new debt required to fund the FY 2026 Water & Sewer CIP. It is important to note that this figure assumes all budgeted amounts will be spent during the fiscal year. Due to the nature of capital budgeting, the entire amount of a capital project must be budgeted up front, even though the project may span several fiscal years. As such, the actual cash outflows related to a capital project are typically less than the budgeted amount in any given fiscal year. As a result, the actual issuance of debt in FY 2026 will likely be much lower than the budgeted figure.

Transfers

In FY 2026 a transfer from the Water & Sewer Operating Fund in the amount of \$1,995,649 is projected. This amount is equal to the surplus of projected revenue over budgeted operating expenses in the Water & Sewer Operating Fund for FY 2026. This surplus is transferred to the Water & Sewer Capital Fund for the cash funding of critical capital projects at the water and wastewater treatment plants. Such transfers reduce the need for debt funding.

Use of Reserves

In Fiscal Year 2023, the Town entered into a \$5.15 million loan to finance Water and Sewer capital projects. This amount represents the projected balance available for use in FY 2026.

WATER & SEWER CAPITAL PROJECT FUND EXPENSES

This budget includes funds for replacement and major repair of existing assets and construction of new projects under the Council’s guidelines for capital projects and purchases of new equipment for water and sewer operations. Further detail for each category is provided in the Capital Improvement Plan. Comparisons to the prior year, apart from overall dollar amount, are not provided as the types of projects from one year to the next vary a great deal.

WATER & SEWER CAPITAL PROJECT FUND EXPENSES

	ACTUAL		ADOPTED	PROPOSED	Variance (\$)	Variance (%)
	FY2023	FY2024	FY2025	FY2026		
EXPENSES						
WATER/SEWER ASSET REPLACEMENTS	\$197,176	\$146,392	\$836,000	\$1,070,000	\$234,000	28%
CAPITAL PROJECTS	\$1,325,501	\$1,584,999	\$11,693,550	\$16,416,489	\$4,722,939	40%
EXPENSES TOTAL	\$1,522,677	\$1,731,391	\$12,529,550	\$17,486,489	\$4,956,939	40%

WATER & SEWER ASSET REPLACEMENTS

	FY 2026 PROPOSED
RELIABILITY MEASURES	\$60,000
WTP DRAIN FIELD	\$40,000
WTP SEWER LINES	\$50,000
DENITRIFICATION BACKWASH PUMPS	\$45,000
ROOF REPLACEMENT	\$60,000
ENERGY MANAGEMENT	\$25,000
DAM MAINTENANCE	\$65,000
FACILITIES PHYSICAL SECURITY	\$150,000
FLEET REPLACEMENT PROGRAM	\$575,000
TOTAL	\$1,070,000

Reliability Measures

This project involves assessing, addressing, and ensuring all state, federal, and environmental compliance regulations are met at the WTP and WWTP through the continuous replacement and upkeep of all chemical application, pumping, valving, filtration, and electronic control performance.

WTP Drain Field

This project includes the installation of a second tank to catch the water bypassing the leach field as well as the installation of a pump in the tank. A line will then be run to our waste line to send the greywater to the wastewater treatment plant. As time and manpower permits, labor will be done in-house for cost savings.

WTP Sewer Lines

Replace end-of-life deteriorating/leaking sewer lines inside the Water Treatment Facility.

Denitrification Backwash Pumps

Replacement of end of life backwash pumps located at the WWTP. The two backwash pumps located in the facilities clearwell that are used in the filter washing process are no longer performing as designed. This inefficiency is not allowing the proper volume of backwash water to be delivered during a cycle. This is resulting in compacted filters, increased backwash times, and increased solids in the facilities effluent, this could lead to non-compliance through the state discharge permit. FY26 accounts for the replacement of Pump #1 and pump #2 is planned for FY27.

Roof Replacement

Replacement of roofing systems that are at the end of life. In FY 2024, the roofing systems were evaluated at the town facilities. Costs for this project are estimated due to the uncertainty of the underlayment. Testing will be conducted in FY 2026 to identify any ACM or PACM materials. FY 2026 W&S fund allocation is for roofing at the WWTP.

Energy Management

Updates to include, but not limited to, motion lighting, LED lights, energy-efficient windows, efficient water heating, updated insulation, and air sealing in Town facilities.

Dam Maintenance

The Town's water treatment plant is fed by two (2) surface water drinking reservoirs: the Warrenton Reservoir and the Airlie Reservoir. The Airlie reservoir is an earthen compacted dam with a stand-alone intake and outfall structure, controlled by a natural elevation overflow and three (3) accompanying control valves. This reservoir feeds the Warrenton Reservoir. The Warrenton Reservoir is a three (3) tiered overflow concrete dam with a stand-alone flex intake structure, accompanied by a secondary set of three (3) elevation valves. This project covers routine maintenance and repairs for both of the dams.

Facilities Physical Security

This continued project is designed to deny unauthorized access to facilities, equipment, and resources and protect personnel and property from damage or harm. This project will ensure that our critical infrastructure facilities are properly secured and protected with measures like physical barriers, enhanced video, restricted access devices, alarms, and sensors. These health and safety measures are designed to protect the Town's critical infrastructure. Through our partnership with the Department of Homeland Security (DHS), we will expand and refine security initiatives to include physical barriers, enhanced video, access control, and security systems. Projects will be focused on the securing of the Warrenton Reservoir and water treatment facility.

Fleet Replacement Program

Scheduled fleet replacements per the fleet replacement program. For FY 2026 this includes the replacement of dump truck #7048 at the wastewater treatment plant with a non-cdl medium sized dump truck and replacement of the Town's outdated/end of life camera trailer.

WATER & SEWER CAPITAL IMPROVEMENTS

	FY 2026 PROPOSED
MT. TANK LINE POWER	\$945,000
FLOCCULATION BASIN	\$8,950,893
RESERVOIR DREDGING	\$250,000
HUNTON ST WATERLINE REPLACEMENT	\$75,000
FROST AVE SEWER LINE	\$650,000
WWTP PUMP STATION	\$82,688
DEWATERED SLUDGE STORAGE	\$750,000
CAPITAL PROJECTS CONTINGENCY	\$1,492,408
WARRENTON DAM REPAIRS	\$3,000,000
I&J REDUCTION PROGRAM	\$220,500
TOTAL	\$16,416,489

Mt. Tank Line Power

An increased level of electric power is needed to the Mountain Tank to adequately operate tank mixing and ventilation. This is needed to control the levels of THMs and water stagnation in areas of the tank to maintain water quality limits. Options include running a 3-phase power line from Bear Wallow Road to the tank, which will be very complex, or providing and maintaining a generator on site.

Sedimentation & Flocculation Basin

Additional flocculation and sedimentation basins and a new high speed filter to the Water Treatment Process Train. The current basins need maintenance repair due to spalling concrete. The additional flocculation and sedimentation basins and a new high speed filter will add resiliency into the water treatment process.

In FY2026, The Town plans to design an additional basin, start construction of a new basin and perform maintenance on the existing basins. The Town will start the preliminary engineering and design of a new high speed filter in FY 2028. In FY 2029 construction will begin on the high speed filter.

