



MIDDLEBURG TOWN COUNCIL
Regular Monthly Meeting Minutes
Thursday, June 26, 2025



PENDING APPROVAL

PRESENT: Mayor Trowbridge M. Littleton
Vice Mayor Chris W. Bernard
Councilmember Pamela Curran
Councilmember J. Kevin Daly
Councilmember C. Darlene Kirk
Councilmember Peter A. Leonard-Morgan
Councilmember Cindy C. Pearson

STAFF: Danny Davis, Town Manager (remote)
Tracy Gellehr, Acting Town Attorney
Rhonda S. North, MMC, Town Clerk
William M. Moore, Deputy Town Manager
Shaun Jones, Chief of Police
Angela Fletcher, Town Treasurer/Finance Director

ABSENT: Councilmember Morris E. “Bud” Jacobs

The Town Council of the Town of Middleburg, Virginia held their regular monthly meeting on Thursday, June 26, 2025 in the Town Hall Council Chambers, located at 10 West Marshall Street. Mayor Littleton led Council and those attending in the Pledge of Allegiance to the flag. The roll was called at 6:00 p.m.

Public Hearing

Amendments to FY ‘ 25 Budget

Finance Director Fletcher reminded Council that a public hearing was required anytime a budget amendment was proposed that would result in an appropriation of more than 1% of the previously approved budget. She further reminded Council that the proposed appropriation was to pay down the 2020A and 2020B lines-of-credit for the Utilities Fund that were due on June 30th.

There being no public comments, the public hearing was closed. It was noted that action on this item would occur later in the meeting.

Staff Reports

May Utilities Report

Vince Gugliotta, of Inboden Environmental Services, reported that the water system maintained compliance with the required samplings. He further reported that the average daily water production rate was 135,000 gallons, for a monthly finished volume of 4.2 million gallons. Mr. Gugliotta advised Council that the brine system repairs for Well 4 were completed and some meters that had failed were replaced. He opined that this would resolve the salty water complaints the Town had been receiving. Mr. Gugliotta reported that the fire hydrant on North Madison Street was repaired and other minor maintenance items were completed. He advised that some recovery had been seen in Well L and noted that it was physically turned off in order to give it more time to recover. Mr. Gugliotta explained that due to the relatively light demand for water, the plant was able to run off Well P only. He reported that the water level for Well L was only 33 feet above the transducer in May and advised that it was now at 80 feet. Mr. Gugliotta noted that he would prefer to see the recovery occur

under normal operations and advised that he was watching it closely now that it had been put back into service on a full-time basis. He noted that it was currently hovering between 75-80 feet depending on whether it was pumping or not. Mr. Gugliotta advised that the area had experienced a lot of rain recently; therefore, no one was watering their grass, which meant the demand for water was light. He reported that he also implemented changes to the setpoints at the treatment system, which meant the plant would come on and off more frequently and has allowed Well 4 to stabilize for the time being. Mr. Gugliotta reviewed the transducer graphs. In response to an inquiry from the Council, he advised that it was hard to say what was recharging Well L. He opined that the only impact that was being seen was from rainfall and suggested this was due to the well's closeness to the Little River. Mr. Gugliotta noted that the other wells were not seeing an immediate change in well levels after it rained.

Mr. Gugliotta reported that the wastewater treatment system maintained compliance with the required permit samplings. He further reported that the Town had an average daily discharge of 140,000 gallons, for a total monthly discharge of 4.3 million gallons. Mr. Gugliotta advised Council that the reuse water system was repaired, which allowed for the use of discharged water throughout the wastewater treatment plant. He noted that this allowed for a savings of 8,000-9,000 gallons of drinking water. He reported that he was seeing a lot of I&I (inflow & infiltration) at the wastewater treatment plant due to the recent rains, which caused the spike in the treatment volume. In response to inquiries from the Council, he opined that the problem was a manhole that was deeper than the creek that ran next to it and advised that he was talking to a contractor about rehabilitating it. Mr. Gugliotta opined that they would be onsite within the next couple of weeks. He confirmed the Town was currently treating water it did not need to treat as a result of the I&I.

Mr. Gugliotta reported that the Well 4 repairs were completed earlier in the day; therefore, the plant was back in operation. He advised that the pump for the well was originally set at 300 feet and reported that it was now set at 503 feet below grade.

In response to an inquiry from the Council, he reported that a contractor was trying to address the grease problem at the King Street Oyster Bar. He advised that he would try to get an estimated completion date from them.

Special Projects Report

Town Manager Davis reported that the sewer main video inspections for a good bit of the town had been completed and noted that the contractor was compiling the videos in order to present them to the Town. He confirmed the inspections helped to identify a major issue of water entering the sewer system, which the Town would be addressing. Mr. Davis reported that the staff was continuing to review the options for the South Madison Street Improvement Project. He advised that he received a letter of interest from an individual who was interested in procuring the large stones on the east side of the street and noted that this would be coming to the Council for their consideration. Mr. Davis advised that if approved, the stones would be replaced by that person with a sidewalk of the Town's choice.

May 2025 Revenue Update and FY '25 Expenditures Review

Finance Director Fletcher reminded Council that during last month's report, the Mayor requested an accounting of the unspent funds for FY '25 and noted that they had the information in their agenda packet. She advised that the numbers were only preliminary, as adjustments were still being made for final year end expenditures. In response to an inquiry from the Council, she opined that the numbers would be close to the amount provided.

