The following minutes are a summary of items on the agenda. This meeting may be viewed in its entirety by accessing the video of the same date online via the Town's website at www.frontroyalva.com for a limited time.

Roll Call by Deputy Clerk of Council

PRESENT: Mayor Lori A. Cockrell
Vice Mayor Amber F. Veitenthal
Councilwoman Melissa DeDomenico-Payne
Councilman Joshua L. Ingram
Councilman H. Bruce Rappaport
Councilman R. Wayne Sealock
Councilman Glenn E. Wood

OTHERS PRESENT: Town Manager, Joe Petty
Town Attorney George M. Sonnett, Jr.
Clerk of Council, Tina L. Presley
Deputy Clerk of Council, Hillary Wilfong
Various members of the staff and public

<u>Presentation by American Municipal Power (AMP) Bright Mountain Solar & Potomac Energy Center Power Purchase Agreements:</u> Energy Services Director Carey Saffelle introduced Craig Kleinhenz, Assistant Vice President of Power Supply Planning with American Municipal Power (AMP), who provided an overview of the Town's current power supply portfolio and future energy purchasing considerations.

Mr. Kleinhenz discussed the primary components of power delivery costs, including energy, transmission, and installed capacity, and emphasized the importance of maintaining a diversified power supply portfolio to manage market volatility and ensure long-term reliability.

AMP recommended that the Town consider participation in two Power Purchase Agreements to address projected gaps in the Town's future power supply portfolio:
• Bright Mountain Solar Project – 3 MW (2028–2052)
• Potomac Energy Center Combined-Cycle Natural Gas Facility – 3 MW (2026–2041)

The Bright Mountain Solar Project, located in Kentucky, is expected to begin operations in 2028 and would provide renewable energy and renewable energy credits. The Potomac Energy Center, located in Loudoun County, Virginia, is an existing natural gas facility that began operations in 2017 and would provide both energy and capacity beginning in 2026. Mr. Kleinhenz explained that participation in these projects would represent a relatively small portion of the Town's overall power supply portfolio but would help diversify energy sources, hedge against market price volatility, and support long-term reliability.

Members of Council asked several questions regarding projected rates, energy usage estimates, and how those projections are calculated. Council also inquired whether the Town would be competing with data centers in Loudoun County for power generated by the Potomac Energy Center.

Mr. Kleinhenz explained that increased demand from data centers may increase market prices, which could be beneficial to the Town. He noted that if the Town does not utilize the power allocated through the agreement, it could be resold on the market and may also help offset transmission costs.

Council thanked Mr. Kleinhenz for the presentation and the data-driven analysis provided. This item will be placed on the March 23 Consent Agenda for Council's consideration.

Presentation by MidAtlantic Solid Waste (MSW) Consultants: Automated Solid Waste Collection Feasibility Study: Finance Director B.J. Wilson introduced John Culbertson, President of MidAtlantic Solid Waste Consultants (MSW). Mr. Wilson explained that the Town contracted with MSW Consultants to perform a feasibility study on automated solid waste collection, as directed by Council during the September 8, 2025 Work Session. Over the past several months, MSW Consultants met with staff, conducted site visits, observed collection routes, reviewed operational data, and compiled an analysis report.

Representatives from MSW Consultants presented the results of the study and discussed the feasibility of incorporating automated refuse collection trucks into the Town's solid waste fleet. The consultants noted that due to street constraints, on-street parking, and other operational challenges, the Town's current rear-loading collection system remains the most practical option at this time.

Council discussed the level of citizen education that would be required should the Town transition to automated collection, as well as the potential need to purchase new refuse carts. Council thanked Mr. Culbertson for the presentation and for providing an objective analysis based on operational data and the Town's service conditions.

FY26-27 Proposed Budget- Additional Discussion: Finance Director B.J. Wilson noted that the FY 2026–2027 Proposed Budget was presented to Council on March 2 and asked Council if there were any additional questions or concerns.