Warrenton Reservoir Dredging

Dredge the Warrenton Reservoir to restore and maintain the water storage capacity and overall water health through the removal of accumulated sediment and debris. Dredging will include the removal of fallen trees and trash in accordance with all applicable environmental regulations. Ultimately, this project will restore the reservoir's original capacity, ensuring a continued reliable water supply for the community.

Hunton Street Waterline Replacement

The Town's water distribution system has 18 miles of cast iron (CI) pipe ranging in age from 40-80+ years. Although CI is serviceable beyond 80 years, staff will evaluate and schedule for replacement of problematic sections of the system that are experiencing increasing breaks and maintenance requirements.

The Town plans to replace the water main along Hunton Street from Nordix Drive to Dead End. The design process will begin in FY 2026 and construction phase will start in FY 2027.

Frost Ave. Sewer Line

The Town performed a video inspection of the existing sanitary line runs across Frost Avenue from manhole 11 to manhole 200. The video showed signs of decay and needs to be replaced to avoid a potential collapse. The Town has requested a proposal to start the design in July 2025 with construction planned for late 2025.

WWTP Pump Station

Replacement of pumps and infrastructure within the wet well pump station. The pump station provides flow throughout the Wastewater Treatment Plant.

Dewatered Sludge Storage

Biosolids Storage. This project will completely rehab the storage structure which is beginning to show severe signs of degradation. Scope of work is also to include adding more square footage to the units to increase the amount of solids able to be stored.

Capital Projects Contingency

For FY 2026 a contingency is built into the budget for all capital projects. The contingency is set at 10% of total Town funding for each project and ensures that the Capital Improvement Program is budgeted conservatively and takes into account the possibility for project overruns or the identification of additional work needed to complete project goals.

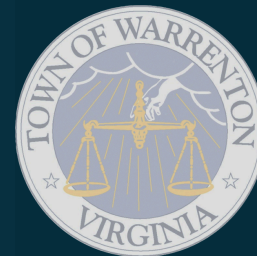
Warrenton Dam Repairs

Engineering evaluation, design, and future needs for the Warrenton Dam. Considerable study is needed to address feasibility and to mitigate environmental impact. A downstream inundation study from a potential break was conducted in FY 2017 and a structural analysis is required to determine the needs of the existing dam or if a new dam structure will be required. Town Staff is currently searching for potential grants to lessen the cost burden on the Town.

I&I Reduction Program

This project seeks to reduce inflow and infiltration (I&I) into the wastewater system from heavy rainfall events and from broken/damaged piping. This project has been underway for several years and has shown positive results in reducing overall I&I and targets the focus of sewer line rehabilitation efforts.

STORMWATER MANAGEMENT FUND



FUND DESCRIPTION

Stormwater runoff is the most common cause of water pollution. State and federal clean water statutes require localities to have programs related to stormwater runoff, erosion, and sedimentation control protecting their water resources. The Town is an MS4, or a Municipal Separate Storm Sewer System, and is permitted to levy a stormwater utility fee to pay for the program. The fee was established by ordinance during the FY 2021 budget process, but Council delayed collection due to the COVID-19 pandemic. The collection of this fee began in FY 2022, and the Stormwater Management Fund was established as an enterprise fund to sustain the program.

The stormwater department works to consistently protect our environment by reducing flooding to protect Town residents and property, supporting healthy streams, and creating a healthier and more sustainable community in compliance with the Town's MS4 Permit administered by the Virginia Department of Environmental Quality (DEQ).

CURRENT STAFFING

This division is staffed by the stormwater administrator and stormwater inspector who are both allocated 100% to the department. The GIS technician is split 80/20 between this fund and the Water & Sewer Operating Fund. The director of public utilities is allocated 20% to this Fund. The engineer, permit technicians, zoning official, and tax administrator are also partially allocated to this Fund based on support provided.

FY 2025 HIGHLIGHTS

- Met all 2024 MS4 annual report permit requirements.
- Addressed total maximum daily load (TMDL) reduction requirements.

KEY PROJECTS IN FY 2026

- Complete projects as outlined in the CIP.
- Continue reporting requirements to the Virginia Department of Environmental Quality (VDEQ).
- Continue working to find new ways to educate citizens about stormwater and outreach programs specifically associated with illicit discharge.
- Continue building a digital stormwater inventory.
- Continue to work with finance department to clarify fee information included with bills.
- Continue to improve our active construction inspection program.
- Continue to improve post-construction best management practices (BMPs) program.

STORMWATER MANAGEMENT FUND REVENUES

	ACTUAL		ADOPTED	PROPOSED	Variance (\$)	Variance (%)
	FY2023	FY2024	FY2025	FY2026		
REVENUES						
LOCAL REVENUE	\$653,734	\$757,905	\$733,000	\$736,000	\$3,000	0%
MISCELLANEOUS REVENUE	\$556	\$885	\$300	\$1,000	\$700	233%
FEDERAL REVENUE	\$99,318	\$2,531	\$0	\$0	\$0	--
USE OF FUND BALANCE	\$0	\$0	\$557,932	\$590,993	\$33,061	6%
REVENUES TOTAL	\$753,608	\$761,320	\$1,291,232	\$1,327,993	\$36,761	3%

Stormwater Management Fees (Local Revenue)

This fee is a “fee for service” based on the cost to manage stormwater that runs off impervious surfaces, such as roofs and parking areas. Developed single family residential properties fall into one to three rate tiers based on the total impervious area of the property. Impervious area refers to solid surfaces on a property that will not allow rainwater to seep into the ground (e.g. – building and parking areas). The following table shows the current fees:

Tier	Impervious Area (sq. feet)	Fee Per Month
Tier 1	400 - 1,299	\$5.55
Tier 2	1,300 - 4,4990	\$6.94
Tier 3	4,500 +	\$17.37

Non-residential fees are based on the overall impervious area of a parcel divided by the equivalent residential unit of 2,200 square feet and then multiplied by \$5.55 per month.

The fees are billed twice each year on the Town’s real estate tax bill. The bills are due on June 15th and December 15th. The fee is expected to generate \$736,000 in FY 2026. The projected increase is based on actual billings for FY 2025. The Stormwater department has updated the Fee Schedule to include modification, transfer, and permit maintenance fees for construction activity and land clearing to ensure the Fee Schedule is in line with the Town Code.

Miscellaneous Revenue

Miscellaneous revenue is related to credit card fees collected from online payments. These fees are then remitted to the payment processor.

Use of Fund Balance

In FY 2026, use of Fund Balance is used to fund the remainder of Stormwater Management Fund expenses that are not covered by other revenue streams. It is important to note that the Stormwater Management Fund has a capital component (as detailed below) and due to the nature of capital budgeting, the entire amount of a capital project must be budgeted up front, even though the project may span several fiscal years. As such, the actual cash outflows related to a capital project are typically less than the budgeted amount in any given fiscal year. As a result, the actual use of fund balance in FY 2026 will likely be lower than the budgeted figure as the budgeted figure assumes all capital amounts will be spent during the year.