In response to an inquiry, Town Manager Davis reminded Council that there were some components that the staff took into consideration when it proposed the FY '26 Budget. He noted that funding was not included in the FY '26 Budget for dangerous structures repairs and the amount of money proposed for economic development grants was reduced. Mr. Davis further noted that these were items that were spent in some years but not others. He advised that when a line item remained unspent for multiple years in a row, the staff tried to understand whether it was being overbudgeted or not used due to another project or the timeline.

Mayor Littleton advised that he wanted to make sure the budget was good and tight this year in regard to what the Town thought it would spend so the Council could determine in advance what to do with any excess funds. He noted that during the last meeting, it appeared the expenditures would result in 20% of the revenues being underspent, which was a lot of money; however, it now appeared it would only be 5%.

Reports of Town Committees/Council Liaisons

Councilmember Pearson thanked Chief Jones and all who were involved in the Juneteenth Celebration. She opined that the community really came together for it. Ms. Pearson noted the Asbury Church Project and the Oral Histories Project and opined that it was great to hear people talking about their history.

Mayor Littleton noted that he presented proclamations recognizing Messrs. Grayson and Dodson for their role in the desegregation of Middleburg. He advised that James Smith took the microphone and spoke for fifteen minutes, telling the whole story. Mr. Littleton further advised that someone recorded the entire thing, and he asked her to share it with him. He asked that, once received, the Town Clerk share it with the Town's videography firm so they could clean it up.

Town Clerk North noted the need to discuss the legality of using someone else's video that was recorded during a public event with the Town Attorney. She advised that if there was a way for the Town to use it legally, they would figure it out.

Mayor Littleton thanked Chief Jones for doing a great job of organizing the event. He expressed his appreciation to those who volunteered during the event.

Action Items

Council Approval – Interfund Loan Agreement, Amendment of FY '25 Budget, and Appropriation of Funds to Payoff Series 2020A/B Loans

Town Manager Davis reminded Council that this item had three components, the first of which was the appropriation of funds in the FY '25 Budget, for which a public hearing was held earlier in the meeting. He advised that the second component was an interfund loan agreement from the General Fund to the Utilities Fund in the amount of \$1.1 million, which would allow the Town to pay off the current line of credit by loaning itself money. Mr. Davis noted that the loan would be repaid with interest in the same amount the Town was receiving for its investments, which was currently 4.5-4.75%. He advised that the interest would be reset annually. Mr. Davis explained that this would be a demand note, meaning the Utilities Fund would only pay interest for the time being; however, during the annual reviews, the Council could decide whether to pay down any portion of the principal, depending on the status of the Utilities Fund. Mr. Davis noted that the Council could also demand to itself that the loan be paid in full at any time from the Utilities Fund to the General Fund. He opined that this would occur when a proposal was brought forward for additional debt for capital projects. Mr. Davis reported that the final component was to amend the FY '25 Budget and to appropriate \$1.4 million to pay off both the series 2020A and 2020B loans. In response to inquiries from the Council, he explained that the proposal to pay only interest at this time was in order to provide flexibility until the Town had a broader sense of its long-term debt needs. Mr. Davis advised that there were no plans to pay on the principal in FY '26. He suggested that mid-year, he would see if there was room in the budget to pay down a portion of the principal. Mr. Davis reminded Council that the initial proposal was to do this as a fixed principal payment over a ten-year period; however, the Strategic Finance Committee suggested it be in the form of a demand note in order to provide flexibility. He advised that if it was the Council's desire to begin paying it down on a regular basis, he would find a way to do that, even if it were through the use of end-of-the-year fund balance monies. Mr. Davis advised that there was not much wiggle room in the FY '26 Budget.

Mayor Littleton noted that this was a philosophical discussion. He further noted that the Town was borrowing money from itself and repaying itself with interest and advised that this was because it was in a good financial position. Mr. Littleton noted that if the Town went to the bond market, it would not have done this as an interest only loan and opined that it would have been on a twenty-five-to-thirty-year amortization schedule. He suggested this was the responsible thing to do and advised that he would feel more comfortable if the loan was based on a twenty-five-year amortization schedule. Mr. Littleton acknowledged there was not much flexibility in the Utilities Fund; however, he noted the need to be thoughtful.

Vice Mayor Bernard questioned whether there was a way to structure the repayment so the Town would pay interest only the first year and a minimum amount on the principal beginning the second year. Councilmember Pearson agreed with this suggestion.

Town Manager Davis advised that he needed the Council to move forward with this proposal, as the Town needed to pay off the two loans by June 30th. He asked for Council's approval of the proposal as presented and advised that he would return with a revision to the loan agreement, to which the Council agreed.

Mayor Littleton summarized that the Council would approve the request before them, with the staff returning to the Council next month with amendments to the note that would allow for a payment of interest only the first year and a fair and reasonable approach to an amortization schedule thereafter.

Vice Mayor Bernard moved, seconded by Councilmember Kirk, that Council adopt AN ORDINANCE TO PROVIDE FOR AN INTER-FUND LOAN FROM THE GENERAL FUND TO THE UTILITY FUND FOR PAYOFF OF THE 2020A GENERAL OBLIGATION BOND. Vice Mayor Bernard further moved, seconded by Councilmember Kirk, that Council amend the FY '25 Budget and appropriate \$1,400,000 from the Utility Fund to pay the outstanding principal amounts of Series 2020A and Series 2020B loans.