Mr. Wilson reviewed the upcoming budget schedule, noting:
- **April 6 –** Work Session to discuss advertisement of the annual tax rates for Real and Personal Property and the Appropriation Ordinance
- **April 13 –** Additional work session, if needed
- **April 27 –** Public hearing for the tax rates and Appropriation Ordinance
- **May 26 –** Anticipated adoption of the FY 2026–2027 Budget Appropriations Ordinance and Utility Rate Ordinances

Mayor Cockrell expressed appreciation to Town staff for preparing a balanced budget without a significant tax increase and acknowledged that several departments made sacrifices during the budget process. She noted that while the tax rate adjustment reflects last year's rate change, it does not constitute a new tax increase. She added that if additional services are desired in the future, Council may need to consider potential tax increases. She also noted that residents will see increases in electric and other utility costs.

Councilman Wood commented that staff had identified several departmental needs that could not be included in the proposed budget. He expressed interest in discussing employee cost-of-living adjustments (COLA) and additional capital needs during the upcoming Council retreat, noting that delaying capital projects often results in higher costs in the future. He also referenced interest in a potential sidewalk project.

Mayor Cockrell also referenced the Town's previous use of ARPA funds to support water and sewer improvements, including approximately $12 million split between the two utilities and projects related to inflow and infiltration (I&I).

Councilman Sealock asked a question regarding the Police Department budget and the Law Enforcement Officers' Retirement System (LEOS). Mr. Wilson explained that those costs are now included within the Virginia Retirement System (VRS) line item and that the Town's participation has not changed.

Vice Mayor Veitenthal noted that Council typically holds a retreat earlier in the budget process and expressed appreciation for the work completed by Town departments. She stated that Council must balance infrastructure needs with maintaining competitive employee pay and benefits and suggested that any discussions regarding additional funding or tax adjustments occur during the upcoming retreat.

Councilman Ingram emphasized the importance of continuing to address infrastructure needs, including erosion issues and sidewalk improvements, and expressed concern about granting sidewalk waivers.

Vice Mayor Veitenthal also commented on the importance of supporting the Town's tax base through appropriate zoning and business development.

Council thanked Mr. Wilson for the presentation and noted that additional discussion regarding the FY 2026–2027 Proposed Budget will continue during the upcoming Council retreat and future work sessions.

Ordinance Amendment – Town Code Chapters 12 Fees and 134 Water and Sewer- Pertaining to Septic Tank Waste & Water and Sewer Service Rates: Mr. Wilson presented a proposed ordinance amendment to Town Code Chapter 12 – Fees and Chapter 134 – Water and Sewer, pertaining to septic tank waste fees and water and sewer service rates. Council was requested to schedule a public hearing and consider approval of the ordinance amendment to adjust the rates effective July 1, 2026.

Mr. Wilson explained that the proposed sewer and septic haul rate increase of approximately 2.25% and water rate increase of approximately 3% were recommended by the Town's consultant, Stantec, as part of the Water and Sewer Utility Rate Study dated March 10, 2025.

He explained that residential accounts typically use approximately 5,500 gallons of water and sewer per month and provided the following example of the average monthly impact:
• Water: Current rate $32.77 → Proposed rate $33.76 (increase of $0.99)
• Sewer: Current rate $59.68 → Proposed rate $61.03 (increase of $1.35)

The combined monthly increase would be approximately $2.34, increasing the average combined bill from $92.45 to $94.79. Mr. Wilson noted that the proposed water and sewer rate increases have been incorporated into the FY 2026–2027 Proposed Budget.

Councilman Wood asked whether the Septic Tank Waste Fee had decreased to $29.94, which Mr. Wilson confirmed.

Mayor Cockrell stated that the public hearing could be scheduled for April 27, and that the matter would also be discussed at the upcoming Town/County Liaison Meeting.

FY26 Budget Amendment – Traffic Accident Reimbursement: Mr. Wilson presented a FY26 Budget Amendment – Traffic Accident Reimbursement. Council was requested to approve a FY26 budget amendment in the amount of $268,731.94 to receive insurance funds to offset expenditures associated with a traffic accident that occurred on December 31, 2025, at the intersection of Commerce Avenue and Manassas Street.

This item will be placed on the March 23 Consent Agenda for Council's consideration.

FY26 Budget Amendment, Transfer, and Task Order – WWTP Dewatering Project (Centrifuge): Mr. Wilson presented a FY26 Budget Amendment, Budget Transfer, and Task Order for the Wastewater Treatment Plant (WWTP) Dewatering Project (Centrifuge).

Council was requested to approve a task order in the amount of $897,000 for CHA Consulting, Inc. to design a dewatering system for the Town's Wastewater Treatment Plant, as well as a FY26 budget amendment and budget transfer to allocate funds for the project.