STORMWATER MANAGEMENT FUND EXPENSES

	ACTUAL		ADOPTED	PROPOSED	Variance (\$)	Variance (%)
	FY2023	FY2024	FY2025	FY2026		
EXPENSES						
PERSONNEL	\$348,211	\$385,178	\$441,121	\$487,803	\$46,682	11%
OPERATING	\$40,436	\$41,766	\$81,930	\$123,689	\$41,759	51%
CAPITAL OUTLAY	\$0	\$91,802	\$720,500	\$660,000	(\$60,500)	(8%)
TRANSFERS	\$0	\$49,083	\$47,681	\$56,501	\$8,820	19%
EXPENSES TOTAL	\$388,647	\$567,830	\$1,291,232	\$1,327,993	\$36,761	3%

STAFFING SUMMARY

Department	FY2023	FY2024	FY2025	FY2026
FTE Amount				
Stormwater Management	5.1	4.42	4.3	4.3
FTE AMOUNT	5.1	4.42	4.3	4.3

BUDGET ANALYSIS

The proposed FY 2026 budget represents an increase compared to the adopted FY 2025 budget. Expenses related to stormwater operations are expected to increase due to the anticipated purchase of nutrient credits to meet reduction requirements in FY 2026. The increase in personnel expenses is due to changes in health insurance elections, and merit and COLA raises. Included in operating expenses are reimbursements to certain employees for safety equipment required to perform the duties of their jobs. For FY 2026, the reimbursement for safety boots is set at \$150 per employee.

There are three (3) capital projects driving the capital outlay category, discussed below. There is also a transfer to the General Fund to cover the cost of services provided by the fleet and information technology departments.

Asset replacement and capital projects include the following:

STORMWATER MANAGEMENT CAPITAL PROJECTS

	FY 2026 PROPOSED
MASTER DRAINAGE PLAN	\$300,000
BMP FACILITIES	\$200,000
STREAM RETROFIT RADY PARK	\$100,000
CAPITAL PROJECTS CONTINGENCY	\$60,000
TOTAL	\$660,000

Master Drainage Plan (MDP)

The Master Drainage Plan is a 3-phased project to assist with identifying existing stormwater structures, BMPS, and outfall locations to capture drainage complexities for the Town. Grant funding has been applied for to cover up to 50% reimbursement for the implementation of the Master Drainage Plan. This will help prepare to address drainage concerns with potential future projects. Outfall locations will be identified for potential restoration projects to meet require MS4 nutrient reductions and into include in the Town’s outfall map as required by the MS Construction General Permit.

BMP Facilities

The Town is required under the MS4 Permit (Chesapeake Bay TMDL Action Plan) to identify means and methods to achieve the necessary second-cycle pollutant reductions, including TP, TN, and TSS reductions. The Town is currently running a of negative of 65,000 pounds of TSS each year. This program will modify existing structures, ponds, and other methods into BMP from the DEQ approved Clearinghouse. This program will make sure the Town meets the MS4 permit requirements. Projects could include Pond C, the pond at the Methodist Church on Church Street, Sullivan Street, WTP Primary Clarifier, WTP Clearwell, and future sidewalk projects.

Capital Projects Contingency

For FY 2026 a contingency is built into the budget for all capital projects. The contingency is set at 10% of total Town funding for each project and ensures that the Capital Improvement Program is budgeted conservatively and takes into account the possibility for project overruns or the identification of additional work needed to complete project goals.

Stream Retrofit Rady Park

This project includes the restoration of approximately 600 linear feet of natural stream that conveys stormwater from Fauquier County through Rady Park (Town) and flows back into Fauquier County. This stream restoration project will address safety concerns identified by parks and recreation due to the eroding bank adjacent to the pavilion area. The project will also capture required nutrient credit reductions to be achieved for the MS4 Program.

Goals, Objectives, and Performance Metrics

Mission: To deliver exceptional government service; to uphold standards established to protect the public health, safety, and welfare of all residents, business owners, and visitors; to provide an environment where people enjoy living, working, playing, and investing while providing responsible management of public resources to meet the challenges of today and tomorrow. Manage and implement an effective MS4 and Stormwater program designed for maximum credits and effectiveness.

The following goals and objectives have been identified by the Stormwater Management Department:

GOAL: Continue with identifying, development, and implementation of stream restoration projects, Lee Hwy., and Rady Park.

Objectives:

- Reduce pollution generated and minimize potential impact of SW runoff, soil erosion, and flooding.

Outcome Measures	FY 2023 Actual	FY 2024 Actual	FY 2025 Projected	FY 2026 Projected
Design, plan, or implementation of projects	2	3	4	4

GOAL: Complete and accurate stormwater inventory.

Objectives:

- Continue building an accurate digital storm sewer system map and update stormwater facilities.

Outcome Measures	FY 2023 Actual	FY 2024 Actual	FY 2025 Projected	FY 2026 Projected
New storm inlets and Stormwater facilities located in GIS collector software	78	100	150	300

GOAL: Stormwater and outreach programs.

Objectives:

- Continue working with the community to find new ways to learn about the stormwater.

Outcome Measures	FY 2023 Actual	FY 2024 Actual	FY 2025 Projected	FY 2026 Projected
Elaborate additional documentation, manuals, guidance, and events.	16	20	22	24

GOAL: Respond to drainage issues and SW utility fees.

Objectives:

- Use system to receive phone calls/emails and promptly respond.
- Develop a strategic plan to minimize SW and drainage complaints. Update website, clean storm drains, sweep streets, conduct proactive inspections to the storm sewer systems, etc.

Outcome Measures	FY 2023 Actual	FY 2024 Actual	FY 2025 Projected	FY 2026 Projected
Number of complaints annually received for illicit discharges	7	5	5	5
Complaints received annually regarding drainage complaints	2	2	3	3
Pounds of sediments collected	52,500	56,412	65,000	65,000
Miles swept	N/A	128	135	140
Number of inspections performed	89	80	90	100

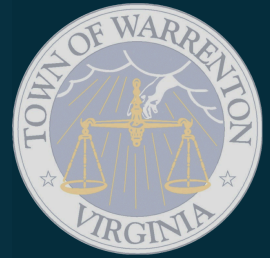
GOAL: Erosion Control and Stormwater Inspection Program .

Objectives:

- Ensure compliance with state code for active construction projects, post- construction BMPs, and outfalls (numbers can fluctuate due to total active projects).

Outcome Measures	FY 2023 Actual	FY 2024 Actual	FY 2025 Projected	FY 2026 Projected
Number of erosion control inspections performed	310	325	350	400
Number of post-construction BMPs inspections performed	39	39	45	50
Outfall monitoring	39	50	50	50

RELEVANT FINANCIAL POLICIES



SUMMARY

The Town of Warrenton has an important responsibility to its citizens to plan for the future and manage public funds with accuracy and integrity. The Town has created and implemented the following financial policies to ensure sound financial management.

BUDGET AND EXPENDITURE CONTROL

This policy establishes guidelines for:

- 1) The creation of a balanced annual budget.
- 2) How adjustments are made to the budget during the course of the fiscal year.
- 3) What controls will be used throughout the fiscal year to ensure that expenditures do not exceed appropriations.