Vote: Yes – Councilmembers Bernard, Curran, Daly, Kirk, Leonard-Morgan, and Pearson

No – N/A

Abstain: N/A

Absent: Councilmember Jacobs

(Mayor Littleton only votes in the case of a tie.)(by roll call vote)

Council Approval – Resolution to Amend Town Infrastructure Grants Policy

Town Clerk North reminded Council that during their last meeting, they heard a request from a nonprofit that was seeking an infrastructure grant for equipment. She further reminded them that a question arose as to whether that equipment met the definition of an “infrastructure project.” Ms. North noted that when the grants policy was originally written, the definition was left a little wider to cover anything the Town may not have anticipated; however, based on Council's discussion of the grant request, it appeared the desire was to tighten it. She advised that the staff was proposing changes that would require an “infrastructure project” to be a permanent component of the building either owned or leased by the applicant and used for its primary operations and that it have a long-term life cycle. Ms. North further advised that it would not include electronics or similar components. She reported that in addition, the staff proposed language to clarify that grants may not be awarded for projects that had already been initiated or completed, as this was the original intent. Ms. North advised that these amendments were being presented to the Council for their consideration. In response to an inquiry from the Council, she confirmed that, as currently written, applicants would be limited to no more than three grant awards in any ten-year period, with each award being a maximum of \$10,000. Ms. North advised that the most an applicant could get would be \$30,000 in a ten-year period. In response to a comment from the Council, she noted that Business Development & Community Partnerships Director MacIntyre was planning another grant writing workshop, which applicants were required to attend before submitting a grant application, and advised that she was waiting to schedule it until the Council made its amendments to the policy so the training would be as up to date as possible.

Councilmember Leonard-Morgan moved, seconded by Councilmember Daly, that Council adopt a RESOLUTION TO AMEND THE TOWN INFRASTRUCTURE GRANTS POLICY.

Vote: Yes – Councilmembers Bernard, Curran, Daly, Kirk, Leonard-Morgan, and Pearson

No – N/A

Abstain: N/A

Absent: Councilmember Jacobs

(Mayor Littleton only votes in the case of a tie.)

Discussion Items

Cancellation of August Council Meeting

Following some discussion by the Council, it was agreed to cancel the first meeting in August.

Closed Session

Vice Mayor Bernard moved, seconded by Councilmember Leonard-Morgan, that Council go into closed session as authorized under Section 2.2-3711 of the Code of Virginia, for consultation with legal counsel pertaining to actual litigation involving (1) Cooper Building Services, LLC vs. the Town of Middleburg and (2) Salamander Farms LLC vs. the Town of Middleburg, both as allowed under Subsection (A)(7); and (3) appointments to the Middleburg Sustainability Committee, as allowed under Subsection (A)(1). Vice Mayor Bernard further moved, seconded by Councilmember Leonard-Morgan that Council thereafter reconvene in open session for action as appropriate.

Vote: Yes – Councilmembers Bernard, Curran, Daly, Kirk, Leonard-Morgan, and Pearson

No – N/A

Abstain: N/A

Absent: Councilmember Jacobs

(Mayor Littleton only votes in the case of a tie.)

Council Appointment – Middleburg Sustainability Committee

Councilmember Leonard-Morgan moved, seconded by Councilmember Daly, that Council appoint Robert Dry to the Middleburg Sustainability Committee to fill an unexpired term, said term to expire December 31, 2027.

Vote: Yes – Councilmembers Bernard, Curran, Daly, Kirk, Leonard-Morgan, and Pearson

No – N/A

Abstain: N/A

Absent: Councilmember Jacobs

(Mayor Littleton only votes in the case of a tie.)

There being no further business, Mayor Littleton declared the meeting adjourned at 6:52 p.m.

APPROVED:

ATTEST:

Trowbridge M. Littleton, MAYOR

Rhonda S. North, MMC, Town Clerk

June 26, 2025 Middleburg Town Council Meeting

(Note: This is a transcript prepared by a Town contractor based on the video of the meeting. It may not be entirely accurate. For greater accuracy, we encourage you to review the video of the meeting that is on the Town's website – www.middleburgva.gov)

Bridge Littleton: All right. We're going to call the meeting to order. First item is Pledge of Allegiance.

All: I pledge allegiance to the flag of the United States of America and to the Republic for which it stands. One nation under God, indivisible, with liberty and justice for all. [off mic]

Bridge Littleton: All right. Roll call.

Peter Leonard-Morgan: Peter Leonard-Morgan.

Darlene Kirk: Darlene Kirk.

Bridge Littleton: Bridge Littleton.

Chris Bernard: Chris Bernard.

Cindy Pearson: Cindy Pearson.

J. Kevin Daly: John Kevin Daly.

Pam Curran: Pam Curran.

Rhonda North: Rhonda North, Town Clerk.

Will Moore: Will Moore, Deputy Town Manager.

Tracy Gallaher: Tracy Gallaher, Assistant Town Attorney.

Rhonda North: Mr. Mayor, we do have Town Manager Davis in remotely.

Bridge Littleton: That's good for him. Okay. Next up is public comment. If anybody would like to address the town, or any item, they may do so at this time. Yeah. Okay. We will close the public comment and go to the public hearing. We have a public hearing tonight on amendment to the FY 25 budget. And we have our Town Treasurer.

Angela Fletcher: Good evening, Mayor and Council. This is just to remind everyone the public hearing is required, as the appropriation is more than 1% of the previously approved budget and appropriations to pay down the 2020 A and 2020 B lines of credit loans that are due June 30th. Happy to answer any questions if there are any.

Bridge Littleton: Anybody have any questions on this item? Pretty straightforward. Peter, you got your checkbook.

Peter Leonard-Morgan: [off mic] Won't do any good?