Mr. Wilson explained that the task order is necessary for the Town to proceed with final engineering of the centrifuge project in order to meet requirements for closing on financing through the State Water Control Board Clean Water Revolving Loan Fund by November 2026.

Financing terms require the project to be solicited for procurement and several approvals obtained from the Virginia Department of Environmental Quality in order to close on financing by November 2026 and begin construction no later than May 2027.

Mr. Wilson noted that the project schedule is aggressive due to the November 2026 closing requirement. If the Town closes on financing by that date, the Town will have the option to be reimbursed through loan proceeds. If the Town is unable to close by that date, the Town would need to seek alternative financing or reapply during a future funding cycle.
Funding for the project would include:
• $350,000 from previously set aside I&I Abatement contingency funds, to be reallocated through a FY26 budget transfer
• $547,000 from Sewer Fund reserves through a FY26 budget amendment

As of June 30, 2025, the Sewer Fund reserve balance was $5,280,624 above the Town's fiscal policy requirement, and staff indicated that adequate reserves are available should the Town elect not to seek reimbursement through loan proceeds.

Mayor Cockrell stated the item could be placed on the April 27 Consent Agenda for Council's consideration.

<u>FY26 Budget Amendment –To Receive Funds from Virginia Risk Sharing Association (VRSA) Grant</u>: Mr. Wilson presented a FY26 Budget Amendment in the amount of $4,925.00 to receive funds from the Virginia Risk Sharing Association (VRSA) to reimburse the Town for the purchase of a confined space tripod kit for the Water/Sewer Line Maintenance Department.

Mayor Cockrell noted that this item could be placed on the March 23 Consent Agenda.

<u>Ordinance Amendment to Various Areas of Town Codee – Chapter 4: Administration of Government</u>: Ms. Tina Presley, Clerk of Council, presented proposed amendments to Town Code Chapter 4 – Administration of Government.

- **4-1 Meetings:** Removed specific locations; added establishment of regular meetings at Council's first organizational meeting; references added to Charter and State Code.
- **4-5 Attendance of Witnesses:** Removed as outdated and addressed in Charter and State Code.
- **Disclosure by Certain Employees:** Revised title to "Required Disclosure and Training."
- **4-45 Reserved:** Added new section on Training.
- **Public Records:** Revised outdated section; added Virginia Public Records Act and designation of Records Officer and FOIA Officer. Sections 4-49 through 4-52 reserved.

Mayor Cockrell noted this item this can be advertised and have a public hearing on April 27th.

CLOSED MEETING

Councilman Ingram moved seconded by Vice Mayor Veitenthal that Town Council convene a closed meeting, pursuant to Sections 2.2-3711 and 2.2-3712 of the Code of Virginia, for the following purpose: pursuant to Section 2.2-3711(A)(8) of the Code of Virginia, for consultation with legal counsel employed or retained by a public body regarding specific legal matters requiring the provision of legal advice by such counsel, more specifically, a) the Amendment to Voluntary Settlement Agreement Between the County of Warren, Virginia and the Town of Front Royal, Virginia, Regarding the Compromise for PILOT Meals and Lodging Taxes, entered into April 11, 2018 and b) Settlement Agreement between the Industrial Development Authority of the Town of Front Royal and the County of Warren, Virginia, United Bank, First Bank & Trust and the Town.

Vote: Yes – Councilmembers Rappaport, DeDomenico-Payne, Ingram, Wood, Sealock, Veitenthal
No – N/A
Absent – N/A
Abstain – N/A ROLL CALL

Councilman Ingram moved seconded by Councilman Sealock that Council certify that to the best of each member's knowledge, as recognized by each Council member's affirmative vote, that only such public business matters lawfully exempted from Open Meeting requirements under the Virginia Freedom of Information Act as were identified in the motion by which the Closed Meeting was convened were heard, discussed or considered in the Closed Meeting by Council, and that the vote of each individual member of Council be taken by roll call and recorded and included in the minutes of the meeting of Town Council.

Vote: Yes – Councilmembers Rappaport, DeDomenico-Payne, Ingram, Wood, Sealock, Veitenthal
No – N/A
Absent – N/A
Abstain – N/A ROLL CALL

Adjourned at approximately 9:38pm.

Approved by Town Council
Date:__________________