This policy also details the formulation of a balanced budget and defines a balanced budget as a budget in which operating expenditures do not exceed current revenue. The proposed FY 2026 budget is balanced.

FUND BALANCE POLICY

This policy establishes the minimum fund balance levels for the Town's governmental funds, the conditions for the use and replenishment of those funds, and identifies the different classifications for reporting fund balance.

Per this policy the Town of Warrenton should maintain a minimum unassigned fund balance in the General Fund equal to 50% of the current annual operating expenditure budget of the General Fund. This budget projects that unassigned fund balance will fall below that threshold at 39% of General Fund operating expenditures in reserve by June 30, 2026.

WATER AND SEWER OPERATING FUND CASH BALANCE POLICY

This policy establishes the minimum cash balance equal to 200 days of the fund's current annual budget for the Town's Water and Sewer Operating Fund. Adequate cash reserves are an essential element in both short-term and long-term financial planning. It serves to mitigate current and future risks, sustain operations during economic downturns, provides cash flow liquidity for enterprise operations, and enhances creditworthiness.

CAPITAL ASSETS

This policy provides general guidance for the proper tracking and financial reporting of capital assets. Physical inventory and condition are taken annually and reported to the Finance Department.

INVESTMENT

This policy establishes guidelines for the investment of the Town's funds in a manner which will safely preserve principal, provide adequate liquidity to meet the Town's cash flow needs, and optimize returns while conforming to all Federal, State and local statutes governing the investment of public funds.

DEBT MANAGEMENT

This policy outlines a framework to evaluate the issuance of debt by the Town. The town will, when financing capital improvements or other projects or equipment by issuing bonds or entering into capital leases, repay the debt within a period not to exceed the expected useful life of the project or equipment. Debt related to equipment ancillary to a construction project may be amortized over a period less than that of the primary project. The town will not fund current operations from the proceeds of borrowed funds.

The town's debt capacity shall be maintained within the following primary goals:

1. Tax Supported debt service expenditures as a percentage of general fund expenditures should not exceed 12%.
2. Tax Supported debt of the town shall not exceed 1.5% of the total assessed value of taxable property in the town.
3. The town's debt capacity with respect to Self-Supporting Enterprise Debt shall be planned to maintain at least 1.15x annual debt service coverage with a higher ratio being stronger.



I. PURPOSE

Governmental budgets serve as annual fiscal plans to allocate scarce resources in support of the government's programs and services and in accordance with the governing body's identified priorities. This policy establishes guidelines for 1) the creation of a balanced annual budget; 2) how adjustments are made to the budget during the fiscal year; and 3) what controls will be used throughout the fiscal year to ensure that expenditures do not exceed appropriations.

II. SCOPE

This policy applies to all Town departments.

III. POLICY

A. Budget Creation

- i. Basis of Budgeting – The annual budget spanning the fiscal year (July 1 – June 30) is prepared on a basis consistent with generally accepted accounting principles. For proprietary funds, depreciation expense is not budgeted, but is recorded and reported for financial purposes.
- ii. Balanced Budget – The Town Manager will consider conservative revenue projections, departmental expenditure requests, capital projects and staffing requests in the formulation of a balanced budget. The goal is to balance expenditures with current revenue. Fund balance may be used to balance the budget but should be used as outlined in the Town's Fund Balance Policy.
- iii. Principals for Budgeting – The Town Manager will prioritize funding liabilities owed by the Town as well as expenses associated with maintaining existing services. The Town Manager will examine prior spending patterns in the development of the budget.
- iv. Revenue Projections – Revenue will be conservatively estimated and consider several factors, including historical trends, economic

conditions and outlook, impending changes in legislation, and any notifications of changes in funding received from State and Federal sources.

- . Departmental Expenditure Requests – Each department must submit their requested budget for the next fiscal year to the Finance Department by December 31st. The request should provide line-item estimates and a detailed narrative supporting the amount requested. Justification must be provided for any additional staff requests and capital outlay.
 - vi. Capital Improvement Plan (CIP) – The CIP is the Town’s six-year capital planning document. The CIP is reviewed by the Planning Commission as needed to ensure compliance with the Town’s Comprehensive Plan. The Planning Commission then provides its recommendations to the Town Council.
 - vii. Strategic Planning – The budget process will be coordinated to identify major policy issues for the Town Council. The budget process will be a part of an overall strategic planning process for the Town.
 - viii. Time for preparation and approval of budget - As required by Code of Virginia §15.2-2503, the Town Manager shall submit the proposed budget on or before the first day of April each year. The Town Council shall approve the budget no later than the date on which the fiscal year begins. Tax rates for the calendar year must be adopted no later than May 14th, as provided for in Town Code.
- B. Personnel
- i. The creation of any new position requires Town Council approval since it represents an on-going commitment of funds.
 - ii. The Finance Department shall maintain one master list of all approved positions, without regard to whether there is an incumbent or not.
 - iii. Filled positions are budgeted at the incumbent’s actual salary, vacant positions are budgeted at the midpoint for the position based on the adopted pay scale.
 - iv. If a cost-of-living adjustment (COLA) is adopted in a particular budget year, the adopted pay scale shall also be adjusted by this amount to capture the impact of inflation on the pay scale.

C. Budget Adjustment

During the fiscal year, conditions may arise that necessitate changes to the adopted budget. This may take the form of a transfer or a supplemental appropriation. The authorizations required for each are listed below:

- i. Supplemental Appropriation – A supplemental appropriation increases or decreases the overall budget appropriation. Funding sources may include grants, unanticipated revenues, inter-fund transfers or the use of Fund Balance.
 - a. The Town Manager is delegated authority to approve supplemental appropriations for the following:
 - Insurance recoveries less than \$50,000;
 - Other cost recoveries less than \$50,000; and
 - Grants requiring no local match less than \$50,000.
 - b. All supplemental appropriations other than those outlined in paragraph a. must be approved by the Town Council.
 - c. Code of Virginia §15.2-2507 requires that the Town Council hold a public hearing when a supplemental appropriation exceeds 1% of the total budget.
- ii. Transfers – A transfer involves the movement of a budgetary appropriation within a department or between departments, provided that the transfer does not increase or decrease the budgeted appropriation at the fund level.
 - a. All transfers are to be reviewed by the Finance Department and approved by the Town Manager.
 - b. Transferring appropriations between personnel and non-personnel categories is discouraged and will be allowed on an exception basis only.
 - c. Transfers between funds increase or decrease the total appropriation at the fund level, and as such, require Town Council approval. For purposes of this policy, each fund that is separately identified in the budget and the appropriations resolution, is a distinct fund.

D. Expenditure Control

- i. In accordance with the Town's Purchasing Policy, encumbrances are employed as a measure to avoid overspending a department's budget. The Finance Department will verify that funds are available in each line item prior to the issuance of purchase orders. Finance will notify the department head if a budget transfer is necessary.
- ii. The Finance Department will provide monthly revenue and expenditure reports to department heads. It is the responsibility of the department head to monitor their department's spending to ensure that adequate funding remains for planned expenditures.
- iii. All invoices for goods and/or services should be reviewed for accuracy, approved by the receiving department, and forwarded to the Finance Department to ensure payment in a timely manner, as prescribed by Code of Virginia §2.2-4350. This also serves to provide accurate and timely financial information which is recorded in the system for the monthly reports.