Bridge Littleton: Yeah. You can play tennis with it. All right. If there's no question, we will go ahead and open the public hearing. So I will open the public hearing if anybody would like to speak on the budget item. Okay. We will close the public hearing. If nobody has any other questions for Angela. Is there a motion?

Will Moore: Mr. Mayor, we don't need a motion at this time. There's a separate item.

Bridge Littleton: Oh, okay. I thought this was for approval of it, too. Okay. All right. We've had the public hearing.

Angela Fletcher: Thank you.

Bridge Littleton: Thank you. Angela. Okay, next up is staff reports. The man of the hour. Yeah.

Vince Gugliotta: Good evening. Let's start with the water system. The treatment facilities distribution system maintain compliance with all required sampling. You'll see both of our presence absence, ample samples tested absent there. So, what? We want to find. Water treatment plants meet the town's water demand with an average daily production rate of about 135,000 gallons a day, which resulted in a monthly, total or monthly finished volume of about just under 4.2 million gallons. A couple of highlights for the month of May I'd like to mention is we got the brine system at Well 4 repaired. There's some meters there that went bad we got replaced. That was leading to a lot of the salty water complaints we were getting a while back. Since then, they've been working like a charm. We haven't had any more issues. Actually, I think the plant's running a little better on the softener system. We got the fire hydrant repaired on North Madison Street. A couple other numerous maintenance items. One thing worth mentioning is we've seen some recovery in Well L. One thing we've done is actually physically turned it off to give it more time to recover. We've noticed there's been relatively light demand at the water plant enough to the point where we can just run off of Well P for a while. We've seen a pretty good recovery. I think the beginning of the month, month of May we're around, like, 33ft above the transducer. Currently, we're all the way back up to about 80ft. It's nice to see one thing to keep in mind, though. It is a, like an artificial raise since we turned it off. Normally we would have liked to see that recovery under normal pumping operations. We have since put it back into full-time automatic service. So we are watching it closely. We'll kind of see how that pans out for us. Oops.

Cindy Pearson: Staying at that? [off mic] Yeah, I was going to say I didn't know what word to use on that. Depth. Yeah.

Vince Gugliotta: It's hovering right now between, like, 75ft. Around 80ft. Depending on if it's pumping or not pumping. Yeah. One just got to give it some more time, kind of watch how it's trending.

Cindy Pearson: Maybe it just needs to be rebooted like our computers.

Vince Gugliotta: Possibly. Again, like I said, we are experiencing, like, a light demand with that system right now. We have had a ton of rain recently, so no one's really watering grass and light demand. Just keep that in mind for now. Another thing we implemented was we changed some set points at the well for treatment system. One thing that's utilized there is we have the new clear well, storage tank. Booster pumps push water from there into the system to refill the water towers. One thing we noticed was the on and off set points were a little, probably a little farther than what they should have been. So we adjusted that the plant comes on and off more frequently. But we've noticed that kind of helps stabilize the water level in Well 4 for the time being. Why we're on the water. If you'd like, we could go back to the transducer graphs. Got any questions with that? Actually, one thing you'll notice is the orange line on the bottom of the page. That is Well L, and you can see that slight trending up towards the end of the month which started about the middle of the month, maybe the 18th or so.

Peter Leonard-Morgan: Vince, what do you put that down to? Because I was asking the question about. And it takes so long for water to percolate down. So is that just because of rain that happened a long time ago? Or how does that work?

Vince Gugliotta: Honestly, that's a good question. I'm not sure at the moment. I mean, it could take 50 years for rainfall miles and miles away to reach us, and that's what's recharging our Well. Or maybe not. This is hard to say. One thing we have done is we've started training the recent rainfall with the transducer graphs. The only way that we've seen impacted by rainfall as well, too, which isn't real surprising since it's really close to Little River. That kind of makes sense. But all the other wells we don't see an immediate, immediate change in water level After it rains. Let me switch over to the wastewater side now. Wastewater plant. Maintain compliance, though permit required sampling. We had an average daily discharge of about 140,000 gallons a day. Which resulted in a total monthly discharge of about 4.3 million gallons. A couple things to note on the wastewater plant. We fixed the reuse water system which coincides with the grid separator at the head works. What that does is it takes water going from the discharge and it pumps it to a small storage tank. And then

we can utilize that throughout the wastewater plant. Why that's important is because the grid separator previously was using a town water. So with the reused water system back in service, we're saving, on average, probably 8 to 9000 gallons of drinking water that's not being utilized at the wastewater plant now. Another thing worth noting is we have seen a lot of I&I coming into the plant with the recent rain. [off mic] I&I Inflow and infiltration.

Bridge Littleton: So that's what drove the April to May.

Vince Gugliotta: Yeah, I think that's definitely what caused that spike.

Bridge Littleton: Okay. That's a lot.

Vince Gugliotta: Yeah. One day it was.

Bridge Littleton: Almost 50% more.

Peter Leonard-Morgan: I think it was to me, there was a was a manhole with a problem somewhere. Bottom of Chinn Lane or?

Vince Gugliotta: I think it's kind of behind Jay Street. It's at the bottom of Jay Street.

Peter Leonard-Morgan: Evidently letting a lot of water like rainwater come in, and.

Vince Gugliotta: I think what it is, the manhole is actually a little deeper than the creek that runs right next to it. Actually, when Five Star filmed it, that was before the rain. And it was it had a really strong flow in it then.

Bridge Littleton: So what's the plan to fix that?

Vince Gugliotta: That we're currently talking to [inaudible] sewer their contractor that does a lot of sewer relining manhole rehabilitation. I know Dan is actually in close contact with them. They're actually supposed to come out, I believe, next week or a couple of weeks.

Bridge Littleton: Yeah, because, I mean, because you look at that. That was the one question I had, right? We're normally around point one, right or 100,000. And now it's up to almost 150,000 for May, which is almost a 50% increase. That's a lot.

Vince Gugliotta: Yeah.

Bridge Littleton: That's not like 5 or 10%. That's a lot.

Vince Gugliotta: Yeah. We've been getting a lot of. Yeah, a lot of inflow.

Peter Leonard-Morgan: So in layman's terms, what's happening is we're treating water that doesn't need treating right so.

Vince Gugliotta: Yeah we don't need to treat it. Correct. Any other questions I can answer?

Bridge Littleton: Anything else for Vince?

Will Moore: Hey, Vince, I know it's not technically part of the May report, but can you just give Council a quick update on the status of the Well four project?

Vince Gugliotta: Yeah. Actually, that just got completed today. We got that place back in operation. Just like, you know, background on it?

Will Moore: Well, just a reminder. So we have dropped the pump level from I think it was roughly at 350ft previously down to about 485, something like that. So.

Vince Gugliotta: Actually on when Valley Drilling dismantled, what was there? It was only set to 300ft. Yeah, kind of surprising, but yeah. Correct. Now it's about I think they said the actual pumping intake is at 503ft below grade. Yeah.

Bridge Littleton: All right. Yeah. Peter.

Peter Leonard-Morgan: The Oyster Bar grease situation, did that get resolved in the end, or is it still ongoing?

Vince Gugliotta: I believe it's still ongoing. Yeah, that's a tricky situation. It's just not a lot of room. They are working on it. Trying to find an area to put it in, Sure.

Bridge Littleton: Do they have a time when it'll be finished?

Vince Gugliotta: Not that I know of. I could check into that.

Bridge Littleton: That'd be great. Sure. Okay. Any other questions? Going once, going twice. Okay. Thanks, Vince.

Vince Gugliotta: Have a good one.

Bridge Littleton: All right. Next up is special projects report by Oh no, Danny.

Danny Davis: Thank you, Mr. Mayor. I should just hand this off to Will. We just have a couple of quick updates. All right, we'll go for it.

Bridge Littleton: Well, over to you.

Will Moore: I'll let you go ahead. Oh, look, he got off really quickly.

Danny Davis: All right. The main updates that we have are on the video inspection process that I know Council is interested in. They've completed a good bit of the town in terms of doing the inspections. They are still getting those videos compiled into us, so we don't have them. But an answer to the question identified just a few minutes ago did help us find one of the major issues of water coming into our sewer system. So we're going to be tackling that. And I do believe our first meeting with this [inaudible] sewer is set for next week. In terms of Madison Street, we're working through continued review of some options there. We did get a letter of interest in the large stones on the east side of South Madison Street. So we'll be bringing that to Council for consideration of whether to allow those stones to be procured by a private party and then replaced by that person with a sidewalk of our choosing. And then other than that, no other significant updates. You receive your Asbury updates at the first meeting of the month, but if there are any questions on the Asbury project, Miss North can answer that for you.

Bridge Littleton: Any questions for Danny? Okay.

J. Kevin Daly: Quick question. Danny make sure you're using some sunscreen. You're awfully red on the cheeks and forehead. Make sure you stay hydrated.

Danny Davis: That must be the polo shirt.

Bridge Littleton: All right. Next up is May 2025 Revenue. Angela.

Angela Fletcher: Thank you, Mayor and Council. Just a little background on this. During last month's presentation of the May 2025 staff reports, the Mayor had requested that Town Manager and Finance Director provide an accounting for the

unspent funds in FY 25. I think you have the reports in your packet, but the numbers are obviously preliminary as we're making adjustments for final year end expenditures and things. But we broke down in five categories. What was outstanding at this point? Happy to answer any questions you may have.

Bridge Littleton: Any questions. So my only question is I'm assuming you guys feel pretty confident that in the next.

Angela Fletcher: Few days.

Bridge Littleton: Five days, it's going to come in at that.

Angela Fletcher: Close to yeah.

Bridge Littleton: You. Yeah. Okay. All right. Good. So has that impacted your all's thinking about the budgeting for this coming up fiscal year? [off mic]

Bridge Littleton: Okay.

Angela Fletcher: Yeah. Not that I'm aware of lest Danny has.

Bridge Littleton: Yeah.

Danny Davis: Yeah. Mr. Mayor. I think it's important to note that there are a few components of this that we did take into consideration in the FY 26 budget, specifically, the fourth bullet point said that says funds not needed or not used in FY 25. So, for instance, the dangerous structures repair, we did not budget in FY 26. We reduced the amount of the economic development grants for fiscal 26. And so and then of course, some of those are going to be spent in some years and perhaps not spent another year. So we do look at those throughout the year when we see line items specifically that are not spent in multiple years in a row and try to understand whether that's over budgeted or perhaps something that we just did not have an opportunity to use because of other projects or timelines.

Bridge Littleton: Okay. Yeah, I just, the thing I want to make sure we do is as we look and I know you guys will always watch it throughout the year. Right. But all of our priorities, we plan with the budget and all the things we want to do. And, you know, if we're I just want to make sure we're good and tight this year on what we think we're going to spend and need. And if we have do have excess funds, where are the right things to do with those way in advance? And, you know, as we consider taxes next year and things like that. So because I remember the last meeting, we were coming in like almost 20% underspent to what we thought. I think that's basically what it was somewhere around there. Right. It's sort of like, okay, 5% plus or minus is fine. You know, 20 is a lot. So that's good. Okay. I don't have any other questions unless anybody else has any other questions. Okay. Thank you. Angela. All right. Next up is. Where are we? Reports of any town's committees or Council liaisons. Peter.