I. PURPOSE

The purpose of this policy is to establish minimum fund balance levels for the Town's governmental funds, to establish the conditions for the use and replenishment of those funds, and to identify the different classifications for reporting fund balance. Fund balance is the net position of a governmental fund (the difference between assets, liabilities, deferred outflows of resources, and deferred inflows of resources).

II. SCOPE

This policy applies to all governmental funds of the Town.

III. POLICY

It is the policy of the Town of Warrenton that the Town's governmental funds shall be operated in a manner consistent with sound financial management principles. An adequate fund balance level is an essential element in both short-term and long-term financial planning. It serves to mitigate current and future risks, sustain operations during economic downturns, provides cash flow liquidity for the Town's general operations, and enhances creditworthiness. While maintenance of an adequate level is necessary, it is important that the amount established be appropriate considering the Town's operations.

A. Fund Balance Classifications

Governmental fund balances shall be reported in the following classifications, as set forth in Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*:

Classification	Definition	Examples
Nonspendable	Amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact	<ul style="list-style-type: none"> • Inventories • Prepaid items • Long-term receivables
Restricted	That portion of fund balance upon which constraints are placed on the use of resources (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation	<ul style="list-style-type: none"> • Debt covenants • Revenues restricted by enabling legislation • Grants
Committed	Used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority	Amounts that the Town Council sets aside by resolution
Assigned	Amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed	Authority delegated to the Town Manager
Unassigned	Unassigned fund balance is the residual classification for the General Fund. This accounts for the balance that has not been reported in any other classification. The General Fund is the only fund that can report a positive unassigned fund balance. All other governmental funds would report deficit unassigned fund balance.	

B. Minimum Level of General Fund Balance

The Town of Warrenton will maintain a minimum unassigned fund balance in the General Fund equal to 50% of the current annual operating expenditure budget of the General Fund. For purposes of this calculation, this shall be based on the annual adopted budget figures. Fund balance may be maintained at a level higher than this minimum to save for large, planned expenditures (i.e., capital projects), emergencies, cash flow issues related to timing of revenue receipts, and to address economic volatility. Amounts above this minimum may be further identified by Council to be set aside for other purposes (such as capital projects or reserves for contingencies) as further detailed herein. The purpose of establishing a minimum fund balance is to maintain a prudent level of financial resources to protect against the need to either reduce service levels or raise taxes and fees due to temporary revenue shortfalls or unpredicted one-time expenditures.

C. Order of Resource Use for the General Fund

In general, restricted funds are used first when expenditure is incurred for which both restricted and unrestricted fund balance is available. In addition, for unrestricted fund balance, the order of used of fund balance shall generally be: 1) committed, 2) assigned, and 3) unassigned.

D. Use of Year-end Operating Surplus

At the end of each fiscal year, all general fund revenues in excess of expenditures, as measured in the Town's annual audited financial statement, will first be allocated according to a waterfall mechanism as follows:

1. Annual surplus revenues will be allocated to the Unassigned Fund Balance until the 50% minimum policy target is met.
2. If the 50% Unassigned Fund Balance minimum policy is met, the remaining annual surplus funds will be allocated as follows:
 - a. Budget Stabilization Fund: 50% of the annual surplus shall be dedicated to a Budget Stabilization Fund until such fund reaches a level equal to at least 10% of current annual operating expenditure budget of the General Fund or \$1 million, whichever is greater. Once this policy has been met no additional contributions to the Budget Stabilization Fund are required although Town Council may

elect to make contributions to the Budget Stabilization above the minimum levels.

- b. Capital Fund: At least 50% of the annual surplus shall be dedicated to a Capital Fund. There is no prescribed maximum funding Amount for the Capital Fund. To the extent that both the Unassigned Fund Balance and Budget Stabilization Fund policy targets are met the Town may allocate up to 100% of the annual surplus to the Capital Fund.
- c. Additional Surplus for One-Time Priorities or Long-Term Liabilities: To the extent that both the Unassigned Fund Balance and Budget Stabilization minimum policy levels are met the Town may elect to utilize additional annual surplus dollars for purposes including: additional contributions to the Unassigned Fund Balance; additional contributions to the Budget Stabilization Fund; priorities of the Town that are one-time in nature; debt paydown; reduction or pre-funding of other long-term liabilities; or, other non-recurring purposes of the Town.

E. Replenishment of General Fund Minimum Fund Balance

Should the minimum balance (assigned and unassigned fund balance as a percentage of total budgeted expenditures) fall below the 50% requirements for the General Fund, the Town Council shall approve and adopt a plan to restore this balance to the target level within the next three fiscal year's budget.

F. Use of General Fund Balance

1. Unassigned Fund Balance

The general fund unassigned fund balance shall be drawn upon only as absolutely necessary after the other general fund reserves have been exhausted and any use thereof shall be upon the approval of Town Council and limited to:

- a. One-time capital expenditures.
- b. Offsetting economic volatility.
- c. Non-recurring expenditures.
- d. Providing liquidity in emergency situations.

2. Budget Stabilization Fund

Withdrawals from the Budget Stabilization Fund can only be considered if there is an unexpected General Fund revenue decline or expenditure increase during the current fiscal year. The Town will not utilize funds from the Budget Stabilization Fund in the development or adoption of the operating budget.

3. Capital Fund

Balances in the Capital Reserve Fund are available for pay-as-you-go funding of capital projects and other non-recurring capital related expenditures including debt payoff/paydown or economic development opportunities.



I. PURPOSE

The purpose of this policy is to establish minimum cash balance levels for the Town's Water and Sewer Operating Fund.

II. SCOPE

This policy applies to the Water and Sewer Operating Fund.

III. POLICY

It is the policy of the Town of Warrenton that the Town's Water and Sewer Operating Fund shall be operated in a manner consistent with sound financial management principles. Adequate cash reserves are an essential element in both short-term and long-term financial planning. It serves to mitigate current and future risks, sustain operations during economic downturns, provide cash flow liquidity for enterprise operations, and enhance creditworthiness. While maintenance of an adequate level is necessary, it is important that the amount established be appropriate considering the enterprise's operations.

A. Minimum Level of Cash Reserves

The Town of Warrenton will maintain minimum unrestricted cash balances in the Water and Sewer Operating Fund equal to 200 days of the fund's current annual budget. Unrestricted cash represents cash that's readily available to be spent for any purpose and has not been pledged as collateral for a debt obligation or other purpose. For this calculation, this amount shall be based on the annual adopted budget figures.

Unrestricted cash may be maintained at a level higher than this minimum to save for transfer to the Water and Sewer Capital Fund for large, planned expenses (i.e., capital projects), emergencies, cash flow issues related to timing of revenue receipts, and to address economic volatility. The purpose of establishing minimum unrestricted cash balance level is to maintain a prudent level of financial resources to protect against the need to raise fees (outside of normal rate increases) due to temporary revenue shortfalls or unpredicted one-time expenses.