Peter Leonard-Morgan: Not tonight. Thank you, Mr. Mayor.

Bridge Littleton: All right. Well, I saw you with Lynn this morning, so I figured you had something good.

Peter Leonard-Morgan: There was other things going on about next year. Nothing this year.

Bridge Littleton: Gotcha. Okay. Anybody else? All right. Yup. Yeah. Yeah.

Cindy Pearson: Yes, ma'am. This might be the time to go ahead and thank the Chief and all those that were involved with that Juneteenth celebration. I that's the first time I have sat in that community center in a long time and have felt the community come together, and I sort of just had goosebumps rolling down you because knowing with what we've been working with Asbury and then this happening too and knowing some of the problems that the folks had in their history with Asbury and then having everyone there. It was, I don't have enough words to say what it was. It was great. It really was.

Bridge Littleton: I think the only negative, I would say is that they did not plan for enough food. So the 40 pizzas and then all the chicken and everything else. So no, I. So yeah, I totally agree, I actually wrote that down and I have something to tell Rhonda that she's going to get very excited about. No, I thought it was great. I thought it was very, very well done. And it really was just, you know, a great local event. So, Rhonda, for your Asbury Church project. So we did the two resolutions for Mr. Dodson and Mr. Grayson.

Rhonda North: Yes.

Bridge Littleton: And I gave a quick two minutes It's about just the story, right? Well, Smitty was there.

Rhonda North: I heard.

Bridge Littleton: And he stood up and he took the mic for about 15 minutes and told the whole story.

Rhonda North: I heard.

Bridge Littleton: And Frances's niece.

Rhonda North: She get it?

Bridge Littleton: She got the whole thing.

Rhonda North: Wonderful.

Bridge Littleton: Yep. And she was like, from me and Cindy away. So I gave her my card and said, You have got to email that to me. But, I mean, she told the whole story or not, she but Smitty told the whole story. It was great. It was great. So I'm sure you can give it to the videography people, and they can clean it up and, you know, make it prettier. And, you know.

Rhonda North: [inaudible] I would talk to the town attorney about the legality of using someone's video that was recorded during what is a public event. But I'll have that conversation with the attorney.

Bridge Littleton: I'm sure we can figure it out and get a license agreement or whatever. I don't care, but yeah.

Rhonda North: Believe me, if we can figure it out we will.

Bridge Littleton: Yeah. It was fantastic.

Rhonda North: Yeah. Great.

Bridge Littleton: So, Chief thanks did a great job. And everybody. Where's. Oh, she's not here. Everybody else who helped participate and all the volunteers please tell them, you know, we really appreciate it.

Shaun Jones: Thank you. Sir.

Bridge Littleton: Okay. Any other town committees or findings like that? Okay. Consent agenda. Would anybody like anything removed from the consent agenda?

Rhonda North: Mr. Mayor. There's nothing on the consent agenda.

Bridge Littleton: Oh. Action items. I'm sorry. All right. [off mic] Keep it up. Okay. Council approval of the Inter Fund loan agreement. Is this for Danny's new car?

Danny Davis: No sir. [multiple speakers]

Bridge Littleton: Oh, that's the other loan agreement. Okay. All right. Yeah. Go ahead.

Danny Davis: Yeah. Mr. Mayor, I'll take this one. And Miss Fletcher is there as well to assist with any other questions. This kind of has three parts to it. First, as noted previously, this would be the action in response to the FY 25 budget amendment that you held the public hearing on just prior to this. But the two other components are one, an inter fund loan agreement, as has been discussed with you from the general fund to the utility fund in the amount of \$1.1 million. And this would allow us to pay off the current line of credit from that's held at the utility fund. We would be loaning the money to ourselves that the current interest rate of that we are receiving under the Virginia VML VACo liquidity fund currently, that's around four and a half, 4.75%. We would reset that year by year, and then this would be a demand note. So it would be interest only for the time being, but we would review it annually to understand if any components of that or any portion, the principal should be paid down depending on the current status of the utility funds, fund balance and fiscal financial situation. But at any time, the Town Council could demand to itself essentially to pay itself back from the utility fund, back to the general fund. Likely that will occur at whatever time the Council. And we bring forward to you the proposal for additional debt funding for other projects, as we've discussed, that are under review and will be under potential development, such as additional well treatment, additional waterline projects, things like that. So the agreement is provided for you in the packet and is pretty straightforward and was recommended by the Strategic Finance Committee. And then the final piece of this is not just amending the FY 25 budget, but actually just approving the appropriations to pay \$1.4 million, which is the total amount to pay off the series 2020 A and B loans. So those motions are captured in this item. We're happy to answer any questions you might have.

Bridge Littleton: Any questions? Yeah. Peter.

Peter Leonard-Morgan: Thanks, Danny. Why only interest and not a principal being repaid? Please.

Danny Davis: Sure thing. It's partly just flexibility for the time being for the utility fund until we get a broader sense of what our long-term debt needs are going to be. For that, we would have the ability to go ahead and pay down some of that principal year by year. We had not planned that in the fiscal 26 budget. So I think part of the feeling was not wanting to burden the fiscal 26 budget with a lump sum of principal payment that had not been planned. But as we get into even developing out fiscal 27. Over the next six months or so, we would be able to see if there's some room in there for us to at least pay down a portion of the principal in a timely manner. But also understanding that at the end of the day, we would be paying ourselves back the money eventually.

Bridge Littleton: Any other questions, Peter? I mean, you know what? It's a good question, right? I mean, we did principal and interest we're talking like 6 to \$7000 a month. Whereas if you just interest only you're talking, you know, 4000 a month or whatever it is, if you did a 25-year amortization or something like that.

Danny Davis: Our initial review, I mean, our initial consideration was to do this as a fixed principal payment essentially over. I think I had just set out over ten years because, again, knowing that we wanted this to be maybe a shorter term loan because we have future debt coming up, and that if you did a ten year, that places a pretty significant amount of money on the utility fund, which is already only at about 1.6 \$1.7 million. So that would have been about 150, 160,000 per year, principal and interest. So we brought that to the finance committee and said, well, let's you don't need to be so rigid in this. Let's look at it in more of a demand note, which gives you that ultimate flexibility. I mean, if the Council's desire is that we begin to pay this down on a regular basis, I think we can find a way to do that even maybe a little bit with perhaps some end-of-year fund balance. If we have some but also planning that into the next, you know, fiscal 27 budget. Again, we don't have as much wiggle room in the fiscal 26 budget, so I would need to do a little more looking at those dollars before committing any principal payments in fiscal 26.

Bridge Littleton: Yes. So my only thought here is it's really more philosophical, right, in that. So okay, great. We're borrowing from ourselves. We're paying ourselves in interest, which is all good stuff. When you're in a good financial situation, you can do that. It makes sense. Whatever. But you know what? Not if when we have to actually go to the debt

market, we're not going to do this as interest only. Right. Even if we did a 25-year amortization schedule or a 30-year amortization schedule or 20 years, I mean, you know, typical utility stuff is 20 years. That's totally fine. It's just it's being responsible, you know, that's the thing for me, it's about being responsible that I just, I don't like the feeling of like, just because it's we're borrowing from ourselves we don't have to pay back the principal because, you know, we did that once before with Mark and that was years ago. So it's a different world. I just personally I would just feel more comfortable again, even if we did it on a 25 year Am schedule. That's fine. It's just we are being responsible about that. We pay back interest and principal. Now, I get your point. Our utility fund is only \$1.7 million, so there's not a lot of flexibility, but you know, again we need to be if we can be thoughtful on that. So Chris.

Chris Bernard: So question. So we've already done the budget for 26. Is there a way to set this up now where we either have a resolution or something that would outline a structure that would start after a year or so, maybe year one, year one, [multiple speakers] that's one year one's interest only. And then in year two we commit to at least a minimum of some amount, and maybe that allows us to move forward on this without having to rework everything. And Danny, you can speak more to that.

Danny Davis: Yeah. And I think there's a way that we can accomplish that.

Bridge Littleton: Danny hang on for one second. Cindy wants to say something.

Cindy Pearson: And I thought, too, that we were going to be a little bit more frugal with our funds this year because we didn't know what this year was going to bring. So what Chris said is a good idea, somehow putting it off for another year. The principle. The principle, yes.

Bridge Littleton: I mean, I think the way we could do it is you can always make a demand note no matter what, but it can be set up with a, you know, if we never demand it's a 25 year amortization schedule with principal and interest, interest only year one principal and interest the next 25 years after that, and no penalty for prepayment and all that kind of stuff. So it just feels like it's a more responsible to the utility fund. That's all because again, if we go to the bank, they're not going to let us be interest free only, you know.

Chris Bernard: So to follow up on that. I guess my question for you, Danny, is I think you need us to move forward because one of these is due in a couple of days, right?

Danny Davis: That's correct. We actually have to pay the loans off by Monday, so we intend to. I think Angela is set up to do that tomorrow, assuming Council approves it. So yeah, the, if Council is open to this, we would seek your approval of what we have before you. And then either we can come back to you with a revision to the loan agreement which.

Bridge Littleton: That's fine. We could do a revision after [multiple speakers].

Danny Davis: Memorialize.

Bridge Littleton: That's fine. Yeah. Yeah, totally.

Danny Davis: That's right.

Bridge Littleton: I mean, I think we all trust that you guys would come back in a month with a revision to the note, and it's the same party signing the note as having the notes. So.

Danny Davis: All right. Yeah. And it really is I mean, again, it's meant to be a stopgap. But I understand your point that if for some reason it ends up being more than just a stopgap, then we want to have some expectations of repayment schedule.

Bridge Littleton: Exactly. Is everybody comfortable with that?

Darlene Kirk: Yeah.

Bridge Littleton: Okay. All right, so if there's not any other questions, I think the goal here is we'll approve this. And then, you know, the next month or so, you guys will come back with amendments to note that, you know, interest only the first year, and then we'll put in whatever is a fair and reasonable sort of market approach to amortization schedule and interest and all that. So okay, cool. So if there's no other questions.

Chris Bernard: I move that the Town Council adopt an ordinance to provide an inter fund loan from the general fund to the utility fund for a payoff of the 2028 general obligation bond.

J. Kevin Daly: Second.

Chris Bernard: Hold on. I further moved that the Town Council amend the FY 25 budget and appropriate \$1.4 million from the Utility Fund to pay the outstanding principal amounts of series 2020 A and series 2020 B loans. I guess and then Council further, [off mic] you would do that. Okay.

Bridge Littleton: Any other discussion? Rhonda, will you call the roll?

Rhonda North: Vice Mayor Bernard.

Chris Bernard: Aye.

Rhonda North: Council Member Curran.

Pam Curran: Aye.

Rhonda North: Council Member Daly.