B. Funding the Cash Reserves

The unrestricted cash reserve is funded by any annual budget surplus in the fund and other unencumbered operating income.

C. Conditions for Use of Reserves

The unrestricted cash reserve shall be drawn upon only as necessary and any use thereof shall be upon the approval of Town Council and limited to:

1. One-time capital expenditures;
2. Offsetting economic volatility;
3. Non-recurring expenditures; and
4. Providing liquidity in emergency situations.

D. Replenishment of Minimum Unrestricted Cash Balance

Should the minimum unrestricted cash balance fall below the 200 days of operating expenses requirement for the Water and Sewer Operating Fund, the Town Council shall approve and adopt a plan to restore this balance to the target level within the next three fiscal years' budgets.



I. PURPOSE

The purpose of this policy is to provide general guidance for the proper recording and financial reporting of capital assets. The Town’s capital assets primarily take the form of infrastructure, buildings and improvements, vehicles, and equipment. Investment in these assets assists the government in providing for the quality of life of its citizenry, promotes economic development, and bolsters the credit worthiness of the Town.

II. SCOPE

This policy applies to all Town of Warrenton departments.

III. DEFINITIONS

Amortization – The systematic allocation of the cost of an intangible asset over its useful life

Capital Asset – Land, improvements to land, easements, buildings, building improvements, vehicles, machinery, equipment, works of art and historical treasures, infrastructure, and all other tangible or intangible assets that are used in operations and have initial useful lives extending beyond a single reporting period.

Capital Outlay – The acquisition of tangible personal property items including, but not limited to, furniture, equipment, and vehicles that meet the definition of a capital asset.

Capital Project – The acquisition or construction of major capital equipment or facilities that are typically accounted for in a separate capital project fund.

Capitalization Threshold – The dollar value at which the government elects to capitalize tangible or intangible assets.

Capitalized Costs – The cost of an asset and any other expenditures necessary to place the asset into service.

Depreciation – The systematic allocation of the initial acquisition cost of a tangible asset over its useful life.

Impairment – A significant, unexpected decline in the service utility of a capital asset.

Intangible asset – A nonfinancial asset that lacks physical substance, has an initial useful life that extends beyond a single reporting period, and provides present service capacity. Examples include:

Easements – Interest in land owned by another entity that entitles its holder to the right to use the land for a specific purpose.

Software licenses – The right to use one or more copies of software or an application without violating copyrights.

Internally Generated Intangible Capital Assets – Intangible assets that are either 1) created or produced by the government itself or by an entity contracted by the government; or 2) acquired from a third party but require more than minimal incremental effort on the part of the government to begin to achieve the expected level of service capacity.

Operating Costs – Expenditures for goods or services that do not meet the threshold established for capitalization. These costs include expenditures for maintenance and repairs that do not appreciably add to the value of the asset or materially extend the useful life of the asset.

Present Service Capacity – An asset's existing capability to enable the government to provide services, which in turn enables the government to fulfill its mission.

Proffered Assets – Tangible assets (or cash) offered for donation by property owners at the time of a rezoning to help defray the cost of capital facilities associated with the development of the property.

Service Utility – The ability of an asset to provide its intended service to the organization

Useful Life – The estimated period during which a capital asset provides service.

IV. POLICY

A. Internal Controls

All Town departments shall establish and maintain internal controls over capital assets to provide reasonable assurance of accountability, timely and accurate financial reporting, and compliance with any applicable laws and regulations. Internal controls should ensure the following:

1. Capital assets are adequately safeguarded from loss or theft.

2. Proper approvals are followed for acquisitions and dispositions.
3. Physical inventory is taken annually and reported to Finance.
4. A proper segregation of duties is in place with regard to the assets.

B. Accounting and Reporting for Capital Assets and Projects

1. Funding sources: Capital assets and projects may be funded by local, state and/or Federal revenue, acquired through donation, trade transaction, or purchased with proceeds from a debt transaction or capital lease.

Assets acquired with state and Federal funding will be tracked regardless of capitalization thresholds to ensure compliance with Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards, specifically:

- a. Title for real property and equipment acquired or improved with Federal awards will vest with the Town. Title for federally owned and exempt property remains vested with the Federal government.
 - b. Insurance coverage for real property and equipment acquired with Federal funds must be at a minimum equivalent to that of other property owned by the Town.
 - c. Real property will be used for the originally authorized purpose as long as needed.
 - d. Instructions for disposition of real property must be obtained from the Federal awarding or pass-through agency.
2. Capital assets will be budgeted and accounted for in the appropriated operating fund using a capital outlay object code (8000 series). Capital projects, except those related to proprietary activities, shall be budgeted and accounted for in the Capital Improvement Program (CIP) Fund.

C. Valuation of Capital Assets

1. Acquired by purchase – Capital assets purchased by the Town shall be reported at historical cost. The cost of a capital asset should include ancillary charges necessary to place the asset into its intended location and condition for use. Items to be included in the cost of a capital asset are:
 - a. Original contract or invoice price
 - b. Freight and transportation charges
 - c. Import duties
 - d. Handling and storage charges
 - e. In-transit insurance charges

- f. Installation charges
- g. Charges for testing and preparation for use
- h. Charges for refurbishing used items when purchased
- i. Parts and labor associated with the construction of equipment
- j. Site preparation costs
- k. Professional fees

Extended warranties, training, and maintenance agreements, which can be separately identified from the cost of the related asset, shall not be capitalized.

- 2. Acquired by donation or trade transaction – Assets acquired by donation or trade transaction shall be recorded at the fair market value on the date of the transaction. If the fair market value of an item already in service is unavailable at the time of capitalization, then the current estimated replacement cost shall be used. Both fair market value and current estimated replacement cost are subject to the capitalization thresholds detailed in this section.

D. Valuation of Capital Projects

- 1. Only costs directly identified with the project may be capitalized. Costs incurred for capital projects are classified into four stages:
 - a. Preliminary – this phase involves the exploration of opportunities for acquisition or construction
 - b. Pre-Acquisition/Construction – the acquisition or construction of the asset is probable
 - c. Acquisition/Construction – the item has been acquired and/or construction has commenced
 - d. In Service – the asset is substantially completed and/or has been placed in service

The following table illustrates typical activities associated with each phase and indicates the accounting treatment to be applied to related costs:

Stage	Typical Activities	Treatment
Preliminary	<ul style="list-style-type: none"> • Feasibility studies. • Scope development • Preliminary estimates • Utilities analysis • Consideration of alternatives 	Expense
Pre-acquisition / Construction	<ul style="list-style-type: none"> • Architectural and engineering work • Legal expenses • Closing costs and titling • Appraisal fees • Surveying • Site preparation / demolition • Soil testing • Vendor selection • Planning and design • Scope definitions 	Capitalize
Acquisition / Construction	<ul style="list-style-type: none"> • Project management • Construction • Utility expansion • Insurance premiums during construction • Initial furnishing and fixtures 	Capitalize
In Service	<ul style="list-style-type: none"> • Maintenance and repairs • Upgrades • Improvements 	<p><u>Expense</u> – maintenance and repairs are typically expensed if they do not increase the useful life of the asset</p> <p><u>Capitalize</u> – additional components, upgrades and renovations that increase the useful life and/or service capacity of the asset</p>