J. Kevin Daly: Aye.

Rhonda North: Council Member Jacobs is absent. Council Member Kirk.

Darlene Kirk: Aye.

Rhonda North: Council Member Leonard-Morgan.

Peter Leonard-Morgan: Aye.

Rhonda North: Council Member Pearson.

Cindy Pearson: Aye.

Bridge Littleton: All right. Next item is Council approval. Oh. Resolution to amend the town infrastructure grant policy.

Rhonda North: Thank you, Mr. Mayor. So during your last Council meeting you heard an application from a nonprofit seeking an infrastructure grant for some equipment. The question arose as to whether that equipment truly met the definition of an infrastructure project. When we originally wrote the grant policy, we left that definition a little wide open. You know, to cover anything that may come up that that we weren't anticipating. But based on Council's discussion during the last meeting it appears that there is a desire to maybe make that a little tighter. So the staff has proposed some revisions that would change the definition of an infrastructure project to require that it be a permanent component of the building or facility that is either owned or leased by the applicant and used for its primary operations. It shall have a long-term lifecycle, and it shall not include electronics or similar components that have shorter life cycles or a part of the applicant's operations. In addition we added a clause that requires that grants may not be awarded for infrastructure

projects that have already been initiated or completed. That was the original intent that was not included in the policy. So we have now included that language as well. So we're now presenting this to Council for your consideration.

Bridge Littleton: Any questions?

Cindy Pearson: Is there a limit on how many times the owner renter can apply for the grant and over a certain amount of years?

Rhonda North: So yes, the policy as already written allows for no more than three grant awards during any ten-year period. And the maximum limit of an annual grant is \$10,000. So if they applied for three years at \$10,000, the maximum the organization could get in a ten-year period would be \$30,000. Okay.

Cindy Pearson: Thank you.

Bridge Littleton: Any other questions? Darlene.

Darlene Kirk: We should probably inform the lady from the who was here last time to seek some funds that how that works.

Bridge Littleton: We gave it to her.

Darlene Kirk: I know we gave it to her, but I mean the overall because she said she was coming back with another request.

Bridge Littleton: Well, I mean that.

Darlene Kirk: Yeah.

Bridge Littleton: [multiple speakers] look it up. Okay.

Rhonda North: Yeah. I know that Ms. MacIntyre is planning to do another training session for our grants. You know, our applicants are required to participate in training as part of the grant application. I knew she was trying to do one in July. And we were waiting for her to schedule it until we knew whether you all were going to make some amendments to the policy so that when she did the training, it would be as up to date as possible.

Bridge Littleton: So. So I recommend sometime in the middle of July. Noon. Outdoors. [laughter] Okay.

Peter Leonard-Morgan: May I make a motion?

Bridge Littleton: Yeah Peter.

Peter Leonard-Morgan: I move that Council adopt a resolution to amend the town infrastructure grants policy.

J. Kevin Daly: Second.

Bridge Littleton: Any discussion? All those in favor say aye.

All of Council: Aye.

Bridge Littleton: Opposed. Abstentions. Okay. Next item is. Let me see here. Discussion items, cancellation of the August town meeting. So I think traditionally we've canceled the first one. Does that still work for everybody?

Darlene Kirk: That's fine with me, but I thought we always did the second one. Until last year.

Bridge Littleton: The last couple of years.

Rhonda North: You've varied it throughout the year, but throughout the years. But I think the last couple of years it has been the first one.

Cindy Pearson: I just want to note, though, that Rhonda, you can't make those agendas so flipping long after we eat for the next 3 or 4 like you have.

Bridge Littleton: You can't pack it in. Okay, so we're all good with that in the first meeting. All right. Any other information items? We do have a closed session tonight. The only one. Oh, no, we already talked about [inaudible] that. So we're good. Okay. If there's nothing else, if somebody would like to read the closed session memo.

Chris Bernard: I move.

Bridge Littleton: [off mic]

Chris Bernard: I move the Council going to closed session as authorized under section 2.2-3711 of the Code of Virginia for consultation with legal counsel pertaining to actual litigation involving one Cooper Building Services, LLC, versus the Town of Middleburg and two Salamander Farms, LLC versus the Town of Middleburg, both as allowed under subsection A7, and three appointments to the Middleburg Sustainability Committee as allowed under subsection A1. I further move that Council thereafter reconvene in open session for action as appropriate.

Peter Leonard-Morgan: Second.

Bridge Littleton: Any discussion? All in favor, say aye.

All of Council: Aye.

Bridge Littleton: Opposed? Abstentions? Okay. We're in closed session. Just concluded to the best of each member's knowledge, nothing was discussed except the matter or matters specifically identified in the motion to convene the closed session and to lawfully permitted to be discussed in a closed session under the provisions of the Virginia Freedom of Information Act as cited the motion, I would like to remind those present for the closed session that any discussion that occurred within it should be treated as confidential.

Peter Leonard-Morgan: Yes.

Darlene Kirk: Yes.

Bridge Littleton: Yes.

Chris Bernard: Yes.

Cindy Pearson: Yes.

J. Kevin Daly: Yes.

Pam Curran: Yes.

Bridge Littleton: Bud you didn't say anything. Any other items?

Peter Leonard-Morgan: I'd like to make a motion, Mr. Mayor. I move that Council appoint Robert Dry to the Middleburg Sustainability Committee to fill an unexpired term. Said term to expire December 31st, 2027.

J. Kevin Daly: Second.

Bridge Littleton: Any discussion? All those in favor say aye.

All of Council: Aye.

Bridge Littleton: Opposed? Abstentions? Okay. Any other items? Meeting adjourned.