E. Thresholds for Capitalization

The following table provides guidelines for capitalization of various categories of assets (note that all assets must have at least a useful life greater than one reporting period):

Asset Category	Useful Life	Threshold
Tangible assets	Greater than a single reporting period	\$5,000 and greater per individual asset
Groups of tangible assets	Greater than a single reporting period	\$25,000 en masse
Intangible assets – software licenses and applications	Greater than a single reporting period	\$10,000 and greater per program / application or for licenses purchased en masse
Intangible assets – easements	Greater than a single reporting period	\$10,000 and greater per easement
Capital projects	Greater than 5 years	\$10,000 and greater

Asset costs below the established thresholds will be recognized as operating expenses of the reporting period.

F. Estimated Useful Life and Methods of Depreciation and Amortization

The estimated useful life of an asset is the period during which that asset provides service. The following factors may assist in determining the useful life of an asset:

1. Quality – similar assets may differ substantially in quality because of differences in materials, design and workmanship.
2. Application – The useful life of a given type of capital asset may vary significantly depending upon its intended use
3. Environment – environmental conditions may have an impact on the useful life of an asset.

Estimates of useful life are required for all asset classes except land, intangible assets that have indefinite useful lives, works of art, historical treasures, and similar assets that are exempt from capitalization. Land

use rights acquired in a transaction that did not involve the underlying property should be reported as intangible assets.

Industry guidelines are used to estimate the useful lives of capital assets. Any extended life resulting from a major change in the asset must be specified at the time of the change. Upgrades and renovations must add to the useful life of the original asset, if they are to be capitalized as part of a larger asset.

The following ranges are provided for each asset class:

Asset Class	Years
Buildings and improvements	50
Utility plant in service	50
Infrastructure	30 - 50
Furniture, equipment, and vehicles	5 – 10
Intangible assets	3 - 5

Depreciation and amortization are calculated and recorded annually to allocate the expense associated with the acquisition of an asset over its estimated useful life, except for assets that have an indefinite useful life. Depreciation is calculated using the straight-line method.

G. Asset Impairment

A capital asset is considered impaired when its useful life and/or service utility has declined significantly and unexpectedly. Impairment is often due to one of the following events or changes in circumstances:

1. Physical damage where action would be needed to restore lost service utility
2. Changes in laws, regulations, or other environmental factors that negatively affect service utility
3. Technological developments that negatively affect service utility or evidence of obsolescence
4. A change in the manner or duration of use of a capital asset that negatively affects its service utility
5. Stoppage of construction

Note that a temporary decline in service utility does not constitute impairment. The definition of impairment requires that the change in service utility be both significant and unexpected. Upon determination that an asset is impaired, the responsible department should provide an estimate of the percentage of lost service utility to the Department of Finance so that a corresponding reduction in the asset's book value may be recorded.

H. Disposition of Capital Assets

1. **Process.** Each department shall report its surplus and obsolete capital assets to the Town Manager prior to any disposition using the Capital Asset Maintenance Form. Such report shall describe the asset in sufficient detail, providing any serial number, model number, date of acquisition, current condition, estimated value, location, and any other identifying information. Included in this report shall be a recommendation as to the method of disposition, supported by relevant facts. The asset will not be disposed of until the Town Manager's approval is obtained on the Capital Asset Maintenance Form. A copy of this form must be provided to the Finance Director.
2. **Methods of Disposal.** Surplus or obsolete property may be disposed of by one of the following methods, as provided for in the Town of Warrenton Purchasing Policy & Procedure:
 - a. By transferring to other Town departments
 - a. By trading in on new property
 - b. By public auction
 - c. By public sale, upon advertising for sealed bids
 - d. By selling as scrap
 - e. By junking.

Proceeds from the sale of surplus and obsolete property are to be credited to the fund that owned such property.

3. **Authorization.** No person shall have the authority to dispose of property without following these guidelines and the Town of Warrenton Purchasing Policy and Procedure. **For vehicle dispositions, the Town Manager will sign the title to transfer ownership to the buyer.** The Town Manager, Director of Finance and the employees of the Finance Department shall not be liable and shall be held harmless for any unauthorized disposition of surplus property. Any unauthorized disposition of property may be grounds for discipline or termination, as provided for in the Town of Warrenton Personnel Policies.



I. PURPOSE

This policy establishes guidelines for the investment of the Town's funds in a manner which will safely preserve principal, provide adequate liquidity to meet the Town's cash flow needs, and optimize returns while conforming to all Federal, State and local statutes governing the investment of public funds.

II. SCOPE

This investment policy applies to all cash and financial investments of the various funds of the Town as identified in the Town's Comprehensive Annual Financial Report, with the exception of those financial assets explicitly excluded from coverage for legal or operational reasons. Bond proceeds shall be invested in accordance with any requirements and restrictions outlined in the bond documents. This policy will apply to any newly created funds unless specifically exempted.

Pooling of funds – Except for cash in certain restricted and special funds, the Town will consolidate cash balances from all funds to maximize investment earnings. Investment income will be distributed to the various funds in accordance with Town budgetary guidelines.

II. POLICY

A. Objectives

The overall objectives of this policy are: the preservation of capital and the protection of investment principal (safety); maintenance of sufficient liquidity to meet operating requirements; conformance with federal, state and other legal requirements; diversification to avoid incurring unreasonable risks regarding specific security types or individual financial institutions; and attainment of a market rate of return.

B. Prudence

In accordance with § 2.2-4514 of the Code of Virginia, public funds held by the Commonwealth, public officers, municipal corporations, political subdivisions, and any other public body of the Commonwealth shall be held in trust for the citizens of the Commonwealth. Any investment of such funds pursuant to the provision of this chapter shall be made solely in the interest of the citizens of the Commonwealth and with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and

familiar with such matters would use in the conduct of an enterprise of a like character and with like aims. The standard of prudence to be used by investment officials shall be the “prudent person” standard and shall be applied in the context of managing an overall portfolio.

Investment staff acting in accordance with written procedures and exercising due diligence shall be relieved of personal responsibility for an individual investment vehicle’s performance, provided that deviations from expectations are reported in a timely manner and appropriate action is taken to control adverse developments.

C. Ethics and Conflicts of Interest

Staff involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial investment decisions. Employees and investment officials shall disclose to the Town Manager any material interest in financial institutions that conduct business with the Town and shall further disclose any large personal financial/investment positions that could be related to performance of the Town’s portfolio. Staff involved in the investment process shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the Town.

D. Delegation of Authority

Authority to manage the Town’s investment program is derived from the Code of Virginia. The Director of Finance and Human Resources (the Investment Official) is responsible for investment decisions and activities in accordance with established written procedures and internal controls as well as operation of the investment program consistent with this investment policy, under the direction and control of the Town Manager.

E. Portfolio Management

The Investment Official shall monitor the Town’s investment portfolio and make changes in investments as necessary, subject to the provisions of this policy. Due to the limited staff, it is impractical to manage the portfolio aggressively and actively. Accordingly, a buy and hold approach will govern the investment program. The investment portfolio shall be structured in a way to ensure investment liquidity satisfies the Town’s anticipated cash flow requirements.

F. Internal Controls

The Investment Official is responsible for establishing and maintaining an internal control structure designed to provide reasonable assurance that the assets of the

Town are protected from loss, theft or misuse. An annual independent review shall be conducted by an external auditor to assure compliance with policies and procedures.

The internal controls shall address the following:

- Controls to prevent collusion
- Separation of transaction authority from accounting and reconciliation activities
- Custodial safekeeping
- Written confirmation of transactions for investments and wire transfers
- Clear delegation of authority to subordinate staff members, when necessary.

G. Authorized Investments

Authorized investments for public funds are limited to those set forth in the Investment of Public Funds Act of the Code of Virginia §§ 2.2-4500 through 2.2-4518. Within this permitted statutory framework, the Town limits the investment of assets to the following categories of securities:

- Obligations of the Commonwealth of Virginia – Stocks, bonds, notes, and other evidence of indebtedness of the Commonwealth and those unconditionally guaranteed as to the payment of principal and interest by the Commonwealth.
- Obligations of the United States – Stocks, bonds, notes, and other obligations issued or guaranteed by the U.S. Government, an agency thereof, or U.S. Government Sponsored Enterprises (GSEs). These securities can be held directly, or in the form of repurchase agreements collateralized by such debt securities, or in the form of a registered money market or mutual fund provided that the portfolio of the fund is limited to such evidence of indebtedness.
- Certificates of deposit and time deposits of Virginia banks and savings institutions - Such instruments must be federally insured to the maximum extent possible and collateralized under the Virginia Security for Public Deposits Act, §§ 2.2-4400 through 2.2-4411 of the Code of Virginia.
- Repurchase Agreements – Overnight, term or open Repurchase agreements collateralized by U.S. Treasury / Agency Securities. The collateral for overnight or one day repurchase agreements is required to be at least 100% of the value of the repurchase agreement.
- Commercial Paper – Pursuant to § 2.2-4502 of the Code of Virginia, the Town is authorized to invest in commercial paper. Any such investment shall be of “prime quality” with a rating no lower than P-1 by Moody’s and A-1 by Standard and Poor’s, with a maturity of 270 days or less, issued by a domestic corporation.

- Commonwealth of Virginia Local Government Investment Pool (LGIP)
– This is a special purpose state-administered investment pool offered to public entities for the investment of public funds under the Local Government Investment Pool Act of the Code of Virginia. It is managed by the Investment Division of the Virginia Department of the Treasury and its investments are made in accordance with the Investment of Public Funds Act of the Code of Virginia. It is managed like a money market fund with the objective of providing safety, liquidity, and return. Funds may be withdrawn daily.
- VACo/VML Virginia Investment Pool Trust Fund (VIP) – This is a Section 115 governmental trust fund created under the Joint Exercise of Powers Act of the Commonwealth of Virginia. The Cities of Chesapeake and Roanoke each passed an ordinance in 2013 to create the VIP Trust Fund. On September 13, 2013, a trust fund agreement was adopted by a Board of Trustees, the governing body of the VIP Trust Fund. The Board of Trustees is comprised of 12 local government treasurers and chief investment officers, plus two ex officio non-voting members consisting of the executive directors of the Virginia Municipal League and the Virginia Association of Counties. The VIP portfolio is a fixed income pooled investment portfolio that invests in assets of government and high-quality corporate securities (defined as having at least AA ratings by Standard & Poor’s and Moody’s) with an average duration of between one to two years. The Investment Pool may invest in the broad range of investments authorized by the Virginia Investment of Public Funds Act (Code of Virginia, 2.2-4500 through 2.2-4519). The maximum maturity of a security in the portfolio will be no more than five years. The portfolio’s benchmark is the Bank of America Merrill Lynch 1 – 3 Year Corporate/Government Index. The objective of the portfolio is to outperform the benchmark over three-year periods and to preserve capital.

No additional funds shall be invested in any investment that is listed on Moody’s Watchlist, Standard & Poor’s CreditWatch, or Fitch Watch with a short-term negative rating.

H. Investment Diversification

The Town of Warrenton shall diversify its investments within the permitted statutory framework of the “Investment of Public Funds Act” subject to the following limits:

The portfolio will be diversified with no more than five percent of its value invested in the securities of any single issuer. This limitation shall not apply to securities of the Commonwealth of Virginia, the U.S. Government, insured certificates of deposit, the LGIP or the VIP.

The maximum percentage of the portfolio permitted in each eligible security type is as follows:

Commonwealth of Virginia Securities	50%
U.S. Government Securities	50%
Certificates of Deposit	75%
Repurchase Agreements	50%
Commercial Paper	25%
Virginia LGIP	100%
VACo/VML VIP	75%

I. Reporting Requirements

Periodic reporting of portfolio position and investment performance results will add an element of accountability and discipline to the Town's investment program.

The Investment Official shall prepare an accounting of investment activity to be included in the monthly Council financial report. The report will include the details of the portfolio's position at month end and will include current yield, investment income, and comparisons to prior years and to current budget projections.



I. PURPOSE

The purpose of this policy is to outline a framework to evaluate the issuance of debt.

II. SCOPE

This policy applies to all departments of the Town.

III. POLICY

- A. The town will not fund current operations from the proceeds of borrowed funds and will confine long-term borrowing and capital leases to capital improvements, projects, or equipment that cannot be financed from current financial resources.
- B. The town will, when financing capital improvements or other projects or equipment by issuing bonds or entering into capital leases, repay the debt within a period not to exceed the expected useful life of the project or equipment. Debt related to equipment ancillary to a construction project may be amortized over a period less than that of the primary project.
- C. The town will annually calculate target debt ratios for direct, non-revenue-based debt ("Tax Supported Debt") that is dependent on the general fund for the payment of debt service. So long as payments from the general fund to the enterprise fund are not necessary to make up shortfalls in the enterprise fund, enterprise fund debt will not be included in the calculation of the debt ratios. The town's debt capacity shall be maintained within the following primary goals:
 - 1. Tax Supported debt service expenditures as a percentage of general fund expenditures should not exceed 12%.
 - 2. Tax Supported debt of the town shall not exceed 1.5% of the total assessed value of taxable property in the town.
- D. The town will annually calculate target debt ratios for direct, revenue-based debt that is fully paid by revenues of an enterprise fund ("Self-Supporting Enterprise Debt"). The town's debt capacity with respect to Self-Supporting Enterprise Debt shall be planned to maintain:

1. At least 1.15x annual debt service coverage with a higher ratio being stronger.
- E. The town will follow a policy of full disclosure in every annual financial report and financing official statement/offering document.
 - F. The town will maintain good communications about its financial condition with bond and credit rating institutions.